



Albuquerque Bernalillo County Water Utility Authority

Albuquerque/Bernalillo
County
Government Center
One Civic Plaza
Albuquerque, NM 87102

Agenda

Councilor Trudy E. Jones, Chair
Commissioner Debbie O'Malley, Vice-Chair
Councilor Pat Davis
Mayor Timothy M. Keller
Councilor Klarissa J. Peña
Commissioner Steven Michael Quezada
Commissioner Lonnie C. Talbert
Trustee Pablo Rael

Wednesday, April 18, 2018

5:00 PM

Vincent E. Griego Chambers

1. **CALL TO ORDER**
2. **INVOCATION/PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF MINUTES - March 21, 2018**
4. **PROCLAMATIONS AND AWARDS**
 - A. **Quarterly Employee Incentive Awards**
5. **PUBLIC COMMENT**
6. **ANNOUNCEMENTS/COMMUNICATIONS**
 - A. **Next Scheduled Meeting – May 23, 2018 at 5:00 PM**
7. **INTRODUCTION (FIRST READING) OF LEGISLATION**
 - A. [O-18-3](#) Repealing Section Six, the Albuquerque Bernalillo County Water Utility Authority Selection Advisory Committee Ordinance, to Coincide with the Adoption of the County of Bernalillo Procurement Ordinance
 - B. [O-18-4](#) Amending the Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance to Update the Utility Financial Policy to Establish a Water 2120 Fund (R-16-12); Update the Minimum Committed Expenditures to \$40 Million in the Water and Sewer Rehabilitation Fund; Update the Utility Expansion Charge, Water Supply Charge, Septic Tank, and Chemical Toilet Charge by 2.60% Based on the Engineering News Report Index; and Update Appendix C Post Issuance Compliance Policy
 - C. [O-18-5](#) Authorizing the Execution and Delivery of a Loan and Subsidy Agreement

("Loan Agreement") By and Between the Albuquerque Bernalillo County Water Utility Authority ("Water Authority") and the New Mexico Finance Authority, Evidencing a Special Limited Obligation of the Water Authority to Pay a Principal Amount of No More Than Two Hundred Fifty Thousand Dollars (\$250,000), Together With Interest, Costs of Issuance and Administrative Fees Thereon, and to Accept a Loan Subsidy of No More Than Seven Hundred Fifty Thousand Dollars (\$750,000), For the Purpose of Financing the Cost of Extending and Improving the Water Infrastructure System to the Carnuel Community, Including, Acquisition and Installation of Water Distribution Lines; Providing for the Pledge and Payment of the Principal, Interest and Administrative Fees Due Under the Loan Agreement Solely From Net Revenues; Setting a Maximum Interest Rate for the Loan; Approving the Form of and Other Details Concerning the Loan Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Ordinance; and Authorizing the Taking of Other Actions In Connection With the Execution and Delivery of the Loan Agreement

- D. [R-18-11](#) Approval of the Execution and Delivery of a Loan and Subsidy Agreement (the "Loan Agreement") by and Between the Albuquerque Bernalillo County Water Utility Authority (the "Water Authority") and the New Mexico Finance Authority Evidencing a Special Limited Obligation of the Water Authority to Pay a Principal Amount of No More than Two Hundred Fifty Thousand Dollars (\$250,000), Together with Interest, Costs of Issuance and Administrative Fees Thereon, and to Accept a Loan Subsidy of No More than Seven Hundred Fifty Thousand Dollar (\$750,000); and Ratifying Action Previously Taken in Connection Therewith
- E. [R-18-12](#) Appropriating Funds for Operating the Albuquerque Bernalillo County Water Utility Authority for Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019
- F. [R-18-13](#) Appropriating Funds for the Capital Implementation of the Albuquerque Bernalillo County Water Utility Authority for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019
- G. [R-18-14](#) Adopting the County of Bernalillo Purchasing Ordinance for the Albuquerque Bernalillo County Water Utility Authority
- H. [R-18-15](#) Authorizing the Removal of Certain Uncollectable Accounts from the Albuquerque Bernalillo County Water Utility Authority Accounts Receivable Records FY2013 and Prior
- I. [R-18-16](#) Delegation of Authority for Declaration of Surplus and the Disposition of Surplus from the Albuquerque Bernalillo County Water Utility Authority Public Property

8. CONSENT AGENDA

(Any Board Member may request that a Consent Agenda item be placed under Approvals)

9. APPROVALS

- A. [R-18-10](#) Establishing One-Year Objectives for the Albuquerque Bernalillo County Water Utility Authority in Fiscal Year 2019 to Meet Five-Year Goals
- B. [C-18-12](#) Reappointments to the Technical Customer Advisory Committee

10. OTHER BUSINESS

- A. [OB-18-6](#) Water Report - 2017 Consumer Confidence Report
- B. [OB-18-7](#) Drought Status Report

11. ADJOURNMENT

Visit Our Website at www.abcwua.org

NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in this meeting, please contact the Authority Office as soon as possible before the meeting date at 289-3100 or by the TTY at 1-800-659-8331.

Meeting Date: April 18, 2018
Staff Contact: Mark S. Sanchez, Executive Director

TITLE: **O-18-3 – Repealing Section Six, the Albuquerque Bernalillo County Water Utility Authority Selection Advisory Committee Ordinance to coincide with the adoption of the County of Bernalillo Procurement Ordinance**

ACTION: **Introduction April 18, 2018; Final Action May 23, 2018**

SUMMARY:

The Albuquerque Bernalillo County Water Utility Authority (Water Authority) has determined it to be operationally and functionally beneficial to adopt the County of Bernalillo Procurement Ordinance. To date, the Water Authority had followed the City of Albuquerque Public Purchases Ordinance legal requirements governing approval of contracts. Under the previous legal framework, the Water Authority Selection Advisory Committee Ordinance provided the procedure for the selection of firms or persons to provide professional engineering, architectural, landscape architectural and other related professional services.

By adoption of the County of Bernalillo's Procurement Ordinance, the Water Authority has determined it to be no longer necessary to establish a separate Ordinance governing selection of engineers, architects, and other related professional services. The County of Bernalillo's Procurement Ordinance establishes its own legal requirements regarding the composition of the Selection Advisory Committee and for selection of firms providing engineers, architects, and other related professional services. The Water Authority will establish additional rules governing the Selection Advisory Committee, if necessary, via administrative instruction.

The repeal of the Ordinance will be effective July 1, 2018, to coincide with the Water Authority's adoption of the County of Bernalillo Procurement Ordinance.

FISCAL IMPACT:

None

Albuquerque Bernalillo County Water Utility Authority

BILL NO. O-18-3

ORDINANCE

REPEALING SECTION SIX, THE ALBUQUERQUE BERNALILLO COUNTY WATER
UTILITY AUTHORITY SELECTION ADVISORY COMMITTEE ORDINANCE, TO
COINCIDE WITH THE ADOPTION OF THE COUNTY OF BERNALILLO PROCUREMENT
ORDINANCE

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD, THE GOVERNING BODY OF
THE WATER AUTHORITY:

Section 1. SECTION 6 IS REPEALED AS FOLLOWS:

~~Section 6 SELECTION ADVISORY COMMITTEE~~

~~6-1-1 SHORT TITLE.~~

~~6-1-2 DEFINITIONS.~~

~~6-1-3 SELECTION OF SERVICES.~~

~~6-1-4 SELECTION ADVISORY COMMITTEE.~~

~~6-1-5 AD HOC BOARD.~~

~~6-1-6 PUBLICATION OF PROPOSED PROJECTS.~~

~~6-1-7 METHOD OF SELECTION.~~

~~6-1-8 PROMULGATION OF RULES AND REGULATIONS.~~

~~6-1-9 EMERGENCY SELECTION.~~

~~6-1-10 DISCLOSURE STATEMENT.~~

~~6-1-11 DEFINITE TERM REQUIRED.~~

~~6-1-12 COMPENSATION FOR BASIC SERVICES OF CONSULTING~~

~~ENGINEERS, ARCHITECTS, LANDSCAPE ARCHITECTS, CONSTRUCTION~~

~~MANAGERS AND SURVEYORS.~~

~~6-1-13 CHANGE IN SCOPE; AUTHORIZATION REQUIRED.~~

~~6-1-14 MULTI-PHASE PROJECTS.~~

~~6-1-15 PROMULGATION OF RULES AND REGULATIONS.~~

~~6-1-1 SHORT TITLE.~~

~~This Ordinance may be cited as the "Selection Advisory Committee Ordinance."~~

~~6-1-2 DEFINITIONS.~~

~~For the purpose of §§ 6-1-1 et seq., the following definition shall apply unless the context clearly indicates or requires a different meaning.~~

~~—"BASIC SERVICES". Those professional services of consulting engineers, architects landscape architects, construction managers, surveyors, and other professional service providers, identified as "Basic Services" in each specific agreement between the Authority and each consulting professional or professional firm to which a project is assigned.~~

~~6-1-3 SELECTION OF SERVICES.~~

~~—The selection of firms or persons to provide professional architectural, engineering, construction management landscape architectural and other professional services which will cost \$50,000 or more, or landscape architectural or surveying services which will cost \$10,000 or more, shall be accomplished in accordance with the provisions of §§6-1-1 et seq. For the purposes of §§6-1-1 et seq., PROFESSIONAL ARCHITECTURAL, ENGINEERING, LANDSCAPE ARCHITECTURAL CONSTRUCTION MANAGEMENT, SURVEYING AND OTHER PROFESSIONAL SERVICES means the performance of any professional service or creative work requiring architectural, landscape architectural, construction management, surveying, engineering, or other professional education, training and experience, and the application of special professional knowledge, such as the mathematical, physical and engineering sciences, design or architectural principles to such professional services or creative work as consultation, investigation, evaluation, planning, design, observation of construction, surveying, photogrammetry and construction management.~~

~~6-1-4 SELECTION ADVISORY COMMITTEE.~~

~~—The Selection Advisory Committee shall be composed of five voting members and a nonvoting Selection Advisory Committee (SAC) Administrator as follows:~~

~~—(A) Architectural, Engineering, and Landscape Architectural, Construction Management, Surveying or Other Professional Services.~~

~~—(1) The General Manager of the Authority, or the designated staff alternate of the General Manager.~~

~~————— (2) — A minimum of two but a maximum of three Authority employees, who are registered in the state as engineers, or possessing other professionally licensed or technical qualifications suitable for the project.~~

~~————— (3) — A minimum of one, but a maximum of two, engineer(s) or other technically qualified individual(s) who is registered in the state shall be appointed as a member by the Executive Director from outside the Authority from a listing of professionally qualified candidates representative of public utility and/or public works service agencies, including but not limited to the City of Albuquerque, Bernalillo County, Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA), Southern Sandoval County Arroyo Flood Control Authority (SSCAFCA), Middle Rio Grande Conservancy District (MRGCD), Middle Rio Grande Council of Governments (MRCOG), other public entities or professional associations, having professional expertise relevant to the project. Any such member shall not be contracting directly or indirectly through a subcontract with the Authority to perform professional services for the Authority. In the event that the Executive Director's outside representative is not available, a registered engineer or other technically qualified individual who is a public employee, and approved by the Executive Director, may serve as the Executive Director's representative.~~

~~————— (4) — Selection Advisory Committee Administrator.~~

~~(B) — The Selection Advisory Committee Administrator shall be a an Authority employee designated by the Executive Director as responsible for all administrative functions associated with the Selection Advisory Committee as delineated in Rules and Regulations promulgated by the Executive Director. The SAC Administrator shall serve as the Chairperson of the Selection Advisory Committee.~~

~~(C) — The Selection Advisory Committee Administrator shall not call a meeting with less than two weeks notice to members unless the Administrator first polls all members and finds no objection to the meeting date proposed and a quorum of the members shall be present.~~

~~6-1-5 AD HOC BOARD.~~

~~In case of a project of unique or special nature, the Executive Director may name an Ad Hoc Board to recommend to the Executive Director firms or persons to provide professional architectural, engineering, landscape architectural, construction management, surveying and other related professional services required on the project. The Ad Hoc Board shall be comprised of the appropriate Selection Advisory Committee members augmented by a~~

~~maximum of four additional voting members. If the Executive Director elects to use this method of selection, the Authority shall be advised of the reasons for the Ad Hoc Board, the names of the additional voting member(s) who would augment the Selection Advisory Committee, and the selection criteria. The Authority shall review and approve the Executive Director's recommendation of the establishment of an Ad Hoc Board and the additional voting member(s) who would augment the Selection Advisory Committee prior to any convening of the Board. The SAC Administrator shall serve as the Chairperson of the Ad Hoc Board.~~

~~6-1-6 PUBLICATION OF PROPOSED PROJECTS.~~

~~Brief descriptions of proposed projects shall be published in an Albuquerque newspaper of general circulation at least twice, not less than one week apart, with a due date for responses not less than one week after the second publication.~~

~~6-1-7 METHOD OF SELECTION.~~

~~—— (A) Recommendation by Committee. The Selection Advisory Committee shall evaluate proposals received for each project by assigning points to evaluation criteria. For each project the General Manager or his designee, in coordination with the Chairperson, shall determine the maximum points for each criterion according to adopted procedures. If interviews are conducted from a short list of respondents, interview project related items shall be determined by the Committee. Interviewee's responses to these items during their interview presentation to the Committee shall also be evaluated by assigning points to evaluation criteria which shall consist of the interview items, the overall quality of the presentation, and subsequent response to questions from Committee Members. The Committee shall submit the names of not more than three qualified professional firms or persons in the order in which they are recommended to the Executive Director. Rankings shall be determined by the amount of points for each firm or person. If the Committee determines that there are less than three firms or persons qualified to provide the services, only those deemed qualified shall be recommended to the Executive Director.~~

~~—— (B) Recommendation by Executive Director. For the purpose of review and approval by the Authority as required by §§ 6-1-1 et seq., the Executive Director shall submit the Committee's or Ad Hoc Board's recommended list of qualified professional firms or persons to the Authority and indicate the order in which they are recommended. If the order is different from the Committee's or Ad Hoc Board's, the Executive Director shall explain the difference.~~

1 ~~—— (C) Approval by the Authority Board. The Authority Board shall approve or~~
2 ~~disapprove the recommendations made by the Executive Director. In the event the Authority~~
3 ~~does not approve the Executive Director's recommendations, the Executive Director shall~~
4 ~~then recommend another firm or person for the number one ranking from the firms or persons~~
5 ~~recommended by the Committee or the Ad Hoc Board.~~

6 ~~—— (D) If the Executive Director is unable to negotiate a satisfactory services~~
7 ~~agreement with the firm or person ranked number one based upon unreasonable delay or~~
8 ~~unreasonable cost, the Executive Director shall formally terminate negotiations with such firm~~
9 ~~or person and the Executive Director may undertake negotiations with the firm or person~~
10 ~~ranked number two. In the event that the Executive Director is unable to negotiate a~~
11 ~~satisfactory services agreement with the firm or person ranked number two, the Executive~~
12 ~~Director shall formally terminate negotiations with such firm or person and the Executive~~
13 ~~Director may undertake negotiations with the firm or person ranked number three. In the~~
14 ~~event that the Executive Director is unable to negotiate a satisfactory services agreement~~
15 ~~with the person ranked number three, the Executive Director shall formally terminate~~
16 ~~negotiations with such firm or person. If, after the termination of negotiations with the firm or~~
17 ~~person ranked number three there still is a need for the services, the entire selection process~~
18 ~~shall be repeated.~~

19 ~~—— (E) In those instances where the Executive Director is unable to negotiate a~~
20 ~~satisfactory services agreement with the firms or persons in their ranked order as approved~~
21 ~~by the Authority, the Executive Director shall formally communicate with the Authority the~~
22 ~~reasons for terminating negotiations in each case.~~

23 ~~6-1-8 PROMULGATION OF RULES AND REGULATIONS.~~

24 ~~—— The Executive Director shall promulgate rules and regulations for the efficient and~~
25 ~~equitable administration of §§ 6-1-1 et seq. Such rules and regulations shall govern:~~

26 ~~—— (A) The procedures to be followed in the selection of firms or persons to provide~~
27 ~~professional architectural, engineering, construction management, and other professional~~
28 ~~services which will cost less than \$50,000, or landscape architectural or surveying services~~
29 ~~which will cost less than \$10,000.~~

30 ~~—— (B) The procedures to be followed by the Selection Advisory Committee in the~~
31 ~~selection of firms or persons to provide professional architectural, engineering, construction~~
32 ~~management, and other professional services which will cost \$50,000 or more, or landscape~~

1 ~~architectural or surveying services which will cost \$10,000 or more.~~

2 ~~6-1-9 EMERGENCY SELECTION.~~

3 ~~——— When the Executive Director determines that urgent and compelling reasons require~~
4 ~~emergency contractual professional architectural, engineering, landscape architectural,~~
5 ~~construction management, surveying and other professional services, the Executive Director,~~
6 ~~notwithstanding any provision contained herein, may approve such services, provided that~~
7 ~~the Executive Director shall notify the Authority of the action citing the compelling and urgent~~
8 ~~reasons therefor. The report required to be made to the Authority by the Executive Director,~~
9 ~~shall be submitted at the next regular meeting of the Authority.~~

10 ~~6-1-10 DISCLOSURE STATEMENTS.~~

11 ~~——— (A) The Executive Director shall cause to be incorporated into any contract~~
12 ~~between the Authority and any firm or person performing architectural, engineering,~~
13 ~~landscape architectural, construction management, surveying and other professional~~
14 ~~services, a disclosure statement wherein such firm or person shall affirm whether within the~~
15 ~~prior two years, it has made or agreed to make any valuable gift, whether in the form of~~
16 ~~service, loan, thing or promise, to any person or any of his immediate family, having the duty~~
17 ~~to recommend, the right to vote upon, or any other direct influence on the selection of firms~~
18 ~~or persons performing architectural, engineering, landscape architectural, construction~~
19 ~~management, surveying and other services.~~

20 ~~(B) Offerors shall disclose all campaign contributions in accordance with Section 13-1-~~
21 ~~191.1 NMSA 1978, as amended.~~

22 ~~——— (C) A solicitation or proposed award for a proposed contract may be canceled~~
23 ~~pursuant to Section 13-1-181 NMSA 1978, or a contract that is executed may be ratified or~~
24 ~~terminated pursuant to Section 13-1-182 NMSA 1978 if:~~

25 ~~——— (1) a prospective contractor fails to submit a fully completed disclosure~~
26 ~~statement pursuant to this section; or~~

27 ~~——— (2) a prospective contractor or family member or representative of the~~
28 ~~prospective contractor gives a campaign contribution or other thing of value to an applicable~~
29 ~~public official or the applicable public official's employees during the pendency of the~~
30 ~~procurement process.~~

31 ~~6-1-11 DEFINITE TERM REQUIRED.~~

~~Any agreement for the basic services provided by consulting engineers, architects landscape architects, construction managers, surveyors, and other professional service providers, shall be for a definite term which shall be stated in the agreement. The term of the agreement may only be extended for good cause and after the written approval of the Executive Director.~~

~~6-1-12 COMPENSATION FOR BASIC SERVICES OF CONSULTING ENGINEERS, ARCHITECTS LANDSCAPE ARCHITECTS, CONSTRUCTION MANAGERS AND SURVEYORS.~~

~~Compensation for the basic services provided by consulting engineers, architects landscape architects, construction managers, surveyors, and other professional service providers, shall be negotiated. If an estimated construction cost can be determined from the project for which the basic services are provided, it may be used as the basis of negotiations unless use of the estimated construction cost is prohibited by funding authorities.~~

~~6-1-13 CHANGE IN SCOPE; AUTHORIZATION REQUIRED.~~

~~(A) In the event there is a change in the scope, complexity, character, or duration of a project involving the basic services of consulting engineers, architects landscape architects, construction managers, surveyors and other professional service providers, the compensation for such services shall be renegotiated or negotiated as appropriate. Whenever applicable, appropriate consideration of estimated construction cost will be used as the basis of negotiations.~~

~~(B) Any change in scope that will require different or additional services, except those services to which the emergency selection provisions in this article apply, shall be authorized by the prior written approval of the Executive Director or his designee. This provision shall apply to a change in any form, whether by amendment, additional services authorization, addendum or other designation.~~

~~(C) The written authorization shall specify the additional or different services, the estimated total cost of the additional or different services, and how the additional or different services relate to the scope of services of the underlying agreement for basic services.~~

~~(D) Verbal authorization to proceed to perform additional or different services shall not constitute valid authorization, and no services should be performed prior to the execution of all required written authorizations.~~

~~6-1-14 MULTI-PHASE PROJECTS.~~

~~Compensation for the basic services of consulting engineers, architects landscape architects, construction managers, surveyors and other professional service providers, for projects to be constructed in stages over a period of years, or in multiple phases, shall be negotiated. Whenever applicable, appropriate consideration of estimated construction cost will be used as the basis of negotiations.~~

~~6-1-15 PROMULGATION OF RULES AND REGULATIONS.~~

~~_____ The Executive Director shall promulgate rules and regulations for determining compensation for the basic services of consulting engineers, architects, landscape architects, construction managers, surveyors and other professional service providers, when an estimated construction cost is used as the basis of negotiations. Such rules and regulations shall provide for a biennial review of the percentage of estimated construction cost to be paid for such basic services.~~

Section 2. SEVERABILITY CLAUSE. If any Section, paragraph, sentence, clause, work or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The Water Authority hereby declares that it would have passed this Ordinance and each Section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

Section 3. EFFECTIVE DATE. This Ordinance shall become effective July 1, 2018.

Meeting Date: April 18, 2018
Staff Contact: Hobert Warren, CSD manager

TITLE: O-18-4 – Amending the Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance to Update the Utility Financial Policy to Establish a Water 2120 Fund (R-16-12); Update the Minimum Committed Expenditures to \$40 Million in the Water and Sewer Rehabilitation Fund; Update the Utility Expansion Charge, Water Supply Charge, Septic Tank, and Chemical Toilet Charge by 2.60% Based on the Engineering News Report Index; and Update Appendix C Post Issuance Compliance Policy

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

This Legislation amends the Albuquerque Bernalillo County Water Utility Authority (Water Authority) Water and Sewer Rate Ordinance to establish a Water 2120 Fund section 1-1-7(J) per (R-16-12), which will be funded at a minimum of \$2 million per year beginning in Fiscal Year 2020, and update the minimum committed expenditures in the Water and Sewer Rehabilitation Fund section 1-1-6(C) to not less than 40 million dollars per year.

In addition, the Ordinance is amended to increase the Utility Expansion Charges, Water Supply Charge, Septic Tank Charge, and Chemical Toilet Charge by the ENR index per sections 1-1-8(A)(1), 1-1-8(D)(1) and 1-1-9(G)(1)(2) of the Ordinance

The proposed amendment adjusts the Water and Sewer Utility Expansion Charges and Water Supply Charge by 2.60% based upon the April 1, 2017 ENR Building and Construction Cost Indexes. This is the annual adjustment made in accordance to sections 1-1-8(A)(1) and 1-1-8(D)(1) of the Water Authority's Rate Ordinance.

The Septic Tank Charge and Chemical Toilet Charge will be adjusted by 2.60% based upon the April 1, 2017 ENR Building and Construction Cost Indexes. This is the annual adjustment made in accordance to sections 1-1-9(G)(1) and 1-1-9(G)(2) of the Water Authority's Rate Ordinance.

Finally, Appendix C related to the Post Issuance Compliance Policy has been reviewed and modified to conform with current applicable federal laws. Also, the current listing of outstanding System Revenue Bonds has been updated as of March 2018.

FISCAL IMPACT:

The net increase on Water and Sewer Utility Expansion Charges and the Water Supply Charge for the average residential connection will be \$82 for water, \$61 for sewer and \$42 for the Water Supply Charge.

The net increase in Septic Tank Charges will be \$.0006 per gallon and the Chemical Toilet Charge will be \$.0013 per gallon.

The proposed amendments are consistent with the Water Authority's ten year Financial Plan and Rate Ordinance.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. O-18-4

ORDINANCE

AMENDING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY
AUTHORITY WATER AND SEWER RATE ORDINANCE TO UPDATE THE UTILITY
FINANCIAL POLICY TO ESTABLISH A WATER 2120 FUND (R-16-12); UPDATE THE
MINIMUM COMMITTED EXPENDITURES TO 40 MILLION IN THE WATER AND SEWER
REHABILITATION FUND; UPDATE THE UTILITY EXPANSION CHARGE, WATER
SUPPLY CHARGE, SEPTIC TANK, AND CHEMICAL TOILET CHARGE BY 2.60%
BASED ON THE ENGINEERING NEWS REPORT INDEX; AND UPDATE APPENDIX C
POST ISSUANCE COMPLIANCE POLICY

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD, THE GOVERNING BODY OF
THE WATER AUTHORITY:

Section 1. Section 1 is amended as follows:

Section 1 WATER AND SEWER RATES

1-1-1. SHORT TITLE.

This Ordinance will be known and may be cited as the "Albuquerque Bernalillo County
Water Utility Authority Water and Sewer Rate Ordinance."

1-1-2. COMPUTATION OF REVENUES, EXPENSES AND DEBT SERVICE;
DETERMINATION OF DEBT COVERAGE; REQUIRED MONTHLY FIXED CHARGE.

(A) Definition of Terms.

AWWA. American Water Works Association.

CONSUMERS ASSOCIATION (CMDWWCA). Non-profit organization
generally located in the Carnuel land grant established in 2001 under the laws of New
Mexico Sanitary Projects Act.

COST OF SERVICE. A rate setting methodology that is legally and
fiscally required by bond covenants which sets sewer charges based upon EPA guidelines,
uses a standard rate setting approach within the industry, requires users to pay their

proportionate cost of the system and creates equity within classes of customers and among classes of customers.

CITY. The City of Albuquerque, New Mexico.

COUNTY. Bernalillo County, New Mexico.

CUSTOMER. Any person, association, corporation, or entity receiving Utility service, related products or services in the metropolitan Service Area.

DEBT SERVICE REQUIREMENTS. With respect to System Obligations for any given period, the sum of: (1) the amount required to pay the interest, or to make reimbursements for payments of interest, becoming due on System Obligations during that period, plus (2) the amount required to pay the principal or Accreted Value, becoming due on System Obligations during that period, whether at maturity, an accretion term date or upon mandatory sinking fund redemption dates, plus (3) the periodic payments required to be made by the Water Authority pursuant to a Qualified Exchange Agreement minus (4) the periodic payments to be received by the Water Authority pursuant to a Qualified Exchange Agreement. No payments required for any System Obligations which may be tendered or otherwise presented for payment at the option or demand of the owners of System Obligations, or which may occur because of the exercise of an option by the Water Authority, or which may otherwise become due by reason of any other circumstance or contingency, including acceleration or early termination payments, which constitute other than regularly scheduled payments of principal, Accreted Value, interest or other regularly scheduled payments on System Obligations shall be included in any computation of Debt Service Requirements for that period.

DROUGHT. Drought occurs when there is insufficient precipitation combined with other environmental factors that cause an increase of overall water usage.

DROUGHT MANAGEMENT STRATEGY. The Water Authority's Drought Management Plan which contains four different drought severity levels, with each level containing increasingly stringent measures to reduce demand on the Water Authority's water system.

EXECUTIVE DIRECTOR. The Executive Director of the Water Authority.

EXPENSES. All expenses necessary for the operation and maintenance of the water and sewer systems, excluding depreciation, amortization and payments in lieu of taxes and expenditures for capital items.

1 FISCAL YEAR. July 1 through June 30.

2 FRANCHISE. The authorizations granted by the City of Albuquerque,
3 City of Rio Rancho, Bernalillo County or Village of Los Ranchos to the Water Authority to
4 use their respective rights-of-way and public places to construct, operate, and maintain
5 Water Authority water and wastewater systems.

6 LOW INCOME HOUSING DEVELOPMENTS. Any multi-family residential
7 development constructed by the City of Albuquerque or Bernalillo County or a non-profit
8 developer in conjunction with one of these local governments which is substantially
9 intended to provide affordable housing to very low income citizens as defined by 60 percent
10 or less of median income as established by the US Department of Housing and Urban
11 Development.

12 METER SIZE. The physical size of a water meter as designated by
13 AWWA Standard.

14 NET REVENUES. The Revenues of the Utility less the Expenses. For
15 purposes of calculating compliance with Sections 1-1-2(B) and 1-1-2(C) and the Additional
16 Bonds Tests and Rate Covenants in the Debt Management and Policy & Guidelines, Net
17 Revenues shall be defined and calculated in accordance with the definition of Net
18 Revenues established in the applicable ordinance authorizing the issuance of the relevant
19 System Obligations.

20 PAJARITO MESA MUTUAL DOMESTIC WATER AND WASTEWATER
21 CONSUMERS ASSOCIATION (PMMDWWCA). Non-profit organization generally located
22 in the Pajarito land grant established in 2000 under the laws of New Mexico Sanitary
23 Projects Act.

24 REVENUES. Revenues will include all charges for current water and
25 sewer service, income from miscellaneous services or property, interest on investments of
26 the Joint Water and Sewer Funds, connection fees, and interest on notes or other
27 receivables.

28 RIO RANCHO. The City of Rio Rancho, New Mexico.

29 SENIOR OBLIGATIONS. System Obligations now outstanding or hereafter
30 issued with a first lien, but not an exclusive first lien, on the Net Revenues on a parity with
31 the lien of the Outstanding Senior Obligations.

SERVICE AREA. Those parts of Bernalillo County and contiguous territory served by the Water Authority.

SERVICE SIZE. Service sizes range from size 1 to size 8. Each size is based upon the meter size or equivalent for each account.

SUBORDINATE OBLIGATIONS. System Obligations now outstanding or hereafter issued with a lien on the Net Revenues subordinate to the lien thereon of the Senior Obligations but superior to the lien thereon of the Super Subordinated Obligations.

SUPER SUBORDINATED OBLIGATIONS. System Obligations now outstanding or hereafter issued with a lien on the Net Revenue subordinate to the lien thereon of the Senior Obligations and subordinate to the lien thereon of the Subordinate Obligations.

SYSTEM OBLIGATIONS. All bonds and other similar indebtedness payable solely or primarily from the Net Revenues, including, without limitation, the Senior Obligations, the Subordinate Obligations, and the Super Subordinated Obligations.

UEC. Utility Expansion Charge

UTILITY. The water and wastewater facilities and all operations and management of such facilities necessary to provide water and wastewater service in the Service Area.

VILLAGE OF LOS RANCHOS. Village of Los Ranchos de Albuquerque, New Mexico.

WATER 2120 SECURING OUR WATER FUTURE. A 100-year water resource management strategy and policy document (R-16-12) which provides ratepayers a resilient and sustainable water supply for the next century.

WATER AUTHORITY. The Albuquerque Bernalillo County Water Utility Authority or its authorized agent.

WATER SUPPLY CHARGE (WSC). A charge that will be assessed by the Water Authority at the time of meter sale or application for service to any new water user customer requesting connection to the water system in an area not located within the Water Authority's service area and requiring a development agreement.

WINTER MEAN. For all customers, the average monthly water use billed in the months of December, January, February and March for each account. If a customer has a new account and does not have a full four months to calculate a winter mean or if a

customer's winter mean is zero, then the mean for that customer will be based off the class and size average mean. For those residential customers that have a winter mean greater than zero units but less than four units and does not fall in the category of a new account then their winter mean used for the Conservation Surcharge will be four units. For those residential customers that have a winter mean greater than 15 units their winter mean used for the Conservation Surcharge will be 15 units.

(B) Computation of Revenues, Expenses and Debt Service. At the end of each quarter of the fiscal year a determination will be made as to the total revenues, expenses and current debt service requirements of the system in accordance with definitions in §1-1-2(A). The determination will be made by the end of the first month following the end of each quarter. The results of the determination will be transmitted to the Water Authority.

(C) Increasing Minimum Monthly Fixed Charges. So long as there are Senior Obligations outstanding, if the determination of §1-1-2(B) above shows that the Net Revenues are less than 133 percent of the Debt Service Requirements on the outstanding Senior Obligations, the fixed monthly charge will be increased for water and sewer accounts. So long as there are Subordinate Obligations outstanding, if the determination of §1-1-2(B) above shows that the Net Revenues are less than 120 percent of the Debt Service Requirements on the outstanding Senior Obligations and outstanding Subordinate Obligations, the fixed monthly charge will be increased for water and sewer accounts. The increase in the fixed monthly charges will be a percentage of the established fixed monthly charges that produce additional revenues so that if the adjusted charges had been effective the previous quarter, the total Net Revenues would have been sufficient to meet the requirements of this paragraph. If the determination of §1-1-2(B) above shows that the Net Revenues are insufficient to meet the requirements above, it shall be determined if the revenue loss is due to efforts of Water Authority Customers to conserve water by reviewing usage patterns. If the usage study shows that the reduced revenues are due to conservation efforts, the Executive Director shall analyze the Utility's operations for the purpose of determining whether or not corresponding expense reductions can be effected and shall present any such expense reduction proposals to the Water Authority.

(D) Increasing Water Commodity Charges. If the quarterly analysis of power cost related to water pumping shows that costs are increasing or decreasing, the Executive Director is authorized to adjust the water commodity charge to reflect the change. An

adjustment in the commodity charge will only be made if the needed commodity charge adjustment is \$0.01 or greater, and shall be in \$0.01 increments. The Electric Fuel Cost Adjustment is to be calculated: (Fuel Rider - \$0.50) x Average annual kWh / Annual Billed Consumption in CCF.

(E) General Procedural Provisions. The Executive Director may enact administrative procedures to carry out the purposes of this Ordinance.

1-1-3. WATER RATES.

(A) Definitions. As used in this Section, unless the context otherwise requires: CUSTOMER CLASSIFICATIONS Include:

(1) RESIDENTIAL. Single-family detached, condominiums served by individual meters, townhouses served by individual meters, duplexes served by individual meters, or mobile homes served by individual meters.

(2) MULTI-FAMILY. Any metered/account serving more than one dwelling unit; i.e., duplexes, residences with guests houses, triplexes, four-plexes, apartment complexes, condominiums, town-homes, or mobile homes served by common meters.

(3) COMMERCIAL. Retail, offices, hotels, motels, shopping centers, none of which use process water in the conduct of business.

(4) INDUSTRIAL. Manufacturing, or process facility which is engaged in producing a product.

(5) INSTITUTIONAL. Government buildings, hospitals, schools, and other facilities that provide public and quasi-public services.

(B) Water Credit Eligibility and Procedures.

(1) Single-family detached, condominiums, townhouses, duplexes or triplexes served by common or individual meters; mobile homes served by individual meters; but limited to those Customers who own the dwelling in which they reside and qualify under the United States Department of Health and Human Services poverty guidelines.

(2) The Executive Director shall establish procedures regarding certification for water credits and shall periodically make administrative changes to the income guidelines as circumstances require.

(C) Metered Water Service.

(1) The rates and compensation to be paid to the Water Authority for public and private use of water supplied by the Water Authority for any and all purposes shall be in accordance with the following schedule of charges.

Fixed Monthly Charge - Metered Service

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$9.79	\$10.26	\$19.22	\$10.55	\$12.03
2	1	20.22	20.65	40.31	21.02	24.58
3	1½	56.61	58.83	120.32	61.42	72.00
4	2	121.35	125.77	262.46	131.74	155.63
5	3	232.26	241.37	497.91	252.17	290.05
6	4	524.56	543.03	1143.32	569.75	675.21
7	6	889.87	901.53	1850.64	940.83	1104.04
8	8 & over	1863.70	1933.16	4036.09	2196.26	2391.09

(2) The rates and compensation to be paid to the Water Authority for public and private use of water supplied by the Water Authority for Wholesale Water Users shall be in accordance with the following schedule of charges.

Fixed Monthly Charges- Pajarito Mutual Domestic

Meter Size

$\frac{3}{4}$	\$13.86
1	27.97
1½	80.92
2	173.76
3	361.13
4	802.69
6	1354.92
8	2873.97

(D) Unmetered Water Service.

(1) For service connections to the utility for private fire protection. Applicable to all service through which water is used solely for extinguishing accidental fires.

Fixed Monthly Charge

Line Size (inches)	Service Area
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2	\$4.85
---	--------

3	7.28
---	------

4	9.70
---	------

6	18.20
---	-------

8	27.90
---	-------

10	38.81
----	-------

12	57.00
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(2) Unmetered water service for any purpose other than standby fire protection will be a violation of this Ordinance and subject to the penalties specified herein; except by written agreement approved by the Executive Director.

(E) Private Use of Fire Hydrants for Non-Potable Use.

(1) Permits.

(a) Connections to fire hydrants at any location are prohibited except by the Water Authority, Fire Departments within the service area or by written permit (fire hydrant meter permit) issued by the Water Authority. The Fire Departments within the service area are given permission to use fire hydrants based upon written agreements with the Executive Director which pertain to inspection and maintenance. Each Fire Department is required to perform agreed upon maintenance on all fire hydrants within their service area as a condition of use.

(b) A qualified applicant (business owner or licensed contractor) or designated agent wishing to obtain a fire hydrant meter permit must submit a completed application form to the Water Authority. Completed and signed applications may be submitted online or hand delivered. If the applicant assigns a designated agent to obtain the permit, a designated agent certification form must be signed and notarized by the business owner or licensed contractor and submitted with the completed application.

(c) Fire hydrant meter permits may be issued for a period not to exceed one year. Failure to comply with one or more of the terms and conditions shall be cause for terminating the permit.

1 (d) Under a standard fire hydrant meter permit, the applicant may
2 use any fire hydrant from the Water Authority's designated network of green-top fire
3 hydrants. Applicants desiring to use an out-of-network hydrant must submit an alternate
4 location application stating the reason(s) for needing to use the out-of-network hydrant.
5 Water Authority staff will review such requests on a case by case basis and a decision shall
6 be issued within three business days of receiving the request.

7 (e) The Water Authority reserves the right to refuse to issue a fire
8 hydrant meter permit to any applicant or to require an applicant to pay all current charges
9 on the applicant's Water Authority account as a condition to the issuance of a permit.

10 (2) System Connection and Water Use.

11 (a) Water taken from fire hydrants may be used only for non-
12 potable, non-recreational purposes within the Water Authority service area. The use of
13 non-potable water taken from fire hydrants for swimming pools is prohibited.

14 (b) The permit holder shall utilize a backflow prevention method or
15 device acceptable to the Water Authority at all times the fire hydrant meter is in use to
16 protect the Water Authority's water supply. Failure to use an acceptable backflow
17 prevention method or device shall be cause for confiscating the fire hydrant meter and
18 terminating the permit.

19 (c) The Executive Director may appoint employees to inspect fire
20 hydrant meters at any time, but not less than once per annum. Permit holders shall make
21 provisions for such inspections.

22 (d) For permit holders that contract with the Water Authority, the
23 Executive Director is authorized to withhold all or a portion of the surety bond for
24 outstanding fire hydrant meter charges including but not limited to repair and replacement
25 of the hydrant meter and usage.

26 (3) Loss, Damage and Payment Surety Bond.

27 (a) A loss, damage and payment surety deposit of \$3,000.00 for
28 each fire hydrant meter is required at the time the permit is issued. If a fire hydrant meter is
29 lost or stolen, the \$3,000.00 deposit shall be forfeited and the permit holder shall be
30 assessed up to a \$1,000.00 charge for water usage.

31 (b) All or a portion of the loss, damage and payment surety deposit
32 will be refunded depending upon the cost of repairing the fire hydrant meter and the

1 outstanding balance for meter charges when it is returned to the Water Authority. The
2 Water Authority shall cause the repair work to be done and compute the time and materials
3 necessary to rehabilitate the fire hydrant meter.

4 (c) The Executive Director may waive the loss, damage and
5 payment surety deposit for special events or non-construction related short term projects.

6 (4) Reporting. The permit holder shall be required to report and pay for
7 fire hydrant water usage on a monthly basis. Fire hydrant meter readings shall be
8 submitted, in writing between the first (1st) and tenth (10th) day of the month for water
9 usage during the previous calendar month, regardless of whether any water usage
10 occurred during that month. Failure to submit meter readings between the first (1st) and
11 the tenth (10th) of the month shall result in a \$20.00 late meter reading fee per occurrence.
12 Failure to report meter readings on or before the last day of the month the readings are due
13 shall be cause for confiscation of the meter and termination of the permit.

14 (5) Fees and Charges.

15 (a) A nonrefundable program fee of \$230.00 will be charged for
16 each fire hydrant meter permit.

17 (b) All fire hydrant meter permit holders shall pay a monthly base
18 charge of \$70.00. This monthly base charge shall not be prorated.

19 (c) All water withdrawn from a fire hydrant shall be charged at the
20 current commodity rate. Connections to fire hydrants in violation of this Ordinance will be
21 subject to the penalties specified herein and shall be considered an illegal connection and
22 be subject to hydrant meter confiscation.

23 (d) The permit holder shall be required to remit payment for all
24 water withdrawn from fire hydrants on a monthly basis. Failure to remit payment in full
25 within ten (10) days after final notice is issued shall result in a \$50.00 late payment fee per
26 occurrence, and shall be cause for confiscation of the fire hydrant meter and termination of
27 the permit.

28 (F) Water Commodity Charge.

29 (1) (a) In addition to the Fixed Monthly Charge, all water used by a
30 Customer within the Service Area for any purpose whatsoever shall be charged at the rate
31 of \$2.018 per unit (one unit equals 100 cubic feet). In addition, there shall be a charge of
32 0.024 per unit, added to this commodity charge, which is the amount necessary to

1 compensate the Water Authority for the water conservation fee charged by the State of
2 New Mexico. This is determined by the meter reading or by estimating the usage by
3 statistical methods. Customers shall pay bills monthly.

4 (b) Included in the commodity charge is a \$0.116 charge per unit
5 that will be dedicated to the Water Resources Management Program in Fund 621 to fund
6 the Ground-Water Protection Policy and Action Plan, the Water Conservation Program,
7 Water Resources Management Planning and Arsenic Investigations. All interest earned on
8 these dedicated funds shall be used only for this purpose.

9 (c) In addition to the Fixed Monthly Charge customers with a
10 wholesale water rate shall be charged at the rate in accordance with the following schedule
11 of charges.

12 Pajarito Mutual Domestic - \$1.400 per 100 CCF

13 (2) Bills may be based on the estimated average annual water use in
14 units, annualized and divided by 12 months, plus the fixed monthly charge. Any special
15 charges, such as UEC, shall be included on the bill. The Executive Director may
16 administratively adjust bills periodically by crediting and debiting accounts as appropriate if
17 errors have been found and verified.

18 (3) (a) Surcharges for irrigation-only water accounts shall be
19 assessed annually in the year following the water usage based upon an annual irrigation
20 budget allowance established for such accounts and in accordance with the following:

21 (i) Water budgets will be established by the Water Authority
22 whenever a new irrigation account is established or an existing account is converted to an
23 irrigation account.

24 (ii) All usage will be calculated annually on a per site basis. Any
25 usage of individual wells at these sites shall be submitted in writing to the Water Authority
26 by the 15th of the month following the use.

27 (iii) All golf courses existing prior to October 1, 1995 will be allowed
28 up to 40 inches of water over the entire landscaped area per calendar year.

29 (iv) All new golf courses or existing golf course expansions
30 permitted after October 1, 1995 will be allowed up to 37 inches of water over the entire
31 landscaped area per calendar year.

32 (v) Athletic fields will be allowed up to 45 inches of water over the

entire landscaped area per calendar year.

(vi) All other landscaped areas will receive a water budget of 35 inches of water over the entire landscaped area per calendar year.

A surcharge will be applied to the usage above the annual irrigation budget allowance. For excess usage up to 150 percent (first tier) of the annual irrigation budget, the surcharge shall be 50 percent of the commodity rate shown in §1-1-3(F)(1)(a). For excess usage greater than 150 percent (second tier) of the annual irrigation budget, the surcharge shall be 100 percent of the commodity rate shown in §1-1-3(F)(1)(a). For excess usage greater than 200 percent (third tier) of the annual irrigation budget, the surcharge shall be 150 percent of the commodity rate shown in §1-1-3(F)(1)(a).

(b) The surcharge amount added for each unit exceeding 200 percent of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 50 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(1)(a) for usage during the following months of April through October. For those residential customers that have a Winter Mean equal to or greater than 15 units, the surcharge amount added for each unit exceeding 200 percent of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 100 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(1)(a) for usage during the months of April through October.

(c) The surcharge amount added for each unit exceeding 300 percent of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 50 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(b) for usage during the months of April through October. For those residential customers that have a Winter Mean equal to or greater than 15 units, the surcharge amount added for each unit exceeding 300 percent of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 100 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(b) for usage during the months of April through October.

(d) The surcharge amount added for each unit exceeding 400 percent of the Winter Mean water usage as calculated in §1-1-2(A) shall be equal to 50 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(c) for usage during the months of April through October. For

1 those residential customers that have a Winter Mean equal to or greater than 15 units, the
2 surcharge amount added for each unit exceeding 400 percent of the Winter Mean water
3 usage as calculated in §1-1-2(A), shall be equal to 100 percent of the Commodity Charges
4 §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(c) for
5 usage during the months of April through October.

6 (e) Drought Related Surcharges. Under the four levels of Drought
7 defined in the Drought Management Strategy, the Water Authority may, at its sole
8 discretion, increase surcharges described in §1-1-3 by a factor of two, three or more as
9 may be necessary to assist in water use reduction during a drought. During a drought, the
10 Water Authority shall declare to the public the Drought Level, which can be raised and
11 lowered by the Water Authority, and the proposed increase in surcharges. The Drought
12 level only applies to the current year and must be approved by the Water Authority on a
13 year by year basis. The Water Authority delegates the implementation of the Drought
14 Management Strategy including the increase of surcharges to the Executive Director.
15 Based on the Drought Level approved by the Water Authority, the Executive Director shall
16 implement the Drought Management Strategy and announce the effective date of the new
17 surcharges.

18 (f) For residential class Customers only having service sizes 1
19 through 3, a 50 percent discount shall be applied to the commodity charges in §1-1-
20 3(F)(1)(a) for water usage greater than the customer's Winter Mean water usage during the
21 months of April through October when water usage is equal or less than 150 percent of the
22 Class Winter Mean water usage.

23 (G) Multiple Meter Service. Customers with service by more than one meter to
24 any premise shall be charged the applicable fees associated with each meter except for
25 single-family residential Customers who have two meters, of which one is used for
26 irrigation. The monthly fixed charge for these single-family residential Customers will be
27 based on the largest meter at the single-family residence.

28 (H) Water Credit. For those accounts included within the Water Credit
29 classification, a credit of \$10.31 per month will be applied to their billing; the billing shall be
30 calculated using the Fixed Monthly Charge and Commodity Charge as set forth in this
31 Ordinance.

(I) Tag and Testing Charge. When a Customer disputes meter accuracy, a "Tag & Test" service will be done after all the steps taken by the Water Authority have been exhausted and if requested in writing by the legal property owner or his/her authorized representative.

(1) Meters 5/8 X 3/4" to 2"		
Meter Size	Tag and Testing Charge Service	
5/8" x 3/4"	\$140	
1"	185	
1-1/2"	380	
2"	455	

The meter in question will be removed and a new one installed so that service can be maintained. The removed meter will be bench tested by the Water Authority in accordance with AWWA Standard C705. Should the meter fail the accuracy test such that the requestor was being overcharged, there would be no charge to the requestor.

(2) Meter 3" and greater. The meter in question will be tested in place in accordance with AWWA Standard C701, C702 or C703 and AWWA manual M6. Should the meter fail the accuracy test such that the requestor was being over charged, there would be no charge to the requestor. The testing charge for this will be \$500 for all sizes.

(J) Customer utility statements shall contain the following itemized element: "Facility Rehabilitation: \$`x,' where `x' shall be the cost of the rate increase to fund facility rehabilitation."

(K) Real property owners receiving water service from the Water Authority are responsible for hiring a licensed plumber to connect their customer service line to the Water Authority system at the point of metered service, or obtain a Homeowner Permit from the permitting Agency, allowing the property owner to make the connection.

1-1-4. NON-POTABLE WATER RATES.

(A) Definitions. Refer to §1-1-3(A) Water Rates for the definitions of Customer Classifications, which apply to this Section.

(B) Metered Service. The rates and compensation to be paid to the Water Authority for public and private use of non-potable water supplied by the Water Authority within the Service Area for any and all purposes shall be in accordance with the schedule of charges listed in §1-1-3(A) for potable water metered service.

1 (C) Commodity Charge.

2 (1) In addition to the Fixed Monthly Charge, all non-potable water used by
3 a Customer within the Service Area shall be charged at the rate corresponding to 80
4 percent of the potable water commodity rate (one unit equals 100 cubic feet). This is
5 determined by the meter reading or by estimating the usage by statistical methods.
6 Customers shall pay bills monthly.

7 (2) Bills may be based on the estimated average annual non-potable
8 water use by units, annualized and divided by 12 months, plus the fixed monthly charge.
9 Any special charges, such as UEC, shall be included on the bill. The Executive Director
10 may administratively adjust bills periodically by crediting and debiting accounts as
11 appropriate if errors have been found and verified.

12 (3) All surcharges for irrigation-only water accounts shall be charged at the
13 rate based upon the non-potable water commodity rate (one unit equals 100 cubic feet).

14 (D) Multiple Meter Service. Customers with non-potable water service by more
15 than one meter to any premise shall be charged the applicable fees associated with each
16 meter.

17 (E) Tag and Testing Charge. Refer to §1-1-3 (I) for applicable provisions and
18 charges.

19 (F) Utility Expansion Charge (UEC).

20 (1) A Utility Expansion Charge shall be paid to the Water Authority at the
21 time of non-potable meter sale or application for non-potable water service for all new
22 services connecting to the non-potable water system. The UEC may be paid in full at the
23 time of non-potable service application, or paid over time with an initial minimum of 5
24 percent down payment. The balance shall be subject to a fixed monthly charge to include a
25 carrying charge set at 7 percent per annum. On all connections, the balance shall be paid
26 in full within 120 months.

27 (2) The UEC for non-potable water service shall be the same as the UEC
28 for potable water service. Refer to §1-1-8(A) for applicable provisions and charges.

29 (3) Existing water Customers wishing to receive non-potable water shall
30 not be charged a UEC unless the new combined potable and non-potable system capacity
31 exceeds the Customer's previous existing potable system capacity.

(4) Redundant potable water and non-potable water metered services are not required for non-potable service.

(G) Non-potable Water Meter and Service Installation Fees. Refer to §1-1-9 for applicable provisions and charges.

(H) Customers that are currently using potable water for irrigation or other qualified industrial purposes as determined by the Water Authority and whose property is located within 200-feet of a non-potable water line are required to connect to the non-potable system within one year of service availability. Connection to non-potable system is a condition of service. The Water Authority is required to provide written notification to the property owner that non-potable water is available and that connection to the system is mandatory. If requested, the Water Authority will meet with the affected property owners and provide additional information regarding service availability, connection locations and other information that may be deemed necessary. The property owner has one year from the date of notification to connect to the system. Failure to connect may result in termination of service.

(I) Water Rights Leases. Beginning July 1, 2006, except for lease agreements that provide for periodic rate increases, water rights leases entered into by the Water Authority for the purpose of offsetting depletive effects on the Rio Grande from pumping by others shall be charged at the non-potable water rate.

1-1-5. SEWER RATES.

(A) Definitions. For the purpose of this Section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

BOD or BIOCHEMICAL OXYGEN DEMAND. The quantity of oxygen utilized in the biochemical oxidation of organic matter by Standard Methods procedures in five days at 20° C. expressed in milligrams per liter (mg/l).

CLEANOUT. A tee section in the sanitary sewer located outside any structure accessible 24 hours a day and constructed according to the Utility's standard detail.

COD or CHEMICAL OXYGEN DEMAND. A measure of the oxygen-consuming capacity of organic and inorganic matter present in wastewater as milligrams per liter (mg/l), by Standard Methods procedures.

NH₃N OR AMMONIA NITROGEN. Total Ammonia – A measure of the total ammonia as nitrogen concentration as milligrams per liter (mg/L) by Standard Methods or EPA approved procedures.

CUSTOMER CLASSIFICATIONS.

(1) RESIDENTIAL. Single-family detached, condominiums served by individual meters, townhouses served by individual meters, duplexes served by individual meters, or mobile homes served by individual meters.

(2) MULTI-FAMILY. Any metered/account serving more than one dwelling unit; i.e., duplexes, residences with guests houses, triplexes, four-plexes, apartment complexes, condominiums, town-homes, or mobile homes served by common meters.

(3) COMMERCIAL. Retail, offices, hotels, motels, shopping centers, none of which use process water in the conduct of business.

(4) INDUSTRIAL. Manufacturing, or process facility which is engaged in producing a product.

(5) INSTITUTIONAL. Government buildings, hospitals, schools, and other facilities that provide public and quasi-public services.

(6) WHOLESALE-SPECIAL CONTRACTS. Contract Customers that are responsible for a collection system beyond the point where their respective wastewater discharges into the Water Authority's interceptors.

(7) KIRTLAND AIR FORCE BASE (KAFB).

(8) FOOD SERVICE ESTABLISHMENT or FSE. Any establishment, commercial or noncommercial, such as a restaurant, cafeteria, snack bar, temple, mosque, church, synagogue, worship hall, banquet facility, preschool, school, or meeting place, with a kitchen that is used for preparing, serving, or otherwise making available for consumption foodstuffs in commercial amounts in or on a receptacle that requires washing and that discharges to the Water Authority's POTW.

INDUSTRIAL WASTE. Wastes resulting from any process of industry, manufacturing, trade, or business, or from the development, recovery, or processing of natural resources.

LATERAL SEWER. An individual user's sewer pipe beginning at the public sewer and extending to the premises actually served. The lateral sewer includes the stub to which a user connects to the public sewer and all appurtenances on such lateral sewer.

1 The user is responsible for the maintenance of the lateral sewer including those portions
2 that may be within any right-of-way. The term is interchangeable with "house service
3 connection," "sewer service line," or "building sewer."

4 NORMAL DOMESTIC WASTEWATER. Effluent which contains constituents
5 and characteristics similar to effluent from a residence and specifically for the purposes of
6 this Ordinance does not contain BOD, COD, NH₃N and TSS in excess of the following
7 concentration:

8 BOD -- 250 mg/l

9 COD -- 500 mg/l

10 TSS -- 330 mg/l

11 NH₃N – 25 mg/l

12 PUBLICLY OWNED TREATMENT WORKS or POTW. A treatment works as
13 defined by §212 of the Clean Water Act, (33 USC 1292) which is owned by the Water
14 Authority. The term also includes Water Authority works, as defined in §502 of the Clean
15 Water Act, (33 USC 1362) which has jurisdiction over the indirect discharges to and the
16 discharges from such a treatment works. The "treatment works" includes all plants,
17 sanitary sewers, lift stations, odor control stations, and all other properties, now or hereafter
18 existing, used or useful in connection with the collection, pumping, disposal and treatment
19 of wastewater, as now or hereafter added to, expanded or improved.

20 SEWER CREDIT ELIGIBILITY AND PROCEDURES. Single-family
21 detached, condominiums, townhouses, duplexes or triplexes served by common or
22 individual meters; mobile homes served by individual meters; but limited to those
23 Customers who own the dwelling in which they reside and qualify under the United States
24 Department of Health and Human Service poverty guidelines.

25 STANDARD METHODS. The laboratory procedures set forth in the latest
26 edition, at the time of analysis, of Standard Methods for Examination of Water and
27 Wastewater, as prepared, approved and published jointly by the American Public Health
28 Association and American Water Works Association and the Water Pollution Control
29 Federation.

30 TOTAL SUSPENDED SOLIDS or TSS. Those solids which are retained by a
31 standard glass fiber filter and dried to constant weight at 103 – 105° C. expressed in
32 milligrams per liter (mg/l), by Standard Methods procedures.

WASTEWATER. The used water of a community. Such used water may be a combination of the liquid waterborne wastes from residences, commercial buildings, industrial plants and institutions.

(B) Methodology and Calculation of Rates and Charges.

(1) The rates and charges described in this Ordinance are developed in conformance with standard cost-of-service rate making principles as recommended by the American Water Works Association, the Water Environment Federation, and the United States Environmental Protection Agency (USEPA).

(2) The Water Authority's rates and charges are calculated based on each customer classification's use of the system. Historical billed flows by classification and a systematic allocation of operation, maintenance, and capital costs were used to calculate the schedule of charges contained in this Ordinance.

(C) Fixed Monthly Charge.

(1) The rates and compensation to be paid to the Water Authority for public or private use by discharge of liquid waste into the Water Authority within the Service Area for any and all purposes whatsoever shall be in accordance with the following schedules of charges. The Fixed Monthly Charge for Customers with Water Authority water service shall be based on the water service size. The Fixed Monthly Charge for Customers without Water Authority water service shall be based on the liquid waste flow. Liquid waste flow will be calculated in accordance with the methodology set forth in the Commodity Charge Section of §1-1-5(D).

(2) Fixed Monthly Charge for Customers with water service:

Serv Size	Meter	Resid	Comm	Indust	Instit	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$2.99	\$3.70	\$16.82	\$2.87	\$4.97
2	1	4.84	5.90	28.49	4.63	8.22
3	1½	19.84	25.11	122.72	18.88	34.62
4	2	49.37	62.62	308.35	46.94	86.31
5	3	66.11	83.90	413.63	62.86	115.68
6	4	140.83	178.85	883.44	133.88	246.77
7	6	187.56	237.02	1177.19	178.30	328.73
8	8 & over	333.41	423.55	2094.23	316.95	584.60

1	(3)	Fixed Monthly Charge for Customers without water service:					
2	Liquid Waste						
3	Flow (CCF)	Residential	Commercial	Industrial	Institutional	Multi-	
4						family	
5	0 - 10	$\frac{5}{8} \times \frac{3}{4}$	\$2.99	\$3.70	\$16.82	\$2.87	\$4.97
6	11-19	1	4.84	5.90	28.49	4.63	8.22
7	20-63	1½	19.84	25.11	122.72	18.88	34.62
8	64-82	2	49.37	62.62	308.35	46.94	86.31
9	83-343	3	66.11	83.90	413.63	62.86	115.68
10	344-599	4	140.83	178.85	883.44	138.88	246.77
11	600-803	6	187.56	237.02	1177.19	178.30	328.73
12	804-over	8 & over	333.41	423.55	2094.23	316.95	584.60

13 (4) Fixed Monthly Charges for Wholesale and KAFB

14	Serv Size	Wholesale	Item	KAFB
15	1	\$3.78	Per Month	\$12,038.74
16	2	6.19		
17	3	13.70		
18	4	64.09		
19	5	85.88		
20	6	183.06		
21	7	243.83		
22	8	412.91		

24 (D) Commodity Charge. All wastewater discharge shall be charged on the basis
 25 of the Commodity Charges for Retail and Special Customers rate table on a per unit basis
 26 (one unit equals 100 cubic feet).

27 Commodity Charges for Retail and Special Contract Customers

28	Customer Class	Base (\$/CCF)	Rehab (\$/CCF)	Total Commodity (\$/CCF)
29	Retail Customers			
30	Residential	\$1.394	\$0.288	\$1.682
31	Commercial	1.394	0.288	1.682
32	Industrial	1.394	0.288	1.682

1	Institutional	1.394	0.288	1.682
2	Multi-family	1.394	0.288	1.682
3	Special Contracts			
4	Wholesale	\$0.727	\$0.151	\$0.878
5	KAFB	0.727	0.151	0.878

(1) Customers with Water Service. The commodity charge for usage during the months of December, January, February and March (winter months) shall be based upon 95 percent of the metered or estimated volume of water usage during each of these months for each account. The commodity charge for usage during other months shall be based upon 95 percent of the metered or estimated volume of water usage during that month or shall be based upon 95 percent of the prior winter months' average, whichever is less for each account. The winter months' average is determined by averaging the metered or estimated volume of water used during the winter months.

(2) Customers without Water Service. The volume of wastewater discharge shall be determined by the physical measurement at the expense of the customer; however, where accurate and reasonable estimates can be made by statistical methods, such estimates shall be considered the volume of discharge upon which the Commodity Charge is based. The Water Authority expressly reserves the right to determine the estimated wastewater volume for any customer without water service, which determination may be appealed to the Executive Director.

(3) Special Wastewater Discharge Volume. The Water Authority recognizes that sewage discharge patterns for individual Customers may vary to a great extent from the norms of any particular class; therefore, any Customer may, at their own expense, provide the Water Authority with sewage flow data for consideration of a special wastewater discharge volume. Such data shall be certified by an engineer registered in the state. The Water Authority expressly reserves the right to determine the estimated wastewater volume for any Customer, which determination may be appealed to the Executive Director.

(E) Extra-Strength Surcharge.

(1) All Customers discharging wastewater into the POTW are subject to a surcharge if the discharged wastewater exceeds normal domestic wastewater strength. NORMAL STRENGTH is defined as:

- 1 (a) Chemical Oxygen Demand (COD) less than or equal to 500
2 mg/l; and
3 (b) Biochemical Oxygen Demand (BOD) less than or equal to 250
4 mg/l; and
5 (c) Total Suspended Solids (TSS) less than or equal to 330 mg/l;
6 and
7 (d) Ammonia Nitrogen (NH₃N) less than or equal to 25 mg/l.

8 (2) The Water Authority shall determine strength as defined by the above
9 parameters in §1-1-5(E)(1) above. The procedures are described §1-1-5(I) below. If it is
10 determined that the wastewater strength exceeds the limits specified, a surcharge shall be
11 levied at the rate of:

- 12 (a) \$.17 per pound of COD for the excess of 500 mg/l of COD; and
13 (b) \$.33 per pound of BOD for the excess of 250 mg/l BOD; and
14 (c) \$.27 per pound of TSS for the excess of 330 milligrams per liter
15 of TSS; and
16 (d) \$.81 per pound of NH₃N for the excess of 25 mg/l of NH₃N.

17 (3) Any customer that is a Food Service Establishment permitted by the
18 City of Albuquerque, Village of Los Ranchos, Bernalillo or Sandoval County shall be
19 charged an extra strength surcharge of \$1.96 per unit (100 cubic feet).

20 (4) The Water Authority shall promulgate administrative procedures to
21 carry out the provisions of the extra-strength surcharge.

22 (F) Septic Tank Truck Discharge. No user owning vacuum or "cesspool" type
23 pumping trucks or other liquid waste transport trucks shall discharge such waste into the
24 POTW, unless such person shall first have applied for and received a Septic Tank
25 Discharge or Chemical Toilet Discharge Permit from the Industrial Pretreatment Engineer
26 pursuant to the Sewer Use and Wastewater Control Ordinance Section 3-3-7.

27 (G) Sewer Use Regulations. The Water Authority's Sewer Use and Wastewater
28 Control or successor Ordinance, shall govern all discharges of wastewater to the POTW.

29 (H) Sampling; Metering Manhole Requirements. When required by the Utility, the
30 owner of property serviced by a lateral sewer carrying industrial wastes shall install a
31 suitable control manhole or cleanout together with such necessary meter and other
32 appurtenances in the lateral sewer to facilitate observation, sampling, and measurement of

1 the wastes. Such monitoring locations shall be accessible, safely located, and constructed
2 in such a manner as to prevent infiltration of ground and surface waters. They shall be
3 constructed in accordance with plans approved by the Utility. The Utility has established
4 standard details. The monitoring location and all equipment shall be installed by the owner
5 at his expense, and shall be maintained by him so as to be safe and accessible at all times.

6 (I) Sampling and Testing Procedures.

7 (1) All dischargers subject to monitoring according to the Water Authority's
8 Sewer Use and Wastewater Control Ordinance, will be monitored by the Water Authority.
9 The discharge will be sampled and tested for compliance with the Water Authority's Sewer
10 Use and Wastewater Control Ordinance, and to determine the surcharge amount.

11 (2) All measurements, tests and analysis of the characteristics of waters
12 and wastes shall be determined in accordance with the latest edition of Standard Methods
13 for the Examination of Water and Wastewater, published jointly by the American Public
14 Health Association and Water Pollution Control Federation, and the American Waterworks
15 Association.

16 (3) Sampling shall be carried out by customarily accepted methods. The
17 particular analyses involved will determine whether a 24-hour composite of all outfalls of a
18 premise is appropriate or whether a grab sample or samples should be taken. Normally,
19 but not always, BOD, COD, NH₃N and TSS analyses are obtained from 24-hour
20 composites of all outfalls.

21 (4) Those industries suspected of discharging either high COD, BOD,
22 NH₃N wastes or high TSS wastes shall be sampled for four consecutive days by grab
23 samples or 24-hour composite samples from a Utility manhole. If COD results exceed 500
24 mg/l, BOD results exceed 250 mg/l, NH₃N results exceed 25 mg/l, or TSS results exceed
25 330 mg/l on any of the two of the four consecutive days, or in any of the 24-hour composite
26 samples, a sampling manhole may be required for industries discharging greater than
27 25,000 gallons per day or if required by the Water Authority's Sewer Use and Wastewater
28 Control Ordinance or successor Ordinance. Upon installation of the sampling manhole, an
29 automatic sampler will be used to gather a composite which shall be used to compute a
30 monthly surcharge. Industries discharging less than 25,000 gallons per day and not
31 otherwise requiring a sampling manhole may be required to install a cleanout and an
32 automatic sampler will be used to gather a composite which shall be used to compute a

monthly surcharge. Pretreatment may be required according to the Water Authority's Sewer Use and Wastewater Control Ordinance or successor Ordinance.

(5) The Water Authority may assess penalties for noncompliance with the Sewer Use and Wastewater Control Ordinance or successor Ordinance.

(J) Sewer Credit. For those accounts included within the Sewer Credit classification, a credit of \$9.62 per month will be applied to their billing; the billing shall be calculated using the Fixed Monthly Charge and Commodity Charge as set forth in this Ordinance.

(K) Customer utility statements shall contain the following itemized element: "Facility Rehabilitation: \$`x,' where `x' shall be the cost of the rate increase to fund facility rehabilitation."

1-1-6. WATER AND SEWER REHABILITATION FUND.

(A) An established portion of the revenue generated by fixed water rates and the Water Commodity Charge shall be distributed to a Water and Sewer Rehabilitation Fund. The fixed rate portion of the Water Rates contained in §1-1-3(B) which shall be distributed to the Water and Sewer Rehabilitation Fund are contained in the following schedule of charges. The portion of the water commodity rate to be distributed to the Water and Sewer Rehabilitation Fund shall be 0.392 per unit.

Fixed Water Rates (per month)

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8}$ X $\frac{3}{4}$	\$6.12	\$6.41	\$12.01	\$6.59	\$7.52
2	1	12.63	12.90	25.19	13.13	15.36
3	1½	35.37	36.76	75.17	38.37	44.98
4	2	75.82	78.58	163.99	82.31	97.24
5	3	145.11	150.81	311.10	157.55	181.22
6	4	327.75	339.29	714.36	355.98	421.88
7	6	555.99	563.28	1156.29	587.84	689.81
8	8 & over	1164.45	1207.85	2521.77	1372.24	1493.97

(B) In addition to the portion of the commodity rate to be distributed to the Water and Sewer Rehabilitation fund as identified in §1-1-5(D) above, the following fixed rate portions of the sewer rates contained in §1-1-5(C) shall be distributed to the Water and Sewer Rehabilitation Fund.

Fixed Monthly Rehabilitation Charges

Fixed Sewer Rates (per month)

Serv Size	Meter Sz	Resid	Comm	Indust	Instit	Multi-fam	Wholesale
1	5/8 X 3/4	\$7.54	\$9.33	\$42.40	\$7.22	\$12.52	\$9.53
2	1	12.21	14.87	71.83	11.67	20.73	15.61
3	1 - 1 1/2	50.02	63.29	309.39	47.59	87.28	34.53
4	2	124.45	157.88	777.37	118.34	217.58	161.57
5	3	166.66	211.51	1042.77	158.47	291.64	216.50
6	4	355.04	450.89	2227.17	337.52	622.11	461.50
7	6	472.83	597.53	2967.73	449.50	828.74	614.71
8	8 & over	840.54	1067.78	5279.60	799.03	1473.80	1040.96

Monthly Rehabilitation Charges for KAFB

Item KAFB

Per Month \$30,349.92

(C) Committed expenditures for the rehabilitation of water wells, pump stations, reservoirs, service lines, other water lines, gate valves and the committed expenditures for rehabilitation of sewer lines, odor control stations, pumping stations and treatment facilities from revenues in the Water and Sewer Rehabilitation Fund shall not be less than ~~\$30~~ \$40 million dollars per year.

(D) The distributions from water and sewer rates to the Water and Sewer Rehabilitation Fund shall be reviewed every five years and updated as needed to adjust for construction inflation, new capital inventory, rate increases and other factors.

1-1-7. WATER AND SEWER SYSTEM AND UTILITY FINANCIAL POLICIES.

(A) The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impacts.

(B) At a minimum, an average of 50 percent of the cost of capital projects which constitute the normal capital program of the water and sewer system including the rehabilitation and replacement of existing facilities, and the construction of water wells, pump stations, reservoirs, service lines, other water lines, gate valves, revenue meters and meter boxes, sewer lines, odor control stations, and pumping stations, and treatment facilities shall be paid with cash rather than borrowed funds. The normal capital program

1 excludes special capital projects such as the expansion of the wastewater treatment plants,
2 arsenic mitigation, state and federal grant projects, state and federal mandated projects,
3 and related to water resources management to achieve a sustainable supply of water. This
4 policy shall not apply to the possible acquisition of other operating water and wastewater
5 utility systems or to mitigate short term rate impacts.

6 (C) At a minimum, 25 percent of the cost of capital projects not included in the
7 normal capital program of the water and sewer system shall be paid with cash rather than
8 borrowed funds. This policy shall not apply to the possible acquisition of other operating
9 water and wastewater utility systems sustainable water supply or to mitigate short term rate
10 impacts.

11 (D) Utility Expansion Charge (UEC) revenues or those of successor development
12 fees in excess of \$6 million per year shall be transferred to the Joint Water and Sewer
13 Capital Funds. The transfer of these funds shall be made in the fiscal year following the
14 most recent audited Comprehensive Annual Financial Report.

15 (E) Utility Expansion Charge rates shall be based on adopted policies of the
16 Water Authority.

17 (F) Appropriations of cash transfers from water and sewer utility operating funds
18 or debt service funds to a Joint Water and Sewer Capital Fund shall be made in the
19 amounts appropriated during the year for which the appropriations have been made.

20 (G) The Water Authority has implemented an asset management program to
21 manage its capital infrastructure focusing on minimizing the total cost of designing,
22 acquiring, operating, maintaining, replacing, and disposing of capital assets over their life
23 cycle while achieving desired service levels. It will allow the Water Authority to manage
24 existing assets more effectively, make informed decisions on policy and budgetary matters,
25 and plan for future needs. Based upon this program the Water Authority will begin to
26 incrementally increase its Capital Implementation Program spending at approximately \$3
27 million a year until the Water Authority can reach and sustain a spending level of
28 approximately \$76 million a year.

29 (H) A Rate Reserve Fund is established for reserving water and sewer revenues
30 in a dedicated fund for the purpose of offsetting declines in rate revenue and to mitigate
31 future rate increases. This Rate Reserve Fund will be funded at \$2 million per year. The
32 goal for the Water Authority is to achieve and maintain a Working Capital Balance that will

be 1/12 of the Water Authority's annual budgeted expenditures. The Rate Reserve Fund will be counted in the Working Capital Balance calculation, however any expenditure from the Rate Reserve Fund will require an appropriation approved by the Water Authority Board.

