Section 1  WATER AND SEWER RATES

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1-1-1. SHORT TITLE.
This Ordinance will be known and may be cited as the "Albuquerque Bernalillo County Water Utility Authority Water and Sewer Rate Ordinance."

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

(A) Definition of Terms.

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

AWWA. American Water Works Association.
CITY. The City of Albuquerque, New Mexico.

COUNTY. Bernalillo County, New Mexico.

CURRENT DEBT SERVICE REQUIREMENT. Payments into a current debt service account for current interest or current principal retirements as required by ordinances authorizing the issuance of bonds to be paid from the net revenues of the systems.

CUSTOMER. Any person, association, corporation or other entity receiving Utility service in the Service Area.

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

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

EXECUTIVE DIRECTOR. The Executive Director of the Authority.

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

FISCAL YEAR. July 1 through June 30.

FRANCHISE. The authorizations granted by the City, County or Village of Los Ranchos to the Authority to use their respective rights-of-way and public places to construct, operate, and maintain Authority water and wastewater systems.

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

REVENUES. For this purpose revenues will include all charges for current water and sewer service, income from miscellaneous services or property, interest on investments of the Joint Water and Sewer Funds, connection fees, and interest on notes or other receivables.
SERVICE AREA. The geographic area designated from time to time by resolution of the Board.

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

UEC. Utility expansion charge.

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

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

WATER SUPPLY CHARGE (WSC). A charge that will be assessed by the Authority at the time of meter sale or application for service to any new water user customer requesting connection to the water system in an area not located within the Authority’s service area requiring a development agreement.

WINTER MEAN. For all customers, the average monthly water use for the months of December, January, February and March for each account. If a customer has a new account and does not have a full four months to calculate a winter mean or if a customer’s winter mean is zero, then the mean for that customer will be based off the class and size average mean. For those customers that have a winter mean greater than zero but less than 4 and does not fall in the category of a new account then their winter mean used for the Conservation Surcharge will be 4.

(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 §1-1-2(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 §1-1-2(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 sewer 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 sewer rates. If the determination of §1-1-2(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 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.

(D) Increasing Water Commodity Charges. If the quarterly analysis of power cost related to water pumping shows that costs are increasing or decreasing, the Executive Director is authorized to adjust the water commodity charge to reflect the change. An adjustment in the commodity charge will only be made if the needed commodity charge adjustment is $0.01 or greater, and shall be in $0.01 increments.

(E) General Procedural Provisions.

(1) The Executive Director may enact regulations to carry out the purposes of this Ordinance. Proposed regulations and amendments to regulations shall be enacted only after publishing legal notice of a hearing once a week for two consecutive weeks in a daily newspaper of general circulation in the Service Area prior to a public hearing held to receive comments on the proposed regulations. In addition, the Authority shall publish legal notice in Spanish at least once in an appropriate newspaper in general circulation in the Service Area. A hearing officer appointed by the
Executive Director shall conduct hearings on proposed regulations and make findings, conclusions and recommendations to the Authority after considering all public comments.

(2) Changes in rates or charges for water and sewer may be enacted by the Authority only after publishing legal notice of hearing once a week for two consecutive weeks in a daily newspaper in the Service Area prior to a public hearing held to receive comments on the proposed changes. In addition, the Authority shall publish legal notice in Spanish at least once in an appropriate newspaper in general circulation in the Service Area. The Authority may hold such hearing itself or may appoint a hearing officer to conduct the hearing and make findings, conclusions and recommendations to the Authority.

1-1-3. WATER RATES.

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

CUSTOMER CLASSIFICATIONS Include:

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

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

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

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

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

WATER CREDIT ELIGIBILITY AND PROCEDURES.
(1) Single-family detached, condominiums, townhouses, duplexes or triplexes served by common or individual meters; mobile homes served by individual meters; but limited to those Customers who own the dwelling in which they reside and qualify under the United States Department of Health and Human Services poverty guidelines.

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

(B) Metered Water Service.

(1) The rates and compensation to be paid to the Authority for public and private use of water supplied by the Authority for any and all purposes shall be in accordance with the following schedule of charges. In addition to this Fixed Monthly Charge, there shall be a Strategy Implementation Fixed Monthly Charge, §1-1-3(B)(2), which shall be dedicated to the Sustainable Water Supply Program in Fund 622.

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Meter Size</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Institutional</th>
<th>Multi-family</th>
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<tbody>
<tr>
<td>1-4</td>
<td>3/8 X 3/4</td>
<td>$7.83</td>
<td>$7.98</td>
<td>$16.81</td>
<td>$8.43</td>
<td>$10.06</td>
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<tr>
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<td>1</td>
<td>14.97</td>
<td>15.28</td>
<td>33.25</td>
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<td>19.51</td>
</tr>
<tr>
<td>11-16</td>
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<td>52.81</td>
<td>117.82</td>
<td>56.12</td>
<td>68.11</td>
</tr>
<tr>
<td>17-22</td>
<td>2</td>
<td>116.00</td>
<td>118.55</td>
<td>265.97</td>
<td>126.04</td>
<td>153.26</td>
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<tr>
<td>23-28</td>
<td>3</td>
<td>213.64</td>
<td>218.38</td>
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<td>232.20</td>
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</tr>
<tr>
<td>29-34</td>
<td>4</td>
<td>509.63</td>
<td>520.90</td>
<td>1172.65</td>
<td>554.00</td>
<td>674.35</td>
</tr>
<tr>
<td>35-40</td>
<td>6</td>
<td>781.97</td>
<td>799.33</td>
<td>1799.42</td>
<td>850.09</td>
<td>1034.72</td>
</tr>
<tr>
<td>41 &amp; over</td>
<td>8 &amp; over</td>
<td>1766.03</td>
<td>1805.17</td>
<td>4066.18</td>
<td>2119.98</td>
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</table>

