
Meeting Date: May 22, 2019
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: **O-19-2 – Amending the Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance to update the Utility Financial Policy to replace the Water Supply Charge with the Water Resource Charge, establish a Water Assistance Fund, add and update terms, update the Utility Expansion Charge, Septic Tank, and Chemical Toilet Charge by 3.1% based on the Engineering News Report Indexes; and update Appendix C Post Issuance Compliance Policy**

ACTION: **Recommend Approval**

SUMMARY:

This Legislation amends the Albuquerque Bernalillo County Water Utility Authority (Water Authority) Water and Sewer Rate Ordinance to update the Utility Financial Policy to replace the Water Supply Charge with the Water Resource Charge. The Water Resource Charge, formerly known as the Water Supply Charge, now includes water resources infrastructure costs in place of water rights acquisition. The rates are recommended to be phased in over a 8-year time period, per section 1-1-8(D)(1) of the Ordinance based on the escalated costs to sustain a water supply into the future.

The Ordinance is amended to establish a Water Assistance Fund in order to offer one-time, emergency assistance for qualifying low-income Water Authority customers having difficulty paying their water and sewer bills.

In addition, the Ordinance is amended to increase the Utility Expansion Charge, Septic Tank Charge, and Chemical Toilet Charge by 3.1%, based on the January 2019 ENR Building and Construction Cost Indexes. This is the annual adjustment made in accordance to sections 1-1-8(A)(1) and 1-1-9(G)(1)(2) of the Ordinance.

Also, the amendments include the addition of two terms, Class Average and Conservation Surcharge, to the Definition of Terms section; both terms appear in the body of the ordinance and as such should be defined. Another change to the Definition of Terms section is the replacement of the word “mean” with “average” in the term “winter mean”. This change to “winter average” is consistent with the language on the bill and is a familiar term to customers.

Finally, Appendix C related to the Post Issuance Compliance Policy has been updated with the current listing of outstanding System Revenue Bonds and Loans as of April 2019.

FISCAL IMPACT:

The Water Resource Charge would be increased by approximately \$416 annually for eight-years for a $\frac{3}{4}$ inch residential meter.

The net increase on Water and Sewer Utility Expansion Charges for the average residential connection will be \$100 for water and \$75 for sewer.

The net increase in Septic Tank Charges will be \$.00077 per gallon and the Chemical Toilet Charge will be \$.00161 per gallon.

The proposed amendments are consistent with the Water Authority's ten-year Financial Plan and Rate Ordinance and with Water 2120, the Authority's Resource Management Strategy and Policy.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. O-19-2

ORDINANCE

AMENDING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY
AUTHORITY WATER AND SEWER RATE ORDINANCE TO UPDATE THE UTILITY
FINANCIAL POLICY TO ~~ESTABLISH A WATER 2120 FUND (R-16-12); UPDATE THE~~
~~MINIMUM COMMITTED EXPENDITURES TO 40 MILLION IN THE WATER AND SEWER~~
~~REHABILITATION FUND; REPLACE THE WATER SUPPLY CHARGE WITH THE WATER~~
~~RESOURCE CHARGE, ESTABLISH A WATER ASSISTANCE FUND, ADD AND UPDATE~~
~~TERMS, UPDATE THE UTILITY EXPANSION CHARGE, WATER SUPPLY CHARGE,~~
SEPTIC TANK, AND CHEMICAL TOILET CHARGE BY ~~2.60~~ 3.1% BASED ON THE
ENGINEERING NEWS REPORT INDEX; AND UPDATE APPENDIX C POST ISSUANCE
COMPLIANCE POLICY

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

~~Section 1. Section 1 is amended as follows:~~

Section 1 WATER AND SEWER RATES

1-1-1. SHORT TITLE.

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

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

(A) Definition of Terms.

AWWA. American Water Works Association.

CLASS AVERAGE. The Class Average is the average monthly water use billed
in the winter months (December, January, February and March) for each customer class and
meter size. This calculation is completed annually.

1 CONSERVATION SURCHARGE. During the billing months of May thru
2 November, a surcharge is billed to customers that have used over a determined percentage
3 (200%, 300%, and/or 400%) of their conservation average (the conservation average is
4 determined by their individual Winter Average).

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

8 COST OF SERVICE. A rate setting methodology that is legally and
9 fiscally required by bond covenants which sets sewer charges based upon EPA guidelines,
10 uses a standard rate setting approach within the industry, requires users to pay their
11 proportionate cost of the system and creates equity within classes of customers and among
12 classes of customers.

13 CITY. The City of Albuquerque, New Mexico.

14 COUNTY. Bernalillo County, New Mexico.

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

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

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

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

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

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

11 FISCAL YEAR. July 1 through June 30.

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

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

21 METER SIZE. The physical size of a water meter as designated by
22 AWWA Standard.

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

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

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

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

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

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

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

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

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

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

22 UEC. Utility Expansion Charge

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

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

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

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

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

5 WINTER ~~MEAN~~ AVERAGE. For all customers, the average monthly
6 water use billed in the months of December, January, February and March for each account.
7 If a customer has a new account and does not have a full four months to calculate a winter
8 ~~mean~~ average or if a customer's winter ~~mean~~ average is zero, then the ~~mean~~ average for
9 that customer will be based off the class and size average ~~mean~~. For those residential
10 customers that have a winter ~~mean~~ average greater than zero units but less than four units
11 and does not fall in the category of a new account, then their winter ~~mean~~ average used for
12 the Conservation Surcharge will be four units. For those residential customers that have a
13 winter ~~mean~~ average greater than 15 units their winter ~~mean~~ average used for the
14 Conservation Surcharge will be 15 units.

