Kirtland Interceptor Project

PROPOSED FY2025 Budget and Performance Plan

Albuquerque Bernalillo County Water Utility Authority

Proposed Operating Budget FY25

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Albuquerque Bernalillo Co. Water Utility Authority
New Mexico

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morrill

Executive Director

Albuquerque Bernalillo County
Water Utility Authority

April 17, 2023

To: Eric Olivas, 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, 2024 and Ending June 30, 2025

Presented to the Board for review and consideration is the proposed budget for the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for Fiscal Year 2025 (FY25). This submittal is inclusive of the Water Authority's financial plan for FY25. The development of this plan has been guided by the Water Authority's Business Goals, One-year Objectives, Performance Plan and Guiding Principles.

Economic factors have made the Water Authority's fiscal situation difficult to forecast in recent years, particularly since the beginning of the COVID-19 pandemic in 2020. Therefor the budget reflects a conservative outlook, in keeping with the financial plans of FY21-FY24. This approach, and strategic deployment of Water Authority reserve funds, has ensured continuity of critical public services despite financial uncertainty associated with the pandemic.

The proposed budget is consistent with the Board goals and policies as well as the utility's 10 Year Financial Plan. It is expected to:

- Provide sufficient funding for the operation and maintenance of the water and wastewater systems
- Improve and expand where necessary the community's water and wastewater infrastructure as detailed in the Decade Plan
- Facilitate adoption of technological advancements that increase efficiencies and improve customer service
- Ensure financial stability while providing affordable and reliable services to customers

The Water Authority has developed the budget according to the utility's projected estimated revenues. General Fund revenue for FY25 is estimated to be $257.4 million ($4.5 million more than FY24), which reflects a proposed rate revenue adjustment. Under that adjustment, a typical residential customer (using 6 units) of water per month will see an increase in their monthly water and wastewater bill of $6.03.

Major factors necessitating this rate adjustment include:

- Operational cost increases due to inflation for chemicals, power, and repair and maintenance purchases,
- Construction bids coming in 10% to 70% higher than engineering estimates,
- Contract services rising in cost by 10% to 50%, and
- The need to rehabilitate the Water Authority's aging infrastructure including the replacement of high-risk water mains and sewer interceptors.

For FY25, General Fund revenues are expected to be $11.8 million more than proposed expenses. This amount will bring the Working Capital or Fund Balance to $30.6 million at June 30, 2025. The Water Authority's target is to maintain its Fund Balance at 1/12 of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. For FY25, the Rate Reserve fund is replenished to $9.0 million; the Risk Reserve is $0.5 million; and the Soil Amendment Facility Reserve is $2.1 million.

The proposed General Fund operating expenses for FY25 are $245.3 million, representing a decrease of $13.3 million from the FY24 revised budget, including interfund transfers. This is comprised of an increase of $3.8 million for salaries and benefits, an increase of $3.1 million for operating expenses, and a decrease of $20.2 million for interfund transfers to the capital and debt service funds. Personnel expenses include a 2.0% step increase in wages based on existing labor agreements, a 7.0% increase in health benefit costs and a 0.5% increase in PERA pension costs. Debt service payments comprise 30.6% of the total General Fund operating expense in FY25.

Submitted in a separate resolution is the Capital Implementation Program (CIP) proposed budget for FY25. This budget reflects the Water Authority's commitment to spend $250 million over ten years to upgrade its Southside Water Reclamation Plant, along with an additional $40 million per year to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in an asset management study commissioned by the Water Authority. The proposed CIP appropriation for FY25 is $128.8 million. $100 million is appropriated for the basic rehab capital programs, $6 million for growth-related projects, $5.4 million for special projects, and $17.4 million for *Water 2120* projects. The $5.4 million for special projects is comprised of $2 million for Automated Meter Infrastructure (AMI), $1 million for steel water line replacement and $2.4 million for various renewable energy projects.

Bernalillo County's American Rescue Plan Act (ARPA) Recovery Funds continue to be spent in FY25. Below is a listing of the projects, funding amount, and a brief description.

1. Carnuel Sewage Collection System ($3,845,000) – Funding will be used for construction of a force main system that will provide sewer service to Carnuel residents and has a direct positive community impact and reduction in groundwater pollution (eliminates septic systems). ARPA funding will used for the construction phase.
2. MDC Water & Sewer Improvements ($11,673,086) – Funding will be used to install a lift station and force main at the MDC facility for improved sewer service. This will eliminate potential compliance violations and costly operations and maintenance for the existing on-site lagoon treatment system.
3. Mesa del Sol Non-Potable Reuse Booster Pump & Reservoir (4,896,536) – Funding will be used to design and construct a re-use reservoir, booster pump and transmission lines to provide adequate pressures for re-use system throughout Mesa del Sol.
4. South Valley Drinking Water Project Phase 8 & 9 ($8,000,000) – Funding will be used to design and construct waterlines for residents and businesses in the South Valley that currently rely on private wells.
5. Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation ($15,000,000) – Funding will be used to design and rehabilitate the existing interceptor line through KAFB as well as support the Max Q development project.
6. Volcano Cliffs & Corrales Trunk Reservoir & Transmission Line ($15,000,000) – Funding will be used to design and construct a reservoir and transmission line for increased water capacity and transfer within Volcano Cliffs trunk and Corrales trunk.
7. Bosque Non-Potable Water Reclamation Plant and Reuse System ($2,875,037) – Consistent with Water 2120, this project extends the Water Authority's water resources through conservation and direct and indirect potable reuse. This project would provide non-potable water for irrigation of parks, school fields, and golf courses. ARPA funding will complete the 1st phase, which is underway, that includes finalizing the layouts for the facility (conceptual design) and submission of an NPDES permit to discharge to the Rio Grande south of Montano Road. This funding will also begin the 2nd phase that consists of preliminary and final design. The Water Authority has received $300,000 in Capital Outlay funding through the State of NM.
8. Carnuel Water System Expansion ($1,000,000) – Funding will be used for additional waterline extension design and construction for the Village of Carnuel Water System Expansion project. The Water Authority has received $300,000 in Capital Outlay funding through the State of NM.
9. To'Hajiilee Water Line Extension ($1,000,000) – Funding will be used for construction of a 7.8 mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo county to the Well 5 site.

The FY25 operating and capital budgets represent the Water Authority's concerted effort to bring to the Board a financial plan that provides the necessary funding to perform all operational and administrative functions, maintain the expected Level of Service (LOS) to utility customers, and address the Water Authority's priorities for FY25 to improve processes and realize operating efficiencies.

As we look forward to FY25, we also reflect on the Water Authority successes in recent years. These included:

- ✓ Achievement of 20% reliance on renewable energy sources
- ✓ Receipt of a rebate check for $656,379 for participation in the Public Service Company of New Mexico (PNM) Peak Save Program
- ✓ FY24 Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
- ✓ 2023 Rocky Mountain Section American Water Works Association (AWWA) Outstanding Water Laboratory Award for the Water Quality Lab
- ✓ 5-Year Directors Award and 2nd Year Presidents Award from the AWWA Partnership for Safe Water
- ✓ FY22 GFOA Certificate of Achievement for Excellence in Financial Reporting (both Comprehensive and Popular)
- ✓ AQUARIUS award from the EPA for the Water Authority's efforts to bring water service to the Village of Carnuel

Other achievements in the preceding fiscal year include progressing to the design phase on the To'Hajiilee Transmission Line project that will provide high-quality potable water to the To'Hajiilee Navajo community, and the Volcano Cliffs Arsenic Treatment Facility that will treat water from 5 existing wells, providing approximately 12 million gallons per day (MGD) of potable water for the users in the westside of the service area. Both projects will go to construction in late FY24. The Intel Raw Water Transmission Line project will be completed before the end of FY24.

Operations

In calendar year 2022, the Surface Water Treatment Plant (SWTP) section produced 50% of all water for the Water Authority, which reflects drought conditions in the Rio Grande River during the year.

SWTP staff attended the New Mexico Water Workshop and presented on residual management strategies conducted from intake to sludge handling with Collections group and dewatering operations.

At the SWTP, all twelve filters have been converted to refill with ozonated process water as opposed to finished water.

Groundwater operations provided all the potable water to the service area between August 8, 2023 and November 1, 2023 due to the shutdown of the SWTP.

Groundwater operations commissioned two groundwater wells and a 7-mile transmission main to serve non-potable water to Intel and began operation of the new developer-funded Arroyo del las Calabacillas water reservoir in the northwest portion of the service area. The reservoir increases reliability and capacity with the potential to serve undeveloped lands.

Groundwater Control Center staff coordinated with PNM on the Peak Saver Program to maximize electrical load shedding.

The Southside Water Reclamation Plant (SWRP) had zero National Pollutant Discharge Elimination System (NPDES) permit exceedances for calendar year 2023 which qualifies for a National Association of Clean Water Agencies (NACWA) Peak Performance Gold Award.

For calendar year 2023, 47% of SWRP's power needs were provided by renewable/green energy generation sources including an on-site solar array and digester gas-fueled cogeneration. A contractor was hired to clean debris from the UV inlet channel, junction boxes and the reuse basin and clearwell.

Field Distribution section crews installed over 13,000 additional Automated Meter Infrastructure (AMI) meter devices. The division received and responded to 25,000 line- locate requests from New Mexico 811 for excavations during the fiscal year leading to a reduction in underground utility damage frequency. Staff tested approximately 500 large water meters and over 300 small water meters for accuracy (median 95%), added over 650 updates to the Geographic Information System (GIS) and updated the Risk Model by cleaning up old work orders and incorporating leak data from 2017 to the present. Staff are actively working on updating the Revised Lead and Copper Rule line inventory with over 3,100 inspections at the meter box to date. Staff continued the pressure management program with 17 device

rebuilds and two lid replacements.

Wastewater Collections section continued to implement the Capacity Management Operations and Maintenance (CMOM) program. As part of the commitment to the program staff and contractors televised 5% of the small diameter system, and staff continued to investigate methods and tools to reduce the number of sanitary sewer overflows.

Collections staff assisted Jemez Springs with a review and troubleshooting of their collection system. Staff performed cameral inspections to determine the condition of areas of their system.

Collections focused operations on the short interval cleaning. Staff are looking at altering some of the cleaning cycles to increase efficiency and continue to lead the industry in methods of operation.

Planning & Utility Development section, in coordination with the City of Albuquerque and Bernalillo County, continued its work to ensure that the water and wastewater infrastructure designed and constructed as part of new developments met Water Authority standards. A complete draft of the Guide To Development has been written. Staff worked with a contractor and Compliance staff to draft Standard Operating Procedures (SOPs) for analyzing large users and fire flow. Staff neared completion of Phase 1 of the Pro Rata cleanup project-identifying the status of existing accounts.

Centralized Engineering section managed CIP projects primarily associated with the renewal of the Water Authority's water and wastewater infrastructure. Capital renewal expenses by the end of FY24 are projected to be $60-70 million. During the fiscal year, this section had to face many challenges including: extended material delivery timelines, contractor crew availability and consultant availability which extended times for scope/fee preparation and deliverables.

Critical and priority rehab projects managed included: the Process Lab prefabricated buildings, primary clarifiers and the SCADA tower at SWRP; multiple Groundwater wellsite rehabilitations, multiple franchise agreement projects coordinated with the City of Albuquerque, Bernalillo County, New Mexico Department of Transportation and Albuquerque Metropolitan Arroyo Flood Control Authority, and the completion of three large interceptor rehabilitation projects.

Critical and priority special projects managed during the fiscal year included: designs for the To'Hajiilee Waterline project, Intel Raw Water Transmission line construction, evaluation of options for the SWTP settling basins cleaning, completion of grading/drainage plans at the Vulcan site, and management of the various ARPA-funded projects in coordination with Bernalillo County.

Water Resources reported 422 million gallons of water was conserved in CY23 from CY22. Water savings was achieved in many ways: Drought Rebate classes, water waste compliance, Outreach to the top 5% residential water users, leak inspections, rebates, and programs with City of Albuquerque and Bernalillo County partners. As a result of these savings, the Water Authority achieved 129 gallons per capita per day (GPCD) in CY23, continuing the utility's move towards the goal of 110 GPCD by year 2037.

Conservation staff spearheaded the rebate programs with a total $744,000 rebates awarded; of that, $621,000 went towards xeriscape. A total of 3,034 customers participated in the rebate programs.

Water Resources Water Rights & Environmental Programs made great progress with the SWRP Outfall Restoration project; the final design was completed, all project permits were received, a WaterSMART grant was awarded to assist funding the project, and bidding began for project construction.

Capital outlay funding was received for installation of groundwater monitoring well(s) at the HP/Digital Groundwater Priority site and a contract was awarded for design, drilling and installation of the well(s).

The Water Authority obtained all the easements required around the perimeter of Abiquiu reservoir to the 6,230 ft elevation contour and completed the cultural resource field survey of over 140 sites at the reservoir.

A feasibility study identified two new Aquifer Storage

Recovery well project sites: expansion of the SWTP Large-Scale recharge and Arroyo del Oso Golf Course.

Central Facility Maintenance partnered with Asset Management staff to train staff on the automated service request management system, coordinated multiple CIP-funded projects with outside vendors, and established centralized contracts for various facility maintenance activities. Staff have partnered with Central NM Community College in providing student internships for students enrolled in the Trades Department at the college.

Fleet partnered with Information Technology staff to create web-based vehicle inspection forms. Staff continued to perform the majority of repairs in-house-74% of repairs for FY24.

Compliance

The Water Quality Lab staff continued to automate the results from their instruments to a database, increased external lab management for low level mercury sampling and PFAS, and began preparing for processing lead samples for the Lead and Copper Rule requirements-the lab met requirements for State certification for lead analysis.

Staff created SOPs and provided training for all users of the Drinking Water and Reuse models. Staff started to use the reuse model to assess demands and increase permit quantities and distribution to include industrial use of reuse water.

The Water Quality program successfully integrated the sample schedule tracking in the Maximo system; completed a systemwide assessment for PFAS and completed the permit renewal for Aquifer Storage Recovery (ASR) projects and a new permit for sediment disposal at SWTP.

Water Quality staff coordinated with other divisions to establish projects that will meet the Revised Lead and Copper Rule requirements, to create outreach materials, and to create a public website with information and the inventory map.

The National Pollutant Discharge Elimination system (NPDES) program completed the 2023 mercury minimization plan and collected and analyzed data. There were no violations in 2023.

Staff collaborated with Utility Development and Engineering on the needs for the Bosque Reclamation Plant design and new industrial large users.

A new website portal was implemented for the Cross Connection program inspections.

Administration, Employee Relations and Development

Public Relations staff updated the Emergency Communications Plan. A Customer Conversations is slated for late spring on the topic of Non-Functional Turf. Staff coordinated with Customer Services to hold focus group meetings to discuss the redesign of the customer utility bills. Various marketing campaigns were launched in the fiscal year: water waste campaign, outreach related to AMI/leak notices and targeted xeriscape communications.

The Risk/Safety staff coordinated with Louisiana State University to certify more than 300 employees in Federal Emergency Management Agency training (Site Protection Through Observational Techniques) designed specifically for our water industry workforce. Staff implemented the new 2022 Federal Motor Carrier Safety Administration program for entry-level Commercial Driver's License driver training. The program certified 14 candidates to receive the license.

Risk, Plant Operations and Information Technology (ITD) staff continued to implement key Security Consultant's Deliverables in accordance with AWWA G430 standards and the Vulnerability Assessment.

Human Resources wellness staff continued to offer wellness challenges to employees and send wellness communication emails on a variety of topics such as mental health & wellbeing, nutrition, healthy eating tips and recipes, exercise, safety and stretching and general health.

Human Resources staff created a pilot Mentorship Program to help guide employees on their career paths and develop their leadership skills.

The Innovation Initiative was launched during the fiscal year. This program will seek out and report stories of innovation around the utility and recognize employees for their innovation efforts.

The certification training programs continued to develop employees' knowledge and skills in various positions, including water and wastewater operations and maintenance, dispatch, and customer service. There were eighty-four employees trained in the programs. During the fiscal year, forty-nine employees received tuition assistance totaling $50,000.

Security continued to be the focus for Information Technology staff in all areas during FY24.

GIS staff continued work on the Revised Lead and Copper Rule requirements by creating online maps and building dashboards to track data and progress.

Other significant ITD projects included: the continued update of the SCADA system, added connections for redundancy at various work locations, and added security features to network and software applications.

Budget, Finance and Business Management

The Water Authority received the following recognition from the Government Finance Officers Association (GFOA): FY22 Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and the Popular Annual Financial Report (PAFR), and the FY24 Distinguished Budget Presentation Award.

The Finance Accounting section submitted the FY23 ACFR and PAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting program.

Purchasing staff prepared documents for solicitation of various CIP projects, developed multiple analytical reports for tracking procurement records, updated the Purchasing Card program policy, created an internal customer survey and developed a web-based procurement scoring application.

Warehouse staff updated after-hours access procedures for emergency use of the warehouses and completed the Large Meter project for Maximo tracking with Field Distribution staff.

Treasury section managed the rising interest rate environment reestablishing a Treasury Bill securities ladder and maximized the return on liquid bank balances by utilizing government money market account sweeps.

In October 2023, Customer Services staff joined other utilities, agencies, and social services partners in the Albuquerque Community Assistance Fair. Customer Services partnered with Finance staff and the rate consultant to complete a Water & Wastewater Cost of Service study and contracted with a vendor to provide career path training and individualized career path mapping.

The Asset Management staff continued progress on updating the asset registry and reviewing the asset registry updates from various Asset Management Plans, created asset onboarding workbooks for contributed capital projects and conducted training assessments with work groups.