(2) In addition to the Fixed Monthly Charge in §1-1-3(B), the rates and compensation to be paid to the Authority for public and private use of water supplied by the Authority within the Service Area for any and all purposes shall be in accordance with the following schedule of charges. This Strategy Implementation Fixed Monthly Charge shall be dedicated to the Sustainable Water Supply Program in Fund 622 to
fund the implementation, operation and maintenance of the Water Resources Management Strategy, which will develop the Authority’s surface water supplies. Any interest earned on these dedicated funds shall be used only for this purpose.

### Fixed Monthly Charge - Metered Service Strategy Implementation

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Meter Size</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Institutional</th>
<th>Multi-family</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>% X ¾</td>
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<td>$3.95</td>
<td>$5.56</td>
<td>$3.87</td>
<td>$3.95</td>
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<tr>
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<td>1</td>
<td>8.58</td>
<td>8.78</td>
<td>13.69</td>
<td>8.29</td>
<td>9.10</td>
</tr>
<tr>
<td>3</td>
<td>1½</td>
<td>14.20</td>
<td>15.67</td>
<td>22.16</td>
<td>15.35</td>
<td>15.67</td>
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<td>25.21</td>
<td>27.81</td>
<td>39.35</td>
<td>27.26</td>
<td>27.81</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
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<td>62.55</td>
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<tr>
<td>6</td>
<td>4</td>
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<td>111.17</td>
<td>157.28</td>
<td>108.90</td>
<td>111.17</td>
</tr>
<tr>
<td>7</td>
<td>6</td>
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<td>250.10</td>
<td>353.88</td>
<td>245.01</td>
<td>250.10</td>
</tr>
<tr>
<td>8</td>
<td>8 &amp; over</td>
<td>402.74</td>
<td>444.60</td>
<td>629.10</td>
<td>435.54</td>
<td>444.60</td>
</tr>
</tbody>
</table>

(C) Unmetered Water Service.

(1) For service connections to the utility for private fire protection.

Applicable to all service through which water is used solely for extinguishing accidental fires.

### Fixed Monthly Charge

<table>
<thead>
<tr>
<th>Line Size (inches)</th>
<th>Service Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$4.40</td>
</tr>
<tr>
<td>3</td>
<td>6.60</td>
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<td>6</td>
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<tr>
<td>8</td>
<td>25.30</td>
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<tr>
<td>10</td>
<td>35.20</td>
</tr>
<tr>
<td>12</td>
<td>51.70</td>
</tr>
</tbody>
</table>
(2) Unmetered water service for any purpose other than standby fire protection will be a violation of this Ordinance and subject to the penalties specified herein; except by written agreement approved by the Executive Director.

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

(1) Permits

(a) Connections to fire hydrants at any location are prohibited except by the Authority, Fire Departments within the service area or by written permit (fire hydrant meter permit) issued by the Authority. The Fire Departments within the service area are given permission to use fire hydrants based upon written agreements with the Executive Director which pertain to inspection and maintenance. Permits shall not be issued to withdraw water from fire hydrants for any domestic uses, including, drinking, cooking, laundry or toiler. Each Fire Department is required to perform agreed upon maintenance on all fire hydrants within their service area as a condition of use.

(b) A qualified applicant (business owner or licensed contractor) or designated agent wishing to obtain a fire hydrant meter permit must submit a completed application form to the Authority. Completed and signed applications may be mailed or hand delivered. If the applicant assigns a designated agent to obtain the permit, a designated agent certification form must be signed and notarized by the business owner or licensed contractor and submitted with the completed application.

(c) Fire hydrant meter permits may be issued for a period not to exceed one (1) year. Failure to comply with one or more of the terms and conditions shall be cause for terminating the permit.

(d) Under a standard fire hydrant meter permit, the applicant may request the use of any fire hydrant from the Authority’s designated network of green-top fire hydrants. Applicants desiring to use an out-of-network hydrant must submit a written request with the fire hydrant meter application stating the reason(s) for needing to use the out-of-network hydrant. Authority staff will review such requests on a case by case basis and a decision shall be issued within three (3) business days of receiving the request.
(e) The Authority reserves the right to refuse to issue a fire hydrant meter permit to any applicant with an Authority account that is in violation of this ordinance.

(2) System Connection and Water Use.

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

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

(c) The Executive Director can appoint employees to inspect hydrant meters at anytime, but not less than once per annum. Permit holders shall make provisions for such inspections.

(d) For permit holders that contract with the Authority, the Executive Director is authorized to withhold payment for outstanding hydrant meter charges including but not limited to repair and replacement of the hydrant meter and usage.

(3) Loss, Damage and Payment Surety Bond.

(a) A loss, damage and payment surety deposit of $3,000.00 for each fire hydrant meter is required at the time the permit is issued. If a fire hydrant meter is lost or stolen, the $3,000.00 deposit shall be forfeited and the permit holder shall be assessed up to $1,000.00 charge for water usage.