(I) The Water Authority's Investment Policy is attached as Appendix A and provides the policy guidance on the investment of funds. The Water Authority's Debt Management Policy and Guidelines is attached as Appendix B and sets forth the parameters for issuing debt and managing the outstanding debt portfolio and provides guidance regarding the purposes for which debt may be issued, types and amounts of permissible debt, timing and method of sale that may be used, and structural features that may be incorporated. The Water Authority's Post Issuance Compliance Policy is attached as Appendix C, and provides the post-issuance tax compliance controls and procedures related to financial obligations.

(J) A Water 2120 Fund is established to fund water supply infrastructure projects in implementing the adopted Water 2120: Securing Our Water Future (R-16-12). Revenue from the Water Supply Charge shall be earmarked solely for the projects identified in Water 2120 into this fund. Beginning in Fiscal Year 2020, this fund will be funded at a minimum of \$2 million per year.

1-1-8. UTILITY EXPANSION CHARGE (UEC) and WATER SUPPLY CHARGE (WSC).

(A) (1) A UEC charge will be paid to the Water Authority at the time of meter sale or application for service for all properties connecting to the water and/or wastewater system in accordance with the following schedule. The amount of the UEC's shall be adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR). Where water service does not exist and sewer service is to be taken and the sewer UEC is applicable, the charge shall be based upon the wastewater flow. A unit of flow is equal to 100 cubic feet.

(a) Financing for Water UEC

Finance for Water UEC

Water Meter Size	Water Payment	Minimum Cash Down	Balance to Finance
5/8 X 3/4"	\$3,233	\$162	\$3,071
1"	5,388	269	5,119
1-1/2"	10,775	539	10,236

1	2"	17,245	862	16,383
2	3"	34,482	1,724	32,758
3	4"	53,879	2,694	51,185
4	6"	107,762	5,388	102,374
5	8" or More	172,417	8,621	163,796
6	5/8 X 3/4"	\$3,151	\$158	\$2,993
7	1"	5,251	263	4,988
8	1-1/2"	10,502	525	9,977
9	2"	16,808	840	15,968
10	3"	33,608	1,680	31,928
11	4"	52,514	2,626	49,888
12	6"	105,031	5,252	99,779
13	8" or More	168,048	8,402	159,646

14 (b) Financing for Sewer UEC

15 Finance for Wastewater UEC

16	Water Meter Size	Liquid Waste Flow	Sewer Payment	Minimum Cash Down	Balance to Finance
17					
18	5/8 X 3/4"	0-10	\$2,425	\$121	\$2,304
19	1"	11-19	4,041	202	3,839
20	1-1/2"	20-63	8,082	404	7,678
21	2"	64-82	12,930	646	12,284
22	3"	83-343	25,923	1,296	24,627
23	4"	344-599	41,432	2,072	39,360
24	6"	600-803	82,869	4,143	78,726
25	8" or More	804 & over	129,307	6,465	122,842
26	5/8 X 3/4"	0-10	\$2,364	\$118	\$2,246
27	1"	11-19	3,939	197	3,742
28	1-1/2"	20-63	7,877	394	7,483
29	2"	64-82	12,602	630	11,972
30	3"	83-343	25,266	1,263	24,002
31	4"	344-599	40,382	2,019	38,363
32	6"	600-803	80,769	4,038	76,731

1 ~~8" or More~~ ~~804 & over~~ ~~126,030~~ ~~6,302~~ ~~119,728~~

2 (2) The UEC may be paid in full or paid over time with an initial minimum
3 of 5 percent down payment and the balance shall be subject to a fixed monthly charge to
4 include a carrying charge set at 7 percent per annum. On all connections, the balance
5 shall be paid in full within 120 months.

6 (3) The fixed monthly charge for the UEC shall run against the property
7 and be the responsibility of any subsequent owner until paid in full. All monies collected
8 through the imposition of the UEC, including the fixed monthly charge, shall be placed in a
9 separate account to be used for financing the expansion for the water and sewer system.

10 (B) Reactivation of disconnected service. No refund of UEC will be made for a
11 service downsizing. Reconnections requesting larger service than was originally installed
12 shall pay UEC determined by subtracting the current charge for the original service size
13 from the current charge for the new service size requested.

14 (C) Charges for multiple residential units:

15 (1) Requests for residential or commercial water and/or sewer service
16 which will provide for more than one residential unit will pay UEC according to one of the
17 following schedules:

18 (a) Apartment Complexes.

19 (i) With 30 dwelling units or less shall pay 50 percent of the
20 product of the total number of units times the water and/or sanitary sewer UEC for a 5/8" x
21 3/4" water meter.

22 (ii) With more than 30 dwelling units shall pay the amount
23 given by the equation below:

24 Equivalent Units = $(0.45) \times (\text{No. of Units}) + 1.49$

25 Total UEC = (Equivalent Units) x (5/8" x 3/4" Meter UEC)

26 (b) Mobile Home Parks, regardless of size, shall pay 53 percent of
27 the product of the total number of dwelling units times the water and/or sanitary sewer UEC
28 for a 5/8" x 3/4" water meter.

29 (c) Condominiums, regardless of size, shall pay 53 percent of the
30 product of the total number of dwelling units times the water and/or sanitary sewer UEC for
31 a 5/8" x 3/4" water meter.

32 (d) Commercial service shall pay the larger of the following:

(i) The water and/or sewer UEC as shown in §1-1-8(A).
(ii) 50 percent of the product of the number of equivalent residential units times the water and/or sewer UEC charge for a 5/8" x 3/4" meter.

(e) Low income housing developments shall pay the greater of either:

(i) Eight percent of the product of the total number of dwelling units times the water and sanitary sewer UEC set forth in §1-1-8(A)(1) of this Ordinance for a 5/8" x 3/4" water meter; or,

(ii) The UEC set forth in §1-1-8(A)(1) of this Ordinance for the meter size required to service the development. The size shall be determined by the Water Authority based on the number of water fixture units described in AWWA M-22.

(f) At the time the water and sewer UEC is due and payable for a low income housing development, the owner of the low income housing development shall give the Water Authority a promissory note in the principal amount that is equal to the difference between the amount of the water and sewer UEC set forth in §1-1-8(A)(1) of this Ordinance for a 5/8" x 3/4" water meter and the amount of the water and sewer UEC set forth in §1-1-8(C)(1)(e). The promissory note shall be due and payable on the date the Low Income Housing Development ceases to qualify as a low income housing development as defined in §1-1-2(A), which shall constitute its maturity date. The promissory note shall not bear any interest from the date of the promissory note to its maturity date, but shall bear interest thereafter at the rate imposed by §1-1-8(A)(2) from the maturity date of the promissory note until the date the promissory note is paid. The promissory note shall be secured by a mortgage on the low income housing development that is subject and subordinate only to mortgages securing the costs to purchase the land for the low income housing development and to design and construct the low income housing development.

(2) If the service requested necessitates modification and/or installation of additional facilities other than those already in existence and available to serve the property, then the cost of such modifications and/or additional facilities shall be applied and apportioned according to existing Water Authority policy.

(D) (1) A Water Supply Charge (WSC), as specified herein, will be assessed by the Water Authority at the time of meter sale or application for service to any new water user customer requesting connection to the water system in an area requiring new or

enhanced infrastructure through a service expansion in accordance with §1-1-8(D)(1). The proceeds from this charge will be dedicated and restricted to the development of new water resources, rights or supplies to serve the beneficiary new customers outside of the established infrastructure consistent with the Water Authority's Regional Water Plan and Water Resources Management Strategy and other guiding principles adopted by the Water Authority. The amount of the WSC shall be adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR).

Financing for Water Supply Charge - WSC

Water Meter Size	Water Payment	Minimum Cash Down	Balance to Finance
<u>5/8 X 3/4"</u>	<u>\$1,669</u>	<u>\$83</u>	<u>\$1,586</u>
<u>1"</u>	<u>2,793</u>	<u>140</u>	<u>2,653</u>
<u>1-1/2"</u>	<u>5,564</u>	<u>278</u>	<u>5,286</u>
<u>2"</u>	<u>8,902</u>	<u>445</u>	<u>8,457</u>
<u>3"</u>	<u>17,806</u>	<u>890</u>	<u>16,916</u>
<u>4"</u>	<u>27,627</u>	<u>1,381</u>	<u>26,246</u>
<u>6"</u>	<u>55,760</u>	<u>2,788</u>	<u>52,972</u>
<u>8" or More</u>	<u>89,023</u>	<u>4,451</u>	<u>84,572</u>
5/8 X 3/4"	\$1,627	\$81	\$1,546
1"	2,722	136	2,586
1-1/2"	5,423	271	5,152
2"	8,676	434	8,242
3"	17,355	868	16,487
4"	26,927	1,346	25,581
6"	54,347	2,717	51,630
8" or More	86,767	4,338	82,429

(2) The WSC may be paid in full or paid over time with an initial minimum of 5 percent down payment and the balance shall be subject to a fixed monthly charge to include a carrying charge set at seven percent per annum. On all new hook-up connections, the balance shall be paid in full within 120 months.

(3) The fixed monthly fee for the WSC shall run against the property and be the responsibility of any subsequent owner until paid in full. All monies collected

through the imposition of the WSC shall be placed in a separate account to be used for financing the development of additional long term water supplies to serve expansions of the Water Authority's service area subsequent to June 15, 2007.

(4) The WSC is not reimbursable under the line extension policy except for master planned water, wastewater, and reuse supply projects as contained in development agreements. All revenues generated from the WSC will be maintained in its own activity and to be used only as specified in §1-1-8(D)(1).

(5) Master planned developments outside the service area shall meet additional water, wastewater, and reuse service provision requirements in accordance with Water Authority policies and plans.

1-1-9. SPECIFIC SERVICES.

Fees for specific services shall be as follows:

(A) Metered Service Lines.

(1) 5/8 X 3/4" meter set only, \$295

(2) 1" meter set only, \$355

(3) 1 1/2" meter set only, \$555

(4) 2" meter set only, \$635

(5) 3" metered service line installation.

(a) 3" meter set only with compound meter without vault, \$2,185

(6) 4" metered service line installation.

(a) 4" meter set only with compound meter without vault, \$3,125

(b) 4" meter set only with fire assembly meter without vault \$7,210

(7) 6" metered service line installation.

(a) 6" meter set only with compound meter without vault, \$5,140

(b) 6" meter set only with fire assembly meter without vault \$7,520

(8) 8" metered service line installation.

(a) 8" meter set only with fire assembly without vault \$13,040

(9) 10" and larger: Contact the Utility for price quote

(B) Meter Size Reduction Installation.

(1) 5/8 X 3/4" through 1-1/2", contact the Utility for price quote

(2) 2", contact the Utility for price quote

(3) 3" and larger, contact the Utility for price quote

(C) Nonpayment Delinquency Fee.

(1) 5/8 X 3/4" and 1", \$45

(2) 1-1/2" through 10", \$60

(D) Combined Fire-Domestic Meters.

(1) Requests for this type of metered service, which provide both fire protection and domestic-irrigation service, may be made at the New Services Section of Utility Development. Upon the satisfactory determination of peak flow water delivery requirements, as certified by an engineer registered in the State of New Mexico, in accordance with the City and the County fire codes and the AWWA M22 an equivalent meter size will be determined for the service. Fixed monthly charges for private fire protection shall also be applied commensurate with the degree of fire protection capacity being provided.

(2) Fees for installation (set only) is in §1-1-9(A).

(E) Cross Connection Fees

(1) Containment Inspection Fees. An inspection fee of \$50 shall be assessed to all customers required to have premise inspections to cover expenses incurred by the Water Authority during the initial inspection of the premise. The inspection fee shall be assessed only to those customers whose premise are is in compliance with this Ordinance at the time of inspection.

(2) Backflow Prevention Assembly Administrative Charge. All customers required to provide cross-connection control by containment and/or isolation shall be assessed an annual administrative fee of \$30 (fee is not to be prorated in case of change in ownership) for each backflow prevention assembly located at the premise. This fee incorporates expenses incurred by the Water Authority to maintain records, to process required testing notices and to enter data as required.

(3) Late report fee. A late report fee of \$100 per month may be assessed for passing test reports submitted more than 30 days past the due date. The late report fee will be assessed monthly until a passing test report is submitted.

(4) Non-existent containment backflow preventer assembly fee. A non-existent containment backflow preventer assembly fee of \$200 per month may be assessed for each service line without a backflow preventer or with an unapproved backflow preventer.

(5) Unauthorized connection fee. An unauthorized connection fee of \$200 per month may be assessed for each service line with an unauthorized tee, branch, connection fitting, or opening between the containment backflow prevention assembly and the service connection.

(F) Meter Reset

(1) Contact the Utility for a price quote.

(G) Septage Fees. Each time the septage hauler enters the septage disposal site at the Southside Water Reclamation Plant, the permittee will be assessed a charge based on the type of permitted waste and based on 85% of the permitted septage hauler tank capacity no matter the amount discharged. The amount of the Septic Tank and Chemical Toilet charge shall be adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR).

(1) Septic Tank Charge. The septic tank charge is ~~\$.02426~~ .02489 per gallon.

(2) Chemical Toilet Charge. The chemical toilet charge is ~~\$.05077~~ .05209 per gallon.

(3) Septage Hauler Registration Charge. A septage hauler registration charge of \$25 per vehicle shall be assessed to all septage haulers submitting a septage hauler application.

1-1-10. FRANCHISE FEE.

There shall be a charge of four percent on the total sales of water and sewer services added to customer billings to compensate the Water Authority for the franchise fee charged by the City, County and the Village of Los Ranchos and a charge of two percent on the total sales of water and sewer services added to customer billings to compensate the Water Authority for the franchise fee charged by the City of Rio Rancho for the granted authorization to use rights-of-way and public places to construct, operate, and maintain water and wastewater systems.

1-1-11. PAYMENT.

All charges shall be payable at any location as designated by the Water Authority and will become delinquent 15 days following the "due by" date on the Customer's utility statement.

1-1-12. PENALTY FOR DELINQUENT ACCOUNTS.

A penalty of 1.5 percent per month may be imposed on all delinquent accounts.

1-1-13. PENALTY FOR NONCOMPLIANCE WITH THE SEWER USE AND WASTEWATER CONTROL ORDINANCE

(A) Any permitted Industrial User who has violated, or continues to violate, any Pretreatment Standard or Requirement as defined in the Sewer Use and Wastewater Control Ordinance shall be assessed a penalty of up to \$1,000 per violation per day.

(B) Any other violations of the Sewer Use and Wastewater Control Ordinance may be subject to a penalty up to \$1,000 per violation per day.

1-1-14. RESPONSIBILITY OF PAYMENT, LIENS, AND DEPOSIT.

(A) The assessed fees and service charges provided for herein are the personal responsibility of the owner of record, as reported by the Bernalillo County Assessor for the real property served.

(B) The Water Authority may file a lien of record on such real property for such charges including any interest or penalties accruing on same.

(C) Reasonable deposits may be required of any Customer including tenants. Deposits not to exceed six months in duration. Such deposits and accrued interest shall be applied to the utility account immediately upon becoming delinquent or the expiration of six month period. Any credit status created by applying the deposit will be absorbed by the monthly service charges and considered prepayments for services. Such deposits shall draw reasonable interest.

(D) The Executive Director is authorized to establish and issue guidelines for billing procedures, including but not limited to payment plans for delinquent accounts.

1-1-15. DISCONTINUANCE OF SERVICE; HEARING.

(A) The Water Authority may cause the water supply to be turned off and discontinue service to the property if any charge provided for herein remains unpaid for a period of 30 days from the "due by" date on the Customer's utility statement. Service may not be discontinued for delinquencies of a previous owner unless a lien, or a record has been filed prior to the real property changing ownership or responsibility with the Bernalillo County Clerk indicating that outstanding Utility charges remain.

(B) In order to discontinue service, a written notice shall be sent to the Customer at least ten calendar days' notice before termination of service and notice of the right to

1 protest the Water Authority's proposed action at an administrative hearing.

2 (C) The Customer must request in writing that a hearing be held and such
3 request must be received by the Executive Director on or before the date the services are
4 to be terminated. If the Customer requesting the hearing is not the owner of record, the
5 Customer must provide proof that the owner of record will be bound by the decision of the
6 hearing officer.

7 (D) At such hearing, the Customer may present evidence as the Water Authority
8 and the Executive Director, or his designated hearing officer, may affirm, overrule or modify
9 the decision to terminate the services. The decision shall be final.

10 (E) In the event a hearing is requested, the services shall not be terminated
11 pending the conclusion of the hearing and this issuance of a decision.

12 (F) A nonrefundable hearing fee of \$50.00 shall accompany each appeal filed
13 pursuant to this §1-1-15.

14 (G) For purposes of expediting the satisfaction of delinquent accounts the
15 Executive Director may at his discretion waive, credit, and or remove penalty fees or other
16 fees from any account.

17 1-1-16. EFFECTIVE DATE AND PUBLICATION.

18 The effective date of this Ordinance will be July 1, ~~2017~~ 2018 unless otherwise
19 stated.

20 1-1-98. PROHIBITIONS.

21 (A) No person shall use or cause to be used any water produced or distributed by
22 the Water Authority without the consent of Water Authority. Water distributed through an
23 authorized meter or obtained by any means authorized by ordinances or administration
24 rules and regulations shall constitute the consent of the Water Authority.

25 (B) No person shall discharge or cause to be discharged any liquid waste to the
26 liquid waste collection or treatment system operated by the Water Authority without the
27 consent of the Water Authority and in compliance with the Water Authority's Sewer Use
28 and Waste Water Control Ordinance. Approved connections or permits shall constitute
29 such consent.

30 (C) No person shall willfully break, injure, or tamper with any property of the
31 Water Authority, including but not limited to: wells, pump stations, reservoirs, sewage

1 treatment plants, lift stations, distribution lines, fire hydrant service lines, meters, gate
2 valves, manhole covers or grates.

3 (D) Violation of any of the above described Prohibitions constitutes a violation of
4 the conditions of Water Authority service and may be subject to a connection service
5 charge of \$400.00 per occurrence and charges of four years of usage based upon prior
6 usage or the customer class average or termination of service.

7 **Section 2. SEVERABILITY CLAUSE.** If any Section, paragraph, sentence, clause, word
8 or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any
9 court of competent jurisdiction, such decision shall not affect the validity of the remaining
10 provisions of this Ordinance. The Water Authority hereby declares that it would have
11 passed this Ordinance and each Section, paragraph, sentence, clause, word or phrase
12 thereof irrespective of any provision being declared unconstitutional or otherwise invalid.



POST ISSUANCE COMPLIANCE POLICY

As of May 23, 2018



Post-Issuance Tax and Securities Compliance Guidelines for Bonds

Overview

This guide lists the post-issuance tax compliance controls and procedures related to financial obligations (“Post-Issuance Compliance Guidelines”) maintained by Albuquerque Bernalillo County Water Utility Authority (the “Water Authority”). Post-Issuance Compliance Guidelines are intended to ensure that the Water Authority complies, and is able to demonstrate such compliance with applicable legal provisions including certain recordkeeping and reporting requirements in order (a) to maintain the tax status of the bonds for federal income tax purposes under the Internal Revenue Code and the Treasury Regulations, (b) to ensure that the bonds continue to comply with the securities laws contained in Rule 15c2-12 of the Securities Exchange Board. References herein to “Tax-exempt bonds” include the issuance of tax exempt and tax-advantaged bonds, loans and other similar debt instruments that may be issued by the Water Authority. This guideline is designed to formalize compliance procedures so that the Water Authority utilizes the proceeds of all issues of bonds in accordance with applicable federal tax requirements, and complies with all other applicable federal requirements with respect to bond issues.

A list of currently outstanding bond issues, inclusive of taxable and tax advantaged issues when applicable is attached hereto as Exhibit A. Such exhibit will be updated from time to time as new bond issues arise or existing bond issues cease to be outstanding. Certain additional transactional covenants and recurring reporting and similar obligations of the Water Authority relevant to the Water Authority’s current bonds and leases are set forth in Exhibit B hereto, which may be amended from time to time to address future leases or bond issues.

Section I: Issuance of Bonds

Financing with tax-exempt bonds is determined by the Water Authority’s Board with consultation from the following:

- Water Authority’s Finance Staff
- Financial Advisor (RBC Capital Markets as of May 1, 2013)
- Bond Counsel (Brownstein Hyatt Farber Schreck as of May 1, 2013)
- Disclosure Counsel (Modrall Sperling as of May 1, 2013)

Bond Counsel

The Water Authority will retain a firm of nationally recognized bond counsel (“Bond Counsel”) to deliver a legal opinion upon issuance of Bonds. The Water Authority will consult with Bond Counsel, other legal counsel and advisors throughout the bond financing process as well as during the post-issuance term of the bonds.

External Counsel Advisors

The Water Authority maintains a relationship with a firm to serve as financial advisor (“Financial Advisor”) in

connection with the issuance of tax exempt bond financing to advise with respect to outstanding tax-exempt bonds and for future capital projects.

Tax Certificate

The federal tax requirements relating to each issue of Bonds will be set forth in a related Tax Certificate, which will be included in the closing transcript for each issue. The certifications, representations, expectations and covenants set forth in the Tax Certificate relate primarily to the restriction on use of the Bond-financed facilities by persons or entities other than the Water Authority, changes in use of Bond-financed assets, restrictions applicable to the investment of Bond proceeds and other moneys relating to the Bonds, arbitrage rebate requirements, and economic life of the Bond-financed assets. Bond Counsel will rely in part on the Tax Certificate in rendering its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes.

IRS Form 8038-G

Bond Counsel, with assistance from the Water Authority and other professionals associated with each Bond issuance, shall prepare an IRS Form 8038-G. The Chief Financial Officer (“CFO”) or designee will review and sign at closing, and will confirm that the IRS Form 8038-G with respect to all Bond issues is timely filed by Bond Counsel, including any required schedules and attachments. The Form 8038-G filed with the IRS, together with an acknowledgement copy or IRS Notice CP152, will be included as part of the closing transcript for each Bond issue.

Bond Financing Transcript

The transcript associated with each Bond financing, will include copies of the executed Opinion of Bond Counsel, Tax Certificate, and IRS Form 8038-G. The CFO will keep a copy of the transcript in accordance with the provisions of Section V-“Records Retention”, of these Post-Issuance Compliance Guidelines.

Section II. Application of Bond Proceeds

The CFO will monitor and report to the Executive Director (“ED”) the use of Bond Proceeds. Bond Proceeds will be used for the purpose set forth in the respective Tax Certificate.

Reimbursement / Official Intent

If it is anticipated that a capital expenditure will eventually be reimbursed with proceeds of a bond issue, at the time of expenditure, or in any event, not later than 60 days after payment of the original expenditure, the Water Authority will adopt an official intent that complies with Section 1.150-2(e) of the Treasury Regulations. Further, the actual reimbursement allocation must be made not later than 18 months after the later of either the date the original expenditure is paid; or the date the project is placed in service or abandoned, but in no event more than 60 days after the fifth anniversary of the issue date or the date 60 days after the retirement of the issue, if earlier.

Assignment of Responsibility and Establishment of Calendar

On the date of issuance of any bond, the CFO will identify for the bond issue:

- The funds and/or accounts into which bond proceeds are deposited
- The types of expenditures expected to be made with the bond proceeds deposited into those funds and/or accounts and any expenditures prohibited from being made from such funds or accounts.

- The dates by which all bond proceeds must be spent or become subject to arbitrage yield limitations ("Expenditure Deadlines") and all interim dates by which funds and/or accounts must be checked to ensure compliance with the applicable Expenditure Deadlines.

Timely Expenditure of Bond Proceeds

At the time of issuance of any Bond issue, the Water Authority must reasonably expect to spend at least 85% of all proceeds expected to be used to finance improvements, which proceeds would exclude proceeds in a reasonably required reserve fund, ("Net Sale Proceeds") within three (3) years of issuance. In addition, the Water Authority must have incurred or expect to incur within six months after issuance expenditures or a binding obligation of not less than 5% of such amount of proceeds, and must expect to complete the project and allocate the proceeds to costs with due diligence. Satisfaction of these requirements allows project-related Bond proceeds to be invested at an unrestricted yield for three (3) years. The CFO will review the anticipated Project construction and funding timeline. The Water Authority's finance staff will monitor the appropriate capital project accounts and ensure that Bond proceeds are spent in the time period required under federal tax law. If the CFO discovers that an Expenditure Deadline has not been met, said person will consult with Bond Counsel to determine the appropriate course of action with respect to such unspent bond proceeds. Special action may need to be taken with such unspent bond proceeds, including yield restriction, or redemption of Bonds.

Final Allocation

Expenditures will be summarized in a final allocation of bond proceeds ("Final Allocation") in a manner consistent with allocations made to determine compliance with arbitrage yield restriction and rebate requirements. The Final Allocation will memorialize the assets or portion thereof financed with bond proceeds and the assets or portion thereof financed with other funds.

The Final Allocation must occur not later than 18 months after the later of the date the expenditure is paid or the date the Project to which the expenditure relates is completed and actually operating at substantially the level for which it was designed. This allocation must be made in any event not later than 60 days after the end of the fifth year after issuance of the Bonds or 60 days after none of the Bonds are outstanding, if earlier.

The CFO will be responsible for ensuring that such Final Allocation is made for the bonds.

Modification of Bond Terms

The CFO is responsible for identifying any events resulting in (a) changes or modifications of any of the contractual terms of bonds (including, without limitation, modifications of the bond interest rates, maturity dates or payment schedule), (b) changes to any credit enhancement of or liquidity facility for bonds, (c) changes in the nature of the security for the bonds, (d) purchase of bonds by the Water Authority or any entities related to the Water Authority or (e) any deferral or forbearance of default of payment of principal and interest due on bonds. Such actions may result in a deemed reissuance of the bonds for federal income tax purposes and could require protective actions to maintain the tax status of the bonds. Bond Counsel should be consulted prior to taking any of these actions.

Use of Bond Proceeds

Bond Proceeds generally should be used for long-term capital projects and not more than 5% of the proceeds should be loaned to one or more Nongovernmental Persons. Bond Proceeds (including earnings on original sale proceeds), other than proceeds deposited in a reasonably required reserve fund or used to pay costs of issuance, should be spent on Capital Expenditures. For this purpose, Capital Expenditures generally mean costs to acquire, construct, or improve property (land, buildings and equipment), or to adapt the property to a new

or different use. The property must have a useful life longer than one (1) year. Capital Expenditures include design and planning costs related to the Project, and include architectural, engineering, surveying, soil testing, environmental, and other similar costs incurred in the process of acquiring, constructing, improving or adapting the property. Capital Expenditures do not include operating expenses of the projects or incidental or routine repair or maintenance of the Project, even if the repair or maintenance will have a useful life longer than one (1) year.

Segregation of Bond Proceeds

Bond Proceeds shall be maintained in separate accounts or subaccounts to ensure accurate calculations and accounting as required by the Internal Revenue Code. The Water Authority shall establish separate accounts or subaccounts as provided in the related Bond Resolution.

Section III: Use of Bond Financed Assets

The Water Authority reviews, and will continue to review, any third-party uses of its Bond-financed facilities (“Projects”) for private business use. In addition, the Water Authority will continue to consult regularly with Bond Counsel and Financial Advisor regarding applicable federal tax limitations imposed on the Water Authority’s outstanding tax-exempt obligations and whether arrangements with third parties give rise to private business use of the Projects. The CFO will maintain records identifying the assets or portion of assets that are financed with proceeds of a Bond issue, the uses and the users (including terms of use and type of use). Such records may be kept in any combination of paper or electronic form. In the event the use of Bond proceeds or the Project is different from the covenants and representations in the Tax Certificate, the CFO shall be notified at that time and Bond Counsel will be promptly notified and consulted to ensure that there is no adverse effect on the tax-exempt status of the Bond issue.

Ownership and Use of Project

For the life of the Bond issue, the Project must be owned and operated by the Water Authority (or another state or local governmental entity). At all times while the Bond issue is outstanding, no more than 10% (or \$15,000,000, if less) of the Bond proceeds or the Project may be used, directly or indirectly, in a trade or business carried on by a person other than a state or local governmental unit (“Private Use”). Generally, Private Use consists of any contract or other arrangement, including leases, management contracts, operating agreements, guarantee contracts, take or pay contracts, output contracts or research contracts, which provides for use by a person who is not a state or local government on a basis different than the general public. Use may include: (i) owning, leasing, providing services, operating, or managing the Project; (ii) acquiring the output (or throughput) of the Project; or (iii) acquiring or using technology developed at the Project. The Project may be used by any person or entity, including any person or entity carrying on any trade or business, if such use constitutes “General Public Use”. General Public Use is any arrangement providing for use that is available to the general public at either no charge or on the basis of rates that are generally applicable and uniformly applied. Water Authority staff will monitor all leases and subleases on property that has been financed with tax-exempt long-term obligations. Prior to entering into any lease or sublease on a bond-financed property, Water Authority staff will consult with Bond Counsel to determine the impact, if any, such lease or sublease would have on the tax status of outstanding tax-exempt obligations.

The Water Authority will use long-term obligations to finance those projects that are intended to be owned and operated by the Authority for the entire term of the long-term financing. Prior to selling or otherwise disposing of any tax-exempt debt financed project for which debt remains outstanding, the Water Authority will consult with Bond Counsel to determine the impact, if any, such sale or disposition would have on the tax status of outstanding tax-exempt debt.

Management or Operating Agreements

Any management, operation or service contracts whereby a non-exempt entity is using Bond-financed assets must relate to portions of the Project that fit within the above-mentioned 10% allowable Private Use or the contracts must meet the IRS safe harbor for management contracts. Any replacements of or changes to such contracts should be reviewed by Bond Counsel. The Water Authority shall contact Bond Counsel if there may be a lease, sale, disposition or other change in use of Bond-financed assets. The CFO will maintain records on contracts related with Water Authority real estate on the Facility Management System. In general, management or service contracts related to Projects must provide for reasonable compensation for services rendered with no compensation based on a share of net profits from operations.

The CFO will inform the persons responsible for the management and operation of the Bond-financed assets (“Asset Managers”) of the Private Business Use restrictions relating to the Bond-financed assets. The CFO will require Asset Managers to submit any management contract with respect to any portion of Bond-financed Assets for his or her review prior to entering into such management contract. The CFO will meet at least annually with Asset Managers to identify and discuss any existing or planned use of Bond-financed assets that may give rise to Private Business Use.

Useful Life Limitation

The weighted average maturity of the Bond issue cannot exceed 120% of the weighted average economic life of the Bond-financed assets. In other words, the weighted average economic life of the Project must be at least 80% of the weighted average maturity of the Bond issue. The term of a long-term obligation should not exceed the useful life of a project financed by those obligations; or in the case of multiple projects, the term of the long-term obligation will not exceed the average useful life. The useful life of an object is confirmed at the time of issuance. Also, each asset of the Authority has a useful life that is recorded in the Authority enterprise resource program.

Section IV: Investment Restrictions, Arbitrage Liability

Investment Restrictions

Investment restrictions relating to Bond proceeds and other moneys relating to the Bonds are set forth in the Tax Certificate. The Authority’s finance staff will monitor the investment of Bond proceeds to ensure compliance with yield restriction rules. The Authority’s CFO is responsible for directing the investment of proceeds of Bonds or other funds related to the Water Authority’s Bonds and will provide periodic updates on the investments of Bond proceeds to the Water Authority investment committee.

Arbitrage Yield Calculations and Rebate

Investment earnings on Bond proceeds will be tracked and monitored to comply with applicable yield restrictions and/or rebate requirements. The Authority is responsible for calculating (or causing the calculation of) rebate liability for each Bond issue, and for making any required rebate payments. Any funds of the Authority set aside or otherwise pledged or earmarked to pay debt service on Bonds should be analyzed to assure compliance with the tax law rules on arbitrage, invested sinking funds and pledged funds (including gifts or donations linked to the Bond-financed assets).

Arbitrage Rebate Consultant

The Authority will retain an arbitrage rebate consultant, to perform rebate calculations as required in the Tax Certificate of each Bond financing. The CFO is responsible for providing the arbitrage rebate consultant with requested documents and information on a prompt basis, reviewing applicable rebate reports and other

calculations and generally interacting with the arbitrage rebate consultant to ensure the timely preparation of rebate reports and payment of any rebate liability.

Arbitrage Rebate Payments

The reports and calculations provided by the arbitrage rebate consultant will confirm compliance with rebate requirements, which include the Authority to make rebate payments, if any rebate liability exists, no later than the fifth (5th) anniversary date and each fifth (5th) anniversary date thereafter through the final maturity or redemption date of a Bond issue. A final rebate payment must be made within sixty (60) days of the final maturity or redemption date of a Bond issue. The CFO or their designee will confer and consult with the arbitrage rebate consultant to determine whether any rebate spending exception may be met. Rebate spending exceptions are available for periods of 6 months, 18 months and 2 years. The Authority will review the Tax Certificate and/or consult with the arbitrage rebate consultant or Bond Counsel for more details regarding the rebate spending exceptions. Copies of all arbitrage rebate reports, related return filings with the IRS (i.e., IRS Form 8038-T), copies of cancelled checks with respect to any rebate payments, and information statements must be retained as described in Section V below. The Authority's finance staff will follow the procedures set forth in the Tax Certificate entered into with respect to any Bond issue that relate to compliance with the rebate requirements.

Section V: Record Retention

The CFO will maintain, or cause to be maintained, copies of all relevant documents and records sufficient to support that the tax requirements relating to a Bond issue have been satisfied will be maintained by the Water Authority for the later of: (i) the term of a Bond issue, or (ii) the term of any subsequent issue that refunds the original Bond issue, plus three (3) years, including the following documents and records:

- Bond closing transcript
- All records of investments, arbitrage reports, returns filed with the IRS and underlying documents
- Construction contracts, purchase orders, invoices and payment records
- Documents relating to costs reimbursed with Bond proceeds
- All contracts and arrangements involving Private Use of the Bond-financed property
- All reports relating to the allocation of Bond proceeds and Private Use of Bond-financed property
- Itemization of property financed with Bond proceeds
- Subscription information related to United States Treasury Securities – State and Local Government Series (SLGs)
- Solicitation and all responses received from the bidding of any guaranteed investment contracts and Government Obligations

Section VI. Annual Review of Post Issuance Compliance Controls

The Water Authority will conduct periodic reviews of compliance with these Post-Issuance Compliance Guidelines to determine whether any violations have occurred so that such violations can be remedied through the “remedial action” regulations (Treas. Reg. Section 1.141-12) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance). If any changes to the terms or provisions of a Bond issue are contemplated, the Water Authority will consult Bond Counsel. The Water Authority recognizes and acknowledges that such modifications could result in a “reissuance” for federal tax purposes (i.e., a deemed refunding) of the Bond issue and thereby jeopardize the tax-exempt status of interest on the Bonds after the modifications. At least annually, the CFO will conduct an evaluation of the effectiveness of the design and operation of the Water Authority’s Post-Issuance Compliance Guidelines with the assistance of the Water Authority’s Financial Advisor as needed and internal finance staff of the Water Authority as appropriate, to the extent determined by any of them to be necessary or appropriate.

Annual Review and Training

The CFO will coordinate an annual review process to investigate, monitor, assure and document compliance with the tax and continuing disclosure requirements described in these guidelines. CFO or other staff responsible for monitoring post-issuance tax compliance matters will attend regular training or educational forums necessary to stay up to date on tax-exempt bond compliance requirements.

Continuing Disclosure Compliance Requirements

In each year that the Water Authority has bonds or taxable obligations outstanding subject to SEC Rule 15c2-12, it must provide updated information or its designee, must file or cause to be filed its annual report (the "Annual Report") with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system for municipal securities disclosure ("EMMA"). Aforementioned updated information must be provided by the Water Authority or designee by the date specified in each bond's official statement. Refer to Exhibit B for the required disclosure dates for Water Authority's existing bonds.

In preparing its Annual Report, the Water Authority should review each of its outstanding continuing disclosure undertakings (if any) (collectively, the "Undertakings") to determine the quantitative financial information and operating data which, together with the audited financial statements, will constitute the content of the Annual Report. Certain quarterly reports may also need to be filed with the MSRB through EMMA.

The Water Authority, through its Disclosure Counsel, will also continuously monitor other events relevant to the bonds and provide proper notice to the MSRB through EMMA as may be required by the Undertakings. A list of relevant events is included on Exhibit C hereto, which may be amended from time to time to reflect updates in the law.

The Water Authority will coordinate any submissions with the MSRB through EMMA with Disclosure Counsel or other legal counsel.

EXHIBIT A

TO POST-ISSUANCE COMPLIANCE GUIDELINES

LIST OF CURRENTLY OUTSTANDING BONDS

SYSTEM REVENUE BONDS

- \$135,990,000 (original principal amount; dated April 8, 2009) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2009A-1** (Final Maturity: July 1, 2034)
- \$62,950,000 (original principal amount; dated October 22, 2013) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2013A** (Final Maturity: July 1, 2038)
- \$55,265,000 (original principal amount; dated October 22, 2013) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2013B** (Final Maturity: July 1, 2024)
- \$97,270,000 (original principal amount; dated September 24, 2014) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2014A** (Final Maturity: July 1, 2026)
- \$87,005,000 (original principal amount; dated September 24, 2014) Subordinate Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2014B** (Final Maturity: July 1, 2025)
- \$211,940,000 (original principal amount; dated April 27, 2015) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2015** (Final Maturity: July 1, 2033)
- \$87,970,000 (original principal amount; dated March 1, 2017) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2017** (Final Maturity: July 1, 2034)

NMFA LOANS

- \$10,426,232 (original principal amount) Subordinate Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA DWRFL, **Series 2008** (Final Maturity: May 1, 2025)
- \$1,000,000 (original principal amount) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA DWRFL, **Series 2009** (Final Maturity: July 1, 2031)
- \$53,400,000 (original principal amount) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA PPRF, **Series 2011** (Final Maturity: June 1, 2036)

EXHIBIT B
TO POST-ISSUANCE COMPLIANCE GUIDELINES

THE FOLLOWING SUMMARIES ARE NOT COMPLETE DESCRIPTIONS OF THE COVENANTS DESCRIBED IN THE BOND DOCUMENTS, AND REFERENCE MUST BE MADE TO THE APPLICABLE DOCUMENT SECTIONS FOR A FULL DESCRIPTION OF SUCH COVENANTS. The Water Authority should seek advice of Bond Counsel or other legal counsel to assist in reviewing tax, insurance, disclosure and business covenants summarized below.

ISSUE	ADDITIONAL BOND TEST	CDU DATE	RATE COVENANT	RESERVE REQUIREMENT
NET SYSTEM REVENUE BONDS				
SERIES 2009A-1	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2013A	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2013B	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2014A	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2014B	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2015	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2017	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A

EXHIBIT C
TO POST-ISSUANCE COMPLIANCE GUIDELINES
SEC RULE 15c2-12 DISCLOSURE REQUIREMENTS

For its Undertakings with respect to bonds or other obligations issued before December 1, 2010, the Water Authority must monitor the following events and provide notice of such events to the MSRB through EMMA as required by the applicable Undertaking:

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes.

For its Undertakings with respect to bonds or other obligations issued on or after December 1, 2010, the Water Authority must monitor the following events and provide notice of such events to the MSRB through EMMA as required by the applicable Undertaking, but not later than 10 business days after occurrence:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Water Authority
13. The consummation of a merger, consolidation or acquisition involving the Water Authority or the sale of all or substantially all of the assets of the Water Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material/applicable.



Meeting Date: April 18, 2018

Staff Contact: Stan Allred, Chief Financial Officer; Frank Roth, Senior Policy Manager

TITLE: O-18-5 – Authorizing the Execution and Delivery of a Loan and Subsidy Agreement (“Loan Agreement”) by and Between the Albuquerque Bernalillo County Water Utility Authority and the New Mexico Finance Authority for the Carnuel Phase 2b Project

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

Ordinance O-18-5 authorizes the execution and delivery of a loan and subsidy agreement in the amount of \$1,000,000 between the New Mexico Finance Authority (NMFA) and the Water Authority for Phase 2b of the Carnuel Water System Improvements Project. This is a special limited obligation of the Water Authority to pay a principal amount of no more than \$250,000 together with interest, costs of issuance and administrative fees and to accept a loan subsidy (Grant) of no more than \$750,000.

FISCAL IMPACT:

This loan portion of the agreement is for 22 years with an effective interest rate of 0.25%. Gross Revenues, all income and revenues directly or indirectly derived by the Water Authority from the operation and use of the System, are pledged as security for these loans. The annual Debt Service for the loan portion of this agreement is \$12,831.

**ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY**

BILL NO. 0-18-5

ORDINANCE

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE "WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000), FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENDING AND IMPROVING THE WATER INFRASTRUCTURE SYSTEM TO THE CARNUEL COMMUNITY, INCLUDING, ACQUISITION AND INSTALLATION OF WATER DISTRIBUTION LINES; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM NET REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Capitalized terms used in the following preambles are defined in Section 1 of this Ordinance, unless the context requires otherwise.

1 WHEREAS, the Water Authority is a legally and regularly created,
2 established, organized and existing public body politic and corporate, separate and
3 apart from the City and the County, under the general laws of the State; and

4 WHEREAS, the Water Authority owns, operates and maintains the System as
5 a joint public utility water and sanitary sewer system; and

6 WHEREAS, the Water Authority is obligated on the following Senior
7 Obligations, payable from Net Revenues, Outstanding on the date of the adoption of
8 this Ordinance in the following principal amounts:

9		Amount
10	<u>Senior Obligations</u>	<u>Outstanding</u>
11	Series 2009A-1 Bonds	\$ 31,925,000
12	Series 2013A&B Bonds	\$ 83,620,000
13	Series 2014A Bonds	\$ 88,270,000
14	Series 2015 Bonds	\$208,730,000
15	Series 2017 Bonds	\$ 87,970,000
16	Drinking Water State Revolving Fund Loan Agreement (2009)	\$ 766,470
17	Public Project Revolving Fund Loan Agreement (2011)	\$ 35,855,000
18	Drinking Water State Revolving Fund Loan Agreement (2018)	\$ 1,010,000

19 and

20 WHEREAS, the Water Authority is obligated on the following Subordinate
21 Obligations, payable from Net Revenues with a lien on the Net Revenues
22 subordinated to the Senior Obligations, and superior to the lien of the Super
23 Subordinate Obligations, Outstanding on the date of the adoption of this Ordinance
24 in the following principal amounts:

25		Amount
26	<u>Subordinate Obligations</u>	<u>Outstanding</u>
27	Series 2014B Bonds	\$ 66,950,000
28	Drinking Water State Revolving Fund Loan Agreement (2008)	\$ 7,370,187

29 and

1 WHEREAS, the Water Authority currently has no Super Subordinate
2 Obligations outstanding payable from Net Revenues with a lien on the Net
3 Revenues subordinated to the Senior Obligations and Subordinate Obligations; and

4 WHEREAS, except as stated in these preambles, the Net Revenues have not
5 been pledged or hypothecated to the payment of any Outstanding obligations and no
6 other obligations are payable from the Net Revenues on the date of this Ordinance;
7 and

8 WHEREAS, there are no obligations which have a lien on the Net Revenues
9 superior to the lien thereon of the Senior Obligations;

10 WHEREAS, funds may be provided from the Drinking Water State Revolving
11 Loan Fund to finance infrastructure projects in the State; and

12 WHEREAS, the Board has determined that the Project may be financed with
13 amounts borrowed under the Loan Agreement and that it is in the best interest of the
14 Water Authority and its customers that the Loan Agreement be executed and
15 delivered and that the financing of the construction of the Project take place by
16 executing and delivering the Loan Agreement; and

17 WHEREAS, the Board has determined that it may lawfully pledge the Net
18 Revenues for repayment of the Loan Agreement; and

19 WHEREAS, the Water Authority intends to use a portion of the proceeds of
20 the Loan Agreement for the purpose of acquiring and installing additional System
21 assets and improving the System; and

22 WHEREAS, all required authorizations, consents and approvals in
23 connection with (i) the use and pledge of the Net Revenues to the Finance Authority
24 (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the
25 use of the proceeds of the Loan Agreement to finance the Project, and (iii) the
26 authorization, execution and delivery of the Loan Agreement, which are required to
27 have been obtained by the date of the Ordinance have been obtained or are
28 reasonably expected to be obtained prior to the Closing Date.

29 BE IT ORDAINED BY THE BOARD OF THE WATER AUTHORITY:

30 Section 1. DEFINITIONS AND RULES OF CONSTRUCTION.

31 (A) DEFINITIONS. As used in this Ordinance, the following terms

1 have the meanings specified, unless the context clearly requires otherwise:

2 ACT. The DWSRLF Act, and the general laws of the State, including
3 Section 72-1-10 NMSA 1978, Sections 3-31-1 through 3-31-12 NMSA 1978,
4 Sections 4-62-1 to 4-62-10 NMSA 1978, as amended, and enactments of the Board
5 relating to the Loan Agreement, including this Ordinance.

6 ADMINISTRATIVE FEE or ADMINISTRATIVE FEE COMPONENT.
7 The 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan
8 Agreement Principal Amount then outstanding as a part of each Loan Agreement
9 Payment for the costs of originating and servicing the Loan.

10 AGGREGATE DISBURSEMENTS. At any time after the Closing Date,
11 the sum of all Disbursements.

12 AGGREGATE FORGIVEN DISBURSEMENTS. The amount of
13 Subsidy provided in the form of principal forgiveness, and shall at any time after the
14 Closing Date be equal to seventy-five percent (75%) of the Aggregate
15 Disbursements, up to a maximum of seven hundred fifty thousand dollars
16 (\$750,000).

17 AGGREGATE REPAYABLE DISBURSEMENTS. At any time after the
18 Closing Date, the Aggregate Disbursements less the Aggregate Forgiven
19 Disbursements.

20 APPROVED REQUISITION. A requisition in the form of Exhibit "C" to
21 the Loan Agreement, together with supporting documentation submitted to and
22 approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

23 AUTHORIZED OFFICER. The Chair, the Executive Director of the
24 Water Authority, or other officer or employee of the Water Authority when designated
25 by a certificate signed by the Chair from time to time.

26 BOARD. The governing body in which is vested the legislative power
27 of the Water Authority.

28 CHAIR. The duly elected Chair of the Board or the Vice Chair of the
29 Board acting in the absence of the Chair.

30 CITY. The City of Albuquerque, in the County of Bernalillo and State
31 of New Mexico.

1 CLOSING DATE. The date of execution, delivery and funding of the
2 Loan Agreement authorized by this Ordinance.

3 COMPLETION DATE. The date of completion of the Project.

4 COUNTY. Bernalillo County, New Mexico.

5 CREDIT FACILITY. A letter of credit, line of credit, bond insurance
6 policy or reserve account surety bond, guaranty or similar agreement provided by a
7 Credit Source to provide support to pay the purchase price of, or the payment when
8 due of the principal of and interest on, System Obligations.

9 CREDIT SOURCE. Any bank, insurance company or other financial
10 institution which provides a Credit Facility for a series of System Obligations.

11 DEBT SERVICE ACCOUNT. The debt service account established in
12 the name of the Water Authority and administered by the Finance Authority to pay
13 principal and interest on the Loan Agreement as the same become due.

14 DEBT SERVICE FUND. The Debt Service Fund previously established
15 by the Water Authority and continued in Section 13 of this Ordinance.

16 DEBT SERVICE REQUIREMENTS. With respect to System
17 Obligations and for any given period, the sum of: (1) the amount required to pay the
18 interest, or to make reimbursements for payments of interest, becoming due on
19 System Obligations during that period, plus (2) the amount required to pay the
20 principal or to make reimbursements for the payment of principal becoming due on
21 System Obligations during that period, whether at maturity or upon mandatory
22 sinking fund redemption dates, plus (3) the periodic payments required to be made
23 by the Water Authority pursuant to a Qualified Exchange Agreement minus (4) the
24 periodic payments to be received by the Water Authority pursuant to a Qualified
25 Exchange Agreement. No payments required for any System Obligations which may
26 be tendered or otherwise presented for payment at the option or demand of the
27 owners of System Obligations, or which may occur because of the exercise of an
28 option by the Water Authority, or which may otherwise become due by reason of any
29 other circumstance or contingency, including acceleration or early termination
30 payments, which constitute other than regularly scheduled payments of principal,

1 interest or other regularly scheduled payments on System Obligations shall be
2 included in any computation of Debt Service Requirements for that period.

3 Unless, at the time of computation of Debt Service Requirements, payments
4 on System Obligations are owed to, or System Obligations are owned or held by, the
5 provider of a Credit Facility pursuant to the provisions of that Credit Facility, the
6 computation of interest for the purposes of this definition shall be made without
7 considering the interest rate payable pursuant to a Credit Facility.

8 In any computation of Debt Service Requirements relating to the issuance of
9 additional System Obligations, there shall be excluded from the computation of the
10 Debt Service Requirements amounts and investments which are irrevocably
11 committed to make designated payments on System Obligations during the
12 applicable period, including, without limitation, money on deposit in any Debt Service
13 Account and amounts on deposit in an escrow account irrevocably committed to
14 make designated payments on System Obligations during the applicable period and
15 earnings on such investments which are payable and committed to the payment of
16 such System Obligations during the applicable period.

17 Unless otherwise required by a Water Authority ordinance or resolution
18 relating to a series of System Obligations, to determine Debt Service Requirements
19 of Variable Rate Obligations, the Water Authority shall use the procedures set forth
20 in the following paragraphs to determine the amount of interest or other payments to
21 be paid by the Water Authority on Variable Rate Obligations.

22 (1) During any historical period for which the actual variable
23 interest rate or rates are determinable, the actual variable interest rate shall be used.
24 During any historical period when the actual variable interest rate is not
25 determinable, the variable interest rate shall, for the purpose of determining Debt
26 Service Requirements, be deemed to be the higher of:

27 (a) the actual variable interest rate, if any, at the time
28 of computation; or

29 (b) a fixed annual rate equal to the prevailing rate on
30 the Variable Rate Obligations on the date of computation (which, for the purpose of
31 determining the Debt Service Requirements, shall be a date which is no more than

60 days prior to the date of issuance of the applicable System Obligations) as certified by the Water Authority's financial advisor, the underwriters of the System Obligations, an investment banker designated by the Water Authority from time to time or a counterparty with respect to a Qualified Exchange Agreement.

(2) Prospective computations of interest payable on Variable Rate Obligations, including those relating to the issuance of additional System Obligations or required by the Rate Covenant, shall be made on the assumption that such obligations bear interest at a fixed annual rate equal to:

(a) the average of the daily rates of such System Obligations during the 365 consecutive days (or any lesser period such System Obligations have been Outstanding) next preceding a date which is no more than 60 days prior to the date of the issuance of the additional System Obligations; or

(b) with respect to System Obligations initially issued or incurred as or being converted to Variable Rate Obligations, the estimated initial rate of interest of such System Obligations upon the date of issuance, exchange or conversion as certified by the Water Authority's financial advisor, another investment banker, as designated by the Water Authority from time to time, or a counterparty with respect to a Qualified Exchange Agreement.

DISBURSEMENT. An amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT (2008). The loan agreement dated November 7, 2008 between the Finance Authority and the Water Authority in the original principal amount of \$9,627,877, authorized and approved by Water Authority Ordinance Enactment No. F/S O-08-4 and Resolution Enactment No. F/S R-08-13 as amended by Ordinance No. F/S O-14-2 and the Amendment to the Loan Agreement dated July 24, 2014 constituting a subordinate lien on the Net Revenues.

DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT (2009). The loan agreement between the Finance Authority and the Water Authority in the original principal amount of \$1,010,000, authorized and approved by Water

1 Authority Ordinance Enactment No. O-09-9 and Resolution Enactment No. R-09-24
2 constituting a senior lien on the Net Revenues.

3 DRINKING WATER STATE REVOLVING FUND LOAN AGREEMENT
4 (2018). The loan agreement between the Finance Authority and the Water Authority
5 in the original principal amount of \$1,010,000, authorized and approved by Water
6 Authority Ordinance Enactment No. O-18-2 and Resolution Enactment No. R-18-7
7 constituting a senior lien on the Net Revenues.

8 DRINKING WATER STATE REVOLVING LOAN FUND. The drinking
9 water state revolving loan fund established by the DWSRLF Act.

10 DWSRLF ACT. The general laws of the State, particularly the Drinking
11 Water State Revolving Loan Fund Act, NMSA 1978 §§ 6-21A-1 through 6-21A-9, as
12 amended.

13 EXPENSE FUND. The expense fund hereby created to be held and
14 administered by the Finance Authority to pay Expenses.

15 EXPENSE FUND COMPONENT. An amount equal to one percent
16 (1%) of each Disbursement for the Project, minus any amount forgiven under the
17 Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to
18 pay Expenses.

19 EXPENSES. The reasonable and necessary fees, costs and
20 expenses incurred by the Water Authority and the Finance Authority with respect to
21 the execution and delivery of the Loan Agreement, including, without limitation,
22 attorneys' fees and costs, financial advisor's fees and costs, costs of advertising and
23 publication, and all reasonable and necessary fees and administrative costs of the
24 Water Authority and Finance Authority relating to the foregoing.

25 FINAL LOAN AGREEMENT PAYMENT SCHEDULE. The schedule of
26 Loan Agreement Payments due on the Loan Agreement following the Final
27 Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

28 FINAL REQUISITION. The final requisition of moneys to be submitted
29 by the Water Authority, which shall be submitted by the Water Authority on or before
30 the date provided for in Section 4.1(b) of the Loan Agreement.

1 FINANCE AUTHORITY. The New Mexico Finance Authority, created
2 by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31,
3 as amended.

4 GROSS REVENUES. All income and revenues directly or indirectly
5 derived by the Water Authority from the operation and use of the System, or any part
6 of the System, and includes, without limitation, all revenues received by the Water
7 Authority, or any municipal corporation or agency succeeding to the rights of the
8 Water Authority, from the System and from the sale and use of water, water services
9 or facilities, sewer service or facilities or any other service, commodity or facility or
10 any combination thereof furnished to the inhabitants of the geographic area served
11 by the Water Authority by means of the System as the same may at any time exist to
12 serve customers outside the Water Authority's geographical limits as well as
13 customers within the Water Authority's geographical limits. Such term also includes:

14 (1) All income derived from the investment of any money in
15 the Joint Water and Sewer Fund, Debt Service Account, Program Account and Rate
16 Stabilization Fund and income derived from surplus Net Revenues;

17 (2) Money released from a rebate fund to the Water
18 Authority;

19 (3) Money released from the Rate Stabilization Fund to the
20 Water Authority to the extent that the amount released is used to pay Operation and
21 Maintenance Expenses or Debt Service Requirements on System Obligations in the
22 year released; provided that withdrawals from the Rate Stabilization Fund shall not
23 be included in Gross Revenues for the purposes of the Rate Covenant in any two
24 consecutive calendar years;

25 (4) Property insurance proceeds which are not necessary to
26 restore or replace the property lost or damaged and the proceeds of the sale or
27 other disposition of any part of the System; and

28 (5) Funds received from users of the System as a
29 reimbursement of, or otherwise in connection with, franchise fees to be paid by the
30 Water Authority.

31 Gross Revenues do not include:

1 (1) any money received as grants or gifts from the United
2 States of America, the State or other sources, or the proceeds of any charge or tax
3 intended as a replacement therefor or other capital contributions from any source
4 which are restricted as to use; and

5 (2) condemnation proceeds or the proceeds of any
6 insurance policy, except any property insurance proceeds described above in clause
7 (4) of this definition or derived in respect of loss of use or business interruption.

8 INTEREST COMPONENT. The portion of each Loan Agreement
9 Payment paid as interest accruing on the Aggregate Repayable Disbursements then
10 outstanding, calculated from the date of each Disbursement.

11 INTEREST RATE. The rate of interest on the Loan Agreement as
12 shown on the Term Sheet.

13 JOINT WATER AND SEWER FUND. The “City of Albuquerque, New
14 Mexico, Joint Water and Sewer Fund” originally established in Section 16 of City
15 Ordinance No. 18-1984 and continued in Section 13 of this Ordinance as the
16 “Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer Fund.”

17 LOAN. The funds to be loaned to the Water Authority by the Finance
18 Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

19 LOAN AGREEMENT. The loan and subsidy agreement and any
20 amendments or supplements thereto, including the exhibits attached to the loan
21 agreement.

22 LOAN AGREEMENT PAYMENT. Collectively, the Principal
23 Component, the Interest Component, Expense Fund Component, and the
24 Administrative Fee Component to be paid by the Water Authority as payment on the
25 Aggregate Repayable Disbursements under the Loan Agreement, as shown on
26 Exhibit “B” thereto.

27 LOAN AGREEMENT PRINCIPAL AMOUNT. As of any date of
28 calculation, the Aggregate Repayable Disbursements (including the Expense Fund
29 Component) then outstanding.

30 MAXIMUM PRINCIPAL AMOUNT. One million dollars (\$1,000,000).

1 NMSA 1978. New Mexico Statutes Annotated, 1978 Compilation, as
2 amended and supplemented.

3 NET REVENUES. The Gross Revenues after deducting Operation
4 and Maintenance Expenses.

5 OPERATION AND MAINTENANCE EXPENSES. All reasonable and
6 necessary current expenses of the System, paid or accrued, related to operating,
7 maintaining and repairing the System including, without limiting the generality of the
8 foregoing:

9 (1) legal and overhead expenses directly related and
10 reasonably allocable to the administration of the System;

11 (2) insurance premiums for the System, including, without
12 limitation, premiums for property insurance, public liability insurance and workmen's
13 compensation insurance, whether or not self-funded;

14 (3) premiums, expenses and other costs (other than required
15 reimbursements of insurance proceeds and other amounts advanced to pay Debt
16 Service Requirements on System Obligations) for Credit Facilities;

17 (4) Expenses other than expenses paid from the proceeds of
18 System Obligations;

19 (5) the costs of audits of the books and accounts of the
20 Water Authority and the System;

21 (6) amounts required to be deposited in a rebate fund or
22 otherwise required to make rebate payments to the United States Government;

23 (7) salaries, administrative expenses, labor costs, surety
24 bonds and the cost of materials and supplies used for or in connection with the
25 current operation of the System; and

26 (8) franchise tax payments to the City, County or any other
27 local government.

28 Operation and Maintenance Expenses do not include any allowance for
29 depreciation, payments in lieu of taxes, liabilities incurred by the Water Authority as
30 a result of its negligence or other misconduct in the operation of the System or any
31 charges or costs allocable to capital improvements or replacements. Operation and

1 Maintenance Expenses do not include any payment of or reimbursement for the
2 payment of Debt Service Requirements on the Loan Agreement.

3 ORDINANCE. This Ordinance, as amended or supplemented from
4 time to time.

5 OUTSTANDING. When used in reference to System Obligations, on
6 any particular date, the aggregate of all System Obligations issued and delivered
7 under the applicable Water Authority ordinance authorizing the issuance of, System
8 Obligations except:

9 (1) those canceled at or prior to such date or delivered to or
10 acquired by the Water Authority at or prior to such date for cancellation;

11 (2) those which have been paid or are deemed to be paid in
12 accordance with the Water Authority ordinance or resolution authorizing the
13 issuance of the applicable System Obligations or otherwise relating thereto, provided
14 that the payment of insured Obligations with the proceeds of a bond insurance policy
15 shall not result in those insured obligations ceasing to be Outstanding;

16 (3) in the case of Variable Rate Obligations, System
17 Obligations deemed tendered but not yet presented for payment;

18 (4) any System Obligation which has been refunded in
19 accordance with this Ordinance or other ordinances of the Water Authority
20 authorizing the defeasance of such designated System Obligations; and

21 (5) those in lieu of or in exchange or substitution for which
22 other System Obligations shall have been delivered, unless proof satisfactory to the
23 Water Authority and the paying agent for the applicable System Obligations is
24 presented that any System Obligation for which a new System Obligation was
25 issued or exchanged is held by a bona fide holder in due course.

26 PROGRAM ACCOUNT. The book account established by the Finance
27 Authority in the name of the Water Authority for purposes of tracking expenditure of
28 the Loan by the Water Authority to pay for the costs of the Project, as shown in the
29 Term Sheet, which account shall be kept separate and apart from all other accounts
30 of the Finance Authority.

1 PROJECT. Acquiring additional System assets, extending, repairing,
2 replacing and improving the Water Authority's System, including, acquisition and
3 installation of water distribution lines for the Carnuel, New Mexico community and
4 the payment of Expenses associated with the execution and delivery of the Loan
5 Agreement.

6 PUBLIC PROJECT REVOLVING FUND LOAN AGREEMENT (2011).
7 The loan agreement dated December 15, 2011 between the Finance Authority and
8 the Water Authority in the principal amount of \$53,400,000 and approved by
9 Ordinance No. O-11-5 and Resolution No. R-11-17 constituting a senior lien on the
10 Net Revenues.

11 QUALIFIED EXCHANGE AGREEMENT. Any interest rate exchange
12 between the Water Authority and a counterparty which, when entered into by the
13 Water Authority, satisfies the requirements of Section 6-18-8.1 NMSA 1978.

14 RATE COVENANT. The covenants in the Loan Agreement relating to
15 charging rates for use of the System to pay Debt Service Requirements.

16 RATE STABILIZATION FUND. The Rate Stabilization Fund for
17 System Obligations previously established by the Water Authority and continued in
18 Section 13 of this Ordinance.

19 SENIOR OBLIGATIONS. The Series 2009A-1 Bonds, the Drinking
20 Water State Revolving Fund Loan Agreement (2009), the Public Project Revolving
21 Fund Loan Agreement (2011), the Series 2013A&B Bonds, the Series 2014A Bonds,
22 the Series 2015 Bonds, the Series 2017 Bonds, the Drinking Water State Revolving
23 Fund Loan Agreement (2018), the Loan Agreement and obligations related thereto
24 designated as Senior Obligations, in any ordinance or resolution of the Water
25 Authority relating to those Senior Obligations, and any other System Obligations
26 issued with a lien on the Net Revenues on parity with the lien of the Outstanding
27 Senior Obligations on Net Revenues.

28 SERIES 2009A-1 BONDS. The Senior Obligations designated as
29 "Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer
30 System Improvement Revenue Bonds, Series 2009A-1" in the original principal

1 amount of \$135,990,000, authorized and issued pursuant to Ordinance No. O-09-1
2 and Resolution No. R-09-7 constituting a senior lien on the Net Revenues.

3 SERIES 2013A&B BONDS. The Senior Obligations designated as the
4 “Albuquerque Bernalillo County Water Utility Authority Joint Water and Sewer
5 System Improvement Revenue Bonds, Series 2013A” and the “Albuquerque
6 Bernalillo County Water Utility Authority Joint Water and Sewer System Refunding
7 Revenue Bonds, Series 2013B” in the combined original principal amount of
8 \$118,215,000, authorized and issued pursuant to Ordinance No. O-13-2 and
9 Resolution R-13-13 constituting a senior lien on the Net Revenues.

10 SERIES 2014A BONDS. The Senior Obligations designated as the
11 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
12 Sewer System Refunding Revenue Bonds, Series 2014A” in the original principal
13 amount of \$97,270,000, authorized and issued pursuant to Ordinance No. F/S O-14-
14 2 and Resolution F/S R-14-10 constituting a senior lien on the Net Revenues.

15 SERIES 2014B BONDS. The Subordinate Obligations designated as
16 the “Albuquerque Bernalillo County Water Utility Authority Subordinate Lien Joint
17 Water and Sewer System Refunding Revenue Bonds, Series 2014B” in the original
18 principal amount of \$87,005,000, authorized and issued pursuant to Ordinance No.
19 F/S O-14-2 and Resolution F/S R-14-10 constituting a subordinate lien on the Net
20 Revenues.

21 SERIES 2015 BONDS. The Senior Obligations designated as the
22 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
23 Sewer System Refunding and Improvement Revenue Bonds, Series 2015” in the
24 original principal amount of \$211,940,000, authorized and issued pursuant to
25 Ordinance No. O-15-2 and Resolution F/S R-15-6 constituting a senior lien on the
26 Net Revenues.

27 SERIES 2017 BONDS. The Senior Obligations designated as the
28 “Albuquerque Bernalillo County Water Utility Authority Senior Lien Joint Water and
29 Sewer System Refunding and Improvement Revenue Bonds, Series 2017” in the
30 original principal amount of \$87,970,000, authorized and issued pursuant to

1 Ordinance No. WUA O-16-2 and Resolution WUA R-16-13 constituting a senior lien
2 on the Net Revenues.

3 STATE. The State of New Mexico.

4 SUBORDINATE OBLIGATIONS. The Drinking Water State Revolving
5 Fund Loan Agreement (2008), the Series 2014B Bonds, and all other bonds and
6 other obligations of the Water Authority now or hereafter issued with a lien on the
7 Net Revenues subordinate to the lien of Senior Obligations and superior to the lien
8 of the Super Subordinate Obligations on the Net Revenues.

9 SUBSIDY. The subsidy in the form of principal forgiveness for the
10 Water Authority, to be applied proportionally at the time of each disbursement of
11 moneys from the Program Account to the Water Authority, being fifty percent (50%)
12 of such disbursements.

13 SUPER SUBORDINATE OBLIGATIONS. All bonds and other
14 obligations of the Water Authority now or hereafter issued with a lien on the Net
15 Revenues subordinate to the liens of the Senior Obligations and the Subordinate
16 Obligations on the Net Revenues.

17 SYSTEM. The public utility owned by the Water Authority and
18 designated as the Water Authority's water system and sanitary sewer system
19 (continued as a joint utility system in Section 4 of this Ordinance) consisting of all
20 properties, real, personal, mixed or otherwise, now owned or hereafter acquired by
21 the Water Authority, through purchase, construction or otherwise, including all
22 extensions, enlargements and improvements of or to the water and sanitary sewer
23 system and used in connection therewith or relating thereto, and any other related
24 activity or enterprise of the Water Authority designated by the Board as part of the
25 water and sanitary sewer system, whether situated within or without the
26 geographical limits of the Water Authority.

27 SYSTEM OBLIGATIONS. All bonds and other similar indebtedness
28 payable solely or primarily from Net Revenues, including, without limitation, the
29 Senior Obligations, the Subordinate Obligations and the Super Subordinate
30 Obligations.

31 TERM SHEET. Exhibit "A" to the Loan Agreement.

1 VARIABLE RATE OBLIGATIONS. System Obligations, including
2 reimbursement obligations pursuant to a Credit Facility, the interest rate on which is
3 subject to change from time to time.

4 WATER AUTHORITY. The Albuquerque Bernalillo County Water
5 Utility Authority created by Section 72-1-10 NMSA 1978 as a joint agency of the City
6 and the County and operating under the name Albuquerque Bernalillo County Water
7 Utility Authority.

8 RULES OF CONSTRUCTION. For purposes of this Ordinance, unless
9 otherwise expressly provided or unless the context requires otherwise:

10 (1) Unless otherwise stated in this Ordinance, all references
11 in this Ordinance to designated Sections and other subdivisions are to the
12 designated Section and other subdivisions of this Ordinance.

13 (2) The words “herein”, “hereof”, “hereunder”, and “herewith”
14 and other words of similar import in this Ordinance refer to this Ordinance, as a
15 whole, and not to any particular Section or other subdivision.

16 (3) All accounting terms not otherwise defined in this
17 Ordinance have the meanings assigned to them in accordance with generally
18 accepted accounting principles.

19 (4) Words of the masculine gender shall be deemed and
20 construed to include correlative words of the feminine and neuter genders.

21 (5) The headings used in this Ordinance are for convenience
22 of reference only and shall not define or limit the provisions of this Ordinance.

23 (6) Terms in the singular include the plural and vice versa.

24 Section 2. RATIFICATION. All actions previously taken (not inconsistent
25 with the provisions of this Ordinance) by the Board and the officers of the Water
26 Authority, directed toward the authorization, pledge, collection and distribution of the
27 Net Revenues, the Project, and the authorization, execution and delivery of the Loan
28 Agreement are ratified, approved and confirmed.

29 Section 3. FINDINGS.

30 (A) The Water Authority declares that it has considered all relevant
31 information and data and finds that the execution and delivery of the Loan

1 Agreement under the Act in the Maximum Principal Amount to finance the Project is
2 necessary and in the interest of the public health, safety and welfare of the residents
3 of the geographic area served by the Water Authority.

4 (B) The Water Authority will finance the Project with the proceeds of
5 the Loan Agreement, together with other funds of the Water Authority, if necessary.

6 (C) It is economically feasible to accomplish the Project by the
7 execution and delivery of the Loan Agreement.

8 (D) The Net Revenues may lawfully be pledged to secure the
9 payment of amounts due under the Loan Agreement.

10 Section 4. JOINT UTILITY. The System shall continue to be operated and
11 maintained as a joint public utility.

12 Section 5. LOAN AGREEMENT – AUTHORIZATION AND DETAIL.

13 (A) AUTHORIZATION. This Ordinance has been adopted by the
14 affirmative vote of at least a majority of all of the members of the Board. For the
15 purpose of protecting the public health, conserving the property, and protecting the
16 general welfare and prosperity of the public served by the Water Authority and
17 acquiring and constructing the Project, it is hereby declared necessary that the
18 Water Authority, pursuant to the Act, execute and deliver the Loan Agreement
19 evidencing a special limited obligation of the Water Authority to pay a principal
20 amount of two hundred fifty thousand dollars (\$250,000) and interest thereon, and to
21 accept a loan subsidy in the amount of seven hundred fifty thousand dollars
22 (\$750,000) and the execution and delivery of the Loan Agreement is hereby
23 authorized. The Water Authority shall use the proceeds of the Loan and Subsidy (i)
24 to finance the acquisition and construction of the Project and (ii) to pay Expenses.
25 The Project will be owned by the Water Authority.

26 (B) DETAIL. The Loan Agreement shall be in substantially the form
27 of the Loan Agreement presented at the meeting of the Board at which this
28 Ordinance was adopted. The Loan shall be in an amount not to exceed the
29 Maximum Principal Amount of one million dollars (\$1,000,000). The Loan
30 Agreement Principal Amount shall be payable in installments of principal due on May
31 1 of the years designated in the Final Loan Agreement Payment Schedule and bear

1 interest payable on May 1 and November 1 of each year, commencing on November
2 1, 2018, at the rates designated in the Loan Agreement, including Exhibit "A"
3 thereto, which rates include the Administrative Fee. Interest on Loan Agreement will
4 be computed on the basis of a 360-day year consisting of twelve 30-day months.

5 Section 6. AUTHORIZATION OF PROJECT AND EXPENSES.

6 (A) PROJECT. The Project is hereby authorized and approved.

7 (B) EXPENSES. The payment of Expenses is authorized and
8 approved.

9 (C) PROCEEDS. The proceeds of the Loan Agreement will be
10 used exclusively to finance the Project including the payment of Expenses.

11 Section 7. APPROVAL OF THE LOAN AGREEMENT. The form of the
12 Loan Agreement as presented at the meeting of the Board at which this Ordinance
13 was adopted is hereby approved. Authorized Officers are hereby individually
14 authorized to execute, acknowledge and deliver the Loan Agreement with such
15 changes, insertions and omissions as may be approved by such individual
16 Authorized Officers, and the Executive Director is hereby authorized to affix the seal
17 of the Water Authority on the Loan Agreement and attest the same. The execution
18 of the Loan Agreement by an Authorized Officer shall be conclusive evidence of
19 such approval.