Grants Management requested Legislative State Capital Outlay funds and managed the awarded funds for projects: Bosque Resource Recovery Plant, Arsenic Treatment Plant, Carnuel Water System and Wastewater System, Aquifer Storage Facility, SWRP Outfall Realignment, Ground Monitoring Well Facility and Winrock Reuse Pipeline. Staff requested and received various grants from the Water Trust Board and WaterSMART programs.

The FY25 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Business Goals, Objectives, and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

Helping to guide this effort is *Water 2120,* the Water Authority's 100-year water resources management strategy, adopted in September 2016. *Water 2120* incorporates the latest science regarding the effect of climate change on the availability of surface water supplies. Using climatic hydrologic simulation models from the Office of the State Engineer, Sandia National Laboratories and the U.S. Bureau of Reclamation and Geological Survey, among other agencies, it takes climate variability into account and for the first time looks at a 100-year time horizon for the greater Albuquerque area. Three different demand scenarios along with three supply alternatives are used to examine the need for new supplies while maintaining a ground water resource for future generations. A portfolio of supply options is used to fill the gaps to meet future demand over the next 100 years. A key component going forward will be the shift from acquisition of water rights to the development of reuse facilities to have a more resilient supply. The 10-year update to the *Water 2120* plan will begin in FY25.

Operations

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

The Water Authority will continue to operate two potable water supply systems, surface water and groundwater. The Water Authority's goal is to have the ply 70-75% of all customer demand. Flow conditions in the Rio Grande, due to the continuing drought conditions, have limited the ability to fully realize this goal on a consistent basis.

The Surface Water Treatment Plant critical capital improvement projects include the dredging of the sediment from the settle water pond and replacing the filter media.

Groundwater Operations will coordinate with Central Engineering on the construction of the Volcano Cliffs Arsenic Treatment Plant. Staff will also be involved in the construction of the 7-mile distribution main to the To'Hajiilee community. Staff will explore an alternate scheme to supply water to the North I-24 non-potable water system utilizing existing high arsenic groundwater wells. This project will provide a redundant non-potable supply when the San Juan-Chama surface water is not available at the Alameda diversion.

The Water Authority 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 plat. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility, aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility. In FY25, RRAMP improvements will continue.

The SWRP Cogen engine emissions control construction project will be completed and will reduce overall air emissions from SWRP. Staff will assist in the design and construction of a larger re-use water disinfection system to allow for increased re-use water production for future demands.

Wastewater Collections staff will partner with SWTP and SWRP staff to optimize the iron sludge discharges for odor control purposes and continue to investigate ways to reduce chemical costs. Staff will continue the pilot study that uses "smart" manhole covers to aid in the prediction of blockages and provide final recommendations.

Water Field-Distribution section will continue to task a dedicated crew to replace 20,000 aging water meters with smart meters and project that all meters will be replaced within 2-3 years. Field crews will continue to perform block to block rehab repairs which will generate significant cost savings by performing these tasks in-house.

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

Field crews will begin year 4 of the 5-year plan to replace the San Juan-Chama transmission line actuators. The current actuators are undersized and weak, so crews are replacing them before they break; generating cost savings of approximately $40,000 per actuator by not having to hire outside contractors.

Water Resources-Conservation will develop automated leak notifications for customers with AMI meters and develop an instructional video to assist customers in signing up for the portal and setting alerts on their accounts.

Other goals for Conservation in the fiscal year include converting 10% of existing irrigation accounts that are within 200 feet of reuse lines to non-potable accounts, completing the Nonfunctional Turf Plan, submit revisions to the Water Waste Reduction Ordinance, and adjust the current residential xeriscape rebate to increase participation in the program.

Water Resources-Environmental staff will coordinate the drilling and installation of groundwater monitoring well(s) near the HP/Digital site, complete a surface water source water assessment, assist in the *Water 2120* update, seek permitting of the new ASR wells, complete the Adaptive Management Plan and finalize construction of the SWRP Outfall project.

Planning & Utility Development will use a findings report to improve the Availability Statement/Serviceability Letter process and work with other divisions to identify potential growth projects to include in the Decade Plan.

Centralized Engineering will continue managing CIP projects. Major projects for FY25 include: SWTP Sediment Basin Cleanout, To'Hajiilee waterline project, Volcano Cliffs Arsenic Treatment Plant, ongoing rehab and water line replacement projects, interceptor rehab projects and completing construction of ARPA projects.

Central Facility Maintenance will complete the review and prioritize repairs from the Groundwater Site Security Assessment.

Compliance

The Water Quality Lab will upgrade the LabVantage database and continue to implement lead analyses capacity to be able to bid on the State contract.

The Water Quality program will continue to prepare with the Operations divisions for the implementation of PFAS and the Revised Lead and Copper Rules. This includes public outreach, outreach to schools & childcare centers and responses to customer inquiries. Staff will continue to coordinate on new facility development and sanitary sewer requirements.

NPDES program staff will implement the new approved Enforcement Response Plan for pretreatment compliance, initiate PFAS and TDS monitoring at industries for local limit development, increase new permits issued and new industries assessed for permits and continue tracking mercury sources and educating dentists on proper operation of amalgam separators.

Administration, Employee Relations and Development

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

Public Relations staff will conduct Customer Conversations meetings to engage customers and obtain input from customers.

Risk/Safety will renew the Vulnerability Assessment for CY25, incorporating the development of a new Security Master Plan and updating the Risk Resilience Assessments and Emergency Response Plans.

Risk will continue to work with the insurance broker to conduct insurance training for the Purchasing group and evaluate contract language for further risk transfer and will continue to implement the 2022 Federal Motor Carrier Safety Administration program for entry-level CDL driver training.

Human Resources wellness staff is looking forward to planning the FY25 Safety Picnic for staff. Staff will continue offering wellness challenges for individuals and departments focusing on mental health, nutrition, physical activity and weight loss tips, disease and injury prevention topics to employees.

Human Resources Training staff will focus on implementation of the Innovation Program. This program will help identify new ways to seek efficiencies throughout the organization. Staff will distribute the Employee Satisfaction Survey.

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

The Information Technology program (ITD) will continue move towards cloud hosting solutions as opposed to in-house applications. Staff will continue to develop Disaster Recovery preparedness measures.

Application staff will begin the Customer Service Customer Care & Billing (CC&B) software upgrade, upgrade the Compliance LabVantage software, and implement UKG Ready for Human Capital Management and Payroll Processing.

GIS Maps and Records staff will assist with the EPA's Lead and Copper Rule data gathering requirements and support the Utility Network.

Budget, Finance and Business Management

Finance will submit to GFOA the FY25 Approved Budget for the Distinguished Budget Presentation Award, the FY24 Annual Comprehensive Financial Report for the Certificate of Achievement for Excellence in Financial Reporting and the FY24 Popular Annual Financial Report for the Popular Annual Financial Reporting Award. The division believes that all three financial documents will meet or exceed the recommended requirements to successfully receive each award and to also be nationally recognized by GFOA for these accomplishments.

Treasury will manage the interest rate environment by maintaining a diversified portfolio of bank balances and investments to offset banking fees. In conjunction with Customer Services, staff will continue to review and improve the back-office processes. Staff will prepare requests for proposals for lockbox services, fiscal agent services, merchant services and online payment processing.

During FY25, the Purchasing section will work with Centralized Engineering to re-solicit On-Call Engineering Services and implement performance metrics. Warehouse staff will improve data collection management by performing analyses including inventory cost analysis, asset cost rollup accuracy and material/service usage on work orders.

Budget will continue to provide budget and Enterprise Resource Planning (ERP) system training to utility staff and schedule monthly budget update meetings with staff. Staff will monitor, update and lead discussions of the FY25 Water Authority Goals & Objectives and Effective Utility Management (EUM) metrics and Performance Plan.

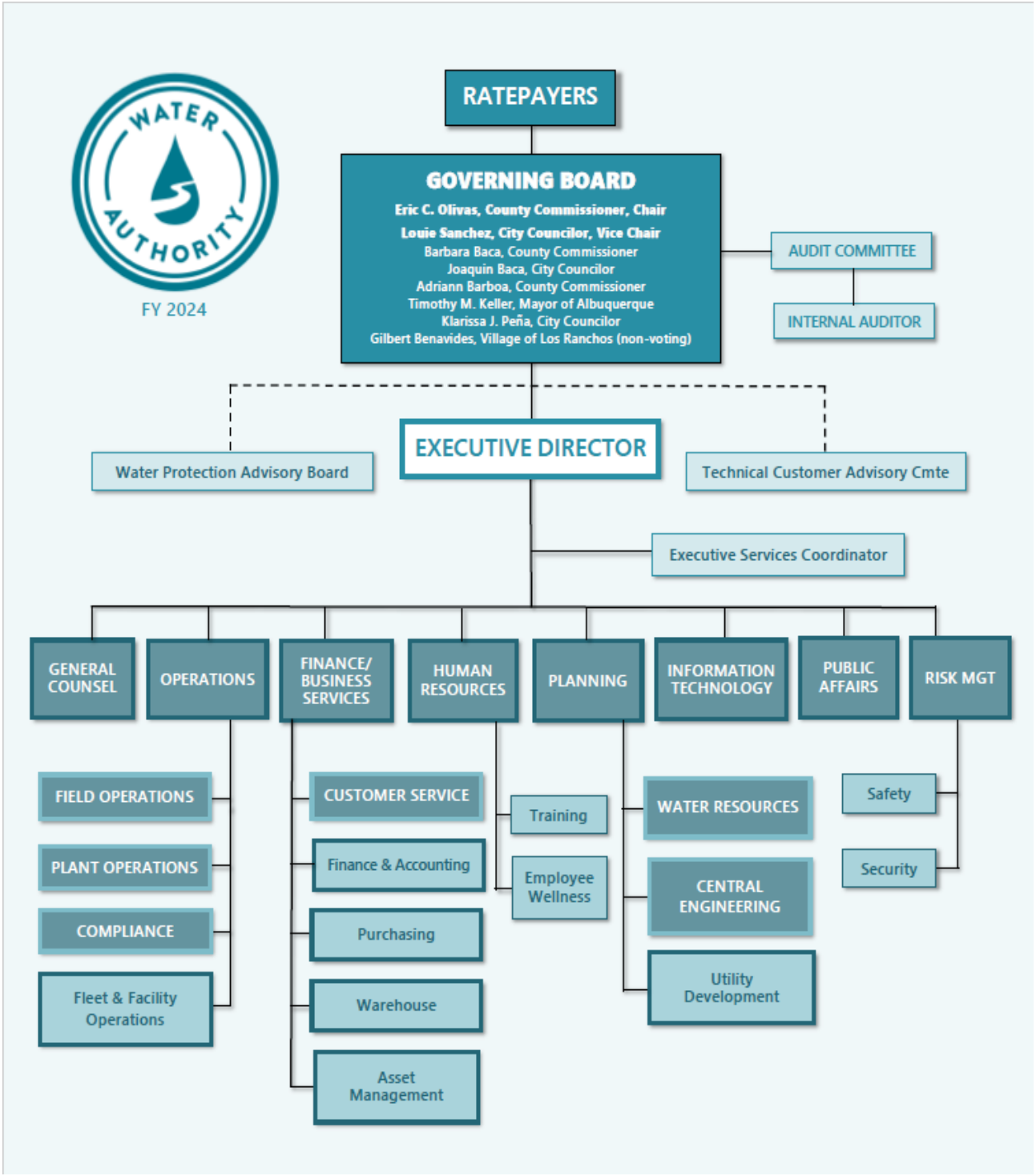
Grants Management will coordinate with the Southwest Environmental Finance Center to seek out grant opportunities and continue to apply for Water Trust Board, Congressional Direct Spending, and other state and federal grant opportunities.

Asset Management staff will continue to audit and improve data in the asset registry and seek process improvements. Staff will complete key performance indicators and PowerBI dashboards. Staff will assist in the Groundwater Facility Security Improvements project in Maximo.

Customer Services will begin to prepare for an upgrade to the CC&B software system. This upgrade will improve customer response time, reduce custom coding and reduce the manual review of processes.

Staff will hold focus group discussions with ratepayers to discuss utility bill redesign and enhancements.

The Rate Reserve fund will be replenished to $9.0 million; the Risk Reserve is $0.5 million; and the Soil Amendment Facility Reserve is $2.1 million. The Water Authority will continue partnerships with other governmental entities to support non-profit community development projects.


WATER AUTHORITY
FY 2024
RATEPAYERS
GOVERNING BOARD
Eric C. Olivas, County Commissioner, Chair
Louie Sanchez, City Councilor, Vice Chair
Barbara Baca, County Commissioner
Joaquin Baca, City Councilor
Adriann Barboa, County Commissioner
Timothy M. Keller, Mayor of Albuquerque
Klarissa J. Peña, City Councilor
Gilbert Benavides, Village of Los Ranchos (non-voting)
AUDIT COMMITTEE
INTERNAL AUDITOR
Water Protection Advisory Board
EXECUTIVE DIRECTOR
Technical Customer Advisory Cmte
Executive Services Coordinator
GENERAL COUNSEL
OPERATIONS
FINANCE/ BUSINESS SERVICES
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PLANNING
INFORMATION TECHNOLOGY
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RISK MGT
FIELD OPERATIONS
PLANT OPERATIONS
COMPLIANCE
Fleet & Facility Operations
CUSTOMER SERVICE
Finance & Accounting
Purchasing
Warehouse
Asset Management
Training
Employee Wellness
WATER RESOURCES
CENTRAL ENGINEERING
Utility Development
Safety
Security

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

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

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

Budget data is prepared consistent with the Water Authority's basis of accounting. The Water Authority's Enterprise Funds are on an accrual basis. Revenues are recorded in the accounting period in which earned, and expenses are recorded at the time liabilities are incurred. Transactions are recorded in individual funds. However, depreciation, amortization, and bad debt expense, although expensed in the accounting system, are not budget items in the Water Authority budget.

The Water Authority's Goals and Objectives focus on improving the utility's operations and improving customer conditions. The goals are based on the American Water Works Association's (AWWA) business model using fifteen successful quality achievement programs. The FY24 Goals and Objectives have been submitted for approval to the Water Authority Board.

The Proposed Budget has 7 major sections. The Budget Proposal & Financial Consolidations section is designed as an overview. This section contains the Water Authority's Goals and Objectives, Strategic Planning process, Appropriations, and Proposed Issue Papers. The funds are presented with estimated ending balances for the current year. This section also includes the Financial Plan.

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

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

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

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

The Performance Plan section contains the FY25 Performance Plan. This plan contains performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources.

BUDGET PROPOSAL
&
FINANCIAL CONSOLIDATIONS

Proposed
Operating Budget
FY25

MISSION AND OVERVIEW OF GOAL DEVELOPMENT

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

Mission

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

Assure responsive Customer Service.

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

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

Overview of Goal Development

The Water Authority established Business 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 business 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.

FY25 GOALS AND OBJECTIVES

The Business 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 Baldridge National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems: 1) Water Supply and Operations, 2) Wastewater Collections and Operations, 3) Customer Relations, 4) Business Planning and Management, and 5) Organization Development.

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

Water Authority's Business Goals & Guiding Goal Statements

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 community at large

Business Planning & 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.

Organization 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.

Water Supply & 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.

Wastewater Collection & Operations

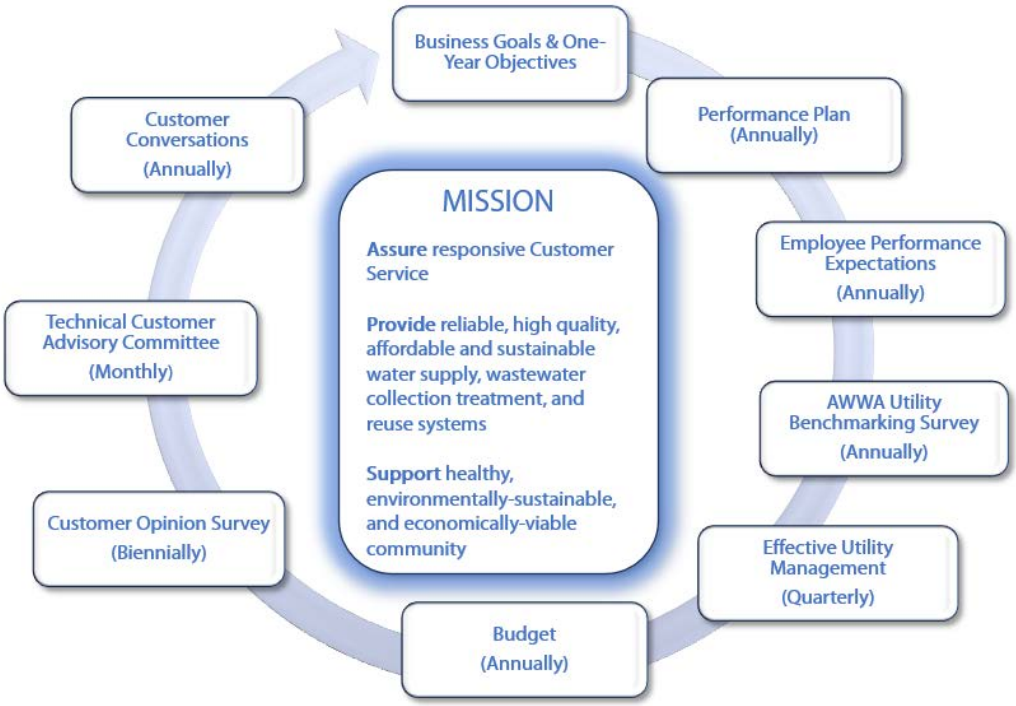
Provide reliable, safe and affordable wastewater collection, treatment and reuse systems to protect the health of the Middle Rio Grande Valley by safeguarding the regional watershed, minimizing environmental impacts, and returning quality water to the Rio Grande for downstream users.

