

Meeting Date: February 26, 2020

Staff Contact: Kristopher Cadena, Principal Engineer, Utility Development

TITLE: R-20-6 – Authorizing an Agreement for Water and Sewer Service for

**Pejman Subdivision** 

ACTION: Recommend Approval - Immediate Action Requested

#### **SUMMARY:**

The Pejman Subdivision is a proposed residential subdivision consisting of 16 lots, located near the southeast corner of Paseo Del Norte and Holbrook St. The property is located within the Unincorporated Area of Bernalillo County, but outside of the Water Authority's Adopted Service Area.

The property lies within Pressure Zone 6E in the Alameda Trunk.

Water and wastewater service is contingent on the developer constructing internal distribution and collector lines that tie to the existing infrastructure proximate to the property.

All services provided within the development will be subject to current Utility Expansion and Water Resource Charges.

#### **FISCAL IMPACT:**

None.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO.

R-20-6

1 RESOLUTION 2 **AUTHORIZING AN AGREEMENT FOR WATER AND SEWER SERVICE FOR** 3 PEJMAN SUBDIVISION 4 WHEREAS, Senemar LLC and Skyblue Investments LLC is the developer and 5 owner of real property to be developed as a residential subdivision consisting of 16 lots 6 located near the southeast corner of Paseo Del Norte and Holbrook St; and 7 WHEREAS, the property which is located outside the service area of the Water 8 Authority will require a development agreement for the extension and/or connection of 9 water and sewer lines to the Water Authority's water and sewer system; and 10 WHEREAS, the Water Authority's Water and Wastewater System Expansion 11 Ordinance requires that new service developed outside the Water Authority's service 12 area will incur no net expense to the Water Authority and be subject to provisions of 13 relevant updated planning documents as approved by the City and/or County; and 14 BE IT RESOLVED BY THE WATER AUTHORITY: 15 Section 1. Senemar LLC and Skyblue Investments LLC will obtain all permits, 16 assurances, and approvals from the Water Authority and the Bernalillo County 17 development/design review process. Construction of water and/or sewer lines shall be 18 in conformance with the plans approved by the Water Authority and all applicable plans, 19 specifications, requirements, and standards of the Water Authority. 20 Section 2. The expansion of the System shall incur no net expense to the Water 21 Authority and be subject to current Utility Expansion and Water Supply Charges. 22 Section 3. Senemar LLC and Skyblue Investments LLC will be responsible for 23 close coordination of the project with the Water Authority during the design and 24 construction phases, including the review of the design details during the design 25 process, and the approval of specifications and contract documents. 26 Section 4. The Executive Director is authorized to enter into the agreement with 27 Senemar LLC and Skyblue Investments LLC for the provision of water and sewer 28 service.

# DEVELOPMENT AGREEMENT PEJMAN DEVELOPMENT

**Albuquerque Bernalillo County Water Utility Authority,** a New Mexico political subdivision, ("Water Authority") and Senemar, LLC and Skyblue Investment LLC, a New Mexico limited liability corporation, ("Developer") (together, "Parties"), agree as follows:

#### 1. Recitals

- **A.** Senemar LLC and Skyblue Investments LLC is the "Developer" and owner of certain real property located in Block 2, Tract 3, Unit 2 of North Albuquerque Acres on Lots 12, 13, 20 and 21 (collectively, the "Property"). The Property is more particularly described and shown on **Exhibit A** attached hereto and incorporated herein by reference. The Property is located outside of the Water Authority's currently adopted Water Service Area.
- **B.** The Property will develop into a 16 lot residential subdivision.
- **C.** The Property is described as: Lots 12, 13, 20 and 21 Block 2, Tract 3, Unit 2 of North Albuquerque Acres.
- **D.** The Property is located in Pressure Zone 6E of the Alameda Trunk.
- E. The Parties desire to agree upon terms and conditions pursuant to which the Water Authority will provide water and sanitary sewer service to the Property. As a condition of such service, the Developer shall construct, or cause to be constructed, extensions of existing public water and sanitary sewer lines and other necessary infrastructure improvements (collectively, "Facility Improvements") under all applicable plans, specifications, requirements, and standards of the Water Authority. The Serviceability Letter for the Property reflecting necessary Facility Improvements referred to in this Agreement is attached hereto as Exhibit B and incorporated herein by reference and made a term of this Agreement.

