

# APPROVED FY 2016 BUDGET

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Mark S. Sanchez  
*Executive Director*




Albuquerque Bernalillo County  
Water Utility Authority

*Approved  
Operating Budget  
FY16*



May 20, 2016

To: Maggie Hart Stebbins, 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, 2015 and Ending June 30, 2016

Presented to the Board for review and consideration is the approved budget for the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for Fiscal Year 2016. This submittal is the Water Authority's financial plan for Fiscal Year 2016. 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 budget, the Water Authority has taken a conservative financial approach to provide effective and efficient water and wastewater services balanced against projected resources. This budget is based upon the 10-year financial plan, balanced, fiscally conservative and sound.

For Fiscal Year 2016, the approved budget includes an approved 5% revenue rate adjustment. Looking forward, the Water Authority must continue to spend the \$250 million to upgrade its sewage treatment plant and adding an additional \$36 million per year in Capital Improvement Program (CIP) funding 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 CIP infrastructure renewal budget is planned to increase by \$3 million per year; this started in Fiscal Year 2015.

In the preparation of this budget, the Water Authority has developed a maintenance of effort budget within the projected estimated revenues. Staffing levels have a net increase of 3 positions in Fiscal Year 2016. There is a 2% increase in other employee benefits. General operating expenditures increased by \$425,000. The most significant expense of the Water Authority continues to be debt service payments which will comprise 36% of the total operating expense in Fiscal Year 2016.

The Water Authority received a positive ruling from the NM Court of Appeals which was upheld by the NM Supreme Court for permit SP-4830 which is the San Juan-Chama Drinking Water Project (DWP) permit. The Water Authority received a new permit from the Office of the State Engineer (OSE) in December 2014 which finalized the legal process. The DWP continues to have a major positive impact on the ground water resources in the Middle Rio Grande with continuing increases in aquifer elevations observed throughout the basin. Net increases in aquifer storage have been remarkable and are being measured and mapped, working with the U.S. Geological Survey.

Human Resources (HR) will continue its efforts to promote employee health and wellness by combining programs offered through the insurance providers with the Water Authority's health and wellness specialist. Authority Fit, the name picked in a contest by employees, has the mission to

provide programs that encourage a healthy lifestyle by promoting physical activity, proper nutrition and safe workplace practices. The goal in FY16 is to have employees take voluntary health assessments, provided by the insurance company, to determine the overall state of the Water Authority employees' health.

The DWP provided 60% of water demand in calendar year 2014 and the Water Authority is working to continue this effort in calendar year 2015, but water supply conditions may limit the ability to fully realize this goal. It is anticipated that the Water Authority will still have more than three years of water storage available at the end of calendar year 2015.

Customer Services (CSD) has implemented and will continue the professional development of all levels of its employees. The clerical employees now have a career ladder in place where they will be working to meet requirements to promote through the levels of the program. Completion of the program is a catalyst to prepare these employees for management level career opportunities. Management employees will continue to receive leadership development materials and classes on topics such as Leading Change, Interviewing Skills, and Conflict Management. The recently converted Water Representatives should achieve the Utility Tech 2 level of the Water Authority's certification program by the first quarter of FY16. The large meter group will move from Water Field Distribution to Customer Services.

The approved budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for cost savings as a result of 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 Water Authority's Workers Compensation expense.

Revenue for Fiscal Year 2016 is estimated to be \$214.5 million representing an increase of \$10.6 million from the budgeted FY15 amount, due to an approved 5% rate revenue increase to fund investments in the Water Authority's infrastructure based upon the Asset Management Plan. Revenue in the Debt Service Fund has a \$1.3 million decrease due to a decrease in UEC revenue and in the transfer from operating for debt service payments.

The approved budget for FY16 shows a net increase of 3 new positions, 1 was an FY15 mid-year addition and 2 are requested as part of this budget. The positions added are an Administrative Specialist and two (2) Customer Care Associates. There is also a 2% increase for other employee benefits and a 2% step increase for all employees.

For Fiscal Year 2016 revenues are expected to be \$12.3 million over expenditures, which includes funding the rate reserve fund. This amount will bring the Working Capital or Fund Balance to \$11.2 million at June 30, 2016. The Water Authority continues to strive to achieve a Fund Balance to 1/12 of the annual budgeted operating expenditures. For Fiscal Year 2016, \$2 million is added to the Rate Reserve fund.

Also submitted in a separate resolution is the Capital Improvement Program (CIP) approved budget for Fiscal Year 2016. The appropriation for Fiscal Year 2016 for CIP is \$59.3 million. \$46.0 million is appropriated for the level one priority basic capital programs, \$4.0 million for growth related projects, and \$9.3 million is appropriated for special projects. The \$9.3 million for special projects is comprised of \$6.0 million for Odor Control along Yucca and Central streets, \$2.0 million for the Automated Meter Infrastructure (AMI), \$1.0 million for steel water line replacement, and \$0.3 million for various renewable energy projects.

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. There are no appropriations in the approved Fiscal Year 2016 CIP budget for projects that will be funded with revenues from Fiscal Year 2017 or later.

The Water Authority continues to participate in American Water Works Association's (AWWA) Benchmarking program which allows the utility to compare its performance against other utilities at least every two years. The most recent survey data was compiled in 2013 by AWWA from 124 different utilities. The Water Authority utilizes performance measures or indicators to help guide the operating and capital budgets in prioritizing and allocating the Water Authority's financial resources. The Water Authority also uses these measures to help improve its operational efficiency and effectiveness through the One-Year Objectives.

The Water Authority has established an asset management program with a steering committee to oversee the program. The program is an extensive, well thought out 'Business Model' that helps utility managers make better acquisition, operations and maintenance, renewal, and replacement decisions. The principles of asset management were developed to address the critical problem of aging public infrastructure and changing utility business environment. In FY11, the Water Authority completed a comprehensive Asset Management Plan (AMP) used to provide a rational framework for understanding and planning of long-range asset renewal (rehabilitation and replacement) requirements. The AMP consolidates the Water Authority's asset information into a structured framework and uses it to provide a justifiable basis to support long-term organization, operations, and asset management decisions. The Water Authority has also completed several strategic 10-year asset management plans for various asset classes (i.e., small diameter pipes, large diameter pipes, wastewater treatment plant, groundwater and collection system facilities). The 10-year plans are generated to provide the Water Authority with a more accurate understanding of the short and intermediate-term renewal requirements. In FY16, the Water Authority will continue to improve on its asset management practices by upgrading its Computer Management and Maintenance system and integrating mobile work order technology to improve the accuracy of the asset data.

This budget proposal represents the Water Authority's coordinative effort to bring to the Water Authority Board a financial plan that will provide the necessary funding to perform all the varied operational and administrative functions, to provide customers with quality water and wastewater service and address the Water Authority's priorities for Fiscal Year 2016 to improvement of services and gain operating efficiencies.



# Albuquerque Bernalillo County Water Utility Authority

## ***BOARD MEMBERS***

Maggie Hart Stebbins, Chair

Trudy E. Jones, Vice-Chair

Richard J. Berry

Art De La Cruz

Rey Garduño

Debbie O'Malley

Ken Sanchez

Pablo Rael, Ex Officio Member

Mark S. Sanchez, Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Albuquerque Bernalillo Co. Water Utility Authority  
New Mexico**

For the Fiscal Year Beginning

**July 1, 2014**

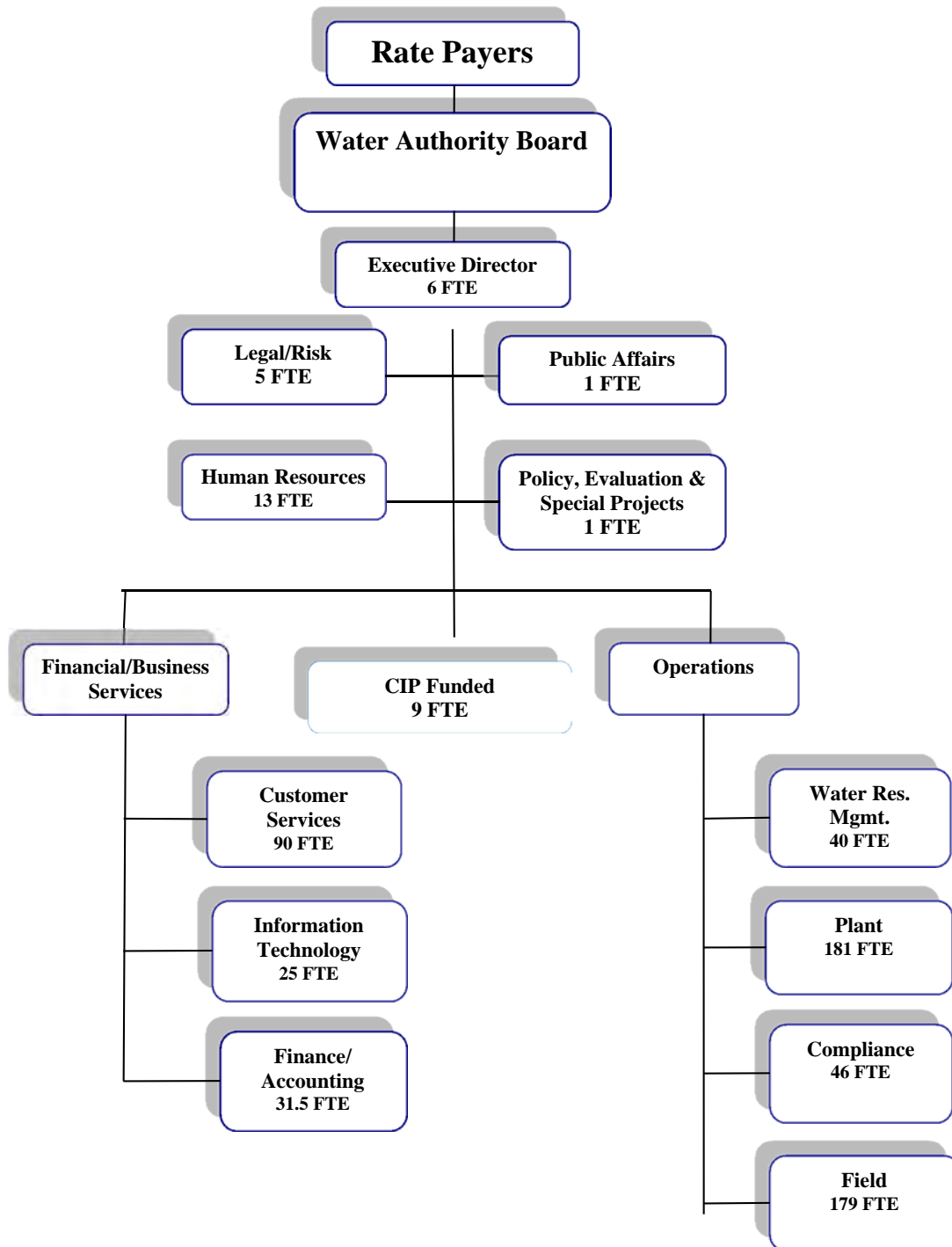
Executive Director

THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) PRESENTED A DISTINGUISHED BUDGET PRESENTATION AWARD TO **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY, NEW MEXICO** FOR ITS ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2014. IN ORDER TO RECEIVE THIS AWARD, A GOVERNMENTAL UNIT MUST PUBLISH A BUDGET DOCUMENT THAT MEETS PROGRAM CRITERIA AS A POLICY DOCUMENT, AS AN OPERATIONS GUIDE, AS A FINANCIAL PLAN, AND AS A COMMUNICATIONS DEVICE.

THIS AWARD IS VALID FOR A PERIOD OF ONE YEAR ONLY. WE BELIEVE OUR CURRENT BUDGET CONTINUES TO CONFORM TO PROGRAM REQUIREMENTS, AND WE ARE SUBMITTING IT TO GFOA TO DETERMINE ITS ELIGIBILITY FOR ANOTHER AWARD.



# Albuquerque Bernalillo County Water Utility Authority





# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

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## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

The activities of enterprise funds closely resemble those of businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The Budget is comprised of two parts. The first part is the Financial Plan, which is traditional financial information. The Financial Plan presents all funding issues by program strategy and division levels for all operating funds. The second part is the Performance Plan. The Performance Plan assesses the performance of the Water Authority using a set of identified and tested, high-level performance measures. These measures are designed to help the Water Authority improve its operational efficiency and effectiveness by identifying areas of improvement and provide a mechanism to conduct comparative analyses in order to implement quality improvement processes. These performance measures help guide the operating and capital budgets in allocating the Water Authority's financial resources, thus making these budgets performance-based. These plans are **Volume I** and **Volume II** of the Water Authority Budget.

The **Financial Plan** (Volume I) has 8 major sections. The **Executive Summary** is designed as an overview, explaining the policies as well as outlining the budget. An overview of the **Five-Year Goals and One-Year Objectives** follows, explaining the Water Authority's five-year goals and one-year priority objectives. The **Approved Budget & Financial Consolidations** contains personnel information, Fund Balance Tables or Working Capital Tables, where appropriate, by fund group. The funds are presented with estimated ending balances for both the current year and the budget year. This section includes brief highlights and fund financial history.

The section on **Revenue Analysis and Economic Outlook** contains detailed information on the projected revenue 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. There is also a brief explanation of the methodology used in budget preparation.

The **Appropriations Legislation** section contains copies of the legislation that has been approved by the Water Authority Board.

The **Performance Plan** (Volume II) contains 23 performance measures organized by the Water Authority's Five-Year Goal areas. Each goal area is described by a goal statement which explains the long-term desired result for that goal. The purpose of these performance measures is to help the Water Authority understand how it is meeting its goals and to answer some of the basic questions: 1) Are we improving year to year? 2) How do we compare with the industry standard? 3) Are we increasing customer satisfaction?

# **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

## **PREFACE**

### **Budget Policies and Procedures Ordinance**

NMSA 1978, Section 72-1-20 which created the Albuquerque Bernalillo County Water Utility Authority (Water Authority), along with the Water Authority's Budget Policies and Procedures Ordinance, require 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 approved 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.

### **Process for Preparing, Reviewing, and Adopting the Budget**

Prior to issuing budget instructions, the Water Authority's Ten Year Financial Plan is revised to determine the revenue and appropriation levels that are projected for the budgeted fiscal year as well as how future years will be impacted by these financial decisions. Details of the assumptions, challenges, one-year objectives and working capital estimates used in the preparation of the Fiscal Year 2016 budget are contained in the Executive Summary of this document. Once revenue and appropriation levels are determined, budget instructions are issued in January. A salary forecast is completed for review by the Executive Director. 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 in order to achieve a balanced budget. Budget meetings are held with the Executive Director and Water Authority Senior Staff. During this process, divisions may request program expansions, offer plans for reducing costs, or propose revenue enhancements. One-year objectives and the performance plan for the fiscal year are submitted to the Board in March for April approval. The performance plan contains performance measures that guide the operating and capital budgets in allocating the Water Authority's financial resources and is driven by the five-year goals and one-year objectives. The Executive Director submits the proposed operating and capital budgets to the Water Authority Board on or before the 1st of April. This proposal includes the budgets, capital program, and rate proposal which may recommend changes in rates and fees. After receiving the budget proposal from the Executive Director, the Water Authority Board schedules at least two public hearings on it. As a result of its deliberations and the information gathered at the public hearings, the Water Authority Board may amend the budget proposal at any time prior to approval at the May regularly scheduled meeting.

### **Process for Amending the Budget after Adoption**

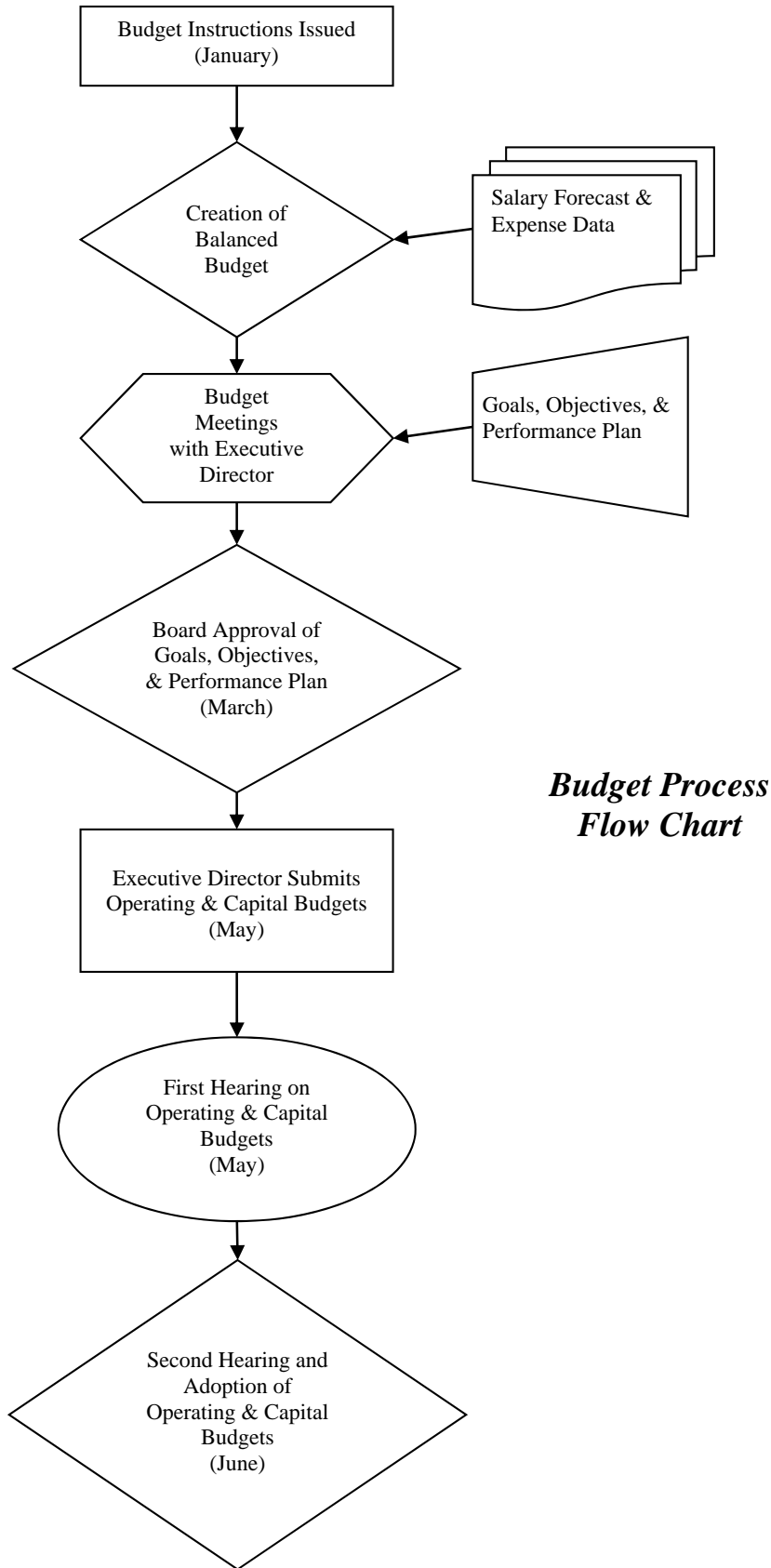
In accordance with the Water Authority's Budget Policies and Procedures Ordinance, the Water Authority Board, upon its own initiative or upon a recommendation by the Executive Director, may amend the operating and/or capital budget during the fiscal year to which it applies. No amendment to the operating budget shall result in total authorized expenditures that exceed resources to be available for the fiscal year to which the budget is applicable. During the fiscal year, the Executive Director is authorized to transfer funds or change expenditure authority within and among line-item authority, as established by the annual appropriation resolution and other approved appropriations for operating purposes, if the transfer or change does not result in the increase or decrease in that line-item expenditure authority in excess of the cumulative amount of \$100,000 or 5% of the line-item authority, whichever is lower. Actions taken by the Executive Director to transfer funds or change expenditure authority within and among line-item authority shall be reported in detail to the Water Authority Board at its next regularly scheduled meeting. The Executive Director may transfer funding of up to 10% of an existing capital project within adopted projects as approved by the Board provided that the change does not significantly alter the project's scope. Any change which exceeds this amount requires Water Authority Board approval.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Budgetary and Accounting System Requirements**

The budget and accounting basis for the Water Authority is on an accrual basis. Revenues are recognized when earned, and expenses are recognized as they are incurred. The Water Authority is operated as an enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity. Appropriations are at the fund level, the level at which expenditures 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.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET



***Budget Process  
Flow Chart***

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## **FISCAL YEAR 2016 BUDGET CALENDAR OF EVENTS**

Jan	Begin discussion on Water Authority's Performance Plan
Jan - Mar	Divisional preparation of FY16 budget request. Meetings between Water Authority Executive Director, Chief Operating Officer, Chief Financial Officer and Division Managers
Jan-Mar	Preparation of FY16 CIP Budget request. Meetings between Water Authority Executive Director, Chief Operating Officer, Chief Financial Officer and Division Managers
Jan – Feb	Preparation of Water Authority Objectives and Performance Measures
Jan 16	<b>Budget Call</b> to Operating Divisions
Feb – Mar	Budget review with Executive Director, Chief Operating Officer, Chief Financial Officer and Division Managers
<b>Feb 20</b>	Proposed budgets due to Finance Division, Includes all Issue Papers and Organization Changes
Feb 19	Introduction of Water Authority Objectives at Water Authority Board Meeting
Mar 19	CIP Budget Due to Finance Division
Mar 19	Approval of Water Authority Objectives at Water Authority Board Meeting
Apr 1	Proposed Operating and CIP Budget Document Prepared and Printed
Apr 1	Proposed Operating and CIP Budget Document submitted to Water Authority Staff
May 20 <sup>(1)</sup>	Introduction and Public Hearing of Proposed Operating and CIP Budget at Water Authority Board Meeting
June 17	2 <sup>nd</sup> Public Hearing and Approval of Proposed Operating and CIP Budget at Water Authority Board Meeting

- (1) The April 22, 2015 Water Authority Board meeting was cancelled. The FY16 Proposed Budget was introduced at the May 20, 2015 Water Authority Board meeting and approved at the June 17, 2015 meeting.

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## ***EXECUTIVE SUMMARY***

***Approved  
Operating Budget  
FY16***



## **Executive Summary**

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 San Juan-Chama Drinking Water Treatment Plant, the Southside Water Reclamation Plant, the Soil Amendment Facility, sewage lift stations, odor control facilities, and sanitary wastewater 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 a healthy, environmentally-sustainable, and economically-viable community.

### **Fiscal Year 2016 Budget Highlights**

The Fiscal Year 2016 Executive Director's Approved 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, in conjunction with the operating divisions, developed this budget by determining those essential costs necessary to successfully run the utility operation.

### **Assumptions**

In the preparation of the Fiscal Year 2016 budget, certain assumptions were made related to the operations of the Water Authority, the economic climate and system growth within Bernalillo County and the City of Albuquerque.

- Water and Wastewater Revenues. A water and wastewater revenue rate adjustment has been approved for FY16. Budgeted total Operating Revenues were projected using a 5-year historical trend based upon growth and consumption. The trend was structured by class of customer as well as by service size of each class. The projections also take into account the Water Authority's continued conservation efforts.
- System Growth. System growth is based on a 2% growth factor, however this growth is offset by estimated water conservation of 1%.
- Utility Expansion Charges. Utility Expansion Charges decrease \$1.0M for FY16, reflecting the current trend in the development of residential housing.
- Wage Adjustments. There is a 2% cost of living adjustment for FY16.
- Fringe Benefits. Fringe Benefits are calculated at 54.67% of gross wages.
- Target Working Capital Balance. The target working capital balance for the General Operating Fund will be equal to 1/12<sup>th</sup> of the annual budgeted operating expenditures.
- Conservative Projection of Revenues and Expenditures. The budget is based on conservative revenue and expenditure estimates.

### **Challenges**

Among the challenges facing the Water Authority in FY16 are managing the increasing costs of fuel, chemicals and electricity for water treatment. The Water Authority operates and maintains two water systems, the well/aquifer system and the surface water treatment system. Although the well system usage will be reduced as the surface water system increases capacity, the well system will still have to be fully operational to supplement the surface water, as necessary. The operation of these systems represents a dual cost for the Water Authority. The increasing costs associated with fuel, chemicals and electricity also impact the operation of the Southside Water Reclamation

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

Plant which continues undergoing extensive renovations begun in Fiscal Year 2010. The Water Authority also operates the Southside Re-use Program which uses treated wastewater from the Southside Water Reclamation Plant to irrigate turf at parks, fields and other recreational areas. The projected costs of the reuse project have been included in the approved budget.

### **One Year Objectives Fiscal Year 2016**

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 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, which are policy directives from the Water Authority Board, are used to close performance or service delivery gaps and improve performance levels.

Some objectives are related to completing projects or improving programs. Some of the FY16 objectives are tied to resources contained in the FY16 Approved Budget. A few of the objectives are carried over from FY15 either because they require more time to complete, or are ongoing issues. Some of the objectives are tied to the Performance Plan in order to improve operations and/or customer service.

### **Working Capital**

In the FY16 budget, revenues are projected to exceed expenses in the General Operating Fund. Surplus revenue will be added to the Working Capital or Fund Balance to achieve a Fund Balance equal to 1/12<sup>th</sup> of the annual budgeted operating expenditures.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## **General Fund – 21**

Total revenue approved for Fiscal Year 2016 is \$214.5 million. Of the total revenue, 97.0% is comprised of charges for water and wastewater services. Appropriations total \$202.3 million.

(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15 <sup>(1)</sup>	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Miscellaneous Revenues	3,843	6,833	6,833	6,833	5,453	(1,380)
Enterprise Revenues	180,227	196,326	196,326	192,826	208,131	11,805
Transfers from Other Funds	<u>593</u>	<u>800</u>	<u>800</u>	<u>800</u>	<u>940</u>	<u>140</u>
Total Current Resources	184,664	203,959	203,959	200,459	214,524	10,565
Beginning Working Capital Balance	<u>(10,921)</u>	<u>(10,676)</u>	<u>(10,676)</u>	<u>(10,676)</u>	<u>(1,058)</u>	<u>9,618</u>
<b>TOTAL RESOURCES</b>	<b><u>173,743</u></b>	<b><u>193,283</u></b>	<b><u>193,283</u></b>	<b><u>189,783</u></b>	<b><u>213,466</u></b>	<b><u>20,183</u></b>
<b>APPROPRIATIONS:</b>						
Water/Wastewater Operations	110,291	111,653	111,653	109,681	114,422	2,769
Transfers to Other Funds	<u>76,094</u>	<u>85,160</u>	<u>85,160</u>	<u>81,160</u>	<u>87,842</u>	<u>2,682</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>186,385</u></b>	<b><u>196,813</u></b>	<b><u>196,813</u></b>	<b><u>190,841</u></b>	<b><u>202,264</u></b>	<b><u>5,451</u></b>
ADJ TO WORKING CAPITAL BALANCE	<u>1,967</u>	-	-	-	-	-
<b>ENDING WORKING CAPITAL BALANCE</b>	<b><u>(10,676)</u></b>	<b><u>(3,530)</u></b>	<b><u>(3,530)</u></b>	<b><u>(1,058)</u></b>	<b><u>11,202</u></b>	<b><u>14,732</u></b>

<sup>(1)</sup> Estimated Actual FY15 Enterprise Revenues include the year-end revenue accrual.

### *Resources*

General Fund revenue for FY16 is estimated to be \$10.6 million above the FY15 approved budget due to increases in rate revenue. Revenues for FY16 include a 5% approved rate revenue increase to fund investments in the Water Authority's infrastructure based upon the Asset Management Plan.

### *Appropriations*

Operating Expenditures – Operating expenditures contain a net increase of \$5.5 million from Fiscal Year 2015. This includes an increase of \$2.3 million in salaries and benefits, an increase of \$425,000 in operating expenses and an increase of \$2.7 million for the Debt Service and Capital transfers. Personnel expenditures include a 2% cost of living adjustment, as per labor agreements and a 2% increase in benefits primarily due to the Affordable Health Care Act. Five new positions were added in FY16 and two positions were deleted for a net increase of three positions in FY16. The positions added include Administrative Specialist, two (2) Customer Care Associates, Electrical Engineer, and Construction Inspector. The positions deleted were Engineer Assistant and Customer Care Assistant. Total general operating costs increase by \$425,000. The internal service charges increase by \$2.7 million which includes a decrease to the debt service transfer of \$318,000, due to the bond refundings in FY15, and a \$3.0 million increase in the transfer to the capital fund.

Working Capital –The Water Authority continues to strive to achieve a Fund Balance equal to 1/12<sup>th</sup> of the annual budgeted operating expenditures. The Working Capital balance at June 30, 2016 is projected to be \$11.2 million. The Water Authority will increase its General Fund Balance to 1/12<sup>th</sup> of the annual budgeted expenditures by FY16.

## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

An additional \$2 million is approved to increase the rate reserve fund balance. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

### **Debt Service Fund – 31**

Total current resources approved for FY16 is \$80.8 million. The current resources are comprised of transfers from the General Operating Fund and Utility Expansion Charges (UEC). Appropriations total \$77.8 million, of which \$72.8 million is debt service to offset payments and \$5.0 million is the transfer to CIP.

(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Miscellaneous Revenues	7,872	9,000	9,000	9,000	8,000	(1000)
Transfers from Other Funds	<u>72,094</u>	<u>73,160</u>	<u>73,160</u>	<u>69,160</u>	<u>72,842</u>	<u>(318)</u>
Total Current Resources	79,966	82,160	82,160	78,160	80,842	(1,318)
Beginning Fund Balance	<u>(2,476)</u>	<u>515</u>	<u>515</u>	<u>515</u>	<u>2,512</u>	<u>1,996</u>
<b>TOTAL RESOURCES</b>	<b><u>77,490</u></b>	<b><u>82,675</u></b>	<b><u>82,675</u></b>	<b><u>78,675</u></b>	<b><u>83,355</u></b>	<b><u>679</u></b>
<b>APPROPRIATIONS:</b>						
Total Joint Water/Sewer DS	75,245	75,161	75,161	71,164	72,842	(2,319)
Transfers to Other Funds	<u>3,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>78,245</u></b>	<b><u>80,161</u></b>	<b><u>80,161</u></b>	<b><u>76,164</u></b>	<b><u>77,842</u></b>	<b><u>(2,319)</u></b>
ADJ TO FUND BALANCE	<u>1,269</u>	-	-	-	-	-
<b>AVAILABLE FUND BALANCE</b>	<b><u>515</u></b>	<b><u>2,514</u></b>	<b><u>2,514</u></b>	<b><u>2,512</u></b>	<b><u>5,513</u></b>	<b><u>2,998</u></b>

#### *Resources*

Debt Service resources decrease \$1.3 million in FY16 due to a decrease in UEC revenues and the overall savings achieved by refinancing bond issues in the Water Authority's debt portfolio in FY15.

#### *Appropriations*

Debt service payments decrease \$2.3 million from FY15 based on the Water Authority's debt service schedule.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Fiscal Year 2016 Operational Highlights**

The FY16 Executive Director's Approved 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, in conjunction with the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

The Water Authority received a positive ruling from the NM Court of Appeals which was upheld by the NM Supreme Court for permit SP-4830 which is the San Juan-Chama Drinking Water Project (DWP) permit. The Water Authority received a new permit from the OSE in December 2014 which finalized the legal process. The DWP continues to have a major positive impact on the ground water resources in the Middle Rio Grande with continuing increases in aquifer elevations observed throughout the basin. Net increases in aquifer storage have been remarkable and are being measured and mapped, working with the U.S. Geological Survey.

The DWP provided 60% of water demand in calendar year 2014 and the Water Authority is working to continue this effort in calendar year 2015, but water supply conditions may limit the ability to fully realize this goal. It is anticipated that the Water Authority will still have more than three years of water storage available at the end of calendar year 2015.

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 even though the primary source of supply will be the surface water from the DWP. It is anticipated that approximately 70% of the area's future water supply will be surface water from the DWP. The Water Authority continues to adjust the funding for operations of the DWP as a history of operating costs is developed.

Human Resources (HR) will continue its efforts to promote employee health and wellness by combining programs offered through the insurance providers with the Water Authority's health and wellness specialist. Authority Fit, the name picked in a contest by employees, has the mission to provide programs that encourage a healthy lifestyle by promoting physical activity, proper nutrition and safe workplace practices. The goal in FY16 is to have employees take voluntary health assessments, provided by the insurance company, to determine the overall state of the Water Authority employees' health.

In FY16, HR will initiate an employee engagement and satisfaction survey to determine where employees assess themselves in these areas. From the survey, management can ascertain where to focus improvement. Research shows that organizations with high levels of employee engagement are more successful and productive. HR will continue to automate processes, including online benefits in the ERP system, electronic files and automated systems for secure confidential file sharing and improved streamlined forms and information on the employee intranet.

The Water Authority's certification training programs continue to develop employees' knowledge and skills in various positions, including water and wastewater operations and maintenance, dispatch, and customer service. Each fiscal year, there has been an increase in the number of utility operators obtaining their State of New Mexico Operator certification. In addition to traditional classroom and on-the-job training, employees will be able to access various training subjects online, making training more accessible to employees working non-traditional schedules (i.e. graveyard shift).

The approved budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for cost savings as a result of a decrease in work-related losses. Funding for this program is

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

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 Water Authority's Workers Compensation expense.

In FY15, the Financial/Business Services division completed two bond refinancings, in September 2014 and April 2015. The net present value savings from these refinancings on a cash flow basis are \$36.4 million over the life of the bond issues. With the bond refinancings, the Water Authority has maintained its Aa2/AA+/AA bond ratings. In FY16, the division will submit to the Government Finance Officers Association (GFOA) the FY16 Approved Budget for the Distinguished Budget Presentation Award, the FY15 Comprehensive Annual Financial Report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting and, for the first time, the FY15 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.

Customer Services (CSD) and Northwest Service Area (NWSA) have been successfully integrated into one group that handles call center, treasury, billing, new service applications, field operations and meter maintenance functions. CSD, Field Operations, and NWSA Field Operations & Maintenance sections will work together to implement the Clevest mobile workforce management system, which will provide a bridge for Maximo (Work Order & Asset Management) and Customer Care & Billing (CC&B) in order to create operating procedures for a paperless, real-time work order system, where field activities are dispatched, updated and closed out on a mobile platform. In addition, Clevest will be used to manage line spots and schedule and record the preventative maintenance activities on the meter change outs, box and valve replacement initiatives. In FY16, a reporting matrix where response time, emergency repairs, work order completion percentage, and preventative maintenance will be developed to measure and benchmark against industry leaders.

CSD has implemented and will continue the professional development of all levels of its employees. The clerical employees now have a career ladder in place where they will be working to meet requirements to promote through the levels of the program. Completion of the program is a catalyst to prepare these employees for management level career opportunities. Management employees will continue to receive leadership development materials and classes on topics such as Leading Change, Interviewing Skills, and Conflict Management. The recently converted Water Representatives should achieve the Utility Tech 2 level of the Water Authority's certification program by the first quarter of FY16. The large meter group will move from Water Field Distribution to Customer Services.

Information Technology (ITD) will continue implementation and system integration of mobile solutions to operations staff for optimization of the work order and asset management process, including Clevest and automation of preventative maintenance on utility equipment and the consolidation of mobile work order functions. Work will also continue on mobile apps such as Kronos and mobile apps for the web. ITD will begin the Maximo system upgrade in FY16. ITD will also assess upgrade alternatives for CC&B and SunGard, the financial/HR/payroll system. In FY16, ITD will complete the Water Authority separation from the City of Albuquerque network and telephony systems resulting in more efficient business processes, better reliability and cost savings.

The Water Authority continues to develop and implement work load management practices to measure the amount of work that is being completed by the various sections. The CMMS system, Maximo, is used to document the work orders completed and management staff are reviewing and evaluating the work being recorded and accomplished to better understand individual job requirements. All of the Standard Operating Procedures are in the process of being finalized for the operations groups and the Water Authority will continue to implement additional safety and job planning activities to improve the overall safety program.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

Over a third of the active wells are approaching their expected useful life of 60 years and will need to be replaced. The Water Authority's well system was evaluated during FY15 and a list of wells for renewal was prioritized. During FY16, a pilot test will be completed on the Thomas No. 5 Well to study a method of reducing the arsenic concentration in the water. The pilot will involve blocking off the lower section of the well screens with the intention of reducing flow into the well from strata of the aquifer with higher arsenic concentration water. If successful, this method may allow several other Water Authority "high arsenic wells" to be brought back into service. Another project looking into the use of several currently out of service "high arsenic wells" is along the Alameda Trunk, which could provide an additional 30 MGD or more of water supply. With this project, the well water would be conveyed to the San Juan-Chama Water Treatment Plant (SJCWTP) to remove the arsenic, making it suitable for drinking. This project would be especially beneficial during drought periods when there is insufficient flow in the Rio Grande to allow diversions of surface water to the SJCWTP. During such times, instead of having to idle the plant, it could be used to treat the well water. During FY16, pilot studies will be conducted to refine the treatment process for water drawn from these wells. In addition, the Water Authority will continue with design and construction of blending and treatment facilities that will expand the use of existing wells in the Corrales Trunk for water supply.

Groundwater operations will be adding these facilities into operation: Echo Canyon Reservoir in Carnuel, BCIP Reservoir #2, Leyendecker Pump Station New Booster Pump #6, and BCIP Pump Station. The section will be implementing a field study to assess reservoir stratification and determine which reservoirs would benefit from installation of active mixing systems to improve water quality. Groundwater will continue the Large Diameter Valve Exercise program at reservoirs, pump stations and well sites and to complete the Montgomery Trunk and proceed to the Freeway Trunk. Groundwater facilities will be completing the database configuration of confined spaces including assessments for each space and publishing a written plan for the permit-required Confined Space Program and developing an electrical safety program with assistance from an electrical consultant.

Wastewater plant operations began a major renovation of the Southside Water Reclamation Plant (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. Construction of the Preliminary Treatment Facility (PTF) will be completed by the start of FY16. Design and construction of rehabilitation/improvements to the Solids Dewatering Facility will continue in FY16 with completion by the end of FY17. Improvements will also be made to the Anaerobic Digesters, Aeration Basins, plant-wide electrical systems, and other facilities.

Construction of the Southside Municipal Effluent Polishing and Reclamation project was completed in April, 2013. Calendar year 2014 marked the first full season of irrigation by the initial group of 16 customers that connected to this system. These connections resulted in a reduction of potable water demands by 624 acre-feet. This project will eventually provide up to 2,500 acre-feet of non-potable water to more than forty large turf sites in the southeast heights and south valley of Albuquerque including Isotopes Baseball Park, UNM Championship and Puerto del Sol Golf Courses, Bullhead and Vietnam Veterans parks and Mesa del Sol.

The SWRP continues to generate Renewable Energy Certificates using digester gas (containing methane) which is used to power a generator. The SWRP facility generates approximately 20% of its power requirements using digester gas and another 7% using renewable solar power from an on-site solar array.

Plans are to continue to increase the amount of residual solids that are composted and sold to increase revenue from compost sales in FY16. It is the Water Authority's goal to compost and sell at least 25% of the total wastewater residuals while not "over-saturating" the regional market for bio-solids compost.

Wastewater Collections continues to implement the Capacity Management Operations and Maintenance (CMOM) program. The expanded closed circuit television (CCTV) inspection of 5% of the small diameter system provides for better maintenance and identification of specific rehab needs. Communication with entities

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

potentially impacted by public or private sewage spills continues to be enhanced and documented in the Overflow Emergency Response Plan (OERP) which is a portion of the CMOM. The fleet of combination cleaning units is being renewed and provided with updated nozzles. Arc flash and transformer oil testing was completed of the pump and vacuum stations, allowing for improved maintenance operations and identifying high priority repairs. Magnesium hydroxide is being studied for control of hydrogen sulfide which is the cause of corrosion and most odor complaints. After a pilot study in the collection system, a testing program is currently underway to examine potential impacts at the Southside Water Reclamation Plant.

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. To comply with requirements of the 2012 National Pollutant Discharge Elimination System (NPDES) permit requirements, the Industrial Pretreatment Program completed modification of the Water Authority Sewer Use and Wastewater Control Ordinance as approved by the Water Authority Board in January 2014 to become effective in July 2014, developed a policy to reduce the impacts to the wastewater systems caused by Fats, Oils, and Grease (FOG) discharges, and revised the Technically Based Local Limits. Each of these documents were submitted to EPA for approval and have been compiled, along with other documents as a proposed Pretreatment Program Modification. The Program Modification was approved by EPA in January 2015. Improvements in ordinance compliance continue with inspection, monitoring, and enforcement actions for permitted industrial users, septage waste haulers, food service establishments, and dental offices. In the coming year, compliance with the Cross Connection Control Ordinance will also be tracked.