(b) All or a portion of the loss, damage and payment surety deposit will be refunded depending upon the cost of repairing the meter and the outstanding balance for meter charges when it is returned to the Authority. The Authority shall cause the repair work and compute the time and materials necessary to rehabilitate the meter.
(c) The Executive Director can waive the loss, damage and payment surety deposit for special events or non-construction related short term projects.

(4) Reporting

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

(5) Fees and Charges.

(a) The nonrefundable connection fee is $230 for each hydrant issued for a fire hydrant meter permit.

(b) All fire hydrant meter permit holders shall pay a monthly maintenance charge of $70. This monthly maintenance charge shall not be prorated.

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

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

(E) Water Commodity Charge.

(1) (a) In addition to the Fixed Monthly Charge, all water used by a Customer within the Service Area for any purpose whatsoever shall be charged at the
rate of $1.014 per unit (one unit equals 100 cubic feet). In addition, there shall be a charge, added to this commodity charge, of the amount necessary to compensate the Authority for the water conservation fee charged by the state and for the Sustainable Water Supply Program in Fund 622, §1-1-3(E)(2). This is determined by the meter reading or by estimating the usage by statistical methods. Customers shall pay bills monthly.

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

(2) In addition to the fixed monthly charges and the Commodity Charge, §1-1-3(E)(1)(a), all water used by a Customer within the Service Area for any purpose whatsoever shall be charged at the rate of $0.371 per unit (one unit equals 100 cubic feet). This charge per unit will be dedicated to a Sustainable Water Supply Program in Fund 622 to fund the Water Resources Management Strategy. Any interest earned on these dedicated funds shall be used only for this purpose.

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

(4) (a) Surcharges for irrigation-only water accounts shall be assessed based upon an annual irrigation budget allowance established for such accounts, in accordance with the Authority’s Water Waste Ordinance O-06-3 or successor Ordinance. A surcharge will be applied to the usage above the annual irrigation budget allowance. For excess usage up to 150 percent (first tier) of the annual irrigation budget, the surcharge shall be 50% of the commodity rate shown in §1-1-3(E)(1)(a) and §1-1-3(E)(2). For excess usage greater than 150 percent (second tier) of
the annual irrigation budget, the surcharge shall be 100% of the commodity rate shown in §1-1-3(E)(1)(a) and §1-1-3(E)(2).

(b) The surcharge amount added for each unit exceeding 300% of the Winter Mean water usage as calculated in §1-1-2(A), shall be equal to 50% of the commodity charges in §1-1-3(E)(1)(a) and §1-1-3(E)(2), and shall be added to the total charge determined in §1-1-3(E)(4)(b) for usage during the following months of April through October.

(c) The surcharge amount added for each unit exceeding 400% of the Winter Mean water usage as calculated in §1-1-2(A) shall be equal to 50% of the commodity charges in §1-1-3(E)(1)(a) and §1-1-3(E)(2), and shall be added to the total charge determined in §1-1-3(E)(4)(b) for usage during the following months of April through October.

(d) Drought Related Surcharges. Under the four levels of Drought defined in the Drought Management Strategy, the Authority may, at its sole discretion, increase surcharges described in §1-1-3 by a factor of two, three or more as may be necessary to assist in water use reduction during a drought. During a drought, the Authority shall declare to the public the Drought Level, which can be raised and lowered by the Authority, and the proposed increase in surcharges. The Drought level only applies to the current year and must be approved by the Authority on a year by year basis. The Authority delegates the implementation of the Drought Management Strategy including the increase of surcharges to the Executive Director. Based on the Drought Level approved by the Authority, the Executive Director shall direct the water the Utility of the Effective Date of the new surcharges. Surcharges, however, shall revert to the surcharges described in §1-1-3 after November 1 of that same year.

(e) For residential class Customers only having service sizes 1 through 3, a 5% discount shall be applied to the commodity charges in §1-1-3(E)(1)(a) and §1-1-3(E)(2) for water usage during the months of April through October which is 150% or less than the Class Winter Mean water usage.
(F) Multiple Meter Service. Customers with service by more than one meter to any premise shall be charged the applicable fees associated with each meter except for single-family residential Customers who have two meters, of which one is used for irrigation. The monthly fixed charge for these single-family residential Customers will be based on the largest meter at the single-family residence.

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

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

1. Meters 3/4” to 2”

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Tag and Testing Charge Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8” x 3/4”</td>
<td>$140</td>
</tr>
<tr>
<td>1”</td>
<td>185</td>
</tr>
<tr>
<td>1-1/2”</td>
<td>380</td>
</tr>
<tr>
<td>2”</td>
<td>455</td>
</tr>
</tbody>
</table>

The meter in question will be removed and a new one installed so that service can be maintained. The removed meter will be bench tested by the Utility in accordance with AWWA Standard C705. Should the meter fail the accuracy test such that the requestor was being overcharged, there would be no charge to the requestor.

2. Meter 3” and greater. The meter in question will be tested in place in accordance with AWWA Standard C701, C702 or C703 and AWWA manual M6. Should the meter fail the accuracy test such that the requestor was being overcharged, there would be no charge to the requestor. The testing charge for this will be $500 for all sizes.
(I) The Customer utility statements shall contain the following itemized element: "Sustainable Water Supply: $`x,' where `x' shall be the cost of the rate increase to fund the implementation of the Water Resources Management Strategy.

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

(K) Real property owners receiving water service from the Utility are responsible for hiring a licensed plumber to connect their customer service line to the Utility’s system at the point of metered service.

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

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

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

(C) Commodity Charge.

