



Albuquerque Bernalillo County Water Utility Authority

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

Agenda

Councillor Ken Sanchez, Chair
Commissioner Wayne Johnson, Vice-Chair
Mayor Richard J. Berry
Commissioner Art De La Cruz
Councillor Rey Garduño
Commissioner Maggie Hart Stebbins
Councillor Trudy E. Jones
Trustee Pablo Rael, Ex Officio Member

Wednesday, May 23, 2012

5:00 PM

Vincent E. Griego Chambers

1. **CALL TO ORDER**
2. **INVOCATION/PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF MINUTES - April 18, 2012**
4. **PROCLAMATIONS AND AWARDS**
5. **PUBLIC COMMENT**
6. **ANNOUNCEMENTS/COMMUNICATIONS**
 - A. **Next Scheduled Meeting - June 20, 2012 at 5:00 pm**
7. **INTRODUCTION (FIRST READING) OF LEGISLATION**
 - A. **WUA O-12-1** Amending the Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance to Add a 5% Rate Adjustment for FY16 and FY18, Establish Irrigation Budget Surcharges Consistent with Other Accounts, Establish Consistency in the Procedures for Establishing Irrigation Budgets, Changing Definitions, Update Utility Expansion Charge and Water Supply Charge by the Engineering News Report Index, and Clerical Updates
8. **CONSENT AGENDA (Any Board Member may request that a Consent Agenda item be placed under Approvals)**
9. **APPROVALS**
 - A. **WUA R-12-9** Establishing One-Year Objectives for the Water Utility Authority in Fiscal Year 2013 to Meet Five-Year Goals

- B. WUA R-12-10** Appropriating Funds for Operating the Water Authority for Fiscal Year Beginning July 1, 2012 and Ending June 30, 2013
- C. WUA R-12-11** Appropriating Funds for the Capital Implementation Program for the Water Authority for the Fiscal Year Beginning July 1, 2012 and Ending June 30, 2013
- D. WUA C-12-8** Recommendation of Award, Software and Implementation Services for an Enterprise Resource Planning System (ERP), P2012000021
- E. WUA R-12-12** Authorizing an Agreement with Eagle Vista LLC for the 9641 Eagle Ranch Road Apartment Complex for Water and Sewer Service

10. OTHER BUSINESS

A. Water Conservation Update

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 768-2500 or by the TTY at 1-800-659-8331.

*** Proof ***

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Account Information

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Name: ALB BERN CNTY WATER UTILITY
AU
Account #: C80145
Address: PO BOX 1293 STE 5012

ALBUQUERQUE, NM 87103
Client:
Email:
Placed by: PATTY JENKINS
Fax #:

Ad Information

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BERNALILLO
COUNTY WAT
Rate code: Gov't Legal Display
Publications: Journal Daily (AM)
Journal Sunday
Size: 1 x 72.590
Billed size: 72.00 5.14 agate
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Ad type: In-Column Display
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Water Utility
Authority

ALBUQUERQUE
BERNALILLO COUNTY
WATER UTILITY AUTHORITY

NOTICE IS HEREBY GIVEN that the Albuquerque Bernalillo County Water Utility Authority will conduct its May 2012 Board meeting Wednesday, May 23, 2012 at 5:00 P.M. in the Vincent E. Griego Chambers of the Albuquerque Bernalillo County Government Center, Basement Level, One Civic Plaza NW.
Agendas may be picked up at the Albuquerque Bernalillo County Water Utility Authority Office, One Civic Plaza NW 5th Floor Room 5012.

NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in this meeting, please contact the Water Authority



Albuquerque Bernalillo County Water Utility Authority

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Public Comment Sign In Sheet –May 23, 2012

Name	Contact Info (email or phone number)
✓ WILLARD HUNTER	710-9651
✓ VERONICA CRUZ	
✓ DAVE MCCOY	262-1862
✓ JIM MCKAY	369- 369 8513
✓ STEVEN BUTTLE	sosuttle@aol.com
✓ SHERMAN MCCORTLE	shermand@sbkportle.org
✓ Geraldine Amos	242 2328
✓ Judy KAUL	

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Office, Suite 5012, Albuquerque/
Bernalillo County Government
Center, phone 768-2500 or by the
TTY 1-800-659-8331, as soon as
possible prior to the meeting date.
Public documents, including the
agendas and minutes, can be pro-
vided in various accessible for-
mats. Please contact the Execu-
tive Director of the Water Authority
at the Water Authority Office if a
summary or other type of accessi-
ble format is needed.
Journal: May 19-23, 2012

Meeting Date: May 23, 2012
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: Amending the Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance to Add a 5% Rate Adjustment for FY16 and FY18, Establish Irrigation Budget Surcharges Consistent with Other Accounts, Establish Consistency in the Procedures for Establishing Irrigation Budgets, Changing Definitions, Update Utility Expansion Charge and Water Supply Charge by the Engineering News Report Index, and Clerical Updates

ACTION: First Reading May 23, 2012; Final Action June 20, 2012

SUMMARY:

This Legislation amends the Water Authority's Water and Sewer Rate Ordinance. The Ordinance is amended to: 1) approve a 5% rate adjustment for FY16 and FY18; 2) make the irrigation budget surcharges consistent with other accounts; 3) make the procedures for establishing irrigation budgets consistent with existing policy; and 4) increase the Utility Expansion Charges and Water Supply Charge by the ENR index per sections 1-1-8(A)(1) and 1-1-8(D)(1) of the Ordinance.

The proposed amendment would approve a 5% rate adjustment for fiscal year 2016 and 2018. The rate adjustments would allow the Authority to begin incrementally increasing its capital spending at approximately \$3 million a year until the Authority can reach and sustain a spending level of approximately \$76 million annually as recommended by the Authority's Asset Management Plan. The rate adjustments would provide the resources to continue the upgrades at the Reclamation Plant and would also help Authority to achieve its goal of maintaining a Working Capital Balance equal to 1/12 of the annual budgeted expenditures.

The proposed amendment would make the Irrigation Budget Surcharges consistent with other accounts. For Fiscal Year 2012 the Board approved a third tier to the Authority's Extra Use Surcharge Structure and this legislation brings the Irrigation Budget Surcharges into the same approved levels. The amendments also establish consistency with existing procedures for establishing irrigation budgets.

The proposed amendment also adjusts the Utility Expansion Charges and Water Supply Charge by 2.7% based upon the May 1, 2011 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.

FISCAL IMPACT:

The rate adjustment would allow the Authority to begin incrementally increasing its CIP spending at approximately \$3 million a year until the Authority can reach and sustain a spending level of approximately \$76 million annually. It would also provide the resources to continue the investment of the \$200+ million in the Reclamation Plant. It would also provide additional resources to meet and maintain a reserve of 1/12 which is expected by the rating agencies.

The net increase in Utility Expansion Charges and the Water Supply Charge for the average residential connection will be \$73 for water, \$55 for sewer and \$38 for the Water Supply Charge.

The average customer impact would be a \$48 monthly bill in FY/14, a \$51 monthly bill in FY/16 and a \$54 monthly bill in FY/18.

The proposed amendments are consistent with the ten-year financial plan presented to the Board.

[+Bracketed/Underscored Material+] - New
~~[-Bracketed/Strikethrough Material-] - Deletion~~

ORDINANCE

AMENDING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY WATER AND SEWER RATE ORDINANCE TO ADD A 5% RATE ADJUSTMENT FOR FY16 AND FY18, ESTABLISH THE IRRIGATION BUDGET SURCHARGES ARE CONSISTANT WITH OTHER ACCOUNTS, ESTABLISH THE PROCEDURES FOR IRRIGATION BUDGETS, CHANGING DEFINITIONS, UPDATE UTILITY EXPANSION CHARGE AND WATER SUPPLY CHARGE BY THE ENGINEERING NEWS REPORT INDEX, AND CLARIFY AND CHANGE POLICY ITEMS AND CLERICAL CHANGES.

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

Section1. 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.

~~[- CARNUEL MUTUAL DOMESTIC WATER AND WASTEWATER -]~~

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 approaches within the industry, requires users

1 to pay their proportionate cost of the system and creates equity within classes of
2 customers and among classes of customers.+]]

3 CITY. The City of Albuquerque, New Mexico.

4 COUNTY. Bernalillo County, New Mexico.

5 CURRENT DEBT SERVICE REQUIREMENT. Payments into a current
6 debt
7 ordinances authorizing the issuance of bonds to be paid from the net revenues of the
8 systems.

9 CUSTOMER. ~~[- Any person, association, corporation or other entity~~
10 ~~receiving Utility service in the Service Area. -] [+Any person, association, corporation, or~~
11 ~~entity receiving Utility service, related products or services in the metropolitan Service~~
12 ~~Area.+]]~~

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

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

20 EXECUTIVE DIRECTOR. The Executive Director of the Water Authority.

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

24 FISCAL YEAR. July 1 through June 30.

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

29 LOW INCOME HOUSING DEVELOPMENTS. Any multi-family residential
30 development constructed by the City of Albuquerque or Bernalillo County or a non-
31 private developer in conjunction with one of these local governments which is
32 substantially intended to provide affordable housing to very low income citizens as

1 defined by 60% or less of median income as established by the US Department of
2 Housing and Urban Development and/or approved by the Executive Director.

3 METER SIZE. The physical size of a water meter as designated by
4 AWWA Standard.

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

9 REVENUES. For this purpose revenues will include all charges for
10 current water and sewer service, income from miscellaneous services or property,
11 interest on investments of the Joint Water and Sewer Funds, connection fees, and
12 interest on notes or other receivables.

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

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

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

18 UEC. Utility Expansion Charge

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

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

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

26 WATER SUPPLY CHARGE (WSC). A charge that will be assessed by
27 the Water Authority at the time of meter sale or application for service to any new water
28 user customer requesting connection to the water system in an area requiring new or
29 enhanced infrastructure through a service expansion.

30 WINTER MEAN. For all customers, the average monthly water use
31 billed in the months of December, January, February and March for each account. If a
32 customer has a new account and does not have a full four months to calculate a winter
33 mean or if a customer's winter mean is zero, then the mean for that customer will be

1 based off the class and size average mean. For those residential customers that have
2 a winter mean greater then zero units but less then 4 units and does not fall in the
3 category of a new account then their winter mean used for the Conservation Surcharge
4 will be 4 units. For those residential customers that have a winter mean greater than 15
5 units their winter mean used for the Conservation Surcharge will be 15 units.

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

12 (C) Increasing Minimum Monthly Fixed Charges. If the determination of §1-1-
13 2(B) above shows that the total revenues minus the expenses of the system are less
14 than 133% of the current debt service for the cumulative quarter of the fiscal year, the
15 fixed monthly charge will be increased for water and sewer accounts. The increase in
16 fixed monthly charges will be a percentage of the established fixed monthly charges that
17 produce additional revenues so that if the adjusted charges had been effective the
18 previous quarter, the total revenues would have been sufficient to pay operating
19 expenses and 133% of current debt service. The increased fixed monthly charge will
20 be effective the second month following the quarter (i.e., the month following the
21 determination), and will remain in effect until such time as the Water Authority acts on
22 water and sewer rates. If the determination of §1-1-2(B) above shows the total
23 revenues minus the expenses of the system are less than 133% of the current debt
24 service for the cumulative quarter of the fiscal year, it shall be determined if the
25 revenue loss is due to efforts of Water Authority Customers to conserve water by
26 reviewing usage patterns. If the usage study shows that the reduced revenues are due
27 to conservation efforts, the Executive Director shall analyze the Utility's operations for
28 the purpose of determining whether or not corresponding expense reductions can be
29 effected and shall present any such expense reduction proposals to the Water
30 Authority.

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

1 change. An adjustment in the commodity charge will only be made if the needed
2 commodity charge adjustment is \$0.01 or greater, and shall be in \$0.01 increments.

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

5 1-1-3. WATER RATES.

6 (A) Definitions. As used in this Section, unless the context otherwise
7 requires:

8 CUSTOMER CLASSIFICATIONS Include:

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

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

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

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

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

22 (B) WATER CREDIT ELIGIBILITY AND PROCEDURES.

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

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

31 (C) Metered Water Service.

32 (1) The rates and compensation to be paid to the Water Authority for
33 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. In addition to this Fixed Monthly Charge, there shall be a Strategy Implementation Fixed Monthly Charge, §1-1-3(B)(2), which shall be dedicated to the Sustainable Water Supply Program in Fund 622.

Fixed Monthly Charge - Metered Service

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$8.22	\$8.39	\$ 17.65	\$8.85	\$10.56
2	1	15.72	16.04	34.91	17.00	20.49
3	1½	54.27	55.45	123.71	58.93	71.52
4	2	121.80	124.48	279.27	132.34	160.92
5	3	224.32	229.30	515.33	243.81	296.61
6	4	535.11	546.95	1231.28	581.70	708.07
7	6	821.07	839.30	1889.39	892.59	1086.46
8	8 & over	1854.33	1895.43	4269.49	2225.98	2454.32

Effective July 1, 2013

Fixed Monthly Charge - Metered Service

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$8.63	\$8.81	\$ 18.53	\$9.29	\$11.09
2	1	16.51	16.84	36.66	17.85	21.51
3	1½	56.98	58.22	129.90	61.88	75.10
4	2	127.89	130.70	293.23	138.96	168.97
5	3	235.54	240.77	541.10	256.00	311.44
6	4	561.87	574.30	1292.84	610.79	743.47
7	6	892.12	881.27	1983.86	937.22	1140.79
8	8 & over	1947.05	1990.20	4482.96	2337.28	2577.04

[+Effective July 1, 2015 and July 1, 2017

A 5% increase is approved and a schedule of charges will be designed and implemented based upon the Authority's Cost of Service Rate Model.+]

(2) In addition to the Fixed Monthly Charge in §1-1-3(B), the rates and compensation to be paid to the Water Authority for public and private use of water supplied by the Water Authority within the Service Area for any and all purposes shall

be in accordance with the following schedule of charges. This Strategy Implementation Fixed Monthly Charge shall be dedicated to the Sustainable Water Supply Program in Fund 622 to fund the implementation, operation and maintenance of the Water Resources Management Strategy, which will develop the Water Authority's surface water supplies. Any interest earned on these dedicated funds shall be used only for this purpose.

Fixed Monthly Charge - Metered Service Strategy Implementation

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$3.76	\$4.15	\$5.84	\$4.06	\$4.15
2	1	9.01	9.22	14.37	8.70	9.56
3	1½	14.91	16.45	23.27	16.12	16.45
4	2	26.47	29.20	41.32	28.62	29.20
5	3	59.50	65.68	92.93	64.34	65.68
6	4	105.75	116.73	165.14	114.36	116.73
7	6	237.89	262.61	371.57	257.26	262.61
8	8 & over	422.88	466.83	660.56	457.32	466.83

Effective July 1, 2013

Fixed Monthly Charge - Metered Service Strategy Implementation

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	$\frac{5}{8} \times \frac{3}{4}$	\$3.95	\$4.36	\$6.13	\$4.26	\$4.36
2	1	9.46	9.68	15.09	9.14	10.04
3	1½	15.66	17.27	24.43	16.93	17.27
4	2	27.79	30.66	43.39	30.05	30.66
5	3	62.48	68.96	97.58	67.56	68.96
6	4	111.04	122.57	173.40	120.08	122.57
7	6	249.78	275.74	390.15	270.12	275.74
8	8 & over	444.02	490.17	693.59	480.19	490.17

[+Effective July 1, 2015 and July 1, 2017

A 5% increase is approved and a schedule of charges will be designed and implemented based upon the Authority's Cost of Service Rate Model.+]

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

4 Fixed Monthly Charges- Pajarito Mutual Domestic

5 Meter Size

6 ¾ \$12.57

7 1 25.37

8 1½ 73.40

9 2 157.61

10 3 327.55

11 4 728.07

12 6 1228.95

13 8 2606.77

14 ~~[- Fixed Monthly Charges — Carnuel Mutual Domestic~~

15 ~~Meter Size —~~

16 ~~2 ————— \$4,491.02 -]~~

17 [+Effective July 1, 2015 and July 1, 2017

18 A 5% increase is approved and a schedule of charges will be designed and
 19 implemented based upon the Authority's Cost of Service Rate Model.+]

20 (D) Unmetered Water Service.

21 (1) For service connections to the utility for private fire protection.

22 Applicable to all service through which water is used solely for extinguishing accidental
 23 fires.

24 Fixed Monthly Charge

25 Line Size Service Area

26 (inches)

27 2 \$4.40

28 3 6.60

29 4 8.80

30 6 16.50

31 8 25.30

32 10 35.20

33 12 51.70

1 [+Effective July 1, 2015 and July 1, 2017

2 A 5% increase is approved and a schedule of charges will be designed and
3 implemented based upon the Authority's Cost of Service Rate Model.+]

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

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

8 (1) Permits

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

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

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

25 (d) Under a standard fire hydrant meter permit, the applicant
26 may request the use of any fire hydrant from the Water Authority's designated network
27 of green-top fire hydrants. Applicants desiring to use an out-of-network hydrant must
28 submit a written request with the fire hydrant meter application stating the reason(s) for
29 needing to use the out-of-network hydrant. Water Authority staff will review such
30 requests on a case by case basis and a decision shall be issued within three business
31 days of receiving the request.

32 (e) The Water Authority reserves the right to refuse to issue a
33 fire hydrant meter permit to any applicant or to require an applicant to pay all current

1 charges on the applicant's Water Authority account as a condition to the issuance of a
2 permit.

3 (2) System Connection and Water Use.

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

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

12 (c) The Executive Director can appoint employees to inspect fire
13 hydrant meters at anytime, but not less than once per annum. Permit holders shall
14 make provisions for such inspections.

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

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

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

24 (b) All or a portion of the loss, damage and payment surety
25 deposit will be refunded depending upon the cost of repairing the fire hydrant meter and
26 the outstanding balance for meter charges when it is returned to the Water Authority.
27 The Water Authority shall cause the repair work and compute the time and materials
28 necessary to rehabilitate the fire hydrant meter.

29 (c) The Executive Director can waive the loss, damage and
30 payment surety deposit for special events or non-construction related short term
31 projects.

32 (4) Reporting.

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

10 (5) Fees and Charges.

11 (a) The nonrefundable connection fee is \$230 for each hydrant
12 issued for a fire hydrant meter permit.

13 (b) All fire hydrant meter permit holders shall pay a monthly
14 maintenance charge of \$70. This monthly maintenance charge shall not be prorated.

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

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

24 (F) Water Commodity Charge.

25 (1) (a) In addition to the Fixed Monthly Charge, all water used by a
26 Customer within the Service Area for any purpose whatsoever shall be charged at the
27 rate of \$0.971 per unit (one unit equals 100 cubic feet). In addition, there shall be a
28 charge, added to this commodity charge, of the amount necessary to compensate the
29 Water Authority for the water conservation fee charged by the State and for the
30 Sustainable Water Supply [- Program in Fund 622 -], §1-1-3([-E-][+E+])(2). This is
31 determined by the meter reading or by estimating the usage by statistical methods.
32 Customers shall pay bills monthly.

33 [+Effective July 1, 2015 and July 1, 2017]

1 A 5% increase is approved and will be implemented based upon the Authority's Cost of
2 Service Rate Model.+]

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

8 [+Effective July 1, 2015 and July 1, 2017

9 A 5% increase is approved and will be implemented based upon the Authority's Cost of
10 Service Rate Model.+]

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

14 Pajarito Mutual Domestic - \$1.12 per 100 CCF

15 ~~[- Carmel Mutual Domestic - \$1.10 per 100 CCF -]~~

16 [+Effective July 1, 2015 and July 1, 2017

17 A 5% increase is approved and will be implemented based upon the Authority's Cost of
18 Service Rate Model.+]

19 (2) In addition to the fixed monthly charges and the Commodity
20 Charge, §1-1-3([-E-][+E+])(1)(a), all water used by a Customer within the Service Area
21 for any purpose whatsoever shall be charged at the rate of \$0.444 per unit (one unit
22 equals 100 cubic feet). This charge per unit will be dedicated to a Sustainable Water
23 Supply Program in Fund 622 to fund the Water Resources Management Strategy. Any
24 interest earned on these dedicated funds shall be used only for this purpose.

25 [+Effective July 1, 2015 and July 1, 2017

26 A 5% increase is approved and will be implemented based upon the Authority's Cost of
27 Service Rate Model.+]

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

33 (4) (a) Surcharges for irrigation-only water accounts shall be

1 assessed [+annually in the year following the water usage +] based upon an annual
2 irrigation budget allowance established for such accounts[~~- , in accordance with the~~
3 ~~Water Authority's Water Waste Ordinance. -~~] [+in accordance with the following:

4 (1) Water budgets will be established by the Water Authority
5 whenever a new irrigation account is established or an existing account is converted to
6 an irrigation account.

7 (2) All usage will be calculated annually on a per site basis. Any
8 usage of individual wells at these sites must be reported to the Water Authority monthly
9 by the 15th of the month following the use.

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

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

15 (5) Athletic fields will be allowed up to 45 inches of water over the
16 entire landscaped area per calendar year.

17 (6) All other landscaped areas will receive a water budget of 35
18 inches of water over the entire landscaped area per calendar year. +]

19 A surcharge will be applied to the usage above the annual irrigation budget allowance.
20 For excess usage up to 150 percent (first tier) of the annual irrigation budget, the
21 surcharge shall be 50% of the commodity rate shown in §1-1-3([~~-E-~~][+F+])(1)(a) and §1-
22 1-3([~~-E-~~][+F+])(2). For excess usage greater than 150 percent (second tier) of the
23 annual irrigation budget, the surcharge shall be 100% of the commodity rate shown in
24 in §1-1-3([~~-E-~~][+F+])(a) and in §1-1-3([~~-E-~~][+F+])(2). [+For excess usage greater than
25 200 percent (third tier) of the annual irrigation budget, the surcharge shall be 150% of
26 the commodity rate shown in §1-1-3(F)(1)(a) and §1-1-3(F)(2).+]

27 (b) The surcharge amount added for each unit exceeding 200%
28 of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 50% of the
29 commodity charges in in §1-1-3([~~-E-~~][+F+])(1)(a) and in §1-1-3([~~-E-~~][+F+])(2), and shall
30 be added to the total charge determined in in §1-1-3([~~-E-~~][+F+])(4)(b) for usage during
31 the following months of April through October. For those residential customers that
32 have a winter mean equal to or greater than 15 units, the surcharge amount added for
33 each unit exceeding 200% of the Winter Mean water usage as calculated in §1-1-2(A),
34 shall be equal to 100% of the commodity charges in in §1-1-3([~~-E-~~][+F+])(a) and in §1-1-

3([-E-][+F+])(2), and shall be added to the total charge determined in in §1-1-3([-E-
][+F+])(4)(b) for usage during the following months of April through October.

(c) The surcharge amount added for each unit exceeding 300% of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 50% of the commodity charges in in §1-1-3([-E-][+F+])(1)(a) in §1-1-3([-E-][+F+])(E)(2), and shall be added to the total charge determined in in §1-1-3([-E-][+F+])(4)(b) 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 300% of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 100% of the commodity charges in in §1-1-3([-E-][+F+])(1)(a) and in §1-1-3([-E-][+F+])(2), and shall be added to the total charge determined in in §1-1-3([-E-][+F+])(4)(b) for usage during the following months of April through October.

(d) The surcharge amount added for each unit exceeding 400% of the Winter Mean water usage as calculated in §1-1-2(A) shall be equal to 50% of the commodity charges in in §1-1-3([-E-][+F+])(1)(a) and in §1-1-3([-E-][+F+])(2), and shall be added to the total charge determined in in §1-1-3([-E-][+F+])(4)(b) 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 400% of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 100% of the Commodity Charges in in §1-1-3([-E-][+F+])(a) and in §1-1-3([-E-][+F+])(2), and shall be added to the total charge determined in in §1-1-3([-E-][+F+])(4)(b) for usage during the following months of April through October.

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

1 the effective date of the new surcharges. [- Surcharges, however, shall revert to the
2 surcharges described in §1-1-3 after November 1 of that same year. -]

3 (f) For residential class Customers only having service sizes 1
4 through 3, a 30% discount shall be applied to the commodity charges in in §1-1-3([-E-
5][+F+])(1)(a) in §1-1-3([-E-][+F+])(2) for water usage during the months of April through
6 October which is 150% or less than the Class Winter Mean water usage.

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

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

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

20 (1) Meters 5/8 X 3/4" to 2"

21 Meter Size Tag and Testing Charge Service

22 5/8" x 3/4" \$140

23 1" 185

24 1-1/2" 380

25 2" 455

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

30 (2) Meter 3" and greater. The meter in question will be tested in place
31 in accordance with AWWA Standard C701, C702 or C703 and AWWA manual M6.
32 Should the meter fail the accuracy test such that the requestor was being over charged,

1 there would be no charge to the requestor. The testing charge for this will be \$500 for
2 all sizes.

3 (J) The Customer utility statements shall contain the following itemized
4 element: "Sustainable Water Supply: \$`x,' where `x' shall be the cost of the rate
5 increase to fund the implementation of the Water Resources Management Strategy.

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

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

13 1-1-4. NON-POTABLE WATER RATES.

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

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

20 (C) Commodity Charge.

21 (1) In addition to the Fixed Monthly Charge, all non-potable water used
22 by a Customer within the Service Area shall be charged at the rate corresponding to
23 80% of the potable water commodity rate (one unit equals 100 cubic feet). This is
24 determined by the meter reading or by estimating the usage by statistical methods.
25 Customers shall pay bills monthly.

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

31 (3) [+All surcharges for irrigation-only water accounts +] [- For all
32 Customers subject to the water budget provisions of the City of Albuquerque Water
33 Conservation Landscaping and Water Waste Ordinance, § 6-1-1-1 et seq., ROA 1994

1 ~~or successor Ordinance the excess use surcharge rate as defined per §1-1-3(E)(4)(b) -]~~
2 shall be charged at the rate based upon the non-potable water commodity rate (one unit
3 equals 100 cubic feet).

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

7 (E) Tag and Testing Charge. Refer to §1-1-3 ([~~H~~][+I+]) for applicable
8 provisions and charges.

9 (F) Utility Expansion Charge (UEC).

10 (1) A utility expansion charge shall be paid to the Water Authority at
11 the time of non-potable meter sale or application for non-potable water service for all
12 new services connecting to the non-potable water system. The UEC may be paid in full
13 at the time of non-potable service application, or paid over time with an initial minimum
14 of 5% down payment. The balance shall be subject to a fixed monthly charge to include
15 a carrying charge set at 7% per annum. On all connections, the balance shall be paid in
16 full within 120 months.

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

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

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

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

27 (H) Customers that are currently using potable water for irrigation or other
28 qualified industrial purposes as determined by the Authority and whose property is
29 located within 200-feet of a non-potable water line are required to connect to the non-
30 potable system within one year of service availability. Connection to non-potable
31 system is a condition of service. The Water Authority is required to provide written
32 notification to the property owner that non-potable water is available and that connection
33 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. Failure to connect may result in termination of service.

(l) 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).

INDUSTRIAL LIQUID WASTES. All waterborne solids, liquids or gaseous wastes resulting from any industrial, manufacturing of food processing operation or process, or from the development of any natural resources, or any mixture of these with water or domestic sewage as distinct from normal domestic sewage.

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

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

BOD -- 250 mg/l

COD -- 500 mg/l

TSS -- 330 mg/l

NH3N -- 25 mg/l

PUBLICLY OWNED TREATMENT WORKS or POTW. A treatment works as defined by § 212 of the Clean Water Act, (33 USC 1292) which is owned by the Water Authority. The term also includes Water Authority works, as defined in § 502 of the Clean Water Act, (33 USC 1362) which has jurisdiction over the indirect discharges to and the discharges from such a treatment works. The "treatment works" includes all plants, sanitary sewers, lift stations, odor control stations, and all other properties, now

1 or hereafter existing, used or useful in connection with the collection, pumping, disposal
2 and treatment of wastewater, as now or hereafter added to, expanded or improved.

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

8 STANDARD METHODS. The laboratory procedures set forth in the latest
9 edition, at the time of analysis, of Standard Methods for Examination of Water and
10 Wastewater, as prepared, approved and published jointly by the American Public Health
11 Association and American Water Works Association and the Water Pollution Control
12 Federation.

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

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

19 (B) Methodology and Calculation of Rates and Charges

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

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

28 (C) Fixed Monthly Charge

29 (1) The rates and compensation to be paid to the Water Authority for
30 public or private use by discharge of liquid waste into the Water Authority within the
31 Service Area for any and all purposes whatsoever shall be in accordance with the
32 following schedules of charges. The fixed monthly charge for Customers with Water
33 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-fam
1	$\frac{5}{8} \times \frac{3}{4}$	\$7.86	\$9.72	\$44.19	\$7.53	\$13.05
2	1	12.75	15.92	74.87	12.16	21.61
3	1½	52.12	65.96	322.46	49.59	90.69
4	2	129.70	164.54	810.19	123.33	226.77
5	3	173.69	220.44	1086.80	165.15	303.95
6	4	370.03	469.92	2321.20	351.78	648.38
7	6	492.79	622.76	3093.02	468.47	863.72
8	8 & over	876.03	1112.86	5502.49	832.76	1536.01

Effective July 1, 2013

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

Serv Size	Meter	Resid	Comm	Indust	Instit	Multi-fam
1	$\frac{5}{8} \times \frac{3}{4}$	\$8.25	\$10.21	\$46.40	\$7.91	\$13.70
2	1	13.36	16.2	78.61	12.77	22.69
3	1½	54.73	69.26	338.58	52.07	95.51
4	2	136.19	172.77	850.70	129.50	238.11
5	3	182.37	231.46	1141.14	173.41	319.15
6	4	388.53	493.42	2437.26	369.37	680.80
7	6	517.43	653.90	3247.67	491.89	906.91
8	8 & over	919.83	1168.50	5777.61	874.40	1612.81

[+Effective July 1, 2015 and July 1, 2017

A 5% increase is approved and a schedule of charges will be designed and implemented based upon the Authority's Cost of Service Rate Model.+]

(3) Fixed Monthly Charge for Customers without water service:

Liquid Waste

Flow (CCF)	Residential	Commercial	Industrial	Institutional	Multi-family
0-10	\$7.86	\$9.72	\$44.19	\$7.53	\$13.05

1	11-19	12.75	15.92	74.87	12.16	21.61
2	20-63	52.12	65.96	322.46	49.59	90.69
3	64-82	129.70	164.54	810.19	123.33	226.77
4	83-343	173.69	220.44	1086.80	165.15	303.95
5	344-599	370.03	469.92	2321.20	351.78	648.38
6	600-803	492.79	622.76	3093.02	468.47	863.72
7	804-over	876.03	1112.86	5502.49	832.76	1536.01

8 Effective July 1, 2013

9 (3) Fixed Monthly Charge for Customers without water service:

10 Liquid Waste

11	Flow (CCF)	Residential	Commercial	Industrial	Institutional	Multi-family
12	0-10	\$8.25	\$10.21	\$46.40	\$7.91	\$13.70
13	11-19	13.36	16.2	78.61	12.77	22.69
14	20-63	54.73	69.26	338.58	52.07	95.51
15	64-82	136.19	172.77	850.70	129.50	238.11
16	83-343	182.37	231.46	1141.14	173.41	319.15
17	344-599	388.53	493.42	2437.26	369.37	680.80
18	600-803	517.43	653.90	3247.67	491.89	906.91
19	804-over	919.83	1168.50	5777.61	874.40	1612.81

20 [+Effective July 1, 2015 and July 1, 2017

21 A 5% increase is approved and a schedule of charges will be designed and
22 implemented based upon the Authority's Cost of Service Rate Model.+]

23 (4) Fixed Monthly Charges for Wholesale and KAFB

24	Serv Size	Wholesale	Item	KAFB
25	1	\$9.93	Per Month	\$31,631.20
26	2	16.28		
27	3	35.99		
28	4	168.40		
29	5	225.62		
30	6	480.99		
31	7	640.67		
32	8	1084.90		

33 Effective July 1, 2013

1 (4) Fixed Monthly Charges for Wholesale and KAFB

2	Serv Size	Wholesale	Item	KAFB
3	1	\$10.43	Per Month	\$33,212.76
4	2	17.09		
5	3	37.79		
6	4	176.82		
7	5	236.90		
8	6	505.04		
9	7	672.70		
10	8	1139.15		

11 [+Effective July 1, 2015 and July 1, 2017

12 A 5% increase is approved and a schedule of charges will be designed and
 13 implemented based upon the Authority's Cost of Service Rate Model.+]

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

17 Commodity Charges for Retail and Special Contract Customers

18	Customer Class	Base (\$/CCF)	Rehab (\$/CCF)	Total Commodity (\$/CCF)
19	Retail Customers			
20	Residential	\$0.892	\$0.321	\$1.213
21	Commercial	0.892	0.321	1.213
22	Industrial	0.892	0.321	1.213
23	Institutional	0.892	0.321	1.213
24	Multi-family	0.892	0.321	1.213
25	Special Contracts			
26	Wholesale	\$0.892	\$0.00	\$0.892
27	KAFB	0.892	0.000	0.892

28 [+Effective July 1, 2015 and July 1, 2017

29 A 5% increase is approved and a schedule of charges will be designed and
 30 implemented based upon the Authority's Cost of Service Rate Model.+]

31 (1) Customers with Water Service. The commodity charge for usage
 32 during the months of December, January, February and March (winter months) shall be
 33 based upon 95% of the metered or estimated volume of water usage during each of

1 these months for each account. The commodity charge for usage during other months
2 shall be based upon 95% of the metered or estimated volume of water usage during
3 that month or shall be based upon 95% of the prior winter months' average, whichever
4 is less for each account. The winter months' average is determined by averaging the
5 metered or estimated volume of water used during the winter months.

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

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

21 (E) Extra-Strength Surcharge.

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

25 (a) Chemical Oxygen Demand (COD) less than or equal to 500
26 mg/l; and

27 (b) Biochemical Oxygen Demand (BOD) less than or equal to
28 250 mg/l; and

29 (c) Total Suspended Solids (TSS) less than or equal to 330
30 mg/l; and

31 (d) Ammonia Nitrogen (NH₃N) less than or equal to 25 mg/l.

32 (2) The Water Authority shall determine strength as defined by the
33 above parameters in §1-1-5(E)(1) above. The procedures are described (I) below. If it

1 is determined that the wastewater strength exceeds the limits specified, a surcharge
2 shall be levied at the rate of:

- 3 (a) \$.11 per pound of COD for the excess of 500 mg/l of COD;
4 and
5 (b) \$.23 per pound of BOD for the excess of 250 mg/l BOD; and
6 (c) \$.19 per pound of TSS for the excess of 330 milligrams per
7 liter of TSS; and
8 (d) \$.47 per pound of NH₃N for the excess of 25 mg/l of NH₃N.

9 (3) The Water Authority shall promulgate regulations to carry out the
10 provisions of the extra-strength surcharge.

11 (F) Septic Tank Truck Discharge. No user owning vacuum or "cesspool" type
12 pumping trucks or other liquid waste transport trucks shall discharge such waste into the
13 POTW, unless such person shall first have applied for and received a Septic Tank
14 Discharge or Chemical Toilet Discharge Permit from the Executive Director pursuant to
15 the regulations "Establishing Administrative Policies and Fees for the Discharge of
16 Septic Tank and Chemical Toilet Wastes" currently adopted by the Water Authority.

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

20 (H) Sampling; Metering Manhole Requirements. When required by the Utility,
21 the owner of property serviced by a lateral sewer carrying industrial liquid wastes shall
22 install a suitable control manhole or cleanout together with such necessary meter and
23 other appurtenances in the lateral sewer to facilitate observation, sampling, and
24 measurement of the wastes. Such monitoring locations shall be accessible, safely
25 located, and constructed in such a manner as to prevent infiltration of ground and
26 surface waters. They shall be constructed in accordance with plans approved by the
27 Utility. The Utility has established standard details. The monitoring location and all
28 equipment shall be installed by the owner at his expense, and shall be maintained by
29 him so as to be safe and accessible at all times.

30 (I) Sampling and Testing Procedures.

31 (1) All dischargers subject to monitoring according to the Water
32 Authority's Sewer Use and Wastewater Control Ordinance, will be monitored by the
33 Water Authority. The discharge will be sampled and tested for compliance with the

1 Water Authority's Sewer Use and Wastewater Control Ordinance, and to determine the
2 surcharge amount.

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

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

13 (4) Those industries suspected of discharging either high COD, BOD,
14 NH3N wastes or high TSS wastes shall be sampled for five consecutive days by grab
15 samples or 24-hour composite samples from a Utility manhole. If COD results exceed
16 500 mg/l, BOD results exceed 250 mg/l, NH3N results exceed 25 mg/l, or TSS results
17 exceed 330 mg/l on any of the three of the five consecutive days, or in any of the 24-
18 hour composite samples, a sampling manhole will be required for industries discharging
19 greater than 50,000 gallons per day or if required by the Water Authority's Sewer Use
20 and Wastewater Control Ordinance or successor Ordinance. Upon installation of the
21 sampling manhole, an automatic sampler with attached flow meter will be used to
22 gather a flow weighted composite which shall be used to compute a monthly surcharge.
23 Industries discharging less than 50,000 gallons per day and not otherwise requiring a
24 sampling manhole will be required to install a cleanout and an automatic sampler will be
25 used to gather a time-weighted composite which shall be used to compute a monthly
26 surcharge. Pretreatment may be required according to the Water Authority's Sewer Use
27 and Wastewater Control Ordinance or successor Ordinance.

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

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

4 1-1-6. WATER AND SEWER REHABILITATION FUND.

5 (A) An established portion of the revenue generated by fixed water rates and
 6 the water commodity charge shall be distributed to a Water and Sewer Rehabilitation
 7 Fund. The fixed rate portion of the water rates contained in §1-1-3 (B) which shall be
 8 distributed to the Water and Sewer Rehabilitation Fund are contained in the following
 9 schedule of charges. The portion of the water commodity rate to be distributed to the
 10 Water and Sewer Rehabilitation Fund shall be \$0.140 per unit.

11 Fixed Water Rates (per month)

12	Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional Multi-	
13	family						
14	1	$\frac{5}{8}$ X $\frac{3}{4}$	\$1.16	\$1.18	\$2.48	\$1.24	\$1.48
15	2	1	2.21	2.25	4.89	2.38	2.87
16	3	1½	7.61	7.77	17.34	8.26	10.03
17	4	2	17.07	17.45	39.15	18.55	22.59
18	5	3	31.45	32.15	72.25	34.18	41.59
19	6	4	75.02	76.68	172.63	81.55	99.27
20	7	6	115.11	117.67	264.89	125.14	152.32
21	8	8 & over	259.98	265.74	598.58	312.08	344.10

22 Effective July 1, 2013

23 Fixed Water Rates (per month)

24	Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional Multi-	
25	family						
26	1	$\frac{5}{8}$ X $\frac{3}{4}$	\$1.22	\$1.24	\$2.60	\$1.30	\$1.55
27	2	1	2.32	2.36	5.13	2.50	3.01
28	3	1½	7.99	8.16	18.21	8.67	10.53
29	4	2	17.92	18.32	41.11	19.48	23.72
30	5	3	33.02	33.76	75.86	35.89	43.67
31	6	4	77.27	80.51	181.26	85.63	104.23
32	7	6	120.87	123.55	278.13	131.40	159.94
33	8	8 & over	272.98	279.03	628.51	327.68	361.31

[+Effective July 1, 2015 and July 1, 2017

A 5% increase is approved and will be implemented based upon the Authority's Cost of Service Rate Model.+]

(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

Serv Size	Meter Sz	Resid	Comm	Indust	Instit	Multi-fam	Wholesale
1	$\frac{5}{8} \times \frac{3}{4}$	\$1.89	\$2.34	\$10.63	\$1.81	\$3.14	\$2.38
2	1	3.07	3.83	18.00	2.92	5.20	3.92
3	1½	12.53	15.86	77.51	11.92	21.80	16.22
4	2	31.17	39.55	197.76	29.65	54.52	40.48
5	3	41.76	52.99	261.25	39.70	73.07	54.23
6	4	88.96	112.96	557.99	84.57	155.86	115.63
7	6	118.46	150.47	743.53	112.61	207.63	154.01
8	8 & over	210.59	297.52	1322.75	200.18	369.24	273.84

Effective July 1, 2013

Fixed Monthly Rehabilitation Charges

Serv Size	Meter Sz	Resid	Comm	Indust	Instit	Multi-fam	Wholesale
1	$\frac{5}{8} \times \frac{3}{4}$	\$1.98	\$2.43	\$11.16	\$1.90	\$3.30	\$2.50
2	1	3.22	4.02	18.90	3.07	5.46	4.12
3	1½	13.16	16.65	81.39	12.52	22.89	17.06
4	2	32.73	41.53	207.65	31.13	57.25	42.50
5	3	43.85	55.64	274.31	41.69	76.72	56.94
6	4	93.41	118.61	585.89	88.80	163.65	121.41
7	6	124.38	157.99	780.71	118.24	218.01	161.71
8	8 & over	221.12	312.40	1388.89	210.19	387.70	287.53

[+Effective July 1, 2015 and July 1, 2017

A 5% increase is approved and will be implemented based upon the Authority's Cost of Service Rate Model.+]

Monthly Rehabilitation Charges for KAFB

Item KAFB

1 Per Month \$7,603.83

2 Effective July 1, 2013

3 Monthly Rehabilitation Charges for KAFB

4 Item KAFB

5 Per Month \$7,984.02

6 [+Effective July 1, 2015 and July 1, 2017

7 A 5% increase is approved and will be implemented based upon the Authority's Cost of
8 Service Rate Model.+]]

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

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

17 1-1-7. WATER AND SEWER SYSTEM AND UTILITY FINANCIAL POLICIES.