#### 2. Design and Construction of the Facility Improvements

**A.** The Developer will cause definitive designs and plans of the Facility Improvements to be produced which will include estimates of all costs and expenses. The Developer will not connect the Facility Improvements to the existing water and sanitary sewer lines within the Bernalillo County ("County") public right-of-way or within public easements until the Water Authority has approved the Facility Improvements. The Developer will obtain all necessary permits, assurances, and approvals from the Water Authority and County, and the Developer will deliver a copy of such permits, assurances,

- and approvals to the Water Authority prior to the start of construction. Construction will be handled through the Water Authority work order process.
- **B.** The Developer will complete, or cause to be completed, construction of the Facility Improvements as approved by the County and the Water Authority, and in conformance with all applicable plans, specifications, and standards of the County and the Water Authority. The Water Authority shall provide service to the Property only after the Water Authority has accepted the Facility Improvements. The Water Authority shall accept, operate and maintain the Facility Improvements after the Developer conveys, at no expense to the Water Authority, all the Facility Improvements together with all real and personal property rights which the Water Authority deems reasonably necessary which shall be free and clear of all claims, encumbrances and liens for the construction, operation and maintenance. The provisions of this Agreement constitute covenants running with the referenced Property for the benefit of the Water Authority and its successors and assigns until terminated, and are binding on the Developer and their heirs, successors and assigns.
- **C.** The contractor's one (1) year warranty period shall commence upon final project acceptance by the Water Authority. The Developer shall be responsible for conducting an 11 month warranty inspection. Developer shall be responsible for correcting any deficiencies found during the inspection to the satisfaction of the Water Authority.
- **D.** The Developer will be responsible for close coordination of the project with the Water Authority during the design and construction phases, including review of design details, during the design process, and the approval of specifications and contract documents. The Water Authority will review and approve in a timely manner the design plans for construction and estimated cost, to ensure the designs meet Water Authority standards and follow the guidance provided in the City's Development Process Manual ("DPM") and/or applicable Water Authority Design Manuals.
- **E.** To the extent relevant and applicable and to the extent there is no conflict with the terms of this Agreement, the usual procedures and documentation, including the Procedure "B", as defined in the Subdivision Ordinance and the DPM of the City, will be followed and used for the Facility Improvements.

#### 3. Service

**A.** The Developer shall comply with the Water Authority's Water and Sewer System Expansion Ordinance, as amended from time to time. Connection for water service shall require the concurrent connection of sanitary sewer service to the Water Authority's wastewater system.

- **B.** The Developer or its successor shall pay Utility Expansion Charges (UEC) and the Water Resource Charges (WRCs) at the rates that are imposed at the time of a service connection, as provided in the Water Authority's Water and Sewer Rate Ordinance, as amended from time to time.
- **C.** Pursuant to Water Authority Resolution No. R-05-13, the Developer agrees that it will incorporate water conservation guidelines that will seek to achieve water usage of no more than 180 gallons per household which is equivalent to seventy-five (75) gallons per capita per day.
- **4. Financial Guarantee** For any Master Plan Infrastructure required to be constructed by Developer herein, the Developer shall provide a financial guarantee in the form of a property lien that is acceptable to the Water Authority as assurance that the Master Plan Infrastructure will be completed and placed in service.
- **5. Termination.** If construction of the Facility Improvements by the Developer has not been completed and accepted by the Water Authority within seven years of the effective date of this Agreement, this Agreement shall automatically terminate, and the Water Authority and the Developer shall have no further rights, obligations, or liabilities with respect to this Agreement, unless otherwise agreed in writing.
- **6.** Water for Construction. During the construction of the Facility Improvements, the Developer agrees to utilize alternative methods as approved by the City of Albuquerque's Air Quality Division for dust abatement and control including compost from the Water Authority, if economically feasible. The Developers may purchase water for construction from the Water Authority from the nearest approved fire hydrant in accordance with the Water Authority's Water and Sewer Rate Ordinance. Water purchased from the Water Authority shall be used only for construction.
- 7. Indemnification. Until final acceptance of the Facility Improvements by the Water Authority, the Developer shall be solely responsible for the condition and maintenance of the Facility Improvements and the premises upon which the Facility Improvements are constructed. The Developer agrees to indemnify and hold harmless the Water Authority and its officials, agents, and employees from and against all suits, actions or claims of any character brought because of any injury or damage arising out of the design or construction of the Facility Improvements, or by reason of any act or omission, or misconduct of the Developer, its agents, employees or the Engineer or Contractor or its agents or employees. The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement. Nothing herein is intended to impair any right or immunity under the laws of the State of New Mexico. The indemnification by the Developer herein does not extend to the negligent acts of the Water Authority.
- **8. Representations and Warranties of Developer.** The Developer represents and warrants that:

- **A.** Developer is a validly existing limited liability company under the laws of the State of New Mexico.
- **B.** Developer has all the requisite power and authority to enter into this Agreement and bind the Developer under the terms of the Agreement; and
- **C.** The undersigned officer of the Developer is fully authorized to execute this Agreement on behalf of the Developer.
- **9. Notices.** Any notice to be given under this Agreement will be in writing and will be deemed to have been given when deposited with the United States Postal Service, postage prepaid and addressed as follows:

If to the Water Authority:

Mark S. Sanchez Executive Director Albuquerque Bernalillo County Water Utility Authority One Civic Plaza, Room 5012 Albuquerque, New Mexico 87102

If to Developers:

Senemar, LLC Esmail Haidri – Managing Member 12008 Gazelle Place NE Albuquerque, NM 87111

Skyblue Investments, LLC Adil Rizvi – Managing Member 7515 Treviso NE Albuquerque, NM 87113

- **10. Assignment.** This Agreement will not be assigned without the prior written consent of the Water Authority and the Developer. If so assigned, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.
- **11. Miscellaneous.** This Agreement will be governed by and interpreted in accordance with the laws of the State of New Mexico. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of the Agreement. This Agreement binds and benefits the Water Authority and their successors, assigns, and transferees and the Developer and their successors,

assigns and transferees. Time is of the essence of each term of this Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be void, invalid, illegal, or unenforceable, that portion will be severed from this Agreement and the remaining parts will remain in full force as though the invalid, illegal, or unenforceable portion had never been a part of this Agreement.

- **12. Integration:** Interpretation. This Agreement contains or expressly incorporates by reference the entire agreement of the parties with respect to the matters contemplated by this Agreement and supersedes all prior negotiations. This Agreement may only be modified in writing executed by both parties.
- **13. Approval.** This Agreement is subject to the approval of the Board of Directors of the Water Authority and will not become effective until approved by the Water Authority.
- **14. Effective Date.** The effective date of this Agreement is the date last entered below.

In Witness Whereof, the parties hereto have executed this Agreement on the dates entered below.

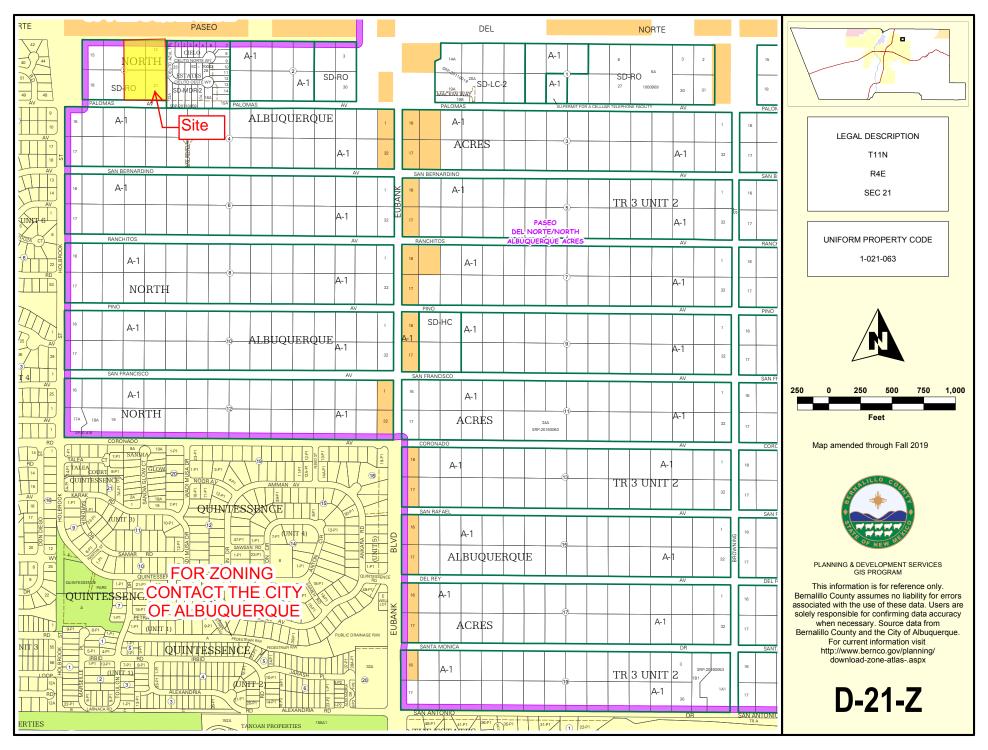
Albuquerque Bernalillo County Water Utility Authority		Developer Senemar, LLC, a New Mexico limited liabilit corporation			
By:	Mark S. Sanchez	By:			
	Executive Director	Esmail Haidari			
Date:		Managing Member			
		Date:			