In conjunction with ITD, the Laboratory Information Management System (LIMS) implementation project was advanced in FY15. The LIMS steering committee will be implementing the first phase of the new LIMS system, LabVantage during FY16. A complete listing of current Water Quality Laboratory processes have been developed that will help with the configuration of LabVantage.

Required monitoring for the Unregulated Contaminant Monitoring Rule 3 (UCMR3) will occur on the drinking water system during the then of FY15 and through FY16. UCMR3 monitoring takes place at the entry points to the distribution system and 6 sites in the system with maximum residence times. The compounds tested for in UCMR3 monitoring range from volatile organics, to metals, to hormones. The Long Term Enhanced Surface Water Treatment Rule 2 (LT2) monitoring will also occur during the end of FY15 and throughout FY16. LT2 monitoring tests the source water at the surface water treatment plant for turbidity, E. Coli, and Cryptosporidium.

In FY16, Conservation will be conducting a rain water harvesting pilot project at locations all over the service area to determine how much water can be saved with rain water harvesting systems and how much time and money it takes to install them. Water Smart classes will be offered from April thru September and customers who attend both the turf irrigation and drip irrigation classes will receive a \$20 credit on their water bill. The successful student education programs will continue, including the RIO field trips where every fourth-grade student from public schools in the service area attends a full-day field trip to the Rio Grande. In addition, in FY16 more education and outreach programs in the Water Use Compliance division will be implemented. A new program will be rolled out where customers who receive water conservation rebates will be able to choose to donate a portion of that rebate to other conservation programs taking place in the service area.

An additional \$2 million is reserved in the rate reserve fund. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.



## **FINANCIAL POLICIES**

Long-term financial policies are contained in state statute, and Albuquerque Bernalillo County Water Utility Authority ordinances. Five major policies are described by the various laws and instructions cited below. A final policy regarding the need to match nonrecurring revenue with nonrecurring appropriations is described but is not found in law or formal rule.

The adopted budget is balanced and subsequent action will preserve the balance. Balance is defined as resources equal to or in excess of expenditures for each fiscal year.

### **STATE STATUTES:**

6-6-6. Approved budgets; claims or warrants in excess of budget; liability. “When any budget for a local public body has been approved and received by a local public body, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and the allowances or claims or checks or warrants so allowed or paid shall be a liability against the officials so allowing or paying those claims or checks or warrants, and recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.”

### **BUDGET ORDINANCE PROVISIONS:**

#### **§ 2-1-3 BUDGET CONTENTS AND FORMAT.**

“(A) The Executive Director’s budget proposal submitted to the Board shall include: The Executive Director’s budget message; An annual appropriation resolution recommended by the Executive Director for operating and capital; A complete statement of the non-capital project financial operation of the Authority for the fiscal year last completed; A comparable statement for the current fiscal year including expenditures to date and anticipated expenditures to the end of that year; A financial plan in comparable form for the fiscal year commencing on July 1 of the year in which the budget proposal is submitted.

The Financial Plan for the ensuing fiscal year shall include: All proposed expenditures for the administration, operation and maintenance and capital projects of the Authority; All interest and debt redemption charges; All anticipated revenues and other available resources by source and amount; The proposed means of financing all proposed expenditures.

A performance plan for the fiscal year commencing on July 1 of the year in which the budget proposal is submitted. The performance plan shall be connected to the five-year goals and contain performance measures that help guide the operating and capital budgets in allocating the Authority’s financial resources.”

“(B) The Authority budget shall be fund based.”

“(C) The budget proposal shall be balanced and not propose expenditures in excess of resources anticipated to be available to the Authority for the fiscal year for which the budget is proposed.”

## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

### § 2-1-8 BUDGET AMENDMENTS BY BOARD DURING FISCAL YEAR.

Upon its own initiative or upon a recommendation by the Executive Director, the Board may amend the operating and/or capital budget during the fiscal year to which it applies. No amendment to the operating budget shall result in total authorized expenditures that exceed resources to be available for the fiscal year to which the budget is applicable.

Authority goals and objectives are established and integrated into the budget process.

### BUDGET ORDINANCE PROVISIONS:

#### § 2-1-1 INTENT.

“(A) Laws 2003, Chapter 437, codified as NMSA 1978, Section 72-1-10 created the Albuquerque Bernalillo County Water Utility Authority (“Authority”) and provides for the administration and operation of the Authority. As part of the administrative responsibilities of the Authority, it shall establish and adopt five-year goals and one-year objectives, which goals and objectives shall be reviewed and revised annually by the Albuquerque Bernalillo County Water Utility Authority Board (“Board”). The Authority operating budget shall be formulated by the Authority’s Executive Director and be consistent with the goals and objectives as established and approved by the Board. In order to maintain uniformity, other legislation and policies of the Authority are to be consistent with these goals and objectives as well. The Executive Director shall propose the budget to the Board at the April regularly scheduled meeting each year with the Board to approve the budget as proposed or amend and approve it at or before the May regularly scheduled meeting.”

“(B) To adopt a goals and objectives process that encourages active citizen participation, that is linked to the budget process, that encourages performance measurement, and that is consistent with the desired conditions of the Authority’s service area, the Authority shall coordinate its goal setting with the City of Albuquerque and Bernalillo County governments.”

“(C) The Board’s adoption of goals and objectives, which will be valuable in themselves, will be major factors in determining funding for Authority programs and improvements in the operating budget and the capital improvements budget.”

“(D) This ordinance shall apply to all expenditures made by and approved by the Authority and shall supersede any existing policies governing the operating and capital budgets.”

ABCWUA Board participates in the development of the Executive Director’s proposed budget.

## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

### BUDGET ORDINANCE PROVISIONS:

#### § 2-1-2 PREPARATION OF AUTHORITY BUDGET PROPOSAL.

“(A) The Authority shall prepare a proposed operating and capital budget taking into consideration the needs of the Authority’s operations, and the resources anticipated to be available to the Authority for the fiscal year for which the budget is prepared.”

“(B) The Executive Director shall propose an operating and capital budget to the Board at the April meeting of each year. This proposal shall include the budgets, capital program, and rate proposal which may propose changes in rates and fees.” The public reviews and has an opportunity to comment on the proposed budget.

### BUDGET ORDINANCE PROVISIONS:

#### § 2-1-5 CONSIDERATION OF BUDGET PROPOSAL BY THE BOARD.

“(A) After receiving the budget proposal from the Executive Director the Board shall schedule at least two public hearings on it. As a result of its deliberations and the information gathered at the public hearings, the Board may amend the budget proposal at any time prior to the May regularly scheduled meeting.”

Total revenues minus the expenses of the system shall be 133% or more of the current debt service.

### RATE ORDINANCE PROVISIONS:

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

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

“(C) Increasing Minimum Monthly Fixed Charges. If the determination of §1-2(B) above shows that the total revenues minus the expenses of the system are less than 133% of the current debt service for the cumulative quarter of the fiscal year, the fixed monthly charge will be increased for water and wastewater accounts. The increase in fixed monthly charges will be a percentage of the established fixed monthly charges that produce additional revenues so that if the adjusted charges had been effective the previous quarter, the total revenues would have been sufficient to pay operating expenses and 133% of current debt service. The increased fixed monthly charge will be effective the second month following the quarter (i.e., the month following the determination), and will remain in effect until such time as the Authority acts on water and wastewater rates. If the determination of §1-2(B) above shows the total revenues minus the expenses of the system are less than 133% of the current debt service for the cumulative quarter of the fiscal year, it shall be determined if the revenue loss is due to efforts of utility Customers to conserve water by reviewing usage patterns. If the usage study shows

## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

that the reduced revenues are due to conservation efforts, the Executive Director shall analyze the Utility's operations for the purpose of determining whether or not corresponding expense reductions can be effected and shall present any such expense reduction proposals to the Authority."

Nonrecurring revenue should not be used to support recurring expenditure. Nonrecurring revenue produced from a one-time event, such as a change in reserve policy. Nonrecurring expenditures include studies, capital projects, capital outlay, computer equipment, buildings, land and one-time expenditures to pay off a loan, prior year litigation expenses or other similar expenses.

### § 2-1-11 FINANCIAL AND MANAGEMENT REPORTS.

"(B) Reports shall be received by the Board on a timely basis according to the following schedule:

(4) The midyear report shall be received for introduction at the Board meeting in February. The midyear report shall be accompanied by a midyear appropriation resolution for those programs which are projected to be overspent and which the Executive Director determines that expenditure controls cannot bring the programs within the limits of administration expenditure authority, \$100,000 or 5% of the line-item authority, whichever is lower. Mid-year appropriation adjustments shall be proposed only when caused by unexpected circumstances such as a natural disaster, unforeseen shifts in the national economy, and other events that constitute an emergency. Except as otherwise provided, the Executive Director and Board shall confine budget adjustments to the midyear resolution. The midyear report and midyear appropriation resolution shall be reviewed by the Board at a minimum of one public hearing."

The Authority's Debt and Capital Improvement Plan spending is integrated in the budget process and is mandated by ordinance.

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

"(A) The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects."

"(B) At a minimum, 50% of the cost of capital projects which constitute the normal capital program of the water and sewer system including the rehabilitation and replacement of existing facilities, and the construction of water wells, pump stations, reservoirs, service lines, other water lines, gate valves, revenue meters and meter boxes, sewer lines, odor control stations, and pumping stations, and treatment facilities shall be paid with cash rather than borrowed funds. The normal capital program excludes special capital projects such as the expansion of the wastewater treatment plants, arsenic mitigation, state and federal grant projects, state and federal mandated projects, and related to water resources management to achieve a sustainable supply of water (Sustainable Water Supply Fund - 622)."

"(C) At a minimum, 25% of the cost of capital projects not included in the normal capital program of the water and sewer system shall be paid with cash rather than borrowed funds. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems."

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

“(D) Utility Expansion Charge (UEC) revenues or those of successor development fees in excess of \$6,000,000 per year shall be transferred to the Joint Water and Sewer Capital Funds. The transfer of these funds shall be made in the fiscal year following the assessment of the charges”

“(E) Utility Expansion Charge rates shall be based on adopted policies of the Authority.”

“(F) Appropriations of cash transfers from water and sewer utility operating funds or debt service funds to a Joint Water and Sewer Capital Fund shall be made in the amounts appropriated during the year for which the appropriations have been made.”

### **§ 1-6 WATER AND SEWER REHABILITATION FUND.**

“(C) Expenditures for the rehabilitation of water wells, pump stations, reservoirs, service lines, other water lines, and gate valves from revenues in the Water and Sewer Rehabilitation Fund shall not be less than \$13 million dollars per year. The expenditures for rehabilitation of sewer lines, odor control stations, pumping stations and treatment facilities shall not be less than \$13 million dollars per year.”

## **DEBT POLICIES**

The Water Authority’s Debt Management Policy & Guidelines provides for the following:

- Full and timely payment of principal and interest on all outstanding debt
- System revenue bonds shall be used as a source of funding, after considering alternative funding sources, such as federal and state grants and pay as you go financing
- Debt shall be incurred to finance capital improvements and long-term assets associated with the water and wastewater system. Types of projects include, but not limited to, constructing, acquiring, enlarging, extending, bettering, repairing or improving the water and wastewater system facilities. For a more detailed list refer to chapter 72, article 1 section 10K NMSA 1978 as amended
- Capital improvements plans should be developed, approved and financed in accordance with Rate Ordinances and the Decade Plan
- The Water Authority will evaluate the impact of debt amounts and debt service requirements of any new proposed debt within the overall context of outstanding debt
- Principal and interest retirement schedules shall be structured to: (1) meet available cash flow available to service debt, (2) achieve a low borrowing cost for the Water Authority, (3) accommodate the debt service payments of existing debt and (4) respond to perceptions of market demand. Level debt payments and shorter maturities shall always be encouraged to demonstrate to ratepayers, investors and rating agencies that debt is being managed and retired prudently
- Debt incurred shall generally be limited to obligations with serial and term maturities but may be sold in the form of other structures if circumstances warrant
- The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impact

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

- Debt incurred may be issued, at the discretion of the Water Authority, on either Senior, Subordinate or Super Subordinate lien on the System's net revenues
- The average life of the debt incurred should be no greater than the projected average life of the assets being financed
- The payment of debt shall be secured by net revenues of the joint water and wastewater system ("net system revenues")
- Maintain Post Issuance Compliance Guidelines that formalize post issuance compliance controls and procedures related to the Water Authority's financial and legal obligations (see Appendix)
- Inter-fund borrowing may be used as an alternative to conventional borrowing
- The Water Authority shall not pledge any Water Authority revenues to any conduit bond financings or guarantee indebtedness of others
- The Water Authority may use the services of qualified internal staff and outside advisors, including bond counsel, tax counsel, disclosure counsel, underwriters and financial advisors, to assist in the analysis, evaluation, and decision process
- The Water Authority shall select a method of sale that achieves the financial goals of the Water Authority and minimizes financing costs. Such sales can be competitive, negotiated or private placement, depending upon the project and market conditions. The recommendation by the Water Authority's Financial Advisor will be considered in the decision as to the most appropriate sale method
- The Water Authority shall make every attempt to earn and maintain the highest investment grade rating achievable
- Finance team members and Underwriters should be selected in accordance with the Water Authority Purchasing Procedures and the Debt Management Policy & Guidelines ("Debt Policy"). The selection should maximize the quality of services received while minimizing the cost to the Water Authority. Any subtractions or additions to the finance team members shall be subject to the Water Authority's Chief Financial Officer's ("CFO") approval. Selected underwriters and financial advisors shall adhere to the Municipal Securities Rule-making Board ("MSRB") and the Securities and Exchange Commission ("SEC") rules and regulations
- The Water Authority shall maintain good communications with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the Water Authority
- Financial reports and bond official statements shall follow a policy of full, complete and accurate disclosure of financial conditions and operating results. All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC") and the Internal Revenue Service ("IRS") to meet the disclosure needs of rating agencies, underwriters, investors and taxpayers.
- Federal income tax laws restrict the ability to earn arbitrage in connection with tax-exempt bonds. Every attempt shall be made to eliminate or minimize negative arbitrage

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***FIVE-YEAR GOALS AND  
ONE-YEAR OBJECTIVES***

***Approved  
Operating Budget  
FY16***



## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Overview of Goal Development**

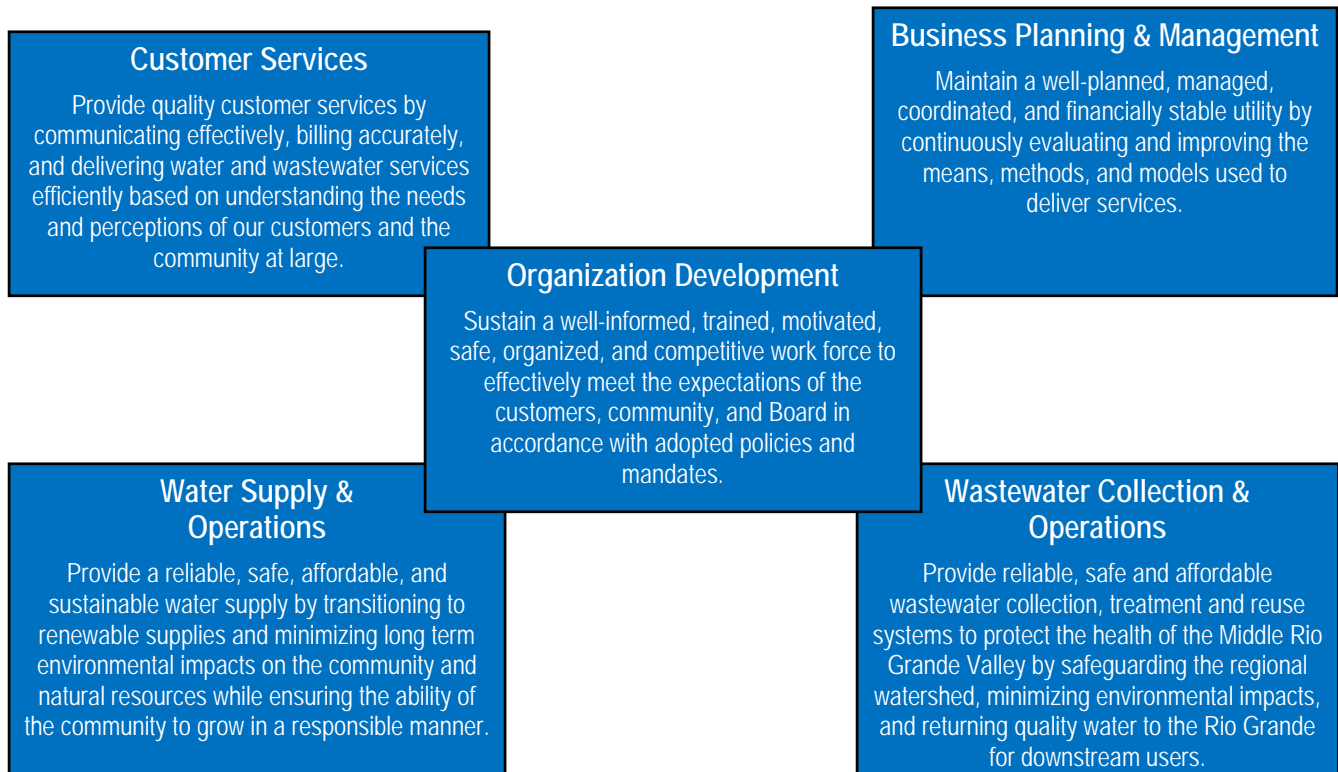
The Water Authority established Five-Year Goals and One-Year Objectives in 2005 to help guide its budget process and address priority issues. In addition, the Water Authority's Budget Ordinance specifies that the Water Authority shall annually review and adopt one-year objectives related to the five-year 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.

### **Five-Year Goal Development**

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. More recently, 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 to select priorities for improvement, based on each organization's strategic objectives and the needs of the community it serves.

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



## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

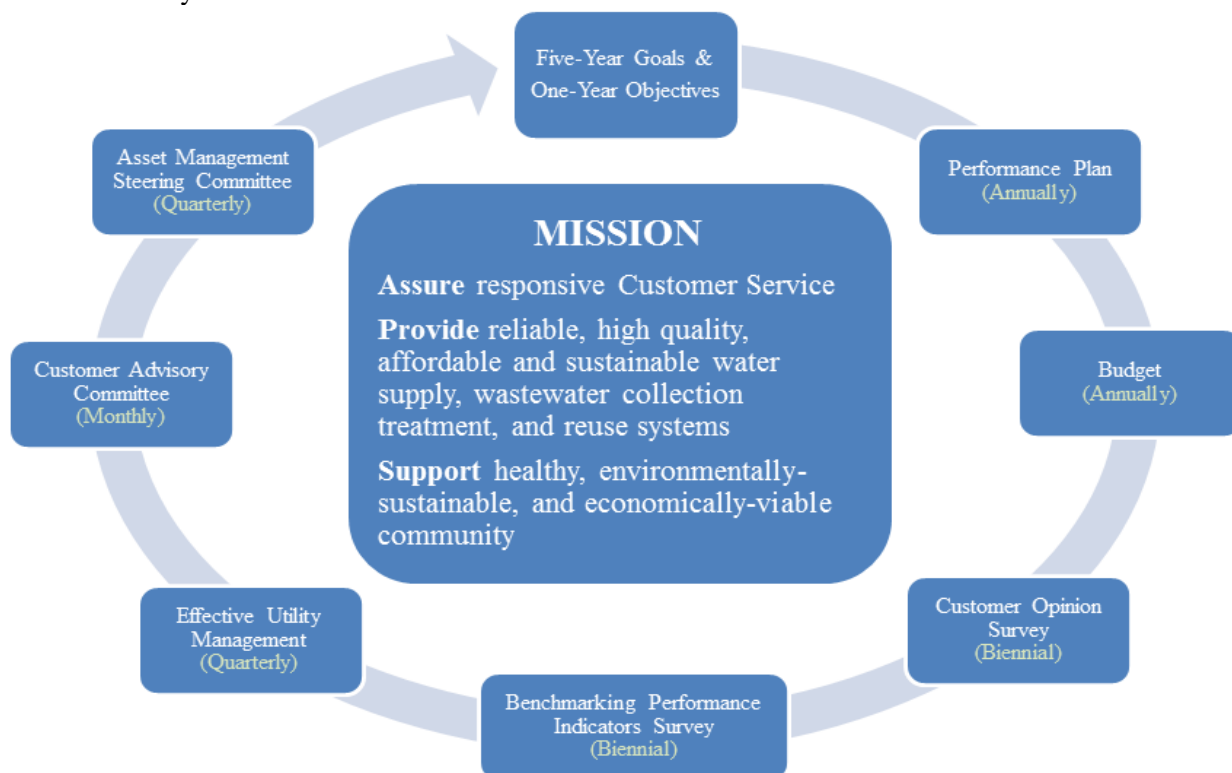
### **Overview of One-Year Objectives**

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, which are policy directives from the Water Authority Board, are used to close performance or service delivery gaps and improved performance levels.

Some objectives are related to completing projects or improving programs. Some of the FY16 objectives are tied to resources contained in the FY16 Approved Budget. A few of the objectives are carried over from FY15 either because they require more time to complete, or are ongoing issues. Some of the objectives are tied to the Performance Plan in order to improve operations and/or customer service.

### **Strategic Planning, Budgeting and Improvement Process**

This 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 surveys and through the AWWA Benchmarking program. The benchmarking program allows the utility to benchmark its performance among 25 key performance indicators. In addition, Water Authority employees provide input on operational improvement and service delivery through the Asset Management Steering Committee. The Customer Advisory Committee provides input on the utility's policies, plans, and programs. More recently, the Water Authority has incorporated the 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 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.



## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

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 through the use of the logic model in order 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 FY16.

### **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 4th Quarter of FY16.
- Complete Surface 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 FY16.
- Implement the decommissioning plans of Santa Barbara Pump Station by the end of the 4<sup>th</sup> Quarter of FY16.
- Purchase the necessary field equipment and begin implementation of a pilot internal large diameter valve exercise program including field location and GPS coordinates of existing valves. The program should include developing exercise protocol and standard operating procedures and determining overall manpower needs and equipment to implement a priority phasing schedule based on business risk exposure rating; continue implementation of program through the end of the 4th Quarter of FY16.
- Maintain water use between 134 to 144 gallons per capita per day through the end of the 4<sup>th</sup> Quarter of FY16.
- Submit the demonstration permit application for Large Scale Aquifer Storage and Recovery by the end of the 4<sup>th</sup> Quarter of FY16.
- Continue the distribution water loss program by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY16.
- Continue work on the Partnership for Safe Water program for surface water treatment and drinking water distribution systems to optimize water system operations and performance; submit assessments to AWWA by the end of the 4th Quarter of FY16.
- Complete asset management plans for the reservoirs, wells, and pump stations to determine the condition of the Water Authority's groundwater facilities by the end of the 4th Quarter of FY16.
- Begin updating the Water Resources Management Strategy through the 4th Quarter of FY16.
- Continue implementation of the Water Quality Protection Policy and Action Plan (WPPAP) including administrative, policy and technical support to the Water Quality Advisory Board (WPAB). Continue to monitor ongoing or new groundwater contamination sites and provide technical comments to preserve and protect the aquifer and surface water supplies in the Middle Rio Grande. Provide quarterly status reports to the Water Authority Board through the 4<sup>th</sup> Quarter of FY16.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **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 FY16.
- Beneficially reuse biosolids by diverting 25% of the biosolids to compost through the end of the 4th Quarter of FY16.
- Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 40% of all completed maintenance labor hours by the end of the 4th Quarter of FY16.
- Continue minimizing odors and corrosion potential, continue testing of the magnesium hydroxide additions to the wastewater system and establish criteria to evaluate performance impacts to the interceptor system including the Yucca/Central area and the water reclamation facility by the end of the 4th Quarter of FY16.
- Continue assessment of root foaming pilot program on wastewater lines that meet the root infested and/or inaccessibility criteria; assess the effectiveness to mechanical cleaning currently practiced and provide recommendation by the end of the 4th Quarter of FY16.
- Continue a Fats, Oils, and Grease (FOG) Buster pilot program on wastewater lines; evaluate and provide recommendation by the end of the 4th Quarter of FY16.
- Televis and assess the condition of approximately five percent of the small diameter wastewater system by the end of the 4th Quarter of FY16.
- Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY16.
- Begin development of the Odor Control Facilities Asset Management Plan to sustain the acceptable level of service on odor control throughout the collection and interceptor system through the end of the 4<sup>th</sup> Quarter of FY16.
- Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance by continuing to inspect, monitor, and take enforcement action for users of backflow prevention devices; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4<sup>th</sup> Quarter of FY16. Obtain a compliance rate goal of 75%.
- 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; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4th Quarter of FY16. Obtain a compliance rate goal of 86% for each category.
- Implement the Fats, Oils, and Grease (FOG) Policy to reduce impacts on the wastewater system by inspecting each Food Service Establishment (FSE) once every three years, working with the Collections section with Sanitary Sewer Overflow (SSOs) investigations, and convene FOG Task Force of other governmental entities to coordinate efforts to reduce FOG discharges. Track and report the number of SSOs due to FOG compared with previous years. In conjunction with Public Affairs Manager, develop a public relations campaign to inform rate-payers of Best Management Practices for FOG. Report campaign progress monthly and quarterly.

### **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.*

- Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time to provide effective customer service through the 4th Quarter of FY16.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

- Continue implementation of Phase 4 of the Automated Meter Infrastructure (AMI) project modernizing the Water Authority's aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY16.
- Implement web self-service program to provide more payment options to customers and improved cash flow through the end of the 4<sup>th</sup> Quarter of FY16.
- Transition the large meter program to customer service and create a maintenance program to test and repair large meters every two years through the end of the 4<sup>th</sup> Quarter of FY16.
- 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 FY16.
- Complete Customer Conversation meetings to engage customers and obtain input on the Water Authority's activities through the end of the 4th Quarter of FY16.

### **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 \$37 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 4th Quarter of FY16. \$1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY16.
- Continue development of a comprehensive energy master plan to reduce energy demand by utilizing alternative clean energy sources by the end of the 4th Quarter of FY16.
- Continue implementation and system integration of mobile solutions to operations staff for optimization of the work order process including Clevest, and automation of preventative maintenance on utility equipment; begin implementation of Phase 2 to assess and plan the expansion of Clevest and consolidation of mobile solutions to the Clevest application, and its impact on the Maximo upgrade scheduled for FY16.
- Implement an independent telephony/data network that will provide a more reliable infrastructure and network in order to provide better customer service and additional functionality to staff by the end of the 1st Quarter of FY16.
- Update the Information Technology Strategic Plan that supports the upgrade of enterprise applications and the continued growth of the Information Technology Division as an effective Internal Service Provider including: 1) Phase 1 of Maximo work order asset management system to be upgraded to version 7.5 by the end of the 4<sup>th</sup> Quarter of FY16; 2) planning, assessment and development of an RFP for implementation services for the Customer Care and Billing program; 3) upgrade SunGard ERP to include core finance, personnel, payroll; 4) implementation of information technology best practices for service desk, change management, and project tracking, to better manage budget control, reporting and resource allocation.
- Complete bar coding of all utility vehicles by the end of the 4<sup>th</sup> Quarter of FY16.
- Conduct formal Budget training for all division managers, chief engineers, section managers, and superintendents by the end of the 2<sup>nd</sup> Quarter of FY16.
- Review and update financial and budget procedures and policies based on best practices for improved government management by the end of the 2<sup>nd</sup> Quarter of FY16.
- Conduct a survey and review of peer organization communication processes in order to generate ideas for improvement of the Public Affairs function, to include a review of approaches to use of social media, with conclusions, analysis and recommendations to be submitted by the end of the 4<sup>th</sup> Quarter of FY16.
- 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, and local laws ordinances, etc. to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY16.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

- 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), laboratory productivity (results reported per productive hour), and the percentage of results reported late (turnaround time (TAT)). Maintain performance levels at FY14 levels. Research and identify industry performance benchmarks to be included for comparison.
- Continue collection and analyses of the operational data necessary to determine and document the actual cost of service for laboratory services for the analytical methods within the Water Quality Laboratory scope of accreditation. The status of the data collection and analyses efforts will be reported quarterly.
- In conjunction with the Information Technology Division, begin transition to LabVantage Laboratory Information Management System (LIMS) through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue to develop the data repository including coordinating with Plant Operations Division to develop reports generated from the Data Repository to provide new access to approved laboratory and field analytical instrument water quality analyses and user statistical analyses tools through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue to develop the Environmental Monitoring Program to improve the reliability of results from field instrumentation and sample collection techniques. Develop a program plan based on designated ISO standard to address accreditation requirements to include standard operating procedures, document control and records management plans, and a process for demonstration of staff capability. Implement program plan by the end of the 2<sup>nd</sup> Quarter of FY16.
- Prepare for the American Association for Laboratory Accreditation (A2LA) annual assessment of the Water Quality Laboratory including completing required internal audits and annual review and revision of Standard Operating Procedures. Monitor and report findings each Quarter of FY16, along with progress made to address and resolve any deficiencies identified in the preceding quarter. Monitor and report weekly, monthly, and quarterly the number of Corrective Action Reports and the necessary time for completion of corrective actions.
- Evaluate the cost of treating septage and chemical toilet waste at the Southside Reclamation Plant; update the hauled wastewater policies and procedures by the end of the 4<sup>th</sup> Quarter of FY16.

### **Goal 5: Organizational Development**

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

- Conduct an employee engagement and satisfaction survey by the 4<sup>th</sup> Quarter of FY16.
- Maintain an average utility-wide vacancy rate of no greater than 6% through the end of FY16.
- Complete the standard operating procedures for the water and wastewater plants and begin training by the end of the 4<sup>th</sup> Quarter of FY16.
- Continue implementation of the Operational Improvement Strategy by implementing the Area Procedures and Evaluations, and documenting and collecting data from key performance indicators to improve work load management and system performance efficiencies by the end of the 4<sup>th</sup> Quarter of FY16.
- Reduce injury hours to 2,700 hours or less to improve productivity and reliability of services provided by employees by the end of the 4<sup>th</sup> Quarter of FY16.

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***APPROVED BUDGET  
&  
FINANCIAL  
CONSOLIDATIONS***

***Approved  
Operating Budget  
FY16***



## **PERSONNEL SUMMARY**

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## PERSONNEL INFORMATION

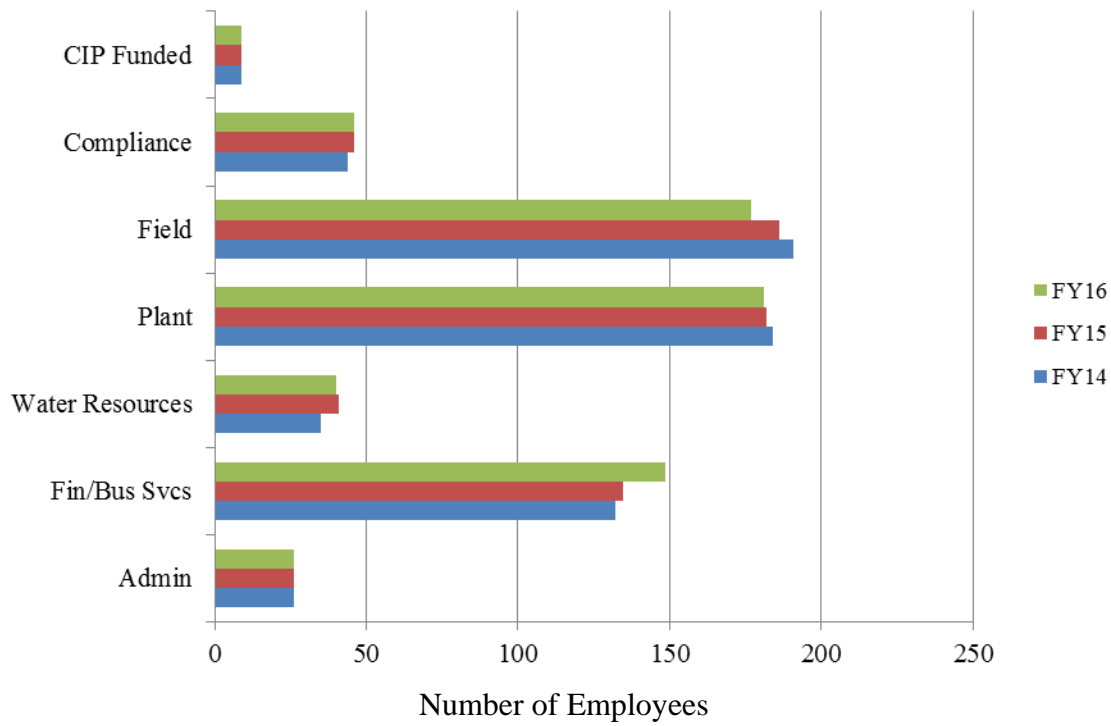
The FY16 approved budget contains a net increase of 3 employees over the FY15 level. The FY16 budget is authorized and approved at 627.5 employees.

Three labor unions represent 499 of the 627.5 Authority employees. Local 2962 AFSME, AFL-CIO, CLC represents 57 clerical series employees, Local 624 AFSCME, AFL-CIO represents 315 blue collar employees and Local 3022 AFSCME, COUNCIL 18, AFL-CIO represents 127 management series employees.

**Changes in Employment** - The budget for FY16 shows a net increase of 3 new positions. The positions added include Administrative Specialist, two (2) Customer Care Associates, Electrical Engineer and Construction Inspector. The positions deleted are Engineer Assistant and Customer Care Assistant.

POSITIONS:	ACTUAL FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>Administration</b>						
Water Authority	13	8	8	8	8	0
Legal/Risk	0	5	5	5	5	0
Human Resources	13	13	13	13	13	0
Total Administration	26	26	26	26	26	0
<b>Financial /Business Services</b>						
Finance	27	28.5	28.5	28.5	31.5	3.0
Customer Services	80	80	80	80	92	12
Information Technology	25	26	26	27	25	(1)
Total Financial/Business Services	132	134.5	134.5	135.5	148.5	14
<b>Plant</b>						
Wastewater Treatment	99	99	99	99	99	0
Groundwater	28	27	27	27	26	(1)
San Juan-Chama Water Treat Plant	57	56	56	56	56	0
Total Plant	184	182	182	182	181	(1)
<b>Field</b>						
Wastewater Collection	65	60	60	60	60	0
Water Field Operations	126	126	126	126	117	(9)
Total Field	191	186	186	186	177	(9)
<b>Compliance</b>	44	46	46	46	46	0
<b>Water Resources Management</b>	35	41	41	41	40	(1)
<b>CIP Funded</b>	9	9	9	9	9	0
<b>TOTAL FULL TIME POSITIONS</b>	<b>621</b>	<b>624.5</b>	<b>624.5</b>	<b>625.5</b>	<b>627.5</b>	<b>3.0</b>

**Changes in Employment by Functional Unit**



## ABCWUA FUNDS

The Water Authority accounts for all activities to provide water and wastewater services for the residents of both the City of Albuquerque and Bernalillo County. These activities include, but are not limited to, administration, operation, maintenance, financing and related debt service, billing and collection. This proprietary type Water Authority provides services which are intended to be financed primarily through user charges or activities where periodic determination of net income is appropriate.

**Fund 21 - General Fund** - To account for the general operations of providing water and wastewater services in the Water Authority's service area.

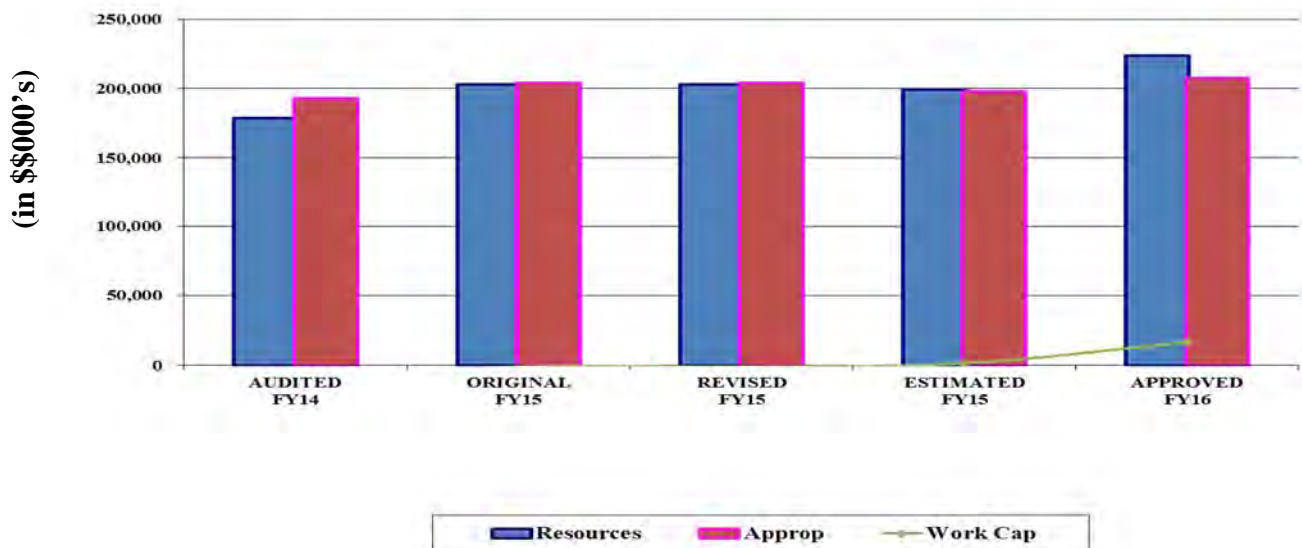
**Fund 31 - Debt Service Fund** - To accumulate the monies to pay the debt service associated with water and wastewater services.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## CONSOLIDATED RESOURCES, APPROPRIATIONS AND WORKING CAPITAL BALANCE

((\$000's))	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15 <sup>(1)</sup>	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Miscellaneous Revenues	11,715	15,833	15,833	15,833	13,453	(2,380)
Enterprise Revenues	180,227	196,326	196,326	192,826	208,131	11,805
Transfers from Other Funds	72,687	73,960	73,960	69,960	73,782	(178)
Interfund Adjustments	<u>(72,094)</u>	<u>(73,160)</u>	<u>(73,160)</u>	<u>(69,160)</u>	<u>(72,842)</u>	<u>318</u>
Total Current Resources	192,536	212,959	212,959	209,459	222,524	9,565
Beginning Working Capital Balance	<u>(13,397)</u>	<u>(10,161)</u>	<u>(10,161)</u>	<u>(10,161)</u>	<u>1,453</u>	<u>11,614</u>
<b>TOTAL RESOURCES</b>	<b><u>179,139</u></b>	<b><u>202,798</u></b>	<b><u>202,798</u></b>	<b><u>199,298</u></b>	<b><u>223,977</u></b>	<b><u>21,179</u></b>
<b>APPROPRIATIONS:</b>						
Enterprise Operations	110,291	111,653	111,653	109,681	114,422	2,769
Debt Service	75,245	75,161	75,161	71,164	72,842	(2,319)
Transfers to Other Funds:	79,094	90,160	90,160	86,160	92,842	2,682
Interfund Adjustments	<u>(72,094)</u>	<u>(73,160)</u>	<u>(73,160)</u>	<u>(69,160)</u>	<u>(72,842)</u>	<u>318</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>192,536</u></b>	<b><u>203,814</u></b>	<b><u>203,814</u></b>	<b><u>197,845</u></b>	<b><u>207,264</u></b>	<b><u>3,450</u></b>
ADJ TO WORKING CAPITAL BALANCE	3,236	-	-	-	-	-
<b>ENDING WORKING CAPITAL BALANCE</b>	<b><u>(10,161)</u></b>	<b><u>(1,016)</u></b>	<b><u>(1,016)</u></b>	<b><u>1,453</u></b>	<b><u>16,714</u></b>	<b><u>17,729</u></b>

<sup>(1)</sup> Estimated Actual FY15 Enterprise Revenues include the year-end revenue accrual.