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

22 (B) At a minimum, an average of 50% of the cost of capital projects which
23 constitute the normal capital program of the water and sewer system including the
24 rehabilitation and replacement of existing facilities, and the construction of water wells,
25 pump stations, reservoirs, service lines, other water lines, gate valves, revenue meters
26 and meter boxes, sewer lines, odor control stations, and pumping stations, and
27 treatment facilities shall be paid with cash rather than borrowed funds. The normal
28 capital program excludes special capital projects such as the expansion of the
29 wastewater treatment plants, arsenic mitigation, state and federal grant projects, state
30 and federal mandated projects, and related to water resources management to achieve
31 a sustainable supply of water. This policy shall not apply to the possible acquisition of
32 other operating water and wastewater utility systems or to mitigate short term rate
33 impacts.

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

(D) Utility Expansion Charge (UEC) revenues or those of successor development fees in excess of \$6,000,000 per year shall be transferred to the Joint Water and Sewer Capital Funds. The transfer of these funds shall be made in the fiscal year following the most recent audited Comprehensive Annual Financial Report.

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

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

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

(H) A Rate Reserve Fund is established for reserving water and sewer revenues in a dedicated fund for the purpose of offsetting declines in rate revenue and to mitigate future rate increases. This Rate Reserve Fund will be funded at \$2 million per year. ~~[- This Rate Reserve Fund may be increased annually based on excess funding over \$10 million in the Water Authority's Working Capital Balance. -]~~ By Fiscal Year 2015 the ~~[- target -]~~ [+goal+] for the Water Authority~~[- 's -]~~ [+is to achieve and maintain a+] Working Capital Balance [+that+] will be 1/12 of the Water Authority's annual budgeted expenditures. Any expenditure from this Rate Reserve Fund will require an appropriation approved by the Water Authority Board.

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" \$2,692 \$135 \$2,557~~

~~1" 4,487 224 4,263~~

~~1-1/2" 8,974 449 8,525~~

~~2" 14,359 718 13,641~~

~~3" 28,715 1,436 27,279~~

~~4" 44,868 2,243 42,625~~

~~6" 89,738 4,487 85,251~~

~~8" or More 143,581 7,179 136,917 -]~~

~~[+ Water Meter Size Water Payment Minimum Cash Down Balance to Finance~~

~~5/8 X 3/4" \$2,765 \$138 \$2,627~~

~~1" 4,608 230 4,378~~

~~1-1/2" 9,216 461 8,755~~

~~2" 14,747 737 14,010~~

~~3" 29,490 1,475 28,015~~

~~4" 46,079 2,304 43,775~~

~~6" 92,161 4,608 87,553~~

~~8" or More 147,458 7,373 140,085+]~~

(b) Financing for Sewer UEC

Finance for Wastewater UEC

~~[- Water Meter Size Liquid Waste Flow Sewer Minimum Balance to
Payment Cash Down Finance~~

~~5/8 X 3/4" 0-10 \$2,019 \$101 \$1,918~~

1	1"	11-19	3,366	168	3,198
2	1-1/2"	20-63	6,729	336	6,393
3	2"	64-82	10,768	538	10,230
4	3"	83-343	21,588	1,079	20,509
5	4"	344-599	33,649	1,682	31,967
6	6"	600-803	67,300	3,365	63,935
7	8" or More	804 & over	107,681	5,384	102,297 -]
8	[+Water Meter Size Liquid Waste Flow Sewer Minimum Balance to				
9			Payment	Cash Down	Finance
10	5/8 X 3/4"	0-10	\$2,074	\$104	\$1,970
11	1"	11-19	3,457	173	3,284
12	1-1/2"	20-63	6,911	346	6,565
13	2"	64-82	11,059	553	10,506
14	3"	83-343	22,171	1,109	21,062
15	4"	344-599	34,556	1,728	32,828
16	6"	600-803	69,117	3,456	65,661
17	8" or More	804 & over	110,588	5,529	105,059+]

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

(3) The fixed monthly charge for the UEC 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 UEC, including the fixed monthly charge, shall be placed in a separate account to be used for financing the expansion for the water and sewer system.

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

(C) Charges for multiple residential units:

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

(a) Apartment Complexes.

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

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

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

$$\text{Total UEC} = (\text{Equivalent Units}) \times (5/8" \times 3/4" \text{ Meter UEC})$$

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

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

(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% 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 (8%) 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 § 1-1-18(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). The promissory note shall not bear any interest from the date of the promissory note with maturity date of the promissory note. The promissory note shall bear interest 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)(a). 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). The WSC fee does not apply to non-potable water service.

(a) Financing for Water Supply Charge - WSC

[- Water Meter Size	Water Payment	Minimum Cash Down	Balance to Finance
5/8 X 3/4"	\$1,390	\$70	\$1,320
1"	2,325	116	2,209
1-1/2"	4,633	232	4,401

1	2"	7,414	371	7,043
2	3"	14,827	741	14,086
3	4"	23,166	1,158	22,008
4	6"	46,434	2,322	44,112
5	8" or More	74,133	3,707	70,426 -]
6	[+Water Meter Size Water Payment Minimum Cash Down Balance to Finance			
7	5/8 X 3/4"	\$1,428	\$71	\$1,357
8	1"	2,388	119	2,269
9	1-1/2"	4,758	238	4,520
10	2"	7,614	381	7,233
11	3"	15,227	761	14,466
12	4"	23,791	1,190	22,601
13	6"	47,688	2,384	45,304
14	8" or More	76,135	3,807	72,328+]

(2) The WSC may be paid in full or paid over time with an initial minimum of 5% down payment and the balance shall be subject to a fixed monthly charge to include a carrying charge set at 7% 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. All revenues generated from the WSC will be maintained in it's own activity and to be used only as specified in § 1-1-8(D)(1)

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

- 1 (5) 3" metered service line installation.
- 2 (a) 3" meter set only with compound meter without vault, \$2,185
- 3 (6) 4" metered service line installation.
- 4 (a) 4" meter set only with compound meter without vault, \$3,125
- 5 (b) 4" meter set only with fire assembly meter without vault
- 6 \$7,210
- 7 (7) 6" metered service line installation.
- 8 (a) 6" meter set only with compound meter without vault, \$5,140
- 9 (b) 6" meter set only with fire assembly meter without vault
- 10 \$7,520
- 11 (8) 8" metered service line installation.
- 12 (a) 8" meter set only with fire assembly without vault \$13,040
- 13 (9) 10" and larger: Contact the Utility for price quote
- 14 (B) Meter Size Reduction Installation.
- 15 (1) 5/8 X 3/4" through 1-1/2", \$85
- 16 (2) 2", \$170
- 17 (3) 3" and larger, contact the Utility for price quote
- 18 (C) Nonpayment Delinquency Fee.
- 19 (1) 5/8 X 3/4" and 1", \$45
- 20 (2) 1-1/2" through 10", \$60
- 21 (D) Combined Fire-Domestic Meters.
- 22 (1) Requests for this type of metered service, which provide both fire
- 23 protection and domestic-irrigation service, may be made at the New Services Section of
- 24 Utility Development. Upon the satisfactory determination of peak flow water delivery
- 25 requirements, as certified by an engineer registered in the state, in accordance with the
- 26 City of Albuquerque's and the County of Bernalillo's fire codes and the AWWA M22 an
- 27 equivalent meter size will be determined for the service. Fixed monthly charges for
- 28 private fire protection shall also be applied commensurate with the degree of fire
- 29 protection capacity being provided.
- 30 (2) Fees for installation (set only) is in §1-1-9(A).
- 31 (E) Cross Connection Fees
- 32 (1) Containment Inspection Fees. An inspection fee of \$50 shall be
- 33 assessed to all customers required to have premise inspections to cover expenses

1 incurred by the Water Authority during the initial inspection of the premise. The
2 inspection fee shall be assessed only to those customers whose premise are not in
3 compliance with this Ordinance at the time of inspection.

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

10 1-1-10. FRANCHISE FEE

11 (A) There shall be a charge of 4% on the total sales of water and sewer
12 services added to customer billings to compensate the Water Authority for the franchise
13 fee charged by the City, County and the Village of Los Ranchos and a charge of 2% on
14 the total sales of water and sewer services added to customer billings to compensate
15 the Water Authority for the franchise fee charged by the City of Rio Rancho for the
16 granted authorization to use rights-of-way and public places to construct, operate, and
17 maintain water and wastewater systems

18 1-1-11. PAYMENT.

19 All charges shall be payable at the office of the City Treasurer, City Hall,
20 Albuquerque, New Mexico, or other locations as designated by the Water Authority and
21 will become delinquent 15 days following the "due by" date on the Customer's utility
22 statement.

23 1-1-12. PENALTY FOR DELINQUENT ACCOUNTS.

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

25 1-1-13. RESPONSIBILITY OF PAYMENT, LIENS, AND DEPOSIT.

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

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

31 (C) Reasonable deposits may be required of any Customer including tenants.
32 Deposits not to exceed 6 months in duration. Such deposits and accrued interest shall
33 be applied to the utility account immediately upon becoming delinquent or the expiration

1 of 6 month period. Any credit status created by applying the deposit will be absorbed by
2 the monthly service charges and considered prepayments for services. Such deposits
3 shall draw reasonable interest.

4 1-1-14. DISCONTINUANCE OF SERVICE; HEARING.

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

12 (B) In order to discontinue service, a written notice shall be sent to the
13 Customer [-giving him-] at least ten calendar days notice [+before+] [- of the -]
14 termination of service and notice of [- his -][+the+] right to protest the Water Authority's
15 proposed action at an administrative hearing.

16 (C) The Customer must request in writing that a hearing be held and such
17 request must be received by the Executive Director on or before the date the services
18 are to be terminated. [+If the Customer requesting the hearing is not the owner of
19 record, the Customer must provide proof that the owner of record will be bound by the
20 decision on the hearing+]]

21 (D) At such hearing, the Customer may present evidence as the Water
22 Authority and the Executive Director may affirm, overrule or modify the decision to
23 terminate the services. The decision shall be final.

24 (E) In the event a hearing is requested, the services shall not be terminated
25 until and in accordance with that decision.

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

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

31 1-1-15 EFFECTIVE DATE AND PUBLICATION

32 The effective date of this Ordinance will be July 1, [- 2011 -] [+2012+] unless otherwise
33 stated.

1 1-1-98. PROHIBITIONS.

2 (A) No person shall use or cause to be used any water produced or
3 distributed by the Water Authority without the consent of Water Authority. Water
4 distributed through authorized meter or obtained by any means authorized by
5 ordinances or administration rules and regulations shall constitute the consent of the
6 Water Authority.

7 (B) No person shall discharge or cause to be discharged any liquid waste to
8 the liquid waste collection or treatment system operated by the Water Authority without
9 the consent of the Water Authority and compliance with the Water Authority's Sewer
10 Use and Waste Water Control Ordinance. Approved connections or permits shall
11 constitute such consent.

12 (C) No person shall willfully break, injure, or tamper with any property of the
13 Water Authority, including but not limited to: wells, pump stations, reservoirs, sewage
14 treatment plants, lift stations, distribution lines, fire hydrant service lines, meters, gate
15 valves, manhole covers or grates.

16 (D) Violation of any of the above described Prohibitions constitutes a violation
17 of the conditions of Water Authority service and shall be subject to a connection service
18 charge of \$400.00 per occurrence and charges for one year of usage based upon prior
19 usage or the customer class average or termination of service.

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

[+Bracketed/Underscored Material+] - New
[-Bracketed/~~Strikethrough~~ Material-] - Deletion

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Rate Ordinance



Albuquerque Bernalillo County
Water Utility Authority

Proposed Ordinance Amendments

- 5% Rate Adjustment for FY16 and FY18 to incrementally increase Capital Spending by \$3 million annually, upgrade Reclamation Facility and achieve a fund balance of 1/12 of budgeted expenditures
- Adjust Utility Expansion Charges and the Water Supply Charge by the ENR (Engineering News Report) index of 2.7% for FY13 as required Ordinance

Consistency and Clarification Amendments

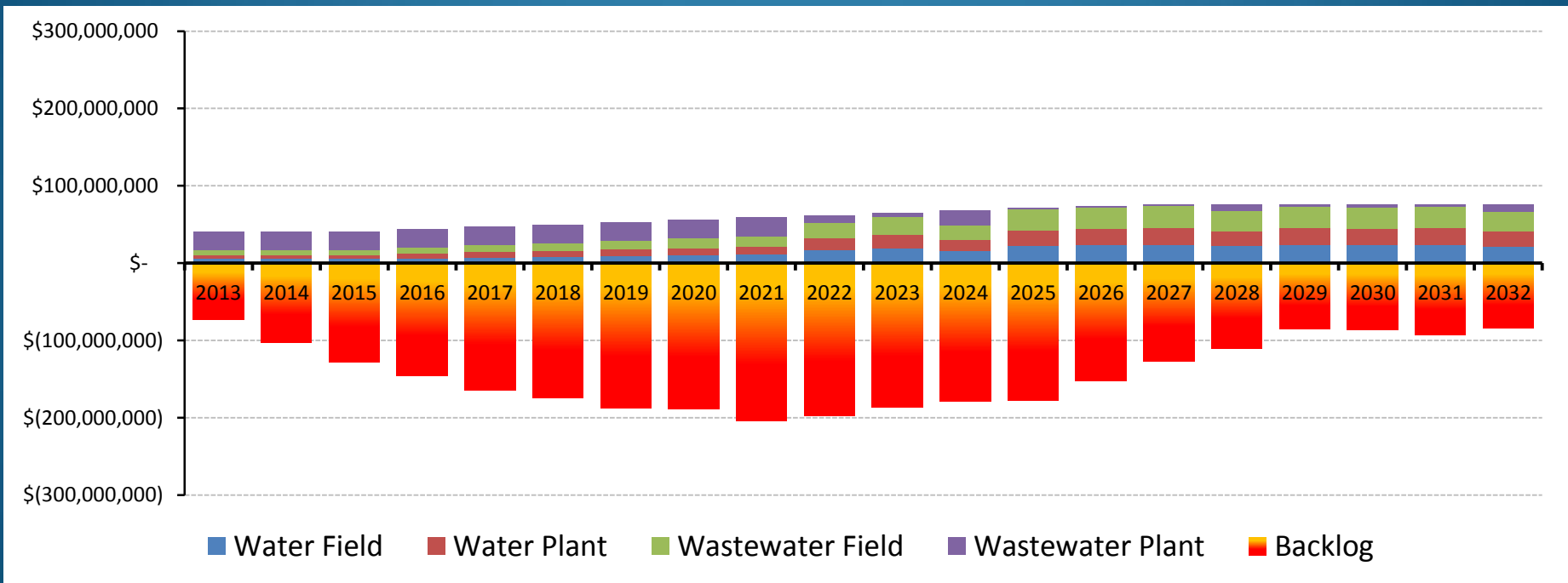
- Make the irrigation budget surcharges consistent with other accounts
- Make the procedures for establishing irrigation budgets consistent with existing policy
- Adjust dates and definitions as necessary

Finance Plan FY13

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Resources	179,178	192,015	210,964	222,827	227,881	229,290	223,545	214,619	202,245	191,732
Expenditures	177,925	181,593	191,594	201,362	208,012	218,217	224,495	231,087	232,419	234,796
Resources over Expenditures	1,253	10,422	19,370	21,465	19,869	11,073	(950)	(16,468)	(30,174)	(43,064)
Rate Increases	5%	0	5%	0	0%	0	0	0	0	0

Renewal Backlog

Current Decade Plan Spending with Increase of \$3-million per year starting in FY2017

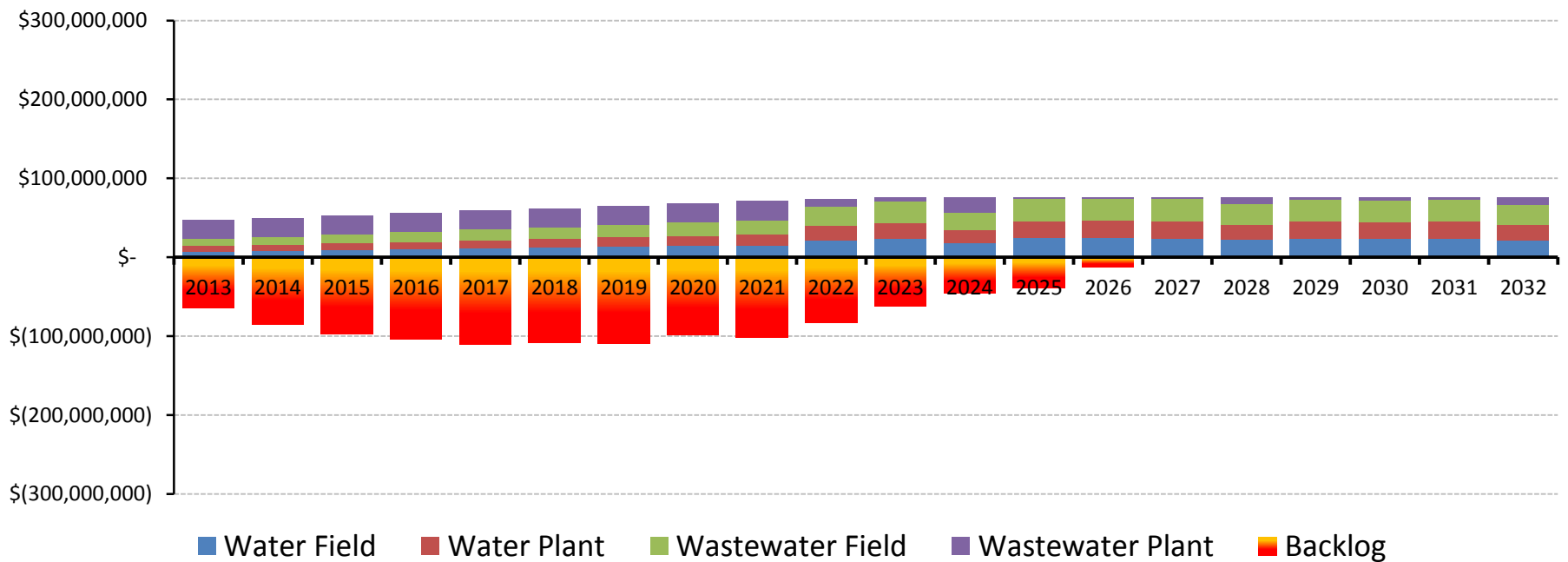


Finance Plan – Increase CIP Spending/Reserves

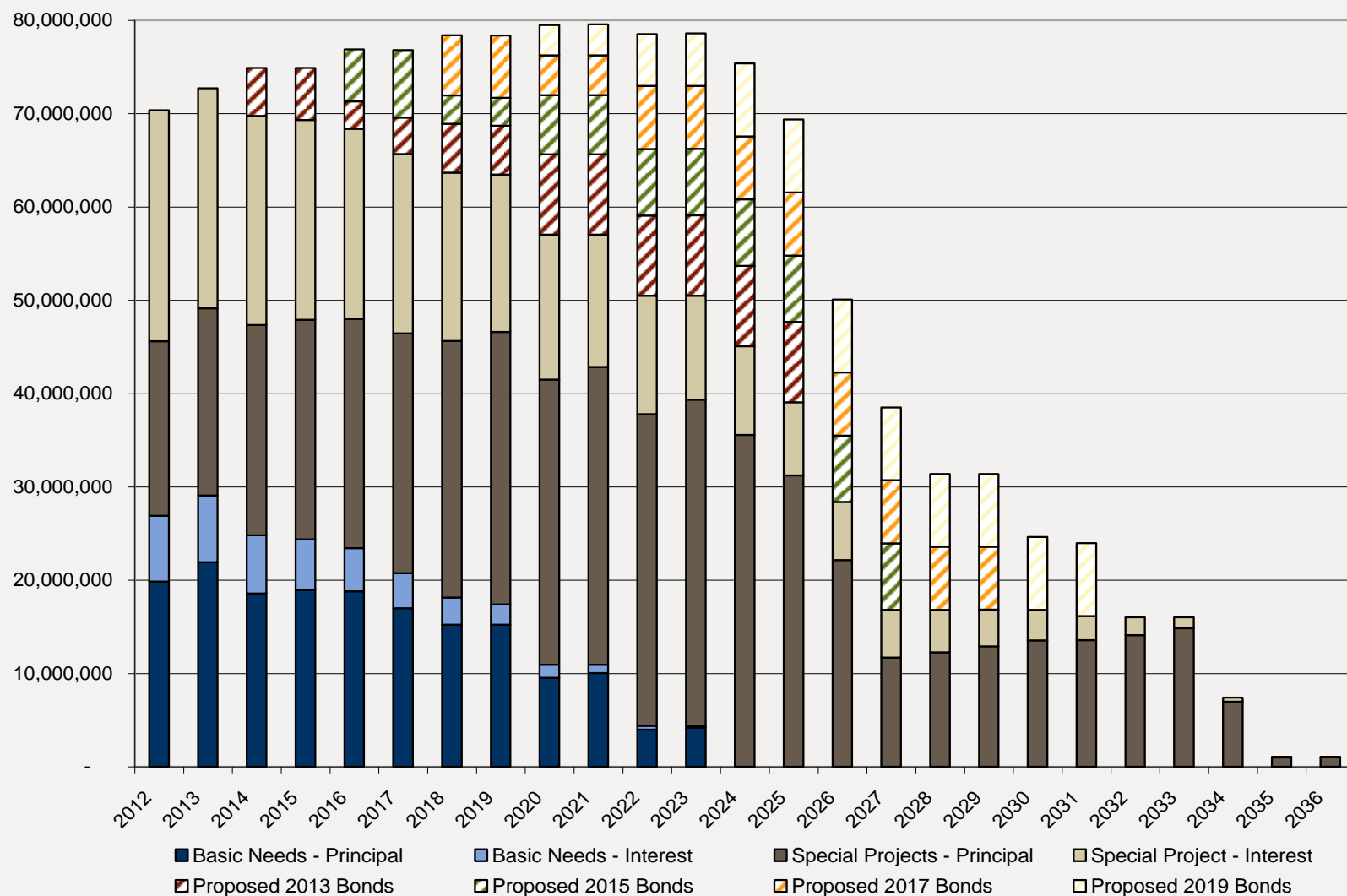
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Resources	179,178	192,015	210,963	222,826	236,244	242,184	251,310	258,151	262,461	267,570
Expenditures	177,925	181,593	191,594	202,384	213,008	223,162	229,921	237,016	240,874	245,802
Resources over Expenditures	1,253	10,422	19,369	20,442	23,236	19,022	21,389	21,135	21,588	21,768
Rate Increases	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%	0.00%

Renewal Backlog

Current Decade Plan Spending with Increase of \$3-million per year starting in FY2015

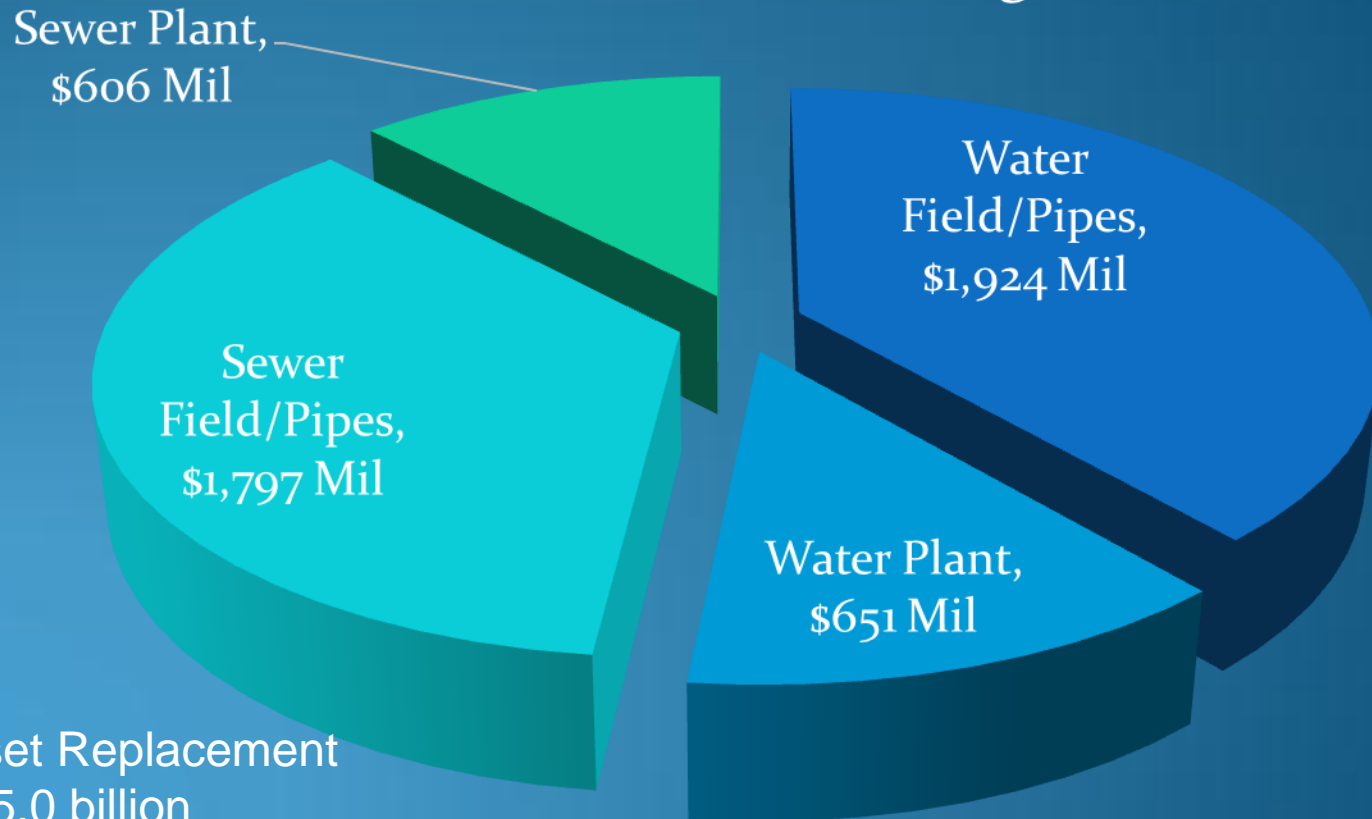


Combined Debt Service – All Debt



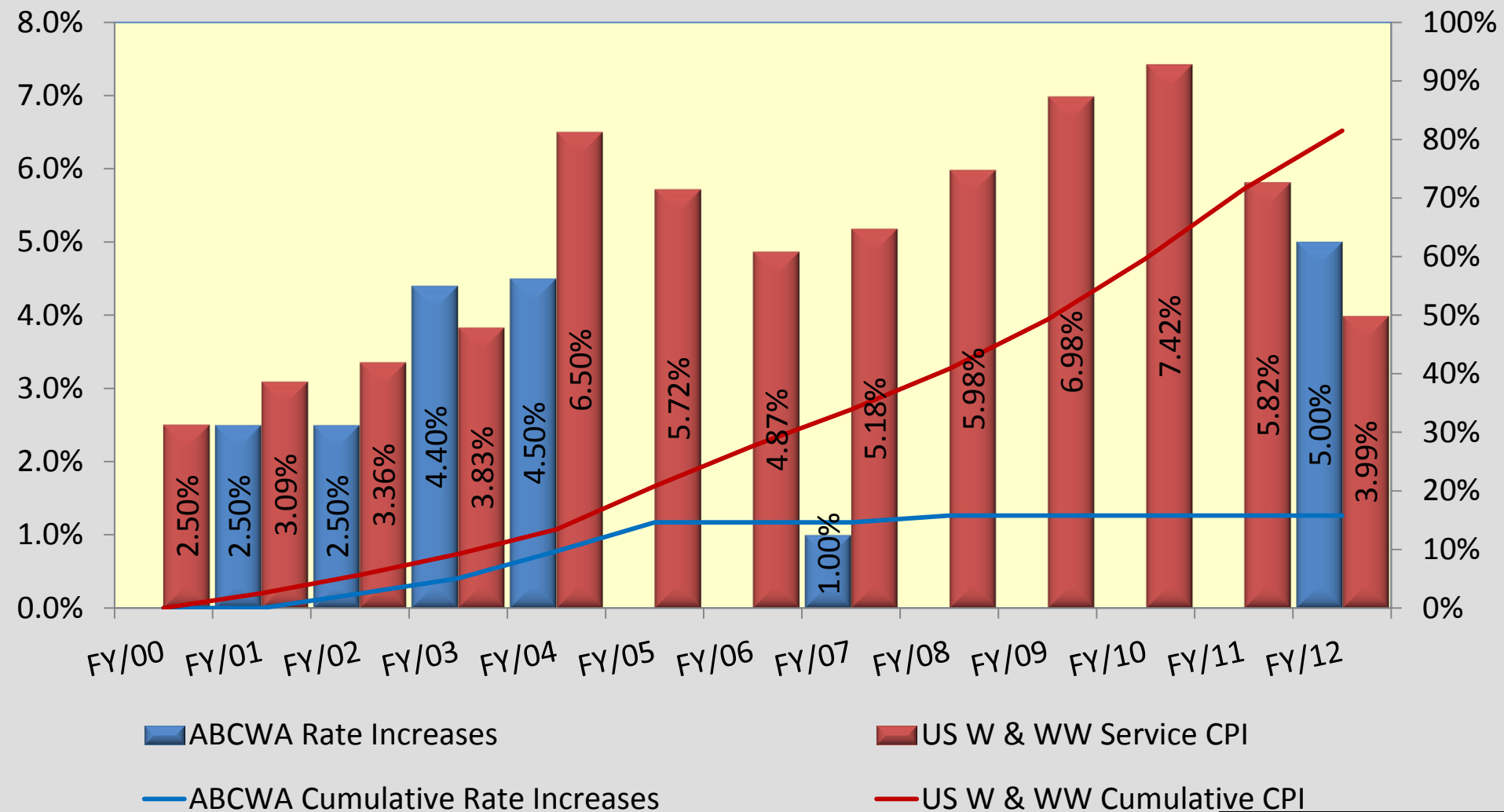
Asset Management Program

Asset/Infrastructure Categories



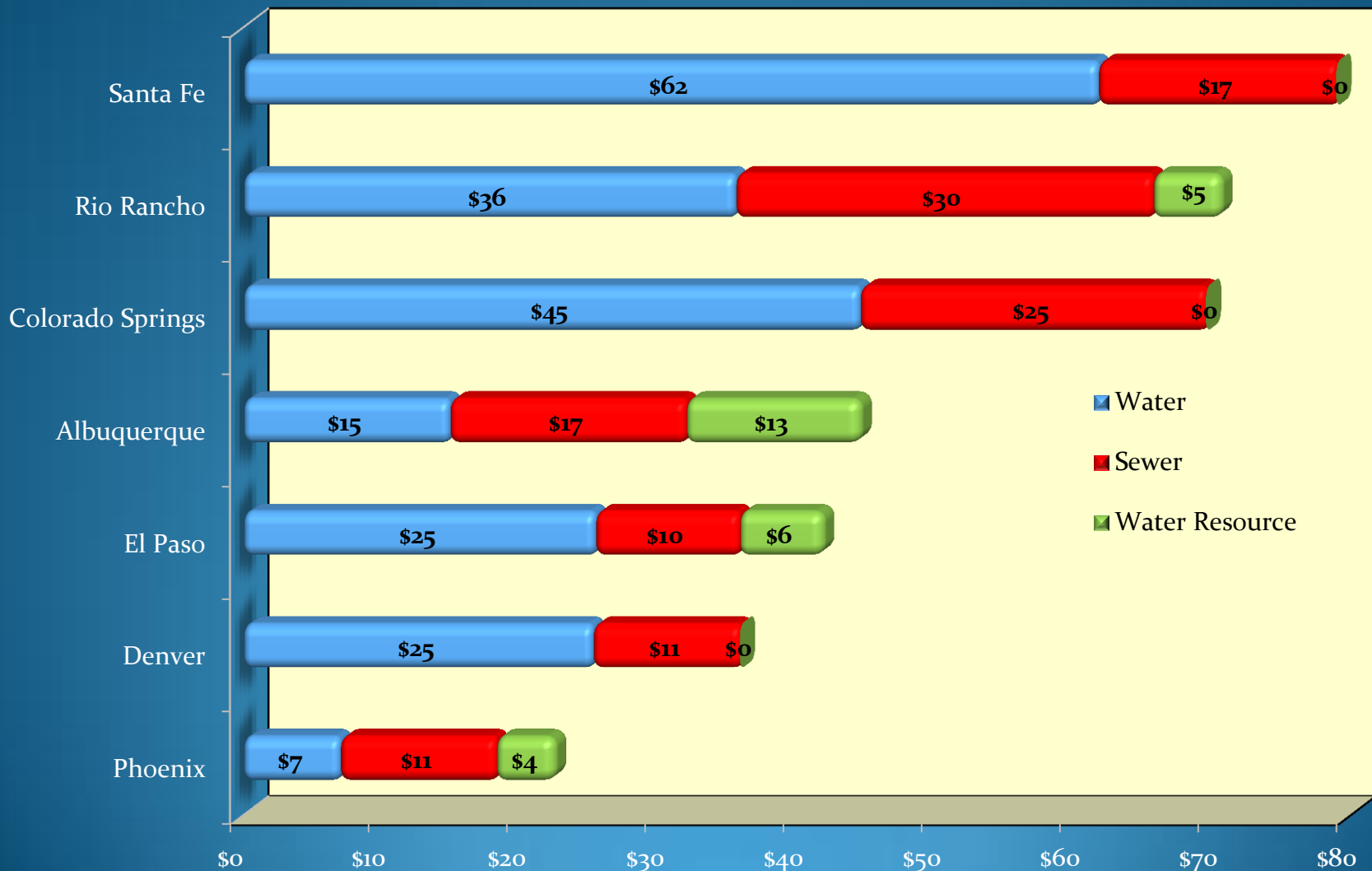
Total Asset Replacement
Cost \approx \$5.0 billion
(2010 dollars)

Rate Increases Over Past 12 Years vs. CPI Trend



Bill Comparison – Low Use

Total Single Family Residential Bill, 8 CCF (6CCF AWC)



Bill Comparison – High Use

Total Single Family Residential Bill, 20 CCF (8 CCF AWC)



Average Rate Impact to Customers

- Fiscal Year 2014 – monthly water and sewer cost will increase from \$45 to \$48
- Fiscal Year 2016 – monthly water and sewer cost will increase from \$48 to \$51
- Fiscal Year 2018 – monthly water and sewer cost will increase from \$51 to \$54

Meeting Date: May 23, 2012
Staff Contact: Frank Roth, Senior Policy Manager

TITLE: R-12-9 - Establishing One-Year Objectives for the Water Utility Authority in Fiscal Year 2013 to Meet Five-Year Goals

ACTION: Recommend Approval

Overview of Goal Development

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 they 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 QualServe business model. The QualServe framework is modeled on 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 also participated in three AWWA QualServe programs which are designed to help the Water Authority improve operations and/or customer service. The Benchmarking program allows the Water Authority to compare its performance against other utilities. The Self-Assessment program gathers employee's opinions about the Water Authority's operations in order to help determine the Water Authority's current performance level. The Peer Review program is an on-site in-depth review of our Water Authority operations by a team of volunteer utility professionals to help us design and implement improvements.

Overview of One-Year Objectives

The AWWA QualServe programs 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 policy directives from the Water Authority Board are used to close performance or service delivery gaps and improve performance levels. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some Objectives are related to completing projects or improving programs. Some of the FY13 Objectives are tied to resources contained in the proposed FY13 Budget. A few of the objectives are carried over from FY12 either because they require more time to complete, or are ongoing issues. Some of the Objectives are tied to the Performance Plan in order to improve operations and/or customer service. 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. Below are the FY13 Goals and Objectives.

Summary of FY13 Goals and Objectives

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.

1. Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 45% of all maintenance labor hours completed by the end of the 4th Quarter of FY13.
2. Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 30% of all maintenance labor hours completed by the end of the 4th Quarter of FY13.
3. Reduce distribution water loss by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY13.
4. Conduct a pilot project on large diameter water line leak detection methods and pipe condition assessment by the end of the 4th Quarter of FY13.
5. Maintain water use at 150 gallons per person per day while obtaining community input on setting a new reduction goal through community meetings, stakeholder meetings and surveys; provide report on community input by the end of 3rd Quarter of FY13 to the Board; and update the Water Conservation Plan by the end of the 4th Quarter of FY13.
6. Complete Partnership for Safe Water – Surface Water Treatment Self-Assessment to optimize water system operations and performance by the end of the 2nd Quarter of FY13.
7. Complete Partnership for Safe Water – Drinking Water Distribution System Self-Assessment to optimize water system operations and performance by the end of the 4th Quarter of FY13.

8. Complete a Preliminary Water Pump Station 10-Year Asset Management Plan to determine the condition of the Water Authority's drinking water pump station facilities by the end of the 2nd quarter of FY13.
9. Complete a Preliminary Water Well 10-Year Asset Management Plan to determine the condition of the Water Authority's drinking water well facilities by the end of the 4th quarter of FY13.

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.

1. Develop a draft sanitary sewer overflow response plan based on Water Environment Federation best practices and coordinate with other entities and jurisdictions by the end of the 4th Quarter of FY13.
2. Improve operation and maintenance of the sanitary sewer system by implementing the EPA's strategy of Capacity Management Operation Maintenance for managing sanitary sewer overflows; automate the sewer pipe segment evaluation process by developing a tool selection software to determine the appropriate mechanism for maintaining sewer pipelines which can be integrated into the Maximo workorder system by the end of the 4th Quarter of FY13.
3. Integrate video inspections performed on small diameter sanitary sewers into the Maximo workorder system and the GIS by the end of the 1st Quarter of FY13.
4. Televiser small diameter sanitary sewer lines and assess the condition of approximately five percent of the system by the end of the 4th Quarter of FY13.
5. Install electrical testing equipment at the major sanitary sewer lift stations to allow safe and reliable testing of the emergency generator systems by the end of the 4th Quarter of FY13.
6. Conduct an assessment and develop strategies to continue minimizing odors at the Southside Reclamation Plant utilizing different methodologies and report quarterly on the effectiveness of each technique through the end of the 4th Quarter of FY13.
7. Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY13.
8. Beneficially reuse biosolids by diverting 25% of the biosolids to compost through the end of the 4th Quarter of FY13.
9. Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY13.
10. Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 30% of all maintenance labor hours completed by the end of the 4th Quarter of FY13.
11. Design and construct a 1 megawatt solar array at the Wastewater Treatment Plant to offset on-peak power imports from the electric utility and have it operational and connected to the plant primary power distribution system by the end of the 4th Quarter of FY13.

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.

1. Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time to provide effective customer service to customers through the 4th Quarter of FY13.
2. Implement Phase 2 of the Automated Meter Infrastructure (AMI) project to modernize the Water Authority's 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 FY13.
3. Implement new payment methods for customer billing with Western Union to provide more payment options to customers and improved cash flow by the end of the 4th Quarter of FY13.

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.