The One-Year Objectives are categorized by the Water Authority's Business Goal areas. The Water Authority has developed guiding goal statements for each goal area which explains the long-term desired result for that goal. The continuous performance programs mentioned above help the Water Authority to identify gaps in

service delivery or performance. The Water Authority's performance measures are used to help monitor the Water Authority's performance and to develop performance targets. With the performance measures being used to identify gaps, the One-Year Objectives are used to close performance or service delivery gaps and improve performance levels.

In addition to identifying areas of improvement, some of the Objectives are related to completing projects or improving programs. A few of the objectives are carried over from FY24 either because they require more time to complete or are ongoing issues.

The diagram below shows the Water Authority's strategic planning process. It starts with long-range goals and short-term objectives which are linked to performance measures in the Performance Plan which help guide the budget process. This process is periodically evaluated by utility customers every two years through opinion surveys and customer focus group meetings four times per year. Customer Conversations are roundtable discussions with customers focusing on important issues facing the utility. The facilitated meetings are innovative and interactive, engaging customers with hands-on activities so that they can think through the decisions and discuss issues with fellow customers. The Water Authority measures its progress in the goals and objectives through the AWWA Benchmarking program. The benchmarking program allows the utility to benchmark its performance among 28 key performance indicators. The goals and objectives are integrated into the employee's performance evaluations biannually through the Employee Performance Expectations. The Technical Customer Advisory Committee provides input on the utility's policies, plans, and programs. The Water Authority has incorporated the EPA's Effective Utility Management (EUM) program into its strategic planning process, which is designed to help utilities to make practical, systematic changes to achieve excellence in performance. The Water Authority has been using the EUM's Ten Attributes and Five Keys to Management Success to select priorities for improvement, based on each organization's strategic objectives and the needs of the community it serves. All the strategic planning process components help fulfil the Water Authority's MISSION.



FY25 GOALS AND OBJECTIVES

The Business 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 Business Goals, One-Year Objectives, and performance measures are integrated using the logic model to achieve service delivery and performance improvement. The Performance Plan discusses in detail how the Water Authority assesses its performance year to year, and how it compares its performance with that of other utilities. The integration of the performance measures and objectives are used to achieve the long-term desired results of the Water Authority's Business Goals.

Below is a summary of the Goals and Objectives for FY25, as introduced to the Water Authority Board in March 2024.

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.

Objective 1.1 Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY25.

Objective 1.2 Complete the assessment that began in FY23 of the impact of widescale power outages upon water system production and pumping facilities by the end of the 4th Quarter of FY25. Work directly with the Public Service Company of New Mexico (PNM) and the Water Authority's Geographical Information System (GIS) group to determine potential impact areas. Subsequently, engage the services of a hydraulic modeling consultant to perform strategic hydraulic modeling to assess resulting water supply capacity limitations and water outage timelines.

Objective 1.3 Develop and execute a program of regular inspections of the inventory of drinking water reservoirs at a frequency consistent with good practices for steel and concrete reservoir assets and American Water Works Association (AWWA) Partnership for Safe Water-Distribution goals by the end of the 4th Quarter of FY25.

Objective 1.4 Monitor the following in the Maximo asset management system:

- Checklist for Groundwater Swing Shift Operators to complete the Swing Shift standard operating procedure (SOP) requirements for each site and report through the end of the 4th Quarter of FY25.
- Checklist for Groundwater Weekly Disinfection for operators to complete the chlorine generation equipment weekly data gathering in Maximo and report through the end of the 4th Quarter of FY25.
- Annual Groundwater Reservoir Exterior Inspection Program to annually document the condition of each reservoir. Report progress at the end of each quarter through the end of the 4th Quarter of FY25.

Objective 1.5 Submit annual treatment data to the Partnership for Safe Water - Treatment program for inclusion in the program's annual report of aggregated system water quality data by the

end of the 4th Quarter of FY25.

- Maintain turbidities for each individual filter cell and for combined filter effluent at less than 0.1 nephelometric turbidity unit (NTU) more than 95% of time in operation.
- Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.
- Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water -Treatment.

Objective 1.6 Improve monitoring and trending of the Total Organic Compound (TOC) concentration and removal across the Water Treatment Plant to better predict potential Disinfection By-Product (DBP) formation in the distribution system. Continue to optimize TOC removal through enhanced coagulation and biologically active filtration by reporting quarterly data to assess seasonal TOC trends and removal metrics through the 4th Quarter of FY25.

Objective 1.7 Develop a quarterly meter box inspection program for all meter routes that have been replaced with Automated Meter Infrastructure (AMI) devices (approximately 170,000 meters to date) by the end of the 4th Quarter of FY25. This will include developing an inspection form for meter crews in GIS.

Objective 1.8 Develop an air release valve maintenance program by the end of the 4th Quarter of FY25. Perform an initial inspection to determine the required maintenance for all air release valves or combination air vacuum valves on transmission lines, distribution lines 16-inch or larger, and well collector lines. There are 306 valves currently identified in GIS for the initial inspection.

Objective 1.9 Develop a corrosion monitoring inspection program by the end of the 4th Quarter of FY25. This includes procuring the services of a National Association of Corrosion Engineers (NACE)-certified inspector to perform an inventory of all corrosion monitoring stations on San Juan Chama infrastructure, other potable, and non-potable transmission lines. There are 370 stations currently identified in GIS.

Objective 1.10 Submit annual distribution data to the Partnership for Safe Water - Distribution program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY25.

- Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.

Objective 1.11 To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY25.

Objective 1.12 Analyze the current status of the Water Resources Management Strategy: Water 2120. Begin planning and collecting data to enable the 10-year update of Water 2120. Assemble datasets of climate data for the region utilizing the latest technology. Prepare for the update by analyzing current and future supply and demand scenarios by the end of the 4th Quarter of FY25.

Objective 1.13 Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY25.

- Promote basin-wide collaboration and advocacy for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association.
- Plan for and begin implementation of the Colorado River Water Users Memorandum of Understanding (MOU), which promotes municipal water conservation through conversions to drought-and climate-resilient landscaping, while maintaining vital urban landscapes and tree canopies that benefit our communities, wildlife, and the environment. Implement the MOU by decreasing Non-Functional Turf by 30%.
- Commission meetings as well as monthly updates from the New Mexico Interstate Stream Commission (NMISC) to the San Juan-Chama contractors.

Objective 1.14 Work with the New Mexico Environment Department (NMED) and Office of the State Engineer to begin aquifer storage and recovery (ASR) permitting by the end of the 4th Quarter of FY25.

Objective 1.15 Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions:

i. Complete an update of locations and/or plume extent at known groundwater contamination sites within the Service Area by the 2nd Quarter of FY25; map the update to include updated data from sites in the 2018 groundwater contamination site map and newly established sites by the NMED;

ii. Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY25;

iii. Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) through the end of the 4th Quarter of FY25.

Objective 1.16 To establish native water storage in Abiquiu Reservoir as approved by Congress, coordinate the update of the United States Army Corps of Engineers (USACE) Water Control Manual and storage contract updates through the 2nd Quarter of FY25. Continue towards permitting and environmental approvals for Abiquiu Reservoir through the 4th Quarter of FY25.

Objective 1.17 Conduct regular water quality monitoring of the Water Authority data gap well at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site through the end of FY25. Design, install and sample monitoring well(s) at the Hewlett Packard-Digital site.

Objective 1.18 With the goal to reduce water consumption, convert 10% of existing irrigation accounts that are within 200 feet of reuse lines to non-potable accounts by the 4th Quarter of FY25.

Objective 1.19 Evaluate new ICI (Industrial, Commercial, Institutional) service requirements for additional water-saving policies and procedures by the end of the 4th Quarter of FY25.

Objective 1.20 With the goal to reduce water consumption, develop automated leak notifications for customers with AMI meters by the end of the 4th Quarter of FY25. Implement a 48-hour continuous usage alert for customers with AMI.

Objective 1.21 Develop a reuse water modeling program that maintains a centralized version of the reuse model to be utilized as the system develops by the end of the 4th Quarter of FY25.

Objective 1.22 Complete three risk analyses utilizing the drinking water model by the end of the 4th Quarter of FY25. Risk analysis to include pipeline failure between Simms Reservoir and the San Antonio Pressure Reducing Valves (PRV), limitations on the Lomas Reservoir due to a high point in the transmission line, and interconnection of transmission line 8E between Montgomery and Freeway Trunks.

Objective 1.23 Implement a Maximo-based Leak Detection Inspection process to track manual leak detection survey work, automate the WO process that results from leaks that are detected, and automate the back-end reporting of estimated annual water loss from leaks that are detected. This process will ultimately replace the current spreadsheet-based system that the Leak Detection group uses.

Objective 1.24 Work with City and other project stakeholders to design and construct the Tijeras Advanced Water Treatment Plant (AWTP) and Tijeras Reuse Reservoir and Pump Station (RRPS) facilities at Mesa Del Sol to support the special industrial complex, including Maxeon and other entities, through the end of FY27.

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.

Objective 2.1 Seek recognition in the National Association of Clean Water Agencies (NACWA) Peak Performance award program for excellence in permit compliance through the end of the 4th Quarter of FY25.

Objective 2.2 Continue work on the Partnership for Clean Water program for the Southside Water Reclamation Plant (SWRP) to optimize system operations and performance by the end of the 4th Quarter of FY25.

- Continue work on outstanding items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.

Objective 2.3 Manage chemical usage and residual iron sludge from the Water Treatment Plant to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Monitor and report metrics through the end of the 4th Quarter of FY25, including progress on Odor Control Station construction. Identify additional odor control stations as needed.

Objective 2.4 Continue to reduce sanitary sewer overflows (SSOs) in accordance with the Capacity, Management, Operation, and Maintenance (CMOM) Plan. Continue the manhole monitoring pilot study initiated in FY23 to diagnose flow patterns and provide advance alerts of downstream blockages. Provide final recommendations based on the pilot study by the end of the 4th Quarter of FY25.

Objective 2.5 As part of the CMOM Program, continue to evaluate pilot modifications to the Sub-Basin cleaning program. Look at possible changes such as sub-basin cleaning frequency to optimize effectiveness of preventative maintenance cleaning to the lines most likely to spill. Provide final recommendations for modifications to the cleaning program by the end of the 4th Quarter of FY25.

Objective 2.6 Install AMI devices in three additional vacuum station service areas to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY25.

Objective 2.7 National Pollutant Discharge Elimination System (NPDES) Pretreatment Program monitors compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance:

i. Monitor continuous discharge permitted industries 16 days per year or 4 days per quarter;

ii. Complete 16 industrial permit inspections each quarter;

iii. Complete 175 Food Service Establishment inspections each quarter; and

iv. Complete 52 dental office inspections each quarter.

Report on performance and percent of Sewer Users in compliance for each category each quarter during FY25.

Objective 2.8 NPDES Pretreatment Program is required to maintain a list of all Industrial Users (IU) within its service area as part of its Environmental Protection Agency (EPA) NPDES permit. The Pretreatment Program will conduct 12 Industrial User Survey inspections each quarter and evaluate all of them to determine the necessity of permitting within the quarter. When the users are identified as Significant Industrial Users (SIU), the program will permit the SIU within the next quarter. The FY25 Industrial User Surveys and permit necessity evaluations will focus on the Mercury Minimization Plan (MMP) SIC list with mercury discharge potential and the previously permitted hospitals as outlined in the MMP Implementation Program Objectives:

1. Evaluate previously permitted hospitals for permit necessity and start the permitting process for at least 50% of those needed.
    - FY25 goal is to evaluate/permit 50% (4) hospitals at one (1) per quarter.
2. Evaluate mercury potential at 10-25% of industrial users on the SIC list per year.
    - FY25 goal is to inspect/evaluate 19% (44) SIC facilities at 11 per quarter.
3. Evaluate the IU survey list and Permit at least 1 Industry per quarter.

Objective 2.9 Implement the 2024 Program Objectives outlined in the MMP 2023 Implementation Status Report sent to EPA.

1. Evaluate mercury potential at 10-25% (20-51) of dental facilities per year.
    - FY25 goal is to sample/evaluate 18% (36) dental facilities at 9 per quarter.

Objective 2.10 In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required planning/design documents, permits, and environmental documents through FY25.

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 3.1 Conduct customer focus group meetings to acquire customer input on a bill redesign by end of the 1st Quarter of FY25. Evaluate feedback and develop bill redesign, if determined, by the end of the 4th Quarter of FY25.

Objective 3.2 Continue implementation of the AMI project by replacing 20,000 aging water meters with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY25.

Objective 3.3 Conduct Customer Conversation meetings to engage customers and obtain input from customers on the Water Authority's activities through the end of the 4th Quarter of FY25.

Objective 3.4 Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water use Efficiency Audits; 2) 400 Landscape Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY25.

Objective 3.5 In conjunction with the development of automated leak notifications for customers with AMI meters, develop an instructional video to assist customers in signing up in the self-service portal and setting alerts. Launch a marketing campaign to encourage AMI customers to sign up for the portal.

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.

Objective 4.1 Implement at least one planned Interceptor Rehabilitation project in FY25, and complete at least one interceptor design package by the 4th Quarter of FY25; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY25.

Objective 4.2 Seek to increase renewable/green energy generation at Water Authority facilities. Provide updates on plan and project progress, and report power generation over time by the end of the 4th Quarter of FY25. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester gas-fueled cogeneration by the end of the 4th Quarter of FY25 and report progress quarterly.

Objective 4.3 Finalize the Utility Development Guide to clarify the development process for users by the end of the 4th Quarter of FY25 including workshops and outreach to the development community.

Objective 4.4 Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated targets through the end of the 4th Quarter of FY25.

i. Corrective Maintenance to Preventative Maintenance Ratio, Targe greater than 80%,

ii. Asset Registry Information Accuracy/Number of Assets without Life Cycle Status, Target less than 10%,

iii. Asset Inventory Accuracy, Target greater than 95%,

iv. Work Orders without Assets, Target less than 10%,

v. Work Order Aging, Target greater than 90% of Work Orders Closed within 180 calendar days.

Objective 4.5 To improve decision making with available data transition existing Strategic Asset Management Plan (SAMP), Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY25. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).

Objective 4.6 Review and update the Water Authority's Vulnerability Assessment (VA). Originally completed in 2018, the certification was submitted to the EPA in 2020. This assessment and certification are mandated to be revised and submitted to the EPA every 5 years. A consulting group will prepare a draft scope of work to evaluate the existing VA, commencing in the 1st Quarter of FY25. The assessment and certification process will conclude by the end of the 3rd Quarter of FY25.

Objective 4.7 Continue promoting a Culture of Security in accordance with the AWWA G430 standard within the Water Authority, by developing policies and procedures that include strategies

for internal communication and trainings on security-related topics. Track and measure metrics quarterly throughout FY25 that are directly related to National Infrastructure Protection Plan Water Sector-Specific Plan and America's Infrastructure Act.

Objective 4.8 Complete the annual update and review of the Comprehensive Information Technology Security Plan and related policies that are aligned with the standards, guidelines, and best practices of the National Institute of Standards and Technology (NIST) Cybersecurity Framework by the end of the 4th Quarter of FY25. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the Water Authority's Supervisory Control and Data Acquisition (SCADA) systems. Complete Annual Penetration (PEN) test and remediate any critical items that pose an imminent threat. Automate and implement a secure zero-trust model to proactively detect and remediate indicators of compromise to minimize the impact to the Water Authority.

Objective 4.9 Continue implementation of the SCADA System Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th quarter of FY25.

Objective 4.10 Upgrade and patch all enterprise applications to add required upgrades and enhancements, mitigate potential cybersecurity vulnerabilities, continue daily support, leverage functionality enhancements to improve business processes and capture and use data intelligently and create efficiencies through the end of the 4th Quarter of FY25. Major Projects include:

- Upgrade the Customer care and billing (CC&B) application. Expected completion during 1st Quarter of FY26.
- Utility Network upgrade to begin FY25 with completion targeted for FY26.
- SCADA Master Program related projects.
- Replace ITD ITSM Tool for Service Desk Functionality. Expected completion during FY25.
- Cloud/SAAS Migrations for targeted workloads.

Objective 4.11 Continue to develop LabVantage ("laboratory information management system") throughout FY25 to maximize the automation of data entry to reduce data entry errors and increase the use of electronic data deliverables (EDD) through the end of the 4th Quarter of FY25. Provide quarterly update on the LabVantage Upgrade through the end of the 4th quarter of FY25.

Objective 4.12 Implementation of the Revised Lead and Copper rule. Continue the initial service line inventory, publish inventory online, create a lead service line replacement plan, submit the inventory and the replacement plan to NMED Drinking Water Bureau (DWB) by October 16, 2024. Resume testing and implementation of customer survey of household premise plumbing material. Began outreach to all elementary schools and childcare facilities regarding new monitoring requirements and follow up with sample plan templates. Initiate lead sampling at elementary schools and schools and childcare facilities.

Objective 4.13 Prepare for Per-and Polyfluoroalkyl Substances (PFAS) regulation by conducting baseline sampling at active wells, the surface water intake, and distribution entry points by the end of the 4th Quarter of FY25. This will help identify trends and/or impacts to the water supply.