15 (B) Computation of Revenues, Expenses and Debt Service. At the end of each
16 quarter of the fiscal year a determination will be made as to the total revenues, expenses
17 and current debt service requirements of the system in accordance with definitions in §1-1-
18 2(A). The determination will be made by the end of the first month following the end of each
19 quarter. The results of the determination will be transmitted to the Water Authority.

20 (C) Increasing Minimum Monthly Fixed Charges. So long as there are Senior
21 Obligations outstanding, if the determination of §1-1-2(B) above shows that the Net
22 Revenues are less than 133 percent of the Debt Service Requirements on the outstanding
23 Senior Obligations, the fixed monthly charge will be increased for water and sewer accounts.
24 So long as there are Subordinate Obligations outstanding, if the determination of §1-1-2(B)
25 above shows that the Net Revenues are less than 120 percent of the Debt Service
26 Requirements on the outstanding Senior Obligations and outstanding Subordinate
27 Obligations, the fixed monthly charge will be increased for water and sewer accounts. The
28 increase in the fixed monthly charges will be a percentage of the established fixed monthly
29 charges that produce additional revenues so that if the adjusted charges had been effective
30 the previous quarter, the total Net Revenues would have been sufficient to meet the
31 requirements of this paragraph. If the determination of §1-1-2(B) above shows that the Net
32 Revenues are insufficient to meet the requirements above, it shall be determined if the

revenue loss is due to efforts of Water Authority Customers to conserve water by reviewing usage patterns. If the usage study shows that the reduced revenues are due to conservation efforts, the Executive Director shall analyze the Utility's operations for the purpose of determining whether or not corresponding expense reductions can be effected and shall present any such expense reduction proposals to the Water Authority.

(D) Increasing Water Commodity Charges. If the quarterly analysis of power cost related to water pumping shows that costs are increasing or decreasing, the Executive Director is authorized to adjust the water commodity charge to reflect the change. An adjustment in the commodity charge will only be made if the needed commodity charge adjustment is \$0.01 or greater, and shall be in \$0.01 increments. The Electric Fuel Cost Adjustment is to be calculated: $(\text{Fuel Rider} - \$0.50) \times \text{Average annual kWh} / \text{Annual Billed Consumption in CCF}$.

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

1-1-3. WATER RATES.

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

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

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

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

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

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

(B) Water Credit Eligibility and Procedures.

(1) Single-family detached, condominiums, townhouses, duplexes or triplexes served by common or individual meters; mobile homes served by individual meters;

but limited to those Customers who own the dwelling in which they reside and qualify under the United States Department of Health and Human Services poverty guidelines.

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

(C) Metered Water Service.

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

Fixed Monthly Charge - Metered Service

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

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

Fixed Monthly Charges- Pajarito Mutual Domestic

Meter Size

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

1 6 1354.92

2 8 2873.97

3 (D) Unmetered Water Service.

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

6 Fixed Monthly Charge

7 Line Size Service Area

8 (inches)

9 2 \$4.85

10 3 7.28

11 4 9.70

12 6 18.20

13 8 27.90

14 10 38.81

15 12 57.00

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

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

20 (1) Permits.

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

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

1 permit, a designated agent certification form must be signed and notarized by the business
2 owner or licensed contractor and submitted with the completed application.

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

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

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

15 (2) System Connection and Water Use.

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

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

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

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

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

31 (a) A loss, damage and payment surety deposit of \$3,000.00 for each
32 fire hydrant meter is required at the time the permit is issued. If a fire hydrant meter is lost

1 or stolen, the \$3,000.00 deposit shall be forfeited and the permit holder shall be assessed up
2 to a \$1,000.00 charge for water usage.

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

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

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

18 (5) Fees and Charges.

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

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

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

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

31 (F) Water Commodity Charge.

1 (1) (a) In addition to the Fixed Monthly Charge, all water used by a
2 Customer within the Service Area for any purpose whatsoever shall be charged at the rate
3 of \$2.018 per unit (one unit equals 100 cubic feet). In addition, there shall be a charge of
4 0.024 per unit, added to this commodity charge, which is the amount necessary to
5 compensate the Water Authority for the water conservation fee charged by the State of New
6 Mexico. This is determined by the meter reading or by estimating the usage by statistical
7 methods. Customers shall pay bills monthly.

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

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

16 Pajarito Mutual Domestic - \$1.400 per 100 CCF

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

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

25 (i) Water budgets will be established by the Water Authority
26 whenever a new irrigation account is established or an existing account is converted to an
27 irrigation account.

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

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

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

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

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

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

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

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

to 100 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(b) for usage during the months of April through October.