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

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

(3) For all Customers subject to the water budget provisions of the City of Albuquerque Water Conservation Landscaping and Water Waste Ordinance, § 6-1-1-
1 et seq., ROA 1994 or successor Ordinance the excess use surcharge rate as defined per §1-1-3(E)(4)(b) shall be charged at the rate based upon the non-potable water commodity rate (one unit equals 100 cubic feet).

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

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

(F) Utility Expansion Charge (UEC).

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

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

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

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

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

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

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

1-1-5. SEWER RATES.

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

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

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

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

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

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

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

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

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

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

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

(7) KIRTLAND AIR FORCE BASE (KAFB).

(8) NEW MEXICO UTILITIES, INC. (NMUI).

INDUSTRIAL LIQUID WASTES. All waterborne solids, liquids or gaseous wastes resulting from any industrial, manufacturing of food processing operation or process, or from the development of any natural resources, or any mixture of these with water or domestic sewage as distinct from normal domestic sewage.

LATERAL SEWER. An individual user's sewer pipe beginning at the public sewer and extending to the premises actually served. The lateral sewer includes the stub to which a user connects to the public sewer and all appurtenances on such lateral sewer. The user is responsible for the maintenance of the lateral sewer including those portions that may be within any right-of-way. The term is interchangeable with "house service connection," "sewer service line," or "building sewer."
NORMAL DOMESTIC WASTEWATER. Effluent which contains constituents and characteristics similar to effluent from a residence and specifically for the purposes of this Ordinance does not contain BOD, COD, NH3N and TSS in excess of the following concentration:

- BOD — 250 mg/l
- COD — 500 mg/l
- TSS — 330 mg/l
- NH3N — 25 mg/l

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

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

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

TOTAL SUSPENDED SOLIDS or TSS. Those solids which are retained by a standard glass fiber filter and dried to constant weight at 103 – 105° C. expressed in milligrams per liter (mg/l), by Standard Methods procedures.
WASTEWATER. The used water of a community. Such used water may be a combination of the liquid waterborne wastes from residences, commercial buildings, industrial plants and institutions.

(B) Methodology and Calculation of Rates and Charges

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

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

(C) Fixed Monthly Charge.

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

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

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Meter</th>
<th>Resid</th>
<th>Comm</th>
<th>Indust</th>
<th>Instit</th>
<th>Multi-fam</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>⅝ X ¾</td>
<td>$7.49</td>
<td>$9.26</td>
<td>$42.09</td>
<td>$7.17</td>
<td>$12.43</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>12.14</td>
<td>15.16</td>
<td>71.30</td>
<td>11.58</td>
<td>20.58</td>
</tr>
<tr>
<td>3</td>
<td>1½</td>
<td>49.64</td>
<td>62.82</td>
<td>307.10</td>
<td>47.23</td>
<td>86.37</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>123.52</td>
<td>156.70</td>
<td>771.61</td>
<td>117.46</td>
<td>215.97</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>165.42</td>
<td>209.94</td>
<td>1035.05</td>
<td>157.29</td>
<td>289.48</td>
</tr>
<tr>
<td>6</td>
<td>4</td>
<td>352.41</td>
<td>447.54</td>
<td>2210.67</td>
<td>335.03</td>
<td>617.50</td>
</tr>
</tbody>
</table>
ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY
WATER AND SEWER RATE ORDINANCE

| 7 | 6 | 469.32 | 596.10 | 2945.73 | 446.16 | 822.59 |
| 8 | 8 & over | 834.31 | 1059.87 | 5240.47 | 793.10 | 1462.87 |

(3) Fixed Monthly Charge for Customers without water service:

<table>
<thead>
<tr>
<th>Liquid Waste</th>
<th>Flow (CCF)</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Institutional</th>
<th>Multi-family</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>$ 7.49</td>
<td>$ 9.26</td>
<td>$42.09</td>
<td>$7.17</td>
<td>$12.43</td>
<td></td>
</tr>
<tr>
<td>11-19</td>
<td>12.14</td>
<td>15.16</td>
<td>71.30</td>
<td>11.58</td>
<td>20.58</td>
<td></td>
</tr>
<tr>
<td>20-63</td>
<td>49.64</td>
<td>62.82</td>
<td>307.10</td>
<td>47.23</td>
<td>86.37</td>
<td></td>
</tr>
<tr>
<td>64-82</td>
<td>123.52</td>
<td>156.70</td>
<td>771.61</td>
<td>117.46</td>
<td>215.97</td>
<td></td>
</tr>
<tr>
<td>83-343</td>
<td>165.42</td>
<td>209.94</td>
<td>1035.05</td>
<td>157.29</td>
<td>289.48</td>
<td></td>
</tr>
<tr>
<td>344-599</td>
<td>352.41</td>
<td>447.54</td>
<td>2210.67</td>
<td>335.03</td>
<td>617.50</td>
<td></td>
</tr>
<tr>
<td>600-803</td>
<td>469.32</td>
<td>596.10</td>
<td>2945.73</td>
<td>446.16</td>
<td>822.59</td>
<td></td>
</tr>
<tr>
<td>804-over</td>
<td>834.31</td>
<td>1059.87</td>
<td>5240.47</td>
<td>793.10</td>
<td>1462.87</td>
<td></td>
</tr>
</tbody>
</table>