1. Expend \$31 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 FY13. \$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 FY13.
2. Implement Phase I of the Enterprise Resource Planning (ERP) project to integrate and optimize major business management functions by the end of the 4th Quarter of FY13; develop a transition plan to move services that are currently being provided by the City of Albuquerque by the end of the 2nd Quarter of FY13.
3. Continue implementation of mobile devices to operations staff and integrate a GIS solution to optimize workorder flow process through the 4th Quarter of FY13.
4. Develop a strategic plan to update the policies and procedures for the Information Technology Division including upgrading and hosting of major utility applications by the end of the 3rd Quarter of FY13; develop a succession and knowledge management plan to prepare for upcoming retirements in the Division in order to retain critical institutional knowledge by the end of the 3rd Quarter of FY13.
5. Implement GFOA best practices recommendations for the Ten-Year Financial Plan, for increasing the financial capacity of the capital program, and for making progress in reaching the reserve fund goal of one-twelfth of operating expenses by the end of the 4th Quarter of FY13.
6. Continue to develop the integrated water/sewer/reuse master plan by incorporating the Northwest Service area by the end of the 3rd Quarter of FY13; begin water and sewer master planning in the College and Atrisco trunk zones by the end of the 4th Quarter of FY13.
7. Develop a comprehensive energy master plan which should include demand and potential energy reduction measures and costs to implement alternative clean energy sources for use by the Water Authority by the end of the 4th Quarter of FY13.
8. Improve compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance by continuing to inspect and monitor industrial waste permit holders, food establishments, dental offices, and septage haulers; report inspection and monitoring activities and results and the respective compliance rates through weekly, monthly, and quarterly reporting and referencing past performance through the end of the 4th Quarter of FY13.

9. Continue development and implementation of a reporting system for performance metrics at the Water Quality Laboratory (WQL); monitor and report productivity (number of results reported per productive hour) and timeliness (number and percentage of results reported late) on weekly and monthly basis, and in relation to past performance; demonstrate improvement in the productivity of laboratory work through the end of the 4th Quarter of FY13.
10. In conjunction with the Information Technology Division, continue development of a Compliance Division water quality monitoring data repository that will allow Water Authority-wide user access to historical and current analytical results through the end of the 4th Quarter of FY13. .
11. In conjunction with the Information Technology Division, continue development and implementation of the Water Quality Laboratory (WQL) Laboratory Information Management System (LIMS) through the end of the 4th Quarter of FY13.
12. Continue to monitor emerging State and Federal Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) regulations to identify and assess potential impacts on the Water Authority through the end of the 4th Quarter of FY13.
13. Continue development for implementation of an Environmental Monitoring Program to improve the reliability of results from on-line and field instrumentation and sample collection techniques through the end of the 4th Quarter of FY13.
14. Continue development of conventions for all regulatory submittals to assure zero procedural violations and accurate and timely submission of regulatory reports through the end of the 4th Quarter of FY13.
15. In conjunction with the Information Technology Division, develop and implement a plan to transition historic compliance records in Sharepoint by the end of the 1st Quarter of FY13; develop, document, and implement business processes to maintain all newly generated Compliance Division records in Sharepoint by the end of the 2nd Quarter of FY13.
16. Complete documentation and implementation of an ISO 17025-compliant, management-approved records management program for archived WQL records by the end of the 4th Quarter FY13 to include: approval of a comprehensive records management program plan for WQL records; completion and maintenance of a detailed inventory of all archived records; and documentation of all records destroyed.
17. Initiate the Compliance Division Operations Improvement Project to define a vision of future operations for the division and develop an Operations Business Process Map inclusive of Organization/Process/Technology (OPT) changes required through the end of the 4th Quarter of FY13.

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.

1. Implement ACT developed WorkKeys skill level assessment program to objectively evaluate skill levels of potential water and wastewater system entry-level applicants in order to improve the successful completion rate of State certifications required for promotions by the end of the 4th Quarter of FY13.

2. Develop and implement an incentive program to advance all qualified water and wastewater system employees to journey-level certification (both utility and state) through the end of the 2nd Quarter of FY13.
3. Implement an employee performance evaluation system that aligns to performance objectives and benchmarks by the end of the 1st Quarter of FY13.
4. Maintain an average utility-wide vacancy rate of no greater than 7% through the end of FY13.
5. Reduce the number of employee injury lost days by 10% to improve productivity and reliability of services provided by employees by the end of the 4th Quarter of FY13.
6. Conduct an evaluation of plant facility operations and maintenance staff, standard operating procedures and training curriculums by the end of the 3rd Quarter of FY13; use report to revise training programs, standard operating procedures, and develop new training curriculum for the Water and Waste Water Treatment Plants in by the end of the 4th Quarter of FY13.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-12-9

1 **RESOLUTION**
2 **ESTABLISHING ONE-YEAR OBJECTIVES FOR THE WATER UTILITY AUTHORITY**
3 **IN FISCAL YEAR 2013 TO MEET FIVE-YEAR GOALS.**

4 WHEREAS, the Water Authority's Budget Policies and Procedures Ordinance
5 specifies that the Water Authority shall annually review and adopt one-year objectives
6 related to the five year goals for the Water Authority; and

7 WHEREAS, the Water Authority's operating budget shall be formulated by the
8 Water Authority's Executive Director and be consistent with the goals and objectives as
9 established and approved by the Water Authority; and

10 WHEREAS, the Water Authority's adoption of goals and objectives, which will be
11 valuable in themselves, will be major factors in determining funding for Water Authority
12 programs and improvements in both the operating budget and capital improvements
13 budgets.

14 BE IT RESOLVED BY THE WATER AUTHORITY:

15 Section 1. That the Water Authority adopts the following five-year goals and one-
16 year objectives for Fiscal Year 2013.

17 GOAL 1. WATER SUPPLY AND OPERATIONS: Provide a reliable, safe,
18 affordable, and sustainable water supply by transitioning to renewable supplies and
19 minimizing long term environmental impacts on the community and natural resources
20 while ensuring the ability of the community to grow in a responsible manner.

21 Objective 1. Complete Ground Water Plant Preventive Maintenance to
22 Corrective Maintenance ratio to at least 45% of all maintenance labor hours completed
23 by the end of the 4th Quarter of FY13.

24 Objective 2. Complete Surface Water Plant Preventive Maintenance to
25 Corrective Maintenance ratio to at least 30% of all maintenance labor hours completed
26 by the end of the 4th Quarter of FY13.

Objective 3. Reduce distribution water loss by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY13.

Objective 4. Conduct a pilot project on large diameter water line leak detection methods and pipe condition assessment by the end of the 4th Quarter of FY13.

Objective 5. Maintain water use at 150 gallons per person per day while obtaining community input on setting a new reduction goal through community meetings, stakeholder meetings and surveys; provide report on community input by the end of 3rd Quarter of FY13 to the Board; and update the Water Conservation Plan by the end of the 4th Quarter of FY13.

Objective 6. Complete Partnership for Safe Water – Surface Water Treatment Self-Assessment to optimize water system operations and performance by the end of the 2nd Quarter of FY13.

Objective 7. Complete Partnership for Safe Water – Drinking Water Distribution System Self-Assessment to optimize water system operations and performance by the end of the 4th Quarter of FY13.

Objective 8. Complete a Preliminary Water Pump Station 10-Year Asset Management Plan to determine the condition of the Water Authority's drinking water pump station facilities by the end of the 2nd quarter of FY13.

Objective 9. Complete a Preliminary Water Well 10-Year Asset Management Plan to determine the condition of the Water Authority's drinking water well facilities by the end of the 4th quarter of FY13.

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.

Objective 1. Develop a draft sanitary sewer overflow response plan based on Water Environment Federation best practices and coordinate with other entities and jurisdictions by the end of the 4th Quarter of FY13.

Objective 2. Improve operation and maintenance of the sanitary sewer system by implementing the EPA's strategy of Capacity Management Operation Maintenance for managing sanitary sewer overflows; automate the sewer pipe segment evaluation process by developing a tool selection software to determine the appropriate mechanism for maintaining sewer pipelines which can be integrated into the Maximo workorder system by the end of the 4th Quarter of FY13.

Objective 3. Integrate video inspections performed on small diameter sanitary sewers into the Maximo workorder system and the GIS by the end of the 1st Quarter of FY13.

Objective 4. Televis small diameter sanitary sewer lines and assess the condition of approximately five percent of the system by the end of the 4th Quarter of FY13.

Objective 5. Install electrical testing equipment at the major sanitary sewer lift stations to allow safe and reliable testing of the emergency generator systems by the end of the 4th Quarter of FY13.

Objective 6. Conduct an assessment and develop strategies to continue minimizing odors at the Southside Reclamation Plant utilizing different methodologies and report quarterly on the effectiveness of each technique through the end of the 4th Quarter of FY13.

Objective 7. Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY13.

Objective 8. Beneficially reuse biosolids by diverting 25% of the biosolids to compost through the end of the 4th Quarter of FY13.

Objective 9. Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY13.

Objective 10. Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 30% of all maintenance labor hours completed by the end of the 4th Quarter of FY13.

Objective 11. Design and construct a 1 megawatt solar array at the Wastewater Treatment Plant to offset on-peak power imports from the electric utility and have it operational and connected to the plant primary power distribution system by the end of the 4th Quarter of FY13.

1 GOAL 3. CUSTOMER SERVICES: Provide quality customer services by
2 communicating effectively, billing accurately, and delivering water and wastewater
3 services efficiently based on understanding the needs and perceptions of our customers
4 and the community at large.

5 Objective 1. Maintain call wait time for all call centers to less than 1 minute,
6 90 percent of the time to provide effective customer service through the 4th Quarter of
7 FY13.

8 Objective 2. Implement Phase 2 of the Automated Meter Infrastructure (AMI)
9 project to modernize the Water Authority's aging meter infrastructure with smart meters
10 to increase revenue, support conservation efforts, and provide better customer service
11 by the end of the 4th Quarter of FY13.

12 Objective 3. Implement new payment methods for customer billing with
13 Western Union to provide more payment options to customers and improved cash flow
14 by the end of the 4th Quarter of FY13.

15 GOAL 4. BUSINESS PLANNING AND MANAGEMENT: Maintain a well
16 planned, managed, coordinated, and financially stable utility by continuously evaluating
17 and improving the means, methods, and models used to deliver services.

18 Objective 1. Expend \$31 million in water and wastewater capital rehabilitation
19 and replacement programs to replace aging, high risk assets that are past their useful
20 life by the end of the 4th Quarter of FY13. \$1 million shall be dedicated and used for
21 identifying steel water pipes in critical or poor condition and rehabilitating or replacing at
22 least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY13.

23 Objective 2. Implement Phase I of the Enterprise Resource Planning (ERP)
24 project to integrate and optimize major business management functions by the end of
25 the 4th Quarter of FY13; develop a transition plan to move services that are currently
26 being provided by the City of Albuquerque by the end of the 2nd Quarter of FY13.

27 Objective 3. Continue implementation of mobile devices to operations staff
28 and integrate a GIS solution to optimize workorder flow process through the 4th Quarter
29 of FY13.

30 Objective 4. Develop a strategic plan to update the policies and procedures
31 for the Information Technology Division including upgrading and hosting of major utility
32 applications by the end of the 3rd Quarter of FY13; develop a succession and

1 knowledge management plan to prepare for upcoming retirements in the Division in
2 order to retain critical institutional knowledge by the end of the 3rd Quarter of FY13.

3 Objective 5. Implement GFOA best practices recommendations for the Ten-
4 Year Financial Plan, for increasing the financial capacity of the capital program, and for
5 making progress in reaching the reserve fund goal of one-twelfth of operating expenses
6 by the end of the 4th Quarter of FY13.

7 Objective 6. Continue to develop the integrated water/sewer/reuse master
8 plan by incorporating the Northwest Service area by the end of the 3rd Quarter of FY13;
9 begin water and sewer master planning in the College and Atrisco trunk zones by the
10 end of the 4th Quarter of FY13.

11 Objective 7. Develop a comprehensive energy master plan which should
12 include demand and potential energy reduction measures and costs to implement
13 alternative clean energy sources for use by the Water Authority by the end of the 4th
14 Quarter of FY13.

15 Objective 8. Improve compliance with the Water Authority's Sewer Use and
16 Wastewater Control Ordinance by continuing to inspect and monitor industrial waste
17 permit holders, food establishments, dental offices, and septage haulers; report
18 inspection and monitoring activities and results and the respective compliance rates
19 through weekly, monthly, and quarterly reporting and referencing past performance
20 through the end of the 4th Quarter of FY13.

21 Objective 9. Continue development and implementation of a reporting system
22 for performance metrics at the Water Quality Laboratory (WQL); monitor and report
23 productivity (number of results reported per productive hour) and timeliness (number
24 and percentage of results reported late) on weekly and monthly basis, and in relation to
25 past performance; demonstrate improvement in the productivity of laboratory work
26 through the end of the 4th Quarter of FY13.

27 Objective 10. In conjunction with the Information Technology Division,
28 continue development of a Compliance Division water quality monitoring data repository
29 that will allow Water Authority-wide user access to historical and current analytical
30 results through the end of the 4th Quarter of FY13. .

31 Objective 11. In conjunction with the Information Technology Division,
32 continue development and implementation of the Water Quality Laboratory (WQL)

1 Laboratory Information Management System (LIMS) through the end of the 4th Quarter
2 of FY13.

3 Objective 12. Continue to monitor emerging State and Federal Safe Drinking
4 Water Act (SDWA) and Clean Water Act (CWA) regulations to identify and assess
5 potential impacts on the Water Authority through the end of the 4th Quarter of FY13.

6 Objective 13. Continue development for implementation of an Environmental
7 Monitoring Program to improve the reliability of results from on-line and field
8 instrumentation and sample collection techniques through the end of the 4th Quarter of
9 FY13.

10 Objective 14. Continue development of conventions for all regulatory
11 submittals to assure zero procedural violations and accurate and timely submission of
12 regulatory reports through the end of the 4th Quarter of FY13.

13 Objective 15. In conjunction with the Information Technology Division,
14 develop and implement a plan to transition historic compliance records in Sharepoint by
15 the end of the 1st Quarter of FY13; develop, document, and implement business
16 processes to maintain all newly generated Compliance Division records in Sharepoint
17 by the end of the 2nd Quarter of FY13.

18 Objective 16. Complete documentation and implementation of an ISO 17025-
19 compliant, management-approved records management program for archived WQL
20 records by the end of the 4th Quarter FY13 to include: approval of a comprehensive
21 records management program plan for WQL records; completion and maintenance of a
22 detailed inventory of all archived records; and documentation of all records destroyed.

23 Objective 17. Initiate the Compliance Division Operations Improvement
24 Project to define a vision of future operations for the division and develop an Operations
25 Business Process Map inclusive of Organization/Process/Technology (OPT) changes
26 required through the end of the 4th Quarter of FY13.

27 GOAL 5. ORGANIZATION DEVELOPMENT: Sustain a well informed,
28 trained, motivated, safe, organized, and competitive work force to effectively meet the
29 expectations of the customers, community, and Board in accordance with adopted
30 policies and mandates.

31 Objective 1. Implement ACT developed WorkKeys skill level assessment
32 program to objectively evaluate skill levels of potential water and wastewater system

1 entry-level applicants in order to improve the successful completion rate of State
2 certifications required for promotions by the end of the 4th Quarter of FY13.

3 Objective 2. Develop and implement an incentive program to advance all
4 qualified water and wastewater system employees to journey-level certification (both
5 utility and state) through the end of the 2nd Quarter of FY13.

6 Objective 3. Implement an employee performance evaluation system that
7 aligns to performance objectives and benchmarks by the end of the 1st Quarter of
8 FY13.

9 Objective 4. Maintain an average utility-wide vacancy rate of no greater than
10 7% through the end of FY13.

11 Objective 5. Reduce the number of employee injury lost days by 10% to
12 improve productivity and reliability of services provided by employees by the end of the
13 4th Quarter of FY13.

14 Objective 6. Conduct an evaluation of plant facility operations and
15 maintenance staff, standard operating procedures and training curriculums by the end
16 of the 3rd Quarter of FY13; use report to revise training programs, standard operating
17 procedures, and develop new training curriculum for the Water and Waste Water
18 Treatment Plants in by the end of the 4th Quarter of FY13.

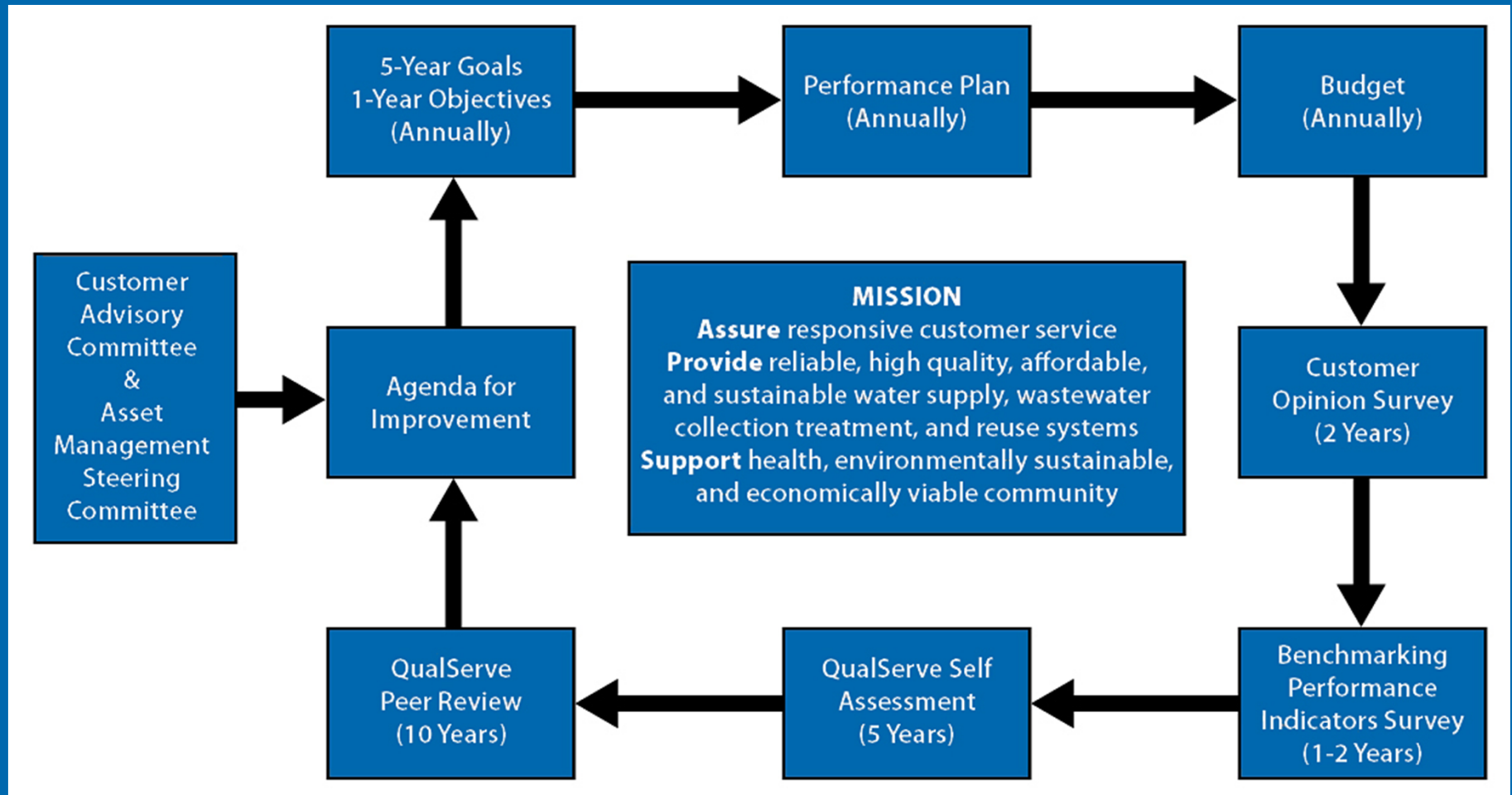
19 Section 2. That the Executive Director of the Water Utility Authority shall ensure
20 that these goals and objectives are carried out and integrated with the performance plan
21 and submit a report by Goal to the Water Authority Board at least semi-annually on the
22 progress made toward implementation of the one-year objectives.



Albuquerque Bernalillo County
Water Utility Authority

FY13 Goals & Objectives

Strategic Planning, Budgeting & Improvement Process



FY13 One-Year Objectives

- 46 Objectives by Five Goal Areas
- Implementation of plans or programs
- Incorporate areas of improvement from the QualServe Benchmarking, Self Assessment and Peer Review programs
- Integrated with Performance Plan for operational performance improvement and service delivery
- Carry-over from FY12 either because they require more time to complete, or are ongoing issues

Meeting Date: May 23, 2012
Staff Contact: Tom Ortiz, Senior Financial Officer

TITLE: R-12-10 - Appropriating Funds for Operating the Albuquerque Bernalillo County Water Utility Authority for Fiscal Year Beginning July 1, 2012 and Ending June 30, 2013

ACTION: Recommend Approval

SUMMARY:

This legislation is the Water Authority's proposed budget appropriation for Fiscal Year 2013 beginning July 1, 2011. The FY/13 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 2013 HIGHLIGHTS:

For FY/13 the proposed budget does not include a rate adjustment. However, looking forward, the Water Authority must begin to consider the need to spend \$250 million to upgrade its sewage treatment plant and adding an additional \$36 million per year in Capital Implementation Program (CIP) funding 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.

For FY/13 revenues are expected to be \$9.76 million over proposed expenditures. The Authority will use the majority of the excess revenue to bring the Working Capital or Fund Balance to \$10 million at June 30, 2013. By Ordinance the Water Authority will be required to increase its Fund Balance to 1/12 of the annual budgeted expenditures by FY/15.

In FY/13, the Water Authority will begin the implementation of an Enterprise Resource Planning (ERP) system. This project will implement a full range of financial and human capital resources modules over the next two fiscal years. The Water Authority will be evaluating proposals and make a recommendation to the Board before the end of Fiscal Year 2012 with an anticipated startup for the project beginning in Fiscal Year 2013.

The proposed budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for 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 half over the past two fiscal years.

The Bear Canyon Aquifer Storage and Recovery project to infiltrate San Juan-Chama water into the aquifer was successful with approximately 1,100 acre-feet infiltrated into the ground over two years. The design of the full-scale pilot program is continuing in FY/13 with permitting, design and construction to attempt to store more than 50,000 acre-feet into the aquifer at the water treatment plant site. This project will eventually create a future drought supply for the Authority.

The Plant Division continues the major renovation of the Southside Water Reclamation Plant (SWRP) in FY/13. The Reclamation Rehabilitation and Asset Management Plan (RRAMP) is a multi-year program to upgrade and replace the treatment processes that have outlived their useful life. The first two projects that are currently under design are a new Headworks facility and a new Solids Dewatering facility. Construction on these two facilities will begin in the fall of 2012. The funding for the RRAMP improvements will be provided through the Authority's CIP program. The long term financial need for the repair and upgrade of this facility is estimated to be \$250 million.

The implementation and upgrade of Maximo (the Utility's Computerized Maintenance Management System) will be completed in FY/13. In addition, the Authority will continue its deployment of Maximo by testing & evaluating mobile devices such as laptops and tablets. This mobile environment will include accessing not just Maximo, but also operating manuals and electronic map books from the field.

The Laboratory Information Management System (LIMS) implementation will be completed in FY/13 and will result in improved water quality business processes, electronic lab notebooks, better access to lab data and improved interfaces between lab equipment and the software application.

Construction of the Southside Municipal Effluent Polishing and Reclamation project will be complete in the fourth quarter of FY/12. Connections to the individual users will commence during the Spring of 2012 and continue for approximately a year. Full operations are expected to begin in irrigation season 2013. The project will provide up to 2,500 acre-feet of non-potable water to more than 40 large turf sites in the southeast heights and south valley of Albuquerque including Isotopes Baseball Park, UNM Championship and Puerto del Sol Golf Course, Bullhead and Vietnam Veterans park and Mesa del Sol.

In FY/13, the Authority will begin the implementation of Phase 2 of its Automated Meter Infrastructure (AMI) project for small residential meters (less than 4"), revamp the Customer Care and Billing (CC&B) billing web interface for customers and increase market penetration of paperless billing. The AMI project will provide access of monthly, daily and hourly water usage to customers.

The CIP Program proposed appropriation for FY/13 is \$42.0 million for new projects as well as supplemental appropriations for existing CIP projects to provide additional

funding based on current estimates of ongoing projects. By Ordinance, \$30 million of annual CIP funding must be used for system rehabilitation. The appropriation also includes \$3 million for system growth, \$2 million for Automated Meter Infrastructure/Leak Detection, \$1 million for Steel Water Line rehabilitation, \$2.3 million for remaining costs for the Drinking Water Project, \$1.7 million for San Juan Chama Mitigation efforts and \$2 million for the Enterprise Resources Planning System (ERP). There are no appropriations for projects that will be funded with revenues from FY/13 and later.

Also included in the FY/13 proposed budget is the addition of \$2 million to the Rate Reserve Fund.

FISCAL IMPACT:

This appropriation consists of the Water Authority Operating Fund which totals \$181,645,000 and the Water Authority's Debt Service Fund which totals \$75,738,000.

COMMENTS:

The FY/13 budget does not include a rate adjustment.

For FY/13, General Operating Fund revenue is projected to be \$191.4 million with proposed expenditures of \$181.6 million. The majority of the \$9.8 million excess revenue will be used to bring the Working Capital or Fund Balance to \$10 million.

Revenues

The following is a revenue comparison of the FY/11 Audited, FY/12 Approved and the FY/13 Proposed budgets:

WATER AUTHORITY OPERATING FUND 621

ACCOUNT NAME	AUDITED FY11	BUDGET FY12	BUDGET FY13	DIFFERENCE FY13-FY12
Interest	61,766	750,000	750,000	0
Miscellaneous	1,446,165	1,274,000	1,874,000	600,000
Water	72,534,668	80,149,000	83,300,000	3,151,000
Water Resources Management	4,671,272	4,468,000	4,500,000	32,000
Sewer	48,381,503	60,919,000	62,000,000	1,081,000
CIP Employees	646,195	650,000	650,000	0
Refuse Transfer	1,032,000	1,047,000	1,142,000	95,000
Franchise Fee	5,850,237	6,915,000	7,192,000	277,000
SJC Strategy Implementation	25,922,012	27,627,000	30,000,000	2,373,000
Rate Reserve	7,000,000	0	0	0
FUND TOTAL	167,545,818	183,799,000	191,408,000	7,609,000

WATER AUTHORITY OPERATING FUND 631

ACCOUNT NAME	AUDITED FY11	BUDGET FY12	BUDGET FY13	DIFFERENCE FY13-FY12
Interest	110,942	500,000	500,000	0
UEC - Water	3,673,458	3,500,000	4,000,000	500,000
UEC - Sewer	2,525,557	3,500,000	4,000,000	500,000
Transfer from Fund 621	65,337,000	66,727,000	66,362,000	(365,000)
Penalties	29,407	0		0
Water Supply Charge	11,651	0		0
FUND TOTAL	71,688,015	74,227,000	74,862,000	635,000

Operating Fund revenue for FY/13 is estimated to be \$7.6 million above the FY/12 approved budget. Revenue in the Debt Service Fund has a \$.6 million increase due mainly from an increase in UEC estimated revenue, \$1 million and a decrease of \$.4 million in the transfer from the General Operating Fund.

Expenditures

The following is the appropriation comparison of the FY/11 Actuals, FY/12 Approved and the FY/13 Proposed budgets:

**WATER AUTHORITY OPERATING
FUND-621**

	FY 2011	FY 2012	FY 2013	Difference
ACCOUNT DESCRIPTION	ACTUALS	APPROV.	PROPOSED	FY13-FY12
500101 REGULAR WAGES	29,152,234	29,848,659	31,041,993	1,193,334
500201 PART TIME	0	464,160	399,360	(64,800)
500301 OVERTIME	2,381,916	1,452,200	1,476,797	24,597
514400 PERA	5,286,154	5,514,832	5,788,214	273,382
514800 FICA	2,347,563	2,352,763	2,463,488	110,725
515600 OTHER EMP BENEFITS	4,502,188	5,346,766	5,744,780	398,014
515700 F/B-RETIREE HEALTH	454,376	536,239	606,693	70,454
516000 EDUCATIONAL INCENT	37,791	0	0	0
516200 EMPLOYEE INCENTIVE	111,487	300,000	0	(300,000)
516400 CLOTHING	0	0	0	0
PERSONNEL EXPENDITURES Total	44,273,709	45,815,619	47,521,325	1,705,706
520500 PROFESSIONAL SERV	445,835	1,532,866	1,460,747	(72,119)
521000 OTHER SERVICES	39,089	52,000	52,000	0
521500 UTILITIES	245,932	253,000	253,000	0
521510 ELECTRICITY	9,998,043	9,330,108	9,330,108	0
521520 GAS UTILITY	1,439,333	1,960,500	1,960,500	0
521530 REFUSE REMOVAL	147,776	45,000	128,000	83,000
521540 US WEST LINE COSTS	703,875	402,374	415,842	13,468
521550 WATER AND SEWER	213,481	133,000	133,000	0
522000 SUPPLIES	2,607,896	2,025,532	2,009,565	(15,967)
522012 CHEMICALS	6,450,056	7,231,972	7,225,972	(6,000)
522500 TRAVEL	59,447	92,400	92,400	0
523000 TRAINING	120,206	196,660	196,660	0
523400 DUES/MEMBERSHIPS	199,282	143,492	175,492	32,000
523800 REPAIRS AND MAINT	9,223,130	8,534,916	10,910,216	2,375,300

WATER AUTHORITY OPERATING FUND-621	FY 2011	FY 2012	FY 2013	Difference
ACCOUNT DESCRIPTION	ACTUALS	APPROV.	PROPOSED	FY13-FY12
523900 VEHICLE MAINT	1,070,236	1,082,126	1,113,478	31,352
524600 FUELS/LUB	56,453	25,350	25,350	0
525200 TAXES	520,321	686,000	763,000	77,000
525300 INTEREST/DEPOSITS	840	0		0
525400 INTEREST	425,504	424,000	395,000	(29,000)
525800 PRINCIPAL	948,650	978,000	1,007,000	29,000
527500 CONTRACTUAL SERV	9,338,705	6,757,243	7,006,633	249,390
525210 NM WATER CONS FEES	533,704	1,100,000	1,100,000	0
522099 CAPITAL EXP <=\$5000	118,271	0	0	0
526200 CLAIMS/JUDGEMENTS	4,007	0	0	0
OPERATING EXPENDITURES Total	44,910,072	42,986,539	45,753,963	2,767,424
532000 NON-STRUCT IMPROV	0	0	0	0
532500 AUTOMOBILES	130,650	596,326	618,326	22,000
533000 MACH/EQUIP NONAUTO	19,718	45,693	45,693	0
533500 OFFICE FURNITURE	0	0	0	0
CAPITAL CHARGES Total	150,368	642,019	664,019	22,000
594105 WORKERS COMP	1,579,826	831,048	754,159	(76,889)
594107 TORT AND OTHER	3,335,152	2,489,935	2,609,769	119,834
571300 RISK RECOVERY	0	0	0	0
594051 NETWORK	74,650	77,112	77,760	648
594031 VEHICLE-MAINT	212,632	259,834	229,470	(30,364)
594041 VEHICLE-FUEL	1,308,330	1,564,099	1,342,229	(221,870)
594061 RADIO MAINT	40,475	51,795	36,306	(15,489)
591000 TRF OTHER FUNDS	7,382,535	8,255,000	8,200,000	(55,000)
592000 PILOT	5,323,371	6,292,000	6,544,000	252,000
593000 INDIRECT OH	1,550,000	1,550,000	1,550,000	0
595000 INTERFD D/S	65,337,000	66,727,000	66,362,000	(365,000)
INTERNAL SERVICE CHARGES Total	86,143,971	88,097,823	87,705,693	(392,130)
581000 BAD DEBT EXP			0	0
585000 AMORTIZATION EXP			0	0
582000 DEPRECIATION			0	0
FINANCIAL AND BUDGETARY Total	0	0	0	0
Grand Total	175,478,120	177,542,000	181,645,000	4,103,000

The proposed operating expenditures contain a net increase of \$4.1 million from FY/12. This includes an increase of \$1.7 million in salaries and benefits, an increase in general operating expenses of \$2.8 million and a decrease in internal services charges of \$.4 million.

Personnel expenditures include a 2% step adjustment, \$452,500, as per labor agreements. Eleven net new mid-year positions were added in FY/12. The FY/13 annualized cost of the additional positions is \$645,400. The positions added include

three Treatment Plant Operators, one Lab Compliance Specialist, two Engineering Associates, an O/M Supervisor, a Mixed Media Technician and three positions to work on the ERP implementation. There are additional personnel expenditures associated with the Classification and Compensation study implemented in FY/11 and a .58% increase in other employee benefits. Total general operating costs increase by \$2.8 million. This increase is due mainly to an increase in barricade costs, \$1.5 million, paving costs, \$631,000 and barricade permit fees to the City of \$280,000. Capital costs increase by \$22,000. The internal service charges decrease by \$392,000 which include an increase of \$252,000 for franchise fees, and decreases in fuel, \$222,000 and a decrease in the transfer to debt service, \$365,000 per the debt schedule. Of note in this expense category is the reduction of \$77,000 in the Worker's Comp line item. The Worker's Comp expense has been reduced from \$1.58 million in FY/11 to the proposed amount this year of \$754,000 or a 53% reduction. This reduction is result of the effectiveness of Board approved employee incentive program and the effort of Authority employees.

Working Capital will add \$8 million from the surplus of revenue over expenditures in FY/13. This \$8 million will be added to the FY/12 balance of \$2 million. The Working Capital balance at June 30, 2013 is estimated to be \$10 million. By Ordinance the Water Authority will be required to increase its Fund Balance to 1/12 of the annual budgeted expenditures by FY/15.

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.

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.

The performance plan which uses the approved goals and objectives as its basis and is required by Ordinance is also scheduled for Board action at the May 16, 2012 meeting.

BILL NO. R-12-10

1	San Juan/Chama	2,247,000
2	Compliance	4,270,000
3	Human Resources	1,085,000
4	Wastewater Collection	6,352,000
5	Wastewater Treatment	11,792,000
6	Water Plant Facility Production	6,561,000
7	Water Plant Facility Distribution	14,706,000
8	Water Distribution Facilitation	2,050,000
9	Water Resources, Engineering & Planning	6,515,000
10	Northwest Service Area	2,394,000
11	North I-25 Reuse	76,000
12	Strategy Implementation	2,712,000
13	Transfers to Other Funds:	
14	General Fund (110)	8,294,000
15	Joint Water and Sewer Rehab (628)	8,000,000
16	Joint Water and Sewer Bond Debt Service (631)	66,362,000
17	Indirect Costs paid to the City of Albuquerque for services provided to the Water	
18	Authority are capped at \$1,550,000 for this fund.	
19	<u>JOINT WATER AND SEWER REVENUE BOND</u>	
20	<u>DEBT SERVICE FUND – 631</u>	75,738,000
21	This appropriation is allocated to the following programs:	
22	Debt Service	72,346,000
23	Transfer to Other Funds:	
24	Joint Water and Sewer Capital Fund (629)	3,392,000
25	Section 2. The Executive Director is authorized to develop and establish a	
26	nonrecurring safety/performance incentive program. This program will provide	
27	employees with an incentive bonus based on cost reductions or performance	
28	enhancements resulting in operating efficiencies and/or a reduction in work related	
29	losses. Funding for this program is contingent on savings in the same or a greater	
30	amount.	
31	Section 3. The Water Authority shall continue its partnership with non-profit	
32	affordable housing developers under contract with local government whereby the first	
33	time homebuyer will not be required to pay the Utility Expansion Charge until the	

property is sold. No more than 50 units per year will be authorized under this program.
The Water Authority will secure its position with a second mortgage.

Section 4. The Rate Reserve Fund is augmented by the amount of \$2,000,000.

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

PROPOSED FY 2013 BUDGET



BOARD MEMBERS

Ken Sanchez
Chair

Wayne A. Johnson
Vice-Chair

Richard J. Berry

Art De La Cruz

Rey Garduno

Trudy E. Jones

Maggie Hart Stebbins

Pablo R. Rael
"Ex-Officio"

ADMINISTRATION

Mark S. Sanchez
Executive Director



Albuquerque Bernalillo County
Water Utility Authority



Albuquerque Bernalillo County Water Utility Authority

April 18, 2012

To: Ken Sanchez, 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, 2012 and Ending June 30, 2013

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 2013. This submittal is the Authority's financial plan for Fiscal Year 2013. The development of this financial plan has been guided by the Authority's Five-year Goals, One-year Objectives, Performance Plan and the Guiding Principles. In the development of this proposed budget the Authority has taken a conservative financial approach to provide effective and efficient water and wastewater services balanced against projected resources. This proposed budget is balanced, fiscally conservative and sound.

For Fiscal Year 2013 the proposed budget does not include a rate adjustment. However, looking forward, the Water Authority is facing a critical need to upgrade and repair our aging infrastructure. The Southside reclamation plant is in need of a major renovation with an anticipated cost of \$250 million. In addition, due to the backlog of repairs and maintenance, an additional \$36 million per year in Capital Implementation Program (CIP) funding is needed to cover the costs of routine replacement of aging pipes, pumps and other infrastructure. The basis for this additional CIP amount is a recent asset management study commissioned by the Water Authority. In order to meet these financial needs the Water Authority, in coordination with the Board, must begin to develop a plan on how the capital needs can be addressed.

In the preparation of this budget, the Authority has developed a maintenance of effort budget within the projected estimated revenues. Staffing levels have an increase of eleven net positions in Fiscal Year 2013. There is a 2% step salary adjustment proposed for Fiscal Year 2013 to comply with current labor agreements as well as a .58% increase in other employee benefits. General operating expenditures increase \$2.8 million with the major increase in Repairs and Maintenance of \$2.4 million to bring into line budgeted expense with actual spending. The most significant expense of the Authority continues to be debt service payments which will comprise 37% of the total operating expense in Fiscal Year 2013.

The Water Authority will begin the implementation of an Enterprise Resource Planning (ERP) system in Fiscal Year 2013. This project will implement a full range financial and human capital resources system over the next two fiscal years. The Water Authority will be evaluating proposals and make a recommendation to the Board before the end of Fiscal Year 2012 with an anticipated startup for the project in early Fiscal Year 2013.

Construction of the Southside Municipal Effluent Polishing and Reclamation project will be complete in the fourth quarter of Fiscal Year 2012. Connections to the individual users will commence during the Spring of 2012 and continue for approximately a year. Full operations are expected to begin in irrigation season 2013. The project will provide up to 2,500 acre-feet of non-potable water to more than 40 large turf sites in the southeast heights and south valley of Albuquerque including Isotopes Baseball Park, UNM Championship and Puerto del Sol Golf Course, Bullhead and Vietnam Veterans Park and Mesa del Sol.

The San Juan-Chama Drinking Water Project (DWP) is expected to increase surface water treatment to provide 60% of water supplied to the service area. The Authority will continue to operate two water supply systems, the surface water and the ground water systems. This dual system operation will continue into the future even though the primary source of supply will be the surface water from the DWP. It is anticipated that approximately 70% of the area's future water supply will be surface water from the DWP.

Major renovation of the Southside Water Reclamation Plant, under a multi-year upgrade and replacement program, will continue in Fiscal Year 2013. The new headworks facility and a new solids dewatering facility are in the final stages of design. Construction on these two facilities is expected to begin in the fall of 2012. The funding for these projects will be provided through the Water Authority's CIP Program.

The proposed budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for cost savings as a result of 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.

Revenue for Fiscal Year 2013 is estimated to be \$191 million; approximately \$7.6 million above the Fiscal Year 2012 approved budget. Proposed operating expenditures of \$182 million contain a net increase of \$4.1 million for Fiscal Year 2013. This includes an increase of \$1.7 million in salaries and fringe benefits, an increase in General Operating Expenses of \$2.8 million and a decrease in internal services charges of \$.4 million.

Personnel expenditures include a 2% step adjustment, \$452,500, as per labor agreements. Eleven net new positions were added in Fiscal Year 2012. These Fiscal Year 2012 positions are fully funded in Fiscal Year 2013, \$645,400. There is also a .58% increase for other employee benefits and pay adjustments that resulted from the Classification and Compensation study completed in Fiscal Year 2011. Total general operating costs increase by \$2.8 million due mainly to increases in Repairs and Maintenance. Capital costs increase by \$22,000. The internal service charges decrease by \$.4 million and include an increase of \$119,000 for Tort and Other risk charges and \$252,000 increase in Franchise Fees. There are reductions in Vehicle Maintenance, \$222,000 and the transfer to debt service of \$365,000.