(d) The conservation surcharge amount added for each unit exceeding 400 percent of the Winter ~~Mean~~ Average water usage as calculated in §1-1-2(A) shall be equal to 50 percent of the commodity charges in §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(c) for usage during the months of April through October. For those residential customers that have a Winter ~~Mean~~ Average equal to or greater than 15 units, the conservation surcharge amount added for each unit exceeding 400 percent of the Winter ~~Mean~~ Average water usage as calculated in §1-1-2(A), shall be equal to 100 percent of the Commodity Charges §1-1-3(F)(1)(a), and shall be added to the total charge determined in §1-1-3(F)(3)(c) for usage during the months of April through October.

(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 the effective date of the new surcharges.

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

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

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

(I) Water Assistance Fund (WAF).

(1) The WAF is established to offer one-time, emergency assistance for qualifying low-income Water Authority customers having difficulty paying their water and sewer bills.

(2) The Executive Director is authorized to establish program guidelines for qualification and eligibility procedures and shall periodically make administrative changes to the guidelines as circumstances require.

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

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

Meter Size	Tag and Testing Charge Service
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5/8" x 3/4"	\$140
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1"	185
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1-1/2"	380
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2"	455
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The meter in question will be removed and a new one installed so that service can be maintained. The removed meter will be bench tested by the Water Authority in accordance with AWWA Standard C705. Should the meter fail the accuracy test such that the requestor was being overcharged, there would be no charge to the requestor.

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

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

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

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

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

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

(C) Commodity Charge.

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

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

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

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

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

(F) Utility Expansion Charge (UEC).

(1) A Utility Expansion Charge shall be paid to the Water Authority at the time of non-potable meter sale or application for non-potable water service for all new

services connecting to the non-potable water system. The UEC may be paid in full at the time of non-potable service application, or paid over time with an initial minimum of 5 percent down payment. The balance shall be subject to a fixed monthly charge to include a carrying charge set at 7 percent per annum. On all connections, the balance shall be paid in full within 120 months.

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

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

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

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

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

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

1-1-5. SEWER RATES.

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

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

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

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

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

12 CUSTOMER CLASSIFICATIONS.

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

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

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

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

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

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

28 (7) KIRTLAND AIR FORCE BASE (KAFB).

29 (8) FOOD SERVICE ESTABLISHMENT or FSE. Any establishment,
30 commercial or noncommercial, such as a restaurant, cafeteria, snack bar, temple, mosque,
31 church, synagogue, worship hall, banquet facility, preschool, school, or meeting place, with
32 a kitchen that is used for preparing, serving, or otherwise making available for consumption

1 foodstuffs in commercial amounts in or on a receptacle that requires washing and that
2 discharges to the Water Authority's POTW.

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

6 LATERAL SEWER. An individual user's sewer pipe beginning at the public
7 sewer and extending to the premises actually served. The lateral sewer includes the stub to
8 which a user connects to the public sewer and all appurtenances on such lateral sewer. The
9 user is responsible for the maintenance of the lateral sewer including those portions that may
10 be within any right-of-way. The term is interchangeable with "house service connection,"
11 "sewer service line," or "building sewer."

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

16 BOD -- 250 mg/l

17 COD -- 500 mg/l

18 TSS -- 330 mg/l

19 NH₃N – 25 mg/l

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

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

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

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

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

(B) Methodology and Calculation of Rates and Charges.

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

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

(C) Fixed Monthly Charge.

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

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

Serv Size	Meter	Resid	Comm	Indust	Instit	Multi-family
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1	1	$\frac{5}{8} \times \frac{3}{4}$	\$2.99	\$3.70	\$16.82	\$2.87	\$4.97
2	2	1	4.84	5.90	28.49	4.63	8.22
3	3	1½	19.84	25.11	122.72	18.88	34.62
4	4	2	49.37	62.62	308.35	46.94	86.31
5	5	3	66.11	83.90	413.63	62.86	115.68
6	6	4	140.83	178.85	883.44	133.88	246.77
7	7	6	187.56	237.02	1177.19	178.30	328.73
8	8	8 & over	333.41	423.55	2094.23	316.95	584.60
9	(3) Fixed Monthly Charge for Customers without water service:						
10	Liquid Waste						
11	Flow (CCF)		Residential	Commercial	Industrial	Institutional	Multi-
12							family
13	0 - 10	$\frac{5}{8} \times \frac{3}{4}$	\$2.99	\$3.70	\$16.82	\$2.87	\$4.97
14	11-19	1	4.84	5.90	28.49	4.63	8.22
15	20-63	1½	19.84	25.11	122.72	18.88	34.62
16	64-82	2	49.37	62.62	308.35	46.94	86.31
17	83-343	3	66.11	83.90	413.63	62.86	115.68
18	344-599	4	140.83	178.85	883.44	138.88	246.77
19	600-803	6	187.56	237.02	1177.19	178.30	328.73
20	804-over	8 & over	333.41	423.55	2094.23	316.95	584.60
21	(4) Fixed Monthly Charges for Wholesale and KAFB						
22	Serv Size	Wholesale		Item	KAFB		
23	1	\$3.78		Per Month	\$12,038.74		
24	2	6.19					
25	3	13.70					
26	4	64.09					
27	5	85.88					
28	6	183.06					
29	7	243.83					
30	8	412.91					
31							