Objective 4.14 Evaluate the current Water Authority Budget Ordinance and Water and Wastewater Rate Ordinance. Recommend updates and revisions to the ordinances in accordance with Government Finance Officers Association (GFOA) Best Practices and New Mexico State Statute requirements by the end of the 4th Quarter of FY25.

Objective 4.15 Update and document all financial policies and procedures in accordance with GFOA Best Practices and internal audit recommendations by the end of the 4th Quarter of FY25.

Objective 4.16 Assess and strategize processes to help reduce fuel over-consumption to minimize the operating cost of Water Authority vehicles. Collaborate with department heads to develop a strategic plan to minimize fuel consumption by the end of the 4th Quarter of FY25.

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.

Objective 5.1 Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60% or greater overall completion rate by the end of the 4th Quarter of FY25. In collaboration with our Employee Assistance Program, increase mental health awareness through quarterly trainings and presentations. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY25.

Objective 5.2 Develop an awareness program to increase employee participation in annual physicals by 20% by the end of the 4th Quarter of FY25.

Objective 5.3 Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY25. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY25.

Objective 5.4 Consistent with the EUM self-assessment, track and measure the effectiveness of an onsite injury prevention program by utilizing a local ergonomic/physical therapy contractor to conduct field ergonomic assessments. The goal of these assessments is to mitigate workplace injuries and to reinforce correct body mechanics. Maintain the yearly injury hours goal of 2,500 hours or less to improve productivity and reliability of services provided by employees by the end of the 4th Quarter of FY25.

Objective 5.5 Consistent with the Water Research Foundation Utility Innovation Project, report the Water Authority's Innovation Program success stories through the end of the 4th Quarter of FY25 with a goal of at least one new innovation story each quarter.

Objective 5.6 Incorporate feedback from the pilot mentorship program to create a leadership development program that can be implemented Authority-wide. Complete a second mentor leadership program by the end of the 3rd Quarter of FY25.

Objective 5.7 Utilizing compensation data compiled by Rocky Mountain AWWA and other public entity sources, evaluate the data for union and non-union positions. This will include evaluating labor trends and market data to compare to Water Authority positions and develop compensation strategies base on the date by the end of the 4th Quarter of FY25.

APPROPRIATIONS BY PROGRAM

The Albuquerque Bernalillo County Water Utility Authority can be examined by program. Comparing the revised budget for FY24 with the proposed FY25 budget shows changes in the Water Authority programs, excluding the interfund transfers.

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
Administration	1,569	1,826	1,876	1,936	2,005	129
Risk	6,631	6,187	6,187	6,638	6,926	739
Legal	1,216	823	823	1,198	989	166
Human Resources	1,779	1,919	1,919	1,829	2,007	88
Information Technology	10,920	10,530	10,530	10,902	11,632	1,102
Finance	4,630	4,392	4,392	5,008	4,890	498
Customer Services	4,970	5,409	5,409	5,284	5,549	140
Asset Management	784	805	805	769	805	-
Wastewater Plant	12,175	12,213	12,121	11,824	12,416	295
San Juan-Chama Water Treat Plant	4,613	4,899	4,896	4,698	4,967	71
Groundwater Operations	7,323	7,298	7,298	7,253	7,663	366
Wastewater Collection	8,188	8,031	7,988	7,824	8,073	85
Water Field Operations	20,995	21,508	21,451	21,206	22,011	560
Compliance	6,179	6,266	6,264	6,049	6,878	614
Fleet & Facility Maintenance	5,673	5,730	5,878	5,758	6,680	802
Central Engineering	3,440	3,795	3,795	3,444	4,051	256
Planning & Utility Development	831	999	999	932	1,074	75
Water Resources	3,983	4,767	4,767	4,640	5,070	303
Power & Chemicals	28,405	21,256	31,256	30,484	31,956	700
Taxes	857	656	656	852	740	84
Overhead	911	1,670	1,670	1,655	1,566	(104)
San Juan-Chama	2,955	1,440	1,606	1,519	1,615	9
Total Enterprise Appropriations	**139,024**	**132,419**	**142,585**	**141,704**	**149,563**	**6,978**

The proposed FY25 operating expenses budget, excluding the interfund transfers, contains an increase of $7.0 million from the FY24 revised budget. Total personnel costs increase $3.8 million. General operating costs increase $3.1 million.

Personnel expenses for FY25 include a 2.0% step increase in wages based on existing labor agreements, a 7.0% increase in health benefits costs, and a 0.5% increase in PERA pension costs. There are 5.0 additional full-time equivalent positions proposed for FY25.

Interfund transfers in FY25 decrease $20.2 million from the FY24 revised budget. The transfer to CIP decreases $17.2 million; this reflects the policy decision to draw on the fund balance. The debt service fund transfer decreases $3.0 million; this reflects the schedule of principal and interest payments for FY25.

The Water Authority's target is to maintain its General Fund Balance at 1/12th of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance. The General Fund Working Capital balance at June 30, 2025 is projected to be $30.6 million, net of the reserve fund balances.

The Rate Reserve fund balance is replenished to $9.0 million; the Risk Reserve balance is $0.5 million; and the Soil Amendment Facility Reserve balance is $2.1 million.

The Executive Director is authorized to continue the Water Authority's partnerships with other governmental entities to support non-profit community development projects.

FY25 PROPOSED ISSUE PAPERS

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

Water Authority Proposed Issue Papers - FY25	
Fund 21 - General Fund	**3,813,818**
Administration	
Public Affairs-AMI Customer Notifications-video/campaigns	30,000
Risk-Increase Insurance Tort & Other Premiums	150,000
Risk-Increase Security Contract	450,000
Legal-Increase Legal Fees	140,000
Information Technology-Cloud Solutions & Infrastructur Hosting	400,000
Information Technology-SCADA System Maintenance Contract	200,000
Information Technology-Staff Augmentation/Professional Services	200,000
Financial Services	
Finance-Increase Bank Card & Banking Fees	500,000
Finance-AP Accountant Position	10,219
Plant	
SJC Water Treatment Plant-Convert Electrician to O/M Supervisor	19,832
Groundwater Operations - Assistant Superintendent Position	141,761
Fleet/Facility Maintenance	
Facility Maintenance-Maint Supervisor, 2 Maint Technicians, 2 Intern Positions and Supplies/Materials	521,107
Water Resources	
WR Planning - Increase Education Contractors	11,760
Conservation-Increase Xeriscape Rebate	150,000
Conservation-AMI Customer Notifications	120,000
General Government	
General Govt-Tuition Reimbursement & Incentive Programs	90,000
SJC Water Treatment Plant Chemicals-Increase Chemicals	200,000
Wastewater Plant Chemicals-Polymer-Dewatering and Thickening	500,000
San Juan-Chama-Increase SJC Project O&M Costs	9,139
San Juan Chama Professional Contractors Association	
FY25 Budget Adjustments	-
TOTAL	**3,813,818**

CHANGES IN EMPLOYMENT

The proposed budget for FY25 adds five full-time equivalent positions: AP Accountant in Finance; Assistant Superintendent in Groundwater Operations; and Facilities Maintenance Supervisor and 2 Facilities Maintenance Technicians in Fleet & Facilities Maintenance.

POSITIONS:	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
Administration	7	7	8	8	8	-
Risk	5	5	6	6	6	-
Legal	1	1	1	1	1	-
Human Resources	15	15	15	15	15	-
Information Technology	43	43	43	43	43	-
Finance	31	31	31	31	32	1
Customer Services	49	49	49	49	49	-
Asset Management	6	6	6	6	6	-
Wastewater Plant	88	89	89	89	89	-
San Juan-Chama Water Treat Plant	35	35	35	35	35	-
Groundwater Operations	55	55	55	55	56	1
Wastewater Collection	64	64	64	64	64	-
Water Field Operations	149	149	148	148	148	-
Compliance	44	47	47	47	47	-
Fleet & Facility Maintenance	13	13	13	13	16	3
Central Engineering	24	26	26	26	26	-
Planning & Utility Development	4	4	4	4	4	-
Water Resources	13	13	13	13	13	-
TOTAL FULL-TIME POSITIONS	**646.0**	**652.0**	**653.0**	**653.0**	**658.0**	**5.0**

APPROPRIATIONS BY FUND

Details of the expense appropriations for Fund 21(General Fund), Funds 27, 28 & 29 (Water 2120 Projects, Basic Rehab & Growth CIP Funds), Fund 31 (Debt Service Fund), and Fund 41 (San Juan Chama Professional Contractors Association) can be found in the table below.

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
GENERAL FUND - 21						
Administration	1,569	1,826	1,876	1,936	2,005	129
Risk	6,631	6,187	6,187	6,638	6,926	739
Legal	1,216	823	823	1,198	989	166
Human Resources	1,779	1,919	1,919	1,829	2,007	88
Information Technology	10,920	10,530	10,530	10,902	11,632	1,102
Finance	4,630	4,392	4,392	5,008	4,890	498
Customer Services	4,970	5,409	5,409	5,284	5,549	140
Asset Management	784	805	805	769	805	-
Wastewater Plant	12,175	12,213	12,121	11,824	12,416	295
San Juan-Chama Water Treat Plant	4,613	4,899	4,896	4,698	4,967	71
Groundwater Operations	7,323	7,298	7,298	7,253	7,663	366
Wastewater Collection	8,188	8,031	7,988	7,824	8,073	85
Water Field Operations	20,995	21,508	21,451	21,206	22,011	560
Compliance	6,179	6,266	6,264	6,049	6,878	614
Fleet & Facility Maintenance	5,673	5,730	5,878	5,758	6,680	802
Central Engineering	3,440	3,795	3,795	3,444	4,051	256
Planning & Utility Development	831	999	999	932	1,074	75
Water Resources	3,983	4,767	4,767	4,640	5,070	303
Power & Chemicals	28,405	21,256	31,256	30,484	31,956	700
Taxes	857	656	656	852	740	84
Overhead	911	1,670	1,670	1,655	1,566	(104)
San Juan-Chama	2,955	1,440	1,606	1,519	1,615	9
Trf from General Fund 21 to Rehab Fund 28	32,868	36,618	36,618	36,618	19,382	(17,236)
Trf from General Fund 21 to Water 2120 Fund 27	-	1,402	1,402	1,402	1,402	-
Trf from General Fund 21 to Debt Service Fund 31	74,850	78,000	78,000	78,000	75,000	(3,000)
Subtotal General Fund - 21	**246,742**	**248,439**	**258,605**	**257,724**	**245,347**	**(13,258)**
CAPITAL FUNDS - 27, 28 & 29						
Water 2120 Projects	70	2,402	7,313	7,313	17,402	10,089
CIP Basic Rehab/Special Projects	90,481	92,118	136,589	136,589	103,000	(33,589)
CIP Growth/Special Projects	35,280	9,000	128,265	128,265	8,350	(119,915)
Subtotal Capital Funds - 27, 28 & 29	**125,831**	**103,520**	**272,167**	**272,167**	**128,752**	**(143,415)**
DEBT SERVICE FUND - 31						
Debt Service	87,138	88,346	97,166	97,166	93,865	(3,302)
Transfer to Growth Fund 29	4,000	4,000	5,057	5,057	6,000	943
Subtotal Debt Service Fund - 31	**91,138**	**92,346**	**102,223**	**102,223**	**99,865**	**(2,359)**
SJCPCA FUND - 41						
General Government	134	64	154	154	39	(115)
Subtotal SJCPCA Fund - 41	**134**	**64**	**154**	**154**	**39**	**(115)**
TOTAL WATER AUTHORITY APPROPRIATIONS	**463,844**	**444,369**	**633,149**	**632,268**	**474,003**	**(159,147)**
Interfund Adjustment	(111,718)	(120,020)	(121,077)	(121,077)	(101,784)	19,293
NET WATER AUTHORITY APPROPRIATIONS	**352,126**	**324,349**	**512,072**	**511,191**	**372,219**	**(139,854)**

APPROPRIATIONS BY FUND

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
GENERAL FUND - 21						
100 WATER AUTHORITY:						
005 Executive Director	1,569	1,826	1,876	1,936	2,005	129
PROGRAM APPROPRIATION	**1,569**	**1,826**	**1,876**	**1,936**	**2,005**	**129**
105 RISK:						
010 Risk	6,631	6,187	6,187	6,638	6,926	739
PROGRAM APPROPRIATION	**6,631**	**6,187**	**6,187**	**6,638**	**6,926**	**739**
106 LEGAL:						
011 Legal	1,216	823	823	1,198	989	166
PROGRAM APPROPRIATION	**1,216**	**823**	**823**	**1,198**	**989**	**166**
110 HUMAN RESOURCES:						
015 Human Resources	1,779	1,919	1,919	1,829	2,007	88
PROGRAM APPROPRIATION	**1,779**	**1,919**	**1,919**	**1,829**	**2,007**	**88**
140 INFORMATION TECHNOLOGY:						
035 Information Technology	10,920	10,530	10,530	10,902	11,632	1,102
PROGRAM APPROPRIATION	**10,920**	**10,530**	**10,530**	**10,902**	**11,632**	**1,102**
120 FINANCE:						
020 Finance	4,630	4,392	4,392	5,008	4,890	498
PROGRAM APPROPRIATION	**4,630**	**4,392**	**4,392**	**5,008**	**4,890**	**498**
130 CUSTOMER SERVICES:						
025 Customer Services & Billing	3,938	4,408	4,408	4,242	4,470	62
026 Dispatch Operations	1,032	1,001	1,001	1,042	1,079	78
PROGRAM APPROPRIATION	**4,970**	**5,409**	**5,409**	**5,284**	**5,549**	**140**
206 ASSET MANAGEMENT						
166 Asset Management	784	805	805	769	805	-
PROGRAM APPROPRIATION	**784**	**805**	**805**	**769**	**805**	**-**

APPROPRIATIONS BY FUND

($000's	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
150 WASTEWATER PLANT:						
045 WW Cogen	901	1,166	1,166	972	954	(212)
050 WW Mechanical	4,700	4,276	4,276	4,489	4,605	329
055 WW Plant Operations	5,024	5,201	5,111	4,813	5,202	91
060 WW MDC	37	28	27	35	28	1
061 WW 2nd Chance Facility	3	15	15	14	10	(5)
065 WW SAF	1,471	1,451	1,450	1,458	1,541	91
115 South Reuse	38	76	76	43	76	-
PROGRAM APPROPRIATION	**12,175**	**12,213**	**12,121**	**11,824**	**12,416**	**295**
160 SJC WATER TREATMENT PLANT:						
075 San Juan-Chama Water Treatment Plant	4,524	4,829	4,826	4,670	4,897	71
100 College Arsenic Treatment	90	70	70	28	70	-
PROGRAM APPROPRIATION	**4,613**	**4,899**	**4,896**	**4,698**	**4,967**	**71**
170 GROUNDWATER SYSTEM:						
085 WA Wells, PS, Boosters, Reservoirs	5,081	5,034	5,034	5,009	5,208	175
090 GW Treatment	1,234	1,168	1,168	1,295	1,416	248
095 WA Control System Operators	995	1,075	1,075	935	1,023	(52)
110 North Reuse	12	21	21	15	16	(5)
PROGRAM APPROPRIATION	**7,323**	**7,298**	**7,298**	**7,253**	**7,663**	**366**
180 WASTEWATER COLLECTIONS:						
120 WW Gravity	5,796	5,744	5,706	5,572	5,729	23
125 WW Lift Station Operations	2,392	2,287	2,282	2,253	2,344	62
PROGRAM APPROPRIATION	**8,188**	**8,031**	**7,988**	**7,824**	**8,073**	**85**
190 WATER FIELD OPERATIONS:						
130 Utility Locating	886	1,129	1,129	1,013	1,014	(115)
135 WA Distribution Lines	18,941	19,212	19,155	19,122	20,105	950
136 Meter Operations	1,168	1,167	1,167	1,071	892	(275)
PROGRAM APPROPRIATION	**20,995**	**21,508**	**21,451**	**21,206**	**22,011**	**560**

APPROPRIATIONS BY FUND

($000's	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
200 COMPLIANCE:						
150 Laboratory	2,762	2,678	2,676	2,634	2,632	(44)
155 NPDES	1,873	1,986	1,986	1,867	2,257	271
160 Water Quality	1,545	1,602	1,602	1,548	1,989	387
PROGRAM APPROPRIATION	**6,179**	**6,266**	**6,264**	**6,049**	**6,878**	**614**
121 FLEET FACILITY MAINTENANCE						
021 Fleet Maintenance	4,278	4,326	4,326	4,239	4,555	229
022 Facilities Maintenance	1,396	1,404	1,552	1,519	2,125	573
PROGRAM APPROPRIATION	**5,673**	**5,730**	**5,878**	**5,758**	**6,680**	**802**
211 PLANNING & ENGINEERING:						
165 Central Engineering	3,440	3,795	3,795	3,444	4,051	256
170 Planning & Utility Development	831	999	999	932	1,074	75
PROGRAM APPROPRIATION	**4,270**	**4,794**	**4,794**	**4,376**	**5,125**	**331**
212 WATER RESOURCES:						
180 Water Resources Planning	1,963	2,457	2,457	2,380	2,474	17
185 Water Conservation	2,020	2,310	2,310	2,260	2,596	286
PROGRAM APPROPRIATION	**3,983**	**4,767**	**4,767**	**4,640**	**5,070**	**303**
220 GENERAL GOVERNMENT:						
201 Power	14,095	11,296	16,296	13,871	16,296	-
206 SJCWTP Chemicals	5,653	5,810	5,810	7,010	6,010	200
207 GW Chemicals	226	262	262	273	262	-
208 WW Treatment Chemicals	1,891	1,080	1,080	1,834	1,580	500
209 Collections Chemicals	6,539	2,808	7,808	7,496	7,808	-
PROGRAM APPROPRIATION	**28,405**	**21,256**	**31,256**	**30,484**	**31,956**	**700**
200 Taxes	857	656	656	852	740	84
PROGRAM APPROPRIATION	**857**	**656**	**656**	**852**	**740**	**84**
200 Overhead	563	1,270	1,270	1,065	1,166	(104)
205 Early Retirement	348	400	400	590	400	-
PROGRAM APPROPRIATION	**911**	**1,670**	**1,670**	**1,655**	**1,566**	**(104)**
230 SAN JUAN-CHAMA:						
215 San Juan-Chama	2,955	1,440	1,606	1,519	1,615	9
PROGRAM APPROPRIATION	**2,955**	**1,440**	**1,606**	**1,519**	**1,615**	**9**

