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# PROPOSED FY2022 BUDGET

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Water Utility Authority



*Proposed  
Operating Budget  
FY22*



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**Albuquerque Bernalillo Co. Water Utility Authority**

**New Mexico**

For the Fiscal Year Beginning

**July 1, 2020**

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# Albuquerque Bernalillo County Water Utility Authority

April 21, 2021

To: Steven Michael Quezada, Chair

From: Mark S. Sanchez, Executive Director

Subject: Resolution Appropriating Funds for the Operation of the Water Authority for the Fiscal Year Beginning July 1, 2021 and Ending June 30, 2022

Presented to the Board for review and consideration is the proposed budget for the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for Fiscal Year 2022 (FY22). This submittal is the Water Authority's financial plan for FY22. The development of this financial plan has been guided by the Water Authority's Five-year Goals, One-year Objectives, Performance Plan and the Guiding Principles. In the development of this proposed budget, the Water Authority has taken a conservative financial approach to provide effective and efficient water and wastewater services balanced against projected resources. This proposed budget is based upon the 10-year Financial Plan. It is balanced, fiscally conservative and sound.

The Water Authority has developed the budget according to the utility's projected estimated revenues. General Fund revenue for FY22 is estimated to be \$239.3 million, representing an increase of \$1.5 million from the FY21 budget amount. There is no rate increase proposed for FY22.

The proposed General Fund operating expenses for FY22 are \$239.3 million, representing an increase of \$1.5 million from the FY21 budget, including interfund transfers. This is comprised of an increase of \$1.7 million for salaries and benefits, an increase of \$0.8 million for operating expenses, and a decrease of \$1.0 million for interfund transfers to the capital and debt service funds. Personnel expenses include a 2.0% step increase in wages and a 5.0% increase in health benefit costs. The most significant expense continues to be debt service payments, which comprise 32.5% of the total General Fund operating expense in FY22.

For FY22, General Fund revenues, including an addition of \$8.5 million from fund balance, are expected to be equal to proposed expenses. This amount will bring the Working Capital or Fund Balance to \$38.0 million at June 30, 2022, net of the reserve fund balances. The Water Authority's target is to maintain its Fund Balance at 1/12 of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. For FY22, the Rate Reserve fund remains at \$9.0 million; the Risk Reserve is \$0.5 million; and the Soil Amendment Facility Reserve is \$1.5 million.

Also submitted in a separate resolution is the Capital Improvement Program (CIP) proposed budget for FY22. This budget reflects the Water Authority's commitment to spend \$250.0 million to upgrade its sewage treatment plant and an additional \$36.0 million per year to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in a recent asset management study commissioned by the Water Authority. The proposed CIP appropriation for FY22 is \$80.4 million. \$71.7 million is appropriated for the level one priority basic capital programs, \$5.0 million for growth-related projects, \$3.4 million for special projects, and \$0.3 million for *Water 2120* projects. The 3.4 million for special projects is comprised of \$2.0 million for Automated Meter Infrastructure (AMI), \$1.0 million for steel water line replacement, \$0.4 million for various renewable energy projects.

This budget proposal represents the Water Authority's coordinative effort to bring to the Board a financial plan that will provide the necessary funding to perform all the varied operational and administrative functions, to maintain the Level of Service (LOS) to its customers with high-quality water and wastewater service and address the Water Authority's priorities for FY22 to improve services and gain operating efficiencies.

## FY21 ACCOMPLISHMENTS

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As we look forward to FY22, we also reflect on the Water Authority successes in the preceding year. These included:

- ✓ Fitch Ratings affirmed its bond rating of "AA" and revised the Outlook to Positive.
- ✓ 2021 American Council of Engineering Companies (AEC) Engineering Excellence Award, solids dewatering facility (Carollo Engineers, designer)
- ✓ 2020 National Association of Clean Water Agencies (NACWA) Environmental Achievement Award for Watershed Collaboration
- ✓ 2020 Excellence in Management Platinum Award (NACWA)
- ✓ 2020 Utility of the Future designation for watershed stewardship (Water Environment Federation)
- ✓ FY20 Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, Special Performance Measure recognition
- ✓ FY19 GFOA Certificate of Achievement for Excellence in Financial Reporting (both Comprehensive and Popular)

Other achievements in the preceding fiscal year include the earmarking of additional funds to continue a project to extend municipal water services to the historic South Valley neighborhood of Los Padillas, the installation of 20,000 additional automated meters, and the installation of carbon filters at lift stations to address odor concerns. Additionally, the extensive multi-year, \$250 million refurbishment of the Southside Water Reclamation Plant continued on-schedule.

### Operations

In calendar year 2020, the Surface Water Treatment Plant (SWTP) section produced 32% of all water for the Water Authority, which reflects drought conditions in the Rio Grande River during the year. The treatment plant also met the Partnership for Safe Water-Treatment turbidity goal over 99.5% of the time during the year and received the AWWA Partnership for Clean Water Presidents Award. Treatment Plant staff assisted in the emergency water hauling to the Navajo Nation.

Groundwater section provided all the potable

water to the service area between July 2020 and January 2021 due to the shutdown of the Surface Water Treatment Plant. Staff navigated through COVID-19 related staffing shortages without compromising service to Water Authority customers and assisted in the emergency water hauling to the Navajo Nation.

Groundwater major projects during the year included: booster and well pump renovations and replacements; upgrades to the chlorine residual measurement at pump stations; installation of equipment at the MDC reservoir to improve water quality; and contractor-led pump station and well house roof inspections and maintenance.

The Southside Water Reclamation Plant (SWRP) section accomplishments included: returning the MDC wastewater treatment plan to compliance with effluent quality standards; transitioning to new leadership at all levels throughout the year; consistently meeting SWRP effluent quality standards through the year; and undertaking major renovations at the Cogeneration facility and leak repairs to BHW piping. The CY2020 Annual Compliance Certification for Air Quality permit had no deviations to report.

Field Distribution section crews installed 20,000 additional Automated Meter Infrastructure (AMI) meter devices. The division received and responded to 30,000 line-locate requests from New Mexico 811 for excavations during the fiscal year leading to a reduction in underground utility damage frequency. Staff inspected and exercised 4,000 isolation valves (85% operability rating), tested approximately 300 small water meters for accuracy (median 97.9%), and updated over 3,200 assets into the asset registry.

Field staff relocated from City Pino Yards and the Northwest Service Area to the new operations facility at Mission Ave. Metal recycling, debris disposal, materials relocation, storage shed demolition, records archiving and building cleanout tasks were completed.

Increased pressure reducing valve maintenance coupled with remote pressure monitoring continued to yield an overall decline in water leaks/breaks, allowing for a shift from traditional reactive maintenance to a more balance preventative and corrective maintenance structure.

## FY21 ACCOMPLISHMENTS

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Wastewater Collections section continued to implement the Capacity Management Operations and Maintenance (CMOM) program. As part of the commitment to the program staff completed and approved the CMOM Annual Report for CY19, staff and contractors televised 5% of the small diameter system, and in response to internal studies, Short Interval cleaning was focused on the colder portion of the year when SSOs are more likely.

In conjunction with Centralized Engineering section, approximately 300 additional high-risk manholes were contractor-inspected utilizing a 360-degree scanning system and staff utilized the WATS model to evaluate and recommend sites for chemical feed stations on the Westside and Tijeras Interceptors.

Collections staff completed the Root Foaming Study, initiated inspection and documentation of AVOPS Permit-required Confined Spaces, supported the inspection of Lift Station 20 force mains, developed new SOPs for acoustic monitoring equipment and CCTV for vacuum line inspections, and assisted in the installation of pilot AMI monitoring at a carbon filter station and a vacuum sewer pit.

Planning & Utility Development section, in coordination with the City of Albuquerque and Bernalillo County, continued its work to ensure that the water and wastewater infrastructure designed and constructed as part of new developments met Water Authority standards. Staff drafted Standard Operating Procedures to better define internal processes.

Centralized Engineering section managed CIP projects primarily associated with the renewal of the Water Authority's water and wastewater infrastructure. Capital renewal expenses by the end of FY21 are projected to be approximately \$86 million, including: \$15M for Sanitary Sewer Renewal, \$6M for Drinking Water Pipeline Renewal; \$22M for SWRP Renewal; \$5.5M for SAF/Lift Stations, Odor Control Renewal; \$7M for GW Systems Renewal; and \$6M for SJC Treatment Plant Renewal.

In FY21, an In-House Design section was formed to use in-house staff to perform work previously done by outside contractors. Projects included: preparing Master Guide Specifications to replace

currently used City of Albuquerque Standard Specifications; designing construction packages (plans & specifications) for the FY22 Steel Water Line Replacement program; and supporting the Field and Plant divisions with research, record drawings, exhibits, and image repository pages.

The Asset Management group was established mid-year in FY20. During FY21, staff created dashboards and established KPI's that are distributed throughout the Authority on a monthly basis; created dashboards in Maximo for O&M and Warehouse staff for measuring data quality, continued efforts to update the accuracy of the asset registry, developed the FY22-31Decade Plan template used in the division workshops during the development of the Decade Plan; and completed, in conjunction with a contractor, a 5-year Strategic Asset Management Plan outline and details for implementation.

Water Resources Water Conservation section launched new landscape watering efficiency rebates, conducted hundreds of COVID-safe water waste, xeriscape, APS and City parks leak audits and irrigation inspections. Conservation staff initiated the "Ask an Expert" email, a direct way for communicating with customers to answer questions about plants, irrigation and leaks.

Both the Bear Canyon Recharge and DWTP Large-Scale Recharge projects were operational during the 2020-2021 recharge period. Water Resources staff worked closely with Operations staff to troubleshoot meter issues and develop a solution that ensured continued compliance with the Office of the State Engineer. Additionally, Water Resources staff supported the Compliance Division in the drafting and submittal of a permit renewal application for the North I-25 Non-potable Reuse System and Bear Canyon Recharge (DP-1206).

Water Resources staff collaborated and assisted the following agencies and programs: the Middle Rio Grande Endangered Species Collaborative Program, the U.S. Fish and Wildlife Service, the San Juan-Chama Contractors Association, and the Water Research Foundation.

The Water Authority continued its commitment of \$165,000 in support of the City of Albuquerque's BioPark Aquatic Conservation Facility, and \$200,000 in support of the Rio Grande Water Fund's

## FY21 ACCOMPLISHMENTS

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watershed restoration. Staff continued meeting with Explora to develop water exhibits for their new STEM science center.

The education program adapted its curriculum to reach students through online platforms during the pandemic, providing virtual class presentations, puppet shows, tours of the wastewater treatment plant, and field trips to the Bosque. Staff created an 8-page summer program booklet, which was distributed to over 1,800 students. The education program staff created a new Instagram site, which is monitored and updated weekly. The 70+ pages of content in the education website were updated and reorganized into a new format which is easier to navigate and visually appealing. A new activity was developed for high school students, in which students perform a simulation of fish egg collecting from the river under different conditions to see how factors such as flow and habitat affect the population of the silvery minnow.

### Compliance

The Water Quality Lab set up and calibrated a new Total Organic Carbon instrument and developed SOP's for the instrument; installed a new deionized water system and fume hood replacement. The lab received A2LA Laboratory accreditation, which is valid to July 31, 2022 and added Fecal as MPN (IDEXX) to its Scope of Accreditation.

The Water Quality program submitted their annual audit to the New Mexico Environment Department, conducted manganese monitoring at various points in the treatment process, began testing manganese and color apparent in the Water Process Lab, and completed a modeling project evaluating the need for proposed small diameter pipeline additions in the South Valley.

The NPDES program completed the first phase of the Fish Tissue study project according to the sampling plan and completed the first-year fish tissue quota. Staff continued and expanded the data collection phase of the Mercury Reduction Study. The sampling requirements for the first year of the new NPDES permit at SWRP were completed and submitted to the EPA.

### Administration, Employee Relations and Development

In November 2020, Public Relations and Water Authority staff held virtual Customer Conversations meetings. In Spring 2021, the 2020 Water Quality Report will be published and distributed to the service area and in Spring/Summer 2021, advertising will increase to focus on conservation and drought communications.

The Risk/Safety program implemented a Continuity of Operations Plan and other support functions amid COVID-19 and staff continued to support and deliver safety trainings and compliance inspections during the pandemic.

Risk staff contracted a security team to safeguard all utility physical properties, continued to implement the Security Consultant's Deliverables in accordance with AWWA G430 standards, developed an Integrated Emergency Response Plan that was certified by the EPA, and formally participated in a multi-jurisdictional hazard mitigation plan with other public agencies.

Through the COVID-19 pandemic, Human Resources wellness staff continued to offer wellness challenges remotely and offered challenges to employees that were easy to do on their own with a variety of topics offered, including increasing physical activity, nutrition and weight loss tips as well as disease and injury prevention topics.

Human Resources staff, in conjunction with Risk, developed COVID-19 checklists for managers and employees. These were critical in establishing guidelines for dealing with COVID-19 outbreaks. HR had contact with every employee who was out experiencing symptoms and tested positive; determined return to work dates, coordinated cleaning of work sites and determined if other employees were affected by the virus.

The certification training programs continued to develop employees' knowledge and skills in various positions, including water and wastewater operations and maintenance, dispatch, and customer service. Thirty-two employees were promoted throughout the Water Authority during the fiscal year; ninety employees participated in

## FY21 ACCOMPLISHMENTS

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the 2<sup>nd</sup> year of the Management Series Training Program; and employees received a total of \$79,625 in tuition assistance.

### Budget, Finance and Business Management

The Finance Accounting section submitted the FY20 Comprehensive Annual Financial Report (Annual Report) to the Government Financial Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Report program and the Popular Annual Financial Report (PAFR) program.

Purchasing staff partnered with Risk to implement a major overhaul of the process regarding collection of certificates of insurance, implementing a new platform for improving collection of certificates from vendors/contractors. Staff quickly initiated a roll-out of the BlueInk eSignature platform for efficiently signing procurement/contract documents as part of the emergency protocols for remote working during COVID-19.

Warehouse and Fleet Maintenance staff completed the move from the Pino facilities to the new operations facility at Mission Ave. Warehouse staff continued to implement improvements to the inventory management/materials and services ordering process using Maximo enhancements put in place by partnering with EMA and successfully acquired COVID-19 PPE to fulfill the needs of staff. Fleet staff incorporated the Soil Amendment Facility fleet pool and maintenance into the centralized fleet processes, continued vehicle replacement and implemented a more formalized approach to assessing long-term vehicle needs for the Decade Plan.

Treasury section increased the security ladder maturities from six months to twelve/eighteen months to address the large drop in short-term rates. Staff supported Customer Services during COVID-19, the move to the Mission Ave. facility, work-from-home transitions, several system updates and implementations, and implemented a number of BlueInk electronic forms.

During the 2<sup>nd</sup> quarter, all Customer Service operations (call center, billing, new services and

dispatch) were consolidated at the new operations building at Mission Ave. In addition, about 50% of the Dispatch and Call Center worked from home as a result of safety measures put in place due to COVID-19. A newly designed Water Authority webpage was developed which features a single sign-on customer portal that allows customers to view and pay their bill and see their water usage. With the launch of the new webpage, Customer Services replaced paper forms with BlueInk electronic forms.

Communication Center Operations (Dispatch) moved under Customer Service division in FY21. The dispatch phone system was migrated from a hunt-group system to the Unified Contact Center. This provided fast call management, reduced wait times, real-time reporting on call volumes, and call recording. Another upgrade was the replacement of the old radio system with a web-based dispatch console. These upgrades provided more efficient and effective operations and allowed for work-from-home capability for Dispatch staff.

Information Technology staff completed the annual update and review of the Comprehensive Information Technology Security Plan and related policies.

Staff completed the Maximo upgrade and migrated and standardized the mobile field activities, including Line Spotting (NM811), water lines, and the meter changeout program. The Water Authority completed migration of all mobile and cellular devices to AT&T and fully converted to utilization of its Push-To-Talk functionality.

Other significant ITD projects included: the redesign of the Water Authority's website, the upgrade to a new GIS database version, continued progress of the utility's single SCADA system initiative, implemented a comprehensive Change Management Program, Service Requests, and Incident and Task tracking.

## FY22 HIGHLIGHTS

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The FY22 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Goals, Objectives and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

Helping to guide this effort is *Water 2120*, the Water Authority's 100-year water resources management strategy, adopted in September 2016. *Water 2120* incorporates the latest science regarding the effect of climate change on the availability of surface water supplies. Using climatic hydrologic simulation models from the Office of the State Engineer, Sandia National Laboratories and the U.S. Bureau of Reclamation and Geological Survey, among other agencies, it takes climate variability into account and for the first time looks at a 100-year time horizon for the greater Albuquerque area. Three different demand scenarios along with three supply alternatives are used to examine the need for new supplies while maintaining a ground water resource for future generations. A portfolio of supply options is used to fill the gaps to meet future demand over the next 100 years. A key component going forward will be the shift from acquisition of water rights to the development of reuse facilities to have a more resilient supply.

### Operations

The operational cornerstone of *Water 2120* is the San Juan-Chama Drinking Water Project (DWP), which will continue to have a major positive impact on the ground water resources in the Middle Rio Grande. After eleven years of operation, the DWP – along with conservation and other resource management efforts – has resulted in rising aquifer levels throughout the service areas documented by the U.S. Geological Survey.

The Water Authority will continue to operate two potable water supply systems, the surface water and the ground water systems. This dual system operation will continue into the future. The Water Authority's goal is to have the DWP supply 70-75% of all customer demand. Flow conditions in the Rio Grande, due to the continuing drought conditions, have limited the ability to fully realize this goal on a

consistent basis.

In FY22, the SWRP section will be participating in the PNM Strategic Energy Management program to systematically trim the SWRP energy costs. Staff will work to optimize the operation of cogeneration facilities and the new exhaust gas cleaning system as well as improve the knowledge base of these facilities. Management at the SAF will actively search for new large-scale customers for compost and wood chips.

The Water Authority began a major renovation of the SWRP in FY10, called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plant. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility (PTF), aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility (SDF). In FY22, RRAMP improvements will focus on Anaerobic Digester renewal, covers for the primary clarifiers to aid in odor control, aeration basin renewal, replacing the rotary drum thickener system for more efficient sludge concentration and digestion, and ongoing Cogen equipment improvements and replacements.

The SWTP will complete the commissioning of a permanent screw press dewatering system for iron sludge at its facility and will continue to work with SWRP staff on managing iron sludge discharges to the collection system. Staff plan to work towards the AWWA Partnership for Safe Water-Treatment Phase IV Excellence in Treatment Award.

Groundwater Operations management will fine tune the groundwater system operations to trim the summer power costs while maintaining system resilience & reliability. Staff plan to deploy high arsenic wells to meet supply needs in the Northside non-potable system once the Collector Well is offline (pending permit approvals). Staff have commissioned and plan to operate a new flow control valve that replaces the defunct sleeve valve at the SWTP.

Wastewater Collections section will utilize the process to capture new construction closed-circuit television (CCTV) for inclusion in Maximo and

## FY22 HIGHLIGHTS

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IT pipes Repository after unique GIS identifiers are established. Staff will continue to clean and CCTV the system in accordance with CMOM commitment. Staff will utilize the WATS model and infoSWMM to model the chemical usage and concentration to optimize a chemical cost reduction balanced with odor and corrosion control. Staff will utilize the WATS model to study locations for new chemical stations on the Tijeras interceptor and on the westside.

Water Field-Distribution section will task a dedicated crew to replace 30,000 aging water meters with smart meters. Field crews will continue to perform block to block rehab repairs which will generate significant cost savings by performing these tasks in-house.

Field crews will continue the flushing program to systematically flush water lines and filter the water using the new No Des system before returning it to the distribution system and minimize water loss. Crews will exercise 4,000 isolation valves. The long-term goal is to exercise all isolation valves over a ten-year period. To support the water audit and strategic water loss plan, staff will test a minimum of 300 small meters.

Field crews will continue the 5-year plan to replace the SJC transmission line actuators. The current actuators are undersized and weak so crews are replacing them before they break; generating cost savings by not having to hire outside contractors.

Water Resources-Conservation will begin their Watersmart Academy for professional landscapers. Classes will count towards licenses. Staff will produce and publish a new Efficient Irrigation Customer Guide, which will build on input provided in the Customer Conversations meetings.

The education program will complete the fish monitoring activity for high school students and create a new field trip for 7<sup>th</sup> grade students involving citizen science and data collection and analysis. Staff will continue its collaboration with Explora to design water exhibits for the new STEM education wing of the museum which is scheduled to open in 2021.

The capture analysis was completed in FY21 and the next steps, based on the information

collected will be: defining realistic source water protection areas, updating the potential source of contamination inventory, and updating the source water assessments.

Staff will work to get the remaining permanent easements around Abiquiu reservoir, which is an important step to increasing the storage at this facility from 170,000 acre-feet to 238,000 acre-feet. Staff will begin the analysis and evaluation for storage of San Juan-Chama or native water at locations in the Middle Rio Grande. Staff will work with Central Engineering, Operations, and Compliance to develop a guidance and flowcharts for evaluating, building and managing future joint projects to include: aquifer storage and recovery projects, reuse projects and updates to *Water 2120*.

Water Resources staff have committed leadership and support of the Endangered Species Act-Collaborative Program. The program has developed a timeline with milestones for completion of a Science & Adaptive Management Plan and a Long-Term Plan.

The 2004 Water Authority Biological Opinion – 2020 Amendment covers sediment management at the SJC diversion facility and potential future installation of a mechanical rake system. The amendment also renews the BioPark funding commitment and egg monitoring for 10 years.

Centralized Engineering will continue managing CIP projects. Major projects include: \$8M for construction of the FY21-1 Westside Fortuna/Avalon Interceptor Rehab, \$3.5M for steel water line replacement (Walter/Monte Vista package), \$27M for various SWRP renewal projects, and \$7.8M for GW Systems Renewal projects.

In-House Design projects for FY22 include: finalizing the FY22 Steel Water Line Replacement packages, preparing construction documents to address point repairs of failed portions of the sanitary sewage collection system, finalizing the draft of the 5-year Strategic Plan for In-House Design, and starting the preparation of the FY23 Steel Water Line Replacement packages.