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

Commodity Charges for Retail and Special Contract Customers

Customer Classification	Base (\$/CCF)	Rehab (\$/CCF)	Total Commodity (\$/CCF)
Retail Customers			
Residential	\$1.394	\$0.288	\$1.682
Commercial	1.394	0.288	1.682
Industrial	1.394	0.288	1.682
Institutional	1.394	0.288	1.682
Multi-family	1.394	0.288	1.682
Special Contracts			
Wholesale	\$0.727	\$0.151	\$0.878
KAFB	0.727	0.151	0.878

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

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

(3) Special Wastewater Discharge Volume. The Water Authority recognizes that sewage discharge patterns for individual Customers may vary to a great extent from the norms of any particular class; therefore, any Customer may, at their own expense, provide

the Water Authority with sewage flow data for consideration of a special wastewater discharge volume. Such data shall be certified by an engineer registered in the state. The Water Authority expressly reserves the right to determine the estimated wastewater volume for any Customer, which determination may be appealed to the Executive Director.

(E) Extra-Strength Surcharge.

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

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

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

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

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

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

(F) Septic Tank Truck Discharge. No user owning vacuum or "cesspool" type pumping trucks or other liquid waste transport trucks shall discharge such waste into the POTW, unless such person shall first have applied for and received a Septic Tank Discharge

1 or Chemical Toilet Discharge Permit from the Industrial Pretreatment Engineer pursuant to
2 the Sewer Use and Wastewater Control Ordinance Section 3-3-7.

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

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

14 (I) Sampling and Testing Procedures.

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

19 (2) All measurements, tests and analysis of the characteristics of waters
20 and wastes shall be determined in accordance with the latest edition of Standard Methods
21 for the Examination of Water and Wastewater, published jointly by the American Public
22 Health Association and Water Pollution Control Federation, and the American Water ~~w~~Works
23 Association.

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

29 (4) Those industries suspected of discharging either high COD, BOD,
30 NH3N wastes or high TSS wastes shall be sampled for four consecutive days by grab
31 samples or 24-hour composite samples from a Utility manhole. If COD results exceed 500
32 mg/l, BOD results exceed 250 mg/l, NH3N results exceed 25 mg/l, or TSS results exceed

330 mg/l on any of the two of the four consecutive days, or in any of the 24-hour composite samples, a sampling manhole may be required for industries discharging greater than 25,000 gallons per day or if required by the Water Authority's Sewer Use and Wastewater Control Ordinance or successor Ordinance. Upon installation of the sampling manhole, an automatic sampler will be used to gather a composite which shall be used to compute a monthly surcharge. Industries discharging less than 25,000 gallons per day and not otherwise requiring a sampling manhole may be required to install a cleanout and an automatic sampler will be used to gather a composite which shall be used to compute a monthly surcharge. Pretreatment may be required according to the Water Authority's Sewer Use and Wastewater Control Ordinance or successor Ordinance.

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

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

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

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

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

Fixed Water Rates (per month)

Serv Size	Meter Size	Residential	Commercial	Industrial	Institutional	Multi-family
1	5/8 X 3/4	\$6.12	\$6.41	\$12.01	\$6.59	\$7.52
2	1	12.63	12.90	25.19	13.13	15.36
3	1½	35.37	36.76	75.17	38.37	44.98
4	2	75.82	78.58	163.99	82.31	97.24

1	5	3	145.11	150.81	311.10	157.55	181.22
2	6	4	327.75	339.29	714.36	355.98	421.88
3	7	6	555.99	563.28	1156.29	587.84	689.81
4	8	8 & over	1164.45	1207.85	2521.77	1372.24	1493.97

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

9 Fixed Monthly Rehabilitation Charges

10 Fixed Sewer Rates (per month)

11	Serv Size	Meter Sz	Resid	Comm	Indust	Instit	Multi-fam	Wholesale
12	1	5/8 X 3/4	\$7.54	\$9.33	\$42.40	\$7.22	\$12.52	\$9.53
13	2	1	12.21	14.87	71.83	11.67	20.73	15.61
14	3	1 - 1½	50.02	63.29	309.39	47.59	87.28	34.53
15	4	2	124.45	157.88	777.37	118.34	217.58	161.57
16	5	3	166.66	211.51	1042.77	158.47	291.64	216.50
17	6	4	355.04	450.89	2227.17	337.52	622.11	461.50
18	7	6	472.83	597.53	2967.73	449.50	828.74	614.71
19	8	8 & over	840.54	1067.78	5279.60	799.03	1473.80	1040.96

20 Monthly Rehabilitation Charges for KAFB

21	Item	KAFB
22	Per Month	\$30,349.92

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

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

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

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

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

(C) At a minimum, 25 percent 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 million 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

1 achieving desired service levels. It will allow the Water Authority to manage existing assets
2 more effectively, make informed decisions on policy and budgetary matters, and plan for
3 future needs. Based upon this program the Water Authority will begin to incrementally
4 increase its Capital Implementation Program spending at approximately \$3 million a year
5 until the Water Authority can reach and sustain a spending level of approximately \$76 million
6 a year.