**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

**COMBINED FISCAL YEAR 2016 FUNDS BUDGET**

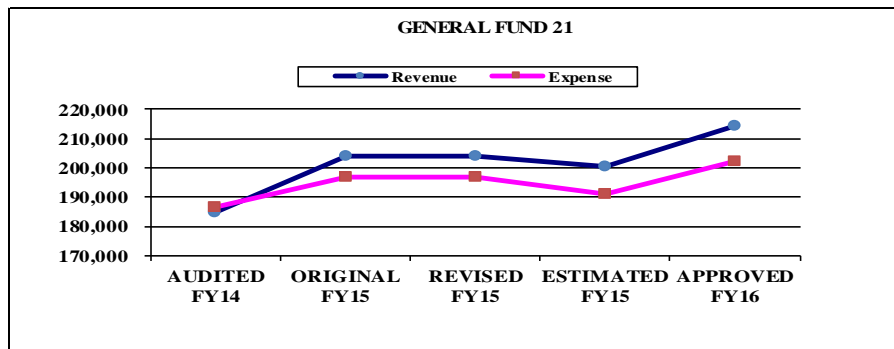
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	GENERAL	DEBT SERVICE	2015-2016
	<u>FUND 21</u>	<u>FUND 31</u>	<u>TOTALS</u>
Revenues and Other Resources			
Interest	10		10
Miscellaneous	4,104		4,104
Water	115,954		115,954
Water Resources Management	4,500		4,500
Wastewater	79,686		79,686
CIP Employees	940		940
Solid Waste Billing Fee	1,339		1,339
Franchise Fee	7,991		7,991
Utility Expansion Charges		8,000	8,000
Transfers		72,842	72,842
Interfund Adjustment			(72,842)
TOTAL	<u>214,524</u>	<u>80,842</u>	<u>222,524</u>
Expenditures			
Wages	36,245		36,245
Fringe Benefits	17,904		17,904
Professional and Other Services	15		15
Utilities	12,426		12,426
Supplies	8,509		8,509
Travel, Training, and Dues	500		500
Repairs and Maintenance	11,742		11,742
Vehicle Maintenance	2,785		2,785
Insurance, Tort, and Other Liab	2,891		2,891
Franchise Fee	7,991		7,991
NM Water Conservation Fee	700		700
Interest	299		299
Principal	1,103		1,103
Admin Svcs-IDOH	503		503
Contractual Services	10,171		10,171
Capital Outlay	638		638
Transfers to Other Funds	15,000	5,000	20,000
Transfer to Debt Service	72,842		72,842
Debt Service Payments		72,842	72,842
Interfund Adjustment			(72,842)
TOTAL	<u>202,264</u>	<u>77,842</u>	<u>207,264</u>
Revenue Over (Under) Expenditures	12,260	3,000	15,260
Beginning Fund Balance	(1,058)	2,512	1,454
Ending Fund Balance	<u>11,201</u>	<u>5,513</u>	<u>16,714</u>

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## GENERAL FUND 21 RESOURCES, APPROPRIATIONS AND WORKING CAPITAL BALANCE

The General Fund budget provides quality water and wastewater removal to its ratepayers. This fund handles all operating dollars for the Water Authority. Transfers to the debt service fund and capital funds are also maintained in this fund.



- ◇ 5% rate adjustment for FY16.
- ◇ 2% Cost of Living adjustment for salaries in FY16.
- ◇ General operating expenses increase \$0.42M in FY16.
- ◇ Transfers and Internal Services increase \$2.7M in FY16.
- ◇ Working Capital balance maintained at 1/12<sup>th</sup> budgeted expenditures in FY16.
- ◇ \$2M added to Rate Reserve in FY16.

## GENERAL FUND 21 RESOURCES, APPROPRIATIONS AND WORKING CAPITAL BALANCE

(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15 <sup>(1)</sup>	APPROVED BUDGET FY16	APPR 16/ REV 14 CHG
<b>RESOURCES:</b>						
Miscellaneous Revenues	3,843	6,833	6,833	6,833	5,453	(1,380)
Enterprise Revenues	180,228	196,326	196,326	192,826	208,131	11,805
Transfers from Other Funds	593	800	800	800	940	140
Total Current Resources	184,664	203,959	203,959	200,459	214,524	10,565
Beginning Working Capital Balance	(10,921)	(10,676)	(10,676)	(10,676)	(1,058)	9,618
<b>TOTAL RESOURCES</b>	<b>173,743</b>	<b>193,283</b>	<b>193,283</b>	<b>189,783</b>	<b>213,466</b>	<b>20,183</b>
<b>APPROPRIATIONS:</b>						
Joint Water/Wastewater Operations	110,291	111,653	111,653	109,681	114,422	2,769
Transfers to Other Funds:	76,094	85,160	85,160	81,160	87,842	2,682
<b>TOTAL APPROPRIATIONS</b>	<b>186,385</b>	<b>196,813</b>	<b>196,813</b>	<b>190,841</b>	<b>202,264</b>	<b>5,451</b>
ADJ TO WORKING CAPITAL BALANCE	1,967	-	-	-	-	-
<b>ENDING WORKING CAPITAL BALANCE</b>	<b>(10,676)</b>	<b>(3,530)</b>	<b>(3,530)</b>	<b>(1,058)</b>	<b>11,202</b>	<b>14,732</b>

<sup>(1)</sup> Estimated Actual FY15 Enterprise Revenues include the year-end revenue accrual.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## GENERAL FUND – 21

(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15 <sup>(1)</sup>	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Rate Revenues:						
Water Service: City	62,345	77,407	77,407	70,007	108,127	30,720
Water Service: Valley	5,275	5,000	5,000	5,000	-	(5,000)
Water Facilities Rehab	11,142	7,100	7,100	12,000	6,902	(198)
Wastewater Service: City	35,987	52,313	52,313	35,513	70,124	17,811
Wastewater Service: Valley	3,219	4,000	4,000	4,000	-	(4,000)
Wastewater Facilities Rehab	21,921	6,200	6,200	22,000	9,562	3,362
Contr/Aid/Hookups: City	331	350	350	350	375	25
Contr/Aid/Hookups: Valley	12	20	20	20	-	(20)
Water Resources Management	4,276	4,500	4,500	4,500	4,500	-
SJC Strategy Implementation	28,562	31,200	31,200	31,200	-	(31,200)
Water Service: Reuse	428	400	400	400	550	150
<b>Total Rate Revenue</b>	<b>173,498</b>	<b>188,490</b>	<b>188,490</b>	<b>184,990</b>	<b>200,140</b>	<b>11,650</b>
Other Revenues:						
Solid Waste Billing Fee	1,232	1,323	1,323	1,323	1,339	16
CIP Funded Positions	593	800	800	800	940	140
Interest on Investments	76	10	10	10	10	-
Miscellaneous Revenue	2,535	5,500	5,500	5,500	4,104	(1,396)
<b>Total Other Revenue</b>	<b>4,436</b>	<b>7,633</b>	<b>7,633</b>	<b>7,633</b>	<b>6,393</b>	<b>(1,240)</b>
<b>Total Rate and Other Revenues</b>	<b>177,934</b>	<b>196,123</b>	<b>196,123</b>	<b>192,623</b>	<b>206,533</b>	<b>10,410</b>
Franchise Fees:						
Franchise Fee: City	6,112	7,130	7,130	7,130	7,271	141
Franchise Fee: Valley	546	627	627	627	639	12
Franchise Fee: Rio Rancho	1	1	1	1	1	-
Franchise Fee: Los Ranchos	70	78	78	78	80	2
<b>Total Franchise Fees</b>	<b>6,730</b>	<b>7,836</b>	<b>7,836</b>	<b>7,836</b>	<b>7,991</b>	<b>155</b>
<b>Total Current Resources</b>	<b>184,664</b>	<b>203,959</b>	<b>203,959</b>	<b>200,459</b>	<b>214,524</b>	<b>10,565</b>
Beginning Working Capital Balance	(10,921)	(10,676)	(10,676)	(10,676)	(1,058)	9,618
<b>TOTAL RESOURCES</b>	<b>173,743</b>	<b>193,283</b>	<b>193,283</b>	<b>189,783</b>	<b>213,466</b>	<b>20,183</b>
<b>APPROPRIATIONS:</b>						
Programs:						
Administration	2,719	2,142	1,761	1,970	1,832	71
Legal/Risk	261	3,679	4,060	4,680	4,074	14
Human Resources	1,327	1,304	1,304	1,196	1,373	69
Finance	3,250	3,342	3,342	3,443	3,700	358
Customer Services	7,364	7,834	7,834	7,397	8,963	1,129
Information Technology	5,858	5,748	5,748	6,186	5,686	(62)
Wastewater Plant	10,342	10,830	10,704	10,848	11,298	594
San Juan-Chama Water Treatment Plant	3,315	2,917	2,917	2,953	3,045	128
Groundwater Operations	5,842	5,670	5,796	5,655	5,790	(6)
Wastewater Collection	9,906	5,940	5,940	6,206	6,236	296
Water Field Operations	14,848	18,904	18,904	18,184	18,777	(127)
Compliance	3,966	5,338	5,338	4,274	5,186	(152)
Water Resources Management	6,955	7,040	7,040	6,124	7,199	159
Power & Chemicals	19,979	18,482	18,482	19,196	18,482	-
Taxes	7,258	8,536	8,536	7,511	8,691	155
Overhead	4,779	1,700	1,700	1,572	1,843	143
San Juan-Chama	2,323	2,247	2,247	2,285	2,247	-
<b>Total Enterprise Appropriations</b>	<b>110,291</b>	<b>111,653</b>	<b>111,653</b>	<b>109,681</b>	<b>114,422</b>	<b>2,769</b>
Transfers to Other Funds:						
Rehab Fund - 28	4,000	12,000	12,000	12,000	15,000	3,000
Debt Service Fund - 31	72,094	73,160	73,160	69,160	72,842	(318)
<b>Total Transfers</b>	<b>76,094</b>	<b>85,160</b>	<b>85,160</b>	<b>81,160</b>	<b>87,842</b>	<b>2,682</b>
<b>TOTAL APPROPRIATIONS</b>	<b>186,385</b>	<b>196,813</b>	<b>196,813</b>	<b>190,841</b>	<b>202,264</b>	<b>5,451</b>
<b>ADJUSTMENTS:</b>						
Year-End Adjustments	1,967	-	-	-	-	-
<b>TOTAL ADJUSTMENTS</b>	<b>1,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING WORKING CAPITAL BALANCE</b>	<b>(10,676)</b>	<b>(3,530)</b>	<b>(3,530)</b>	<b>(1,058)</b>	<b>11,202</b>	<b>14,732</b>

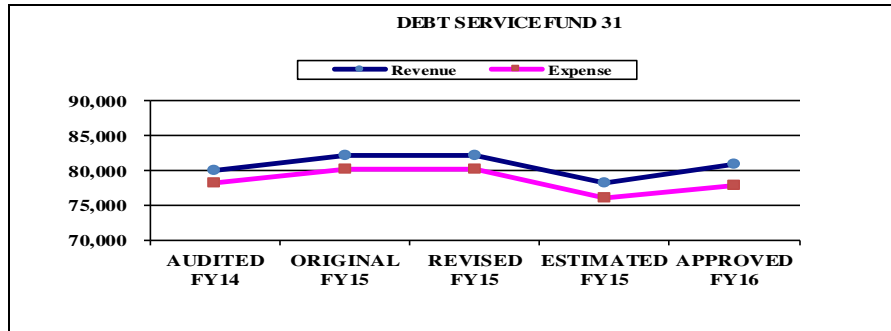
<sup>(1)</sup> Estimated Actual FY15 Enterprise Revenues include the year-end revenue accrual.



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## **DEBT SERVICE FUND – 31**

The Debt Service Fund is used to accumulate monies for payment of principal and interest on revenue bonds secured by pledge of water and wastewater revenues. It is the Authority's policy to allocate the annual amount of Utility Expansion Charge (UEC) revenues as follows: \$6 million would remain in this fund and the remainder would be transferred to the capital funds to be used for cash financing of growth projects.



- ◇ In years where expenditures exceed revenues, fund balance is used.
- ◇ Affordable Housing rebates which offset UEC revenue are paid out of this fund.
- ◇ The Authority follows a policy of 25-year debt for special projects, 12-year debt for basic capital projects and 50% cash financing for basic capital projects.

## **DEBT SERVICE FUND 31 RESOURCES, APPROPRIATIONS AND FUND BALANCE**

(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Miscellaneous Revenues	7,872	9,000	9,000	9,000	8,000	(1,000)
Transfers from Other Funds	72,094	73,160	73,160	69,160	72,842	(318)
Total Current Resources	79,966	82,160	82,160	78,160	80,842	(1,318)
Beginning Fund Balance	(2,476)	515	515	515	2,512	1,997
<b>TOTAL RESOURCES</b>	<b>77,490</b>	<b>82,675</b>	<b>82,675</b>	<b>78,675</b>	<b>83,355</b>	<b>679</b>
<b>APPROPRIATIONS:</b>						
Joint Water/Sewer Debt Service	75,245	75,161	75,161	71,164	72,842	(2,319)
Transfers to Other Funds	3,000	5,000	5,000	5,000	5,000	-
<b>TOTAL APPROPRIATIONS</b>	<b>78,245</b>	<b>80,161</b>	<b>80,161</b>	<b>76,164</b>	<b>77,842</b>	<b>(2,319)</b>
ADJUSTMENTS TO FUND BALANCE	1,269	-	-	-	-	-
<b>AVAILABLE FUND BALANCE</b>	<b>515</b>	<b>2,514</b>	<b>2,514</b>	<b>2,512</b>	<b>5,513</b>	<b>2,998</b>

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## **DEBT SERVICE FUND - 31**

<b>(\$000's)</b>	<b>AUDITED FY14</b>	<b>ORIGINAL BUDGET FY15</b>	<b>REVISED BUDGET FY15</b>	<b>ESTIMATED ACTUAL FY15</b>	<b>APPROVED BUDGET FY16</b>	<b>APPR 16/ REV 15 CHG</b>
RESOURCES:						
Miscellaneous Revenues:						
Expansion Charges (UEC)	7,872	9,000	9,000	9,000	8,000	(1,000)
Total Miscellaneous Revenues	7,872	9,000	9,000	9,000	8,000	(1,000)
Transfer from Other Funds:						
Rehab Fund - 28	-	-	-	-	-	-
General Fund - 21	72,094	73,160	73,160	69,160	72,842	(318)
Total Transfers	72,094	73,160	73,160	69,160	72,842	(318)
Total Current Resources	79,966	82,160	82,160	78,160	80,842	(1,318)
Beginning Fund Balance	(2,476)	515	515	515	2,512	1,996
<b>TOTAL RESOURCES</b>	<b>77,490</b>	<b>82,675</b>	<b>82,675</b>	<b>78,675</b>	<b>83,355</b>	<b>679</b>
APPROPRIATIONS:						
Joint Water/Sewer Debt Service	75,245	75,161	75,161	71,164	72,842	(2,319)
Transfers to Other Funds						
Growth Fund - 29	3,000	5,000	5,000	5,000	5,000	-
Total Transfers	3,000	5,000	5,000	5,000	5,000	-
<b>TOTAL APPROPRIATIONS</b>	<b>78,245</b>	<b>80,161</b>	<b>80,161</b>	<b>76,164</b>	<b>77,842</b>	<b>(2,319)</b>
ADJUSTMENTS:						
Change in Reserve	-	-	-	-	-	-
Adjustment to Fund Balance	1,269	-	-	-	-	-
<b>TOTAL ADJUSTMENTS</b>	<b>1,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AVAILABLE FUND BALANCE</b>	<b>515</b>	<b>2,514</b>	<b>2,514</b>	<b>2,512</b>	<b>5,513</b>	<b>2,998</b>

## **PROGRAM BUDGET HIGHLIGHTS**

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Expenditures**

Comparing the FY15 approved budget with the approved budget for FY16 reveals an overall net increase of \$5.5 million. The approved budget for FY16 has a net increase of \$2.3 million for total personnel expenditures. This increase includes a 2% cost of living adjustment as per the labor agreements, an increase of other employee benefits due to the increase in health insurance and retirement and the addition of 3.0 net new positions. Total general operating costs increase by \$425,000. The internal service charges increase by \$2.7 million for the transfer to capital and debt service.

The balance for Working Capital, total revenues minus total expenses, is estimated to be \$11.2 million at the end of FY16. An additional \$2 million is reserved in the rate reserve fund. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.

**Adopted Issue Papers and Initiatives** – Adopted issue papers and initiatives funded FY16 total \$609,079. The list below identifies the issues and divisions funded.

**Compensation** –The approved budget includes a cost of living adjustment for permanent Water Authority employees of 2%.

# **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

<b>Water Authority Approved Issue Papers - FY16</b>	
<b>Fund 21 - General Fund</b>	<b>609,079</b>
<b>Administration</b>	
Town Hall and Various Meetings	38,500
<b>Financial Services</b>	
Reclassify/Move Admin Specialist to Lead Warehouse Worker	(9,137)
Reclassify Accounting Officer to Controller	13,222
Two (2) Customer Care Associates (Offset by Contract Svcs Savings)	-
Transfer Large Meter Program from Field to CSD Field	-
ITD Administrative Specialist position-FY15 mid-year addition	62,284
Transfer ERP Manager positions from ITD to Finance	-
Move Project Coordinator from Central Engineering to CSD Billing	-
<b>Plant</b>	
Reclassify UM Mechanic to Lead Diesel Engine Mechanic	4,954
SJCWTP Overtime	60,000
SJCWTP Water and Sewer Charges	40,000
Telvent Annual Maintenance Contract	32,200
Network Security	2,100
Rockwell Automation	23,220
Mitsubishi UPS Maintenance	5,100
<b>Field</b>	
Root Control	40,000
Vactor FOG Buster System	10,000
Lift Stations Overtime	42,000
New Mexico 811 Membership	88,000
Barricade Services	400,000
<b>WRM</b>	
Electrical Engineer	41,984
Construction Inspector	38,434
<b>General Government</b>	
Offset from Indirect Overhead Savings	(323,782)
<b>TOTAL</b>	<b>609,079</b>

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Details for Fund 21(General Fund) and Fund 31 (Debt Service Fund) can be found in the table below.

<b>((\$000's))</b>	<b>AUDITED FY14</b>	<b>ORIGINAL BUDGET FY15</b>	<b>REVISED BUDGET FY15</b>	<b>ESTIMATED ACTUAL FY15</b>	<b>APPROVED BUDGET FY16</b>	<b>APPR 16/ REV 15 CHG</b>
<b><u>GENERAL FUND - 21</u></b>						
Administration	2,719	2,142	1,761	1,970	1,832	71
Risk	261	3,679	4,060	4,680	4,074	14
Human Resources	1,327	1,304	1,304	1,196	1,373	69
Finance	3,250	3,342	3,342	3,443	3,700	358
Customer Services	7,364	7,834	7,834	7,397	8,963	1,129
Information Technology	5,858	5,748	5,748	6,186	5,686	(62)
Wastewater Plant	10,342	10,830	10,704	10,848	11,298	594
San Juan-Chama Water Treatment Plant	3,315	2,917	2,917	2,953	3,045	128
Groundwater Operations	5,842	5,670	5,796	5,655	5,790	(6)
Wastewater Collection	9,906	5,940	5,940	6,206	6,236	296
Water Field Operations	14,848	18,904	18,904	18,184	18,777	(127)
Compliance	3,966	5,338	5,338	4,274	5,186	(152)
Water Resources Management	6,955	7,040	7,040	6,124	7,199	159
Power & Chemicals	19,979	18,482	18,482	19,196	18,482	-
Taxes	7,258	8,536	8,536	7,511	8,691	155
Overhead	4,779	1,700	1,700	1,572	1,843	143
San Juan-Chama	2,323	2,247	2,247	2,285	2,247	-
Trfr from Fund 21 to Fund 28	4,000	12,000	12,000	12,000	15,000	3,000
Trfr from Fund 21 to Fund 31	72,094	73,160	73,160	69,160	72,842	(318)
Subtotal General Fund - 21	186,385	196,813	196,813	190,841	202,264	5,451
<b><u>DEBT SERVICE FUND - 31</u></b>						
Debt Service	75,245	75,161	75,161	71,164	72,842	(2,319)
Transfer to Capital Fund 29	3,000	5,000	5,000	5,000	5,000	-
Total Debt Service Fund - 31	78,245	80,161	80,161	76,164	77,842	(2,319)
<b>TOTAL WUA APPROPRIATIONS</b>	<b>264,630</b>	<b>276,974</b>	<b>276,974</b>	<b>267,005</b>	<b>280,106</b>	<b>3,132</b>
Interfund Adjustment	(72,094)	(73,160)	(73,160)	(69,160)	(72,842)	318
<b>NET WUA APPROPRIATIONS</b>	<b>192,536</b>	<b>203,814</b>	<b>203,814</b>	<b>197,845</b>	<b>207,264</b>	<b>3,450</b>

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Financial Plans**

The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY15 thru FY24. This plan takes into account the Water Authority's Capital needs, Debt Service needs, revenue sources and expenditures. The Financial Plan helps the Water Authority plan for future potential expenditure 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. Based upon this financial plan, the Water Authority forecasts the rate revenue adjustment of 5% for FY16 and a 5% rate revenue adjustment that was approved by the Water Authority Board for FY18.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Operating Fund

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Capital Funds</b>										
Needs: Basic ( Min 50% cash Trans)	36,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Increase for Rehab/Asset Mgt Plan		3,000	6,000	9,000	12,000	15,000	18,000	21,000	24,000	27,000
Water Reclamation	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Southside Reuse										
SJC Remediation										
Steel Line	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
AMI	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Special Projects	-	6,000	-	-	-	-	-	-	-	-
Valley Utility Projects	-	-	-	-	-	-	-	-	-	-
<b>Resources:</b>										
Beginning Bal.	18,788	3,888	28,988	1,088	28,188	288	28,388	488	28,588	688
Trf. from Operating	12,000	15,000	21,000	21,000	27,000	30,000	33,000	36,000	39,000	42,000
Trf. from Debt Service	6,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Bond Proceeds (Water Reclamation)										
Bond Proceeds	15,000	57,000		58,000		56,000	-	56,000		56,000
Bond Proceeds Yucca/Central		6,000								
Adjustments										
First Year is 6mos. (y/n)	n	n	n	n	n	n	n	n	n	n
<b>Subtotal</b>	51,788	86,888	55,988	86,088	61,188	92,288	67,388	98,488	73,588	104,688
Interest on Above	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Total</b>	52,888	87,988	57,088	87,188	62,288	93,388	68,488	99,588	74,688	105,788
<b>Balance June 30</b>	3,888	28,988	1,088	28,188	288	28,388	488	28,588	688	28,788
<b>Debt Service Fund</b>										
Future Bond Interest=										
<b>Resources:</b>										
Interest Income	800	-	800	800	800	800	800	800	800	800
UECs	9,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from 21	73,160	72,842	72,220	77,583	77,352	76,748	76,758	75,704	75,704	81,189
Adjustments/Misc										
Bg. Fund Balance	700	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total</b>	83,660	80,842	82,020	87,383	87,152	86,548	86,558	85,504	85,504	90,989
<b>Expenditures:</b>										
Agent Fees	15	15	15	15	15	15	15	15	15	15
Trf to Capital	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Debt Service		74,827	75,005	74,744	74,513	68,424	68,434	61,895	61,895	61,895
FY24 Bond Proceeds										5,485
FY22 Brond Proceeds								5,485	5,485	5,485
FY18 Bond Proceeds				5,624	5,624	5,624	5,624	5,624	5,624	5,624
FY20 Bond Proceeds						5,485	5,485	5,485	5,485	5,485
<b>Total</b>	70,269	79,842	81,020	86,383	86,152	85,548	85,558	84,504	84,504	89,989
<b>Fund Balance</b>	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Operating Fund

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Resources</b>										
Rate Revenue	189,731	199,210	199,708	209,693	210,113	220,618	220,618	231,649	231,649	243,232
Reduction due to re-estimate	(2,500)									
Nonrate Revenue	8,892	7,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392	6,392
<b>Franchise Fee</b>	7,336	7,991	8,044	8,388	8,405	8,825	8,825	9,266	9,266	9,729
Bg. Working Cap.	(10,676)	(873)	9,365	11,757	17,403	15,666	19,746	18,040	23,020	22,095
<b>Total</b>	192,783	213,720	223,509	236,230	242,312	251,502	255,581	265,347	270,327	281,448
<i>Rate Stabilization Fund</i>										
<b>Expenditures</b>										
Labor	51,803	53,878	54,956	56,055	57,176	58,319	59,486	60,675	61,889	63,127
Operatione Exp	60,190	60,058	61,277	61,889	62,818	64,388	65,998	67,648	69,339	71,073
Savings	(1,497)									
Salary Savings 1%		(335)								
<b>Issue Paper</b>		612								
<b>Incentive</b>		300	300	300	300	300	300	300	300	300
<b>Rate Stabilization Fund</b>	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transf. to DS	69,160	72,842	72,220	77,583	77,352	76,748	76,758	75,704	75,704	81,189
Transf. to Cap.	12,000	15,000	21,000	21,000	27,000	30,000	33,000	36,000	39,000	42,000
<b>Total</b>	193,656	204,355	211,752	218,827	226,646	231,756	237,542	242,327	248,232	259,688
<b>Resources over Comm.</b>	(873)	9,365	11,757	17,403	15,666	19,746	18,040	23,020	22,095	21,760
<b>Rate Increases</b>	5.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	5.00%
<b>Accum. Inc. from 2004</b>	16.0%	21.0%	21.0%	26.0%	26.0%	31.0%	31.0%	36.0%	36.0%	41.0%
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024

## **FUNCTIONAL UNITS**

## **ADMINISTRATION**

The Executive Director provides overall leadership for Water Authority operations. The Water Authority is focused regionally on conservation, elimination of septic tanks and provision of potable water to the developed areas of the City and Bernalillo County. The Water Authority is also striving to make improvements to the existing water distribution and wastewater treatment systems, manage two water supply systems, and curb the depletion of the aquifer. In addition, the Water Authority is working towards realizing better management efficiencies for rate payers and providing long range planning and delivery for water and wastewater in the service area.

The work units under the Administrative umbrella include Legal and Risk Management, Human Resources, Public Affairs and Policy, and Evaluation and Special Projects.

Legal/Risk Management consists of an attorney and risk/safety compliance staff. The attorney functions as general counsel for the utility and provides advice and legal counsel on all aspects of the utility operation. This work includes: advising on labor and employment matters; drafting and reviewing agreements, contracts, legislation, policies and procedures; functioning as a liaison and primary contact for outside counsel; overseeing and handling collection efforts; organizing and managing risk management activities; and supervising the safety staff.

Human Resources provides all human resource functions to the Water Authority. This includes hiring, training, disciplinary actions, benefits, labor relations and other personnel issues as they arise.

Public Affairs is responsible for media and public relations as well as the Water Authority's marketing and advertising efforts. Public Affairs serves as a first point of contact for media representatives seeking information and comment on issues concerning the Water Authority, and the office also proactively disseminates information to local and regional news outlets in furtherance of Water Authority communication objectives. The office plans and coordinates marketing campaigns, with emphasis on water conservation.

Policy, Evaluation and Special Projects provides policy design and development, development of legislation for Water Authority Board approval, staff evaluation of all proposed legislation from the administrative, operational and financial prospective and coordination and development of the Water Authority's annual budget including the Goals and Objectives, Performance Plan and the Financial Plan. This unit monitors the Water Authority's progress in meeting the yearly objectives and financial performance. Quarterly progress reports are submitted to the Water Authority Board on the status of the objectives and the financial plan. All significant financial expenditures and contracts are reviewed to insure accuracy and financial appropriateness. Water Authority-wide special projects are initiated and managed by this unit. Several recent special projects included the American Water Works Association QualServe program, Water Research Foundation projects, a span of control study, a leak detection program study, coordination of regional water or wastewater system expansion projects, and the coordination of the asset management program currently being implemented. In addition, this unit coordinates federal and state legislative appropriation requests. This unit also administers the Selection Advisory Committee (SAC) Ordinance. This ordinance governs the process of soliciting proposals and recommending selection of professional consultants to the Executive Director. The Technical Customer Advisory Committee, an advisory group to the Water Authority, is coordinated by this unit.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **FISCAL YEAR 2016 ADMINISTRATION OBJECTIVES**

- Conduct a survey and review of peer organization communication processes in order to generate ideas for improvement of the Public Affairs function, to include a review of approaches to use of social media, with conclusions, analysis and recommendations to be submitted by the end of the 4<sup>th</sup> Quarter of FY16.
- Conduct an employee engagement and satisfaction survey by the 4<sup>th</sup> Quarter of FY16.
- Maintain an average utility-wide vacancy rate of no greater than 6% through the end of FY16.
- Reduce injury hours to 2,700 hours or less to improve productivity and reliability of services provided by employees by the end of the 4<sup>th</sup> Quarter of FY16.
- 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 FY16.
- Complete Customer Conversation meetings to engage customers and obtain input on the Water Authority's activities through the end of the 4<sup>th</sup> Quarter of FY16.

### **FISCAL YEAR 2016 ADMINISTRATION HIGHLIGHTS**

Human Resources (HR) will continue its efforts to promote employee health and wellness by combining programs offered through the insurance providers with the Water Authority's health and wellness specialist. Authority Fit, the name picked in a contest by employees, has the mission to provide programs that encourage a healthy lifestyle by promoting physical activity, proper nutrition and safe workplace practices. The goal in FY16 is to have employees take voluntary health assessments, provided by the insurance company, to determine the overall state of the Water Authority employees' health.

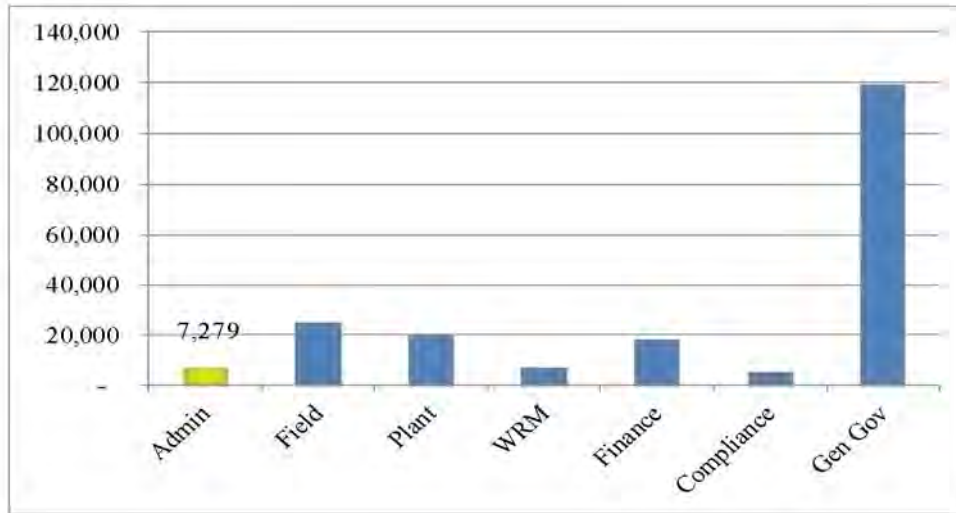
In FY16, HR will initiate an employee engagement and satisfaction survey to determine where employees assess themselves in these areas. From the survey, management can ascertain where to focus improvement. Research shows that organizations with high levels of employee engagement are more successful and productive. HR will continue to automate processes, including online benefits in the ERP system, electronic files and automated systems for secure confidential file sharing and improved streamlined forms and information on the employee intranet.

The Water Authority's certification training programs continue to develop employees' knowledge and skills in various positions, including water and wastewater operations and maintenance, dispatch, and customer service. Each fiscal year, there has been an increase in the number of utility operators obtaining their State of New Mexico Operator certification. In addition to traditional classroom and on-the-job training, employees will be able to access various training subjects online, making training more accessible to employees working non-traditional schedules (i.e. graveyard shift).

The approved budget also includes nonrecurring funding for an employee incentive program. This program will reward employees for cost savings as a result of 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 Water Authority's Workers Compensation expense.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Appropriation by Functional Unit (in \$000's)



Expenditures by Department (\$000's)		Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 Chg
<b>Executive Director</b>							
	Personnel	988	823	641	579	669	28
	Operating	1,310	847	648	920	687	39
	Capital	-	-	-	-	-	-
	Total	2,298	1,671	1,290	1,499	1,356	67
<b>COO's Office</b>							
	Personnel	262	349	349	321	353	5
	Operating	159	123	123	150	123	-
	Capital	-	-	-	-	-	-
	Total	421	471	471	471	476	5
<b>Legal/Risk</b>							
	Personnel	200	424	606	551	620	14
	Operating	60	3,255	3,454	4,129	3,454	-
	Capital	-	-	-	-	-	-
	Total	261	3,679	4,060	4,680	4,074	14
<b>Human Resources</b>							
	Personnel	1,064	1,147	1,147	1,054	1,215	69
	Operating	263	157	157	142	157	-
	Capital	-	-	-	-	-	-
	Total	1,327	1,304	1,304	1,196	1,373	69
<b>Total Division</b>		<b>4,306</b>	<b>7,125</b>	<b>7,125</b>	<b>7,846</b>	<b>7,279</b>	<b>154</b>
<b>Staffing (FTE)</b>		26	26	26	26	26	-

## **FIELD DIVISION**

The Field division is responsible for operating and maintaining the water distribution system, wastewater collection and non-potable reuse distribution system. Drinking water is distributed to approximately 643,881 residents comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 207,762 accounts, including 186,461 residential and 21,301 multi-family, commercial, institutional and industrial accounts, as of FY15. Approximately 60% of the water sales are for residential uses.

### *Water Distribution*

The water distribution system consists of more than 3,130 miles of transmission and distribution pipelines that transport drinking water from the reservoirs to our customers throughout the service area. 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 system for control from a central control facility.

In addition, the Field division is responsible for water service lines, large and small diameter valves, pressure reducing and air relief valves and utility line locations. The division is responsible for main and service line repairs, street and sidewalk excavations/restoration, system shutdowns for construction coordination and radio dispatch functions. The Field division also includes the Fleet Maintenance department which provides all maintenance and repairs to the vehicles and equipment in the Water Authority's fleet.

### *Wastewater Collection and Lift Stations*

Wastewater Collections serves customers connected to the collection system and those transporting wastewater to the treatment plant. The wastewater system 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 located south of the service area.

The wastewater collection system also includes lift stations that convey wastewater from lower to higher areas or across the Rio Grande. In the north and south valley, wastewater is collected in a vacuum system that includes valve pits, vacuum lines and a vacuum pump station that collects and conveys wastewater to gravity sewers to the Southside Water Reclamation plant for treatment and disposal.

### *Storm Water*

The Field division provides contract operations for existing storm water lift stations. These lift stations move storm water from low lying areas to other facilities for ultimate discharge to the Rio Grande.

**FISCAL YEAR 2016 FIELD DIVISION OBJECTIVES**

- Purchase the necessary field equipment and begin implementation of a pilot internal large diameter valve exercise program including field location and GPS coordinates of existing valves. The program should include developing exercise protocol and standard operating procedures and determining overall manpower needs and equipment to implement a priority phasing schedule based on business risk exposure rating; continue implementation of program through the end of the 4th Quarter of FY16.
- Continue minimizing odors and corrosion potential, continue testing of the magnesium hydroxide additions to the sanitary wastewater system and establish criteria to evaluate performance impacts to the interceptor system including the Yucca/Central area and the water reclamation facility by the end of the 4th Quarter of FY16.
- Continue assessment of root foaming pilot program on wastewater lines that meet the root infested and/or inaccessibility criteria; assess the effectiveness to mechanical cleaning currently practiced and provide recommendation by the end of the 4th Quarter of FY16.
- Continue a Fats, Oils, and Grease (FOG) Buster pilot program on wastewater lines; evaluate and provide recommendation by the end of the 4th Quarter of FY16.
- Televis and assess the condition of approximately five percent of the small diameter sanitary wastewater system by the end of the 4th Quarter of FY16.
- Begin development of the Odor Control Facilities Asset Management Plan to sustain the acceptable level of service on odor control throughout the collection and interceptor system through the end of the 4<sup>th</sup> Quarter of FY16.

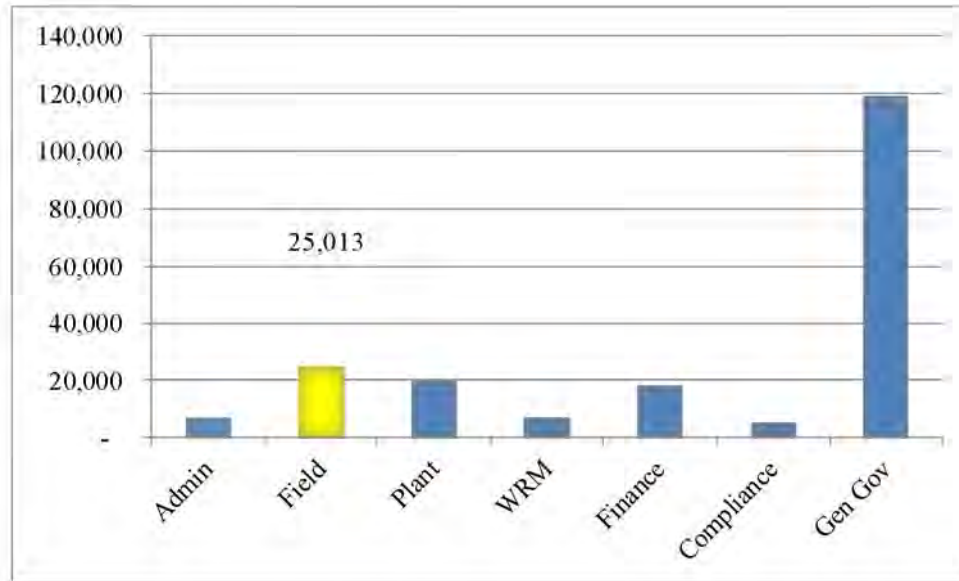
**FISCAL YEAR 2016 FIELD DIVISION HIGHLIGHTS**

Various Field Division efforts include the continuation of Large Interceptor rehabilitation and enhanced cleaning programs; large valve exercising on critical transmission lines and corrosion monitoring and mitigation analysis.

Wastewater Collections continues to implement the Capacity Management Operations and Maintenance (CMOM) program. The expanded closed circuit television (CCTV) inspection of 5% of the small diameter system provides for better maintenance and identification of specific rehab needs. Communication with entities potentially impacted by public or private sewage spills continues to be enhanced and documented in the Overflow Emergency Response Plan (OERP) which is a portion of the CMOM. The fleet of combination cleaning units is being renewed and provided with updated nozzles. Arc flash and transformer oil testing was completed of the pump and vacuum stations, allowing for improved maintenance operations and identifying high priority repairs. Magnesium hydroxide is being studied for control of hydrogen sulfide which is the cause of corrosion and most odor complaints. After a pilot study in the collection system, a testing program is currently underway to examine potential impacts at the Southside Water Reclamation Plant.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Appropriation by Functional Unit (in \$000's)



Expenditures by Department (\$000's)	Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Water Distribution</b>						
Personnel	9,776	9,861	9,861	9,273	9,428	(433)
Operating	7,924	8,425	8,425	8,682	8,731	306
Capital	360	618	618	229	618	-
Total	18,059	18,904	18,904	18,184	18,777	(127)
<b>Collections</b>						
Personnel	4,782	4,701	4,701	4,798	5,013	312
Operating	1,370	1,239	1,239	1,408	1,223	(16)
Capital	-	-	-	-	-	-
Total	6,152	5,940	5,940	6,206	6,236	296
<b>Total Division</b>	<b>24,211</b>	<b>24,844</b>	<b>24,844</b>	<b>24,390</b>	<b>25,013</b>	<b>169</b>
<b>Staffing (FTE)</b>	191	186	186	186	177	(9)



## **PLANT DIVISION**

The Plant Division is responsible for operating and maintaining the facilities required for providing a safe and sustainable water supply and treating and disposing of wastewater generated in the community.

### *Drinking Water*

The Water Authority currently operates and maintains two different water systems capable of providing high quality drinking water to the community. The San Juan-Chama Drinking Water Project will supply up to 70% of the metropolitan area's future water. Surface water from the Rio Grande is diverted from the river through a high-tech, 620-foot-long adjustable height bladder dam. Eight miles of pipeline transports the diverted water to the new water treatment plant for purification. Thirty-six miles of new pipeline then transports the treated water to the existing reservoirs throughout the service area.