The Asset Management Program Team will start, with a consultant, the Comprehensive Asset Management Plan (CAMP) with Hazen consultant by performing condition and risk assessments,

## FY22 HIGHLIGHTS

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updating asset attributes and replacement cost data for the SJCWTP and SWRP.

The upgrade to Finance Enterprise will allow Asset Management staff to use Project Management for tracking each work authorization for each project and provide budget allocation towards projects for monitoring cash flows.

### Compliance

Water and Wastewater Operations are regulated by a myriad of federal, state, and local environmental permits, regulations, and rules. The Compliance Division continues to maintain a matrix that is updated quarterly of regulatory requirements to monitor regulatory initiatives to define operational impacts and develop compliance strategies.

The Water Quality Lab plans to refurbish the HVAC chiller compression Unit, upgrade the HVAC system controller unit, replace three fume hoods, and perform a future laboratory instruments needs assessment.

The Water Quality program will implement the sample collection scheduling through Maximo, continue the study of water quality parameters with a focus on DBPs, manganese, iron and cyanide, and prepare for the anticipated 2020 Sanitary Survey reschedule (Due to Covid-19, the survey was postponed in 2020). Staff will begin the ASR sampling routines providing more timely access to the data and cost-savings over hiring a contractor to perform the sampling.

In accordance with the new NPDES permit, the staff will continue with the fish tissue study. Staff will work with a consultant to complete the Mercury Reduction study.

### Administration, Employee Relations and Development

The Water Authority will continue to conduct periodic activities to engage, educate, and provide updates to customers, legislators and neighborhood associations regarding Water Authority activities and initiatives, and offer opportunities for dialogue and feedback.

Public Relations staff will formulate an Internal Communications Plan and investigate platforms to increase and manage the utility's social media presence.

Risk/Safety will continue implementing the Security Consultant's deliverables in accordance with AWWA G430 standards and to carry out important liability protection of the utility's assets. Risk staff will continue supporting the multi-jurisdictional Hazard Mitigation Plan.

The Safety Team will provide safety inspections and trainings to include compliance-related item. Staff will be using the new Learning Management System (LMS) platform to maintain effective training delivery and tracking of training hours.

Risk and HR staff will continue supporting the continuity of operations as it relates to COVID-19 while meeting CDC and NMDOH guidelines.

HR Staff will conduct the biannual Employee Satisfaction and Engagement Survey. The survey results will be used to maintain and improve in the areas identified. Staff will create a new benefits flyer for distribution to interviewees and develop a remote working plan for the organization.

A new Learning Management System will be deployed. This system will provide an area to store all training materials, provide online training access, and provide a space for employees to store and track all certifications, classes, and training information.

Human Resources wellness staff will continue offering wellness challenges for individuals and departments. At least two fitness challenges per quarter will be offered in conjunction with nutrition, physical activity and weight loss tips as well as disease and injury prevention topics to employees.

The proposed budget also includes nonrecurring funding for an employee safety incentive program. This program will reward employees for cost savings that result from a decrease in work-related losses. Funding for this program is contingent on the Water Authority generating the same or a greater amount in savings. This incentive program has been an effective tool in the reduction of the utility's Workers Compensation expense.

## FY22 HIGHLIGHTS

### Budget, Finance and Business Management

Finance will submit to GFOA the FY22 Approved Budget for the Distinguished Budget Presentation Award, the FY21 Comprehensive Annual Financial Report (Annual Report) for the Certificate of Achievement for Excellence in Financial Reporting and the FY21 Popular Annual Financial Report (PAFR) for the Popular Annual Financial Reporting Award. The division believes that all three financial documents meet or exceed the recommended requirements to successfully receive each award and to also be nationally recognized by GFOA for these accomplishments.

During FY22, the Purchasing section will work with Centralized Engineering to automate the on-call construction Request for Offers bidding process, perform an analysis of inventory configurations to improve the effectiveness of inventory management, and enhance the focus on Fleet satellite storeroom management procedures.

Budget will continue to provide budget and ERP system training to utility staff and schedule monthly budget update meetings with staff. Staff will monitor, update and lead discussions of the FY22 Water Authority Goals & Objectives and EUM metrics.

Treasury will maintain a diversified portfolio of bank balances and Treasury securities to offset banking fees. Staff will partner with Accounts Payable and ITD to implement the Wells Fargo Payment Manager program to increase the security of payments to vendors and to outsource check printing.

Customer Services-Dispatch will focus on an initiative to replace their paper call logs with an electronic record of inbound calls using Maximo, making these records easily searchable and shared/viewed by staff.

Customer Services will implement a self-service payment kiosk at the Mission Ave. location. This walk up/drive up kiosk will allow customers to make payments with cash, check or card. Direct integration with the billing system will provide real-time lookup and payment posting. The kiosk will provide 24/7 self-service access to customers.

ITD Quality Assurance staff will continue implementation of the Information Technology Infrastructure Library (ITIL) best practices for: service requests, change management, incidences, and self-service. Staff will build-out remedy reporting functions to ensure service requests are being resolved in a timely manner.

ITD Infrastructure objectives for FY22 include: upgrading the Active Directory, upgrading Microsoft Intune for software deployments to WUA computers that being used remotely, creating a self-service password reset portal, and installing endpoint protection for Water SCADA servers.

ITD Network staff will perform a network core upgrade at the City Hall location, deploy CISCO networks, and deploy cloud WebEx Teams for enterprise messaging.

ITD Application staff will work on external website enhancements, redesign/rebuild the employee portal, assist in streamlining Payroll processes in the ERP system, continue the rollout of the LMS, and perform upgrades to Kronos (timekeeping) and Cognos (reporting)

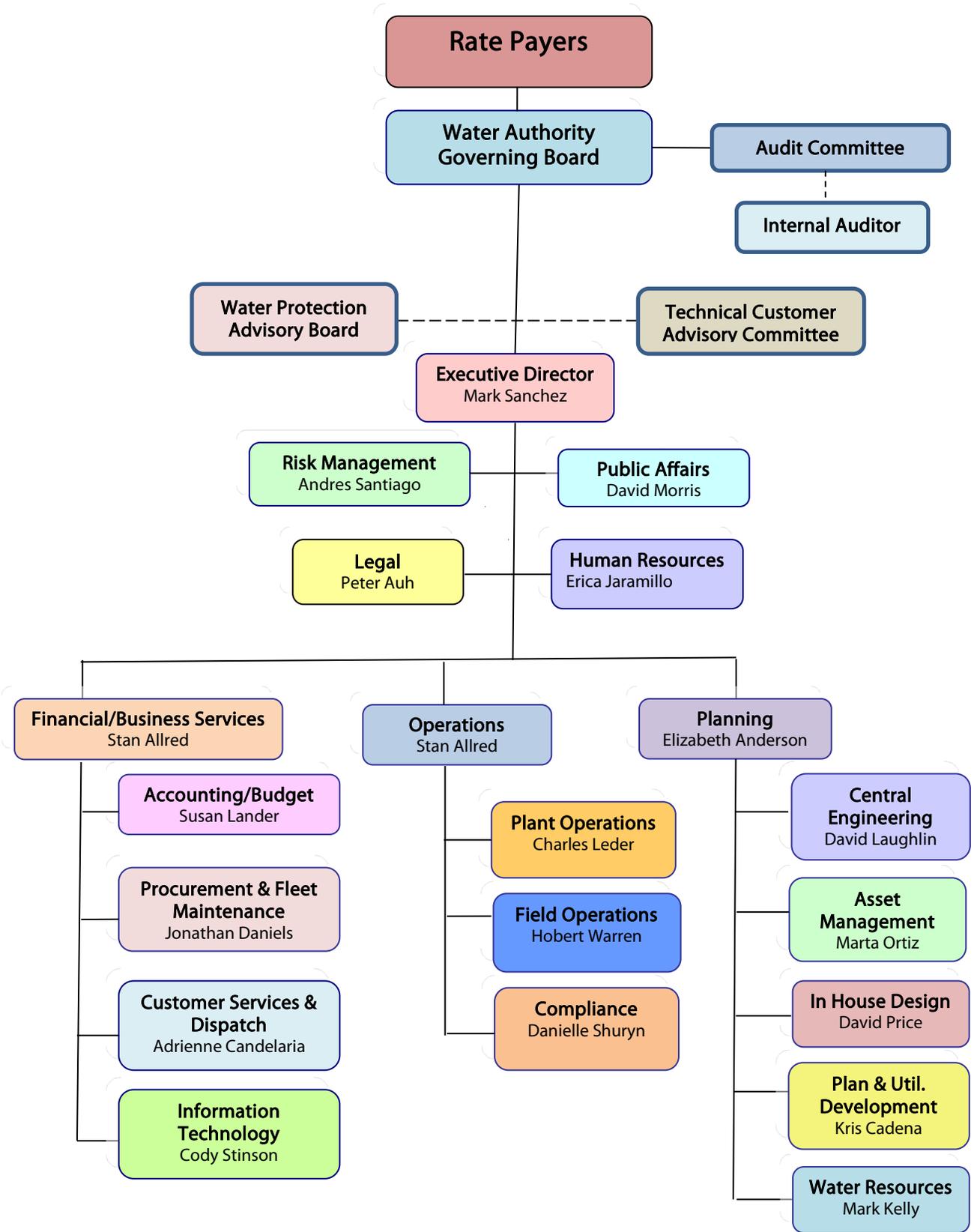
IT OP Applications will implement Fleet-AVL integration (odometer/runtime monitoring), replace the GIS website, and upgrade MapEngine and PowerSync.

IT Security will continue to be a major focus in FY22. Objective are: to complete the implementation of DNAC/ISE, continue to reduce the risk assessment scores, move towards automation of Splunk for security events, reduce the KnowBe4 phish-prone percentage, and to continue moving towards a Zero Trust Framework.

IT SCADA objectives for FY22 include: HMI implementation, Collections/Stormwater PLC replacement, implementation of cyber-security policies, and to refresh the network for the Reclamation SCADA system.

The Rate Reserve fund will remain at \$9.0 million; the Risk Reserve at \$0.5 million; and the Soil Amendment Facility Reserve at \$1.5 million. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

# ORGANIZATION CHART



## PREFACE

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NMSA 1978 Section 72-1-10, which created the Water Authority, along with Water Authority Ordinance O-04-6 requires the Executive Director to formulate the operating budget for the Water Authority. The Executive Director shall propose the budget to the Board at the April regularly scheduled meeting each year. The Water Authority Board then will approve or amend and approve the Executive Director's proposed budget, after the Board has received the budget and has deliberated on it, provided public notice and allowed for public input at or before the May regularly scheduled meeting.

Budget instructions are issued in January. A salary forecast is completed for review by staff. Expense data is accumulated at the current level and totals are reviewed to determine if other actions or changes in budget instructions must be made to achieve a balanced budget. Budget meetings are held with the Executive Director and Water Authority staff, where divisions may request program expansions, offer plans for reducing costs, or revenue enhancements.

Appropriations are at the fund level, the level at which expenses may not legally exceed appropriations. Budgetary control is maintained by a formal appropriation and encumbrance system. Appropriations may be made or modified during the year by a legally adopted resolution. Appropriations revert to fund/working capital balance to the extent they have not been expended or encumbered at fiscal year-end.

Budget data is prepared consistent with the Water Authority's basis of accounting. The Water Authority's Enterprise Funds are on an accrual basis. Revenues are recorded in the accounting period in which earned, and expenses are recorded at the time liabilities are incurred. Transactions are recorded in individual funds. However, depreciation, amortization and bad debt expense, although expensed in the

accounting system, are not budget items in the Water Authority budget.

The Water Authority's Goals and Objectives focus on improving the utility's operations and improving customer conditions. The goals are based on the American Water Works Association's(AWWA) business model using fifteen successful quality achievement programs. The FY22 Goals and Objectives have been submitted for approval to the Water Authority Board.

The Proposed Budget has 6 major sections. The [Budget Proposal & Financial Consolidations](#) section is designed as an overview. This section contains the Water Authority's Goals and Objectives, Strategic Planning process, Appropriations, and Proposed Issue Papers. The funds are presented with estimated ending balances for the current year. This section also includes the Financial Plan.

The [Revenue Outlook](#) section contains detailed information on the projected revenues and the Economic Outlook to be addressed in the coming year. This section also looks at the Albuquerque Economy as it relates to the budget.

The [Capital Budget](#) section explains the Water Authority's capital process, which is prepared on an annual basis. Anticipated capital projects and the expected operating impacts are discussed as well.

[Debt Obligations](#) and the [Appendix](#) complete the supporting documentation. The [Appendix](#) contains information that is useful to prepare or understand the budget, including definitions.

The [Appropriations Legislation](#) section contains a copy of the legislation that is submitted to the Water Authority Board along with this document. It must be passed as submitted or amended and passed by the Water Authority Board before the budget becomes law.



*BUDGET PROPOSAL  
&  
FINANCIAL CONSOLIDATIONS*

*Proposed  
Operating Budget  
FY22*

## MISSION AND OVERVIEW OF GOAL DEVELOPMENT

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The Albuquerque Bernalillo County Water Utility Authority (Water Authority) identifies resources to provide quality water in sufficient quantity, collect and treat wastewater to acceptable standards, provide professional utility engineering services, and provide utility customer services. The Water Authority operates and maintains water pump stations, reservoirs, wells, water lines, the Southside Water Reclamation Plant, the Soil Amendment Facility, sewage lift stations, odor control facilities, and sanitary sewer lines. The Water Authority also works to secure the region with a safe, adequate, and sustainable water supply.

### Mission

The mission of the Albuquerque Bernalillo County Water Utility Authority is to:

- Assure responsive Customer Service.

- Provide reliable, high quality, affordable and sustainable water supply, wastewater collection treatment, and reuse systems.

- Support healthy, environmentally-sustainable, and economically-viable community.

### Overview of Goal Development

The Water Authority established Five-Year Goals and One-Year Objectives in 2005 to help guide its budget process and address priority issues. In addition, the Water Authority's Budget Ordinance specifies that the Water Authority shall annually review and adopt one-year objectives related to the five-year goals. The Ordinance also states that the Water Authority's operating budget shall be formulated by the Water Authority's Executive Director and be consistent with the goals and objectives, and that they be major factors in determining funding for Water Authority programs and improvements in both the operating and capital improvement budgets.

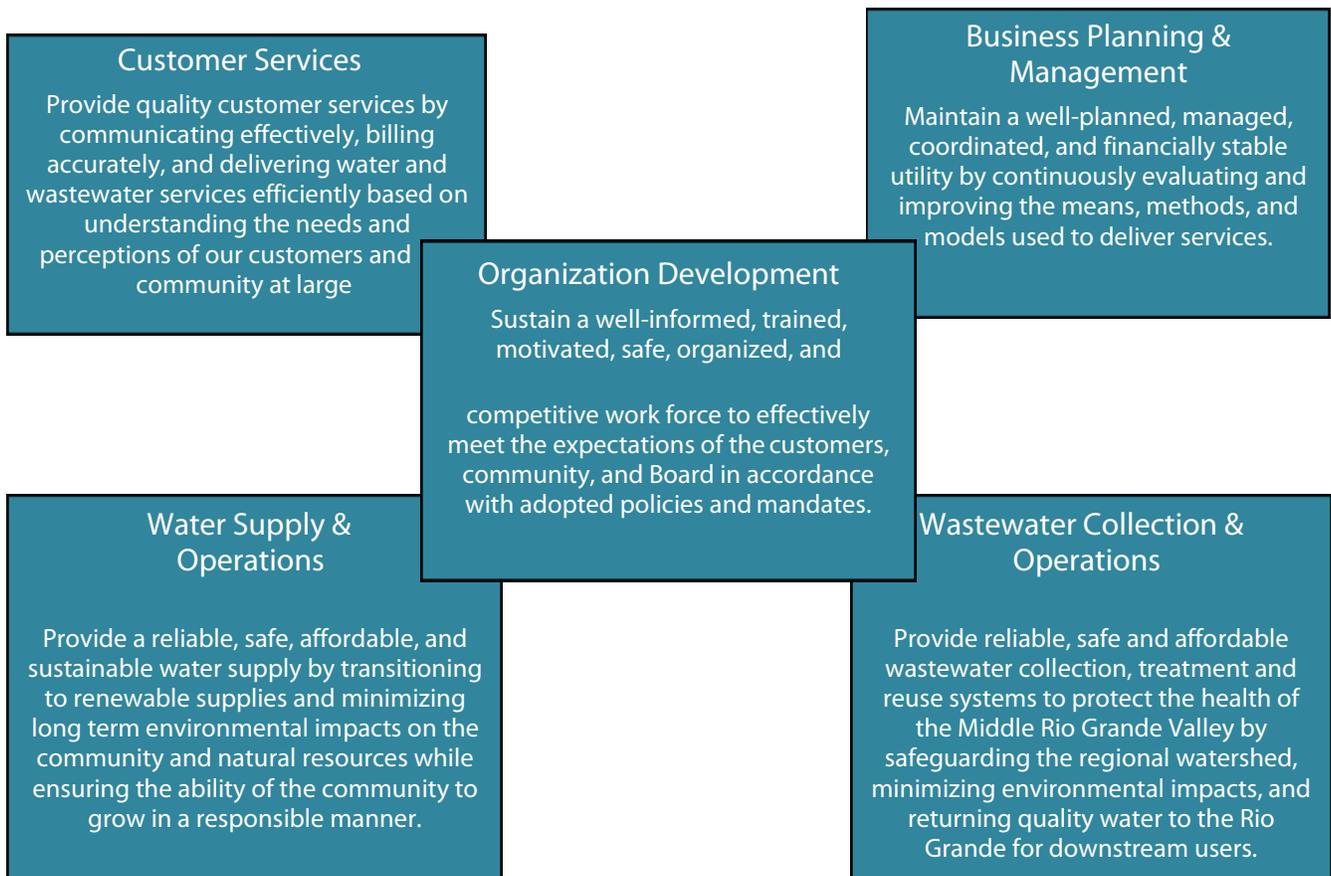
## FY22 GOALS AND OBJECTIVES

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The Five-Year Goals adopted by the Water Authority are based on the American Water Works Association’s (AWWA) business model using fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems: 1) Water Supply and Operations, 2) Wastewater Collections and Operations, 3) Customer Relations, 4) Business Planning and Management, and 5) Organization Development.

The Water Authority has participated in several continuous performance programs through AWWA including Benchmarking, Self-Assessment, and Peer Review. Since 2012, the Water Authority has incorporated the EPA’s *Effective Utility Management* (EUM) into its strategic planning process which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM’s Ten Attributes framework to identify areas for improvement.

### Water Authority’s Five-Year Goals & Guiding Goal Statements



## FY22 GOALS AND OBJECTIVES

The One-Year Objectives are categorized by the Water Authority's Five-Year Goal areas. The Water Authority has developed guiding goal statements for each goal area which explains the long-term desired result for that goal. The continuous performance programs mentioned above help the Water Authority to identify gaps in service delivery or performance. The Water Authority's performance measures are used to help monitor the Water Authority's performance and to develop performance targets. With the performance measures being used to identify gaps, the One-Year Objectives are used to close performance or service delivery gaps and improve performance levels.

In addition to identifying areas of improvement, some of the Objectives are related to completing projects or improving programs. A few of the objectives are carried over from FY21 either because they require more time to complete or are ongoing issues.

The diagram below shows the Water Authority's strategic planning process. It starts with long-range goals and short-term objectives which are linked to performance measures in the Performance Plan which help guide the budget process. This process is periodically evaluated by utility customers every two years through opinion surveys and customer focus group meetings four times per year. Customer Conversations are roundtable discussions with customers focusing on important issues facing the utility. The facilitated meetings are innovative and interactive, engaging customers with hands-on activities so that they can think through the decisions and discuss issues with fellow customers. The Water Authority measures its progress in the goals and objectives through the AWWA Benchmarking program. The benchmarking program allows the utility to benchmark its performance among 25 key performance indicators. The goals and objectives are integrated into the employee's performance evaluations biannually through the Employee Performance Expectations. The Technical Customer Advisory Committee provides input on the utility's policies, plans, and programs. The Water Authority has incorporated the EPA's Effective Utility Management (EUM) program into its strategic planning process which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM's Ten Attributes and Five Keys to Management Success to select priorities for improvement, based on each organization's strategic objectives and the needs of the community it serves. All the strategic planning process components help fulfil the Water Authority's MISSION.



## FY22 GOALS AND OBJECTIVES

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The Five-Year Goals and One-Year Objectives are a component of the Strategic Planning, Budgeting and Improvement Process. The Goals and Objectives and performance measures from the Performance Plan help guide the operating and capital budgets in allocating the Water Authority's financial resources. The Performance Plan illustrates how the Five-Year Goals, One-Year Objectives, and performance measures are integrated using the logic model to achieve service delivery and performance improvement. The Performance Plan discusses in detail how the Water Authority assesses its performance year to year, and how it compares its performance with that of other utilities. The integration of the performance measures and objectives are used to achieve the long-term desired results of the Water Authority's Five-Year Goals.

Below is a summary of the Goals and Objectives for FY22, as introduced to the Water Authority Board in March 2021.