7 (H) A Rate Reserve Fund is established for reserving water and sewer revenues in
8 a dedicated fund for the purpose of offsetting declines in rate revenue and to mitigate future
9 rate increases. This Rate Reserve Fund will be funded at \$2 million per year. The goal for
10 the Water Authority is to achieve and maintain a Working Capital Balance that will be 1/12 of
11 the Water Authority's annual budgeted expenditures. The Rate Reserve Fund will be
12 counted in the Working Capital Balance calculation, however any expenditure from the Rate
13 Reserve Fund will require an appropriation approved by the Water Authority Board.

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

23 (J) A Water 2120 Fund is established to fund water ~~supply~~ resource infrastructure
24 projects in implementing the adopted Water 2120: Securing Our Water Future (R-16-12).
25 Revenue from the Water ~~Supply~~ Resource Charge shall be earmarked solely for the projects
26 identified in Water 2120 into this fund. Beginning in Fiscal Year 2020~~1~~, this fund will be
27 funded at a minimum of \$2 million per year.

28 1-1-8. UTILITY EXPANSION CHARGE (UEC) and WATER ~~SUPPLY~~ RESOURCE CHARGE
29 (WSRC).

30 (A) (1) A UEC charge will be paid to the Water Authority at the time of meter
31 sale or application for service for all properties connecting to the water and/or wastewater
32 system in accordance with the following schedule. The amount of the UEC's shall be adjusted

annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR). Where water service does not exist and sewer service is to be taken and the sewer UEC is applicable, the charge shall be based upon the wastewater flow. A unit of flow is equal to 100 cubic feet.

(a) Financing for Water UEC

~~Finance for Water UEC~~

Water Meter Size	Water Payment	Minimum Cash Down	Balance to Finance
5/8 X 3/4"	\$3,233	\$162	\$3,071
1"	5,388	269	5,119
1-1/2"	10,775	539	10,236
2"	17,245	862	16,383
3"	34,482	1,724	32,758
4"	53,879	2,694	51,185
6"	107,762	5,388	102,374
8" or More	172,417	8,621	163,796
<u>5/8 X 3/4"</u>	<u>\$3,333</u>	<u>\$167</u>	<u>\$3,167</u>
<u>1"</u>	<u>\$5,555</u>	<u>\$278</u>	<u>\$5,277</u>
<u>1-1/2"</u>	<u>\$11,109</u>	<u>\$555</u>	<u>\$10,554</u>
<u>2"</u>	<u>\$17,780</u>	<u>\$889</u>	<u>\$16,891</u>
<u>3"</u>	<u>\$35,551</u>	<u>\$1,778</u>	<u>\$33,773</u>
<u>4"</u>	<u>\$55,549</u>	<u>\$2,777</u>	<u>\$52,772</u>
<u>6"</u>	<u>\$111,103</u>	<u>\$5,555</u>	<u>\$105,547</u>
<u>8" or More</u>	<u>\$177,762</u>	<u>\$8,888</u>	<u>\$168,874</u>

(b) Financing for Sewer UEC

~~Finance for Wastewater UEC~~

Water Meter Size	Liquid Waste Flow	Sewer Payment	Minimum Cash Down	Balance to Finance
5/8 X 3/4"	0-10	\$2,425	\$121	\$2,304
1"	11-19	4,041	202	3,839
1-1/2"	20-63	8,082	404	7,678
2"	64-82	12,930	646	12,284
3"	83-343	25,923	1,296	24,627

1	4"	344-599	41,432	2,072	39,360
2	6"	600-803	82,869	4,143	78,726
3	8" or More	804 & over	129,307	6,465	122,842
4	5/8 X 3/4"	0-10	\$2,500	\$125	\$2,375
5	1"	11-19	\$4,166	\$208	\$3,958
6	1-1/2"	20-63	\$8,333	\$417	\$7,916
7	2"	64-82	\$13,331	\$667	\$12,664
8	3"	83-343	\$26,727	\$1,336	\$25,390
9	4"	344-599	\$42,716	\$2,136	\$40,581
10	6"	600-803	\$85,438	\$4,272	\$81,166
11	8" or More	804 & over	\$133,316	\$6,666	\$126,650

12 (2) The UEC may be paid in full or paid over time with an initial minimum of
13 5 percent down payment and the balance shall be subject to a fixed monthly charge to include
14 a carrying charge set at 7 percent per annum. On all connections, the balance shall be paid
15 in full within 120 months.

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

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

24 (C) Charges for multiple residential units:

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

28 (a) Apartment Complexes.

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

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

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

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

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

promissory note until the date the promissory note is paid. The promissory note shall be secured by a mortgage on the low income housing development that is subject and subordinate only to mortgages securing the costs to purchase the land for the low income housing development and to design and construct the low income housing development.

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

(D) (1) A Water Supply Resource Charge (WSRC), as specified herein, will be assessed by the Water Authority at the time of meter sale or application for service to any new water user customer requesting connection to the water system in an area requiring new or enhanced infrastructure through a service expansion in accordance with §1-1-8(D)(1). ~~The proceeds from this charge will be dedicated and restricted to the development of new water resources, rights or supplies to serve the beneficiary new customers outside of the established infrastructure consistent with the Water Authority's Regional Water Plan and Water Resources Management Strategy and other guiding principles adopted by the Water Authority.~~ The proceeds from this charge will be dedicated to the Water 2120 Fund. The amount of the WSRC shall be adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR).