20 Section 8. SPECIAL LIMITED OBLIGATIONS. The Loan Agreement shall
21 be secured by the pledge of the Net Revenues as set forth in the Loan Agreement
22 and shall be payable solely from the Net Revenues. The Loan Agreement, together
23 with interest thereon and other obligations of the Water Authority thereunder, shall
24 be a special, limited obligation of the Water Authority, payable solely from the Net
25 Revenues as provided in this Ordinance, and the Loan Agreement shall not
26 constitute a general obligation of the Water Authority, the City, the County, or the
27 State, and the holders of the Loan Agreement may not look to any general or other
28 fund of the Water Authority for payment of the obligations thereunder. Nothing
29 contained in this Ordinance nor in the Loan Agreement, nor any other instruments,
30 shall be construed as obligating the Water Authority (except with respect to the
31 application of the Net Revenues) or as imposing a pecuniary liability or a charge

1 upon the general credit of the Water Authority, nor shall a breach of any agreement
2 contained in this Ordinance, the Loan Agreement, or any other instrument impose
3 any pecuniary liability upon the Water Authority or any charge upon its general
4 credit. The Loan Agreement shall never constitute an indebtedness of the Water
5 Authority within the meaning of any State constitutional provision or statutory
6 limitation and shall never constitute or give rise to a pecuniary liability of the Water
7 Authority or a charge against its general credit. Nothing herein shall prevent the
8 Water Authority from applying other funds of the Water Authority legally available
9 therefor to payments required by the Loan Agreement, in its sole and absolute
10 discretion.

11 Section 9. DISPOSITION OF PROCEEDS; COMPLETION OF
12 ACQUISITION AND CONSTRUCTION OF THE PROJECT.

13 (A) ACCOUNTS. The Water Authority hereby consents to creation
14 of the Program Account, Expense Fund and Debt Service Account to be held and
15 maintained by the Finance Authority as provided in the Loan Agreement. The Water
16 Authority hereby approves of the deposit of a portion of the proceeds of the Loan
17 Agreement in the Program Account and Expense Fund. The proceeds derived from
18 the execution and delivery of the Loan Agreement shall be deposited promptly upon
19 receipt thereof in the Expense Fund and the Program Account, as provided in the
20 Loan Agreement. Until the Completion Date or the date of the Final Disbursement,
21 the money in the Program Account shall be used and paid out solely for the purpose
22 of acquiring and constructing the Project and to pay Expenses in compliance with
23 applicable law and the provisions of the Loan Agreement.

24 (B) PROMPT COMPLETION OF THE PROJECT. The Water
25 Authority will acquire, construct and complete the Project with all due diligence.
26 Upon the acquisition and completion of the Project, the Water Authority shall
27 execute and send to the Finance Authority a certificate stating that the completion of
28 and payment for the Project has been completed.

29 (C) FINANCE AUTHORITY NOT RESPONSIBLE FOR
30 APPLICATION OF LOAN PROCEEDS. The Finance Authority shall in no manner
31 be responsible for the application or disposal by the Water Authority or by its officers

1 of the net proceeds derived from the Loan Agreement.

2 Section 10. DEPOSIT OF NET REVENUES; DISTRIBUTIONS OF NET
3 REVENUES AND FLOW OF FUNDS.

4 (A) DEPOSIT OF NET REVENUES. Net Revenues shall be paid
5 directly by the Water Authority to the Finance Authority in an amount sufficient to pay
6 principal and interest due under the Loan Agreement, as provided in Section 5.2 of
7 the Loan Agreement.

8 (B) TERMINATION OF DEPOSITS TO MATURITY. No payment
9 shall be made into the Debt Service Account if the amount in the Debt Service
10 Account totals a sum at least equal to the entire aggregate amount of Loan
11 Agreement Payments to become due as to principal and interest due under the Loan
12 Agreement, in which case moneys in such account in an amount at least equal to
13 such principal and interest requirements shall be used solely to pay such obligations
14 as the same become due, and any moneys in excess thereof in such accounts shall
15 be transferred to the Water Authority and used as provided in Section 10(C) below.

16 (C) USE OF SURPLUS REVENUES. After making all the
17 payments hereinabove required to be made by this Section, any moneys remaining
18 in the Debt Service Account shall be transferred to the Water Authority on a timely
19 basis and applied to any other lawful purpose, including, but not limited to, the
20 payment of any Senior Obligations, Subordinate Obligations or Super Subordinate
21 Obligations, or purposes authorized by the Water Authority, the Constitution and
22 laws of the State, as the Water Authority may from time to time determine.

23 Section 11. LIEN ON NET REVENUES. The Loan Agreement shall be
24 issued with a lien on the Net Revenues on parity with the lien of the Senior
25 Obligations on the Net Revenues and a lien superior to the liens of the Subordinate
26 Obligations and the Super Subordinate Obligations on the Net Revenues. The Net
27 Revenues are hereby authorized to be pledged, and are hereby pledged, and the
28 Water Authority grants a security interest therein, for the payment of the principal
29 and interest due under the Loan Agreement, subject to the uses thereof permitted by
30 and the priorities set forth in this Ordinance and the Loan Agreement. The Loan
31 Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first

1 lien, on the Net Revenues as set forth herein and therein, and the Water Authority
2 shall not create a lien on the Net Revenues superior to that of the Loan Agreement
3 without the express prior written approval of the Finance Authority.

4 Section 12. AUTHORIZED OFFICERS; DELEGATED POWERS.

5 Authorized Officers are hereby individually authorized and directed to execute and
6 deliver any and all papers, instruments, opinions, affidavits and other documents
7 and to do and cause to be done any and all acts and things necessary or proper for
8 carrying out this Ordinance, the Loan Agreement and all other transactions
9 contemplated hereby and thereby. Authorized Officers are hereby individually
10 authorized to do all acts and things required of them by this Ordinance and the Loan
11 Agreement for the full, punctual and complete performance of all the terms,
12 covenants and agreements contained in this Ordinance and the Loan Agreement
13 including, but not limited to, the execution and delivery of closing documents,
14 additional agreements and reports required in connection with the execution and
15 delivery of the Loan Agreement, and the publication of the summary of this
16 Ordinance set out in Section 19 of this Ordinance (with such changes, additions and
17 deletions as may be necessary).

18 Section 13. FUNDS AND ACCOUNTS.

19 (A) JOINT WATER AND SEWER FUND. The Water Authority shall
20 continue the Joint Water and Sewer Fund as a separate, distinct and segregated
21 fund. As long as the Loan Agreement is outstanding, all Gross Revenues shall
22 continue to be set aside and credited to the Joint Water and Sewer Fund.

23 (B) DEBT SERVICE FUND AND ACCOUNTS. The Water Authority
24 shall continue the Debt Service Fund as a separate, distinct and segregated fund for
25 the deposit of Net Revenues for the payment of System Obligations, including the
26 Loan Agreement. The Water Authority shall continue the Expense Account as part
27 of the Debt Service Fund. Money on deposit or credited to the Expense Account
28 shall be used for the purpose of payment of Expenses.

29 (C) RATE STABILIZATION FUND. The Water Authority shall
30 continue the Rate Stabilization Fund as a separate, distinct and segregated fund.

31 Section 14. AMENDMENT OF ORDINANCE. Prior to the Closing Date, the

1 provisions of this Ordinance may be supplemented or amended by ordinance of the
2 Board with respect to any changes which are not inconsistent with the substantive
3 provisions of this Ordinance. After the Closing Date, this Ordinance may be
4 amended without receipt by the Water Authority of any additional consideration, but
5 only with the prior written consent of the Finance Authority.

6 Section 15. LIMITATION OF RIGHTS. Nothing in this Ordinance expressed
7 or implied is intended or shall be construed to give to any person other than the
8 Water Authority, the Finance Authority and the parties to which such right, remedy or
9 claim is expressly granted by this Ordinance any legal or equitable right, remedy or
10 claim under or in respect to the Ordinance.

11 Section 16. ORDINANCE IRREPEALABLE. After the Closing Date, this
12 Ordinance shall be and remain irrevocable until all obligations due under the Loan
13 Agreement shall be fully paid, canceled and discharged, as herein provided.

14 Section 17. SEVERABILITY CLAUSE. If any section, paragraph, clause or
15 provision of this Ordinance shall for any reason be held to be invalid or
16 unenforceable, the invalidity or unenforceability of that section, paragraph, clause or
17 provision shall not affect any of the remaining provisions of this Ordinance.

18 Section 18. REPEALER CLAUSE. All bylaws, orders, resolutions and
19 ordinances, or parts thereof, inconsistent with this Ordinance are repealed to the
20 extent only of such inconsistency. This repealer shall not be construed to revive any
21 bylaw, order, resolution or ordinance, or part thereof, previously repealed.

22 Section 19. GENERAL SUMMARY FOR PUBLICATION. The title and a
23 general summary of the subject matter contained in this Ordinance shall be
24 published in substantially the following form:

25 (Form of Summary of Ordinance for Publication)

26 Albuquerque Bernalillo County Water Utility Authority

27 Notice of Adoption of Ordinance

28 NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 6-14-6
29 NMSA 1978, that on May 23, 2018, the Board of Albuquerque Bernalillo County
30 Water Utility Authority (the "Water Authority") adopted Water Authority Ordinance
31 No. O-18-5, an ordinance which authorizes the execution and delivery of a loan

1 agreement with the New Mexico Finance Authority in an aggregate principal amount
2 of \$1,000,000 to make improvements to the Water Authority's Joint Water and
3 Sanitary Sewer System.

4 The title of the Ordinance is:

5 **ORDINANCE**

6 **AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN**
7 **AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE**
8 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE**
9 **"WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY,**
10 **EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY**
11 **TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY**
12 **THOUSAND DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF**
13 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN**
14 **SUBSIDY OF NO MORE THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS**
15 **(\$750,000), FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENDING**
16 **AND IMPROVING THE WATER INFRASTRUCTURE SYSTEM TO THE CARNUEL**
17 **COMMUNITY, INCLUDING, ACQUISITION AND INSTALLATION OF WATER**
18 **DISTRIBUTION LINES; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE**
19 **PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN**
20 **AGREEMENT SOLELY FROM NET REVENUES; SETTING A MAXIMUM**
21 **INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER**
22 **DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS**
23 **HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS**
24 **ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN**
25 **CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN**
26 **AGREEMENT.**

27 The title contains a general summary of the subject matter contained in the
28 Ordinance.

29 This notice constitutes compliance with § 6-14-6 NMSA 1978.

30 (End of Summary of Ordinance for Publication)

1 PASSED AND ADOPTED THIS 23rd DAY OF MAY, 2018.
2 BY A VOTE OF ____ FOR AND ____ AGAINST.

3

4

5

6

Chair

7 ATTEST:

8

9

10 Secretary

11

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SOURCES AND USES OF FUNDS

Albuquerque Bernalillo County Water Utility Authority
 4202-DW Carnuel Water System Improvements/4200-DW Albuquerque Advanced Meter Infrastructure Upgrade

Sources:	4202-DW Carnuel Water System Improvements Phase 2B	4200-DW Albuquerque Metro Area Advanced Meter Infrastructure Upgrade	Total
Bond Proceeds:			
Par Amount	250,000.00	505,000.00	755,000.00
Other Sources of Funds:			
DWSRLF Subsidy (75% Principal Forgiveness)	750,000.00		750,000.00
COI Subsidy (50% Forgiveness)		5,000.00	5,000.00
DWSRLF Subsidy (50% Principal Forgiveness)		500,000.00	500,000.00
	750,000.00	505,000.00	1,255,000.00
	1,000,000.00	1,010,000.00	2,010,000.00

Uses:	4202-DW Carnuel Water System Improvements Phase 2B	4200-DW Albuquerque Metro Area Advanced Meter Infrastructure Upgrade	Total
Project Fund Deposits:			
Project Fund	1,000,000.00	1,000,000.00	2,000,000.00
Delivery Date Expenses:			
Cost of Issuance		10,000.00	10,000.00
	1,000,000.00	1,010,000.00	2,010,000.00

BOND SUMMARY STATISTICS

Albuquerque Bernalillo County Water Utility Authority
4202-DW Carmuel Water System Improvements Phase 2B

Dated Date	06/01/2018
Delivery Date	06/01/2018
Last Maturity	05/01/2040
Arbitrage Yield	1.436653%
True Interest Cost (TIC)	0.250003%
Net Interest Cost (NIC)	0.250002%
All-In TIC	0.250003%
Average Coupon	0.250002%
Average Life (years)	12.500
Duration of Issue (years)	12.274
Par Amount	250,000.00
Bond Proceeds	250,000.00
Total Interest	7,812.38
Net Interest	7,812.38
Total Debt Service	257,812.38
Maximum Annual Debt Service	12,831.20
Average Annual Debt Service	11,763.30
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount

Bid Price 100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Disadvantaged Loan Component	250,000.00	100.000	0.250%	12.500
	250,000.00			12.500

	TIC	All-In TIC	Arbitrage Yield
Par Value	250,000.00	250,000.00	250,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	250,000.00	250,000.00	250,000.00
Target Date	06/01/2018	06/01/2018	06/01/2018
Yield	0.250003%	0.250003%	1.436653%

BOND DEBT SERVICE BREAKDOWN

Albuquerque Bernalillo County Water Utility Authority
 4202-DW Carnuel Water System Improvements/4200-DW Albuquerque Advanced Meter Infrastructure Upgrade

Period Ending	4202-DW Carnuel Water System Improvements Phase 2B	4200-DW Albuquerque Metro Area Advanced Meter Infrastructure Upgrade	Total	Annual Total
11/01/2018	260.42	4,208.33	4,468.75	
05/01/2019	312.50	5,050.00	5,362.50	9,831.25
11/01/2019	312.50	5,050.00	5,362.50	
05/01/2020	312.50	5,050.00	5,362.50	10,725.00
11/01/2020	312.50	5,050.00	5,362.50	
05/01/2021	12,518.50	25,834.00	38,352.50	43,715.00
11/01/2021	297.24	4,842.16	5,139.40	
05/01/2022	12,533.24	26,042.16	38,575.40	43,714.80
11/01/2022	281.95	4,630.16	4,912.11	
05/01/2023	12,548.95	26,254.16	38,803.11	43,715.22
11/01/2023	266.61	4,413.92	4,680.53	
05/01/2024	12,563.61	26,469.92	39,033.53	43,714.06
11/01/2024	251.24	4,193.36	4,444.60	
05/01/2025	12,579.24	26,690.36	39,269.60	43,714.20
11/01/2025	235.83	3,968.39	4,204.22	
05/01/2026	12,594.83	26,915.39	39,510.22	43,714.44
11/01/2026	220.38	3,738.92	3,959.30	
05/01/2027	12,610.38	27,144.92	39,755.30	43,714.60
11/01/2027	204.90	3,504.86	3,709.76	
05/01/2028	12,625.90	27,378.86	40,004.76	43,714.52
11/01/2028	189.37	3,266.12	3,455.49	
05/01/2029	12,641.37	27,618.12	40,259.49	43,714.98
11/01/2029	173.81	3,022.60	3,196.41	
05/01/2030	12,656.81	27,861.60	40,518.41	43,714.82
11/01/2030	158.20	2,774.21	2,932.41	
05/01/2031	12,672.20	28,110.21	40,782.41	43,714.82
11/01/2031	142.56	2,520.85	2,663.41	
05/01/2032	12,688.56	28,363.85	41,052.41	43,715.82
11/01/2032	126.88	2,262.42	2,389.30	
05/01/2033	12,703.88	28,621.42	41,325.30	43,714.60
11/01/2033	111.16	1,998.83	2,109.99	
05/01/2034	12,719.16	28,885.83	41,604.99	43,714.98
11/01/2034	95.40	1,729.96	1,825.36	
05/01/2035	12,735.40	29,153.96	41,889.36	43,714.72
11/01/2035	79.60	1,455.72	1,535.32	
05/01/2036	12,751.60	29,428.72	42,180.32	43,715.64
11/01/2036	63.76	1,175.99	1,239.75	
05/01/2037	12,766.76	29,707.99	42,474.75	43,714.50
11/01/2037	47.88	890.67	938.55	
05/01/2038	12,782.88	29,993.67	42,776.55	43,715.10
11/01/2038	31.96	599.64	631.60	
05/01/2039	12,798.96	30,284.64	43,083.60	43,715.20
11/01/2039	16.00	302.79	318.79	
05/01/2040	12,815.00	30,581.79	43,396.79	43,715.58
	257,812.38	637,041.47	894,853.85	894,853.85

DETAILED BOND DEBT SERVICE

Albuquerque Bernalillo County Water Utility Authority
4202-DW Carnuel Water System Improvements Phase 2B

Disadvantaged Loan Component (DISADVANT)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2018			260.42	260.42	
05/01/2019			312.50	312.50	572.92
11/01/2019			312.50	312.50	
05/01/2020			312.50	312.50	625.00
11/01/2020			312.50	312.50	
05/01/2021	12,206	0.250%	312.50	12,518.50	12,831.00
11/01/2021			297.24	297.24	
05/01/2022	12,236	0.250%	297.24	12,533.24	12,830.48
11/01/2022			281.95	281.95	
05/01/2023	12,267	0.250%	281.95	12,548.95	12,830.90
11/01/2023			266.61	266.61	
05/01/2024	12,297	0.250%	266.61	12,563.61	12,830.22
11/01/2024			251.24	251.24	
05/01/2025	12,328	0.250%	251.24	12,579.24	12,830.48
11/01/2025			235.83	235.83	
05/01/2026	12,359	0.250%	235.83	12,594.83	12,830.66
11/01/2026			220.38	220.38	
05/01/2027	12,390	0.250%	220.38	12,610.38	12,830.76
11/01/2027			204.90	204.90	
05/01/2028	12,421	0.250%	204.90	12,625.90	12,830.80
11/01/2028			189.37	189.37	
05/01/2029	12,452	0.250%	189.37	12,641.37	12,830.74
11/01/2029			173.81	173.81	
05/01/2030	12,483	0.250%	173.81	12,656.81	12,830.62
11/01/2030			158.20	158.20	
05/01/2031	12,514	0.250%	158.20	12,672.20	12,830.40
11/01/2031			142.56	142.56	
05/01/2032	12,546	0.250%	142.56	12,688.56	12,831.12
11/01/2032			126.88	126.88	
05/01/2033	12,577	0.250%	126.88	12,703.88	12,830.76
11/01/2033			111.16	111.16	
05/01/2034	12,608	0.250%	111.16	12,719.16	12,830.32
11/01/2034			95.40	95.40	
05/01/2035	12,640	0.250%	95.40	12,735.40	12,830.80
11/01/2035			79.60	79.60	
05/01/2036	12,672	0.250%	79.60	12,751.60	12,831.20
11/01/2036			63.76	63.76	
05/01/2037	12,703	0.250%	63.76	12,766.76	12,830.52
11/01/2037			47.88	47.88	
05/01/2038	12,735	0.250%	47.88	12,782.88	12,830.76
11/01/2038			31.96	31.96	
05/01/2039	12,767	0.250%	31.96	12,798.96	12,830.92
11/01/2039			16.00	16.00	
05/01/2040	12,799	0.250%	16.00	12,815.00	12,831.00
	250,000		7,812.38	257,812.38	257,812.38

UNIVERSAL BOND SOLUTION

Albuquerque Bernalillo County Water Utility Authority
 4202-DW Carnuel Water System Improvements/4200-DW Albuquerque Advanced Meter Infrastructure Upgrade
 Universal Bond Solution Component

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
05/01/2019		9,831	85,371,699	85,381,530	118,399,994	33,018,464	138.67167%
05/01/2020		10,725	75,192,733	75,203,458	118,399,994	43,196,536	157.43956%
05/01/2021	32,990	43,715	75,199,808	75,243,523	118,399,994	43,156,471	157.35573%
05/01/2022	33,436	43,715	68,663,333	68,707,048	118,399,994	49,692,946	172.32584%
05/01/2023	33,891	43,715	68,657,944	68,701,660	118,399,994	49,698,335	172.33935%
05/01/2024	34,353	43,714	63,234,469	63,278,183	118,399,994	55,121,811	187.11029%
05/01/2025	34,825	43,714	57,629,746	57,673,460	118,399,994	60,726,534	205.29372%
05/01/2026	35,306	43,714	43,374,773	43,418,487	118,399,994	74,981,507	272.69488%
05/01/2027	35,796	43,715	32,704,852	32,748,566	118,399,994	85,651,428	361.54253%
05/01/2028	36,295	43,715	24,554,324	24,598,038	118,399,994	93,801,956	481.33917%
05/01/2029	36,804	43,715	24,561,469	24,605,184	118,399,994	93,794,810	481.19939%
05/01/2030	37,322	43,715	17,664,911	17,708,626	118,399,994	100,691,368	668.60069%
05/01/2031	37,850	43,715	17,005,859	17,049,574	118,399,994	101,350,420	694.44547%
05/01/2032	38,389	43,716	16,889,219	16,932,935	118,399,994	101,467,059	699.22903%
05/01/2033	38,936	43,715	16,883,968	16,927,682	118,399,994	101,472,312	699.44598%
05/01/2034	39,495	43,715	8,519,143	8,562,858	118,399,994	109,837,136	1382.71588%
05/01/2035	40,064	43,715	2,462,105	2,505,820	118,399,994	115,894,174	4725.00049%
05/01/2036	40,645	43,716	2,459,293	2,503,008	118,399,994	115,896,986	4730.30799%
05/01/2037	41,235	43,715	1,384,980	1,428,695	118,399,994	116,971,300	8287.28563%
05/01/2038	41,838	43,715	1,383,730	1,427,445	118,399,994	116,972,549	8294.53924%
05/01/2039	42,452	43,715		43,715	118,399,994	118,356,279	270843.995%
05/01/2040	43,078	43,716		43,716	118,399,994	118,356,278	270841.640%
	755,000	894,854	703,798,356	704,693,210	2,604,799,868	1,900,106,658	

Meeting Date: April 18, 2018

Staff Contact: Stan Allred, Chief Financial Officer; Frank Roth, Senior Policy Manager

TITLE: R-18-11 – Confirming Approval of the Execution and Delivery of a Loan and Subsidy Agreement by and Between the Albuquerque Bernalillo County Water Utility Authority and the New Mexico Finance Authority for the Carnuel Phase 2b Project

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

This legislation is the ratification, approval and confirmation of the actions taken by the Board and the officers of the Water Authority toward the financing of a loan/grant with the New Mexico Finance Authority (NMFA) in the amount of \$1,000,000 (\$250,000 loan/\$750,000 grant). The ratification, approval and confirmation include the execution of a Loan Agreement, the pledge of the Pledged Revenues and the adoption of Ordinance O-18-5. All capitalized terms shall have the same meaning as such terms have in Ordinance O-18-5.

This funding would construct waterlines for Phase 2b of the Carnuel Water System Improvements Project. This project is 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.

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:

There is no fiscal impact associated with this legislation.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-11

1 **RESOLUTION**

2 **CONFIRMING APPROVAL OF THE EXECUTION AND DELIVERY OF A LOAN AND**
3 **SUBSIDY AGREEMENT (THE "LOAN AGREEMENT") BY AND BETWEEN THE**
4 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY (THE**
5 **"WATER AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY**
6 **EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE WATER AUTHORITY TO**
7 **PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY**
8 **THOUSAND DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF**
9 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN**
10 **SUBSIDY OF NO MORE THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS**
11 **(\$750,000); AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION**
12 **THEREWITH**

13 WHEREAS, pursuant to Section 72-1-10 NMSA 1978, the Board (the "Board") of
14 the Water Authority adopted Ordinance No. O-18-5 on May 23, 2018 (the "Ordinance")
15 authorizing the execution and delivery of the Loan Agreement to finance improvements
16 to the Water Authority's joint water and sanitary sewer system as described therein;
17 BE IT RESOLVED BY THE WATER AUTHORITY:

18 SECTION 1. The execution and delivery of the Loan Agreement in an aggregate
19 principal amount of \$1,000,000 is authorized. All action heretofore taken by the Board
20 and the officers of the Water Authority directed toward the financing of the Project, the
21 execution and delivery of the Loan Agreement, the pledge of the Net Revenues and the
22 adoption of the Ordinance be, and the same hereby are, authorized, ratified, approved
23 and confirmed. All capitalized terms shall have the same meaning as such terms have
24 in the Ordinance.

25 SECTION 2. If any section, paragraph, clause or provision of this Confirming
26 Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or
27 unenforceability of such section, paragraph, clause or provision shall not affect any of
28 the remaining provisions of this Confirming Resolution.

1 SECTION 3. This Confirming Resolution shall be in full force and effect
2 immediately upon adoption.

3 SECTION 4. Pursuant to the general laws of the State, the title and general
4 summary of the subject matter contained in this Confirming Resolution shall be
5 published in substantially the following form:

6 **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
7 **LEGAL NOTICE**

8 Notice is hereby given that the Board of Directors of Albuquerque Bernalillo
9 County Water Utility Authority did on the 23rd day of May, 2018, adopt a resolution
10 entitled:

11 **CONFIRMING APPROVAL OF THE EXECUTION AND DELIVERY OF A**
12 **LOAN AND SUBSIDY AGREEMENT (THE "LOAN AGREEMENT") BY**
13 **AND BETWEEN THE ALBUQUERQUE BERNALILLO COUNTY WATER**
14 **UTILITY AUTHORITY (THE "WATER AUTHORITY") AND THE NEW**
15 **MEXICO FINANCE AUTHORITY EVIDENCING A SPECIAL LIMITED**
16 **OBLIGATION OF THE WATER AUTHORITY TO PAY A PRINCIPAL**
17 **AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY THOUSAND**
18 **DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF**
19 **ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO**
20 **ACCEPT A LOAN SUBSIDY OF NO MORE THAN SEVEN HUNDRED**
21 **FIFTY THOUSAND DOLLARS (\$750,000); AND RATIFYING ACTION**
22 **PREVIOUSLY TAKEN IN CONNECTION THEREWITH.**

23 The Confirming Resolution authorizes the execution and delivery of the Loan
24 Agreement. Complete copies of the Confirming Resolution are available for public
25 inspection during normal and regular business hours at the offices of the Water
26 Authority, One Civic Plaza, NW, Albuquerque, New Mexico.

27 Dated this 23rd day of May, 2018.
28

1 PASSED AND ADOPTED THIS 23rd DAY OF MAY, 2018. BY A VOTE OF
2 _____ FOR AND _____ AGAINST.

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CHAIR

7 ATTEST:

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SECRETARY

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Meeting Date: April 18, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-18-12 – Appropriating Funds for Operating the Albuquerque Bernalillo County Water Utility Authority for Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

This legislation is the Water Authority's proposed budget appropriation for Fiscal Year 2019 beginning July 1, 2018. The FY19 budget was developed utilizing the Water Authority's Five Year Goals, One Year Objectives, Performance Plan and the Guiding Principles in determining the costs needed to effectively and efficiently run the utility operation.

FY 2019 HIGHLIGHTS:

The FY19 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Goals, Objectives and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

Helping to guide this effort is *Water 2120*, the Water Authority's 100 year water resources management strategy, adopted in September 2016. *Water 2120* incorporates the latest science regarding the effect of climate change on the availability of surface water supplies. Using climatic hydrologic simulation models from the Office of the State Engineer, Sandia National Laboratories and the U.S. Bureau of Reclamation and Geological Survey, among other agencies, it takes climate variability into account and for the first time looks at a 100 year time horizon for the greater Albuquerque area. Three different demand scenarios along with three supply alternatives are used to examine the need for new supplies while maintaining a ground water resource for future generations. A portfolio of supply options is used to fill the gaps to meet future demand over the next 100 years. A key component going forward will be the shift from acquisition of water rights to the development of reuse facilities to have a more resilient supply.

Operations

The operational cornerstone of *Water 2120* is the San Juan-Chama Drinking Water Project (DWP), which will continue to have a major positive impact on the ground water

resources in the Middle Rio Grande. After ten years of operation, the DWP – along with conservation and other resource management efforts – has resulted in rising aquifer levels throughout the service area as documented by the U.S. Geological Survey. A video documenting this success is available for viewing at: <https://www.youtube.com/watch?v=sYhINqjtDuc>

Building on accomplishments such as these, Water Authority staff and leadership will continue to pursue new operational efficiencies and improvements in FY19. The Operations groups have completed documentation for shift procedures and standard operating procedures and are implementing and measuring key performance indicators for the water, wastewater and groundwater plant facilities. In addition, we will continue to implement mobile technology to document and complete work assignments in the operation groups.

The Water Authority will continue to operate two potable water supply systems, the surface water and the ground water systems. This dual system operation will continue into the future with the primary source of supply being treated surface water from the DWP. The DWP provided 70% of all water distributed to Water Authority customers in calendar year 2017. The Water Authority's goal is to have the DWP supply 70-75% of all customer demand. Flow conditions in the Rio Grande may limit the ability to fully realize this goal on a consistent basis.

The Water Authority began a major renovation of the Southside Water Reclamation Plant (SWRP) in FY10 called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plant. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility (PTF), aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility (SDF). Improvements will also be made to the Anaerobic Digesters, Primary Clarifiers, Secondary Sludge Thickening Facilities, plant-wide electrical systems, and other SWRP facilities.

Plans are to continue to increase the amount of wastewater bio-solids that are composted and sold while not “over-saturating” the regional market for bio-solids compost and sell at least 30% of the total quantity of bio-solids.

In FY19, the DWP will focus on efforts related to solids management by continuing sales of grit basin material to Waste Management for the Rio Rancho Landfill and beginning a pilot testing of iron sludge disposal to aid with significant odor control and provide corrosion benefits. The plant will also begin Phase II of its Ozone system modifications, coarse screening improvements at river intake, and construction of a lime storage silo.

Wastewater Collections continues to implement the CMOM program and the expanded closed- circuit television (CCTV) inspection of 5% of the small diameter system which provides for better maintenance and identification of specific rehab needs.

Water Distribution Field will focus on pressure monitoring, pressure reducing valve preventive maintenance, and eliminating select redundant/inoperable pressure reducing valves monitored with Automated Meter Infrastructure (AMI) technology. Staff will continue with the Los Padillas water line extensions and partner with Compliance and Plant staff to address South Valley water quality issues.

Water Resources will expand and develop their education series by offering new classes, online videos, and workshops. In conjunction with the expanded education effort, the division will also be redesigning the rebate programs and move from indoor to outside rebate programs. Water Resources staff will develop the Environmental Plan and the Groundwater Monitoring Plan. Plans are to launch a Water Conservation newsletter and website which will contain irrigation, gardening and horticultural tips and practices.

Planning & Engineering will complete the Guide to Development, complete the Field Asset GPS Coordinates Program, and prepare a list of recommended modifications to the Expansion Ordinance in coordination with the Guide to Development. Staff will be developing a proposed fee schedule for Utility Development deliverables and begin work on a Construction Inspection Manual.

Compliance

Water and Wastewater Operations are regulated by a myriad of federal, state, and local environmental permits, regulations, and rules. The Compliance division continues to maintain a matrix that is updated quarterly of regulatory requirements to monitor regulatory initiatives to define operational impacts and develop compliance strategies.

In the NPDES program, FY19 will complete revisions to the Cross-Connection Control Ordinance. The current version of the ordinance needs refining to remove ambiguity and improve clarity. The program will also be obtaining a new NPDES permit and completing their PPCP wastewater sampling during 2018.

The Water Quality lab will be developing Standard Operating Procedures for analyses of TKN and Fecal as MPN. The program will also be meeting with CIP staff to begin the process of renovation projects at the lab.

Administration, Employee Relations and Development

The Water Authority will continue to conduct periodic activities to engage, educate, and provide updates to customers, legislators and neighborhood associations regarding Water Authority activities and initiatives, and offer opportunities for dialogue and feedback.

Human Resources wellness staff will continue offering wellness challenges for individuals and departments. At least two fitness challenges per quarter will be offered in conjunction with nutrition, physical activity and weight loss tips as well as disease and injury prevention topics to employees. Staff will be developing a Sick to Well Time Policy and a Wellness Champion/Stretching policy.

A major focus for Human Resources will be the design and implementation of a new Application System. This system will be more user-friendly for both applicants and Water Authority staff and will allow staff to push jobs out to various recruitment websites and provide continuous recruitment capability. Staff will also continue to implement Employee Satisfaction Survey and Employee Connections initiatives.

The proposed budget also includes nonrecurring funding for an employee safety incentive program. This program will reward employees for cost savings that result from a decrease in work-related losses. Funding for this program is contingent on the Water Authority generating the same or a greater amount in savings. This incentive program has been an effective tool in the reduction of the Water Authority's Workers Compensation expense in the last three fiscal years.

Budget, Finance and Business Management

Finance will submit to GFOA the FY19 Approved Budget for the Distinguished Budget Presentation Award, the FY18 Comprehensive Annual Financial Report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting and the FY18 Popular Annual Financial Report (PAFR) for the Popular Annual Financial Reporting Award. The division believes that all three financial documents meet or exceed the recommended requirements to successfully receive each award and to also be nationally recognized by GFOA for these accomplishments.

In FY19, Accounting Services will be leading the Maximo Phase II implementation of Asset on-boarding and disposition, barcoding for the annual capital asset inventory required by State statute, life-cycle costing of assets, and developing policies and procedures for capturing costs for new and existing assets.

Purchasing will fully implement the new Bernalillo County Home Rule Procurement Code. Two areas of major focus for FY19 will be the completion of the Warehouse Ordering and Payment Policies and Procedures and overseeing the Maximo Phase II implementation for Purchasing and Inventory related functions, specifically Maximo/One Solution integration options, inventory management improvements, satellite storerooms, and inventory barcoding.

Budget will continue to provide budget and ERP system training to utility staff and schedule monthly budget update meetings with staff.

Treasury will optimize management of Water Authority funds while implementing the investment strategy, complete the Living River Fund and Water Assistance Fund donation programs.

Customer Services (CSD) and Northwest Service Area (NWSA) have been successfully integrated into one group that handles call center, treasury, billing, new service applications, field operations and meter maintenance functions. CSD, Field Operations, and NWSA Field Operations & Maintenance sections work together to implement the Clevest mobile workforce management system, which provides a bridge for Maximo (Work Order & Asset Management) and Customer Care & Billing (CC&B) to create

operating procedures for a paperless, real-time work order system, where field activities are dispatched, updated and closed out on a mobile platform. In addition, Clevest is used to manage line spots and schedule and record the preventative maintenance activities on the meter change outs, box and valve replacement initiatives.

CSD will be implementing a major upgrade to the CC&B system in FY19. Customer Services Field Operations will continue working on the Automated Meter Infrastructure project which will move provide a 50% saturation of automated meters in the service area by the end of FY19.

ITD Quality Assurance staff will continue the buildout of the service desk, implement an Information Security Plan, update IT policies relating to IT security, and coordinate change management and training efforts for the CC&B upgrade.

IT Infrastructure objectives for FY19 include the buildout and migration of the Disaster Recovery site to the Surface Water Plant, migration of all database servers to SimpliVity, completion of a comprehensive security plan, and building redundant infrastructure for card key and video surveillance systems.

An additional \$2 million is reserved in the rate reserve fund. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

FISCAL IMPACT:

This appropriation consists of the Water Authority General Fund which totals \$214,009,000 and the Water Authority Debt Service Fund which totals \$85,730,000.

COMMENTS:

For FY19, General Fund revenue is estimated to be \$225.8 million with proposed expenses of \$214.0 million. Revenues are expected to be \$11.8 million over proposed expenses. This amount will bring the Working Capital or Fund Balance to \$16.7 million at June 30, 2019. The Water Authority's target is to maintain its Fund Balance at 1/12 of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance.

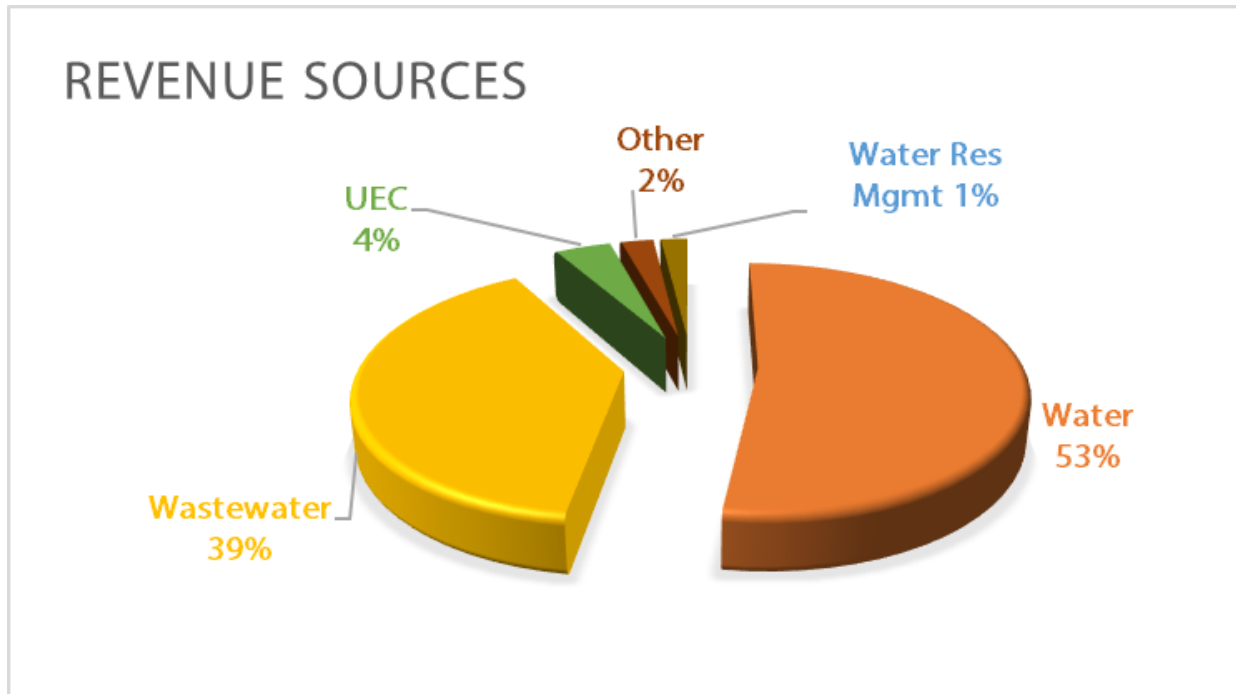
Revenues

The revenue table is an estimate of revenues projected next year. The following is a revenue comparison of the FY17 Audited Actuals, FY18 Revised and the FY19 Proposed budgets:

WATER AUTHORITY GENERAL FUND - 21

ACCOUNT NAME	AUDITED FY17	REVISED BUDGET FY18	PROPOSED BUDGET FY19	DIFFERENCE FY19-FY18
Interest	86	100	540	440
Miscellaneous	1,757	2,077	3,109	1,032
Water	140,089	123,355	123,355	-
Water Resources Management	4,363	4,500	4,500	-
Wastewater	69,101	88,391	92,471	4,080
CIP Employees	793	1,014	-	(1,014)
Solid Waste Admin Fee	1,401	1,480	1,509	29
DMD Admin Fee	349	348	359	11
PNM Pass Thru	(1)	-	-	-
FUND TOTAL	217,938	221,265	225,843	4,578

General Fund revenue for FY19 is estimated to be \$4.6 million above the FY18 revised budget. The increase is mainly due to the projected increase in rate revenue. Revenue in the Debt Service Fund has a \$2.2 million increase, comprised of a \$1.5 million increase in UEC Revenue and a \$0.7 million increase in the transfer from the General Fund for debt service payments.



* Consolidated for Reporting Purposes

* * Other includes Interest, Miscellaneous, SW Admin Fee, DMD Admin Fee

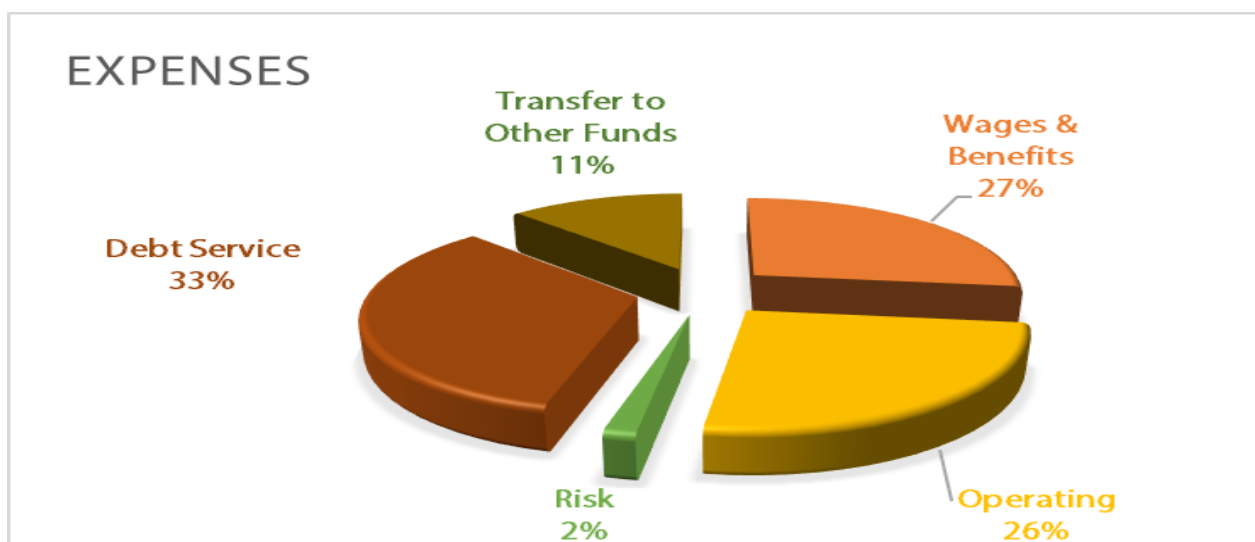
Expenses

The following is the appropriation comparison of the FY17 Audited Actuals, FY18 Revised and the FY19 Proposed budgets:

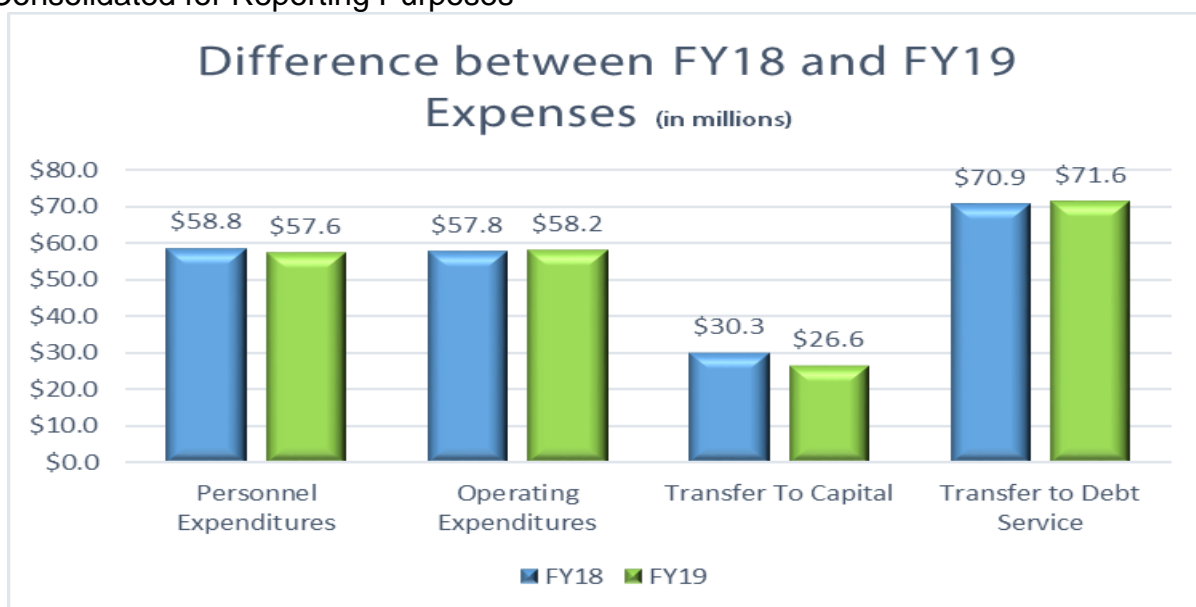
WATER AUTHORITY GENERAL FUND - 21

PROGRAM	AUDITED FY17	REVISED BUDGET FY18	PROPOSED BUDGET FY19	DIFFERENCE FY19-FY18
Administration	2,726	2,792	2,684	(108)
Risk	4,239	4,523	4,534	11
Legal	459	703	760	57
Human Resources	1,313	1,552	1,588	36
Finance	3,894	4,004	4,184	180
Customer Services	8,587	9,112	9,050	(62)
Information Technology	7,072	7,131	7,096	(35)
Wastewater Plant	10,747	11,680	11,426	(254)
San Juan-Chama Water Treat Plant	3,415	3,639	3,971	332
Groundwater Operations	5,985	6,427	6,629	202
Wastewater Collection	6,540	6,758	6,701	(57)
Water Field Operations	19,134	20,085	19,595	(490)
Compliance	4,513	5,400	5,261	(139)
Planning & Engineering	2,871	3,342	3,899	557
Water Resources	3,587	3,920	3,861	(59)
Power & Chemicals	19,940	20,232	20,236	4
Taxes	338	657	656	(1)
Overhead	1,737	2,403	1,410	(993)
San Juan-Chama	2,378	2,247	2,247	-
Tfr Gen Fund to Rehab Fund	21,000	30,250	26,589	(3,661)
Tfr Gen Fund to Debt Serv Fund	70,628	70,908	71,631	723
FUND TOTAL	201,104	217,765	214,009	(3,756)

The FY19 proposed General Fund expenses contain a net decrease of \$3.8 million from the FY18 Revised Budget. Total personnel costs have decreased by \$1.2 million as compared to FY18 based on retirements and efficiencies; general operating expenses increase \$0.4 million; and interfund transfers decrease \$3.0 million because of the FY18 one-time \$3.0 million additional transfer from the General Fund to CIP.



* Consolidated for Reporting Purposes



Personnel expenses include a 2% step increase in wages and a 15% increase in health benefit costs. Total personnel costs have decreased by \$1.2 million as compared to FY18. There is no change in full-time equivalent positions. Total general operating costs increase \$0.4 million. The interfund transfers decrease by \$3.0 million.

The Working Capital balance at June 30, 2019 is estimated to be \$16.7 million. The Water Authority's target is to maintain its Fund Balance at 1/12 of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance.

The Water Authority's goals and objectives focus on improving the Utility's operations and improving customer conditions. The Budget Ordinance requires the Water Authority's operating budget be consistent with the goals and objectives, and that they be major factors in determining funding for Water Authority programs and improvements in both the operating and capital Implementation budgets. Many of the objectives also

reflect policy direction. With the establishment of goals and objectives that have policy as well as budgetary implications, the Water Authority must actively manage the daily operations of the Utility.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-12

1 **RESOLUTION**

2 **APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO**
3 **COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY**
4 **1, 2018 AND ENDING JUNE 30, 2019**

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water
6 Authority) as a political subdivision of the State of New Mexico is required to budget and
7 account for all money received or spent in accordance with New Mexico laws; and

8 WHEREAS, the Board, by Ordinance, has established a budget process for the
9 Water Authority; and

10 WHEREAS, the Budget Ordinance requires the Executive Director to formulate
11 the operating budget for the Water Authority; and

12 WHEREAS, the Budget Ordinance requires the Water Authority Board to
13 approve or amend and approve the Executive Director's proposed budget; and

14 WHEREAS, the Board has received the budget formulated by the Executive
15 Director and has deliberated on it and provided public notice and input; and

16 WHEREAS, appropriations for the operation of the Water Authority must be
17 approved by the Board.

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

19 Section 1. That the following amounts are hereby appropriated to the following
20 funds for operating The Albuquerque Bernalillo County Water Utility Authority during
21 Fiscal Year 2019:

22 <u>GENERAL FUND – 21</u>	214,009,000
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23 This appropriation is allocated to the following programs:

24 Administration	2,684,000
25 Risk	4,534,000
26 Legal	760,000
27 Human Resources	1,588,000
28 Finance	4,184,000

1	Customer Services	9,050,000
2	Information Technology	7,096,000
3	Wastewater Plant	11,426,000
4	San Juan-Chama Water Treatment Plant	3,971,000
5	Groundwater Operations	6,629,000
6	Wastewater Collections	6,701,000
7	Water Field Operations	19,595,000
8	Compliance	5,261,000
9	Planning & Engineering	3,899,000
10	Water Resources	3,861,000
11	Power & Chemicals	20,236,000
12	Taxes	656,000
13	Authority Overhead	1,410,000
14	San Juan-Chama	2,247,000
15	Transfers to Other Funds:	
16	Rehab Fund (28)	26,589,000
17	Debt Service Fund (31)	71,631,000
18	<u>DEBT SERVICE FUND – 31</u>	85,730,000
19	This appropriation is allocated to the following programs:	
20	Debt Service	80,730,000
21	Transfer to Other Funds:	
22	Growth Fund (29)	5,000,000
23	Section 2. The Executive Director is authorized to develop and establish a	
24	nonrecurring safety/performance incentive program. This program will provide	
25	employees with an incentive based on cost reductions or performance enhancements	
26	resulting in operating efficiencies and/or a reduction in work related losses. Funding for	
27	this program is contingent on savings in the same or a greater amount.	
28	Section 3. The Water Authority shall continue its partnership with non-profit	
29	affordable housing developers under contract with local government whereby the first-	
30	time homebuyer will not be required to pay the Utility Expansion Charge until the	
31	property is sold. No more than 50 units per year will be authorized under this program.	
32	The Water Authority will secure its position with a second mortgage.	
33	Section 4. The Rate Reserve Fund is augmented by the amount of \$2,000,000.	

1 Section 5. If working capital balance exceeds 1/12 of operating expenses, and
2 debt service payments and debt service coverage are met, the remaining working
3 capital balance shall be reserved for capital projects.

4 Section 6. The Executive Director is authorized to carry out all appropriations
5 contained in this budget in accordance with established policies and procedures.

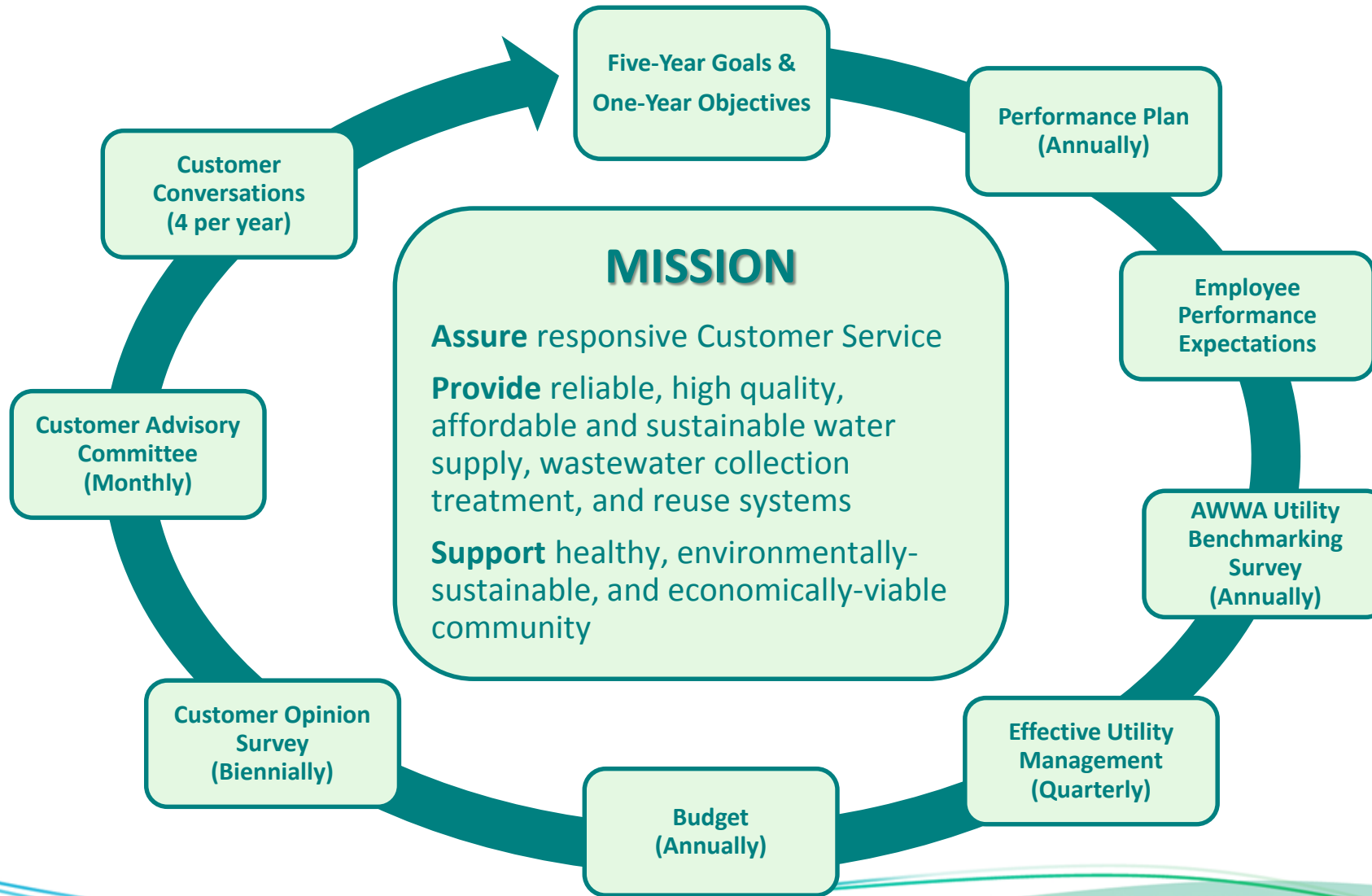


Albuquerque Bernalillo County
Water Utility Authority

FY19 Proposed Budget

Operating & Capital Improvement Plan (CIP) Budgets

Strategic Planning, Budgeting & Improvement Process



FY19 Budget Assumptions

- No Rate Revenue Adjustment
- No New FTE's
- Nominal Growth in Service Area
- FY17 Consumption Levels at 128 Gallons Per Capita
- Capital Spending Increase by \$3.0 million
- Rate Reserve Increase by \$2.0 million
 - Rate Reserve dedicated for the purpose of offsetting declines in rate revenue
- Fund Balance at 1/12th of Operating Expenses

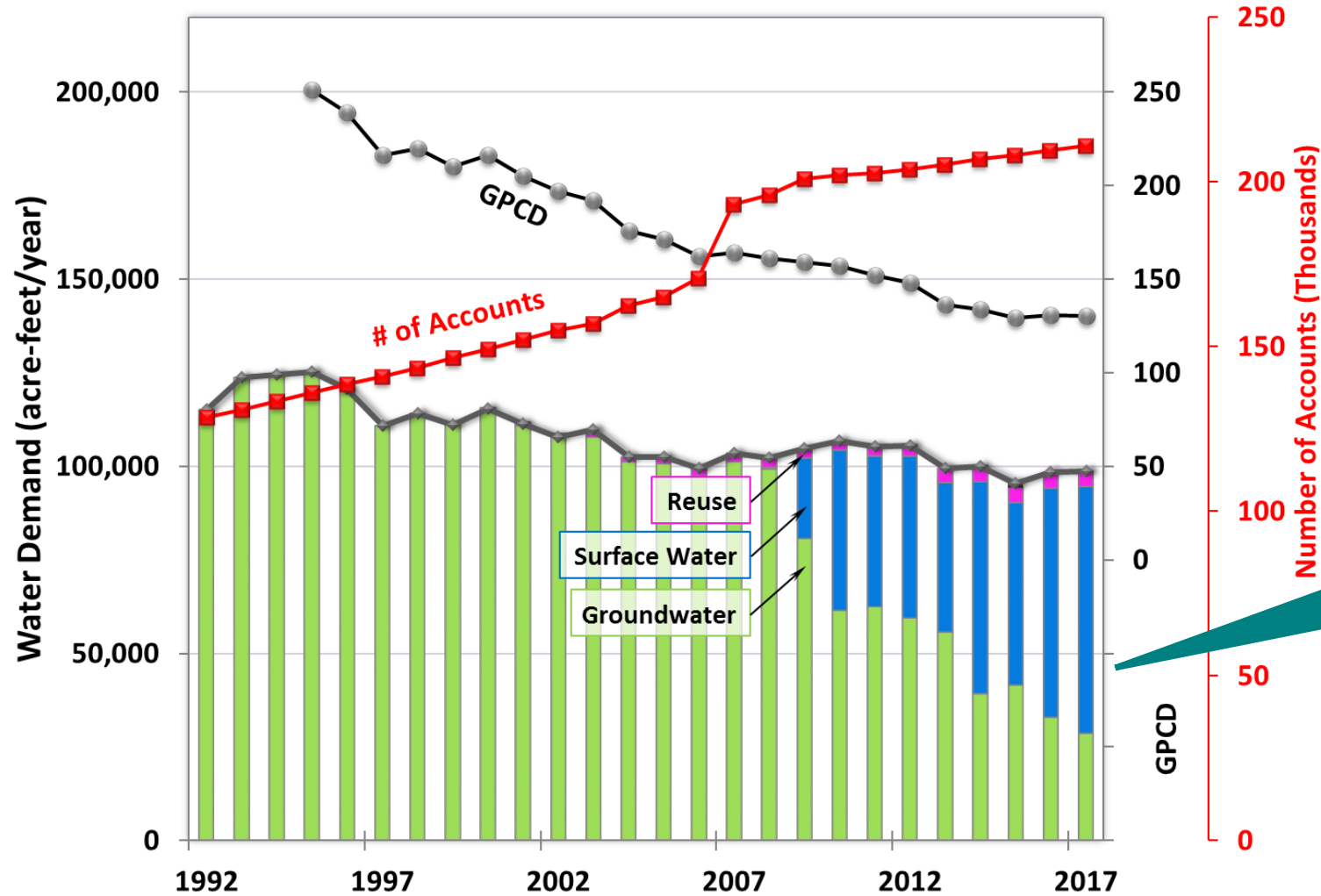


FY18 Selected Accomplishments

- Complied with EPA requirements at Southside Reclamation Plant
- Southside Water Reclamation Plant qualified for the NACWA Silver Peak Performance Award
- Met Conservation Goal – 128 Gallons Per Capita
- Received *AWWA Exemplary Source-Water Protection* Award
- Began Phase 7B of the Los Padillas Waterline Project using Water Authority Field personnel
- Began construction of Large-scale Aquifer Storage and Recovery Project
- Contributed additional \$3 million from reserve fund for capital needs pursuant to budget policy
- Completed planning for the Water Assistance Fund Donation Program
- Surface Water Plant Produced 70% of Water Supply



Decreasing Demand, Increasing Resiliency



70% Surface Water in 2017



Albuquerque Bernalillo County
Water Utility Authority

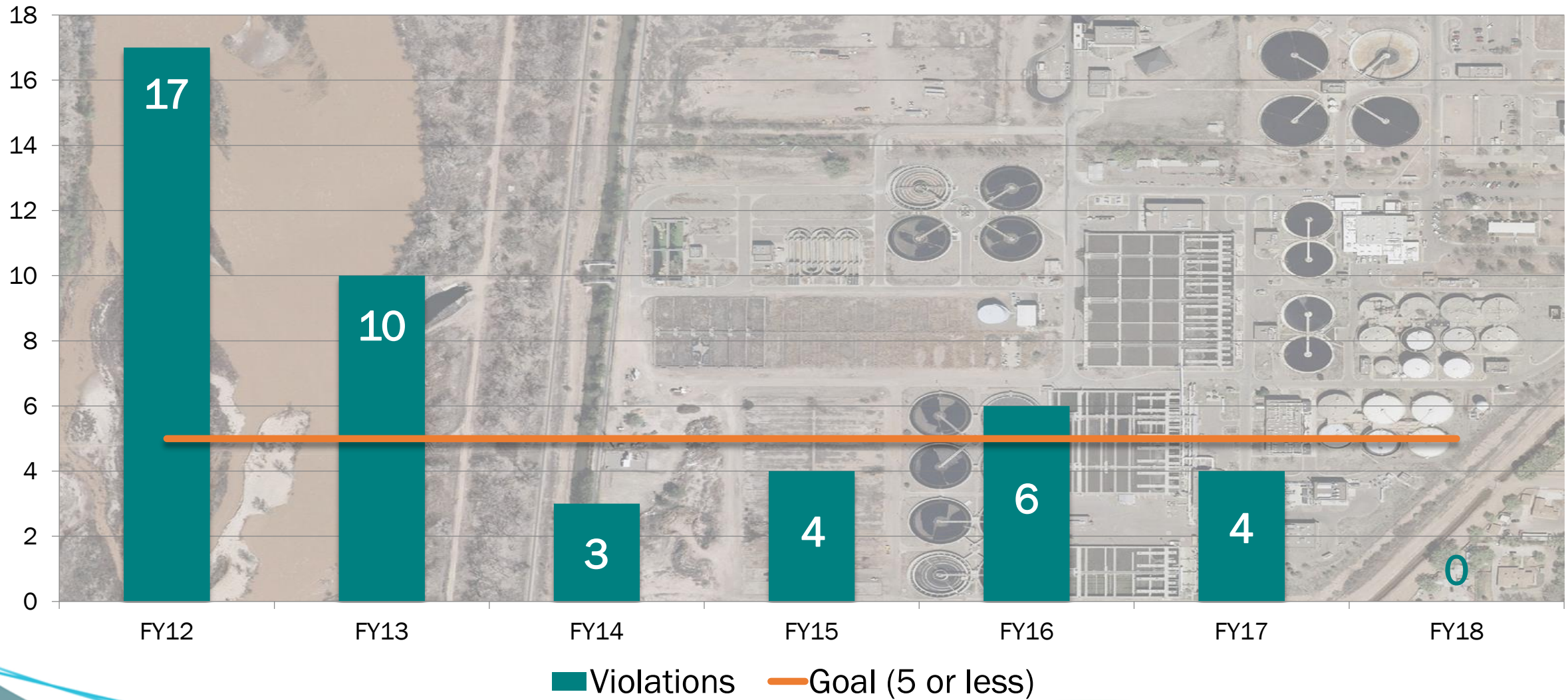
Effectiveness is Improving

- Discharge Permit Violations
- Estimated Meters
- Leak Detection

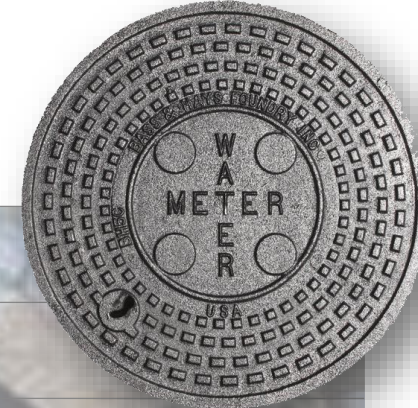


Albuquerque Bernalillo County
Water Utility Authority

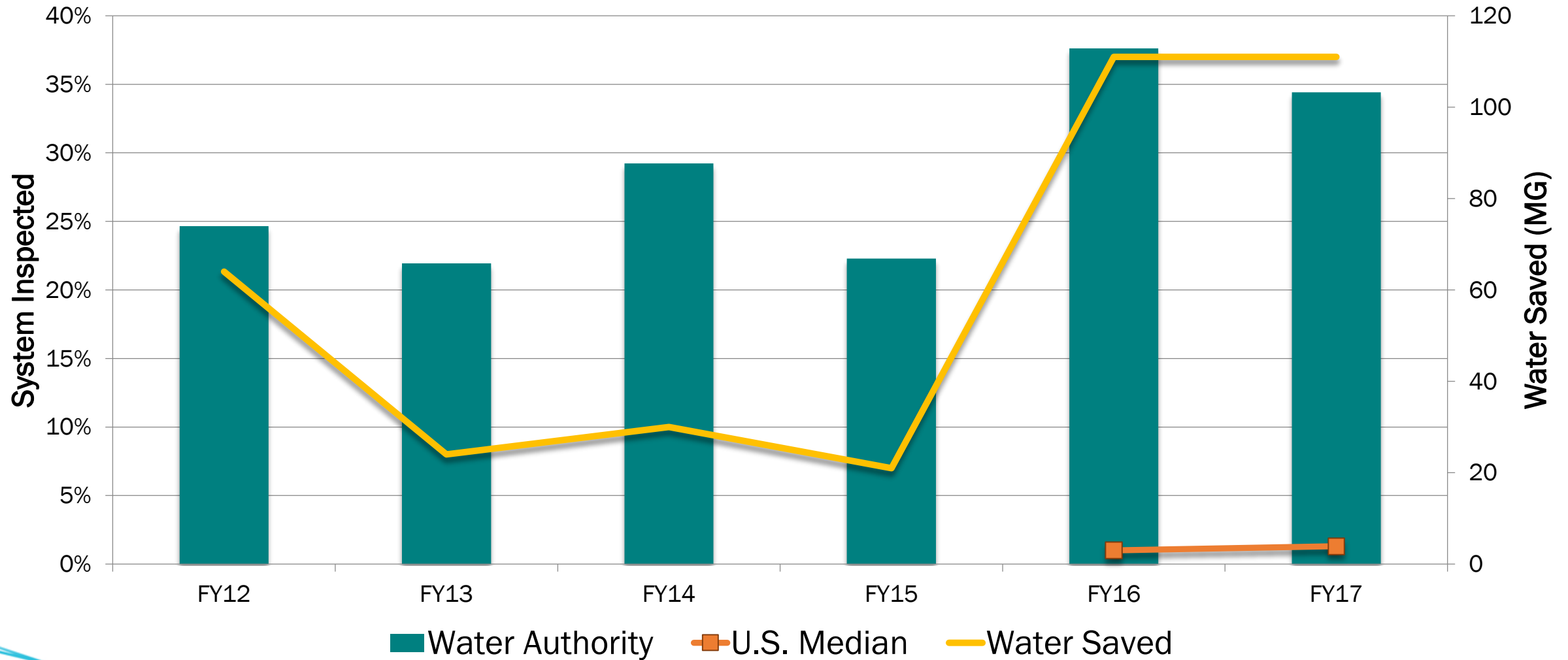
Discharge Permit Violations



Estimated Meters



Water System Inspection



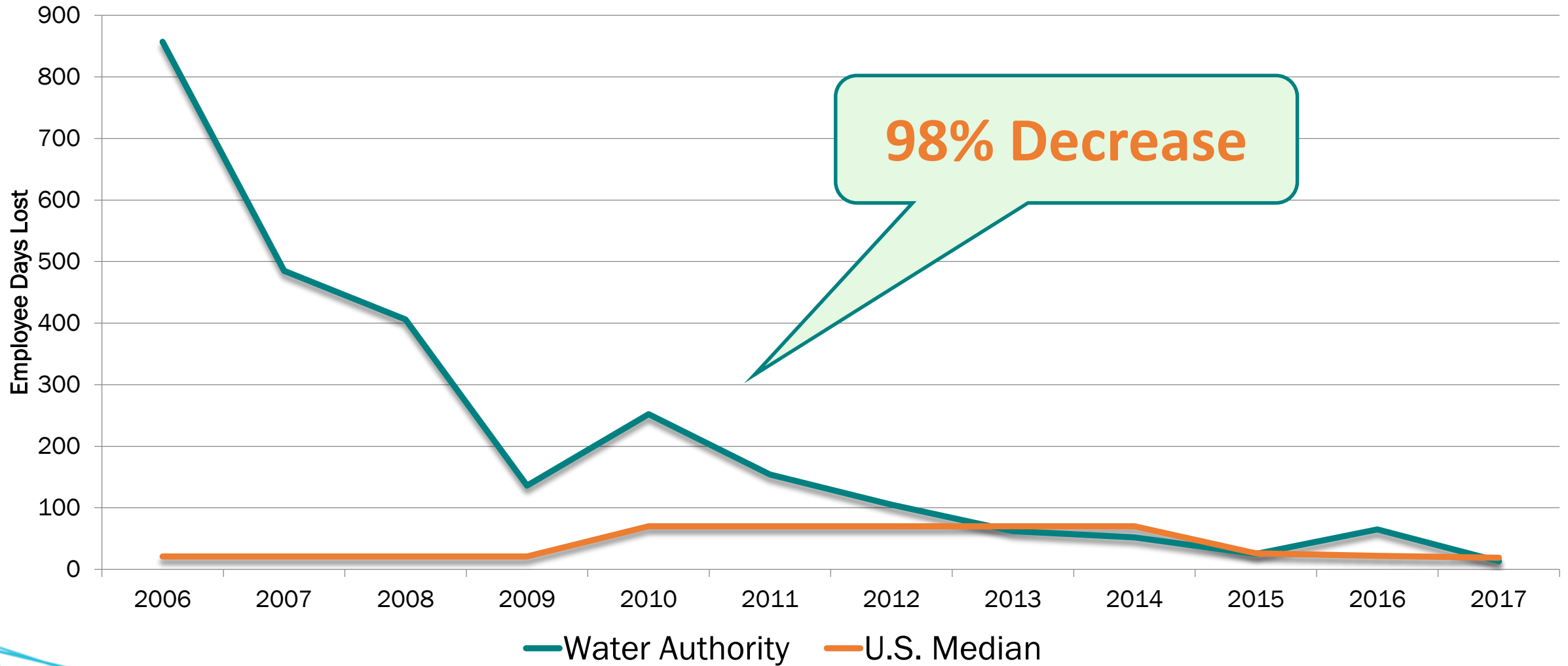
Operation Costs Decreasing

- Days Away from Work
- Insurance Claims
- Water O&M Cost per Account
- Wastewater O&M Cost per Account
- Days Cash on Hand