(4) Fixed Monthly Charges for Wholesale and KAFB & NMUI

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Wholesale</th>
<th>Item</th>
<th>KAFB</th>
<th>NMUI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$9.46</td>
<td>Per Month</td>
<td>$30,124.95</td>
<td>$92,474.79</td>
</tr>
<tr>
<td>2</td>
<td>15.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>64.28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>160.38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>610.16</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>1084.90</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Commodity Charges for Retail and Special Contract Customers

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Base ($/CCF)</th>
<th>Rehab ($/CCF)</th>
<th>Total Commodity ($/CCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Residential</td>
<td>Commercial</td>
<td>Industrial</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>$0.624</td>
<td>$0.198</td>
<td>$0.822</td>
</tr>
<tr>
<td>Wholesale</td>
<td>$0.440</td>
<td>$0.139</td>
<td>$0.579</td>
</tr>
<tr>
<td>KAFB</td>
<td>0.440</td>
<td>0.139</td>
<td>0.579</td>
</tr>
<tr>
<td>NMUI</td>
<td>0.440</td>
<td>0.139</td>
<td>0.579</td>
</tr>
</tbody>
</table>

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

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

(3) Special Wastewater Discharge Volume. The Authority recognizes that sewage discharge patterns for individual Customers may vary to a great extent from the norms of any particular class; therefore, any Customer may, at their own expense, provide the Authority with sewage flow data for consideration of a special wastewater discharge volume. Such data shall be certified by an engineer registered in
the state. The Authority expressly reserves the right to determine the estimated wastewater volume for any Customer, which determination may be appealed to the Executive Director.

(E) Extra-Strength Surcharge.

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

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

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

(a) $.11 per pound of COD for the excess of 500 mg/l of COD;
and
(b) $.23 per pound of BOD for the excess of 250 mg/l BOD; and
(c) $.19 per pound of TSS for the excess of 330 milligrams per liter of TSS; and
(d) $.47 per pound of NH3N for the excess of 25 mg/l of NH3N.

(3) The Authority shall promulgate regulations to carry out the provisions of the extra-strength surcharge.

(F) Septic Tank Truck Discharge. No user owning vacuum or "cesspool" type pumping trucks or other liquid waste transport trucks shall discharge such waste into the POTW, unless such person shall first have applied for and received a Septic Tank
Discharge or Chemical Toilet Discharge Permit from the Executive Director pursuant to the regulations "Establishing Administrative Policies and Fees for the Discharge of Septic Tank and Chemical Toilet Wastes" currently adopted by the Authority.

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

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

(I) Sampling and Testing Procedures.

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

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

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

(4) Those industries suspected of discharging either high COD, BOD, NH3N wastes or high TSS wastes shall be sampled for five consecutive days by grab samples or 24-hour composite samples from a Utility manhole. If COD results exceed 500 mg/l, BOD results exceed 250 mg/l, NH3N results exceed 25 mg/l, or TSS results exceed 330 mg/l on any of the three of the five consecutive days, or in any of the 24-hour composite samples, a sampling manhole will be required for industries discharging greater than 50,000 gallons per day or if required by the Authority’s Sewer Use and Wastewater Control Ordinance or successor Ordinance. Upon installation of the sampling manhole, an automatic sampler with attached flow meter will be used to gather a flow weighted composite which shall be used to compute a monthly surcharge. Industries discharging less than 50,000 gallons per day and not otherwise requiring a sampling manhole will be required to install a cleanout and an automatic sampler will be used to gather a time-weighted composite which shall be used to compute a monthly surcharge. Pretreatment may be required according to the Authority’s Sewer Use and Wastewater Control Ordinance or successor Ordinance.

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

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

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

(A) An established portion of the revenue generated by fixed water rates and the water commodity charge shall be distributed to a Water and Sewer Rehabilitation Fund. The fixed rate portion of the water rates contained in §1-1-3 (B) which shall be distributed to the Water and Sewer Rehabilitation Fund are contained in the following
schedule of charges. The portion of the water commodity rate to be distributed to the Water and Sewer Rehabilitation Fund shall be $0.140 per unit.

Fixed Water Rates (per month)

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Meter Size</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Institutional</th>
<th>Multi-family</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>⅝ X ¾</td>
<td>$1.10</td>
<td>$1.12</td>
<td>$2.36</td>
<td>$1.18</td>
<td>$1.41</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2.10</td>
<td>2.14</td>
<td>4.66</td>
<td>2.27</td>
<td>2.73</td>
</tr>
<tr>
<td>3</td>
<td>1½</td>
<td>7.25</td>
<td>7.40</td>
<td>16.52</td>
<td>7.87</td>
<td>9.55</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>16.26</td>
<td>16.62</td>
<td>37.29</td>
<td>17.67</td>
<td>21.49</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>29.95</td>
<td>30.62</td>
<td>68.81</td>
<td>32.55</td>
<td>39.61</td>
</tr>
<tr>
<td>6</td>
<td>4</td>
<td>71.45</td>
<td>73.03</td>
<td>164.41</td>
<td>77.67</td>
<td>94.54</td>
</tr>
<tr>
<td>7</td>
<td>6</td>
<td>109.63</td>
<td>112.07</td>
<td>252.28</td>
<td>119.18</td>
<td>145.07</td>
</tr>
<tr>
<td>8</td>
<td>8 &amp; over</td>
<td>247.60</td>
<td>253.09</td>
<td>570.08</td>
<td>297.22</td>
<td>327.71</td>
</tr>
</tbody>
</table>