(a) Financing for Water Supply Resource Charge – WSRC

Year 1 Phase-in:

Water Meter Size	Water Payment	Minimum Cash Down	Balance to Finance
5/8 X 3/4"	\$1,669	\$83	\$1,586
1"	2,793	140	2,653
1-1/2"	5,564	278	5,286
2"	8,902	445	8,457
3"	17,806	890	16,916
4"	27,627	1,381	26,246
6"	55,760	2,788	52,972
8" or More	89,023	4,451	84,572
5/8 X 3/4"	\$2,085	104	1,980
5/8 X 3/4"	\$2,085	\$104	\$1,980

1	1"	\$3,474	\$174	\$3,301
2	1-1/2"	\$6,949	\$347	\$6,602
3	2"	\$11,118	\$556	\$10,562
4	3"	\$24,321	\$1,216	\$23,105
5	4"	\$41,694	\$2,085	\$39,609
6	6"	\$93,811	\$4,691	\$89,120
7	8" or More	\$111,183	\$5,559	\$105,624
8	<u>Year 2 Phase-in:</u>			
9	5/8 X 3/4"	\$2,500	\$125	\$2,375
10	1"	\$4,167	\$208	\$3,959
11	1-1/2"	\$8,335	\$417	\$7,918
12	2"	\$13,335	\$667	\$12,669
13	3"	\$34,021	\$1,701	\$32,320
14	4"	\$50,008	\$2,500	\$47,507
15	6"	\$112,517	\$5,626	\$106,891
16	8" or More	\$133,354	\$6,668	\$126,686
17	<u>Year 3 Phase-in:</u>			
18	5/8 X 3/4"	\$2,916	\$146	\$2,770
19	1"	\$4,860	\$243	\$4,617
20	1-1/2"	\$9,720	\$486	\$9,234
21	2"	\$15,552	\$778	\$14,775
22	3"	\$34,021	\$1,701	\$32,320
23	4"	\$58,321	\$2,916	\$55,405
24	6"	\$131,223	\$6,561	\$124,662
25	8" or More	\$155,524	\$7,776	\$147,748
26	<u>Year 4 Phase-in:</u>			
27	5/8 X 3/4"	\$3,332	\$167	\$3,165
28	1"	\$5,553	\$278	\$5,275
29	1-1/2"	\$11,106	\$555	\$10,551
30	2"	\$17,769	\$888	\$16,881
31	3"	\$38,871	\$1,944	\$36,927
32	4"	\$66,635	\$3,332	\$63,303

1	6"	\$149,929	\$7,496	\$142,433
2	8" or More	\$177,694	\$8,885	\$168,809
3	<u>Year 5 Phase-in:</u>			
4	5/8 X 3/4"	\$3,747	\$187	\$3,560
5	1"	\$6,246	\$312	\$5,933
6	1-1/2"	\$12,491	\$625	\$11,867
7	2"	\$19,986	\$999	\$18,987
8	3"	\$43,720	\$2,186	\$41,534
9	4"	\$74,949	\$3,747	\$71,202
10	6"	\$168,635	\$8,432	\$160,203
11	8" or More	\$199,864	\$9,993	\$189,871
12	<u>Year 6 Phase-in:</u>			
13	5/8 X 3/4"	\$4,163	\$208	\$3,955
14	1"	\$6,939	\$347	\$6,592
15	1-1/2"	\$13,877	\$694	\$13,183
16	2"	\$22,203	\$1,110	\$21,093
17	3"	\$48,570	\$2,428	\$46,141
18	4"	\$83,263	\$4,163	\$79,100
19	6"	\$187,341	\$9,367	\$177,974
20	8" or More	\$222,034	\$11,102	\$210,932
21	<u>Year 7 Phase-in:</u>			
22	5/8 X 3/4"	\$4,579	\$229	\$4,350
23	1"	\$7,631	\$382	\$7,250
24	1-1/2"	\$15,263	\$763	\$14,500
25	2"	\$24,420	\$1,221	\$23,199
26	3"	\$53,420	\$2,671	\$50,749
27	4"	\$91,577	\$4,579	\$86,998
28	6"	\$206,047	\$10,302	\$195,745
29	8" or More	\$244,204	\$12,210	\$231,994
30	<u>Year 8 Phase-in:</u>			
31	5/8 X 3/4"	\$4,995	\$250	\$4,745
32	1"	\$8,324	\$416	\$7,908

1	<u>1-1/2"</u>	<u>\$16,648</u>	<u>\$832</u>	<u>\$15,816</u>
2	<u>2"</u>	<u>\$26,637</u>	<u>\$1,332</u>	<u>\$25,306</u>
3	<u>3"</u>	<u>\$58,269</u>	<u>\$2,913</u>	<u>\$55,356</u>
4	<u>4"</u>	<u>\$99,890</u>	<u>\$4,995</u>	<u>\$94,896</u>
5	<u>6"</u>	<u>\$224,753</u>	<u>\$11,238</u>	<u>\$213,516</u>
6	<u>8" or More</u>	<u>\$266,374</u>	<u>\$13,319</u>	<u>\$253,056</u>

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

11 (3) The fixed monthly fee for the WSRC shall run against the property and
12 be the responsibility of any subsequent owner until paid in full. All monies collected through
13 the imposition of the WSRC shall be placed in a separate account to be used for financing
14 the development of additional long term water supplies to serve expansions of the Water
15 Authority's service area subsequent to June 15, 2007.