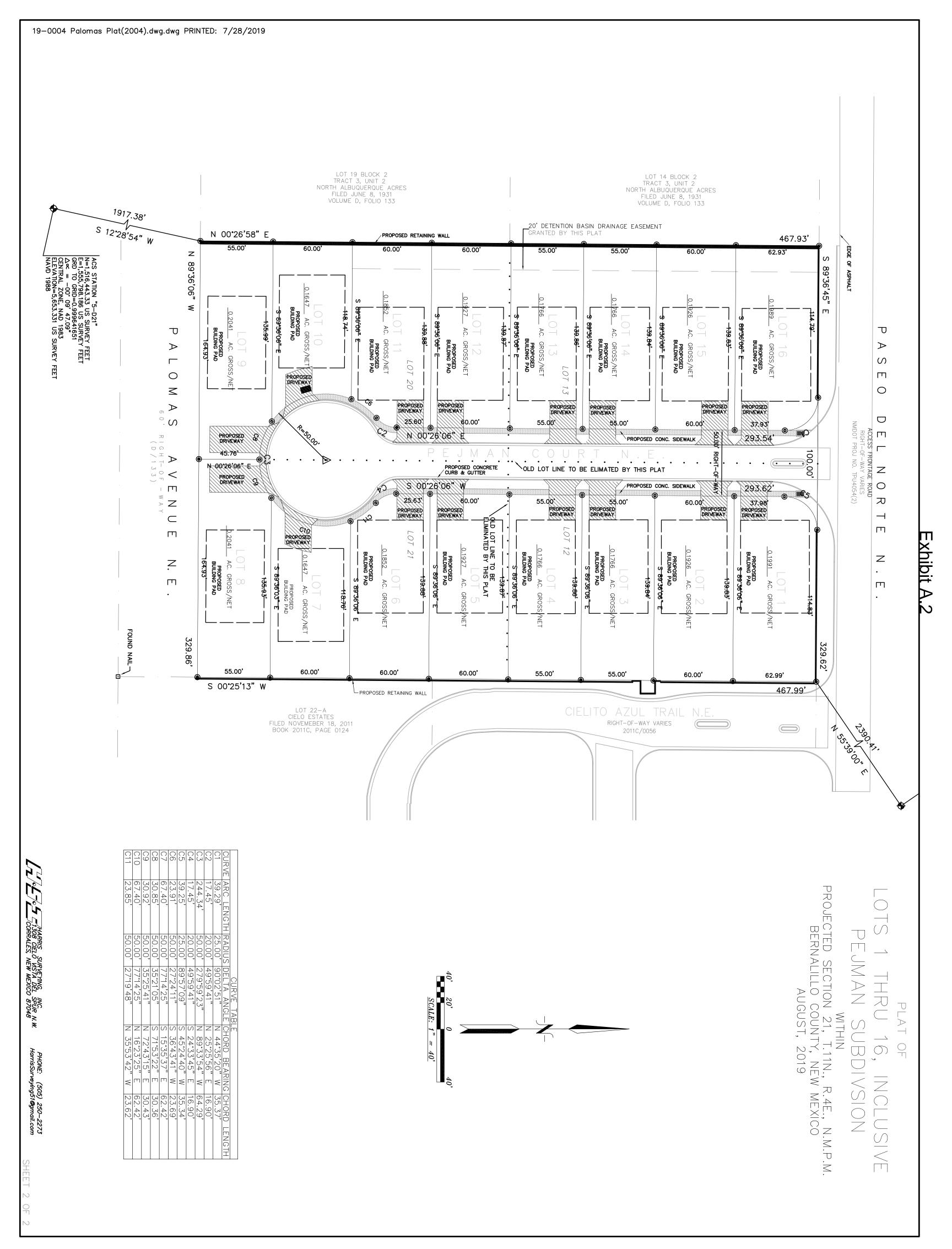
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Date	e:								