For Fiscal Year 2013 revenues are expected to be \$9.76 million over proposed expenditures. The Authority will use the majority of this excess revenue to bring the Working Capital or Fund Balance to \$10 million at June 30, 2013. By Ordinance, the Water Authority will be required to increase its Fund Balance to 1/12 of the annual budgeted expenditures by Fiscal Year 2015. For Fiscal Year 2013 \$2 million is added to the Rate Reserve fund.

Also submitted in a separate resolution is the Capital Implementation Program (CIP) proposed budget for Fiscal Year 2013. The proposed appropriation for Fiscal Year 2013 is \$42.0 million

for new projects as well as supplemental appropriations for existing CIP projects to provide additional funding based on current estimates of ongoing projects. By Ordinance, \$30 million of annual CIP funding must be used for system rehabilitation. The appropriation also includes \$3 million for system growth, \$2 million for Automated Meter Infrastructure/Leak Detection, \$1 million for Steel Water Line rehabilitation, \$2.3 million for remaining costs for the Drinking Water Project, \$1.7 million for San Juan Chama Mitigation efforts and \$2 million for the Enterprise Resource Planning System (ERP). There are no appropriations for projects that will be funded with revenues from FY/13 and later.

The Authority continues to participate in American Water Works Association's (AWWA) QualServe program. The QualServe program provides a framework for water and wastewater utilities to continually improve using a Plan-Do-Check-Act framework. It currently offers a well-developed toolbox of a benchmarking, self-assessment, and peer review for water and wastewater utilities. The QualServe program has assisted the Authority in identifying what it does well and areas where improvement is necessary. The Authority has used the information and recommendations gathered from the QualServe program to provide guidance in the one-year objectives, the performance plan and the financial plan presented here. This information and recommendations have also been the basis for operational improvements already implemented in the Authority.

The Authority has established an asset management program with a steering committee to oversee the program. The program is an extensive, well thought out „Business Model“ that helps utility managers make better acquisition, operations and maintenance, renewal, and replacement decisions. The principles of asset management were developed to address the critical problem of aging public infrastructure and changing utility business environment. In FY/11, the Authority completed a comprehensive Asset Management Plan (AMP) used to provide a rational framework for understanding and planning of long-range asset renewal (rehabilitation and replacement) requirements. The AMP consolidates the Authority's asset information into a structured framework and uses it to provide a justifiable basis to support long-term organization, operations, and asset management decisions. In FY/12, the Authority began work on preparing a set of 10-year asset management plans for various asset classes (i.e., small diameter pipes, large diameter pipes, wastewater treatment plant, groundwater and collection system facilities). The 10-year plans are generated to provide the Authority with a more accurate understanding of the short and intermediate-term renewal requirements. In FY/13, the Authority will continue to improve on its asset management practices and complete the planned 10-year asset management plans.

This budget proposal represents the 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 Authority's priorities for Fiscal Year 2013 to improvement of services and gain operating efficiencies.



Albuquerque Bernalillo County Water Utility Authority

BOARD MEMBERS

Ken Sanchez, Chair

Wayne Johnson, Vice-Chair

Richard J. Berry

Art De La Cruz

Rey Garduño

Trudy Jones

Maggie Hart Stebbins

Pablo Rael, Ex Officio Member

Mark S. Sanchez, Executive Director



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, 2011

Linda C. Davidson Jeffrey R. Emer

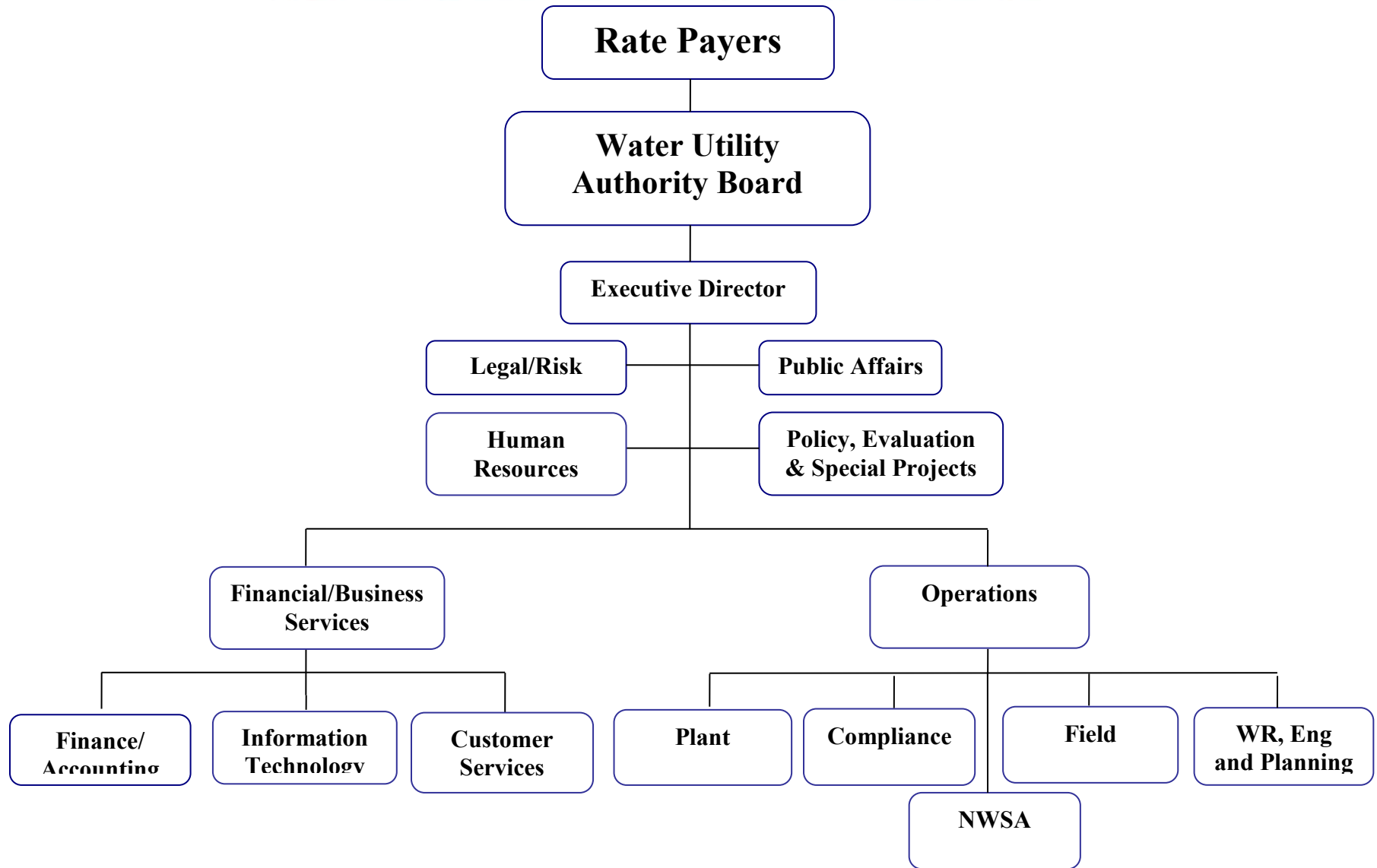
President

Executive Director

THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) PRESENTED A DISTINGUISHED BUDGET PRESENTATION AWARD TO **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY, NEW MEXICO** FOR ITS ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2011. IN ORDER TO RECEIVE THIS AWARD, A GOVERNMENTAL UNIT MUST PUBLISH A BUDGET DOCUMENT THAT MEETS PROGRAM CRITERIA AS A POLICY DOCUMENT, AS A FINANCIAL PLAN, AS AN OPERATIONS GUIDE, AND AS A COMMUNICATIONS DEVICE.



Albuquerque Bernalillo County Water Utility Authority



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ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

PREFACE

NMSA 1978, Section 72-1-20 which created the Albuquerque Bernalillo County Water Utility Authority (Authority), along with Authority Ordinance O-04-6 requires the Executive Director to formulate the operating budget for the Authority. The Executive Director shall propose the budget to the Board at the April regularly scheduled meeting each year. The 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 the Authority. 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 in order to achieve a balanced budget. Budget meetings are held with the Executive Director and Authority Staff. During this process divisions may request program expansions or offer plans for reducing costs, or revenue enhancements.

Appropriations are at a Fund level, the level at which expenditures 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 Authority's basis of Accounting. The 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 and amortization, although expensed in the accounting system, is not a budget item in the Authority budget.

The Authority's Goals and Objectives focus on improving the Authority's operations and improving customer conditions. The Goals are based on the American Water Works Association's Qualserve program. The FY/13 Goals and Objectives have been approved by the Authority Board.

The Budget Proposal has 8 major sections. The **Budget Proposal & Financial Consolidation** section is designed as an overview. This section contains Fund Balance Tables or Working Fund Tables, where appropriate, by fund group. The funds are presented with estimated ending balances for both the current year and the budget year. This section includes brief highlights and fund financial history.

The section on **Revenue Outlook** contains detailed information on the projected revenue 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 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. There is also a brief explanation of the methodology used in budget preparation.

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

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***BUDGET PROPOSAL
&
FINANCIAL
CONSOLIDATIONS***

***Proposed
Operating Budget
FY/13***

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

The Albuquerque Bernalillo County Water Utility Authority (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 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 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.

Fiscal Year 2013 Highlights

The FY/13 Executive Director's Proposed Budget establishes the Authority's financial plan and uses the Goals, Objectives and the Performance Plan as guides for the appropriation of funds. The Authority in conjunction with the Operating Divisions developed the budget by determining those costs necessary to running the utility operation. The proposed budget does not include a rate adjustment. However, looking forward, the Water Authority must begin to consider the need to spend \$250 million to upgrade its sewage treatment plant and adding an additional \$36 million per year in Capital Implementation Program (CIP) funding 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 San Juan-Chama Drinking Water Project (DWP) is expected to increase surface water treatment to provide 60% of water supplied to the service area. The Authority will continue to operate two water supply systems, the surface water and the ground water systems. This dual system operation will continue into the future even though the primary source of supply will be the surface water from the DWP. It is anticipated that approximately 70% of the area's future water supply will be surface water from the DWP. The Authority continues to adjust the funding for operations of the DWP as a history of operating costs is developed.

The Bear Canyon Aquifer Storage and Recovery project to infiltrate San Juan-Chama water into the aquifer was successful with approximately 1,100 acre-feet infiltrated into the ground over two years. The design of the full-scale pilot program is continuing in FY/12 with permitting, design and construction to attempt to store more than 50,000 acre-feet into the aquifer at the water treatment plant site. This project will eventually create a future drought supply for the Authority.

The Northwest Service Area Division (NWSA) has been successfully integrated into some operations of the Authority. The NWSA now provides some selected services not only to customers of the former New Mexico Utilities but also to other Authority Westside ratepayers. In FY/13, the Authority will continue to look at the expansion of the current Northwest Service Area (NWSA) Division from what was the New Mexico Utilities area to an area that will be bounded by Sandoval County on the north, the Rio Grande on the east, I-40 on the south and the Rio Puerco on the west. Any expenses associated with this expansion would have to be budget neutral. Since the Authority has long discussed area operations, the establishment of a northwest service area as described will provide a program that can be used to improve services to customers. The NWSA will continue to pilot mobile Maximo in order to create SOP's for a paperless, real time, work order system, where field activities are dispatched and closed out on mobile devices. In addition, mobile Maximo will be used to schedule and record the preventative maintenance (PM) activities on the meter box and valve replacement initiative for

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NWSA. Also, the NWSA will be developing a reporting matrix where response time, emergency repairs, work order completion percentage, and preventative maintenance can be measured and benchmarked against industry leaders.

Various Field Division efforts include the continuation of Large Interceptor rehabilitation and enhanced cleaning programs; continuation of the Large Meter Testing & Repair program with in-house resources; On the Collections Section side the Authority will expand closed circuit televising and condition analysis of wastewater collection lines, and integrated the operations and maintenance of the wastewater collections lines & lift stations from the old NM Utilities (Corrales Trunk-NWSA). Continued efforts in odor and corrosion controls are proceeding from the Collections Section, notably at the 98th & Central facility where the bio filter is being abandoned in favor of using carbon treatment. The USEPA has mandated in FY/12 the implementation of a sustained Capacity Maintenance & Operations Management (CMOM) program for the wastewater collection system.

The Plant Division began a major renovation of the Southside Water Reclamation Plant (SWRP) in FY/10 called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plant. The first two projects that are currently under design are a new headworks facility and a new Solids Dewatering facility. Construction on these two facilities will begin in the winter of 2012/2013. The funding for the RRAMP improvements will be provided through the Authorities Capital Improvement Program (CIP).

Construction of the Southside Municipal Effluent Polishing and Reclamation project will be complete in the fourth quarter of FY/12. Connections to the individual users will commence during the Spring of 2012 and continue for approximately a year. Full operations are expected to begin in irrigation season 2013. The project will provide up to 2,500 acre-feet of non-potable water to more than 40 large turf sites in the southeast heights and south valley of Albuquerque including Isotopes Baseball Park, UNM Championship and Puerto del Sol Golf Course, Bullhead and Vietnam Veterans park and Mesa del Sol.

The SWRP continues to generate Renewable Energy Certificates using digester gas (containing methane) which is used to power a generator. The Southside Water Reclamation Facility generates approximately 30% of its power requirements. Plans are to continue to increase the amount of residual solids that are composted and sold to increase revenue and work cooperatively to increase the amount of compost sold in FY/12. It is the Authority's goal to compost 20% of the total wastewater residuals.

Regarding the desktop and mobile computer environment, the Information Technology Division (ITD) will continue its conversion to Microsoft's Office365 SharePoint online environment. This service will provide the Authority with online document and records management, improved searching of documents and improved Excel and Visio services. We will complete our implementation of Active Directory, Office 2010 and Windows 7, including the computer replacement of several computers that no longer meet standards. Mobile devices will continue to be deployed in areas that will improve the business processes of field work (evaluation is still pending).

The implementation and upgrade of Maximo (the Utility's Computerized Maintenance Management System) will be completed in FY/13. In addition, the Authority will continue its deployment of

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Maximo by testing & evaluating mobile devices such as laptops and tablets. This mobile environment will include accessing not just Maximo, but also operating manuals and electronic map books from the field.

In FY/13, the Authority will begin the implementation of Phase 2 of its Automated Meter Infrastructure (AMI) project for small residential meters ($\leq 4''$), revamp the Customer Care and Billing (CC&B) billing web interface for customers and increase market penetration of paperless billing. The AMI project will provide access to customers of their monthly, daily and hourly water usage.

The Laboratory Information Management System (LIMS) implementation will be completed in FY/13 and will result in improved water quality business processes, electronic lab notebooks, better access to lab data and improved interfaces between lab equipment and the software application.

Water and Wastewater Operations are regulated by a myriad of federal, state, and local environmental permits, regulations, and rules. The Compliance Division continues to develop and maintain a matrix of regulatory requirements and procedural conventions to assure accurate and timely reporting. A Quality Assurance/Quality Control Program will be developed to improve environmental monitoring practices. Monitoring of new regulatory initiatives will be further emphasized to define operational impacts and develop compliance strategies. The Industrial Pretreatment Program will continue to improve compliance with the Water Authority Sewer Use and Wastewater Control Ordinance by continuing validation of compliance of food establishments, extra-strength discharge users, and industrial waste permit holders. Implementation of the Master Plan for the Laboratory Information Management System (LIMS), a laboratory operations management tool that maintains records for millions of analytical results and associated quality assurance/quality control processes, continues. A LIMS reporting system for turnaround-time and hold-time performance will be developed, along with full-scale operational implementation of electronic data acquisition. Process modeling of business practices to improve efficiencies and define key performance metrics will continue.

In FY/13, the Water Authority will begin the implementation of an Enterprise Resource Planning (ERP) system. This project will implement a full range of financial and human capital resources modules over the next two fiscal years. The Water Authority will be evaluating proposals and make a recommendation to the Board before the end of Fiscal Year 2012 with an anticipated startup for the project beginning in Fiscal Year 2013.

The proposed budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for cost savings due to increased efficiencies or 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 half over the past two fiscal years.

Debt service payments increased by \$5 million over FY/12. The Authority's service area is still experiencing very slow growth due to the impact of the recession in the service area. The proposed appropriation for Fiscal Year 2013 is \$42.0 million for new projects as well as supplemental appropriations for existing CIP projects to provide additional funding based on current estimates of ongoing projects. By Ordinance, \$30 million of annual CIP funding must be used for system rehabilitation. The appropriation also includes \$3 million for system growth, \$2 million for Automated Meter Infrastructure/Leak Detection, \$1 million for Steel Water Line rehabilitation, \$2.3 million for remaining costs for the Drinking Water Project, \$1.7 million for San Juan Chama Mitigation efforts and \$2 million for the Enterprise Resource Planning System (ERP). There are no appropriations for projects that will be funded with revenues from FY/13 and later.

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Working Capital will add \$8 million from the surplus of revenue over expenditures in FY/13. This \$8 million will be added to the FY/12 balance of \$2 million. The Working Capital balance at June 30, 2013 is estimated to be \$10 million.

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.

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The Albuquerque Bernalillo County Water Utility Authority can be examined by Division. Comparing the original budget for FY/12 with the proposed FY/13 shows changes in the Plant, Field, and the Water Authority Divisions.

Utility Spending by Division						
	AUDITED	ORIGINAL	REVISED	ESTIMATED	PROPOSED	PROP 13/ EST ACT 12
(\$000's)	FY11	BUDGET FY12	BUDGET FY12	ACTUAL FY12	BUDGET FY13	CHG
Customer Services	5,010	5,262	5,262	5,080	5,552	472
Finance	6,507	6,804	6,804	6,104	7,022	918
Human Resources	1,387	961	961	990	1,085	95
Northwest Service Area	1,437	2,325	2,325	1,265	2,394	1,129
Information Technology	4,194	3,807	3,807	4,501	4,152	(349)
Low Income Utility Credit	244	250	250	250	250	-
San Juan/Chama	910	2,247	2,247	2,247	2,247	-
Water Authority	3,968	3,007	3,007	3,563	21,253	17,690
Plant	34,348	37,450	37,450	37,836	21,141	(16,695)
Compliance	3,508	4,059	4,059	3,571	4,270	699
Field	25,597	22,193	22,193	23,136	23,108	(28)
Water Resources	5,871	6,353	6,353	6,274	6,515	241
Total	92,981	94,718	94,718	94,817	98,989	4,172

Expenditures

Comparing the FY/12 approved budget with the proposed for FY/13 reveals an overall net increase of \$4.2 million. The proposed budget for FY/13 has a net increase of \$1.7 million for total personnel expenditures. This increase includes a 2% cost of living adjustment of \$452,500, and the addition of 11 net new positions added in midyear FY/12 at a cost of \$645,400. These positions are three Treatment Plant Operators, one Lab compliance Specialist, two Engineering Associates, one Mixed Media Technician, one O/M Supervisor, one System Analyst 1 for ERP and two Functional Business positions for the ERP implementation. Total general operating costs increase by \$2.8 million and Capital Costs increase of \$22,000. The primary increase in operating costs is the increase in Paving and Barricade costs of \$2.1 million. The City requires the Authority to add an additional 2 inches of asphalt of all repairs done on any city street. Also, of note, all power and chemical costs were moved to one central division in the budget to better manage these costs at an Authority level. The internal service charges decreased by \$392,100 which was driven primarily by a reduction in vehicle fuel costs as the Authority hedged their fuel costs in conjunction with the City of Albuquerque. Of note in the expense category is the reduction of \$77,000 in Workers Compensation. This reduction is result of the effectiveness of the Board approved employee incentive program and the effort of Authority employees.

The balance for Working Capital, total revenues minus total expenses, is estimated to be minimal at the end of FY/12. Working Capital is augmented by \$10 million from the surplus of revenue over expenditures for FY/13. The Working Capital balance at June 30, 2013 is estimated to be \$10 million. An additional \$2 million is reserved in the rate reserve fund which will be \$4 million in FY/13. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

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Proposed Issue Papers and Initiatives – Proposed issue papers and initiatives funded total \$3,273,782 for the Joint Water and Sewer Operating Fund. The list below identifies the issues and divisions funded as well as the total amount of the funding provided.

Compensation –The proposed budget includes a step increase for permanent Water Authority employees of 2%.

Total ABCWUA Proposed Issue Papers	
Fund 621 - Joint Water and Sewer Operating	3,273,782
Plant	
3 Treatment Plant Operators (FY/12 mid year additions)	225,221
SWRP- Refuse Costs	83,000
ISD	
System Analyst 1 (FY/12 mid year addition) - ERP conversion	90,088
Northwest Service Area	
O/M Supervisor (FY/12 mid year addition) - offset by Contractual Service Cost	0
Human Resources	
Mixed Media Technician (FY/12 mid year addition)	21,526
Unemployment Compensation Fund	76,000
CNM-WTC State Certification Prep Training	18,000
Water Resource, Engineering and Planning	
2 Engineering Associates (FY/12 mid year addition)	114,650
Compliance	
Lab-Regulatory Compliance Specialist	83,241
Finance	
Convert Fiscal Coordinator to Warehouse Supervisor	(8,659)
Forklift for Warehouse at Pino Yards (CIP)	0
2 ERP Functional Users for ERP Implementation (FY/12 mid year additions) 1 position funded out of ERP	110,715
CSD	
Liens - Bernalillio County Increase (\$114,650 offset by Revenue)	0
Postage increase	50,000
Increase for annual vehicle replacement	22,000
Field	
Increase in Barricade Costs	1,450,000
Barricade Permit Fees	280,000
Paving & Concrete Replacement Costs	631,000
Admin	
AWWA Subscription-Drinking Water (Increase due to increase in Customers)	27,000

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Changes in Employment - The proposed budget for FY/13 shows a net increase of 11 new positions that were FY/12 midyear additions. There were eleven new positions created. The positions are: 3 Treatment Plant Operators, 2 ERP Functional Analysts, System Analyst, Lab Compliance Specialist, 2 Engineering Associates, Mixed Media Technician and a O/M Supervisor.

	ACTUAL FY/11	BUDGET FY/12	BUDGET FY/12	ACTUAL FY/12	BUDGET FY/13
POSITIONS:					
Customer Services	62	61	61	61	61
Finance	23	23	23	25	25
Human Resources	19	12	12	13	13
Information Technology	22	22	22	23	23
Water Authority	12	12	12	12	12
Northwest Service Area	13	12	12	13	13
Wastewater Collection	61	63	63	63	63
Compliance	38	41	41	42	44
Wastewater Treatment	107	108	108	111	109
Water Distribution Facilitation	68	20	20	20	20
Water Plant Facility Production	55	79	79	79	79
Water Plant Facility Distribution	77	103	103	103	103
Water Resources/Engineering/Plan	33	35	35	37	37
Strategy Implementation	9	11	11	11	11
North I-25 Reuse	1	0	0	0	0
TOTAL FULL TIME POSITIONS	600	602	602	613	613

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Details for Fund 621(Joint Water Sewer Operating Fund) and Fund 631 (Joint Water and Sewer Revenue Bond Debt Service Fund) can be found in the attached tables below.

(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
<u>JOINT WATER AND SEWER OPERATING FUND - 621</u>						
Customer Services	5,010	5,262	5,262	5,080	5,552	472
Finance	6,507	6,804	6,804	6,104	7,022	918
Human Resources	1,387	961	961	990	1,085	95
Northwest Service Area	1,437	2,325	2,325	1,265	2,394	1,129
Information Technology	4,194	3,807	3,807	4,501	4,152	(349)
Low Income Utility Credit	244	250	250	250	250	-
San Juan/Chama	910	2,247	2,247	2,247	2,247	-
Water Authority	3,968	3,007	3,007	3,563	21,253	17,690
Wastewater Collection	8,147	8,055	8,055	8,261	6,352	(1,909)
Compliance	3,508	4,059	4,059	3,571	4,270	699
Wastewater Treatment	13,820	14,511	14,511	15,400	11,792	(3,608)
N-125 Reuse	317	236	236	201	76	(125)
Sustainable Water Supply	9,422	11,233	11,233	8,820	2,712	(6,108)
Water Distribution Facilitation	5,139	2,024	2,024	2,241	2,050	(191)
Water Plant Facility Production	10,789	11,470	11,470	13,415	6,561	(6,854)
Water Plant Facility Distribution	12,311	12,114	12,114	12,634	14,706	2,072
Water Resources/Engineering/Plan	5,871	6,353	6,353	6,274	6,515	241
Trfr from Fund 621 to Fund 110	7,256	8,097	8,097	8,097	8,294	197
Trfr from Fund 621 to Fund 628	6,000	8,000	8,000	8,000	8,000	-
Trfr from Fund 621 to Fund 629	1,000	-	-	-	-	-
Trfr from Fund 621 to Fund 631	65,337	66,727	66,727	66,727	66,362	(365)
Subtotal Jt. Water & Sewer Operating Fund - 621	172,577	177,542	177,542	177,641	181,645	4,004
<u>JOINT WATER AND SEWER REVENUE BOND D/S FUND - 631</u>						
Debt Service	65,202	67,727	67,727	67,727	72,738	5,011
Transfer to Capital Fund 627	-	-	-	-	-	-
Transfer to Capital Fund 629	3,000	3,000	3,000	3,000	3,000	-
Total Water/Sewer Debt Svc Fd-631	68,202	70,727	70,727	70,727	75,738	5,011
TOTAL	240,780	248,269	248,269	248,368	257,383	9,015
TOTAL DEPARTMENT APPROPRIATION	240,780	248,269	248,269	248,368	257,383	9,015
Interfund Adjustment	(65,337)	(66,727)	(66,727)	(66,727)	(66,362)	365
NET DEPARTMENT APPROPRIATIONS	175,443	181,542	181,542	181,641	191,021	9,380

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(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
T WATER & SEWER OPERATING FUND - 621						
5900009 CUSTOMER SERVICES:						
5928 Customer Services	5,010	5,262	5,262	5,080	5,552	472
PROGRAM APPROPRIATION	5,010	5,262	5,262	5,080	5,552	472
5900005 FINANCE:						
5910 Finance	4,886	5,133	5,133	4,433	5,274	841
5951 Franchise Fee	520	571	571	571	648	77
5911 State Water Conservation Fee	1,100	1,100	1,100	1,100	1,100	-
PROGRAM APPROPRIATION	6,507	6,804	6,804	6,104	7,022	918
5900006 HUMAN RESOURCES:						
5929 Payroll/Personnel/Risk	944	811	811	854	931	77
5930 Training	443	150	150	136	154	18
PROGRAM APPROPRIATION	1,387	961	961	990	1,085	95
5900008 INFORMATION TECHNOLOGY:						
5944 Information Systems	4,194	3,807	3,807	4,501	4,152	(349)
PROGRAM APPROPRIATION	4,194	3,807	3,807	4,501	4,152	(349)
5900017 LOW INCOME UTILITY CREDIT:						
5917 Low Income Utility Credit	244	250	250	250	250	-
PROGRAM APPROPRIATION	244	250	250	250	250	-
5900016 SAN JUAN/CHAMA						
5921 San Juan Chama	910	2,247	2,247	2,247	2,247	-
PROGRAM APPROPRIATION	910	2,247	2,247	2,247	2,247	-
5900003 WASTEWATER COLLECTION:						
5915 Wastewater Collection	4,566	4,638	4,638	4,745	4,786	42
5919 Lift Stn Ops	3,581	3,417	3,417	3,517	1,566	(1,951)
PROGRAM APPROPRIATION	8,147	8,055	8,055	8,261	6,352	(1,909)
5900004 WATER AUTHORITY:						
5912 Water Authority	2,584	2,005	2,005	2,050	2,000	(50)
5920 Safety	267	264	264	269	277	7
5943 Strategic Support	1,117	738	738	1,244	459	(784)
	-	-	-	-	18,517	18,517
PROGRAM APPROPRIATION	3,968	3,007	3,007	3,563	21,253	17,690

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(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
5900002 COMPLIANCE:						
5914 Laboratory	1,798	2,030	2,030	1,807	2,109	303
5916 Wastewater Pretreatment	805	964	964	852	962	110
5924 Water Quality	905	1,065	1,065	912	1,199	286
PROGRAM APPROPRIATION	3,508	4,059	4,059	3,571	4,270	699
5900001 WASTEWATER TREATMENT:						
5913 Wastewater Treatment	13,820	14,511	14,511	15,400	11,792	(3,608)
PROGRAM APPROPRIATION	13,820	14,511	14,511	15,400	11,792	(3,608)
5900007 Northwest Service Area						
5953 Administration	542	772	772	588	799	211
5954 Plant	480	-	-	-	-	-
5955 Field	416	1,553	1,553	677	1,595	918
PROGRAM APPROPRIATION	1,437	- 2,325	- 2,325	- 1,265	- 2,394	- 1,129
5900014 N-125 Reuse:						
5949 N-125 Reuse	317	236	236	201	76	(125)
PROGRAM APPROPRIATION	317	236	236	201	76	(125)
5900015 SUSTAINABLE WATER SUPPLY:						
5948 Sustainable Water Supply	9,422	11,233	11,233	8,820	2,712	(6,108)
PROGRAM APPROPRIATION	9,422	11,233	11,233	8,820	2,712	(6,108)
5900013 WATER DISTRIBUTION FACILITATION:						
5925 Tech Services	2,710	1,446	1,446	1,683	1,456	(228)
5926 Administration	2,429	578	578	557	594	37
5927 Workload Management	5,139	2,024	2,024	2,241	2,050	(191)
PROGRAM APPROPRIATION						
5900011 WATER PLANT FACILITY PROJ	630	693	693	825	851	27
5931 Well Maintenance	1,736	3,058	3,058	2,966	2,183	(783)
5932 Water Treatment	987	1,346	1,346	1,449	965	(483)
5933 Pump Stations	1,674	1,813	1,813	2,036	1,559	(477)
5934 Plant Operations	5,012	4,049	4,049	5,662	875	(4,787)
5938 Arsenic Treatment	19	442	442	90	70	(20)
5939 MDC Water	731	69	69	389	58	(331)
PROGRAM APPROPRIATION	10,789	11,470	- 11,470	- 13,415	- 6,561	- (6,854)

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(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
5900012 WATER PLANT FACILITY DISTRIBUTION:						
5923 Customer REQ	2,310	1,707	1,707	1,787	895	(892)
5935 Distribution Lines	8,754	5,968	5,968	8,204	9,780	1,576
5936 Meter Installation	263	166	166	144	243	99
5937 Water Meter Maintenance	1,668	2,186	2,186	2,110	1,196	(914)
PROGRAM APPROPRIATION	12,994	10,027	10,027	12,245	12,114	(131)
5900010 WATER RES/ENG/PLAN						
5922 Utility Development	1,600	1,516	1,516	1,554	1,690	136
5945 Water Resources	4,413	4,265	4,265	4,208	4,614	406
5946 Arsenic Removal	1	49	49	1	49	48
PROGRAM APPROPRIATION	6,013	5,830	5,830	5,763	6,353	590
5900022 TRANSFER TO GENERAL FUND 110						
5990 Utility Transfer to General Fund - 110	7,248	7,257	7,257	7,257	8,097	840
PROGRAM APPROPRIATION	7,248	7,257	7,257	7,257	8,097	840
5900023 TRANSFER TO REHAB FUND 628						
5990 Transfer to Rehab Fund 628	11,500	6,000	6,000	6,000	8,000	2,000
PROGRAM APPROPRIATION	11,500	6,000	6,000	6,000	8,000	2,000
5900024 TRFR TO CAPITAL FUND - 629:						
5990 Trfr to Capital Fd - 629	1,000	1,000	1,000	1,000	-	(1,000)
PROGRAM APPROPRIATION	1,000	1,000	1,000	1,000	-	(1,000)
5900025 TRFR DEBT SVC FUND 631:						
5990 Utility Transfer to 631	67,790	65,337	65,337	65,337	66,727	1,390
PROGRAM APPROPRIATION	67,790	65,337	65,337	65,337	66,727	1,390
JOINT WATER & SEWER REVENUE BOND D/S FUND - 631						
5900019 DEBT SERVICE						
5940 Strategy Implementation D/S	-	23,183	23,183	23,183	23,367	184
5941 NM EID D/S	21,454	24,005	24,005	24,005	28,770	4,765
5942 Utility Revenue Bond	43,748	20,539	20,539	20,539	20,601	62
PROGRAM APPROPRIATION	65,202	67,727	67,727	67,727	72,738	5,011
5900029 TRANSFER TO CAPITAL FUND 627						
5947 Transfer to Capital 627	-	-	-	-	-	-
PROGRAM APPROPRIATION	-	-	-	-	-	-
5900030 TRANSFER TO CAPITAL FUND 629						
5992 Transfer to Capital 629	3,000	3,000	3,000	3,000	3,000	-
PROGRAM APPROPRIATION	3,000	3,000	3,000	3,000	3,000	-

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Financial Plan

The following table is the financial plan for Fund 621 (Operating Fund). The plan looks from FY/11 thru FY/21. This plan takes into account the Authority's Capital needs, Debt Service needs, revenue sources and expenditures. The Financial Plan helps the Authority plan for future potential expenditure 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 Authority's Future Working Capital and provides a tool to project future budget needs for the Utility. Based upon this financial plan, the Authority forecasts the rate increase of 5% that was approved by the Board for FY/14.

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Operating Fund

Hypothetical DS Comparison

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Funds										
Needs: Basic (Min 50% cash Trans)	33,000	33,000	34,000	34,000	34,000	36,000	36,000	36,000	36,000	36,000
State Grant (Odor Control)										
Water Reclamation	7,000	7,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
DWL (Santa Barbara)										
Southside Reuse	11,000									
SJC Remediation	5,000									
Steel Line	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
AMR	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Special Projects	-	-	-	-	-	-	-	-	-	-
Valley Utility Projects	1,000	-	-	-	-	-	-	-	-	-
Resources:										
Beginning Bal.	22,988	35,588	4,688	28,788	5,888	35,988	8,088	36,188	8,288	35,388
Trf. from Operating	8,000	8,000	12,000	18,000	15,000	17,000	20,000	23,000	25,000	25,000
Trf. from Debt Service	3,000	3,000	4,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000
Bond Proceeds (Water Reclamation)										
Bond Proceeds	44,500		64,000		56,000		56,000		56,000	
Bond Proceeds Southside/SJC	156,600									
Adjustments										
First Year is 6mos. (y/n)	n	n	n	n	n	n	n	n	n	n
<i>Subtotal</i>	78,488	46,588	84,688	51,788	81,888	58,988	90,088	65,188	95,288	66,388
Interest on Above	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Total	79,588	47,688	85,788	52,888	82,988	60,088	91,188	66,288	96,388	67,488
Balance June 30	35,588	4,688	28,788	5,888	35,988	8,088	36,188	8,288	35,388	6,488
Debt Service Fund										
Future Bond Interest=										
Resources:										
Interest Income	800	800	800	800	800	800	800	800	800	800
UECs	8,000	8,000	8,000	9,000	9,000	11,000	12,000	12,000	12,000	12,000
Transfer from 621	66,727	66,362	69,494	70,108	76,456	81,779	82,813	84,116	81,115	81,114
Transfer from 622										
Adjustments/Misc										
Bg. Fund Balance	(2,823)	2,821	1,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
Total	72,704	77,983	79,373	81,987	88,335	95,657	97,691	98,995	95,993	95,992
Expenditures:										
Agent Fees	15	15	15	15	15	15	15	15	15	15
Trf to Capital	3,000	4,000	4,000	5,000	5,000	15,000	15,000	15,000	15,000	15,000
Wtr/Swr Loans	3,436	1,818	1,281	985	645	645	645	645	645	645
SJC Series 1999 w/o bas	-	-								
Series 97 P&I	-	-								
99 P&I (excl SJC 622)										
2001 P&I	4,034	4,059								

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Operating Fund

Hypothetical DS Comparison

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Series 2005 P&I	2,376	2,411	2,316	2,310	2,295	2,447				
04 P&I	-	-								
2005 SJC \$116.695M	10,091	10,279	12,498	12,717	10,974	12,332	11,564	11,326	11,060	11,060
NMFA 2004B 82.120M	6,796	6,834	6,869	6,097	6,948	6,995	7,044	7,100	7,149	7,149
2004 NMFA DWRFL	734	734	734	734	734	734	734	734	734	734
NMFA 20M 2005 SJC	1,444	1,374	1,708	1,670	1,880	1,931	1,977	1,909	1,861	1,861
NMFA 36.295M Basic	4,713	4,582	4,445	4,004	5,415					
NMFA Series 2007A Basic	4,130	3,204	3,448	2,087	2,834	2,638	8,909	8,954	2,757	2,757
NMFA Series 2007A Reuse/SJ	2,915	4,864	3,936	5,069	3,804	5,147	2,279	2,507	2,758	2,758
Series 2008 Reuse/SJC \$55.6	2,781	2,781	2,781	2,781	2,781	2,781	2,781	2,781	2,781	2,781
Series 2006 P&I	1,321	2,376	2,411	2,316	2,310	2,295	2,447			
Series 2006 P&I (8.680)	1,170	1,167	1,170	1,171	1,169	1,169	570			
Series 2006 SJC 112.765	7,984	7,985	7,986	7,981	7,982	7,986	6,984	7,986	7,984	7,984
Series 2009 (129.26)	12,387	12,393	12,388	12,393	12,389	12,392	12,389	12,385	12,393	12,393
Series 2009 (SJC 6.73)	504	501	503	501	504	499	499	499	503	503
AARA Funding	54	54	54	54	54	54	54	54	54	54
Proposed Issue			3,275	6,550	6,550	6,550	6,550	6,550	6,550	6,550
Proposed Issue							3,200	6,497	6,497	6,497
Proposed Issue					6,497	6,497	6,497	6,497	6,497	6,497
Proposed Issue									3,200	3,200
Proposed Issue		5,475	5,477	5,473	5,477	5,472	5,475	5,478	5,476	5,475
Total	69,884	76,904	77,294	79,908	86,256	93,579	95,613	96,916	93,915	93,914
Fund Balance	2,821	1,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
Operating Fund Resources										
Rate Revenue	174,250	175,300	184,942	187,716	190,531	193,389	196,290	199,235	202,223	205,256
Nonrate Revenue	8,660	8,547	8,547	8,547	8,547	8,547	8,547	8,547	8,547	8,547
Franchise Fee	6,915	6,915	7,053	7,194	7,338	7,485	7,635	7,787	7,943	8,102
Bg. Working Cap.	(10,647)	1,253	10,422	19,370	21,465	19,869	11,073	(950)	(16,468)	(30,174)
Total	179,178	192,015	210,964	222,827	227,881	229,290	223,545	214,619	202,245	191,732
Rate Stabilization Fund Expenditures										
Other (incl GF Trn & Tort)	10,587	10,799	11,015	11,235	11,516	11,804	11,922	12,041	12,161	12,283
Salary Savings 4.5		(1,800)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Offset to Issue Papers		3,274								
Incentive	300	300	300	300	300	300	300	300	300	300
Non recurring issues										
Maximo										
Rate Stabilization Fund	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transf. to DS	66,727	66,362	69,494	70,108	76,456	81,779	82,813	84,116	81,115	81,114
Transf. to Cap.	8,000	8,000	12,000	18,000	15,000	17,000	20,000	23,000	25,000	25,000
Total	177,925	181,593	191,594	201,362	208,012	218,217	224,495	231,087	232,419	234,796
Resources over Comm.	1,253	10,422	19,370	21,465	19,869	11,073	(950)	(16,468)	(30,174)	(43,064)
Rate Increases	5.00%	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accum. Inc. from 2004	6.0%	6.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021

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REVENUE OUTLOOK

*Proposed
Operating Budget
FY/13*

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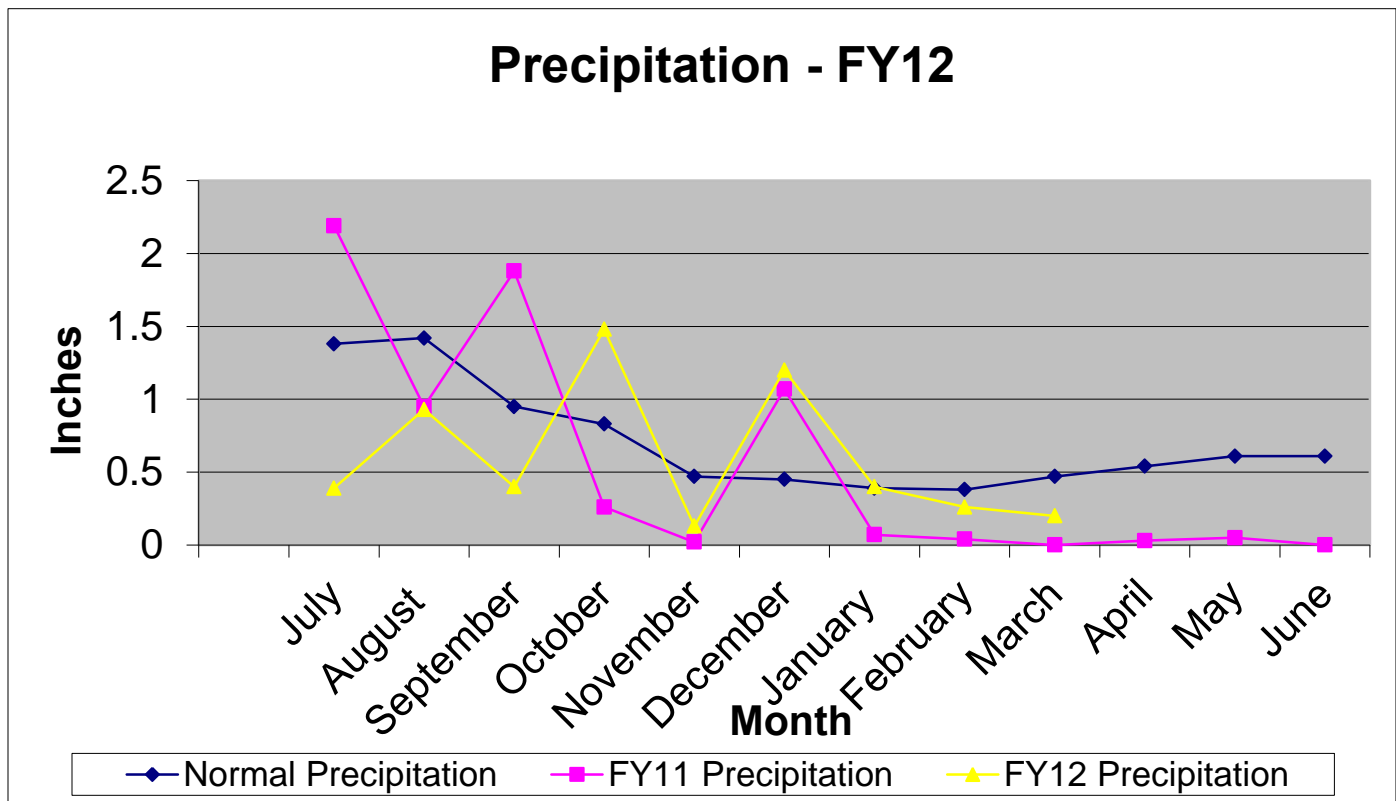
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REVISED FY/11 AND PROPOSED FY/12 REVENUE PROJECTIONS

The Authority's revenue projections are summarized in the two tables included in this section. The first table, Joint Water and Sewer Operating Fund 621, presents the operating budgeted revenue for FY/13 as compared to budget FY/12. The second table, Joint Water and Sewer Revenue Bond Debt Service Fund 631, also provides for the same comparison as the other table. For FY/11 the actual results are reported, and for FY/12 budgeted revenues and estimated actual are reported as well.