APPROPRIATIONS BY FUND

($000's	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
TRANSFER FROM FUND 21 TO 28						
200 General Government	32,868	36,618	36,618	36,618	19,382	(17,236)
PROGRAM APPROPRIATION	**32,868**	**36,618**	**36,618**	**36,618**	**19,382**	**(17,236)**
TRANSFER FROM FUND 21 TO 27						
200 General Government	-	1,402	1,402	1,402	1,402	-
PROGRAM APPROPRIATION	**-**	**1,402**	**1,402**	**1,402**	**1,402**	**-**
TRANSFER FROM FUND 21 TO 31						
200 General Government	74,850	78,000	78,000	78,000	75,000	(3,000)
PROGRAM APPROPRIATION	**74,850**	**78,000**	**78,000**	**78,000**	**75,000**	**(3,000)**
CIP FUNDS						
27 WATER 2120 PROJECTS FUND						
Water 2120 Projects	70	2,402	7,313	7,313	17,402	10,089
PROGRAM APPROPRIATION	**70**	**2,402**	**7,313**	**7,313**	**17,402**	**10,089**
28 REHAB FUND						
Basic Rehab	86,219	83,768	123,730	123,730	100,000	(23,730)
Special Projects	4,262	8,350	12,859	12,859	3,000	(9,859)
PROGRAM APPROPRIATION	**90,481**	**92,118**	**136,589**	**136,589**	**103,000**	**(33,589)**
29 GROWTH FUND						
Growth	3,985	4,000	12,540	12,540	6,000	(6,540)
Special Projects	31,294	5,000	115,725	115,725	2,350	(113,375)
PROGRAM APPROPRIATION	**35,280**	**9,000**	**128,265**	**128,265**	**8,350**	**(119,915)**
DEBT SERVICE FUND - 31						
250 DEBT SERVICE						
230 DS - NM Loans	897	1,047	9,547	9,547	2,844	(6,703)
240 DS - Revenue Bonds	86,240	87,299	87,619	87,619	91,021	3,402
PROGRAM APPROPRIATION	**87,138**	**88,346**	**97,166**	**97,166**	**93,865**	**(3,301)**
260 UEC TRANSFER						
245 DS - UEC Transfer	4,000	4,000	5,057	5,057	6,000	943
PROGRAM APPROPRIATION	**4,000**	**4,000**	**5,057**	**5,057**	**6,000**	**943**
SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND - 41						
220 GENERAL GOVERNMENT:						
200 General Government	134	64	154	154	39	(115)
PROGRAM APPROPRIATION	**134**	**64**	**154**	**154**	**39**	**(115)**

FINANCIAL PLAN

The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY24 thru FY33. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential expense levels in both operating and capital and compare them to the estimated revenue resources for each projected fiscal year. The plan shows the effects of the budget on the Water Authority's future Working Capital and provides a tool to project future budget needs for the utility.

FINANCIAL PLAN

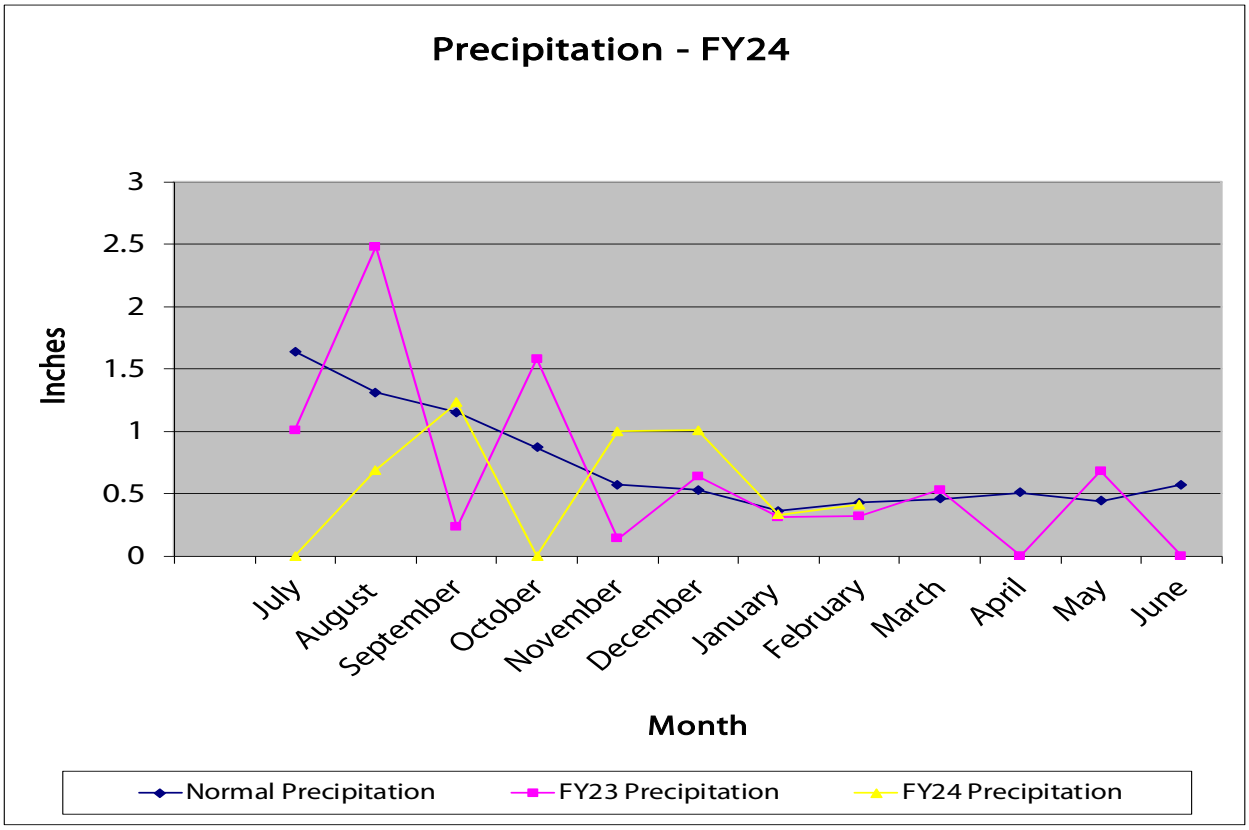
	Audited	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Fiscal Year	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Capital Funds (27, 28, 29)											
Beginning Fund Balance	**$146,319**	**$ 99,553**	**$110,744**	**$ 9,801**	**$34,476**	**$ 31,109**	**$90,784**	**$ 60,459**	**$110,134**	**$ 64,809**	**$136,484**
Sources:											
Trf. from Operating	$ 32,868	$ 36,618	$ 19,382	$ 34,000	$ 34,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 55,000	$ 55,000
Trf. from Operating (Water 2120)	$ -	$ 1,402	$ 1,402	$ 1,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402
Trf. from Debt Service (UEC)	$ 4,000	$ 5,057	$ 6,000	$ 4,000	$ 4,000	$ 5,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
Grants/Subsidies	$ 28,324	$ 114,638		$ -	$212,958	$ -	$ -	$ -	$ -	$ -	$ -
Bond/Loan Proceeds	$ 6,113	$ 121,000	$ -	$ 57,000		$ 95,000	$ -	$ 95,000	$ -	$ 110,000	$ -
Water Resource Charge (WRC)	$ 1,795	$ 1,500	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Miscellanous	$ 2,188	$ 3,143	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	$ 29	$ -	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25
Sources Total	$ 75,317	$ 283,358	$ 27,809	$ 97,427	$263,385	$ 160,427	$ 64,427	$ 159,427	$ 64,427	$ 181,427	$ 71,427
Uses:											
Basic Rehab (Min 50% Cash Trans)	$ 81,428	$ 123,730	$ 100,000	$ 63,000	$ 63,000	$ 75,000	$ 75,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
Water 2120	$ 71	$ 7,313	$ 17,402	$ 2,402	$196,402	$ 12,402	$ 12,402	$ 12,402	$ 12,402	$ 12,402	$ 12,402
Growth Projects (UEC)	$ 3,976	$ 12,540	$ 6,000	$ 4,000	$ 4,000	$ 10,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
Special Projects (Misc.)	$ 36,608	$ 128,584	$ 5,350	$ 3,350	$ 3,350	$ 3,350	$ 3,350	$ 3,350	$ 3,350	$ 3,350	$ 3,350
Trf. to Operating	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses Total	$ 122,083	$ 272,167	$ 128,752	$ 72,752	$266,752	$ 100,752	$ 94,752	$ 109,752	$ 109,752	$ 109,752	$ 109,752
Ending Fund Balance	**$ 99,553**	**$ 110,744**	**$ 9,801**	**$ 34,476**	**$31,109**	**$ 90,784**	**$60,459**	**$ 110,134**	**$ 64,809**	**$136,484**	**$ 98,159**
Debt Service Fund (31)											
Begininning Fund Balance	**$ 53,166**	**$ 42,792**	**$ 27,289**	**$ 11,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**
Sources:											
Interest Income	$ 426	$ 400	$ 400	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100
Utility Expansion Charges (UEC)	$ 6,977	$ 8,000	$ 8,040	$ 8,080	$ 8,121	$ 8,161	$ 8,202	$ 8,243	$ 8,284	$ 8,326	$ 8,326
Trf. from Operating	$ 74,850	$ 78,000	$ 75,000	$ 78,620	$ 84,579	$ 85,539	$ 84,498	$ 87,957	$ 87,916	$ 87,874	$ 87,874
Interest/Miscellanous	$ 586	$ 320	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200
Sources Total	$ 82,839	$ 86,720	$ 83,640	$ 87,000	$ 93,000	$ 94,000	$ 93,000	$ 96,500	$ 96,500	$ 96,500	$ 96,500
Uses:											
Debt Service (P & I)	$ 88,627	$ 96,846	$ 93,865	$ 89,000	$ 89,000	$ 89,000	$ 89,000	$ 92,500	$ 92,500	$ 92,500	$ 92,500
Trf. to Capital	$ 4,000	$ 5,057	$ 6,000	$ 4,000	$ 4,000	$ 5,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
Miscellanous	$ 586	$ 320	$ -	$ -	$ -	$ -					
Uses Total	$ 93,213	$ 102,223	$ 99,865	$ 93,000	$ 93,000	$ 94,000	$ 93,000	$ 96,500	$ 96,500	$ 96,500	$ 96,500
Ending Fund Balance	**$ 42,792**	**$ 27,289**	**$ 11,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**	**$ 5,064**
Operating Fund (21)											
Beginning Fund Balance	**$ 32,777**	**$ 24,044**	**$ 18,883**	**$ 30,643**	**$24,930**	**$ 27,884**	**$26,442**	**$ 22,791**	**$ 27,017**	**$ 28,053**	**$ 34,363**
Sources:											
Revenue	$ 252,363	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water/Water Fac. Rehab/Conn.		$ 132,504	$ 151,067	$ 153,822	$169,974	$ 179,322	$180,219	$ 190,131	$ 191,082	$ 201,591	$ 202,599
Water Resources Management		$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500
Wastewater/Wastewater Fac. Rehab		$ 100,166	$ 93,125	$ 95,591	$105,628	$ 111,437	$111,994	$ 118,154	$ 118,745	$ 125,276	$ 125,902
Solid Waste Admin Fee		$ 1,711	$ 1,836	$ 1,711	$ 1,711	$ 1,711	$ 1,711	$ 1,711	$ 1,711	$ 1,711	$ 1,711
DMD Admin Fee		$ 654	$ 379	$ 654	$ 654	$ 654	$ 654	$ 654	$ 654	$ 654	$ 654
Interest		$ 5,500	$ 3,500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Other Miscellanous	$ 3,616	$ 8,409	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Trf. from Capital	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sources Total	$ 255,979	$ 253,444	$ 257,407	$ 259,778	$285,966	$ 301,124	$302,578	$ 318,650	$ 320,191	$ 337,232	$ 338,866
Uses:											
Wages/Fringe Benefits	$ 64,091	$ 69,701	$ 72,835	$ 74,365	$ 75,926	$ 77,521	$ 79,149	$ 80,811	$ 82,508	$ 84,240	$ 86,009
Operations	$ 92,903	$ 72,884	$ 72,884	$ 76,805	$ 76,805	$ 76,805	$ 79,880	$ 82,955	$ 86,030	$ 89,105	$ 92,180
Issue Papers			$ 3,844								
Non-recurring Issue Papers											
Incentive			$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300
Miscellanous						$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Trf. to Debt Service	$ 74,850	$ 78,000	$ 75,000	$ 78,620	$ 84,579	$ 85,539	$ 84,498	$ 87,957	$ 87,916	$ 87,874	$ 87,874
Trf. to Capital (Water 2120)	$ -	$ 1,402	$ 1,402	$ 1,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402	$ 11,402
Trf. to Capital	$ 32,868	$ 36,618	$ 19,382	$ 34,000	$ 34,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 55,000	$ 55,000
Uses Total	$ 264,712	$ 258,605	$ 245,647	$ 265,491	$283,012	$ 302,566	$306,228	$ 314,425	$ 319,155	$ 330,922	$ 335,766
Ending Fund Balance	**$ 24,044**	**$ 18,883**	**$ 30,643**	**$ 24,930**	**$27,884**	**$ 26,442**	**$22,791**	**$ 27,017**	**$ 28,053**	**$ 34,363**	**$ 37,463**
Reserves:											
Operating (Risk & SAF)	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647	$ 2,647
Rate	$ 9,000	$ 3,834	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Total Reserves	$ (11,647)	$ (6,481)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)	$ (11,647)
Ending Fund Balance less Res	**$ 12,397**	**$ 12,402**	**$ 18,996**	**$ 13,283**	**$16,237**	**$ 14,795**	**$11,144**	**$ 15,370**	**$ 16,406**	**$ 22,716**	**$ 25,816**
Rate Increases	5.00%	0.00%	12.00%	0.00%	10.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%

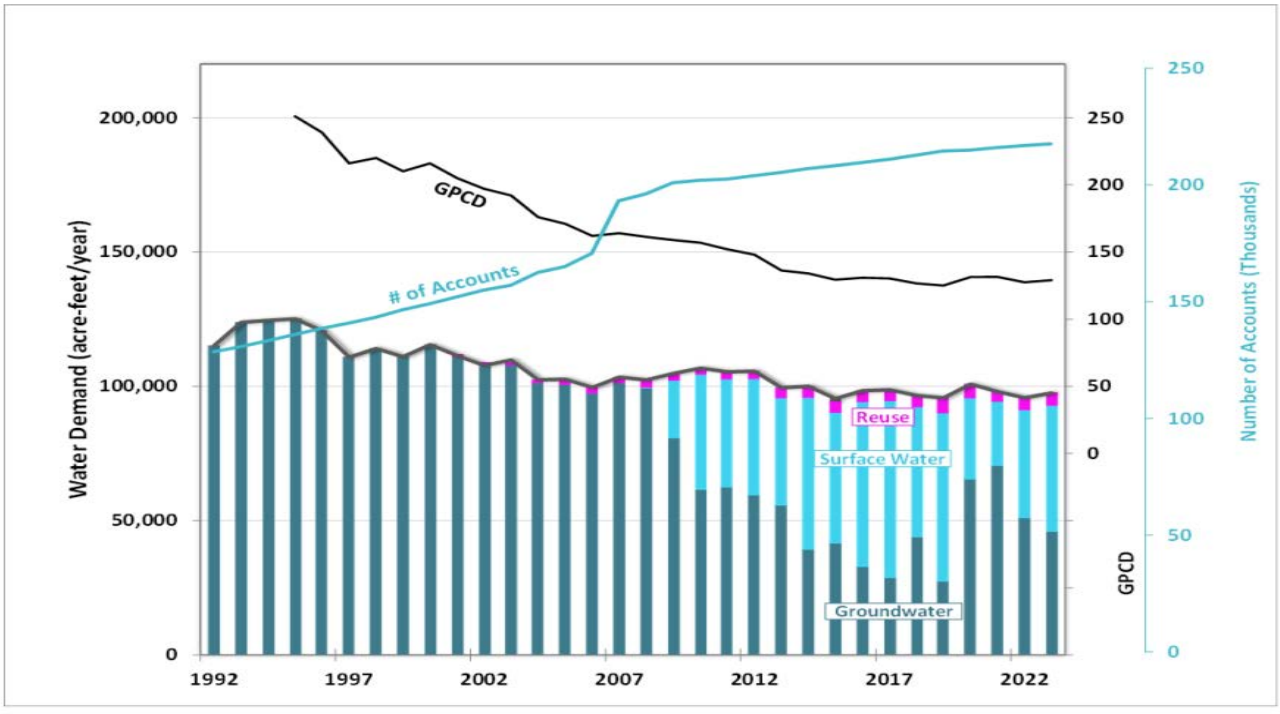
REVENUE OUTLOOK

Proposed
Operating Budget
FY25

PRECIPITATION HISTORY & WATER USE TRENDS

A history of the precipitation for FY23 and FY24 as compared to the average moisture that the service area has received since the beginning of the fiscal year is seen in the chart below as well as a chart of the water use trends.