### **ACKNOWLEDGEMENTS**

STATE OF NEW MEXICO COUNTY OF BERNALILLO	) ) ss )			
This instrument was acknowledged	before	e me on,	_, 20	by a
·		on behalf of said Company.		a
My Commission Expires:		Notary Public		
STATE OF NEW MEXICO COUNTY OF BERNALILLO	) ) ss )			
This instrument was acknowledged				
	······································	on behalf of said Company.		a
My Commission Expires:		Notary Public		
STATE OF NEW MEXICO COUNTY OF BERNALILLO	) ) ss )			
This instrument was acknowled S. Sanchez, Executive Director Authority, a New Mexico politic	of the	Albuquerque Bernalillo Coun		
My Commission Expires:		Notary Public		

# Exhibit A.1





## Exhibit B

PO Box 568 Albuquerque, NM 87103-0568 505-289-3000 www.abcwua.org

September 30, 2019

Chair Debbie O'Malley County of Bernalillo Commissioner, District 1

Vice Chair Klarissa J. Peña City of Albuquerque Councilor, District 3

Maggie Hart Stebbins County of Bernalillo Commissioner, District 3

Trudy E. Jones City of Albuquerque Councilor, District 8

Timothy M. Keller City of Albuquerque Mayor

Steven Michael Quezada County of Bernalillo Commissioner, District 2

Ken Sanchez City of Albuquerque Councilor, District 1

Ex-Officio Member Pablo R. Rael Village of Los Ranchos Board Trustee

Executive Director Mark S. Sanchez

Website www.abcwua.org Adil Rizvi Skyblue Investments LLC & Senemar LLC 7515 Treviso NE Albuquerque, NM 87113

RE: Water and Sanitary Sewer Serviceability Letter #190817
Pejman Subdivision

Legal Description: \* 013 002NORTH ALBQ ACRES TR3 UNIT #2; \* 012 002NORTH ALBQ ACRES TR3 UNIT #2; \* 020 002NORTH ALBQ ACRES TR3 UNIT #2; \* 021 002NORTH ALBQ ACRES TR3 UNIT #2

Dear Mr. Rizvi:

**Project Description:** The subject site is located east of Holbrook St. between Paseo Del Norte Blvd. and Palomas Ave. in an unincorporated area of Bernalillo County. The property consists of approximately 3.46 acres and is currently zoned SD-RO for residential and office use. The property lies within the Pressure Zone 6E in the Alameda trunk. The request for information indicates plans to subdivide the four lots into sixteen residential lots.

**Development Agreement:** Pursuant to the System Expansion Ordinance, this property is outside of the Water Authority service area and the Water Authority Board must approve a Development Agreement to serve this property and establish requirements as a condition of service. Contact Utility Development in regards to Development Agreements.

Water Resource Charge: All developments located outside of the Water Authority's Adopted Service Area will be assessed a Water Resource Charge (WRC) as provided in the Water Authority's Water and Sewer Rate Ordinance for the development of new water resources, rights and supplies necessary to serve the development. The WRC shall not be used for reimbursement of master planned facilities.

Existing Conditions: Water infrastructure in the area consists of the following:

- Eight inch PVC distribution main (project #26-7291.82-11) along Palomas Ave
- 16 inch Ductile Iron Pipe distribution main (project #26-7187.81-05) along Holbrook St
- 36 inch Reinforced Concrete Pipe drain line main (project #09-001-82) along Paseo Del Norte Frontage Rd
- 48 inch Concrete Cylinder transmission main (project #09-001-82) along Paseo Del Norte Frontage Rd

Sanitary sewer infrastructure in the area consists of the following:

Eight inch PVC collector line (project # 26-7291.82-11) along Palomas Ave

**Water Service:** New metered water service to the property can be provided contingent upon a developer funded project to extend from the eight inch distribution main along the proposed roadway. The proposed water line will extend north to Paseo Del Norte Blvd. right-of-way, extend west and terminate and the west property line along the Paseo Del Norte Frontage Rd. Each lot shall have separate water services.

**Sanitary Sewer Service:** Sanitary sewer service can be provided contingent upon a developer funded project to make an extension from the eight inch collector line along the

proposed roadway enough to provide a perpendicular service line to each proposed lot with a manhole at the terminus.

**Fire Protection:** A standard fire hydrant flow has been applied to the proposed infrastructure and can be met. A node, representative of a fire hydrant, was placed halfway along the proposed line. The hydrant was tested at a flow of 1,500 gallons-per-minute. All new required hydrants as well as their exact locations must be determined through the Bernalillo County Fire Marshal's Office and verified through the Utility Development Office prior to sale of service.