### Goal 1: Water Supply and Operations

*Provide a reliable, safe, affordable, and sustainable water supply by transitioning to renewable supplies and minimizing long term environmental impacts on the community and natural resources while ensuring the ability of the community to grow in a responsible manner.*

- Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours by the end of the 4<sup>th</sup> Quarter of FY22.
- Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours by the end of the 4<sup>th</sup> Quarter of FY22.
- Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system by the end of the 4<sup>th</sup> Quarter of FY22.
- Submit annual treatment data to the Partnership for Safe Water-Treatment program for inclusion in the program's annual report of aggregated system water quality data. Maintain individual and combined filter effluent turbidity less than 0.1 NTU more than 95% of time in operation. Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA by the end of the 4<sup>th</sup> Quarter of FY22. Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water-Treatment.
- Submit annual distribution data to the Partnership for Safe Water-Distribution program for inclusion in the program's annual report of aggregated system water quality data. Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA by the end of the 4<sup>th</sup> Quarter of FY22.
- To improve the validated water audit inputs for apparent water loss, test a minimum of 300 small meters to support the water audit and strategic water loss plan by the end of the 4<sup>th</sup> Quarter of FY22. Test small meters in accordance with the recommendations of the water audit recently conducted by the Southwest Environmental Finance Center.
- To improve reliability and reduce interrupted water service, exercise 4,000 isolation valves by the end of the 4<sup>th</sup> Quarter of FY22.
- As part of the water distribution system preventative maintenance program, implement a flushing program that uses a systematic approach to flush water lines, filtering the water using the new NoDes system before returning it to distribution by the end of the 4<sup>th</sup> Quarter of FY22. Continue monitoring and reporting the occurrence of complaints before and after flushing to evaluate whether the flushing program improved water quality in the pilot area. Identify metrics to be used for measuring the effectiveness of this process moving forward. Utilize the new unidirectional flushing (UDF) module of the InfoWater hydraulic model to assist the pilot program by the end of the 4<sup>th</sup> Quarter of FY22.
  - Work with the Non-Revenue Water Loss Committee on the implementation of water

## FY22 GOALS AND OBJECTIVES

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- loss control strategies by identifying areas of improvement recommended in the water loss report and reporting activities through the end of the 4<sup>th</sup> Quarter of FY22.
- Locate water leaks by surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4<sup>th</sup> Quarter of FY22; Track, evaluate, and report on pilot-scale Echologics acoustic leak detection system on a quarterly basis in FY22.
  - To prepare for increased climate variability, encourage installation of water conservative landscaping, while working towards the *Water 2120* conservation goal of 110 gallons per capita per day (gpcd) by 2037 by implementing the following activities:
    - ❖ Perform a smart controller field performance study on the top 5% of residential customers,
    - ❖ Increase smart controller rebate adjustments and Xeriscape square feet conversions by comparing current fiscal year to prior fiscal years,
    - ❖ Increase the amount of commercial class customers rebate adjustments by comparing from baseline (prior fiscal year) to current fiscal year;
    - ❖ Work with the Public Information Officer to develop outreach targeting water use messaging that incorporates climate variability. Present the new messaging to management by the end of the 3<sup>rd</sup> Quarter of FY22,
    - ❖ Develop a Landscape Irrigation Guide to educate customers about the importance of efficient irrigation and how to efficiently water landscapes by the end of the 4<sup>th</sup> Quarter of FY22.
  - Identify a new aquifer storage and recovery (ASR) project location. Work with the New Mexico Environment Department and Office of the State Engineer to begin ASR permitting by the end of the 4<sup>th</sup> Quarter of FY22.
  - Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Irrigation Audits; 2) 45 Meetings with Landscapers, 3) 30 Meetings with Property Managers; and 4) two Water Conservation Open House Meetings by the end of the 4<sup>th</sup> Quarter of FY22.
  - To better educate children on the importance of water and resource planning, continue to collaborate with ¡Explora! to design interactive water exhibits for the new STEM center which is planned to open in Q2 of FY22.
  - Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan through:
    - ❖ Complete source water assessments for surface water and groundwater by 2<sup>nd</sup> Quarter of FY22. The source water assessments will utilize the source water protection areas (SWPAs) developed from the capture analysis and the updated potential sources of contamination (PSOC) inventory from FY21. Review the results of the source water assessments to determine if changes are required to the RAPP and protection measures,
    - ❖ Tracking and review of site data and documents for priority groundwater contamination sites through the end of the 4<sup>th</sup> Quarter of FY22,
    - ❖ Collaboration and coordination with other agencies, including support of the Water Protection Advisory Board (WPAB) and the Office of Natural Resources Trustee through the end of the 4<sup>th</sup> Quarter of FY22,
    - ❖ Contracting with the NM Bureau of Geology and Mineral Resources to provide an update to the Middle Rio Grande Basin Water Quality Study by the end of the 4<sup>th</sup> Quarter of FY22.
  - Provide leadership and support of the Middle Rio Grande Endangered Species Collaborative Program (ESA Collaborative Program) through:
    - 1) Participation in the Collaborative Program Executive Committee and
    - 2) Participating in the development of adaptive management practices for the program.
  - Complete acquisition of easements for additional storage in Abiquiu Reservoir by the end of the 4<sup>th</sup> Quarter of FY22. Continue towards permitting and environmental approvals for storage of native water in Abiquiu Reservoir through the 4<sup>th</sup> Quarter of FY22.
    - Initiate, site, drill, install, and sample a groundwater monitoring well at the northernmost extent of groundwater contamination at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site by 4<sup>th</sup> Quarter of FY22. Construction of this well will include the development of a work plan and sampling and analysis plan (SAP) with New Mexico Environment Department (NMED)

## FY22 GOALS AND OBJECTIVES

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input. Work with Water Authority Public

Information Office to coordinate neighborhood communications around the need for and drilling of the well.

### Goal 2: Wastewater Collection and Operations

*Provide reliable, safe and affordable wastewater collection, treatment and reuse systems to protect the health of the Middle Rio Grande Valley by safeguarding the regional watershed, minimizing environmental impacts, and returning quality water to the Rio Grande for downstream users.*

- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY22.
- Beneficially reuse biosolids by diverting 30% to compost thru the end of the 4th Quarter of FY22.
- Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 45% of all completed maintenance labor hours by the end of the 4th Quarter of FY22.
- Continue work on the Partnership for Clean Water program for the Southside Water Reclamation Plant (SWRP) to optimize system operations and performance; Continue work on outstanding items from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA by the end of the 4th Quarter of FY22.
- In accordance with the Capacity, Management, Operations and Management (CMOM) Plan, televise and assess the condition of approximately 5% of the small diameter sanitary sewer system by the end of the 4th Quarter of FY22. Confirm that CCTV (video) inspection data is subsequently uploaded to Maximo and the ITpipes Repository. ITpipes reports that summarize the video data are then immediately available in various standard formats.
- In FY21, in accordance with the Collection System Odor and Corrosion Control Master Plan-Treatment Alternatives, dated August 12, 2019, the Water Authority identified primary chemical feed sites to improve odor and corrosion issues on the Tijeras Interceptor and the Westside Interceptors. In FY22, the Water Authority will develop conceptual level designs to verify the viability of the proposed locations. If verified, continue with design in FY22. If determined to be not viable by the end of the 2nd Quarter of FY22, return with explanation to Collections Section for revision of the siting study.
- Manage chemical usage to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Utilize collections system and wastewater treatment monitoring data, winter-summer optimized chemical dosing recommendations from the Master Plan dated August 12, 2019, and sewer odor/corrosion modeling results applied as appropriate. Identify metrics for monitoring and reporting by the end of the 1st Quarter of FY22. Monitor and report metrics through the end of the 4th Quarter of FY22.
- Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance. Obtain a compliance rate goal of 75% through the end of the 4th Quarter of FY22.
- Monitor compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance by continuing to inspect, monitor, and take enforcement action for permitted industrial users, septage waste haulers, food service establishments, and dental offices. The compliance rate goal is 87% for each category through the end of the 4th Quarter of FY22. Evaluate the effectiveness of this metric by the end of the 2nd Quarter of FY22. Track and report data through the end of the 4th Quarter of FY22.
- Implement the Fats, Oils, and Grease (FOG) Policy to reduce impacts on the sewer system by inspecting each Food Service Establishment (FSE) once every three years, working with the Collections section with Sanitary Sewer Overflow (SSOs) investigations, to coordinate efforts to

## FY22 GOALS AND OBJECTIVES

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reduce FOG discharges. Track and report the number of SSOs due to FOG compared with previous years through the end of the 4<sup>th</sup> Quarter of FY22.

### Goal 3: Customer Services

*Provide quality customer services by communicating effectively, billing accurately, and delivering water and wastewater services efficiently based on understanding the needs and perceptions of our customers and the community at large.*

- Improve customer satisfaction and operational efficiency in achieving the four call-center targets through the 4<sup>th</sup> Quarter of FY22:
  - ❖ Average Wait Time of less than 1:00 minute,
  - ❖ Average Contact Time of less than 4:00 minutes,
  - ❖ Abandoned Call Ratio of less than 3,
  - ❖ First Call Resolution of greater than 95%,
  - ❖ Average call quality of greater than 85%.
- Replace paper logs with electronic record of inbound calls to Dispatch by the end of the 4<sup>th</sup> Quarter of FY22.
- Improve customer satisfaction by achieving a billing accuracy ratio of less than 8 errors per 10,000 bills through the 4<sup>th</sup> Quarter of FY22.
- Continue implementation of the Automated Meter Infrastructure (AMI) project by replacing 30,000 aging water meters with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4<sup>th</sup> Quarter of FY22.
- Develop and implement a Strategic Plan for Internal Communications through the end of the 4<sup>th</sup> Quarter of FY22 and report activities quarterly.
- Conduct Customer Conversation meetings to engage customers and obtain input from customers on the Water Authority's activities through the end of the 4<sup>th</sup> Quarter of FY22.
- Conduct a customer opinion survey in order to assess the Water Authority's performance from the customer's viewpoint from previous surveys by the end of the 4<sup>th</sup> Quarter of FY22.
- Install the Spanish language add-in to provide Spanish translation on the new website by the end of the 1<sup>st</sup> Quarter of FY22.

### Goal 4: Business Planning and Management

*Maintain a well-planned, managed, coordinated, and financially stable utility by continuously evaluating and improving the means, methods, and models used to deliver services.*

- Expend \$64 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4<sup>th</sup> Quarter of FY22. \$1 million shall be dedicated and used for identifying and replacing steel water pipes in critical or poor condition by the end of the 4<sup>th</sup> Quarter of FY22.
- Prepare a report on the status of the implementation of the Reclamation Rehabilitation Asset Management Plan (RRAMP) including activities completed and remaining work by the end of the 1<sup>st</sup> Quarter of FY22. Continue implementation of the RRAMP by planning, designing and constructing SWRP improvements through the end of the 4<sup>th</sup> Quarter of FY22.
- Implement at least one planned Interceptor Rehabilitation project in FY22, and complete at least one interceptor design packages by the 4<sup>th</sup> Quarter of FY22; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY22.
- Coordinate with Bernalillo County to design and initiate construction of a force main to convey wastewater from the Municipal Detention Center (MDC) to the Water Authority collections system by the 4<sup>th</sup> Quarter of FY22.
- Work with the Navajo Nation to design and

## FY22 GOALS AND OBJECTIVES

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- construct water conveyance infrastructure to deliver water provided by the Navajo Nation to To'Hajiilee by the end of the 4<sup>th</sup> Quarter of FY22.
- Solicit feedback on the draft of the Utility Development Guide and incorporate feedback by the end of the 2<sup>nd</sup> Quarter of FY22. Circulate a final draft for review by the end of the 4<sup>th</sup> Quarter of FY22.
  - Finalize Operating Plans for Centralized Engineering, Field, Water Resources, and Asset Management, to be used to inform/train new staff and for existing staff to use as resource by the end of the 4<sup>th</sup> Quarter of FY22.
  - Complete a comprehensive asset management plan to understand and document the asset condition, risk assessment, remaining useful life, and replacement cost for every asset by the end of the 4<sup>th</sup> Quarter of FY23. Input this information into the enterprise asset management system (EAMS) and begin life cycle cost accounting.
  - Continue monitoring progress on the Strategic Asset Management Program (SAMP) and report quarterly through the end of the 4<sup>th</sup> Quarter of FY22. Track and report metrics on asset registry accuracy and report status towards achieving target(s) by the end of the 4<sup>th</sup> Quarter of FY22.
  - To promote a continued Culture of Security in accordance with the AWWA G430 standard within the Water Authority, develop policies and procedures that include strategies for internal communication and trainings on security-related topics. Track and measure metrics that are directly related to National Infrastructure Protection Plan (NIPP) Water Sector-Specific Plan (SSP) and America's Infrastructure ACT (AWIA). Conduct at least 2 table-top exercises for security and cybersecurity that include representatives from across the organization. Based on the countermeasures identified in Phase 1 of the Water Authority's Final Security Plan, implement at least 3 of the countermeasures by the end of the 4<sup>th</sup> Quarter of FY22.
  - Complete the annual update and review of the Comprehensive Information Technology Security Plan and related policies that are aligned with the standards, guidelines, and best practices of the National Institute of Standards and Technology (NIST) Cybersecurity Framework by the end of the 4<sup>th</sup> Quarter of FY22. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the utilities Supervisory Controls and Data Acquisition (SCADA) systems.
  - Continue implementation of the SCADA Master Program; Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform for surface water, groundwater, wastewater treatment and collections systems by the end of the 4<sup>th</sup> Quarter of FY22. Specific FY22 projects include the SWRP DCS HMI upgrade, Collection/Stormwater PLC replacement, and Network refresh for SWRP SCADA network.
  - Complete annual maintenance for all network and infrastructure items. This includes networks, firewalls, servers, telephony, mobility and data storage for both information technology and SCADA. Specific projects include the evaluation of the SCADA network and infrastructure for SWRP by the end of the 3<sup>rd</sup> Quarter of FY22. Begin installation and setup of such infrastructure to upgrade the SWRP SCADA systems to mirror the IT infrastructure model that was installed at the Surface Water Treatment Plant by the end of the 4<sup>th</sup> Quarter of FY22.
  - Upgrade and patch all enterprise applications to add enhancements for cybersecurity purposes, support, and to leverage functionality enhancements to improve business processes, capture and use data intelligently, and create efficiencies.
    - Complete a gap analysis and best practices review to identify current and future geographic information system (GIS) needs by the end of the 2<sup>nd</sup> Quarter of FY22. Follow up on action items and report status quarterly through the end of the 4<sup>th</sup> Quarter of FY22.
  - Continue to identify opportunities to apply machine learning to assess current operations by the end of the 4<sup>th</sup> Quarter of FY22. Opportunities might include strategies that use predictive analytics on near real-time data for early warning of potential issues and opportunities to integrate capabilities of the Water Authority's existing modeling tools. Expand usage of Splunk data analytics tool to implement functions for cybersecurity, water quality, and/or asset management by the end of the 4<sup>th</sup> Quarter of FY22. Develop a strategy for the utilization of machine learning and analytics to predict failure of linear and vertical assets by the end of the 4<sup>th</sup> Quarter of FY22.

## FY22 GOALS AND OBJECTIVES

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- Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, local laws and ordinances, and issues involving emerging contaminants to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4<sup>th</sup> Quarter of FY22.
- Collect, monitor, and report weekly, monthly and quarterly key laboratory performance metrics to include:
  - ❖ WQL results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs). Maintain greater than 0.5 results reported per productive hour per quarter in each analytical section through end of the 4<sup>th</sup> Quarter of FY22.
  - ❖ Laboratory Productivity (results reported per productive hour, results sent to subcontract laboratories in lieu of in-house testing). Maintain greater than 2,000 results per quarter in each analytical section through the end of the 4<sup>th</sup> Quarter of FY22.
  - ❖ Percentage of results reported late (turnaround time). Maintain less than 10 percent results reported late per quarter and provide quarterly results through the end of the 4<sup>th</sup> Quarter of FY22.
- Continue to develop LabVantage (laboratory information management system) throughout FY22 to increase the automation of data entry to reduce data entry errors and reduce the amount of paper used at the laboratory. Begin developing reports in LabVantage by the end of the 4<sup>th</sup> Quarter of FY22.
- Utilize the Environmental Monitoring Program to monitor the reliability and consistency of results from Compliance field instrumentation and sample collection techniques. Conduct at least one internal audit per year. Conduct and report on internal audits of sampling procedures and report results as they pertain to regulatory requirements and standard operating procedures. Issue corrective action response requests as needed and track and report on their progress. Ensure Compliance Division field instruments are calibrated as necessary and that personnel demonstrate capability in sample collection and measurement. Monitor and report on corrective action response report (CARR) closure duration quarterly through the end of the 4<sup>th</sup> Quarter of FY22.
- Maintain accreditation with the American Association for Laboratory Accreditation (A2LA) by addressing any changes resulting from the on-site assessment of the Water Quality Laboratory. Conduct internal audits, Standard Operating Procedure (SOP) revisions, and identify actions to address risks and opportunities as required by ISO/IEC 17025:2017. Implement any changes resulting from the 2019 Methods Update Rule. Track and report on corrective actions and risk assessment responses. Maintain a closure duration of less than 60 days per CARR and an average completion of less than 30 days for all CARRs per fiscal year through the end of the 4<sup>th</sup> Quarter of FY22.
- Prepare for the Revised Lead and Copper Rule by developing a system for a lead service line inventory and to identify and track monitoring at all schools and child-care centers in the service area by the end of the 4<sup>th</sup> Quarter of FY22. The final rule was published in January 2021 and must be implemented by the end of the 2<sup>nd</sup> Quarter of FY24.
- Evaluate water and sewer rate structures to ensure equity within the structures by the end of the 4<sup>th</sup> Quarter of FY22. Complete an affordability study that utilizes the methodology described in the 2019 report titled "Developing a New Framework for Household Affordability and Financial Capability Assessment in the Water Sector".
- Consistent with the effective utility management (EUM) continuous improvement process, complete the biennial attribute self-assessment using the EUM Benchmarking Assessment Tool by the end of the 2<sup>nd</sup> Quarter of FY22 and incorporate findings into the FY20 Goals and Objectives.

## FY22 GOALS AND OBJECTIVES

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### Goal 5: Organizational Development

*Sustain a well-informed, trained, motivated, safe, organized, and competitive workforce to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.*

- Recognize at least 15% of the work force through initiatives such as employee incentive awards, on-the-spot awards, and years of service awards through the 4<sup>th</sup> Quarter of FY22.
- Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60 percent or greater overall completion rate by the end of the 4<sup>th</sup> Quarter of FY22. Increase time spent stretching to 4,125 hours to improve productivity and wellness of employees by the end of the 4<sup>th</sup> Quarter of FY22. Incorporate more remote wellness options for employees to participate in while keeping social distance, including video classes, and instructional videos by the end of the 4<sup>th</sup> Quarter of FY22.
- Maintain an average utility-wide vacancy rate of no greater than 5% through the end of FY22. Maintain an average number of days to fill positions of 40 days or less and report quarterly through the end of the 4<sup>th</sup> Quarter of FY22.
- To promote a continued Culture of Safety in the Water Authority, provide a variety of job-related safety trainings, opportunities for recognition and safety communications to create awareness and promote good work practices. Track and report the hours of training offered and percent attendance by working group by the end of the 1<sup>st</sup> Quarter of FY21. Track and report the hours of training offered and percent attendance by working group through the end of the 4<sup>th</sup> Quarter of FY22 and study the data to identify trends that could be mitigated by implementing tailored work practices, standard operating procedures (SOPs, and customized safety trainings. Reduce injury hours to 2,600 hours or less to improved productivity and reliability of services provided by employees by the end of the 4<sup>th</sup> Quarter of FY22.
- Provide employees with job-related training and monitor hours of training completed. Maintain an average of at least 25 hours of training per employee through the end of the 4<sup>th</sup> Quarter of FY22.
- Consistent with the Water Research Foundation Project 4907 Utility Innovation Project, develop a Strategic Plan for the Water Authority's Innovation Program by the end of the 4<sup>th</sup> Quarter of FY22.
- Develop a formalized plan for remote working options within the Water Authority by the end of the 1<sup>st</sup> Quarter of FY22.

## APPROPRIATIONS BY PROGRAM

The Albuquerque Bernalillo County Water Utility Authority can be examined by program. Comparing the revised budget for FY21 with the proposed FY22 budget shows changes in the Water Authority programs, excluding the interfund transfers.

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
Administration	2,462	1,864	1,864	2,105	1,797	(67)
Risk	3,825	4,803	4,803	4,809	5,643	840
Legal	907	796	796	791	799	3
Human Resources	1,803	1,847	1,847	1,778	1,778	(69)
Finance	7,268	7,654	7,707	7,417	7,984	277
Customer Services	4,772	5,276	5,193	5,034	5,226	33
Information Technology	8,158	8,323	8,364	8,365	8,728	364
Wastewater Plant	12,175	11,669	11,669	11,878	11,869	200
San Juan-Chama Water Treat Plant	4,172	4,528	4,528	4,394	4,570	42
Groundwater Operations	6,490	6,793	6,823	6,706	6,883	60
Wastewater Collection	7,138	7,228	7,228	7,067	7,571	343
Water Field Operations	18,494	20,519	20,519	20,058	20,729	210
Compliance	5,047	5,604	5,563	4,974	5,682	119
Planning & Engineering	3,398	-	-	-	-	-
Central Engineering	-	3,116	3,116	3,003	3,178	62
Asset Management	269	639	552	545	601	49
Planning & Utility Development	-	552	639	547	666	27
Water Resources	3,656	4,599	4,599	4,494	4,643	44
Power & Chemicals	23,279	21,487	21,487	22,678	21,487	-
Taxes	284	656	656	931	656	-
Overhead	1,252	1,655	1,655	1,510	1,660	5
San Juan-Chama	2,444	2,747	2,747	2,693	2,747	-
<b>Total Enterprise Appropriations</b>	<b>117,292</b>	<b>122,355</b>	<b>122,355</b>	<b>121,777</b>	<b>124,897</b>	<b>2,542</b>

The proposed FY22 operating expenses budget, excluding the interfund transfers, contains an increase of \$2.5 million from the FY21 revised budget. Total personnel costs increase \$1.7 million. General operating costs increase \$0.8 million.

Personnel expenses for FY22 include a 2.0% step increase in wages and a 5.0% increase in health benefits costs. There are 2.5 additional full-time equivalent positions proposed for FY22.

Interfund transfers in FY22 decrease \$1.0 million from the FY22 revised budget. The \$3.0 million increase in the transfer to the capital fund is offset by a decrease of \$4.0 million in the transfer to the debt service fund. The decrease in the debt service

fund reflects the schedule of principal and interest payments for FY22.

The Water Authority's target is to maintain its Fund Balance at 1/12th of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. The General Fund Working Capital balance at June 30, 2022 is projected to be \$38.0 million, net of the reserve fund balances.

The Rate Reserve fund balance is \$9.0 million; the Risk Reserve balance is \$0.5 million; and the Soil Amendment Facility Reserve is \$1.5 million.

The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

## FY22 PROPOSED ISSUE PAPERS

Proposed issue papers were submitted by Water Authority programs. The list below identifies the issue papers and programs affected.