REVENUE OUTLOOK

The Water Authority's revenue projections are summarized in the four tables included in this section. Table 1, General Fund 21, presents the operating budgeted revenue for FY25 as compared to budget FY24. Table 2, Capital Funds 27, 28, 29, Table 3, Debt Service Fund 31, and Table 4, San Juan Chama Professional Contractors Association Fund 41 provide for the same comparison as Table 1. For FY23, the actual audited results are reported, and for FY24, budgeted revenues and estimated actuals are reported as well.

Total Water Authority General Fund revenues for FY24 are projected to be $250.0 million. The system has seen minimal growth in the service area.

Budgeted General Fund revenues for FY25 are $257.4 million, representing an increase of $4.5 million from the FY24 Revised Budget amount.

TABLE 1 - GENERAL FUND 21

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
RESOURCES:						
Rate Revenue						
Water Service	104,705	98,107	98,107	98,107	116,670	18,563
Water Facilities Rehab	38,551	34,022	34,022	34,022	34,022	-
Wastewater Service	44,165	71,184	71,184	71,184	64,143	(7,041)
Wastewater Facilities Rehab	36,288	28,982	28,982	28,982	28,982	-
Contr/Aid/Hookups	205	375	375	375	375	-
Water Resources Management	4,219	4,500	4,500	4,500	4,500	-
Total Rate Revenue	**228,133**	**237,170**	**237,170**	**237,170**	**248,692**	**11,522**
Other Revenue						
Solid Waste Admin Fee	1,705	1,711	1,711	1,711	1,836	125
DMD Admin Fee	436	654	654	654	379	(275)
Interest on Investments	3,631	500	5,500	6,500	3,500	(2,000)
PNM Pass Thru	-	-	-	-	-	-
Miscellaneous Revenue	1,734	7,909	7,909	4,000	3,000	(4,909)
Total Other Revenue	**7,506**	**10,774**	**15,774**	**12,865**	**8,715**	**(7,059)**
Total Current Resources	**235,639**	**247,944**	**252,944**	**250,035**	**257,407**	**4,463**
Beginning Working Capital Balance	32,778	24,044	24,044	24,044	18,883	(5,161)
Total Revenue	**268,417**	**271,988**	**276,988**	**274,079**	**276,290**	**(698)**
Add from Working Capital	4,000	500	500	500		(500)
TOTAL RESOURCES	**272,417**	**272,488**	**277,488**	**274,579**	**276,290**	**(1,198)**

The revenue from the transfers from other funds for FY25 in the Capital Funds is projected to be the $16.3 million below FY24 to make use of the fund balance.

TABLE 2 - CAPITAL FUNDS 27, 28, 29

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
RESOURCES:						
Bond/Loan Proceeds	484	121,000	113,795	113,795	-	(113,795)
Grants/Loans	11,097	-	26,261	26,261	-	(26,261)
Water Rights/Water Resource Charges	1,383	1,000	1,500	1,500	1,000	(500)
Miscellaneous	21,134	-	13,053	13,053	25	(13,028)
Total Revenues	**34,099**	**122,000**	**154,608**	**154,608**	**1,025**	**(153,583)**
Transfer from Other Funds:						
General Fund - 21	32,868	38,020	38,020	38,020	20,784	(17,236)
Debt Service Fund - 31	4,000	4,000	5,057	5,057	6,000	943
Total Transfers	**36,868**	**42,020**	**43,077**	**43,077**	**26,784**	**(16,293)**
Total Current Resources	**70,967**	**164,020**	**197,685**	**197,685**	**27,809**	**(169,876)**
Beginning Fund Balance	146,309	99,245	99,245	99,245	110,744	11,499
TOTAL RESOURCES	**217,275**	**263,265**	**296,930**	**296,930**	**138,553**	**(158,377)**

The FY25 Expansion Charges revenue and the transfer from the General Fund will increase $.4 million from FY24. The FY25 transfer from the General Fund will decrease $3.0 million below FY24 to make use of the fund balance.

TABLE 3 - DEBT SERVICE FUND 31

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
RESOURCES:						
Bond Proceeds	-	-	-	-	-	-
Miscellaneous Revenues	426	400	720	720	600	(120)
Expansion Charges (UEC)	6,400	8,000	8,000	8,000	8,040	40
Total Revenues	**6,826**	**8,400**	**8,720**	**8,720**	**8,640**	**(80)**
Transfer from Other Funds:						
General Fund - 21	74,850	78,000	78,000	78,000	75,000	(3,000)
Total Transfers	**74,850**	**78,000**	**78,000**	**78,000**	**75,000**	(3,000)
Total Current Resources	**81,676**	**86,400**	**86,720**	**86,720**	**83,640**	**(3,080)**
Beginning Fund Balance	53,167	42,792	42,792	42,792	27,289	(15,503)
TOTAL RESOURCES	**134,842**	**129,192**	**129,512**	**129,512**	**110,929**	**(18,583)**

The $0.3 million revenue decrease for FY25 in the San Juan Chama Professional Contractors Association Fund reflects no special assessments levied for FY25.

TABLE 4 - SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND 41

($000's)	AUDITED FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	PROPOSED BUDGET FY25	PROP 25/ REV 24 CHG
RESOURCES:						
Administration Fees	48	38	38	38	39	1
Special Assessments	139	26	26	26	0	(26)
Total Revenues	**187**	**64**	**64**	**64**	**39**	**(25)**
Total Current Resources	**187**	**64**	**64**	**64**	**39**	**(25)**
Beginning Fund Balance	27	90	90	90	77	(13)
TOTAL RESOURCES	**214**	**154**	**154**	**154**	**116**	**(38)**

ECONOMIC OUTLOOK

The following is based on the January 2024 forecast from S&P Global. Along with the baseline forecast, alternative forecasts are prepared with pessimistic and optimistic scenarios.

NATIONAL ECONOMY AND KEY POINTS FROM THE S&P GLOBAL 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.

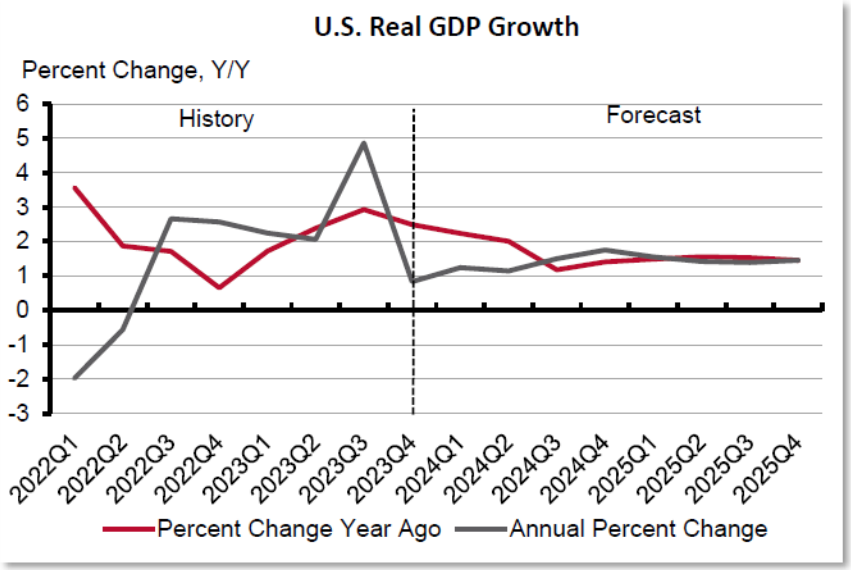
United States Review & Outlook

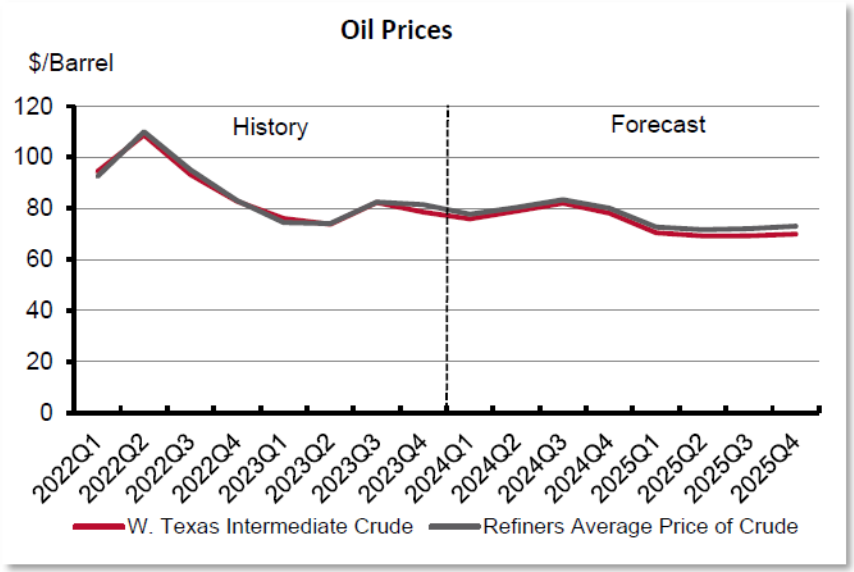
US Macro Forecast Snapshot: January 2024

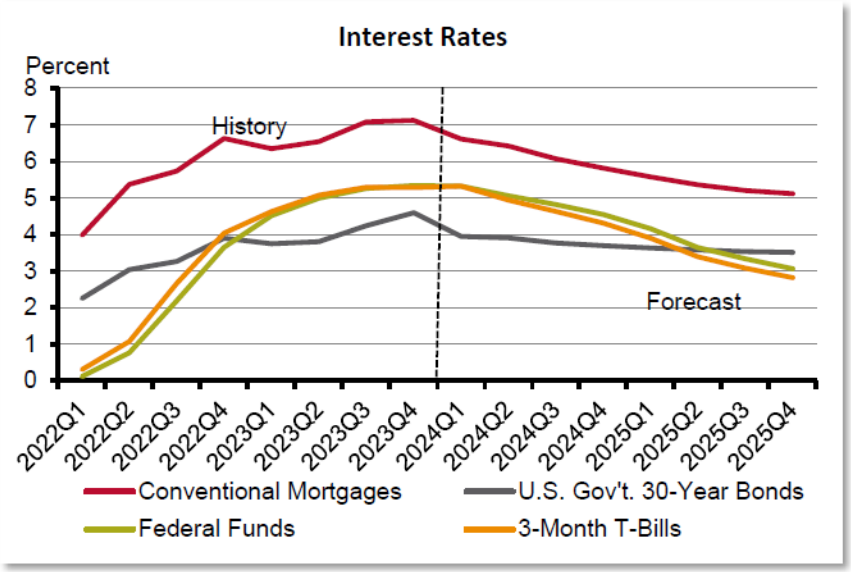
Variable	Baseline Scenario (55% Probability)	Pessimistic Scenario (30% Probability)	Optimistic Scenario (15% Probability)
GDP Growth	Real GDP rises 2.4% in 2023. Growth continues at 1.5% in 2024 and 1.3% in 2025.	Real GDP rises 2.4% in 2023. Growth then slows to 0.6% in 2024 before rising to 1.0% in 2025.	Real GDP grows 2.5% in 2023 as the relative strength in consumer spending supports growth. Growth persists at 2.3% in 2024 and 1.8% in 2025.
Consumer Spending	Consumption drops from 2.5% in 2022 to 2.2% in 2023. Growth continues at 1.8% in 2024 and 1.2% in 2025.	Spending rises 2.2% in 2023, 0.5% in 2024, and 0.9% in 2025.	Spending rises 2.3% in 2023, 2.5% in 2024, and 1.8% in 2025.
Business Fixed Investment	Increases 4.5% in 2023, 1.9% in 2024, and 1.3% in 2025.	Rises 4.3% in 2023 before falling by 0.8% in 2024 and 1.3% in 2025.	Rises 4.6% in 2023, 3.2% in 2024, and 2.7% in 2025.
Housing	Housing starts fall from 1.55 million in 2022 to 1.40 million in 2023 and 1.34 million in 2024, and tick up to 1.35 million in 2025.	Housing starts drop from 1.55 million in 2022 to 1.39 million in 2023, 1.25 million in 2024, and 1.24 million in 2025.	Housing starts fall to 1.40 million in 2023, tick down further to 1.37 million in 2024, and rise back to 1.39 million in 2025.
Exports	Rise 2.7% in 2023, 3.9% in 2024, and 4.0% in 2025.	Jump 2.7% in 2023, 3.0% in 2024, and 4.0% in 2025.	Rise 2.6% in 2023, 4.8% in 2024, and 4.2% in 2025.
Fiscal Policy	Government shutdown is avoided in early 2024; spending limited by caps through 2025.	Same fiscal assumptions as in baseline.	Same fiscal assumptions as in baseline.
Monetary Policy	We expect the upper end of the federal funds rate target to reach 5.35% by early 2024.	The federal funds rate reaches an upper limit of 5.35% in early 2024.	Similar path to baseline but with a higher long-run federal funds rate over 2023–26.
Credit Conditions	Tightened in 2022; tightening persists throughout the forecast amid high interest rates.	Remain slightly tighter than in baseline.	Slightly looser than in baseline.
Productivity Growth	Moves up from -1.9% in 2022 to 1.2% in 2023 and 2024 and to 1.6% in 2025.	Rises 1.2% in 2023, 2.2% in 2024, and 2.6% in 2025.	Rises 1.2% in 2023, before picking up to 1.4% in 2024 and 2.2% in 2025.
Consumer Confidence	Gently escalates through 2023.	Remains below the baseline over the entire forecast interval.	Outperforms baseline over the entire forecast interval.
Oil Prices (Dollars/barrel)	Average price of Brent crude oil falls from $101/barrel in 2022 to $83 in 2023, rises to $85 in 2024 and falls to $77 in 2025.	Brent crude oil averages $84 in 2023, $105 in 2024, and $93 in 2025.	Brent crude oil averages $83 in 2023 and 2024, before falling to $77 in 2025.
Stock Markets	The year-end value of the S&P 500 fell 19.4% in 2022. The index grows 20.3% over 2023, slows to 0.7% growth in 2024, and falls 1.2% in 2025.	The year-end value of the S&P 500 fell 19.4% in 2022 but rises 19.4% in 2023. Falls 3.4% in 2024 and 3.1% in 2025.	The year-end value of the S&P 500 rises 21.4% in 2023 and 4.5% in 2024, but falls 0.2% in 2025.
Inflation (CPI)	Core personal consumption expenditures (PCE) price inflation falls from 5.2% in 2022 to 4.2% in 2023, 2.6% in 2024, and 2.2% in 2025.	Core PCE price inflation slows to 4.2% in 2023, 2.9% in 2024, and 1.9% in 2025.	Core PCE price inflation falls from 5.2% in 2022 to 4.1% in 2023, 2.7% in 2024, and 2.5% in 2025.
Foreign Growth	Eurozone GDP slips from 3.5% in 2022 to 0.5% in 2023, while mainland China's growth rises from 3.0% in 2022 to 5.2% in 2023.	Global economy suffers from Russia-Ukraine conflict and tightening lending standards.	Global economy recovers more quickly than in baseline amid a faster resolution to the Russia-Ukraine conflict.
US Dollar	The broad real dollar gently falls through the end of 2029 before resuming to rise.	Decreases slowly through 2028 before resuming to rise.	The broad dollar strengthens slightly more than in the baseline.

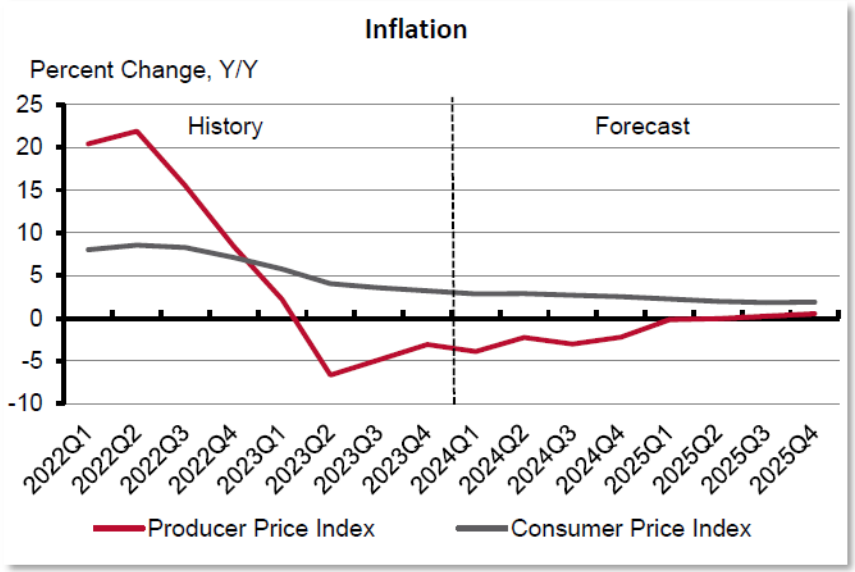
Source: S&P Global, January 2024

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









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 US Bureau of Economic Analysis, S&P Global, New Mexico Department of Workforce Solutions and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for January 2024 provides the forecast of the Albuquerque economy that is presented in the following section.

Albuquerque MSA Employment

In this forecast, employment data for the second calendar quarter of 2023 was released by the New Mexico Department of Workforce Solutions (NMDWS). Employment in the Albuquerque Metropolitan Statistical Area (MSA) has been consistently above pre-pandemic levels since 2022Q4; in 2023Q2, the MSA added 10,770 (2.8%) jobs.