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

Fixed Monthly Rehabilitation Charges

<table>
<thead>
<tr>
<th>Serv Size</th>
<th>Meter Siz</th>
<th>Resid</th>
<th>Comm</th>
<th>Indust</th>
<th>Instit</th>
<th>Multi-fam</th>
<th>Wholesale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>⅝ X ¾</td>
<td>$1.80</td>
<td>$2.23</td>
<td>$10.12</td>
<td>$1.72</td>
<td>$2.99</td>
<td>$2.27</td>
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<tr>
<td>2</td>
<td>1</td>
<td>2.92</td>
<td>3.65</td>
<td>17.14</td>
<td>2.78</td>
<td>4.95</td>
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</tr>
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<td>3</td>
<td>1½</td>
<td>11.93</td>
<td>15.10</td>
<td>73.82</td>
<td>11.35</td>
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<td>15.45</td>
</tr>
<tr>
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<td>29.69</td>
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<td>51.92</td>
<td>38.55</td>
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<td>37.81</td>
<td>69.59</td>
<td>51.65</td>
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<tr>
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<td>110.12</td>
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<td>6</td>
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<td>8</td>
<td>8 &amp; over</td>
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<td>1259.76</td>
<td>190.65</td>
<td>351.66</td>
<td>260.80</td>
</tr>
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</table>

Monthly Rehabilitation Charges for KAFB & NMUI

<table>
<thead>
<tr>
<th>Item</th>
<th>KAFB</th>
<th>NMUI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Month</td>
<td>$7,241.74</td>
<td>$22,230.02</td>
</tr>
</tbody>
</table>
(C) Expenditures for the rehabilitation of water wells, pump stations, reservoirs, service lines, other water lines, gate valves and the expenditures for rehabilitation of sewer lines, odor control stations, pumping stations and treatment facilities from revenues in the Water and Sewer Rehabilitation Fund shall not be less than $30 million dollars per year.

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

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

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

(B) At a minimum, 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). This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impacts.

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

(D) Utility Expansion Charge (UEC) revenues or those of successor development fees in excess of $6,000,000 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 most recent audited Comprehensive Annual Financial Report.

(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.

(G) The Authority shall continue to implement an asset management program to manage its capital infrastructure focusing on minimizing the total cost of designing, acquiring, operating, maintaining, replacing, and disposing of capital assets over their life cycle while achieving desired service levels. It will also allow the Authority to manage existing assets more effectively, make informed decisions on policy and budgetary matters, and plan for future needs.

(H) A Rate Reserve Fund is established for reserving water and sewer revenues in a dedicated fund for the purpose of offsetting declines in rate revenue and to mitigate future rate increases. This Rate Reserve Fund is established at $1 million. This Rate Reserve Fund may be increased annually based on excess funding over $10 million in the Authority’s Working Capital Balance. The Rate Reserve Fund will be capped at $5 million. Any expenditure from this Rate Reserve Fund will require an appropriation approved by the Authority Board.

1-1-8. UTILITY EXPANSION CHARGE (UEC) and WATER SUPPLY CHARGE (WSC).

(A) A UEC charge will be paid to the Authority at the time of meter sale or application for service for all properties connecting to the water and/or wastewater system in accordance with the following schedule. The amount of the UEC’s shall be
adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR). Where water service does not exist and sewer service is to be taken and the sewer UEC is applicable, the charge shall be based upon the wastewater flow. A unit of flow is equal to 100 cubic feet.

(a) Financing for Water UEC

Effective July 1, 2007

<table>
<thead>
<tr>
<th>Water Meter Size</th>
<th>Water Payment</th>
<th>Minimum Cash Down</th>
<th>Balance to Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$2,421</td>
<td>$121</td>
<td>$2,300</td>
</tr>
<tr>
<td>1&quot;</td>
<td>4,036</td>
<td>202</td>
<td>3,834</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>8,071</td>
<td>404</td>
<td>7,667</td>
</tr>
<tr>
<td>2&quot;</td>
<td>12,914</td>
<td>646</td>
<td>12,268</td>
</tr>
<tr>
<td>3&quot;</td>
<td>25,827</td>
<td>1,291</td>
<td>24,536</td>
</tr>
<tr>
<td>4&quot;</td>
<td>40,355</td>
<td>2,018</td>
<td>38,337</td>
</tr>
<tr>
<td>6&quot;</td>
<td>80,710</td>
<td>4,036</td>
<td>76,674</td>
</tr>
<tr>
<td>8&quot; or More</td>
<td>129,137</td>
<td>6,457</td>
<td>122,680</td>
</tr>
</tbody>
</table>

(b) Financing for Sewer UEC

Effective July 1, 2007

<table>
<thead>
<tr>
<th>Water Meter Size</th>
<th>Liquid Waste Flow</th>
<th>Sewer Payment</th>
<th>Minimum Cash Down</th>
<th>Balance to Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>0-10</td>
<td>$1,816</td>
<td>$91</td>
<td>$1,725</td>
</tr>
<tr>
<td>1&quot;</td>
<td>11-19</td>
<td>3,027</td>
<td>151</td>
<td>2,876</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>20-63</td>
<td>6,053</td>
<td>303</td>
<td>5,750</td>
</tr>
<tr>
<td>2&quot;</td>
<td>64-82</td>
<td>9,685</td>
<td>484</td>
<td>9,201</td>
</tr>
<tr>
<td>3&quot;</td>
<td>83-343</td>
<td>19,370</td>
<td>969</td>
<td>18,401</td>
</tr>
<tr>
<td>4&quot;</td>
<td>344-599</td>
<td>30,265</td>
<td>1,513</td>
<td>28,752</td>
</tr>
<tr>
<td>6&quot;</td>
<td>600-803</td>
<td>60,530</td>
<td>3,027</td>
<td>57,503</td>
</tr>
<tr>
<td>8&quot; or More</td>
<td>804 &amp; over</td>
<td>96,848</td>
<td>4,842</td>
<td>92,006</td>
</tr>
</tbody>
</table>
(2) The UEC may be paid in full or paid over time with an initial minimum of 5% down payment and the balance shall be subject to a fixed monthly charge to include a carrying charge set at 7% per annum. On all connections, the balance shall be paid in full within 120 months.