Cross Connection Prevention: Any residential premises having existing private wells and who desire to connect to the public water system shall have two options as follows: 1) Customers shall permanently abandon the use of private wells by plugging the wells as accepted by the Water Authority prior to connecting to the public water system; or 2) Customers who choose to maintain their private wells shall completely sever the private well from the premises' potable plumbing system and shall install a reduced pressure principle backflow prevention assembly approved by the Water Authority at the terminal end of the water service from the public water system (e.g., service connection).

Easements: Exclusive public water and sanitary sewer easements are required for all public lines that are to be constructed outside of any dedicated rights-of-way. A minimum width easement of 20 feet is required for a single utility and 25 feet for water and sewer both within the same easement. Easements for standard sized water meters need to be five feet by five feet and include the length of the water service if located on private property. For larger meters that require a meter vault, a 35 feet by 35 feet easement is required. Actual easement widths may vary depending on the depth of the lines to be installed. Side yard easements are not acceptable for either water or sanitary sewer. Acceptable easements must be documented prior to approval of service. A separate tract with a public waterline and public sanitary sewer easement shall be provided to accommodate the proposed extension

**Pro Rata:** As described in this statement, the extension of public water and sanitary sewer lines may be eligible for partial reimbursement through the Pro Rata process as detailed in the Water Authority Water and Wastewater System Expansion Ordinance. Pro Rata has been assessed for lot UPC 102106305849120504 in the amount of \$2,205.43 for water infrastructure and \$4,625.89 for sewer infrastructure under project #7291.89 for a total amount of \$6,831.32. Pro Rata has been assessed for lot UPC 102106307449120505 in the amount of \$2,205.43 for water infrastructure and \$4,625.89 for sewer infrastructure under project #729182 for a total amount of \$6,831.32. These charges are assessed to the properties due to their ability to benefit from and/or take service from the previously installed infrastructure. Payment will be required as a condition of approval from the Water Authority.

**Design and Construction** of all required improvements will be at the developer / property owner's expense. Improvements must be coordinated through the Bernalillo County Department of Public Works and Water Authority Work Order process. Designs must be by a licensed, New Mexico registered professional engineer. Construction must be performed by a licensed, bonded, public utility contractor.

**Costs and Fees:** In addition to installation and construction costs, any new metered water services will be subject to both water and sanitary sewer Utility Expansion Charges (UEC) payable at the time of service application. All charges and rates collected will be based on

the ordinances and policies in effect at the time service is actually requested and authorized.

Water Use: When metered water service becomes available to this site, the Water Authority is ready, willing, and able to provide the maximum annual requirement for the subject subdivision/project for a period of at least 70 years as required by the Bernalillo County Subdivision Ordinance. However, the Water Authority is also committed to meeting water conservation goals and requirements. Accordingly, all new development utilizing Water Authority services are subject to the requirements for water usage and water conservation requirements as defined by the Water Authority. Where available, outdoor water usage shall utilize reclaimed water. All new residential development outside of the Water Authority water service should be designed to meet the standard water usage of 180 gallons per day per household which is equivalent to 75 gallons per capita per day.

Closure: This serviceability letter does not provide a commitment from the Water Authority to provide services to the development. It only provides details of infrastructure that is available and potential precursors for the proposed development. For service to be provided, a Board approved development agreement must be supplemented by this serviceability letter. The serviceability letter will remain in effect for a period of one year from the date of issue and applies only to the development identified herein. Its validity is, in part, contingent upon the continuing accuracy of the information supplied by the developer. Changes in the proposed development may require reevaluation of availability and should be brought to the attention of the Utility Development Section of the Water Authority as soon as possible. Once adequate information is provided to Utility Development (i.e. site plan, property information, utility demands, instantaneous fire flow requirement from the Fire Marshall's Office, and other pertinent information) an availability statement will then be issued which will include all requirements for providing service to the development. Changes in the proposed development may require reevaluation and should be brought to the attention of the Utility Development Section of the Water Authority as soon as possible.

Please feel free to contact Mr. Kristopher Cadena in our Utility Development Section at (505) 289-3301 or email at <a href="mailto:kcadena@abcwua.org">kcadena@abcwua.org</a> if you have questions regarding the information presented herein or need additional information.

Sincerely.

Mark S. Sanchez Executive Director

Enclosures: Infrastructure Maps (2) f/ Serviceability Letter 190817

