
Meeting Date: August 23, 2017
Staff Contact: Frank Roth, Senior Policy Manager

TITLE: R-17-12 – Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Carnuel Water Systems Improvement Project Phase 2b

ACTION: Recommend Approval

SUMMARY:

This resolution authorizes the Water Authority to submit an application for financial assistance and project approval for \$1 million to the New Mexico Finance Authority (NMFA) for the Carnuel Water System Improvements Project. This funding would construct waterlines in the Phase 2b project area which is in the defined High Priority area. If the project and funding are approved by the NMFA, the project would be ready to bid and could be completed in approximately one year.

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

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

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

The Water Authority will own and operate the system. Residents who connect to the system will pay Water Authority Ordinance rates and fees. System expansion is guided by the Bernalillo County Tijeras Canyon/Carnuel Plan which identifies priority areas for water and wastewater service.

FISCAL IMPACT:

Total project cost is estimated to be \$1,000,000. The Water Authority will be required to provide a 25% local match or \$250,000. The loan component will be financed through water connection fees.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-17-12

1 **RESOLUTION**
2 **AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION**
3 **FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO**
4 **FINANCE AUTHORITY FOR THE CARNUEL WATER SYSTEMS IMPROVEMENT**
5 **PROJECT PHASE 2B**

6 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority
7 (“Borrower”) is a qualified entity under the Drinking Water State Revolving Loan Act,
8 Sections 6-21A-1 et seq., NMSA 1978 (“Act”), and the Albuquerque Bernalillo County
9 Water Utility Authority Board (“Governing Body”) is authorized to borrow funds and/or
10 issue bonds for financing of public projects for benefit of the Borrower and the public;
11 and

12 WHEREAS, the New Mexico Finance Authority (“Authority”) has instituted a
13 program for financing of projects from the Drinking Water State Revolving Loan Fund
14 created under the Act and has developed an application procedure whereby the
15 Governing Body may submit an application (“Application”) for financial assistance from
16 the Authority for drinking water projects; and

17 WHEREAS, the Governing Body intends to undertake acquisition, construction
18 and improvement of the Carnuel Water Systems Improvement Project Phase 2b
19 (“Project”) for the benefit of the Borrower and its customers; and

20 WHEREAS, the application prescribed by the Authority has been completed and
21 submitted to the Governing Body and this resolution approving submission of the
22 completed Application to the Authority for its consideration and review is required as
23 part of the Application.

24 NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
25 ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY:

26 Section 1. That all action (not consistent with the provision hereof) heretofore
27 taken by the Governing Body and the officers and employees thereof directed toward
28 the Application and the Project, be hereby ratified, approved, and confirmed.

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

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

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

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