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Meeting Date: March 21, 2018  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE: R-18-7 – Confirming Approval of the Execution and Delivery of a Loan and Subsidy Agreement by and Between the Albuquerque Bernalillo County Water Utility Authority and the New Mexico Finance Authority**

**ACTION: Recommend Approval**

**BACKGROUND:**

The Water Authority submitted an application for financial assistance for the Advanced Metering Infrastructure Project. Approximately 19,681 meters, in selected cycle routes throughout the metro Albuquerque area, will be retrofitted with Advanced Metering Infrastructure (AMI) Flexnet devices. The customer benefits of the AMI devices consist of streamlined high bill investigations, detection of tampering of meters to protect the customer, accurate information, faster customer service, and flag and alert continuous usage.

Phase 4c will continue the progress made by the Water Authority to convert old mechanical meters to AMI meters. Approximately 76,000 meters have been converted to AMI. About 48% of total monthly water revenue is processed through the AMI system. It is estimated that Phase 4c will increase total monthly water revenue by 5% with the completion of Phase 4c. AMI implementation has also helped the utility decrease apparent water loss from 2.2% in 2012 to 0.5% in 2016 by decreasing meter inaccuracies and data handling errors. In addition, AMI was reduced outstanding bill meter work orders from 5,400 to less than 100 per month. Moreover, AMI has reduced the amount of inoperable meters from 3,000 to approximately 20 per month which saves \$500,000 in annual operation costs associated with reading the meters.

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**SUMMARY:**

This legislation is the ratification, approval and confirmation of the actions taken by the Board and the officers of the Water Authority toward the financing of a loan/grant with

the New Mexico Finance Authority in the amount of \$1,010,000. The ratification, approval and confirmation include the execution of a Loan Agreement, the pledge of the Pledged Revenues and the adoption of Ordinance O-18-2. All capitalized terms shall have the same meaning as such terms have in Ordinance O-18-2.

**FISCAL IMPACT:**

There is no fiscal impact associated with this legislation.

**COMMENTS:**

This Resolution is subject to the adoption by the Water Authority Board of Ordinance O-18-2, authorizing the execution of a \$1,010,000 loan/grant agreement by and between the Water Authority, and the New Mexico Finance Authority. The Loan authorized by Ordinance O-18-2, will provide financing assistance for the Advanced Metering Infrastructure Project. Approximately 19,681 meters, in selected cycle routes throughout the metro Albuquerque area, will be retrofitted with Advanced Metering Infrastructure (AMI) Flexnet devices. The customer benefits of the AMI devices consist of streamlined high bill investigations, detection of tampering of meters to protect the customer, accurate information, faster customer service, and flag and alert continuous usage.

**BILL NO. R-18-7**

SECTION 2. If any section, paragraph, clause or provision of this Confirming Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Confirming Resolution.

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

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

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

Notice is hereby given that the Board of Directors of Albuquerque Bernalillo County Water Utility Authority did on the 21<sup>st</sup> day of March, 2018, adopt a resolution entitled:

**CONFIRMING APPROVAL OF THE EXECUTION AND DELIVERY OF A  
LOAN AND SUBSIDY AGREEMENT (THE "LOAN AGREEMENT") BY  
AND BETWEEN THE ALBUQUERQUE BERNALILLO COUNTY WATER  
UTILITY AUTHORITY (THE "WATER AUTHORITY") AND THE NEW  
MEXICO FINANCE AUTHORITY EVIDENCING A SPECIAL LIMITED  
OBLIGATION OF THE WATER AUTHORITY TO PAY A PRINCIPAL  
AMOUNT OF NO MORE THAN FIVE HUNDRED FIVE THOUSAND  
DOLLARS (\$505,000), TOGETHER WITH INTEREST, COSTS OF  
ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO  
ACCEPT A LOAN SUBSIDY OF NO MORE THAN FIVE HUNDRED  
FIVE THOUSAND DOLLARS (\$505,000); AND RATIFYING ACTION  
PREVIOUSLY TAKEN IN CONNECTION THEREWITH.**

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

Dated this 21<sup>st</sup> day of March, 2018.

1 PASSED AND ADOPTED THIS 21<sup>st</sup> DAY OF MARCH, 2018. BY A VOTE OF  
2 \_\_\_\_\_ FOR AND \_\_\_\_\_ AGAINST.

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CHAIR

7 ATTEST:

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SECRETARY

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