<b>Water Authority Proposed Issue Papers - FY22</b>	
<b>Fund 21 - General Fund</b>	<b>1,611,623</b>
<b>Administration</b>	
COO's Office - Reassign Budget to Executive Director/Risk	-
Risk - Security Services Contract Increase Funding	749,469
HR - M-Series Certification Programs-2% Increase	149,080
HR - M-Series Certification Program Development	54,080
<b>Financial Services</b>	
Finance - Warehouse Intelligent Lockers	10,500
Customer Services - Reassign Staff to Finance	-
Customer Services - Self-Service Bill Payment Kiosk	40,000
ITD - Systems Analyst I Position - FY21 Mid-Year	77,101
ITD - Maintenance/Support Agreement Increase Funding	120,000
<b>Plant</b>	
SJCWTP - Exterior Painting - One-Time	10,000
SJCWTP - Groundskeeper Maintenance Increase Funding	27,000
GW Operations - Roof Inspections/Maintenance	41,000
<b>Compliance</b>	
Laboratory/NPDES - Various Position Changes	24,503
NPDES - Mercury Reduction Study - One-Time	75,000
Water Quality - ASR Projects Pumping Equipment	49,000
<b>Planning &amp; Engineering</b>	
Asset Management - Maximo & Training Increase Funding	15,000
<b>Water Resources</b>	
Water Conservation - Community Garden Coordinator - FY21 Mid-Year	69,890
<b>General Government</b>	
Tuition Reimbursement & Incentive Programs	100,000
<b>TOTAL</b>	<b>1,611,623</b>

## CHANGES IN EMPLOYMENT

The proposed budget for FY22 adds two and one-half full-time equivalent positions: Systems Analyst I in Information Technology, Community Garden Coordinator in Water Resources and re-classification of a part-time position in Compliance to full-time. All other changes are due to staff re-assignments and program re-alignments.

	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
POSITIONS:						
Administration	7	7	7	7	7	-
Risk	5	5	5	5	5	-
Legal	1	1	1	1	1	-
Human Resources	15	15	15	15	15	-
Finance	39	39.0	40	40	42	2
Customer Services	52	53	51	51	49	(2)
Information Technology	34	36	37	38	38	1
Wastewater Plant	91	91	91	91	91	-
San Juan-Chama Water Treat Plant	34	34	34	34	34	-
Groundwater Operations	53	53	54	54	53	(1)
Wastewater Collection	62	63	64	64	64	-
Water Field Operations	153	151	150	150	151	1
Compliance	44.5	44.5	43.5	43.5	44.0	0.5
Planning & Engineering	27	32	-	-	-	-
Central Engineering	-	-	24	24	24	-
Asset Management	5	-	5	5	5	-
Planning & Utility Development	-	-	3	3	3	-
Water Resources	12	13	13	14	14	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>634.5</b>	<b>637.5</b>	<b>637.5</b>	<b>639.5</b>	<b>640.0</b>	<b>2.5</b>

## APPROPRIATIONS BY FUND

Details of the expense appropriations for Fund 21 (General Fund), Funds 27, 28 & 29 (Water 2120 Projects, Basic Rehab & Growth CIP Funds) and Fund 31 (Debt Service Fund) can be found in the table below.

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b><u>GENERAL FUND - 21</u></b>						
Administration	2,462	1,864	1,864	2,105	1,797	(67)
Risk	3,825	4,803	4,803	4,809	5,643	840
Legal	907	796	796	791	799	3
Human Resources	1,803	1,847	1,847	1,778	1,778	(69)
Finance	7,268	7,654	7,707	7,417	7,984	277
Customer Services	4,772	5,276	5,193	5,034	5,226	33
Information Technology	8,158	8,323	8,364	8,365	8,728	364
Wastewater Plant	12,175	11,669	11,669	11,878	11,869	200
San Juan-Chama Water Treat Plant	4,172	4,528	4,528	4,394	4,570	42
Groundwater Operations	6,490	6,793	6,823	6,706	6,883	60
Wastewater Collection	7,138	7,228	7,228	7,067	7,571	343
Water Field Operations	18,494	20,519	20,519	20,058	20,729	210
Compliance	5,047	5,604	5,563	4,974	5,682	119
Planning & Engineering	3,398	-	-	-	-	-
Central Engineering	-	3,116	3,116	3,003	3,178	62
Asset Management	269	552	552	545	601	49
Planning & Utility Development	-	639	639	547	666	27
Water Resources	3,656	4,599	4,599	4,494	4,643	44
Power & Chemicals	23,279	21,487	21,487	22,678	21,487	-
Taxes	284	656	656	931	656	-
Overhead	1,252	1,655	1,655	1,510	1,660	5
San Juan-Chama	2,444	2,747	2,747	2,693	2,747	-
Trf from General Fund 21 to Rehab Fund 28	31,618	33,618	33,618	33,618	36,618	3,000
Trf from General Fund 21 to Debt Service Fund 31	79,411	81,815	81,815	81,815	77,815	(4,000)
<b>Subtotal General Fund - 21</b>	<b>228,321</b>	<b>237,788</b>	<b>237,788</b>	<b>237,210</b>	<b>239,330</b>	<b>1,542</b>
<b><u>CAPITAL FUNDS - 27, 28 &amp; 29</u></b>						
Water 2120 Projects	45	637	3,168	3,168	300	(2,868)
CIP Basic Rehab	102,700	67,033	111,168	111,168	75,083	(36,085)
CIP Growth	3,928	4,000	9,028	9,028	5,010	(4,018)
<b>Subtotal Capital Funds - 27, 28 &amp; 29</b>	<b>106,673</b>	<b>71,670</b>	<b>123,363</b>	<b>123,363</b>	<b>80,393</b>	<b>(42,970)</b>
<b><u>DEBT SERVICE FUND - 31</u></b>						
Debt Service	83,888	85,900	85,900	86,189	81,754	(4,146)
Transfer to Growth Fund 29	4,000	4,000	4,000	4,000	4,000	-
<b>Subtotal Debt Service Fund - 31</b>	<b>87,888</b>	<b>89,900</b>	<b>89,900</b>	<b>90,189</b>	<b>85,754</b>	<b>(4,146)</b>
<b>TOTAL</b>	<b>422,883</b>	<b>399,358</b>	<b>451,051</b>	<b>450,763</b>	<b>405,477</b>	<b>(45,574)</b>
<b>TOTAL WATER AUTHORITY APPROPRIATIONS</b>	<b>422,883</b>	<b>399,358</b>	<b>451,051</b>	<b>450,763</b>	<b>405,477</b>	<b>(45,574)</b>
Interfund Adjustment	(115,029)	(119,433)	(119,433)	(119,433)	(118,433)	1,000
<b>NET WATER AUTHORITY APPROPRIATIONS</b>	<b>307,854</b>	<b>279,925</b>	<b>331,618</b>	<b>331,330</b>	<b>287,044</b>	<b>(44,574)</b>

## APPROPRIATIONS BY FUND - DETAIL

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b>GENERAL FUND - 21</b>						
<b>100 WATER AUTHORITY:</b>						
005 Executive Director	1,706	1,331	1,331	1,492	1,797	466
006 COO's Office	756	533	533	613	-	(533)
<b>PROGRAM APPROPRIATION</b>	<b>2,462</b>	<b>1,864</b>	<b>1,864</b>	<b>2,105</b>	<b>1,797</b>	<b>(67)</b>
<b>105 RISK:</b>						
010 Risk	3,825	4,803	4,803	4,809	5,643	840
<b>PROGRAM APPROPRIATION</b>	<b>3,825</b>	<b>4,803</b>	<b>4,803</b>	<b>4,809</b>	<b>5,643</b>	<b>840</b>
<b>106 LEGAL:</b>						
011 Legal	907	796	796	791	799	3
<b>PROGRAM APPROPRIATION</b>	<b>907</b>	<b>796</b>	<b>796</b>	<b>791</b>	<b>799</b>	<b>3</b>
<b>110 HUMAN RESOURCES:</b>						
015 Human Resources	1,803	1,847	1,847	1,778	1,778	(69)
<b>PROGRAM APPROPRIATION</b>	<b>1,803</b>	<b>1,847</b>	<b>1,847</b>	<b>1,778</b>	<b>1,778</b>	<b>(69)</b>
<b>120 FINANCE:</b>						
020 Finance	4,249	3,961	4,014	4,173	4,184	170
021 Fleet Maintenance	3,019	3,693	3,693	3,244	3,800	107
<b>PROGRAM APPROPRIATION</b>	<b>7,268</b>	<b>7,654</b>	<b>7,707</b>	<b>7,417</b>	<b>7,984</b>	<b>277</b>
<b>130 CUSTOMER SERVICES:</b>						
025 Customer Services & Billing	3,971	4,312	4,229	4,044	4,296	67
026 Dispatch Operations	801	964	964	990	930	(34)
<b>PROGRAM APPROPRIATION</b>	<b>4,772</b>	<b>5,276</b>	<b>5,193</b>	<b>5,034</b>	<b>5,226</b>	<b>33</b>
<b>140 INFORMATION TECHNOLOGY:</b>						
035 Information Technology	8,158	8,323	8,364	8,365	8,728	364
<b>PROGRAM APPROPRIATION</b>	<b>8,158</b>	<b>8,323</b>	<b>8,364</b>	<b>8,365</b>	<b>8,728</b>	<b>364</b>

## APPROPRIATIONS BY FUND - DETAIL

(\$000's	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b>150 WASTEWATER PLANT:</b>						
040 WW Plant Administration	325	-	-	-	-	-
045 WW Cogen	1,046	1,135	1,135	1,025	1,149	14
050 WW Mechanical	4,274	4,040	4,040	4,198	4,192	152
055 WW Plant Operations	5,000	4,970	4,970	5,276	5,020	50
060 WW MDC	110	63	63	67	63	-
061 WW 2nd Chance Facility	9	15	15	5	15	-
065 WW SAF	1,378	1,370	1,370	1,266	1,354	(16)
070 WW Warehouse	8	-	-	-	-	-
115 South Reuse	25	76	76	41	76	-
<b>PROGRAM APPROPRIATION</b>	<b>12,175</b>	<b>11,669</b>	<b>11,669</b>	<b>11,878</b>	<b>11,869</b>	<b>200</b>
<b>160 SJC WATER TREATMENT PLANT:</b>						
075 San Juan-Chama Water Treatment Plant	4,111	4,458	4,458	4,328	4,500	42
100 College Arsenic Treatment	61	70	70	66	70	-
<b>PROGRAM APPROPRIATION</b>	<b>4,172</b>	<b>4,528</b>	<b>4,528</b>	<b>4,394</b>	<b>4,570</b>	<b>42</b>
<b>170 GROUNDWATER SYSTEM:</b>						
085 WA Wells, PS, Boosters, Reservoirs	4,480	4,888	5,044	4,752	4,968	(76)
090 GW Treatment	1,030	845	845	1,053	949	104
095 WA Control System Operators	687	718	718	689	748	30
096 SCADA	264	321	195	191	197	2
110 North Reuse	30	21	21	21	21	-
<b>PROGRAM APPROPRIATION</b>	<b>6,490</b>	<b>6,793</b>	<b>6,823</b>	<b>6,706</b>	<b>6,883</b>	<b>60</b>
<b>180 WASTEWATER COLLECTIONS:</b>						
120 WW Gravity	4,864	4,986	4,986	4,928	5,314	328
125 WW Lift Station Operations	2,275	2,242	2,242	2,139	2,257	15
<b>PROGRAM APPROPRIATION</b>	<b>7,138</b>	<b>7,228</b>	<b>7,228</b>	<b>7,067</b>	<b>7,571</b>	<b>343</b>
<b>190 WATER FIELD OPERATIONS:</b>						
130 Utility Locating	1,183	1,034	1,034	1,135	970	(64)
135 WA Distribution Lines	13,203	17,674	17,674	17,079	18,033	359
136 Meter Operations	2,423	1,811	1,811	1,845	1,726	(85)
145 WA Field Administration	1,685	-	-	-	-	-
<b>PROGRAM APPROPRIATION</b>	<b>18,494</b>	<b>20,519</b>	<b>20,519</b>	<b>20,058</b>	<b>20,729</b>	<b>210</b>

## APPROPRIATIONS BY FUND - DETAIL

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b>200 COMPLIANCE:</b>						
150 Laboratory	2,183	2,460	2,419	2,142	2,413	(6)
155 NPDES	1,382	1,663	1,663	1,413	1,780	117
160 Water Quality	<u>1,482</u>	<u>1,481</u>	<u>1,481</u>	<u>1,420</u>	<u>1,489</u>	<u>8</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>5,047</u></b>	<b><u>5,604</u></b>	<b><u>5,563</u></b>	<b><u>4,974</u></b>	<b><u>5,682</u></b>	<b><u>119</u></b>
<b>211 PLANNING &amp; ENGINEERING:</b>						
165 Central Engineering	2,894	3,116	3,116	3,003	3,178	62
166 Asset Management	269	552	552	545	601	49
170 Planning & Utility Development	<u>503</u>	<u>639</u>	<u>639</u>	<u>547</u>	<u>666</u>	<u>27</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>3,667</u></b>	<b><u>4,307</u></b>	<b><u>4,307</u></b>	<b><u>4,095</u></b>	<b><u>4,445</u></b>	<b><u>138</u></b>
<b>212 WATER RESOURCES:</b>						
180 Water Resources Planning	1,835	1,842	1,842	1,853	1,846	4
185 Water Conservation	1,473	2,161	2,161	2,138	2,198	37
190 Groundwater Protection	348	564	564	492	567	3
195 Arsenic Removal	<u>-</u>	<u>32</u>	<u>32</u>	<u>11</u>	<u>32</u>	<u>-</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>3,656</u></b>	<b><u>4,599</u></b>	<b><u>4,599</u></b>	<b><u>4,494</u></b>	<b><u>4,643</u></b>	<b><u>44</u></b>
<b>220 GENERAL GOVERNMENT:</b>						
201 Power	10,535	11,296	11,296	13,330	11,296	-
206 SJCWTP Chemicals	6,726	6,246	6,246	3,175	6,246	-
207 GW Chemicals	111	262	262	238	262	-
208 WW Treatment Chemicals	860	875	875	816	875	-
209 Collections Chemicals	<u>5,047</u>	<u>2,808</u>	<u>2,808</u>	<u>5,119</u>	<u>2,808</u>	<u>-</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>23,279</u></b>	<b><u>21,487</u></b>	<b><u>21,487</u></b>	<b><u>22,678</u></b>	<b><u>21,487</u></b>	<b><u>-</u></b>
200 Taxes	<u>284</u>	<u>656</u>	<u>656</u>	<u>931</u>	<u>656</u>	<u>0</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>284</u></b>	<b><u>656</u></b>	<b><u>656</u></b>	<b><u>931</u></b>	<b><u>656</u></b>	<b><u>0</u></b>
200 Overhead	983	1,255	1,255	1,001	1,260	5
205 Early Retirement	<u>269</u>	<u>400</u>	<u>400</u>	<u>509</u>	<u>400</u>	<u>-</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>1,252</u></b>	<b><u>1,655</u></b>	<b><u>1,655</u></b>	<b><u>1,510</u></b>	<b><u>1,660</u></b>	<b><u>5</u></b>

## APPROPRIATIONS BY FUND - DETAIL

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b>230 SAN JUAN-CHAMA:</b>						
215 San Juan-Chama	2,444	2,747	2,747	2,693	2,747	-
<b>PROGRAM APPROPRIATION</b>	<b>2,444</b>	<b>2,747</b>	<b>2,747</b>	<b>2,693</b>	<b>2,747</b>	<b>-</b>
<b>TRANSFER FROM FUND 21 TO 28</b>						
200 General Government	31,618	33,618	33,618	33,618	36,618	3,000
<b>PROGRAM APPROPRIATION</b>	<b>31,618</b>	<b>33,618</b>	<b>33,618</b>	<b>33,618</b>	<b>36,618</b>	<b>3,000</b>
<b>TRANSFER FROM FUND 21 TO 31</b>						
200 General Government	79,411	81,815	81,815	81,815	77,815	(4,000)
<b>PROGRAM APPROPRIATION</b>	<b>79,411</b>	<b>81,815</b>	<b>81,815</b>	<b>81,815</b>	<b>77,815</b>	<b>(4,000)</b>
<b>CIP FUNDS</b>						
<b>27 WATER 2120 PROJECTS FUND</b>						
Water 2120 Projects	45	637	3,168	3,168	300	(2,868)
<b>PROGRAM APPROPRIATION</b>	<b>45</b>	<b>637</b>	<b>3,168</b>	<b>3,168</b>	<b>300</b>	<b>(2,868)</b>
<b>28 REHAB FUND</b>						
Basic Rehab	76,980	61,000	85,529	85,529	71,733	(13,796)
Special Projects	25,720	6,033	25,638	25,638	3,350	(22,288)
<b>PROGRAM APPROPRIATION</b>	<b>102,700</b>	<b>67,033</b>	<b>111,168</b>	<b>111,168</b>	<b>75,083</b>	<b>(36,085)</b>
<b>29 GROWTH FUND</b>						
Growth	3,928	4,000	9,028	9,028	5,010	(4,018)
<b>PROGRAM APPROPRIATION</b>	<b>3,928</b>	<b>4,000</b>	<b>9,028</b>	<b>9,028</b>	<b>5,010</b>	<b>(4,018)</b>

## APPROPRIATIONS BY FUND - DETAIL

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
<b>DEBT SERVICE FUND - 31</b>						
<b>250 DEBT SERVICE</b>						
230 DS - NM Loans	6,926	6,637	6,637	6,637	1,132	(5,505)
240 DS - Revenue Bonds	<u>76,963</u>	<u>79,263</u>	<u>79,263</u>	<u>79,552</u>	<u>80,622</u>	<u>1,359</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>83,888</u></b>	<b><u>85,900</u></b>	<b><u>85,900</u></b>	<b><u>86,189</u></b>	<b><u>81,754</u></b>	<b><u>(4,146)</u></b>
<b>260 UEC TRANSFER</b>						
245 DS - UEC Transfer	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>PROGRAM APPROPRIATION</b>	<b><u>4,000</u></b>	<b><u>4,000</u></b>	<b><u>4,000</u></b>	<b><u>4,000</u></b>	<b><u>4,000</u></b>	<b><u>-</u></b>

## FINANCIAL PLAN

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The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY21 thru FY30. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential expense levels in both operating and capital and compare them to the estimated revenue resources for each projected fiscal year. The plan shows the effects of the budget on the Water Authority's future Working Capital and provides a tool to project future budget needs for the utility.

The highlighted amount in Capital Funds – Water 2120 for FY29 and FY30 is for the new Reuse Plant identified in the *Water 2120* Plan.

Operating Fund										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Capital Funds</b>										
<b>Needs: Basic ( Min 50% cash Trans)</b>	37000	37000	37000	37000	37000	37000	37000	37000	37000	37000
<b>Increase for Rehab/Asset Mgt Plan</b>	18000	21000	24000	27000	30000	33000	36000	39000	42000	45000
Water Reclamation	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
<b>Additional CIP</b>	0	1000	2000	500	500	3300	3300	3300	3300	3300
<b>Steel Line</b>	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
<b>AMI</b>	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
<b>Water 2120</b>	0	300	300	1700	1700	1700	1700	1700	126700	26700
<b>Resources:</b>										
Beginning Bal.	44124	14842	53695	22548	47499	16450	38601	4752	22903	14054
Trf. from Operating	33618	36618	39618	42616	45616	48616	51616	54616	57616	60616
Trf. from Debt Service	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Bond Proceeds		69000		56000		56000		52000	150000	52000
Water Resource Charge		435	435	435	435	435	435	435	435	435
<b>Subtotal</b>	81742	124895	97748	125599	97550	125501	94652	115803	234954	131105
Interest on Above	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
<b>Total</b>	82842	125995	98848	126699	98650	126601	95752	116903	236054	132205
<b>Balance June 30</b>										
	14842	53695	22548	47499	16450	38601	4752	22903	14054	7205
<b>Debt Service Fund</b>										
<b>Resources:</b>										
Interest Income	100	100	100	100	100	100	100	100	100	100
UECs	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000
Transfer from 621	81815	77815	81413	86516	81249	79391	67553	60937	52544	62198
Adjustments/Misc										
Bg. Fund Balance	3188	3188	3334	3334	3334	3334	3334	3334	3334	3334
<b>Total</b>	93103	89103	92847	97950	92683	90825	78987	72371	63978	73632
<b>Expenditures:</b>										
Agent Fees	15	15	15	15	15	15	15	15	15	15
Trf to Capital	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Debt Service	85900	81754	85498	85101	79834	73976	59638	49022	40629	50283
Advanced Rehab								5000	5000	5000
FY/26 Bond Proceeds						4000	6500	5500	5500	5500
FY/24 Bond Proceeds				5500	5500	5500	5500	5500	5500	5500
FY/20 Bond Proceeds										
FY/22 Bond Proceeds										
<b>Total</b>	89915	85769	89513	94616	89349	87491	75653	69037	60644	70298
<b>Fund Balance</b>										
	3188	3334	3334	3334	3334	3334	3334	3334	3334	3334
<b>Operating Fund</b>										
<b>Resources</b>										
Rate Revenue	222875	223989	236309	236309	249306	250552	251805	253064	254329	255601
adj due to re-estimate										
Nonrate Revenue	6083	5832	5832	5832	6000	6000	6000	6000	6000	6000
Bg. Res over Comm	53634	48363	41457	38762	25752	25920	23899	29635	37869	50002
<b>Total</b>	282592	278184	283598	280903	281058	282472	281705	288699	298198	311603
<b>Rate Stabilization Fund</b>										
<b>Expenditures</b>										
Labor	60803	62019	63259	64525	65815	67131	68474	69844	71240	72665
Operations Exp	60693	61195	63246	64194	65157	66135	67127	68134	69496	70886
<b>Issue Paper</b>		1705								
<b>Incentive</b>	300	375	300	300	300	300	300	300	300	300
Transf. to DS	81815	77815	81413	86516	81249	79391	67553	60937	52544	62198
Transf. to Cap.	33618	36618	39618	42616	45616	48616	51616	54616	57616	60616
<b>Total</b>	239229	241727	249836	260151	260137	263573	257070	255830	253197	268665
<b>Rate Reserve</b>										
	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000
<b>Resources over Comm.</b>	34363	27457	24762	11752	11920	9899	15635	23869	36002	33937
<b>Res over Comm with Rate Res</b>										
	48363	41457	38762	25752	25920	23899	29635	37869	50002	47937
<b>Rate Increases</b>										
	0.00%	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Accum. Inc. from 2004</b>	26.0%	26.0%	31.0%	31.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