Groundwater from the middle Rio Grande basin aquifer provides supply during peak and drought and consists of 90 wells grouped in well fields located throughout the metropolitan area. Total well production capacity is approximately 274 million gallons per day (MGD). Maximum historical peak day demand is 214 MGD. A chlorination/fluoridation station associated with each well field satisfies the total required water treatment needs for the water produced in each well field. In addition, to the surface water facilities, the division is also responsible for operating and maintaining the arsenic treatment plant at the College Reservoir site, the water system that serves the Metropolitan Detention Center, and the Cordero Mesa Business Park.

Ground 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 50 psi for consumers. Sixty-six reservoirs are located throughout the service area, with a total reservoir storage capacity of 211 million gallons. If demand requires, reservoir water can also be transferred uphill through a pressure zone to the next highest reservoir or in an east-west series of reservoirs by means of pump stations sited at the reservoirs. There are a total of 110 boosters, with a total capacity of 680 MGD, available for water transfers between reservoirs.

### *Wastewater and Biosolids Management*

The Southside Water Reclamation Plant provides preliminary screening, grit removal, primary clarification and sludge removal, advanced secondary treatment including ammonia and nitrogen removal, final clarification, and effluent chlorination and dechlorination prior to discharge to the Rio Grande River. Treatment plant capacity is based upon 76 MGD hydraulic capacity. The treatment plant has a 6.6 mega-watt cogeneration facility. This facility supplies 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 plant currently generates electricity from the bio-gas produced in the digesters. This is no cost gas that qualifies the electricity generated for Renewable Energy Certificates (REC). These certificates have a value to other electrical energy producers and the Authority continues to research on how to sell its RECs to increase revenue.

Total beneficial reuse of biosolids is accomplished by a combination of land application on 5,000 acres of public-private range land (85% of sludge produced) and production of compost (15% of sludge *Non-potable Water Reuse*).

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

The existing North I-25 reuse and reclamation system is operated by the Plant Division. The system includes a Ranney type diversion structure on the Rio Grande that diverts a small portion of San Juan-Chama water that is combined with industrial effluent to provide a source of non-potable water for large irrigation sites in the north valley and northeast heights. Operational in April 2013, the Southside Re-use Program will use treated wastewater from the Water Authority's Southside Water Reclamation Plant, which includes domestic and industrial wastewater, to irrigate turf at parks, fields and other recreational areas. The project allows less reliance on unsustainable groundwater pumping and helps protect the aquifer.

### **FISCAL YEAR 2016 PLANT DIVISION OBJECTIVES**

- 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 4th Quarter of FY16.
- Complete Surface 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 FY16.
- Implement the decommissioning plans of Santa Barbara Pump Station by the end of the 4<sup>th</sup> Quarter of FY16.
- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY16.
- Beneficially reuse biosolids by diverting 25% of the biosolids to compost through the end of the 4th Quarter of FY16.
- Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 40% of all completed maintenance labor hours by the end of the 4th Quarter of FY16.

### **FISCAL YEAR 2016 PLANT DIVISION HIGHLIGHTS**

Groundwater operations will be adding these facilities into operation: Echo Canyon Reservoir in Carnuel, BCIP Reservoir #2, Leyendecker Pump Station New Booster Pump #6, and BCIP Pump Station. The section will be implementing a field study to assess reservoir stratification and determine which reservoirs would benefit from installation of active mixing systems to improve water quality. Groundwater will continue the Large Diameter Valve Exercise program at reservoirs, pump stations and well sites and to complete the Montgomery Trunk and proceed to the Freeway Trunk. Groundwater facilities will be completing the database configuration of confined spaces including assessments for each space and publishing a written plan for the permit-required Confined Space Program and developing an electrical safety program with assistance from an electrical consultant.

Wastewater plant operations began a major renovation of the Southside Water Reclamation Plant (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. Construction of the Preliminary Treatment Facility (PTF) will be completed by the start of FY16. Design and construction of rehabilitation/improvements to the Solids Dewatering Facility will continue in FY16 with completion by the end of FY17. Improvements will also be made to the Anaerobic Digesters, Aeration Basins, plant-wide electrical systems, and other facilities.

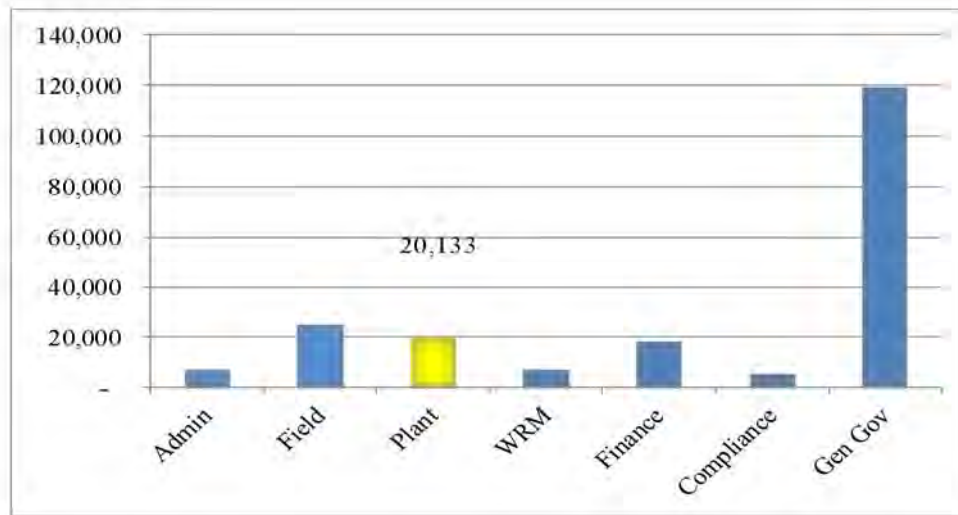
Construction of the Southside Municipal Effluent Polishing and Reclamation project was completed in April, 2013. Calendar year 2014 marked the first full season of irrigation by the initial group of 16 customers that connected to this system. These connections resulted in a reduction of potable water demands by 624 acre-feet. This project will eventually provide up to 2,500 acre-feet of non-potable water to more than forty large turf sites in the southeast heights and south valley of Albuquerque including Isotopes Baseball Park, UNM Championship and Puerto del Sol Golf Courses, Bullhead and Vietnam Veterans parks and Mesa del Sol.

The SWRP continues to generate Renewable Energy Certificates using digester gas (containing methane) which is used to power a generator. The SWRP facility generates approximately 20% of its power requirements using digester gas and another 7% using renewable solar power from an on-site solar array.

## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Plans are to continue to increase the amount of residual solids that are composted and sold to increase revenue from compost sales in FY16. It is the Water Authority's goal to compost and sell at least 25% of the total wastewater residuals while not "over-saturating" the regional market for bio-solids compost.

**Appropriation by Functional Unit (in \$000's)**



Expenditures by Department (\$000's)	Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Drinking Water</b>						
Personnel	6,717	6,876	6,876	6,365	7,021	145
Operating	2,091	1,711	1,711	2,243	1,814	103
Capital	5	-	-	-	-	-
Total	8,813	8,587	8,587	8,608	8,835	248
<b>WW &amp; Biosolids Mgmt.</b>						
Personnel	8,034	7,838	7,838	7,925	8,307	468
Operating	2,264	2,972	2,972	2,923	2,972	-
Capital	45	20	20	-	20	-
Total	10,342	10,830	10,830	10,848	11,298	468
<b>Total Division</b>	<b>19,155</b>	<b>19,417</b>	<b>19,417</b>	<b>19,456</b>	<b>20,133</b>	<b>716</b>
<b>Staffing (FTE)</b>	184	182	182	182	181	(1)

**WATER RESOURCES MANAGEMENT DIVISION**

The Water Resources Management Division implements the Water Authority Board-adopted Water Resources Management Strategy (Strategy) to provide a safe and sustainable water supply. The Strategy provides policies and recommendations for continuation of the need to shift from sole reliance on the aquifer to renewable supplies including the San Juan-Chama Drinking Water Project. The Strategy is designed to ensure Water Authority customers a safe and sustainable water supply at least to 2060. The Strategy incorporates the projects identified to be implemented in the original strategy including the San Juan-Chama Drinking Water Project, North I-25 Non-potable Surface and Industrial Reuse Project, Southside Municipal Effluent Polishing and Reuse project and demonstration project for aquifer storage and recovery.

This Division also oversees the Water Authority's water conservation programs. The long-term water conservation strategy elements implemented to date include an extensive public education and marketing effort, financial incentives for replacement of high volume toilets with low volume toilets, financial incentives for replacing existing high water use landscaping with xeriscaping, financial incentives for replacing high water use washing machines with low use models, and free water use audits. Residential audits include retrofits of showerheads, faucet aerators, and toilet displacement devices. Mandatory water waste prohibitions and limitations on high water use plants in landscaping new development have been enacted and are being enforced.

The division also coordinates and manages Capital Improvement Plan (CIP) line extensions and infrastructure design for water and wastewater system expansion, manages water and wastewater line rehabilitation and reviews and approves new water and wastewater utility development. The group also coordinates and manages small diameter water and wastewater rehabilitation and replacement to developed areas of the North and South Valley.

**FISCAL YEAR 2016 WATER RESOURCES MANAGEMENT OBJECTIVES**

- Maintain water use between 134 to 144 gallons per capita per day through the end of the 4<sup>th</sup> Quarter of FY16.
- Submit the demonstration permit application for Large Scale Aquifer Storage and Recovery by the end of the 4<sup>th</sup> Quarter of FY16.
- Continue the distribution water loss program by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY16.
- Continue work on the Partnership for Safe Water program for surface water treatment and drinking water distribution systems to optimize water system operations and performance; submit assessments to AWWA by the end of the 4th Quarter of FY16.
- Complete asset management plans for the reservoirs, wells, and pump stations to determine the condition of the Water Authority's groundwater facilities by the end of the 4th Quarter of FY16.
- Begin updating the Water Resources Management Strategy through the 4th Quarter of FY16.
- Continue implementation of the Water Quality Protection Policy and Action Plan (WPPAP) including administrative, policy and technical support to the Water Quality Advisory Board (WPAB). Continue to monitor ongoing or new groundwater contamination sites and provide technical comments to preserve and protect the aquifer and surface water supplies in the Middle Rio Grande. Provide quarterly status reports to the Water Authority Board through the 4<sup>th</sup> Quarter of FY16.
- Expend \$37 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 4th Quarter of FY16. \$1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY16.

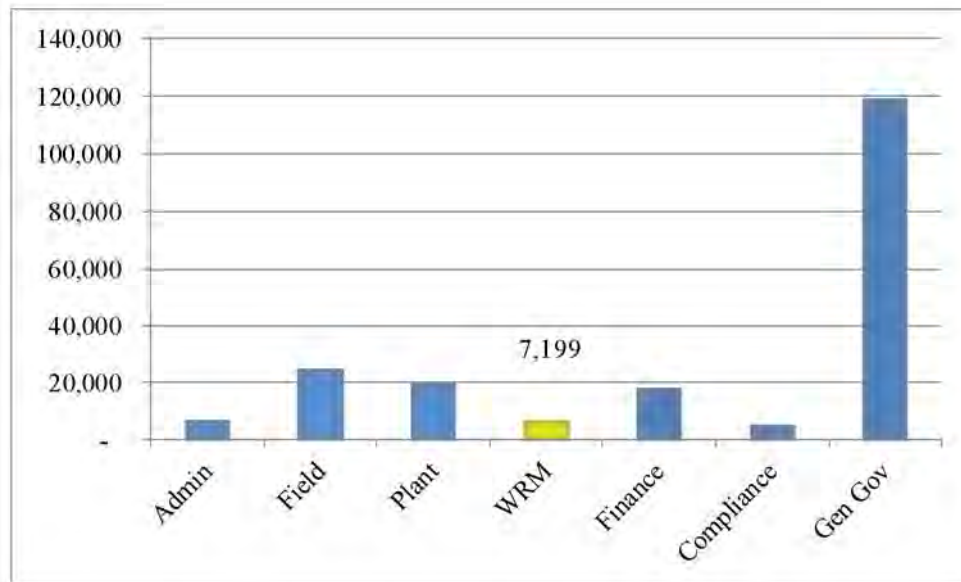
**FISCAL YEAR 2016 WATER RESOURCES MANAGEMENT HIGHLIGHTS**

Over a third of the active wells are approaching their expected useful life of 60 years and will need to be replaced. The Water Authority's well system was evaluated during FY15 and a list of wells for renewal was prioritized. During FY16, a pilot test will be completed on the Thomas No. 5 Well to study a method of reducing the arsenic concentration in the water. The pilot will involve blocking off the lower section of the well screens with the intention of reducing flow into the well from strata of the aquifer with higher arsenic concentration water. If successful, this method may allow several other Water Authority "high arsenic wells" to be brought back into service. Another project looking into the use of several currently out of service "high arsenic wells" is along the Alameda Trunk, which could provide an additional 30 MGD or more of water supply. With this project, the well water would be conveyed to the San Juan-Chama Water Treatment Plant (SJCWTP) to remove the arsenic, making it suitable for drinking. This project would be especially beneficial during drought periods when there is insufficient flow in the Rio Grande to allow diversions of surface water to the SJCWTP. During such times, instead of having to idle the plant, it could be used to treat the well water. During FY16, pilot studies will be conducted to refine the treatment process for water drawn from these wells. In addition, the Water Authority will continue with design and construction of blending and treatment facilities that will expand the use of existing wells in the Corrales Trunk for water supply.

In FY16, Conservation will be conducting a rain water harvesting pilot project at locations all over the service area to determine how much water can be saved with rain water harvesting systems and how much time and money it takes to install them. Water Smart classes will be offered from April thru September and customers who attend both the turf irrigation and drip irrigation classes will receive a \$20 credit on their water bill. The successful student education programs will continue, including the RIO field trips where every fourth-grade student from public schools in the service area attends a full-day field trip to the Rio Grande. In addition, in FY16 more education and outreach programs in the Water Use Compliance division will be implemented. A new program will be rolled out where customers who receive water conservation rebates will be able to choose to donate a portion of that rebate to other conservation programs taking place in the service area.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Appropriation by Functional Unit (in \$000's)



Expenditures by Department (\$000's)	Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Utility Development</b>						
Personnel	1,769	2,482	2,482	2,024	2,615	134
Operating	108	139	139	140	139	-
Capital	-	-	-	-	-	-
Total	1,878	2,620	2,620	2,164	2,754	134
<b>Water Resources</b>						
Personnel	1,704	1,666	1,666	1,432	1,691	25
Operating	3,373	2,754	2,754	2,527	2,754	-
Capital	-	-	-	-	-	-
Total	5,077	4,420	4,420	3,959	4,445	25
<b>Total Division</b>	<b>6,955</b>	<b>7,040</b>	<b>7,040</b>	<b>6,124</b>	<b>7,199</b>	<b>159</b>
<b>Staffing (FTE)</b>	35	41	41	41	40	(1)

# **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

## **FINANCIAL/BUSINESS SERVICES DIVISION**

The Financial/Business Services Division provides the Financial, Customer Services and Information Technology functions for the Water Authority.

Finance provides support and information to the Water Authority as well as outside entities such as bonding agencies, vendors, and local businesses. The section develops and administers rates, bonding functions, arbitrage calculations, budgeting, accounting, payroll, auditing and overall financial support.

Customer Services oversees the application for new services, water meter reading, meter boxes and meters, utility billing, utility revenue collection as well as billing information to water and wastewater customers.

Information Technology maintains and supports the information technology services function of the Water Authority. This includes office automation, GIS applications, operation management systems, billing/collection systems, asset management and work order systems and communication systems.

## **FISCAL YEAR 2016 FINANCIAL/BUSINESS SERVICES OBJECTIVES**

- Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time to provide effective customer service through the 4th Quarter of FY16.
- Continue implementation of Phase 4 of the Automated Meter Infrastructure (AMI) project modernizing the Water Authority's aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY16.
- Implement web self-service program to provide more payment options to customers and improved cash flow through the end of the 4<sup>th</sup> Quarter of FY16.
- Transition the large meter program to customer service and create a maintenance program to test and repair large meters every two years through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue implementation and system integration of mobile solutions to operations staff for optimization of the work order process including Clevest, and automation of preventative maintenance on utility equipment; begin implementation of Phase 2 to assess and plan the expansion of Clevest and consolidation of mobile solutions to the Clevest application, and its impact on the Maximo upgrade scheduled for FY16.
- Implement an independent telephony/data network that will provide a more reliable infrastructure and network in order to provide better customer service and additional functionality to staff by the end of the 1st Quarter of FY16.
- Update the Information Technology Strategic Plan that supports the upgrade of enterprise applications and the continued growth of the Information Technology Division as an effective Internal Service Provider including: 1) Phase 1 of Maximo work order asset management system to be upgraded to version 7.5 by the end of the 4<sup>th</sup> Quarter of FY16; 2) planning, assessment and development of an RFP for implementation services for the Customer Care and Billing program; 3) upgrade SunGard ERP to include core finance, personnel, payroll; 4) implementation of information technology best practices for service desk, change management, and project tracking, to better manage budget control, reporting and resource allocation.
- Complete bar coding of all utility vehicles by the end of the 4<sup>th</sup> Quarter of FY16.
- Conduct formal Budget training for all division managers, chief engineers, section managers, and superintendents by the end of the 2<sup>nd</sup> Quarter of FY16.
- Review and update financial and budget procedures and policies based on best practices for improved government management by the end of the 2<sup>nd</sup> Quarter of FY16.

**FISCAL YEAR 2016 FINANCIAL/BUSINESS SERVICES HIGHLIGHTS**

In FY15, the Financial/Business Services division completed two bond refinancings, in September 2014 and April 2015. The net present value savings from these refinancings on a cash flow basis are \$36.4 million over the life of the bond issues. With the bond refinancings, the Water Authority has maintained its Aa2/AA+/AA bond ratings. In FY16, the division will submit to the Government Finance Officers Association (GFOA) the FY16 Approved Budget for the Distinguished Budget Presentation Award, the FY15 Comprehensive Annual Financial Report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting and, for the first time, the FY15 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.

Customer Services (CSD) and Northwest Service Area (NWSA) have been successfully integrated into one group that handles call center, treasury, billing, new service applications, field operations and meter maintenance functions. CSD, Field Operations, and NWSA Field Operations & Maintenance sections will work together to implement the Clevest mobile workforce management system, which will provide a bridge for Maximo (Work Order & Asset Management) and Customer Care & Billing (CC&B) in order to create operating procedures for a paperless, real-time work order system, where field activities are dispatched, updated and closed out on a mobile platform. In addition, Clevest will be used to manage line spots and schedule and record the preventative maintenance activities on the meter change outs, box and valve replacement initiatives. In FY16, a reporting matrix where response time, emergency repairs, work order completion percentage, and preventative maintenance will be developed to measure and benchmark against industry leaders.

CSD has implemented and will continue the professional development of all levels of its employees. The clerical employees now have a career ladder in place where they will be working to meet requirements to promote through the levels of the program. Completion of the program is a catalyst to prepare these employees for management level career opportunities. Management employees will continue to receive leadership development materials and classes on topics such as Leading Change, Interviewing Skills, and Conflict Management. The recently converted Water Representatives should achieve the Utility Tech 2 level of the Water Authority's certification program by the first quarter of FY16. The large meter group will move from Water Field Distribution to Customer Services.

Information Technology (ITD) will continue implementation and system integration of mobile solutions to operations staff for optimization of the work order and asset management process, including Clevest and automation of preventative maintenance on utility equipment and the consolidation of mobile work order functions. Work will also continue on mobile apps such as Kronos and mobile apps for the web. ITD will begin the Maximo system upgrade in FY16. ITD will also assess upgrade alternatives for CC&B and SunGard, the financial/HR/payroll system. In FY16, ITD will complete the Water Authority separation from the City of Albuquerque network and telephony systems resulting in more efficient business processes, better reliability and cost savings.

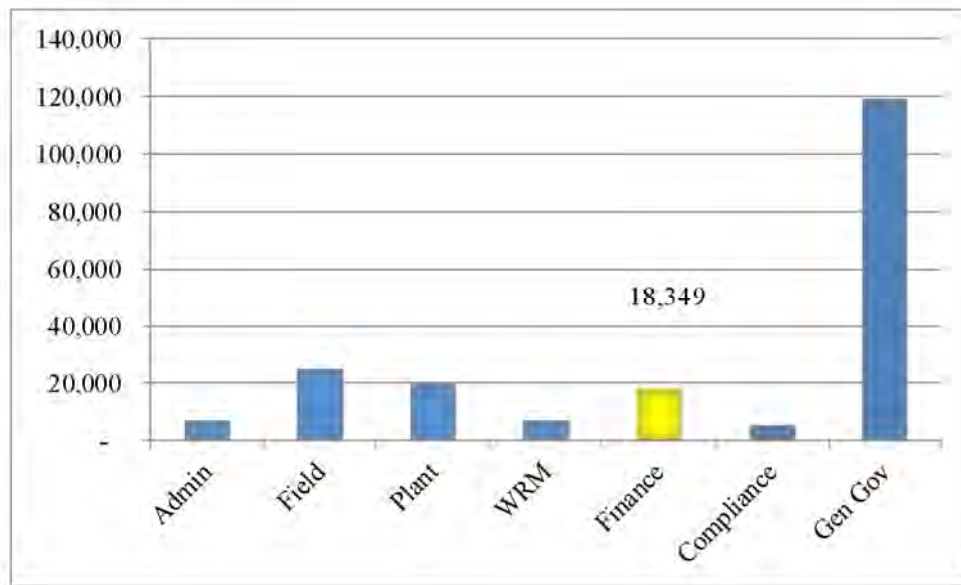
The Water Authority continues to develop and implement work load management practices to measure the amount of work that is being completed by the various sections. The CMMS system, Maximo, is used to document the work orders completed and management staff are reviewing and evaluating the work being recorded and accomplished to better understand individual job requirements. All of the Standard Operating Procedures are in the process of being finalized for the operations groups and the Water Authority will continue to implement additional safety and job planning activities to improve the overall safety program.

An additional \$2 million is reserved in the rate reserve fund. The Water Authority will also provide deferred UEC collections on up to 50 affordable housing units developed by non-profit housing developers.



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Appropriation by Functional Unit (in \$000's)



Expenditures by Department (\$000's)		Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Finance</b>							
Personnel		1,916	2,282	2,282	2,110	2,640	358
Operating		1,335	1,060	1,060	1,333	1,060	-
Capital		-	-	-	-	-	-
Total		3,250	3,342	3,342	3,443	3,700	358
<b>Customer Services</b>							
Personnel		5,106	5,076	5,076	5,012	6,106	1,030
Operating		2,237	2,758	2,758	2,385	2,857	99
Capital		21	-	-	-	-	-
Total		7,364	7,834	7,834	7,397	8,963	1,129
<b>Information Technology</b>							
Personnel		2,925	3,084	3,084	3,023	3,022	(62)
Operating		2,932	2,664	2,664	3,163	2,664	-
Capital		-	-	-	-	-	-
Total		5,858	5,748	5,748	6,186	5,686	(62)
<b>Total Division</b>		<b>16,472</b>	<b>16,924</b>	<b>16,924</b>	<b>17,027</b>	<b>18,349</b>	<b>1,425</b>
<b>Staffing (FTE)</b>		132	134.5	134.5	135.5	148.5	14.0

## **COMPLIANCE DIVISION**

Water and wastewater operations are regulated by a myriad of federal, state, and local environmental permits, regulations, rules, etc. including Safe Drinking Water Act regulations and National Pollutant Discharge Elimination System permits, state Solid Waste Facility, Ground Water Discharge, and Underground Storage Tank Permits and Registration, and Bernalillo County Air Quality permits. The Compliance Division continues to develop and maintain a matrix to define requirements, index historical compliance reports and manage submittals to assure all regulatory requirements and procedures are met accurately and on time. Water Quality serves the water operations group to assure continued compliance with drinking water regulations, including monitoring for the San Juan-Chama Water Treatment Plant (SJCWTP), as well as to provide process control monitoring for all facilities and source water monitoring of known and suspected groundwater contamination and the Rio Grande surface water supply. NPDES monitors and regulates industrial discharges by Authority ordinance to assure quality of influent to the Southside Water Reclamation Plant (SWRP) for pollutants of concern: heavy metals, toxic organics, and extra strength discharges and monitors effluent and sludge quality. While drinking water customer complaints and inquiries are addressed expeditiously and an annual Water Quality Report is provided to consumers, the P2 program continues to assist regulated industrial waste discharge customers and the public to reduce potential pollution threats. The Water Quality Laboratory (WQL), an internationally accredited environmental laboratory, provides more than 18,500 sample analyses annually to support Plant and Field Operations and other client groups.

### **FISCAL YEAR 2016 COMPLIANCE OBJECTIVES**

- Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance by continuing to inspect, monitor, and take enforcement action for users of backflow prevention devices; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4<sup>th</sup> Quarter of FY16. Obtain a compliance rate goal of 75%.
- 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; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4<sup>th</sup> Quarter of FY16. Obtain a compliance rate goal of 86% for each category.
- Implement the Fats, Oils, and Grease (FOG) Policy to reduce impacts on the wastewater system by inspecting each Food Service Establishment (FSE) once every three years, working with the Collections section with Sanitary Sewer Overflow (SSOs) investigations, and convene FOG Task Force of other governmental entities to coordinate efforts to reduce FOG discharges. Track and report the number of SSOs due to FOG compared with previous years. In conjunction with Public Affairs Manager, develop a public relations campaign to inform rate-payers of Best Management Practices for FOG. Report campaign progress monthly and quarterly.
- 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, and local laws ordinances, etc. to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue collection and analyses of the operational data necessary to determine and document the actual cost of service for laboratory services for the analytical methods within the Water Quality Laboratory scope of accreditation. The status of the data collection and analyses efforts will be reported quarterly.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

- 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), laboratory productivity (results reported per productive hour), and the percentage of results reported late (turnaround time (TAT)). Maintain performance levels at FY14 levels. Research and identify industry performance benchmarks to be included for comparison.
- In conjunction with the Information Technology Division, begin transition to LabVantage Laboratory Information Management System (LIMS) through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue to develop the data repository including coordinating with Plant Operations Division to develop reports generated from the Data Repository to provide new access to approved laboratory and field analytical instrument water quality analyses and user statistical analyses tools through the end of the 4<sup>th</sup> Quarter of FY16.
- Continue to develop the Environmental Monitoring Program to improve the reliability of results from field instrumentation and sample collection techniques. Develop a program plan based on designated ISO standard to address accreditation requirements to include standard operating procedures, document control and records management plans, and a process for demonstration of staff capability. Implement program plan by the end of the 2<sup>nd</sup> Quarter of FY16.
- Prepare for the American Association for Laboratory Accreditation (A2LA) annual assessment of the Water Quality Laboratory including completing required internal audits and annual review and revision of Standard Operating Procedures. Monitor and report findings each Quarter of FY16, along with progress made to address and resolve any deficiencies identified in the preceding quarter. Monitor and report weekly, monthly, and quarterly the number of Corrective Action Reports and the necessary time for completion of corrective actions.
- Evaluate the cost of treating septage and chemical toilet waste at the Southside Reclamation Plant; update the hauled wastewater policies and procedures by the end of the 4<sup>th</sup> Quarter of FY16.

### **FISCAL YEAR 2016 COMPLIANCE HIGHLIGHTS**

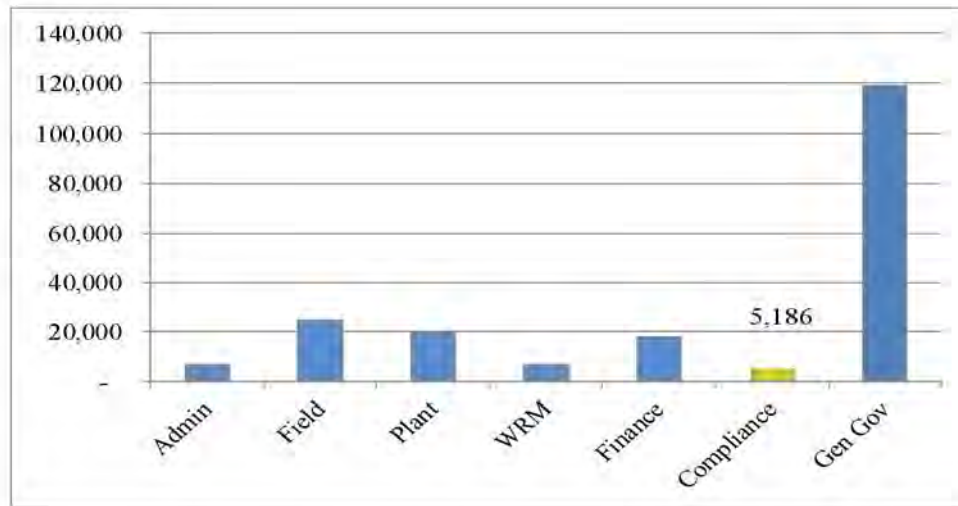
To comply with requirements of the 2012 National Pollutant Discharge Elimination System (NPDES) permit requirements, the Industrial Pretreatment Program completed modification of the Water Authority Sewer Use and Wastewater Control Ordinance as approved by the Water Authority Board in January 2014 to become effective in July 2014, developed a policy to reduce the impacts to the wastewater systems caused by Fats, Oils, and Grease (FOG) discharges, and revised the Technically Based Local Limits. Each of these documents were submitted to EPA for approval and have been compiled, along with other documents as a proposed Pretreatment Program Modification. The Program Modification was approved by EPA in January 2015. Improvements in ordinance compliance continue with inspection, monitoring, and enforcement actions for permitted industrial users, septage waste haulers, food service establishments, and dental offices. In the coming year, compliance with the Cross Connection Control Ordinance will also be tracked.

In conjunction with ITD, the Laboratory Information Management System (LIMS) implementation project was advanced in FY15. The LIMS steering committee will be implementing the first phase of the new LIMS system, LabVantage during FY16. A complete listing of current Water Quality Laboratory processes have been developed that will help with the configuration of LabVantage.

Required monitoring for the Unregulated Contaminant Monitoring Rule 3 (UCMR3) will occur on the drinking water system during the then of FY15 and through FY16. UCMR3 monitoring takes place at the entry points to the distribution system and 6 sites in the system with maximum residence times. The compounds tested for in UCMR3 monitoring range from volatile organics, to metals, to hormones. The Long Term Enhanced Surface Water Treatment Rule 2 (LT2) monitoring will also occur during the end of FY15 and throughout FY16. LT2 monitoring tests the source water at the surface water treatment plant for turbidity, E. Coli, and Cryptosporidium.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

**Appropriation by Functional Unit (in \$000's)**



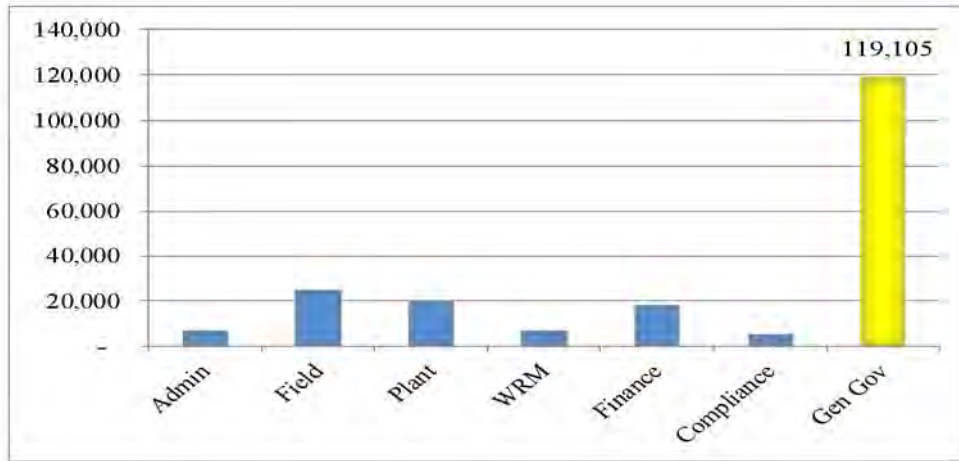
Expenditures by Department (\$000's)	Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Laboratory</b>						
Personnel	1,568	1,741	1,741	1,544	1,784	44
Operating	179	458	458	177	458	-
Capital	-	-	-	-	-	-
Total	1,747	2,199	2,199	1,721	2,242	44
<b>NPDES</b>						
Personnel	1,108	1,402	1,402	1,275	1,470	68
Operating	75	151	151	68	147	(4)
Capital	-	-	-	-	-	-
Total	1,183	1,552	1,552	1,343	1,616	64
<b>Water Quality</b>						
Personnel	733	809	809	794	854	45
Operating	302	777	777	416	474	(303)
Capital	-	2	2	-	-	(2)
Total	1,035	1,587	1,587	1,210	1,328	(260)
<b>Total Division</b>	<b>3,966</b>	<b>5,338</b>	<b>5,338</b>	<b>4,274</b>	<b>5,186</b>	<b>(152)</b>
<b>Staffing (FTE)</b>	44	46	46	46	46	-

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## GENERAL GOVERNMENT DIVISION

The General Government Division was developed to appropriate the expenses that are Authority-wide and not specific to any one department or division. The departments in this division include: Power & Chemicals, Taxes, Overhead (includes retirement payouts and CIP funded positions), San Juan-Chama, and Interfund Transfers.

**Appropriation by Functional Unit (in \$000's)**



Expenditures by Department (\$000's)	Audited FY14	Original Budget FY15	Revised Budget FY15	Estimated Actual FY15	Approved Budget FY16	Appr 16/ Rev 15 CHG
<b>Power &amp; Chemicals</b>						
Personnel	-	-	-	-	-	-
Operating	19,979	18,482	18,482	19,196	18,482	-
Total	19,979	18,482	18,482	19,196	18,482	-
<b>Taxes</b>						
Personnel	-	-	-	-	-	-
Operating	7,258	8,536	8,536	7,511	8,691	155
Total	7,258	8,536	8,536	7,511	8,691	155
<b>Overhead</b>						
Personnel	1,051	1,243	1,243	815	1,339	96
Operating	3,721	457	457	757	504	47
Total	4,772	1,700	1,700	1,572	1,843	143
<b>Total Program</b>	<b>32,008</b>	<b>28,718</b>	<b>28,718</b>	<b>28,280</b>	<b>29,016</b>	<b>298</b>
<b>Staffing (FTE)</b>	9	9	9	9	9	0
<b>San Juan Chama</b>						
Personnel	-	-	-	-	-	-
Operating	2,323	2,247	2,247	2,285	2,247	-
Total	2,323	2,247	2,247	2,285	2,247	-
<b>General Government</b>						
Transfers/Other Funds	76,094	85,160	85,160	81,160	87,842	2,682
<b>Total Division</b>	<b>110,426</b>	<b>116,125</b>	<b>116,125</b>	<b>111,724</b>	<b>119,105</b>	<b>2,980</b>

## ***REVENUE OUTLOOK***

***Approved  
Operating Budget  
FY16***

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **FISCAL YEAR 2014 ACTUAL REVENUES AND FISCAL YEAR 2015 REVENUE PROJECTIONS**

The Water Authority's revenue projections are summarized in the two tables included in this section. The first table, General Fund 21, presents the actual results for FY14, budgeted revenues and estimated actuals for FY15, and budgeted revenue for FY16. The second table, Debt Service Fund 31, provides for the same comparison as the other table.

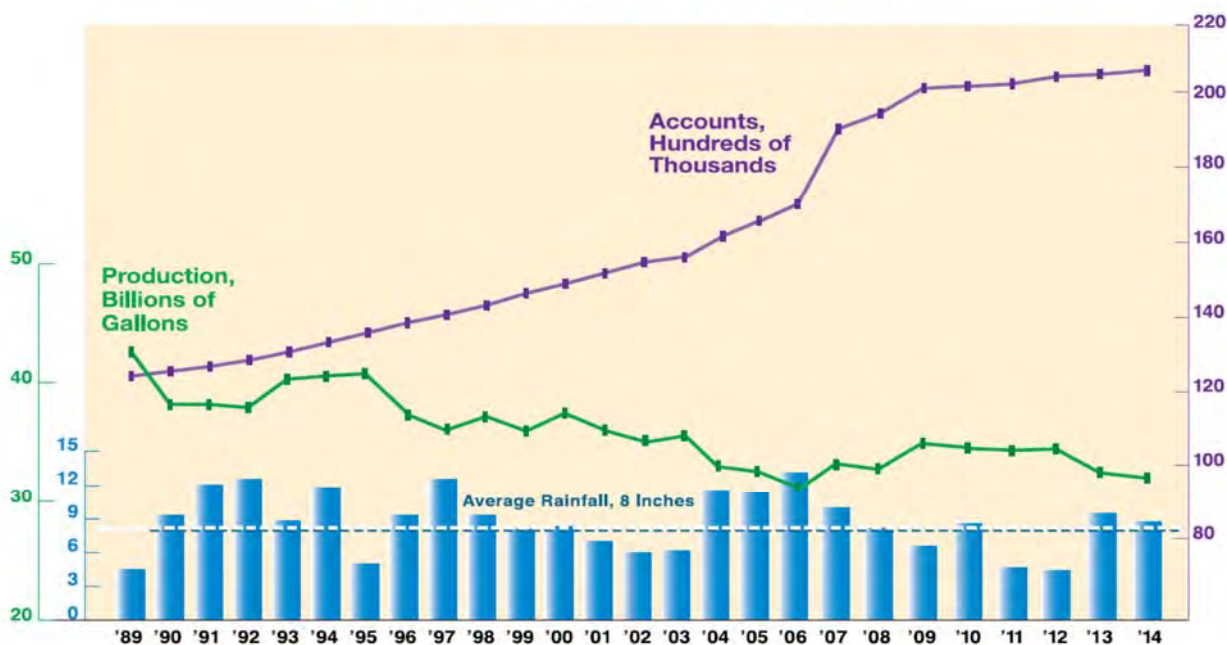
#### **REVISED FISCAL YEAR 2015 REVENUE ESTIMATES**

Total Water Authority operating fund revenues for FY15 are anticipated to be \$200.5 million or \$15.8 million above FY14. This is an increase of 8.6% over FY14 and is projected to be below the approved FY15 budget level by \$3.5 million. The decrease is primarily the result of a decrease in water usage due to continued conservation efforts. The system has remained fairly flat from a growth perspective due to the slump in the housing industry.

#### **APPROVED BUDGET REVENUE ESTIMATES FOR FISCAL YEAR 2016**

Budgeted total Water Authority Operating Revenues for FY16 are \$214.5 million representing an increase of \$10.6 million above the budgeted FY15 amount. The increase is due mainly from a 5% rate adjustment approved by the Water Authority Board. Revenue in the Debt Service Fund decreases \$1.3 million in FY16 due to decreases in the revenue received from Utility Expansion Charges and the transfer from the General Fund.

### **Water Usage 1989-2014**



## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

### **The Water Authority's Rate Structure**

The Water Authority's rate structure is based upon Cost of Service Principles. It is evaluated every two years to ensure that there is equity amongst the different classes of customers and within the class of customers. During the summer months the rate structure has a seasonal block rate structure to promote conservation. The base line is based upon the customer's winter usage. The Water Authority rate structure also has additional fees for those highest water users in the summer and rewards those customers that conserve water during this same time period.

### **Major Revenue Sources**

**Water Sales (\$116.0 million, 52% of total revenue).** The Water System provides water services to approximately 643,881 residents comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 207,762 accounts, including 186,461 residential and 21,301 multi-family, commercial, institutional and industrial accounts. Approximately 60% of the water sales are for residential uses.

**Wastewater (\$79.7 million, 36% of total revenue).** Wastewater services are provided to virtually all homes, schools, and businesses within the Albuquerque city limits, as well as the Village of Tijeras, Kirtland Air Force Base, Sandia Heights, and other residential areas in Bernalillo County. In all, the Water Authority provides service to about 600,000 people, with 175,201 residential customer accounts, 16,501 multi-family and commercial accounts, 1,001 institutional accounts and 1,219 industrial and other customer accounts.

**Utility Expansion Charges (\$8 million, 4% of total revenue).** A Utility Expansion Charge is paid at the time of a meter sale or an application for service for all properties connecting to the water and/or wastewater system.