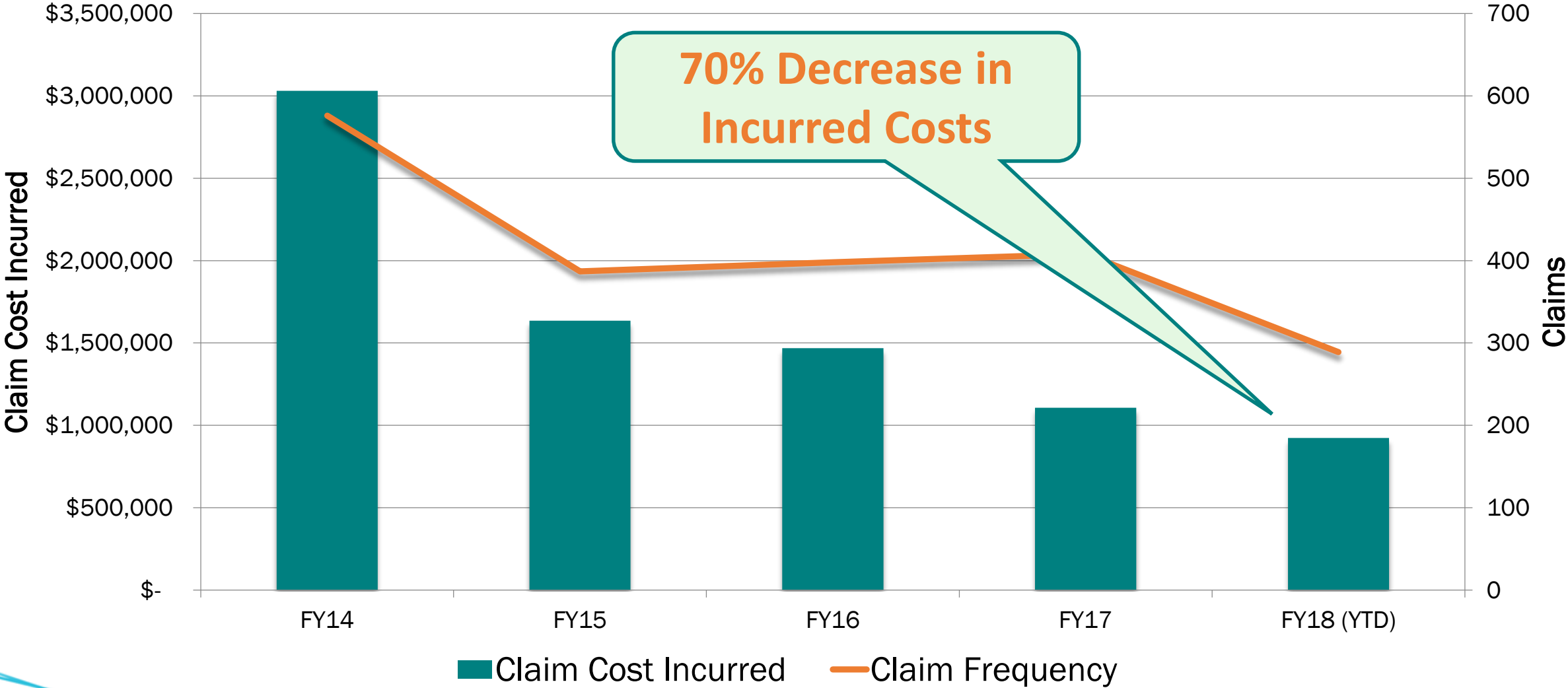


Albuquerque Bernalillo County
Water Utility Authority

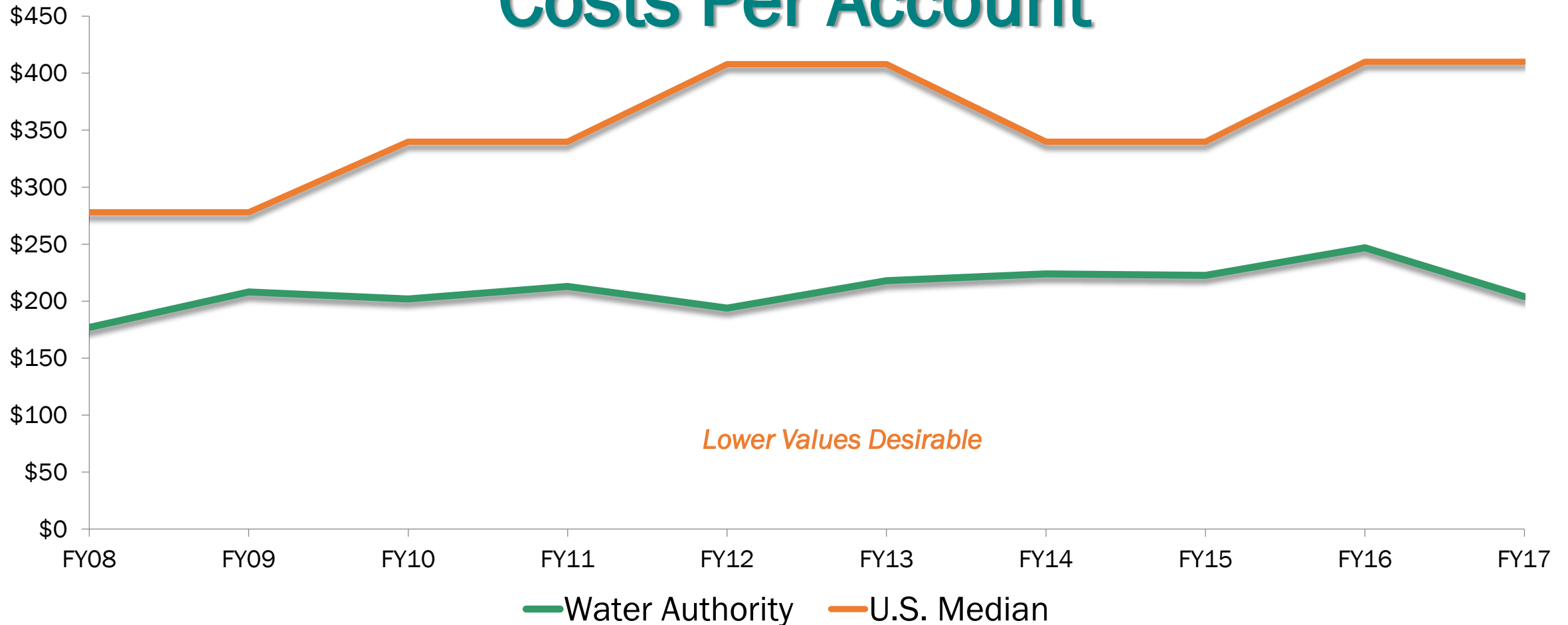
Days Away from Work



Insurance Claims



Water Operation & Maintenance Costs Per Account



97% of Customers are Very/Somewhat Satisfied with reliability and availability of WATER to home or business



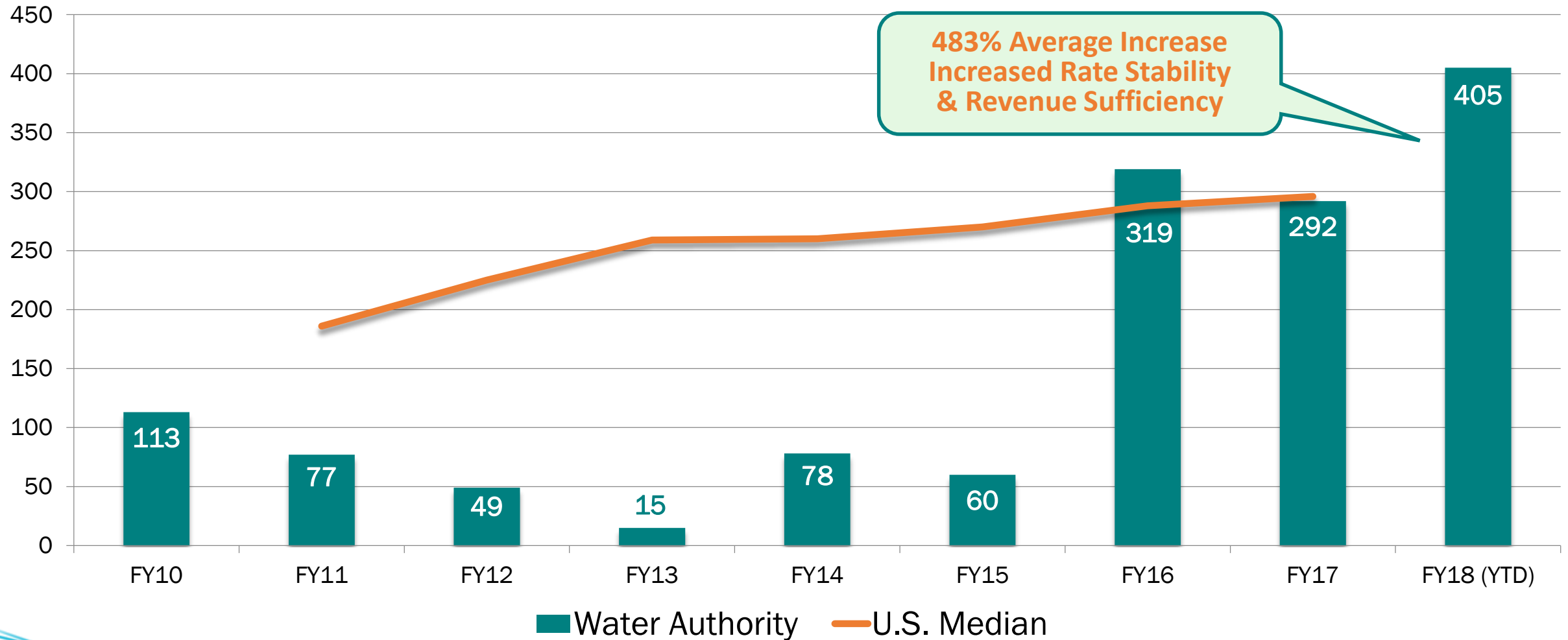
Wastewater Operation & Maintenance Costs Per Account



94% of Customers are Very/Somewhat Satisfied with reliability and availability of WASTEWATER to home or business



Days Cash on Hand



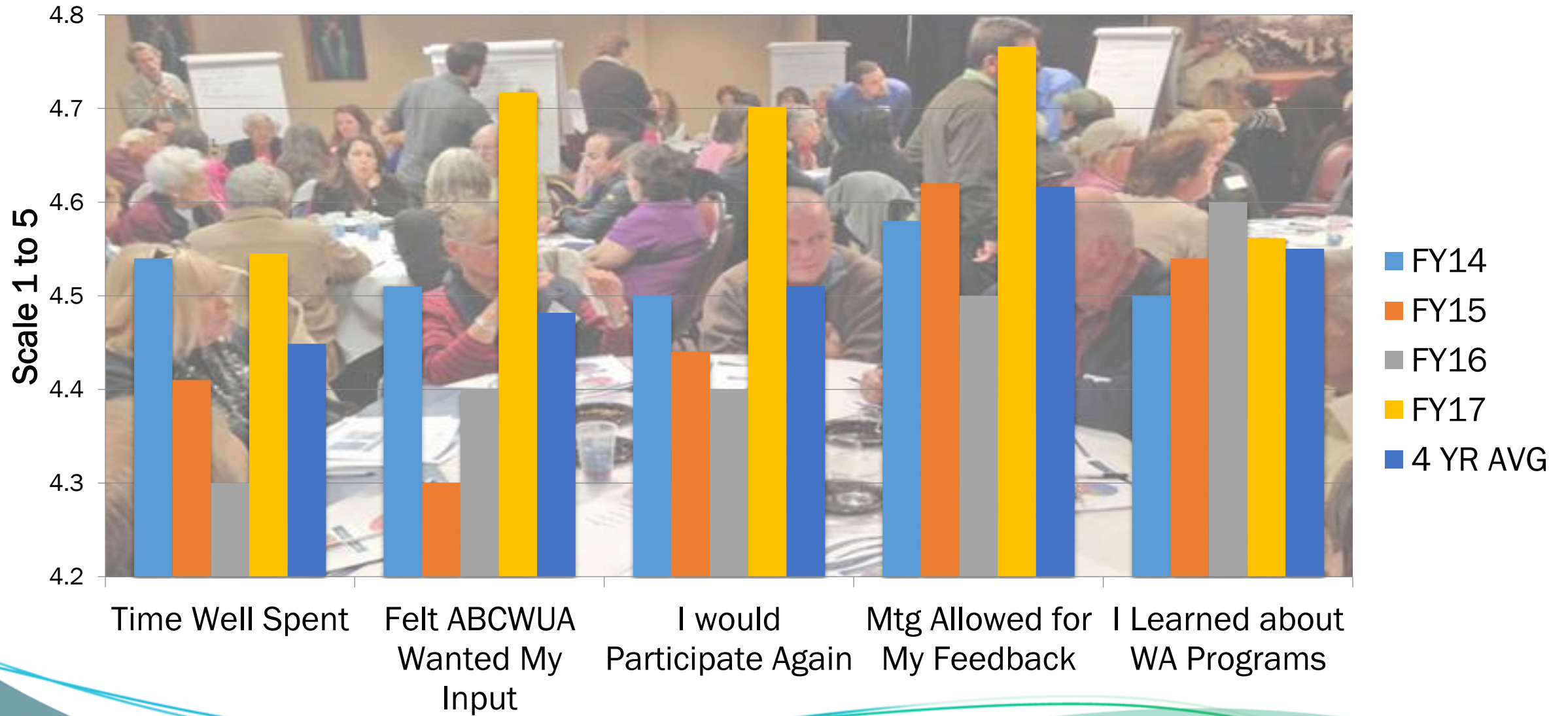
Customer Service Improving

- Customer Engagement
- Customer Accounts per Employee
- Highest Customer Approval Rating in Last 10 Years

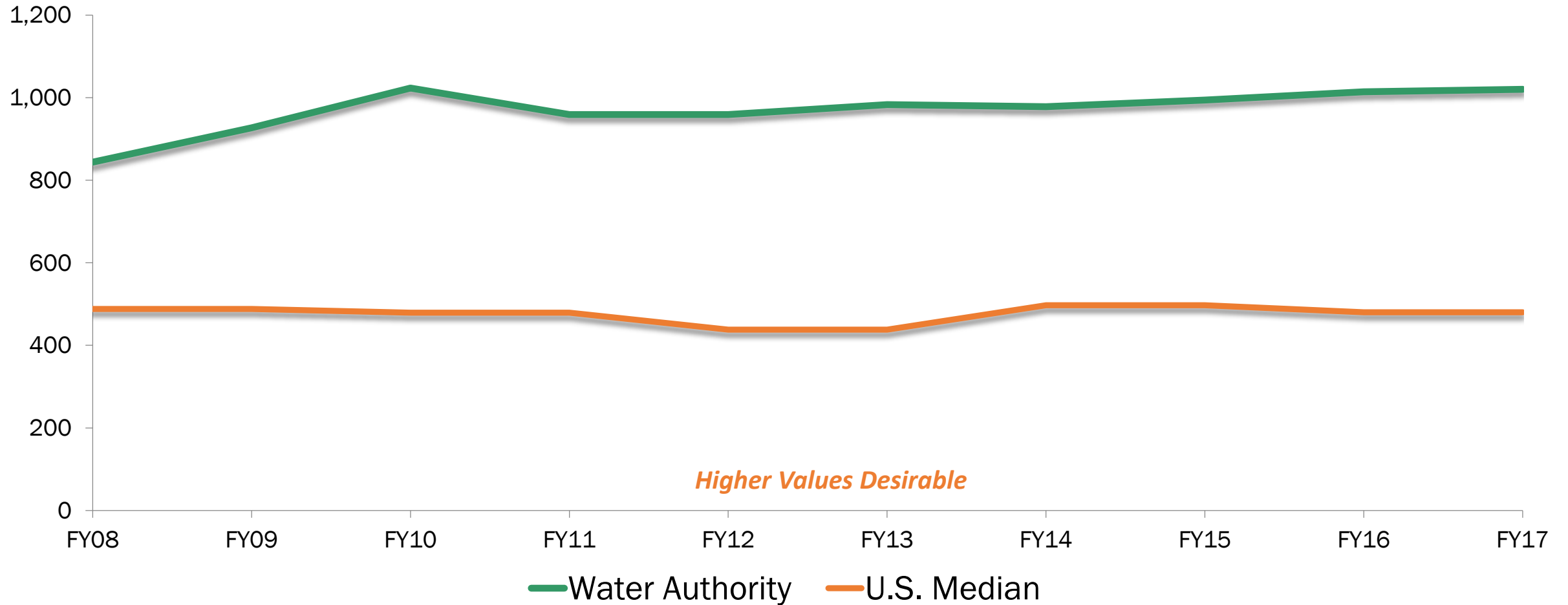


Albuquerque Bernalillo County
Water Utility Authority

Customer Conversations Evaluations



Customer Accounts Per Employee

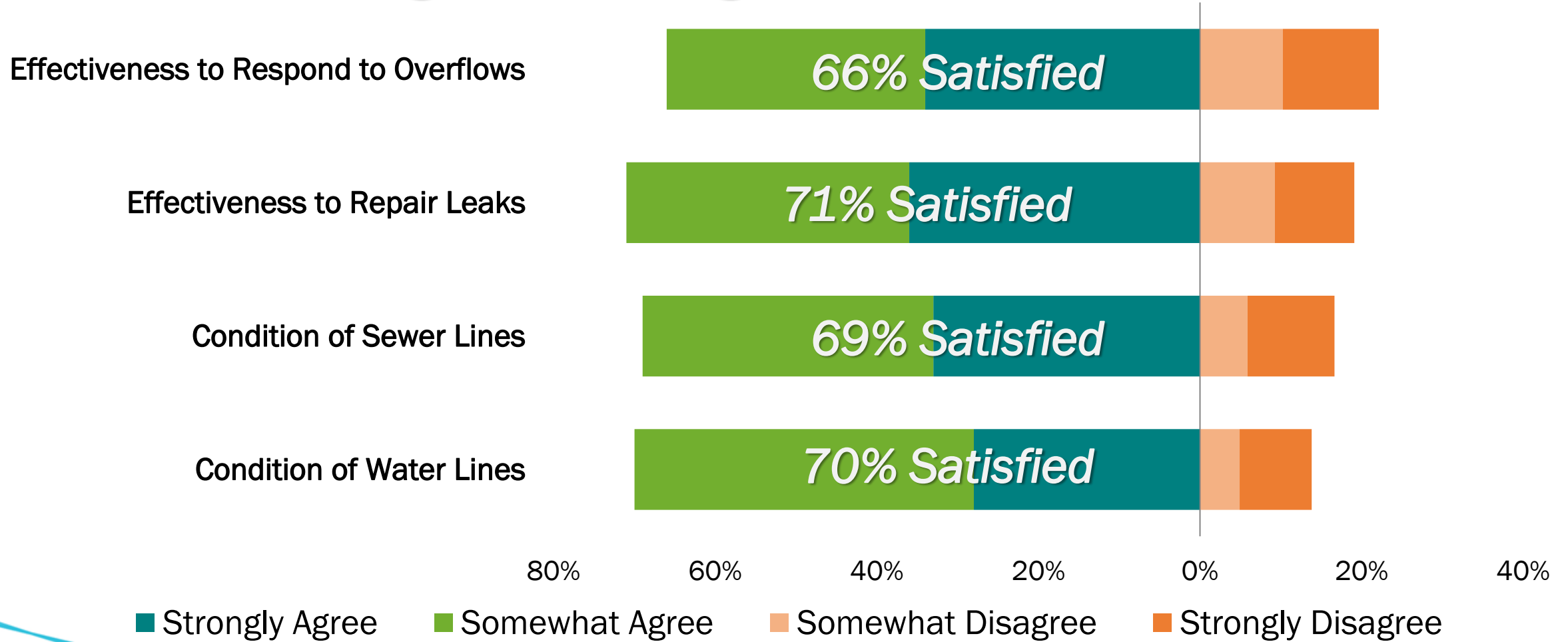


94% of Customers are Very/Somewhat Satisfied with OVERALL SERVICES received by the Water Authority



Customer Opinion on our Operations

Highest Rating in Last 10 Years



FY19 Selected Priorities

- Continue Community Outreach and Communication
- Complete Phase 2 of Maximo Asset Management System
 - Fleet Management module
 - Full Life-cycle Accounting of Assets
 - Preventive and Condition Monitoring
- Complete Clarifier Odor Control Mitigation
- Begin construction of the Consolidated Customer Service & Field Operations Facility
- Complete Source Water Protection Plan Update and report on findings from Pharmaceuticals and Personal Care Products (PPCPs)
- Identify funding for Phase 7C Los Padillas Waterline Project
- Begin implementation of Vulnerability Assessment recommendations and complete cyber security evaluation
- Planned 5 Megawatt Solar Facilities



FY19 Selected Priorities

Continue Implementation of Water 2120 Plan

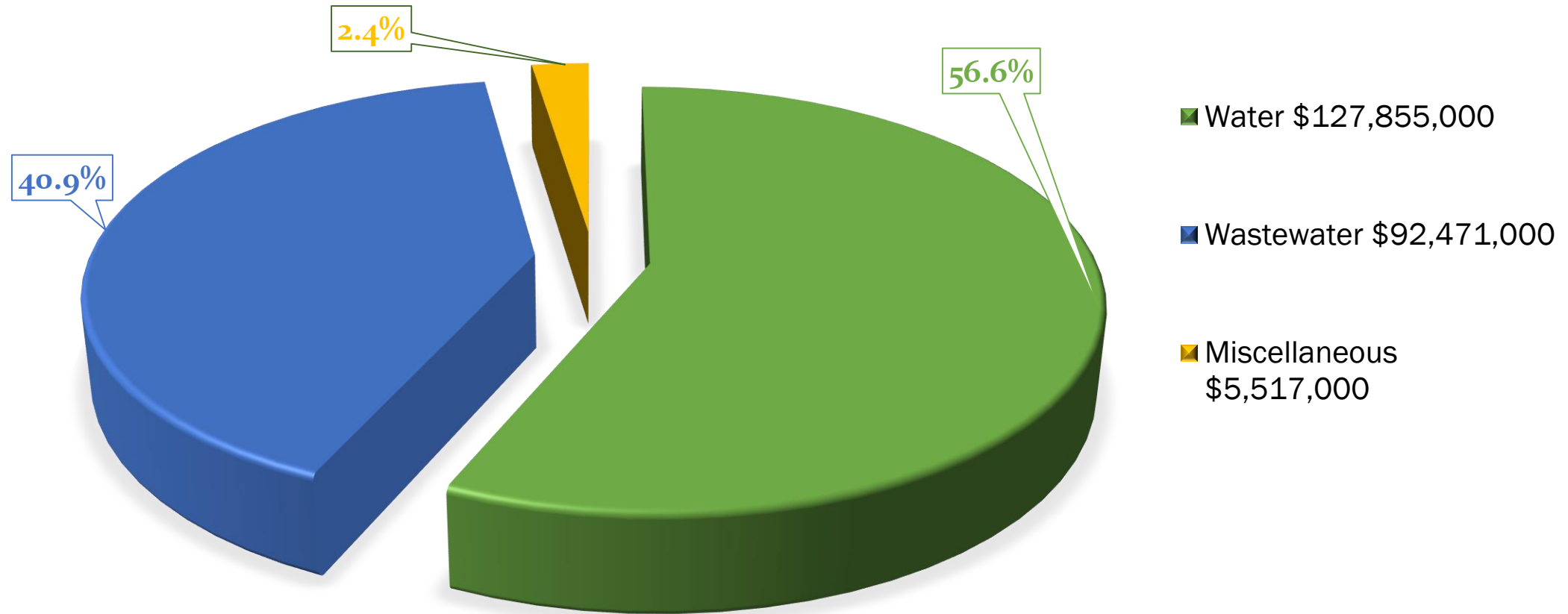
- Complete Environmental Plan
- Prepare draft of the Groundwater Management Plan
- Begin development of the Reuse Plan
- Create new Water 2120 Capital Fund



Albuquerque Bernalillo County
Water Utility Authority

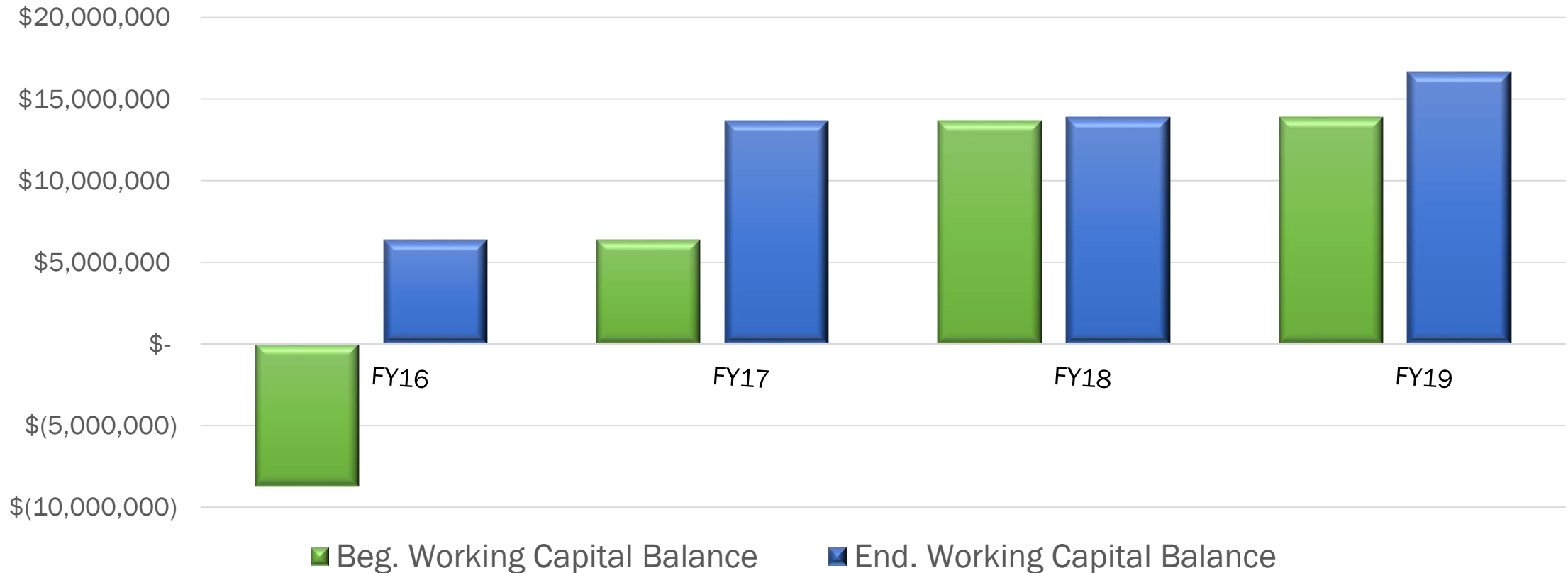
FY18 General Fund Projected Revenues

\$225,843,000



FY19 Working Capital Projected Balance

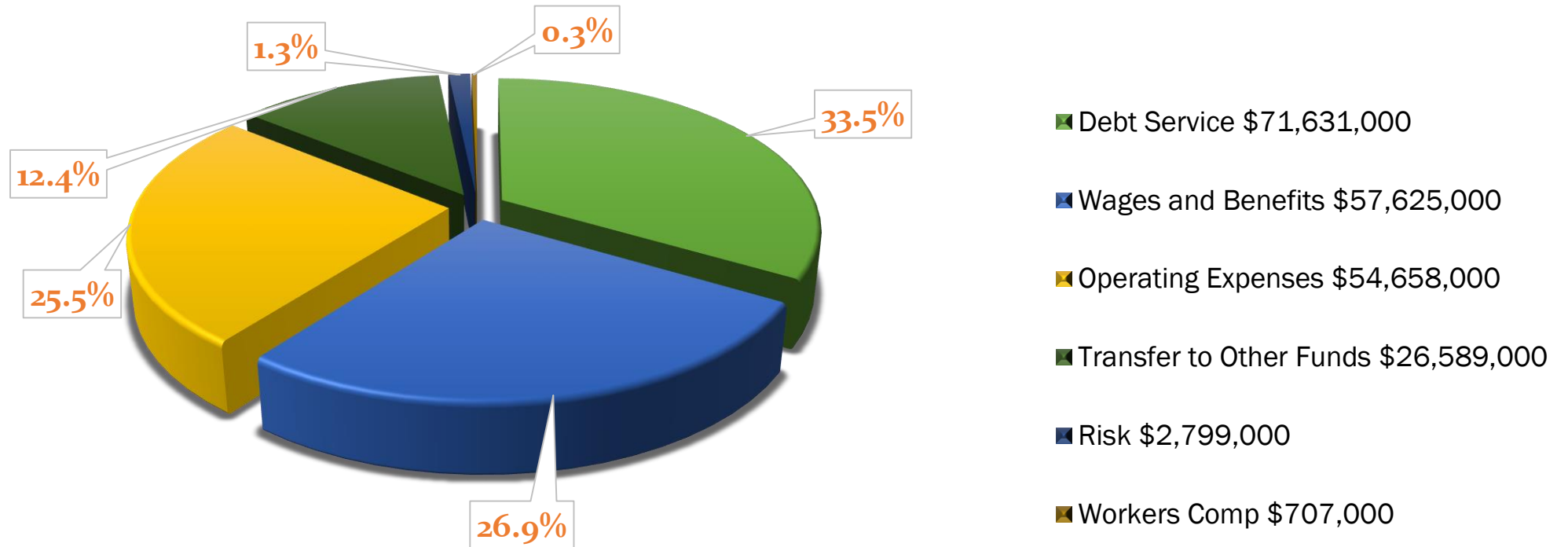
Working Capital projected to meet 1/12th Reserve Requirement



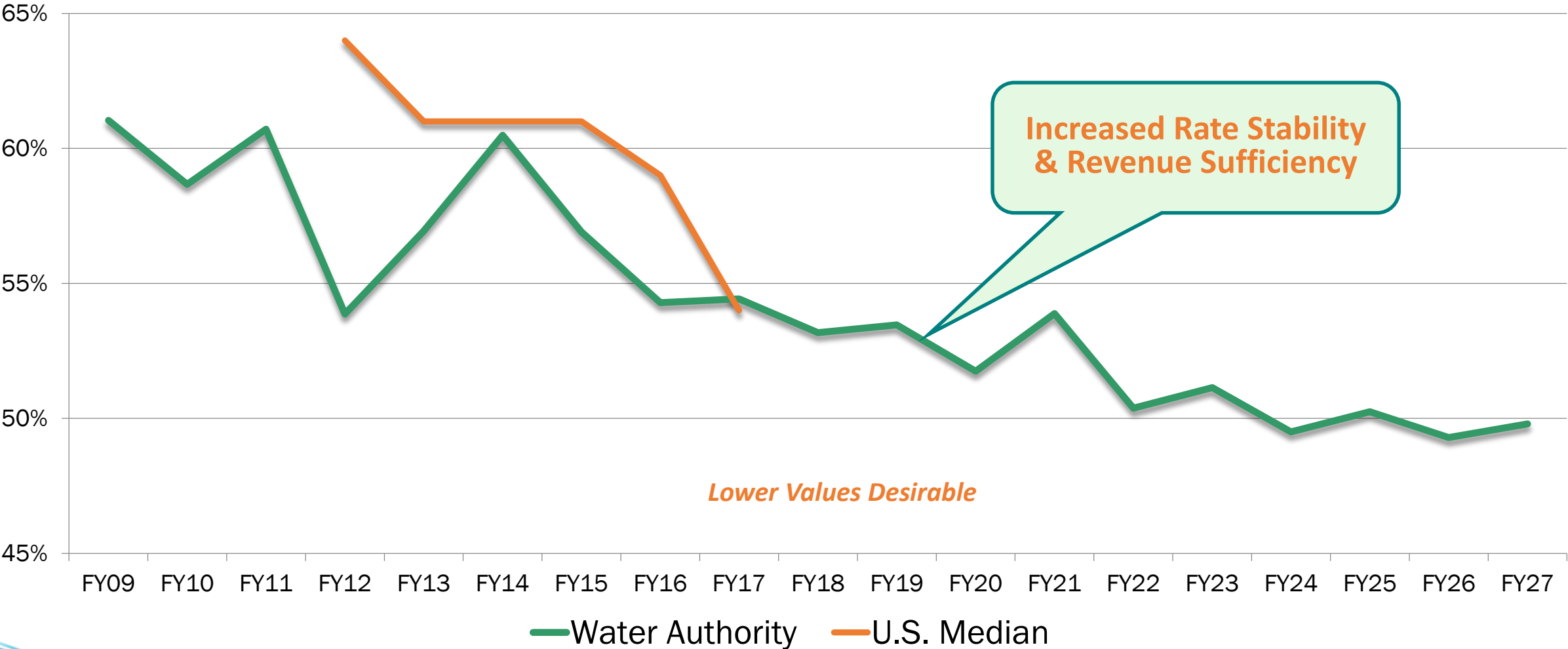
Albuquerque Bernalillo County
Water Utility Authority

FY18 Budgeted Expenses

\$214,009,000



Operating Ratio



FY19 Capital Improvement Plan(CIP)

Appropriations

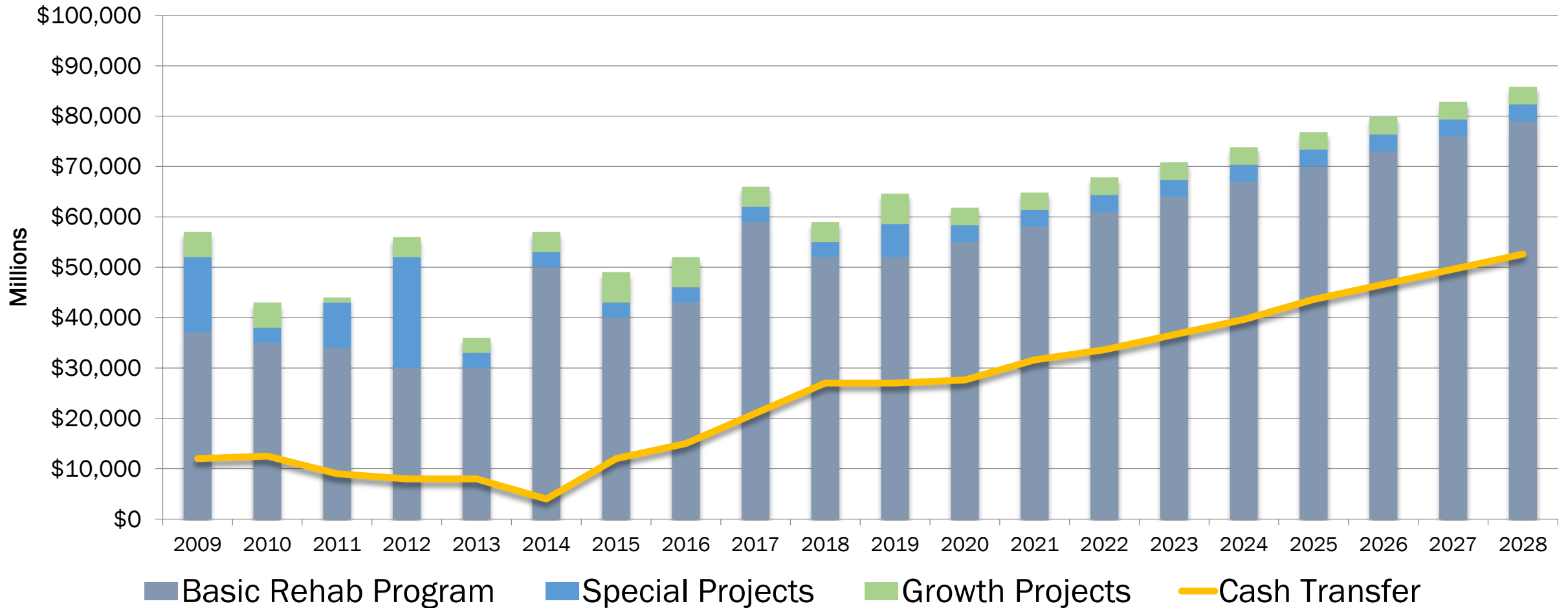
\$84.3 Million Appropriation Includes:

- \$55 Million Basic Rehab Program
- Major Initiatives Include:
 - \$15.0 Million to Complete Odor Mitigation for Clarifiers
 - \$5.0 Million to Construct Consolidated Operations Facility
 - \$4.8 Million for Vehicle and Heavy Equipment Replacement
 - \$2.0 Million Automated Meter Infrastructure (AMI) – 50% build-out target
 - \$1.0 Million for Steel Line Replacement
 - \$350,000 for Renewable Energy Projects
 - \$300,000 for Water 2120 Fund



Albuquerque Bernalillo County
Water Utility Authority

CIP Spending – Decade Plan



Each \$1.0 million in Capital Spending creates 15 Jobs

Source: U.S. Water Alliance



Albuquerque Bernalillo County
Water Utility Authority

PROPOSED FY 2019 BUDGET

BOARD MEMBERS

Trudy E. Jones
Chair

Debbie O'Malley
Vice-Chair

Pat Davis

Timothy M. Keller

Klarissa J. Peña

Steven Michael Quezada

Lonnie C. Talbert

Pablo R. Rael
"Ex-Officio"

ADMINISTRATION

Mark S. Sanchez
Executive Director



Albuquerque Bernalillo County
Water Utility Authority

*Proposed
Operating Budget
FY19*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Albuquerque Bernalillo Co. Water Utility Authority
New Mexico**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director

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April 18, 2018

To: Trudy E. Jones, Chair

From: Mark S. Sanchez, Executive Director

Subject: Resolution Appropriating Funds for the Operation of the Water Authority for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019

Presented to the Board for review and consideration is the proposed budget for the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for Fiscal Year 2019 (FY19). This submittal is the Water Authority's financial plan for FY19. The development of this financial plan has been guided by the Water Authority's Five-year Goals, One-year Objectives, Performance Plan and the Guiding Principles. In the development of this proposed budget, the Water Authority has taken a conservative financial approach to provide effective and efficient water and wastewater services balanced against projected resources. This proposed budget is based upon the 10-year Financial Plan. It is balanced, fiscally conservative and sound.

The Water Authority has developed the budget according to the utility's projected estimated revenues. General Fund revenue for FY19 is estimated to be \$225.8 million, representing an increase of \$4.6 million from the FY18 revised budget amount.

The proposed General Fund operating expenses for FY19 are \$214.0 million, representing a decrease of \$3.8 million from the FY18 revised budget, including interfund transfers. This is comprised of a decrease of \$1.2 million for salaries and benefits based on retirements and efficiencies, an increase of \$0.4 million for operating expenses, and a decrease of \$3.0 million for interfund transfers to the capital and debt service funds. In February 2018, the Water Authority amended the budget for a one-time \$3.0 million increase in the transfer from the General Fund to the Capital Improvement Fund (CIP). Personnel expenses include a 2.0% step increase in wages and a 15.0% increase in health benefit costs. There is no change in full-time equivalent positions for FY19. The most significant expense continues to be debt service payments, which comprise 33.0% of the total General Fund operating expense in FY19.

For FY19, General Fund revenues are expected to be \$11.8 million over proposed expenses, which includes funding the Rate Reserve fund. This amount will bring the Working Capital or Fund Balance to \$16.7 million at June 30, 2019. The Water Authority's target is to maintain its Fund Balance at 1/12 of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. For FY19, \$2 million is added to the Rate Reserve fund.

Also submitted in a separate resolution is the Capital Improvement Program proposed budget for FY19. This budget reflects the Water Authority's commitment to spend \$250.0 million to upgrade its sewage treatment plant and an additional \$36.0 million per year to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in a recent asset management study commissioned by the Water Authority. The proposed CIP appropriation for FY19 is \$84.3 million. \$70.6 million is appropriated for the level one priority basic capital programs, \$5.0 million for growth-related projects, \$8.4 million for special projects, and \$0.3 million for Water 2120 projects. The \$8.4 million for special projects is comprised of \$2.0 million for Automated Meter Infrastructure (AMI), \$1.0 million for steel water line replacement, \$0.4 million for various renewable energy projects, and \$5.0 million for various identified projects.

This budget proposal represents the Water Authority's coordinative effort to bring to the Board a financial plan that will provide the necessary funding to perform all the varied operational and administrative functions, to provide customers with quality water and wastewater service and address the Water Authority's priorities for FY19 to improve services and gain operating efficiencies.

FY18 ACCOMPLISHMENTS

As we look forward to FY19, we also reflect on the utility's successes in the preceding year. Among these was the drilling of the Water Authority's first direct-injection aquifer storage and recovery (ASR) wells. These will allow the utility to store surface water underground for later recovery, and are an important operational component of *WATER 2120*, the Water Authority's 100-year water resources management strategy. The utility unveiled this plan, one of the most comprehensive long-term water strategies in the Western United States, in FY18 after several years of development. *WATER 2120* has been endorsed by numerous organizations, including the Nature Conservancy, the U.S. Fish and Wildlife Service, the Greater Albuquerque Chamber of Commerce, the U.S. Bureau of Reclamation, and the Army Corps of Engineers.

Other accomplishments of 2018 include:

- An *Exemplary Source-Water Protection Award* from the American Water Works Association (AWWA) in recognition of the utility's water quality monitoring program, its pollution-prevention advocacy and education efforts, its collaboration with local, state and federal agencies in source-water monitoring and clean-up activities, and its investment in watershed management initiatives in Northern New Mexico;
- Groundbreaking on a project to extend municipal water service to the historic South Valley neighborhood of Los Padillas, a 300-year-old semirural enclave where shallow domestic wells are associated with potential public health problems;
- Recognition of a new solar array at the utility's surface-water treatment plant as the *Renewable Energy Project of the Year* by New Mexico's Association of Energy Engineers;
- The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award;
- GFOA Certificates of Achievement for Excellence in Financial Reporting (both Popular and Comprehensive)

In calendar year 2017, the Southside Water Reclamation Plant (SWRP) qualified for the NACWA Silver Peak Performance Award.

The SWRP continued to generate Renewable Energy Certificates using digester gas (containing methane) to power a generator. The SWRP facility generated approximately 20% of its power requirements using digester gas and another 7% using renewable solar power from an on-site solar array. The Soil Amendment Facility set a record for its compost production-56% of all bio-solids were composted.

In calendar year 2017, the Surface Water Treatment Plant (SWTP) produced a record-breaking 70% of all water for the Water Authority. The treatment plant also met the Partnership for Safe Water turbidity goal over 99.5% of the time during the year. The Water Authority began selling grit basin solids from the SWTP to Waste Management for the Rio Rancho landfill.

Groundwater Operations completed the New Mexico Environment Department (NMED) Triennial Sanitary Survey, updated their asset inventory and facilities mapping, and completed Corrales trunk improvements.

Field Distribution crews installed approximately 3,000 lineal feet of water main and appurtenances in the South Valley (Los Padillas Project). Staff attended a variety of safety training sessions throughout the year: Silica Awareness, Safety in Cold Weather, Trace Wire, and Power Tool Safety & Inspections.

Wastewater Collections continued to implement the Capacity Management Operations and Maintenance (CMOM) program. The expanded closed-circuit television (CCTV) inspection of 5% of the small diameter system provided for better maintenance and identification of specific rehab needs. Communication with entities potentially impacted by public or private sewage spills continued to be enhanced and documented in the Overflow Emergency Response Plan (OERP) which is a portion of the CMOM. Staff conducted two simulated Sanitary Sewer Overflows (SSO) to go through the OERP process with one or more entities that may jointly respond to an

FY18 ACCOMPLISHMENTS

SSO, and to see if all procedures are appropriate. The fleet of combination cleaning units is being renewed and provided with updated nozzles.

The Compliance division submitted the National Pollutant Discharge Elimination System (NPDES) permit renewal application and received the new proposed permit. Staff completed revisions to the Cross-Connection Ordinance. The Water Quality program implemented electronic forms to document results from sanitary survey pre-inspections. The Water Quality Lab expanded its use of the Laboratory Information Management System (LIMS).

The Finance Accounting section submitted the FY17 Comprehensive Annual Financial Report (CAFR) to the Government Financial Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Report program and the Popular Annual Financial Report (PAFR) program. Finance/Executive Director staff completed the Risk Liability Claim Cost Analysis to project the expected liability claim expenses. Purchasing worked with Bernalillo County on their new Home Rule Procurement Code which will be adopted and implemented by the Water Authority in FY19. Budget staff submitted the FY17 Approved Budget to GFOA and received the Distinguished Budget Presentation Award.

Customer Services absorbed the Conservation Rebate Program from Water Resources. Billing Operations streamlined the payment refund process, updated their collection processes, and continued to advance the Customer Care Representatives through their career track. Customer Services Field Operations implemented Phase 4 of the Automated Meter Infrastructure (AMI) project which moved the utility to a 48% saturation of automated meters in the service area and reduced the number of stopped meters in the service area to zero.

Information Technology (ITD) implemented Splunk, a tool for analyzing and reporting Water Quality and SCADA data, moved the One Solution platform from the cloud to on-premise, upgraded the Cognos reporting platform, and upgraded the Performance Evaluation system.

Security continues to be a major concern. To address security concerns, ITD implemented email filtering/security, completed a penetration analysis and testing for cyber security threats, upgraded the malware and phishing protection, and created redundant network paths to all Water Authority locations.

The upgrade and implementation of the CMMS system, Maximo, continued through FY18. The overall goals for the Maximo upgrade center around streamlining and implementing more efficient business processes, standardizing the Asset Management System and work order processing, and leveraging mobile features and workflow, including Clevest as a Mobile Workforce Solution, to increase efficiency within the various operational groups across the Water Authority. Additional benefits include workload management tracking, labor tracking, preventative maintenance and conditional monitoring, as well as cleaner data and significantly improved reporting functions, resulting in improved asset management functions and cost savings.

Planning & Engineering Maps & Records section updated the Water Systems Map and began the Field Asset Global Positioning System (GPS) Project to map over 48,000 valves into the system. One Stop Shop began the draft Guide to Development and created new databases for UEC reimbursements for development agreements and Pro Rata. Central Engineering worked with the City of Albuquerque Utility Development Section to update their Development Process Manual and managed major CIP projects including the Southside Water Reclamation Plant Renewal Program, Interceptor Renewal Program, Small Diameter Sewer Renewal, Large Scale ASR Well, and the Solar Array at the Surface Water Treatment Plant. A major accomplishment for Central Engineering was the completion of the 2015 U.S. EPA Administrative Order by fiscal year-end.

A major accomplishment for the Water Resources division was the drilling of the Water Authority's first ASR well, allowing the utility to store water underground for later recovery. The division created and managed a Youth Mentorship program. Water Conservation updated the Water Conservation Plan and revised the Water

FY18 ACCOMPLISHMENTS

Waste Ordinance. Several environmental programs were spearheaded, including the Rio Grande Silvery Minnow Recovery, Hydro-geomorphic Monitoring with drones of habitat sites, and Watershed Restoration.

The Risk/Safety program completed the Risk Management Administrative Instruction, created OSHA Inspection Procedures, and implemented quarterly safety committee meetings. Staff provided safety training to all Water Authority staff on topics including: CPR training, new employee introductory safety training, testing/monitoring emergency lighting, exit signs, eye wash stations/showers, and fire extinguishers.

Human Resources Wellness staff coordinated the annual Employee Safety picnic, offered various wellness/fitness challenges and programs, and installed blood pressure monitors at all Water Authority locations. Human Resources staff responded to feedback from the Employee Survey and implemented an employee recognition program which includes on the spot recognition and years of service recognition and increased outreach programs to employees.

The certification training programs continue to develop employees' knowledge and skills in various positions, including water and wastewater operations and maintenance, dispatch, and customer service. Fifty-two employees were promoted throughout the Water Authority training programs, twenty employees received Train-the-Trainer certification, twelve employees completed a 40-hour New Supervisor class and sixteen supervisors completed the 64-hour Rocky Mountain AWWA Supervisory Leadership class.

FY18 ACCOMPLISHMENTS

FY19 HIGHLIGHTS

The FY19 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Goals, Objectives and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

Helping to guide this effort is *Water 2120*, the Water Authority's 100-year water resources management strategy, adopted in September 2016. *Water 2120* incorporates the latest science regarding the effect of climate change on the availability of surface water supplies. Using climatic hydrologic simulation models from the Office of the State Engineer, Sandia National Laboratories and the U.S. Bureau of Reclamation and Geological Survey, among other agencies, it takes climate variability into account and for the first time looks at a 100-year time horizon for the greater Albuquerque area. Three different demand scenarios along with three supply alternatives are used to examine the need for new supplies while maintaining a ground water resource for future generations. A portfolio of supply options is used to fill the gaps to meet future demand over the next 100 years. A key component going forward will be the shift from acquisition of water rights to the development of reuse facilities to have a more resilient supply.

Operations

The operational cornerstone of *Water 2120* is the San Juan-Chama Drinking Water Project (DWP), which will continue to have a major positive impact on the ground water resources in the Middle Rio Grande. After ten years of operation, the DWP – along with conservation and other resource management efforts – has resulted in rising aquifer levels throughout the service area as documented by the U.S. Geological Survey. A video documenting this success is available for viewing at: <https://www.youtube.com/watch?v=Z6stQZw2L1M&feature=youtu.be>

Building on accomplishments such as these, Water Authority staff and leadership will continue to pursue new operational efficiencies and improvements in FY19. The Operations groups have completed documentation for shift procedures and standard operating procedures and are implementing and measuring key performance indicators for the water, wastewater and ground water plant facilities. In addition, we will continue to implement mobile technology to document and complete work assignments in the operation groups.

The Water Authority will continue to operate two potable water supply systems, the surface water and the ground water systems. This dual system operation will continue into the future with the primary source of supply being treated surface water from the DWP. The DWP provided 70% of all water distributed to Water Authority customers in calendar year 2017. The Water Authority's goal is to have the DWP supply 70-75% of all customer demand. Flow conditions in the Rio Grande may limit the ability to fully realize this goal on a consistent basis.

The Water Authority began a major renovation of the Southside Water Reclamation Plant (SWRP) in FY10 called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plant. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility (PTF), aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility (SDF). Improvements will also be made to the Anaerobic Digesters, Primary Clarifiers, Secondary Sludge Thickening Facilities, plant-wide electrical systems, and other SWRP facilities.

Plans are to continue to increase the amount of wastewater bio-solids that are composted and sold while not “over-saturating” the regional market for bio-solids compost and sell at least 30% of the total quantity of bio-solids.

In FY19, the DWP will focus on efforts related to solids management by continuing sales of grit basin material to Waste Management for the Rio Rancho Landfill and beginning a pilot testing of iron sludge disposal to aid with significant odor control and provide corrosion benefits. The plant will also begin Phase II of its Ozone system modifications, coarse screening improvements at river intake, and construction of a lime storage silo.

FY19 HIGHLIGHTS

Wastewater Collections continues to implement the CMOM program and the expanded closed-circuit television (CCTV) inspection of 5% of the small diameter system which provides for better maintenance and identification of specific rehab needs.

Water Distribution Field will focus on pressure monitoring, pressure reducing valve preventive maintenance, and eliminating select redundant/inoperable pressure reducing valves monitored with Automated Meter Infrastructure (AMI) technology. Staff will continue with the Los Padillas water line extensions and partner with Compliance and Plant staff to address South Valley water quality issues.

Water Resources will expand and develop their education series by offering new classes, online videos, and workshops. In conjunction with the expanded education effort, the division will also be redesigning the rebate programs and move from indoor to outside rebate programs. Water Resources staff will develop the Environmental Plan and the Groundwater Monitoring Plan. Plans are to launch a Water Conservation newsletter and website which will contain irrigation, gardening and horticultural tips and practices.

Planning & Engineering will complete the Guide to Development, complete the Field Asset GPS Coordinates Program, and prepare a list of recommended modifications to the Expansion Ordinance in coordination with the Guide to Development. Staff will be developing a proposed fee schedule for Utility Development deliverables and begin work on a Construction Inspection Manual.

Compliance

Water and Wastewater Operations are regulated by a myriad of federal, state, and local environmental permits, regulations, and rules. The Compliance Division continues to maintain a matrix that is updated quarterly of regulatory requirements to monitor regulatory initiatives to define operational impacts and develop compliance strategies.

In the NPDES program, FY19 will complete revisions to the Cross-Connection Control Ordinance. The current version of the ordinance needs refining to remove ambiguity and improve clarity. The program will also be obtaining a new NPDES permit and completing their PPCP wastewater sampling during 2018.

The Water Quality lab will be developing Standard Operating Procedures for analyses of TKN and Fecal as MPN. The program will also be meeting with CIP staff to begin the process of renovation projects at the lab.

Administration, Employee Relations and Development

The Water Authority will continue to conduct periodic activities to engage, educate, and provide updates to customers, legislators and neighborhood associations regarding Water Authority activities and initiatives, and offer opportunities for dialogue and feedback.

Human Resources wellness staff will continue offering wellness challenges for individuals and departments. At least two fitness challenges per quarter will be offered in conjunction with nutrition, physical activity and weight loss tips as well as disease and injury prevention topics to employees. Staff will be developing a Sick to Well Time Policy and a Wellness Champion/Stretching policy.

A major focus for Human Resources will be the design and implementation of a new Application System. This system will be more user-friendly for both applicants and Water Authority staff and will allow staff to push jobs out to various recruitment websites and provide continuous recruitment capability. Staff will also continue to implement Employee Satisfaction Survey and Employee Connections initiatives.

FY19 HIGHLIGHTS

The proposed budget also includes nonrecurring funding for an employee safety incentive program. This program will reward employees for cost savings that result from a decrease in work-related losses. Funding for this program is contingent on the Water Authority generating the same or a greater amount in savings. This incentive program has been an effective tool in the reduction of the Water Authority's Workers Compensation expense in the last three fiscal years.

Budget, Finance and Business Management

Finance will submit to GFOA the FY19 Approved Budget for the Distinguished Budget Presentation Award, the FY18 Comprehensive Annual Financial Report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting and the FY18 Popular Annual Financial Report (PAFR) for the Popular Annual Financial Reporting Award. The division believes that all three financial documents meet or exceed the recommended requirements to successfully receive each award and to also be nationally recognized by GFOA for these accomplishments.

In FY19, Accounting Services will be leading the Maximo Phase II implementation of Asset on-boarding and disposition, barcoding for the annual capital asset inventory required by State statute, life-cycle costing of assets, and developing policies and procedures for capturing costs for new and existing assets.

Purchasing will fully implement the new Bernalillo County Home Rule Procurement Code. Two areas of major focus for FY19 will be the completion of the Warehouse Ordering and Payment Policies and Procedures and overseeing the Maximo Phase II implementation for Purchasing and Inventory related functions, specifically Maximo/OneSolution integration options, inventory management improvements, satellite storerooms, and inventory barcoding.

Budget will continue to provide budget and ERP system training to utility staff and schedule monthly budget update meetings with staff.

Treasury will optimize management of Water Authority funds while implementing the investment strategy, complete the Living River Fund and Water Assistance Fund donation programs.

Customer Services (CSD) and Northwest Service Area (NWSA) have been successfully integrated into one group that handles call center, treasury, billing, new service applications, field operations and meter maintenance functions. CSD, Field Operations, and NWSA Field Operations & Maintenance sections work together to implement the Clevest mobile workforce management system, which provides a bridge for Maximo (Work Order & Asset Management) and Customer Care & Billing (CC&B) to create operating procedures for a paperless, real-time work order system, where field activities are dispatched, updated and closed out on a mobile platform. In addition, Clevest is used to manage line spots and schedule and record the preventative maintenance activities on the meter change outs, box and valve replacement initiatives.

CSD will be implementing a major upgrade to the CC&B system in FY19. Customer Services Field Operations will continue working on the Automated Meter Infrastructure project which will provide a 50% saturation of automated meters in the service area by the end of FY19.

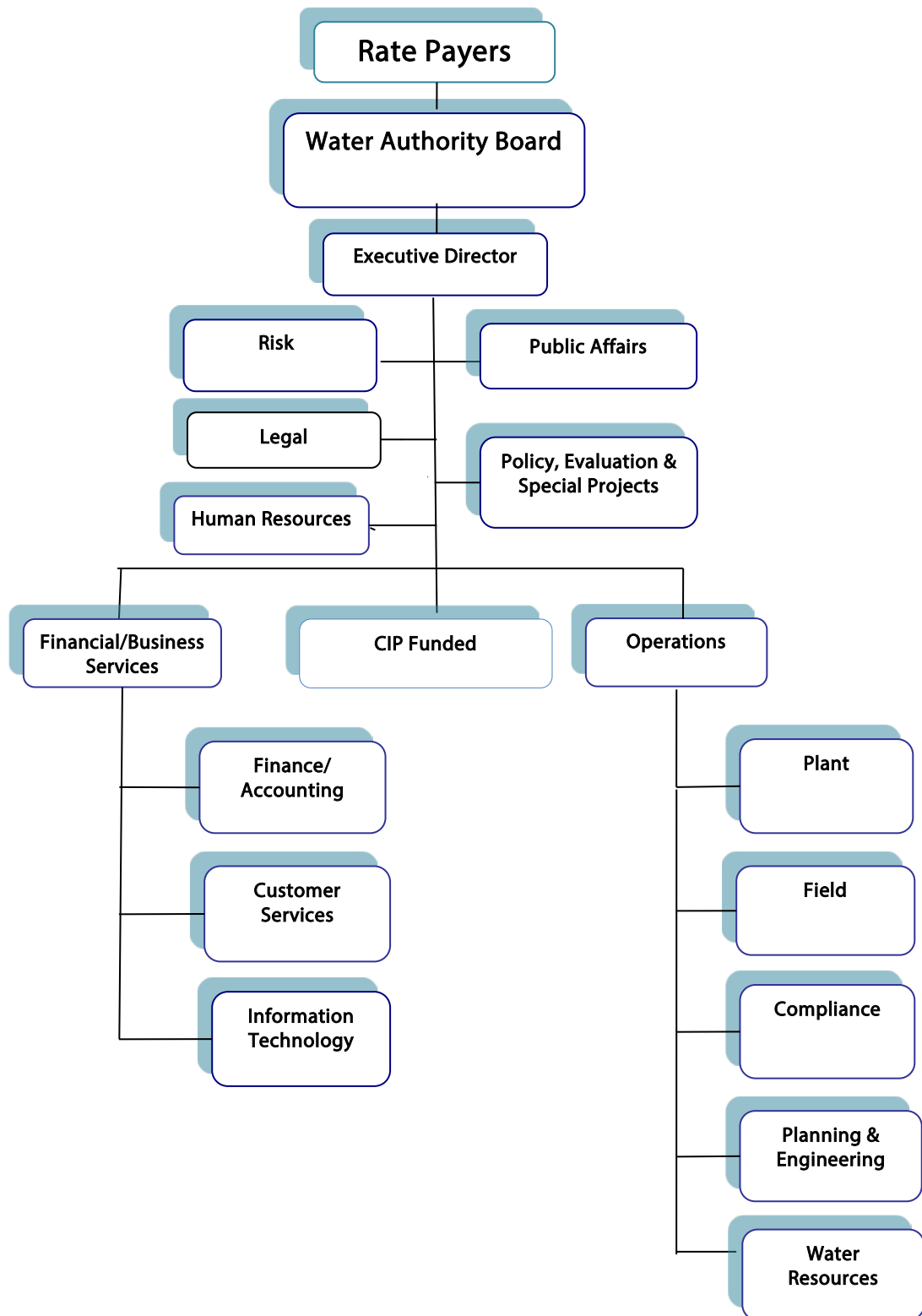
ITD Quality Assurance staff will continue the buildout of the service desk, implement an Information Security Plan, update IT policies relating to IT security, and coordinate change management and training efforts for the CC&B upgrade.

IT Infrastructure objectives for FY19 include the buildout and migration of the Disaster Recovery site to the Surface Water Plant, migration of all database servers to SimpliVity, completion of a comprehensive security plan, and building redundant infrastructure for card key and video surveillance systems.

FY19 HIGHLIGHTS

An additional \$2 million is reserved in the rate reserve fund. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

ORGANIZATION CHART



PREFACE

NMSA 1978 Section 72-1-20, which created the Water Authority, along with Water Authority Ordinance O-04-6 requires the Executive Director to formulate the operating budget for the Water Authority. The Executive Director shall propose the budget to the Board at the April regularly scheduled meeting each year. The Water Authority Board then will approve or amend and approve the Executive Director's proposed budget, after the Board has received the budget and has deliberated on it, provided public notice and allowed for public input at or before the May regularly scheduled meeting.

Budget instructions are issued in January. A salary forecast is completed for review by staff. Expense data is accumulated at the current level and totals are reviewed to determine if other actions or changes in budget instructions must be made to achieve a balanced budget. Budget meetings are held with the Executive Director and Water Authority staff, where divisions may request program expansions, offer plans for reducing costs, or revenue enhancements.

Appropriations are at the fund level, the level at which expenses may not legally exceed appropriations. Budgetary control is maintained by a formal appropriation and encumbrance system. Appropriations may be made or modified during the year by a legally adopted resolution. Appropriations revert to fund/working capital balance to the extent they have not been expended or encumbered at fiscal year-end.

Budget data is prepared consistent with the Water Authority's basis of accounting. The Water Authority's Enterprise Funds are on an accrual basis. Revenues are recorded in the accounting period in which earned, and expenses are recorded at the time liabilities are incurred. Transactions are recorded in individual funds. However, depreciation, amortization and bad debt expense, although expensed in the accounting system, are not budget items in the Water Authority budget.

The Water Authority's Goals and Objectives focus on improving the utility's operations and improving customer conditions. The goals are based on the American Water Works Association's (AWWA) business model using fifteen successful quality achievement programs. The FY19 Goals and Objectives have been submitted for approval to the Water Authority Board.

The Proposed Budget has 6 major sections. The **Budget Proposal & Financial Consolidations** section is designed as an overview. This section contains the Water Authority's Goals and Objectives, Strategic Planning process, Appropriations, and Proposed Issue Papers. The funds are presented with estimated ending balances for the current year. This section also includes the Financial Plan.

The **Revenue Outlook** section contains detailed information on the projected revenues and the Economic Outlook to be addressed in the coming year. This section also looks at the Albuquerque Economy as it relates to the budget.

The **Capital Budget** section explains the Water Authority's capital process, which is prepared on an annual basis. Anticipated capital projects and the expected operating impacts are discussed as well.

Debt Obligations and the **Appendix** complete the supporting documentation. The **Appendix** contains information that is useful to prepare or understand the budget, including definitions.

The **Appropriations Legislation** section contains a copy of the legislation that is submitted to the Water Authority Board along with this document. It must be passed as submitted or amended and passed by the Water Authority Board before the budget becomes law.

*BUDGET PROPOSAL
&
FINANCIAL
CONSOLIDATIONS*

*Proposed
Operating Budget
FY19*

MISSION AND OVERVIEW OF GOAL DEVELOPMENT

The Albuquerque Bernalillo County Water Utility Authority (Water Authority) identifies resources to provide quality water in sufficient quantity, collect and treat wastewater to acceptable standards, provide professional utility engineering services, and provide utility customer services. The Water Authority operates and maintains water pump stations, reservoirs, wells, water lines, the Southside Water Reclamation Plant, the Soil Amendment Facility, sewage lift stations, odor control facilities, and sanitary sewer lines. The Water Authority also works to secure the region with a safe, adequate, and sustainable water supply.

Mission

The mission of the Albuquerque Bernalillo County Water Utility Authority is to:

Assure responsive Customer Service.

Provide reliable, high quality, affordable and sustainable water supply, wastewater collection treatment, and reuse systems.

Support healthy, environmentally-sustainable, and economically-viable community.

Overview of Goal Development

The Water Authority established Five-Year Goals and One-Year Objectives in 2005 to help guide its budget process and address priority issues. In addition, the Water Authority's Budget Ordinance specifies that the Water Authority shall annually review and adopt one-year objectives related to the five-year goals. The Ordinance also states that the Water Authority's operating budget shall be formulated by the Water Authority's Executive Director and be consistent with the goals and objectives, and that they be major factors in determining funding for Water Authority programs and improvements in both the operating and capital improvement budgets.

FIVE-YEAR GOAL DEVELOPMENT

The Five-Year Goals adopted by the Water Authority are based on the American Water Works Association's (AWWA) business model using fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems: 1) Water Supply and Operations, 2) Wastewater Collections and Operations, 3) Customer Relations, 4) Business Planning and Management, and 5) Organization Development.

The Water Authority has participated in several continuous performance programs through AWWA including Benchmarking, Self-Assessment, and Peer Review. Since 2012, the Water Authority has incorporated the EPA's *Effective Utility Management* (EUM) into its strategic planning process which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM's Ten Attributes framework to identify areas for improvement.

Water Authority's Five-Year Goals & Guiding Goal Statements



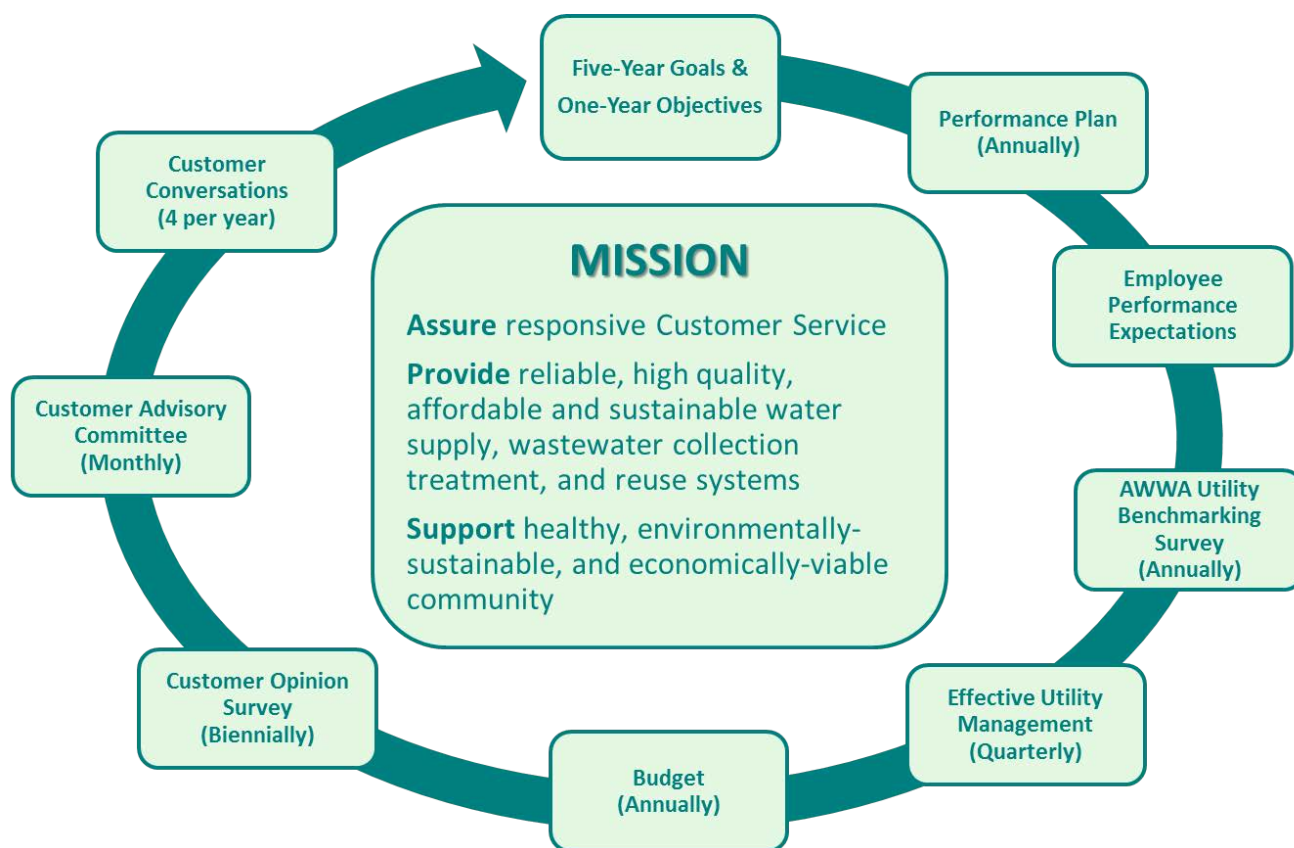
OVERVIEW OF ONE-YEAR OBJECTIVES

The One-Year Objectives are categorized by the Water Authority's Five-Year Goal areas. The Water Authority has developed guiding goal statements for each goal area which explains the long-term desired result for that goal. The continuous performance programs mentioned above help the Water Authority to identify gaps in service delivery or performance. The Water Authority's performance measures are used to help monitor the Water Authority's performance and to develop performance targets. With the performance measures being used to identify gaps, the One-Year Objectives are used to close performance or service delivery gaps and improve performance levels.

In addition to identifying areas of improvement, some of the Objectives are related to completing projects or improving programs. A few of the objectives are carried over from FY18 either because they require more time to complete or are ongoing issues.

STRATEGIC PLANNING, BUDGETING AND IMPROVEMENT PROCESS

The diagram below shows the Water Authority's strategic planning process. It starts with long-range goals and short-term objectives which are linked to performance measures in the Performance Plan which help guide the budget process. This process is periodically evaluated by utility customers every two years through opinion surveys and customer focus group meetings four times per year. Customer Conversations are roundtable discussions with customers focusing on important issues facing the utility. The facilitated meetings are innovative and interactive, engaging customers with hands-on activities so that they can think through the decisions and discuss issues with fellow customers. The Water Authority measures its progress in the goals and objectives through the AWWA Benchmarking program. The benchmarking program allows the utility to benchmark its performance among 25 key performance indicators. The goals and objectives are integrated into the employee's performance evaluations biannually through the Employee Performance Expectations. The Technical Customer Advisory Committee provides input on the utility's policies, plans, and programs. The Water Authority has incorporated the EPA's Effective Utility Management (EUM) program into its strategic planning process which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM's Ten Attributes and Five Keys to Management Success to select priorities for improvement, based on each organization's strategic objectives and the needs of the community it serves. All the strategic planning process components help fulfil the Water Authority's MISSION.



FY 19 GOALS AND OBJECTIVES

The Five-Year Goals and One-Year Objectives are a component of the Strategic Planning, Budgeting and Improvement Process. The Goals and Objectives and performance measures from the Performance Plan help guide the operating and capital budgets in allocating the Water Authority's financial resources. The Performance Plan illustrates how the Five-Year Goals, One-Year Objectives, and performance measures are integrated using the logic model to achieve service delivery and performance improvement. The Performance Plan discusses in detail how the Water Authority assesses its performance year to year, and how it compares its performance with that of other utilities. The integration of the performance measures and objectives are used to achieve the long-term desired results of the Water Authority's Five-Year Goals.

Below is a summary of the Goals and Objectives for FY19, as introduced to the Water Authority Board on March 21, 2018.

Goal 1: Water Supply and Operations

Provide a reliable, safe, affordable, and sustainable water supply by transitioning to renewable supplies and minimizing long term environmental impacts on the community and natural resources while ensuring the ability of the community to grow in a responsible manner.

- Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 66% of all completed maintenance labor hours by the end of the 4th Quarter of FY19.
- Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours by the end of the 4th Quarter of FY19.
- Evaluate the Automated Meter Infrastructure Pressure Monitoring pilot project and assess operation and maintenance costs by eliminating redundant pressure reducing valves by the end of the 4th Quarter of FY19.
- Continue distribution water loss program by locating water leaks from surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY19. Pilot an acoustic leak detection system with intelligent nodes to monitor and communicate possible leaks to a central data collection hub by the end of the 4th Quarter of FY19.
- Submit annual distribution and treatment data to the Partnership for Safe Water program for inclusion in the program's annual report of aggregated system water quality data; continue implementing action plans from the self-assessment through the end of the 4th Quarter of FY19.
- Maintain water use at or below 128 gallons/ capita/ day thru the end of the 4th Quarter of FY19.
- Begin testing the Large Scale Aquifer Storage & Recovery project through the end of the 3rd Quarter of FY19. Complete operational plan based on the testing by the end of the 4th Quarter of FY19.
- Complete an evaluation of the next Aquifer Storage and Recovery project to determine the best location and project type by the end of the 4th Quarter of FY19.
- Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Irrigation Audits; 2) 45 Meetings with Landscapers; 3) 30 Meetings with Property Managers; and 4) 2 Water Conservation Open House Meetings by the end of the 4th Quarter of FY19.
- Continue implementation of *Water 2120*: 1) Complete Environmental Plan; 2) Prepare draft of the Groundwater Management Plan; 3) Begin development of the Reuse Plan by the end of the 4th Quarter of FY19.
- Complete update to the source water protection plan by the end of the 2nd Quarter of FY19. Begin implementation of the updated plan, including monitoring for new and existing groundwater and surface water contamination and education outreach through the end of the 4th Quarter of FY19. Participate in and provide comments to protect the groundwater aquifer and surface water supplies throughout the Middle Rio Grande; continue work with the Water Protection Advisory Board through administrative, policy, and technical support.

FY 19 GOALS AND OBJECTIVES

Goal 2: Wastewater Collection and Operations

Provide reliable, safe and affordable wastewater collection, treatment and reuse systems to protect the health of the Middle Rio Grande Valley by safeguarding the regional watershed, minimizing environmental impacts, and returning quality water to the Rio Grande for downstream users.

- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY19.
- Beneficially reuse biosolids by diverting 30% to compost thru the end of the 4th Quarter of FY19.
- Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours by the end of the 4th Quarter of FY19.
- Continue work on the Partnership for Clean Water program for the water reclamation treatment to optimize system operations and performance; submit a self-assessment to AWWA by the end of the 2nd Quarter of FY19.
- Continue implementation of the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY19.
- Televis and assess the condition of approximately five percent of the small diameter sanitary sewer system by the end of the 4th Quarter of FY19.
- Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance. Obtain a compliance rate goal of 75%.
- Monitor compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance by continuing to inspect, monitor, and take enforcement action for permitted industrial users, septage waste haulers, food service establishments, and dental offices. Compliance rate goal is 87% for each category.
- Implement the Fats, Oils, and Grease (FOG) Policy to reduce impacts on the sewer system by inspecting each Food Service Establishment (FSE) once every three years, working with the Collections section with Sanitary Sewer Overflow (SSOs) investigations, and convene FOG Task Force of other governmental entities to coordinate efforts to reduce FOG discharges. Track and report the number of SSOs due to FOG compared with previous years.

Goal 3: Customer Services

Provide quality customer services by communicating effectively, billing accurately, and delivering water and wastewater services efficiently based on understanding the needs and perceptions of our customers and the community at large.

- Improve customer satisfaction and operational efficiency in achieving the four call-center targets through the 4th Quarter of FY19: 1) Average Wait Time of less than 1:30 minutes; 2) Average Contact Time of less than 4 minutes; 3) Abandoned Call Ratio of less than 5; and 4) First Call Resolution of greater than 90%.
- Improve customer satisfaction by achieving a billing accuracy ratio of less than 8 through the 4th Quarter of FY19.
- Provide communications support for the implementation of the Water Assistance Fund and updates to CC&B billing system through the end of the 4th Quarter of FY19.
- Continue implementation of the Automated Meter Infrastructure (AMI) project by modernizing aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY19.
- Complete Customer Conversation meetings to engage customers and obtain input from customers on the Water Authority's activities through the end of the 4th Quarter of FY19.
- Conduct periodic activities and communication initiatives to engage and educate legislators, stakeholders and neighborhood coalitions regarding Water Authority services, policies and projects through the end of the 4th Quarter of FY19.

FY 19 GOALS AND OBJECTIVES

Goal 4: Business Planning and Management

Maintain a well-planned, managed, coordinated, and financially stable utility by continuously evaluating and improving the means, methods, and models used to deliver services.

- Expend \$55 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4th Quarter of FY19. \$1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY19.
- Complete update the Comprehensive Asset Management Plan to determine the condition and criticality of the utility's assets by the end of the 2nd Quarter of FY19.
- Complete vehicle asset management plan to better plan for capital replacement of vehicles by the end of the 2nd Quarter of FY19.
- In order to provide a central location for processes and procedures, complete a Utility Development Guide by the end of the 2nd Quarter of FY19. Update System Expansion Ordinance to align to the Guide. Review fee structure for Utility Development deliverables.
- Continue design, planning, and construction of the Los Padillas water system (South Valley Drinking Water Project Phase 7b). Identify funding for Phase 7c for design and planning through the end of the 4th Quarter of FY19.
- Begin implementation of recommendations from the vulnerability assessment on utility facilities and systems to reduce risk of physical security, cyber security, and business activities by the end of the 4th Quarter of FY19. Update Emergency Response Plan by the end of the 4th Quarter of FY19.
- Complete a Comprehensive Information Technology Security Plan that is aligned with the standards, guidelines, and best practices of the National Institute of Standards and Technology Cybersecurity Framework to protect the utility's critical infrastructure from cyber-attacks by the end of the 4th Quarter of FY19.
- Complete a needs assessment of the Supervisory Control and Data Acquisition (SCADA) system; implement recommendations of the assessment for the updated platform to align with the asset management program by the end of the 4th Quarter of FY19.
- Complete Phase 2 of the Maximo comprehensive asset management system upgrade which includes asset onboarding and de-commissioning, full life cycle accounting, barcoding, fleet management, and preventive and condition monitoring by the end of the 4th Quarter of FY19.
- Complete replacement of an applicant online system that aligns to the OneSolution enterprise financial system by the end of the 4th Quarter of FY19.
- Complete upgrade to the CC&B billing application by the end of the 3rd Quarter of FY19.
- Evaluate water and sewer rate structures to ensure equity within the structures by the end of the 4th Quarter of FY19.
- Finalize conceptual plan to consolidate field, fleet, warehouse and customer services operations from multiple locations to the Drinking Water Plant. Complete design documents and start construction for building, site work and ancillary facilities by the end of the 4th Quarter of FY19.
- Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, and local laws ordinances, etc. to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY19.
- Collect, monitor, and report weekly, monthly and quarterly key laboratory performance metrics to include: WQL results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs), laboratory productivity (results reported per productive hour), and the percentage of results reported late (turnaround time (TAT)). Compare to industry benchmarks.
- Continue collection and analyses of the operational data necessary to determine and document the actual cost of service for laboratory services for the analytical methods within the Water Quality Laboratory scope of

FY 19 GOALS AND OBJECTIVES

- accreditation. The status of the data collection and analyses efforts will be reported quarterly. Use the collected data to update the laboratory prices.
- Continue to develop LIMS, LabVantage, throughout FY19 to increase the automation of data entry to reduce data entry errors and reduce the amount of paper used at the laboratory. Develop dashboards to help analysts and management manage samples and workflows entirely in the application. Expand the collection of electronic data to field analytics, balances, probes, and spectrophotometry instruments stored in the Database of Compliance.
- Continue to develop the Environmental Monitoring Program to improve the reliability of results from field instrumentation and sample collection techniques. Develop a program plan based on designated ISO standard to address accreditation requirements to include standard operating procedures, document control and records management plans, and a process for demonstration of staff capability. Implement program plan by the end of the 4th Quarter of FY19.
- Prepare for the New Mexico Environment Department Drinking Water Laboratory Certification audit for microbiological water testing in the 4th Quarter of FY19. Prepare for the American Association for Laboratory Accreditation (A2LA) annual assessment of the Water Quality Laboratory including completing required internal audits and annual review and revision of Standard Operating Procedures.
- Gather and report on external subcontract laboratory costs that are processed by the Water Quality Lab (WQL). Improve how the WQL manages BR numbers from purchasing and sample ids generated in LabVantage and the corresponding invoices received from the external subcontract laboratories. Utilize the existing Compliance Division 'Database of Compliance' (DOC), and make available the cost of external subcontract laboratory analysis for reporting in COGNOS.
- Monitor for Pharmaceuticals and Personal Care Products (PPCPs) in the source water, drinking water and wastewater. Report the findings of this voluntary monitoring by the end of the 4th Quarter of FY19. Compare the results to historical monitoring performed in 2009-2010.

Goal 5: Organizational Development

Sustain a well-informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.

- Align ongoing supervisor training to address issues identified during Employee Connections meetings and from Employee Satisfaction Surveys; modify supervisor training to incorporate employee appreciation, recognition and communication by the end of the 2nd Quarter of FY19.
- Maintain an average utility-wide vacancy rate of no greater than 5% through the end of FY19.
- Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees by the end of the 4th Quarter of FY19.
- Continue updating the Knowledge Management Strategy to assure that the right knowledge is systematically collected, stored, organized, and transferred to the appropriate employee in a timely and effective manner by the end of the 4th Quarter of FY19.
- Reduce injury hours to 2,650 hours or less to improve productivity and reliability of services provided by employees by the end of the 4th Quarter of FY19.

APPROPRIATIONS BY PROGRAM

The Albuquerque Bernalillo County Water Utility Authority can be examined by program. Comparing the revised budget for FY18 with the proposed FY19 budget shows changes in the Water Authority programs, excluding the interfund transfers.

(\$000's)	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
Administration	2,726	2,792	2,792	3,065	2,684	(108)
Risk	4,239	4,523	4,523	4,350	4,534	11
Legal	459	703	703	818	760	57
Human Resources	1,313	1,508	1,552	1,462	1,588	36
Finance	3,894	4,004	4,004	3,906	4,184	180
Customer Services	8,587	9,112	9,112	8,784	9,050	(62)
Information Technology	7,072	7,131	7,131	6,922	7,096	(35)
Wastewater Plant	10,747	11,680	11,680	11,552	11,426	(254)
San Juan-Chama WA Treat Plant	3,415	3,639	3,639	3,550	3,971	332
Groundwater Operations	5,985	6,427	6,427	6,353	6,629	202
Wastewater Collection	6,540	6,758	6,758	6,630	6,701	(57)
Water Field Operations	19,134	20,129	20,085	19,717	19,595	(490)
Compliance	4,513	5,400	5,400	4,602	5,261	(139)
Planning & Engineering	2,871	3,390	3,342	3,125	3,899	557
Water Resources	3,587	3,872	3,920	3,856	3,861	(59)
Power & Chemicals	19,940	19,982	20,232	21,126	20,236	4
Taxes	338	9,292	657	376	656	(1)
Overhead	1,737	2,403	2,403	2,506	1,410	(993)
San Juan-Chama	2,378	2,247	2,247	2,194	2,247	-
Total Enterprise Appropriations	109,476	124,992	116,607	114,893	115,789	(818)

The proposed FY19 operating expenses budget, excluding the interfund transfers, contains a decrease of \$0.8 million from the FY18 revised budget. Total personnel costs have decreased by \$1.2 million based on retirements and efficiencies. General operating costs increased \$0.4 million.

Personnel expenses for FY19 include a 2.0% step increase in wages and a 15.0% increase in health benefits costs. There is no change in full-time equivalent positions for FY19.

Interfund transfers in FY19 decreased a net \$3.0 million from the FY18 revised budget. In February 2018, the Water Authority Board approved a one-time additional transfer to the capital fund of \$3.0 million. For FY19, \$0.6 million for vehicle purchases was moved from Water Field Operations to the capital projects fund and \$1.3 million for CIP Funded employees was moved from the capital projects fund to various operating fund programs.

In FY18, it was determined that the franchise fees were not a revenue/expense of the Water Authority; rather they were a pass-through to the designated governmental entities. The Water Authority Board approved a budget amendment to decrease the revenue and expense budgets for the franchise fees.

The Water Authority's target is to maintain its Fund Balance at 1/12th of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. Per the FY18-27 Financial Plan, the General Fund Working Capital balance at June 30, 2019 is projected to be \$16.7 million.

An additional \$2.0 million is proposed to increase the rate reserve fund balance. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

FY19 PROPOSED ISSUE PAPERS

Proposed issue papers were submitted by Water Authority divisions. The list below identifies the issues and divisions affected.

Water Authority Proposed Issue Papers - FY19	
Fund 21 - General Fund	1,202,511
Administration	
Executive Director - Lobbying Services	20,000
COO's Office - Vacuum Sewer Assessment	50,000
Risk - Contract Services	37,000
Legal - Legal Services	60,000
Legal - Operating Expenses	8,000
Financial Services	
Finance - Banking/Investment Fees	159,411
ITD - Cyber Security Management	100,000
Plant	
SJCWTP - Vehicle Maintenance	20,000
SJCWTP - Contract Services	20,000
Groundwater Operations - Repairs & Maintenance	234,500
Groundwater Operations - CCOPS 12-hr Shift Overtime	53,000
Field	
WW Collections - Lift Stations Repairs & Maintenance	30,000
Fleet Maintenance - Maximo Fleet Consulting Assistance	100,000
WA Distribution Lines - Montano Stockpile Refuse Removal	150,000
Compliance	
Laboratory - Reassign Trane HVAC Contract from WW Plant	-
Planning & Engineering	
Central Engineering - Leak Detection Equipment Pilot Program	75,000
General Government	
Vehicle Purchases from Fleet Maintenance to CIP	-
CIP Funded Positions from CIP to Various Operating Programs	-
Electricity for Valle de Oro	600
Tuition Reimbursement & Incentive Programs	85,000
TOTAL	1,202,511

CHANGES IN EMPLOYMENT

The proposed budget for FY19 has no change in full-time equivalent positions.

	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
POSITIONS:						
Administration	13	14	14	14	14	-
Risk	6	6	6	6	6	-
Legal	1	1	1	1	1	-
Human Resources	13	14	15	15	15	-
Finance	31.5	30.5	30.5	30.5	31.5	1
Customer Services	90	91	91	91	91	-
Information Technology	26	26	26	26	26	-
Wastewater Plant	92	92	92	92	92	-
San Juan-Chama WA Treat Plant	28	54	30	30	31	1
Groundwater Operations	55	30	54	54	54	-
Wastewater Collection	61	62	62	62	62	-
Water Field Operations	124	124	123	123	123	-
Compliance	45.5	44.5	44.5	44.5	44.5	-
Planning & Engineering	23	26	26	26	31	5
Water Resources	16	11	11	11	11	-
General Government	7	7	7	7	-	(7)
TOTAL FULL TIME POSITIONS	632.0	633.0	633.0	633.0	633.0	0.0

APPROPRIATIONS BY FUND

Details of the expense appropriations for Fund 21(General Fund), Funds 27, 28 & 29 (Water 2120 Projects, Basic Rehab & Growth CIP Funds) and Fund 31 (Debt Service Fund) can be found in the table below.

(\$000's)	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
<u>GENERAL FUND - 21</u>						
Administration	2,726	2,792	2,792	3,065	2,684	(108)
Risk	4,239	4,523	4,523	4,350	4,534	11
Legal	459	703	703	818	760	57
Human Resources	1,313	1,508	1,552	1,462	1,588	36
Finance	3,894	4,004	4,004	3,906	4,184	180
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Information Technology	7,072	7,131	7,131	6,922	7,096	(35)
Wastewater Plant	10,747	11,680	11,680	11,552	11,426	(254)
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Groundwater Operations	5,985	6,427	6,427	6,353	6,629	202
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Water Field Operations	19,134	20,129	20,085	19,717	19,595	(490)
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Planning & Engineering	2,871	3,390	3,342	3,125	3,899	557
Water Resources	3,587	3,872	3,920	3,856	3,861	(59)
Power & Chemicals	19,940	19,982	20,232	21,126	20,236	4
Taxes	338	9,292	657	376	656	(1)
Overhead	1,737	2,403	2,403	2,506	1,410	(993)
San Juan-Chama	2,378	2,247	2,247	2,194	2,247	-
Trf from General Fund 21 to Rehab Fund 28	21,000	27,000	30,250	30,250	26,589	(3,661)
Trf from General Fund 21 to Debt Service Fund 31	70,628	70,908	70,908	70,908	71,631	723
Subtotal General Fund - 21	201,104	222,900	217,765	216,051	214,009	(3,756)
<u>CAPITAL FUNDS - 27, 28 & 29</u>						
Water 2120 Projects	-	-	-	-	300	300
CIP Basic Rehab	75,521	62,286	84,918	83,123	78,968	(5,950)
CIP Growth	3,775	6,000	25,290	14,057	5,000	(20,290)
Transfer to General Fund - 21	793	1,014	1,014	1,015	-	(1,014)
Subtotal Capital Funds - 27, 28 & 29	80,089	69,300	111,223	98,194	84,268	(26,955)
<u>DEBT SERVICE FUND - 31</u>						
Debt Service	75,747	70,993	70,993	70,993	80,730	9,737
Transfer to Growth Fund 29	4,474	6,000	6,000	6,000	5,000	(1,000)
Subtotal Debt Service Fund - 31	80,221	76,993	76,993	76,993	85,730	8,737
TOTAL	361,414	369,193	405,981	391,239	384,007	(21,974)
TOTAL WATER AUTHORITY APPROPRIATIONS	361,414	369,193	405,981	391,239	384,007	(21,974)
Interfund Adjustment	(96,895)	(104,922)	(108,172)	(108,173)	(103,220)	4,952
NET WATER AUTHORITY APPROPRIATIONS	264,519	264,271	297,809	283,066	280,787	(17,022)

APPROPRIATIONS BY FUND - DETAIL

(\$000's)	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
GENERAL FUND - 21						
100 WATER AUTHORITY:						
005 Executive Director	1,570	1,439	1,439	1,587	1,424	(15)
006 COO's Office	1,156	1,353	1,353	1,478	1,260	(93)
PROGRAM APPROPRIATION	2,726	2,792	2,792	3,065	2,684	(108)
105 RISK:						
010 Risk	4,239	4,523	4,523	4,350	4,534	11
PROGRAM APPROPRIATION	4,239	4,523	4,523	4,350	4,534	11
106 LEGAL:						
011 Legal	459	703	703	818	760	57
PROGRAM APPROPRIATION	459	703	703	818	760	57
110 HUMAN RESOURCES:						
015 Human Resources	1,313	1,508	1,552	1,462	1,588	36
PROGRAM APPROPRIATION	1,313	1,508	1,552	1,462	1,588	36
120 FINANCE:						
020 Finance	3,894	4,004	4,004	3,906	4,184	180
PROGRAM APPROPRIATION	3,894	4,004	4,004	3,906	4,184	180
130 CUSTOMER SERVICES:						
025 Customer Services & Billing	4,334	4,729	4,729	4,436	4,657	(72)
031 Customer Service Field	4,253	4,383	4,383	4,347	4,393	10
PROGRAM APPROPRIATION	8,587	9,112	9,112	8,784	9,050	(62)
140 INFORMATION TECHNOLOGY:						
035 Information Technology	7,072	7,131	7,131	6,922	7,096	(35)
PROGRAM APPROPRIATION	7,072	7,131	7,131	6,922	7,096	(35)

APPROPRIATIONS BY FUND - DETAIL

	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
(\$000's)						
150 WASTEWATER PLANT:						
040 WW Plant Administration	255	294	294	267	269	(25)
045 WW Cogen	822	1,045	1,045	1,013	1,045	-
050 WW Mechanical	3,861	4,381	4,381	4,237	4,207	(174)
055 WW Plant Operations	4,160	4,245	4,245	4,337	4,233	(12)
060 WW MDC	62	63	63	60	63	-
065 WW SAF	1,562	1,565	1,565	1,588	1,522	(43)
070 WW Warehouse	8	11	11	8	11	-
115 South Reuse	18	76	76	41	76	-
PROGRAM APPROPRIATION	10,747	11,680	11,680	11,552	11,426	(254)
160 SJC WATER TREATMENT PLANT:						
075 San Juan-Chama Water Treatme	3,358	3,569	3,569	3,485	3,901	332
100 College Arsenic Treatment	57	70	70	64	70	-
PROGRAM APPROPRIATION	3,415	3,639	3,639	3,550	3,971	332
170 GROUNDWATER SYSTEM:						
085 WA Wells, PS, Boosters, Reservoir	3,344	3,733	3,664	3,529	3,842	178
090 GW Treatment	1,379	1,351	1,409	1,437	1,405	(4)
095 WA Control System Operators	786	735	745	787	800	55
096 SCADA	463	587	587	581	561	(26)
110 North Reuse	13	21	21	20	21	-
PROGRAM APPROPRIATION	5,985	6,427	6,427	6,353	6,629	202
180 WASTEWATER COLLECTIONS:						
120 WW Gravity	4,587	4,803	4,803	4,679	4,790	(13)
125 WW Lift Station Operations	1,953	1,955	1,955	1,952	1,911	(44)
PROGRAM APPROPRIATION	6,540	6,758	6,758	6,630	6,701	(57)
190 WATER FIELD OPERATIONS:						
126 Fleet Maintenance	3,525	3,896	3,896	3,556	3,376	(520)
130 WA Customer Requests	570	599	599	577	604	5
135 WA Distribution Lines	13,439	13,832	13,788	13,923	13,905	117
145 WA Field Administration	1,600	1,802	1,802	1,660	1,710	(92)
PROGRAM APPROPRIATION	19,134	20,129	20,085	19,717	19,595	(490)

APPROPRIATIONS BY FUND - DETAIL

	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
(\$000's)						
200 COMPLIANCE:						
150 Laboratory	1,863	2,353	2,353	1,968	2,283	(70)
155 NPDES	1,436	1,669	1,669	1,331	1,598	(71)
160 Water Quality	1,213	1,378	1,378	1,302	1,380	2
PROGRAM APPROPRIATION	4,513	5,400	5,400	4,602	5,261	(139)
211 PLANNING & ENGINEERING:						
165 Central Engineering	1,905	2,345	2,345	2,149	2,912	567
170 One Stop Shop Enterprise	469	435	435	471	442	7
175 Maps & Records	497	562	562	505	545	(17)
195 Arsenic Removal	-	48	-	-	-	-
PROGRAM APPROPRIATION	2,871	3,390	3,342	3,125	3,899	557
212 WATER RESOURCES:						
180 Water Resources Planning	641	1,891	1,891	1,896	1,832	(59)
185 Water Conservation	2,870	1,747	1,747	1,725	1,753	6
190 Groundwater Protection	76	234	234	187	228	(6)
195 Arsenic Removal	-	-	48	48	48	-
PROGRAM APPROPRIATION	3,587	3,872	3,920	3,856	3,861	(59)
220 GENERAL GOVERNMENT:						
200 Power	11,860	11,541	11,541	11,939	11,545	4
206 SJCWTP Chemicals	4,775	4,496	4,746	5,445	4,746	-
207 GW Chemicals	145	262	262	113	262	-
208 WW Treatment Chemicals	556	875	875	461	875	-
209 Collections Chemicals	2,605	2,808	2,808	3,169	2,808	-
PROGRAM APPROPRIATION	19,940	19,982	20,232	21,126	20,236	4
200 Taxes	338	9,292	657	376	656	(0)
PROGRAM APPROPRIATION	338	9,292	657	376	656	(0)
200 Overhead	730	988	988	1,103	1,010	22
205 Early Retirement	186	400	400	400	400	-
210 CIP Funded Employees	821	1,015	1,015	1,003	-	(1,015)
PROGRAM APPROPRIATION	1,737	2,403	2,403	2,506	1,410	(993)

APPROPRIATIONS BY FUND - DETAIL

	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
((\$000's)						
230 SAN JUAN-CHAMA:						
215 San Juan-Chama	2,378	2,247	2,247	2,194	2,247	-
PROGRAM APPROPRIATION	2,378	2,247	2,247	2,194	2,247	-
TRANSFER FROM FUND 21 TO 28						
200 General Government	21,000	27,000	30,250	30,250	26,589	(3,661)
PROGRAM APPROPRIATION	21,000	27,000	30,250	30,250	26,589	(3,661)
TRANSFER FROM FUND 21 TO 31						
200 General Government	70,628	70,908	70,908	70,908	71,631	723
PROGRAM APPROPRIATION	70,628	70,908	70,908	70,908	71,631	723
CIP FUNDS						
27 WATER 2120 PROJECTS FUND						
Water 2120 Projects	-	-	-	-	300	300
PROGRAM APPROPRIATION	-	-	-	-	300	300
28 REHAB FUND						
Basic Rehab	66,820	53,986	73,743	75,549	70,618	(3,125)
Special Projects	8,701	8,300	11,176	7,574	8,350	(2,826)
PROGRAM APPROPRIATION	75,521	62,286	84,918	83,123	78,968	(5,950)
29 GROWTH FUND						
Growth	3,775	6,000	25,290	14,057	5,000	(20,290)
PROGRAM APPROPRIATION	3,775	6,000	25,290	14,057	5,000	(20,290)
TRANSFER FROM FUND 28 TO 21						
Transfer	793	1,014	1,014	1,015	-	(1,014)
PROGRAM APPROPRIATION	793	1,014	1,014	1,015	-	(1,014)

APPROPRIATIONS BY FUND - DETAIL

	AUDITED	ORIGINAL	REVISED	ESTIMATED	PROPOSED	PROP 19/
(\$000's)	FY17	BUDGET	BUDGET	ACTUAL	BUDGET	REV 18
		FY18	FY18	FY18	FY19	CHG
DEBT SERVICE FUND - 31						
250 DEBT SERVICE						
230 DS - NM Loans	13,115	6,855	6,855	6,855	6,693	(162)
240 DS - Revenue Bonds	<u>62,632</u>	<u>64,138</u>	<u>64,138</u>	<u>64,138</u>	<u>74,037</u>	<u>9,899</u>
PROGRAM APPROPRIATION	<u>75,747</u>	<u>70,993</u>	<u>70,993</u>	<u>70,993</u>	<u>80,730</u>	<u>9,737</u>
260 UEC TRANSFER						
245 DS - UEC Transfer	<u>4,474</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>5,000</u>	<u>(1,000)</u>
PROGRAM APPROPRIATION	<u>4,474</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>5,000</u>	<u>(1,000)</u>

FINANCIAL PLAN

The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY18 thru FY27. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential expense levels in both operating and capital and compare them to the estimated revenue resources for each projected fiscal year. The plan shows the effects of the budget on the Water Authority's future Working Capital and provides a tool to project future budget needs for the utility.

FINANCIAL PLAN

Operating Fund

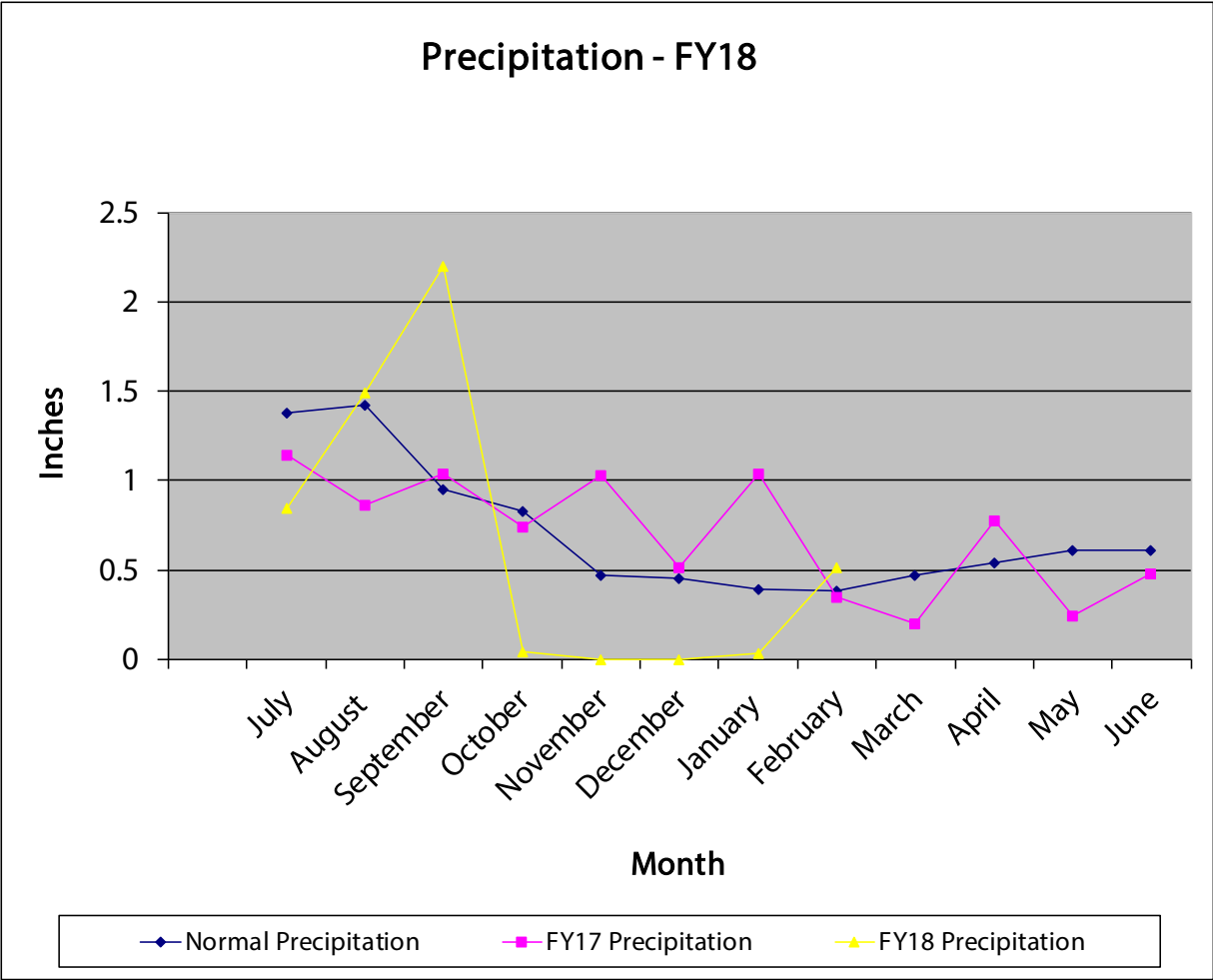
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Funds										
Needs: Basic (Min 50% cash Trans)	37000	37000	37000	37000	37000	37000	37000	37000	37000	37000
Increase for Rehab/Asset Mgt Plan	9000	12000	15000	18000	21000	24000	27000	30000	30000	30000
Water Reclamation	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
Advanced Rehab	3000	15000		20000		5000				
Steel Line	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
AMI	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
CC&B	2000	1500	0	0						
Resources:										
Beginning Bal.	11588	45688	18406	44124	34842	59560	35278	60997	32715	58434
Trf. from Operating	27000	27618	31618	33618	36618	39618	43619	46618	46619	46619
Trf. from Debt Service	6000	5500	4000	4000	4000	4000	4000	4000	4000	4000
Bond Proceeds	61000	17000	54000	20000	54000	5000	54000		54000	
Bond Proceeds Yucca/Central										
Adjustments										
First Year is 6mos. (y/n)	n	n	n	n	n	n	n	n	n	n
Subtotal	105588	95806	108024	101742	129460	108178	136897	111615	137334	109053
Interest on Above	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Total	106688	96906	109124	102842	130560	109278	137997	112715	138434	110153
Balance June 30	45688	18406	44124	34842	59560	35278	60997	32715	58434	30153
Debt Service Fund										
Future Bond Interest=										
Resources:										
Interest Income	100	100	100	100	100	100	100	100	100	100
UECs	9500	9500	9500	9500	9500	9500	9500	9500	9500	9500
Transfer from 621	69408	71631	71847	75259	81551	76750	79052	77998	77974	77974
Adjustments/Misc										
Bq. Fund Balance	7188	7188	3188	1188	1188	1188	1188	1188	1188	1188
Total	86196	88419	84635	86047	92339	87538	89840	88786	88762	88762
Expenditures:										
Agent Fees	15	15	15	15	15	15	15	15	15	15
Trf to Capital	8000	5000	3500	3500	3500	3500	3500	3500	3500	3500
Debt Service	70993	80216	79932	73944	73836	67435	62937	61883	56359	56359
Advanced Rehab										
FY/26 Bond Proceeds									5500	5500
FY/24 Bond Proceeds							6800	6800	6800	6800
FY/20 Bond Proceeds				7400	7400	7400	7400	7400	7400	7400
FY/22 Bond Proceeds					6400	8000	8000	8000	8000	8000
Total	79008	85231	83447	84859	91151	86350	88652	87598	87574	87574
Fund Balance	7188	3188	1188	1188	1188	1188	1188	1188	1188	1188
Operating Fund Resources										
Rate Revenue	215872	219952	220952	233104	233104	244759	244759	253326	254592	255865
adj due to re-estimate										
Nonrate Revenue	5392	5832	5832	5832	5832	5832	5832	6000	6000	6000
Franchise Fee										
Rate reserve										
Bq. Res over Comm	11896	13880	16655	13832	17993	11077	15802	12378	13867	14737
Total	233161	239664	243438	252768	256929	261668	266393	271704	274459	276603
Rate Stabilization Fund										
Expenditures										
Labor	58710	57625	58778	59953	61152	62375	63623	64895	66193	67517
Operation Exp	57174	58164	58064	58645	59231	59823	60422	61026	61636	62252
Savings										
Salary Savings1%										
Issue Paper										
Incentive	300		300	300	300	300	300	300	300	300
Rate Stabilization Fund										
Transf. to DS	69408	71631	71847	75259	81551	76750	79052	77998	77974	77974
Transf. to Cap.	27000	26589	31618	33618	36618	39618	43619	46618	46619	46619
Total	214592	214009	220607	227775	238852	238867	247015	250837	252722	254662
Rate Reserve	7000	9000	9000	7000	7000	7000	7000	7000	7000	7000
Resources over Comm.	13880	16655	13832	17993	11077	15802	12378	13867	14737	14940
Rate Increases	5.00%	0.00%	0.00%	5.00%	0.00%	4.50%	0.00%	3.00%	0.00%	0.00%
Accum. Inc. from 2004	26.0%	26.0%	26.0%	31.0%	31.0%	35.5%	35.5%	38.5%	38.5%	38.5%
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

REVENUE OUTLOOK

*Proposed
Operating Budget
FY19*

PRECIPITATION HISTORY

A history of the precipitation for FY17 and FY18 as compared to the average moisture that the service area has received since the beginning of the fiscal year is seen in the chart below.



REVENUE OUTLOOK

The Water Authority's revenue projections are summarized in the two tables included in this section. Table 1, General Fund 21, presents the operating budgeted revenue for FY19 as compared to budget FY18. Table 2, Debt Service Fund 31, provides for the same comparison as Table 1. For FY17, the actual audited results are reported, and for FY18, budgeted revenues and estimated actuals are reported as well.

Total Water Authority General Fund revenues for FY18 are anticipated to be \$223.3 million. The system has seen minimal growth in the service area.

Budgeted General Fund revenues for FY19 are \$225.8 million, representing an increase of \$4.6 million over the FY18 Revised Budget amount, primarily due to increases in rate revenue.

GENERAL FUND 21

(\$000's)	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
RESOURCES:						
Rate Revenue						
Water Service	105,183	90,578	90,578	90,578	90,578	-
Water Facilities Rehab	34,518	32,402	32,402	32,402	32,402	-
Wastewater Service	41,644	62,829	62,829	63,829	64,869	2,040
Wastewater Facilities Rehab	27,457	25,562	25,562	26,562	27,602	2,040
Contr/Aid/Hookups	388	375	375	375	375	-
Water Resources Management	4,363	4,500	4,500	4,500	4,500	-
Total Rate Revenue	213,552	216,246	216,246	218,246	220,326	4,080
Other Revenue						
Solid Waste Admin Fee	1,401	1,480	1,480	1,480	1,509	29
DMD Admin Fee	349	348	348	348	359	11
Interest on Investments	86	100	100	100	540	440
PNM Pass Thru	(1)	-	-	-	-	-
Miscellaneous Revenue	1,757	2,077	2,077	2,077	3,109	1,032
Total Other Revenue	3,592	4,005	4,005	4,005	5,517	1,512
Franchise Fee Revenue	-	8,635	-	-	-	-
Total Franchise Fee Revenue	-	8,635	-	-	-	-
Transfers from Other Funds						
CIP Funded Employees	793	1,014	1,014	1,014	-	(1,014)
Total Transfers	793	1,014	1,014	1,014	-	(1,014)
Total Current Resources	217,938	229,900	221,265	223,265	225,843	4,578
Beginning Working Capital Balance	6,356	13,667	13,667	13,667	13,880	213
TOTAL RESOURCES	224,294	243,567	234,932	236,932	239,723	4,791

Note: The beginning working capital balance does not include GASB 45 or the rate reserve.

REVENUE OUTLOOK

The revenue increase for FY19 in the Debt Service Fund is projected to be \$2.2 million representing an increase of \$1.5 million in Utility Expansion Charges (UEC) collected and a \$0.7 million increase in the transfer from the General Fund for debt service payments.

DEBT SERVICE FUND 31

(\$000's)	AUDITED FY17	ORIGINAL BUDGET FY18	REVISED BUDGET FY18	ESTIMATED ACTUAL FY18	PROPOSED BUDGET FY19	PROP 19/ REV 18 CHG
RESOURCES:						
Miscellaneous Revenues:						
Expansion Charges (UEC)	8,546	8,000	8,000	8,000	9,500	1,500
Total Miscellaneous Revenues	8,546	8,000	8,000	8,000	9,500	1,500
Transfer from Other Funds:						
General Fund - 21	70,628	70,908	70,908	70,908	71,631	723
Total Transfers	70,628	70,908	70,908	70,908	71,631	723
Total Current Resources	79,174	78,908	78,908	78,908	81,131	2,223
Beginning Fund Balance	54,576	52,466	52,466	52,466	54,381	1,915
TOTAL RESOURCES	133,750	131,374	131,374	131,374	135,512	4,138

The following is based on the January 2018 forecasts from IHS Global Insight (IHS). Along with the baseline forecast, alternative forecasts are prepared with pessimistic and optimistic scenarios.

NATIONAL ECONOMY AND KEY POINTS FROM THE GLOBAL INSIGHT OUTLOOK

The national economy influences the Albuquerque and New Mexico economy in a variety of ways. Interest rates affect purchasing and construction. Federal government spending affects the local economy through spending and employment at the federal agencies, the national labs and military bases. Inflation affects prices of local purchases and wages and salaries of employees.

Baseline Scenario

This scenario reflects a probability of 65%. The key assumptions include:

- Gross Domestic Product (GDP) moderate growth, at 2.7% in 2018 and 2.6% in 2019
- Consumer Spending, a key driver of growth, is up 2.7% in 2018 and 2.5% in 2019
- Business Fixed Investment growth rebounds to 5.5% in 2018 and moderates to 5.0% in 2019
- Housing shows gradual improvement, with 1.4 million starts by 3rd quarter 2019
- Exports climb 5.3% in 2018 and 4.3% in 2019
- Fiscal Policy forecast incorporates the impacts of the passage of the Tax Cuts and Jobs Act
- Monetary Policy Federal Reserve hikes the federal funds rate 3 times in 2018, ending at 2.25%
- Credit Conditions are gradually easing
- Productivity Growth is modest, averaging 1.6% during 2018-27
- Consumer Confidence is on an upward trajectory through the end of 2018
- Oil Prices have Brent crude oil averages at \$57/barrel in 2018 and \$58 in 2019
- Stock Markets have the S&P 500 climbing 9.4% in 2018 and declining by 2.0% in 2019
- Inflation Consumer Price Index (CPI) averages 2.2% over 2018-20
- Foreign Growth Eurozone in 2018 falls to 2.2%, while China's growth falls to 6.5%
- US Dollar inflation-adjusted dollar peaks in 1st quarter 2019, then depreciates

Pessimistic Scenario

This scenario reflects a probability of 20%. The key assumptions include:

- Gross Domestic Product (GDP) moderate growth, at 1.0% in 2018; crash in commercial real estate and a decrease in confidence cause a recession during the second half of 2018
- Consumer Spending, a key driver of growth, is up 1.7% in 2018 and slows to 1.0% in 2019 due to higher interest rates
- Business Fixed Investment growth expands 2.7% in 2018 before cooling to 0.4% growth in 2019 as falling business confidence and capital expenses take their toll
- Housing recovery ends in the 1st quarter of 2018 and starts never surpasses 1.5 million over forecast
- Exports increase 2.6% in 2018 and accelerate to 4.0% growth in 2019
- Fiscal Policy forecast incorporates the impacts of the passage of the Tax Cuts and Jobs Act
- Monetary Policy Federal Reserve lowers rate from 2nd quarter 2018 thru end 2019 due to recession
- Credit Conditions have lending standards remaining high
- Productivity Growth is below baseline, averaging 1.3% during 2018-27
- Consumer Confidence plummets nearly 20 points from 4th quarter 2017; remains well below baseline
- Oil Prices have Brent crude oil averages at \$57/barrel in 2018 and \$58 in 2019
- Stock Markets have the S&P 500 decreasing by 1.8% in 2018 and then sinking by 8.1% in 2019 before rising by 5.9% in 2020
- Inflation Consumer Price Index (CPI) falls below baseline levels in 2019
- Foreign Growth Eurozone in 2018 falls to 2.2%, while China's growth falls to 6.5%
- US Dollar is below baseline from mid-2018 to 2021 due to lackluster domestic growth

Optimistic Scenario

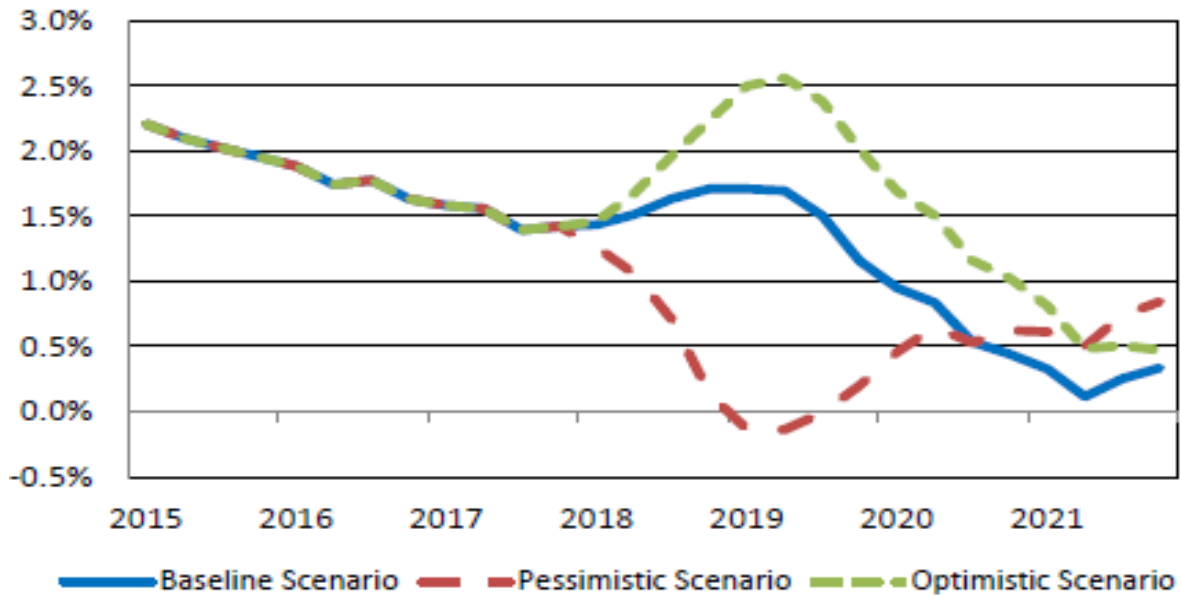
This scenario reflects a probability of 15%. The key assumptions include:

- Gross Domestic Product (GDP) growth hits 3.7% in 2018 and 4.0% in 2019 as the housing market bounces back
- Consumer Spending, a key driver of growth, is up 3.1% in 2018 and rises to 3.9% in 2019 due to higher incomes and lower inflation
- Business Fixed Investment growth expands 6.8% in 2018, moved up to 8.0% growth in 2019, and falls back to 4.4% in 2020
- Housing has young adults forming households in greater numbers due to strengthening economy, resulting in 1.6 million starts by early 2019
- Exports increase 8.9% in 2018 and 6.2% in 2019 as economic conditions in the rest of the world improve
- Fiscal Policy forecast incorporates the impacts of the passage of the Tax Cuts and Jobs Act
- Monetary Policy Federal Reserve rate settles at 3.5%
- Credit Conditions are rapidly easing
- Productivity Growth averages 1.9% during 2018-27
- Consumer Confidence outperforms baseline for the entire forecast interval
- Oil Prices have Brent crude oil averages at \$50/barrel in 2018 and \$48 in 2019 due to oversupply
- Stock Markets have the S&P 500 jumping 15.4% in 2018, declining 0.2% in 2019 and rebounding 0.4% in 2020
- Inflation Consumer Price Index (CPI) rises until peaking in 2019
- Foreign Growth Eurozone has both developed economies and emerging markets improving, the result of structural reforms and quantitative easing programs
- US Dollar slides initially but moves above baseline in 2019 due to stronger foreign growth

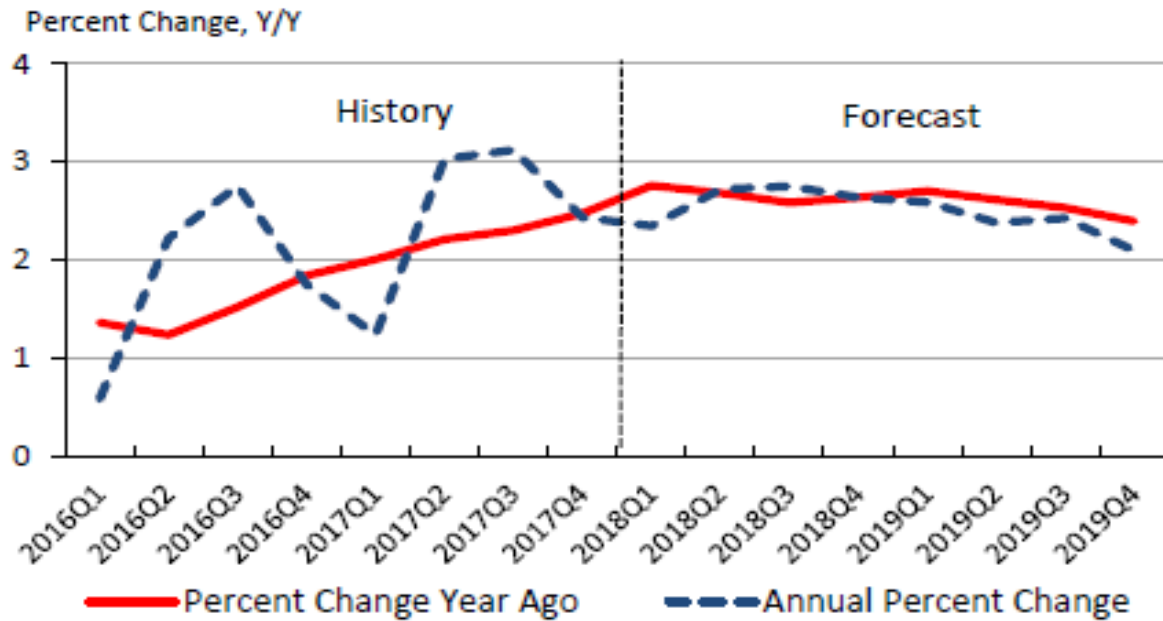
ECONOMIC OUTLOOK

The following charts provide information on some of the key measures in the forecast.

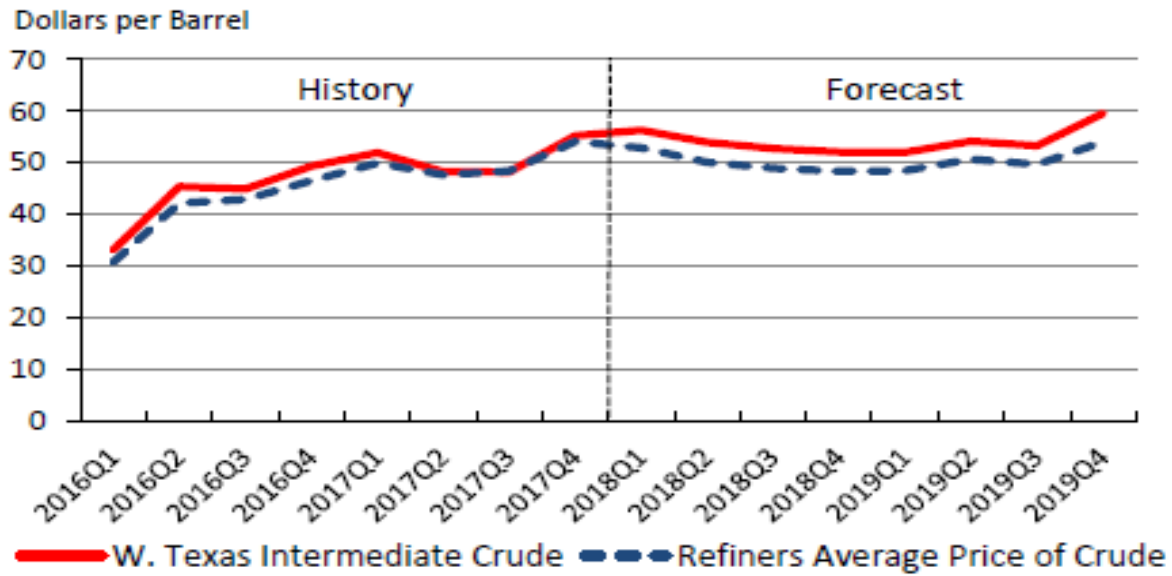
US Total Employment Growth - 3 Scenarios



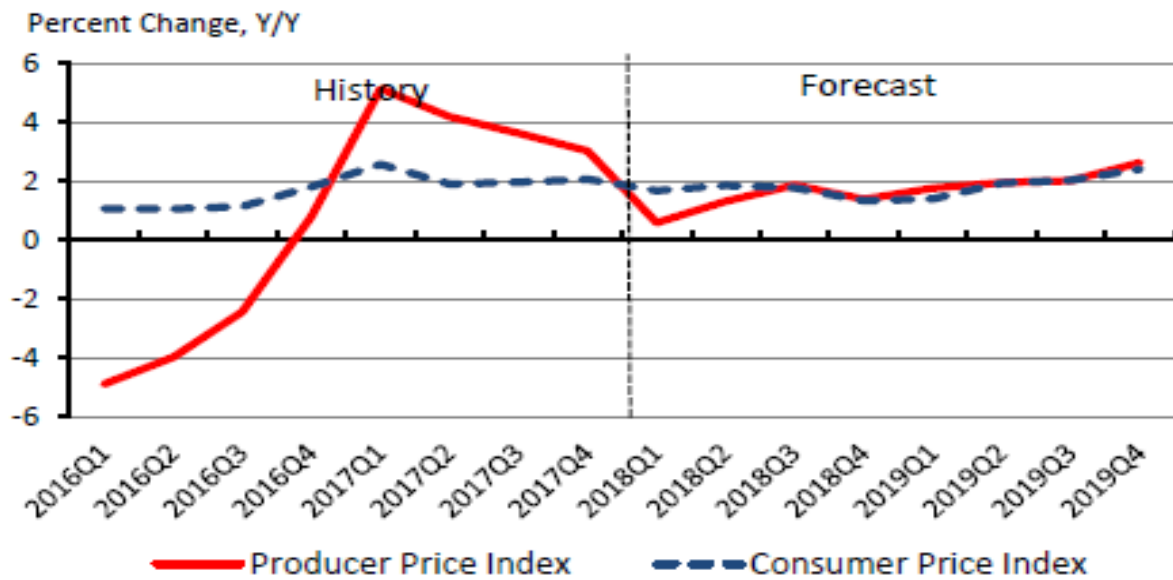
U.S. Real GDP Growth



Oil Prices



Inflation



The outlook for the Albuquerque economy is developed by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. They use national forecasts from IHS and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for January 2018 provides the forecast of the Albuquerque economy that is presented in the following section.

Albuquerque MSA Employment

According to the most recent data from the Current Employment Statistics (CES), the Albuquerque Metropolitan Statistical Area (MSA) economy forecast points to slowing growth for the remainder of the year. The CES estimates employment growth of 1.0% in the 3rd quarter of 2017 and 1.1% in the first two months of the third calendar quarter.

Moving into calendar year 2018, the total employment in the Albuquerque MSA is forecasted to advance 1.3%. The private sector is forecasted to increase 1.6% for the year and the government sector is expected to increase 0.1%. Large contributors of growth include the healthcare and social assistance sector jobs with a 1.9% increase.

The construction sector is forecasted to add 3.7% in 2018 for that sector's sixth consecutive year of expansion. In 2018, employment in this sector is only expected to average about 23,000 jobs, which is below the 2006 peak of 32,000 jobs. Construction was a sector that was hit harder than the rest, but it is slowly inching upwards.

Accommodation and food services has been one of the consistent sectors since the start of the current recovery. This sector should expand for the eighth consecutive year by 2.0%. Administrative and waste services is projected to strengthen in 2018 due to call-center activity in the MSA.

Retail trade is projected to add jobs by 0.8%, which continues its growth streak. Like accommodation and food services, this sector has performed well during the recovery, however, retail trade is still projected to be well below its pre-recessionary employment level.

In the public sector, two of the three levels of government are expected to add jobs. The largest gain will be in federal government with an increase of 0.6%. Local government will also increase by 0.1% but state government will decrease by 0.1%.

In the longer term, from 2019 to 2023, the Albuquerque MSA economy is forecasted to add 22,162 jobs for 1.2% average annual growth (AAG). Most of the growth over the period will be concentrated in the private sector (1.3%), however, the government sector will also contribute (0.8%).

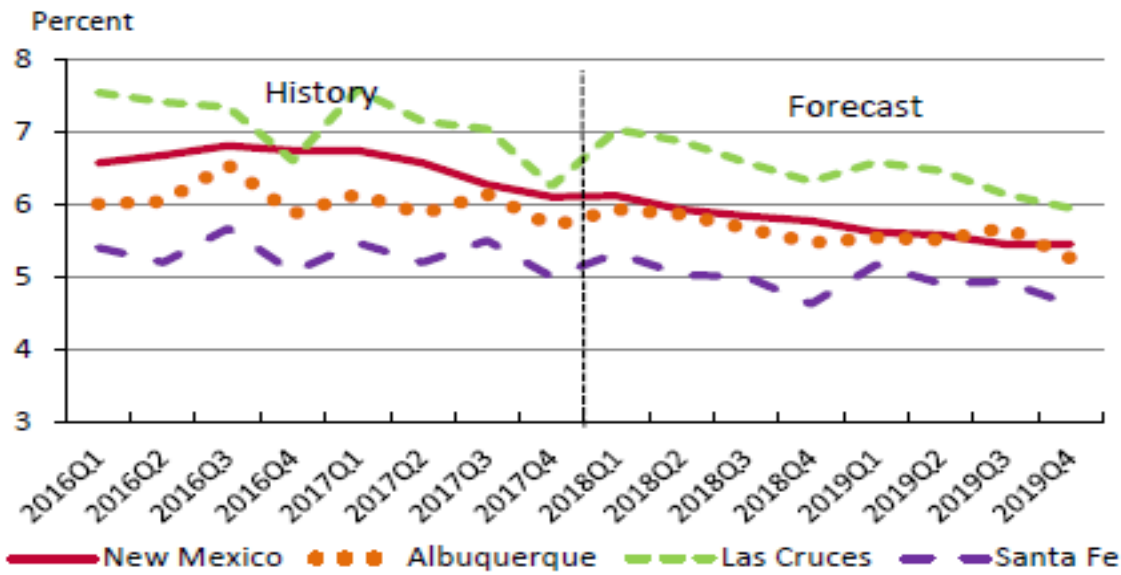
Housing & Construction

Construction permits show the trends in construction and the types of construction. Construction is categorized as new construction or additions, alterations, and repairs. New construction is further separated as residential and commercial.

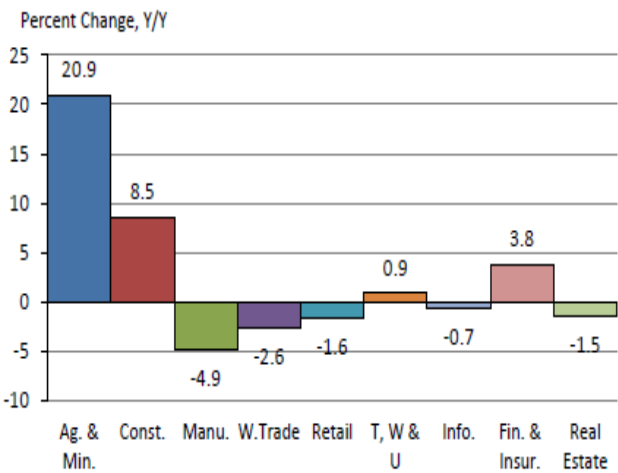
Total housing permits in the City of Albuquerque are expected to slowly increase throughout the forecast. Total housing permits in 2017 were 1,564. Beginning in 2018, permits should expand to 1,615 in 2018, 1,727 in 2019, 1,829 in 2020, 2,099 in 2021, and 2,152 in 2022. Much of the growth will be due to an improved picture in the single-family market; however, multifamily will also experience gains. Despite the gains through the period, permits should only register about 38% of the 2003 peak by 2023 (5,716 permits in that year).

The construction sector is forecasted to finally begin to add jobs at a consistent pace (3,238 jobs, 2.8%) as the sector continues to dig itself out of the hole left from the Great Recession.

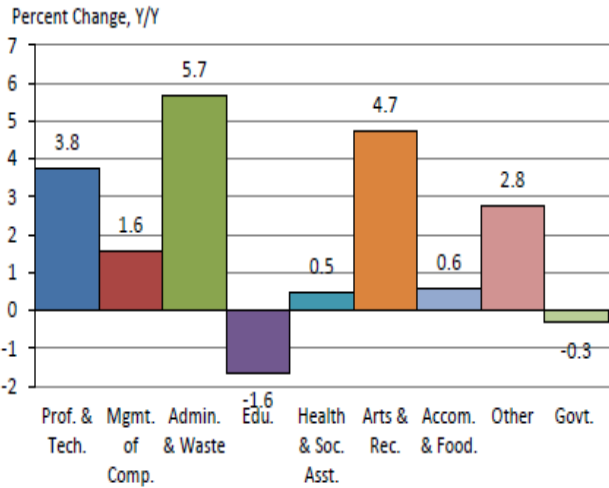
Unemployment Rates - State & Metros



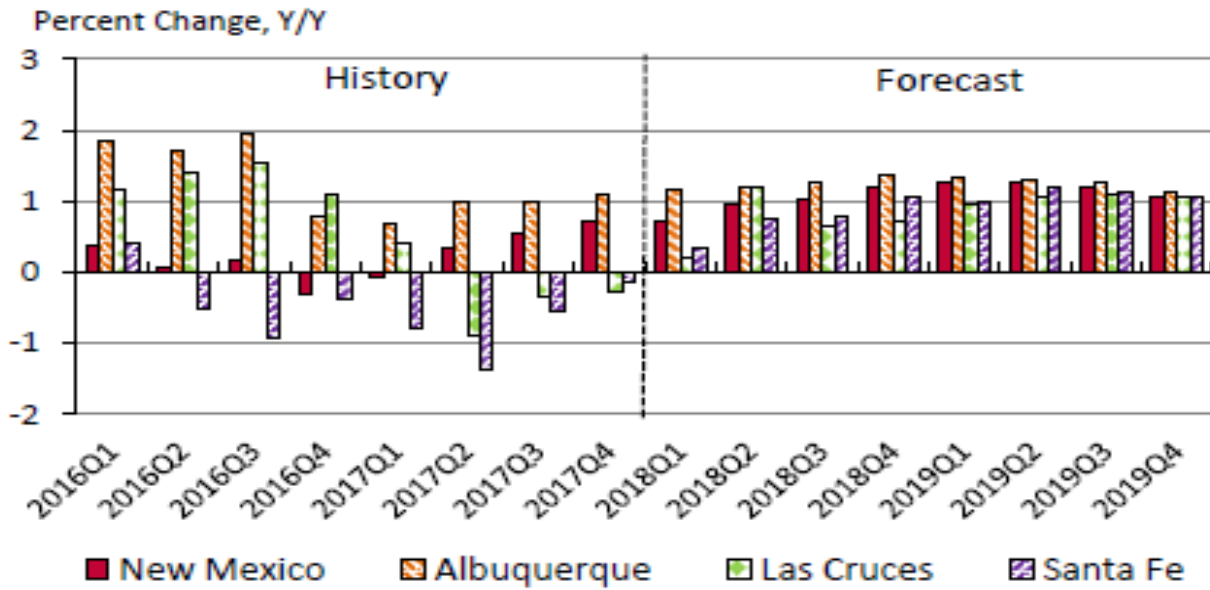
Albuquerque Employment Growth by Sector



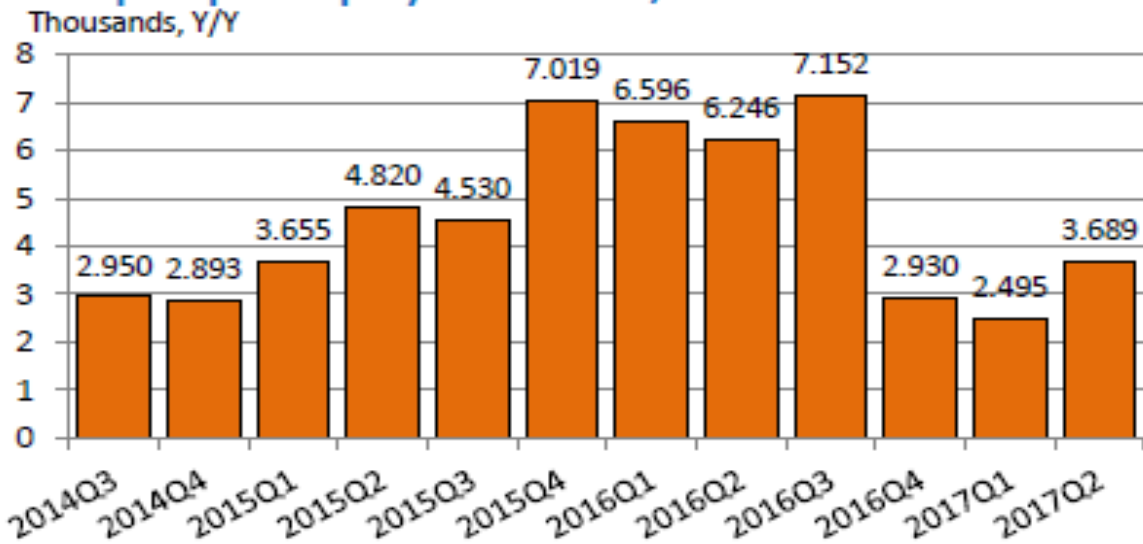
Albuquerque Employment Growth by Sector



Employment Growth - State & Metros



Albuquerque Employment Gains/Losses



CAPITAL BUDGET

*Proposed
Operating Budget
FY19*

CAPITAL BUDGET

What are Capital Improvements?

Capital Improvements include the purchase, construction, replacement, addition or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of Water Authority requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A “Capital Project” has a monetary value of at least \$5,000, has a useful life of more than two years, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other “capital outlay” items in the annual operating budget.

How are Capital Improvements Funded?

The Water Authority’s Capital program is comprised of distinct categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside of the Basic Program but are funded from the same revenue stream that funds the Basic Program.

The current Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and sewer system shall be paid with cash rather than from borrowed funds. The balance of capital funding is obtained through revenue bond or loan financing.

The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program.

System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test.

The Water Authority has increased in recent years its utilization of state and federal grants to fund some Capital Improvement Projects in part or in whole.



What is the Capital Improvement Plan (CIP)?

The CIP is a multiyear plan used to identify and coordinate capital needs in a way that maximizes the return to the ratepayers. Advanced planning of all Water Authority projects helps the Board, staff, and public make choices based on rational decision-making, rather than reacting to events as they occur. The CIP represents improvements that are viewed as urgent and can be funded from available revenue and/or reserve sources. The system of CIP management is important because: (1) the consequences of investments and capital improvements extend far into the future; (2) decisions to invest are often irreversible; (3) such decisions significantly influence a community's ability to grow and prosper.

The CIP Process

The development and update of the CIP is an ongoing activity. It is part of the overall budgeting process since current year capital improvements are implemented through adoption of the annual budget. Specific activities in the process are:

- **Establishing Timetables, Goals, and Objectives:**
At the onset of the budgeting process, the CIP update begins with formal budget planning decisions between management and department heads. Timetables are set that extend through development and final adoption of the budget. Water Authority goals and objectives are reviewed to ensure that they are being met through the budget cycle.
- **Taking Inventory and Developing Proposals:**
Staff gathers information about the Water Authority's capital facilities and equipment to assess the condition of each. Staff carefully considers construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.
- **Conducting Financial Analysis:** Finance staff conducts financial analysis of historic and projected revenues and expenses to estimate the Water Authority's cash flow and long term financial condition. Capital financing alternatives are identified and recommendations are prepared to match the type of funding most appropriate for specific capital improvements.

The CIP Ten-Year (Decade) Plan

The blueprint for the Water Authority's Basic Program is its Decade Plan, a ten-year capital plan required to be updated biennially in even numbered fiscal years with two, four, six, eight and ten-year planning elements. The Decade Plan includes detailed requirements for program development and project scope, schedule, budget, justification and alternatives. The Decade Plan requires approval by the Water Authority Board with at least one public hearing and due deliberation. In those fiscal years where the Decade Plan must be updated, the new Decade Plan must be approved by the Water Authority's Board before that year's Capital Program budget can be approved. This policy ensures there is always an approved two-year planning element in place for every approved annual Basic Program budget. Fiscal Year 2019 is the second year of the two-year planning element included in the FY18 – FY27 Decade Plan that was approved by the board in April 2017.

FY19 Water Authority Capital Improvement Program Budget

The FY19 capital program appropriation totals \$84.3 million. \$70.6 million is appropriated for the level one priority basic capital programs, \$5.0 million for growth related projects, \$8.4 million for special projects, and \$0.3 million for Water 2120 projects. There are no appropriations in the proposed FY19 CIP budget for projects that will be funded with revenues from FY20 or later.

Demonstrated in the table below is a detailed listing of all the Level 1 priority renewal projects, special projects, and growth-related projects.

CAPITAL BUDGET

Project Description	FY16 Actual (000's)	FY17 Actual (000's)	FY18 Budget (000's)	FY19 Budget (000's)
Basic Program Appropriations:				
Sanitary Sewer Pipeline Renewal	\$ 4,395	\$ 10,726	\$ 4,750	\$ 7,995
Drinking Water Pipeline Renewal	5,133	9,915	8,550	7,550
Southside Water Reclamation Plant Renewal	17,049	33,227	21,025	34,370
Soil Amendment Facility (SAF) Renewal	52	11	100	100
Lift Station and Vacuum Station Renewal	742	1,735	4,150	3,150
Odor Control Facilities Renewal	104	241	750	750
Drinking Water Plant Groundwater System Renewal	3,976	4,744	6,045	4,695
Drinking Water Plant Treatment Systems Renewal	2,120	1,717	1,470	4,910
Reuse Line and Plant Rehab	86	163	70	70
Compliance	440	188	595	195
Shared Renewal	939	899	1,495	15
Franchise Agreement Compliance	1,222	3,126	2,000	2,000
Vehicles and Heavy Equipment	918	921	4,000	4,818
Level 1 Priority Renewal Projects Total	\$ 37,176	\$ 67,613	\$ 55,000	\$ 70,618
Special Projects:				
Steel Waterline Rehab	\$ 1,538	\$ -	\$ 1,000	\$ 1,000
Automated Meter Infrastructure (AMI)	1,068	2,026	2,000	2,000
Renewable Energy Projects	70	199	350	350
Fluoride Equipment	-	-	250	-
San Juan-Chama Drinking Water Project	25	4	-	-
San Juan-Chama Mitigation	420	278	-	-
SunGard ERP Project	130	106	-	-
Issuance Costs	-	710	-	-
NMED Grand SAP 14 1600 STB	1,098	92	-	-
Magnesium Hydro Project	29	38	-	-
Yucca and Central Odor Control	294	4,465	-	-
Miscellaneous	2	783	4,700	5,000
Special Projects Total	\$ 4,674	\$ 8,701	\$ 8,300	\$ 8,350
Combined Level 1 Priority Renewal and Special Proj	41,850	76,314	63,300	78,968
Growth Projects:				
Drinking Water Plant Facilities Growth	\$ 236	\$ 234	\$ -	\$ -
Land Acquisition	-	-	-	-
Water Rights and Storage	10	22	-	-
Development Agreements	2,510	214	1,250	1,250
Management Information Systems/Geographical Information Systems (MIS/GIS)	2,054	2,738	4,000	3,500
Master Plans	39	118	-	-
Miscellaneous Growth	39	60	250	250
Level 1 Priority Growth Projects Total	\$ 4,888	\$ 3,386	\$ 5,500	\$ 5,000
Water 2120 Project Fund	623	389	500	300
Grand Total	\$ 47,361	\$ 80,089	\$ 69,300	\$ 84,268

CAPITAL BUDGET

FY19 Capital Program Highlights

The Water Authority will continue to spend \$250 million to upgrade its wastewater treatment plant and add an additional \$36 million per year to Capital Improvement Program (CIP) funding to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in the most recent asset management study commissioned by the Water Authority. Infrastructure renewal backlog is being addressed over the coming years to maintain service levels and protect the health, safety, and economic viability of our community.

Various projects include:

The recently completed Phase I of the digester renewal program addressed deteriorated mixers, safety valves, hatches, and other mechanical components of the digesters. This has brought all 14 digesters into good working condition. Funding will be used to continue the renewal and capacity increase of the digesters. This will include conversion of two of the secondary digesters to primary digesters to provide more digestion capacity. Once this additional capacity is available, different digesters will be taken out of service one-at-a-time or in pairs to allow structural and coating renewal on their interiors. Funding will also be used to upgrade the mixers to more efficient units to save on energy costs.

Funding will continue to be used to rehabilitate and make improvements to the existing eight (8) primary clarifiers. This will include repair of structural concrete and replacement of the mechanical scraper mechanisms. In addition, covers will be added to assist in combating offensive odors. Improvements will be made to the odor control biofilters to provide more effective and reliable treatment.

The sanitary sewer interceptor system is the backbone of the Water Authority's current sewer collection system. It is designed to carry large flows from the collection line system for delivery to the plant for treatment. 46-percent (approximately 111 miles) of the current interceptors within the system are made of concrete and have suffered substantial hydrogen sulfide corrosion damage along the upper portions of the pipe. This ultimately results in complete pipe failure which could cause a sinkhole to form at any time within the public right-of-way. Funding will be used to evaluate, plan, design, and construct for sanitary sewer interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond feasible rehabilitation.

Replacing whole segments of aged pipe will reduce ongoing operation and maintenance costs. If aging pipeline is not replaced, the impact of emergency response will increase for these repairs and multiple leaks will occur in the same segment of pipe. This program will provide funding for evaluation, planning, design, construction, and related activity necessary for the rehabilitation or replacement of water lines that have deteriorated and are past the useful life.

The Information Technology/GIS funding allocations will be utilized to complete the Asset Management system upgrade, which includes Phase II tasks associated with the project and enhancing utilization of mobility to support Asset Management initiatives. The Phase II Asset Management activities include barcoding of fixed assets, implementation of the Maximo Fleet module, asset on-boarding and decommissioning, and enhancing procurement functions within Maximo to further support the goals and objectives related to Asset Management life-cycle accounting practices. The Customer Care & Billing (CC&B) software upgrade has begun with a combined technical and functional upgrade that will be completed during FY19.

Other projects include transitioning infrastructure and server environments to a Hyper-Converged environment, resulting in cost savings and performance enhancement. This environment promotes "green" initiatives to downsize the footprint of traditional IT-related equipment. Efforts will continue to add redundancy to the Network, Telephony and Security systems which includes adding network connections and an upgrade to Call

CAPITAL BUDGET

Manager v11. ITD will work to evaluate and assess the current SCADA environment, and create a master plan to upgrade, replace, and/or consolidate current SCADA systems that support the Authority's Asset Management plan. OneSolution will be upgraded during FY19, and, in addition, a new Applicant Online feature will be developed to better suit the needs of Water Authority staff and individuals who will be applying for positions.

ITD's initiatives also include the creation of an Information Security Plan that is primarily based on the federal National Institutes of Standards & Technology (NIST) standard for cyber-security. This initiative includes drafting and completing the Information Security Plan and any supporting IT policies and a thorough penetration analysis of systems and networks, including all SCADA systems and all major applications that host sensitive data.

The remainder of the Basic rehabilitation program is primarily focused on line contingency work and normal repair and maintenance work in the groundwater plant system with minimal planned projects.