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

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

(C) Charges for multiple residential units:

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

(a) Apartment Complexes.

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

(ii) With more than 30 dwelling units shall pay the amount given by the equation below:

\[
\text{Equivalent Units} = (0.45) \times (\text{No. of Units}) + 1.49
\]

\[
\text{Total UEC} = (\text{Equivalent Units}) \times (5/8" \times 3/4" \text{ Meter UEC})
\]

(b) Mobile Home Parks, regardless of size, shall pay 53% of the product of the total number of dwelling units times the water and/or sanitary sewer UEC for a 5/8" x 3/4" water meter.
(c) Condominiums, regardless of size, shall pay 53% of the product of the total number of dwelling units times the water and/or sanitary sewer UEC for a 5/8" x 3/4" water meter.

(d) Commercial service shall pay the larger of the following:
   (i) The water and/or sewer UEC as shown in §1-1-8(A).
   (ii) 50% of the product of the number of equivalent residential units times the water and/or sewer UEC charge for a 5/8" x 3/4" meter.

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

(D) (1) A Water Supply Charge (WSC), as specified herein, will be assessed by the Authority at the time of meter sale or application for service to any new water user customer requesting connection to the water system in an area not located within the Authority’s service area requiring a development agreement in accordance with § 1-1-8(D)(1)(a). The proceeds from this charge will be dedicated and restricted to the development of new water resources, rights or supplies to serve the beneficiary new customers outside of the service area consistent with the Authority’s Regional Water Plan and Water Resources Management Strategy and other guiding principles adopted by the Authority. The amount of the WSC shall be adjusted annually by building cost or construction cost indices (BCI or CCI) as published by the Engineering News Record (ENR). The WSC fee does not apply to non-potable water service.

(a) Financing for Water Supply Charge - WSC

<table>
<thead>
<tr>
<th>Water Meter Size</th>
<th>Water Payment</th>
<th>Minimum Cash Down</th>
<th>Balance to Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$1,250</td>
<td>$63</td>
<td>$1,187</td>
</tr>
<tr>
<td>1&quot;</td>
<td>2,084</td>
<td>104</td>
<td>1,980</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>4,167</td>
<td>208</td>
<td>3,956</td>
</tr>
<tr>
<td>2&quot;</td>
<td>6,668</td>
<td>333</td>
<td>6,335</td>
</tr>
</tbody>
</table>
3"  13,335  667  12,668
4"  20,836  1,042  19,794
6"  41,672  2,084  39,588
8" or More  66,675  3,334  63,341

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

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

(4) The WSC is not reimbursable under the line extension policy. All revenues generated from the WSC will be maintained in it's own activity and to be used only as specified in § 1-1-8(D)(1).

1-1-9. SPECIFIC SERVICES.

Fees for specific services shall be as follows:

(A) Metered Service Lines.

(1) 3/4" meter set only, $295
(2) 1" meter set only, $355
(3) 1 1/2" meter set only, $555
(4) 2" meter set only, $635
(5) 3" metered service line installation.

(a) 3" meter set only with turbine meter without vault, $1,535
(b) 3" meter set only with compound meter without vault, $2,185

(6) 4" metered service line installation.
### ALBUQUERQUE BERNALILLO COUNTY
### WATER UTILITY AUTHORITY
### WATER AND SEWER RATE ORDINANCE

(a) 4" meter set only with turbine meter without vault, $2,225
(b) 4" meter set only with compound meter without vault, $3,125
(c) 4" meter set only with fire protectus meter without vault $7,210

(7) 6" metered service line installation.
(a) 6" meter set only with turbine meter without vault, $3,350
(b) 6" meter set only with compound meter without vault, $5,140
(c) 6" meter set only with fire protectus meter without vault $7,520

(8) 8" metered service line installation.
(a) 8" meter set only with turbine meter without vault, Contact Utility for quote
(b) 8" meter set only with turbine meter without vault $5,070
(c) 8" meter set only with fire protectus without vault $13,040

(9) 10" and larger: Contact the Utility for price quote

(B) Meter Size Reduction Installation.
(1) 3/4" through 1-1/2", $85
(2) 2", $170
(3) 3" and larger, contact the Utility for price quote

(C) Nonpayment Delinquency Fee.
(1) 3/4" and 1", $45
(2) 1-1/2" through 10", $60

(D) Combined Fire-Domestic Meters.
(1) Requests for this type of metered service, which provide both fire
protection and domestic-irrigation service, may be made at the New Services Section of
Utility Development. Upon the satisfactory determination of peak flow water delivery
requirements, as certified by an engineer registered in the state, in accordance with the
City of Albuquerque’s and the County of Bernalillo’s fire codes and the AWWA M22 an
equivalent meter size will be determined for the service. Fixed monthly charges for
private fire protection shall also be applied commensurate with the degree of fire
protection capacity being provided.