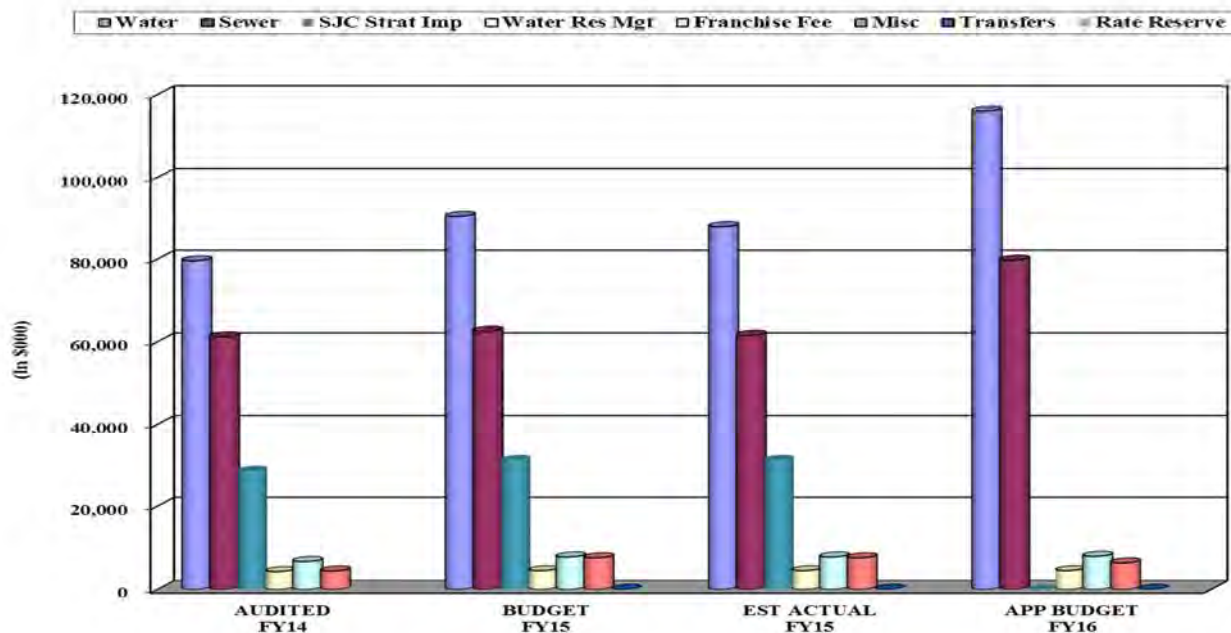
**Franchise Fee (\$8.0 million, 3% of total revenue).** A 4% charge on the total sales of water and wastewater services is added to customer billings to compensate the Water Authority for the franchise fees charged by the City of Albuquerque, Bernalillo County, Village of Los Ranchos and the City of Rio Rancho for the granted authorization to use rights-of-way and public places to construct, operate, and maintain water and wastewater systems.





# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Fund 21 Operating Revenue

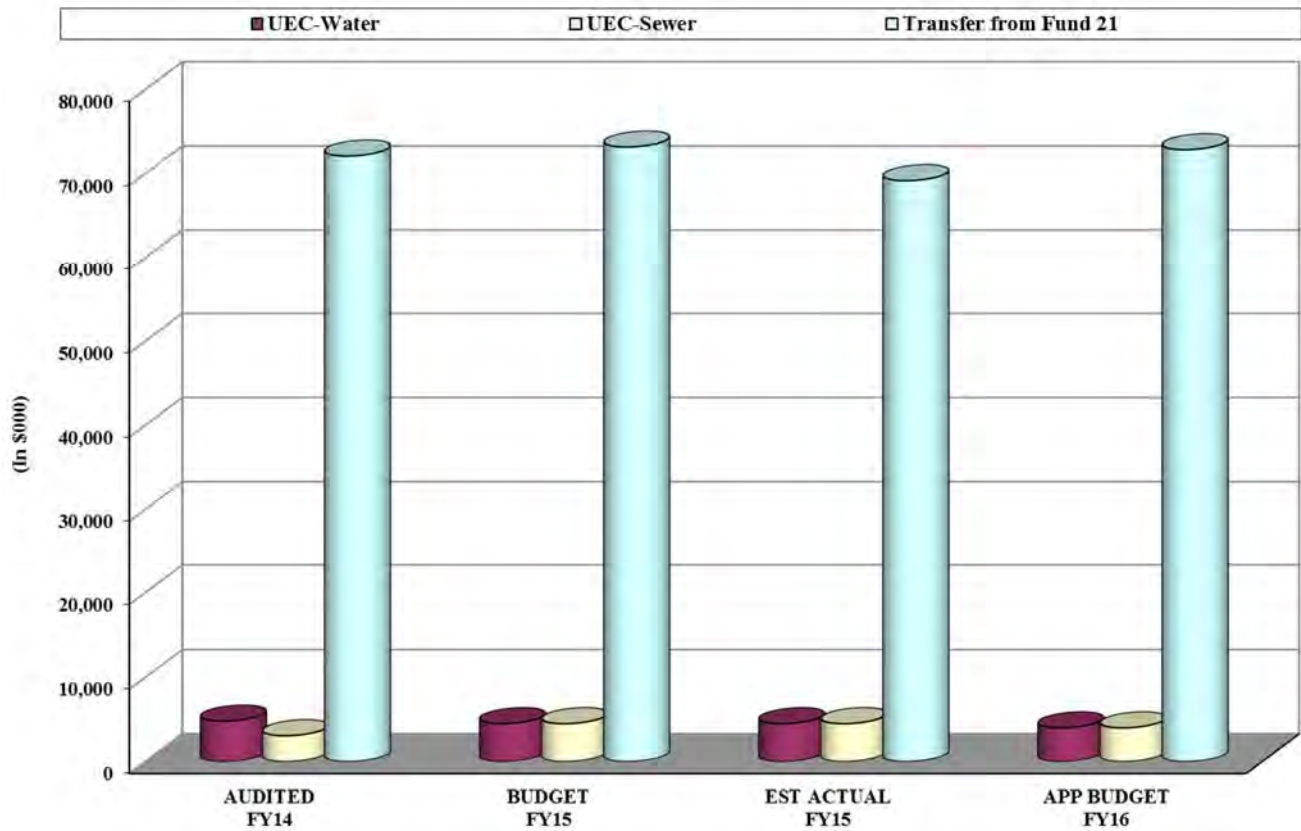


(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15 <sup>(1)</sup>	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
<b>RESOURCES:</b>						
Rate Revenues:						
Water Service: City	62,345	77,407	77,407	70,007	108,127	30,720
Water Service: Valley	5,275	5,000	5,000	5,000	-	(5,000)
Water Facilities Rehab	11,142	7,100	7,100	12,000	6,902	(198)
Wastewater Service: City	35,987	52,313	52,313	35,513	70,124	17,811
Wastewater Service: Valley	3,219	4,000	4,000	4,000	-	(4,000)
Wastewater Facilities Rehab	21,921	6,200	6,200	22,000	9,562	3,362
Contr/Aid/Hookups: City	331	350	350	350	375	25
Contr/Aid/Hookups: Valley	12	20	20	20	-	(20)
Water Resources Management	4,276	4,500	4,500	4,500	4,500	-
SJC Strategy Implementation	28,562	31,200	31,200	31,200	-	(31,200)
Water Service: Reuse	428	400	400	400	550	150
<b>Total Rate Revenue</b>	<b>173,498</b>	<b>188,490</b>	<b>188,490</b>	<b>184,990</b>	<b>200,140</b>	<b>11,650</b>
Other Revenues:						
Solid Waste Billing Fee	1,232	1,323	1,323	1,323	1,339	16
CIP Funded Positions	593	800	800	800	940	140
Interest on Investments	76	10	10	10	10	-
Miscellaneous Revenue	2,535	5,500	5,500	5,500	4,104	(1,396)
<b>Total Other Revenue</b>	<b>4,436</b>	<b>7,633</b>	<b>7,633</b>	<b>7,633</b>	<b>6,393</b>	<b>(1,240)</b>
<b>Total Rate and Other Revenues</b>	<b>177,934</b>	<b>196,123</b>	<b>196,123</b>	<b>192,623</b>	<b>206,533</b>	<b>10,410</b>
Franchise Fees:						
Franchise Fee: City	6,112	7,130	7,130	7,130	7,271	141
Franchise Fee: Valley	546	627	627	627	639	12
Franchise Fee: Rio Rancho	1	1	1	1	1	-
Franchise Fee: Los Ranchos	70	78	78	78	80	2
<b>Total Franchise Fees</b>	<b>6,730</b>	<b>7,836</b>	<b>7,836</b>	<b>7,836</b>	<b>7,991</b>	<b>155</b>
<b>Total Current Resources</b>	<b>184,664</b>	<b>203,959</b>	<b>203,959</b>	<b>200,459</b>	<b>214,524</b>	<b>10,565</b>
Beginning Working Capital Balance	(10,921)	(10,676)	(10,676)	(10,676)	(1,058)	9,618
<b>TOTAL RESOURCES</b>	<b>173,743</b>	<b>193,283</b>	<b>193,283</b>	<b>189,783</b>	<b>213,466</b>	<b>20,183</b>

<sup>(1)</sup> Estimated Actual FY15 Enterprise Revenues include the year-end revenue accrual.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Fund 31 Debt Service Revenue



(\$000's)	AUDITED FY14	ORIGINAL BUDGET FY15	REVISED BUDGET FY15	ESTIMATED ACTUAL FY15	APPROVED BUDGET FY16	APPR 16/ REV 15 CHG
RESOURCES:						
Miscellaneous Revenues:						
Expansion Charges (UEC)	7,872	9,000	9,000	9,000	8,000	(1,000)
Total Miscellaneous Revenues	7,872	9,000	9,000	9,000	8,000	(1,000)
Transfer from Other Funds:						
Rehab Fund - 28	-	-	-	-	-	-
General Fund - 21	72,094	73,160	73,160	69,160	72,842	(318)
Total Transfers	72,094	73,160	73,160	69,160	72,842	(318)
Total Current Resources	79,966	82,160	82,160	78,160	80,842	(1,318)
Beginning Fund Balance	(2,476)	515	515	515	2,512	1,996
TOTAL RESOURCES	77,490	82,675	82,675	78,675	83,355	679

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **ECONOMIC OUTLOOK**

The following is based on the October 2014 forecasts 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**

In the baseline forecast, assigned a probability of 70%, IHS expects annual growth of 2.7% in real GDP for FY15. This is up slightly from the 2.5% growth in FY14. Growth is more robust than in the past several years even with the ongoing international risks. These risks include: declining European economy, the weakness in the world economy, and the stronger dollar increasing imports. Consumer's confidence is slowly picking up after it fell to an all-time low during the October 2013 shut down of the federal government. IHS assumes that federal government fiscal policy will avoid stalemates that could cause default or a shutdown of the government. Real government expenditures are expected to decline slowly through FY19 and beyond. Nationally, total employment reached the pre-recession peak in May of 2014. Unemployment reached a peak of 9.9% in the fourth quarter of 2009 and by FY19 declines to 5.2%.

Inflation remains muted in the IHS forecast. Relatively weak wage growth and increases in productivity limit the cost of employment putting little pressure on costs. Inflation is expected to remain below 2% from FY15 through FY19. Oil prices decline in FY15 and remain under \$100 per barrel until FY19. IHS expects growth in the Consumer Price Index (CPI) to remain muted, around 1.6% in FY14 and FY15 declining to 1.3% in FY16 and slowly increasing to 2.1% in FY19. The low inflation expectation also plays into moderate increases in interest rates. IHS believes that the Federal Reserve Bank (FRB) will not raise rates until FY16; reaching 0.9% in FY16 and 3.8% by FY19.

There are a number of risks in the economy. The battle in congress over spending, taxes and extension of the debt ceiling will be faced again. The Eurozone is slowing and may fall into recession. Household formation is low limiting residential construction. The current levels of uncertainty restrain business activity and investment and hiring. Unfortunately, these high levels of uncertainty are likely to remain with us over the next few years.

##### **Pessimistic Scenario**

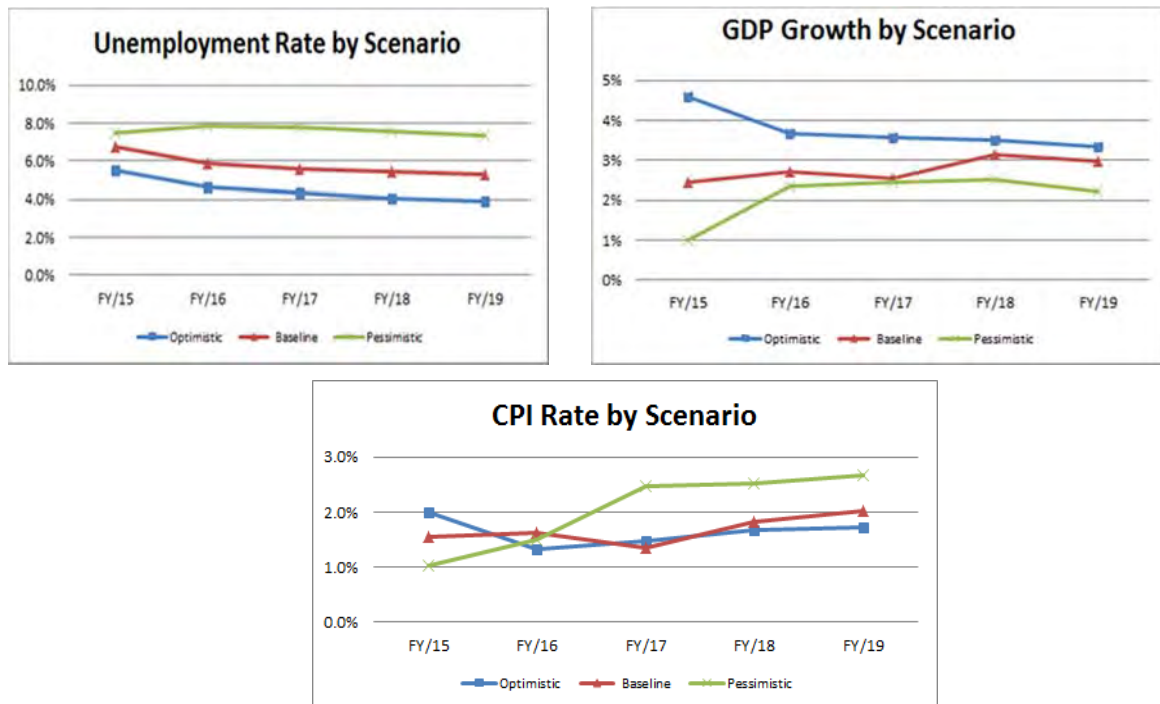
The pessimistic scenario is assigned a probability of 15%. In this scenario, the recovery stalls. Construction is weak in part due to more difficulty in access to credit and a decrease in household formation. Fiscal policy does not respond and government spending contracts. Employment growth stalls and unemployment basically remains at a high level, only decreasing to 7.4% by FY19. Inflation is below the baseline in the early years, but exceeds it in the out years in part due to supply constraints that raise the price of oil to \$116 per barrel. Internationally the Eurozone falls back into recession and emerging markets are weak. The FRB doesn't increase rates until FY18 as it attempts to continue to stimulate the economy.

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

### **Optimistic Scenario**

The optimistic scenario is assigned a probability of 15%. In this scenario IHS assumes that basically everything goes right. A tax and spending compromise is reached, the Eurozone and emerging markets show strong growth helping exports. Inflation is originally above the baseline as strong demand pushes it up. The FRB reacts and starts raising interest rates in FY15 to limit inflation. Even with higher interest rates housing starts accelerate and unemployment drops to 3.9% in FY19.

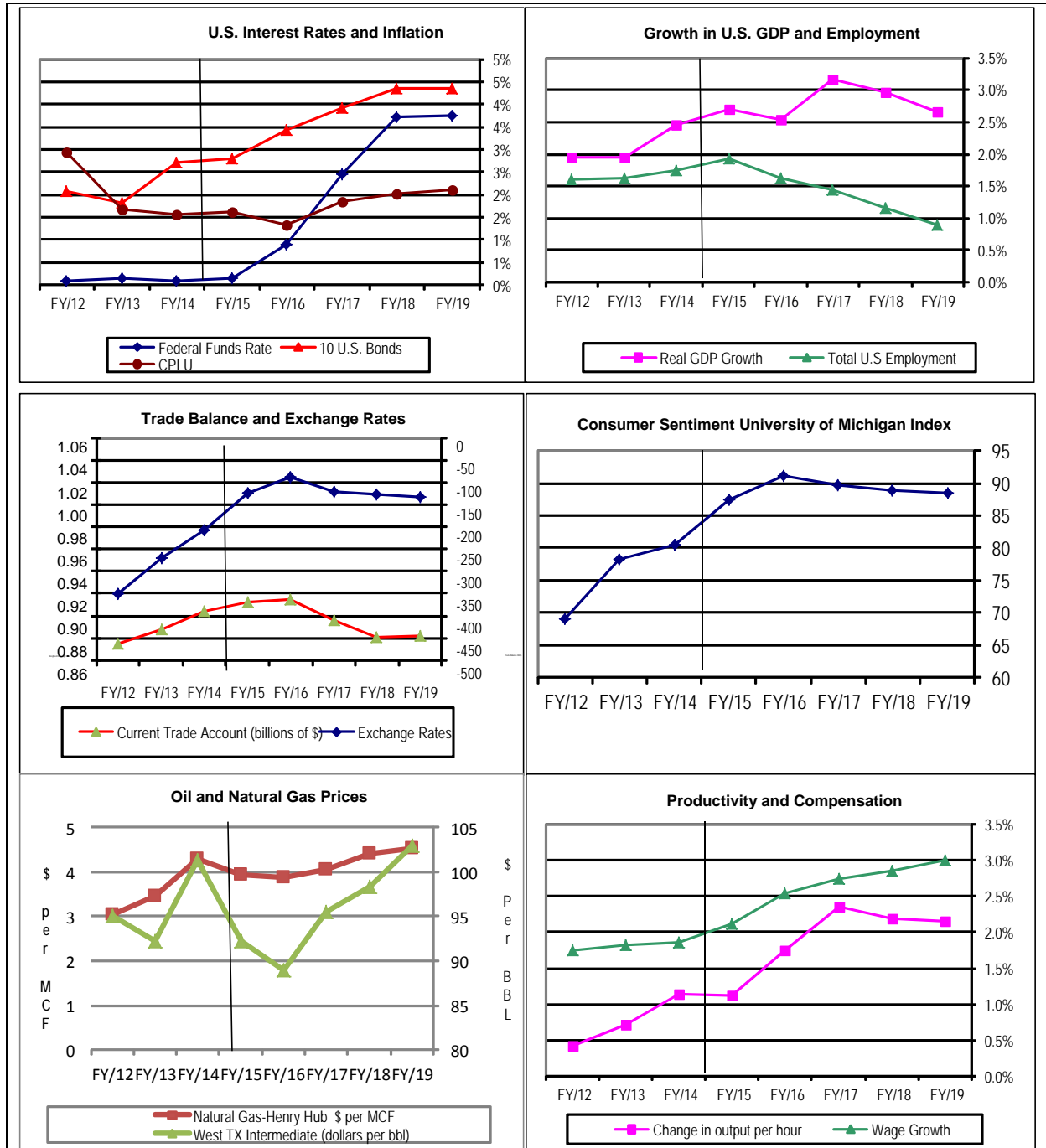
The following charts provide information on some of the key measures in the forecast.



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## U.S. ECONOMIC VARIABLES AND FORECAST (FISCAL YEAR)

October 2014 Baseline Forecast

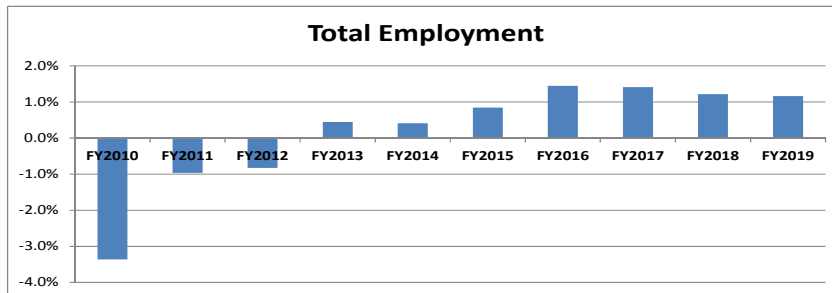


## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

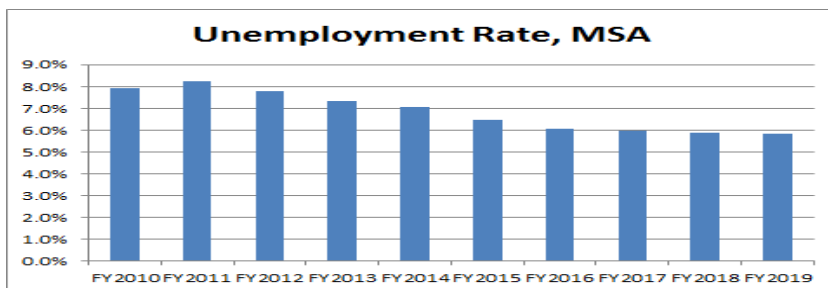
### **ALBUQUERQUE ECONOMY**

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 October 2014 provides the forecast of the Albuquerque economy that is presented in the following section.

The Albuquerque economy declined in sync with the national economy, but has lagged in its recovery. Total employment in the MSA increased in the third quarter of 2012 but this gain was due to a change in processing by the department of Workforce Solutions and not in actual employment. The 4th quarter of 2013 and the 1<sup>st</sup> quarter of 2014 showed small increases. The FOR-UNM forecast of employment in October 2014, has positive non-agricultural (non-ag) employment growth beginning in FY13, though as mentioned above, FY13 is due only to a technical adjustment. The growth in FY13 and FY14 in total employment is 0.4% in each year. FY15 is expected to grow 0.8%. FY16 is expected to grow 1.4%. FY17 is expected to grow 1.4%. FY18 is expected to grow 1.1%. FY19 is expected to grow 1.1%.



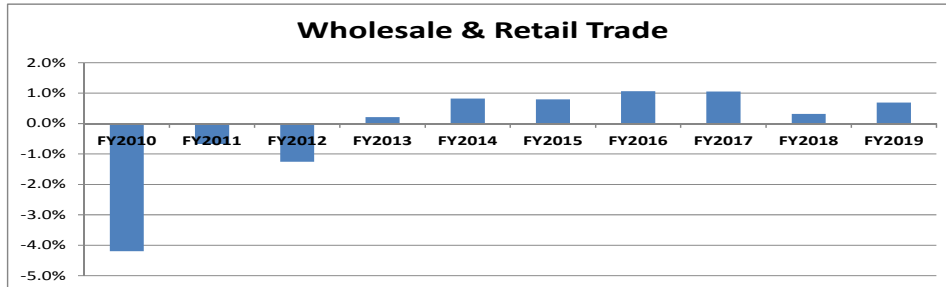
The Albuquerque economy lost over 27 thousand jobs from FY08 to FY12 a loss of 7% of total employment. Growth for FY16 is expected at 1.4% with FY17 increasing at the same rate. This is a muted growth rate for pulling out of a recession. The economy does not approach FY08 employment levels until FY19. This puts the Albuquerque recovery over four years behind the national. While the federal government limits the growth somewhat, State and Local employment offset this and private employment has somewhat slower growth than total employment. Construction has improved and is now helping the economy. The unemployment rate continues to decline, but some of this is due to discouraged workers leaving the labor force. The rate is expected to slowly decline to 5.8% in FY19.



In addition to the tables embedded in the following section there are a series of charts and tables that provide some comparisons of Albuquerque to the U.S. economy. Additionally, Albuquerque MSA employment numbers are provided for FY13 to FY19 by the major North American Industrial Classification System (NAICS) categories.

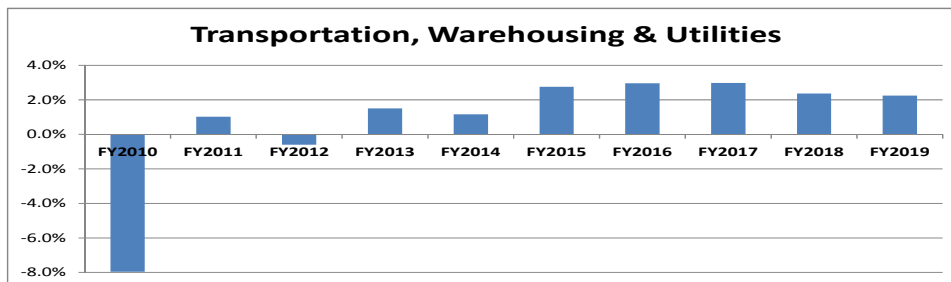
## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

**Retail and Wholesale Trade.** These sectors account for about 15% of employment in the Metropolitan Statistical Area (MSA). It is a particularly important sector in terms of the Gross Receipts Tax; making up about 30% of GRT. As the recession hit, the closure of stores and reductions in purchases substantially hit employment and GRT in this sector.

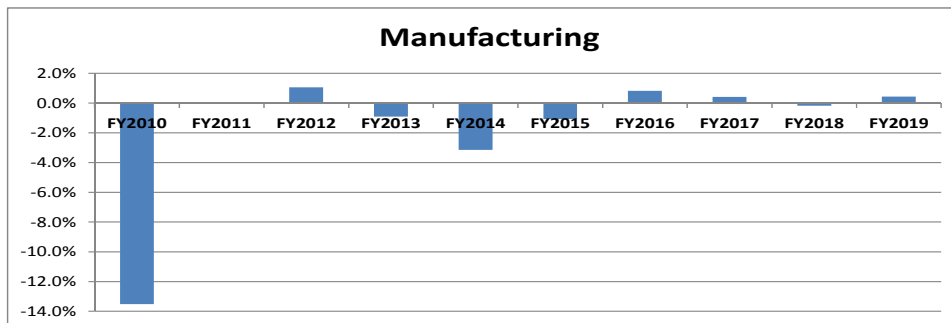


The sector is expected to have employment growth of just over 0.8% in FY14 and in FY15. Growth remains close to this level for the remainder of the forecast period.

**Transportation, Warehousing and Utilities.** This sector while important, only accounts for 2.5% of employment. Employment growth in this sector was weak before the recession hit and then declined substantially in FY09 and FY10. In FY11 the sector grew 1.2%, but declined in FY12. The expectations for the forecast are a robust recovery with growth approaching 3% in FY14. Even with this growth the sector remains below the levels of FY07 and FY08.



**Manufacturing.** This sector accounted for about 5% of employment in the MSA. It is an important sector as it creates relatively high paying jobs that bring revenue from outside the area. It also generates purchases of materials and services in the local economy making this sector's impact greater than its employment share.

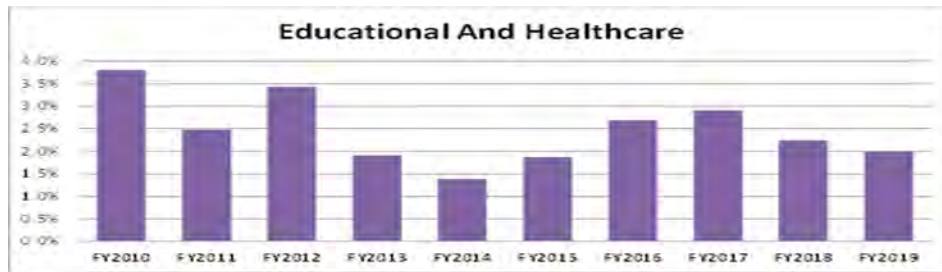


After substantial job losses including closing of Eclipse Aviation and GE, the sector posted small gains in FY11 and FY12. In FY13 the sector declined and FY14 is expected to increase despite job losses at Intel. The

## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

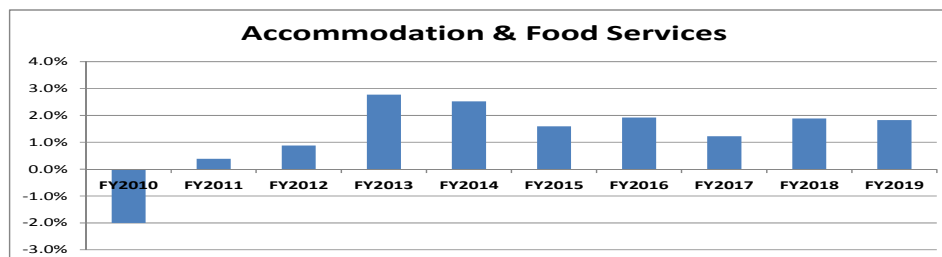
sector is expected to grow slowly in the remainder of the forecast. However, FY19 employment is less than 80% of the employment of FY08.

**Educational and Health Services.** This sector is predominantly health services and accounts for 15% of employment. Albuquerque is a major regional medical center that brings people into the area for services. Presbyterian Hospital and its HMO are one of the largest employers in the area.



This was the only sector that increased through the recession and continues to be a primary driver for economic growth. Growth slowed in FY14 but growth is expected to increase in FY15. This sector is the biggest contributor to employment growth in the economy in the forecast period.

**Accommodation and Food Services.** This category includes eating and drinking establishments as well as hotels and other travel related facilities. It accounts for 10% of employment in the MSA. The sector is a major contributor to both GRT and Lodgers' Tax.

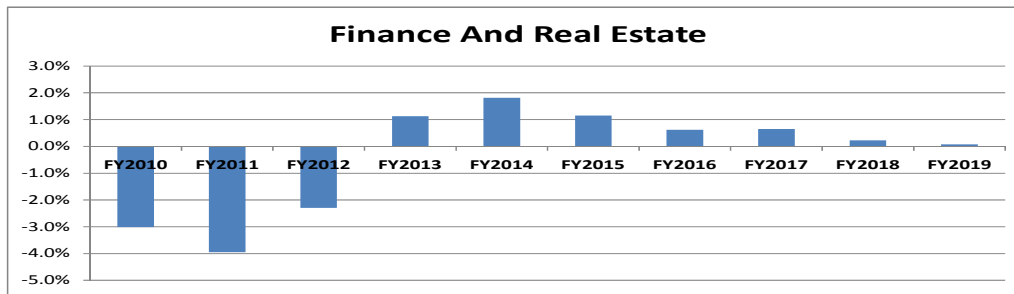


FY13 showed strong growth of 2.8% and FY14 has expected growth of 2.5%. The sector reaches its previous peak of FY08 in FY14. The remainder of the forecast is relatively strong with growth approaching 2% in FY16, FY18, and FY19.

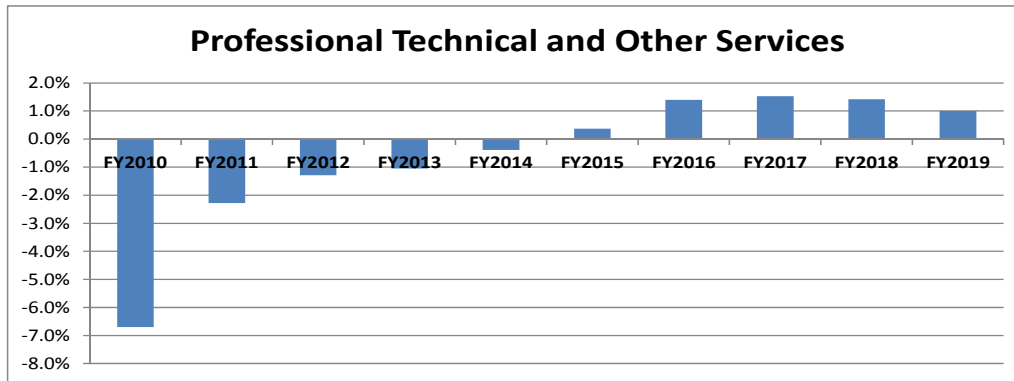
**Real Estate & Financial Activities.** This is two sectors and includes finance, insurance and real estate including credit intermediation. It accounts for about 4.5% of employment in the MSA. The financial crisis, the consolidation of banking, and the collapse of real estate impacted this sector. FY13 shows an increase of 1% with FY14 increasing 1.8%. Growth tapers off through the remainder of the forecast. The sector remains 1,600 jobs below the peak level of FY06.



## ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

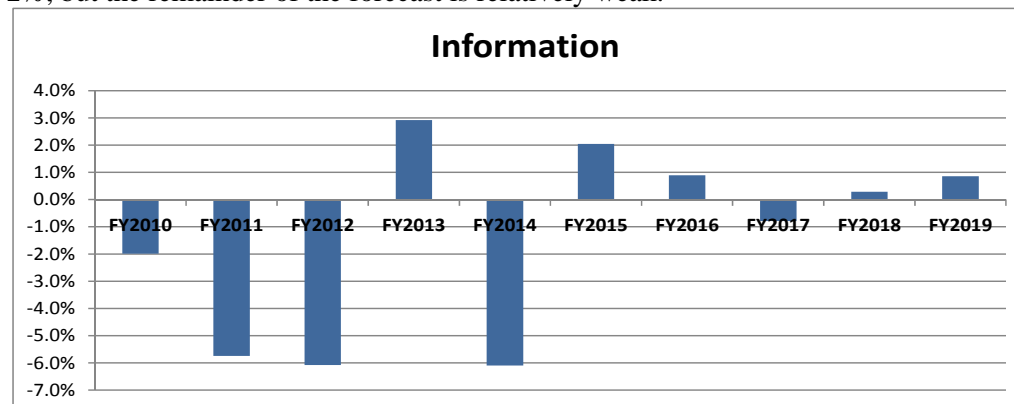


**Professional and Other Services.** This category is a grouping of four service sectors (Professional and Technical, Management of Companies, Administrative and Waste Services, and Other Services). The category accounts for 18% of the employment in the MSA. It includes temporary employment agencies, some of Albuquerque’s back-office operations, and architect and engineering firms that are closely tied to construction. It also includes Sandia National Labs (SNL).



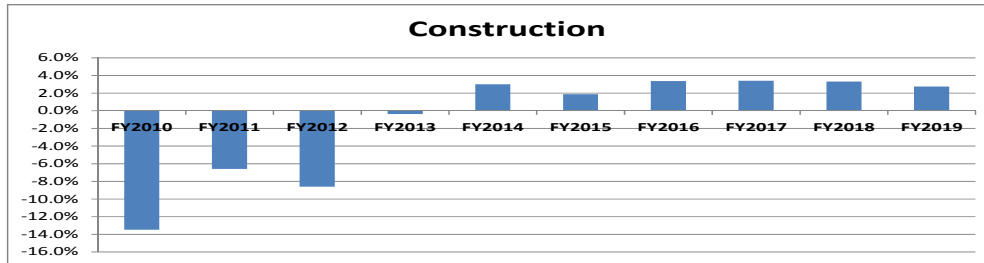
While the national labs have gained some positions the rest of the sector has been very weak. Federal government budget problems and sequestration are creating risks in spending reductions and the loss of jobs both at the labs and contractors hired by the labs. Following a small decrease in FY14 the category is expected to grow by 0.4% in FY15 and grow at relatively subdued rates in the remainder of the forecast. In FY19 it still remains 5,800 jobs below the peak of FY08.

**Information.** This sector includes businesses in publishing, broadcasting, telecommunications, and internet service establishments. It also includes the film studios. It accounts for about 2% of employment in the MSA. FY13 posted solid growth, but FY14 is expected to show a substantial decline. FY15 is expected to grow about 2%, but the remainder of the forecast is relatively weak.



## **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

**Construction.** Construction is typically cyclical, with significant swings in building and employment. Construction is an important sector and has an impact on the economy larger than its employment share of 5%. This sector lost 12 thousand jobs from FY07 to FY13. In FY07 its employment share was 8%. After falling consistently from FY07, employment in construction began increasing at the end of FY13. FY14 is expected to grow 3%, slowing somewhat in FY15, but picking up in the remainder of the forecast. Even with this growth construction employment is forecasted to be 27% or 8,500 jobs below the FY07 peak.



Construction permits show the trends in construction and the types of construction. The graph following this section shows the real values of building permits after adjusting by the CPI from 1970 to 2014 (December of 2014 was estimated). Construction is categorized as new construction or additions, alterations, and repairs. New construction is further separated as residential and commercial. Five distinct peaks occurred in 1973, 1979, 1985, 1995 and 2005. The last cycle was the longest and the fall following 2005 was the largest.

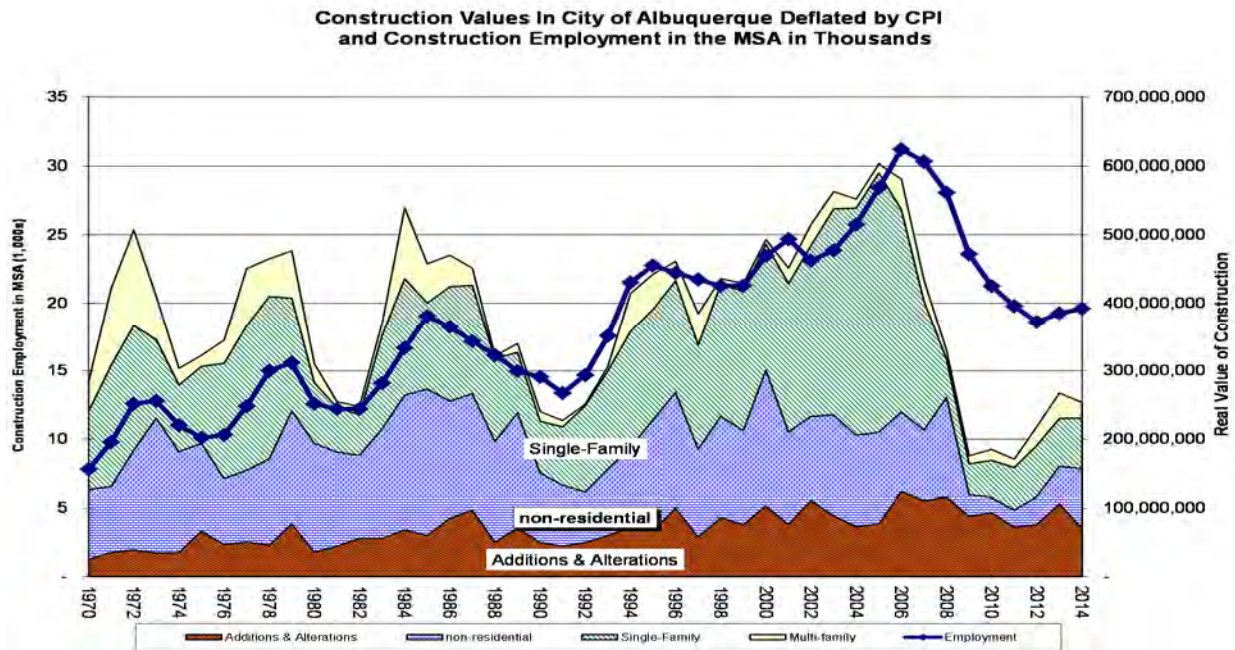
The lowest level of residential construction was reached in the period of August 2008 to February 2009. From this point single family permitting has increased, but it remains subdued and at levels below any other in the chart. In 2008 much of the decline in residential construction was offset by new commercial, primarily public sector construction. Much of this construction was for new Albuquerque public schools. In 2009 residential housing stabilized, but commercial construction fell making 2009 the worst year as far as percentage decline in new construction. Additions, alterations, and repairs did not drop as significantly as new construction but still showed declines. This category is dominated by commercial and public projects.

Looking forward, single family permitting is expected to grow relatively slowly. In FY14 only 814 single family units were permitted, down about 100 units from FY13. In FY15 only an additional 50 units are expected with increases to 1,500 units in FY18 and FY19. These are historically very low numbers; below the early 1990s. Lack of job growth has led to out-migration and very low growth in population. Multi-family construction is expected to show some recovery and produce around 1,000 units per year.

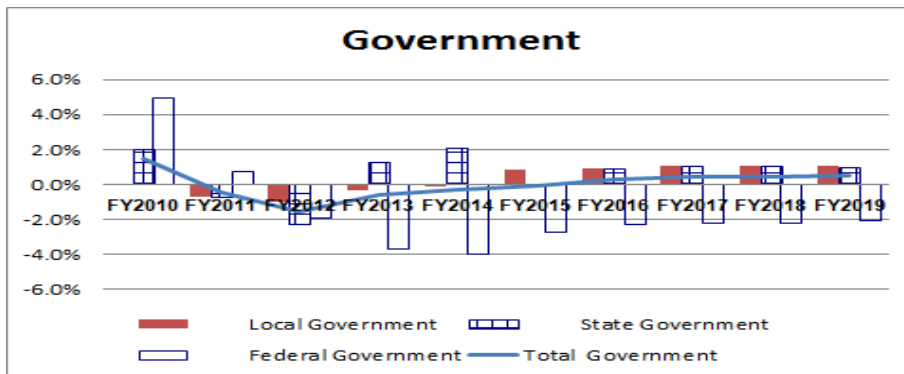
Building permits only tell part of the construction story. Non-building construction such as roads and storm drainage are not captured in the permit numbers. Large construction projects for the State, such as University Hospital, are permitted by the State rather than the City. Employment in the construction sector gives a picture of growth in the entire MSA.