DEBT OBLIGATIONS

*Proposed
Operating Budget
FY19*

DEBT OBLIGATIONS

The joint water and sewer system (the “Water/Sewer System”) was owned by the City of Albuquerque, New Mexico (the “City”) and operated by its Public Works Department until December 17, 2003. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (Water Authority) and provided that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System would be transferred to the Water Authority. The legislation also provided that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Water Authority and that the Water Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. The legislation also required that the New Mexico Public Regulation Commission audit the Water/Sewer System prior to the transfer of money, assets and debts of the Water/Sewer System; the audit was completed December 2003. The policy-making functions of the Water/Sewer System have been transferred to the Water Authority. The Water Authority and the City entered into a Memorandum of Understanding (MOU) dated January 21, 2004, as amended April 7, 2004, under which the City continues to operate the Water/Sewer System until June 30, 2007. In 2005, the New Mexico Legislature amended Section 7-1-10, NMSA 1978, to provide the Water Authority the statutory powers provided to all public water and wastewater utilities in the state and to recognize the Water Authority as a political subdivision of the state. On March 21, 2007 the Water Authority and City entered into a new MOU, effective July 1, 2007. At that time, the Utility employees transitioned from the City and became employees of the Water Authority.

The outstanding Water Authority parity obligations are currently rated “Aa2” by Moody’s, “AA+” by S&P and “AA” by Fitch.

The total outstanding obligation indebtedness of the Water Authority as of April 1, 2018 is \$595.9 million, shown in the table on the next page.

DEBT OBLIGATIONS

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS

April 1, 2018

RATINGS: Aa2/AA+/AA

	<u>FINAL MATURITY</u>	<u>ORIGINAL AMT ISSUED</u>	<u>AMOUNT RETIRED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATES</u>
SENIOR DEBT OBLIGATIONS					
Bonds Series 2009A-1	7/1/2019	135,990,000	119,580,000	16,410,000	3.00-5.50%
Bonds Series 2013A	7/1/2038	62,950,000	12,815,000	50,135,000	3.00-5.00%
Bonds Series 2013B	7/1/2024	55,265,000	21,780,000	33,485,000	3.00-5.00%
Bonds Series 2014A	7/1/2026	97,270,000	9,000,000	88,270,000	3.00-5.00%
Bonds Series 2015	7/1/2033	211,940,000	3,210,000	208,730,000	3.00-5.00%
Bonds Series 2017	7/1/2034	87,970,000	-	87,970,000	3.375-5.00%
NMFA Loan No. 07 2316-ADW	7/1/2031	1,000,000	279,394	720,606	3.00-5.00%
NMFA Loan No. 15	6/1/2036	<u>53,400,000</u>	<u>17,545,000</u>	<u>35,855,000</u>	3.00-5.00%
SUBTOTAL - SENIOR DEBT OBLIGATIONS		\$ 705,785,000	\$ 184,209,394	\$ 521,575,606	
SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS					
Bonds Series 2014B	7/1/2025	\$ 87,005,000	\$ 20,055,000	\$ 66,950,000	3.00-5.00%
NMFA Loan No. 04 1727-AD	5/1/2030	<u>10,426,232</u>	<u>3,037,030</u>	<u>7,389,202</u>	1.00-5.00%
SUBTOTAL - SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS		\$ 97,431,232	\$ 23,092,030	\$ 74,339,202	
TOTAL DEBT OBLIGATIONS		<u>\$ 803,216,232</u>	<u>\$ 207,301,424</u>	<u>\$ 595,914,808</u>	

APPENDIX

Proposed Operating Budget FY19

FY19 BUDGET METHODOLOGY AND ASSUMPTIONS

Numerical Rounding

Budgets were developed using whole numbers. When program strategies were summarized, each was rounded to the nearest one thousand. Rounding makes for ease of reading when reviewing the document.

Salaries

- The wage and salary base was established for each filled or authorized-to-be-filled position.
- This base is increased or decreased for all wage adjustments for FY19 to incorporate current contractual increases.
- Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.0%, PERA remains at 20.16% for blue and white collar and management/professional, this amount does include the additional 1.5% required by the PERA Legislation, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (health, dental, vision, group life) – budgeted at FY18 amounts plus a 15% contracted rate increase.
- A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.

Operating Expenses

Division managers were required to provide detailed information supporting FY19 budget requests for supplies, repairs and maintenance, and contract services. Other FY19 operating expenses were equal to FY18 appropriated amounts. One-time appropriations for FY18 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.
- For FY19, utilities (gas, electricity, and water/wastewater) were budgeted based on historical expenses and anticipated needs.
- Power, chemicals and fuel will not exceed the CPI index and the cost of operating two water distribution systems will not exceed the consultant estimate.
- Beyond those stated above, line item increases needing special justifications include extraordinary price increases, increases in workload, or a special need not previously funded.
- Workers' Compensation and other insurance, tort and risk expenses are treated as expenses in the Risk department for FY19. These amounts are identified based on the historical experience and exposure factors relative to the Water Authority.
- Vehicle maintenance charges are estimated for FY19 according to the class of vehicle and historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.
- Fuel costs have been appropriated for FY19 per the US Energy Information Administration forecast of oil prices. The forecast for gasoline prices is \$2.58/gallon and for diesel is \$2.98/gallon.

Capital Expenses

New and replacement property items are included in the appropriate program appropriations within each of the funds.

ACRONYMS

A2LA – American Association for Laboratory Accreditation

ABCWUA – Albuquerque Bernalillo County Water Utility Authority

AMI – Automated Meter Infrastructure

AMP – Asset Management Plan

AMR – Automated Meter Reader

ASR – Aquifer Storage and Recovery

AWWA – American Water Works Association

BBER – University of New Mexico, Bureau of Business and Economic Research

CAFR – Comprehensive Annual Financial Report

CC&B – Customer Care and Billing

CCTV – Closed Circuit Television

CIP - Capital Implementation or Improvements Program

CIS – Customer Information System

CMMS – Computerized Maintenance Management System

CMOM – Capacity Management Operations & Maintenance Program

COLA - Cost-of-Living Adjustment

CPI-U - Consumer Price Index for all Urban Consumers

CSD – Customer Services program

CWA – Clean Water Act

DS - Debt Service

DWL – Drinking Water Loan

DWP – San Juan–Chama Drinking Water Project

EID – Environmental Improvement Division

EPA – Environmental Protection Agency

ERP – Enterprise Resource Planning

EUM – Effective Utility Management

FOG – Fats, Oils, & Grease

FTE - Full-time Equivalent Position

FY - Fiscal Year

GASB - General Accounting Standards Board

GDP - Gross Domestic Product

GFOA - Government Finance Officers Association

GI – Global Insight economic forecasting, formerly Data Resources Wharton Econometric Forecasting Associates International

GIS – Geographic Information System

GPCD – Gallons per capita per day

GPS – Global Positioning System

GRT – Gross Receipts Tax

HR – Human Resources

IDOH - Indirect Overhead

ITD – Information Technology Program

KAFB – Kirtland Air Force Base

LIMS – Laboratory Information Management System

LT2 – Long Term Enhanced Surface Water Treatment Rule 2

MDC – Metropolitan Detention Center

MGD – Million Gallons per Day

MIS – Management Information System

MOU – Memorandum of Understanding

ACRONYMS

MRGCOG – Middle Rio Grande Council of Governments

MSA – Metropolitan Statistical Area

NBER – National Bureau of Economic Research

NM – New Mexico

NMDOT – New Mexico Department of Transportation

NMED – New Mexico Environment Department

NMFA – New Mexico Finance Authority

NMUI – New Mexico Utilities Group Inc.

NPDES – National Pollution Discharge Elimination System

NWSA – Northwest Service Area

O/M – Operations and Maintenance

OERP – Overflow Emergency Response Plan

OSHA – Occupational Safety and Health Administration

P&I – Principal and Interest

PAFR – Popular Annual Financial Report

PERA - Public Employees Retirement Association

PNM – Public Service Company of New Mexico

PTF – Preliminary Treatment Facility

REC – Renewable Energy Credit

RRAMP – Reclamation Rehabilitation and Asset Management Plan

SAD - Special Assessment District

SAF – Soil Amendment Facility

SCADA – Supervisory Control and Data Acquisition

SDF – Solids Dewatering Facility

SDWA – State Drinking Water Act

SJC – San Juan-Chama

SJCWTP - San Juan–Chama Water Treatment Plant

SNL – Sandia National Laboratory

SOP – Standard Operating Procedures

SRF – State Revolving Loan Fund

SSO's – Sanitary Sewer Overflows

SWR - Sewer

SWRP - Southside Water Reclamation Plant

SWTP – Surface Water Treatment Plant

UCMR3 –Unregulated Contaminant Monitoring Rule 3
UEC – Utility Expansion Charge

UEC – Utility Expansion Charges

UNM – University of New Mexico

UV – Ultra-Violet

WPAB – Water Quality Advisory Board

WPPAP – Water Quality Protection Policy & Action Plan

WQL – Water Quality Laboratory

WRAC – Water Resources Advisory Committee

WTP – Water Treatment Plant

GLOSSARY

ACCRUED EXPENSES: Expenses incurred but not due until a later date

ADJUSTMENTS FOR POLICY DIRECTION CHANGES: Approved adjustment to the maintenance-of-effort budget both positive and negative which are considered major policy issues

AMERICAN WATER WORKS ASSOCIATION: An international nonprofit scientific and educational society dedicated to the improvement of water quality and supply and is the authoritative resource for knowledge, information, and advocacy to improve the quality and supply of water in North America

ANNUALIZED COSTS: Costs to provide full year funding for services initiated and partially funded in the prior year

APPROPRIATION: Legal authorization granted by the Water Authority Board to incur expenses and to incur obligations for specific purposes within specified time and amount limits

APPROPRIATIONS RESOLUTION: Legal means to enact an appropriation request, e.g., annual operating budget

AUDIT: Official examination of financial transactions and records to determine results of operations and establish the Water Authority's financial condition

BASE BUDGET: Portion of an annual budget providing for financing of existing personnel, replacement of existing equipment, and other continuing expenses without regard for price changes

BONDED INDEBTEDNESS/BONDED DEBT: That portion of indebtedness represented by outstanding general obligation or revenue bonds

CAPITAL BUDGET: Plan of approved capital outlays and the means of financing them

CAPITAL EXPENSES: Expenses to acquire or construct capital assets

DEBT SERVICE FUND: Fund for the accumulation of resources to pay principal, interest, and fiscal agent fees on long-term debt

DEPARTMENT: A set of related functions that are managed below the Program Strategy level, and are the smallest unit of budgetary accountability and control

ENCUMBRANCES: Commitments of appropriated monies for goods and services to be delivered in the future

ENTERPRISE FUND: Fund established to account for services financed and operated similar to private businesses and with costs recovered entirely through user charges

FINANCIAL PLAN: See Operating Budget

FISCAL YEAR: For the Water Authority, a period from July 1 to June 30 where the financial plan (budget) begins the period and an audit ends the period

FRANCHISE FEE: A fee based upon gross revenue that results from an authorization granted to rent and use the rights-of-way and public places to construct, operate and maintain Water Authority facilities in the City of Albuquerque, Bernalillo County, Rio Rancho and the Village of Los Ranchos

FUND: Fiscal and accounting entity with self-balancing set of books to accommodate all assets and liabilities while conforming to designated parameters

GLOSSARY

FUND BALANCE: Fund equity of governmental funds

GOALS: General ends toward which the Water Authority directs its efforts in terms of meeting desired community conditions. The Executive Director and Water Authority Board with input from the community, establish Goals for the Water Authority

INDIRECT OVERHEAD: Cost of central services allocated back to a department through a cost allocation plan

INTERFUND TRANSFER: Legally authorized transfers from one fund to another fund

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entitlements, shared revenues, etc.

ISSUE PAPERS: Forms used in the budget process to track and request budget changes

MAINTENANCE OF EFFORT: Base budget plus allowances for cost-of-living wage adjustments and inflationary price increases, or within a limited time frame

MAXIMO: Maximo Enterprise's asset and service management software capabilities maximize the lifetime value of complex assets and closely align them with the Water Authority's overall business strategy

NORTHWEST SERVICE AREA: Water and waste water service to approximately 17,000 accounts on Albuquerque's West Side. The 34-square-mile service area includes Paradise Hills and the Ventana Ranch subdivision

NON-RECURRING EXPENSES: Expenses occurring only once, or within a limited time frame, usually associated with capital purchases and pilot projects

NON-RECURRING REVENUES: Revenues generated only once

OPERATING EXPENSES: Term that applies to all outlays other than capital outlays

OPERATING BUDGET: Financial plan for future operations based on estimated revenues and expenses for a specific period

OPERATING REVENUES: Proprietary (enterprise service) fund revenues directly related to the fund's primary service activities and derived from user charges for services

PROGRAM STRATEGY: The unit of appropriations and expense that ties related service activities together to address a desired community condition(s) that pertains to one of the Water Authority's Goals

QUALSERVE: A voluntary, continuous improvement program offered jointly by the American Water Works Association and the Water Environment Federation to help water/wastewater utilities improve their performance and increase customer satisfaction on a continuing basis. The program evaluates all facets of the utility business including organization development, business operations, customer relations, and core water/wastewater operations. QualServe comprises of three components: Benchmarking, Self-Assessment, and Peer Review

RECURRING EXPENSES: Expenses generally arising from the continued operations of the Water Authority in a manner and at a level of service that prevailed in the last budget, or new and/or increased services expected to be provided throughout the foreseeable future

RECURRING REVENUES: Revenues generated each and every year

GLOSSARY

RESERVE: Portion of fund balance earmarked to indicate its unavailability or to indicate portion of fund equity as legally segregated for a specific future use

REVENUES: Amounts received from taxes and other sources during the fiscal year

REVENUE BONDS: Bonds whose principal and interest are payable exclusively from earnings of the Water Authority, and are thereby not backed by the full faith and credit of the issuer

STATE ENGINEER PERMIT 4830: The permit allows the Water Authority to divert 97,000 acre-feet annually from the Rio Grande consisting of an equal amount of Water Authority San Juan-Chama water and native Rio Grande water. The native Rio Grande water is required to be simultaneously released from the Southside Water Reclamation Plant. The State Engineer's permit is the foundation of the Drinking Water Project from a water rights perspective

UNACCOUNTATED FOR WATER: The difference between the quantity of water supplied to the Water Authority's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters

UTILITY EXPANSION CHARGES: assessed by the Water Authority to compensate for additional costs associated with the type and location of new development

WORKING CAPITAL BALANCE: Remaining current assets in a fund if all current liabilities are paid with current assets

NUMERIC LIST OF FUND NAMES BY CATEGORY

ENTERPRISE FUNDS:

- 21 General
- 31 Debt Service

CIP FUNDS:

- 27 Water 2120 Projects
- 28 Rehab
- 29 Growth



- San Ju

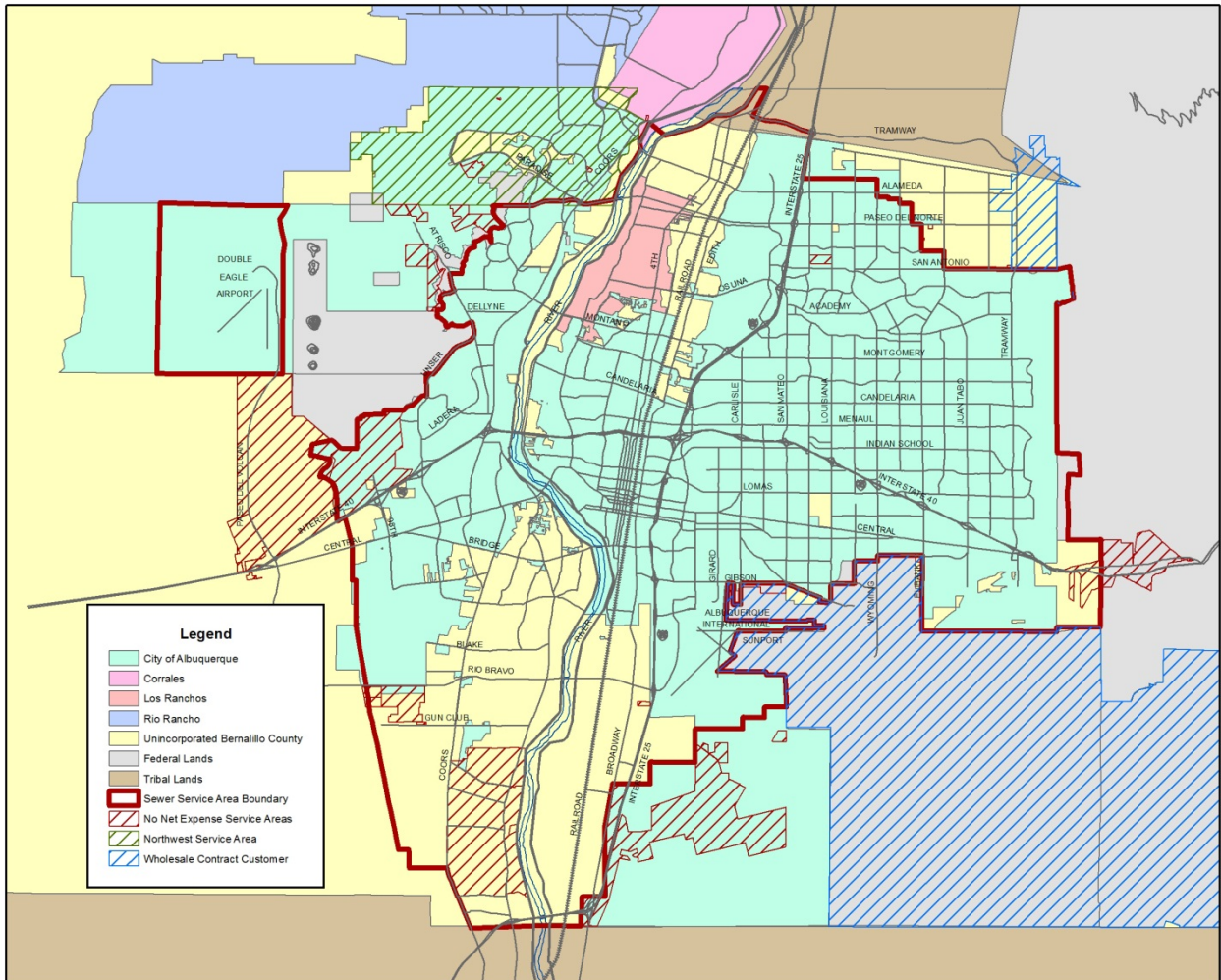
WATER SERVICE AREA MAP

The Water System provides water services to approximately 670,779 residents comprising approximately 95% of the residents of the County. About one-third of unincorporated County residents are customers of the Water System. As of January 1, 2018, service is provided to approximately 208,140 customer accounts, including 186,301 residential and 21,839 multi-family, commercial, institutional and industrial accounts. Approximately 50% of the water sales are for residential uses.

Surface water from the San Juan-Chama project that is utilized through the San Juan-Chama Drinking Water Project is the primary source of potable water supply for the Water Authority. Groundwater is used to supplement surface water supplies to meet peak demands and to provide supply during drought periods or other times when surface water is not available. The Water Authority also owns and operates two non-potable water systems to provide irrigation and industrial water in the service area. In calendar year 2017, the Water Authority's water resources use consisted of 28.5% from groundwater, 70.0% from San Juan-Chama surface water, and 1.5% from reuse of treated effluent for irrigation. The groundwater supply is produced from 60 wells grouped in 17 well fields located throughout the metropolitan area and the San Juan-Chama surface water is diverted from the Rio Grande River. Total well production capacity is approximately 294 million gallons per day (MGD). Eliminating high arsenic wells (those greater than 10 parts per billion arsenic) results in available production capacity of 184 MGD. Maximum historical peak day demand is 214 MGD. Peak day demand for 2017 was 144 MGD. The Water Authority also has four arsenic treatment facilities that remove naturally occurring arsenic from groundwater. Each well field includes chlorination for disinfection as required by the Safe Water Drinking Act.

Water storage reservoirs provide for fire, peak hour and uphill transfer storage. Water is distributed from higher to lower elevations through a 115-foot vertical height pressure zone to provide minimum static pressures of 50 pounds per square inch (psi) for consumers. Sixty-two (62) reservoirs are located throughout the service area, with a total reservoir storage capacity of 245 million gallons. If demand requires, reservoir water can also be transferred to a higher zone or across zones through an east-west series of reservoirs by means of pump stations sited at the reservoirs. There are a total of 129 boosters, with a total capacity of 775 MGD, available for water transfers between reservoirs. These reservoirs are interconnected by 3,130 miles of pipelines and are situated at various locations east and west of the service area to provide multiple sources of supply to customers and for operating economies. The Water System takes advantage of the unique topography of the Water Authority's service area which allows ground level storage while simultaneously providing system pressure by gravity. Control of the Water System is provided by remote telemetry units distributed throughout the Water System for control from a central control facility.

WASTEWATER SERVICE AREA MAP



Major Assets:

- Southside Water Reclamation Plant
- 45 Lift Stations
- 2,400 miles of collection pipeline

WASTEWATER SERVICE AREA MAP

The Wastewater System consists of small diameter collector sewers, sewage lift stations, and large diameter interceptor sewers conveying wastewater flows by gravity to the Southside Water Reclamation Plant. The wastewater treatment plant provides preliminary screening, grit removal, primary clarification and sludge removal, advanced secondary treatment including ammonia and nitrogen removal, final clarification, and effluent disinfection using ultraviolet light prior to discharge to the Rio Grande.

Treatment plant capacity is based upon 76 MGD hydraulic capacity. Existing flows at the plant have averaged 51.3 MGD over the past five years. The Authority has an operational industrial pretreatment program approved by the United States Environmental Protection Agency (EPA). The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for the Water Authority maintaining compliance with strict standards contained in National Pollution Discharge Elimination System (NPDES) Permit #NM0022250. The Water Authority's wastewater effluent discharge consistently meets all NPDES permit requirements. In February 2017, the Water Authority submitted a NPDES permit renewal application. In March 2018, the EPA issued a Proposed NPDES Permit.

Since January 2003, the treatment plant has had a 6.6 mega-watt cogeneration facility to provide most of its power needs. The cogeneration facilities are complemented by a one mega-watt solar energy plant that began service in December 2012. These on-site power generating facilities normally supply 100% of the treatment plant's present electrical needs, along with providing heating of various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The Southside Water Reclamation Plant currently generates electricity from the bio-gas produced in the digesters. This is no cost gas that qualifies the electricity generated for Renewable Energy Certificates (REC). These certificates have a value to other electrical energy producers and the Water Authority continues to research how to sell its RECs to increase revenue.

The Water Authority currently manages wastewater sludge using two methods: surface disposal and production of compost. The Water Authority sells the compost, primarily to the State Department of Transportation. A 660-acre dedicated surface disposal site is used when seasonal market conditions are not favorable for sale of compost product. During 2017, 56% of all sludge produced at the treatment plant was beneficially recycled into compost and sold. The Water Authority's Compliance Division operates a water quality laboratory, providing analytical support for process control and regulatory compliance for wastewater, drinking water, groundwater, storm water, surface water, the zoological park, residuals management and environmental health programs. The laboratory is internationally accredited by the American Association for Laboratory Accreditation (A2LA). The Water Authority reduces expenses by analyzing most of the bacteriological samples at the Water Authority's internal water quality lab.

LEGISLATION

*Proposed
Operating Budget
FY19*

**ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY**

BILL NO. _____

RESOLUTION

**APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING
JUNE 30, 2019.**

WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water Authority) as a political subdivision of the State of New Mexico is required to budget and account for all money received or spent in accordance with New Mexico laws; and

WHEREAS, the Board, by Ordinance, has established a budget process for the Water Authority; and

WHEREAS, the Budget Ordinance requires the Executive Director to formulate the operating budget for the Water Authority; and

WHEREAS, the Budget Ordinance requires the Water Authority Board to approve or amend and approve the Executive Director's proposed budget; and

WHEREAS, the Board has received the budget formulated by the Executive Director and has deliberated on it and provided public notice and input; and

WHEREAS, appropriations for the operation of the Water Authority must be approved by the Board.

BE IT RESOLVED BY THE WATER AUTHORITY:

Section 1. That the following amounts are hereby appropriated to the following funds for operating The Albuquerque Bernalillo County Water Utility Authority during Fiscal Year 2019:

<u>GENERAL FUND – 21</u>	214,009,000
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This appropriation is allocated to the following programs:

Administration	2,684,000
Risk	4,534,000
Legal	760,000
Human Resources	1,588,000

1	Finance	4,184,000
2	Customer Services	9,050,000
3	Information Technology	7,096,000
4	Wastewater Plant	11,426,000
5	San Juan-Chama Water Treatment Plant	3,971,000
6	Groundwater Operations	6,629,000
7	Wastewater Collections	6,701,000
8	Water Field Operations	19,595,000
9	Compliance	5,261,000
10	Planning & Engineering	3,899,000
11	Water Resources	3,861,000
12	Power & Chemicals	20,236,000
13	Taxes	656,000
14	Authority Overhead	1,410,000
15	San Juan-Chama	2,247,000
16	Transfers to Other Funds:	
17	Rehab Fund (28)	26,589,000
18	Debt Service Fund (31)	71,631,000
19	<u>DEBT SERVICE FUND – 31</u>	85,730,000

20 This appropriation is allocated to the following programs:

21	Debt Service	80,730,000
22	Transfer to Other Funds:	
23	Growth Fund (29)	5,000,000

24 Section 2. The Executive Director is authorized to develop and establish a
25 nonrecurring safety/performance incentive program. This program will provide employees
26 with an incentive based on cost reductions or performance enhancements resulting in
27 operating efficiencies and/or a reduction in work related losses. Funding for this program is
28 contingent on savings in the same or a greater amount.

29 Section 3. The Water Authority shall continue its partnership with non-profit
30 affordable housing developers under contract with local government whereby the first-time
31 homebuyer will not be required to pay the Utility Expansion Charge until the property is sold.

1 No more than 50 units per year will be authorized under this program. The Water Authority
2 will secure its position with a second mortgage.

3 Section 4. The Rate Reserve Fund is augmented by the amount of \$2,000,000.

4 Section 5. If working capital balance exceeds 1/12 of operating expenses, and debt
5 service payment and debt service coverage are met, the remaining working capital balance
6 shall be reserved for capital projects.

7 Section 6. The Executive Director is authorized to carry out all appropriations
8 contained in this budget in accordance with established policies and procedures.

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2 WATER UTILITY AUTHORITY

3 RESOLUTION
4 APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR THE
5 ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR
6 BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019

10 WHEREAS, the Board, by Ordinance, has established a budget process for the Authority;
11 and

14 WHEREAS, the Budget Ordinance requires the Water Authority Board to approve or
15 amend and approve the Executive Director's proposed budget; and

19 WHEREAS, appropriations for the Capital Implementation Program of the Water
20 Authority must be approved by the Board; and

24 BE IT RESOLVED BY THE WATER AUTHORITY:

27 Basic Program Appropriations:

28	Sanitary Sewer Pipeline Renewal	7,995,000
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1	Drinking Water Pipeline Renewal	7,550,000
2	Southside Water Reclamation Plant Renewal	34,370,000
3	Soil Amendment Facility (SAF) Renewal	100,000
4	Lift Station and Vacuum Station Renewal	3,150,000
5	Odor Control Facilities Renewal	750,000
6	Drinking Water Plant Groundwater System Renewal	4,695,000
7	Drinking Water Plant Treatment Systems Renewal	4,910,000
8	Reuse Line and Plant Rehab	70,000
9	Compliance	195,000
10	Shared Renewal	15,000
11	Franchise Agreement Compliance	2,000,000
12	Vehicles and Heavy Equipment	4,818,000
13	<u>Special Projects:</u>	
14	Steel Waterline Rehab	1,000,000
15	Automated Meter Infrastructure (AMI)	2,000,000
16	Renewable Energy Projects	350,000
17	Miscellaneous	5,000,000
18	<u>Growth:</u>	
19	Development Agreements	1,250,000
20	MIS/GIS	3,500,000
21	Miscellaneous	250,000
22	<u>Other:</u>	
23	Water 2120 Project Fund	300,000
24		
25		



Meeting Date: April 18, 2018

Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-18-13 – Appropriating Funds for the Capital Implementation of the Albuquerque Bernalillo County Water Utility Authority for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

This legislation appropriates funding for the FY19 Capital Implementation Program (CIP). This appropriation provides funding for new projects as well as supplements current appropriations for projects that are ongoing.

FISCAL IMPACT:

The FY19 capital program appropriation totals \$84.3 million. \$55 million is appropriated for the level one priority basic capital programs, an additional \$15 million appropriated for the covers for the clarifiers, \$618K for vehicles and heavy equipment, \$5 million for growth related projects, and \$8.3 million is appropriated for special projects.

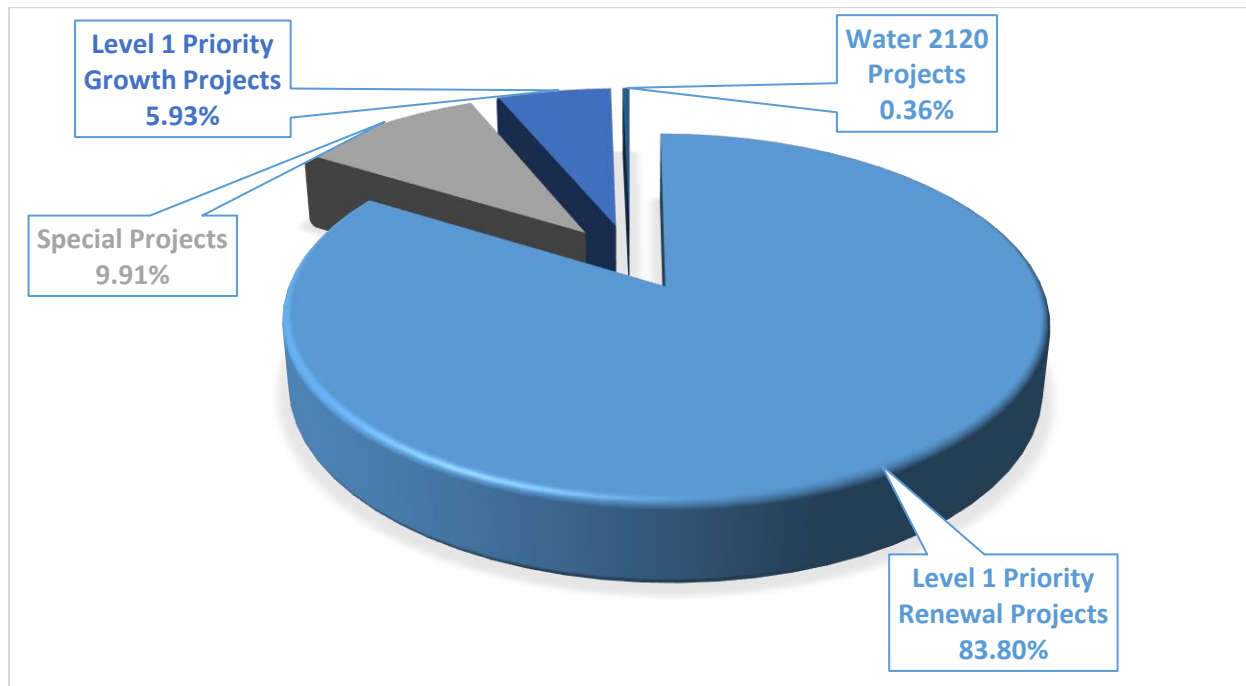
The \$8.3 million for special projects is comprised of \$2 million for the Automated Meter Infrastructure (AMI), \$1 million for steel water line replacement, \$0.4 million for various renewable energy projects, and \$5 million for the consolidated customer services and field operations facility.

The current Rate Ordinance requires no less than \$30 million for Basic rehabilitation program. Additionally, \$2 million is budgeted annually for the Automated Meter Infrastructure (AMI) program. There are no appropriations in the proposed FY19 CIP budget for projects that will be funded with revenues from FY20 or later.

The recent rate revenue increases alleviate future borrowing and increases the level of funding for infrastructure rehab projects.

The growth program is funded by Utility Expansion Charge (UEC) revenue which is tied to economic growth in the Water Authority's service area. The non-discretionary portion of the growth program includes funding for the low-income connection program managed by Bernalillo County and development repayment agreements as connections are made to the System.

Demonstrated in the graph below is the overall percentage of each CIP category:



COMMENTS:

The blueprint for the Basic capital program is the Decade Plan, a ten-year plan required to be updated biennially with two, four, six, eight and ten-year planning elements. There must always be an approved two-year planning element in place before the Board can approve a current year capital program appropriation. FY18 was the first year in the current FY 2018 – FY 2027 Decade Plan. Listed below are the detailed projects for year two:

Basic Program Appropriations:	FY19 Budget
Sanitary Sewer Pipeline Renewal	\$7,995,000
Drinking Water Pipeline Renewal	7,550,000
Southside Water Reclamation Plant Renewal	34,370,000
Soil Amendment Facility (SAF) Renewal	100,000
Lift Station and Vacuum Station Renewal	3,150,000
Odor Control Facilities Renewal	750,000
Drinking Water Plant Groundwater System Renewal	4,695,000
Drinking Water Plant Treatment System Renewal	4,910,000
Reuse Line and Plant Rehab	70,000
Compliance	195,000
Shared Renewal	15,000
Franchise Agreement Compliance	2,000,000

Vehicles and Heavy Equipment	4,818,000
Level 1 Priority Renewal Projects Total	\$70,618,000
	FY19 Budget
Special Projects:	
Steel Waterline Rehab	\$1,000,000
Automated Meter Infrastructure (AMI)	2,000,000
Renewable Energy Projects	350,000
Miscellaneous	5,000,000
Special Projects Total	\$8,350,000
Combined Level 1 Priority Renewal and Special Projects	\$78,968,000
Growth Projects:	
Development Agreements	1,250,000
MIS/GIS	3,500,000
Miscellaneous	250,000
Growth Total	5,000,000
Water 2120 Projects	300,000
Level 1 Priority Growth/Other Projects Total	\$5,300,000
Grand Total	\$84,268,000

FY19 Capital Program Highlights

There are over 1,835 miles of eight inch and ten inch sanitary sewer collection lines through the Water Authority's service area. Lines that were constructed using concrete material or other obsolete material have a life expectancy of 50 years or less. These types of lines must now be lined or replaced with suitable material to avoid collapses in the collection line and possibly the roadways that they occupy. Lining or replacement options will increase the life of the pipe up to 100 years if not longer. When the deterioration has compromised the integrity of the wall strength, the replacement option is the only option left for rehabilitation of the line. Funding for planning, designing, construction, and related activity will be used for the rehabilitation and replacement of deteriorating sewer collections lines.

There are over 2,000 miles of small diameter (four inch to ten inch) water lines that serve as the distribution network for the Water Authority's water system. These lines are used to provide domestic metered water service, fire protection, and irrigation uses for our customers. Currently there are over 500-miles of pipe that is deficient either in wall integrity or size that poses potential threats to the Water Authority. As the older steel or cast-iron lines become deficient, Water Authority staff will often respond to numerous leaks. These leaks if gone unnoticed do have the potential, under certain circumstances, will become sinkholes which destroy entire roadways and create an incredible liability.

Replacing whole segments aged pipe will reduce ongoing operation and maintenance costs. If aging pipeline is not replaced, the impact of emergency response will increase

for these repairs and multiple leaks will occur in the same segment of pipe. This program will provide funding for evaluation, planning, design, construction, and related activity necessary for the rehabilitation or replacement of water lines that have deteriorated and are past the useful life.

The primary clarifiers are used to remove suspended solids ahead of the aeration basins. Maintaining these units in good working order is important for the downstream processes to work properly and for the plant to meet its NPDES permit requirements. The primary clarifiers handle sewage resulting in deterioration of structural, mechanical, and electrical components. Also, the currently open basins are a source of hydrogen sulfide and other odors. Funding will be used to rehabilitate and make improvements to the existing primary clarifiers. In addition, covers will be added to assist in combating offensive odors.

The Information Technology/GIS funding allocations will be utilized to complete the Asset Management system upgrade, which includes Phase II tasks associated with the project and enhancing utilization of mobility to support our Asset Management initiatives. The Phase II Asset Management activities include barcoding of fixed assets, implementation of the Maximo Fleet module, asset on-boarding and decommissioning, and enhancing procurement functions within Maximo to further support the Asset Management goals and objectives related to Asset Management life-cycle accounting practices. The Customer Care & Billing (CC&B) software upgrade has begun with a combined technical and functional upgrade that will be completed during FY19.

Other projects include transitioning infrastructure and server environment to a hardware/software centric environment, resulting in cost savings, performance enhancement, and promotes “green” initiatives to downsize the footprint of traditional IT related equipment. Efforts will continue to add redundancy to the Network, Telephony and Security systems which includes additional network connections, and an upgrade to Call Manager v11. ITD will work to evaluate and assess our current SCADA environment, and create a master plan to upgrade, replace, and/or consolidate current WUA SCADA Systems that support the Authorities Asset Management plan. SunGard will also be upgraded during FY19, and in addition to this, a new Applicant Online feature will be developed to better suit the needs of WUA staff, and those prospective individuals that will be applying for employment with the WUA.

ITD’s initiatives also include the creation of an Information Security Plan that’s primarily based on the federal NIST standard for cyber-security. This initiative includes drafting and completing the Information Security Plan and any supporting IT policies, a thorough penetration analysis of our systems and network including all SCADA systems, and will also include all major applications that host sensitive data.

Funding will be used to plan, design, and construct a new consolidated customer services and field operations facility to replace the leased space at the City of Albuquerque “Pino Yard” facility, West Side leased space and downtown customer services. This facility will be located at the San Juan-Chama Drinking Water Treatment Plant at 6000 Alexander Blvd, NE.

The remainder of the Basic rehabilitation program is primarily focused on line contingency work and normal repair and maintenance work in the groundwater plant system with minimal planned projects.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-13

1 **RESOLUTION**

2 **APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR**
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR**
4 **THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019**

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water
6 Authority) as a political subdivision of the State of New Mexico is required to budget and
7 account for all money received or spent in accordance with New Mexico laws; and

8 WHEREAS, the Board, by Ordinance, has established a budget process for the
9 Authority; and

10 WHEREAS, the Budget Ordinance, requires the Executive Director to formulate
11 an annual Capital Implementation Program budget for the Water Authority; and

12 WHEREAS, the Budget Ordinance requires the Water Authority Board to approve
13 or amend and approve the Executive Director's proposed budget; and

14 WHEREAS, the Board has received the Capital Implementation Program Budget
15 formulated by the Executive Director and has deliberated on it and provided public notice
16 and input; and

17 WHEREAS, appropriations for the Capital Implementation Program of the Water
18 Authority must be approved by the Board; and

19 WHEREAS, the appropriation of these Capital Implementation Program funds to
20 projects with their respective purposes are timely and necessary for Water Authority to
21 serve its customers.

22 BE IT RESOLVED BY THE WATER AUTHORITY:

23 That the appropriations for the projects as stated below are hereby made.

24 Basic Program Appropriations:

25	Sanitary Sewer Pipeline Renewal	7,995,000
26	Drinking Water Pipeline Renewal	7,550,000
27	Southside Water Reclamation Plant Renewal	34,370,000
28	Soil Amendment Facility (SAF) Renewal	100,000

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

1	Lift Station and Vacuum Station Renewal	3,150,000
2	Odor Control Facilities Renewal	750,000
3	Drinking Water Plant Groundwater System Renewal	4,695,000
4	Drinking Water Plant Treatment Systems Renewal	4,910,000
5	Reuse Line and Plant Rehab	70,000
6	Compliance	195,000
7	Shared Renewal	15,000
8	Franchise Agreement Compliance	
9	2,000,000	
10	Vehicles and Heavy Equipment	4,818,000
11	<u>Special Projects:</u>	
12	Steel Waterline Rehab	1,000,000
13	Automated Meter Infrastructure (AMI)	2,000,000
14	Renewable Energy Projects	350,000
15	Miscellaneous	5,000,000
16	<u>Growth:</u>	
17	Development Agreements	1,250,000
18	MIS/GIS	3,500,000
19	Miscellaneous	250,000
20	<u>Other:</u>	
21	Water 2120 Project Fund	300,000
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Meeting Date: April 18, 2018
Staff Contact: Mark S. Sanchez, Executive Director

TITLE: R-18-14 – Adopting the County of Bernalillo Purchasing Ordinance for the Albuquerque Bernalillo County Water Utility Authority

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

The statute creating the Albuquerque Bernalillo County Water Utility Authority (Water Authority), Section 72-1-10, authorized the Water Authority to elect either the City of Albuquerque's (City) or the County of Bernalillo's (County) procurement processes to further its public and corporate purposes. In 2006, the Water Authority procurement functions were still performed by City procurement staff, just as they had previously when the Water Authority was a component unit of the City. At the time, the Water Authority decided that continued use of City procurement processes were in its best interests. In 2013 the Water Authority employed a full-time division for the purposes of performing centralized procurement. To date, the Water Authority had followed the City of Albuquerque Public Purchases Ordinance legal requirements governing approval of contracts.

In order to determine the appropriate legal framework to govern the Water Authority's purchases, the Water Authority worked with the County procurement staff and performed a comprehensive and thoughtful analysis of the procurement authority presented by adopting the County of Bernalillo's new Home Rule Procurement Ordinance. The County Procurement Ordinance was drafted using the New Mexico State Procurement Code as its foundation and provides for the fair and equitable treatment of all person involved in public procurement, to maximize the purchasing value of public funds, provides for transparency and accountability, and safeguards for maintaining a procurement system of quality and integrity. The Water Authority has determined it operationally and functionally beneficial to adopt the County of Bernalillo Procurement Ordinance. This resolution would establish the County of Bernalillo Procurement Ordinance as the legal framework governing all Water Authority procurement effective July 1, 2018. This resolution would also establish the Water Authority's responsibilities to the Water Authority Board related to contract approval.

FISCAL IMPACT:

None

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-14

1 RESOLUTION

2 ADOPTING THE COUNTY OF BERNALILLO PROCUREMENT ORDINANCE FOR
3 THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

4 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority
5 (Water Authority) regularly has the need to purchase services (including professional
6 services), construction, and items of tangible personal property; and

7 WHEREAS, the Water Authority has been granted all powers to carry out and
8 effectuate its public and corporate purposes, including providing its own procurement
9 functions, as a local public body and political subdivision of the State of New Mexico;
10 and

11 WHEREAS, the Water Authority employs in-house staff to perform all needed
12 procurement functions; and

13 WHEREAS, paragraph B. (3) of the amended NMSA 1978, Section 72-1-10,
14 authorizes the Water Authority to use City or County procurement processes to further
15 its public and corporate purposes; and

16 WHEREAS, the County of Bernalillo, in cooperation with Water Authority staff,
17 has performed a comprehensive analysis of local procurement, drafted, proposed and
18 adopted an up to date Home Rule Procurement Ordinance; and

19 WHEREAS, it is operationally and functionally beneficial to the Water Authority to
20 adopt the County of Bernalillo Procurement Ordinance (the "Procurement Ordinance").

21 BE IT RESOLVED BY THE WATER AUTHORITY:

22 Section 1. That Resolution R-06-2, adopting the City of Albuquerque Purchasing
23 Rules and Regulations is rescinded, effective July 1, 2018.

24 Section 2. That the County of Bernalillo Procurement Ordinance be adopted and
25 implemented by the Water Authority, effective July 1, 2018.

26 Section 3. That all contracts and agreements and amendments thereto entered
27 into prior to July 1, 2018 shall remain subject to the provisions of the Resolution R-06-2
28 until their expiration.

1 Section 4. That for all procurement, approval of contracts, and purchases by or
2 for the Water Authority pursuant to the Procurement Ordinance, approval by the Water
3 Authority Governing Board (the "Board") shall substitute for approval by the Bernalillo
4 County Board of County Commissioners; approval by the Executive Director of the
5 Water Authority shall substitute for approval by the County Manager; any requirements
6 of, or rights reserved by, the County as provided in the Procurement Ordinance shall be
7 deemed to be a requirement of, or right reserved by, the Water Authority; and any
8 responsibility delegated to an officer or employee of the County as provided in the
9 Procurement Ordinance shall be deemed to be a responsibility of a similar officer or
10 employee of the Water Authority.

11 Section 5. That the Executive Director is authorized to enter into agreements of
12 any type on behalf of the Water Authority following approval by the Board, if required.
13 This includes, but is not limited to, contracts, capital acquisition, construction of capital
14 projects, agreements with other public governmental agencies, and real property
15 agreements. The Executive Director may delegate the authority to enter into such
16 agreements by written instrument documenting the delegation.

17 Section 6. That the following contracts must be approved by the Board prior to
18 execution by the Executive Director or his/her designee:

19 (A) Any Purchase Order, Contract, or total maximum dollar value of a Price
20 Agreement used to purchase, lease or otherwise acquire services (including
21 professional services), construction, real property or items of tangible
22 personal property in an amount exceeding \$500,000 (excluding NMGRT).

23 (B) Any amendment to a Purchase Order, Contract or total maximum dollar value of
24 a Price Agreement used to purchase, lease or otherwise acquire services
25 (including professional services), construction, real property or items of
26 tangible personal property which causes the aggregate amount of that
27 purchase arrangement to exceed \$500,000 (excluding NMGRT), if the
28 Purchase Order, Price Agreement or Contract was not previously approved
29 by the Board.

30 (C) Any supplement to increase a Purchase Order, Contract or total maximum dollar
31 value of a Price Agreement will not require an additional approval by the
32 Board if the original amount of the Purchase Order, Contract, or total

1 maximum dollar value of a Price Agreement, and the amount of possible
2 supplements were previously presented to and approved by the Board.

3 (D) Any additional increase to a Purchase Order, Contract or total dollar value of a
4 Price Agreement that exceeds 20% of the amounts previously approved by
5 the Board (including the amounts of previously presented and approved
6 supplements) shall require additional approval by the Board, unless said
7 authority is otherwise delegated to the Executive Director with previous
8 approvals of the contract.

9 (E) When the Executive Director determines that urgent and compelling reasons
10 require an emergency procurement of services (including professional
11 services), construction or items of tangible personal property exceeding
12 \$500,000 (excluding NMGR), the Executive Director shall notify the Board,
13 at its next regularly scheduled meeting, of the action and shall give a full
14 description of the urgent and compelling reasons, the scope of work, the
15 contract amount, and the name of the contractor.

16 (F) All other purchases shall be approved by the Executive Director or his/her
17 designee, or as otherwise provided by the Procurement Ordinance or
18 administrative instructions promulgated by the Executive Director.

19 (G) For the purposes of this Section, the following definitions shall apply:

20 (1) Contract means any agreement for the procurement of items of tangible
21 personal property, services (including professional services) or
22 construction;

23 (2) Price Agreement means an agreement between the Water Authority and
24 an awarded contractor or contractors establishing the pricing, terms and
25 conditions for providing an indefinite quantity of items of tangible personal
26 property, services (including professional services) or construction for a
27 fixed time and awarded in accordance with the Procurement Ordinance,
28 including those allowed for use by the Water Authority awarded by other
29 government agencies;

30 (3) Purchase Order means the document issued by the Central Purchasing
31 Office that directs a contractor to deliver items of tangible personal
32 property, services (including professional services) or construction.

Section 7. That the Executive Director shall name an ad hoc advisory committee to evaluate Water Authority initiated requests for proposals other than those requests for proposals subject to the Selection Advisory Committee requirements of the Procurement Ordinance.

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

BERNALILLO COUNTY
BOARD OF COUNTY COMMISSIONERS

ORDINANCE NO. 2018-11

Procurement Ordinance

Chapter 2, Article V, Division 1 – 3 (Secs. 2-356 – 2-402)

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Chapter 2 – ADMINISTRATION

ARTICLE V. - PURCHASING

DIVISION 1. – GENERALLY

Sec 2-356. RULES OF CONSTRUCTION; PURPOSES

- (a) The Procurement Ordinance (“Ordinance”) shall be liberally construed and applied to promote its purposes and policies.
- (b) Any conflict in interpretation of the Ordinance with the New Mexico State Procurement Code [NMSA 1978, Section 13-1-1, et seq.] shall be resolved as required by applicable law.
- (c) The purpose of the Ordinance is to provide for the fair and equitable treatment of all Persons involved in public procurement, to maximize the purchasing value of public funds and to provide safeguards for maintaining a procurement system of quality and integrity.

Sec 2-357. APPLICATION OF THE ORDINANCE

- (a) This Ordinance applies to all expenditures by the County of Bernalillo (“County”) for procurement of Tangible Personal Property, Services, and Construction, except as otherwise provided in this Article.
- (b) Procurement involving the expenditure of federal funds must be conducted in accordance with the mandatory applicable federal laws and regulations. Such laws and regulations will supersede this Ordinance where it is inconsistent with those federal laws and regulations. Nothing in this Ordinance shall prevent the County from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with the County Code of Conduct or other applicable law.
- (c) When mandatory applicable state or federal laws or regulations are inconsistent with the provisions of this Ordinance, compliance with such state or federal laws or regulations shall constitute compliance with the Ordinance.
- (d) Any Contract or procurement document executed in violation of the Ordinance or other applicable laws shall be void and of no effect.
- (e) All matters not specifically addressed in the Ordinance are intentionally omitted and are not governed by the provisions of the State of New Mexico Procurement Code, unless expressly made applicable to home rule local government entities.
- (f) The effective date of section 2-393 (Design and Build Project System Requirements) shall be April 26, 2018. The balance of this Article shall become effective on July 1, 2018.
- (g) **NO IMPAIRMENT FROM PARTIAL INVALIDITY:** The provisions of this Ordinance are severable, and if any provision, section, clause, sentence, or part thereof is held to be illegal, invalid, unconstitutional, or inapplicable, to any person, persons, circumstances, situation, or otherwise, the illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining sentences, clauses, sections, articles, or parts of this Ordinance or their applicability to other persons, circumstances or situations.

CONTINUATION PAGE 4, ORDINANCE 2018-11.

Sec 2-358. DEFINITIONS

- (a) Architectural and Engineering Services - Professional Services within the scope of the practice of architecture and professional engineering, as defined by the State of New Mexico, involving research, design, development, Construction, alteration, or repair of real property;
- (b) Best Obtainable Price – a price at which Tangible Personal Property, Services or Construction can be purchased which is most advantageous to the County;
- (c) Bidder or Offeror - one who submits a bid or proposal in response to a Request for Bids, Request for Proposals, or submits a Quote in response to a call for formal or informal Quotes;
- (d) Brand-Name Specification - a Specification limited to describing an item by manufacturer's name or catalogue number;
- (e) Brand-Name or Equal Specification - a Specification describing one or more items by manufacturer's name or catalogue number to indicate the standard of quality, performance or other pertinent characteristics and providing for the substitution of equivalent items;
- (f) Capital Project - a project involving Construction, paid for with funds intended for capital improvements, which may include Architectural or Engineering Services;
- (g) Central Purchasing Office – the central department or office of the County led by the Chief Procurement Officer and charged with the duty of procurement;
- (h) Chief Procurement Officer – the Person holding the position as the head of the Procurement Office in the County;
- (i) Construction - building, altering, repairing, installing or demolishing in the ordinary course of business any: (1) road, highway, bridge, parking area or related project; (2) building, stadium or other structure; (3) airport, subway or similar facility; (4) park, trail, athletic field, golf course or similar facility; (5) dam, reservoir, canal, ditch or similar facility; (6) sewage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility; (7) sewage, water, gas or other pipeline; (8) transmission line; (9) radio, television or other tower; (10) water, oil or other storage tank; (11) shaft, tunnel or other mining appurtenance; (12) electrical wiring, plumbing or plumbing fixture, gas piping, gas appliances or water conditioners; (13) air conditioning conduit, heating or other similar mechanical work; or (14) similar work, structures or installations. Construction shall also include: (15) leveling or clearing land; (16) excavating earth; (17) drilling wells of any type, including seismographic shot holes or core drilling; and (18) similar work, structures or installations;
- (j) Construction Management - consulting services related to the process of management applied to a public works project for any duration from conception to completion of the project for the purpose of controlling time, cost and quality of the project;
- (k) Construction Manager - a Person who acts as an agent of the County for Construction Management, for whom the County shall assume all the risks and responsibilities;
- (l) Construction Manager at Risk - a Person who, pursuant to a Contract with the County, provides the pre-Construction Services and Construction Management required in a

CONTINUATION PAGE 5, ORDINANCE 2018-11.

- 1 Construction Manager at Risk delivery method;
- 2 (m) Contract - any written agreement for the procurement of items of Tangible Personal
3 Property, Services or Construction;
- 4 (n) Contractor – means any business having a Contract with the County to furnish Tangible
5 Personal Property, Services or Construction;
- 6 (o) Cooperative Procurement – (i) the action taken when two or more entities combine their
7 requirements to obtain advantages of volume purchases, including administrative savings
8 and other benefits; (ii) a variety of arrangements, whereby two or more public
9 procurement entities (or agencies) purchase from the same supplier or multiple suppliers
10 using a single RFB or RFP; (iii) cooperative procurement efforts may result in Contracts
11 that other entities may utilize;
- 12 (p) Cost-Plus-Percentage-of-Cost-Contracts - an agreement in which the Contractor is
13 provided a specified percentage profit over and above the actual costs of Tangible
14 Personal Property, Services or Construction;
- 15 (q) Debarment – a final order that denies a Contractor the right to bid or offer to enter into a
16 Contract with the County;
- 17 (r) Definite Quantity Contract - a Contract which requires the Contractor to furnish a
18 specified quantity of Tangible Personal Property, Services, or Construction at or within a
19 specified time;
- 20 (s) Determination - the documentation of a decision including the facts and justifications
21 required to support a decision. A Determination becomes part of the procurement file to
22 which it pertains;
- 23 (t) Employee - an individual receiving a salary, wages or per diem and mileage from the
24 County whether elected or not and any noncompensated individual performing personal
25 services as an elected or appointed official or otherwise for the County;
- 26 (u) External Procurement Unit - any procurement organization not located in the State of
27 New Mexico which, if in this state, would qualify as a state agency or a Local Public
28 Body. An agency of the United States government is an External Procurement Unit;
- 29 (v) Financial Interest – (i) holding a position in a business as officer, director, trustee, partner
30 or holding any position in management; or (ii) ownership of more than five percent
31 interest in a business;
- 32 (w) Gratuity - a payment, loan, subscription, advance, deposit of money, service or anything
33 of more than nominal value, received or promised, unless consideration of substantially
34 equal or greater value is exchanged;
- 35 (x) Immediate Family - a spouse, father, mother, child, father-in-law, mother-in-law,
36 daughter-in-law or son-in-law;
- 37 (y) Indefinite Quantity Contract - a Contract which requires the Contractor to furnish an
38 indeterminate quantity of specified Tangible Personal Property, Services, or Construction
39 during a prescribed period of time at a definite unit price or at a specified discount from
40 list or catalogue prices;

CONTINUATION PAGE 6, ORDINANCE 2018-11.

- (z) Landscape Architectural Services - services including but not limited to consultation, investigation, reconnaissance, research, design, preparation of drawings and Specifications and administration of Contracts where the dominant purposes of such services are: (i) the preservation or enhancement of land uses and natural features; (ii) the location and Construction of functional approaches for structures, pathways or walkways; or (iii) the design of trails, plantings and landscape irrigation. Excluded from the provisions of this section are the services of architects, engineers and surveyors as defined in this Article;
- (aa) Local Public Body - every political subdivision of the state and the agencies, instrumentalities and institutions thereof;
- (bb) Multiple Source Award - an award of Contract for one or more similar Tangible Personal Property, Services, or Construction to more than one Bidder or Offeror;
- (cc) Multi-Step Sealed Bidding or Proposal – a two phase process consisting of a technical first phase when Bidders submit unpriced technical offers and a second phase when approved Bidders have costs reviewed;
- (dd) NMSA – New Mexico Statutes Annotated;
- (ee) Person - an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture or other legal or commercial entity;
- (ff) Price Agreement – a Definite Quantity Contract or Indefinite Quantity Contract which requires the Contractor to furnish items of Tangible Personal Property, Services, or Construction to the County which issues a Purchase Order or written agreement, if the quantities ordered are within the quantity limitations of the Contract, if any;
- (gg) Professional Services – services rendered by members of a recognized profession or possessing a special skill. Such Services are generally acquired to obtain information, advice, training or direct assistance. Services of architects, archeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, Construction Managers and other Persons or businesses providing similar Professional Services, which may be designated as such by a Determination issued by the Central Purchasing Office;
- (hh) Public Records – all documents, papers, letters, books, maps, tapes, photographs, recordings and other materials, regardless of physical form or characteristics, that are used, created, received, maintained or held by or on behalf of the County and relate to public business, whether or not the records are required by law to be created or maintained;
- (ii) Purchase Order - the document issued by the Central Purchasing Office that directs a Contractor to deliver items of Tangible Personal Property, Services, or Construction;
- (jj) Quote – purchasing method generally used for small orders under a certain dollar threshold, request is sent to suppliers along with a description of the commodity or Services needed and the supplier is asked to respond with price and other information by a predetermined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance, and

CONTINUATION PAGE 7, ORDINANCE 2018-11.

- 1 reliability. Award is made to the most Responsive, Responsible Bidder;
- 2 (kk) Request for Bids ("RFB") – all documents used to solicit competitive single or Multi-
3 Step Sealed Bids for which an award is based on compliance the Specifications and low
4 bid pricing;
- 5 (ll) Request for Proposal ("RFP") – all documents used to solicit proposals from potential
6 providers (Offerors) for Tangible Personal Property, Services or Construction. Price is
7 usually not a primary evaluation factor. Provides for the negotiation of all terms,
8 including price, prior to Contract award. May include a provision for the negotiation of
9 best and final offers. May be a single-step or multi-step process. Award is made to the
10 most Responsive, Responsible Bidder;
- 11 (mm) Request for Qualifications ("RFQ") – a request for submission of unpriced offers to be
12 followed by a formal solicitation limited to those Bidders or Offerors whose offers have
13 been qualified under the criteria set forth in the first solicitation;
- 14 (nn) Responsibility – the status in which a Bidder or Offeror establishes, to the satisfaction of
15 the Chief Procurement Officer, an ability to fulfill the solicitation expectations and
16 requirements. The Chief Procurement Officer may consider such criteria as described in
17 this Article;
- 18 (oo) Responsible Bidder (or Offeror) – a business entity or individual who has the ability to
19 fulfill the solicitation expectations and requirements, including but not limited to
20 financial and technical capacity to perform the requirement of the solicitation and
21 subsequent Contract;
- 22 (pp) Responsive Bidder (or Offeror) – a Contractor, business entity or individual who has
23 submitted a bid or proposal that fully conforms in all material respects to the Request for
24 Bids /Request for Proposal and all of its requirements including all form and substance;
- 25 (qq) Selection Advisory Committee ("SAC") – the committee established by County
26 Ordinance for the purpose of selecting firms to provide Services of architects, landscape
27 architects, engineers or surveyors;
- 28 (rr) Services – furnishing labor, time or effort by a Contractor not involving the delivery of a
29 specific end product other than reports and other materials which are merely incidental to
30 the required performance. Services includes the furnishing of insurance but does not
31 include Construction or the services of Employees of the County;
- 32 (ss) Specification - a description of the physical or functional characteristics or of the nature
33 of items of Tangible Personal Property, Services, or Construction. "Specification" may
34 include a description of any requirement for inspecting or testing, or for preparing items
35 of Tangible Personal Property, Services, or Construction for delivery;
- 36 (tt) Surveying Services - any service or work, the substantial performance of which involves
37 the application of the principles of mathematics and the related physical and applied
38 sciences for: (i) the measuring and locating of lines, angles, elevations, natural and man-
39 made features in the air, on the surface of the earth, within underground workings and on
40 the beds or bodies of water for the purpose of defining location, areas and volume; (ii) the
41 monumenting of property boundaries and the platting and layout of lands and
42 subdivisions thereof; (iii) the application of photogrammetric methods used to derive

CONTINUATION PAGE 8, ORDINANCE 2018-11.

topographic and other data; (iv) the establishment of horizontal and vertical controls for surveys for design, topographic surveys including photogrammetric methods, Construction surveys for engineering and architectural public works; and (v) the preparation and perpetuation of maps, records, plats, field notes and property descriptions;

(uu) Suspension – a temporary order of the Chief Procurement Officer that denies a Contractor the right to bid or offer to enter into a Contract with the County;

(vv) Tangible Personal Property - goods other than real property having a physical existence, including but not limited to supplies, equipment, materials and printed materials;

(ww) User Department or User – a County department, office, unit or staff member for which procurement services are provided.

Sec 2-359. ELECTRONIC TRANSMISSIONS

(a) The Chief Procurement Officer shall develop procedural rules to use electronic media, including distribution of solicitations and acceptance of sealed bids and competitive sealed proposals that include electronic signatures, which shall include:

(1) appropriate security to prevent unauthorized access to electronically submitted bids or proposals prior to the date and time set for opening of bids or the deadline set for receipt for proposals, including the electronic bidding, approval and award process; and

(2) accurate retrieval or conversion of electronic forms of information into a medium that allows inspection and copying.

(b) The Central Purchasing Office, in any Request for Bids or a Request for Proposals, may require all or any part of a sealed bid or a competitive sealed proposal to be submitted electronically if it determines that an electronic submission will be advantageous to the procurement process. If electronic submission is required:

(1) hard copy documentation shall not be submitted to the Central Purchasing Office prior to the award of the Contract, except as specifically identified in the Request for Bids or the Request for Proposals;

(2) the Request for Bids or Request for Proposals shall specify an opening date and time, a fixed closing date and time and an email account or other secure electronic location to which the electronic bid or proposal shall be submitted;

(3) sealed bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the RFB unless all bids are submitted electronically, in which case the amount of each bid, each bid item, and other relevant information as may be specified by the bid requirements, together with the name of each Bidder, shall be recorded and made open to public inspection by the Central Purchasing Office; and

(4) sealed proposals shall be opened by the Central Purchasing Office, then evaluated and the Contract awarded as required in the Request for Proposals and as otherwise provided in the Ordinance.

Sec 2-360. CENTRAL PURCHASING OFFICE

- (a) The Central Purchasing Office shall perform all duties required by the Ordinance and other relevant statutes. The Central Purchasing Office may coordinate with the state purchasing agent, the Central Purchasing Offices of other Local Public Bodies, and the purchasing office of External Procurement Units to maximize benefits of joint and cooperative efforts.
- (b) The Central Purchasing Office is delegated the responsibility for all procurement transactions, including negotiating and finalizing Contract documents as described herein, administering this Ordinance and ensuring compliance with all applicable policies, procedures, laws, regulations, rules, statutes and Ordinances. The Central Purchasing Office is also responsible for creating and maintaining the procedural rules needed to effectuate the Ordinance.
- (c) All procurements shall be performed by the Central Purchasing Office except as otherwise provided in the Ordinance or other procedural rules promulgated under its authority.
- (d) The County shall report to the State of New Mexico Procurement Agent the Person within the Central Purchasing Office designated as the "Chief Procurement Officer." The Chief Procurement Officer shall maintain high standards of education and knowledge of the profession.
- (e) The Chief Procurement Officer may make Determinations regarding exemptions, the issuance of Purchase Orders, authorization of small purchases and approval of procurements pursuant to the Ordinance.
- (f) The Chief Procurement Officer may delegate his/her authority to subordinates as he/she deems necessary and appropriate by clearly delineating in writing such delegated authority and the limitations thereto.

Sec 2-361. EXEMPTIONS FROM THE PROCUREMENT ORDINANCE

- (a) The provisions of the Ordinance shall not apply to:
 - (1) procurement of items of Tangible Personal Property or Services from a state agency, a Local Public Body or External Procurement Unit;
 - (2) printing and duplicating Contracts involving materials that are required to be filed in connection with proceedings before administrative agencies or state or federal courts;
 - (3) purchases of publicly provided or publicly regulated gas, electricity, water, sewer and refuse collection services;
 - (4) purchases of books, periodicals, manuals and training materials published in all formats;
 - (5) insurance coverage for the County including but not limited to the New Mexico Association of Counties (excluding the purchase of insurance through a broker);
 - (6) travel by common carrier or by private conveyance and related travel expenditures such as meals and lodging;
 - (7) procurement of Tangible Personal Property or Services, as defined in this Article,

CONTINUATION PAGE 10, ORDINANCE 2018-11.

- 1 from the Corrections Industries Division of the New Mexico Corrections Department;
- 2 (8) purchases consisting of memberships, subscription services (excluding electronic or
- 3 web-based subscription services), conference and training registration fees, and other
- 4 similar purchases where prepayments are required;
- 5 (9) the issuance, sale and delivery of public securities pursuant to the applicable
- 6 authorizing statute, with the exception of bond attorneys and general financial
- 7 consultants;
- 8 (10) Contracts with a private independent Contractor for housing of inmates as well as
- 9 the operation, or provision and operation, of a jail pursuant to Sections 33-3-26 and
- 10 33-3-27 NMSA 1978;
- 11 (11) Contracts and expenditures for services or items of Tangible Personal Property to
- 12 be paid or compensated by money or other property transferred to the Bernalillo
- 13 County Sheriff's Department by the United States Department of Justice Drug
- 14 Enforcement Administration;
- 15 (12) Contracts with professional entertainers;
- 16 (13) Contracts and expenditures for legal subscription and research services and
- 17 litigation expenses in connection with proceedings before administrative agencies or
- 18 state or federal courts, including experts, mediators, arbitrators, court reporters,
- 19 process servers and witness fees, but does not include Contracts for legal services;
- 20 (14) Services of lecturers, speakers, trainers, facilitators and scriptwriters, when the
- 21 provider possesses specialized training methods, techniques, or expertise in the
- 22 subject matter;
- 23 (15) Contracts for services relating to the design, engineering, financing, construction
- 24 and acquisition of public improvements undertaken in improvement districts pursuant
- 25 to Subsection L of Section 3-33-14.1 NMSA 1978 and in County improvement
- 26 districts pursuant to Subsection L of Section 4-55A-12.1 NMSA 1978;
- 27 (16) works of art for museums or for display in public buildings or places;
- 28 (17) Contracts with a Person, firm, organization, corporation or association or a state
- 29 educational institution named in Article 12, Section 11 of the Constitution of New
- 30 Mexico for the operation and maintenance of a hospital pursuant to Chapter 3, Article
- 31 44 NMSA 1978, lease or operation of a County hospital pursuant to the Hospital
- 32 Funding Act [Chapter 4, Article 48B NMSA 1978] or operation and maintenance of a
- 33 hospital pursuant to the Special Hospital District Act [Chapter 4, Article 48A NMSA
- 34 1978];
- 35 (18) direct purchases of advertising in all media, including radio, television, print and
- 36 electronic, excluding Professional Services provided by marketing firms;
- 37 (19) procurement of services from community rehabilitation programs or qualified
- 38 individuals pursuant to the State Use Act [13-1C-1 through 13-1C-7 NMSA 1978];
- 39 (20) purchases of products or Services for eligible Persons with disabilities pursuant to
- 40 the federal Rehabilitation Act of 1973;

CONTINUATION PAGE 11, ORDINANCE 2018-11.

- (21) Contracts entered into by the Crime Victims Reparation Commission to distribute federal grants to assist victims of crime, including grants from the federal Victims of Crime Act of 1984 and the federal Violence Against Women Act of 1994;
- (22) purchases of parts and labor or maintenance agreements to repair disabled equipment or machinery if the equipment or machinery is repaired by a franchised dealer or by a factory authorized repair shop or the original equipment manufacturer;
- (23) purchases of computer software, online diagnostic tools, web-based or electronic subscriptions and ancillary services required to match software already in use. This includes licensing fees, upgrades, implementation, maintenance or other related Services for proprietary software, if such services are available from only a single vendor;
- (24) sponsorship Contracts allowing Persons or other entities to publicize the County's participation in community events in return for consideration;
- (25) purchases of drugs, controlled substances and other related chemicals, the distribution and use of which is controlled by law or requires licensing, provided that such purchases are properly receipted and accounted for with appropriate supporting documentation, which shall be subject to internal audit;
- (26) purchases of Tangible Personal Property, and ancillary Services such as installation, training, modification or maintenance, where required to match equipment currently in use and where standardization is in the best interest of the County and where a unique or novel application (available from only a single provider) is required to be used, with all such purchases justified in writing and approved by the Chief Procurement Officer;
- (27) leases, licenses, permits, exchanges or purchases of real property and all other real property transactions, including closing costs;
- (28) postage or shipping Services;
- (29) relocation of utility lines within an easement owned by a public utility which requires its own Contractors to move the utility lines;
- (30) purchases necessary for the investigation of criminal activities, which, if purchased competitively, may compromise an investigation as determined by the Sheriff or designee in writing; all funds expended for this type of activity will be properly receipted and accounted for with supporting documentation maintained by the Sheriff's Department and reviewed on a quarterly basis by the County Manager or designee;
- (31) Contracts for retirement benefits which are paid for directly by County Employees;
- (32) a Contract for materials grown, processed or manufactured in this state by Small Businesses, cooperatives, community self-determination corporations or other such enterprises; prior to negotiating a Contract under this exemption, the Central Purchasing Office shall make a Determination of the reasonableness of the price and the quality of the materials and that the public interest will best be served by the procurement;

CONTINUATION PAGE 12, ORDINANCE 2018-11.

(33) procurements exempt from the Ordinance as otherwise provided by law.

Sec 2-362. SOURCE SELECTION METHODS

(a) All County procurements shall be made by competitive sealed bids, except:

(1) When competitive sealed proposals, including Requests for Qualifications, are authorized;

(2) For small purchases;

(3) For Sole Source procurement;

(4) For Emergency procurement;

(5) When procured under existing government Contracts or by Cooperative Procurement;

(6) Purchases from antipoverty program businesses;

(7) For Construction Manager at Risk and Design-Build Construction projects.

(b) A Request for Information ("RFI") may be used to determine the market availability or to solicit information on Tangible Personal Property, Services or Construction.

(c) It is a violation of the Ordinance to split Contracts and purchases and/or to participate in any bid rigging activities to circumvent the required purchasing and contracting processes. In no event shall any purchase be arbitrarily or capriciously divided so as to circumvent any requirement of the Ordinance.

Sec 2-363. COMPETITIVE SEALED BIDS

(a) The Request for Bids ("RFB") is used to initiate a competitive sealed bid procurement and shall contain:

(1) The Specifications for the Tangible Personal Property, Services, or Construction to be procured;

(2) All Contract terms and conditions applicable to the procurement;

(3) Bid form(s) to be submitted by Bidders;

(4) The location where bids are to be received;

(5) Date, time and place of the bid opening;

(6) The requirements for complying with any applicable preference provisions as required under state statute and this Ordinance;

(7) A notice that states that the County Ordinance imposes civil and criminal penalties for its violation in addition to the penalties for illegal bribes, Gratuities, kickbacks or other criminal activities that are prohibited by the New Mexico Criminal Code.

(b) Notice of an RFB shall not be published prior to the completion or approval of the Request for Bids by the Central Purchasing Office.

(c) Any business requesting an RFB shall, at the time the request is made, provide to the Central Purchasing Office a current mailing address, telephone, fax numbers and email address, if available.

CONTINUATION PAGE 13, ORDINANCE 2018-11.

(d) Amendments to the RFB

(1) The Central Purchasing Office may amend the RFB to:

- a. Make material changes such as changes in quantity, purchase descriptions, Specifications, delivery schedules and opening dates;
- b. Correct defects or ambiguities;
- c. Furnish all Bidders information given to one Bidder, if such information will assist the other Bidders in submitting bids, or if the lack of such information would prejudice the other Bidders.

(2) Any amendment shall be sent via standard mail, faxed or electronically transmitted to all Bidders that have supplied their current contact information, pursuant to this section, and shall be distributed within a reasonable time to allow prospective Bidders to consider them in preparing their Bids.

(e) Bidding time

(1) Bidding time is the period of time between publication of the Request for Bids and the date of bid opening.