(2) Fees for installation (set only) is in §1-1-9(A).

1-1-10. FRANCHISE FEE.

There shall be a charge of 4% on the total sales of water and sewer
services added to customer billings to compensate the Authority for the franchise fee
charged by the City, County and the Village of Los Ranchos for the granted
authorization to use rights-of-way and public places to construct, operate, and maintain
water and wastewater systems.

1-1-11. PAYMENT.

All charges shall be payable at the office of the City Treasurer, City Hall,
Albuquerque, New Mexico, or other locations as designated by the Authority and will
become delinquent 15 days following the "due by" date on the Customer's utility
statement.

1-1-12. PENALTY FOR DELINQUENT ACCOUNTS.

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

1-1-13. RESPONSIBILITY OF PAYMENT, LIENS, AND DEPOSIT.

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

(B) The Authority may file a lien of record on such real property for such
charges including any interest or penalties accruing on same.
(C) Reasonable deposits may be required of any Customer including tenants. Deposits not to exceed 6 months in duration. Such deposits and accrued interest shall be applied to the utility account immediately upon becoming delinquent or the expiration of 6 month period. Any credit status created by applying the deposit will be absorbed by the monthly service charges and considered prepayments for services. Such deposits shall draw reasonable interest.

1-1-14. DISCONTINUANCE OF SERVICE; HEARING.

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

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

(C) The Customer must request in writing that a hearing be held and such request must be received by the Executive Director on or before the date the services are to be terminated. When a hearing is requested, the Executive Director or his/her designee shall send written notice by certified mail, return receipt requested, to the Customer of the time and place of the hearing.

(D) At the hearing, the Customer may present evidence to the alleged facts upon which the Authority based the decision to terminate and any other facts which may aid the Executive Director or his/her designee in determining whether to affirm, overrule or modify the decision to terminate the services. The Executive Director or his/her designee may affirm, overrule or modify the decision to terminate the services. The decision shall be final.
(E) In the event a hearing is requested, the services shall not be terminated until and in accordance with the decision of the Executive Director or his/her designee.

(F) A nonrefundable hearing fee of $50.00 shall accompany each request for a hearing filed pursuant to this §1-1-13.

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

1-1-15. PROTESTS; HEARING.

(A) A Customer may protest any charge imposed or action taking by the Authority pursuant to this ordinance by filing a written request for a hearing. The request for hearing shall be filed with the Executive Director or his/her designee within fifteen calendar days after the date of the notice to the Customer that the Authority has imposed the disputed charge or that the Authority has taken the disputed action. If the last day of the fifteen day period falls on a Saturday, Sunday or a national holiday, then the Customer may file the request for a hearing on the next day that is not a Saturday, Sunday or national holiday.

(B) The request for a hearing shall state the charge or action that the Customer disputes, the grounds for disputing the charge or action, and all material facts that support the Customer’s grounds for disputing the charge or action.

(C) A filing fee of $50.00 shall be added to the Customer’s water and sewer statement if the disputed charge or action is affirmed by the Executive Director or his/her designee.

(D) When a hearing is requested, the Executive Director or his/her designee shall send written notice by certified mail, return receipt requested, to the Customer of the time and place of the hearing.

(E) At the hearing, the Customer shall have the right to present evidence in support of the Customer’s grounds for disputing the charge or action and any other facts that may aid the Executive Director or his/her designee in determining whether
the disputed charge was imposed or the action taken in accordance with this ordinance.

(F) If the Executive Director or his/her designee finds that the disputed charge was imposed or the action was taken in accordance with this ordinance, then the Executive Director or his/her designee shall affirm the charge or action. If the Executive Director or his/her designee finds that the disputed charge was not imposed or the action was not taken in accordance with this ordinance, then the Executive Director or his/her designee shall overrule or modify the charge or the action.

1-1-98. VIOLATIONS.

(A) It shall be unlawful to use or cause to be used any water produced or distributed by the Utility without the consent of the Authority. Water distributed through authorized meter or obtained by any means authorized by ordinances or administration rules and regulations shall constitute the consent of the Authority.

(B) It shall be unlawful to discharge or cause to be discharged any liquid waste to the liquid waste collection or treatment system operated by the Utility without the consent of the Authority and compliance with the Authority’s Sewer Use and Waste Water Control Ordinance. Approved connections or permits shall constitute such consent.

(C) It shall be unlawful for any person to willfully break, injure, or tamper with any property of the Authority, including but not limited to: wells, pump stations, reservoirs, sewage treatment plants, lift stations, distribution lines, fire hydrant service lines, meters, gate valves, manhole covers or grates.

(D) Violation of any of the above described occurrences shall be subject to a connection service charge of $400.00 per occurrence and or termination of service.

1-1-99. PENALTY.

Any person convicted of a violation of §1-1-98 or §1-1-3(D) or §1-1-5(G) or (H) shall be subject to the penalty provisions set forth below. The Court may sentence any corporation, club, organization or unincorporated association which has been convicted of a violation of this Ordinance to pay a fine authorized herein.
Any person who violates any provision of this code for which another penalty is not specifically provided shall, upon conviction, be subject to a fine not exceeding $500 or by imprisonment not exceeding 90 days or both unless a different specific penalty is provided. Each separate violation shall constitute a separate offense and, upon conviction, each day of violation shall constitute a separate offense.

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

Section 3 EFFECTIVE DATE AND PUBLICATION. This Ordinance shall become effective on July 1, 2007.