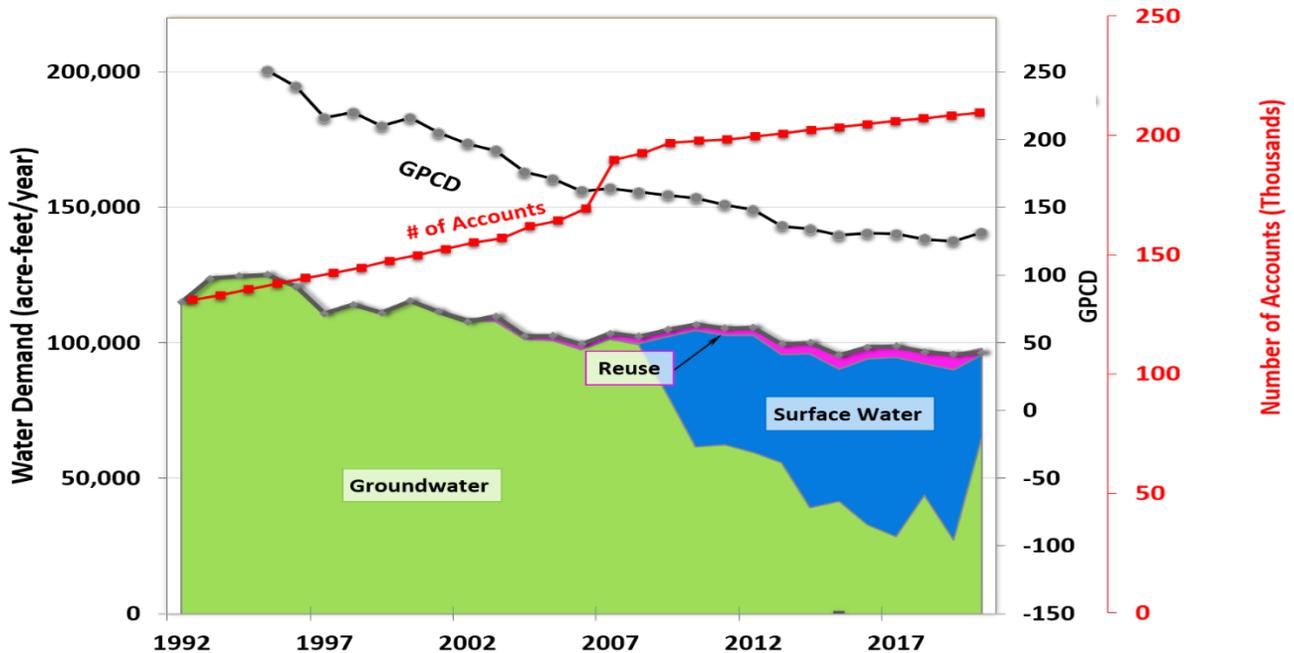
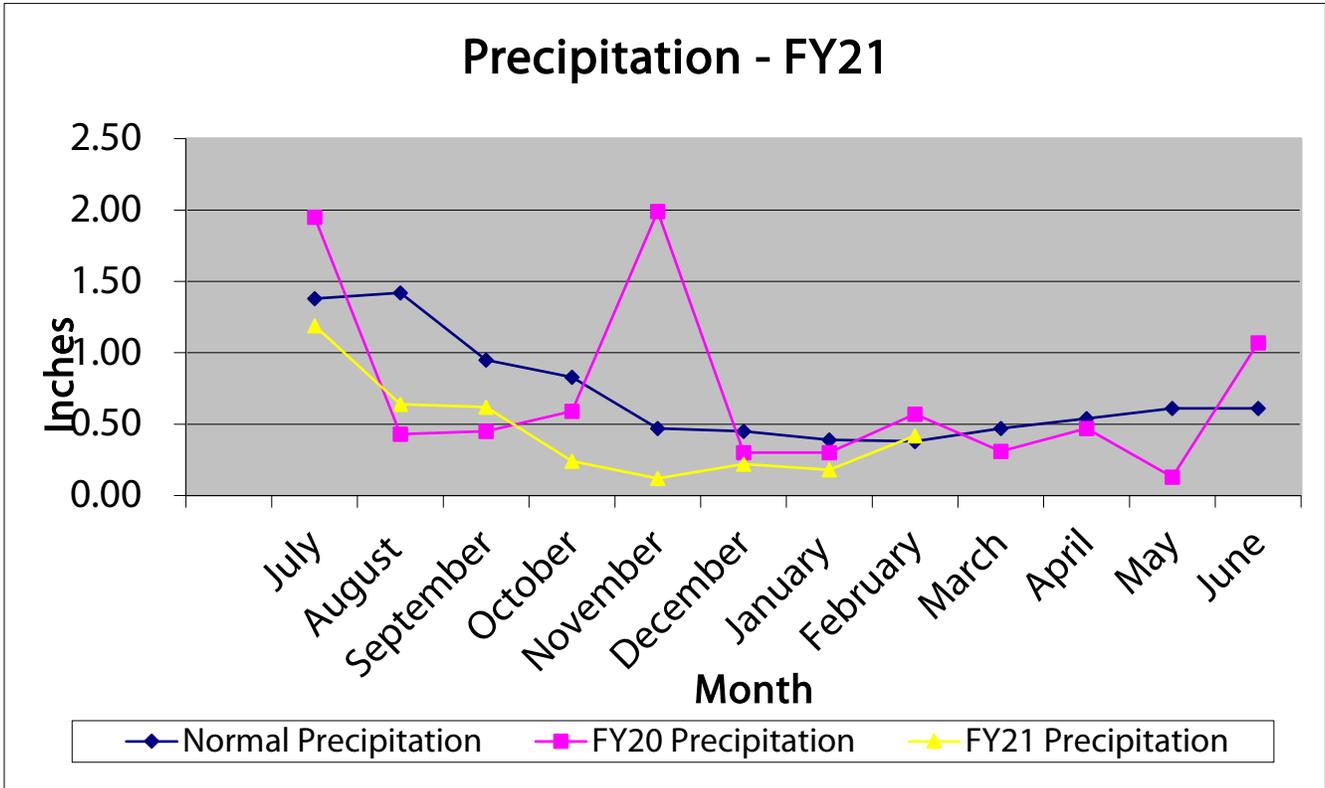


*REVENUE OUTLOOK*

*Proposed  
Operating Budget  
FY22*

# PRECIPITATION HISTORY & WATER USE TRENDS

A history of the precipitation for FY20 and FY21 as compared to the average moisture that the service area has received since the beginning of the fiscal year is seen in the chart below as well as a chart of the water use trends.



## REVENUE OUTLOOK

The Water Authority's revenue projections are summarized in the three tables included in this section. Table 1, General Fund 21, presents the operating budgeted revenue for FY22 as compared to budget FY21. Table 2, Debt Service Fund 31, and Table 3, Capital Funds 27, 28, 29 provide for the same comparison as Table 1. For FY20, the actual audited results are reported, and for FY21, budgeted revenues and estimated actuals are reported as well.

Total Water Authority General Fund revenues for FY21 are projected to be \$231.3 million. The system has seen minimal growth in the service area.

Budgeted General Fund revenues for FY22 are \$230.9 million, representing a decrease of \$0.4 million from the FY21 Revised Budget amount, due to a decrease in interest on investments. FY22 revenues include an addition of \$8.5 million from the General Fund Working Capital balance.

No rate increase is proposed for FY22.

TABLE 1 - GENERAL FUND 21

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
RESOURCES:						
Rate Revenue						
Water Service	104,909	90,578	90,578	90,578	90,578	-
Water Facilities Rehab	37,247	32,402	32,402	32,402	32,402	-
Wastewater Service	41,949	64,869	64,869	64,869	64,869	-
Wastewater Facilities Rehab	34,115	27,602	27,602	27,602	27,602	-
Contr/Aid/Hookups	386	375	375	375	375	-
Water Resources Management	4,269	4,500	4,500	4,500	4,500	-
<b>Total Rate Revenue</b>	<b>222,875</b>	<b>220,326</b>	<b>220,326</b>	<b>220,326</b>	<b>220,326</b>	<b>-</b>
Other Revenue						
Solid Waste Admin Fee	1,637	1,673	1,673	1,673	1,761	88
DMD Admin Fee	496	350	350	350	373	23
Interest on Investments	1,885	1,000	1,000	1,000	500	(500)
PNM Pass Thru	-	-	-	-	-	-
Miscellaneous Revenue	2,065	7,909	7,909	7,909	7,909	-
<b>Total Other Revenue</b>	<b>6,083</b>	<b>10,932</b>	<b>10,932</b>	<b>10,932</b>	<b>10,543</b>	<b>(389)</b>
Total Current Resources	228,958	231,258	231,258	231,258	230,869	(389)
Add from Working Capital	-	6,550	6,550	6,550	8,461	1,911
Beginning Working Capital Balance	53,634	54,913	54,913	54,913	48,960	(5,952)
<b>TOTAL RESOURCES</b>	<b>282,592</b>	<b>292,721</b>	<b>292,721</b>	<b>292,721</b>	<b>288,291</b>	<b>(4,430)</b>

## REVENUE OUTLOOK

The revenue decrease for FY22 in the Debt Service Fund is projected to be \$4.1 million representing a decrease in the transfer from the General Fund for debt service payments and a decrease in the fund balance.

TABLE 2 - DEBT SERVICE FUND 31

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
RESOURCES:						
Miscellaneous Revenues	406	-	-	360	-	-
Expansion Charges (UEC)	8,917	8,000	8,000	8,000	8,000	0
<b>Total Revenues</b>	<b>9,323</b>	<b>8,000</b>	<b>8,000</b>	<b>8,360</b>	<b>8,000</b>	<b>0</b>
Transfer from Other Funds:						
General Fund - 21	79,411	81,815	81,815	81,815	77,815	(4,000)
Growth Fund - 29	10	-	-	-	-	-
<b>Total Transfers</b>	<b>79,421</b>	<b>81,815</b>	<b>81,815</b>	<b>81,815</b>	<b>77,815</b>	<b>(4,000)</b>
Total Current Resources	88,743	89,815	89,815	90,175	85,815	(4,000)
Beginning Fund Balance	49,939	49,731	49,731	49,731	49,646	(85)
<b>TOTAL RESOURCES</b>	<b>138,683</b>	<b>139,546</b>	<b>139,546</b>	<b>139,906</b>	<b>135,461</b>	<b>(4,085)</b>

## REVENUE OUTLOOK

The revenue decrease for FY22 in the Capital Funds is projected to be \$60.2 million mostly due to a decrease in the fund balance.

TABLE 3 - CAPITAL FUNDS 27, 28, 29

(\$000's)	AUDITED FY20	ORIGINAL BUDGET FY21	REVISED BUDGET FY21	ESTIMATED ACTUAL FY21	PROPOSED BUDGET FY22	PROP 22/ REV 21 CHG
RESOURCES:						
Bond/Loan Proceeds	87,778	-	800	800	-	
Grants/Loans	1,349	-	1,200	1,200	-	
Water Resource Charges	839	-	-	1,278	435	
Miscellaneous	321	-	-	128	-	-
<b>Total Revenues</b>	<b>90,286</b>	<b>0</b>	<b>2,000</b>	<b>3,406</b>	<b>435</b>	<b>0</b>
Transfer from Other Funds:						
General Fund - 21	31,618	33,618	33,618	33,618	36,618	3,000
Debt Service Fund - 31	4,000	4,000	4,000	4,000	4,000	0
Growth Fund - 29	27	-	-	-	-	-
<b>Total Transfers</b>	<b>35,645</b>	<b>37,618</b>	<b>37,618</b>	<b>37,618</b>	<b>40,618</b>	<b>3,000</b>
Total Current Resources	125,931	37,618	39,618	41,024	41,053	1,435
Beginning Fund Balance	116,116	144,180	144,180	144,180	85,298	(58,882)
<b>TOTAL RESOURCES</b>	<b>242,047</b>	<b>181,798</b>	<b>183,798</b>	<b>185,204</b>	<b>126,351</b>	<b>(57,447)</b>

## ECONOMIC OUTLOOK

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The following is based on the January 2021 forecast from IHS Global Insight (IHS). Along with the baseline forecast, alternative forecasts are prepared with pessimistic and optimistic scenarios.

### NATIONAL ECONOMY AND KEY POINTS FROM THE GLOBAL INSIGHT OUTLOOK

The national economy influences the Albuquerque and New Mexico economy in a variety of ways. Interest rates affect purchasing and construction. Federal government spending affects the local economy through spending and employment at the federal agencies, the national labs and military bases. Inflation affects prices of local purchases and wages and salaries of employees.

#### Baseline Scenario

This scenario reflects a probability of 50%. The key assumptions include:

- ❖ Gross Domestic Product (GDP) growth slows, at 3.6% in 2020, 4.0% in 2021; 3.9% in 2022
- ❖ Consumer Spending, a key driver of growth, is 3.9% in 2020, 4.4% in 2021, and 4.0% in 2022
- ❖ Business Fixed Investment growth falls 4.3% in 2020, recovers 6.4% in 2021 and 5.4% in 2022
- ❖ Housing shows improvement, with 1.38 million starts in 2020, rise 1.49 million in 2021, down to 1.30 million in 2022
- ❖ Exports fall 13.1% in 2020, rebounding 9.3% in 2021 and 9.5% in 2022
- ❖ Fiscal Policy forecast includes \$900 billion stimulus with extended/enhanced UI benefits, \$600 checks, new PPP funding, and grants to states & certain industries
- ❖ Monetary Policy Federal Reserve keeps the federal funds rate at the zero bound through 2026; aggressive “quantitative easing” and liquidity enhancement measures
- ❖ Credit Conditions gradually ease through 2023
- ❖ Productivity Growth rises to 2.7% in 2020, falling to -0.1% in 2021 and rising to 1.0% in 2022
- ❖ Consumer Confidence falls in Q1 of 2021 before rising in Q2 and topping out in 2023 beneath prior peak
- ❖ Oil Prices have Brent crude oil averages at \$42/barrel in 2020, \$48 in 2021, and \$56 in 2022
- ❖ Stock Markets -the S&P 500 rising 6.8% in 2020, rising 17.2% in 2021, then falling 1.4% in 2022
- ❖ Inflation Consumer Price Index (CPI) is 1.4% in 2020, 1.6% in 2021, and 1.9% in 2022
- ❖ Foreign Growth Eurozone growth rises 3.6% in 2021 after a 7.4% drop in 2020, while China’s growth rises to 7.5% in 2021 after 2020 growth of 2.1%
- ❖ US Dollar real dollar depreciates from Q3 2020 through 2023 and gradually rises thereafter

#### Pessimistic Scenario

This scenario reflects a probability of 30%. The key assumptions include:

- ❖ Gross Domestic Product (GDP) falls 3.6% in 2020, rises 3.0% in 2021 and 3.9% in 2022
- ❖ Consumer Spending, a key driver of growth, plunges 3.9% in 2020 before recovering 3.4% in 2021 and 3.6% in 2022
- ❖ Business Fixed Investment plummets 4.4% in 2020 then rises 6.1% in 2021 and 5.3% in 2022
- ❖ Housing starts rise from 1.38 million in 2020 to 1.45 million in 2021 but fall to 1.23 million in 2022
- ❖ Exports fall 13.1% in 2020 before rebounding 6.9% in 2021 and 10.8% in 2022
- ❖ Fiscal Policy forecast includes \$900 billion stimulus with extended/enhanced UI benefits, \$600 checks, new PPP funding, and grants to states & certain industries
- ❖ Monetary Policy Federal Reserve keeps the federal funds rate at the zero bound through 2029; aggressive “quantitative easing” and liquidity enhancement measures
- ❖ Credit Conditions remain slightly tighter than in baseline
- ❖ Productivity Growth rises to 2.6% in 2020 before falling to 0.3% in 2021 and recovering to 0.9% in 2022

## ECONOMIC OUTLOOK

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- ❖ Consumer Confidence remains below the baseline over the entire forecast interval
- ❖ Oil Prices have Brent crude oil averages at \$42/barrel in 2020, \$47 in 2021, and \$49 in 2022
- ❖ Stock Markets - the S&P 500 rises 11.7% in 2021 and falls 2.8% in 2022
- ❖ Inflation Consumer Price Index (CPI) is 1.4% in 2020, 1.1% in 2021, and 0.7% in 2022
- ❖ Foreign Growth – the global economy suffers a more severe recession
- ❖ US Dollar real dollar depreciates from Q3 2020 through 2022 and gradually rises thereafter

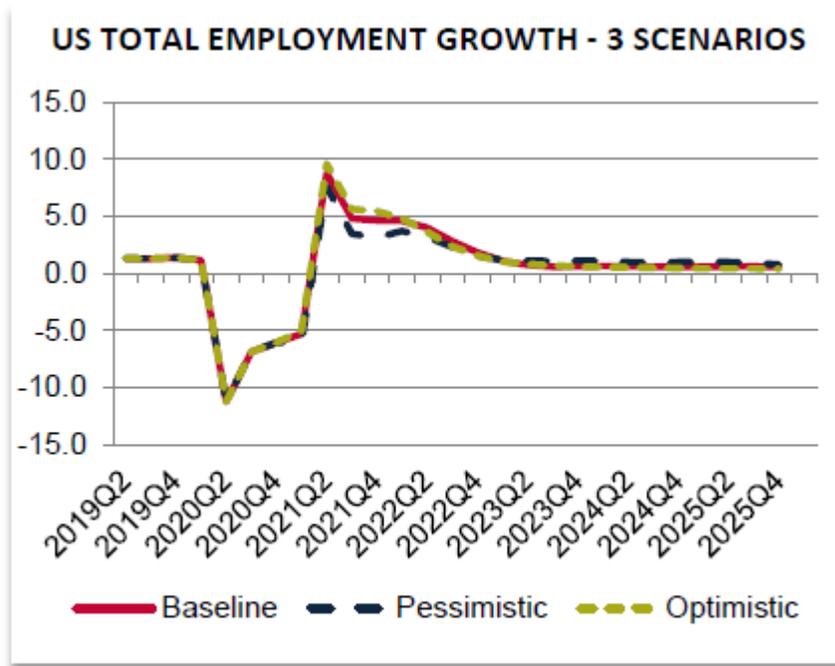
### Optimistic Scenario

This scenario reflects a probability of 20%. The key assumptions include:

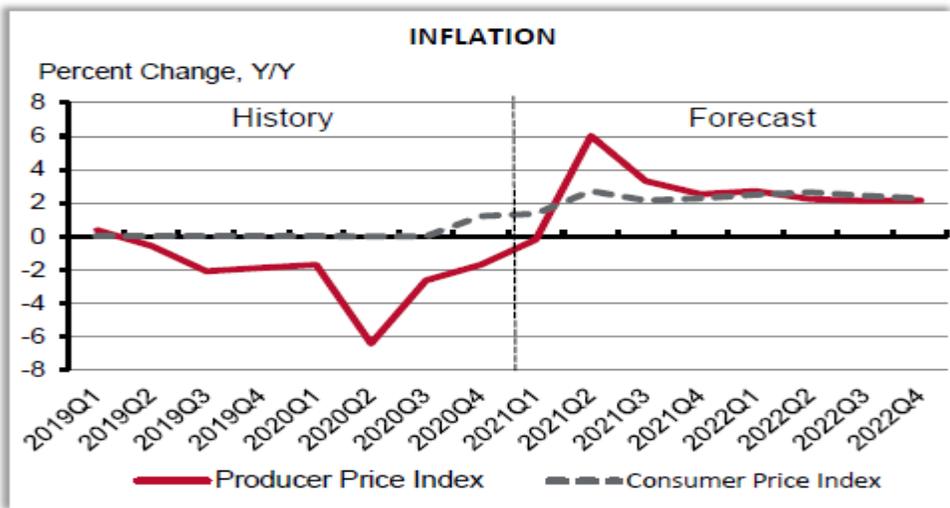
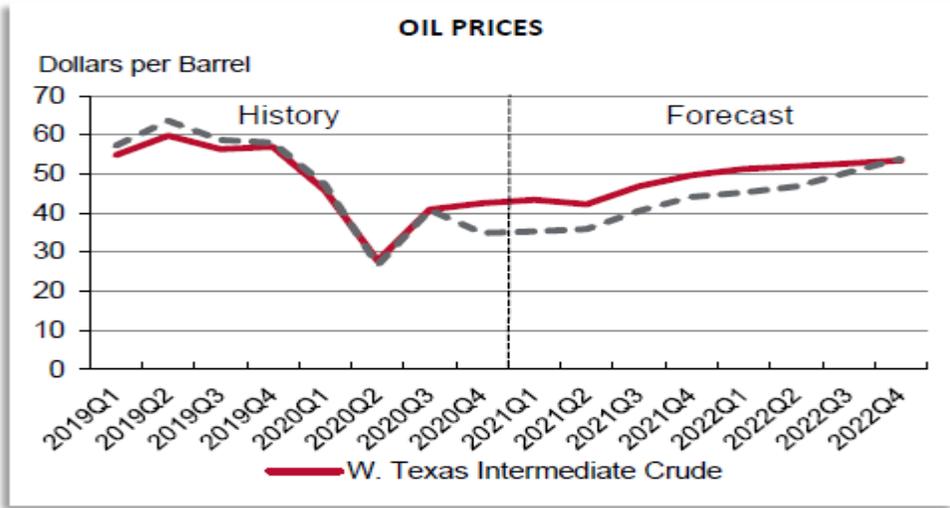
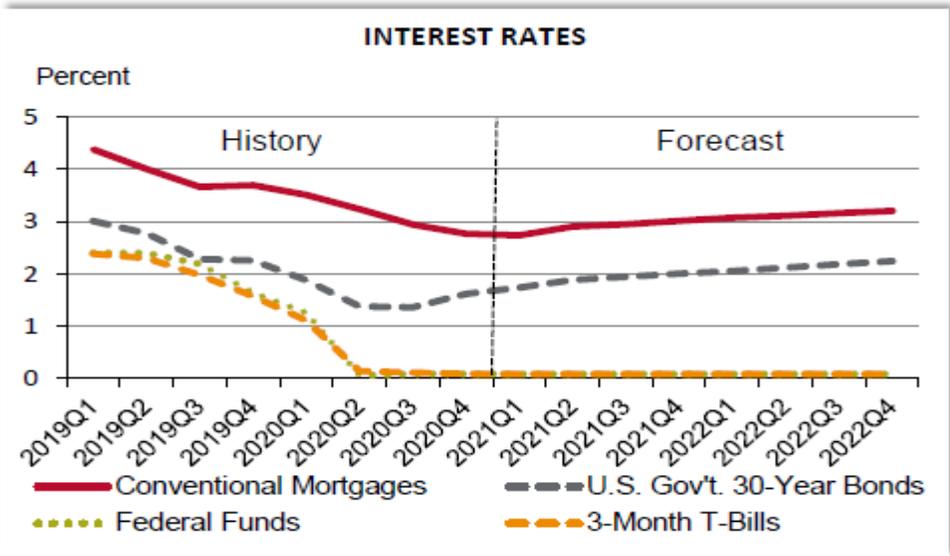
- ❖ Gross Domestic Product (GDP) contracts 3.5% in 2020, rebounds 5.3% in 2021 and 3.9% in 2022
- ❖ Consumer Spending, a key driver of growth, falls 3.9% in 2020 and rises 5.3% in 2021 and 3.9% in 2022
- ❖ Business Fixed Investment drops 4.3% in 2020, surges 8.8% in 2021 and 6.1% in 2022
- ❖ Housing starts grow from 1.38 million in 2020 to 1.56 million in 2021 then down to 1.36 million in 2022
- Exports fall 13.1% in 2020, rebounding 10.9% in 2021 and 9.5% in 2022
- ❖ Fiscal Policy forecast includes \$900 billion stimulus with extended/enhanced UI benefits, \$600 checks, new PPP funding, and grants to states & certain industries
- ❖ Monetary Policy Federal Reserve keeps the federal funds rate at the zero bound until early 2024; aggressive “quantitative easing” and liquidity enhancement measures
- ❖ Credit Conditions are similar to baseline
- ❖ Productivity Growth rises to 2.7% in 2020, falls to 0.3% in 2021 and recovering to 1.4% in 2022
- ❖ Consumer Confidence outperforms baseline over the entire forecast interval
- ❖ Oil Prices have Brent crude oil averages at \$42/barrel in 2020, \$51 in 2021, and \$58 in 2022
- ❖ Stock Markets -the S&P 500 rises 19.9% in 2021 before stepping back 0.8% in 2022
- ❖ Inflation Consumer Price Index (CPI) inflation was 1.4% in 2020 and accelerates to 1.8% in 2021 and 2.2% in 2022
- ❖ Foreign Growth global economy experiences a recession that is less severe than in the baseline
- ❖ US Dollar depreciates from Q3 2020 through late 2022 and thereafter appreciates through the end of the forecast

# ECONOMIC OUTLOOK

The following charts provide information on some of the key measures in the forecast.