(2) The Central Purchasing Office shall allow a reasonable bidding time for preparation of bids, except when a shorter time is determined to be in the best interest of the County. A Request for Bids or a notice thereof shall be published not less than ten calendar days prior to the date set forth for the opening of bids.

(f) Pre-bid conference

(1) Pre-bid conferences may be conducted to explain the procurement requirements. They shall be announced to all prospective Bidders known to have received an RFB.

(2) Nothing stated at the pre-bid conference shall change the RFBs unless a change is made by written amendment.

(g) Receipt and acceptance of bids

(1) Bids must be accepted for consideration, without alteration or correction, except as authorized in the Ordinance.

(2) Bids are to be evaluated on the requirements set forth in the Request for Bids. Any criteria that affects the bid price, such as discounts, transportation costs, total or life cycle costs, must be objectively measurable. No criteria may be used in bid evaluation that are not set forth in the Request for Bids.

(3) Each bid received by the Central Purchasing Office shall be stamped as received and labeled with date and time of filing. All bids shall be retained by the Central Purchasing Office in a secure place until the date and time for opening.

(h) If the lowest Responsible bid has otherwise qualified, and if there is no change in the original Specifications, terms, and conditions, the County may negotiate with the lowest Bidder for a lower total bid in order to avoid rejection of all bids for the reason that the lowest bid exceeded budgeted project funds.

(i) Correction or withdrawal of bids

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- 1 (1) A bid mistake discovered before bid opening may be modified or withdrawn by a
2 Bidder prior to the opening by delivering a written notice to the Central Purchasing
3 Office.
- 4 (2) After bid opening, no modifications in price or other provisions of bids are permitted.
5 However, a low Bidder, alleging a material mistake of fact which makes his bid non-
6 Responsive, may be permitted to withdraw his bid if:
 - 7 a. The mistake is clearly evident on the face of the bid; or
 - 8 b. The Bidder submits evidence which clearly and convincingly demonstrates that
9 a mistake was made; or
 - 10 c. The decision to permit or deny withdrawal of a bid on the basis of mistake is a
11 decision to be made by the Central Purchasing Office and shall be supported
12 by a written Determination setting forth the grounds of the decision.
- 13 (3) After the bid opening and prior to the award, the following provisions apply:
 - 14 a. Minor Technical Irregularities: The Central Purchasing Office may waive
15 technical irregularities that do not alter the price, quality or quantity of the
16 Tangible Personal Property, Services, or Construction bid;
 - 17 b. Mistakes where the intent of a bid is clearly evident on the face of the bid
18 document shall be corrected and may not be withdrawn. Examples of mistakes
19 that may be clearly evident on the face of the bid document are typographical
20 errors, errors in extending unit prices, transposition errors, and arithmetical
21 errors.
- 22 (4) All corrections or withdrawals allowed by the Central Purchasing Office shall be
23 supported by a written Determination placed in the applicable procurement file.
- 24 (j) A bid shall be opened publicly in the presence of one or more witnesses at the time and
25 place designated in the RFB. The amount of each bid, and each bid item (if appropriate),
26 and other relevant information, together with the name of each Bidder, shall be recorded
27 in the procurement file and each bid shall be open to public inspection. In the event that
28 all bids are submitted electronically, no public bid opening is required, in which case the
29 amount of each bid, each bid item, and other relevant information as may be specified by
30 the bid requirements, together with the name of each Bidder, shall be recorded and made
31 open to public inspection by the Central Purchasing Office;
- 32 (k) Bid award:
 - 33 (1) Following award, a record of the basis for the award and the names of all people
34 present at the bid opening shall be made part of the procurement file;
 - 35 (2) Written notice of the award shall be sent to all Bidders of record;
 - 36 (3) A Contract shall be awarded on the bid amount exclusive of any applicable state gross
37 receipts or local option tax. Contracts shall require the County to pay these applicable
38 taxes, including any increase that becomes effective after the Contract is executed.
39 The applicable gross receipts tax or local option tax shall be shown as a separate
40 amount on each billing or request for payment made under the Contract.

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(l) Identical low bids. When two or more identical low bids are received and all applicable preferences have been applied, the Central Purchasing Office may:

- (1) Award pursuant to the Multiple Source Award provisions of this Article;
- (2) Award to a business or Contractor who qualifies for any preferences pursuant to this Article if the identical low bids are submitted by a business or Contractor that does not qualify for any preferences;
- (3) Award by lottery to one of the identical low Bidders; or
- (4) Reject all bids and resolicit bids or proposals for the required Tangible Personal Property, Services, or Construction.

(m) Bid and performance bonds and other security.

- (1) Bid security, performance bonds or other security may be required for Contracts for items of Tangible Personal Property, Services, or Construction as deemed necessary to protect the County.
- (2) Any bonding requirements shall not be used as a substitute for a Determination of the Responsibility of a Bidder or Offeror.
- (3) When the RFB requires bid security, noncompliance by the Bidder requires that the bid be rejected.
- (4) If a Bidder is permitted to withdraw its bid before award, no action shall be taken against the Bidder or its surety.
- (5) As to performance and payment bonds for Construction Contracts, see the requirements of Section 13-4-18 NMSA 1978 and Division 2 of this Article.

Sec 2-364. REQUEST FOR QUALIFICATIONS

A Request for Qualifications may be issued requesting the submission of unpriced offers to be followed by a formal solicitation limited to those Bidders or Offerors whose offers have been qualified under the criteria set forth in the first solicitation.

Sec 2-365. COMPETITIVE SEALED PROPOSALS

(a) The Request for Proposals ("RFP") is used to initiate a competitive sealed proposal and competitive sealed qualifications-based proposal and may be used when procuring:

- (1) Professional Services;
- (2) Design and build projects;
- (3) Contracts for Construction and facility maintenance, Service and repairs;
- (4) Construction Manager at Risk Contracts;
- (5) Contracts for design and installation of measures the primary purpose of which is to conserve natural resources including guaranteed utility savings Contracts entered into pursuant to the Public Facility Energy Efficiency and Water Conservation Act [Chapter 6, Article 23 NMSA 1978]; or
- (6) Other items of Tangible Personal Property, Services or Construction when the use of competitive sealed bidding is either not practicable or advantageous to the County.

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(b) Competitive qualifications-based proposals shall be used for procurement of Professional Services of architects, engineers, landscape architects, Construction Managers and surveyors who submit proposals pursuant to the requirements of the Ordinance.

(c) Competitive sealed proposals, including competitive sealed qualifications-based proposals, shall include:

(1) The Specifications for the Tangible Personal Property, Services or Construction to be procured;

(2) All contractual terms and conditions applicable to the procurement;

(3) Instructions and information to Offerors, including the date, time, and place where proposals are to be received and reviewed;

(4) All evaluation factors, including the relative weight to be given to each factor, including price, when applicable;

(5) A statement that discussions may be conducted with Offerors who submit proposals, but that proposals may be accepted without such discussions;

(6) The form for disclosure of campaign contributions given by Prospective Contractors to Applicable Public Officials pursuant to the requirements of the Ordinance; and

(7) The requirements for complying with any applicable preference provisions as required under state statute and this Ordinance.

(d) In selecting qualified financial institutions, the Central Purchasing Office shall include socially responsible banking performance as a factor worth at least 15 percent of the total point value in determining the winning offer.

(e) A Request for Proposals may require that all or a portion of a Responsive proposal be submitted electronically.

(f) In the case of requests for competitive qualifications-based proposals, price shall be determined by formal negotiations related to scope of work.

(g) Offerors submitting proposals may be afforded an opportunity for discussion and revision of proposals. Revisions may be permitted after submissions of proposals and prior to award for the purpose of obtaining best and final offers. Negotiations may be conducted with Responsible Offerors who submit proposals found to be reasonably likely to be selected for award. This section shall not apply to architects, engineers, landscape architects and surveyors who submit proposals pursuant to the requirements of this Article.

(h) The contents of any proposal shall not be disclosed so as to be available to competing Offerors during the negotiation process and prior to award. Award in this context means the final required signature on the Contract(s) resulting from the procurement.

(i) The award shall be made to the Responsible Offeror or Offerors whose proposal is most advantageous to the County, taking into consideration the evaluation factors set forth in the Request for Proposals.

Sec 2-366. FORMAL COMPETITIVE SEALED BID AND PROPOSAL MATTERS

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- (a) A notice of any formal competitive solicitation (i.e. RFB, RFP) shall be published for not less than ten calendar days prior to the date set forth for the opening of bids or proposals. The notice shall be published at least once in a newspaper of general circulation in the County and may be posted on the County's website to notify interested parties of the project.
- (b) A copy of any formal competitive solicitation (RFB, RFP) shall be made available for public inspection at the Central Purchasing Office or by electronic posting on the internet.
- (c) The Central Purchasing Office shall send copies of the notice of formal competitive solicitations (RFB, RFP) to those businesses that have signified in writing an interest in submitting bids or proposals for particular categories of items of Tangible Personal Property, Services or Construction and that have paid any fees, if required. The Central Purchasing Office may satisfy the requirement of sending copies of a notice of bids or proposals by distributing the documents to prospective Bidders through electronic media.
- (d) A Request for Bids, a Request for Proposals or any other solicitation may be canceled or any or all bids or proposals may be rejected in whole or in part when it is in the best interest of the County. If no bids are received or if all bids received are rejected and if the Request for Bid was for Tangible Personal Property, Services or Construction, then new Request for Bids may be issued. If upon rebidding the Tangible Personal Property, Services or Construction, the bids received are unacceptable, or if no bids are secured, the Central Purchasing Office may purchase the Tangible Personal Property, Services or Construction in the open market at the Best Obtainable Price.
- (e) Minor Technical Irregularities: The Central Purchasing Office may waive technical irregularities in bids or proposals that do not alter the price, quality or quantity of the items of Tangible Personal Property, Services or Construction. Technical irregularities are matters of form, rather than substance, which are evident from the bid or proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Bidders or Offerors; i.e. when there is no effect on the price, quantity, quality, delivery or material Contract conditions. The Chief Procurement Officer or designee may waive such irregularities, or allow the low Bidder(s) or Offeror(s) to correct them, if either action is in the best interest of the County. Examples include, but are not limited to, the failure of a low Bidder(s) or Offeror(s) to: (i) Return the number of signed bids or proposals required by the solicitation; (ii) Sign the bid or proposal, but only if the unsigned bid or proposal is accompanied by other material indicating the low Bidder's or Offeror's intent to be bound; (iii) or acknowledge receipt of an addendum to the RFB or RFP, but only if it is clear from the bid or proposal that the low Bidder(s) or Offeror(s) received the addendum and intended to be bound by its terms or the addendum involved had no effect on price, quality or quantity.
- (f) Standards of Responsibility for Bidders or Offerors: Factors to be considered in determining whether the standard of Responsibility has been met include whether a Bidder or Offeror has:
- (1) submitted a Responsive bid or offer;
 - (2) ability, capacity, availability and skill to perform the Contract;
 - (3) adequate financial resources, production or service facilities, personnel, service

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reputation and experience to make satisfactory delivery of the Tangible Personal Property, Services or Construction described in the RFB or RFP;

(4) a satisfactory record of previous performance on similar work;

(5) a satisfactory record of integrity, character, customer service, reputation and judgment;

(6) previous and existing compliance with laws;

(7) met the requirements of the Unfair Business Practices provisions of this Article;

(8) qualified legally to Contract with the County; and

(9) supplied all necessary information and data in connection with any inquiry concerning Responsibility.

(g) Finding of Responsibility: If a Bidder or Offeror who otherwise would have been awarded a Contract is found not to be a Responsible Bidder or Offeror, a Determination that the Bidder or Offeror is not a Responsible Bidder or Offeror, setting forth the basis of the finding, shall be prepared by the Chief Procurement Officer or designee. The unreasonable failure of a Bidder or Offeror to promptly supply information in connection with an inquiry with respect to Responsibility is grounds for a Determination that the Bidder or Offeror is not a Responsible Bidder or Offeror.

(h) Prequalification: A business may be prequalified by the Central Purchasing Office as a Bidder or Offeror for particular types of Tangible Personal Property, Services or Construction.

Sec 2-367. PROCUREMENT PREFERENCES

(a) For the purposes of this section:

(1) Business means a commercial enterprise carried on for the purpose of selling Tangible Personal Property or Services, including growing, producing, processing or distributing agricultural products.

(2) Formal Solicitation means a competitive bid process or competitive proposal process, including a competitive qualifications-based proposal process.

(3) Local Business means a business that holds a valid Resident Business/Contractor certificate from the New Mexico Taxation and Revenue Department pursuant to 13-1-22, NMSA 1978 and maintains its principal office and place of business in Bernalillo County, which is staffed and open to the public on a regular basis, subject to verification by the County.

(4) Pay Equity Business means any business that maintains a deviation of 7% or less between the salaries paid to men and salaries paid to women for comparable positions, as reported in the Pay Equity Reporting form that has been submitted by each Bidder and/or Offeror as prescribed under this Article. For purposes of this definition, comparable positions are those listed in the Job Classification Guide 2010 (as may be updated and amended from time to time) published by the federal Equal Employment Opportunity Commission.

(5) Recycled Content Goods means supplies and materials composed of 25% or more

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recycled materials; provided that the recycled materials content meets or exceeds the minimum content standards required by bid Specifications.

(6) Small Business shall mean a Local Business which employs an average of fewer than fifty (50) full-time employees in a calendar year, which number shall be verified by submittal of an affidavit from a Certified Public Accountant.

(7) State Resident Business/Contractor means a business that has a valid Resident business certificate or a valid Resident Contractor business certificate issued by the New Mexico Taxation and Revenue Department pursuant to 13-1-22, NMSA 1978.

(8) State Veteran Resident Business /Contractor means a Resident Veteran Business that has a valid Veteran Resident Business certificate or a valid Resident Veteran Contractor certificate issued by the New Mexico Taxation and Revenue Department pursuant to 13-1-22, NMSA 1978.

(b) Application of State and County Preferences

(1) When making a purchase through a formal solicitation process of Tangible Personal Property, Services or Construction, and prior to making a recommendation of award, the Central Purchasing Office shall apply the applicable preferences and related percentages as provided below. Preferences under the New Mexico State Procurement Code Section 13-1-21, NMSA 1978 shall be applied before any County preferences created under this Ordinance. The total amount of all preferences is limited as provided herein.

(2) State Preferences

a. The State Resident Business preference of 5% shall be applied to a qualified bid or proposal submitted in response to a Request for Bids or Request for Proposals for the purchase of Tangible Personal Property or Services in accordance with state law.

b. The State Resident Contractor preference of 5% shall be applied to a qualified bid or proposal submitted in response to a competitive solicitation for the purchase of Construction in accordance with state law.

c. The State Veteran Business preference of 10% shall be applied to a qualified bid or proposal for the purchase of Tangible Personal Property, Services and Construction submitted in response to a competitive solicitation by a state certified Veteran's business in accordance with state law.

d. The State Veteran Contractor preference of 10% shall be applied to a qualified bid or proposal for the purchase of Tangible Personal Property, Services and Construction submitted in response to a competitive solicitation by a state certified Veteran's business in accordance with state law.

e. The Recycled Content Goods preference of 5% shall be applied to a qualified bid or proposal from any Business in accordance with state law, except a Resident Veteran Business.

f. The Recycled Content Goods preference of 10% shall be applied to a qualified bid or proposal from a Resident Veteran Business with annual gross revenues

of up to \$3,000,000 in the preceding tax year in accordance with state law.

- g. The Central Purchasing Office shall not apply a business both a State Resident Business/Contractor preference and a State Resident Veteran Business/Veteran Contractor preference in accordance with state law.

(3) County Preferences

- a. A Local Business preference of 5% shall be applied to a qualified bid or proposal submitted in response to a competitive solicitation for the purchase of Tangible Personal Property, Services and Construction by a local business, as defined herein.
- b. A Small Business preference of 5% shall be applied to a qualified bid or proposal, submitted in response to a competitive solicitation for the purchase of Tangible Personal Property, Services and Construction by a Small Business as defined herein.
- c. A Pay Equity preference of 5% shall be applied to a qualified bid or proposal, submitted in response to a competitive solicitation that at the time of submittal holds a valid Pay Equity Business Certificate issued by the County or any political subdivision of the State of New Mexico.

(4) Order of Application of Preferences

- a. When the Central Purchasing Office makes a purchase using a formal bid process, the County shall deem any bid subject to any of the preferences listed in this Ordinance to be lower by the specified percentage listed in the specific preference than the bid actually submitted; and
- b. When the Central Purchasing Office makes a purchase using a formal Request for Proposals process based on either a point-based system and / or weight factors, the Central Purchasing Office shall apply an additional percentage of the total possible points or the total weight of all the factors used in evaluating the proposals in the amounts specified in this Ordinance.

(5) Eligibility for Preferences

- a. To qualify for the state's Resident Business and / or Resident Contractor preference, the Bidder or Offeror must submit with its bid or proposal its Resident Business and / or Resident Contractor Certificate issued by the State of New Mexico with its submittal.
- b. To qualify for the state's Resident Veteran's preference, the Bidder or Offeror must submit with its bid or proposal the certificate of its Resident Veteran's Business and / or Resident Veteran's Contractor preference issued by the State of New Mexico.
- c. If necessary, the Central Purchasing Office may seek additional information or proof to verify a local business eligibility for a local preference.
- d. Only the Bidder or Offeror submitting a bid or proposal and not a subcontractor, may qualify for a preference.

e. Pay Equity Reporting Form and Pay Equity Preference:

i) Reporting Form: All competitive sealed bids and competitive sealed proposals may include a completed Bernalillo County Pay Equity Reporting Form to determine the deviation between salaries for men and women and to encourage compliance with the New Mexico State Fair Pay for Women Act. The Central Purchasing Office shall require that bids and proposals include the Form for the Bidder to be eligible for this preference. The Central Purchasing Office may allow for a revised Pay Equity Reporting Form to be submitted by the respondent should, in their sole opinion, the originally submitted form require a technical change;

ii) Certification: The County Manager or designee shall provide a Pay Equity Business Certificate to businesses that meet, to his/her satisfaction, the requirements contained herein. Certificates shall only be valid for the duration set forth on their face as allowed under the statute, Ordinance or regulation of the State of New Mexico or political subdivision that issued said certificate;

iii) The pay equity preference described herein shall not become available until the County Manager or designee establishes its own pay equity preference certification program or enters into an agreement with the State of New Mexico or one of its political subdivisions that allows the Central Purchasing Office to use its pay equity certification program.

(6) Limitation (percentage): The total amount of all preferences applied under this section including the applicable State preference, for the purchase of Tangible Personal Property, Services or Construction in any single award shall not exceed 15%, with the limit on State preferences as set forth under the New Mexico State Procurement Code.

(7) County Preference Limitation (dollar amount): When applying the County preferences as set forth in this section, the total dollar amount of County preferences shall never exceed \$150,000.00.

(8) Protests: The procedures provided in the Ordinance governing protests and judicial review apply to a protest concerning the awarding of a Contract in violation of this section.

(9) This section shall not apply when the expenditure includes federal funds for the specific purchase is involved, or when the expenditure of grant funds includes a condition of which prohibits a local preference.

Sec 2-368. SMALL PURCHASES

(a) The Central Purchasing Office shall procure items of Tangible Personal Property, Services or Construction having a value not exceeding \$100,000, excluding applicable state and local gross receipts taxes, in accordance with the applicable small purchase rules adopted by the Central Purchasing Office.

(1) Insofar as it is practical for small purchases of non-Professional Services, Construction or items of Tangible Personal Property having a value exceeding

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\$20,000 but not exceeding \$100,000, no fewer than three businesses shall be solicited via written requests containing the Specifications for the procurement; written Quotes shall be recorded and placed in the procurement file.

(2) If three written Quotes cannot be obtained, the User shall document the reasons and include the document in the procurement file. Award shall be made to the business offering the lowest acceptable Quote.

(3) If the lowest Quote is not acceptable, the Central Purchasing Office must issue a written Determination as to the reasons for such a decision. These reasons must not be arbitrary or capricious and the written Determination shall become a part of the procurement file.

(b) Notwithstanding the requirements of this section, the County may procure items of Tangible Personal Property, Services or Construction having a value not exceeding \$20,000, excluding applicable state and local gross receipts taxes, based upon the Best Obtainable Price.

(c) Notwithstanding the requirements of this section, the Central Purchasing Office may procure Professional Services having a value not exceeding \$80,000, excluding applicable state and local gross receipts taxes based upon the Best Obtainable Price.

(d) Contracting with firms or individuals to provide professional Architectural, Engineering, Construction Management and other related Professional Services, including Landscape Architectural or Surveying Services, shall be accomplished in accordance with the provisions of the applicable sections of this Article. The Central Purchasing Office shall negotiate a Contract for the required Services at a fair and reasonable price to the County.

(e) Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section.

Sec 2-369. SOLE SOURCE PROCUREMENT

(a) A Contract for Tangible Personal Property, Services or Construction may be awarded without competitive sealed bids or competitive sealed proposals, regardless of the estimated cost, when the Chief Procurement Officer or designee makes a written Determination, after conducting a good-faith review of available sources and consulting the User Department, that:

(1) There is only one source for the required Tangible Personal Property, Services or Construction;

(2) The Tangible Personal Property, Services or Construction are unique and this uniqueness is substantially related to the intended purpose of the Contract; and

(3) Other similar Tangible Personal Property, Services or Construction cannot meet the intended purpose of the Contract.

(b) The Central Purchasing Office shall use due diligence in determining the basis for the Sole Source procurement, including reviewing available sources and consulting the User, and shall include its written Determination in the procurement file.

(c) The Central Purchasing Office shall conduct negotiations, as appropriate, as to price, delivery and quantity in order to obtain the price most advantageous to the County.

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- (d) The Central Purchasing Office shall not circumvent this section by narrowly drafting Specifications so that only one predetermined source would satisfy those Specifications.
- (e) At least fifteen calendar days before a Sole Source Contract is awarded, the Central Purchasing Office shall post notice of the intent to award a Sole Source Contract on its web site. The notice shall identify at a minimum:
- (1) The Contractor's name and address;
 - (2) The estimated amount and term of the Contract;
 - (3) A listing of the Tangible Personal Property, Services or Construction procured under the Contract; and
 - (4) The justification for the procurement method.
- (f) The record of each such procurement shall be Public Record and shall be maintained as required by applicable New Mexico statutes and regulations regarding records retention.
- (g) Any qualified potential Contractor who was not awarded a Sole Source Contract may protest to the Central Purchasing Office. The protest shall be submitted in writing within fifteen calendar days of the notice of intent to award a Contract being posted by the Central Purchasing Office.

Sec 2-370. EMERGENCY PROCUREMENT

- (a) The Central Purchasing Office may make emergency procurements when there exists a threat to public health, welfare, safety or property requiring procurement under emergency conditions; provided that emergency procurements shall be made with competition as is practicable under the circumstances.
- (b) An emergency condition is a situation that creates a threat to public health, welfare or safety such as may arise by reason of floods, fires, epidemics, riots, acts of terrorism, equipment failures or similar events and includes the planning and preparing for an emergency response. The existence of the emergency condition creates an immediate and serious need for items of Tangible Personal Property, Services or Construction that cannot be met through normal procurement methods and the lack of which would seriously threaten:
- (1) The functioning of government;
 - (2) The preservation or protection of property; or
 - (3) The health or safety of any Person.
- (c) Emergency procurements shall not include the purchase or lease purchase of heavy road equipment.
- (d) The Central Purchasing Office shall use due diligence in determining the basis for the emergency procurement and for the selection of the particular Contractor. The Determination shall be in writing and included in the procurement file.
- (e) Within three business days of awarding an emergency procurement Contract, the Central Purchasing Office shall post on its web site the notice, identifying, at a minimum:
- (1) The Contractor's name and address;

(2) The amount and term of the Contract;

(3) A listing of the Tangible Personal Property, Services or Construction procured under the Contract; and

(4) The justification for the procurement method.

(f) The record of each such procurement shall be Public Record and shall be maintained as required by applicable New Mexico statutes and regulations regarding records retention.

**Sec 2-371. EXISTING GOVERNMENT CONTRACTS AND COOPERATIVE
PROCUREMENT (AS A MEANS OF SOURCE SELECTION)**

(a) Existing Government Contracts: Notwithstanding the other requirements of the Ordinance, the Central Purchasing Office may Contract for Tangible Personal Property, Services or Construction without use of competitive sealed bids or competitive sealed proposals as follows:

(1) at a price equal to or less than the Contractor's current federal supply Contract price (GSA), providing the Contractor has indicated in writing a willingness to extend such Contractor pricing terms and conditions to the County and the Purchase Order adequately identifies the Contract relied upon;

(2) with a business which has a current exclusive or nonexclusive Price Agreement with the state purchasing agent or a Central Purchasing Office for the item, Services or Construction meeting the same standards and Specifications as the items to be procured if the following conditions are met:

a. the quantity purchased does not exceed the quantity which may be purchased under the applicable Price Agreement; and

b. the Purchase Order adequately identifies the Price Agreement relied upon;

(3) at a current Contract price obtained by any other public agency, Local Public Body, External Procurement Unit or cooperative purchasing agency using competitive solicitation processes publicized in accordance with the requirements of the procurement laws and regulations applicable to that agency.

(b) Cooperative Procurement:

(1) The County may participate in, sponsor or administer a Cooperative Procurement agreement for the procurement of any items of Tangible Personal Property, Services or Construction with any other state agency, Local Public Body or External Procurement Unit in accordance with an agreement entered into and approved by the governing authority of each of the state agencies, Local Public Bodies or External Procurement Units involved.

(2) The Cooperative Procurement agreement shall clearly specify the purpose of the agreement and the method by which the purpose will be accomplished. Any power exercised under a Cooperative Procurement agreement entered into pursuant to this subsection shall be limited to the central purchasing authority common to the contracting parties, even though one or more of the contracting parties may be located outside this state.

(3) All Cooperative Procurement agreements, where the County acts as lead agency, shall be available for public viewing on the County's website. The records for all other Cooperative Procurement agreements shall be Public Records and shall be maintained and available for inspection as required by applicable New Mexico statutes and regulations.

(c) The Central Purchasing Office shall retain a copy of each Contract relied upon; these Contracts may be required for auditing purposes and for public review.

Sec 2-372. INSURANCE RELATED PURCHASES

(a) Insurance coverage for the County, other than Employee health care and other voluntary Employee benefits, may be remarketed by a controlled bidding process through a broker under the direction of the County's Risk Management Department.

(b) Employee health care insurance and other voluntary Employee benefits shall be obtained in accordance with the procurement methods described in this Article.

(c) The selection of the County's broker responsible for the negotiation of insurance coverages for the County will be obtained in accordance with the procurement methods described in this Article.

Sec 2-373. ANTIPOVERTY PROGRAM BUSINESS PURCHASES

(a) Without regard to the bid requirements of this Article, the Central Purchasing Office may negotiate a Contract for materials grown, processed or manufactured in this state by Small Businesses, cooperatives, community self-determination corporations or other such enterprises designed and operated to alleviate poverty conditions and aided by state or federal antipoverty programs or through private philanthropy.

(b) Prior to negotiating a Contract under this section, a Central Purchasing Office shall make a Determination of the reasonableness of the price and the quality of the materials and that the public interest will best be served by the procurement.

Sec 2-374. ASSISTANCE TO SMALL BUSINESS

(a) The Central Purchasing Office shall develop training programs to assist small businesses in learning how to do business with the County.

(b) The Central Purchasing Office may make special provisions for progress payments as such office or officer may deem reasonably necessary to encourage procurement from small businesses in accordance with procedural rules promulgated by the Central Purchasing Office.

(c) The Chief Procurement Officer may reduce the bid bond, performance bond or payment bond to encourage procurement from small businesses, except as otherwise provided by law.

Sec 2-375. PUBLIC ACQUISITION OF AMERICAN MADE MOTOR VEHICLES REQUIRED

(a) The County shall only acquire motor vehicles assembled in North America except for gas-electric hybrid vehicles until these vehicles are assembled in North America;

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provided that this section shall not apply to motor vehicles used for law enforcement purposes. For the purposes of this section, "motor vehicle" means a light-duty vehicle under eight thousand five hundred pounds.

Sec 2-376. UNFAIR BUSINESS PRACTICES

(a) For the purposes of this Section, "Unfair Business Practices" shall mean a system or pattern of acts or practices that a relevant federal or state enforcement agency has made a formal finding within the last three years to be discriminatory, deceptive, fraudulent, or abusive (or similar terms) under the New Mexico Unfair Practices Act, NMSA 1978, § 57-12-1 et seq, or an applicable federal or other state consumer protection law relating to the subject matter of the procurement) or that have violated a relevant criminal statute, as evidenced by a public enforcement order or judgment, settlement with the enforcement agency or other formal finding by the relevant enforcement agency with regulatory enforcement authority under the applicable consumer protection law, or criminal conviction.

(b) The County finds that it is a priority to protect its interests and the public's trust by conducting its business with partners that are committed to and consistently demonstrate engaging in fair and responsible business practices. The general purpose and intent of this Section are to ensure to the maximum extent practicable that the County's contracting practices support conducting its business with partners who are committed to and consistently demonstrate engaging in fair and responsible business practices and avoid conducting its business with partners that engage in criminal or systematic deceptive, fraudulent or abusive business practices.

(c) Requirements:

(1) All RFBs and RFPs will include an Unfair Business Practices Disclosure Form for the reporting of all relevant violations that shall be submitted together with the bid or proposal;

(2) Any Person or entity who has reported, or failed to report, relevant violations constituting Unfair Business Practices as set forth in this Article may be subject to rejection of bid or proposal based on finding of non-Responsibility;

(3) All Contractors shall report to the Central Purchasing Office all additional Unfair Business Practices violations during the term of their agreement(s) with the County;

(4) Any Person or entity that is awarded a Contract with the County who has been found to engage in Unfair Business Practices as set forth in this Article may be subject to Contract termination.

(d) The County Manager or designee may waive the requirements of this section when it is in the best interests of the County.

Sec 2-377. PROCUREMENT OF BANKING SERVICES

(a) Socially Responsible Banking

(1) The Chief Procurement Officer, in conjunction with the Deputy County Manager for Finance, in selecting qualified depositories for County moneys, shall have the power

and duty to:

- a. Require that prospective Offerors provide the County with data on their socially responsible banking practices;
- b. Utilize socially responsible banking performance as a factor in determining the successful proposal;
- c. Accept proposals for depository services only from financial institutions that have received a rating of "Outstanding" in their most recent Community Reinvestment Act review by the Office of the U.S. Comptroller of the Currency, U.S. Federal Reserve Bank or the Federal Deposit Insurance Corporation. The Chief Procurement Officer may waive this requirement, with written notice to the County Commission, in the event that no qualified Offerors apply, the federal program is no longer applicable, or to satisfy a compelling County need;
- d. Include in Contracts for depository services a statement of work that provides a framework for socially responsible banking;
- e. Establish relevant reporting criteria and timeframes to validate the statement of work.

(2) Socially responsible banking proposal criteria shall include, but are not limited to, community involvement and reinvestment; meeting community banking needs; supporting small business lending and community development; providing for home ownership and consumer credit; assisting distressed homeowners; and allowing for products and services that are advantageous for the County and its Residents.

(b) Statement of Work:

- (1) The statement of work for socially responsible banking tasks shall include, but is not limited to, the following:
 - a. Community Involvement and Reinvestment
 - i) The bank will report to the County on its efforts to invest in low- and moderate- income areas and minority census tracts.
 - ii) The bank, through its community investment program or other similar program, will collaborate and support annually at least one designated non-profit organization focused on providing financial services, education and asset building for low-income people in the County.
 - iii) The bank, through its community investment program or other similar program, will collaborate with and support annually at least one organization that provides free tax preparation Services in the County that target lower-income workers to help them take advantage of the Earned Income Tax Credit and other tax credits.
 - iv) The bank will report on its community development activities (such as investments, lending, and Services) to demonstrate the bank's response to the credit, financial and banking needs of low- to moderate- income individuals in the County and surrounding areas.

v) The bank will provide the County with reasonable notice of branch closures and openings within the County, including the reasons for any closures.

b. Community Banking Needs

i) The bank will continue to support and participate in programs that strive to reach traditionally underserved populations as described in the Community Reinvestment Act. These programs may include unbanked, under banked, and low-income populations. The bank will provide free or low-cost services and products and increase access to these underserved populations.

ii) The bank will make its best effort to offer consumers prepaid debit cards with the primary features and criteria outlined in the Cities for Financial Empowerment (CFE) Coalition's Bank on National Account Standards.

iii) The bank will provide easy-to-understand fee schedules and make a reasonable effort to offer fair, responsible, and affordable small-dollar loans.

c. Small Business Lending and Community Development. The bank will provide a single point of contact for business lending and partnership, and will participate as agreed in small business trade fairs, outreach or educational opportunities.

d. Home Ownership and Consumer Credit

i) The bank will provide a single point of contact in its loan servicing group for the County Manager or designee.

ii) The bank will participate in outreach and educational opportunities aimed at salvaging distressed home mortgages, will collaborate with HUD-certified housing counseling services, and will inform customers who do not qualify for home loans or other products about local non-profit credit and debt counseling services.

(2) The Chief Procurement Officer, in conjunction with the Deputy County Manager for Finance, may propose exceptions to this statement of work, subject to Board approval by resolution, in future Contract cycles.

(c) Reporting:

(1) Any banking Contract must include a requirement that the bank provide the following reporting:

a. Residential lending information - The bank will provide the total number and the total dollar amount of Residential loans for one- to four-family dwellings applied for and originated during the previous calendar year in each of the following listed categories. The data shall be provided for the entire County by zip code. For home loans, fixed-rate loans shall be reported separately from adjustable-rate loans.

i) Home purchase loans, both federally insured and conventional loans;

ii) Refinancing of home loans;

- 1 iii) Home improvement loans;
- 2 iv) Home equity loans;
- 3 v) Multi-family loans;
- 4 vi) Loans to non-occupant owners of single-family housing;
- 5 vii) Modifications of distressed loans and the type of modification, including
- 6 interest rate reductions, forbearance, principal reduction, or repayment plans
- 7 in which the outstanding loan amount increases, and an indication of whether
- 8 the modification was executed under the federal Home Affordable
- 9 Modification Program (HAMP), another federal program or the institution's
- 10 own modification program;
- 11 viii) Short sales, deeds in lieu, and other mechanisms besides loan
- 12 modifications that avoid foreclosure;
- 13 ix) Defaults and delinquencies on home loans.

14 b. Small business lending information - The bank will provide the total number
15 and the total dollar amount of small business loans originated during the
16 previous calendar year for the entire County by zip code, and for minority-
17 and women-owned business enterprises in the entire County. Loans to small
18 businesses with annual revenues above \$1 million dollars shall be reported
19 separately from loans to small businesses with annual revenues under \$1
20 million. The bank may use data reporting procedures mandated by the federal
21 Community Reinvestment Act for reporting small business loans.

22 c. Community development loans and investments - The bank will provide the
23 number and dollar amount of community development loans and investments
24 including loans and investments for affordable housing, small business
25 development, economic development and community facilities for the entire
26 County by zip code or neighborhood. The bank may use definitions of
27 community development found in federal Community Reinvestment Act
28 regulations. For each loan and investment, the bank will indicate if the loan or
29 investment was for affordable housing, small business development, economic
30 development, community facilities and other such categories requested by the
31 Director.

32 d. Consumer loan data - The number and dollar amount of consumer loans for the
33 entire County by zip code. Price information shall be reported in a manner
34 similar to Home Mortgage Disclosure Act (HMDA) data.

35 e. Checking, savings and loan products - Information on selected checking,
36 savings, prepaid card, small dollar loan and other products marketed to
37 County Residents, including information on fees, interest and features.

38 f. Other - Narrative descriptions will be required to describe efforts to meet all
39 other items set forth in the statement of work.

40 (2) The Chief Procurement Officer, in conjunction with the Deputy County Manager for
41 Finance, may propose exceptions to these reporting elements, subject to Board

approval by resolution, in future Contract cycles.

Sec 2-378. CONTRACTS

(a) Contract Approval: The County Manager or designee shall have the authority to approve all Contracts for the County; Contracts in excess of any amounts adopted by resolution of the Board shall be approved by the Board in accordance with the requirement of the applicable resolution.

(b) Contract Classifications: The Chief Procurement Officer shall determine the use of standard and specialized Contracts including but not limited to Definite Quantity Contracts, Indefinite Quantity Contracts and Price Agreements (including Cost-Plus-Percentage-of-Cost Contracts), as required acting in the best interest of the County; provided that the County shall not enter into any Contract for Construction which is a Cost-Plus-Percentage-of-Cost Contracts, unless the Contract meets the requirements in this Article for an Emergency purchase or is determined by the Chief Procurement Officer to be in the best interest of the County. A cost-reimbursement Contract may be used when such Contract is likely to be less costly or it is impracticable to otherwise obtain the items of Tangible Personal Property, Services or Construction required.

(c) Contract Clauses: All County Contracts shall include provisions necessary to define the responsibilities and rights of the parties to the Contract. The Chief Procurement Officer shall include uniform clauses that protect the best interest of the County, including but not limited to the following subjects:

(1) Unilateral right of the County to order in writing:

a. Changes in the work within the scope of the Contract; and

b. Temporary stoppage of the work or the delay of performance;

(2) Variations occurring between estimated quantities of work in a Contract and actual quantities;

(3) Liquidated damages;

(4) Permissible excuses for delay or nonperformance;

(5) Termination of the Contract for default;

(6) Termination of the Contract in whole or in part for the convenience of the County;

(7) Assignment clauses providing for the assignment by the Contractor to the County of causes of action for violation of state or federal antitrust statutes;

(8) Identification of subcontractors by Bidders; and

(9) Uniform subcontract clauses in Contracts.

(10) Insurance provisions (if applicable)

(d) The County shall include a clause in Contracts imposing late payment charges against the County in the amount and under the conditions stated in in this Article.

(e) Price Adjustments: Adjustments in price shall be computed in one or more of the following ways as specified in the Contract:

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- (1) In such other manner as the Contracting parties may mutually agree; or
 - (2) In the absence of agreement by the parties, by a unilateral Determination reasonably computed by the County of the costs attributable to the events or conditions.
- (f) Multi-year Contracts
- (1) Prerequisites. Prior to the use of a multi-year Contract, the Central Purchasing Office shall determine that:
 - a. The estimated requirements cover the period of the Contract and are reasonably firm and continuing; and
 - b. The Contract will serve the best interests of the County.
 - (2) A multi-year Contract for items of Tangible Personal Property, Services or Construction except for Professional Services may be entered into for any period of time deemed to be in the best interests of County not to exceed ten years.
 - (3) A multi-year Contract for Professional Services may be entered into for any period of time not to exceed six years, including all extensions, except for the following:
 - a. Contracts for the Services of trustees, escrow agents, registrar, paying agents, letter of credit issuers and other forms of credit enhancement; and other similar Services, excluding bond attorneys, underwriters and financial advisors with regard to the issuance, sale and delivery of public securities, may be for the life of the securities or as long as the securities remain outstanding;
 - b. Contracts for Services relating to measurement and verification of conservation-related cost savings and utility cost savings pursuant to the Public Facility Energy Efficiency and Water Conservation Act; and
 - (4) For Construction, Architectural, and Engineering Services provided for specific projects already in progress, the Chief Procurement Officer, by written Determination, may approve an extension beyond a multi-year term set forth in this Section.
 - (5) Availability of funds: Payment and Contractor performance obligations for succeeding fiscal periods are subject to the availability and appropriation of funds.
 - (6) Cancellation: If funds are not appropriated or otherwise made available to support continuation of the multi-year Contract, the Contract shall be cancelled.
- (g) Multiple Source Award: A Multiple Source Award may be made pursuant to the competitive sealed bid or competitive sealed proposal requirements of this Article when awards to two or more Bidders or Offerors are necessary for adequate delivery or service. Multiple source awards shall not be made when a single award will meet the needs of the County without sacrifice of economy or service. A Multiple Source Award shall be based upon the lowest Responsible bid as identified by Competitive Sealed Bids or most highly qualified as identified by Competitive Sealed Proposals.

Sec 2-379. PROCUREMENT OF USED ITEMS

- (a) When procuring used items of Tangible Personal Property, the estimated cost of which

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exceeds \$20,000, shall request Quotes as though the items were new, adding Specifications that permit used items under conditions which may include but are not limited to:

- (1) Requiring a written warranty for at least 90 days after date of delivery; and
 - (2) An independent "certificate of working order" by a qualified mechanic or appraiser.
- (b) All purchases of used items under \$20,000 shall be made at the Best Obtainable Price.
- (c) The price paid for used items, including all fees and applicable surcharges, shall not exceed the current value established by:
- (1) The current book value established by any well-recognized market-value guide or publication, where such information is available;
 - (2) Where such information is not available, price shall not exceed the value as established (a) by appraisal, or (b) by the price of comparable goods;
 - (3) The provisions of this section shall apply to the purchase of used items by auction, through private sale, or through public sale.

Sec 2-380. TRADE IN OR EXCHANGE OF USED ITEMS

- (a) The Central Purchasing Office, when trading in or exchanging used items of Tangible Personal Property the estimated value of which exceeds five thousand dollars (\$5,000) as part-payment on the procurement of new items of Tangible Personal Property, shall:
- (1) have two written Quotes for purchase of the property at a specified price; or
 - (2) have an independent appraisal made of the items to be traded in or exchanged, which shall be in writing, shall be made part of the procurement file and shall be a Public Record.
 - (3) contain notice in applicable Request for Bids or Request for Proposals to prospective Bidders or Offerors which includes the description and Specifications of the items to be traded in or exchanged, the appraised value of the items to be traded in or exchanged, and the location where the items to be traded in or exchanged may be inspected.
- (b) Award shall be based upon the net bid. Bidders or Offerors shall compute their net bid or offer by deducting the appraised value or highest Quote of the items to be traded in or exchanged from the gross bid or offer on the new items of Tangible Personal Property to be procured. If an amount offered in trade is less than the appraised value or the highest Quote but is found to be a fair reflection of the current market, representative of the condition of the items of Tangible Personal Property and in the best interest of the County, the bid or offer may be accepted. Documentation of the terms of acceptance shall be in writing, shall be made a part of the procurement file and shall be a Public Record.

Sec 2-381. RECEIPT, INSPECTION, AND PAYMENT

- (a) The User Department is responsible for inspecting and accepting or rejecting deliveries. The User Department shall determine whether the quantity is as specified in the Purchase Order or Contract and whether the quality conforms to the Specifications referred to or included in the Purchase Order or Contract. If inspection reveals that the delivery does

not conform to the quantity or quality specified in the Purchase Order or Contract, the User Department shall immediately notify the Central Purchasing Office. The User Department shall notify the vendor that the delivery has been rejected and shall order the vendor to promptly make a satisfactory replacement or supplementary delivery. In case the vendor fails to comply, the County shall have no obligation to pay for the nonconforming items of Tangible Personal Property.

(b) The County shall not issue payment without certification from the User Department stating that products, equipment or Services have been received or completed as specified.

(c) Prepayment shall be allowed when approved by the Chief Procurement Officer, or his/her designee.

(d) In the event of disputed invoices, unless otherwise agreed upon by the parties or unless otherwise specified in the RFB, RFP, or other solicitation, within twenty days from the date the invoice is received by the County, the Central Purchasing Office or User Department shall issue a written notification of full or partial rejection of the items of Tangible Personal Property, Services or Construction.

(e) Except as otherwise provided herein, upon approval by the Central Purchasing Office or User Department that the items of Tangible Personal Property, Services or Construction have been received and accepted, payment shall be tendered to the Contractor within thirty days of the date the invoice is received by the County. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date the invoice is received by the County, late payment charges shall be paid on the unpaid balance due on the Contract to the Contractor at the rate of one percent per month. For purchases funded by state or federal grants to the County, if the County has not received the funds from the federal or state funding agency, payments shall be tendered to the Contractor within five working days of receipt of funds from that funding agency.

(f) Late payment charges that differ from the provisions of this section may be assessed if specifically provided for by Contract or pursuant to tariffs approved by the New Mexico public utility commission or the public regulation commission.

Sec 2-382. RIGHT TO INSPECT PLANT

A Contract or a solicitation may include a provision permitting the County, at reasonable times, to inspect the facility or place of business of a Contractor or any subcontractor that is related to the performance of any Contract awarded or to be awarded.

Sec 2-383. CONTRACT AUDIT

The County shall be entitled to audit the books and records of a Contractor or any subcontractor under any negotiated Contract or subcontract to the extent that such books and records relate to the performance of such Contract or subcontract. Such books and records shall be maintained by the Contractor for a period of three years from the date of final payment under the prime Contract and by the subcontractor for a period of three years from the date of final payment under the subcontract unless a shorter period is otherwise authorized in writing.

Sec 2-384. SPECIFICATIONS

- (a) All Specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the County's needs, and shall not be unduly restrictive. All Specifications shall be drafted so as to ensure maximum practicable competition and fulfill the requirements of the County. In preparing Specifications, if, in the opinion of the Central Purchasing Office, a proposed component is of a nature that would restrict the number of Responsible Bidders or Responsible Offerors and thereby limit competition, if practicable, the Central Purchasing Office shall draft the Specifications without the component and procure the component by issuing a separate Request for Bids or Request for Proposals or by entering into a Sole Source procurement.
- (b) A Brand-Name or Equal Specification may be used when the Central Purchasing Office determines that only the identified Brand-Name item will satisfy the needs of the County. Should the essential characteristics of the Brand-Names included in the Specifications be commonly known in the industry or trade, such a detailed description is not necessary. Where a Brand-Name or Equal Specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a Brand-Name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition. The Central Purchasing Office or the User Department shall seek to identify sources from which the designated Brand-Name items can be obtained and shall solicit such sources to achieve whatever degree of price competition is practicable.
- (c) The County shall not accept any bid or proposal from a Person who directly participated in the preparation of Specifications. This prohibition does not extend to vendors who have suggested changes to Specifications that were approved by the County during the course of a publicly-solicited, formal bid or proposal process.
- (d) The requirements of this section regarding the purposes and non-restrictiveness of Specifications shall also apply to all Specifications prepared other than by County personnel, including, but not limited to, those prepared by architects, engineers and designers.

Sec 2-385. PROTEST AND APPEALS

- (a) Any Bidder or Offeror who is aggrieved in connection with a solicitation or award of a Contract may protest to the Chief Procurement Officer. The protest shall be submitted in writing within fifteen calendar days after knowledge of the facts or occurrences giving rise to the protest.
- (b) In the event of a timely protest, the Central Purchasing Office shall not proceed further with the procurement unless it makes a Determination that the award of the Contract is necessary to protect substantial interests of the County. A procurement shall not be halted after a Contract has been awarded merely because a protest has been filed. After a Contract has been awarded, the Central Purchasing Office may, in its sole discretion, halt a procurement in exceptional circumstances or for good cause shown.
- (c) The Central Purchasing Office shall have the authority to take any action reasonably necessary to resolve a protest of an aggrieved Bidder or Offeror. This authority shall be exercised in accordance with this section but shall not include the authority to award

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money damages or attorneys' fees.

(d) The Central Purchasing Office shall promptly issue a Determination relating to the protest. The Determination shall:

(1) state the reasons for the action taken; and

(2) inform the protestant of the right to judicial review of the Determination pursuant to this Article.

(e) The written Determination shall immediately be sent via certified mail to the protestant and otherwise provided via standard mail or electronically to other Bidders or Offerors involved in the procurement.

(f) The Chief Procurement Officer shall promulgate procedural rules for the resolution of protests under this Article, provided that the County shall not have the authority to award money damages or attorneys' fees.

Sec 2-386. REMEDIES PRIOR TO EXECUTION OF CONTRACT

If prior to the execution of a valid, written Contract by all parties and necessary approval authorities, the Central Purchasing Office makes a Determination that a solicitation or proposed award of the proposed Contract is in violation of law, then the solicitation or proposed award shall be canceled.

Sec 2-387. RATIFICATION OR TERMINATION AFTER EXECUTION OF CONTRACT

(a) If after the execution of a valid, written Contract by all parties and necessary approval authorities, the Central Purchasing Office makes a Determination that a solicitation or award of the Contract was in violation of law and if the business awarded the Contract did not act fraudulently or in bad faith:

(1) the Contract may be ratified, affirmed, and revised to comply with law, provided that a Determination is made that doing so is in the best interests of the County; or

(2) the Contract may be terminated, and the Contractor shall be compensated for the actual expenses reasonably incurred under the Contract plus a reasonable profit prior to termination.

Sec 2-388. JUDICIAL REVIEW

All actions authorized by the Ordinance for judicial review of a Determination shall be filed pursuant to the provisions of Section 39-3-1.1 NMSA 1978.

Sec 2-389. VENDOR SUSPENSION AND DEBARMENT

(a) The Chief Procurement Officer, after reasonable notice to the business involved, shall have authority to recommend to the Board the Suspension or Debarment of a business for cause from consideration for award of Contracts if after reasonable investigation, he or she finds that a Person has engaged in conduct that constitutes cause for Debarment.

(b) The term of a Suspension pursuant to this section shall not exceed three months; however, if a Person, including a Bidder, Offeror or Contractor, has been charged with a criminal offense that would be a cause for Debarment, the Suspension shall remain in

effect until the criminal charge is resolved and the Person is debarred or the reason for Suspension no longer exists.

(c) The Chief Procurement Officer, after reasonable notice to the Person involved, shall have authority to recommend to the County Manager the Debarment of Person(s) for cause from consideration for award of Contracts. The Debarment shall not be for a period of more than three years. The authority to debar shall be exercised only upon reasonable notice and a hearing prior to Debarment.

(d) The causes for Debarment or Suspension occurring within three years of the date final action on a procurement is taken include but are not limited to the following:

(1) criminal conviction of a Bidder, Offeror or Contractor for commission of a criminal offense related to obtaining unlawfully or attempting to obtain a public or private Contract or subcontract, or related to the unlawful performance of such Contract or subcontract;

(2) civil judgment against a Bidder, Offeror or Contractor for a civil violation related to obtaining unlawfully or attempting to obtain a public or private Contract or subcontract, or related to the unlawful performance of such Contract or subcontract;

(3) conviction of a Bidder, Offeror or Contractor under state or federal statutes related to embezzlement, theft, forgery, bribery, fraud, falsification or destruction of records, making false statements or receiving stolen property or for violation of federal or state tax laws;

(4) conviction of a Bidder, Offeror or Contractor under state or federal antitrust statutes relating to the submission of offers;

(5) criminal conviction against a Bidder, Offeror or Contractor for any other offense related to honesty, integrity or business ethics;

(6) civil judgment or settlement with enforcement agency against a Bidder, Offeror or Contractor for a civil violation related to honesty, integrity or business ethics;

(7) civil judgment or settlement with enforcement agency against a Bidder, Offeror or Contractor pursuant to the New Mexico Unfair Trade Practices Act or other similar act from another state or the United States Government;

(8) violation by a Bidder, Offeror or Contractor of Contract provisions, as set forth in this paragraph, of a character that is reasonably regarded by the Chief Procurement Officer to be so serious as to justify Suspension or Debarment action, including:

a. willful failure to perform in accordance with one or more Contracts; or

b. a history of failure to perform or of unsatisfactory performance of one or more Contracts; provided that this failure or unsatisfactory performance has occurred within a reasonable time preceding the decision to impose Debarment; and provided further that failure to perform or unsatisfactory performance caused by acts beyond the control of the Contractor shall not be considered to be a basis for Debarment;

(9) any other cause that the Chief Procurement Officer determines to be so serious and compelling as to affect Responsibility as a Contractor; or

(10) for a willful violation by a Bidder, Offeror or Contractor of the provisions of this Ordinance.

(e) As used in this section, the terms "Bidder", "Offeror" and "Contractor" include principals, officers, directors, owners, partners and managers of the Bidder, Offeror or Contractor.

(f) The Chief Procurement Officer shall promulgate procedural rules to adjudicate all Debarments and Suspensions under this Section.

Sec 2-390. ETHICAL CONDUCT

(a) Bribes, Gratuities, and Kickbacks: All Contracts and solicitations thereof shall contain references to the New Mexico criminal statutes prohibiting bribes, Gratuities and kickbacks.

(b) Campaign Contribution Disclosure and Prohibition:

(1) Any Prospective Contractor shall disclose all campaign contributions given by the Contractor, Family Member or representative to any public official of the County during the two-years prior to the date on which a proposal is submitted or, in the case of a Sole Source or small purchase Contract for Professional Services, the two-years prior to the Contract date, if the aggregate total of contributions given by the Prospective Contractor or a Family Member or Representative of the Prospective Contractor to the public official exceeds two hundred fifty dollars (\$250) over the two-year period.

(2) The disclosure shall indicate the date, the amount, the nature and the purpose of the contribution. The disclosure statement shall be on a form developed and made available electronically by the County. The County shall indicate on the form the name or names of every Applicable Public Official, if any, for which disclosure is required by a Prospective Contractor for each competitive sealed proposal, sole source or small purchase Contract. The form shall be filed as part of the competitive sealed proposal, or in the case of a sole source or small purchase Contract, on the date on which the Contractor signs the Contract.

(3) A Prospective Contractor submitting a disclosure statement pursuant to this section who has not contributed to an Applicable Public Official, whose Family Members have not contributed to an Applicable Public Official or whose representatives have not contributed to an Applicable Public Official, shall make a statement that no contribution was made.

(4) A Prospective Contractor or a Family Member or Representative of the Prospective Contractor shall not give a campaign contribution or other thing of value to an Applicable Public Official or the Applicable Public Official's employees during the Pendency of the Procurement Process or during the pendency of negotiations for a sole source or small purchase Contract.

(5) A solicitation or proposed award for a proposed Contract may be canceled or a Contract that is executed may be ratified or terminated pursuant to this Article if:

a. a Prospective Contractor fails to submit a fully completed disclosure statement

pursuant to this section or violates any provision of the Bernalillo County Code of Conduct; or

- b. a Prospective Contractor or Family Member or Representative of the Prospective Contractor gives a campaign contribution or other thing of value to an Applicable Public Official or the Applicable Public Official's employees during the Pendency of the Procurement Process.

(6) As used in this section:

- a. "Applicable Public Official" means a Person elected to an office or a Person appointed to complete a term of an elected office, who has the authority to award or influence the award of the Contract for which the Prospective Contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase Contract that may be awarded without submission of a sealed competitive proposal;
- b. "Family Member" means a spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of: (i) a Prospective Contractor, if the Prospective Contractor is a natural Person; or (ii) an owner of a Prospective Contractor;
- c. "Pendency of the Procurement Process" means the time period commencing with the public notice of the Request for Proposals and ending with the award of the Contract or the cancellation of the Request for Proposals;
- d. "Prospective Contractor" means a Person or business that is subject to the competitive sealed proposal process set forth in this Article or is not required to submit a competitive sealed proposal because that Person or business qualifies for a sole source or small purchase Contract; and
- e. "Representative of the Prospective Contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the Prospective Contractor.

(c) Contingent Fees:

- (1) It is unlawful for a Person or business to be retained or for a business to retain a Person or business to solicit or secure a Contract upon an agreement or understanding that the compensation is contingent upon the award of the Contract, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business and Persons or businesses employed by the County which are providing Professional Services to the County in anticipation of the receipt of federal or state grants or loans;
- (2) The prohibition against contingent fees shall not apply to the procurement of legal services upon approval of the Board.

(d) Conflict of Interest: Employees and other individuals representing the County shall comply with the County's Ordinances, policies, procedures, and administrative instructions governing conflicts of interest, and the County Code of Conduct and Governmental Conduct Act, Section 10-16-1 et seq., NMSA 1978.

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(e) Unlawful Employee Participation:

- (1) It is unlawful for any County Employee to participate directly or indirectly in a procurement when the Employee or any member of the Employee's Immediate Family has a Financial Interest pertaining to the procurement.
- (2) An Employee or any member of an Employee's Immediate Family who holds a Financial Interest in a disclosed blind trust shall not be deemed to have a Financial Interest with regard to matters pertaining to that trust.

(f) Contemporaneous Employment Prohibition: It shall be unlawful for any County Employee who is participating directly or indirectly in the procurement process to become or to be, while such an Employee, the Employee of any Person or business Contracting with the County. The County Manager or designee may grant a waiver from unlawful Employee participation as set forth in the Ordinance upon making a Determination that:

- (1) the contemporaneous employment or Financial Interest of the Employee has been publicly disclosed;
- (2) the Employee will be able to perform his procurement functions without actual or apparent bias or favoritism; and
- (3) the Employee participation is in the best interests of the County.

(g) Confidential Information: It shall be unlawful for any Employee or former Employee knowingly to use any information which is available to an Employee because of the Employee's status as an Employee of the County and which is not a matter of public knowledge or available to the public on request for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other Person.

(h) Recovery of Value: The value of anything transferred or received in breach of the ethical standards of this section by an Employee or a nonemployee may be recovered from both Employee and nonemployee.

Sec 2-391. PENALTIES

- (a) Any business or Person that willfully violates any provision of the Ordinance may be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation with any penalty collected under the provisions of this section shall be credited to the County's general fund.
- (b) Upon a showing that a subcontractor made a kickback to a prime Contractor or a higher-tier subcontractor in connection with the award of a subcontract or order thereunder, it is conclusively presumed that the amount thereof was included in the price of the subcontract or order and ultimately borne by the County. An amount equal to the kickback is imposed as a civil penalty by the County upon the recipient and upon the subcontractor making such kickbacks in addition but pursuant to the terms and conditions of subsection (a) above, and/or
- (c) Any business or Person that willfully violates the Ordinance may be criminally prosecuted and subject to penalties contained in Section 1-6 of the Bernalillo County Code.

CONTINUATION PAGE 40, ORDINANCE 2018-11.

- (d) Any business or Person that willfully violates any provision of the Ordinance contrary to the New Mexico Criminal Code may be referred to the appropriate authorities for felony or misdemeanor prosecution.

DIVISION 2. – PUBLIC WORKS PROJECTS; CONSTRUCTION

Sec 2-392. CONSTRUCTION CONTRACTS

- (a) The award and execution of Contracts for major Construction, including but not limited to roads, bridges, airports, buildings and dams, shall be made by the Board or designee by resolution. The Chief Procurement Officer or designee responsible for the procurement shall give notice to prospective Bidders pursuant to this Article.
- (b) All Tangible Personal Property, Services or Construction for Capital Projects, shall be procured through the Central Purchasing Office in accordance with all applicable policies, procedures, laws, regulations, rules, statutes and Ordinances.
- (c) Upon award of a Construction Contract in excess of \$25,000, performance and payment bonds shall be delivered by the Contractor. The performance bond shall be in an amount equal to 100% of the Contract price unless it is determined by the Central Purchasing Office that a lower bond, no less than 50%, is in the best interest of the County. The payment bond shall be for an amount that is approved by the County, but in an amount that satisfactorily covers the subcontractors on the project.
- (d) Bid Security: When applicable, Bidders for Construction Contracts must provide bid security when the price is estimated to exceed \$25,000. The bid security shall be equal to at least five percent of the amount of the bid and shall be (1) a bond provided by a surety company authorized to do business in this state; or (2) or otherwise supplied in a form satisfactory to the County.
- (e) Prior to submitting a bid or proposal for a public works project, if the Central Purchasing Office, or a Responsible Bidder or Responsible Offeror determines that there is only one source for a specific Tangible Personal Property, Services or Construction that is required in the Specifications, the Central Purchasing Office, Responsible Bidder or Responsible Offeror may require any bid or offer submitted by a subcontractor or supplier to price separately the specific Tangible Personal Property, Services or Construction.
- (f) Except to the extent necessary to ensure that a surety company meets the requirements of Subsection A of Section 13-4-18 NMSA 1978, an Employee of the County, or a Person acting or purporting to act on behalf of that Employee, shall not require a Bidder or an Offeror in a procurement for a Construction Contract pursuant to this Article to make application or furnish financial data for a surety bond or to obtain a surety bond from a particular surety company, insurance company, broker or agent in connection with the bid or proposal.
- (g) A subcontractor may be required to provide a performance and payment bond on a public works project.
- (h) Public Works Minimum Wage Act:
- (1) Every proposed Construction Contract in excess of the minimum threshold set forth by state statute shall contain a provision stating the minimum wages to be paid

CONTINUATION PAGE 41, ORDINANCE 2018-11.

various classes of laborers and mechanics. With respect to all such Contracts, the New Mexico Department of Workforce Solutions (or successor agency) shall be contacted for a wage rate determination.

(2) Every Contract within the scope of the Public Works Minimum Wage Act [13-4-10 to 13-4-17 NMSA 1978] shall contain further provision that in the event it is found by the director of the Labor Relations Division of the New Mexico Department of Workforce Solutions (or its successor) that any laborer or mechanic employed on the site of the project has been or is being paid as a result of a willful violation a wage rate or fringe benefit rate less than the rates required, the County may, by written notice to the Contractor, subcontractor, employer or Person acting as a Contractor, terminate the right to proceed with the work or the part of the work as to which there has been a willful failure to pay the required wages or fringe benefits, and the County may prosecute the work to completion by Contract or otherwise, and the Contractor or Person acting as a Contractor and the Contractor's or Person's sureties shall be liable to the state for any excess costs occasioned thereby. Any party receiving notice of termination of a project or subcontract pursuant to the provisions of this section may appeal the finding of the director as provided in the Public Works Minimum Wage Act.

(3) In order to respond to a Request for Proposals or to be considered for award of any portion of a public works project that is subject to the Public Works Minimum Wage Act, the Contractor, serving as a prime Contractor or not, shall be registered with the Labor Relations Division of the New Mexico Department of Workforce Solutions (or its successor). Bidding documents issued or released by the County shall include a clear notification that each Contractor, prime Contractor or subcontractor is required to be registered pursuant to the Public Works Minimum Wage Act.

(4) The County shall not accept a bid on a public works project subject to the Public Works Minimum Wage Act from a prime Contractor that does not provide proof of required registration for itself.

(5) The Public Works Minimum Wage Act shall not be construed to supersede or impair a more stringent requirement under any authority granted by federal law to provide for the establishment of specified wage rates.

(i) Subcontractors Fair Practices Act

(1) For any public works project, the County shall evaluate bids and administer Contracts as they pertain to the listing of subcontractors in accordance with the requirements of the Subcontractors Fair Practices Act, Sections 13-4-31 through 13-4-42, NMSA 1978.

(j) Public Works Mediation

(1) State statute, NMSA Sections 13-4C-1 et seq., mandates that all disputes related to the performance of a public works project shall exhaust procedures set forth in the Public Works Mediation Act before seeking judicial relief. Disputes arising pursuant to the Public Works Minimum Wage Act, the Workers' Compensation Act, or disputes regarding an apprenticeship, are exempted from the mandatory public works mediation process.

(2) A dispute that arises under an arbitration clause of a Contract for a public works project that includes a clause in the Contract that requires arbitration is exempt from the provisions of the Public Works Mediation Act.

(3) When a public works project involves the expenditure of federal funds, the mediation process shall be conducted in accordance with mandatory applicable federal law and regulations. When mandatory applicable federal law or regulations are inconsistent with the Public Works Mediation Act, compliance with federal law or regulations shall constitute compliance with the Public Works Mediation Act.

Sec 2-393. DESIGN AND BUILD PROJECT SYSTEM REQUIREMENTS

(a) A design and build project may be authorized when the Chief Procurement Officer makes a Determination in writing that it is appropriate and in the best interest of the County to use the system on a specific project. The Determination shall be issued only after the Chief Procurement Officer has taken into consideration the following criteria, which shall be used as the minimum basis in determining when to use the design and build process:

(1) the extent to which the project requirements have been or can be adequately defined;

(2) time constraints for delivery of the project;

(3) the capability and experience of potential teams with the design and build process;

(4) the suitability of the project for use of the design and build process as concerns time, schedule, costs, and quality; and

(5) the capability of the County to manage the project, including experienced personnel or outside consultants, and to oversee the project with Persons who are familiar with the design and build process.

(b) When a Determination has been made by the Chief Procurement Officer that it is appropriate to use a design and build project delivery system, the design and build team shall include, as needed, a New Mexico registered engineer or architect and a Contractor properly licensed in New Mexico for the type of work required.

(c) Except as provided in Subsections (e) and (f) of this section, for each proposed design and build project, a two-phase procedure for awarding design and build Contracts shall be used and shall include at a minimum the following:

(1) during phase one, and prior to solicitation, documents shall be prepared for a Request for Qualifications by a New Mexico registered engineer or architect, either in-house or selected in accordance with applicable law, and shall include minimum qualifications, a scope of work statement and schedule, documents defining the project requirements, the composition of the selection committee and a description of the phase-two requirements and subsequent management needed to bring the project to completion. Design and build qualifications of responding firms shall be evaluated, and shall be short-listed in accordance with technical and qualifications-based criteria in a manner set forth in the solicitation; and

(2) during phase two, the short-listed firms shall be invited to submit detailed specific technical concepts or solutions, costs and scheduling. Unsuccessful firms may be paid a stipend to cover proposal expenses. After evaluation of these submissions,

selection shall be made and the Contract awarded to the highest-ranked firm.

(d) Except as provided in Subsections (e) and (f) of this section, to ensure fair, uniform, clear and effective procedures that will strive for the delivery of a quality project on time and within budget, the Central Purchasing Office shall adopt procedural rules to be followed when procuring design and build projects.

(e) The requirements of Subsections (c) and (d) of this section do not apply to a design and build project and the services procured for the project if:

(1) the maximum allowable Construction cost of the project is four hundred thousand dollars (\$400,000) or less; and

(2) the only requirement for architects, engineers, landscape architects or surveyors is limited to either site improvements or adaption for a pre-engineered building or system.

(f) The procurement of a design and build project qualifying for exemptions pursuant to Subsection (e) of this section, including the Services of any architect, engineer, landscape architect, Construction Manager or surveyor needed for the project, shall be accomplished by competitive sealed bids in accordance with applicable law.

Sec 2-394. CONSTRUCTION MANAGER AT RISK

(a) As used in this section:

(1) "Construction Manager at Risk Delivery Method" means a Construction method wherein a Construction Manager at Risk provides a range of pre-Construction Services and Construction Management, including cost estimation and consultation regarding the design of the building project, preparation and coordination of bid packages, scheduling, cost control, value engineering and, while acting as the general Contractor during Construction, detailing the trade Contractor scope of work, holding the trade Contracts and other subcontracts, prequalifying and evaluating trade Contractors and subcontractors and providing management and Construction Services, all at a Guaranteed Maximum Price for which the Construction Manager at Risk is financially responsible;

(2) "Guaranteed Maximum Price" means the maximum amount to be paid by the County for the Construction of the facility, including the cost of the work, the general conditions and the fees charged by the Construction Manager at Risk.

(b) A Construction Manager at Risk Delivery Method may be used when the County determines that it is in its interest to use that method on a specific Construction project, provided that the Construction Manager at Risk shall be selected pursuant to the provisions of this section.

(c) The Central Purchasing Office shall form a selection committee of at least three members with at least one member being an architect or engineer. The Central Purchasing Office in conjunction with the selection committee shall develop an evaluation process, including a multiphase procedure consisting of two or three steps. A two-step procedure may be used when the total amount of money available for the project is less than five hundred thousand dollars (\$500,000) and shall include a Request for Qualifications and

an interview. A three-step procedure shall consist of a Request for Qualifications, a Request for Proposals and an interview.

(d) A Request for Qualifications shall be published in accordance with the notice requirements for Requests for Proposals provided in this Article and shall include at a minimum the following:

(1) a statement of the minimum qualifications for the Construction Manager at Risk, including the requirements for:

a. a Contractor's license for the type of work to be performed, issued pursuant to the Construction Industries Licensing Act [Chapter 60, Article 13 NMSA 1978];

b. registration pursuant to Section 13-4-13.1 NMSA 1978; and

c. a minimum bond capacity.

(2) a statement of the scope of work to be performed, including:

a. the location of the project and the total amount of money available for the project;

b. a proposed schedule, including a deadline for submission of the statements of qualification;

c. specific project requirements and deliverables;

d. the composition of the selection committee;

e. a description of the process the selection committee shall use to evaluate qualifications;

f. a proposed Contract; and

g. a detailed statement of the relationships and obligations of all parties, including the Construction Manager at Risk, agents, such as an architect or engineer, and the County.

(3) a verification of the maximum allowable Construction cost; and

(4) a Request for a Proposal bond as required by this Article.

(e) The selection committee shall evaluate the statements of qualifications submitted and determine the Offerors that qualify for the Construction Manager at Risk. If the selection committee has chosen a three-step procedure, the committee shall issue a Request for Proposals to the Offerors that qualify.

(f) If the selection committee has chosen a two-step procedure, the committee shall rank the Persons that qualify based upon the statements of qualification and interview up to three of the highest-ranked Offerors.

(g) In a three-step procedure, the selection committee shall issue a Request for Proposals and evaluate the proposals pursuant to the requirements of this Article regarding the evaluation of Requests for Proposals except that:

(1) the Request for Proposals shall be sent only to those determined to be qualified

- 1 pursuant to this section;
- 2 (2) the selection committee shall evaluate the proposals and conduct interviews with up
3 to three of the highest-ranked Offerors instead of negotiating with Responsible
4 Offerors found to be reasonably likely to be selected; and
- 5 (3) pursuant to subsection (h) of this section, the Contract award may be made after the
6 interviews.
- 7 (h) After conducting interviews with the highest-ranked Offerors and after considering the
8 factors listed in subsection (i) of this section, the selection committee shall recommend to
9 the Central Purchasing Office the Offeror that will be most advantageous to the County.
10 Should the Central Purchasing Office be unable to negotiate a satisfactory Contract with
11 the Offeror considered to be the most qualified at a price determined to be fair and
12 reasonable, negotiations with that Offeror shall be formally terminated. The Central
13 Purchasing Office shall then undertake negotiations with the second most qualified
14 Offeror. Failing accord with the second most qualified Offeror, the Central Purchasing
15 Office shall formally terminate negotiations with the Offeror. The Central Purchasing
16 Office shall then undertake negotiations with the third most qualified Offeror. Should the
17 Central Purchasing Office be unable to negotiate a Contract with any of the Offerors
18 selected by the committee, additional Offerors shall be ranked in order of their
19 qualifications and the Central Purchasing Office shall continue negotiations in
20 accordance with this section until a Contract is signed with a qualified Offeror or the
21 procurement process is terminated and a new Request for Proposals is initiated.
- 22 (i) In evaluating and ranking statements of qualifications, proposals and results of
23 interviews, and in the final recommendation of a Construction Manager at Risk, the
24 selection committee shall consider:
- 25 (1) the Offeror's experience with Construction of similar types of projects;
- 26 (2) the qualifications and experience of the Offeror's personnel and consultants and the
27 role of each in the project;
- 28 (3) the plan for management actions to be undertaken on the project, including services to
29 be rendered in connection with safety and the safety plan for the project;
- 30 (4) the Offeror's experience with the Construction Manager at Risk method; and
- 31 (5) all other selection criteria, as stated in the request for qualifications and the Request
32 for Proposals.
- 33 (j) Nothing in this section precludes the selection committee from recommending the
34 termination of the selection procedure pursuant to the provisions of this Article and
35 repeating the selection process pursuant to this section. Any material received by the
36 selection committee in response to a solicitation that is canceled shall not be disclosed so
37 as to be available to competing Offerors.
- 38 (k) After a Contract is awarded, the selection committee shall make the names of all Offerors
39 and the names of all Offerors selected for interview available for public inspection along
40 with the selection committee's final ranking and evaluation scores. Offerors who were
41 interviewed but not selected for Contract award shall be notified in writing.