REVISED FY/10 REVENUE ESTIMATES

Total Authority operating fund revenues for FY/12 are anticipated to be \$183.79 million or \$23.3 million above FY/11. This is an increase of 14.5% over FY/11 and is projected to be at the approved FY/12 budget level. The increase is primarily the result of a rate increase that went into effect on July 1, 2011. The system has seen some growth in the service area due to development on the Northwest Area of the Authority's service area and in Mesa del Sol. These tempered by continued conservation efforts revenues for FY/12 are estimated to be above FY/12 budgeted levels. This has been compounded by an increase in water usage due to the below average moisture that the service area has received since the beginning of the fiscal year (see chart below).



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PROPOSED BUDGET REVENUE ESTIMATES FOR FY/13

Budgeted total Authority Operating Revenues for FY/13 are \$191.4 million representing an increase above the budgeted FY/12 amount, due mainly by an increase in the rate of growth of the service area. Revenue in the Debt Service Fund has a \$1.0 million increase due mainly from a increase in UEC anticipated revenue.

JOINT WATER AND SEWER OPERATING FUND 621

(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
RESOURCES:						
Miscellaneous Revenues						
Bond Proceeds	-	-	-	-	-	-
Interest on Investments	62	750	750	750	750	-
Other Miscellaneous Revenue	1,114	1,274	1,274	1,274	1,474	200
Total Miscellaneous Revenues	1,176	2,024	2,024	2,024	2,224	200
Enterprise Revenues						
City System-Water	57,654	68,036	68,036	68,036	70,800	2,764
City System-Sewer	34,911	51,551	51,551	51,551	51,800	249
City System-Contr/Aid	294	240	240	280	350	70
SJC Strategy Implementation	25,922	27,627	27,627	27,627	30,000	2,373
City Metered Water Sales-Reuse	297	350	350	350	400	50
City System-Franchise Fee	5,323	6,292	6,292	6,292	6,544	252
Water Resources Management	4,671	4,468	4,468	4,468	4,500	32
Water Facilities Rehab	9,753	7,100	7,100	9,500	7,100	(2,400)
Wastewater Facilities Rehab	10,485	6,200	6,200	12,500	6,200	(6,300)
Total City System	149,309	171,864	171,864	180,604	177,694	(2,910)
Valley System-Water	4,830	4,373	4,373	4,373	5,000	627
Valley System-Sewer	2,986	3,168	3,168	3,168	4,000	832
Valley System-Contr/Aid	38	50	50	50	50	-
Valley System-Franchise Fee	465	553	553	553	575	22
Rio Rancho-Franchise Fee	1	1	1	1	1	-
Los Ranchos-Franchise Fee	61	69	69	69	72	3
Total Valley System	8,381	8,214	8,214	8,214	9,698	1,484
Total Enterprise Revenues	157,691	180,078	180,078	188,818	187,392	(1,426)
Transfers from Other Funds						
CIP Funded Employees	646	650	650	650	650	-
Refuse Disposal Op. Fund - 651	1,032	1,047	1,047	1,047	1,142	95
Total Transfers	1,678	1,697	1,697	1,697	1,792	95
Total Current Resources	160,546	183,799	183,799	192,539	191,408	(1,131)
Beginning Working Capital Balance	(636)	(10,650)	(10,650)	(10,650)	2,248	12,898
TOTAL RESOURCES	159,910	173,149	173,149	181,889	193,656	11,767

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JOINT WATER AND SEWER REVENUE BOND DEBT SERVICE FUND 631

(\$000's)	AUDITED FY11	ORIGINAL BUDGET FY12	REVISED BUDGET FY12	ESTIMATED ACTUAL FY12	PROPOSED BUDGET FY13	PROP 13/ EST ACT 12 CHG
RESOURCES:						
Miscellaneous Revenues						
Interest on Investments	111	500	500	500	500	-
Expansion Charges (UEC)	6,240	7,000	7,000	7,000	8,000	1,000
Proceeds of Refunding Bonds	-	-	-	-	-	-
Release of Reserves	-	-	-	-	-	-
Total Miscellaneous Revenues	6,351	7,500	7,500	7,500	8,500	1,000
Transfers from Other Funds						
General Fund - 110	-	-	-	-	-	-
Joint Water and Sewer Rehab	-	-	-	-	-	-
Water/Sewer Operating Fund - 621	65,337	66,727	66,727	66,727	66,362	(365)
Total Transfers	65,337	66,727	66,727	66,727	66,362	(365)
Total Current Resources	71,688	74,227	74,227	74,227	74,862	635
Beginning Working Capital Balance	(2,689)	(2,971)	(2,971)	(2,971)	529	3,500
TOTAL RESOURCES	68,999	71,256	71,256	71,256	75,391	4,135

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ECONOMIC OUTLOOK

The following is based on the November 2011 forecast and events may have transpired that may or may not agree with this forecast.

NATIONAL ECONOMY AND KEY POINTS FROM THE GLOBAL INSIGHT OUTLOOK

In the November 2011 forecast, Global Insight (GI) expects moderate growth. The year over year growth in real GDP for FY/12 is expected to be 1.7% which is below the 2.6% growth in FY/11. Employment growth after increasing a meager 0.6% in FY/11 is expected to increase 0.9% in FY/12. Total employment is not expected to reach its previous peak of FY/08 until FY/15. Unemployment reached a peak of 9.9% in the fourth quarter of 2009 and by FY/16 only declines to 7.2%. Inflation is one of the few bright spots in the GI forecast. They expect growth in the Consumer Price Index (CPI) to remain muted, around 2% throughout the forecast. Some of this is due to the expectation of fairly moderate increases in the price of oil. Prices are expected to stay around \$89 per barrel through FY/12, gradually increasing to \$112 in FY/16. The primary reason for the expectation of low inflation is the weakness in demand due to the weak labor market.

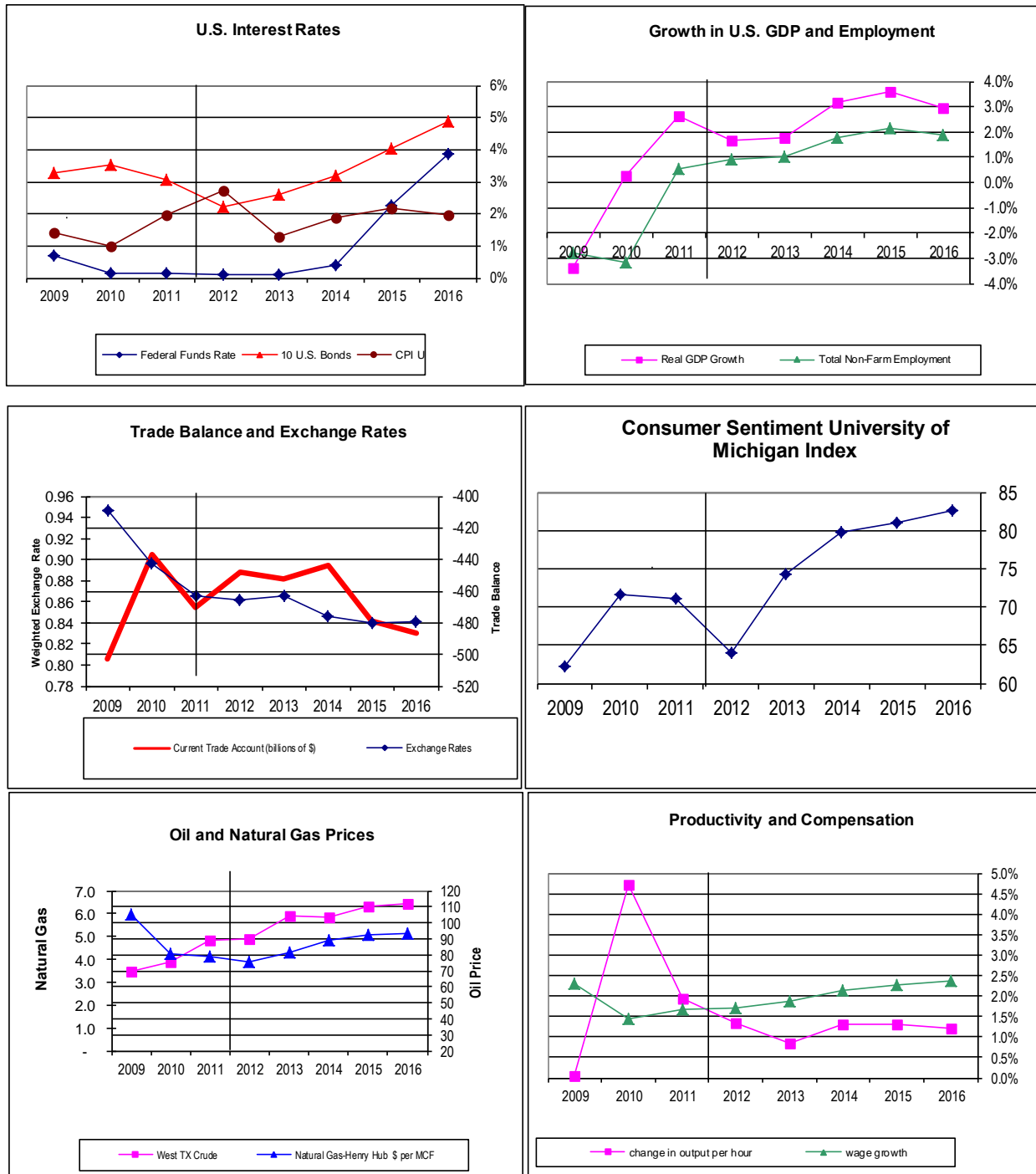
The low inflation expectation also plays into moderate increases in interest rates. GI believes that the Federal Reserve Bank (FRB) will not raise rates until FY/14; reaching 0.4% in FY/13 and continue slowly increasing to reach 3.8% in FY/16.

The alternative forecast gives a 40% probability to a pessimistic scenario and 10% probability to an optimistic scenario. The pessimistic scenario has the economy falling back into recession. This is driven by weakening in credit markets both domestically and worldwide. The unemployment rate peaks at 10.5% in FY/13 and only declines to 9.1% by FY/16. Added to this, increases in the price of commodities push up the CPI to above baseline levels in out years. The optimistic scenario has a quicker recovery. This is driven by the credit markets working better and increases in productivity. The unemployment rate also declines to 5.5% by FY/16.

The following charts in Table 1 present a general description of important variables in the GI forecast.

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TABLE I
U.S. ECONOMIC VARIABLES AND FORECAST (FISCAL YEAR)
 November 2011 Baseline Forecast



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ALBUQUERQUE ECONOMY

The Albuquerque economy is affected by the U.S. and world economies. Housing construction in Albuquerque has slowed dramatically, with single family housing permits falling to a fraction of their peak. Single family housing has increased from its low point in FY/09, but declined in FY/11 as it appears that much of the increase in FY/10 was due to federal stimulus programs for home buyers. With the slowdown, overcapacity exists in many industries, and vacancy rates remain high, making it unnecessary to build many new commercial developments. Commercial projects have been limited and government projects have also slowed.

Employment growth in the Albuquerque economy began slowing in FY/08 and has continued. In FY/09 employment declined 2.2%, FY/10 was down by 3.4%, and in FY/11 the decline was only 0.9%. The 2nd quarter of FY/12 shows growth of 0.5%. This is the first positive number since the 1st quarter of FY/08. The Albuquerque economy lost 22,681 jobs from FY/08 to FY/11 a loss of 6% of total employment. Growth for FY/12 is expected at 0.5% with growth increasing to 1% in FY/13. While the economy is adding jobs, it is at a slow rate and the previous employment peak in FY/08 is not expected to be reached until the end of FY/16. The unemployment rate in FY/11 declined to 7.5% from 8.8% in FY/10. Some of this decrease is due to discouraged workers leaving the labor force. The rate is expected to slowly decline to 5.8% in FY/16.

Tables 2, 3, and 4 at the end of this section provide a summary of the economic variables underlying the forecast and employment numbers for FY/07 to FY/16 by the major NAICS categories.

Wholesale and Retail Trade. These sectors account for about 15% of employment in the Metropolitan Statistical Area (MSA). The sectors posted declines of 4.6%, 4.2%, and 0.6% in FY/09, FY/10, and FY/11 respectively. Retail trade is expected to recover faster than wholesale, but together they increase only 0.5% in FY/12. FY/13 has growth of 1.8% with growth under 1.5% for the remainder of the forecast.

Transportation, Warehousing and Utilities. This sector, while important, only accounts for 2.5% of employment. Employment in this sector was weak before the recession hit and then declined substantially with decreases of 7.2% in FY/09 and 8.0% in FY/10. In FY/11 the sector grew 1.2% with expectation of an increase of 1.6% in FY/12. Employment bounces back with growth of 2.1% and 2.4% in FY/13 and FY/14. Growth remains above 1.5% for the remainder of the forecast. Even with this growth employment in FY/16 is still well below the level in FY/08.

Manufacturing. This sector accounted for about 6% of employment in the MSA in FY/07 but falls to below 5% in FY/10 and the remainder of the forecast. The sector lost approximately 6,600 jobs between FY/07 and FY/10. FY/11 flattened with a very small increase. Employment is expected to increase 1.3% and 1.5% in FY/12 and FY/13. Growth increases to 2.4% in FY/14 and 3.7% FY/15. In FY/16 manufacturing employment is still 4,500 jobs below the FY/07 level.

Educational and Health Services. Albuquerque is a major regional medical center. Presbyterian Healthcare is one of the largest employers in the area. This is also one of the fastest growing categories in the MSA economy. In the period FY/07 to FY/10, the sector increased at an average rate of 4.3%. It was the only sector outside of government to grow in either FY/09 or FY/10. Growth slowed to 2.1% in FY/11 and is expected to grow at 1.4% in FY/12. The sector has average annual growth of around 2% in FY/13 to FY/16.

Leisure and Hospitality. This category includes eating and drinking establishments as well as hotels and other travel related facilities. Growth has been volatile in this sector. In FY/07 growth was 4.7% driven by

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expansion in restaurants and hotels. In FY/08 the growth had slowed to 0.6% and then declined 3.5% in FY/09 and 1.7% in FY/10. In FY/11 growth was 0.3%. This is a major component of GRT and Lodgers' Tax and the growth in tax revenues trends somewhat with employment in the sector. The forecast shows subdued growth in the sector with a maximum of 1.9% in FY/13.

Financial Activities. This sector includes finance, insurance and real estate including credit intermediation. The employment in this sector had a slight decline between FY/05 and FY/08. From FY/09 to FY/11 employment decreased at an average rate of 3.3%. In FY/12 the decline is only expected to be 0.1%. The financial crises, consolidation in the banking industry, and the construction decline have impacted this sector. The sector shows slight growth of under 1% in the remainder of the forecast.

Professional and Business Services. This category includes temporary employment agencies and some of Albuquerque's back-office operations. It also includes Sandia National Labs (SNL). Growth from FY/05 to FY/08 averaged 2.4%. Employment declined in FY/09 and FY/10 by 2% and 7.2% respectively. In FY/11, there was an additional loss of 2.6%. Much of this loss was construction related; engineers and architects are also included in the sector. FY/12 is expected to post an increase of 1.7%. Growth in the remainder of the forecast averages 1.9%.

Information. This sector includes businesses in publishing, broadcasting, telecommunications, and internet service establishments. In FY/10 the sector declined 2% followed by a decline of 5.3% in FY/11. In FY/12 the sector is expected to rebound with growth of 3%. While the sector is flat for FY/13, growth rebounds substantially with 4.8% growth in FY/14. FY/15 is expected to increase 4.2% and FY/16 by 2.9%.

Construction. Construction is typically cyclical, with significant swings in building and employment. The following chart shows the real value of new residential (single-family, multi-family), non-residential (public and private), and additions, alterations, and repairs from 1970 to 2011 (December of 2011 was estimated) and deflated by the CPI; 100=1982-84. Five distinct peaks occur in 1973, 1979, 1985, 1995 and 2005. The fall in single family housing from 2005 to 2009 is the largest in this time period. The bottom was reached in the period of August 2008 to February 2009. While single family permitting has increased, it remains subdued. Construction employment has declined and is expected to continue downward through FY/13. From FY/07 to FY/11 approximately 10,000 jobs or 31% of construction employment was lost. Additional losses of 1,000 jobs are expected in FY/12 and FY/13. The value of new non-residential permits issued in real terms fell dramatically following 2008 and is yet to show any strength.

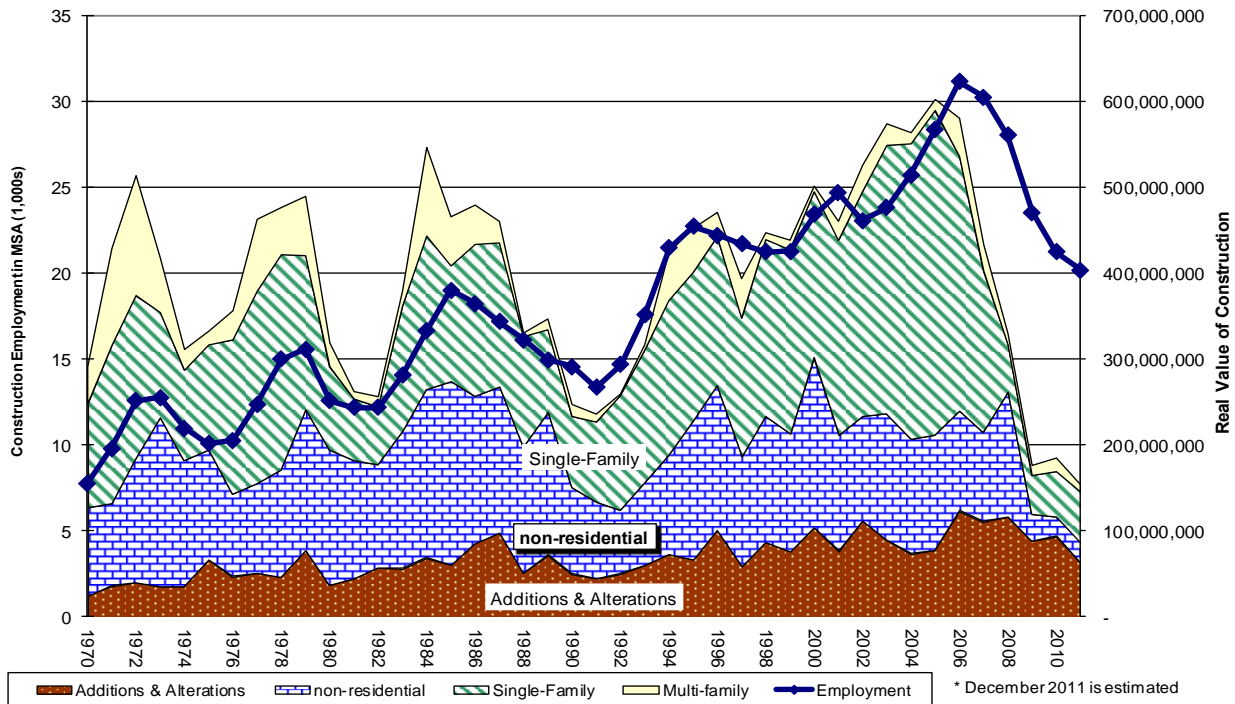
Single family construction fell dramatically in 2008. The City issued an average of 27 permits a month in the period August 2008 through February 2009. In FY/10 there were 875 single family permits issued. In FY/09 only 435 single family permits were issued. This compares to 1,214 in FY/08 and 2,490 in FY/07. The peak occurred in FY/04 and FY/05 with approximately 5,000 permits issued each year.

While there was some strengthening of non-residential permitted value in FY/08 and early FY/09 much of this was due to the Albuquerque Public Schools construction program. Following this, new non-residential permits have continued to fall. In the first 11 months of 2010 compared to the same period in 2009, the decline in total value was about 1%. Most of this decline occurred because of the slowdown in new public construction. Additions, alterations and repairs have held up relatively well and the modest increases in single family permitting has the total value of building permits 44% below the same period in 2008. Commercial construction was the largest source of this decline with value declining 77%. This was somewhat offset by single family and additions and alterations.

FIGURE 1

City of Albuquerque Value of Permits Deflated by CPI

Construction Values In City of Albuquerque Deflated by CPI
and Construction Employment in the MSA in Thousands



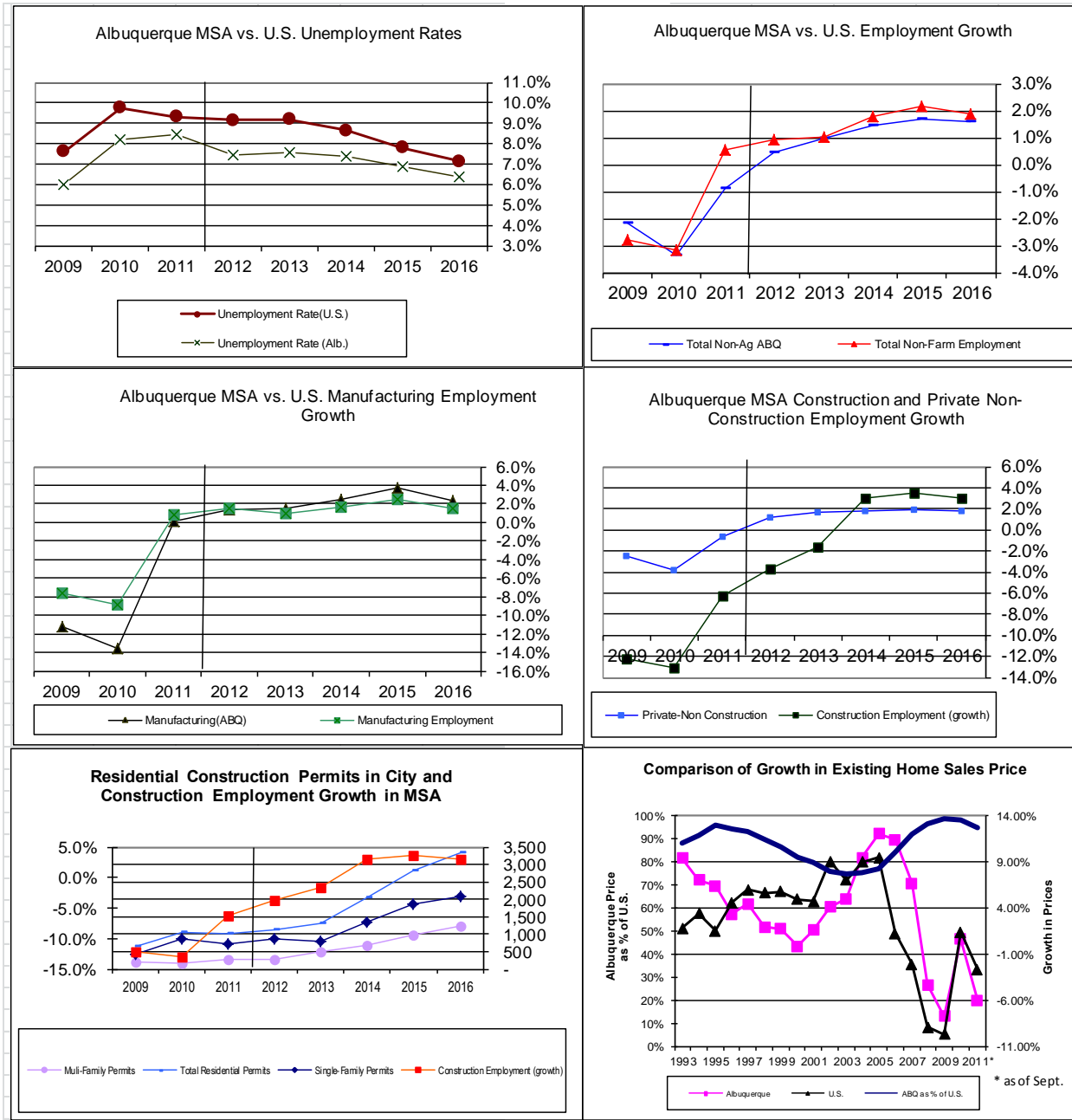
Building permits only tell part of the construction story. Non-building construction such as roads and storm drainage are not captured in the permit numbers. Large construction projects for the State, such as University Hospital, are permitted by the State rather than the City. Employment in the construction sector gives a picture of growth in the entire MSA. As shown in the chart above, construction employment moves similarly to permit values, but differences occur. Growth in employment was very strong in 2000-2002, driven in large part by the Intel project and the Big-I reconstruction project. Employment growth remained strong through FY/07 when it began to slow. In FY/08 employment slowed 5% followed by declines of 12.2% and 13.1% and 6.3% in FY/09, FY/10, and FY/11 respectively. The forecast has a decline of 3.7% in FY/12 and 1.6% in FY/13. Employment finally begins growing in FY/14 and averages 3% through FY/16. At this rate of growth, the expected employment in FY/16 is over 9,000 below the peak in FY/07.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

TABLE 2

LOCAL ECONOMIC VARIABLES HISTORY AND FORECAST

By Fiscal Year BBER FOR-UNM Baseline November 2011



ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

TABLE 3

Economic Variables Underlying the Forecast								
	Historical			Forecast				
	2009	2010	2011	2012	2013	2014	2015	2016
National Variables								
Real GDP Growth	-3.4%	0.3%	2.6%	1.7%	1.8%	3.2%	3.6%	3.0%
Federal Funds Rate	0.7%	0.2%	0.2%	0.1%	0.1%	0.4%	2.3%	3.9%
10 U.S. Bonds	3.3%	3.5%	3.1%	2.2%	2.6%	3.2%	4.1%	4.9%
CPI U	1.4%	1.0%	2.0%	2.7%	1.3%	1.9%	2.2%	2.0%
Unemployment Rate(U.S.)	7.6%	9.7%	9.3%	9.2%	9.2%	8.7%	7.8%	7.2%
Total Non-Farm Employment	-2.8%	-3.1%	0.6%	0.9%	1.0%	1.8%	2.1%	1.9%
Manufacturing Employment	-7.7%	-8.9%	0.8%	1.5%	1.0%	1.6%	2.5%	1.6%
Consumer sentiment index--University of Michigan	62.2	71.6	71.1	64.1	74.4	79.7	81.0	82.6
Exchange Rates	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8
Current Trade Account (billions of \$)	(502.7)	(437.1)	(469.9)	(448.2)	(452.6)	(443.9)	(479.1)	(486.2)
Change in output per hour	0.0%	4.7%	1.9%	1.3%	0.9%	1.3%	1.3%	1.2%
Natural Gas-Henry Hub \$ per MCF	5.9	4.2	4.1	3.9	4.3	4.9	5.1	5.1
West TX Intermediate (dollars per bbl)	69.8	75.2	89.4	89.6	104.0	103.7	110.2	112.1
Wage Growth	2.3%	1.4%	1.7%	1.7%	1.9%	2.1%	2.3%	2.4%
Albuquerque Variables								
Employment Growth and Unemployment in Albuquerque MSA								
Total Non-Ag ABQ	-2.2%	-3.4%	-0.9%	0.5%	1.0%	1.4%	1.7%	1.6%
Private-Non Construction	-2.4%	-3.8%	-0.6%	1.2%	1.6%	1.7%	1.9%	1.8%
Construction Employment (growth)	-12.2%	-13.1%	-6.3%	-3.7%	-1.6%	3.0%	3.5%	3.0%
Manufacturing(ABQ)	-11.3%	-13.5%	0.1%	1.3%	1.5%	2.4%	3.7%	2.3%
Unemployment Rate (Alb.)	6.0%	8.2%	8.5%	7.4%	7.5%	7.4%	6.9%	6.3%
Construction Units Permitted in City of Albuquerque								
Single-Family Permits	435	875	723	856	806	1,346	1,862	2,093
Muli-Family Permits	204	172	274	278	514	699	962	1,239
Total Residential Permits	639	1,047	997	1,134	1,320	2,045	2,824	3,333
Source Global Insight and FOR-UNM November 2011 Baseline Forecasts								

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

TABLE 4

Albuquerque MSA Employment in Thousands										
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
TOTAL NON-AGRICULTURAL	380.567	382.270	374.017	361.440	358.184	359.796	363.308	368.545	374.741	380.740
CONSTRUCTION	31.595	30.099	26.419	22.971	21.532	20.743	20.418	21.029	21.771	22.416
MANUFACTURING	24.092	22.837	20.259	17.521	17.538	17.772	18.046	18.485	19.165	19.611
WHOLESALE TRADE	13.433	13.351	12.506	12.130	11.932	11.672	11.983	12.279	12.481	12.662
RETAIL TRADE	44.207	44.939	43.088	41.133	40.997	41.527	42.148	42.603	43.158	43.721
TRANSPORTATION, WAREHOUSING, AND UTILITIES	10.059	10.335	9.593	8.829	8.935	9.077	9.269	9.495	9.667	9.824
INFORMATION	9.385	9.182	9.176	8.994	8.517	8.775	8.810	9.228	9.613	9.895
FINANCIAL ACTIVITIES	18.054	17.873	17.276	16.755	16.135	16.111	16.194	16.307	16.408	16.478
PROFESSIONAL AND BUSINESS SERVICES	63.609	64.191	62.913	58.367	56.822	57.803	58.719	59.773	61.129	62.279
EDUCATIONAL AND HEALTH SERVICES	43.557	45.068	47.667	49.479	50.503	51.195	52.291	53.336	54.379	55.715
LEISURE AND HOSPITALITY	39.114	39.260	37.887	37.228	37.350	37.725	38.446	38.932	39.600	40.202
OTHER SERVICES	10.271	10.433	10.341	9.982	10.045	10.115	10.165	10.250	10.329	10.403
GOVERNMENT	73.190	74.701	76.892	78.052	77.877	77.287	76.825	76.827	77.032	77.523
LOCAL GOVERNMENT	38.781	39.953	41.291	41.303	41.071	40.782	40.709	41.022	41.386	41.904
STATE GOVERNMENT	19.861	20.279	20.672	21.088	21.065	20.967	20.894	20.912	21.002	21.128
FEDERAL GOVERNMENT	14.548	14.470	14.929	15.661	15.741	15.538	15.221	14.893	14.644	14.491
Private Non-Construction	275.782	277.469	270.706	260.418	258.774	261.766	266.065	270.690	275.938	280.801
MILITARY EMPLOYMENT, THOUSANDS	6.157	5.735	5.702	6.159	6.255	6.228	6.070	5.931	5.833	5.771
Growth Rates										
TOTAL NON-AGRICULTURAL	-1.2%	0.4%	-2.2%	-3.4%	-0.9%	0.5%	1.0%	1.4%	1.7%	1.6%
CONSTRUCTION	3.9%	-4.7%	-12.2%	-13.1%	-6.3%	-3.7%	-1.6%	3.0%	3.5%	3.0%
MANUFACTURING	2.8%	-5.2%	-11.3%	-13.5%	0.1%	1.3%	1.5%	2.4%	3.7%	2.3%
WHOLESALE TRADE	2.7%	-0.6%	-6.3%	-3.0%	-1.6%	-2.2%	2.7%	2.5%	1.6%	1.4%
RETAIL TRADE	1.2%	1.7%	-4.1%	-4.5%	-0.3%	1.3%	1.5%	1.1%	1.3%	1.3%
TRANSPORTATION, WAREHOUSING, AND UTILITIES	-3.4%	2.7%	-7.2%	-8.0%	1.2%	1.6%	2.1%	2.4%	1.8%	1.6%
INFORMATION	4.2%	-2.2%	-0.1%	-2.0%	-5.3%	3.0%	0.4%	4.8%	4.2%	2.9%
FINANCIAL ACTIVITIES	-6.8%	-1.0%	-3.3%	-3.0%	-3.7%	-0.1%	0.5%	0.7%	0.6%	0.4%
PROFESSIONAL AND BUSINESS SERVICES	2.6%	0.9%	-2.0%	-7.2%	-2.6%	1.7%	1.6%	1.8%	2.3%	1.9%
EDUCATIONAL AND HEALTH SERVICES	-7.5%	3.5%	5.8%	3.8%	2.1%	1.4%	2.1%	2.0%	2.0%	2.5%
LEISURE AND HOSPITALITY	4.6%	0.4%	-3.5%	-1.7%	0.3%	1.0%	1.9%	1.3%	1.7%	1.5%
OTHER SERVICES	-14.3%	1.6%	-0.9%	-3.5%	0.6%	0.7%	0.5%	0.8%	0.8%	0.7%
GOVERNMENT	-5.3%	2.1%	2.9%	1.5%	-0.2%	-0.8%	-0.6%	0.0%	0.3%	0.6%
LOCAL GOVERNMENT	1.9%	3.0%	3.4%	0.0%	-0.6%	-0.7%	-0.2%	0.8%	0.9%	1.3%
STATE GOVERNMENT	-19.9%	2.1%	1.9%	2.0%	-0.1%	-0.5%	-0.3%	0.1%	0.4%	0.6%
FEDERAL GOVERNMENT	1.0%	-0.5%	3.2%	4.9%	0.5%	-1.3%	-2.0%	-2.2%	-1.7%	-1.0%
Private Non-Construction	-0.6%	0.6%	-2.4%	-3.8%	-0.6%	1.2%	1.6%	1.7%	1.9%	1.8%
MILITARY EMPLOYMENT, THOUSANDS	0.0%	-6.9%	-0.6%	8.0%	1.6%	-0.4%	-2.5%	-2.3%	-1.7%	-1.1%

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CAPITAL BUDGET

***Proposed
Operating Budget
FY/13***

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Capital Program Overview

The Authority's Capital program is comprised of different categories of projects, each with its own funding rules. The „Basic Program“ is funded by recurring revenues generated from the water/sewer rate structure. Special Projects are done outside of the Basic program but are funded from the same revenue stream that funds the Basic Program. Since the Basic Program is the first in line to get this revenue, the size and scope of these Special projects depend upon the availability of resources. “Dedicated Revenue” projects have a revenue element in the rate structure dedicated for that specific purpose and accordingly, their size and scope are dependent upon the revenue stream generated. The Authority has increased in recent years its utilization of state and federal grants to fund some capital projects in whole or in part.

The blueprint for the 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 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 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. FY/13 is the second year of the two year planning element included in the FY/12 – FY/21 Decade Plan approved by the Board in April, 2011.

Basic Program capital needs are incorporated into the water/sewer rate structure. The Rate Ordinance requires that Basic Program needs are funded at least 50% from cash, with the balance of capital funding obtained through revenue bond or loan financing. The rate structure is designed to provide sufficient revenue to meet the 50% 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 Authority capital projects. UEC revenue is considered cash for purposes of meeting the 50% test. The current Rate Ordinance requires a \$30 million Basic rehabilitation program. The Rate Ordinance does not specify the size of the Basic growth program.

The FY/12 – FY/21 Decade Plan was significant for the use of risk analysis techniques combined with an asset management strategy to determine where the Authority's capital resources should be expended in order to maximize the benefit to rate payers. The Authority's asset management plan is intended to provide a business model for managing infrastructure assets to minimize the total costs of owning and operating them at an acceptable level of risk. Rate payers' investment in the infrastructure is maximized as a result. The adopted decade plan represents the funding decisions made by a broad array of staff and managers throughout the Authority. Project prioritization resulted from unprecedented levels of discussions within the Authority and with outside consultants engaged to assist the Authority in charting a path for its capital program.

While maintaining a similar presentation format as the prior decade plan, the FY/12 – FY/21 Decade Plan for rehabilitation was constructed from pipeline / plant perspective rather than the water / water reclamation perspective used in prior decade plans. A pipeline / plant perspective provides a basic delineation of the infrastructure as either being in the ground or on the surface of the ground. In order to enhance distinctions within the plant category, odor control, lift station and compliance rehabilitation were shown separately from water reclamation plant

A continued decline in Utility Expansion Charge (UEC) revenue has led to a reduction in the Basic growth program to \$3 million in FY/12 and \$3 million in FY/13. The Basic growth program has shifted in focus from placing from new pipe in the ground to meeting the demands of a business intent on achieving performance improvement goals and meeting mandated standards. The discretionary spending in the FY/13

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Growth program budget will continue initiatives in Information Technology (IT) support for the operating divisions. The remainder of the FY/13 Growth program is primarily non-discretionary and includes funding for the low income connection program managed by Bernalillo County and repayment to developers as connections are made to the System.

The most significant project in the IT area is a special project for the acquisition and implementation of the Authority's own financial and human resource systems. The Authority is currently utilizing the City of Albuquerque's PeopleSoft systems which went live on January 1, 2009. The continuing difficulties with the PeopleSoft systems have been a primary contributor to the inability of the City and the Authority to get their annual external financial audit done on a timely basis and to timely monitor actual results against budgeted amounts. The Authority intends to choose a financial system appropriate to its size and needs with the goal of minimal customization while changing business processes as needed to accommodate the delivered software.

The Authority has engaged the services of the Governmental Finance Officers Association to assist with system criteria, vendor selection and implementation services. The target start-up dates are July 1, 2013 for the financial system and January 1, 2014 for the human resources system. The FY/13 capital program appropriation includes \$2.0 million for this project.

There are no appropriations in the approved FY/13 CIP budget for projects that will be funded with revenues from FY/14 and later.

FY/13 Capital Program Appropriations and Spending by Categories

Summary Perspective

The Authority's Capital program budget for FY/13 is \$33 million for the Basic capital program, \$5.0 million for special projects and \$4.0 million for Water Resource Management Strategy projects.