As shown in the chart following this section, construction employment moves similarly to permit values, but differences occur. Some of this is due to projects outside the City as well as non-building projects. Growth in employment was very strong in 2000-2006, driven in large part by the Intel project and the Big-I reconstruction project.

**FIGURE 1**  
**City of Albuquerque Value of Permits Deflated by CPI**



**Government** The government sector makes up almost 21% of the Albuquerque MSA employment. The largest part of State and Local government is education. Local Government includes the public schools and State Government includes the University of New Mexico and Central New Mexico Community College. The local sector also includes Indian enterprises. The Federal Government makes up 4.4% of employment; nationally Federal government makes up 3.4% of total employment. This doesn't include military employment which is counted separately. Active military is around 6,000 or about 1.7% of the total non-agricultural employment. Nationally military is 1% of total non-ag employment.



Government employment slowed and decreased in FY11 through FY15. Local and State employment decreased due to declines in tax revenue and the inability to fund the same level of employees. State and Local are flat in FY13 and improve in the out years, due to increased tax revenues and the ability to fund state and local government employment. Federal Government after growing strongly in FY10 showed little growth in FY11 and declines in FY12 through the remainder of the forecast. This occurs due to the federal government taking steps to reduce its expenditures.

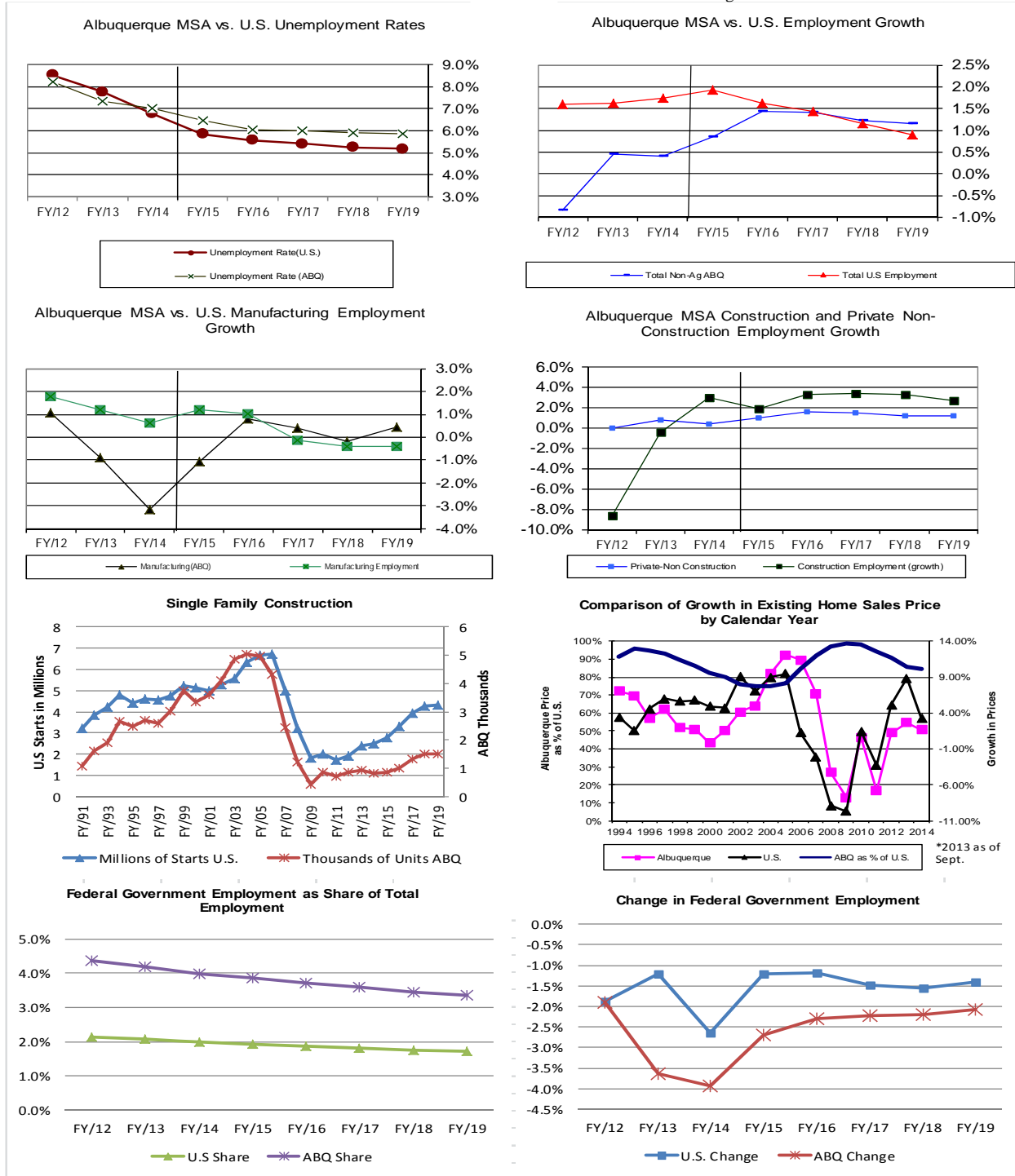
# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

The following Charts and tables present more information on the Albuquerque economy and its comparison to the U.S.

**TABLE 2**

## LOCAL ECONOMIC VARIABLES HISTORY AND FORECAST

October 2014 Economic Outlook – BBER and Global Insight



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

**TABLE 3**

Economic Variables Underlying the Forecast by Fiscal Year								
	Historical			Forecast				
	FY/12	FY/13	FY/14	FY/15	FY/16	FY/17	FY/18	FY/19
<b>National Variables</b>								
Real GDP Growth	2.0%	2.0%	2.5%	2.7%	2.5%	3.2%	3.0%	2.7%
Federal Funds Rate	0.1%	0.1%	0.1%	0.1%	0.9%	2.5%	3.7%	3.8%
10 U.S. Bonds	2.1%	1.8%	2.7%	2.8%	3.4%	3.9%	4.3%	4.4%
CPI U	2.9%	1.7%	1.6%	1.6%	1.3%	1.8%	2.0%	2.1%
Unemployment Rate(U.S.)	8.5%	7.8%	6.8%	5.8%	5.6%	5.4%	5.3%	5.2%
Total U.S. Employment	1.6%	1.6%	1.7%	1.9%	1.6%	1.4%	1.2%	0.9%
Manufacturing Employment	1.8%	1.2%	0.6%	1.2%	1.0%	-0.1%	-0.4%	-0.4%
Consumer sentiment index–University of Michigan	69.1	78.2	80.6	87.5	91.1	89.6	89.0	88.5
Exchange Rates	0.93	0.96	0.99	1.02	1.03	1.02	1.02	1.01
Current Trade Account (billions of \$)	(463.0)	(429.5)	(389.2)	(368.3)	(363.2)	(408.4)	(446.9)	(444.8)
Change in output per hour	0.4%	0.7%	1.1%	1.1%	1.7%	2.4%	2.2%	2.2%
Natural Gas-Henry Hub \$ per MCF	3.0	3.4	4.3	3.9	3.9	4.1	4.4	4.5
West TX Intermediate (dollars per bbl)	95.0	92.3	101.2	92.3	89.0	95.5	98.3	103.0
Wage Growth	1.7%	1.8%	1.9%	2.1%	2.5%	2.7%	2.9%	3.0%
<b>Albuquerque Variables</b>								
Employment Growth and Unemployment in Albuquerque MSA								
Total Non-Ag ABQ	-0.8%	0.4%	0.4%	0.8%	1.4%	1.4%	1.2%	1.2%
Private-Non Construction	0.0%	0.8%	0.4%	1.0%	1.6%	1.5%	1.3%	1.2%
Construction Employment (growth)	-8.6%	-0.4%	3.0%	1.9%	3.4%	3.4%	3.3%	2.8%
Manufacturing(ABQ)	1.1%	-0.9%	-3.1%	-1.1%	0.8%	0.4%	-0.2%	0.4%
Unemployment Rate (ABQ)	8.2%	7.3%	7.0%	6.5%	6.1%	6.0%	5.9%	5.8%
Construction Units Permitted in City of Albuquerque								
Single-Family Permits	723	915	814	864	1,012	1,319	1,515	1,520
Multi-Family Permits	262	933	760	929	841	951	1,007	1,032
Total Residential Permits	985	1,848	1,574	1,793	1,853	2,269	2,521	2,552
Source Global Insight and FOR-UNM October 2014 Baseline Forecasts								

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

TABLE 4

Albuquerque MSA Employment in Thousands								
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Employment	354,986	356,560	358,011	361,024	366,238	371,411	375,925	380,294
Private Employment	278,480	280,507	282,179	285,248	290,217	295,050	299,200	303,173
Mining & Agriculture	0,742	0,754	0,733	0,760	0,770	0,782	0,793	0,805
Construction	18,946	18,876	19,444	19,810	20,479	21,178	21,880	22,485
Manufacturing	17,708	17,548	16,996	16,814	16,952	17,023	16,993	17,066
Wholesale Trade	11,484	11,520	11,368	11,441	11,536	11,638	11,628	11,669
Retail Trade	40,755	40,830	41,411	41,757	42,227	42,687	42,869	43,204
Transportation, Warehousing & Utilities	8,865	8,998	9,102	9,352	9,628	9,915	10,149	10,377
Information	7,963	8,195	7,696	7,853	7,923	7,860	7,883	7,950
Finance & Insurance	10,615	10,675	10,988	11,084	11,144	11,204	11,264	11,324
Real Estate, Rental & Leasing	5,109	5,227	5,202	5,293	5,334	5,381	5,358	5,311
Professional & Technical Services	28,420	28,015	28,077	28,371	28,822	29,337	29,879	30,363
Management of Companies & Enterprises	3,340	3,298	3,361	3,341	3,351	3,358	3,362	3,364
Administrative & Waste Services	24,311	24,216	24,166	24,218	24,586	25,029	25,411	25,576
Educational Services	4,933	4,898	4,947	4,956	4,992	5,060	5,122	5,166
Healthcare & Social Assistance	47,509	48,551	49,245	50,253	51,698	53,278	54,523	55,672
Arts, Entertainment & Recreation	3,946	4,291	4,273	4,289	4,338	4,382	4,417	4,442
Accommodation & Food Services	33,971	34,913	35,794	36,364	37,063	37,517	38,222	38,922
Other Services & Unclassified	9,853	9,704	9,377	9,292	9,375	9,419	9,446	9,477
Government	76,506	76,053	75,833	75,775	76,021	76,361	76,725	77,122
Local Government	40,587	40,446	40,388	40,718	41,094	41,521	41,960	42,420
State Government	20,447	20,699	21,124	21,124	21,313	21,529	21,745	21,952
Federal Government	15,472	14,908	14,320	13,934	13,614	13,312	13,019	12,749
Military Employment	6,177	6,171	6,149	6,149	6,102	6,085	6,081	6,083
Growth Rates								
Total Employment	-0.8%	0.4%	0.4%	0.8%	1.4%	1.4%	1.2%	1.2%
Private Employment	-0.6%	0.7%	0.6%	1.1%	1.7%	1.7%	1.4%	1.3%
Mining & Agriculture	-8.9%	1.6%	-2.8%	3.7%	1.4%	1.5%	1.5%	1.5%
Construction	-8.6%	-0.4%	3.0%	1.9%	3.4%	3.4%	3.3%	2.8%
Manufacturing	1.1%	-0.9%	-3.1%	-1.1%	0.8%	0.4%	-0.2%	0.4%
Wholesale Trade	-3.7%	0.3%	-1.3%	0.6%	0.8%	0.9%	-0.1%	0.4%
Retail Trade	-0.5%	0.2%	1.4%	0.8%	1.1%	1.1%	0.4%	0.8%
Transportation, Warehousing & Utilities	-0.6%	1.5%	1.2%	2.7%	3.0%	3.0%	2.4%	2.2%
Information	-5.1%	2.9%	-5.1%	2.0%	0.9%	-0.3%	0.3%	0.9%
Finance & Insurance	-3.8%	0.6%	2.9%	0.9%	0.5%	0.5%	0.5%	0.5%
Real Estate, Rental & Leasing	1.0%	2.3%	-0.5%	1.7%	0.8%	0.9%	-0.4%	-0.9%
Professional & Technical Services	-1.0%	-1.4%	0.2%	1.0%	1.6%	1.8%	1.8%	1.6%
Management of Companies & Enterprises	1.3%	-1.3%	1.9%	-0.6%	0.3%	0.2%	0.1%	0.1%
Administrative & Waste Services	-2.5%	-0.4%	-0.2%	0.2%	1.5%	1.8%	1.5%	0.6%
Educational Services	5.2%	-0.7%	1.0%	0.2%	0.7%	1.4%	1.2%	0.9%
Healthcare & Social Assistance	3.3%	2.2%	1.4%	2.0%	2.9%	3.1%	2.3%	2.1%
Arts, Entertainment & Recreation	8.8%	8.8%	-0.4%	0.4%	1.1%	1.0%	0.8%	0.6%
Accommodation & Food Services	0.9%	2.8%	2.5%	1.6%	1.9%	1.2%	1.9%	1.8%
Other Services & Unclassified	0.0%	-1.5%	-3.4%	-0.9%	0.9%	0.5%	0.3%	0.3%
Government	-1.5%	-0.6%	-0.3%	-0.1%	0.3%	0.4%	0.5%	0.5%
Local Government	-1.0%	-0.3%	-0.1%	0.8%	0.9%	1.0%	1.1%	1.1%
State Government	-2.3%	1.2%	2.1%	0.0%	0.9%	1.0%	1.0%	1.0%
Federal Government	-1.9%	-3.6%	-3.9%	-2.7%	-2.3%	-2.2%	-2.2%	-2.1%
Military Employment	1.4%	-0.1%	-0.4%	0.0%	-0.8%	-0.3%	-0.1%	0.0%

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***CAPITAL BUDGET***

***Approved  
Operating Budget  
FY16***



### **Capital Program Overview**

The Water Authority's Capital program is comprised of different categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside of the Basic Program but are funded from the same revenue stream that funds the Basic Program. Since the Basic Program is the first in line to get this revenue, the size and scope of these Special Projects depend upon the availability of resources. Dedicated Revenue projects have a revenue element in the rate structure dedicated for that specific purpose and accordingly, their size and scope are dependent upon the revenue stream generated. The Water Authority has increased in recent years its utilization of state and federal grants to fund some capital projects in part or in whole.

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. FY16 is the first year of the two-year planning element included in the FY16 – FY25 Decade Plan approved by the Board in June, 2015.

Basic Program capital needs are incorporated into the water/wastewater rate structure. The Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and wastewater system shall be paid with cash rather than from borrowed funds. The balance of capital funding is obtained through revenue bond or loan financing. The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program. System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test. 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. There are no appropriations in the proposed FY16 CIP budget for projects that will be funded with revenues from FY17 or later.



## **FY16 Capital Program Appropriations and Spending by Categories**

### Summary Perspective

The FY16 capital program appropriation totals \$59.3 million. \$46.0 million is appropriated for the level one priority basic capital programs, \$4.0 million for growth related projects, and \$9.3 million is appropriated for special projects.

The \$9.3 million for special projects is comprised of \$6.0 million for Odor Control along Yucca and Central streets, \$2.0 million for the Automated Meter Infrastructure (AMI), \$1.0 million for steel water line replacement, and \$0.3 million for various renewable energy projects.

In order to meet reporting requirements, the Capital program is presented from the perspective of categories of spending. Category definitions are:

Rehabilitation = Costs required to extend the service life of an existing facility or to restore original performance or capacity by rehabilitating or replacing system components. In the following schedules, the word renewal is used in place of rehabilitation in conformity with the decade plan.

Growth = Costs for either new facilities, component additions or system upgrades that provide service or capacity for new or future customers, or restores needed reserves previously used to support new customers. Included in growth are costs for improvements not tied to specific infrastructure assets. Improvements include management information systems development, geographic information systems development, vehicles and asset management.

Valley = Costs for water and wastewater expansion projects in the North and South Valley service areas in partnership with Bernalillo County.

Water Resources Management Strategy (WRMS) = Costs for projects identified in the Water Resources Management Strategy as adopted by the City of Albuquerque in 1997 and as adopted by the Water Authority as successor. There is a revenue element in the rate structure dedicated for WRMS.

There are no appropriations in FY16 in either the Valley or the WRMS category.

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 on the next page is a detailed listing of all the Level 1 priority renewal projects, special projects, and growth related projects.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

Ref. No.	Project Description	FY14 Actual	FY15 Budget	FY16 Budget
<b>Basic Program Appropriations:</b>				
100	Sanitary Sewer Pipeline Renewal	\$ 4,694,871	\$ 4,400,000	\$ 7,125,000
200	Drinking Water Pipeline Renewal	7,101,670	3,150,000	9,975,000
300	Southside Water Reclamation Plant Renewal	15,843,003	24,000,000	17,450,000
400	Soil Amendment Facility (SAF) Renewal	53,078	50,000	200,000
500	Lift Station and Vacuum Station Renewal	711,868	2,425,000	975,000
600	Odor Control Facilities Renewal	64,138	10,000	210,000
700	Drinking Water Plant Groundwater System Renewal	1,087,850	2,165,000	3,120,000
800	Drinking Water Plant Treatment Systems Renewal	1,666,175	3,270,000	3,285,000
900	Reuse Line and Plant Rehab	445,090	30,000	60,000
1000	Compliance	351,830	600,000	-
1100	Shared Renewal	734,130	900,000	700,000
1200	Franchise Agreement Compliance	997,282	2,000,000	2,000,000
1300	Vehicles and Heavy Equipment	-	-	900,000
<b>Level 1 Priority Renewal Projects Total</b>		<b>\$33,750,985</b>	<b>\$43,000,000</b>	<b>\$46,000,000</b>
<b>Special Projects:</b>				
94001	Steel Waterline Rehab	\$ 304,838	\$ 1,000,000	\$ 1,000,000
94002	Leak Detection Program	255,057	-	-
94003	Automated Meter Infrastructure (AMI)	2,005,216	2,000,000	2,000,000
94004	Renewable Energy Projects	57,206	350,000	350,000
94005	Dedicated Water Rights Enhancement	535,200	-	-
94006	San Juan-Chama Drinking Water Project	113,506	-	-
94007	Southside Reuse Project	4,979	-	-
94008	San Juan-Chama Mitigation	218,208	-	-
94009	SunGard ERP	794,258	-	-
94019	Yucca and Central Odor Control	-	-	6,000,000
<b>Special Projects Total</b>		<b>\$ 4,288,468</b>	<b>\$ 3,350,000</b>	<b>\$ 9,350,000</b>
<b>Combined Level 1 Priority Renewal and Special Projects</b>		<b>\$38,039,453</b>	<b>\$46,350,000</b>	<b>\$55,350,000</b>
<b>Growth:</b>				
2000	Drinking Water Plant Facilities Growth	\$ 633,976	\$ -	\$ -
2100	Arsenic Treatment Growth	316	-	-
2300	Water Lines Growth	-	500,000	-
2600	Water Rights and Storage	2,050	-	-
2700	Development Agreements	977,012	1,250,000	1,250,000
2800	MIS/GIS	1,330,691	2,000,000	2,000,000
2900	Vehicles and Heavy Equipment	440,614	-	-
3000	Utility Risk Reduction	80,559	-	-
3100	Master Plans	161,495	-	500,000
3200	Miscellaneous	153,252	250,000	250,000
<b>Level 1 Priority Growth Projects Total</b>		<b>\$ 3,779,965</b>	<b>\$ 4,000,000</b>	<b>\$ 4,000,000</b>
<b>Grand Total</b>		<b><u>\$41,819,418</u></b>	<b><u>\$50,350,000</u></b>	<b><u>\$59,350,000</u></b>

## **FY16 Capital Program Highlights**

One of the major projects in the basic rehabilitation program is the Solids Dewatering Facility (SDF). During FY15, an evaluation was completed to determine if it would be more cost effective in terms of life-cycle costs to rehab the existing SDF or construct a brand new facility. The results of this evaluation determined that a rehab alternative is the most efficient and cost effective method in moving forward with this project. Funding will be used to design and construct improvements to the SDF. The improvements will provide a safer work environment, better and more reliable solids dewatering performance, and reduce maintenance costs.

Another significant project is the replacement of the Water Authority's wells. Over 40 percent of the wells are older than fifty years. Sixty years is the typical maximum life of a well before replacement is required. Funding will be used to contract with a consultant to recommend the location of replacement wells. An estimate for each well replacement is \$2.0 million. The Decade Plan shows funding for the replacement of twelve wells.

A smaller but significant project ongoing at the Southside Water Reclamation Plant is the continuing effort to upgrade the plant wide electrical and instrumentation controls. The electrical gear at the reclamation plant has reached or has passed its design life which makes it difficult for the plant to keep the electrics in a good and safe working condition. There are negative impacts on reliability as a result which has impacted treatment processes during plant wide facility power outages and been responsible for NPDES discharge permit violations.

The funding plan of capital improvement spending for renewing the existing digesters and adding additional capacity is established into phases. Phase 1 will be to fix the existing mechanical, electrical, and instrumentation systems. The spending for this work will be covered in Decade Plan Line No. 304.

At the same time as the Phase 1 Rehab, the first phase of capacity increases will occur through the addition of more liquid digested sludge storage (i.e., conversion of the 0.6-mil gallon Reuse Tank and the construction of a new 2.0-mil gal tank. Once this is completed, two of the four secondary digesters will be converted to primary digesters. A second phase of capacity increase is indicated at the end of the decade. The spending for capacity expansion will be covered in Decade Plan Line No. 325.

Decade Plan Line No. 332 will cover the second phase of the rehab of the existing digesters. This work can be done once there is more available liquid digested sludge storage and two additional primary digesters. This will allow pairs of primary digesters to be taken off-line for several months to allow structural repairs and the renewal of interior coatings.

The largest planned project other than at the water reclamation plant is the sanitary interceptor system, which is the backbone of the Water Authority's current wastewater collection system. It is designed to carry large flows from the collection line system for delivery to the plant for treatment. There are over 242 miles throughout the service area of interceptor lines which range in size.

46 percent of the current interceptors within the system are made of concrete and have suffered substantial hydrogen sulfide corrosion damage along the upper portions of pipe. This ultimately results in complete pipe failure which could cause a sinkhole to form at any time within the public right-of-way. Funding for this program will provide evaluation, planning, design, construction, and related activity necessary for sanitary wastewater interceptor rehabilitation or complete removal and replacement of severely deteriorated wastewater interceptor lines that are beyond rehabilitation. The spending is dedicated in Decade Plan Line No. 102.

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

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

The following shows the planned funding allocation by category/project for a five-year period.

Ref. No.	Project Description	FY16 (000's)	FY17 (000's)	FY18 (000's)	FY19 (000's)	FY20 (000's)	TOTAL (000's)
<b>Basic Program Appropriations:</b>							
100	Sanitary Sewer Pipeline Renewal	\$ 7,125	\$ 8,600	\$10,000	\$12,500	\$12,650	\$ 50,875
200	Drinking Water Pipeline Renewal	9,115	3,630	4,860	6,160	6,860	30,625
300	Southside Water Reclamation Plant Renewal	17,450	26,520	22,975	21,700	23,975	112,620
400	Soil Amendment Facility (SAF) Renewal	200	50	50	50	50	400
500	Lift Station and Vacuum Station Renewal	875	2,375	3,605	3,135	2,550	12,540
600	Odor Control Facilities Renewal	310	60	60	250	10	690
700	Drinking Water Plant Groundwater System Renewal	3,120	2,400	5,965	5,520	6,810	23,815
800	Drinking Water Plant Treatment Systems Renewal	3,210	1,800	980	2,630	1,845	10,465
900	Reuse Line and Plant Rehab	920	70	70	70	70	1,200
1000	Compliance	-	195	110	110	55	470
1100	Shared Renewal	700	400	400	400	650	2,550
1200	Franchise Agreement Compliance	2,000	2,000	2,000	2,000	2,000	10,000
1300	Vehicles and Heavy Equipment	900	900	900	450	450	3,600
<b>Level 1 Priority Renewal Projects Total</b>		<b>\$ 45,925</b>	<b>\$49,000</b>	<b>\$51,975</b>	<b>\$54,975</b>	<b>\$57,975</b>	<b>\$259,850</b>
<b>Special Projects:</b>							
94001	Steel Waterline Rehab	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
94002	Leak Detection Program	-	-	-	-	-	-
94003	Automated Meter Infrastructure (AMI)	2,000	2,000	2,000	2,000	2,000	10,000
94004	Renewable Energy Projects	350	350	350	350	350	1,750
94005	Dedicated Water Rights Enhancement	-	-	-	-	-	-
94006	San Juan-Chama Drinking Water Project	-	-	-	-	-	-
94007	Southside Reuse Project	-	-	-	-	-	-
94008	San Juan-Chama Mitigation	-	-	-	-	-	-
94009	SunGard ERP	-	-	-	-	-	-
94019	Yucca and Central Odor Control	1,000	5,000	-	-	-	6,000
<b>Special Projects Total</b>		<b>\$ 4,350</b>	<b>\$ 8,350</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 3,350</b>	<b>\$ 22,750</b>
<b>Combined Level 1 Priority Renewal and Special Projects</b>		<b>\$ 50,275</b>	<b>\$57,350</b>	<b>\$55,325</b>	<b>\$58,325</b>	<b>\$61,325</b>	<b>\$282,600</b>
<b>Growth:</b>							
2000	Drinking Water Plant Facilities Growth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2100	Arsenic Treatment Growth	-	-	-	-	-	-
2300	Water Lines Growth	-	-	500	500	500	1,500
2600	Water Rights and Storage	-	-	-	-	-	-
2700	Development Agreements	1,250	1,250	1,250	1,250	1,250	6,250
2800	MIS/GIS	2,000	2,000	2,000	2,000	2,000	10,000
2900	Vehicles and Heavy Equipment	-	-	-	-	-	-
3000	Utility Risk Reduction	-	-	-	-	-	-
3100	Master Plans	500	500	-	-	-	1,000
3200	Miscellaneous	250	250	250	250	250	1,250
<b>Level 1 Priority Growth Projects Total</b>		<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 20,000</b>
<b>Grand Total</b>		<b>\$ 54,275</b>	<b>\$61,350</b>	<b>\$59,325</b>	<b>\$62,325</b>	<b>\$65,325</b>	<b>\$302,600</b>



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Sanitary Sewer Interceptor Rehab and Contingency

**Decade Plan Line and Work Category:** 101 & 102 - Sewer Pipeline Renewal

**Description:**

**Risk Ranking:** 61.6

This program provides funding for evaluation, planning, design, construction, and related activity necessary for sanitary sewer interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond feasible rehabilitation. Contingency funding, 102, is also included in the estimated cash flows.

<b>Project Revenue (\$1000s)</b>		
FY16	5,000	The sanitary sewer interceptor system is the backbone to the Utility's current sewer collection system. It is designed to carry large flows from the collection line system for delivery to the plant for treatment. There are over 242 miles throughout the service area of interceptor lines which range in size from 12-inch up to 72-inch.
FY17	6,500	
FY18	6,000	
FY19	7,000	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.
FY20	7,150	
FY21	9,100	
FY22	10,000	The cost of repair under emergency conditions after a collapse is two to three times more than the cost of rehabilitation on a planned basis and the liability associated far exceeds these costs.
FY23	9,550	
FY24	12,550	
FY25	12,550	
<b>Total</b>	<b>85,400</b>	

*Other Alternatives Considered?*

None

***New 48" Sewer Line to be Slip-lined into an existing 54" Concrete Pipe in Broadway NE***



***New 27-inch Sewer Line Sliplined in the old 30" Concrete Pipe in Prospect NE west of Carlisle***



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Small Diameter Water Line Renewal with Contingency

Decade Plan Line and Work Category: 201 & 202 - Water Lines Renewal

### Description:

Risk Ranking: 61.2

This program provides funding for evaluation, planning, design, construction, and related activity necessary for the rehabilitation or replacement of water lines that have deteriorated and are past their useful life. The activity includes both planned rehab, (201) and emergency (contingency), (202) funding.

### Project Cash Flow Est.

	(\$1000s)
FY16	1,740
FY17	2,460
FY18	3,960
FY19	5,060
FY20	5,960
FY21	7,960
FY22	9,715
FY23	9,745
FY24	12,860
FY25	15,860
<b>Total =</b>	<b>75,320</b>

There are over 2,000 miles of small diameter (4-inch to 10-inch) water lines that serve as the distribution network for the Authority's water system. These lines are used to provide domestic metered water service, fire protection, and irrigation uses for our customers. Currently there is over 500-miles of pipe that is deficient either in wall integrity or size that poses potential threats to the Utility. As our older steel or cast iron lines become deficient, the Utility will often respond to numerous leaks. These leaks if gone unnoticed do have the potential, under certain circumstances, to become sinkholes which destroy entire roadways and create incredible liability for the utility.

### Other Alternatives Considered?

None. There are no other alternatives for this critical activity.

**New 6-inch Water Line Installation**



**Old Steel Line at the Break Point**



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Sludge Dewatering Facilities

Decade Plan Line and Work Category: 302 - Wastewater Facilities Rehab

### Description:

### Risk Ranking:

66.5

The Solids Dewatering Facility (SDF) removes water from all of the plant's sludge prior to transport to the Soils Amendment Facility (SAF) for disposal. The existing SDF has been in use for over 25 years and requires renewal. It was poorly designed, un reliable, is difficult to maintain, and is in need of safety upgrades to protect workers from potential exposures.

### Project Cash Flow Est.

	(\$1000s)	
FY16	2,000	During FY2015, an evaluation was completed to determine if it would be more cost effective in terms of life-cycle costs to rehab the existing SDF or construct a brand new facility. The evaluation indicated that the Rehab Alternative has a life cycle cost ranging from \$24.9- to \$33.4-million, depending on the option versus a life cycle cost of \$36.5-million for the Replacement Alternative. Therefore, the Rehab Alternative was selected for moving forward with this project.
FY17	16,000	
FY18	-	
FY19	-	
FY20	-	
FY21	-	
FY22	-	
FY23	-	
FY24	-	
FY25	-	
<b>Total =</b>	<b>18,000</b>	The funding shown together with approximately \$15-million in carryover from FY 2015 will be used to design and construct improvements to the SDF. The improvements will provide a safer work place, better and more reliable solids dewatering performance, and have reduced maintenance.

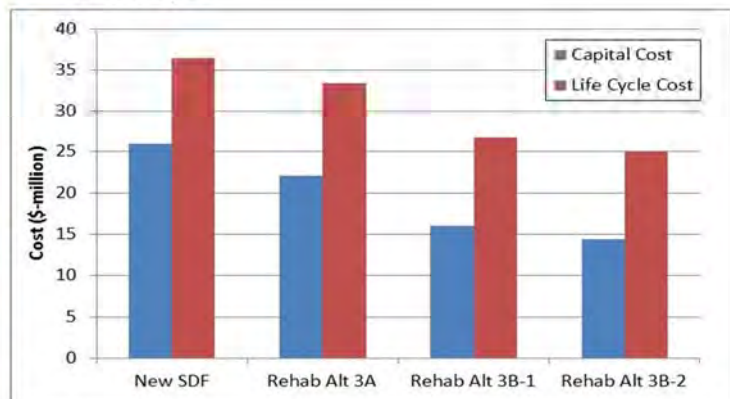
### Other Alternatives Considered?

The alternative of rehabing the existing SDF was reassessed and compared to constructing a brand new facility. It was determined that the construction cost and the life cycle costs supported rehabing the existing facility. A new SDF will be constructed in the future, when additional processing capacity is required.

### Existing Solids Dewatering Facility



### Cost Analysis





# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Digester Renewal

Decade Plan Line and Work Category: 304 - Southside Water Reclamation Plant Renewal

### Description:

### Risk Ranking:

68.8

The digesters remove volatile solids in the sludge produced by the plant's liquid treatment operations prior to sludge dewatering and land disposal. The digestion process converts volatile solids into a methane gas by-product that is burned by the plant's Co-generation system to produce electric power for plant operations and produce hot water for digester heating and space heating of SWRP buildings

### Project Cash Flow Est.

	(\$1000s)	
FY16	2,850	The funding for this project will be used to do rehabilitation of the existing 14 anaerobic digesters at the SWRP. This will include structural repairs to cracked and spalled concrete, as well as upgrading of the electrical, instrumentation, and mechanical systems.
FY17	2,020	
FY18	11,070	
FY19	-	
FY20	-	
FY21	-	The structural rehabilitation work requires digesters to be taken out of service for extended periods of time. To allow these shut-downs, while continuing to meet treatment requirements, additional digester capacity will be required to be constructed. This work is described as Project 325 - Digester Capacity Improvements.
FY22	-	
FY23	-	
FY24	-	
FY25	-	
<b>Total =</b>	<b>15,940</b>	

### Other Alternatives Considered?

Alternative types of digester mixing were considered with the goal of using a standard configuration for mixers in all digesters. A relatively new, lower energy mixing technology, linear mixing, has been selected for further evaluation. A pilot/demonstration project is under design during FY15 and will be constructed during FY16. If this mixing technology is found to be reliable and perform well, it will likely be implemented on all primary digesters.

*Digester*



*Digester Heat Exchanger for heating the sludge*



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Digester Capacity Improvements

Decade Plan Line and Work Category: 325 - Southside Water Reclamation Plant Renewal

### Description:

Risk Ranking: 67.9

The existing anaerobic digesters at the SWRP are operating at near capacity. Additional digester capacity is needed to increase the reliability of the SWRP in case one or more of the digesters is out of service for repair or maintenance. Also, as flows to the plant increase, additional capacity will have to be added.

### Project Cash Flow Est.

	(\$1000s)	
FY16	4,000	The funding for this project will provide for a consultant to assist in the evaluation and design of additional digesters for the plant. New digesters will be constructed in phases. During the first phase, additional liquid digested sludge storage will be designed and constructed. The existing 0.6-mil gal ReUse Tank will be modified to provide storage capacity. In addition, a new 2-mil gal concrete tank will be designed and constructed. This will allow two of the existing secondary digesters that are used for liquid storage to be converted to primary digesters. Once this is completed, the other digesters will undergo major rehabilitations. This will be done in pairs until all the digesters are rehabilitated. The second phase will be to convert the remaining two secondary digesters to primary digesters. This should bring the capacity of this process up to the plant's nominal capacity of 76 mgd based on maximum month flows.
FY17	-	
FY18	1,000	
FY19	5,450	
FY20	5,740	
FY21	-	
FY22	2,755	
FY23	4,000	
FY24	-	
FY25	-	
<b>Total =</b>	<b>22,945</b>	

### Other Alternatives Considered?

Major structural modifications to allow the use of heavy roof-mounted mixers was evaluated but was determined to not be cost effective. In the future, as anaerobic digestion technology advances, the construction of new digesters may be warranted.

*Existign digester at the SWRP*



*Digester Heat Exchanger for heating the sludge*



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Management Information Systems and Geographical Information Systems

Decade Plan Line and Work Category: 2801 - MIS/GIS

### Description:

Risk Ranking: 36.0

This project encompasses primarily new technology initiatives and the upgrade of hardware/software which is either approaching end-of-life or is unsupported by the vendor. Hardware life span is estimated between 3-5 years; with software life span of a current release level can range from 6 months to 2 years. As technology continues to increase in its support of business operations, it is critical to maintain its currency.

### Project Cash Flow Est.

(\$1000s)

FY16	2,000
FY17	2,000
FY18	2,000
FY19	2,000
FY20	2,000
FY21	2,000
FY22	2,000
FY23	2,000
FY24	2,000
FY25	2,000
<b>Total =</b>	<b>20,000</b>



**Servers and Databases (New and Upgrades):** This category covers servers that house all software applications and the databases that support those applications. Applications include CC&B, Maximo, Kronos, LIMS and GIS, among others. Databases include Oracle and SQL Server and some that are no longer supported. It also includes networking equipment.

**Applications (New and Upgrades):** This category covers the purchase and upgrades of new software, both enterprise-wide and division specific. Examples include: CC&B, Maximo, Sharepoint, LIMS, H2O Water Waste, and Kronos. On average, 2-4 service packs (including several patches) are released each year, with major releases occurring every 1-3 years.

**Client Services (New and Upgrades):** This category covers hardware and software at the clients desktop. It includes the ongoing upgrade of desktop computers, monitors, keyboards, etc. and the upgrades of Windows operating systems and Microsoft software. It also includes the purchase of new desktop equipment and software.

**Geographic Information Systems (GIS – New and Upgrades):** This category represents all purchases done within the GIS environment to include new software and hardware. It includes the purchase of GIS-related software for Maximo and mobile devices, including vehicle tracking.

**Mobile, Security and Telecommunications (New and Upgrades):** This new category addresses the mobile, security and telecommunications environment to include portable devices, phones, vehicle location devices, radios, security cameras, etc. It is expected that category will expand over the coming years due to the advancement of mobile, security and telecommunications technology.

**Risks:** The majority of items requested either provides for continual efficient running and backups of mission critical systems (CC&B, Maximo, Kronos, LIMS, GIS, Security) or provide



# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## Project Title - Yucca/Central Interceptor Realignment

Decade Plan Line and Work Category: 9419 - Special Projects

Description: (when, where, expected level of service)

Risk Ranking: N/A

This program provides funding for evaluation, planning, design, construction, and related activity necessary for the re-alignment of a segment of the Westside Interceptor in the location of the intersection of Yucca Drive and Central Avenue.

Project Cash Flow Est. Narrative: (knowledge of asset, why project, how, failure, how does this reduce WA risk)

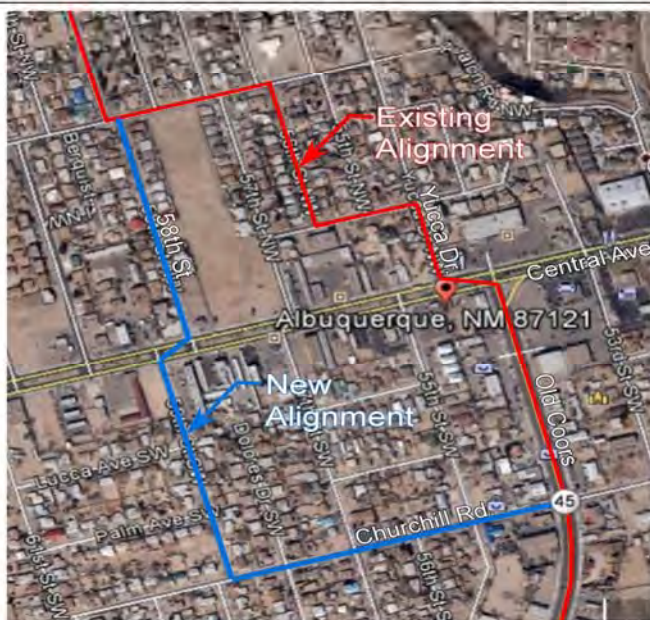
	(\$1000s)
FY16	1,000
FY17	5,000
FY18	-
FY19	-
FY20	-
FY21	-
FY22	-
FY23	-
FY24	-
FY25	-
<b>Total =</b>	<b>6,000</b>

The neighborhood in the vicinity of Yucca Drive and Central Avenue has been plagued with offensive sewer odors for many years. This problem is caused by the current geometry of the segment of Westside Interceptor in this location. A interceptor flows down a steep hill, makes changes in direction, and then flattens out. This results in pressurization of the odorous sewer gases that then escape into the atmosphere.

This project will re-align the interceptor and incorporate features to maintain a steady gradient. This will minimize gas pressurization and the resulting off-gassing.

Other Alternatives Considered?

Continued treatment of the off-gas and chemical treatment to the sewage has reduced the amount of offensive odors, but has not eliminated the problem.



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## ***DEBT OBLIGATIONS***

***Approved  
Operating Budget  
FY16***

## **DEBT OBLIGATIONS**

The joint water and wastewater system (the “Water/Wastewater System”) was owned by the City of Albuquerque, New Mexico (the “City”) and operated by its Public Works Department until December 17, 2003. Revenue bond debt relating to the Water/Wastewater System continues to be outstanding. 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 (the “Water Authority”) and provided that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Wastewater System would be transferred to the Water Authority. The legislation also provides that the debts of the City, payable from net revenues of the Water/Wastewater 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/Wastewater System. The legislation also required that the New Mexico Public Regulation Commission audit the Water/Wastewater System prior to the transfer of money, assets and debts of the Water/Wastewater System; the audit was completed December 2003. The policy-making functions of the Water/Wastewater System have been transferred to the Water Authority. The Water Authority and the City entered into a Memorandum of Understanding dated January 21, 2004, as amended April 7, 2004, under which the City continued to operate the Water/Wastewater 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/Wastewater System parity obligations are currently rated “Aa2” by Moody’s, “AA+” by S&P and “AA” by Fitch.