# ECONOMIC OUTLOOK



## ALBUQUERQUE ECONOMIC OUTLOOK

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The outlook for the Albuquerque economy is developed by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. They use national forecasts from IHS and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for January 2021 provides the forecast of the Albuquerque economy that is presented in the following section.

### Albuquerque MSA Employment

According to the most recent data from the Current Employment Statistics (CES) for 2020, Albuquerque MSA employment expanded 1.1% in the first quarter, contracting 9.2% in the second quarter, contracting 4.6% in the third quarter, and moderately contracted 2.8% in the fourth quarter.

Moving forward in 2021, the total employment in the Albuquerque MSA is forecasted to advance 2.4%. The private sector is forecasted to increase 33% for the year; the government sector is projected to lose 1.2%. Leading the gains will be healthcare, 2.7%, as the industry bounces back from unprecedented losses in 2020.

As businesses begin to reopen in earnest in the first half of 2021, the temporary workforce will expand and push administrative & waste services 6.2% ahead. After an abysmal 2020, down 18.0%, the accommodation & food services sector will recover some of its losses, up 4.1%.

Professional & technical services which is one of only two private sector industries that saw gains in 2020 (1.7%) will also expand in 2021. This sector has been one of the most consistent performers over the last several years and has added jobs in each year since 2014.

Bouncing back will be arts, entertainment & recreation, up 24.3%, as pandemic-era restrictions begin to relax in the second half of the year. In addition, construction, 3.8%, manufacturing, 3.2%, other services, 4.9%, and finance & insurance, 3.1% will all add jobs in the year.

Only three private sector industries are projected to shed jobs. Leading the losses will be information, -5.7%; this sector will likely undercount the people working in this sector as the film industry continues to move toward hiring

contract-based workers who are not covered by unemployment insurance and therefore not included in the data.

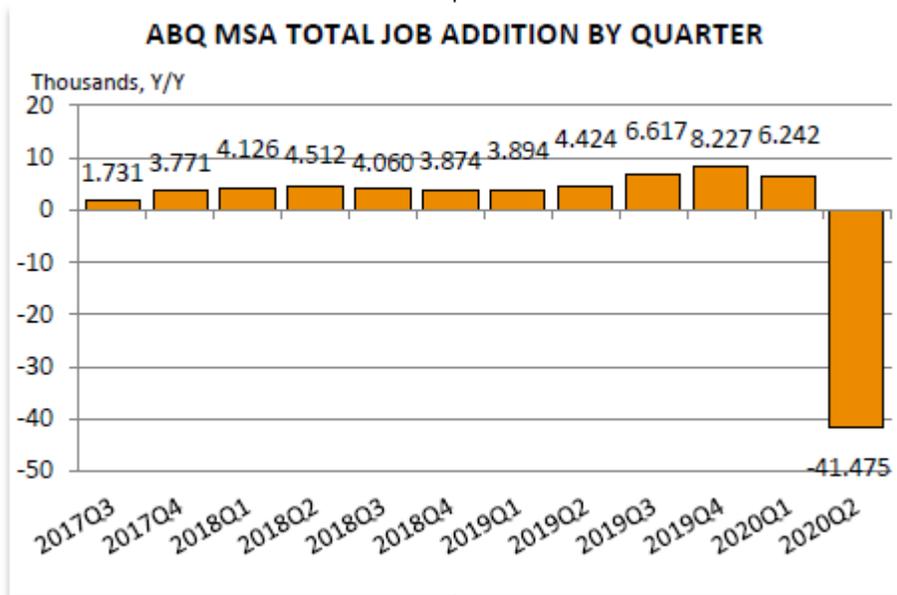
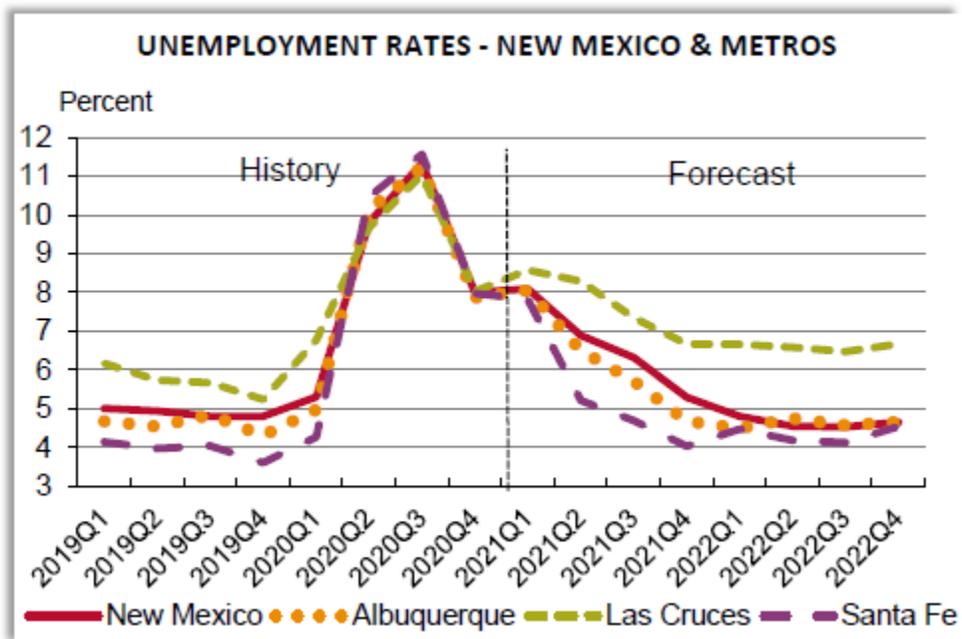
Also shedding jobs will be agriculture, -10.4%, and mining, -1.8%.

Owing to the completion of the 2020 Decennial Census, the federal government will drop jobs, -3.8%. Also projected to lose jobs will be state government, -1.4%.

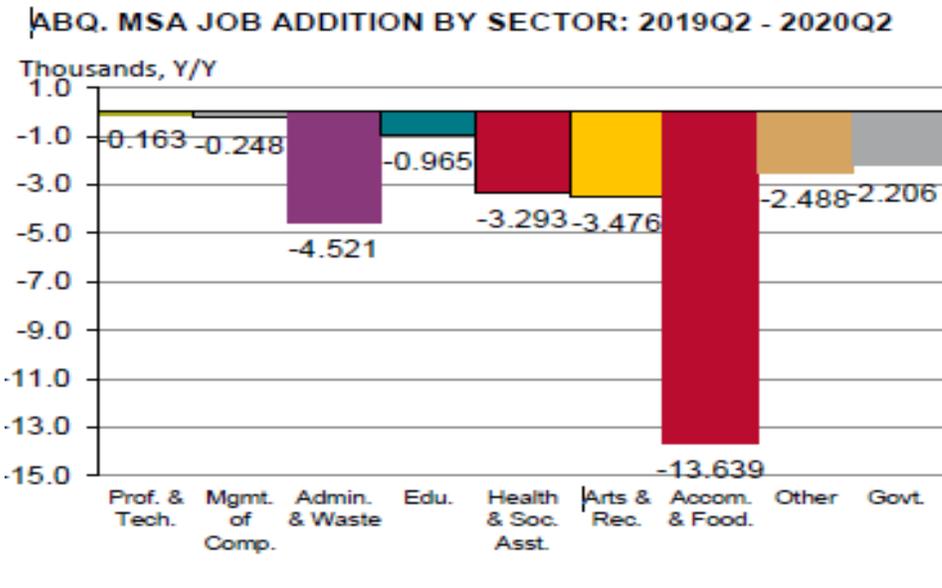
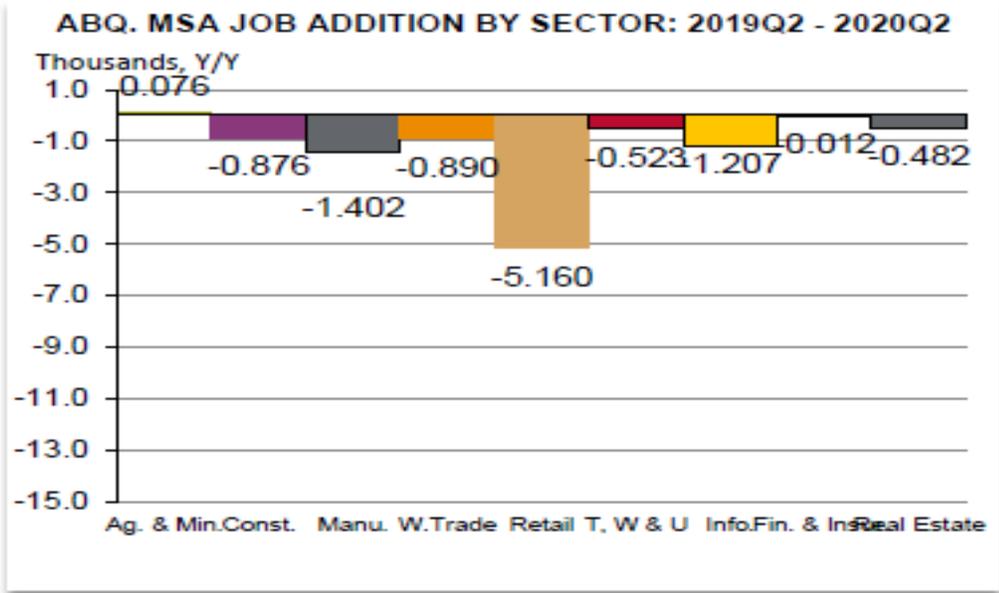
In the longer term, through 2026, the Albuquerque MSA economy is forecasted to add 29,766 jobs for an average annual growth rate of 1.6% as it works to regain jobs lost in 2020. Job levels in the MSA should return to 2019 levels by 2023. By the end of the forecast window, the economy should have around 19,622 more jobs, 5.1%, than in 2019.

After a very weak 2017, 1.7%, personal income growth accelerated in 2018, 4.8%. Modest growth is estimated for 2019, 4.0%. Although wage & salary growth will slow in 2020, large transfer payments should operate to keep income growth buoyant, 5.0%, before the bottom falls out in 2021, 0.0%. Thereafter, annual growth should slowly accelerate from 2.9% in 2022, to 4.8% in 2023 and 2024, respectively, and then 5.0% in 2025.

# ALBUQUERQUE ECONOMIC OUTLOOK



# ALBUQUERQUE ECONOMIC OUTLOOK





*CAPITAL BUDGET*

*Proposed  
Operating Budget  
FY22*

# CAPITAL BUDGET

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## What is the Capital Improvement Plan (CIP)?

The CIP is a multiyear plan used to identify and coordinate capital needs in a way that maximizes the return to the ratepayers. Advanced planning of all Water Authority projects helps the Board, staff, and public make choices based on rational decision-making, rather than reacting to events as they occur. The CIP represents improvements that are viewed as urgent and can be funded from available revenue and/or reserve sources. The system of CIP management is important because: (1) the consequences of investments and capital improvements extend far into the future; (2) decisions to invest are often irreversible; (3) such decisions significantly influence a community's ability to grow and prosper.

## The CIP Ten-Year (Decade) Plan

The blueprint for the Water Authority's Basic Program is its Decade Plan, a ten-year capital plan

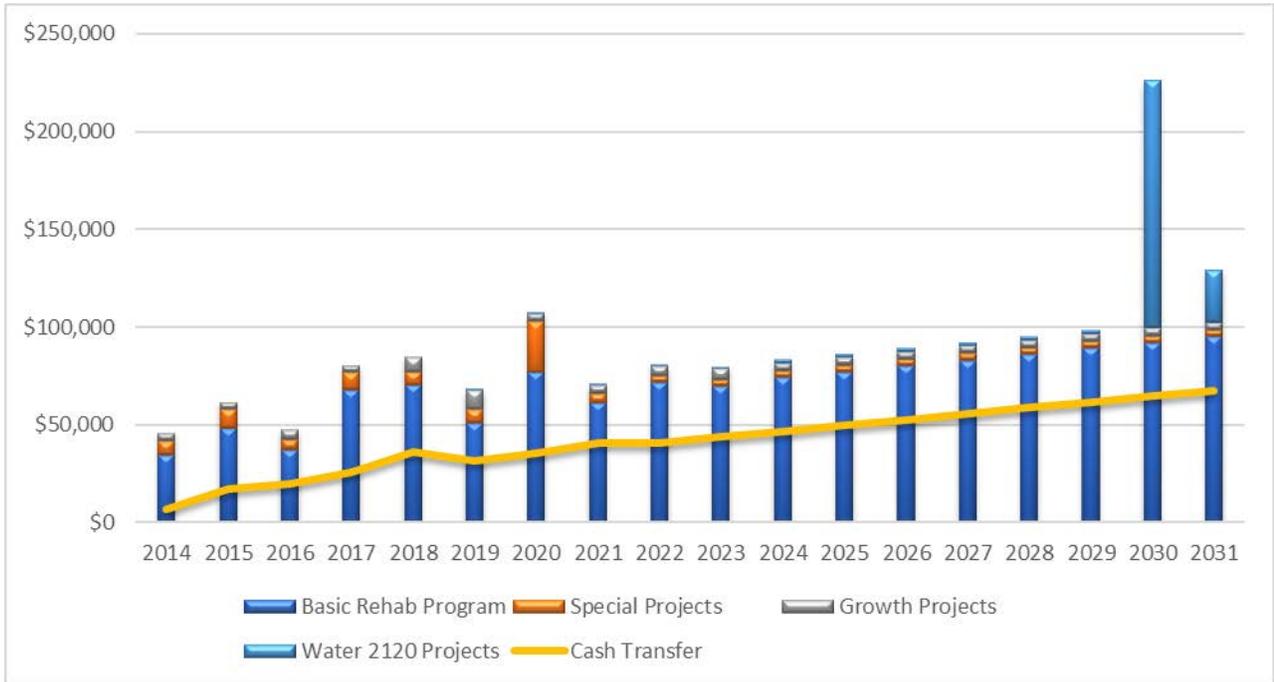
required to be updated biennially in even numbered fiscal years with two, four, six, eight and ten-year planning elements. The Decade Plan includes detailed requirements for program development and project scope, schedule, budget, justification and alternatives. The Decade Plan requires approval by the Water Authority Board with at least one public hearing and due deliberation. In those fiscal years where the Decade Plan must be updated, the new Decade Plan must be approved by the Water Authority's Board before that year's Capital Program budget can be approved. This policy ensures there is always an approved two-year planning element in place for every approved annual Basic Program budget. FY22 is the first year of the two-year planning element included in the FY22 – FY31 Decade Plan to be approved by the board in April 2021.

The full plan is available to view on the Water Authority's website at the following link: <http://www.abcwua.org/Finances.aspx>



# CAPITAL BUDGET

Demonstrated below and on the following page is the planned funding allocation by category for a ten-year period in (\$000's).



# CAPITAL BUDGET

Decade Plan FY 2022 - 2031: Summary of Projects												
Category		Projected Fiscal Year Revenue by Category (\$1000's)										
No.	Category Descriptions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
<b>Priority Renewal Projects:</b>												
100	Sanitary Sewer Pipelines	12,150	15,500	23,906	27,605	30,264	27,600	31,600	34,600	48,600	51,600	303,425
200	Drinking Water Pipelines	6,475	6,150	11,275	11,475	11,225	11,225	11,225	11,225	11,225	11,225	102,725
300	Southside Water Reclamation Plant	27,750	19,150	14,100	11,150	6,650	6,500	7,500	14,000	6,500	6,500	119,800
400	Soil Amendment Facility (SAF)	50	350	50	50	50	50	50	50	50	50	800
500	Lift Station and Vacuum Station	1,548	3,420	2,020	1,420	1,420	1,780	1,420	1,150	1,150	1,150	16,478
600	Odor Control Facilities	200	50	850	50	50	50	50	50	50	50	1,450
700	Drinking Water Plant: Groundwater	7,850	7,775	5,792	10,206	14,929	22,474	20,606	17,190	14,630	13,056	134,508
800	Drinking Water Plant: Treatment	1,875	5,000	5,450	3,350	3,350	1,350	1,250	1,150	1,150	1,150	25,075
900	Reuse Line and Plant	1,800	200	200	200	200	200	200	200	200	200	3,600
1000	Compliance	365	365	365	365	365	365	365	365	365	365	3,650
1100	Shared Renewal	4,482	4,686	3,051	3,294	3,468	3,628	2,475	390	140	390	26,004
1200	Franchise Agreement Compliance	4,200	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	40,200
1300	Vehicles and Heavy Equipment	2,988	2,921	2,941	3,835	4,029	3,778	5,259	4,630	3,940	5,264	39,584
<b>Total Priority Renewal Projects</b>		<b>71,733</b>	<b>69,567</b>	<b>74,000</b>	<b>77,000</b>	<b>80,000</b>	<b>83,000</b>	<b>86,000</b>	<b>89,000</b>	<b>92,000</b>	<b>95,000</b>	<b>817,300</b>
<b>Water 2120 Projects:</b>												
8000	All Water 2120 Projects	300	300	1,700	1,700	1,700	1,700	1,700	1,700	126,700	26,700	164,200
<b>Total Water 2120 Projects</b>		<b>300</b>	<b>300</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>126,700</b>	<b>26,700</b>	<b>164,200</b>
<b>Special Projects:</b>												
9400	All Special Projects	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	33,500
<b>Total Special Projects</b>		<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>3,350</b>	<b>33,500</b>
<b>Priority Growth Projects:</b>												
2400	Land and Easement Acquisition	10	10	10	10	10	10	10	10	10	10	100
2700	Development Agreements	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	12,500
2800	MIS/GIS	3,425	4,430	2,490	2,410	2,450	2,490	2,450	2,410	2,490	2,490	27,535
3100	Master Plans	75	50	-	80	40	-	40	80	-	-	365
3200	Miscellaneous	250	250	250	250	250	250	250	250	250	250	2,500
<b>Total Priority Growth Projects</b>		<b>5,010</b>	<b>5,990</b>	<b>4,000</b>	<b>4,000</b>	<b>43,000</b>						

# CAPITAL BUDGET

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## Operating Cost/Saving Impacts

The potential operating cost/saving impacts of the projects are listed on the Project Summary Sheets in the FY22 – FY31 Decade Plan.

## Policy for the Budget Development, Monitoring and Amendment of the Capital Improvement Program

The development and update of the Capital Improvement Program (CIP) is an ongoing activity. It is part of the overall budgeting process since current year capital improvements are implemented through adoption of the annual budget.

Specific activities in the process are:

- **Establishing Timetables, Goals, and Objectives:**

At the onset of the budgeting process, the CIP update begins with formal budget planning decisions between management and department heads. Timetables are set that extend through development and final adoption of the budget. Water Authority goals and objectives are reviewed to ensure that they are being met through the budget cycle.

- **Taking Inventory and Developing Proposals:**

Staff gathers information about the Water Authority's capital facilities and equipment to assess the condition of each. Staff carefully considers construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.

- **Conducting Financial Analysis:**

Finance staff conducts financial analysis of historic and projected revenues and expenses to estimate the Water Authority's cash flow and long-term financial condition. Capital

financing alternatives are identified, and recommendations are prepared to match the type of funding most appropriate for specific capital improvements.