The Basic program is comprised of \$30 million for rehabilitation infrastructure needs as required by the Rate Ordinance and \$3 million for growth infrastructure needs.

Spending in the FY/13 Basic program may differ for some projects from the levels appropriated in the budget resolution because of expected positive and deficit carryovers from the FY/12 Basic program. The deficit carryovers will be absorbed by utilizing FY/13 revenues and correspondingly reducing FY/13 spending.

In order to meet reporting requirements, the Capital program is presented from the perspective of categories of spending. Category definitions are:

Rehabilitation = Costs required to extend the service life of an existing facility or to restore original performance or capacity by rehabilitating or replacing system components

Growth = Costs for either new facilities, component additions or system upgrades that provide service or capacity for new or future customers, or restores needed reserves previously used to support new customers. Included in growth are costs for improvements not tied to specific infrastructure assets. Improvements include management information systems development, geographic information systems development, vehicles and asset management.

Valley = Costs for water and sewer expansion projects in the North and South Valley service areas in partnership with Bernalillo County.

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Water Resources Management Strategy (WRMS) = Costs for projects identified in the Water Resources Management Strategy as adopted by the City of Albuquerque in 1997 and as adopted by the Authority as successor. There is a revenue element in the rate structure dedicated for WRMS.

	<u>Appropriation</u>	<u>Planned Spending</u>
Basic Pipeline Renewal	\$ 9,900,000	\$ 9,900,000
Basic Plant Renewal	\$ 20,100,000	\$ 20,100,000
Basic System Growth	\$ <u>3,000,000</u>	\$ <u>3,000,000</u>
Total Basic	\$ <u>33,000,000</u>	\$ <u>33,000,000</u>
Special Projects:		
Rehab		
Automated Meter Infrastructure	\$ 2,000,000	\$ 2,000,000
Steel Water Line Replacement	\$ 1,000,000	\$ 1,000,000
Growth		
Financial System Implementation	\$ <u>2,000,000</u>	\$ <u>2,000,000</u>
Total Special Projects	\$ <u>5,000,000</u>	\$ <u>5,000,000</u>
Water Resources Management Strategy		
San Juan Chama	\$ 2,300,000	\$ -
San Juan Chama Mitigation	\$ <u>1,700,000</u>	\$ <u>1,700,000</u>
Total WRMS Projects	\$ <u>4,000,000</u>	\$ <u>1,700,000</u>
Total	\$ <u>42,000,000</u>	\$ <u>39,700,000</u>

	<u>Appropriation</u>	<u>Planned Spending</u>
Rehab		
Basic Program	\$ 30,000,000	\$ 30,000,000
Special Projects	\$ 3,000,000	\$ 3,000,000
Growth		
Basic Program	\$ 3,000,000	\$ 3,000,000
Special Projects	\$ 2,000,000	\$ 2,000,000
Water Resources Management Strategy	\$ <u>4,000,000</u>	\$ <u>1,700,000</u>
Total	\$ <u>42,000,000</u>	\$ <u>39,700,000</u>

<u>Category</u>	<u>Percentage</u>	<u>Amount</u>
Rehab	78.6	\$ 33,000,000
Growth	11.9	\$ 5,000,000
Water Resources Management Strategy	<u>9.5</u>	\$ <u>4,000,000</u>
Total	<u>100.0</u>	\$ <u>42,000,000</u>

The revenue sources for the appropriations are comprised of:

	<u>Debt</u>	<u>Cash</u>
Rehab		
Basic Program	\$ 22,000,000	\$ 8,000,000
Special Project	\$ 3,000,000	\$ -
Growth		
Basic Program	\$ -	\$ 3,000,000
Special Project	\$ 2,000,000	\$ -

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Water Resources Management Strategy	\$	<u>4,000,000</u>	\$	<u>-</u>
Total	\$	<u>31,000,000</u>	\$	<u>11,000,000</u>

Basic Program appropriations by decade plan category

Rehab

Water Reclamation Line Renewal	\$	5,000,000
Water Line Renewal	\$	3,700,000
Water Reclamation Plant Renewal	\$	15,000,000
Lift Station and Vacuum Station Renewal	\$	590,000
Water Plant Renewal	\$	3,710,000
Water Reclamation Compliance	\$	600,000
Franchise Fee Compliance	\$	1,000,000
CIP Funded Position Transfer	\$	<u>400,000</u>
	\$	<u>30,000,000</u>

Growth

Water Lines	\$	500,000
Developer Agreements	\$	295,000
MIS / GIS	\$	1,200,000
Vehicle Replacement	\$	300,000
Utility Risk Reduction	\$	5,000
Master Plan and Asset Management	\$	300,000
Low Income Water/Sewer Connections	\$	<u>400,000</u>
	\$	<u>3,000,000</u>

The \$5.0 million appropriation for special projects is comprised of three projects:

- \$2 million for Automated Meter Infrastructure (AMI) representing the evolution of Automatic Meter Reading (AMR) technology
- \$1 million for steel water line replacement
- \$2 million for the acquisition and implementation of a new financial and human resource system which will allow the Authority to move off of similar systems currently shared with the City of Albuquerque

Reconciliation between Appropriations and Planned Spending

Appropriations per this resolution	\$	43,000,000
Currently appropriated loan proceeds that have been spent for the Surface Water Drinking Project	\$	<u>(2,300,000)</u>
Planned spending	\$	<u>40,700,000</u>

By fund, the \$42.0 million is allocated: \$.5 million in the Valley Projects fund 627 (the \$.5 million for the low income connection program is in fund 627), \$33.0 million in the Joint Water & Sewer Rehabilitation Fund 628 and \$8.5 million in the Joint Water & Sewer Fund 629.

FY/13 Capital Program Highlights

There was a significant change in the planned spending in FY/12 per the FY/12 – FY/21 Decade Plan. The signature rehabilitation project in the decade plan was the Preliminary Treatment Facilities (PTF) / Dewatering Facilities project which was bid as one project. Project bids from various construction companies were opened in January 2012 and all of the bids came in higher than available revenues and accordingly all

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bids were rejected. This project is currently on hold pending ongoing consultant services for a value engineering analysis with the goal of reducing project scope to within available revenues.

Despite the setback with the PTF / Dewatering project, the rehabilitation focus remains on the Southside Water Reclamation Plant (the Plant) in FY/13. While a final resolution of resource allocation will not occur until sometime in FY/13, initial efforts are underway on the two projects which were to receive substantial funding in FY/14 – the Digester Rehabilitation project and the Primary Clarifier project.

The FY/12 – FY/21 decade plan contains narrative descriptions of the individual projects within each category and should be read in accompaniment with this document.

While Southside Water Reclamation Plant projects dominate rehabilitation spending, there are planned rehabilitation projects in other areas. The FY/13 portion of the FY/12/13 small diameter water and sewer line project is proceeding as is the FY/12 portion of the FY/11/12 large diameter sewer line project. The largest water plant rehabilitation project is an upgrade of the SCADA (Supervisory Control and Data Acquisition) system at the Surface Water Treatment Plant. The SCADA system network of computer servers and workstations which control the surface and groundwater pumping and treatment systems is facing obsolescence.

The San Juan Chama Mitigation project is intended to create riparian habitat along the Rio Grande River below the surface water diversion dam to compensate for the reduced river flow due to the dam. Three sites north and south of Paseo Del Norte and on both the east and west sides of the river have been selected for habitat restoration.

The project will involve dirt work including shelves, terraces and channels in the river and tree plantings as well as enhanced natural revegetation processes arising from the expected increased river flows.

Anticipated project benefits include 1) increased silvery minnow habitat 2) increased diversity of the riparian ecosystem 3) creating willow dominated flycatcher breeding and migratory habitat along the channel margin and 4) enhancing the hydrologic connectivity between the floodplain and the river channel.

Each of the three site footprints would be at least five acres with two of the sites possibly extending to eight acres.

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<u>Purpose</u>	<u>Source</u>	<u>Increase</u>
<u>Basic Program</u>		
<u>Valley Projects Fund 627</u>		
Valley Low Income W/S Connections	Transfer from Fund 631	400,000
<u>Water Utility / Joint Water & Sewer Rehab Fund 628</u>		
<u>Sanitary Sewer Pipeline Renewal</u>		
Interceptor Sewer Rehabilitation	Bond Proceeds	3,000,000
Small Diameter Sewer Line		
Rehabilitation	Bond Proceeds	1,500,000
Sewer Line CCTV Inspections	Bond Proceeds	500,000
<u>Drinking Water Pipeline Renewal</u>		
Small Diameter Water Line		
Rehabilitation	Bond Proceeds	2,500,000
Large Diameter Water Line		
Rehabilitation	Bond Proceeds	500,000
Water Service Line Replacement	Bond Proceeds	5,000
Water Meter Box Replacement	Bond Proceeds	5,000
Water Meter Replacement	Bond Proceeds	240,000
Large Water Valve Replacement	Bond Proceeds	250,000
Pressure Reducing Valve		
Replacement	Bond Proceeds	200,000
<u>Southside Water Reclamation Plant Renewal</u>		
Preliminary Treatment Facility		
Replacement	Bond Proceeds	2,400,000
	Transfer from Fund 621	4,000,000
Dewatering Facility Replacement	Bond Proceeds	2,400,000
	Transfer from Fund 621	4,000,000
Digester Rehabilitation, Capacity		
And Gas Improvements	Bond Proceeds	250,000
Primary Clarifier Improvements	Bond Proceeds	450,000
DAF Rehabilitation	Bond Proceeds	660,000
In-House Plant Projects	Bond Proceeds	500,000
ABB Service Contract	Bond Proceeds	140,000
ABB SCADA Upgrade	Bond Proceeds	200,000

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Lift Station and Vacuum Station Renewal

Lift Station Rehabilitation	Bond Proceeds	330,000
Lift Station Radio Replacement	Bond Proceeds	140,000
Lift Station Programmable Logic Controller Replacement	Bond Proceeds	120,000

Drinking Water Plant Renewal

Annual Sodium Hypochlorite Generator System Rehabilitation / Replacement	Bond Proceeds	130,000
Annual Well and Booster Pump Station Rehabilitation and Maintenance	Bond Proceeds	1,450,000
Water Treatment Plant Rehab	Bond Proceeds	50,000
Solids Drying Beds Improvements	Bond Proceeds	50,000
Grit Removal Basin Improvements	Bond Proceeds	50,000
Dissolved Ozone Monitoring Improvements	Bond Proceeds	250,000
Diversion Bar Screen Improvements	Bond Proceeds	500,000
Settling Basin Edge Protection	Bond Proceeds	50,000
Lomas Reservoir No. 2 Rehabilitation	Bond Proceeds	310,000
Water Treatment Plant SCADA Control Upgrade	Bond Proceeds	100,000
College Reservoir Rehab	Bond Proceeds	220,000
College Arsenic Removal Demonstration Facility Rehab	Bond Proceeds	50,000
Corrales Trunk System Reliability Improvements	Bond Proceeds	200,000
Corrales Trunk Gas Engine Overhauls	Bond Proceeds	50,000
Asset Management Plan for Wells	Bond Proceeds	250,000
<u>Compliance</u>		
Water Quality Laboratory	Bond Proceeds	295,000
NPDES Program	Bond Proceeds	155,000
Water Quality Program	Bond Proceeds	150,000
<u>Shared Renewal</u>		
Franchise Fee Compliance	Bond Proceeds	1,000,000
CIP Funded Position Transfer	Bond Proceeds	400,000

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Water Utility / Joint Water & Sewer Fund 629

Warehouse Meters	Transfer from Fund 631	500,000
Development Agreements	Transfer from Fund 631	295,000
MIS / GIS	Transfer from Fund 631	1,200,000
Vehicle Replacements	Transfer from Fund 631	300,000
Utility Risk Reduction / GPS	Transfer from Fund 631	5,000
Integrated Master Plan	Transfer from Fund 631	300,000

Special Projects

Water Utility / Joint Water & Sewer Rehab Fund 628

Automatic Meter Reading	Bond Proceeds	2,000,000
Steel Water Line Replacement	Bond Proceeds	1,000,000

Water Utility / Joint Water & Sewer Fund 629

ERP Financial Systems Project	Bond Proceeds	2,000,000
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Water Resource Management Strategy Projects

Water Utility / Joint Water & Sewer Fund 629

San Juan Chama Drinking Water	Bond Proceeds	2,300,000
San Juan Chama Mitigation	Bond Proceeds	1,700,000

DEBT OBLIGATIONS

***Proposed
Operating Budget
FY/13***

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

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. Revenue bond debt relating to the Water/Sewer System continues to be outstanding. 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 (the “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 Authority. The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the 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 Authority. The Authority and the City entered into a Memorandum of Understanding 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 Authority the statutory powers provided to all public water and wastewater utilities in the state and to recognize the Authority as a political subdivision of the state. On March 21, 2007 the 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 Authority.

The outstanding Water/Sewer System parity obligations are currently rated “Aa1” by Moody’s, “AA+” by S&P and “AA” by Fitch. In addition, the outstanding System bonds are credit enhanced and therefore have a higher rating which is based upon the rating of the credit enhancer rather than the rating of the Authority for such bonds.

The total outstanding obligation indebtedness of the Authority as of April 1, 2012 is \$690.864 million shown in the table on the next page.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

ABCWUA

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS

April 1, 2012

RATINGS

SENIOR DEBT OBLIGATIONS

JOINT WATER AND SEWER - SENIOR LIEN

Aa1/AA+/AA

MAY 2002 - NMFA DWRLF LOAN

APRIL 2003 - NMFA DWRLF LOAN

SEPT 2004 - NMFA PPRF LOAN

OCT 2005 - IMPROVEMENT

OCT 2005 - NMFA PPRF LOAN

Series 2006A Bonds

Series 2007A NMFA Loan

Series 2008A Bonds

Series 2009A-1

Series 2009A-2

2009 NMFA DWRFL

NOV 2011 - NMFA LOAN

SUBTOTAL - CITY/COUNTY WATER AUTHORITY OBLIGATIONS

SUBORDINATE & SUPER-SUBORDINATE DEBT OBLIGATIONS

1989 Loan

1995 Loan

2001 Loan

2004 NMFA DWRLF Loan

2009 WTB Loan

2009 NMFA DWRLF Loan

2010 NMFA DWRLF Loan - 2379-PP

2010 NMFA DWRLF Loan - 2380-PP

2010 NMFA DWRLF Loan - 2381-PP

2010 DWRFL - 2382-ADW

2011 DWRFL - 205-ADW

2011 DWRFL - 206-ADW

2011 DWRFL - 207-ADW

SUBTOTAL - SUBORDINATE & SUPER-SUBORDINATE LIEN LOANS

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

<u>FINAL</u> <u>MATURITY</u>	<u>ORIGINAL</u> <u>AMT ISSUED</u>	<u>AMOUNT</u> <u>RETIRED</u>	<u>AMOUNT</u> <u>OUTSTANDING</u>	<u>INTEREST</u> <u>RATES</u>
07/01/12	2,450,000	2,327,719	122,281	1.75%
07/01/15	3,600,000	2,303,552	1,296,448	4.25% - 5.00%
05/01/24	118,415,000	31,960,000	86,455,000	4.25% - 5.25%
05/01/25	20,000,000	1,250,000	18,750,000	5.00%
07/01/25	132,985,000	8,940,000	124,045,000	3.00% - 5.50%
07/01/26	133,390,000	11,955,000	121,435,000	4.25% - 5.00%
06/01/25	77,005,000	12,035,000	64,970,000	4.25% - 5.25%
07/01/23	55,630,000	0	55,630,000	5.00%
07/01/13	14,375,000	6,765,000	7,610,000	3.00% - 5.00%
07/01/34	135,990,000	1,695,000	134,295,000	3.25% - 5.25%
11/01/30	1,010,000	0	1,010,000	1.00%
07/01/36	53,400,000	0	53,400,000	3.00% - 5.00%
	\$748,250,000	\$79,231,271	\$669,018,729	
10/01/13	7,907,285	6,820,576	1,086,709	3.00%
07/01/12	15,000,000	13,473,435	1,526,565	4.00%
07/01/25	15,000,000	7,689,808	7,310,192	3.00%
05/01/31	12,000,000	1,792,719	10,207,281	2.00%
11/13/29	50,000	3,943	46,057	1.00%
11/13/29	100,000	7,749	92,251	0.25%
01/23/31	47,518	0	47,518	1.00%
01/23/31	60,600	2,952	57,648	1.00%
01/23/31	125,453	0	125,453	1.00%
06/01/30	200,000	9,765	190,235	0.25%
01/23/31	452,000	0	452,000	0.25%
01/23/31	640,000	0	640,000	0.25%
11/23/31	63,354	0	63,354	0.25%
	\$51,646,210	\$29,800,947	\$21,845,263	
	\$799,896,210	\$109,032,218	\$690,863,992	

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APPENDIX

*Proposed
Operating Budget
FY/13*

ANALYSIS METHODOLOGY FOR COMPUTING LINE ITEM ADJUSTMENTS

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 FY/13 so as 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 – 19.01% for blue and white collar and management/professional, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (group life, and health insurance including retiree health insurance) – 18.96%.
- 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 FY/13 budget requests for professional services, contract services, supplies and repairs and maintenance. Other FY/13 operating expenses were equal to FY/12 appropriated amounts. One-time appropriations for FY/12 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.
- For FY/13, utilities (gas, electricity, and water) are budgeted based on historical expenditures 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, increased workload, or a special need not previously funded.

Capital Expenditures

New and replacement property items are included in the appropriate program appropriations within each of the funds.

Transfers

- Workers' Compensation and insurance transfers are treated as direct transfers to the Risk Management Fund in each program for FY/13. These transfers are identified by the Finance and Administrative Services Department, Risk Management Division based on the historical experience and exposure factors relative to each specific program.
- Vehicle maintenance charges are estimated for FY/13 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.
- Authority debt interest costs for future borrowings will be approximately 25 basis points under market rate based on the Authority's AA+ bond rating.
- Radio maintenance costs are based on historical average prices during an 18-month period ending December 2011.
- Fuel costs have been hedged for FY13 at approx. \$2.78 a gallon.

ACRONYMS

ABCWUA – Albuquerque Bernalillo County Water Utility Authority

AFL-CIO – American Federation of Labor and Congress of Industrial Organizations

AFH – Affordable Housing

AFSCME - American Federation of State, County and Municipal Employees

AMI – Automated Meter Infrastructure

AMR – Automated Meter Reader

APS – Albuquerque Public Schools

ASOMS – Albuquerque Sewer Operations Management Strategy

ASR – Aquifer Storage and Recovery

AWWA – American Water Works Association

BBER – University of New Mexico, Bureau of Business and Economic Research

CAC – Customer Advisory Committee

CC&B – Customer Care and Billing

CCTV – Closed Circuit Television

CIS – Customer Information System

CIP - Capital Improvements or Implementation Program

CMDWWCA – Carnuel Mutual Domestic Water and Waste Water Consumer Association

CMMS – Computerized Maintenance Management System

COLA - Cost-of-Living Adjustment

CPI-U - Consumer Price Index for all Urban Consumers

CWA – Clean Water Act

D & C – Design and Construct

DAF – Dissolved Air Floatation

DOE - Dept of Energy

DOL - Dept of Labor

D/S - Debt Service

DWL – Drinking Water Loan

DWP – San Juan – Chama Drinking Water Project

EID – Environmental Improvement Division

EPA – Environmental Protection Agency

FD - Fund

FTE - Full-time Equivalent Position

FY - Fiscal Year

GI – Global Insight economic forecasting, formerly Data Resources Wharton Econometric Forecasting Associates International

GASB - General Accounting Standards Board

GDP-Gross Domestic Product

GFOA - Government Finance Officers Association

GI – Global Insight

GIS – Geographic Information System

GPCD – Gallons per capita per day

GPPAP - Groundwater Protection Policy and Action Plan

GRT – Gross Receipts Tax

HMO – Health Maintenance Organization

HR – Human Resources

IDOH - Indirect Overhead

IPC – Indicators Progress Commission

ITD – Information Technology Division

IVR – Interactive Voice Response

IWA – International Water Audit

KAFB – Kirtland Air Force Base

ACRONYMS

LIMS – Laboratory Information System

MSA - Metropolitan Statistical Area

MDC – Metropolitan Detention Center

MGD – Million Gallons per Day

MIS – Management Information System

MOU – Memorandum of Understanding

MSA – Metropolitan Statistical Area

MRGCOG – Middle Rio Grande Council of Governments

NBER – National Bureau of Economic Research

NM – New Mexico

NMDOT – New Mexico Department of Transportation

NMFA – New Mexico Finance Authority

NMED – New Mexico Environment Department

NMUI – New Mexico Utilities Group Inc.

NPDES – National Pollution Discharge Elimination System

NWSA – Northwest Service Area

O/M – Operations and Maintenance

OSHA – Occupational Safety and Health Administration

P&I – Principal and Interest

PERA - Public Employees Retirement Association

PNM – Public Service Company of New Mexico

PTF – Preliminary Treatment Facility

REC – Renewable Energy Credit

RFP - Request for Proposal(s)

RRAMP – Reclamation Rehabilitation and Asset Management Plan

SAD - Special Assessment District

SAF – Soil Amendment Facility

SCADA – Supervisory Control And Data Acquisition

SDWA – State Drinking Water Act

SJC – San Juan Chama

SJCWTP - San Juan – Chama Drinking Water Project

SNL – Sandia National Laboratory

SOP – Standard Operating Procedures

SRF – State Revolving Loan Fund

SWR - Sewer

SWRP - Southside Water Reclamation Plant

TRFR - Transfer

UEC – Utility Expansion Charge

UNM – University of New Mexico

UV – Ultra-Violet

WQL – Water Quality Laboratory

WRAC – Water Resources Advisory Committee

WTP – Water Treatment Plant

YR - Year

SELECTED GLOSSARY OF TERMS

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 Authority Board to make expenditures 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 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 EXPENDITURES: Expenditures 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

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 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 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

FUND BALANCE: Fund equity of governmental funds

SELECTED GLOSSARY OF TERMS

GOALS: General ends toward which the Authority directs its efforts in terms of meeting desired community conditions. The Executive Director and Authority Board with input from the community, establish Goals for the 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 your 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 EXPENDITURES: Expenditure 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: Term that applies to all outlays other than capital outlays

OPERATING BUDGET: Financial plan for future operations based on estimated revenues and expenditures 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 expenditure that ties related service activities together to address a desired community condition(s) that pertains to one of the 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 EXPENDITURES: Expenditures generally arising from the continued operations of the 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

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

SELECTED GLOSSARY OF TERMS

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 Utility, and are thereby not backed by the full faith and credit of the issuer

SERVICE ACTIVITY: A set of related functions that are managed below the Program Strategy level, and are the smallest unit of budgetary accountability and control

STATE ENGINEER PERMIT 4830: The permit allows the Authority to divert 97,000 acre-feet annually from the Rio Grande consisting of an equal amount of 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

UNACCOUNTED FOR WATER: The difference between the quantity of water supplied to the 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 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:

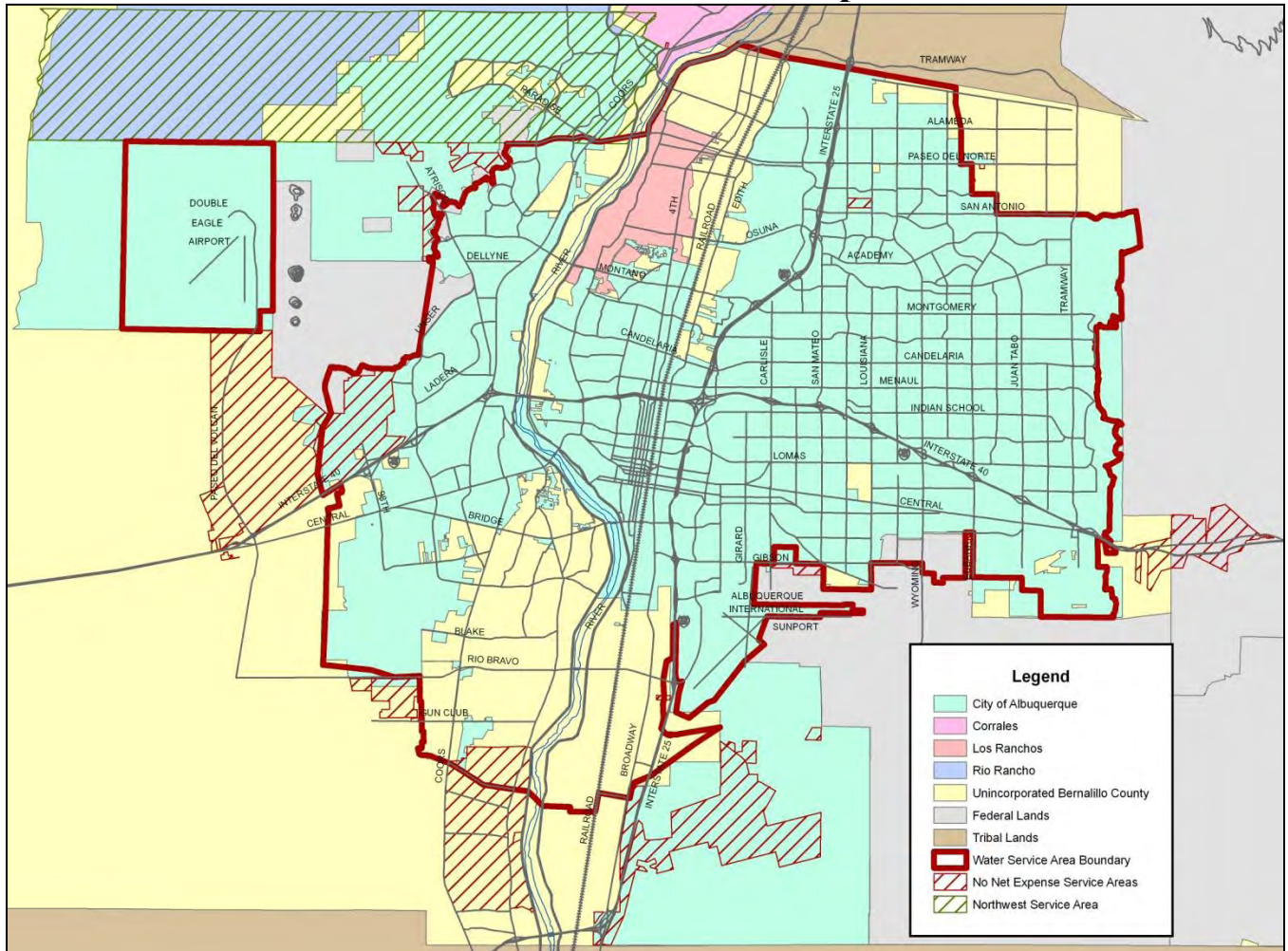
621 Joint Water and Sewer Operating
631 Joint Water and Sewer Revenue Bond Debt Service

FUNDS REFERENCED:

627 Joint Water & Sewer Valley Utility Projects
628 Joint Water & Sewer Rehab
629 Joint Water & Sewer Capital

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Water Service Area Map



Major Assets:

- San Juan-Chama Surface Water Treatment Plant
- Adjustable diversion dam, intake structure and raw water pump station on the Rio Grande
- 93 ground water supply wells
- 46 water supply reservoirs providing both mixed surface and ground water
- 3,039 miles of water supply pipeline
- 5 MGD arsenic removal treatment plant

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

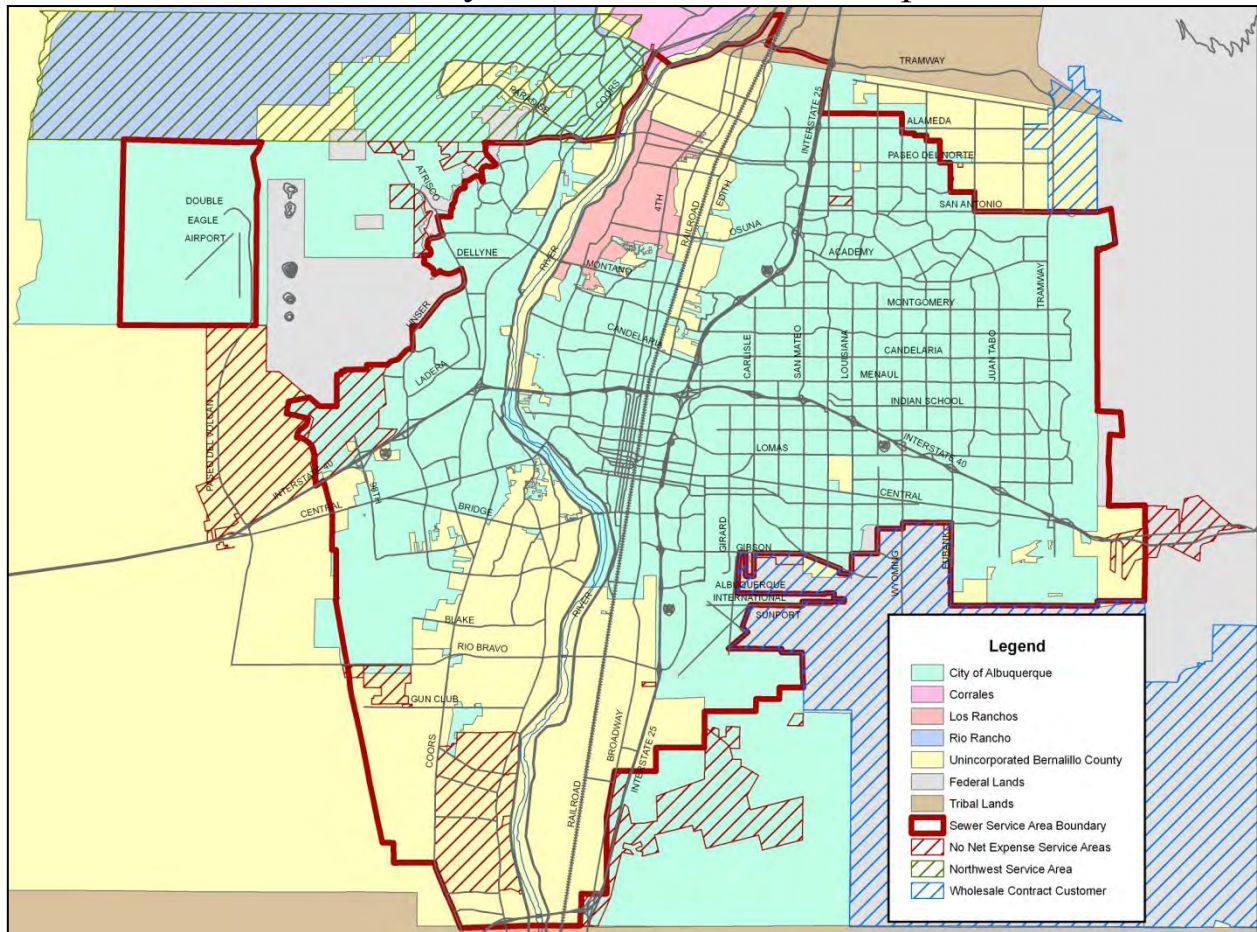
The Water System provides water services to approximately 550,000 residents comprising approximately 88% of the residents of Bernalillo County, New Mexico. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 200,000 accounts. Approximately 58% of the water sales are for residential uses. Up until December 2008, ground water from the middle Rio Grande basin aquifer was the Water Authority's primary source of supply used for the Water System. Now, the Water Authority is using about 50% ground water and 50% surface water from its newly completed Surface Water Drinking Water Treatment Plant which treats imported Colorado river water (San Juan-Chama water) from the Rio Grande River for potable water use. The new treatment plant has the capacity to produce 92 MGD and can be expanded to 120 MGD. The San Juan-Chama Drinking Water Project is part of the Authority's strategic plan to provide for a safe and sustainable water supply through conservation and the conjunctive use of surface water, reclaimed water, and shallow and deep groundwater. The ground water supply is produced from 93 wells located throughout the metropolitan area. Total well production capacity is approximately 294 MGD. Maximum historical peak day demand is 214 MGD. Ground storage reservoirs that hold both surface and ground water 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 psi for consumers. There are 46 reservoirs located throughout the service area, with a total reservoir storage capacity of 211 million gallons. These reservoirs are interconnected by over 3,000 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 System for control from a central control facility. The Water System Service Area is approximately 167 square miles.

Any extension of service outside the Service Area would incur "no net expense" to the Water Authority's customers in that that revenue generated from any expansion or improvement of the System shall be sufficient to support the costs of the water and/or wastewater facilities being expanded or improved. In addition, the new developments outside the water service area are required to pay a water supply charge for acquisition of future water supplies. In 2007, the Water Authority adopted a set of guiding principles for utility development and planning. Some of the major policies include: balancing water use with renewable supply, not subsidizing development outside the service by current Water Authority customers, linking land use with infrastructure, ensuring that system expansion is concurrent with infrastructure service levels, protecting valued environmental and cultural resources of the region, and utilizing asset management principles for evaluating and considering rehabilitating, replacing or acquiring new assets.

In May 2009, the Water Authority acquired a private utility in the northwest section of Bernalillo County. Starting in FY11, these customers will be incorporated into the Water System and pay the same rates as current customers. The new rates reflect the cost of providing a sustainable long-term supply via the San Juan-Chama Drinking Water Project, and the cost of conservation programs designed to ensure our water future in Albuquerque and Bernalillo County.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Sanitary Sewer Service Area Map



Major Assets:

- Southside Water Reclamation Plant
- 43 Lift Stations
- 2,535 miles of collection pipeline

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

The Sewer System consists of small diameter collector sewers, sewage lift stations, and large diameter interceptor sewers conveying wastewater flows to the Southside Water Reclamation Plant. The treatment plant provides preliminary screening, grit removal, primary clarification and sludge removal, advanced secondary treatment including ammonia and nitrogen removal, final clarification, and effluent chlorination and dechlorination prior to discharge to the Rio Grande River. Treatment plant capacity is based upon overall 76 MGD hydraulic capacity. However, capacity deficiency at the chlorination/dechlorination, anaerobic digestion and dewatered sludge handling facilities needs to be addressed to bring these facilities to the 76 MGD plant hydraulic capacity. The existing chlorination/dechlorination system is being replaced by ultraviolet light disinfection in Spring 2011. Existing flows at the plant are about 54 MGD. The Sewer System Service Area is approximately 303 square miles. The secondary service area designates Wholesale-Special Contracts. These contract customers are responsible for a collection system beyond the point where their respective wastewater discharges into the Water Authority's interceptors.

Any extension of service outside the Service Area would incur "no net expense" to the Water Authority's customers in that that revenue generated from any expansion or improvement of the System shall be sufficient to support the costs of the water and/or wastewater facilities being expanded or improved. In 2007, the Water Authority adopted a set of guiding principles for utility development and planning. Some of the major policies include: promote reuse, reduce odor, improve treatment capacity, improve capacity in the collection system, not subsidizing development outside the service by current Water Authority customers, linking land use with infrastructure, ensuring that system expansion is concurrent with infrastructure service levels, protecting valued environmental and cultural resources of the region, and utilizing asset management principles for evaluating and considering rehabilitating, replacing or acquiring new assets.

In May 2009, the Water Authority acquired a private utility in the northwest section of Bernalillo County. Starting in FY11, these customers will be incorporated into the Sewer System and pay the same rates as current customers. The new rates reflect the cost of providing a sustainable long-term supply via the San Juan-Chama Drinking Water Project, and the cost of conservation programs designed to ensure our water future in Albuquerque and Bernalillo County.

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LEGISLATION

***Proposed
Operating Budget
FY/13***

BILL NO. R-12-XX

**APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO
COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING
JULY 1, 2012 AND ENDING JUNE 30, 2013.**

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 2013:

<u>JOINT WATER AND SEWER OPERATING FUND – 621</u>	181,645,000
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This appropriation is allocated to the following programs:

Water Authority	21,253,000
Low Income Utility Credit	250,000
Customer Services	5,552,000
Finance	7,022,000
Information Systems	4,152,000
San Juan/Chama	2,247,000

1	Compliance	4,270,000
2	Human Resources	1,085,000
3	Wastewater Collection	6,352,000
4	Wastewater Treatment	11,792,000
5	Water Plant Facility Production	6,561,000
6	Water Plant Facility Distribution	14,706,000
7	Water Distribution Facilitation	2,050,000
8	Water Resources, Engineering & Planning	6,515,000
9	Northwest Service Area	2,394,000
10	North I-25 Reuse	76,000
11	Strategy Implementation	2,712,000
12	Transfers to Other Funds:	
13	General Fund (110)	8,294,000
14	Joint Water and Sewer Rehab (628)	8,000,000
15	Joint Water and Sewer Bond Debt Service (631)	66,362,000
16	Indirect Costs paid to the City of Albuquerque for services provided to the Water	
17	Authority are capped at \$1,550,000 for this fund.	
18	<u>JOINT WATER AND SEWER REVENUE BOND</u>	
19	<u>DEBT SERVICE FUND – 631</u>	75,738,000
20	This appropriation is allocated to the following programs:	
21	Debt Service	
22	72,346,000	
23	Transfer to Other Funds:	
24	Joint Water and Sewer Capital Fund (629)	3,392,000
25	Section 2. The Executive Director is authorized to develop and establish a	
26	nonrecurring safety/performance incentive program. This program will provide	
27	employees with an incentive bonus based on cost reductions or performance	
28	enhancements resulting in operating efficiencies and/or a reduction in work	
29	related losses. Funding for this program is contingent on savings in the same or	
30	a greater amount.	
31	Section 3. The Water Authority shall continue its partnership with non-	
32	profit affordable housing developers under contract with local government	
33	whereby the first time homebuyer will not be required to pay the Utility Expansion	

1 **Charge until the property is sold. No more than 50 units per year will be**
2 **authorized under this program. The Water Authority will secure its position with**
3 **a second mortgage.**

4 **Section 4. The Rate Reserve Fund is augmented by the amount of**
5 **\$2,000,000.**

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

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ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY

RESOLUTION NO. R-12-XX

RESOLUTION

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

WHEREAS, the Budget Ordinance, requires the Executive Director to formulate an annual Capital Implementation Program budget for the Authority; and

WHEREAS, the Board has received the Capital Implementation Program Budget formulated by the Executive Director and has deliberated on it and provided public notice and input; and

WHEREAS, appropriations for the Capital Implementation Program of the Albuquerque Bernalillo County Water Utility Authority must be approved by the Board; and

WHEREAS, the appropriation of these Capital Implementation Program funds to projects with their respective purposes are timely and necessary for the Albuquerque Bernalillo County Water Utility Authority to serve its customers.

BE IT RESOLVED BY THE AUTHORITY:

Section 1. That the appropriations for the projects as stated below are hereby made.