The total outstanding obligation indebtedness of the Water Authority as of July 1, 2015 is \$665.312 million shown in the table on the next page.

**Fiscal Year 2016 Debt Service Payments**
**Ratings: Aa2/AA+/AA**

Issue	Basic Capital Bonds		San Juan-Chama Debt		New Mexico Finance Authority		Total Issue
	Principal	Interest	Principal	Interest	Principal	Interest	
Bonds Series 2005 Basic	1,990,000.00	49,750.00					2,039,750.00
Bonds Series 2005 SJC			8,365,000.00	209,125.00			8,574,125.00
Bonds Series 2006A Basic	990,000.00	80,587.50					1,070,587.50
Bonds Series 2006A SJC			5,605,000.00	434,793.75			6,039,793.75
Bonds Series 2009A-1 Basic	4,755,000.00	1,071,900.00					5,826,900.00
Bonds Series 2009A-1 NMU	1,590,000.00	1,382,687.50					2,972,687.50
Bonds Series 2009A-1 SJC			180,000.00	157,250.00			337,250.00
Bonds Series 2009A-1 SWRP	515,000.00	449,462.50					964,462.50
Bonds Series 2013A Basic	3,485,000.00	2,889,575.00					6,374,575.00
Bonds Series 2013B	7,605,000.00	2,573,125.00					10,178,125.00
Bonds Series 2014A		0.00					4,634,362.50
Bonds Series 2014B	450,000.00	3,961,900.00					4,411,900.00
Bonds Series 2015	0.00	6,463,795.54					6,463,795.54
NMFA Duranes \$3.6M					333,826.00	3,338.26	337,164.26
NMFA Loan No. 03 Basic					2,530,000.00	400,912.50	2,930,912.50
NMFA Loan No. 03 SJC					1,650,000.00	98,437.50	1,748,437.50
NMFA Loan No. 04 1727-AD					483,598.00	167,321.88	650,919.88
NMFA Loan No. 05 WTB-79					5,067.00	180.77	5,247.77
NMFA Loan No. 06 WTB-51					2,530.00	90.25	2,620.25
NMFA Loan No. 07 2316-ADW					46,791.00	8,389.93	55,180.93
NMFA Loan No. 11 WTB-177					9,887.00	378.36	10,265.36
NMFA Loan No. 12 WTB-205					22,233.00	964.08	23,197.08
NMFA Loan No. 13 WTB-206					31,481.00	1,365.07	32,846.07
NMFA Loan No. 14 WTB-207					3,116.00	135.13	3,251.13
NMFA Loan No. 15 Basic					2,980,000.00	1,421,500.00	4,401,500.00
NMFA Loan No. 15 Reuse					279,093.23	453,173.40	732,266.63
NMFA Loan No. 15 SJC					130,906.77	212,557.84	343,464.61
<b>TOTAL</b>	<b><u>21,380,000.00</u></b>	<b><u>23,557,145.54</u></b>	<b><u>14,150,000.00</u></b>	<b><u>801,168.75</u></b>	<b><u>8,508,529.00</u></b>	<b><u>2,768,744.97</u></b>	<b><u>71,165,588.26</u></b>

**SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS**

SENIOR DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2005	132,985,000	10,355,000	1,990,000	8,365,000
Bonds Series 2006	133,390,000	13,505,000	2,030,000	11,475,000
Bonds Series 2009A-1	135,990,000	65,695,000	25,900,000	39,795,000
Bonds Series 2013A	62,950,000	60,950,000	60,950,000	
Bonds Series 2013B	55,265,000	55,265,000	55,265,000	
Bonds Series 2014A	97,270,000	97,270,000	97,270,000	
Bonds Series 2015	211,940,000	211,940,000	211,940,000	
NMFA Duranes \$3.6M	3,600,000	333,826	333,826	
NMFA Loan No. 03	77,005,000	9,720,000	7,795,000	1,925,000
NMFA Loan No. 07 2316-ADW	1,000,000	862,388		862,388
NMFA Loan No. 15	53,400,000	42,800,000	28,430,000	14,370,000
<b>SUBTOTAL WATER AUTHORITY SENIOR DEBT OBLIGATIONS</b>	<b>\$ 964,795,000</b>	<b>\$568,696,214</b>	<b>\$ 491,903,826</b>	<b>\$ 76,792,388</b>
SUBORDINATE/SUPERSUBORDINATE DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2014B	87,005,000	87,005,000	87,005,000	
NMFA Loan No. 04 1727-AD	10,426,232	8,366,094		8,366,094
NMFA Loan No. 05 WTB-79	100,000	72,109		72,109
NMFA Loan No. 06 WTB-51	50,000	36,000		36,000
NMFA Loan No. 11 WTB-177	200,000	150,932		150,932
NMFA Loan No. 12 WTB-205	452,000	385,632		385,632
NMFA Loan No. 13 WTB-206	640,000	546,028		546,028
NMFA Loan No. 14 WTB-207	63,354	54,051		54,051
<b>SUBTOTAL SUBORDINATE/SUPERSUBORDINATE DEBT OBLIGATIONS</b>	<b>\$ 98,936,586</b>	<b>\$ 96,615,846</b>	<b>\$ 87,005,000</b>	<b>\$ 9,610,846</b>
<b>GRAND TOTAL - WATER AUTHORITY DEBT OBLIGATIONS</b>	<b><u>\$ 1,063,731,586</u></b>	<b><u>\$665,312,060</u></b>	<b><u>\$ 578,908,826</u></b>	<b><u>\$ 86,403,234</u></b>



**Albuquerque Bernalillo County Water Utility Authority - Senior Lien Debt (Principal and Interest)**

Fiscal Year	Series 2005 Bonds	Series 2006A Bonds	Series 2009A-1 Bonds	Series 2013A Bonds	Series 2013B Refunding	Series 2014A Bonds
2016	10,613,875	7,110,381	10,101,300	6,374,575	10,178,125	4,634,363
2017		7,088,444	10,054,875	6,360,400	11,601,625	5,708,013
2018			10,052,750	6,335,125	6,512,250	12,313,913
2019			10,036,600	6,333,625	6,559,000	12,274,288
2020			10,025,825	6,327,500	6,610,750	12,216,413
2021			1,432,200	6,321,375	6,651,875	12,183,413
2022			1,432,200	6,314,750	6,706,500	12,136,038
2023			1,432,200	6,312,000	6,748,750	12,236,456
2024			1,432,200	6,302,625	2,980,750	12,182,375
2025			1,432,200	6,296,125	2,480,500	12,164,750
2026			1,432,200	6,291,750		12,082,375
2027			1,432,200	1,330,875		10,461,375
2028			1,432,200	1,329,250		
2029			1,432,200	1,330,750		
2030			1,432,200	1,330,250		
2031			6,218,181	1,327,750		
2032			6,208,450	1,328,125		
2033			6,199,938	1,326,250		
2034			6,196,725	1,322,125		
2035			6,183,156	1,320,625		
2036				1,321,500		
2037				1,319,625		
2038				1,319,875		
2039				1,317,125		
<b>TOTAL</b>	<b><u>10,613,875</u></b>	<b><u>14,198,825</u></b>	<b><u>95,599,800</u></b>	<b><u>86,793,975</u></b>	<b><u>67,030,125</u></b>	<b><u>130,593,769</u></b>

Fiscal Year	Series 2015 Bonds	Duranes \$3.6M NMFA	Loan No. 03 NMFA	Loan No. 07 2316-ADW NMFA	Loan No. 15 NMFA	TOTAL SENIOR DEBT
2016	6,463,796	337,164	4,679,350	55,181	5,477,231	<b>66,025,341</b>
2017	9,536,748		5,825,975	55,179	5,472,731	<b>61,703,989</b>
2018	12,682,548			55,177	5,474,981	<b>53,426,743</b>
2019	21,127,848			55,174	5,473,231	<b>61,859,765</b>
2020	21,106,973			55,172	5,477,231	<b>61,819,863</b>
2021	23,986,223			55,169	5,476,231	<b>56,106,485</b>
2022	24,311,348			55,167	5,474,981	<b>56,430,983</b>
2023	17,987,223			55,165	5,477,981	<b>50,249,775</b>
2024	22,087,723			55,162	1,074,481	<b>46,115,315</b>
2025	21,920,973			55,159	1,074,231	<b>45,423,938</b>
2026	19,336,348			55,157	1,077,481	<b>40,275,311</b>
2027	20,866,723			55,155	1,079,031	<b>35,225,358</b>
2028	21,042,446			55,152	1,074,281	<b>24,933,329</b>
2029	12,990,008			55,149	1,077,094	<b>16,885,200</b>
2030	12,981,050			55,147	1,074,344	<b>16,872,991</b>
2031	8,245,640			55,143	1,074,844	<b>16,921,558</b>
2032	8,181,775			55,143	1,076,644	<b>16,850,137</b>
2033	8,172,900				1,078,394	<b>16,777,481</b>
2034	8,195,700				1,074,719	<b>16,789,269</b>
2035					1,078,375	<b>8,582,156</b>
2036					1,075,063	<b>2,396,563</b>
2037						<b>1,319,625</b>
2038						<b>1,319,875</b>
2039						<b><u>1,317,125</u></b>
<b>TOTAL</b>	<b><u>301,223,987</u></b>	<b><u>337,164</u></b>	<b><u>10,505,325</u></b>	<b><u>937,750</u></b>	<b><u>57,793,581</u></b>	<b><u>775,628,176</u></b>

**Albuquerque Bernalillo County Water Utility Authority - Super/Subordinate Lien Debt (Principal and Interest)**

Fiscal Year	Series 2014B Bonds	Loan No. 04 1727-AD NMFA	Loan No. 05 WTB-79 NMFA	Loan No. 06 WTB-51 NMFA	Loan No. 11 WTB-177 NMFA	Loan No. 12 WTB-205 NMFA
2016	4,411,900	650,920	5,248	2,620	10,265	23,197
2017	12,736,000	650,944	5,248	2,620	10,265	23,200
2018	14,119,975	650,969	5,248	2,620	10,265	23,198
2019	11,070,550	650,994	5,247	2,620	10,265	23,198
2020	10,844,725	651,020	5,248	2,620	10,265	23,198
2021	10,572,475	651,047	5,248	2,620	10,264	23,200
2022	10,148,125	651,073	5,248	2,620	10,264	23,197
2023	9,931,375	651,100	5,248	2,620	10,265	23,198
2024	9,577,875	651,128	5,248	2,620	10,265	23,199
2025	9,216,000	651,156	5,248	2,620	10,265	23,199
2026	8,850,875	651,185	5,248	2,620	10,264	23,198
2027		651,215	5,248	2,620	10,265	23,198
2028		651,245	5,248	2,620	10,265	23,199
2029		651,276	5,247	2,620	10,264	23,199
2030		651,308			10,265	23,198
2031						23,199
2032						23,199
<b>TOTAL</b>	<b><u>111,479,875</u></b>	<b><u>9,766,581</u></b>	<b><u>73,470</u></b>	<b><u>36,679</u></b>	<b><u>153,971</u></b>	<b><u>394,373</u></b>

Fiscal Year	Loan No. 13 WTB-206 NMFA	Loan No. 14 WTB-207 NMFA	TOTAL SUPER/ SUB. DEBT	TOTAL DEBT SERVICE
2016	32,846	3,251	5,140,248	<b>71,165,588</b>
2017	32,850	3,252	13,464,377	<b>75,168,366</b>
2018	32,846	3,252	14,848,373	<b>68,275,116</b>
2019	32,846	3,252	11,798,972	<b>73,658,738</b>
2020	32,846	3,252	11,573,173	<b>73,393,036</b>
2021	32,849	3,252	11,300,955	<b>67,407,440</b>
2022	32,847	3,251	10,876,625	<b>67,307,609</b>
2023	32,847	3,251	10,659,904	<b>60,909,679</b>
2024	32,847	3,251	10,306,433	<b>56,421,749</b>
2025	32,848	3,251	9,944,587	<b>55,368,526</b>
2026	32,847	3,251	9,579,489	<b>49,854,800</b>
2027	32,847	3,251	728,645	<b>35,954,003</b>
2028	32,848	3,251	728,676	<b>25,662,005</b>
2029	32,848	3,251	728,706	<b>17,613,906</b>
2030	32,847	3,251	720,869	<b>17,593,859</b>
2031	32,848	3,251	59,297	<b>16,980,856</b>
2032	32,846	3,253	59,298	<b>16,909,435</b>
2033				<b>16,777,481</b>
2034				<b>16,789,269</b>
2035				<b>8,582,156</b>
2036				<b>2,396,563</b>
2037				<b>1,319,625</b>
2038				<b>1,319,875</b>
2039				<b><u>1,317,125</u></b>
	<b><u>558,404</u></b>	<b><u>55,276</u></b>	<b><u>122,518,629</u></b>	<b><u>898,146,804</u></b>

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***STATISTICAL  
INFORMATION***

***Approved  
Operating Budget  
FY16***

# **ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

## **GENERAL FUND - 21 RESOURCES, APPROPRIATIONS, AND FUND BALANCE LAST TEN FISCAL YEARS**

(000's)	ACTUAL FY05	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08
<b>RESOURCES:</b>				
Miscellaneous Revenues	(283)	13,941	5,610	4,754
Enterprise Revenues	103,200	112,134	115,414	136,486
Transfers from Other Funds	<u>1,331</u>	<u>1,353</u>	<u>1,520</u>	<u>1,564</u>
Total Current Resources	104,248	127,428	122,544	142,804
Beginning Working Capital Balance	<u>12,419</u>	<u>5,194</u>	<u>19,919</u>	<u>19,489</u>
<b>TOTAL RESOURCES</b>	<b><u>116,667</u></b>	<b><u>132,622</u></b>	<b><u>142,463</u></b>	<b><u>162,293</u></b>
<b>APPROPRIATIONS:</b>				
Joint Water/Wastewater Operations	57,998	60,000	65,596	72,468
Transfers to Other Funds	<u>53,175</u>	<u>50,152</u>	<u>59,250</u>	<u>52,705</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>111,173</u></b>	<b><u>110,152</u></b>	<b><u>124,846</u></b>	<b><u>125,173</u></b>
ADJUSTMENTS TO WORKING CAPITAL BALANCE	<u>(300)</u>	<u>(2,551)</u>	<u>1,872</u>	<u>(13,334)</u>
<b>ENDING WORKING CAPITAL BALANCE</b>	<b><u>5,194</u></b>	<b><u>19,919</u></b>	<b><u>19,489</u></b>	<b><u>23,786</u></b>

**Note: In FY09 the Water Authority collapsed Fund 622 into Fund 21 creating one operating fund.**

**Source: Albuquerque Bernalillo County Water Utility Authority Comprehensive Annual Financial Report.**

**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

ACTUAL FY09	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14
2,586	1,562	3,064	2,554	1,188	3,843
121,411	152,148	157,276	175,505	178,942	180,228
<u>1,516</u>	<u>1,493</u>	<u>1,500</u>	<u>1,745</u>	<u>1,710</u>	<u>593</u>
125,513	155,203	161,840	179,804	181,840	184,664
<u>23,786</u>	<u>16,065</u>	<u>(636)</u>	<u>(10,650)</u>	<u>(10,869)</u>	<u>(10,921)</u>
<b><u>149,299</u></b>	<b><u>171,268</u></b>	<b><u>161,204</u></b>	<b><u>169,154</u></b>	<b><u>170,971</u></b>	<b><u>173,743</u></b>
71,994	89,853	96,243	95,371	102,310	110,291
<u>57,500</u>	<u>87,538</u>	<u>79,593</u>	<u>82,828</u>	<u>82,177</u>	<u>76,094</u>
<b><u>129,494</u></b>	<b><u>177,391</u></b>	<b><u>175,836</u></b>	<b><u>178,199</u></b>	<b><u>184,487</u></b>	<b><u>186,385</u></b>
<u>(3,740)</u>	<u>5,487</u>	<u>3,982</u>	<u>(1,824)</u>	<u>2,595</u>	<u>1,967</u>
<b><u>16,065</u></b>	<b><u>(636)</u></b>	<b><u>(10,650)</u></b>	<b><u>(10,869)</u></b>	<b><u>(10,921)</u></b>	<b><u>(10,676)</u></b>

**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET****SUSTAINABLE WATER SUPPLY FUND – 622  
RESOURCES, APPROPRIATIONS, AND FUND BALANCE  
SINCE INCEPTION OF FUND**

(000's)	ACTUAL FY99	ACTUAL FY00	ACTUAL FY01	ACTUAL FY02
<b>RESOURCES:</b>				
Miscellaneous Revenues	(10)	13	231	197
Strategy Implementation Revenues	<u>4,005</u>	<u>7,310</u>	<u>9,954</u>	<u>13,279</u>
Total Current Resources	3,995	7,323	10,185	13,476
Beginning Fund Balance	<u>-</u>	<u>(727)</u>	<u>2,151</u>	<u>5,302</u>
<b>TOTAL RESOURCES</b>	<b><u>3,995</u></b>	<b><u>6,596</u></b>	<b><u>12,336</u></b>	<b><u>18,778</u></b>
<b>APPROPRIATIONS:</b>				
Sustainable Water Operations	3,036	2,636	3,608	7,297
Transfers to Other Funds	<u>1,680</u>	<u>1,809</u>	<u>3,498</u>	<u>6,948</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>4,716</u></b>	<b><u>4,445</u></b>	<b><u>7,106</u></b>	<b><u>14,245</u></b>
ADJUSTMENTS TO FUND BALANCE	<u>(6)</u>	<u>-</u>	<u>72</u>	<u>(3)</u>
<b>ENDING FUND BALANCE</b>	<b><u>(727)</u></b>	<b><u>2,151</u></b>	<b><u>5,302</u></b>	<b><u>4,530</u></b>

**Note: In FY09 the Water Authority collapsed Fund 622 into Fund 21 creating one operating fund.**

**Source: Albuquerque Bernalillo County Water Utility Authority Comprehensive Annual Financial Report.**

**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

ACTUAL FY03	ACTUAL FY04	ACTUAL FY05	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08
143	408	660	538	972	1,055
<u>16,263</u>	<u>21,542</u>	<u>23,330</u>	<u>25,096</u>	<u>24,975</u>	<u>24,600</u>
16,406	21,950	23,990	25,634	25,947	25,655
<u>4,530</u>	<u>6,963</u>	<u>8,075</u>	<u>4,205</u>	<u>11,706</u>	<u>18,835</u>
<b><u>20,936</u></b>	<b><u>28,913</u></b>	<b><u>32,065</u></b>	<b><u>29,839</u></b>	<b><u>37,653</u></b>	<b><u>44,490</u></b>
6,049	12,099	7,761	2,512	590	2,030
<u>7,890</u>	<u>8,543</u>	<u>21,735</u>	<u>14,302</u>	<u>18,122</u>	<u>22,393</u>
<b><u>13,939</u></b>	<b><u>20,642</u></b>	<b><u>29,496</u></b>	<b><u>16,814</u></b>	<b><u>18,712</u></b>	<b><u>24,423</u></b>
<u>(34)</u>	<u>(196)</u>	<u>1,636</u>	<u>(1,319)</u>	<u>(106)</u>	<u>(106)</u>
<b><u>6,963</u></b>	<b><u>8,075</u></b>	<b><u>4,205</u></b>	<b><u>11,706</u></b>	<b><u>18,835</u></b>	<b><u>19,961</u></b>




**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET****DEBT SERVICE FUND – 31  
RESOURCES, APPROPRIATIONS, AND FUND BALANCE  
LAST TEN FISCAL YEARS**

(000's)	ACTUAL FY05	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08
<b>RESOURCES:</b>				
Miscellaneous Revenues	13,258	18,475	13,796	11,932
Transfers from Other Funds	<u>50,493</u>	<u>52,517</u>	<u>59,347</u>	<u>59,406</u>
Total Current Resources	63,751	70,992	73,143	71,338
Beginning Working Capital Balance	<u>10,019</u>	<u>11,185</u>	<u>13,679</u>	<u>6,582</u>
<b>TOTAL RESOURCES</b>	<b><u>73,770</u></b>	<b><u>82,177</u></b>	<b><u>86,822</u></b>	<b><u>77,920</u></b>
<b>APPROPRIATIONS:</b>				
Joint Water/Wastewater Debt Service	50,882	55,626	63,957	62,981
Transfers to Other Funds	<u>12,000</u>	<u>13,612</u>	<u>16,000</u>	<u>19,000</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>62,882</u></b>	<b><u>69,238</u></b>	<b><u>79,957</u></b>	<b><u>81,981</u></b>
ADJUSTMENTS TO WORKING CAPITAL BALANCE	<u>297</u>	<u>740</u>	<u>(283)</u>	<u>(75)</u>
<b>ENDING WORKING CAPITAL BALANCE</b>	<b><u>11,185</u></b>	<b><u>13,679</u></b>	<b><u>6,582</u></b>	<b><u>(4,136)</u></b>

Source: Albuquerque Bernalillo County Water Utility Authority Comprehensive Annual Financial Report.

**ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET**

ACTUAL FY09	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14
6,668	7,026	6,351	8,142	8,282	7,872
<u>64,301</u>	<u>67,790</u>	<u>65,337</u>	<u>66,727</u>	<u>66,362</u>	<u>72,094</u>
70,969	74,816	71,688	74,869	74,644	79,966
<u>(4,136)</u>	<u>(5,652)</u>	<u>(2,689)</u>	<u>(2,972)</u>	<u>(2,392)</u>	<u>(2,476)</u>
<b><u>66,833</u></b>	<b><u>69,164</u></b>	<b><u>68,999</u></b>	<b><u>71,897</u></b>	<b><u>72,252</u></b>	<b><u>77,490</u></b>
64,301	69,627	65,202	70,450	72,670	75,245
<u>14,000</u>	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
<b><u>78,301</u></b>	<b><u>74,627</u></b>	<b><u>68,202</u></b>	<b><u>73,450</u></b>	<b><u>75,670</u></b>	<b><u>78,245</u></b>
<u>5,816</u>	<u>2,774</u>	<u>(3,769)</u>	<u>(840)</u>	<u>942</u>	<u>1,269</u>
<b><u>(5,652)</u></b>	<b><u>(2,689)</u></b>	<b><u>(2,972)</u></b> 	<b><u>(2,392)</u></b>	<b><u>(2,476)</u></b>	<b><u>515</u></b>

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## **WATER AND WASTEWATER USERS BY CLASS AND METER SIZE LAST TEN FISCAL YEARS**

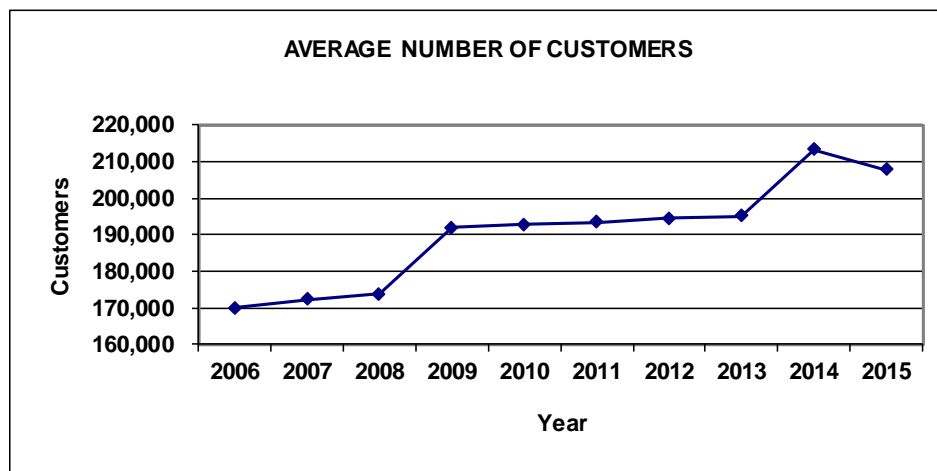
### History of Water Users by Class

<u>Class</u>	<i>Average Number of Customers by Fiscal Year</i>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Residential	186,461	192,479	174,909	174,277	173,339	172,787	171,983	153,959	152,563	151,089
Multi-Family <sup>(1)</sup>	7,115	6,628	6,430	6,393	6,364	6,349	6,231	7,644	7,565	6,812
Commercial	11,923	11,619	11,321	11,287	11,226	11,272	11,367	9,998	10,049	10,065
Institutional	2,150	2,358	2,391	2,316	2,279	2,223	2,119	2,013	1,983	1,981
Industrial	113	98	99	102	99	106	113	110	110	113
<b>Total</b>	<b><u>207,762</u></b>	<b><u>213,182</u></b>	<b><u>195,150</u></b>	<b><u>194,375</u></b>	<b><u>193,307</u></b>	<b><u>192,737</u></b>	<b><u>191,813</u></b>	<b><u>173,724</u></b>	<b><u>172,270</u></b>	<b><u>170,060</u></b>

### History of Water Users by Meter Sizes

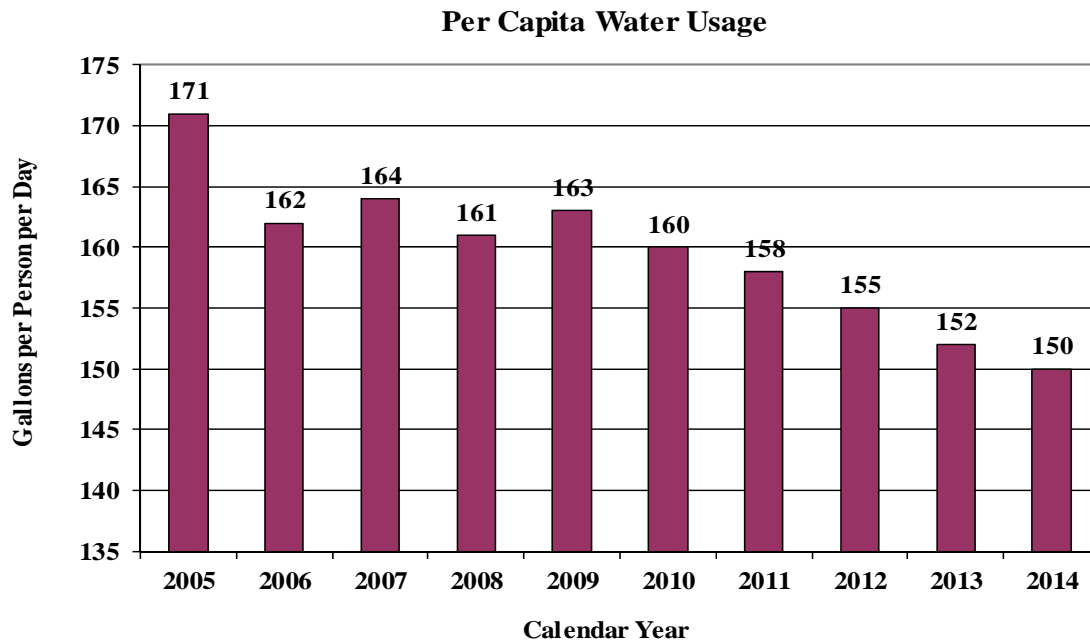
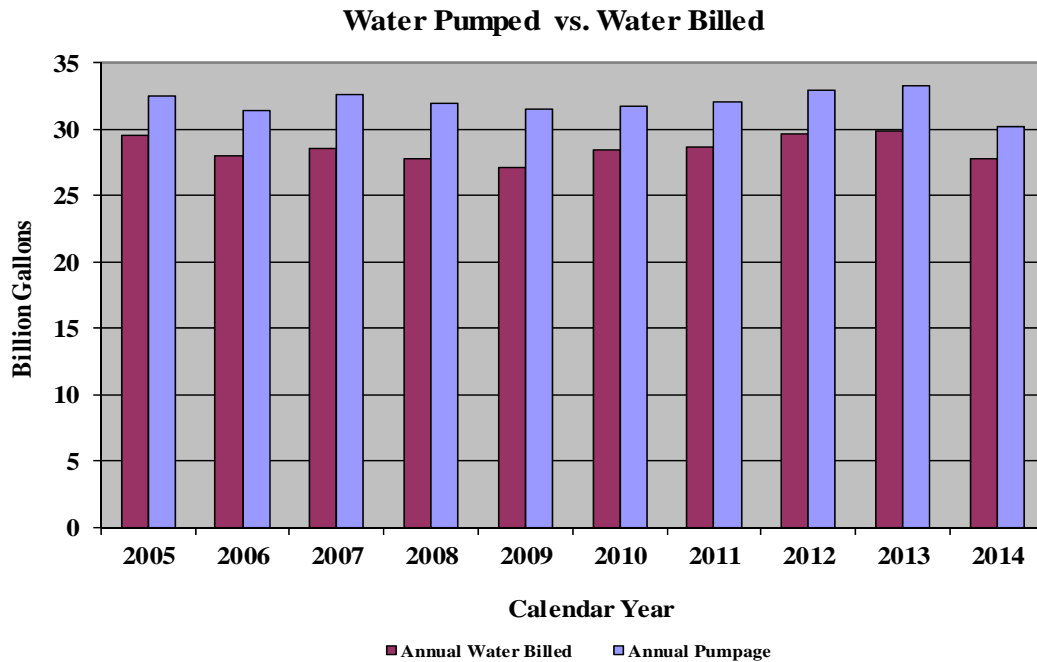
<u>Meter Size</u>	<i>Average Number of Customers by Fiscal Year</i>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
¾"	184,743	189,483	171,874	171,103	169,984	169,414	168,632	151,172	149,846	146,842
1" and 1 ¼"	17,447	17,866	17,645	17,717	17,820	17,820	17,611	17,621	17,581	17,773
1 ½"	2,269	2,348	2,249	2,221	2,195	2,195	2,169	1,968	1,955	1,945
2"	2,349	2,473	2,352	2,320	2,228	2,228	2,179	1,839	1,816	2,509
3"	575	627	634	634	714	714	834	766	733	654
4"	276	278	286	273	268	268	275	264	246	244
6"	63	62	63	61	58	58	67	53	53	52
8" and over	40	45	47	46	40	40	46	41	40	41
<b>Total</b>	<b><u>207,762</u></b>	<b><u>213,182</u></b>	<b><u>195,150</u></b>	<b><u>194,375</u></b>	<b><u>193,307</u></b>	<b><u>192,737</u></b>	<b><u>191,813</u></b>	<b><u>173,724</u></b>	<b><u>172,270</u></b>	<b><u>170,060</u></b>

<sup>(1)</sup> The Authority established this user class in 2006.



Source: Albuquerque Bernalillo County Water Utility Authority

**WATER CONSUMPTION  
LAST TEN CALENDAR YEARS**

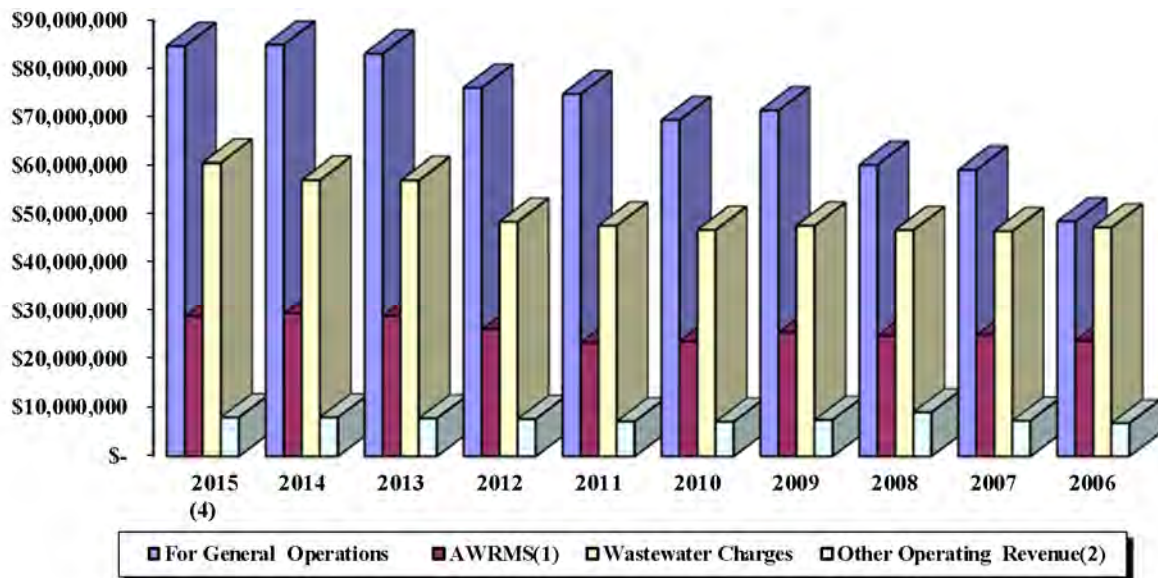


Source: Albuquerque Bernalillo County Water Utility Authority

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## REVENUE FROM WATER AND WASTEWATER CHARGES AND OTHER OPERATING REVENUE LAST TEN FISCAL YEARS

Fiscal Year (3)	Revenue from Water Charges		Revenue From Wastewater Charges	Other Operating Revenue (2)	Total Operating Revenue
	For General Operations	For AWRMS <sup>(1)</sup>			
2015 <sup>(4)</sup>	89,109,909	30,370,321	64,004,031	8,211,958	191,696,219
2014	84,706,829	28,989,346	60,600,108	8,054,145	182,350,428
2013	84,994,139	29,558,320	57,072,020	8,053,146	179,677,625
2012	83,145,457	29,096,281	56,982,228	7,830,724	177,054,690
2011	76,072,550	26,219,494	48,504,637	7,718,145	158,514,826
2010	74,773,904	23,483,160	47,685,066	7,202,722	153,144,852
2009	69,395,141	23,803,266	46,805,468	7,141,714	147,145,589
2008	71,398,950	25,630,246	47,683,918	7,519,231	152,232,345
2007	60,186,959	24,975,068	46,771,690	9,100,112	141,033,829
2006	59,172,344	25,095,852	46,563,188	7,371,006	138,202,390



(1) These revenues are attributable to rate increases adopted by Water Authority Board to finance capital costs and operating expenses to implement the Albuquerque Water Resource Management Strategy (AWRMS).

(2) These revenues are derived from the State Water Conservation Fees, Water Resource Management Fees, meter rentals and other miscellaneous services.

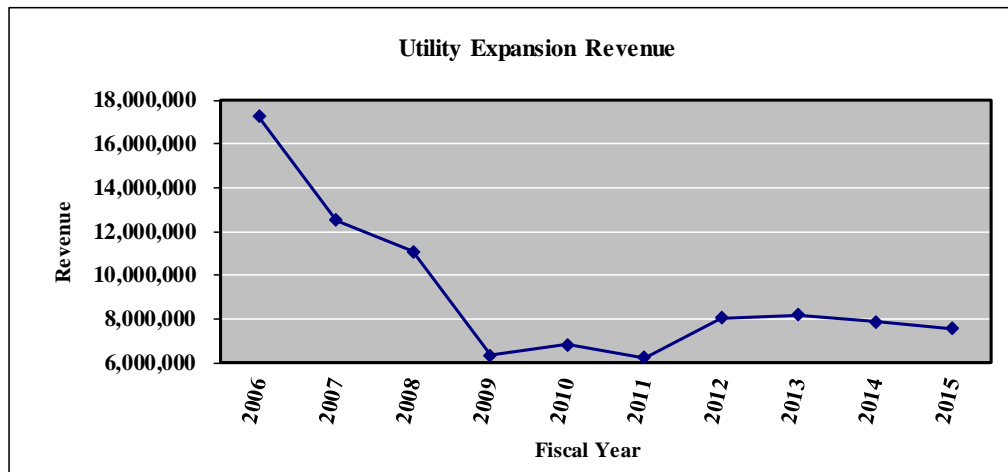
(3) Source: Albuquerque Bernalillo County Water Utility Authority Comprehensive Annual Financial Report.

(4) The 2015 figures are unaudited.

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## REVENUE FROM UTILITY EXPANSION CHARGES LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Utility Expansion Charge Revenues</u>
2015 <sup>(1)</sup>	7,542,045
2014	7,872,236
2013	8,197,016
2012	8,035,123
2011	6,240,073
2010	6,834,261
2009	6,346,401
2008	11,074,840
2007	12,516,234
2006	17,254,474

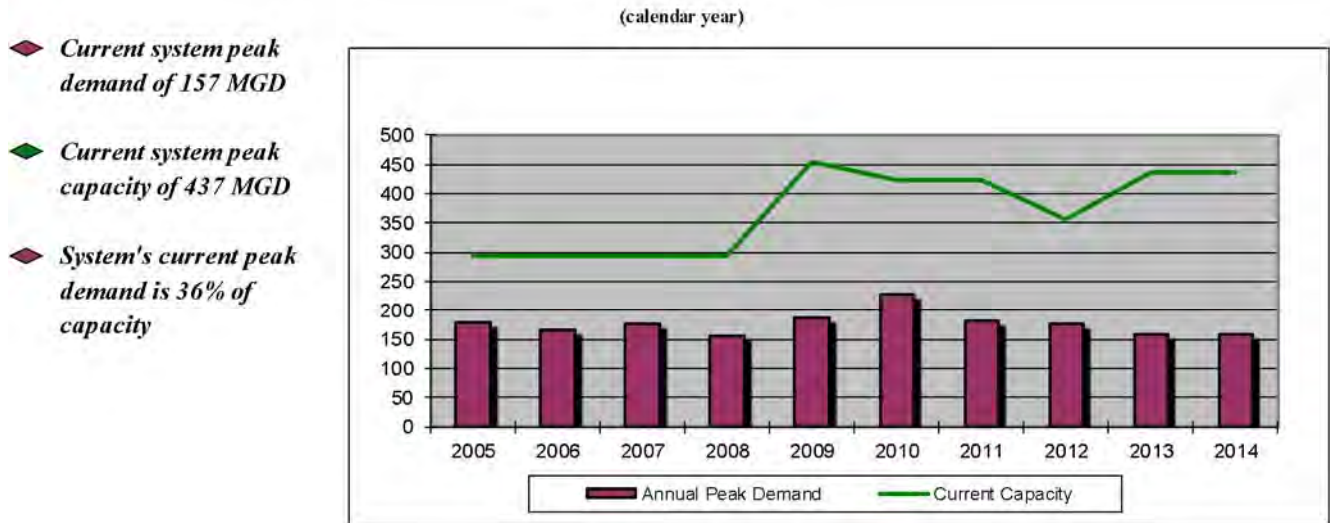


Source: Albuquerque Bernalillo County Water Utility Authority Comprehensive Annual  
Financial Report.