With the gains, employment is above all-time highs for the second quarter. In the quarter, the MSA registered 384,320 jobs. This compares to the previous record for a second quarter which occurred in 2019A2 and came in at 383,206 jobs.

In the second quarter of 2023, the highest number of jobs added was in the healthcare & social assistance sector (2,921 jobs, 5.2%).

FOR-UNM estimates average employment for calendar year 2023 to be 395,705 jobs. This will be an increase of 7,548 jobs (1.9%) compared to 2022. The private sector is projected to add 5,780 of these jobs with 1.9% overall growth and government is expected to add 1,678 jobs with 2.3% overall growth.

Thirteen (13) private sector industries are estimated to have grown in 2023. As is typical for this area, the largest gains are expected in healthcare & social assistance, the largest private sector industry in the area in terms of employment. Growth in this sector is estimated to have been 4.2% for the year, resulting in an increase of 2,367 jobs, 4.3% higher than in 2019. The sector that is predicted to have grown the second most is accommodation & food services. This sector is estimated to have expanded its presence by 1,633 jobs at a 4.3% growth rate, leaving it just 0.2% (-75 jobs) below its 2019 level. The third highest increase is expected to have been in the professional & technical services sector. An increase of 1,257 jobs (3.7%) will bring this industry to a total of 35,667 jobs in the area, 9.6% more than it supported in 2019. The remaining 10 private sector industries are all expected to have added less than 1,000 jobs in the year.
The construction industry is predicted to have grown by 3.1% (801 jobs) over the course of the year. This addition will bring it to 26,835 total jobs on average, 9.7% higher than its 2019 average.

Three private sectors are expected to have added jobs in the 300-500 range. The arts, entertainment & recreation industry should see a hike of 503 jobs (9.3%) while other services climb by 488 jobs (5.1%) and educational services boosts employment by 377 jobs (6.4%). With these additions, the arts will have risen above its 2019 level by 7.8% and educational services will have done even better, surpassing its 2019 average by 19.9%. However, other services just barely miss its pre-pandemic level by 17 jobs (-0.2%).

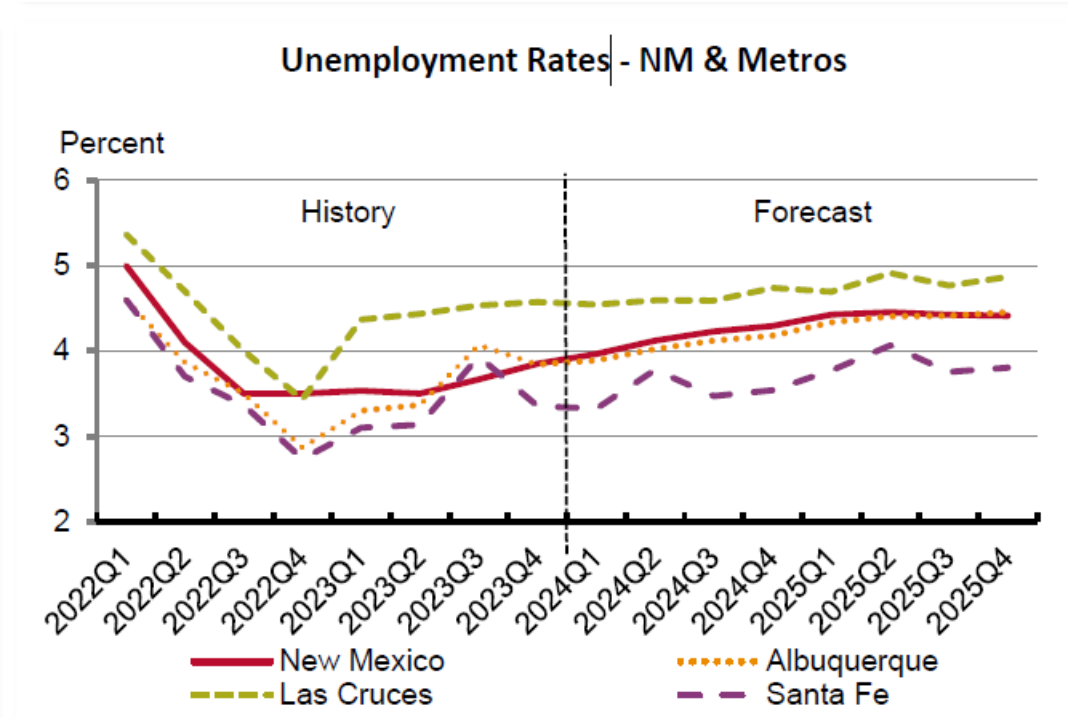
Wholesale trade, which had finally dug itself out of a deep pandemic-related ditch in 2022Q3, is expected to see an addition of 207 jobs (1.8%) over the year. However, it will still be 134 jobs (-1.2%) below its 2019 level. Manufacturing, by contrast, has been climbing steadily since the pandemic. It will gain 156 jobs (0.9%) this year, 3.0% more than it had in 2019.

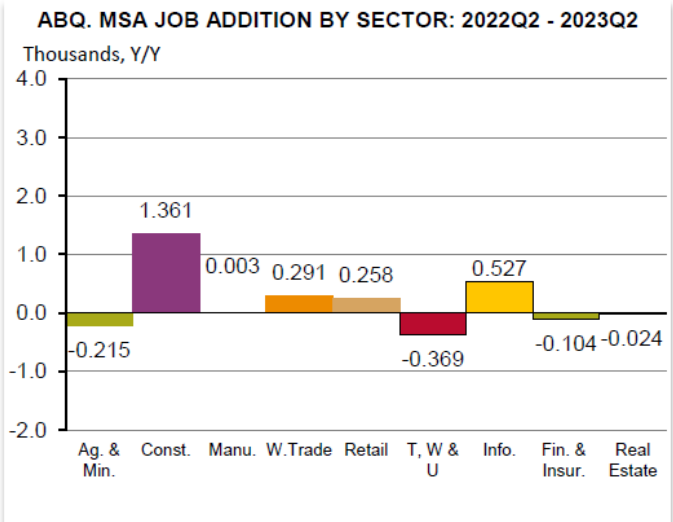
The remaining private sectors predicted to have increased their ranks in 2023 are information (71 jobs, 1.3%); utilities (57 jobs, 5.3%); real estate (26 jobs, 0.5%); and mining (16 jobs, 6.9%). Information and real estate will still be below their 2019 levels, mining will have just recovered, and utilities will have exceeded its 2019 average by 10.5%.

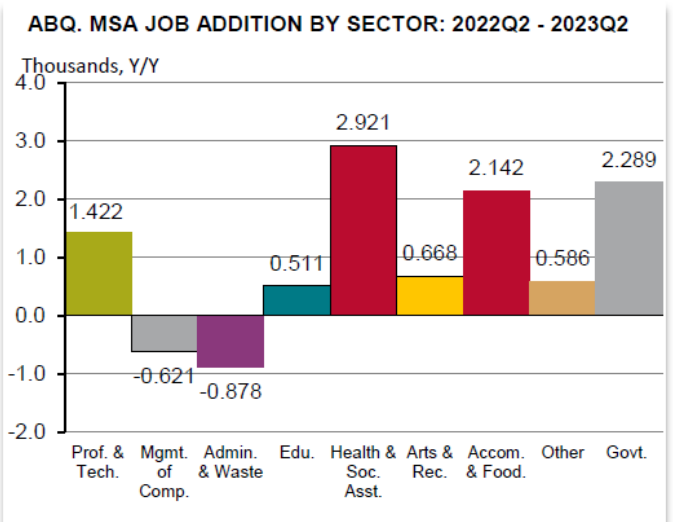
Only six private sector industries are expected to see job losses in 2023. The biggest losses will be in administrative & waste services (-669 jobs, -2.7%); management of companies & enterprises (-642 jobs, -16.8%); and transportation & warehousing (-548 jobs, -4.0%). Smaller losses are predicted in agriculture (-143 jobs, -17.9%) and finance & insurance (-73 jobs, -0.6%) while the retail trade sector remains flat, losing only 13 jobs. Despite the losses, most of these sectors will be above pre-pandemic levels. Notably, transportation & warehousing will have gained 51.4% (4,414 jobs) since 2019 and agriculture will have surpassed its pre-pandemic average by 46.0% (207 jobs).

The government sector is projected to have done well over the year, with gains in all three levels: local

government (936 jobs, 2.5%); state government (521 jobs, 2.3%); and federal government (220 jobs, 1.5%). However, only state and federal employment will be above their 2019 averages. Local government employment will have the farthest yet to go of all sectors in numeric terms: it's expected to be still 2,378 jobs (-5.9%) short of its pre-pandemic average.







CAPITAL BUDGET

Proposed
Operating Budget
FY25

What is the Capital Improvement Plan (CIP)?

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

The CIP Ten-Year (Decade) Plan

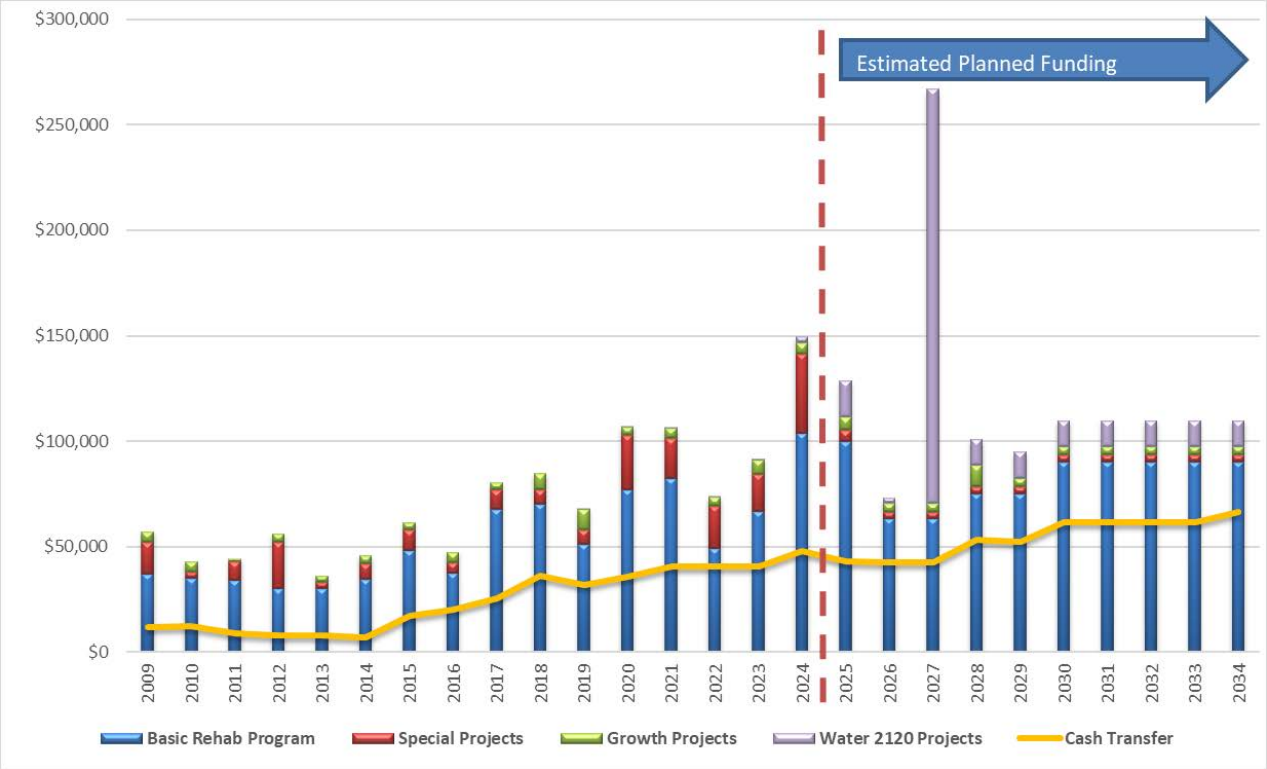
The blueprint for the Water Authority's Basic Program is its Decade Plan, a ten-year capital plan required to be updated annually and includes detailed requirements for program development and project scope, schedule, budget, justification, and alternatives. The Decade Plan requires approval by the Water Authority Board with at least one public hearing and due deliberation. The Decade Plan must be approved by the Water Authority's Board in conjunction with the FY25 CIP budget.

The full plan is available to view on the Water Authority's website at the following link:

https://www.abcwua.org/your-water-authority-finances/

CAPITAL BUDGET

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



Decade Plan FY 2025 - 2034: Summary of Projects

Category No.	Category Descriptions	Projected Fiscal Year Revenue by Category ($1000's) 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Priority Renewal Projects:												
100	Sanitary Sewer Pipelines	21,587	10,929	14,000	24,682	21,394	22,750	26,232	29,147	27,085	32,855	**230,661**
200	Drinking Water Pipelines	8,850	7,750	8,250	8,000	8,500	13,800	14,800	13,350	13,350	11,350	**108,000**
300	Southside Water Reclamation Plant	20,250	17,250	10,800	10,300	11,800	11,200	14,050	8,650	8,500	9,950	**122,750**
400	Soil Amendment Facility (SAF)	850	100	100	950	1,600	100	100	100	100	100	**4,100**
500	Lift Station and Vacuum Station	5,570	2,670	2,705	2,370	1,550	1,300	1,300	1,660	1,300	1,300	**21,725**
600	Odor Control Facilities	1,050	50	50	50	50	50	50	50	50	50	**1,500**
700	Drinking Water Plant: Groundwater	12,500	7,546	6,500	10,925	16,411	21,955	16,442	20,728	20,040	12,206	**145,253**
800	Drinking Water Plant: Treatment	14,100	5,100	9,748	6,500	4,800	5,548	6,075	6,125	4,525	7,375	**69,896**
900	Reuse Line and Plant	3,700	650	150	150	200	200	200	200	200	200	**5,850**
1000	Compliance	32	425	280	175	403	386	640	370	608	405	**3,724**
1100	Shared Renewal	4,036	4,955	5,213	5,849	3,290	5,140	1,290	1,412	1,290	1,040	**33,515**
1200	Franchise Agreement Compliance	3,750	2,750	2,750	2,750	2,750	3,750	4,000	4,250	4,250	4,250	**35,250**
1300	Vehicles and Heavy Equipment	3,725	2,825	2,454	2,299	2,252	3,821	4,821	3,958	8,702	8,919	**43,777**
	Total Priority Renewal Projects	**100,000**	**63,000**	**63,000**	**75,000**	**75,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**826,001**
Water 2120 Projects:												
8000	All Water 2120 Projects	17,402	2,402	196,402	12,402	12,402	12,402	12,402	12,402	12,402	12,402	**303,020**
	Total Water 2120 Projects	**17,402**	**2,402**	**196,402**	**12,402**	**12,402**	**12,402**	**12,402**	**12,402**	**12,402**	**12,402**	**303,020**
Special Projects:												
9400	All Special Projects	5,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	**35,500**
	Total Special Projects	**5,350**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**35,500**
Priority Growth Projects:												
2200	Sewer and Wastewater Fac Grwth	-	-	-	6,000	-	-	-	-	-	-	**6,000**
2400	Land and Easement Acquisition	10	10	10	10	10	10	10	10	10	10	**100**
2700	Development Agreements	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	**12,500**
2800	MIS/GIS	3,940	2,440	2,340	2,340	2,340	2,140	2,340	2,340	2,340	2,340	**24,900**
3100	Master Plans	800	300	300	300	300	500	300	300	300	300	**3,700**
3200	Miscellaneous	-	-	100	100	100	100	100	100	100	100	**800**
	Total Priority Growth Projects	**6,000**	**4,000**	**4,000**	**10,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**48,000**

Operating Cost/Saving Impacts

The potential operating cost/saving impacts of the projects are listed on the Project Summary Sheets in the FY25 – FY34 Decade Plan.

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

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

Specific activities in the process are:

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

- **Taking Inventory and Developing Proposals**:
  Staff gather information about the Water Authority's capital facilities and equipment to assess the condition of each. Staff carefully consider construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.

- **Conducting Financial Analysis:**
  Finance staff conduct financial analysis of historic and projected revenues and expenses to estimate the Water Authority's cash flow and long-term financial condition. Capital financing alternatives are identified, and recommendations are prepared to match the type of funding most appropriate for specific capital improvements.

FY25 Water Authority Capital Improvement Program Budget

The FY25 capital program appropriation totals $128.8 million. $100.0 million is appropriated for the level one priority basic capital programs, $6.0 million for growth related projects, $5.4 million for special projects, and $17.4 million for Water 2120 projects. There are no appropriations in the proposed FY25 CIP budget for projects that will be funded with revenues from FY26 or later.

The current Rate Ordinance requires no less than $40.0 million for Basic rehabilitation program.