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

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

23 (6) The WRC for multiple residential units will be calculated in a manner
24 consistent with the UEC charges as set forth in 1-1-8(C).

25 1-1-9. SPECIFIC SERVICES.

26 Fees for specific services shall be as follows:

27 (A) Metered Service Lines.

28 (1) 5/8 X 3/4" meter set only, \$295

29 (2) 1" meter set only, \$355

30 (3) 1 1/2" meter set only, \$555

31 (4) 2" meter set only, \$635

32 (5) 3" metered service line installation.

- (a) 3" meter set only with compound meter without vault, \$2,185
- (6) 4" metered service line installation.
- (a) 4" meter set only with compound meter without vault, \$3,125
- (b) 4" meter set only with fire assembly meter without vault \$7,210
- (7) 6" metered service line installation.
- (a) 6" meter set only with compound meter without vault, \$5,140
- (b) 6" meter set only with fire assembly meter without vault \$7,520
- (8) 8" metered service line installation.
- (a) 8" meter set only with fire assembly without vault \$13,040
- (9) 10" and larger: Contact the Utility for price quote
- (B) Meter Size Reduction Installation.
- (1) 5/8 X 3/4" through 1-1/2", contact the Utility for price quote
- (2) 2", contact the Utility for price quote
- (3) 3" and larger, contact the Utility for price quote
- (C) Nonpayment Delinquency Fee.
- (1) 5/8 X 3/4" and 1", \$45
- (2) 1-1/2" through 10", \$60
- (D) Combined Fire-Domestic Meters.
- (1) Requests for this type of metered service, which provide both fire protection and domestic-irrigation service, may be made at the New Services Section of Utility Development. Upon the satisfactory determination of peak flow water delivery requirements, as certified by an engineer registered in the State of New Mexico, in accordance with the City and the County fire codes and the AWWA M22 an equivalent meter size will be determined for the service. Fixed monthly charges for private fire protection shall also be applied commensurate with the degree of fire protection capacity being provided.
- (2) Fees for installation (set only) is in §1-1-9(A).
- (E) Cross Connection Fees
- (1) Containment Inspection Fees. An inspection fee of \$50 shall be assessed to all customers required to have premise inspections to cover expenses incurred by the Water Authority during the initial inspection of the premise. The inspection fee shall be assessed only to those customers whose premise are in compliance with this Ordinance at the time of inspection.

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

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

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

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

(F) Meter Reset

(1) Contact the Utility for a price quote.

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

(1) Septic Tank Charge. The septic tank charge is ~~\$.02489~~ .02566 per gallon.

(2) Chemical Toilet Charge. The chemical toilet charge is ~~\$.05209~~ .0537 per gallon.

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

1-1-10. FRANCHISE FEE.

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

8 1-1-11. PAYMENT.

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

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

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

14 1-1-13. PENALTY FOR NONCOMPLIANCE WITH THE SEWER USE AND WASTEWATER
15 CONTROL ORDINANCE

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

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

21 1-1-14. RESPONSIBILITY OF PAYMENT, LIENS, AND DEPOSIT.

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

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

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

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

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

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

(B) In order to discontinue service, a written notice shall be sent to the Customer at least ten calendar days' notice before termination of service and notice of the right to protest the Water Authority's proposed action at an administrative hearing.

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

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

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

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

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

1-1-16. EFFECTIVE DATE AND PUBLICATION.

The effective date of this Ordinance will be July 1, ~~2018~~ 2019 unless otherwise stated.

1-1-98. PROHIBITIONS.

(A) No person shall use or cause to be used any water produced or distributed by the Water Authority without the consent of Water Authority. Water distributed through an

1 authorized meter or obtained by any means authorized by ordinances or administration rules
2 and regulations shall constitute the consent of the Water Authority.