<u>Purpose</u>	<u>Source</u>	<u>Increase</u>
<u>Basic Program</u>		
<u>Valley Projects Fund 627</u>		
Valley Low Income W/S Connections	Transfer from Fund 631	400,000
<u>Water Utility / Joint Water & Sewer Rehab Fund 628</u>		
<u>Sanitary Sewer Pipeline Renewal</u>		
Interceptor Sewer Rehabilitation	Bond Proceeds	3,000,000
Small Diameter Sewer Line		
Rehabilitation	Bond Proceeds	1,500,000
Sewer Line CCTV Inspections	Bond Proceeds	500,000
<u>Drinking Water Pipeline Renewal</u>		
Small Diameter Water Line		
Rehabilitation	Bond Proceeds	2,500,000
Large Diameter Water Line		
Rehabilitation	Bond Proceeds	500,000
Water Service Line Replacement	Bond Proceeds	5,000
Water Meter Box Replacement	Bond Proceeds	5,000
Water Meter Replacement	Bond Proceeds	240,000
Large Water Valve Replacement	Bond Proceeds	250,000
Pressure Reducing Valve		
Replacement	Bond Proceeds	200,000
<u>Southside Water Reclamation Plant Renewal</u>		
Preliminary Treatment Facility		
Replacement	Bond Proceeds	2,400,000
	Transfer from Fund 621	4,000,000
Dewatering Facility Replacement	Bond Proceeds	2,400,000
	Transfer from Fund 621	4,000,000
Digester Rehabilitation, Capacity		
And Gas Improvements	Bond Proceeds	250,000
Primary Clarifier Improvements	Bond Proceeds	450,000

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

1	DAF Rehabilitation	Bond Proceeds	660,000
2	In-House Plant Projects	Bond Proceeds	500,000
3	ABB Service Contract	Bond Proceeds	140,000
4	ABB SCADA Upgrade	Bond Proceeds	200,000
5	<u>Lift Station and Vacuum Station Renewal</u>		
6	Lift Station Rehabilitation	Bond Proceeds	330,000
7	Lift Station Radio Replacement	Bond Proceeds	140,000
8	Lift Station Programmable Logic		
9	Controller Replacement	Bond Proceeds	120,000
10	<u>Drinking Water Plant Renewal</u>		
11	Annual Sodium Hypochlorite Generator		
12	System Rehabilitation / Replacement	Bond	Proceeds
13	130,000		
14	Annual Well and Booster Pump Station		
15	Rehabilitation and Maintenance	Bond Proceeds	1,450,000
16	Water Treatment Plant Rehab	Bond Proceeds	50,000
17	Solids Drying Beds Improvements	Bond Proceeds	50,000
18	Grit Removal Basin Improvements	Bond Proceeds	50,000
19	Dissolved Ozone Monitoring		
20	Improvements	Bond Proceeds	250,000
21	Diversion Bar Screen Improvements	Bond Proceeds	500,000
22	Settling Basin Edge Protection	Bond Proceeds	50,000
23	Lomas Reservoir No. 2 Rehabilitation	Bond Proceeds	310,000
24	Water Treatment Plant SCADA Control		
25	Upgrade	Bond Proceeds	100,000
26	College Reservoir Rehab	Bond Proceeds	220,000
27	College Arsenic Removal Demonstration		
28	Facility Rehab	Bond Proceeds	50,000
29	Corrales Trunk System Reliability		
30	Improvements	Bond Proceeds	200,000
31	Corrales Trunk Gas Engine Overhauls	Bond	Proceeds
32	50,000		
33	Asset Management Plan for Wells	Bond Proceeds	250,000

1	<u>Compliance</u>		
2	Water Quality Laboratory	Bond Proceeds	295,000
3	NPDES Program	Bond Proceeds	155,000
4	Water Quality Program	Bond Proceeds	150,000
5	<u>Shared Renewal</u>		
6	Franchise Fee Compliance	Bond Proceeds	1,000,000
7	CIP Funded Position Transfer	Bond Proceeds	400,000
8	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
9	Warehouse Meters	Transfer from Fund 631	500,000
10	Development Agreements	Transfer from Fund 631	295,000
11	MIS / GIS	Transfer from Fund 631	1,200,000
12	Vehicle Replacements	Transfer from Fund 631	300,000
13	Utility Risk Reduction / GPS	Transfer from Fund 631	5,000
14	Integrated Master Plan	Transfer from Fund 631	300,000
15	<u>Special Projects</u>		
16	<u>Water Utility / Joint Water & Sewer Rehab Fund 628</u>		
17	Automatic Meter Reading	Bond Proceeds	2,000,000
18	Steel Water Line Replacement	Bond Proceeds	1,000,000
19	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
20	ERP Financial Systems Project	Bond Proceeds	2,000,000
21	<u>Water Resource Management Strategy Projects</u>		
22	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
23	San Juan Chama Drinking Water	Bond Proceeds	2,300,000
24	San Juan Chama Mitigation	Bond Proceeds	1,700,000
25			
26			
27			

FY13 Budget



Albuquerque Bernalillo County
Water Utility Authority

FY13 Operating & CIP Budget Highlights

- No rate increase is proposed
- Includes a 2% step adjustment based on Collective Bargaining Agreements
- \$2 million is added to the Rate Reserve Fund
- \$30 million CIP for Basic Rehab Program
- \$3 million for Non Basic Capital projects

FY13 Operating & CIP Budget Highlights

- Continue conservation surcharge for high residential water users (Top 7%)
- Continue to offer the 30% discount to residential users consuming 150% or less of their conservation average

FY13 Budget Assumptions

- Nominal growth in service area
- 2% decrease in consumption based on conservation
- Growth in operating expenses include only essential items.
- Increased capital spending for rehabilitation work at the Southside Reclamation Plant

FY13 Budget - Expenditures

Personnel Expenditures

- 2% step adjustment - \$452,500
- Annualize 11 FY12 mid-year positions – \$645,400

Operating Expenditures

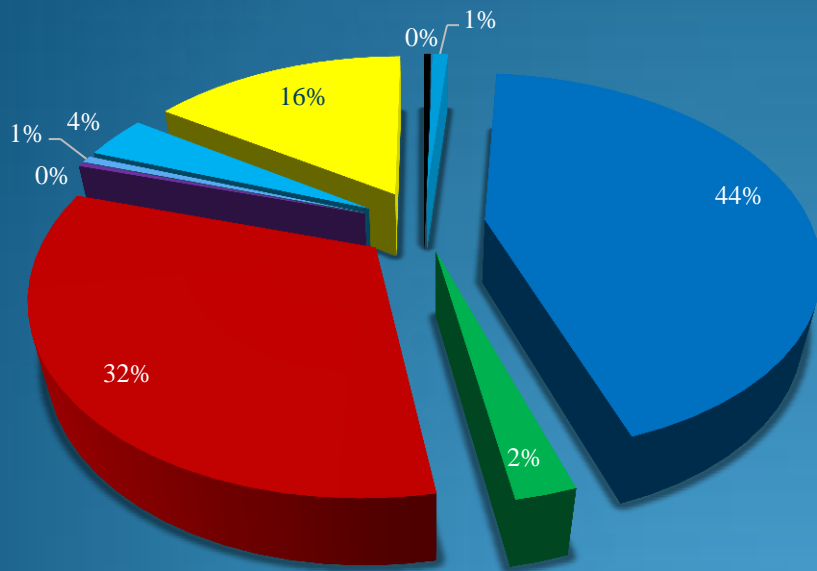
- Increase in barricade and paving costs of \$2.1 million
- \$700,000 for postage, liens, training and unemployment compensation

FY13 Budget - Expenditures

Internal Services and Transfers

- Debt service cost increases by \$5 million
- UEC transfer to CIP of \$3 million for growth CIP Projects

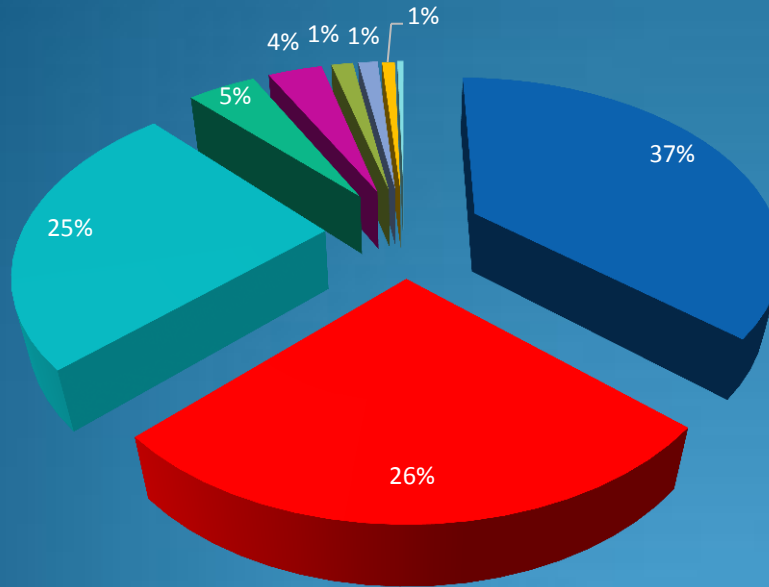
FY 13 Revenues



- INTEREST (\$750,000)
- MISCELLANEOUS (\$1,874,000)
- WATER (\$83,300,000)
- WATER RESOURCES MANAGEMENT (\$4,500,000)
- SEWER (\$62,000,000)
- CIP EMPLOYEES (\$650,000)
- SOLID WASTE TRANSFER (\$1,142,000)
- FRANCHISE FEE (\$7,192,000)
- SJC STRATEGY IMPLEMENTATION (\$30,000,000)
- TOTAL (\$191,408,000)

TOTAL \$191,408,000

FY 13 Expenditures



■ DEBT SERVICE (\$66,362,000)
■ WAGES & BENEFITS (\$47,521,000)
■ OPERATING EXPENSE (\$45,754,000)
■ TRF TO OTHER FUNDS (\$8,200,000)
■ FRANCHISE FEE (\$6,544,000)
■ RISK (\$3,364,000)
■ OTHER - Vehicle Fuels, Radio and other Capital (\$2,350,000)
■ INDIRECT OH (\$1,550,000)
■ WORKERS COMP (\$754,000)
TOTAL (\$181,645,000)

TOTAL \$181,645,000

CIP Appropriations

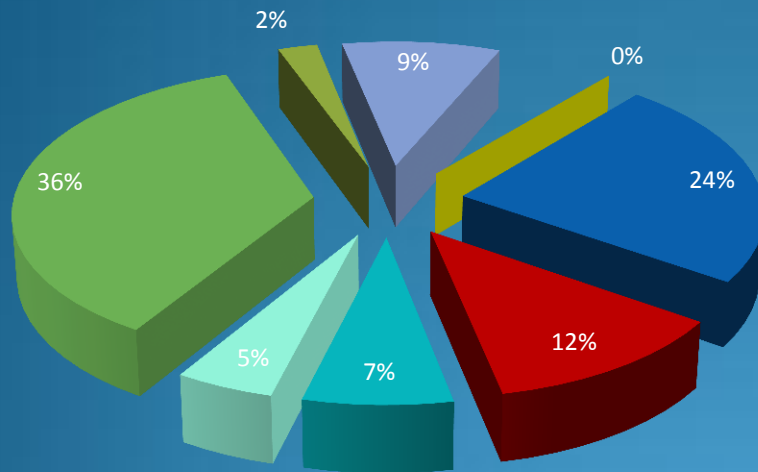
Appropriates \$42 million

- \$33 million for FY11 basic water and sewer program of which \$30 million is for rehab and replacement
- \$2 million for the implementation of the Enterprise Resource and Planning system (ERP)
- \$3 million for special projects
 - \$2 million for Automated Meter Infrastructure
 - \$1 million steel water line replacement

CIP Appropriations

- \$4 million for Water Resource Management Strategy (WRMS) projects
 - \$2.3 million for remaining costs at the Surface Water Treatment Plant
 - \$1.7 million for mitigation efforts rebuilding habitat on the Bosque

FY13 CIP Planned Spending



- Basic Pipeline Renewal (\$9,900,000)
- Basic Plant Renewal (\$5,100,000)
- Basic Growth Projects (\$3,000,000)
- Enterprise Resources Planning (ERP) (\$2,000,000)
- Southside Water Reclam. Plant (\$15,000,000)
- Steel Water Line Replacement (\$1,000,000)
- Special Projects (\$4,000,000)
- Automated Meter Reading (\$2,000,000)
- Total (\$42,000,000)

TOTAL \$42,000,000

Future Financial Challenges

- Substantial improvements to reclamation facility
- Increase reserve to 1/12th to maintain Rating
- Increasing cost of power, fuel and chemicals
- Finance Asset Management Plan by increasing CIP spending

Meeting Date: May 23, 2012
Staff Contact: Tom Ortiz, Senior Financial Officer

TITLE: R-12-11 - Appropriating Funds for the Capital Implementation Program for the Albuquerque Bernalillo County Water Utility Authority for Fiscal Year Beginning July 1, 2012 and Ending June 30, 2012

ACTION: Recommend Approval

SUMMARY:

This legislation appropriates funding for the FY 2013 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 appropriation totals \$42.0 million. \$33 million is appropriated for the Basic Capital program, \$5.0 million is appropriated for Special Projects and \$4.0 million is appropriated for Water Resource Management Strategy (WRMS) projects.

The \$33 million for the Basic Capital program is comprised of \$30 million for rehabilitation infrastructure needs as required by the Rate Ordinance and \$3 million for growth infrastructure needs. The \$30 million Basic Rehabilitation program allocates \$9.9 million for Pipeline Renewal and \$20.10 million for Plant Renewal. The \$9.9 million for Pipeline Renewal includes \$5.0 million for water reclamation lines, \$3.7 million for water lines, \$1.0 million for franchise fee compliance costs and \$.2 million for CIP funded employees. The \$20.1 million for plant renewal includes \$15.0 million for the water reclamation plant, \$.59 million for lift stations, \$.6 million for water quality compliance at the Water Reclamation Plant, \$3.71 million for water plant and \$.2 million for CIP funded employees.

The appropriation includes \$2 million for the acquisition and implementation of the Water Authority's own ERP (Enterprise Resource Planning) financial system which will allow the Water Authority to move off of similar systems run by the City of Albuquerque.

Besides the ERP project, the other special projects are:

- \$2 million for Automated Meter Infrastructure (AMI) the successor technology to the Automatic Meter Reading concept
- \$1 million for steel water line replacement

The WRMS appropriation includes \$2.3 million for remaining costs at the Surface Water Treatment Plant and \$1.7 million for mitigation efforts rebuilding habitat and required as a result of the diversion of river water for the Surface Water Treatment Plant.

There are no appropriations included in this legislation for projects that will be funded with resources from FY 2014 and beyond.

COMMENTS:

The revenue sources for the appropriations in this legislation are comprised of:

	<u>Debt</u>	<u>Cash</u>
Rehab		
Basic Program	\$ 22,000,000	\$ 8,000,000
Special Project	\$ 3,000,000	\$ -
Growth		
Basic Program	\$ -	\$ 3,000,000
Special Project	\$ 2,000,000	\$ -
WRMS	\$ <u>4,000,000</u>	\$ -
Total	\$ <u>31,000,000</u>	\$ <u>11,000,000</u>

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. This appropriation matches the FY 2013 year shown in the FY 2012 – FY 2021 Decade Plan with the exception of a reduction in the Basic Growth program from \$4 million to \$3 million necessary to improve working capital balance in the debt service fund.

Spending in the FY 2013 Basic Program will differ for some projects from the levels appropriated in the budget resolution because of expected positive and deficit carryovers from the FY 2012 Basic Program. The deficit carryovers will be absorbed by utilizing FY 2013 revenues and correspondingly reducing FY 2013 spending.

Basic Program appropriations by decade plan category

Rehab

Water Reclamation Line Renewal	\$ 5,000,000
Water Line Renewal	\$ 3,700,000
Water Reclamation Plant Renewal	\$ 15,000,000
Lift Station and Vacuum Station Renewal	\$ 590,000
Water Plant Renewal	\$ 3,710,000
Water Reclamation Compliance	\$ 600,000
Franchise Fee Compliance	\$ 1,000,000
CIP Funded Position Transfer	\$ <u>400,000</u>
	\$ <u>30,000,000</u>

Growth

Water Lines	\$ 500,000
-------------	------------

Developer Agreements	\$ 295,000
MIS / GIS	\$ 1,200,000
Vehicle Replacement	\$ 300,000
Utility Risk Reduction	\$ 5,000
Master Plan and Asset Management	\$ 300,000
Low Income Water/Sewer Connections	\$ <u>400,000</u>
	\$ <u>3,000,000</u>

FY 2013 CAPITAL PROGRAM HIGHLIGHTS:

The major initiative in the Basic Rehabilitation Program for water plant in FY 2013 is the Supervisory Control and Data Acquisition (SCADA) Upgrade project for the drinking water system. The SCADA computer servers and workstations control the surface and groundwater pumping and treatment systems and are facing obsolescence. Dell will not warranty the equipment nor can Dell resellers provide replacement parts. The existing SCADA security is a decade behind national standards for SCADA security. A contract has been signed with Telvent for \$1.6 million to provide the upgrade with an additional \$240 thousand in optional items. The project schedule calls for project completion prior to the end of FY 2013.

The FY 2013 Basic Growth program is \$3 million which is the same amount as in the FY 2012 Basic Growth program. With such limited resources, the discretionary spending in the Growth program budget will continue initiatives in Information Technology (IT) support for the operating divisions. The remaining growth program will fund non-discretionary spending for developer repayments and the low income connection program managed by Bernalillo County as well as vehicle replacements and the continuation of the integrated master plan project.

The San Juan Chama Mitigation project will create riparian habitat along the Rio Grande River below the surface water diversion dam to compensate for the reduced river flow due to the dam. Three sites north and south of Paseo del Norte and on both the east and west sides of the river have been selected for habitat restoration.

The project will involve dirt work including shelves, terraces and channels in the river and tree plantings. The dirt work will increase river flows and provide habitat as well as enhancing natural revegetation processes.

Anticipated project benefits include 1) increased silvery minnow habitat 2) increased diversity of the riparian ecosystem 3) creating willow dominated flycatcher breeding and migratory habitat along the channel margin and 4) enhancing the hydrologic connectivity between the floodplain and the river channel.

Each of the three site footprints would be at least five acres with two of the sites possibly extending to eight acres.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-12-11

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, 2012 AND ENDING JUNE 30, 2013**

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Authority)
6 as a political subdivision of the State is required to budget and account for all money
7 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 Authority; and

12 WHEREAS, the Budget Ordinance requires the Authority Board to approve or
13 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
16 notice and input; and

17 WHEREAS, appropriations for the Capital Implementation Program of the
18 Albuquerque Bernalillo County Water Utility Authority must be approved by the Board;
19 and

20 WHEREAS, the appropriation of these Capital Implementation Program funds to
21 projects with their respective purposes are timely and necessary for the Albuquerque
22 Bernalillo County Water Utility Authority to serve its customers.

23 BE IT RESOLVED BY THE AUTHORITY:

24 Section 1. That the appropriations for the projects as stated below are hereby
25 made.

26

27 Purpose Source Increase

28 Basic Program

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

1	<u>Valley Projects Fund 627</u>		
2	Valley Low Income W/S Connections	Transfer from Fund 631	400,000
3	<u>Water Utility / Joint Water & Sewer Rehab Fund 628</u>		
4	<u>Sanitary Sewer Pipeline Renewal</u>		
5	Interceptor Sewer Rehabilitation	Bond Proceeds	3,000,000
6	Small Diameter Sewer Line		
7	Rehabilitation	Bond Proceeds	1,500,000
8	Sewer Line CCTV Inspections	Bond Proceeds	500,000
9	<u>Drinking Water Pipeline Renewal</u>		
10	Small Diameter Water Line		
11	Rehabilitation	Bond Proceeds	2,500,000
12	Large Diameter Water Line		
13	Rehabilitation	Bond Proceeds	500,000
14	Water Service Line Replacement	Bond Proceeds	5,000
15	Water Meter Box Replacement	Bond Proceeds	5,000
16	Water Meter Replacement	Bond Proceeds	240,000
17	Large Water Valve Replacement	Bond Proceeds	250,000
18	Pressure Reducing Valve		
19	Replacement	Bond Proceeds	200,000
20	<u>Southside Water Reclamation Plant Renewal</u>		
21	Preliminary Treatment Facility		
22	Replacement	Bond Proceeds	2,400,000
23		Transfer from Fund 621	4,000,000
24	Dewatering Facility Replacement	Bond Proceeds	2,400,000
25		Transfer from Fund 621	4,000,000
26	Digester Rehabilitation, Capacity		
27	And Gas Improvements	Bond Proceeds	250,000
28	Primary Clarifier Improvements	Bond Proceeds	450,000
29	DAF Rehabilitation	Bond Proceeds	660,000
30	In-House Plant Projects	Bond Proceeds	500,000
31	ABB Service Contract	Bond Proceeds	140,000
32	ABB SCADA Upgrade	Bond Proceeds	200,000
33	<u>Lift Station and Vacuum Station Renewal</u>		

[+Bracketed Material+] - New
 [-Bracketed Material-] - Deletion

1	Lift Station Rehabilitation	Bond Proceeds	330,000
2	Lift Station Radio Replacement	Bond Proceeds	140,000
3	Lift Station Programmable Logic		
4	Controller Replacement	Bond Proceeds	120,000
5	<u>Drinking Water Plant Renewal</u>		
6	Annual Sodium Hypochlorite Generator		
7	System Rehabilitation / Replacement	Bond Proceeds	130,000
8	Annual Well and Booster Pump Station		
9	Rehabilitation and Maintenance	Bond Proceeds	1,450,000
10	Water Treatment Plant Rehab	Bond Proceeds	50,000
11	Solids Drying Beds Improvements	Bond Proceeds	50,000
12	Grit Removal Basin Improvements	Bond Proceeds	50,000
13	Dissolved Ozone Monitoring		
14	Improvements	Bond Proceeds	250,000
15	Diversion Bar Screen Improvements	Bond Proceeds	500,000
16	Settling Basin Edge Protection	Bond Proceeds	50,000
17	Lomas Reservoir No. 2 Rehabilitation	Bond Proceeds	310,000
18	Water Treatment Plant SCADA Control		
19	Upgrade	Bond Proceeds	100,000
20	College Reservoir Rehab	Bond Proceeds	220,000
21	College Arsenic Removal Demonstration		
22	Facility Rehab	Bond Proceeds	50,000
23	Corrales Trunk System Reliability		
24	Improvements	Bond Proceeds	200,000
25	Corrales Trunk Gas Engine Overhauls	Bond Proceeds	50,000
26	Asset Management Plan for Wells	Bond Proceeds	250,000
27	<u>Compliance</u>		
28	Water Quality Laboratory	Bond Proceeds	295,000
29	NPDES Program	Bond Proceeds	155,000
30	Water Quality Program	Bond Proceeds	150,000
31	<u>Shared Renewal</u>		
32	Franchise Fee Compliance	Bond Proceeds	1,000,000
33	CIP Funded Position Transfer	Bond Proceeds	400,000

1	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
2	Warehouse Meters	Transfer from Fund 631	500,000
3	Development Agreements	Transfer from Fund 631	295,000
4	MIS / GIS	Transfer from Fund 631	1,200,000
5	Vehicle Replacements	Transfer from Fund 631	300,000
6	Utility Risk Reduction / GPS	Transfer from Fund 631	5,000
7	Integrated Master Plan	Transfer from Fund 631	300,000
8	<u>Special Projects</u>		
9	<u>Water Utility / Joint Water & Sewer Rehab Fund 628</u>		
10	Automatic Meter Reading	Bond Proceeds	2,000,000
11	Steel Water Line Replacement	Bond Proceeds	1,000,000
12	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
13	ERP Financial Systems Project	Bond Proceeds	2,000,000
14	<u>Water Resource Management Strategy Projects</u>		
15	<u>Water Utility / Joint Water & Sewer Fund 629</u>		
16	San Juan Chama Drinking Water	Bond Proceeds	2,300,000
17	San Juan Chama Mitigation	Bond Proceeds	1,700,000
18			
19			

Meeting Date: May 23, 2012
Staff Contact: Chris Framel, Chief Information Officer

TITLE: WUA C-12-8 - Recommendation of Award, Software and Implementation Services for an Enterprise Resource Planning System (ERP), P2012000021

ACTION: Recommend Approval

SUMMARY:

The Water Authority issued a Request for Proposals (RFP) for Software and Implementation Services for an Enterprise Resource Planning System (ERP) in February of this year. The City Purchasing Division issued the subject RFP on behalf of the Water Authority. The RFP was posted on the Sicom website and advertised in the local newspapers. Six (6) responses were submitted for evaluation. An ad hoc evaluation committee appointed by the Executive Director, reviewed, evaluated, and scored the response in accordance with the evaluation criteria published in the RFP. The ad hoc evaluation committee selected the top two scoring companies, Ciber and SunGard, to make presentations to the committee as well as Water Authority staff. After completing the presentations, and question and answer sessions, the ad hoc evaluation committee rescored the responses of the top two respondents in accordance with the evaluation criteria published in the RFP. Listed below are the composite scores of Ciber and SunGard after the rescoring.

<u>Offeror</u>	<u>Total Composite Score</u>
Ciber	4453
SunGard	5540

The committee recommended the award of contract to SunGard as that company had the highest composite score and is qualified to perform the work. The Executive Director concurs with the committee recommendation. The Board, with the approval of the recommendation of SunGard, authorizes for the Executive Director to enter into contract negotiations with SunGard for the implementation of an Enterprise Resource Planning System.

FISCAL IMPACT:

The estimated cost of this contract is approximately \$2 million over a two year period. Funding for this contract is included in the Water Authority's FY 2013 Capital Implementation Program (CIP) budget.

COMMENTS:

The Water Authority currently uses multiple systems to support administrative business processes related to finance, time and labor, payroll, personnel, purchasing, utility billing

and maintenance management, although they rely primarily on the City of Albuquerque's PeopleSoft system to administer their finance, payroll, and purchasing functions, internally developed systems support the majority of the human resource functions. Most of the tasks and key processes at the Water Authority rely on numerous Microsoft Excel spreadsheets and other shadow systems that result in the frequent development of silos of fragmented information. These independent data sources lead to a significant amount of redundant data entry and make reporting and data analysis difficult. In some cases, different modules of the same system are not integrated.

The Water Authority engaged the Government Finance Officers Association (GFOA) to conduct an analysis of its systems including developing process maps for most of the administrative functions included in the scope of RFP. In addition GFOA assisted in the development of the RFP and evaluation of the proposals that resulted from the RFP.

Preliminary findings for this project confirmed that the Water Authority could achieve significant organizational benefits by installing an integrated ERP system that interfaces to existing timekeeping, billing and asset management systems. The analysis demonstrated that existing systems and processes are unable to support the Water Authority's short and long term goals and revealed the following:

- The Water Authority is looking to implement its own enterprise system independent of the City of Albuquerque's PeopleSoft installation.
- The Water Authority relies on systems that are not integrated.
- The Water Authority needs to eliminate fragmented data.
- The Water Authority has limited access to robust end-user reporting capabilities.
- Systems lack the availability of real-time data.
- Existing systems lack web-based capabilities.
- Although the current Human Resource Management system is functional it lacks integration to the finance and payroll functions; an integration that is highly desirable to the Water Authority.
- Current systems are currently not reconciled in a timely manner leading to delays in the development of the CAFR and other mission critical reports.
- The Water Authority needs to provide information (ad hoc reports) to executives/management for decision support.
- The Water Authority needs to eliminate processes that are manually intensive.
- The Water Authority needs to eliminate duplicate data entry processes into multiple systems.
- The Water Authority lacks the ability to analyze data and forecast adequately based on data in the system(s).

The implementation of its own ERP system will enable the Water Authority to better address its financial and human resources information and process needs.

The ad hoc committee recommendation of award and scoring is attached.



Memo

To: Mark Sanchez, Executive Director
From: Trina Mooneyham, Applications Manager
Date: 04/15/2012
Re: Recommendation of Award, P2012000021, Software and Implementation Services for Enterprise Resource Planning System (ERP)

The Albuquerque Bernalillo County Water Utility Authority issued the referenced Request for Proposals (RFP) to solicit proposals from qualified vendors to provide software and implementation services for an Enterprise Resource Planning System (ERP).

The RFP was posted on the Sicomm website and advertised in the local newspaper. Six (6) responses were submitted for evaluation. The Ad Hoc evaluation committee reviewed, evaluated, and scored the responses in accordance with the evaluation criteria published in the RFP. The committee selected the top two scoring companies, Ciber and SunGard, for presentations and to provide answers to previously submitted questions. After the presentations, requests for clarification were made to both vendors to address issues that were identified during the demonstrations.

I concur with the committee's recommendation for presentations and questions. Listed are all the respondents' composite scores. The largest total composite score possible is 6,000 points.

<u>Offeror</u>	<u>Total Composite Score</u>
Ciber	4623
Denovo	4026
Dinero	3778
Sparta	2662
SunGard	4466
Tyler	3781

After completing the presentations, and the question and answer sessions, the ad hoc evaluation committee rescored the responses of the top two respondents in accordance with the evaluation criteria published in the RFP. Listed below are the composite scores of Ciber and SunGard after the rescoring.

Offeror

SunGard

Ciber

Total Composite Score

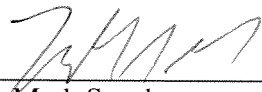
5540

4453

The committee recommended the award of the contract to SunGard as that company had the highest composite score and is qualified to perform the work. I concur with the committee's recommendation.

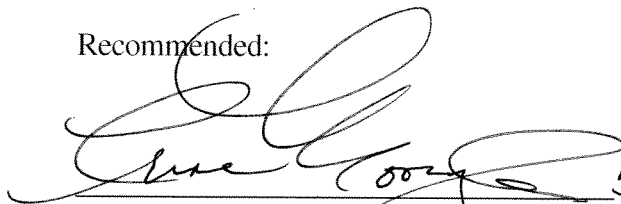
Water Authority Board approval is required for this procurement. Negotiations with the vendor shall begin immediately upon your approval.

Approved:

 5/16/12

Mark Sanchez Date
Executive Director

Recommended:

 5-16-12

Trina Mooneyham Date
Applications Manager

Attachment: Composite Score Sheet

Original: Thomas Courtin, Senior Buyer, ABCWUA, DFAS
Copy: Ramona Martinez, Materials Management Officer, COA DFAS
File: P2012000021

Enterprise Resource Planning System (ERP)

FINAL EVALUATION

P2012000021

EVALUATOR	EVALUATION CRITERIA	EVALUATION FACTORS	OFFERORS		
			Ciber	Sun Gard	
TM	Experience and qualifications of the Offeror and personnel as shown on staff resumes to perform tasks described in Part 3, Scope of Services. The Offeror's past performance on projects of similar scope and size.	Up to 100	75	100	
CF			85	95	
SA			100	100	
TO			75	70	
CW			75	80	
JB			90	100	
SUB TOTAL			500	545	
TM	This includes the adequacy of proposed project management methods and detailed plans to meet the objectives of each task, activity, etc. as it relates to meeting those items defined in Part 3, Scope of Services. The overall ability of the Offeror, as judged by the evaluation committee, to successfully complete the project while mitigating risk. This judgment will be based upon factors such as the project management plan and availability of staff and resources.	Up to 300	275	275	
CF			275	225	
SA			250	280	
TO			250	275	
CW			250	250	
JB			200	280	
SUB TOTAL			1500	1585	
TM	Offeror's response follows the Water Authority response requirements, is complete, coherent, legible, and responsive. Ad Hoc Committee is able to evaluate the response easily.	Up to 400	325	390	
CF			300	375	
SA			300	380	
TO			325	350	
CW			325	335	
JB			350	380	
SUB TOTAL			1925	2210	
SUB TOTAL TECHNICAL SCORE			3925	4340	
TM	Cost Proposal – The costs proposed by the Contractor as described in Section 2.2 of this RFP to perform the tasks listed in Part 3, Scope of Services. The evaluation of this section will occur after the technical evaluation, based on a cost / price analysis.	Up to 200	88	200	
CF			88	200	
SA			88	200	
TO			88	200	
CW			88	200	
JB			88	200	
SUB TOTAL			528	1200	
SUB TOTAL COMPOSITE SCORE			Up to 6,000	4453	5540
5% LOCAL BUSINESS PREFERENCE			0.0	0.0	
5% SMALL BUSINESS PREFERENCE			0.0	0.0	
TOTAL COMPOSITE SCORE			4453.0	5540.0	

Enterprise Resource Planning System (ERP)
P2012000021

EVALUATOR	EVALUATION CRITERIA	EVALUATION FACTORS	OFFERORS					
			Ciber	Denovo	Dinero	Sparta	Tyler	Sun Gard
TM	Experience and qualifications of the Offeror and personnel as shown on staff resumes to perform tasks described in Part 3, Scope of Services. The Offeror's past performance on projects of similar scope and size.	Up to 100	75	85	85	75	75	75
CF			90	90	80	75	60	90
SA			95	90	75	60	50	90
TO			85	80	50	60	50	80
CW			80	75	65	50	60	75
JB			85	50	50	50	95	95
	SUB TOTAL		510	470	405	370	390	505
TM	This includes the adequacy of proposed project management methods and detailed plans to meet the objectives of each task, activity, etc. as it relates to meeting those items defined in Part 3, Scope of Services. The overall ability of the Offeror, as judged by the evaluation committee, to successfully complete the project while mitigating risk. This judgment will be based upon factors such as the project management plan and availability of staff and resources.	Up to 300	275	200	175	225	150	150
CF			275	275	250	200	200	200
SA			280	280	250	210	200	200
TO			275	200	200	250	125	175
CW			250	175	200	175	150	150
JB			250	150	200	150	250	250
	SUB TOTAL		1605	1280	1275	1210	1075	1125
TM	Offeror's response follows the Water Authority response requirements, is complete, coherent, legible, and responsive. Ad Hoc Committee is able to evaluate the response easily.	Up to 400	380	350	200	100	210	290
CF			375	300	250	150	250	300
SA			380	290	230	100	260	310
TO			350	325	250	100	200	325
CW			325	325	250	100	200	325
JB			350	200	300	250	350	380
	SUB TOTAL		2160	1790	1480	800	1470	1930
	SUB TOTAL TECHNICAL SCORE		4275	3540	3160	2380	2935	3560
TM	Cost Proposal – The costs proposed by the Contractor as described in Section 2.2 of this RFP to perform the tasks listed in Part 3, Scope of Services. The evaluation of this section will occur after the technical evaluation, based on a cost / price analysis.	Up to 200	58	81	103	47	141	151
CF			58	81	103	47	141	151
SA			58	81	103	47	141	151
TO			58	81	103	47	141	151
CW			58	81	103	47	141	151
JB			58	81	103	47	141	151
	SUB TOTAL		348	486	618	282	846	906
	SUB TOTAL COMPOSITE SCORE	Up to 6000	4623	4026	3778	2662	3781	4466
	5% LOCAL BUSINESS PREFERENCE		0.0	0.0	0.0	0.0	0.0	0.0
	5% ADDITIONAL SMALL BUSINESS PREFERENCE		0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL COMPOSITE SCORE		4623.0	4026.0	3778.0	2662.0	3781.0	4466.0



Meeting Date: May 23, 2012

Staff Contact: Allan Porter, Principal Engineer, Utility Development

TITLE: R-12-12 - Authorizing an Agreement with Eagle Vista LLC for the 9641 Eagle Ranch Road Apartment Complex for Water and Sewer Service

ACTION: Recommend Approval

SUMMARY:

Eagle Vista LLC desires to develop a 200 unit apartment complex on a site just north of the Eagle Ranch Rd. and Irving Blvd. intersection. The site is located outside the Water Authority service area. Eagle Vista has requested water and sewer service from the Water Authority. Water service to the development will require the construction of on-site public water lines within a dedicated public water line easement. Sewer service to the site will be via a private collection line that discharges to the public system. A Development Agreement is required to allow the proposed work to proceed. All costs of required infrastructure will be borne by the Eagle Ranch LLC, and there will be no reimbursement by the Water Authority for the water and sewer infrastructure constructed.

This proposed development agreement outlines the terms and conditions to enable this project to proceed, and is recommended for Board approval.

FISCAL IMPACT:

None

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-12-12

1 **RESOLUTION**

2 **AUTHORIZING AN AGREEMENT WITH EAGLE VISTA LLC FOR THE 9641 EAGLE**
3 **RANCH ROAD APARTMENT COMPLEX FOR WATER AND SEWER SERVICE.**

4 WHEREAS, Eagle Vista LLC is proposing to construct a 200 unit apartment
5 complex located at 9641 Eagle Ranch Road NW; and

6 WHEREAS, the property which is located outside the service area of the Water
7 Authority will require a service agreement for the extension and/or connection of water
8 and sewer lines to the Water Authority's water and sewer system; and

9 WHEREAS, the Water Authority's Water and Wastewater System Expansion
10 Ordinance requires that new service developed outside the Water Authority's service
11 area will incur no net expense to the Water Authority and be subject to provisions of
12 relevant updated planning documents as approved by the City and/or County; and
13 BE IT RESOLVED BY THE WATER AUTHORITY:

14 Section 1. Eagle Vista LLC will obtain all permits, assurances, and approvals
15 from the Water Authority and the City of Albuquerque development/design review
16 process. Construction of water and sewer lines shall be in conformance with the plans
17 approved by the Water Authority and all applicable plans, specifications, requirements,
18 and standards of the Water Authority.

19 Section 2. The expansion of the System shall incur no net expense to the Water
20 Authority. Eagle Vista LLC will convey at no expense to the Water Authority, all
21 necessary real property and grant all easements to the Water Authority free and clear of
22 all liens, claims, and encumbrances for the construction, operation, and maintenance of
23 the system. Eagle Vista LLC will be responsible for paying a Water Supply Charge in
24 accordance with the System Expansion Ordinance.

25 Section 3. Eagle Vista LLC will be responsible for close coordination of the
26 project with the Water Authority during the design and construction phases, including
27 the review of the design details during the design process, and the approval of
28 specifications and contract documents.

- 1 Section 4. The Executive Director is authorized to enter into the agreement with
- 2 Eagle Vista LCC attached as “Exhibit 1” for the provision of water and sewer service.

**AGREEMENT
Eagle Vista Apartments**

Albuquerque Bernalillo County Water Utility Authority, a New Mexico political subdivision (“Water Authority”) and Eagle Vista, LLC, a New Mexico limited liability company (“The Owner”), agree as follows:

1. Recitals

- A.** The Owner is the developer of certain real property located at 9641 Eagle Ranch Road N.W. (the “Property”), more particularly described and as shown on **Exhibit A** attached hereto and incorporated herein by reference. The Property is located outside the Water Authority’s current Service Area.
- B.** The Owner desires to construct two hundred (200) apartment units consisting of seven 3-story structures as well as a community building with a swimming pool on the Property.
- C.** In order to provide water and waste water service to the Property, the Owner desires to construct, or cause to be constructed extensions of public water lines (“Improvements”) under all relevant plans, specifications, requirements, and standards of the Water Authority. The Serviceability Statement (#120203), for the Property reflecting the line extension and other matters referred to in this Agreement is attached hereto as **Exhibit B** and incorporated herein by reference.
- D.** The water line extension referenced in this Agreement is not considered a Master Plan waterline by the Water Authority. As such, reimbursement of construction costs associated with this waterline extension will not be eligible for UEC reimbursement

2. Design and Construction of the Waterline Improvements

- A.** The Owner will cause definitive designs and plans for the Improvements to be produced which will include estimates of all costs and expenses. The necessary Improvements will be determined by the Water Authority prior to the approval for the Owner to connect to the existing waterline and sanitary sewer line. The Owner will convey, at no expense to the Water Authority, all necessary easements to the Water Authority at locations reasonably acceptable to The Owner, free and clear of all liens, claims, and encumbrances for the construction, operation, and maintenance of the Improvements. The Owner will obtain all necessary permits, assurances, and approvals from the Water Authority and Bernalillo County, and The Owner will deliver a copy of such conveyances, permits, assurances, and approvals to the Water Authority prior to the start of construction
- B.** The Owner will complete, or cause to be completed, construction of the Improvements, approved by Bernalillo County Public Works and the Water

Authority, and in conformance with all applicable plans, specifications, and standards of the County and the Water Authority.

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

3. Service

- A. The Owner shall comply with the Water Authority's Water and Sewer System Expansion Ordinance, as amended from time to time. Connection for water service shall require concurrent sewer service connection to the Water Authority's wastewater system.
- B. The Owner will extend public water lines and all required appurtenances onsite from Irving Blvd to Eagle Ranch Road NW. The Owner will also build a private sewer collection system which will discharge to the sanitary sewer line in Eagle Ranch Road NW near the intersection with Westside Drive NW.
- C. The Owner shall pay Utility Expansion Charges ("UECs") and the Water Supply Charges ("WSCs") at the rates that are imposed at the time of a service connection, as provided in the Water Authority's Water and Sewer Rate Ordinance, as amended from time to time.
- D. Pursuant to Water Authority Resolution No. R-05-13, The Owner agrees that it shall incorporate Water Authority conservation guidelines and will participate in Water Authority conservation programs.

- 4. Termination.** If construction of the waterline and sanitary sewer modifications by The Owner has not been completed and accepted by the Water Authority within seven (7) years of the effective date of this Agreement, this Agreement shall automatically terminate, and the Water Authority and The Owner shall have no further rights, obligations, or liabilities with respect to this Agreement, unless otherwise agreed in writing.