- (l) The Contract with the Construction Manager at Risk shall specify:
- (1) the Guaranteed Maximum Price; and
 - (2) the percentage of the Guaranteed Maximum Price that the Construction Manager at Risk will perform with its own work force.
- (m) The Construction Manager at Risk, in cooperation with the County, shall seek to develop subcontractor interest in the project and shall furnish to the County and any architect or engineer representing the County a list of subcontractors who state in writing that they are a Responsible Bidder or a Responsible Offeror, including suppliers who are to furnish materials or equipment fabricated to a special design and from whom proposals or bids will be requested for each principal portion of the project. The County and its architect or engineer shall promptly reply in writing to the Construction Manager at Risk if the County, architect or engineer knows of any objection to a listed subcontractor or supplier, provided that the receipt of the list shall not require the County, architect or engineer to investigate the qualifications of proposed subcontractors or suppliers, nor shall it waive the right of the County, architect or engineer later to object to or reject any proposed subcontractor or supplier.
- (n) The Construction Manager at Risk shall assist the Central Purchasing Office with:
- (1) conducting pre-bid or pre-proposal meetings;
 - (2) advising the County about bidding or proposals;
 - (3) drafting of the Contracts; and
 - (4) evaluating submissions by Responsible Bidders and Offerors.

DIVISION 3. – PUBLIC WORKS PROJECTS; PROFESSIONAL SERVICES

Sec 2-395. SELECTION ADVISORY COMMITTEE

- (a) Proposal Guidelines: In order for a consultant to be eligible to perform Professional Services of architects, engineers, landscape architects, Construction Managers and surveyors for the County, all work must be performed under the direct supervision of a registered New Mexico Professional Engineer (or land surveyor, architect or landscape architect, if applicable). Procurement involving the expenditure of federal funds must be conducted in accordance with the mandatory applicable federal laws and regulations.
- (b) Submittal Requirements and Scoring Criteria: Submittal requirements and scoring criteria shall be specified in each request for proposal (RFP). Proposals which do not contain all of the mandatory information in their proposals may be considered incomplete and may not be considered by the Selection Advisory Committee.
- (c) Required Proposal Format: Proposal format is discretionary. Any specific requirements or limits will be defined in each request for proposal as appropriate.
- (d) Pre-Proposal Conference: A pre-proposal conference to answer questions may be held during the advertising period. Notice of the pre-proposal conference will be included in the request for proposal (RFP).
- (e) Selection Process: The Selection Advisory Committee and the Central Purchasing Office

will review each proposal to ensure that it is complete in all required elements. Any proposal that is incomplete may be deemed non-Responsive and may not be scored. All Responsive proposals will be reviewed and scored by each individual committee member in accordance with the provisions of the RFP. The Selection Advisory Committee will collate scores and determine those firms, if any, which may be interviewed.

(f) Interviews (if applicable): Prior to the interviews, the Selection Advisory Committee shall agree on a rating system combining the aspects of the written proposal, any required submittals and the interviews. At the selection interviews, the Selection Advisory Committee shall rate all interviewed Offerors. The combined rating shall be used to determine the final ranking of the firms for negotiations. The Selection Advisory Committee's final ranking and evaluation matrix for all proposals shall be made a part of the procurement file with the Central Purchasing Office. This information shall be kept confidential until after award of the Contract to the successful firm by the Board or designee by resolution.

(g) Negotiations: Following the interviews, the County shall negotiate with the highest ranked firm. Negotiations shall be based upon man-hour estimates submitted as part of a cost proposal following ranking by the Selection Advisory Committee. If agreement on terms can be reached, a Contract shall be prepared in accordance with provisions adopted by resolution regarding the County Manager's approval authority set forth in this Article. If agreement cannot be reached within a reasonable time, the County shall terminate negotiations with the highest ranked firm, and begin negotiations with the next firm on the ranking list. This process will continue until a Contract has been negotiated with one of the firms on the ranking list. If negotiations with the top three firms on the ranking list have been exhausted and a Contract can still not be negotiated, the County may rank the other Offerors in their order of qualifications and negotiate with those other qualified Offerors evaluated by the committee or terminate negotiations.

(h) Selection Advisory Committee Membership:

(1) The Public Works Division Selection Advisory Committee members shall be as follows: One position shall be occupied by the Deputy County Manager for Public Works or designated staff alternate and another position shall be recommended by the Deputy County Manager for Public Works from public works staff along with an alternate. The Deputy County Manager for General Services shall recommend two members along with alternates. One member along with an alternate shall be a citizen-at-large, not associated with the County or any professional firm.

(2) For projects not led the by Public Works Division, other applicable Deputy County Managers from divisions utilizing the Selection Advisory Committee process shall assign members and alternates as stated above. The Deputy County Manager for General Services shall recommend two members along with alternates. One member along with an alternate shall be a citizen-at-large, not associated with the County or any professional firm.

(3) In case of a project of unique or special nature, the Central Purchasing Office in conjunction with the User Department may name non-voting subject matter expert(s) to provide advice to the Selection Advisory Committee during the evaluation process.

(4) For projects with funding from other agencies or jurisdictions of at least one third of the project's total funding, the applicable Deputy County Manager of the division responsible for the project may name a voting member to the Selection Advisory Committee for each respective agency(ies).

(i) Board of County Commissioners Approval of Contracts: All Contracts for professional architectural, engineering, land surveying or other Professional Services related to public works, in an amount exceeding that delegated to the County Manager by resolution shall require final approval of the Board prior to the award of the Contract.

(j) Ownership of Documents: All Contracts between the County and any firm selected under this division shall contain the provision that all designs, drawings, Specifications, notes, computer discs and generated work regardless of the media used and other work developed in the performance of the Contract are the sole property of the County.

(k) Multiple-Award Requests for Proposals: Multiple awards of qualification-based selection of Offerors shall be allowed, unless prohibited by applicable federal law on the date of award. To utilize multiple Offeror awards, the solicitation must identify the types of projects for which the RFP is advertised. The specific type of projects shall be identified by professional discipline and type of work proposed such that qualified firms and individuals can be identified by the Selection Advisory Committee. Each request for proposal issued under this section may contain sample tasks on which the Offeror will base the technical proposal. These sample tasks may be examples of typical work, which could be awarded under the Contract and not actual projects. The maximum number of tasks for which a firm may propose may be defined in the RFP. In addition the RFP may state the maximum number of consultants which will be selected for award in each task. The written proposals will be scored by the Selection Advisory Committee and interviews may be held. The Selection Advisory Committee will rank the firms based on the written proposals and interviews, if applicable, and recommend the selected firms for award. Once selection is complete and the list of Offerors is approved, pursuant to the Contract approval requirements of this Article, project assignments shall be made in accordance with the provisions of the awarded Contract(s).

Sec 2-396. – Sec 2-402. RESERVED

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
BERNALILLO COUNTY, NEW MEXICO this 27th day of March, 2018.

APPROVED AS TO FORM

BOARD OF COUNTY COMMISSIONERS



W. Ken Martinez, County Attorney


Steven Michael Quezada, Chair


Lonnie C. Talbert, Vice Chair

Excused

Debbie O'Malley, Member


Maggie Hart Stebbins, Member


James E. Smith, Member

ATTEST


Linda Stover, County Clerk





Meeting Date: April 18, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-18-15 – Authorizing the Removal of Certain Uncollectable Accounts from the Albuquerque Bernalillo County Water Utility Authority Accounts Receivable Records FY2013 and Prior

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

This legislation provides information to support a request to the Board authorizing the removal of uncollectable accounts greater than four years old totaling \$138,560.49.

FISCAL IMPACT:

Since 1965, pursuant to NMSA 1978, § 3-37-7, New Mexico municipalities have been expressly permitted to write off uncollectable debt. Counties and political subdivisions like the Albuquerque Bernalillo County Water Authority (Water Authority) may use the same process as a municipality to write off uncollectable debt through the procedure set forth in state law. This process will avoid an excessive accrual of accounts receivable while also accurately report the financial position of the Water Authority and comply with state debt-collection law. Further, the Water Authority should not represent to its customers, either in invoices or in any demand, that the customer owes any amount that was accrued more than four years prior to the demand.

The Chief Financial Officer (CFO) of the Water Authority states that:

- a) a utility account or any unsecured account services have been incurred;
- b) diligent efforts were made to collect the utility account or unsecured account and to locate a debtor;
- c) that the utility account or unsecured account has been uncollectable for a period of more than four years; and
- d) that in his opinion the utility account or unsecured account is uncollectable.

Staff recommends authorization to remove the uncollectable accounts as shown in Exhibit A.

Attachments:

Resolution
Exhibit A

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-15

1 **RESOLUTION**

2 **AUTHORIZING THE REMOVAL OF CERTAIN UNCOLLECTABLE ACCOUNTS FROM**
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
4 **ACCOUNTS RECEIVABLE RECORDS FY2013 AND PRIOR**

5 WHEREAS, pursuant to NMSA 1978 § 3-37-7, pertaining to the determinations of
6 uncollectable accounts and their removal from accounts receivable, the Chief Financial
7 Officer (CFO) has submitted herewith a list of accounts receivable which were incurred in
8 providing water and wastewater services and are owed to the Albuquerque Bernalillo
9 County Water Utility Authority (Water Authority); and

10 WHEREAS, the CFO states that diligent efforts have been made to collect these
11 accounts receivable and the respective amounts due; and

12 WHEREAS, the CFO has determined that these accounts receivable are
13 uncollectable and have been uncollectable for more than four years; and

14 WHEREAS, the uncollectable accounts receivable has been deemed “time barred
15 debt”, defined as any debt that is not enforceable in a judicial proceeding because the
16 applicable statute of limitations has run; and

17 WHEREAS, because this debt is legally uncollectable, it is not a “donation” to a
18 private party in violation of the anti-donation clause of the New Mexico Constitution, N.M.
19 Const. Art. IX, Section 14; and

20 WHEREAS, an allowance for doubtful accounts has been recorded on the Water
21 Authority financial records which is more than sufficient to cover the uncollectable
22 accounts; therefore, there will be no impact on the current fund balances.

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

24 The Water Authority Board finds that the Water Authority’s uncollectable accounts
25 receivable in the amount of \$138,560.49 as shown in Exhibit A which is attached hereto
26 and by this reference made part hereof shall be removed from the Water Authority’s
27 accounts receivable records as uncollectable in accordance with the provisions of NMSA
28 1978 § Section 3-37-7.

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

Exhibit A

WRITE OFFS FOR APRIL 2018

ACT NUMBER	ADDRESS	AMOUNT
7083389560	2500 KELLEY RD SW	\$1,526.71
8093189560	510 SANDIA VIEW RD NW	\$1,582.16
7021969560	509 60TH ST NW	\$1,678.80
3303589560	314 MITCHELL AVE SE	\$7,573.79
7477349560	321 SAN PABLO ST NE	\$1,913.09
7013589560	4504 AXTELL ST SE	\$1,886.26
7487829560	609 GARFIELD AVE SE	\$1,761.28
7153049560	345 CHARLESTON ST SE	\$1,863.06
7920389560	3501 ISLETA BLVD SW	\$1,664.16
5704289560	1400 NEETSIE DR SW	\$1,971.63
6934289560	900 PEREZ RD SW	\$1,999.29
4982189560	209 RANCHITOS RD NW	\$3,147.24
5813757351	9827 PINOT NOIR AVE SW	\$2,488.04
8091929560	302 THAXTON AVE SE	\$2,537.45
6431829560	508 ASPEN AVE NE	\$2,287.87
5894189560	6428 COMMERCIAL ST NE	\$9,741.31
7442929560	240 SMITH AVE SE	\$4,765.32
6086289560	1750 ISLETA BLVD SW	\$3,641.13
7220389560	2545 CUATRO MILPAS RD SW	\$3,479.45
3377289560	850 ARTHUR DR SW	\$3,895.66
1615289560	1218 MONTROSE PL SW	\$5,724.93
3915389560	2402 SALVADOR RD SW	\$13,406.37
5837289560	2047 MINNIE ST SW	\$9,001.52
5280189560	117 EL ENSUENO CIR NE	\$4,246.30
2779829560	409 LEWIS AVE SE	\$5,202.65
7681739560	902 SAN LORENZO AVE NW	\$1,739.40
5573929560	311 ATLANTIC AVE SW	\$1,301.77
2617829560	1804 HIGH ST SE	\$2,724.92
1510489560	2010 TEESFOR DR SW	\$1,664.98
1916049560	9412 SUSAN AVE SE	\$1,753.64
1237489560	7034 ISLETA BLVD SW	\$2,081.34
1515939560	834 SAN MATEO BLVD SE	\$1,625.15
4403739560	4310 12TH ST NW	\$2,922.78
7388769560	1404 55TH ST NW	\$4,259.04
7226389560	1326 BLAKE RD SW	\$4,301.79
1659389560	1319 LA VEGA DR SW	\$1,540.23
1594149560	1105 STUTZ DR NE	\$1,852.94
4888539560	3014 4th ST NW	\$595.30
1318539560	425 LOS ARBOLES AVE NW	\$2,296.16
1205539560	1317 6TH ST NW	\$2,364.69
5622589560	513 GRAPE CIR SE	\$3,150.15
5817359560	6816 INA DR NE	\$1,695.79
2365729560	1716 GERALD AVE SE	\$1,704.95
		\$138,560.49



Meeting Date: February 28, 2018
Staff Contact: Mark Sanchez, Executive Director

TITLE: R-18-16 – Delegation of Authority for Declaration of Surplus and the Disposition of Surplus from the Albuquerque Bernalillo County Water Utility Authority Public Property

ACTION: Introduction April 18, 2018; Final Action May 23, 2018

SUMMARY:

According to 2.2.2.10(U) New Mexico Administrative Code (NMAC), section 13-6-1 to 13-6-2 NMSA 1978 governs the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies. The Water Authority's governing board shall designate a committee of at least three officials to recommend and oversee dispositions, at least 30-days prior to any disposition of property, written notification of the proposed disposition must be sent to the New Mexico Office of the State Auditor (OSA). Furthermore, the disposition of property with a resale value greater than \$5,000 requires the approval from the Department of Finance and Administration (DFA).

A request is now made to allow the Standing Committee determined by the Executive Director the authority to:

- 1) Declare capital assets that are considered to be obsolete, worn-out or no longer usable, and to delete such items from its public inventory.
- 2) To dispose of equipment to local governmental agencies, who have requested the equipment.

Once the Standing Committee has declared the official findings, the Financial/Business Services Division will, as a prerequisite to the disposition of any surplus item, give at least 30-days notification, by sending a copy of the official findings to the OSA, for items \$5,000 or less, but over \$500, and notification to DFA for items having a resale value of more than \$5,000.

Official findings will be duly notarized and will be provided to the State as soon as property has been turned into the Water Authority Warehouse. Time of final disposition will occur after the 30-day notification by State.

FISCAL IMPACT:

None.

COMMENTS:

The current procedure under the City of Albuquerque's Procurement Code § 5-5-16 DISPOSITION OF CITY-OWNED SURPLUS, SALVAGE AND SCRAP PROPERTY is not in compliance with 2.2.2.10(U) New Mexico Administrative Code (NMAC), sections 13-6-1 and 13-6-2 NMSA 1978 as "Municipalities" are exempt from this statute.

As a political subdivision of the State of New Mexico, the Water Authority is required to comply with State Statute and written Water Authority's Property Disposition Procedures.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-16

1 **RESOLUTION**
2 **DELEGATION OF AUTHORITY FOR DECLARATION OF SURPLUS AND THE**
3 **DISPOSITION OF SURPLUS FROM THE ALBUQUERQUE BERNALILLO COUNTY**
4 **WATER UTILITY AUTHORITY PUBLIC PROPERTY**

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water
6 Authority) governing board must from time to time dispose of used public property in
7 accordance with NMSA 1978 § 13-6-1 *et. seq.*; and

8 WHEREAS, to promote efficiency and stability in the process of disposing of used
9 public property, pursuant to NMSA § 13-6-1 *et seq.*, a permanent standing committee
10 composed of the Executive Director or his designee and two appointed members by the
11 Executive Director should be created to identify, recommend and oversee the periodic
12 disposition of items that are worn-out, unusable or obsolete.

13 BE IT RESOLVED BY THE WATER AUTHORITY:

14 That the Board of the Water Authority hereby creates the Standing Committee for
15 Disposition of Used Public Property and appoints the Executive Director or his designee
16 and two additional Water Authority employees, to be designated in writing by the
17 Executive Director as ex-officio members of the three-person standing committee to
18 identify, recommend, and oversee the disposition of public property that is worn-out,
19 unusable, or obsolete.

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

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Meeting Date: April 18, 2018
Staff Contact: Frank Roth, Senior Policy Manager

TITLE: R-18-10 - Establishing One Year Objectives for the Albuquerque Bernalillo County Water Utility Authority in Fiscal Year 2019 to Meet Five Year Goals

ACTION: Recommend Approval

SUMMARY:

Overview of Goal Development

The Albuquerque Bernalillo County Water Utility Authority (the Water Authority) established Five Year Goals and One Year Objectives in 2005 to help guide the Water Authority's budget process and address priority issues. In addition, the Water Authority's Budget Ordinance specifies that the Water Authority shall annually review and adopt one year objectives related to the five year goals for the Water Authority. The Ordinance also states that the Water Authority's operating budget shall be formulated by the Water Authority's Executive Director and be consistent with the goals and objectives, and that the Goals and Objectives be major factors in determining funding for Water Authority programs and improvements in both the operating and capital improvements budgets.

The Five Year Goals adopted by the Water Authority are based on American Water Works Association's (AWWA) business model using fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems:

1. Water Supply and Operations
2. Wastewater Collection and Operations
3. Customer Relations
4. Business Planning and Management
5. Organization Development

The Water Authority has participated in several continuous performance programs through AWWA including Benchmarking, Self-Assessment, and Peer Review. Since 2012, the Water Authority has incorporated the EPA's *Effective Utility Management* (EUM) into its strategic planning process which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM's Ten Attributes framework to identify areas for improvement.

Overview of One Year Objectives

The One Year Objectives in this resolution are categorized by the Water Authority's Five Year Goal areas. The Water Authority has developed guiding goal statements for each goal area which explains the long-term desired result for that goal. The continuous performance programs mentioned above help the Water Authority to identify gaps in service delivery or performance. The Water Authority's performance measures are used to help monitor the Water Authority's performance and to develop performance targets. With the performance measures being used to identify gaps, the One Year Objectives which are used to close performance or service delivery gaps and improve performance levels. In addition to identifying areas of improvement, some of the Objectives are related to completing projects or improving programs. A few of the objectives are carried over from FY18 either because they require more time to complete, or are ongoing issues.

FISCAL IMPACT:

Goals and Objectives are linked to the FY19 Budget.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-10

1 **RESOLUTION**
2 **ESTABLISHING ONE YEAR OBJECTIVES FOR THE ALBUQUERQUE**
3 **BERNALILLO COUNTY WATER UTILITY AUTHORITY IN FISCAL YEAR 2019 TO**
4 **MEET FIVE YEAR GOALS**

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority's (Water
6 Authority) Budget Policies and Procedures Ordinance specifies that the Water Authority
7 shall annually review and adopt one year objectives related to the five year goals for the
8 Water Authority; and

9 WHEREAS, the Water Authority's operating budget shall be formulated by the
10 Water Authority's Executive Director and be consistent with the goals and objectives as
11 established and approved by the Water Authority; and

12 WHEREAS, the Water Authority's adoption of goals and objectives, which will be
13 valuable in themselves, will be major factors in determining funding for Water Authority
14 programs and improvements in both the operating budget and capital improvements
15 budgets.

16 BE IT RESOLVED BY THE WATER AUTHORITY:

17 Section 1. That the Water Authority adopts the following five year goals and one
18 year objectives for Fiscal Year 2019.

19 GOAL 1. WATER SUPPLY AND OPERATIONS: Provide a reliable, safe,
20 affordable, and sustainable water supply by transitioning to renewable supplies and
21 minimizing long term environmental impacts on the community and natural resources
22 while ensuring the ability of the community to grow in a responsible manner.

23 Objective 1. Complete Ground Water Plant Preventive Maintenance to
24 Corrective Maintenance ratio to at least 66% of all completed maintenance labor hours
25 by the end of the 4th Quarter of FY19.

26 Objective 2. Complete Surface Water Plant Preventive Maintenance to
27 Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours
28 by the end of the 4th Quarter of FY19.

Objective 3. Evaluate the Automated Meter Infrastructure Pressure Monitoring pilot project and assess operation and maintenance costs by eliminating redundant pressure reducing valves by the end of the 4th Quarter of FY19.

Objective 4. Continue distribution water loss program by locating water leaks from surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY19. Pilot an acoustic leak detection system with intelligent nodes to monitor and communicate possible leaks to a central data collection hub by the end of the 4th Quarter of FY19.

Objective 5. Submit annual distribution and treatment data to the Partnership for Safe Water program for inclusion in the program's annual report of aggregated system water quality data; continue implementing action plans from the self-assessments through the end of the 4th Quarter of FY19.

Objective 6. Maintain water use at or below 128 gallons per capita per day through the end of the 4th Quarter of FY19.

Objective 7. Begin testing of the Large Scale Aquifer Storage and Recovery project through the end of the 3rd Quarter of FY19. Complete an operational plan based on the testing by the end of the 4th Quarter of FY19.

Objective 8. Complete an evaluation of the next Aquifer Storage and Recovery project to determine the best location and project type by the end of the 4th Quarter of FY19.

Objective 9. Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Irrigation Audits; 2) 45 Meetings with Landscapers; 3) 30 Meetings with Property Managers; and 4) 2 Water Conservation Open House Meetings by the end of the 4th Quarter of FY19.

Objective 10. Continue implementation of Water 2120: 1) Complete Environmental Plan; 2) Prepare draft of the Groundwater Management Plan; 3) Begin development of the Reuse Plan by the end of the 4th Quarter of FY19.

Objective 11. Complete update to the source water protection plan by the end of the 2nd Quarter of FY19. Begin implementation of the updated plan, including monitoring for new and existing groundwater and surface water contamination and education outreach through the end of the 4th Quarter of FY19. Participate in and provide comments to protect the groundwater aquifer and surface water supplies

1 throughout the Middle Rio Grande; continue work with the Water Protection Advisory
2 Board through administrative, policy, and technical support.

3 GOAL 2. WASTEWATER COLLECTION AND OPERATIONS: Provide
4 reliable, safe and affordable wastewater collection, treatment and reuse systems to
5 protect the health of the Middle Rio Grande Valley by safeguarding the regional
6 watershed, minimizing environmental impacts, and returning quality water to the Rio
7 Grande for downstream users.

8 Objective 1. Limit overall permit excursions to no more than 5 operating
9 discharge permit violations through the end of the 4th Quarter of FY19.

10 Objective 2. Beneficially reuse biosolids by diverting 30% of the biosolids to
11 compost through the end of the 4th Quarter of FY19.

12 Objective 3. Complete Waste Water Plant Preventive Maintenance to
13 Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours
14 by the end of the 4th Quarter of FY19.

15 Objective 4. Continue work on the Partnership for Clean Water program for
16 the water reclamation treatment to optimize system operations and performance; submit
17 a self-assessment to AWWA by the end of the 2nd Quarter of FY19.

18 Objective 5. Continue implementation of the Reclamation Rehabilitation
19 Asset Management Plan by planning, designing and constructing reclamation facility
20 improvements through the end of the 4th Quarter of FY19.

21 Objective 6. Televisе and assess the condition of approximately five percent
22 of the small diameter sanitary sewer system by the end of the 4th Quarter of FY19.

23 Objective 7. Monitor compliance with the Water Authority's Cross Connection
24 Prevention and Control Ordinance. Obtain a compliance rate goal of 75%.

25 Objective 8. Monitor compliance with the Water Authority's Sewer Use and
26 Wastewater Control Ordinance by continuing to inspect, monitor, and take enforcement
27 action for permitted industrial users, septage waste haulers, food service
28 establishments, and dental offices. Compliance rate goal is 87% for each category.

29 Objective 9. Implement the Fats, Oils, and Grease (FOG) Policy to reduce
30 impacts on the sewer system by inspecting each Food Service Establishment (FSE)
31 once every three years, working with the Collections section with Sanitary Sewer
32 Overflow (SSOs) investigations, and convene FOG Task Force of other governmental

1 entities to coordinate efforts to reduce FOG discharges. Track and report the number of
2 SSOs due to FOG compared with previous years.

3 GOAL 3. CUSTOMER SERVICES: Provide quality customer services by
4 communicating effectively, billing accurately, and delivering water and wastewater
5 services efficiently based on understanding the needs and perceptions of our customers
6 and the community at large.

7 Objective 1. Improve customer satisfaction and operational efficiency in
8 achieving the four call-center targets through the 4th Quarter of FY19: 1) Average Wait
9 Time of less than 1:30 minutes; 2) Average Contact Time of less than 4 minutes; 3)
10 Abandoned Call Ratio of less than 5; 4) First Call Resolution of greater than 90%.

11 Objective 2. Improve customer satisfaction by achieving a billing accuracy
12 ratio of less than 8 through the end of the 4th Quarter of FY19.

13 Objective 3. Provide communications support for the implementation of the
14 Water Assistance Fund and updates to CC&B billing system through the end of the 4th
15 Quarter of FY19.

16 Objective 4. Continue implementation of the Automated Meter Infrastructure
17 (AMI) project by modernizing aging meter infrastructure with smart meters to increase
18 revenue, support conservation efforts, and provide better customer service by the end
19 of the 4th Quarter of FY19.

20 Objective 5. Complete Customer Conversation meetings to engage
21 customers and obtain input from customers on the Water Authority's activities through
22 the end of the 4th Quarter of FY19.

23 Objective 6. Conduct periodic activities and communication initiatives to
24 engage and educate legislators, stakeholders and neighborhood coalitions regarding
25 Water Authority services, policies and projects through the end of the 4th Quarter of
26 FY19.

27 GOAL 4. BUSINESS PLANNING AND MANAGEMENT: Maintain a well-
28 planned, managed, coordinated, and financially stable utility by continuously evaluating
29 and improving the means, methods, and models used to deliver services.

30 Objective 1. Expend \$55 million in water and wastewater capital rehabilitation
31 and replacement programs to replace aging, high risk assets that are past their useful
32 life by the end of the 4th Quarter of FY19. \$1 million shall be dedicated and used for

1 identifying steel water pipes in critical or poor condition and rehabilitating or replacing at
2 least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY19.

3 Objective 2. Complete update to the Comprehensive Asset Management
4 Plan to determine the condition and criticality of the utility's assets by the end of the 2nd
5 Quarter of FY19.

6 Objective 3. Complete vehicle asset management plan to better plan for
7 capital replacement of vehicles by the end of the 2nd Quarter of FY19.

8 Objective 4. In order to provide a central location for processes and
9 procedures, complete a Utility Development Guide by the end of the 2nd Quarter of
10 FY19. Update System Expansion Ordinance to align to the Guide. Review fee
11 structure for Utility Development deliverables.

12 Objective 5. Continue design, planning, and construction of the Los Padillas
13 water system (South Valley Drinking Water Project Phase 7b). Identify funding for
14 Phase 7c for design and planning through the end of the 4th Quarter of FY19.

15 Objective 6. Begin implementation of recommendations from the vulnerability
16 assessment on utility facilities and systems to reduce risk for physical security, cyber
17 security, and business activities by the end of the 4th Quarter of FY19. Update
18 Emergency Response Plan by the end of the 4th Quarter of FY19.

19 Objective 7. Complete a Comprehensive Information Technology Security
20 Plan that is aligned with the standards, guidelines, and best practices of the National
21 Institute of Standards and Technology Cybersecurity Framework to protect the utility's
22 critical infrastructure from cyber-attacks by the end of the 4th Quarter of FY19.

23 Objective 8. Complete a needs assessment of the Supervisory Control And
24 Data Acquisition (SCADA) system; implement recommendations of the assessment in
25 order for the updated platform to align with the asset management program by the end
26 of the 4th Quarter of FY19.

27 Objective 9. Complete Phase 2 of the Maximo comprehensive asset
28 management system upgrade which includes asset onboarding and de-commissioning,
29 full life cycle accounting, barcoding, fleet management, and preventive and condition
30 monitoring by the end of the 4th Quarter of FY19.

31 Objective 10. Complete replacement of an applicant online system that aligns
32 to the OneSolution enterprise financial system by the end of the 4th Quarter of FY19.

Objective 11. Complete upgrade to the CC&B billing application by the end of the 3rd Quarter of FY19.

Objective 12. Evaluate water and sewer rate structures to ensure equity within the structures by the end of the 4th Quarter of FY19.

Objective 13. Finalize a conceptual plan to consolidate field, fleet, warehouse and customer services operations from multiple locations to the Drinking Water Plant. Complete design documents and start construction for building, site work and ancillary facilities by the end of the 4th Quarter of FY19.

Objective 14. Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, and local laws ordinances, etc. to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY19.

Objective 15. Collect, monitor, and report weekly, monthly and quarterly key laboratory performance metrics to include: Water Quality Laboratory results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs), laboratory productivity (results reported per productive hour), and the percentage of results reported late (turnaround time-TAT). Compare to industry benchmarks.

Objective 16. Continue collection and analyses of the operational data necessary to determine and document the actual cost of service for laboratory services for the analytical methods within the Water Quality Laboratory scope of accreditation. The status of the data collection and analyses efforts will be reported quarterly. Use the collected data to update the laboratory prices.

Objective 17. Continue to develop its LIMS, LabVantage, throughout FY19 to increase the automation of data entry to reduce data entry errors and reduce the amount paper used at the laboratory. Develop dashboards to help analysts and management manage samples and workflows entirely in the application. Expand the collection of electronic data to field analytics, balances, probes, and spectrophotometry instruments stored in the Database of Compliance.

Objective 18. Continue to develop the Environmental Monitoring Program to improve the reliability of results from field instrumentation and sample collection

1 techniques. Develop a program plan based on designated ISO standard to address
2 accreditation requirements to include standard operating procedures, document control
3 and records management plans, and a process for demonstration of staff capability.
4 Implement program plan by the end of the 4th Quarter of FY19.

5 Objective 19. Prepare for the New Mexico Environment Department Drinking
6 Water Laboratory Certification audit for microbiological water testing in the 4th quarter of
7 FY19. Prepare for the American Association for Laboratory Accreditation (A2LA)
8 annual assessment of the Water Quality Laboratory including completing required
9 internal audits and annual review and revision of Standard Operating Procedures.

10 Objective 20. Gather and report on external subcontract laboratory costs that
11 are processed by the Water Quality Laboratory. Improve how the Laboratory manages
12 requisitions from purchasing and sample ids generated in LabVantage and the
13 corresponding invoices received from the external subcontract laboratories. Utilized the
14 existing Compliance Division 'Database of Compliance' (DOC), and make available the
15 cost of external subcontract laboratory analysis for reporting.

16 Objective 21. Monitor for Pharmaceuticals and Personal Care Products
17 (PPCPs) in the source water, drinking water and wastewater. Report the findings of
18 voluntary monitoring by the end of the 4th Quarter of FY19. Compare the results to
19 historical monitoring performed in 2009-2010.

20 GOAL 5. ORGANIZATION DEVELOPMENT: Sustain a well-informed,
21 trained, motivated, safe, organized, and competitive work force to effectively meet the
22 expectations of the customers, community, and Board in accordance with adopted
23 policies and mandates.

24 Objective 1. Align ongoing supervisor training to address issues identified during
25 Employee Connections meetings and from Employee Satisfaction Surveys; modify
26 supervisor training to incorporate employee appreciation, recognition and
27 communication by the end of the 2nd Quarter of FY19.

28 Objective 2. Maintain an average utility-wide vacancy rate of no greater than 5%
29 through the end of FY19.

30 Objective 3. Complete two employee wellness challenges per fiscal quarter
31 focusing on nutrition, physical activity and weight loss, and disease and injury
32 prevention to employees by the end of the 4th Quarter of FY19.

1 Objective 4. Continue updating the Knowledge Management Strategy to assure
2 that the right knowledge is systematically collected, stored, organized, and transferred
3 to the appropriate employee in a timely and effective manner by the end of the 4th
4 Quarter of FY19.

5 Objective 5. Reduce injury hours to 2,650 hours or less to improve productivity
6 and reliability of services provided by employees by the end of the 4th Quarter of FY19.

7 Section 2. That the Executive Director of the Water Utility Authority shall ensure
8 that these goals and objectives are carried out and integrated with the performance plan
9 and submit a report by Goal to the Water Authority Board at least semi-annually on the
10 progress made toward implementation of the one year objectives.

Meeting Date: April 18, 2018
Staff Contact: Frank Roth, Senior Policy Manager

TITLE: C-18-12 – Reappointments to the Technical Customer Advisory Committee

ACTION: Recommend Approval

SUMMARY:

The Technical Customer Advisory Committee (TCAC) was established in 2006 to assist in and facilitate public review and discussion of Water Authority policies, plans and programs. The TCAC was established to provide a professional/technical group of volunteer individuals who represent the five core functional areas of operating a water and wastewater utility. This group is intended to provide outside expertise in best practices and private sector applications for continuous business improvement.

Dave Hill and Scott Verhines have completed their first terms and are eligible to be reappointed to a second two year term. Staff recommends that both continue to serve on the TCAC. Below is a summary of their professional and academic background.

Biographies

Dave Hill has practiced commercial real estate since 1996 and joined NAI Maestas & Ward in 2003. He is the leader of the NAI Maestas & Ward office team. Prior to beginning his real estate career, Dave spent 13 years as an executive sales engineer for Square D Company, one of the nation's largest electrical manufacturing firms. In 1982, he earned a Bachelor of Science degree in mechanical engineering from the University of Arizona. His 19 years of experience in commercial real estate assisting clients with acquisition, disposition and leasing of all types of office and industrial properties has positioned Dave as one of Albuquerque's most prominent real estate professionals. T-Mobile, Oso Grande Inc., Explore Academy, Ultramain Systems Inc., Stryker, Weidlinger Associates Inc., and Xilinx Inc., are among his many clients. In addition, he markets some of Albuquerque's most visible and premier office buildings.

Scott Verhines is a lifelong consulting civil engineer with over 38 years of experience focusing on water resource, transportation and drainage/flood control projects. He has a strong background in water resources engineering, both technically and practically. He has also managed and participated in the preparation of over 200 hydrologic/hydraulic studies ranging in size from individual residential lots to over 500 sq. miles of watershed. Moreover, he has planned and designed over 60 major transportation projects, including over 100 miles of rural highway and urban roadway projects in recent years. Furthermore, he has overseen the analysis and design of drainage/flood control infrastructure projects from \$5000 to over \$15 million in construction cost, transportation

projects to over \$30 million, and water supply projects to over \$500 million. His experience and interests lend particular strength in the areas of program management, public involvement, collaborative decision-making and coordinating multi-task and multi-discipline projects involving a variety of local, state and federal agencies.

CURRENT MEMBERS:

Member	Category	Term Expiration
Ege Richardson	Water System Engineering	6/2019
Michael Hightower	Water Resource Planning	6/2019
Amy Ewing	Water Resource Planning	4/2018
Dave Hill	Financial/Business Management	3/2018
Scott Verhines	Water System Engineering	3/2018
Janie Chermak	Resource Economics	10/2018
Andrew Bernard	Landscape Architecture	12/2018
Melissa Armijo	Customer Service / Stakeholder Engagement	5/2019
Amy Miller	Non-profit Water Management Advocacy/Education	8/2019

FISCAL IMPACT:

None

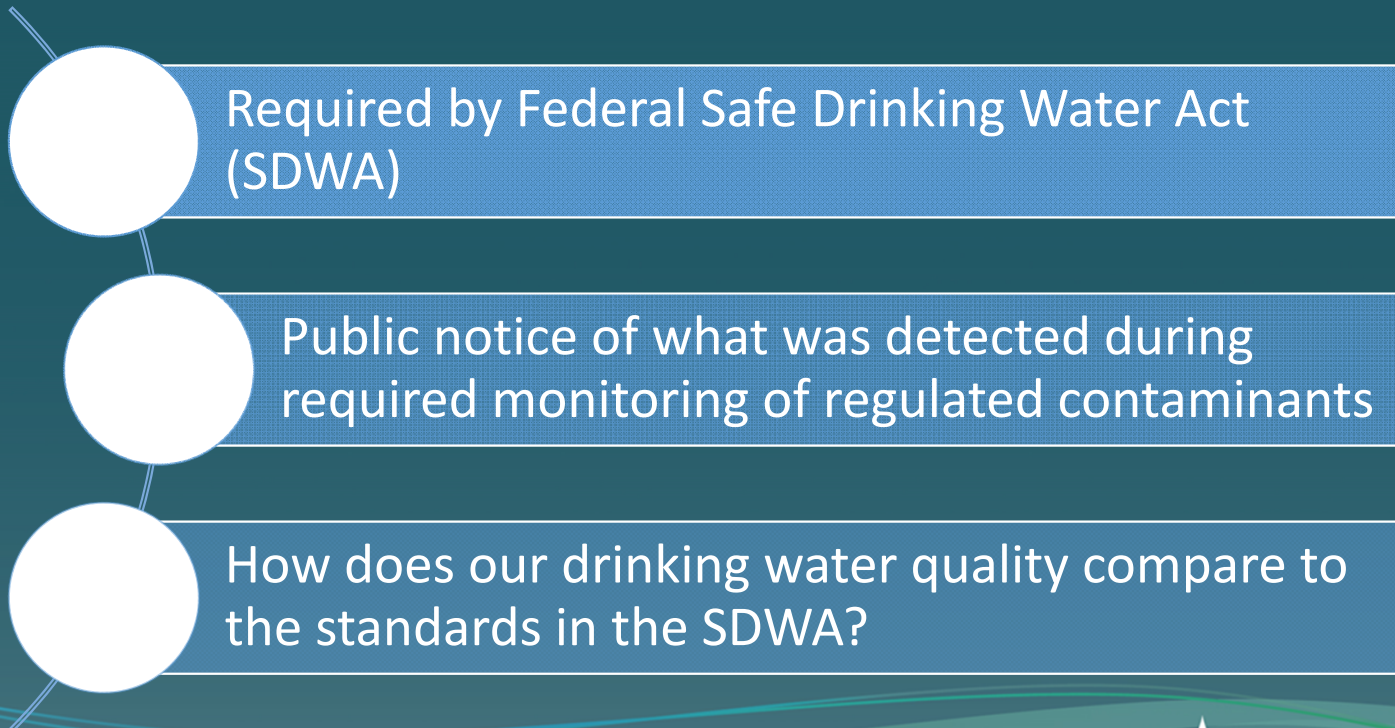
2017 Consumer Confidence Report (CCR)

Mark Kelly, PE
Compliance Division Manager



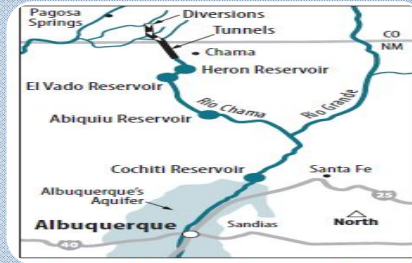
Albuquerque Bernalillo County
Water Utility Authority

Why have a CCR?



CCR Required Information

General and billing information	842-WATR(9287)
Water quality information	289-3653
Report water waste	842-WATR(9287)
Report unusual activity at water facilities	842-WATR(9287)
Pollution prevention/Industrial pretreatment	289-3419
Water protection policy & action plan	289-3025
Cross-connections	289-3417
Water quality email	waterquality@abcwsa.org
Information Websites	
Albuquerque Bernalillo County Water Utility Authority	www.abcwsa.org
City of Albuquerque	www.ci.abq.nm.us
Bernalillo County	www.bemco.gov
Bernalillo County Water Conservation	www.bemco.gov/water
NM Environment Department Drinking Water Bureau	www.enr.nm.gov/dwb
American Water Works Association	www.awwa.org



Some found in surface water throughout the U.S. We monitor for these parasites because they may produce symptoms of nausea, vomiting, and headaches. Current test methods do not allow us to know if they are capable of causing disease. Cryptosporidium and Giardia are the two parasites of concern. During the 24-month sampling period, we measured in our source water.

Found in source water, the USEPA requires water systems to demonstrate their efficiency. The San Juan-Chama Drinking Water System uses a multi-barrier approach (pre-sedimentation, clarification, and filtration) to meet the USEPA requirements.

Source measured at or above the detection limit.

The highest level of a contaminant that is allowed in drinking water. MCLGs are health-based and do not take into account the feasibility of treatment.

MCLGs: The level of a contaminant in drinking water that poses no known or anticipated risk to health. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level (MRDL): The highest level of disinfectant that is allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary to control microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The disinfectant level below which there is no known or expected risk to health from the disinfectant and the benefits of the use of disinfectants to control microbial contaminants.

Parts Per Billion (PPB): Parts per billion or micrograms per liter. Example: one drop of water in an Olympic-size swimming pool.

Parts Per Million (PPM): Parts per million or milligrams per liter. Example: four drops of water in a 55-gallon barrel.

picaCuries per liter (pCi/L): A measure of radioactivity.

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.

Water System Information

- Contact Information

Sources of Water

Definitions



Albuquerque Bernalillo County
Water Utility Authority

CCR Required Information

Monitoring at the Distribution System

UCMR3 requires utilities that serve the amount of certain customers in drinking water. To comply, the utility must monitor the following: The table below shows the substances from monitoring done at the Distribution System (EDS) for monitoring with UCMR3.

Sample Location	Minimum Detected	Average Detected	Maximum Detected	Low Level Chronic Drinking Water Plant	Maximum Concentration Level (MCL)	Maximum Concentration Level (MCLG)	Detection Limit	Source
18-2017	2m PPS	2 PPS	2 PPS	2m PPS	10 PPS	2 PPS	1 PPS	Excess of natural radon & radon progeny
	2m PPS	2m PPS	2m PPS	2m PPS	2 PPS	2 PPS	0.1 PPS	Excess of natural radon
	2m PPS	1 PPS	2 PPS	2m PPS	100 PPS	100 PPS	1 PPS	Excess of natural radon
18-2017	0.1 PPS	0.00 PPS	0.00 PPS	0.1 PPS	0.00 PPS	0.00 PPS	0.1 PPS	Excess of natural radon
18-2017	2m PPS	0.10 PPS	2.00 PPS	0.10 PPS	10 PPS	10 PPS	0.10 PPS	Excess of natural radon
2017	2m PPS	0.0001 PPS	0.0001 PPS	2m PPS	10 PPS	10 PPS	0.0001 PPS	Excess of natural radon
18-2017	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	Excess of natural radon
18-2017	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	0.00 PPS	Excess of natural radon
2017	2m PPS	0.00 PPS	0.00 PPS	2m PPS	10 PPS	10 PPS	0.00 PPS	Excess of natural radon

regulated substances detected during UCMR3 in 2015: laboratory Minimum Reporting Level (MRL*)

Substance Name	MRL	Range of Results	Average of Results
4-dioxane	0.07 PPB	<0.07 to 0.19 PPB	<0.07 PPB
chlorate	20 PPB	<20 to 169 PPB	88 PPB
chromium, total	0.2 PPB	<0.2 to 9 PPB	0.96 PPB
chromium-6	0.03 PPB	<0.03 to 7.3 PPB	0.97 PPB
chromium-3	1 PPB	<1.1 to 7.5 PPB	3.1 PPB
copper	0.3 PPB	144 to 631 PPB	379 PPB
radium	0.2 PPB	<0.2 to 14 PPB	3.4 PPB

MRL is the lowest concentration that can be detected by laboratory equipment.

For information about the Unregulated Contaminant Monitoring Program is available www.epa.gov/dwucmr.

PA Health Effects Language:

For people who drink water containing **barium** in excess of the MCL over many years could experience an increase in their blood pressure.

For people who drink water containing **bromate** in excess of the MCL over many years may experience an increased risk of getting cancer.

For people who drink water containing **chromium** in excess of the MCL over many years could experience allergic dermatitis.

For people who drink water containing **xylenes** in excess of the MCL over many years could experience damage to their nervous system.

Detected Contaminants

- Entry Points
- Distribution
- Surface Water Plant

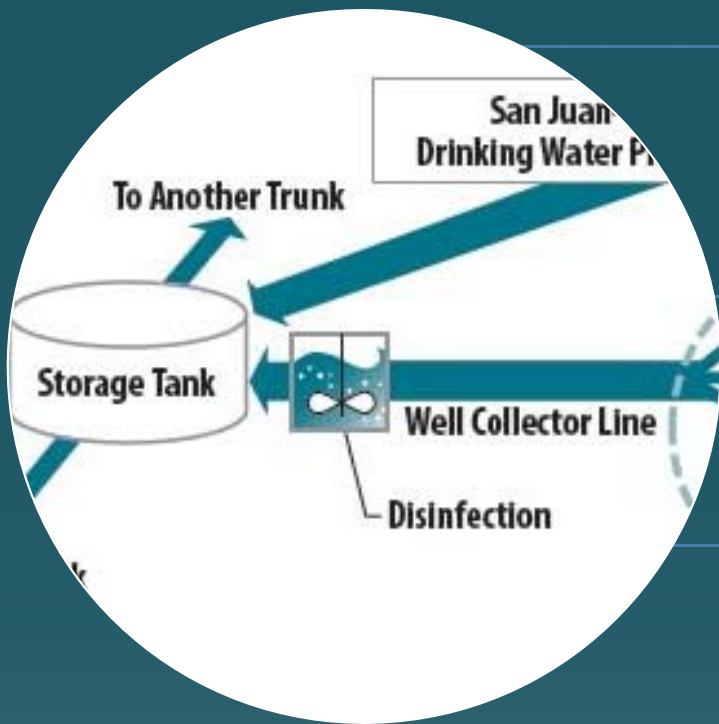
Compliance With Other Drinking Water Regulations

- UCMR3
- LT2

Educational Information



Albuquerque Bernalillo County
Water Utility Authority



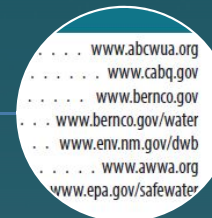
Water System Information



Board Members



Phone Numbers



Websites



Albuquerque Bernalillo County
Water Utility Authority

Ground
Water



Surface
Water

Sources
of
Water



Albuquerque Bernalillo County
Water Utility Authority

Definitions

Definitions

Cryptosporidium is a microbial pathogen found in surface water throughout the U.S. We monitor the river for *Cryptosporidium*. If ingested, these parasites may produce symptoms of nausea, stomach cramps, diarrhea, and associated headaches. Current test methods do not allow us to determine if the organisms are dead or if they are capable of causing disease. *Cryptosporidium* is reported in oocysts, which are spores of the organism. During the 24-month sampling period, only one (1) *Cryptosporidium* oocyst was measured in our source water.

Based on the levels of *Cryptosporidium* found in source water, the USEPA requires water systems to use specific treatment techniques and to demonstrate their efficiency. The San Juan-Chama Drinking Water Plant was designed to provide a multi-barrier approach (pre-sedimentation, clarification, and filtration) to removing *Cryptosporidium* in order to meet the USEPA requirements.

Detected: The concentration of a substance measured at or above the detection limit.

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Parts Per Billion (PPB): Parts per billion or micrograms per liter ($\mu\text{g/L}$). 1 PPB = 0.001 PPM.
Example: one drop of water in an Olympic-size swimming pool.

Parts Per Million (PPM): Parts per million or milligrams per liter (mg/L). 1 PPM = 1,000 PPB.
Example: four drops of water in a 55-gallon barrel.

picoCuries per liter (pCi/L): A measure of radioactivity.

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.



Albuquerque Bernalillo County
Water Utility Authority

Detected Contaminants

2017 Results of Compliance Monitoring at Entry Points to the Distribution System

USEPA sets regulations that limit the amount of certain substances in drinking water. USEPA defines where and how often samples for each substance must be collected. The table below shows the substances found in the most recent water quality testing done at the Entry Points to the Distribution System (EPTDS) to comply with USEPA.

Substance	Sample Collection Years	Minimum Detected	Average Detected	Maximum Detected	San Juan-Chama Drinking Water Plant	Maximum Contaminant Level (MCL)	Maximum Contaminant Level Goal (MCLG)	Detection Limit	Source	Health Effects Language
Metals										
Arsenic		Zero PPB	2 PPB	9 PPB	Zero PPB	10 PPB	Zero PPB	1 PPB	Erosion of natural volcanic deposits.	See bottom of page 3.
Barium	2014-2017	Zero PPM	Zero PPM	0.2 PPM	Zero PPM	2 PPM	2 PPM	0.1 PPM	Erosion of natural deposits.	
Chromium		Zero PPB	1 PPB	8 PPB	Zero PPB	100 PPB	100 PPB	1 PPB	Erosion of natural deposits.	
Minerals										
Fluoride	2014-2017	0.25 PPM	0.48 PPM	1.24 PPM	0.39 PPM	4 PPM	4 PPM	0.10 PPM	Erosion of natural deposits.	Not Applicable
Nutrients										
Nitrate	2016-2017	Zero PPM	0.38 PPM	2.99 PPM	0.26 PPM	10 PPM	10 PPM	0.10 PPM	Erosion of natural deposits.	Not Applicable
Organics										
Total Xylenes	2017	Zero PPM	0.0001 PPM	0.0031 PPM	Zero PPM	10 PPM	10 PPM	0.0005 PPM	Discharge from petroleum or chemical factories.	See bottom page 3.
Radionuclides										
Gross Alpha Particle Activity		Zero pCi/L	0.8 pCi/L	2.5 pCi/L	Zero pCi/L	15 pCi/L	Zero pCi/L	0.7-1.1 pCi/L	Erosion of natural deposits.	Not Applicable
Radium 226 + 228	2010-2017	0.00 pCi/L	0.16 pCi/L	0.41 pCi/L	0.05 pCi/L	5 pCi/L	Zero pCi/L	0.01-0.18 pCi/L	Erosion of natural deposits.	Not Applicable
Uranium		0 PPB	2 PPB	9 PPB	Zero PPB	30 PPB	Zero PPB	1.0 PPB	Erosion of natural deposits.	Not Applicable
Disinfectants										
Chlorine	2017	Zero PPM	Not Applicable	Not Applicable	Not Applicable	TT = Maintain required chlorine level or restore within 4 hours.	Not Applicable	Not Applicable	Disinfectant (sodium hypochlorite).	Not Applicable
					TT met at 100% of sites.					



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Detected Contaminants

2017 Results of Compliance Monitoring at the San Juan-Chama Drinking Water Plant

USEPA sets regulations that limit the amount of certain substances in drinking water. USEPA defines where and how often samples for each substance must be collected and how they must be analyzed. The table below shows only the substances found in compliance monitoring for the finished water at the Surface Water Treatment Plant. For surface water, USEPA also requires that specific treatment techniques are used and shown to be effective.

Substance	Maximum Contaminant Level (MCL)	Maximum Contaminant Level Goal (MCLG)	Minimum Detected	Average Detected	Maximum Detected	Detection Limit	Source
Microbiological <i>Cryptosporidium</i> (untreated water) ¹	TT	Zero Oocysts/L	Zero Oocysts/L	0.004 Oocysts/L	0.093 Oocyst/L	1 Oocyst	Human and animal fecal waste.
Turbidity <i>A measure of cloudiness of the water. It is a good indicator of the effectiveness of filtration.</i>	1 NTU ² in all finished water samples, 95% of the finished water samples must be less than 0.3 NTU.	Zero NTU	0.02 NTU Lowest monthly percentage: 160 of 161 samples or 99.4% of samples taken in the one month were less than 0.3 NTU.	Not Applicable	0.37 NTU		Soil runoff.
Total Organic Carbon (TOC)	TT	Not Applicable	Zero PPM	0.8 PPM	1.5 PPM	1.0 PPM	Naturally present in the environment.
Minerals							
Fluoride	4 PPM	4 PPM	0.39 PPM	0.39 PPM	0.39 PPM	0.10 PPM	Erosion of natural deposits.
Nutrients							
Nitrate	10 PPM	10 PPM	0.26 PPM	0.26 PPM	0.26 PPM	0.10 PPM	Erosion of natural deposits.
Disinfection By-Products							
Bromate (for health effects - bottom left, page 3).	10 PPB	Zero PPB	1.1 PPB	2.0 PPB	4.2 PPB	1.0 PPB	By-product of drinking water disinfection.
Substance	Maximum Residual Disinfectant Level (MRDL)	Maximum Residual Disinfectant Level Goal (MRDLG)	Minimum Detected	Average Detected	Maximum Detected	Source	
Disinfectants							
Chlorine	4 PPM	4 PPM	0.7 PPM	1.4 PPM	1.7 PPM	Disinfectant (sodium hypochlorite).	

¹Summary of results from samples collected over 24 months, between April 2015 and May 2017. ²NTU = Nephelometric Turbidity Unit.



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Detected Contaminants

2017 Compliance Results of

Distribution System Monitoring

USEPA sets regulations that limit the amount of certain substances in drinking water. USEPA defines where and how often samples for each substance must be collected. The table below shows the substances found in the most recent water quality testing done in the Distribution System to comply with USEPA.

Substance Detected	Safe Level ¹	DETAILED INFORMATION								
Microbiological		Source	Year of Samples	Minimum Detected	Average Detected	Maximum Detected	Maximum Contaminant Level (or equivalent)	Maximum Contaminant Level Goal (or equivalent)	Detection Limit	
Total Coliform (240 samples each month)	Yes	Coliforms are bacteria that are normally present in the environment.	2017	Not Applicable	Not Applicable	2 of 248 samples or 0.81% of samples taken in a month had detectable total coliform bacteria. No total coliform bacteria was detected in any repeat sample at any location.	Presence of coliform bacteria in 5.0% or more of samples in any month.	0% of samples with detectable coliform bacteria.	Not Applicable	
Disinfectants										
Chlorine	Yes	Disinfectant (sodium hypochlorite).	2017	0.2 PPM	0.8 PPM	1.9 PPM	4 PPM (MRDL)	4 PPM (MRDLG)	Not Applicable	
Disinfection By-Products		Source	Year of Samples	Range of Results		Maximum Detected	Maximum Contaminant Level (or equivalent)	Maximum Contaminant Level Goal (or equivalent)	Detection Limit	
Total Trihalomethanes (TTHMs) ²	Yes	By-product of chlorination.	2017	1-56 PPB ⁴		42 PPB (highest LRAA ⁵).	80 PPB	Not Applicable	0.15 PPB	
Haloacetic Acids (HAA5s) ³	Yes	By-product of chlorination.	2017	0-19 PPB ⁴		14 PPB (highest LRAA ⁵).	60 PPB	Not Applicable	0.06 PPB	
Lead & Copper		Source	Year of Samples	90th Percentile	No. of Samples that Exceed Action Level	Maximum Detected	Action Level ⁶	Maximum Contaminant Level Goal	Detection Limit	
Zones 1-20 (50 samples every 3 years)	Lead	Yes	Corrosion of household plumbing.	2015	2 PPB	Zero	4 PPB	15 PPB	Zero PPB	1.0 PPB
	Copper	Yes	Corrosion of household plumbing.	2015	0.29 PPM	Zero	0.47 PPM	1.3 PPM	Zero PPM	0.01 PPM

¹ Meets USEPA standards for safe drinking water. ² TTHMs are the sum of the concentrations of the trihalomethane compounds. ³ HAA5s are the sum of the concentrations of the haloacetic acid compounds. ⁴ The range represents the minimum and maximum of all quarterly analytical results at all 12 locations. ⁵ The Locational Running Annual Average (LRAA) is the average of analytical results for samples taken at a particular monitoring location during the previous four calendar quarters.

⁶ Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow. The Action Level is compared to the concentration detected in the 90th percentile sample.



Albuquerque Bernalillo County
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Compliance With Other Drinking Water Regulations

Unregulated substances detected during UCMR3 in 2015: Laboratory Minimum Reporting Level (MRL*)

Substance Name	MRL	Range of Results	Average of Results
1,4-dioxane	0.07 PPB	<0.07 to 0.19 PPB	<0.07 PPB
Chlorate	20 PPB	<20 to 169 PPB	88 PPB
Chromium, total	0.2 PPB	<0.2 to 9 PPB	0.96 PPB
Chromium-6	0.03 PPB	<0.03 to 7.3 PPB	0.97 PPB
Molybdenum	1 PPB	<1.1 to 7.5 PPB	3.1 PPB
Strontium	0.3 PPB	144 to 631 PPB	379 PPB
Vanadium	0.2 PPB	<0.2 to 14 PPB	3.4 PPB

* MRL is the lowest concentration that can be detected by laboratory equipment.



Albuquerque Bernalillo County
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Required Educational Language

USEPA Health Effects Language:

Some people who drink water containing **barium** in excess of the MCL over many years could experience an increase in their blood pressure.

Some people who drink water containing **bromate** in excess of the MCL over many years may have an increased risk of getting cancer.

Some people who drink water containing **chromium** in excess of the MCL over many years could experience allergic dermatitis.

Some people who drink water containing **xylene**s in excess of the MCL over many years could experience damage to their nervous system.



Optional Info



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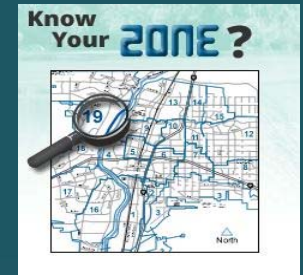
Voluntary Lead Program Results

2017 Customer Requested Testing				2015 USEPA Required Testing			
Parameter	Minimum	Maximum	90th Percentile	Minimum	Maximum	90th Percentile	Action Level
Lead PPB	0	4.7	1.6	0	4	2	15
Copper PPM	0	0.46	0.24	0.03	0.47	0.29	1.3

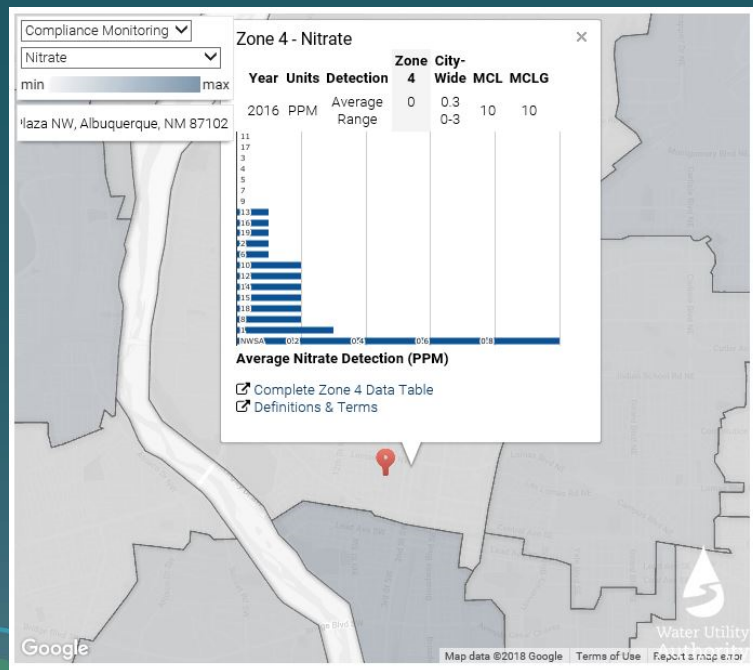


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Additional Information Available

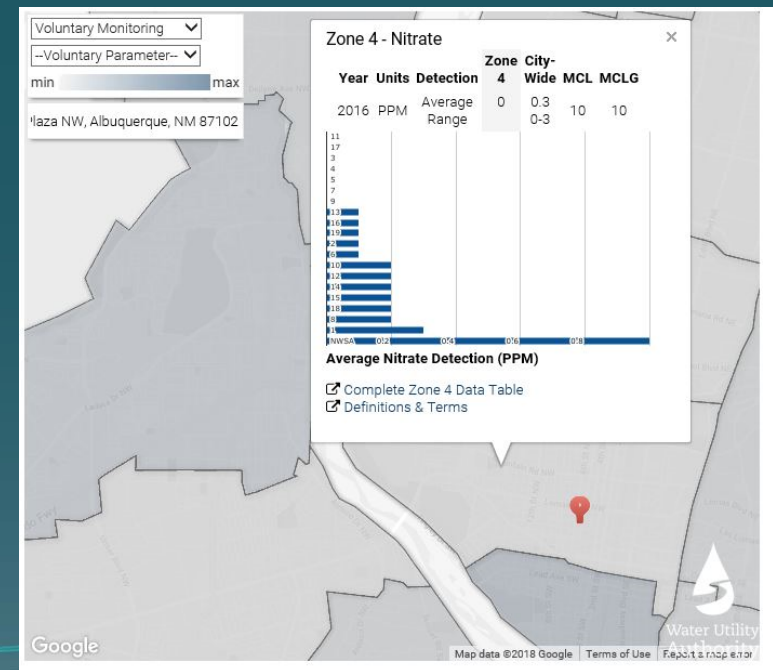


Compliance Monitoring



www.abcwua.org/waterquality

Voluntary Monitoring



 Water Utility Authority

Lead Testing Program and Rebate

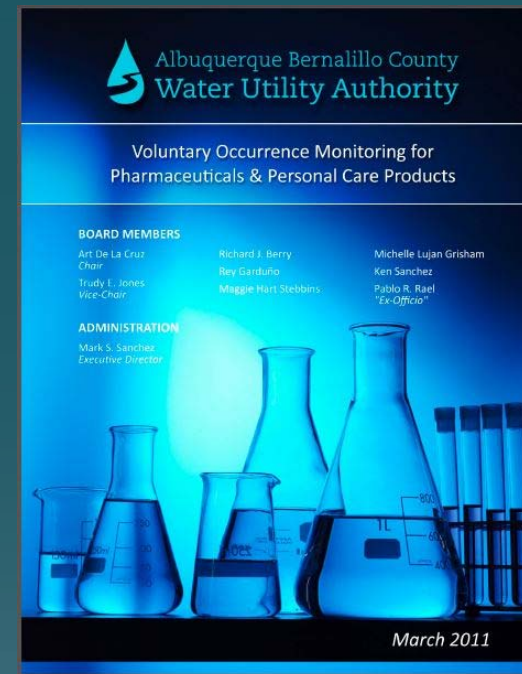
- Voluntary Testing
 - Also available in 2018
 - Sign up Online
 - www.abcwua.org/leadsurvey.aspx
 - Call 289-3653
- 2018 Compliance Testing Rebates
 - \$20 off water bill
 - 50 Qualifying Customers
 - Sign up Online
 - www.abcwua.org/lead-rebate.aspx



Albuquerque Bernalillo County
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Pharmaceuticals and Personal Care Products (PPCPs)

- 2011 Report
 - Sampling 2009 – 2011
 - 113 PPCPs Tested
 - 5 Locations
 - Very Low Level Detections
 - Ibuprofen
 - Testosterone
 - Naproxen
 - Cholesterol



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PPCPs – 2011 Breakdown of Results

Figure a. Frequency of Occurrence of 113 PPCPs in Finished Drinking Water

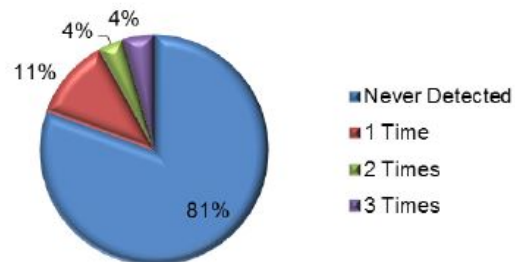
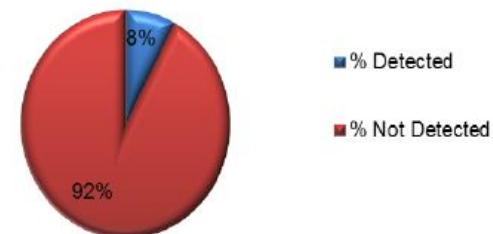


Figure b. Percent of Detections (After Blank Correction) vs. Total Analyses in Finished Drinking Water



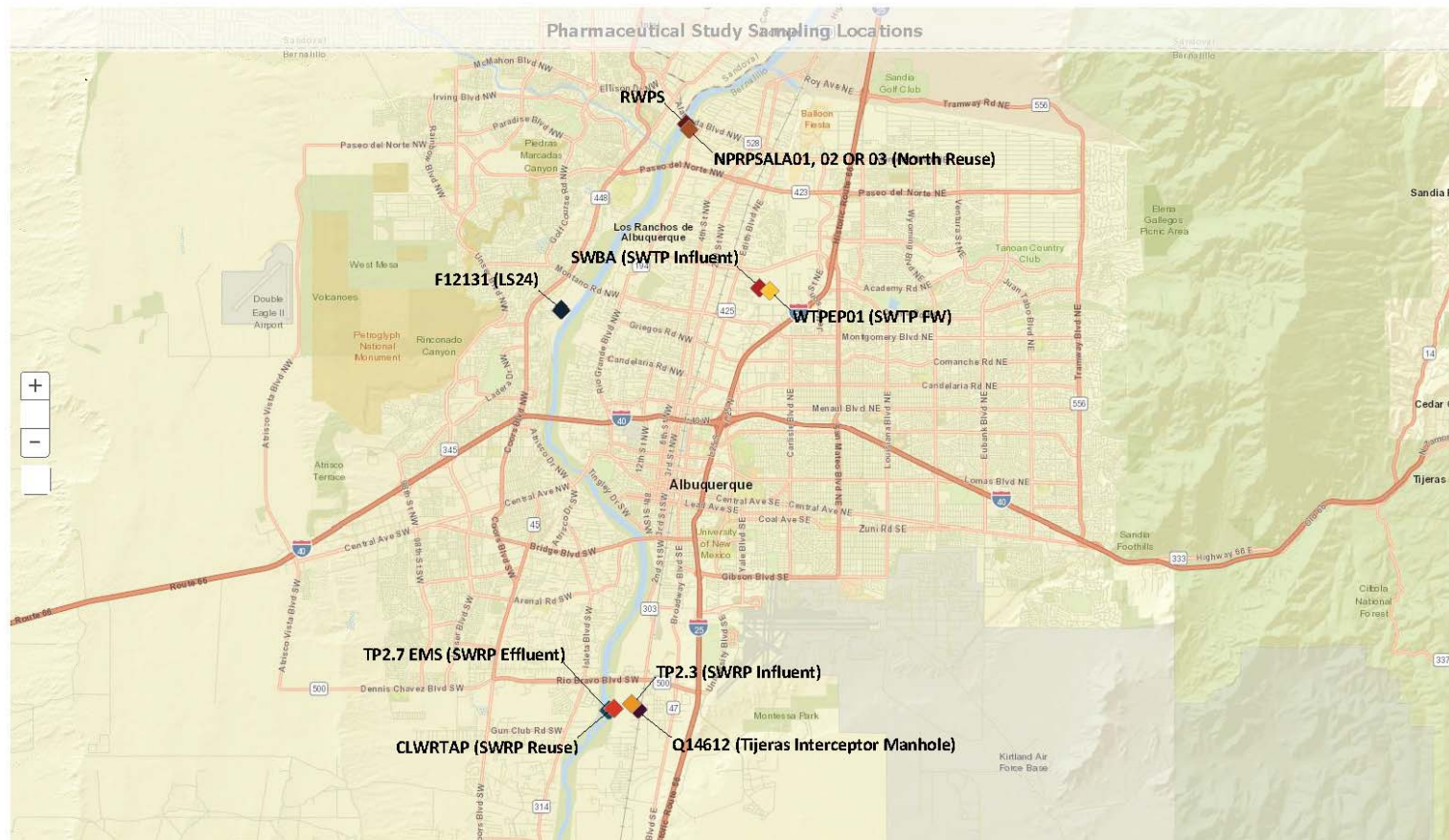
PPCPs – 2011 Results Cont.

Table 4a. Comparison of Substance Concentration in Finished Water to Commonly Prescribed Dose or Dietary Amount						
Substance	Classification	Level Detected (ng/L)	Commonly Prescribed Dose or Dietary Amount	Volume of Water Needed to Consume to Meet Prescribed Dose or Dietary Amount		Years of Consumption at Two (2) Liters to Meet Prescribed Dose
				Liters	Gallons	
Ibuprofen	Analgesic	50.8	200 mg	3,940,000	1,041,000	5,390
Testosterone	Sex hormone	23.3	200 mg	8,580,000	2,270,000	11,800
Campesterol	Plant sterol	23.9	33.7 mg/Tbsp Vegetable Oil	1,410,000	372,000	1,930
Stigmasterol	Plant sterol	114	0.4 mg/Tbsp Vegetable Oil	3,510	927	5
Naproxen	Non-steroidal anti-inflammatory drug	210	250 mg	1,190,000	314,000	1,630
2-Hydroxy-Ibuprofen	Metabolite of Ibuprofen	545	200 mg	367,000	97,000	503
Beta-Sitosterol	Plant sterol	462	57.8 mg/Tbsp Vegetable Oil	125,000	33,000	171
Cholesterol	Sterol	4060	200 mg	49,300	13,000	67



Albuquerque Bernalillo County
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PPCPs – Sampling Locations for Update



PPCPs – Schedule for Sampling

- Timing to Match Rio Grande
 - Base Flow – January/February/March
 - High Flow – May/June
 - Irrigation – July/August
 - Low Flow – September/October/November
- Staggering of Sampling



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PPCPs – Final Report

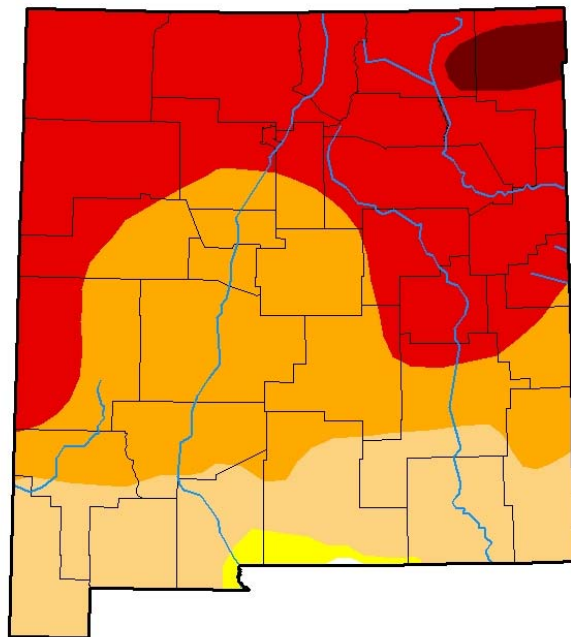
- Format Similar to 2011 Report – posted on website
- Compare results from 2018 to 2011
- Present Result Findings to Board Spring 2019



Albuquerque Bernalillo County
Water Utility Authority

NM Drought

U.S. Drought Monitor New Mexico



April 10, 2018
(Released Thursday, Apr. 12, 2018)
Valid 8 a.m. EDT

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.08	99.92	98.57	78.12	45.92	2.16
Last Week 04-03-2018	0.08	99.92	98.57	78.12	38.87	0.00
3 Months Ago 01-09-2018	0.00	100.00	87.42	6.22	0.00	0.00
Start of Calendar Year 01-01-2018	7.01	92.99	45.97	4.76	0.00	0.00
Start of Water Year 09-26-2017	85.16	14.84	0.00	0.00	0.00	0.00
One Year Ago 04-11-2017	50.57	49.43	2.29	0.00	0.00	0.00

Intensity

■ D0 Abnormally Dry ■ D3 Extreme Drought
■ D1 Moderate Drought ■ D4 Exceptional Drought
■ D2 Severe Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author

David Miskus
NOAA/NWS/NCEP/CPC



<http://droughtmonitor.unl.edu/>

Water Use January 1 – April 8