## FY22 Water Authority Capital Improvement Program Budget

The FY22 capital program appropriation totals \$80.4 million. \$71.7 million is appropriated for the level one priority basic capital programs, \$5.0 million for growth related projects, \$3.4 million for special projects, and \$0.3 million from the Water Resource Charge revenue. There are no appropriations in the proposed FY22 CIP budget for projects that will be funded with revenues from FY23 or later.

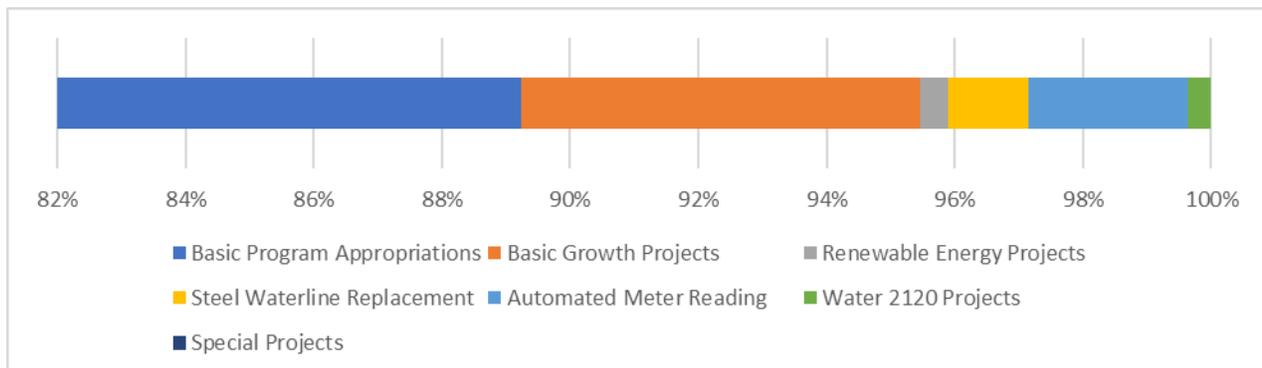
The current Rate Ordinance requires no less than \$30.0 million for Basic rehabilitation program. Additionally, \$2.0 million is budgeted annually for the Automated Meter Infrastructure (AMI) program.

The growth program is funded by Utility Expansion Charge (UEC) revenue which is tied to economic growth in the Water Authority's service area. The non-discretionary portion of the growth program includes funding for the low-income connection program managed by Bernalillo County and development repayment agreements as connections are made to the System.

Demonstrated in the table and charts on the following page, are planned improvements listing of all the priority renewal projects, special projects, and growth-related projects. (\$000's).

# CAPITAL BUDGET

Project Description	FY19 Actual (000's)	FY20 Actual (000's)	FY21 Budget (000's)	FY22 Budget (000's)
<b>Basic Program Appropriations:</b>				
Sanitary Sewer Pipeline Renewal	\$ 9,801	\$ 12,064	\$ 11,000	\$ 12,150
Drinking Water Pipeline Renewal	5,372	8,450	6,050	6,475
Southside Water Reclamation Plant Renewal	17,163	22,084	23,340	27,750
Soil Amendment Facility (SAF) Renewal	103	117	50	50
Lift Station and Vacuum Station Renewal	2,006	7,474	3,205	1,548
Odor Control Facilities Renewal	661	475	250	200
Drinking Water Plant Groundwater System Renewal	2,670	10,091	8,125	7,850
Drinking Water Plant Treatment Systems Renewal	3,294	6,430	3,900	1,875
Reuse Line and Plant Rehab	70	211	150	1,800
Compliance	297	430	390	365
Shared Renewal	28	108	40	4,482
Franchise Agreement Compliance	4,249	4,942	3,500	4,200
Vehicles and Heavy Equipment	5,143	4,104	1,000	2,988
<b>Level 1 Priority Renewal Projects Total</b>	<b>\$ 50,857</b>	<b>\$ 76,980</b>	<b>\$ 61,000</b>	<b>\$ 71,733</b>
<b>Special Projects:</b>				
Steel Waterline Rehab	\$ 1,000	\$ 1,294	\$ 1,000	\$ 1,000
Automated Meter Infrastructure (AMI)	421	1,584	2,000	2,000
Renewable Energy Projects	323	552	350	350
Issuance Costs	629	665	-	-
Miscellaneous	4,552	21,625	2,683	-
<b>Special Projects Total</b>	<b>\$ 6,925</b>	<b>\$ 25,720</b>	<b>\$ 6,033</b>	<b>\$ 3,350</b>
<b>Combined Level 1 Priority Renewal and Special Proj</b>	<b>57,782</b>	<b>102,700</b>	<b>67,033</b>	<b>75,083</b>
<b>Growth Projects:</b>				
Drinking Water Plant Facilities Growth	\$ 5,184	\$ 240	\$ -	\$ -
Land & Easment Acquisition	14	2	500	10
Development Agreements	416	443	1,440	1,250
Management Information Systems/Geographical Information Systems (MIS/GIS)	4,040	2,974	2,000	3,425
Master Plans	235	225	-	75
Miscellaneous Growth	35	44	60	250
<b>Level 1 Priority Growth Projects Total</b>	<b>\$ 9,924</b>	<b>\$ 3,928</b>	<b>\$ 4,000</b>	<b>\$ 5,010</b>
Water 2120 Plan	51	45	637	300
<b>Grand Total</b>	<b>\$ 67,757</b>	<b>\$ 106,673</b>	<b>\$ 71,670</b>	<b>\$ 80,393</b>



# CAPITAL BUDGET

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## FY22 Project Highlights

The Water Authority CIP includes projects to improve the overall efficiency of the Water Authority and to enhance the Water Authority's ability to provide services to its customers. The projects included in this CIP are intended to accomplish these objectives in the most efficient and cost-effective manner.

The Water Authority will continue to spend \$250 million to upgrade its wastewater treatment plant and add an additional \$36 million per year to Capital Improvement Program (CIP) funding to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in the most recent asset management study commissioned by the Water Authority.

The Water Authority intends to enhance the water and sewer infrastructure with several targeted projects included in the 2022-2031 Decade Plan. Some of the major projects are listed below:

- ✓ Inspection and Rehabilitation of Steel Waterlines
- ✓ Upgrade of Automatic Metering Infrastructure (AMI)
- ✓ Improvements to Information Technology to include Supervisory Control and Data Acquisition (SCADA) system replacement at Plant facilities
- ✓ Sanitary Sewer Pipeline Renewal
- ✓ Small and Large Diameter Water Pipeline Renewal
- ✓ Southside Water Reclamation Plant Facility Renewal
- ✓ Groundwater System Renewal
- ✓ San Juan-Chama Drinking Water Plant System Renewal

Some of the major project details include:

The sanitary sewer interceptor system is the backbone of the Water Authority's current sewer collection system. It is designed to carry large flows from the collection line system for delivery to

the plant for treatment. 46-percent (approximately 111 miles) of the current interceptors within the system are made of concrete and have suffered substantial hydrogen sulfide corrosion damage along the upper portions of the pipe. This ultimately results in complete pipe failure which could cause a sinkhole to form at any time within the public right-of-way. The FY22 budget reflects an increase of \$1.1 million from FY21 that will be used to continue to evaluate, plan, design, and construct for sanitary sewer interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond feasible rehabilitation.

Replacing whole segments aged pipe will reduce ongoing operation and maintenance costs. If aging pipeline is not replaced, the impact of emergency response will increase for these repairs and multiple leaks will occur in the same segment of pipe. This program will provide funding for evaluation, planning, design, construction, and related activity necessary for the rehabilitation or replacement of water lines that have deteriorated and are past the useful life.

The Supervisory Control and Data Acquisition (SCADA) system hardware replacement and software upgrade will continue in FY22. The SCADA process computers provide continuous operations 24 hours a day 365 days a year. Due to the age of the process control computers, Dell warranties are no longer valid. If the SCADA equipment should fail, it would be extremely difficult to produce, treat or distribute water manually.

At the Southside Water Reclamation Plant (SWRP), funding will continue to be used to rehabilitate and make improvements to the existing primary clarifiers. Covered Primary Clarifiers 1-4 and upgraded PH1/PH2 will allow Primary Clarifiers 5-8 to be taken out of service periodically for maintenance, with no treatment process impact, and no Odor problems. This also will include repair of structural concrete and replacement of the mechanical scraper mechanisms. In addition,

## CAPITAL BUDGET

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covers will be added to assist in combating offensive odors.

The South Aeration Basins 5 & 6 Rehab – Construction project will resolve diffuser/piping repairs/replacement plus relocation of valves above the mixed liquor level are necessary to maintain and operate these aeration basins effectively. Rehab of the aeration basins ensures effective DO transfer in the basins, allowing SWRP Ops to make proper process changes to achieve WQ discharge criteria. Effective aeration and accessible equipment will decrease effort required for O&M activities.

The Information Technology/GIS funding allocations will be utilized to purchase new/upgrade all hardware and software applications and the databases that support those applications. Applications include Finance Enterprise (formerly known as OneSolution), Kronos, LIMS and GIS, among others. Funding will be used to address the mobile, security and telecommunications environments and to provide continual efficiencies to reduce costs and maintain backups of mission critical systems.

The Water Authority has been awarded various Capital Outlay Projects from the 2021 NM State Legislative Session in the amount of \$7.5 million; \$1.0 million Kirkland Air Force Base Bulk Fuels Facility Data Gap Groundwater Monitoring Well - Design/Construction, \$0.5 million for the Southside Water Reclamation Plant (SWRP) Outfall Realignment Project, \$0.9 million for the Bosque Non-potable Water Reclamation Plant and Reuse System, \$0.2 million for Carnuel Wastewater Improvements Project, and \$4.9 million for the To'Hajiilee Pipeline.

The remainder of the Basic rehabilitation program is primarily focused on line contingency work and normal repair and maintenance work in the groundwater plant system with minimal planned projects.



*DEBT OBLIGATIONS*

*Proposed  
Operating Budget  
FY22*

## DEBT OBLIGATIONS

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The joint water and sewer system (the "Water/Sewer System") was owned by the City of Albuquerque, New Mexico (the "City") and operated by its Public Works Department until December 17, 2003. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (Water Authority) and provided that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System would be transferred to the Water Authority. The legislation also provided that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Water Authority and that the Water Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. The legislation also required that the New Mexico Public Regulation Commission audit the Water/Sewer System prior to the transfer of money, assets and debts of the Water/Sewer System; the audit was completed December 2003. The policy-making functions of the Water/Sewer System have been transferred to the Water Authority. The Water Authority and the City entered into a Memorandum of Understanding (MOU) dated January 21, 2004, as amended April 7, 2004, under which the City continues to operate the Water/Sewer System until June 30, 2007. In 2005, the New Mexico Legislature amended Section 7-1-10, NMSA 1978, to provide the Water Authority the statutory powers provided to all public water and wastewater utilities in the state and to recognize the Water Authority as a political subdivision of the state. On March 21, 2007, the Water Authority and City entered into a new MOU, effective July 1, 2007. At that time, the Utility employees transitioned from the City and became employees of the Water Authority.

The outstanding Water Authority parity obligations are currently rated "AA" Outlook Positive by Fitch, "Aa2" by Moody's and "AAA" by S&P.

The total outstanding obligation indebtedness of the Water Authority as of April 1, 2021 is \$583.1 million, shown in the table on the next page.

## DEBT OBLIGATIONS

### SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS

April 1, 2021

RATINGS: AA/Aa2/AAA

	<u>FINAL MATURITY</u>	<u>ORIGINAL AMT ISSUED</u>	<u>AMOUNT RETIRED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATES</u>
<b>SENIOR DEBT OBLIGATIONS</b>					
Bonds Series 2013A	7/1/2038	62,950,000	48,635,000	14,315,000	3.00-5.00%
Bonds Series 2013B	7/1/2024	55,265,000	37,745,000	17,520,000	3.00-5.00%
Bonds Series 2014A	7/1/2026	97,270,000	34,940,000	62,330,000	3.00-5.00%
Bonds Series 2015	7/1/2033	211,940,000	44,060,000	167,880,000	3.00-5.00%
Bonds Series 2017	7/1/2034	87,970,000	12,165,000	75,805,000	3.375-5.00%
Bonds Series 2018	7/1/2030	75,085,000	5,285,000	69,800,000	5.00%
Bonds Series 2020	7/1/2032	69,440,000	-	69,440,000	5.00%
Bonds Series 2020A	7/1/2038	47,800,000	-	47,800,000	5.00%
NMFA Loan No. 07 2316-ADW	7/1/2031	1,000,000	425,472	574,528	3.00-5.00%
NMFA Loan No. 15	6/1/2036	53,400,000	49,075,000	4,325,000	3.00-5.00%
NMFA Loan DW4877	5/1/2040	2,724,282	-	2,724,282	0.25-2.00%
NMFA Loan DW5028	5/1/2052	1,515,000	-	1,515,000	1.00%
<b>SUBTOTAL - SENIOR DEBT OBLIGATIONS</b>		<b>\$ 766,359,282</b>	<b>\$ 232,330,472</b>	<b>\$ 534,028,810</b>	
<b>SUBORDINATE &amp; SUPER SUBORDINATE DEBT OBLIGATIONS</b>					
Bonds Series 2014B	7/1/2025	\$ 87,005,000	\$ 44,625,000	\$ 42,380,000	3.00-5.00%
NMFA Loan No. 04 1727-AD	5/1/2030	10,426,232	4,577,054	5,849,178	1.00-5.00%
NMFA Loan WPF-5103	6/1/2042	800,000	-	800,000	0.25%
<b>SUBTOTAL - SUBORDINATE &amp; SUPER SUBORDINATE DEBT OBLIGATIONS</b>		<b>\$ 98,231,232</b>	<b>\$ 49,202,054</b>	<b>\$ 49,029,178</b>	
<b>TOTAL DEBT OBLIGATIONS</b>		<b><u>\$ 864,590,514</u></b>	<b><u>\$ 281,532,526</u></b>	<b><u>\$ 583,057,988</u></b>	



*APPENDIX*

*Proposed  
Operating Budget  
FY22*

# FY22 BUDGET METHODOLOGY AND ASSUMPTIONS

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## Numerical Rounding

Budgets were developed using whole numbers. When program strategies were summarized, each was rounded to the nearest one thousand. Rounding makes for ease of reading when reviewing the document.

## Salaries

- The wage and salary base was established for each filled or authorized-to-be-filled position.
- This base is increased or decreased for all wage adjustments for FY22 to incorporate current contractual increases.
- Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.0%, PERA remains at 24.55% for blue and white collar and management/professional, this amount does include the additional 1.5% required by the PERA Legislation, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (health, dental, vision, retiree health insurance, group life) – budgeted at FY21 actual amounts plus a 5% contracted rate increase.
- A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.

## Operating Expenses

FY22 operating expenses were budgeted equal to FY21 appropriated amounts. One-time appropriations for FY21 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.

- For FY22, utilities (gas, electricity, and water/wastewater) were budgeted based on historical expenses and anticipated needs.

- Power, chemicals and fuel will not exceed the CPI index and the cost of operating two water distribution systems will not exceed the consultant estimate.

- Beyond those stated above, line item increases needing special justifications include extraordinary price increases, increases in workload, or a special need not previously funded.

- Workers' Compensation and other insurance, tort and risk expenses are treated as expenses in the Risk department for FY22. These amounts are identified based on the historical experience and exposure factors relative to the Water Authority.

- Vehicle maintenance charges are estimated for FY22 according to the class of vehicle and historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.

- Fuel costs have been appropriated for FY22 per the US Energy Information Administration forecast of oil prices. The forecast for gasoline prices is \$2.54/gallon and for diesel is \$2.87/gallon.

## Capital Expenses

New and replacement property items are included in the appropriate program appropriations within each of the capital funds.

## ACRONYMS

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A2LA – American Association for Laboratory Accreditation

ABCWUA – Albuquerque Bernalillo County Water Utility Authority

AMI – Automated Meter Infrastructure

AMP – Asset Management Plan

AMR – Automated Meter Reader

ASR – Aquifer Storage and Recovery

AWWA – American Water Works Association

BBER – University of New Mexico, Bureau of Business and Economic Research

CC&B – Customer Care and Billing

CCTV – Closed Circuit Television

CIP - Capital Implementation or Improvements Program

CIS – Customer Information System

CMMS – Computerized Maintenance Management System

CMOM – Capacity Management Operations & Maintenance Program

COLA - Cost-of-Living Adjustment

CPI-U - Consumer Price Index for all Urban Consumers

CSD – Customer Services program

CWA – Clean Water Act

DS - Debt Service

DWL – Drinking Water Loan

DWP – San Juan–Chama Drinking Water Project  
EID – Environmental Improvement Division

EPA – Environmental Protection Agency

ERP – Enterprise Resource Planning

EUM – Effective Utility Management

FOG – Fats, Oils, & Grease

FTE - Full-time Equivalent Position

FY - Fiscal Year

GASB - General Accounting Standards Board

GDP - Gross Domestic Product

GFOA - Government Finance Officers Association

GI – Global Insight economic forecasting, formerly Data Resources Wharton Econometric Forecasting Associates International

GIS – Geographic Information System

GPCD – Gallons per capita per day

GPS – Global Positioning System

GRT – Gross Receipts Tax

HR – Human Resources

IDOH - Indirect Overhead

ITD – Information Technology Program

KAFB – Kirtland Air Force Base

LIMS – Laboratory Information Management System

LT2 – Long Term Enhanced Surface Water Treatment Rule 2

MDC – Metropolitan Detention Center

MGD – Million Gallons per Day

## ACRONYMS

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MIS – Management Information System	SCADA – Supervisory Control and Data Acquisition
MOU – Memorandum of Understanding	SDF – Solids Dewatering Facility
MRGCOG – Middle Rio Grande Council of Governments	SDWA – State Drinking Water Act
MSA – Metropolitan Statistical Area	SJC – San Juan-Chama
NBER – National Bureau of Economic Research	SJCWTP - San Juan-Chama Water Treatment Plant
NM – New Mexico	SNL – Sandia National Laboratory
NMDOT – New Mexico Department of Transportation	SOP – Standard Operating Procedures
NMED – New Mexico Environment Department	SRF – State Revolving Loan Fund
NMFA – New Mexico Finance Authority	SSO's – Sanitary Sewer Overflows
NMUI – New Mexico Utilities Group Inc.	SWR - Sewer
NPDES – National Pollution Discharge Elimination System	SWRP - Southside Water Reclamation Plant
NWSA – Northwest Service Area	SWTP – Surface Water Treatment Plant
O/M – Operations and Maintenance	UCMR3 –Unregulated Contaminant Monitoring Rule 3UEC – Utility Expansion Charge
OERP – Overflow Emergency Response Plan	UEC – Utility Expansion Charges
OSHA – Occupational Safety and Health Administration	UNM – University of New Mexico
P&I – Principal and Interest	UV – Ultra-Violet
PAFR – Popular Annual Financial Report	WPAB – Water Protection Advisory Board
PERA - Public Employees Retirement Association	WPPAP – Water Quality Protection Policy & Action Plan
PNM – Public Service Company of New Mexico	WQL – Water Quality Laboratory
PTF – Preliminary Treatment Facility	WRAC – Water Resources Advisory Committee
REC – Renewable Energy Credit	WTP – Water Treatment Plant
RRAMP – Reclamation Rehabilitation and Asset Management Plan	
SAD - Special Assessment District	
SAF – Soil Amendment Facility	

## GLOSSARY

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**ACCRUED EXPENSES:** Expenses incurred but not due until a later date

**ADJUSTMENTS FOR POLICY DIRECTION CHANGES:** Approved adjustment to the maintenance-of-effort budget both positive and negative which are considered major policy issues

**AMERICAN WATER WORKS ASSOCIATION:** An international nonprofit scientific and educational society dedicated to the improvement of water quality and supply and is the authoritative resource for knowledge, information, and advocacy to improve the quality and supply of water in North America

**ANNUALIZED COSTS:** Costs to provide full year funding for services initiated and partially funded in the prior year

**APPROPRIATION:** Legal authorization granted by the Water Authority Board to incur expenses and to incur obligations for specific purposes within specified time and amount limits

**APPROPRIATIONS RESOLUTION:** Legal means to enact an appropriation request, e.g., annual operating budget

**AUDIT:** Official examination of financial transactions and records to determine results of operations and establish the Water Authority's financial condition

**BASE BUDGET:** Portion of an annual budget providing for financing of existing personnel, replacement of existing equipment, and other continuing expenses without regard for price changes

**BONDED INDEBTEDNESS/BONDED DEBT:** That portion of indebtedness represented by outstanding general obligation or revenue bonds

**CAPITAL BUDGET:** Plan of approved capital outlays and the means of financing them

**CAPITAL EXPENSES:** Expenses to acquire or construct capital assets

**DEBT SERVICE FUND:** Fund for the accumulation of resources to pay principal, interest, and fiscal agent fees on long-term debt

**DEPARTMENT:** A set of related functions that are managed below the Program Strategy level, and are the smallest unit of budgetary accountability and control

**ENCUMBRANCES:** Commitments of appropriated monies for goods and services to be delivered in the future

**ENTERPRISE FUND:** Fund established to account for services financed and operated similar to private businesses and with costs recovered entirely through user charges

**FINANCIAL PLAN:** See Operating Budget

**FISCAL YEAR:** For the Water Authority, a period from July 1 to June 30 where the financial plan (budget) begins the period and an audit ends the period

**FRANCHISE FEE:** A fee based upon gross revenue that results from an authorization granted to rent and use the rights-of-way and public places to construct, operate and maintain Water Authority facilities in the City of Albuquerque, Bernalillo County, Rio Rancho and the Village of Los Ranchos

**FUND:** Fiscal and accounting entity with self-balancing set of books to accommodate all assets and liabilities while conforming to designated parameters

**FUND BALANCE:** Fund equity of governmental funds

**GOALS:** General ends toward which the Water Authority directs its efforts in terms of meeting desired community conditions. The Executive Director and Water Authority Board with input from the community, establish Goals for the Water Authority

**INDIRECT OVERHEAD:** Cost of central services allocated back to a department through a cost allocation plan

## GLOSSARY

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**INTERFUND TRANSFER:** Legally authorized transfers from one fund to another fund

**INTERGOVERNMENTAL REVENUES:** Revenues from other governments in the form of grants, entitlements, shared revenues, etc.