(1) The 2015 figures are unaudited

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## WATER SYSTEM ANNUAL PEAK DEMAND



## WATER SYSTEM TOP 10 CUSTOMERS

(fiscal year)

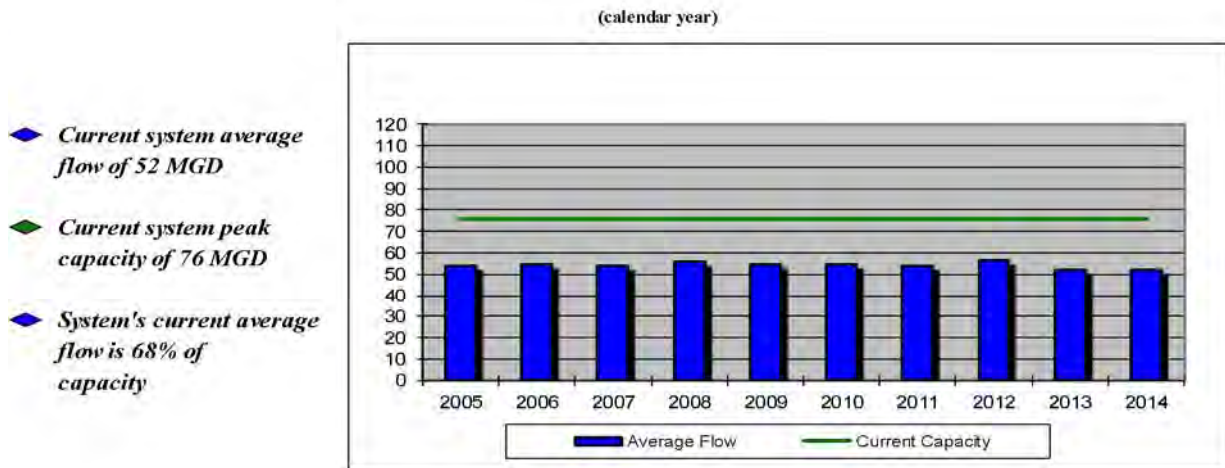
	<u>Customer Name</u>	<u>Consumption Rate (Kgal)</u>	<u>Total Collected 2015 Revenue</u>	<u>% of Total Revenue</u>
1.	City of Albuquerque	2,496,372	\$ 7,509,367	5.56%
2.	Albuquerque Public Schools	635,522	2,512,095	1.86%
3.	University of New Mexico	258,691	1,009,588	0.75%
4.	Bernalillo County	202,125	653,727	0.48%
5.	Kirtland Air Force Base	133,797	424,096	0.31%
6.	Lovelace Health	123,244	302,377	0.22%
7.	Sumitomo	103,406	211,103	0.16%
8.	Albuquerque Academy	96,384	204,551	0.15%
9.	ABCWUA	71,151	260,954	0.19%
10.	Central NM Community College	69,478	261,604	0.19%
	<b>Total</b>		<b>\$ 13,349,462</b>	<b>9.89%</b>
	<b>Total Revenue for System</b>		<b>\$ 135,018,615</b>	



Source: Albuquerque Bernalillo County Water Utility Authority

# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY – 2016 BUDGET

## WASTEWATER SYSTEM ANNUAL PEAK DEMAND



### WASTEWATER SYSTEM TOP 10 CUSTOMERS

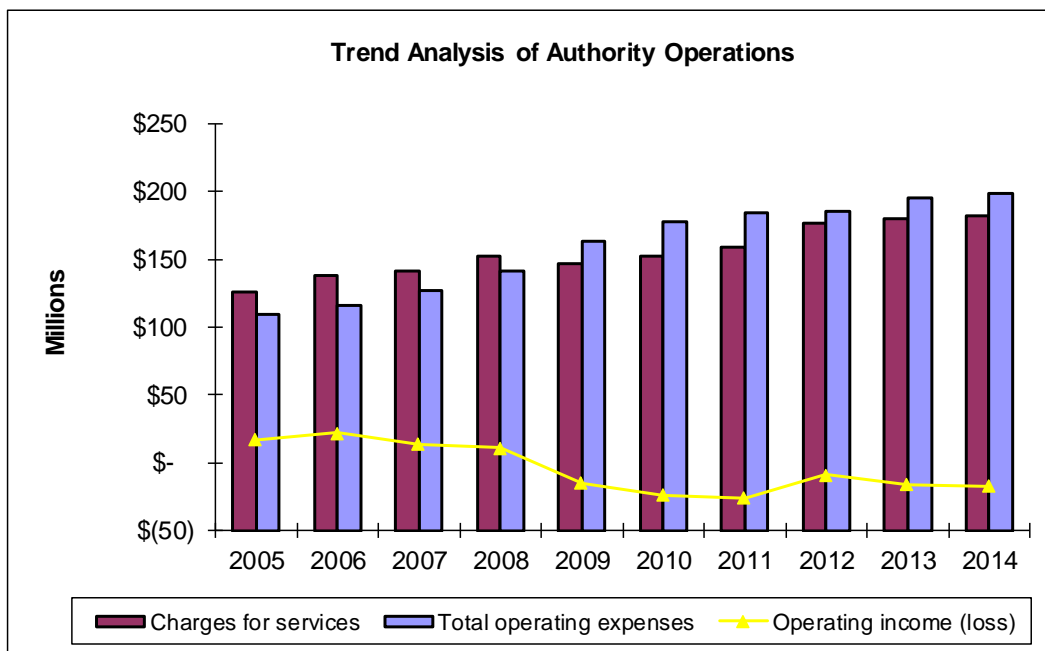
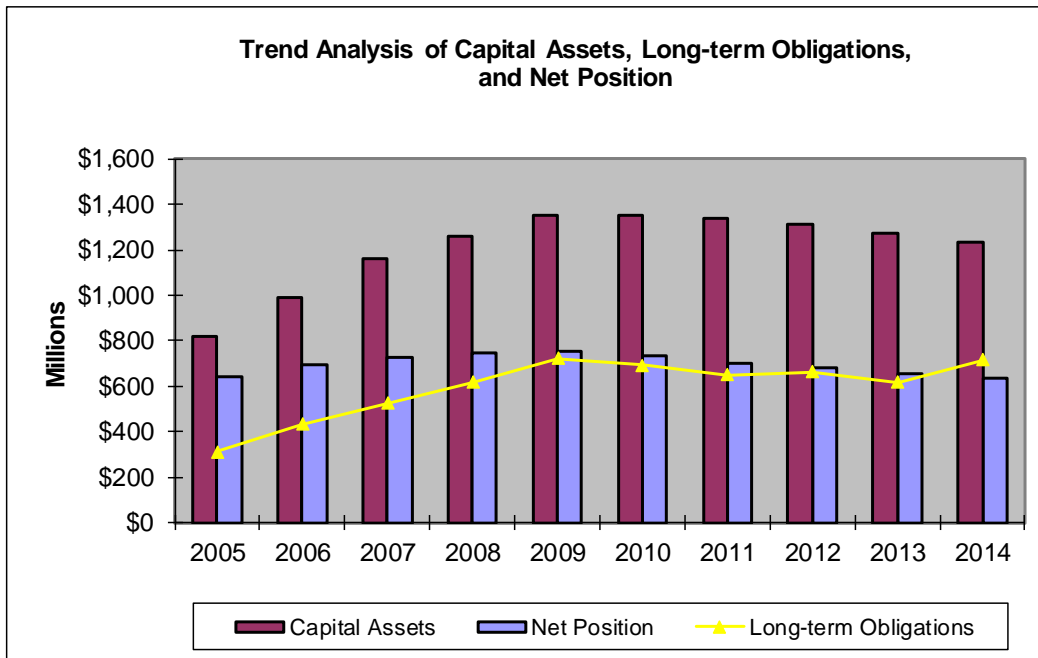
(fiscal year)			
<u>Customer Name</u>	<u>Consumption Rate (Kgal)</u>	<u>Total Collected 2015 Revenue</u>	<u>% of Total Revenue</u>
1. Kirtland Air Force Base	742,061	\$ 1,177,562	1.67%
2. University of New Mexico	545,973	853,042	1.21%
3. City of Albuquerque	173,278	573,408	0.81%
4. Albuquerque Public Schools	154,922	772,714	1.10%
5. Lovelace Health	100,125	212,363	0.30%
6. Sandia Peak Services	77,547	76,403	0.11%
7. Bernalillo County	55,248	169,312	0.24%
8. Creamland Dairies	53,270	422,779	0.60%
9. Four Hills MHP	34,632	70,876	0.10%
10. Central NM Community College	31,642	110,490	0.16%
<b>Total</b>		<b>\$ 4,438,949</b>	<b>6.30%</b>
<b>Total Revenue for System</b>		<b>\$ 70,420,508</b>	



Source: Albuquerque Bernalillo County Water Utility Authority



**MISCELLANEOUS TREND ANALYSIS  
LAST TEN FISCAL YEARS**



Source: Albuquerque Bernalillo County Water Utility Authority

***APPENDIX***

***Approved  
Operating Budget  
FY16***

## **ANALYSIS METHODOLOGY FOR COMPUTING LINE ITEM ADJUSTMENTS**

### **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 FY16 so as to incorporate current contractual increases.
- Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.00%, PERA – 20.16% for blue and white collar and management/professional, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (group life, health insurance including retiree health insurance, and employee bus passes) – 26.86%.
- A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.

### **Operating Expenses**

Division managers were required to provide detailed information supporting FY16 budget requests for professional services, contract services, supplies and repairs and maintenance. Other FY16 operating expenses were equal to FY15 appropriated amounts. One-time appropriations for FY15 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.
- For FY16, utilities (gas, electricity, and water) are budgeted based on historical expenditures 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, increased workload, or a special need not previously funded.
- Workers' Compensation and insurance are treated as direct costs for FY16. These costs are identified by the Legal/Risk Management department, based on the historical experience and exposure factors relative to each specific program.
- Vehicle maintenance charges are estimated for FY16 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.

### **Capital Expenditures**

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

## ACRONYMS

**A2LA** – American Association for Laboratory Accreditation

**ABCWUA** – Albuquerque Bernalillo County Water Utility Authority

**AFH** – Affordable Housing

**AFL-CIO** – American Federation of Labor and Congress of Industrial Organizations

**AFSCME** - American Federation of State, County and Municipal Employees

**AMI** – Automated Meter Infrastructure

**AMP** – Asset Management Plan

**AMR** – Automated Meter Reader

**APS** – Albuquerque Public Schools

**ASOMS** – Albuquerque Sewer Operations Management Strategy

**ASR** – Aquifer Storage and Recovery

**AWWA** – American Water Works Association

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

**CAC** – Customer Advisory Committee

**CAFR** – Comprehensive Annual Financial Report

**CC&B** – Customer Care and Billing

**CCTV** – Closed Circuit Television

**CIP** - Capital Improvement Program

**CIS** – Customer Information System

**CMDWWCA** – Carnuel Mutual Domestic Water and Waste Water Consumer Association

**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

**D & C** – Design and Construct

**DAF** – Dissolved Air Floatation

**DOE** - Department of Energy

**DOL** - Department of Labor

**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

**FD** – Fund

**FOG** – Fats, Oils, & Grease

**FRB** – Federal Reserve Bank

**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

**GPPAP** - Groundwater Protection Policy and Action Plan

## ACRONYMS

<b>GPS</b> – Global Positioning System	<b>O/M</b> – Operations and Maintenance
<b>GRT</b> – Gross Receipts Tax	<b>OERP</b> – Overflow Emergency Response Plan
<b>HMO</b> – Health Maintenance Organization	<b>OSHA</b> – Occupational Safety and Health Administration
<b>HR</b> – Human Resources	<b>P&amp;I</b> – Principal and Interest
<b>IDOH</b> - Indirect Overhead	<b>PAFR</b> – Popular Annual Financial Report
<b>IPC</b> – Indicators Progress Commission	<b>PERA</b> - Public Employees Retirement Association
<b>ITD</b> – Information Technology Program	<b>PNM</b> – Public Service Company of New Mexico
<b>IVR</b> – Interactive Voice Response	<b>PTF</b> – Preliminary Treatment Facility
<b>IWA</b> – International Water Audit	<b>REC</b> – Renewable Energy Credit
<b>KAFB</b> – Kirtland Air Force Base	<b>RFP</b> - Request for Proposal(s)
<b>LIMS</b> – Laboratory Information Management System	<b>RRAMP</b> – Reclamation Rehabilitation and Asset Management Plan
<b>LT2</b> – Long Term Enhanced Surface Water Treatment Rule 2	<b>SAD</b> - Special Assessment District
<b>MDC</b> – Metropolitan Detention Center	<b>SAF</b> – Soil Amendment Facility
<b>MGD</b> – Million Gallons per Day	<b>SCADA</b> – Supervisory Control and Data Acquisition
<b>MIS</b> – Management Information System	<b>SDF</b> – Solids Dewatering Facility
<b>MOU</b> – Memorandum of Understanding	<b>SDWA</b> – State Drinking Water Act
<b>MRGCOG</b> – Middle Rio Grande Council of Governments	<b>SJC</b> – San Juan-Chama
<b>MSA</b> – Metropolitan Statistical Area	<b>SJCWTP</b> - San Juan–Chama Water Treatment Plant
<b>NBER</b> – National Bureau of Economic Research	<b>SNL</b> – Sandia National Laboratory
<b>NM</b> – New Mexico	<b>SOP</b> – Standard Operating Procedures
<b>NMDOT</b> – New Mexico Department of Transportation	<b>SRF</b> – State Revolving Loan Fund
<b>NMED</b> – New Mexico Environment Department	<b>SSO's</b> – Sanitary Sewer Overflows
<b>NMFA</b> – New Mexico Finance Authority	<b>SWR</b> - Sewer
<b>NMUI</b> – New Mexico Utilities Group Inc.	<b>SWRP</b> - Southside Water Reclamation Plant
<b>NPDES</b> – National Pollution Discharge Elimination System	<b>TAT</b> – Turnaround Time
<b>NWSA</b> – Northwest Service Area	<b>TRFR</b> – Transfer
	<b>UCMR3</b> –Unregulated Contaminant Monitoring Rule 3

## **ACRONYMS**

**UEC** – Utility Expansion Charge

**UNM** – University of New Mexico

**UV** – Ultra-Violet

**WPAB** – Water Quality Advisory Board

**WPPAP** – Water Quality Protection Policy & Action  
Plan

**WQL** – Water Quality Laboratory

**WRAC** – Water Resources Advisory Committee

**WRMS** – Water Resources Management Strategy

**WTP** – Water Treatment Plant

**YR** - Year

## SELECTED GLOSSARY OF TERMS

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 make expenditures 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 EXPENDITURES: Expenditures 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, the Village of Los Ranchos, and the City of Rio Rancho

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

## SELECTED GLOSSARY OF TERMS

**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

**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 EXPENDITURES:** Expenditures 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 wastewater 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 EXPENDITURES:** Term that applies to all outlays other than capital outlays

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

**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 expenditure 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 EXPENDITURES:** Expenditures 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 is down to offset potential rate increases



## SELECTED GLOSSARY OF TERMS

**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 user fees, 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

**UNACCOUNTATED FOR WATER:** The difference between the quantities 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

## NUMERIC LIST OF FUND NAMES BY CATEGORY

### ENTERPRISE FUNDS:

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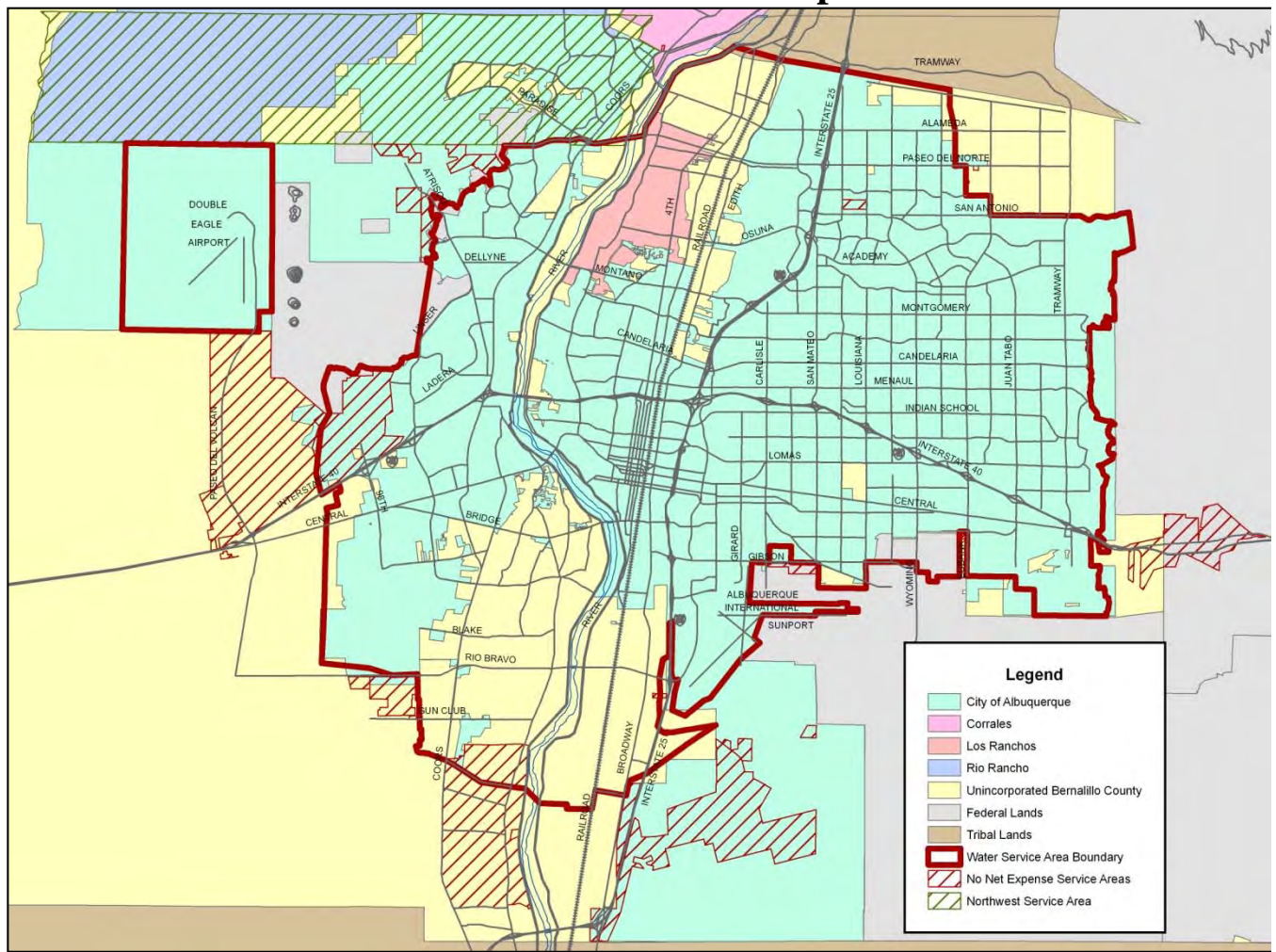
21	General Fund
31	Debt Service

### CIP FUNDS:

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28	Rehab Fund
29	Growth Fund

## Water Service Area Map



### Major Assets:

- 92 MGD San Juan-Chama Surface Water Treatment Plant
- Adjustable diversion dam, intake structure and raw water pump station on the Rio Grande
- 90 ground water supply wells (274 MGD)
- 66 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)

The Water System provides water services to approximately 643,881 residents comprising approximately 95% of the residents of Bernalillo County, New Mexico. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 207,762 accounts. Approximately 60% of the water sales are for residential uses. Up until December 2008, ground water from the middle Rio Grande basin aquifer was the Water Authority's primary source of supply used for the Water System. Now, the Water Authority is using about 56% ground water and 44% surface water from its Surface Water Drinking Water Treatment Plant which treats imported Colorado river water (San Juan-Chama water) from the Rio Grande River for potable water use. The new treatment plant has the capacity to produce 92 MGD and can be expanded to 120 MGD. The San Juan-Chama Drinking Water Project is part of the Water Authority's strategic plan to provide for a safe and sustainable water supply through conservation and the conjunctive use of surface water, reclaimed water, and shallow and deep groundwater. The ground water supply is produced from 101 wells located throughout the metropolitan area. Total well production capacity is approximately 294 MGD. Maximum historical peak day demand is 214 MGD. Ground storage reservoirs that hold both surface and ground water 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 50 psi for consumers. There are 62 reservoirs located throughout the service area, with a total reservoir storage capacity of 211 million gallons. These reservoirs are interconnected by over 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 System for control from a central control facility. The Water System Service Area is approximately 186 square miles.

Any extension of service outside the Service Area would incur "no net expense" to the Water Authority's customers in that that revenue generated from any expansion or improvement of the System shall be sufficient to support the costs of the water and/or wastewater facilities being expanded or improved. In addition, the new developments outside the water service area are required to pay a water supply charge for acquisition of future water supplies. In 2007, the Water Authority adopted a set of guiding principles for utility development and planning. Some of the major policies include: balancing water use with renewable supply, not subsidizing development outside the service by current Water Authority customers, linking land use with infrastructure, ensuring that system expansion is concurrent with infrastructure service levels, protecting valued environmental and cultural resources of the region, and utilizing asset management principles for evaluating and considering rehabilitating, replacing or acquiring new assets.

In May 2009, the Water Authority acquired a private utility in the northwest section of Bernalillo County. In FY11, these customers were incorporated into the Water System and pay the same rates as current customers. The new rates reflect the cost of providing a sustainable long-term supply via the San Juan-Chama Drinking Water Project, and the cost of conservation programs designed to ensure our water future in Albuquerque and Bernalillo County.

**Legend**

- City of Albuquerque
- Corrales
- Los Ranchos
- Rio Rancho
- Unincorporated Bernalillo County
- Federal Lands
- Tribal Lands
- Sewer Service Area Boundary
- No Net Expense Service Areas
- Northwest Service Area
- Wholesale Contract Customer

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



The Wastewater System 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 are about 56 MGD. The Water Authority has an operational industrial pretreatment program approved by the United States Environmental Protection Agency. The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for maintaining compliance with strict standards contained in National Pollution Discharge Elimination System (NPDES) permits. The Water Authority's wastewater effluent discharge consistently meets all NPDES permit requirements. The EPA renewed the Water Authority's NPDES permit in 2012, effective for five years.

The treatment plant has a 6.6 mega-watt cogeneration facility. This facility supplies 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. This is no cost gas that qualifies the electricity generated for Renewable Energy Certificates (REC). These certificates have a value to other electrical energy producers and the Water Authority continues to research how to sell its RECs to increase revenue. For example, the Water Authority issued an RFB for the unused REC's which were purchased by El Paso Electric. In addition to the cogeneration facility, the Water Authority has a one mega-watt solar energy facility at the Southside Water Reclamation Plant on-line effective the end of Calendar Year 2012.

Any extension of service outside the Service Area would incur "no net expense" to the Water Authority's customers in that that revenue generated from any expansion or improvement of the System shall be sufficient to support the costs of the water and/or wastewater facilities being expanded or improved. In 2007, the Water Authority adopted a set of guiding principles for utility development and planning. Some of the major policies include: promote reuse, reduce odor, improve treatment capacity, improve capacity in the collection system, not subsidizing development outside the service by current Water Authority customers, linking land use with infrastructure, ensuring that system expansion is concurrent with infrastructure service levels, protecting valued environmental and cultural resources of the region, and utilizing asset management principles for evaluating and considering rehabilitating, replacing or acquiring new assets.

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# ***LEGISLATION***

***Approved  
Operating Budget  
FY16***





# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-15-9

1 **RESOLUTION**

2 **APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO**  
3 **COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY**  
4 **1, 2015 AND ENDING JUNE 30, 2016.**

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

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

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

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

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

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

18 BE IT RESOLVED BY THE WATER AUTHORITY:

19 Section 1. That the following amounts are hereby appropriated to the following  
20 funds for operating The Albuquerque Bernalillo County Water Utility Authority during  
21 Fiscal Year 2016:

22 <u>GENERAL FUND – 21</u>	202,264,000
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23 This appropriation is allocated to the following programs:

24 Administration	1,832,000
25 Legal/Risk	4,074,000
26 Human Resources	1,373,000
27 Finance	3,700,000
28 Customer Services	8,963,000

1	Information Technology	5,686,000
2	Wastewater Plant	11,298,000
3	San Juan-Chama Water Treatment Plant	2,975,000
4	Groundwater Operations	5,860,000
5	Wastewater Collections	6,236,000
6	Water Field Operations	18,777,000
7	Compliance	5,186,000
8	Water Resources Management	7,199,000
9	Power & Chemicals	18,482,000
10	Taxes	8,691,000
11	Authority Overhead	1,843,000
12	San Juan-Chama	2,247,000
13	Transfers to Other Funds:	
14	Rehab Fund (28)	15,000,000
15	Debt Service Fund (31)	72,842,000
16	<u>DEBT SERVICE FUND – 31</u>	77,842,000
17	This appropriation is allocated to the following programs:	
18	Debt Service	72,842,000
19	Transfer to Other Funds:	
20	Growth Fund (29)	5,000,000
21	Section 2. The Executive Director is authorized to develop and establish a	
22	nonrecurring safety/performance incentive program. This program will provide	
23	employees with an incentive based on cost reductions or performance enhancements	
24	resulting in operating efficiencies and/or a reduction in work related losses. Funding for	
25	this program is contingent on savings in the same or a greater amount.	
26	Section 3. The Water Authority shall continue its partnership with non-profit	
27	affordable housing developers under contract with local government whereby the first	
28	time homebuyer or qualifying developer will not be required to pay the Utility Expansion	
29	Charge until the property is sold or is no longer used as a low income housing. No	
30	more than 50 housing units per year will be authorized under this program. The Water	
31	Authority will secure its position with a second mortgage.	

1           Section 4. The Rate Reserve Fund is augmented by the amount of \$2,000,000.

2           Section 5. In the event that working capital balance exceeds 1/12 of operating  
3 expenses, and debt service payments and debt service coverage are met, the  
4 remaining working capital balance shall be reserved for capital projects.

5           Section 6. The Executive Director is authorized to carry out all appropriations  
6 contained in this budget in accordance with established policies and procedures.

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1 PASSED AND ADOPTED THIS 17<sup>th</sup> DAY OF June, 2015  
2 BY A VOTE OF: 7 FOR 0 AGAINST.

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5 Yes: De La Cruz, Garduño, Hart Stebbins, Jones, O'Malley, Perry, Sanchez

6 No:

7 Excused:

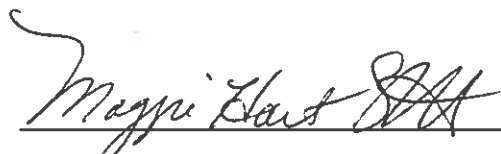
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Maggie Hart Stebbins, Chair

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18 ATTEST:

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Mark S. Sanchez, Executive Director

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# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-15-10

1 **RESOLUTION**

2 **APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR**  
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR**  
4 **THE FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016**

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

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

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

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

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

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

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

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

23 Section 1. That the appropriations for the projects as stated below are hereby  
24 made.

25 **Basic Program Appropriations:**

26 Sanitary Sewer Pipeline Renewal	7,125,000
27 Drinking Water Pipeline Renewal	9,975,000

1	Southside Water Reclamation Plant Renewal	17,450,000
2	Soil Amendment Facility (SAF) Renewal	200,000
3	Lift Station and Vacuum Station Renewal	975,000
4	Odor Control Facilities Renewal	210,000
5	Drinking Water Plant Groundwater System Renewal	3,120,000
6	Drinking Water Plant Treatment Systems Renewal	3,285,000
7	Reuse Line and Plant Rehab	60,000
8	Shared Renewal	700,000
9	Franchise Agreement Compliance	2,000,000
10	Vehicles and Heavy Equipment	900,000
11	<u>Special Projects:</u>	
12	Steel Waterline Rehab	1,000,000
13	Automated Meter Infrastructure (AMI)	2,000,000
14	Renewable Energy Projects	350,000
15	Yucca and Central Odor Control	6,000,000
16	<u>Growth:</u>	
17	Development Agreements	1,250,000
18	MIS/GIS	2,000,000
19	Master Plans	500,000
20	Miscellaneous	250,000
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1 PASSED AND ADOPTED THIS 17<sup>th</sup> DAY OF June, 2015  
2 BY A VOTE OF: 7 FOR 0 AGAINST.

3

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5 Yes: De La Cruz, Garduño, Hart Stebbins, Jones, O'Malley, Perry, Sanchez

6 No:

7 Excused:

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Maggie Hart Stebbins, Chair

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18 ATTEST:

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21 Mark S. Sanchez, Executive Director

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# ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-15-8

1 **RESOLUTION**

2 **ESTABLISHING ONE-YEAR OBJECTIVES FOR THE ALBUQUERQUE**  
3 **BERNALILLO COUNTY WATER UTILITY AUTHORITY IN FISCAL YEAR 2016 TO**  
4 **MEET FIVE-YEAR GOALS.**

5 WHEREAS, the Water Authority's Budget Policies and Procedures Ordinance  
6 specifies that the Water Authority shall annually review and adopt one-year objectives  
7 related to the five year goals for the Water Authority; and

8 WHEREAS, the Water Authority's operating budget shall be formulated by the  
9 Water Authority's Executive Director and be consistent with the goals and objectives as  
10 established and approved by the Water Authority; and

11 WHEREAS, the Water Authority's adoption of goals and objectives, which will be  
12 valuable in themselves, will be major factors in determining funding for Water Authority  
13 programs and improvements in both the operating budget and capital improvements  
14 budgets.

15 BE IT RESOLVED BY THE WATER AUTHORITY:

16 Section 1. That the Water Authority adopts the following five-year goals and one-  
17 year objectives for Fiscal Year 2016.

18 GOAL 1. WATER SUPPLY AND OPERATIONS: Provide a reliable, safe,  
19 affordable, and sustainable water supply by transitioning to renewable supplies and  
20 minimizing long term environmental impacts on the community and natural resources  
21 while ensuring the ability of the community to grow in a responsible manner.

22 Objective 1. Complete Ground Water Plant Preventive Maintenance to  
23 Corrective Maintenance ratio to at least 60% of all completed maintenance labor hours  
24 by the end of the 4th Quarter of FY16.

25 Objective 2. Complete Surface Water Plant Preventive Maintenance to  
26 Corrective Maintenance ratio to at least 45% of all completed maintenance labor hours  
27 by the end of the 4th Quarter of FY16.

1           Objective 3. Implement the decommissioning plans of Santa Barbara Pump  
2 Station by the end of the 4th Quarter of FY16.

3           Objective 4. Purchase the necessary field equipment and begin  
4 implementation of a pilot internal large diameter valve exercise program including field  
5 location and GPS coordinates of existing valves. The program should include  
6 developing exercise protocol and standard operating procedures and determining  
7 overall manpower needs and equipment to implement a priority phasing schedule based  
8 on business risk exposure rating; continue implementation of program through the end  
9 of the 4th Quarter of FY16.

10          Objective 5. Maintain water use between 134 to 144 gallons per capita per  
11 day through the end of the 4th Quarter of FY16.

12          Objective 6. Submit the demonstration permit application for Large Scale  
13 Aquifer Storage and Recovery by the end of the 4th Quarter of FY16.

14          Objective 7. Continue distribution water loss program by locating water leaks  
15 from surveying 500 miles of small diameter water lines through conventional leak  
16 detection methods and 2,000 miles of small diameter water lines through acoustic leak  
17 detection by the end of the 4th Quarter of FY16.

18          Objective 8. Continue work on the Partnership for Safe Water program for  
19 surface water treatment and drinking water distribution systems to optimize water  
20 system operations and performance; submit assessments to AWWA by the end of the  
21 4th Quarter of FY16.

22          Objective 9. Complete asset management plans for the reservoirs, wells, and  
23 pump stations to determine the condition of the Water Authority's groundwater facilities  
24 by the end of the 4th Quarter of FY16.

25          Objective 10. Begin updating the Water Resources Management Strategy  
26 through the 4th Quarter of FY16.

27          Objective 11. Continue implementation of the Water Quality Protection Policy  
28 and Action Plan (WPPAP) including administrative, policy and technical support to the  
29 Water Quality Advisory Board (WPAB). Continue to monitor ongoing or new ground  
30 water contamination sites and provide technical comments to preserve and protect the  
31 aquifer and surface water supplies in the Middle Rio Grande. Provide quarterly status  
32 reports to the Water Authority Board through the 4th Quarter of FY16.

1           GOAL 2. WASTEWATER COLLECTION AND OPERATIONS: Provide  
2 reliable, safe and affordable wastewater collection, treatment and reuse systems to  
3 protect the health of the Middle Rio Grande Valley by safeguarding the regional  
4 watershed, minimizing environmental impacts, and returning quality water to the Rio  
5 Grande for downstream users.

6           Objective 1. Limit overall permit excursions to no more than 5 operating  
7 discharge permit violations through the end of the 4th Quarter of FY16.

8           Objective 2. Beneficially reuse biosolids by diverting 25% of the biosolids to  
9 compost through the end of the 4th Quarter of FY16.

10          Objective 3. Complete Waste Water Plant Preventive Maintenance to  
11 Corrective Maintenance ratio to at least 40% of all completed maintenance labor hours  
12 by the end of the 4th Quarter of FY16.

13          Objective 4. To continue minimizing odors and corrosion potential, continue  
14 testing of the magnesium hydroxide additions to the sanitary sewer system and  
15 establish criteria to evaluate performance impacts to the interceptor system including  
16 the Yucca/Central area and the water reclamation facility by the end of the 4th Quarter  
17 of FY16.

18          Objective 5. Continue assessment of root foaming pilot program on sewer  
19 lines that meet the root infested and/or inaccessibility criteria; assess the effectiveness  
20 to mechanical cleaning currently practiced and provide recommendation by the end of  
21 the 4th Quarter of FY16.

22          Objective 6. Continue a Fats, Oils, and Grease (FOG) Buster pilot program  
23 on sewer lines; evaluate and provide recommendation by the end of the 4th Quarter of  
24 FY16.

25          Objective 7. Televisive and assess the condition of approximately five percent  
26 of the small diameter sanitary sewer system by the end of the 4th Quarter of FY16.

27          Objective 8. Implement the Reclamation Rehabilitation Asset Management  
28 Plan by planning, designing and constructing reclamation facility improvements through  
29 the end of the 4th Quarter of FY16.

30          Objective 9. Begin development of the Odor Control Facilities Asset  
31 Management Plan to sustain the acceptable level of service on odor control throughout  
32 the collection and interceptor system through the end of the 4th quarter of FY16.

Objective 10. Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance by continuing to inspect, monitor, and take enforcement action for users of backflow prevention devices; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4th Quarter of FY16. Obtain a compliance rate goal of 75%.

Objective 11. 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; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4th Quarter of FY16. Compliance rate goal is 86% for each category.

Objective 12. 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, and convene FOG Task Force of other governmental entities to coordinate efforts to reduce FOG discharges. Track and report the number of SSOs due to FOG compared with previous years. In conjunction with Public Affairs Manager, develop a public relations campaign to inform rate-payers of Best Management Practices for FOG. Report campaign progress monthly and quarterly.

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.

Objective 1. Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time to provide effective customer service through the 4th Quarter of FY16.

Objective 2. Continue implementation of Phase 4 of the Automated Meter Infrastructure (AMI) project modernizing the Water Authority's aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY16.

1           Objective 3. Implement web self-service program to provide more payment  
2 options to customers and improved cash flow through the end of the 4th Quarter of  
3 FY16.

4           Objective 4. Transition the large meter program to customer service and  
5 create a maintenance program to test and repair large meters every two years through  
6 the end of the 4th Quarter of FY16.

7           Objective 5. Conduct a customer opinion survey in order to assess the Water  
8 Authority's performance from the customer's viewpoint from previous surveys by the  
9 end of the 4th Quarter of FY16.

10          Objective 6. Complete Consumer Conservation meetings to engage  
11 customers and obtain input from customers on the Water Authority's activities through  
12 the end of the 4th Quarter of FY16.

13          GOAL 4. BUSINESS PLANNING AND MANAGEMENT: Maintain a well  
14 planned, managed, coordinated, and financially stable utility by continuously evaluating  
15 and improving the means, methods, and models used to deliver services.

16          Objective 1. Expend \$37 million in water and wastewater capital rehabilitation  
17 and replacement programs to replace aging, high risk assets that are past their useful  
18 life by the end of the 4th Quarter of FY16. \$1 million shall be dedicated and used for  
19 identifying steel water pipes in critical or poor condition and rehabilitating or replacing at  
20 least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY16.

21          Objective 2. Continue development of a comprehensive energy master plan  
22 to reduce energy demand by utilizing alternative clean energy sources by the end of the  
23 4th Quarter of FY16.

24          Objective 3. Continue implementation and system integration of mobile  
25 solutions to operations staff for optimization of the work order process including Clevest,  
26 and automation of preventative maintenance on utility equipment; begin implementation  
27 of Phase 2 to assess and plan the expansion of Clevest and consolidation of mobile  
28 solutions to the Clevest application, and its impact on the Maximo upgrade scheduled  
29 for FY16.

30          Objective 4. Implement an independent telephony/data network that will  
31 provide a more reliable infrastructure and network in order to provide better customer  
32 service and additional functionality to staff by the end of the 1st Quarter of FY16.

Objective 5. Update an Information Technology Strategic Plan that supports the upgrade of enterprise applications and the continued growth of the Information Technology Division as an effective Internal Service Provider including: 1) Phase 1 of Maximo work order asset management system to be upgraded to version 7.5 by the end of the 4th Quarter of FY16; 2) planning, assessment and development of an RFP for implementation services for the Customer Care and Billing program; 3) upgrade SunGard ERP to include core finance, personnel, payroll; 4) implementation of information technology best practices for service desk, change management, and project tracking, to better manage budget control, reporting and resource allocation.

Objective 6. Complete bar coding of all utility vehicles by the end of the 4th Quarter of FY16.

Objective 7. Conduct formal Budget training for all division managers, chief engineers, section managers, and superintendents by the end of the 2nd Quarter of FY16.

Objective 8. Review and update financial and budget procedures and policies based on best practices for improved government management by the end of the 2nd Quarter of FY16.

Objective 9. Conduct a survey and review of peer organization communication processes in order to generate ideas for improvement of the Public Affairs function, to include a review of approaches to use of social media, with conclusions, analysis and recommendations to be submitted by the end of the 4th Quarter of FY16.

Objective 10. 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, and local laws ordinances, etc. to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY16.

Objective 11. 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), laboratory productivity (results reported per productive hour), and the percentage of results

1 reported late (turnaround time (TAT)). Maintain performance levels at FY14 levels.  
2 Research and identify industry performance benchmarks to be included for comparison.

3 Objective 12. Continue collection and analyses of the operational data  
4 necessary to determine and document the actual cost of service for laboratory services  
5 for the analytical methods within the Water Quality Laboratory scope of accreditation.  
6 The status of the data collection and analyses efforts will be reported quarterly.

7 Objective 13. In conjunction with the Information Technology Division, begin  
8 transition to LabAdvantage Laboratory Information Management System through the  
9 end of the 4th Quarter of FY16.

10 Objective 14. Continue to develop the data repository including coordinating  
11 with Plant Operations Division to develop reports generated from the Data Repository to  
12 provide new access to approved laboratory and field analytical instrument water quality  
13 analyses and user statistical analyses tools through the end of the 4th Quarter of FY16.

14 Objective 15. Continue to develop the Environmental Monitoring Program to  
15 improve the reliability of results from field instrumentation and sample collection  
16 techniques. Develop a program plan based on designated ISO standard to address  
17 accreditation requirements to include standard operating procedures, document control  
18 and records management plans, and a process for demonstration of staff capability.  
19 Implement program plan by the end of the 2nd Quarter of FY16.

20 Objective 16. Prepare for the American Association for Laboratory  
21 Accreditation (A2LA) annual assessment of the Water Quality Laboratory including  
22 completing required internal audits and annual review and revision of Standard  
23 Operating Procedures. Monitor and report findings each Quarter of FY16, along with  
24 progress made to address and resolve any deficiencies identified in the preceding  
25 quarter. Monitor and report weekly, monthly, and quarterly the number of Corrective  
26 Action Reports and the necessary time for completion of corrective actions.

27 Objective 17. Evaluate the cost of treating septage and chemical toilet waste  
28 at the Southside Reclamation Plant; update the hauled wastewater policies and  
29 procedures by the end of the 4th Quarter of FY16.

30 GOAL 5. ORGANIZATION DEVELOPMENT: Sustain a well informed,  
31 trained, motivated, safe, organized, and competitive work force to effectively meet the  
32 expectations of the customers, community, and Board in accordance with adopted  
33 policies and mandates.

1           Objective 1. Conduct an employee engagement and satisfaction survey by the  
2 4th Quarter of FY16.

3           Objective 2. Maintain an average utility-wide vacancy rate of no greater than 6%  
4 through the end of FY16.

5           Objective 3. Complete the standard operating procedures for the water and  
6 wastewater plants and begin training by the end of the 4th Quarter of FY16.

7           Objective 4. Continue implementation of the Operational Improvement Strategy  
8 by implementing the Area Procedures and Evaluations, and documenting and collecting  
9 data from key performance indicators to improve work load management and system  
10 performance efficiencies by the end of the 4th Quarter of FY16.

11          Objective 5. Reduce injury hours to 2,700 hours or less to improve productivity  
12 and reliability of services provided by employees by the end of the 4th Quarter of FY16.

13          Section 2. That the Executive Director of the Water Utility Authority shall ensure  
14 that these goals and objectives are carried out and integrated with the performance plan  
15 and submit a report by Goal to the Water Authority Board at least semi-annually on the  
16 progress made toward implementation of the one-year objectives.



1 PASSED AND ADOPTED THIS 20<sup>th</sup> DAY OF May, 2015  
2 BY A VOTE OF: 5 FOR 0 AGAINST.

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5 Yes: Garduno, Jones, O'Malley, Perry, Sanchez

6 No:

7 Excused: De La Cruz, Hart Stebbins

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Trudy Jones, Vice Chair

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18 ATTEST:

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21 Mark S. Sanchez, Executive Director

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