- 5. Water for Construction.** During the construction of the Connection to the waterline and sanitary sewer line, water for construction may be obtained from a hydrant designated by the Water Authority as set forth on **Exhibit C** attached hereto and incorporated herein by reference. If economically feasible, the Contractor is encouraged to utilize alternative methods for dust abatement and control including compost from the Water Authority.
- 6. Indemnification.** The Owner will indemnify and hold harmless the Water Authority and its officials, agents, and employees on demand from any claims, actions, suits, or other proceedings arising from the acts or omissions of the Owner, its agents, representatives, contractors, or subcontractors, or arising from the failure of the Owner, its agents, representatives, contractors, or subcontractors to perform any act or duty required of the Owner in this Agreement. The indemnification by the Owner will not extend to the negligent acts of the Water Authority.
- 7. Representations and Warranties of the Owner.** The Owner represents and warrants that:
- A. The Owner is a validly existing limited liability company under the laws of the State of New Mexico.
 - B. The Owner has all the requisite power and authority to enter into this Agreement and bind the Owner under the terms of the Agreement; and
 - C. The undersigned officer of the Owner is fully authorized to execute this Agreement on behalf of the Owner.
- 8. Notices.** Any notice to be given under this Agreement will be in writing and will be deemed to have been given when deposited with the United States Postal Service, postage prepaid and addressed as follows:
- If to the Water Authority:
- Mark S. Sanchez
Executive Director
Albuquerque Bernalillo County
Water Utility Authority
One Civic Plaza, Room 5012
Albuquerque, New Mexico 87102
- If to the Owner:
- Eagle Vista, LLC
Attn: Brad B. Allen
2440 Louisiana Blvd NE, Suite 280
Albuquerque, NM 87110
- 9. Assignment.** This Agreement will not be assigned without the prior written consent of the Water Authority and the Owner.

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

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

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

13. Effective Date. The effective date of this Agreement is the date last entered below.

In Witness Whereof, the parties hereto have executed this Agreement on the dates entered below.

**Albuquerque Bernalillo County
Water Utility Authority**

Eagle Vista, LLC

By: _____
Mark S. Sanchez
Executive Director

By: _____
Brad B. Allen
Managing Member

Date: _____

Date: _____

ACKNOWLEDGEMENTS

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on _____, 2012 by Brad B. Allen, managing member of Eagle Vista, LLC, a New Mexico limited liability company, on behalf of said Corporation.

Notary Public

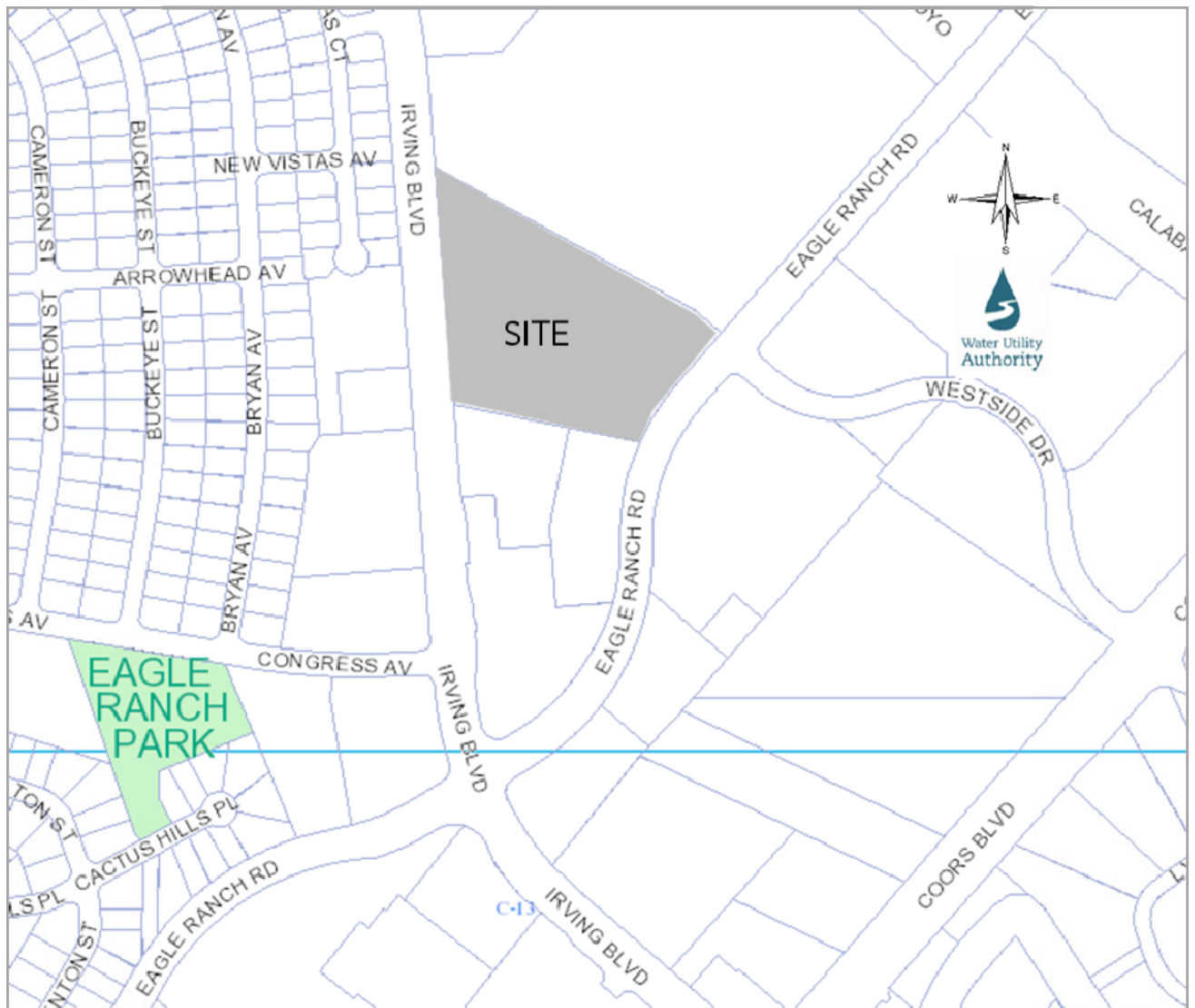
My Commission Expires:

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on _____, 2012 by Mark S. Sanchez, Executive Director of the Albuquerque Bernalillo County Water Utility Authority, a New Mexico political subdivision.

Notary Public

My Commission Expires:



**Eagle Vista LLC Development Agreement
Exhibit A – Site Map**

March 5, 2012

Chair

Ken Sanchez
City of Albuquerque
Councilor, District 1

Vice Chair

Wayne Johnson
County of Bernalillo
Commissioner, District 5

Richard J. Berry
City of Albuquerque
Mayor

Art De La Cruz
County of Bernalillo
Commissioner, District 2

Rey Garduño
City of Albuquerque
Councilor, District 6

Maggie Hart Stebbins
County of Bernalillo
Commissioner, District 3

Trudy E. Jones
City of Albuquerque
Councilor, District 8

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

Executive Director
Mark S. Sanchez

Website
www.abcwua.org

Scott M. McGee, P.E.
Scott M. McGee, P.E. LLC
9700 Tanoan Dr. NE
Albuquerque, NM 87111

**RE: Water and Sanitary Sewer Availability Statement #120203
Cottonwood Pointe-Lot C - Zone Atlas Map: B-13**

Dear Mr. McGee:

Project Information: The subject site is ±6.7 acres of an undeveloped parcel located between Irving Blvd. and Eagle Ranch Road, just north of the Irving and Eagle Ranch intersection. The site is currently zoned SU-1 and lies in the 1W pressure zone within the Corrales trunk, within the City of Albuquerque limits. The request proposes the construction of approximately 200 apartment units.

Existing Conditions: Water infrastructure in the area includes an eight inch line on site, an eight inch line in Eagle Ranch and a 16 inch line in Irving. Sanitary sewer infrastructure in the area includes an eight inch line on-site, an eight inch line in Eagle Ranch and an eight inch line in Irving.

Development Agreement: Pursuant to the System Expansion Ordinance, this property is outside of the Water Authority service area and the Water Authority Board must approve a Development Agreement to serve this property and establish requirements as a condition of service. Contact the Utility Development Office for draft Development Agreements.

Service: New metered water and sewer service is available to the site via one of two options. Service is available to the site contingent upon construction of new public water and sewer lines within the complex or via a single master meter and fallout for sanitary sewer, with private internal water and sewer lines. Service is also contingent upon compliance with the Fire Marshal's fire flow requirements. Service will not be sold without adequate fire protection. Water service will only be sold in conjunction with sewer service.

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

Fire Protection: A review of the final site plan will be necessary to ensure compliance with the Fire Marshal's distance requirements. All required hydrants as well as their

Exhibit B

Scott M. McGee, P.E.
Scott M. McGee, P.E. LLC
March 5, 2012
Page 2

exact locations must be determined through the Fire Marshal's Office and verified through the Utility Development Office prior to sale of service.

Design and Construction of all required improvements will be at the developer/property owner's expense and must be coordinated through the City Of Albuquerque and Water Authority Design Review Process. Designs must be done by a New Mexico Registered Professional Engineer. Construction of all public improvements must be by a licensed, bonded, public utility contractor.

Costs and Fees: Water and sanitary sewer service accounts must be established with New Services at 924-3920. In addition to installation and construction costs, each metered water service will be subject to water and sanitary sewer Utility Expansion Charges (UEC) payable at the time of service application. All charges and rates collected will be based on the ordinances and policies in effect at the time service is actually requested and authorized.

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

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

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

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

Sincerely,



Mark S. Sanchez
Executive Director

Encl: Site and Infrastructure Maps (3)
f/ Availability B-13

Exhibit B

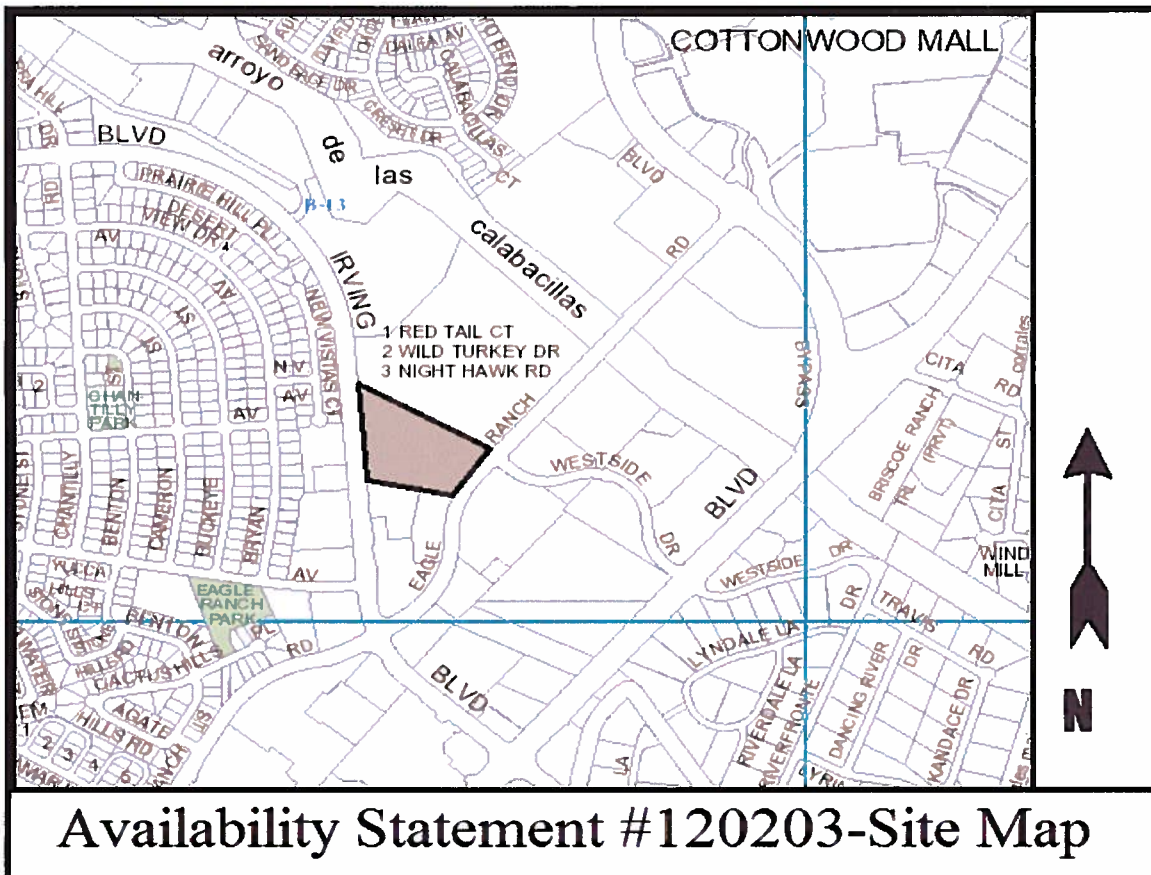


Exhibit B

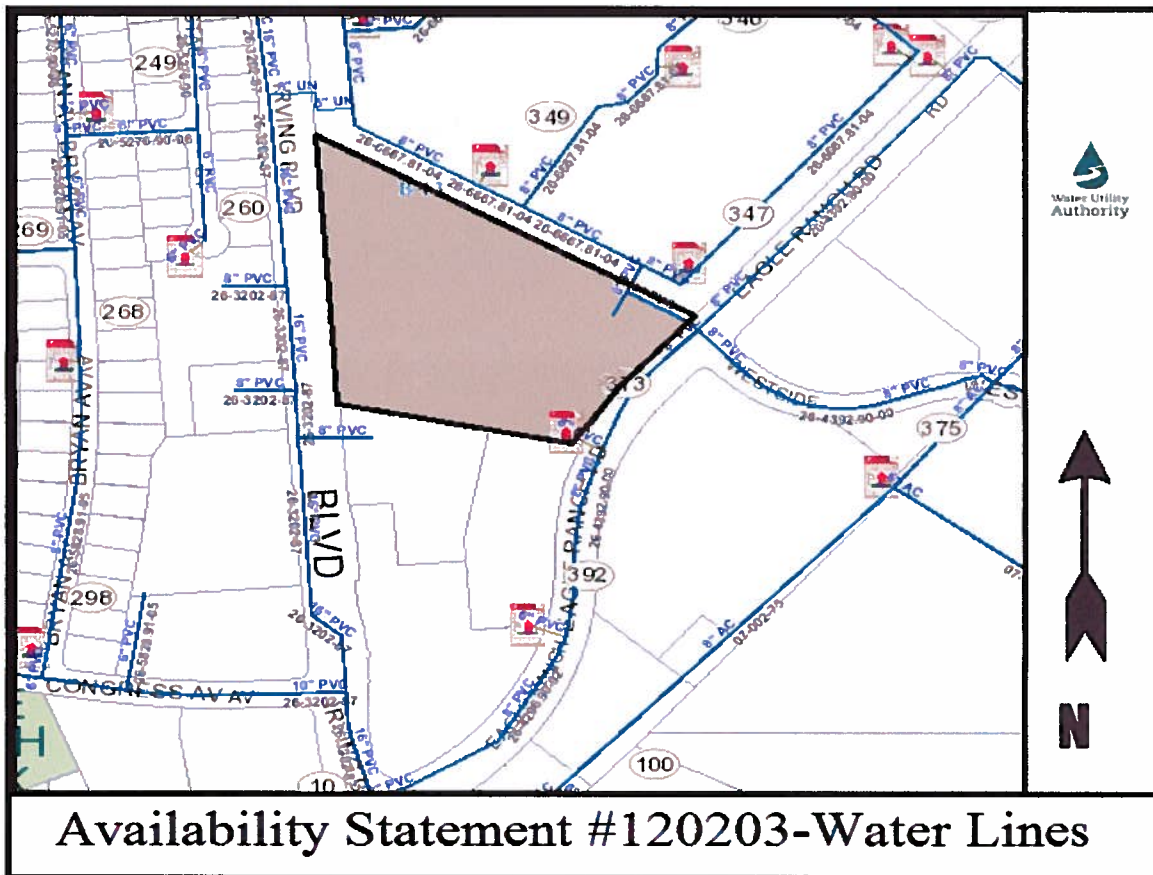
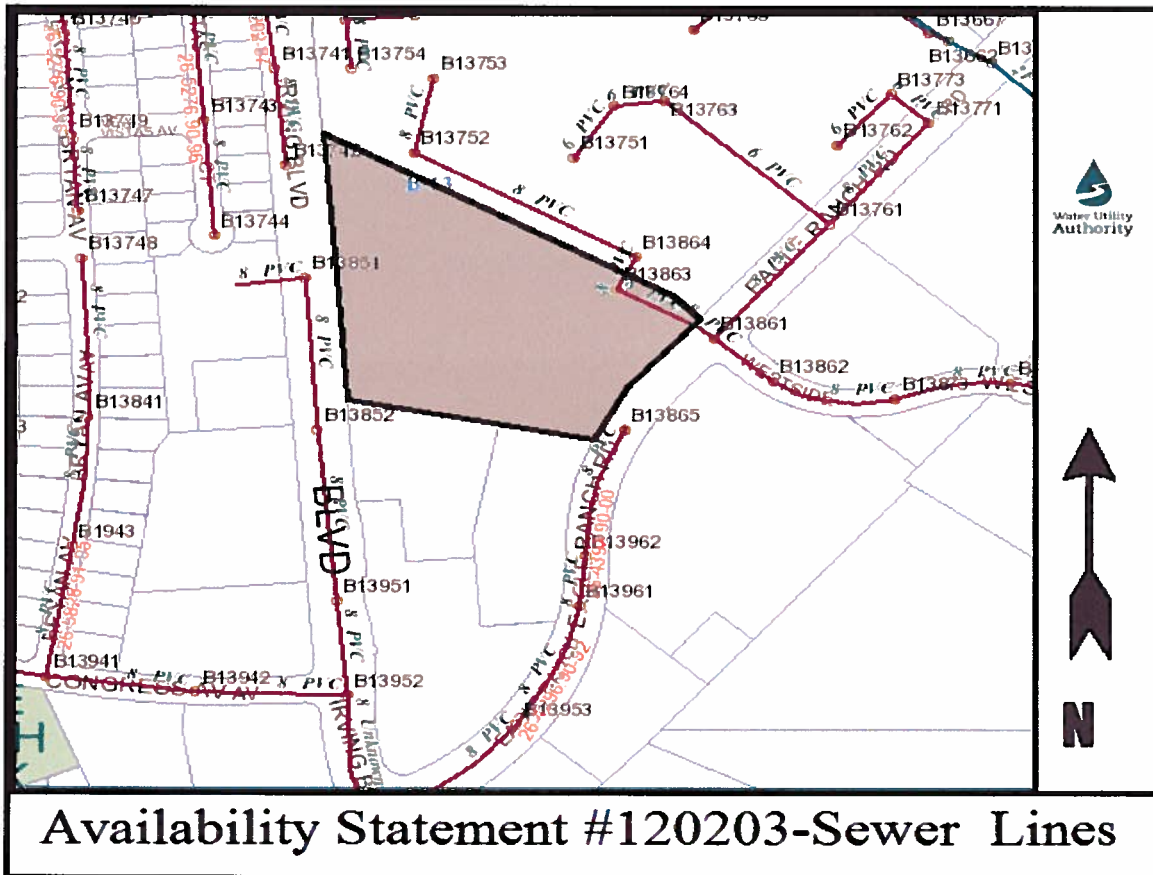
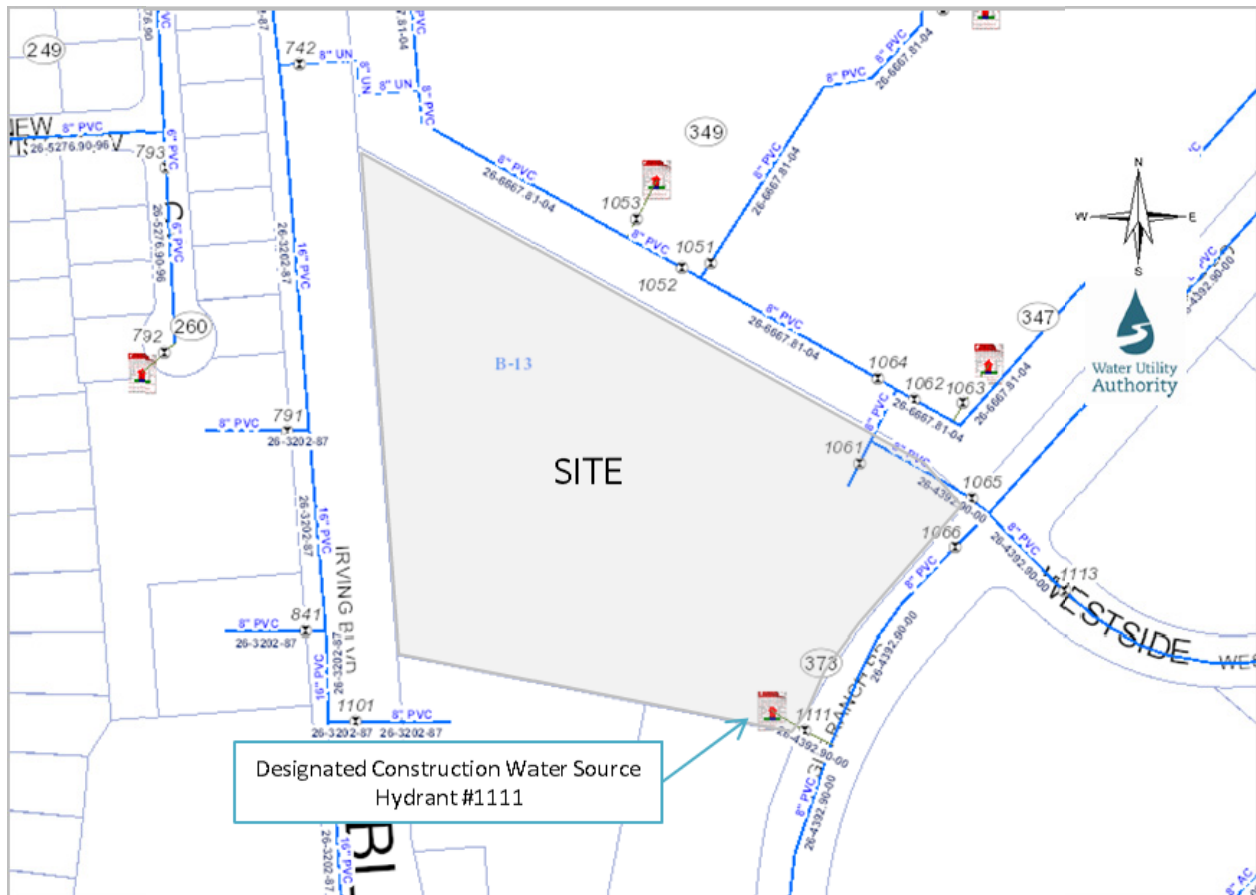


Exhibit B





**Eagle Vista LLC Development Agreement
Exhibit C – Water for Construction
Designated Hydrant**

DROUGHT AND WATER USE UPDATE

Water Authority Board

May 23, 2012



Albuquerque Bernalillo County
Water Utility Authority

U.S. Drought Monitor

New Mexico

May 15, 2012

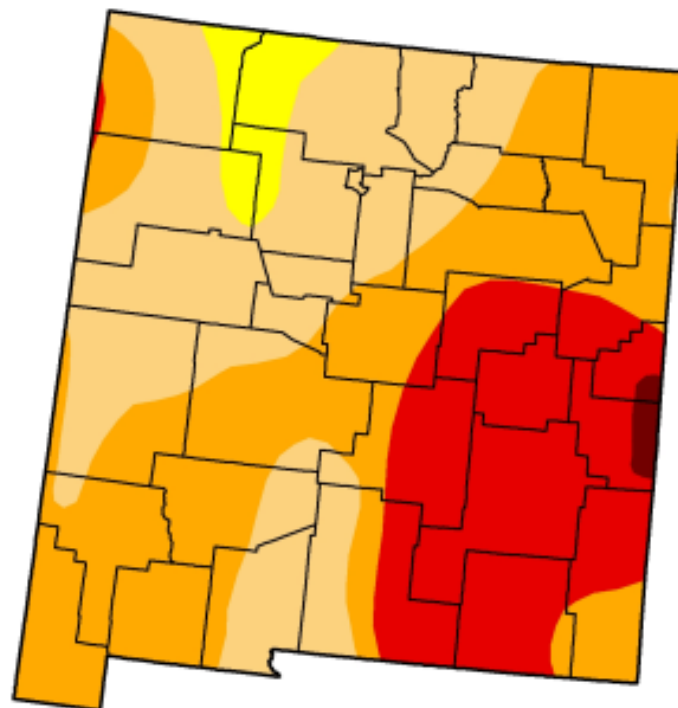
Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	96.20	62.63	23.99	0.67
Last Week (05/08/2012 map)	0.00	100.00	96.20	68.67	27.26	3.49
3 Months Ago (02/14/2012 map)	11.69	88.31	81.50	59.57	24.79	8.13
Start of Calendar Year (12/27/2011 map)	8.63	91.37	87.60	72.15	23.37	7.57
Start of Water Year (09/27/2011 map)	0.00	100.00	96.40	88.99	69.61	35.13
One Year Ago (05/10/2011 map)	0.00	100.00	96.59	87.36	61.02	30.14

Intensity:

 D0 Abnormally Dry	 D3 Drought - Extreme
 D1 Drought - Moderate	 D4 Drought - Exceptional
 D2 Drought - Severe	



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu>



Released Thursday, May 17, 2012
Brad Rippey, U.S. Department of Agriculture



Albuquerque Bernalillo County
Water Utility Authority

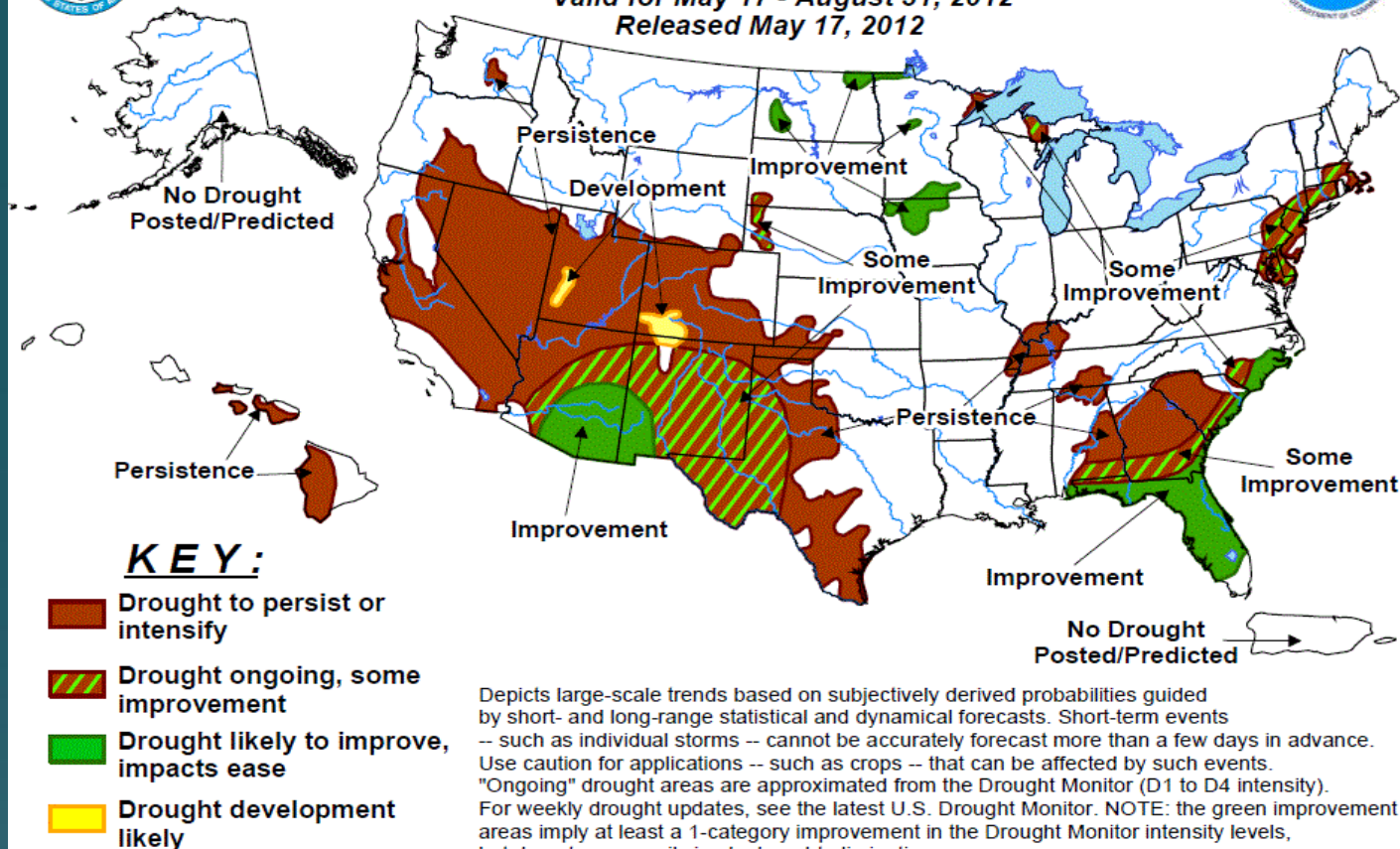


U.S. Seasonal Drought Outlook

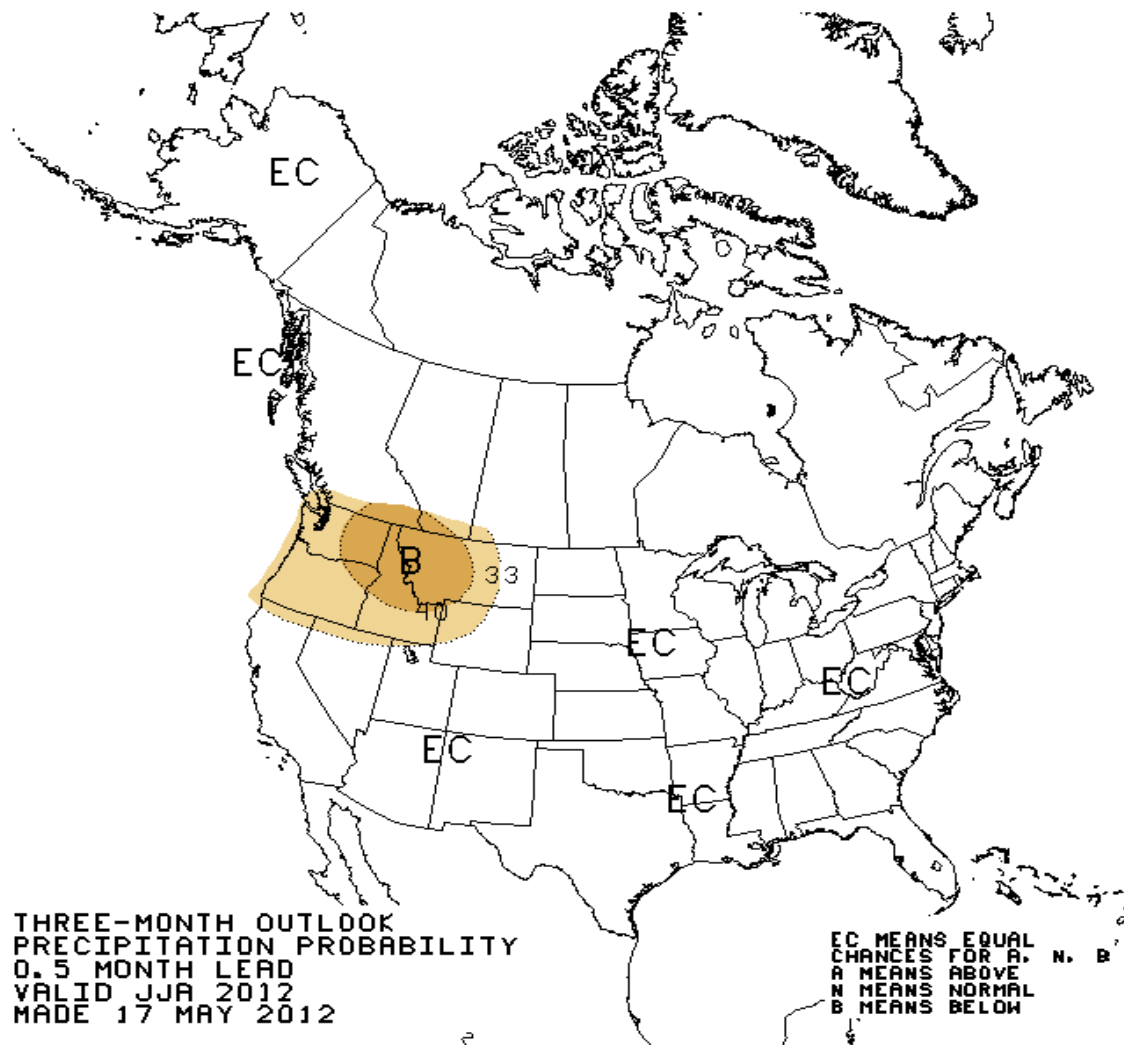
Drought Tendency During the Valid Period

Valid for May 17 - August 31, 2012

Released May 17, 2012

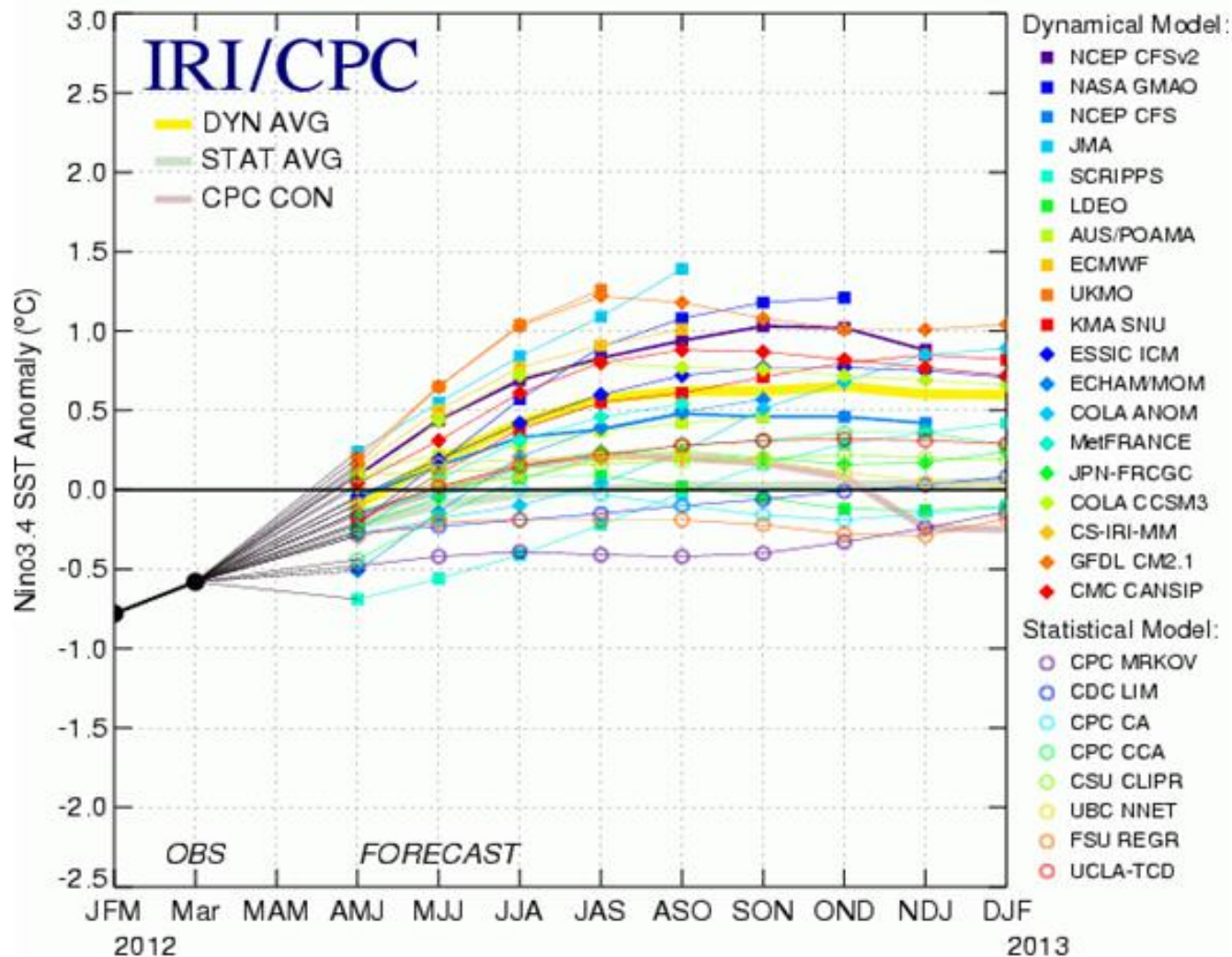


Albuquerque Bernalillo County
Water Utility Authority

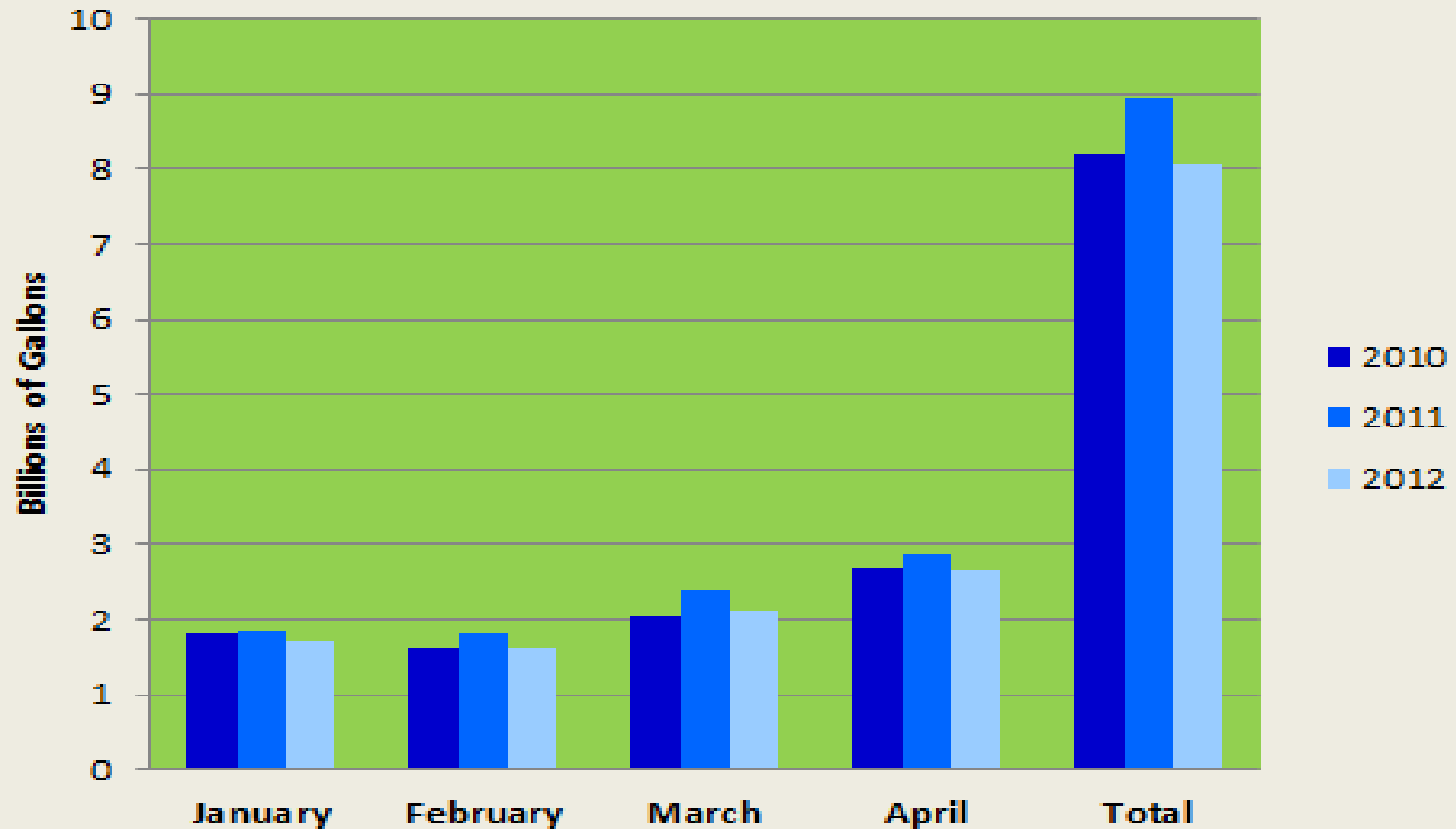


Albuquerque Bernalillo County
Water Utility Authority

Mid-Apr 2012 Plume of Model ENSO Predictions



Water Authority Monthly Water Production 2010, 2011 and 2012



Albuquerque Bernalillo County
Water Utility Authority