**ISSUE PAPERS:** Forms used in the budget process to track and request budget changes

**MAINTENANCE OF EFFORT:** Base budget plus allowances for cost-of-living wage adjustments and inflationary price increases, or within a limited time frame

**MAXIMO:** Maximo Enterprise's asset and service management software capabilities maximize the lifetime value of complex assets and closely align them with the Water Authority's overall business strategy

**NON-RECURRING EXPENSES:** Expenses occurring only once, or within a limited time frame, usually associated with capital purchases and pilot projects

**NON-RECURRING REVENUES:** Revenues generated only once

**NORTHWEST SERVICE AREA:** Water and waste water service to approximately 17,000 accounts on Albuquerque's West Side. The 34-square-mile service area includes Paradise Hills and the Ventana Ranch subdivision

**OPERATING BUDGET:** Financial plan for future operations based on estimated revenues and expenses for a specific period

**OPERATING EXPENSES:** Term that applies to all outlays other than capital outlays

**OPERATING REVENUES:** Proprietary (enterprise service) fund revenues directly related to the fund's primary service activities and derived from user charges for services

**PROGRAM STRATEGY:** The unit of appropriations and expense that ties related service activities together to address a desired community condition(s) that pertains to one of the Water Authority's Goals

**QUALSERVE:** A voluntary, continuous improvement program offered jointly by the

American Water Works Association and the Water Environment Federation to help water/wastewater utilities improve their performance and increase customer satisfaction on a continuing basis. The program evaluates all facets of the utility business including organization development, business operations, customer relations, and core water/wastewater operations. QualServe comprises of three components: Benchmarking, Self-Assessment, and Peer Review

**RECURRING EXPENSES:** Expenses generally arising from the continued operations of the Water Authority in a manner and at a level of service that prevailed in the last budget, or new and/or increased services expected to be provided throughout the foreseeable future

**RECURRING REVENUES:** Revenues generated each and every year

**RATE RESERVE:** A reserve set aside as restricted cash to be used as revenue in years when revenue id down to offset potential rate increases

**RESERVE:** Portion of fund balance earmarked to indicate its unavailability or to indicate portion of fund equity as legally segregated for a specific future use

**REVENUES:** Amounts received from taxes and other sources during the fiscal year

**REVENUE BONDS:** Bonds whose principal and interest are payable exclusively from earnings of the Water Authority, and are thereby not backed by the full faith and credit of the issuer

**STATE ENGINEER PERMIT 4830:** The permit allows the Water Authority to divert 97,000 acre-feet annually from the Rio Grande consisting of an equal amount of Water Authority San Juan-Chama water and native Rio Grande water. The native Rio Grande water is required to be simultaneously released from the Southside Water Reclamation Plant. The State Engineer's permit is the foundation of the Drinking Water Project from a water rights perspective

## GLOSSARY

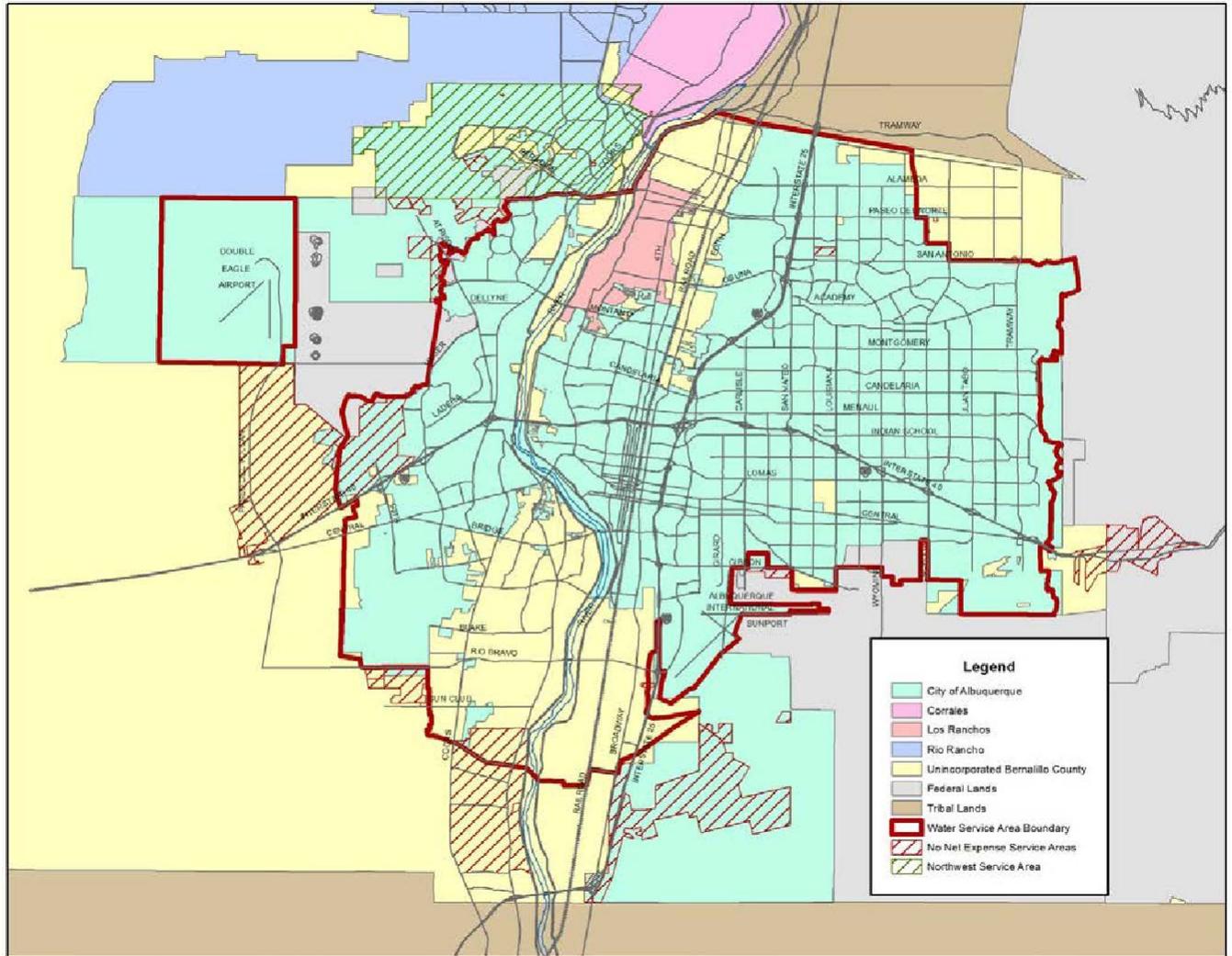
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**UNACCOUNTATED FOR WATER:** The difference between the quantity of water supplied to the Water Authority's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters

**UTILITY EXPANSION CHARGES:** assessed by the Water Authority to compensate for additional costs associated with the type and location of new development

**WORKING CAPITAL BALANCE:** Remaining current assets in a fund if all current liabilities are paid with current assets

# WATER SERVICE AREA MAP



## Major Assets:

- ❖ 92 MGD San Juan-Chama Surface Water Treatment Plant
- ❖ Adjustable diversion dam, intake structure and draw water pump station on the Rio Grande
- ❖ 60 ground water supply wells (255 MGD)
- ❖ 61 water supply reservoirs providing both mixed surface and groundwater including non-potable reservoirs
- ❖ 46 pump stations including non-potable facilities
- ❖ 3,130 miles of water supply pipeline
- ❖ 4 arsenic removal treatment facilities (15 MGD)

## WATER SERVICE AREA MAP

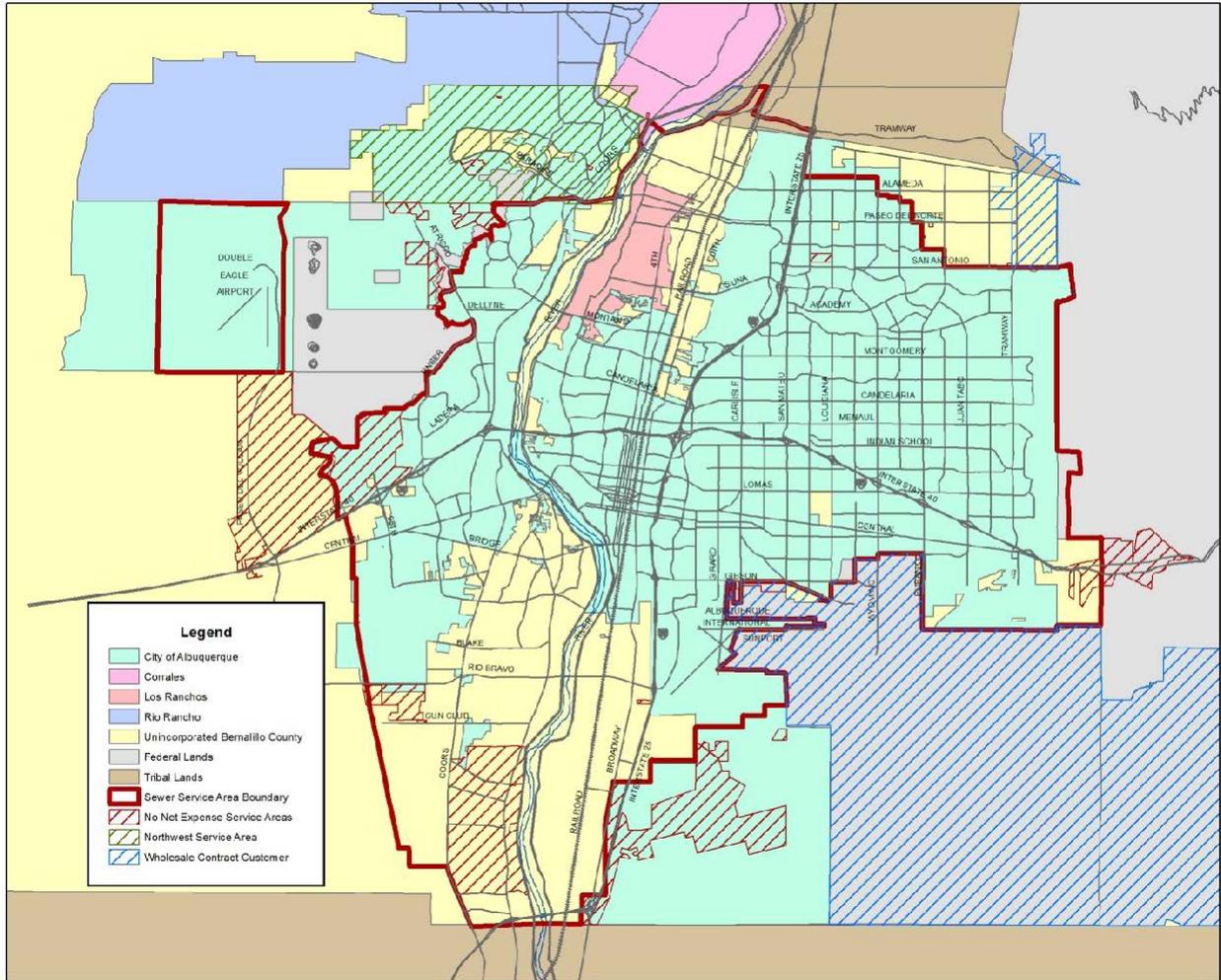
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The Water System provides water services to approximately 685,486 residents comprising approximately 95% of the residents of the County. About one-third of unincorporated County residents are customers of the Water System. As of October 1, 2020, service is provided to approximately 214,606 customer accounts, including 185,099 residential and 29,507 multi-family, commercial, institutional and industrial accounts. Approximately 68% of the water sales are for residential uses.

Surface water from the San Juan-Chama Project that is utilized through the San Juan-Chama Drinking Water Project is the primary source of potable water supply for the Water Authority. Groundwater is used to supplement surface water supplies to meet peak demands and to provide supply during drought periods or other times when surface water is not available. The Water Authority also owns and operates two non-potable water systems to provide irrigation and industrial water in the service area. In calendar year 2020, the Water Authority's potable water resources use consisted of 68% from groundwater and 32% from San Juan-Chama surface water. The non-potable water supply is derived from 4% of reuse of treated effluent and non-potable for irrigation. The groundwater supply is produced from sixty (60) wells grouped in seventeen (17) well fields located throughout the metropolitan area and the San Juan-Chama surface water is diverted from the Rio Grande. Total well production capacity is approximately 255 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in available production capacity of 179 MGD. Peak day demand for 2020 was 141 MGD. The Water Authority also has four arsenic treatment facilities that remove naturally occurring arsenic from groundwater. Each well field includes chlorination for disinfection as required by the Safe Drinking Water Act.

Water storage reservoirs provide for fire, peak hour and uphill transfer storage. Water is distributed from higher to lower elevations through a 115-foot vertical height pressure zone to provide minimum static pressures of fifty (50) pounds per square inch ("psi") for consumers. Sixty-one (61) reservoirs are located throughout the service area, with a total reservoir storage capacity of two hundred forty-five (245) million gallons. If demand requires, reservoir water can also be transferred to a higher zone or across zones through an east-west series of reservoirs by means of pump stations sited at the reservoirs. There are a total of one hundred thirty (130) booster pumps, with a total capacity of 748 MGD, available for water transfers between reservoirs. These reservoirs are interconnected by three thousand one hundred thirty (3,130) miles of pipelines and are situated at various locations east and west of the service area to provide multiple sources of supply to customers and for operating economies. The Water System takes advantage of the unique topography of the Water Authority's service area which allows ground level storage while simultaneously providing system pressure by gravity. Control of the Water System is provided by remote telemetry units distributed throughout the Water System for control from a central control facility.

# WASTEWATER SERVICE AREA MAP



## Major Assets:

- Southside Water Reclamation Plant
- 45 Lift Stations
- 2,400 miles of collection pipeline

## WASTEWATER SERVICE AREA MAP

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The System's wastewater component consists of small diameter collector sewers, sewage lift stations, and large diameter interceptor sewers conveying wastewater flows by gravity to the Southside Water Reclamation Plant. The wastewater treatment plant provides preliminary screening, grit removal, primary clarification and sludge removal, advanced secondary treatment including ammonia and nitrogen removal, final clarification, and effluent disinfection using ultraviolet light prior to discharge to the Rio Grande.

Treatment plant capacity is based upon 76 MGD hydraulic capacity. Existing flows at the plant have averaged 50.4 MGD over the past five years, but these figures do not reflect the amount of non-potable water being reused for irrigation and industrial use at the Southside Water Reclamation Plant. The Water Authority has an operational industrial pretreatment program approved by the EPA. The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for the Water Authority maintaining compliance with strict standards contained in NPDES Permit #NM0022250. The Water Authority's wastewater effluent discharge consistently meets all NPDES permit requirements. In February 2017, the Water Authority submitted a NPDES permit renewal application. In February 2018, EPA issued a Proposed NPDES Permit and the Water Authority provided comments to EPA on June 25, 2018. On October 10, 2019, the Water Authority received the final NPDES Permit. The re-issued permits were effective December 1, 2019.

The Water Authority received an Administrative Order (an "AO") from the EPA for violations of the NPDES permit associated with Sanitary Sewer Overflows, laboratory reporting issues, and plant violations from 2001 to 2010. The Water Authority received two additional AOs for an overflow which occurred on February 27, 2015 as a result of a major power failure. The first 2015 AO required that the Water Authority implement electrical and other improvements to prevent another power failure and the potential for another spill. All of that work was completed in 2015 and a project completion report was filed with EPA. The second 2015 AO includes adoption of the Corrective Action Plan items that were scheduled to be completed by 2020. All projects in the second 2015 AO were completed and a project completion report was submitted to EPA in June 2018.

Since January 2003, the treatment plant has had a 6.6 mega-watt cogeneration facility to provide most of its power needs. The cogeneration facilities are complemented by a one mega-watt solar energy plant that began service in December 2012. These on-site power generating facilities normally supply 100% of the treatment plant's present electrical needs, along with providing heating of various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The Southside Water Reclamation Plant currently generates electricity from the bio-gas produced in the digesters. In accordance with the State's Energy Transition Act, the Water Authority permanently retired the Renewable Energy Certificates ("REC") associated with digester gas. Over the past 3 years, they had no marketable value.

The Water Authority currently manages wastewater sludge using two methods: surface disposal and production of compost. The Water Authority sells the compost, primarily to the State Department of Transportation. A 660-acre dedicated surface disposal site is used when seasonal market conditions are not favorable for sale of compost product. During Fiscal Year 2020, 27% of all sludge produced at the treatment plant was beneficially recycled into compost and sold. The Water Authority's Compliance Division operates a water quality laboratory, providing analytical support for process control and regulatory compliance for wastewater, drinking water, groundwater, storm water, surface water, the zoological park, residuals management and environmental health programs. The laboratory is internationally accredited under International Standards Organization Standard 17025 for inorganic chemistry and microbiology testing. The entire laboratory is also accredited by the American Association for Laboratory Accreditation. The Water Authority reduces expenses by analyzing a majority of the bacteriological samples at the Water Authority's internal water quality lab.



*LEGISLATION*

*Proposed  
Operating Budget  
FY22*

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO.     R-xx-xx    

## RESOLUTION

### APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022

WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water Authority) as a political subdivision of the State of New Mexico is required to budget and account for all money received or spent in accordance with New Mexico laws; and

WHEREAS, the Board, by Ordinance, has established a budget process for the Water Authority; and

WHEREAS, the Budget Ordinance requires the Executive Director to formulate the operating budget for the Water Authority; and

WHEREAS, the Budget Ordinance requires the Water Authority Board to approve or amend and approve the Executive Director's proposed budget; and

WHEREAS, the Board has received the budget formulated by the Executive Director and has deliberated on it and provided public notice and input; and

WHEREAS, appropriations for the operation of the Water Authority must be approved by the Board.

BE IT RESOLVED BY THE WATER AUTHORITY:

Section 1. That the following amounts are hereby appropriated to the following funds for operating The Albuquerque Bernalillo County Water Utility Authority during Fiscal Year 2022:

<u>GENERAL FUND – 21</u>	239,330,000
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This appropriation is allocated to the following programs:

Administration	1,797,000
Risk	5,643,000
Legal	799,000
Human Resources	1,778,000
Finance	7,984,000
Customer Services	5,226,000
Information Technology	8,728,000
Wastewater Plant	11,869,000
San Juan-Chama Water Treatment Plant	4,570,000
Groundwater Operations	6,883,000
Wastewater Collections	7,571,000
Water Field Operations	20,729,000
Compliance	5,682,000
Central Engineering	3,178,000

Asset Management	601,000
Planning & Utility Development	666,000
Water Resources	4,643,000
Power & Chemicals	21,487,000
Taxes	656,000
Authority Overhead	1,660,000
San Juan-Chama	2,747,000
Transfers to Other Funds:	
Rehab Fund (28)	36,618,000
Debt Service Fund (31)	77,815,000
<u>DEBT SERVICE FUND – 31</u>	85,754,000
This appropriation is allocated to the following programs:	
Debt Service	81,754,000
Transfer to Other Funds:	
Growth Fund (29)	4,000,000

Section 2. The Executive Director is authorized to develop and establish a nonrecurring safety/performance incentive program. This program will provide employees with an incentive based on cost reductions or performance enhancements resulting in operating efficiencies and/or a reduction in work related losses. Funding for this program is contingent on savings in the same or a greater amount.

Section 3. The Water Authority shall continue its partnership with non-profit affordable housing developers under contract with local government whereby the first-time homebuyer will not be required to pay the Utility Expansion Charge until the property is sold. No more than 50 units per year will be authorized under this program. The Water Authority will secure its position with a second mortgage.

Section 4. If working capital balance exceeds 1/12 of operating expenses, and debt service payments and debt service coverage are met, the remaining working capital balance shall be reserved for capital projects.

Section 5. The Executive Director is authorized to carry out all appropriations contained in this budget in accordance with established policies and procedures.

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY

BILL NO. \_\_\_\_\_ R-21-\_\_\_\_\_

RESOLUTION

APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022

WHEREAS, the Albuquerque Bernalillo County Water Utility Authority (Water Authority) as a political subdivision of the State of New Mexico is required to budget and account for all money received or spent in accordance with New Mexico laws; and

WHEREAS, the Board, by Ordinance, has established a budget process for the Authority; and

WHEREAS, the Budget Ordinance, requires the Executive Director to formulate an annual Capital Implementation Program budget for the Water Authority; and

WHEREAS, the Budget Ordinance requires the Water Authority Board to approve or amend and approve the Executive Director's proposed budget; and

WHEREAS, the Board has received the Capital Implementation Program Budget formulated by the Executive Director and has deliberated on it and provided public notice and input; and

WHEREAS, appropriations for the Capital Implementation Program of the Water Authority must be approved by the Board; and

WHEREAS, the appropriation of these Capital Implementation Program funds to projects with their respective purposes are timely and necessary for Water Authority to serve its customers.

BE IT RESOLVED BY THE WATER AUTHORITY:

That the appropriations for the projects as stated below are hereby made.

Basic Program Appropriations:

Sanitary Sewer Pipeline Renewal	12,150,000
Drinking Water Pipeline Renewal	6,475,000
Southside Water Reclamation Plant Renewal	27,750,000
Soil Amendment Facility (SAF) Renewal	50,000
Lift Station and Vacuum Station Renewal	1,548,000
Odor Control Facilities Renewal	200,000
Drinking Water Plant Groundwater System Renewal	7,850,000
Drinking Water Plant Treatment Systems Renewal	1,875,000
Reuse Line and Plant Rehab	1,800,000
Compliance	365,000
Shared Renewal	4,482,000
Franchise Agreement Compliance	4,200,000
Vehicles and Heavy Equipment	2,988,000

Special Projects:

Steel Waterline Rehab	1,000,000
Automated Meter Infrastructure (AMI)	2,000,000
Renewable Energy Projects	350,000

Growth:

Development Agreements	1,250,000
Land & Easement Acquisition	10,000
MIS/GIS	3,425,000
Miscellaneous	325,000

Other:

Water 2120 Project Fund	300,000
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