
Meeting Date: October 17, 2018

Staff Contact: Frank Roth, Senior Policy Manager

TITLE: R-18-25 – Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Los Padillas Project

ACTION: Recommend Approval

SUMMARY:

The Los Padillas project is the last phase of a larger seven-phase project – called the South Valley Drinking Water Project. To date, Phases 1 through 7b have been completed, and Phases 7c/d are designed and ready to be constructed which will complete the last leg of the water system in the South Valley. This project will address water quality and fire protection issues by providing a reliable public water system to serve existing but unserved developed properties. Phases 7c/d include the construction of 28,635 linear feet of water distribution lines connecting about 300 households.

The Los Padillas community is served by shallow domestic wells that are threatened by contamination from leaking underground petroleum storage tanks, septic tank effluent and agricultural irrigation. Los Padillas is now served by public sanitary sewer from the Water Authority. However, previously used septic tank effluent has discharged into the ground which has caused localized health hazards and widespread aesthetic problems in shallow domestic wells.

The Albuquerque Bernalillo County Water Utility Authority (Water Authority) and Bernalillo County are the key partners in this project. Since 2001, both entities have been involved in constructing water and wastewater system improvements in the north and south valley of Bernalillo County. There is significant community support for this project to provide reliable public water and sanitary sewer to these existing but unserved communities.

Water Authority crews began work in October 2017 to bring municipal water service to the Los Padillas community. Funding for the first phase of the project (about \$1.7 million) was provided by Bernalillo County (\$1.65 million) and the Water Authority (\$250,000), which is also providing the construction labor.

FISCAL IMPACT:

The total cost of the project is \$5,130,243. Currently, \$1,700,000 has been secured and expended. The Water Authority is requesting through the DWSRF program is \$3,430,081 which is the additional funding needed to complete this project. The Water Authority will receive a 75% subsidy based on the disadvantaged community status of the Los Padillas area. The remaining \$857,520 will be a low-interest loan from NMFA.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-25

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 LOS PADILLAS PROJECT**

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

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

16 WHEREAS, the Governing Body intends to undertake acquisition, construction
17 and improvement of the Los Padillas Project (“Project”) for the benefit of the Borrower
18 and its ratepayers; and

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

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

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

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

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

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

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