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

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

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

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



POST ISSUANCE COMPLIANCE POLICY

As of April 17, 2019



Post-Issuance Tax and Securities Compliance Guidelines for Bonds

Overview

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

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

Section I: Issuance of Bonds

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

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

Bond Counsel

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

External Counsel Advisors

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

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

Tax Certificate

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

IRS Form 8038-G

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

Bond Financing Transcript

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

Section II. Application of Bond Proceeds

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

Reimbursement / Official Intent

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

Assignment of Responsibility and Establishment of Calendar

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

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

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

Timely Expenditure of Bond Proceeds

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

Final Allocation

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

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

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

Modification of Bond Terms

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

Use of Bond Proceeds

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

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

Segregation of Bond Proceeds

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

Section III: Use of Bond Financed Assets

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

Ownership and Use of Project

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

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

Management or Operating Agreements

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

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

Useful Life Limitation

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

Section IV: Investment Restrictions, Arbitrage Liability

Investment Restrictions

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

Arbitrage Yield Calculations and Rebate

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

Arbitrage Rebate Consultant

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

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

Arbitrage Rebate Payments

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

Section V: Record Retention

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

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

Section VI. Annual Review of Post Issuance Compliance Controls

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

Annual Review and Training

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

Continuing Disclosure Compliance Requirements

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

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

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

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

EXHIBIT A

TO POST-ISSUANCE COMPLIANCE GUIDELINES

LIST OF CURRENTLY OUTSTANDING BONDS

SYSTEM REVENUE BONDS

- \$135,990,000 (original principal amount; dated April 8, 2009) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2009A-1** (Final Maturity: July 1, 2034)
- \$62,950,000 (original principal amount; dated October 22, 2013) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2013A** (Final Maturity: July 1, 2038)
- \$55,265,000 (original principal amount; dated October 22, 2013) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2013B** (Final Maturity: July 1, 2024)
- \$97,270,000 (original principal amount; dated September 24, 2014) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2014A** (Final Maturity: July 1, 2026)
- \$87,005,000 (original principal amount; dated September 24, 2014) Subordinate Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2014B** (Final Maturity: July 1, 2025)
- \$211,940,000 (original principal amount; dated April 27, 2015) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2015** (Final Maturity: July 1, 2033)
- \$87,970,000 (original principal amount; dated March 1, 2017) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2017** (Final Maturity: July 1, 2034)
- \$75,085,000 (original principal amount; dated October 16, 2018) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue Bonds, **Series 2018** (Final Maturity: July 1, 2030)

NMFA LOANS

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

- \$53,400,000 (original principal amount) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA PPRF, **Series 2011** (Final Maturity: June 1, 2036)
- \$505,000 (original principal amount) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA DWRFL, **Series 2018** (Final Maturity: May 1, 2039)
- \$250,000 (original principal amount) Senior Lien Albuquerque Bernalillo County Water Utility Authority, New Mexico, System Revenue NMFA DWRFL, **Series 2018** (Final Maturity: May 1, 2039)

EXHIBIT B
TO POST-ISSUANCE COMPLIANCE GUIDELINES

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

ISSUE	ADDITIONAL BOND TEST	CDU DATE	RATE COVENANT	RESERVE REQUIREMENT
NET SYSTEM REVENUE BONDS				
SERIES 2009A-1	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2013A	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2013B	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2014A	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2014B	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2015	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2017	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A
SERIES 2018	1.33X Max Combined Annual Debt Svc & Historic or Proj. Test	Mar. 31	Sufficient To Pay 1.33X Debt Svc	N/A

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

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

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

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

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



Albuquerque Bernalillo County Water Utility Authority

FY20 Rate Ordinance

Rate Ordinance Highlights

- Conducted the evaluation of the Cost of Service Rate Principles as required to be done every two years by the Rate Ordinance
- Evaluated UEC's and changed the Water Supply Charge to the new Water Resource Charge based on Water 2120 infrastructure projects
- Made changes to the Water Assistance Fund
- Updated UEC's as required by the rate ordinance by the ENR index of 3.1% - ¾ inch \$100/water, \$75/sewer



Water Assistance Fund

- Funded by donations from Rate Payers
- Added an appropriation of \$150,000 to the operating budget to help fund the program
- One-time assistance to help customers pay their water bill
- Includes assistance to renters, occupying a single-family dwelling
- Also helps customers get current on bill so that they may qualify for the Low Income Assistance Program
- Helps customers in crisis and reduces staff time for unnecessary turn-offs



Albuquerque Bernalillo County
Water Utility Authority

Summary of Water Resource Charge

- Formerly known as Water Supply Charge
- Includes water resource infrastructure costs in place of water rights acquisition based on Water 2120
- Applicable to new customers outside of the Authority's existing service area under a development agreement
- No net expense to utility customers for growth



Albuquerque Bernalillo County
Water Utility Authority

Water Resource Charge – Phase-in Option: 8 Years

Phase-In Fee Schedule

Escalation Factor*	3.0%							
Phase-In (years)	8							
Meter Size	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
3/4"	\$ 2,085	\$ 2,500	\$ 2,916	\$ 3,332	\$ 3,747	\$ 4,163	\$ 4,579	\$ 4,995
1"	\$ 3,474	\$ 4,167	\$ 4,860	\$ 5,553	\$ 6,246	\$ 6,939	\$ 7,631	\$ 8,324
1.5"	\$ 6,949	\$ 8,335	\$ 9,720	\$ 11,106	\$ 12,491	\$ 13,877	\$ 15,263	\$ 16,648
2"	\$ 11,118	\$ 13,335	\$ 15,552	\$ 17,769	\$ 19,986	\$ 22,203	\$ 24,420	\$ 26,637
3"	\$ 24,321	\$ 29,171	\$ 34,021	\$ 38,871	\$ 43,720	\$ 48,570	\$ 53,420	\$ 58,269
4"	\$ 41,694	\$ 50,008	\$ 58,321	\$ 66,635	\$ 74,949	\$ 83,263	\$ 91,577	\$ 99,890
6"	\$ 93,811	\$ 112,517	\$ 131,223	\$ 149,929	\$ 168,635	\$ 187,341	\$ 206,047	\$ 224,753
8"	\$ 111,183	\$ 133,354	\$ 155,524	\$ 177,694	\$ 199,864	\$ 222,034	\$ 244,204	\$ 266,374

* ENR CCI five-year average annual growth.