



Meeting Date: December 4, 2019
Staff Contact: Stan R. Allred, Chief Financial Officer

TITLE: R-19-25 – Establish a Reserve of Fund Balance to Provide Funds for the Future Closure and Post-Closure Care Costs for the Waste Water Treatment Plant Division Compost Facility

ACTION: Recommend Approval

SUMMARY:

The New Mexico Solid Waste Rules, 20.9.3.27 NMAC, require the registration of a composting facility with the New Mexico Environment Department. As part of this registration, the agency must provide a reserve of Fund Balance as Contingency for a potential closure of the Compost Facility and nuisance abatement (Rule 20.9.10.9 NMAC). This rule states that the owner or operator of a solid waste facility shall develop a written estimate of the cost of hiring a third party to close the physical facility at any time during the active life of the facility. The owner or operator shall annually adjust the estimate for inflation and any other factors affecting these costs.

This resolution requests the Board to approve the establishment of a reserve of fund balance to provide funds for the future closure and post-closure care costs to comply with this statutory requirement.

FISCAL IMPACT:

Staff have developed a Closure and Post-Closure Care cost plan. The current cost determined is \$1,486,000. The resolution would allocate \$1,486,000 from the General Fund unrestricted fund balance to a restricted fund balance for the Compost Facility Closure and Post-Closure Care plan.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-19-25

1 RESOLUTION
2 ESTABLISHING A RESERVE OF FUND BALANCE TO PROVIDE FUNDS FOR THE
3 FUTURE CLOSURE AND POST-CLOSURE CARE COSTS FOR THE WASTEWATER
4 TREATMENT PLANT DIVISION COMPOSTING FACILITY

5 WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water
6 Authority) through the Wastewater Treatment Plant Division operates a composting
7 facility; and

8 WHEREAS, the State of New Mexico Environment Department Solid Waste
9 Management Regulations require that the owner or operator shall establish financial
10 assurance for adequate closure and post-closure care for the facility if the facility is to be
11 closed; and

12 WHEREAS, the cost for closure and post-closure care is estimated to be based on
13 a cost summary provided by Wastewater Treatment Plant and Finance staff; and

14 WHEREAS, the amount to be transferred in FY 2020 is the full amount of
15 \$1,486,000.

16 BE IT RESOLVED BY THE WATER AUTHORITY:

- 17 1. The Water Authority shall establish a reserve of fund balance to be used solely
18 to fund future closure and post-closure care expenses for the Water Authority
19 Composting Facility in the event the facility is closed.
- 20 2. Each year, the closure and post-closure care cost estimates will be reviewed
21 and the reserved fund balance will be adjusted to reflect any increases or
22 decreases in the original cost estimate to ensure adequate funds for closure
23 and post-closure care costs. If an adjustment is necessary, the Wastewater
24 Treatment Plant Division shall include, as part of its annual budget submittal,
25 the amount of the increase or decrease to the reserved fund balance.
- 26 3. Withdrawals from the fund balance shall only be for the purpose of closure and
27 post-closure care as defined in the Solid Waste Management Regulations of
28 the State of New Mexico for the Water Authority Composting Facility.

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

- 1 4. Withdrawals from the fund balance shall only be authorized by the Water
- 2 Authority Board and the Secretary of the New Mexico Environment Department
- 3 upon submission of adequate proof of work performed for closure and post-
- 4 closure care as defined in the Solid Waste Management Regulations of the
- 5 State of New Mexico.

Water Utility Authority; Soils Amendment Facility (SAF) Site - Estimate for Closure and Post Closure Care Plan

Date of Estimate: 11/15/19

Task	Unit Quantity	Unit of measure	Unit Cost	Total Cost	ABCWUA Vendor	PO #
Closure Costs						
Pick up and Loading to Vehicles	0	CY	\$ 3.75	\$ -	ABCWUA Trucking	CE000637
Hauling of Material	50,000	CY	\$ 21.50	\$ 1,075,000.00	Saiz Trucking	CE000637
Street Cleaning (Sweeping paved areas)	40	Hour	\$ 150.00	\$ 6,000.00	TLC Company	CE000758
General Lot Cleaning of Facility Grounds	40	Hour	\$ 225.00	\$ 9,000.00	Environmental Earthscapes	BP000601
Exterior Landscape Maintenance	1	Month	\$ 6,200.00	\$ 6,200.00	Environmental Earthscapes	BP000601
Security Personnel	8,760	Hour	\$ 15.15	\$ 132,714.00	ADC Limited	BP000964
Total				\$ 1,228,914.00		
Contingency (15%)				\$ 184,337.10		
Tax (5.125%)				\$ 72,429.12		
TOTAL ESTIMATED COST				\$ 1,485,680.22		