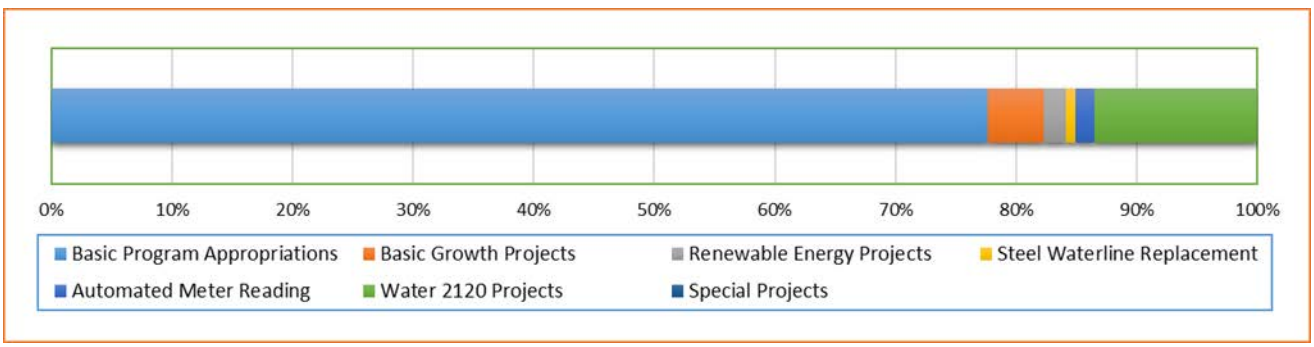
The growth program is funded by Utility Expansion Charge (UEC) revenue which is tied to economic growth in the Water Authority's service area. The non-discretionary portion of the growth program includes funding for the low-income connection program managed by Bernalillo County and development repayment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

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

CAPITAL BUDGET

Ref No.	Project Description	FY22 Audited Actual (000's)	FY23 Audited Actual (000's)	FY24 Revised Budget (000's)	FY25 Proposed Budget (000's)
Basic Program Appropriations:					
100	Sanitary Sewer Pipeline Renewal	$ 6,914	$ 33,429	$ 33,250	$ 21,587
200	Drinking Water Pipeline Renewal	5,377	7,957	6,020	8,850
300	Southside Water Reclamation Plant Renewal	15,291	19,756	11,335	20,250
400	Soil Amendment Facility (SAF) Renewal	287	274	150	850
500	Lift Station and Vacuum Station Renewal	2,301	2,182	1,600	5,570
600	Odor Control Facilities Renewal	11	31	450	1,050
700	Drinking Water Plant Groundwater System Renewal	7,807	8,475	12,150	12,500
800	Drinking Water Plant Treatment Systems Renewal	1,798	2,135	19,292	14,100
900	Reuse Line and Plant Rehab	845	590	2,200	3,700
1000	Compliance	79	387	533	32
1100	Shared Renewal	2,286	4,732	10,040	4,036
1200	Franchise Agreement Compliance	4,541	3,027	4,000	3,750
1300	Vehicles and Heavy Equipment	1,543	3,243	2,500	3,725
	Level 1 Priority Renewal Projects Total	**$ 49,080**	**$ 86,218**	**$ 103,520**	**$ 100,000**
	Special Projects:				
9401	Steel Waterline Rehab	$ 1,001	$ 142	$ 2,000	$ 1,000
9403	Automated Meter Infrastructure (AMI)	872	3,627	1,000	2,000
9404	Renewable Energy Projects	117	119	350	2,350
9415	Issuance Costs	668	51	-	-
94*	Miscellaneous	17,588	31,616	34,573	-
	Special Projects Total	**$ 20,246**	**$ 35,555**	**$ 37,923**	**$ 5,350**
	Combined Level 1 Priority Renewal and Special Projects	**69,326**	**121,773**	**141,443**	**105,350**
	Growth Projects:				
2000	Sewer and Wastewater Facilities Growth	$ -	$ 29	$ 332	$ -
2300	Water Pipe & Water Facilities	$ -	$ -	$ 725	$ -
2400	Land & Easment Acquisition	10	27	(773)	10
2700	Development Agreements	1,284	456	500	1,250
2800	MIS/GIS	2,604	3,443	3,490	3,940
3100	Master Plans	181	31	783	800
3200	Miscellaneous Growth	3	-	-	-
	Level 1 Priority Growth Projects Total	**$ 4,082**	**$ 3,986**	**$ 5,057**	**$ 6,000**
8000	Water 2120 Plan	**$ 73**	**$ 70**	**$ 2,902**	**$ 17,402**
	Grand Total	**$ 73,481**	**$ 125,829**	**$ 149,402**	**$ 128,752**

*Various Special Projects
FY24 Revised Budget includes carryover amounts from FY23



FY25 Project Highlights

The Water Authority Capital Improvement Program (CIP) includes projects to improve the overall efficiency of the Water Authority and to enhance the Water Authority's ability to provide services to its customers. The projects included in this CIP are intended to accomplish these goals efficiently and cost-effectively.

The Water Authority will increase focus on CIP funding to cover the costs of rehabilitation and replacement of aging pipes, pumps and other infrastructure as recommended in the most recent asset management study commissioned by the Water Authority, allocating just over $100 million to Level 1 Priority Renewal projects in FY25 and striving to reach $90 million in annual CIP rehabilitation and renewal investment within the decade.

The Water Authority intends to enhance the water and sewer infrastructure with several targeted projects included in the 2025-2034 Decade Plan. Some of the major projects are listed below:

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

Some of the major project details include:

The sanitary sewer interceptor system is the backbone of the Water Authority's current sewer collection system. It is designed to carry large flows from the collection line system for delivery to the plant for treatment. 46-percent (approximately 111 miles) of the current interceptors within the system are made of concrete and have suffered substantial hydrogen sulfide corrosion damage along the upper portions of the pipe. This ultimately results in complete pipe failure which could cause a sinkhole to form at any time within the public right-of-way. The FY25 budget reflects a budget of $18.2 million that will be used to continue to evaluate, plan, design, and construct for sanitary sewer interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond workable rehabilitation.

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

The San Juan-Chama Water Treatment Plant (SJCWTP) Basin Improvements funding is needed for emergency capital improvements to address unanticipated equipment or other asset failures at the facilities. This is a critical facility in the Water Authority's drinking water system and any asset failures need to be addressed quickly to support the expected level of service. The FY25 CIP budget allocates an additional $8.3 million to complete the Basin Dredging – Sediment, filter backwash, and organic matter buildup in the basins affects available raw water storage volume and has negative water quality impacts to SJCWTP treatment processes.

The Information Technology/GIS funding allocations will be utilized to purchase new/upgrade all hardware and software applications and the databases that support those applications. Applications include Maximo, Finance Enterprise, Kronos, Laboratory Information Management System and GIS, among others. Funding will be used to address the mobile, security and telecommunications environments and to provide continual efficiencies to reduce costs and maintain backups of mission critical systems. The FY25 CIP budget also includes funding to refresh aging desktop and laptop PCs across the Water Authority.

The Water Authority relies on a well-maintained and highly functioning line of vehicles and equipment. The Fleet Vehicle and Equipment Replacement funding allocation in the FY25 CIP budget includes $3.7 million, which should allow for replacement of over 50 various types of vehicles and heavy equipment.

The remainder of the Basic rehabilitation program is primarily focused on addressing the Water Authority replacement needs and perform contingency work and normal repair and maintenance work in the groundwater plant system with minimal planned projects. These other needs include over $20.0 million in capital allotments for Southside Water Reclamation Plant Renewal and $12.5 million for Groundwater System Renewal.

DEBT OBLIGATIONS

Proposed Operating Budget FY25

DEBT OBLIGATIONS

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

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

The total outstanding obligation indebtedness of the Water Authority as of April 1, 2024 is $579.5 million, shown in the table on the next page.

DEBT OBLIGATIONS

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS
as of April 1, 2024
RATINGS: AA+ Fitch; Aa2 Moody's; AA+ S&P

	FINAL MATURITY	ORIGINAL AMT ISSUED	AMOUNT RETIRED	AMOUNT OUTSTANDING	INTEREST RATES
SENIOR DEBT OBLIGATIONS					
Bonds Series 2013B	7/1/2024	$ 55,265,000	$ 52,845,000	$ 2,420,000	3.00-5.00%
Bonds Series 2014A	7/1/2026	97,270,000	64,720,000	32,550,000	3.00-5.00%
Bonds Series 2015	7/1/2033	211,940,000	89,820,000	122,120,000	3.00-5.00%
Bonds Series 2017	7/1/2034	87,970,000	26,210,000	61,760,000	3.375-5.00%
Bonds Series 2018	7/1/2030	75,085,000	22,780,000	52,305,000	5.00%
Bonds Series 2020	7/1/2032	69,440,000	12,000,000	57,440,000	5.00%
Bonds Series 2020A	7/1/2038	47,800,000	12,600,000	35,200,000	5.00%
Bonds Series 2021	7/1/2046	73,255,000	-	73,255,000	3.00-5.00%
NMFA Loan No. PPRF 6194	7/1/2048	113,425,000	-	113,425,000	5.00-5.25%
NMFA Loan No. 07 2316-ADW	7/1/2031	1,000,000	825,977	174,023	3.00-5.00%
NMFA Loan DW4877	5/1/2040	2,724,170	355,579	2,368,591	0.25-2.00%
NMFA Loan DW5028	5/1/2052	1,515,000	43,553	1,471,447	1.00%
SUBTOTAL - SENIOR DEBT OBLIGATIONS		**$ 836,689,170**	**$ 282,200,109**	**$ 554,489,061**	
SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS					
Bonds Series 2014B	7/1/2025	$ 87,005,000	$ 69,800,000	$ 17,205,000	3.00-5.00%
NMFA Loan No. 04 1727-AD	5/1/2030	10,426,232	6,211,581	4,214,651	1.00-5.00%
NMFA Loan WPF-5103	6/1/2042	800,000	36,444	763,556	0.25%
NMFA Loan WPF-5401	6/1/2043	800,000	-	800,000	0.25%
NMFA Loan WPF-5402	6/1/2043	770,827	-	770,827	0.25%
NMFA Loan WPF-5659	6/1/2044	200,000	-	200,000	0.25%
NMFA Loan WPF-5660	6/1/2044	710,000	-	710,000	0.25%
NMFA Loan WPF-5935	6/1/1945	370,000	-	370,000	0.25%
SUBTOTAL - SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS		**$ 101,082,059**	**$ 76,048,025**	**$ 25,034,034**	
TOTAL DEBT OBLIGATIONS		**$ 937,771,229**	**$ 358,248,134**	**$ 579,523,095**	

APPENDIX

Proposed Operating Budget FY25

FY24 BUDGET METHODOLOGY AND ASSUMPTIONS

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 FY25 to incorporate current contractual increases.

❖ Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.0%, PERA-27.45% for blue and white collar and management/professional, this amount does include the 0.5% yearly for both employer and employee as required by the PERA Legislation. Other employee benefits (health, dental, vision, retiree health insurance, group life) – budgeted at FY24 actual amounts plus a 7.0% contracted rate increase for health insurance.

❖ A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.

Operating Expenses

FY25 operating expenses were budgeted equal to FY24 appropriated amounts. One-time appropriations for FY24 were deleted.

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

❖ For FY25, utilities (gas, electricity, and water/wastewater) and chemicals were budgeted based on historical expenses and anticipated needs.

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

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

❖ Vehicle maintenance charges are estimated for FY25 according to the class of vehicle and historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.

❖ Fuel costs have been appropriated for FY25 per the US Energy Information Administration forecast of oil prices. The forecast for gasoline prices is $3.24/gallon and for diesel is $3.85/gallon.

Capital Expenses

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

ACRONYMS

AMI – Automated Meter Infrastructure

ASR – Aquifer Storage and Recovery

AWWA – American Water Works Association

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

CC&B – Customer Care and Billing

CIP - Capital Implementation or Improvements Program

CMOM – Capacity Management Operations & Maintenance Program

DWP – San Juan–Chama Drinking Water Project

EPA – Environmental Protection Agency

ERP – Enterprise Resource Planning

EUM – Effective Utility Management

FTE - Full-time Equivalent Position

FY - Fiscal Year

GFOA - Government Finance Officers Association

GIS – Geographic Information System

GPCD – Gallons per capita per day

HR – Human Resources

ITD – Information Technology Program

KAFB – Kirtland Air Force Base

MDC – Metropolitan Detention Center

MGD – Million Gallons per Day

MIS – Management Information System

MOU – Memorandum of Understanding

MSA – Metropolitan Statistical Area

NM – New Mexico

NMED – New Mexico Environment Department

NPDES – National Pollution Discharge Elimination System

PAFR – Popular Annual Financial Report

PERA - Public Employees Retirement Association

PFAS - Per-and Polyfluoroalkyl Substances

PNM – Public Service Company of New Mexico

PTF – Preliminary Treatment Facility

RRAMP – Reclamation Rehabilitation and Asset Management Plan

SCADA – Supervisory Control and Data Acquisition

SJC – San Juan-Chama

SJCWTP - San Juan–Chama Water Treatment Plant

SOP – Standard Operating Procedures

SSOs – Sanitary Sewer Overflows

SWRP - Southside Water Reclamation Plant

SWTP – Surface Water Treatment Plant

UEC – Utility Expansion Charge

UNM – University of New Mexico

WPAB – Water Protection Advisory Board

GLOSSARY

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

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

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

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

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

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

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

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

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

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

CAPITAL EXPENSES: Expenses to acquire or construct capital assets

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

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

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

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

FINANCIAL PLAN: See Operating Budget

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

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

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

FUND BALANCE: Fund equity of governmental funds

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

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

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

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

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

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

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

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

NON-RECURRING REVENUES: Revenues generated only once

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

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

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

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

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

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

RECURRING REVENUES: Revenues generated each and every year

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

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

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

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

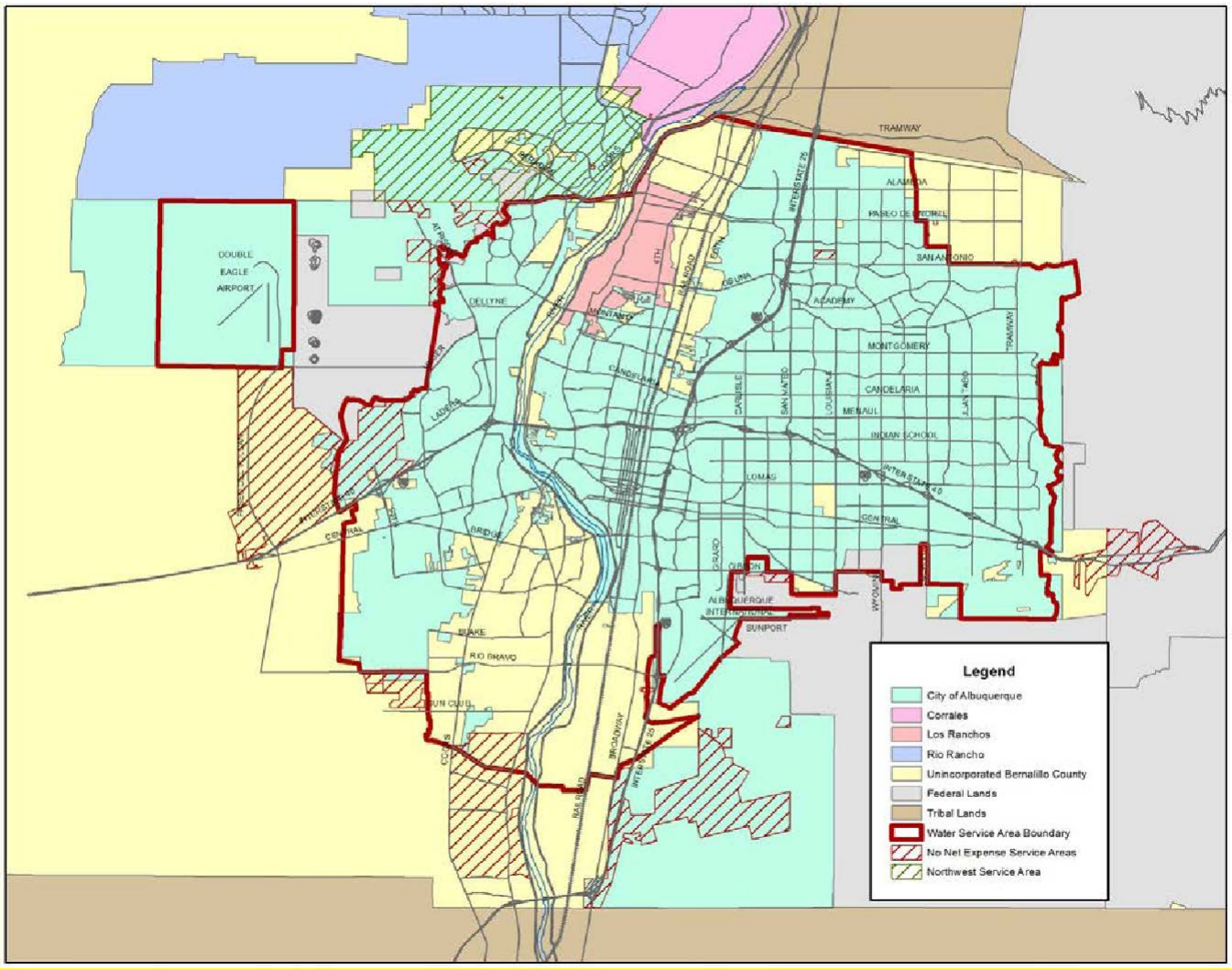
STATE ENGINEER PERMIT 4830: The permit allows the Water Authority to divert 97,000 acre-feet annually from the Rio Grande consisting of an equal amount of Water Authority San Juan-Chama water and native Rio Grande water. The native Rio Grande water is required to be simultaneously released from the Southside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

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

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

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

WATER SERVICE AREA MAP



Major Assets:

- 92 MGD San Juan-Chama Surface Water Treatment Plant
- Adjustable diversion dam, intake structure and raw water pump station on the Rio Grande
- 59 ground water supply wells (255 MGD)
- 62 water supply reservoirs providing both mixed surface and groundwater including non-potable reservoirs
- 45 pump stations including non-potable facilities
- 3,099 miles of water supply pipeline
- 5 arsenic removal treatment facilities (15 MGD)

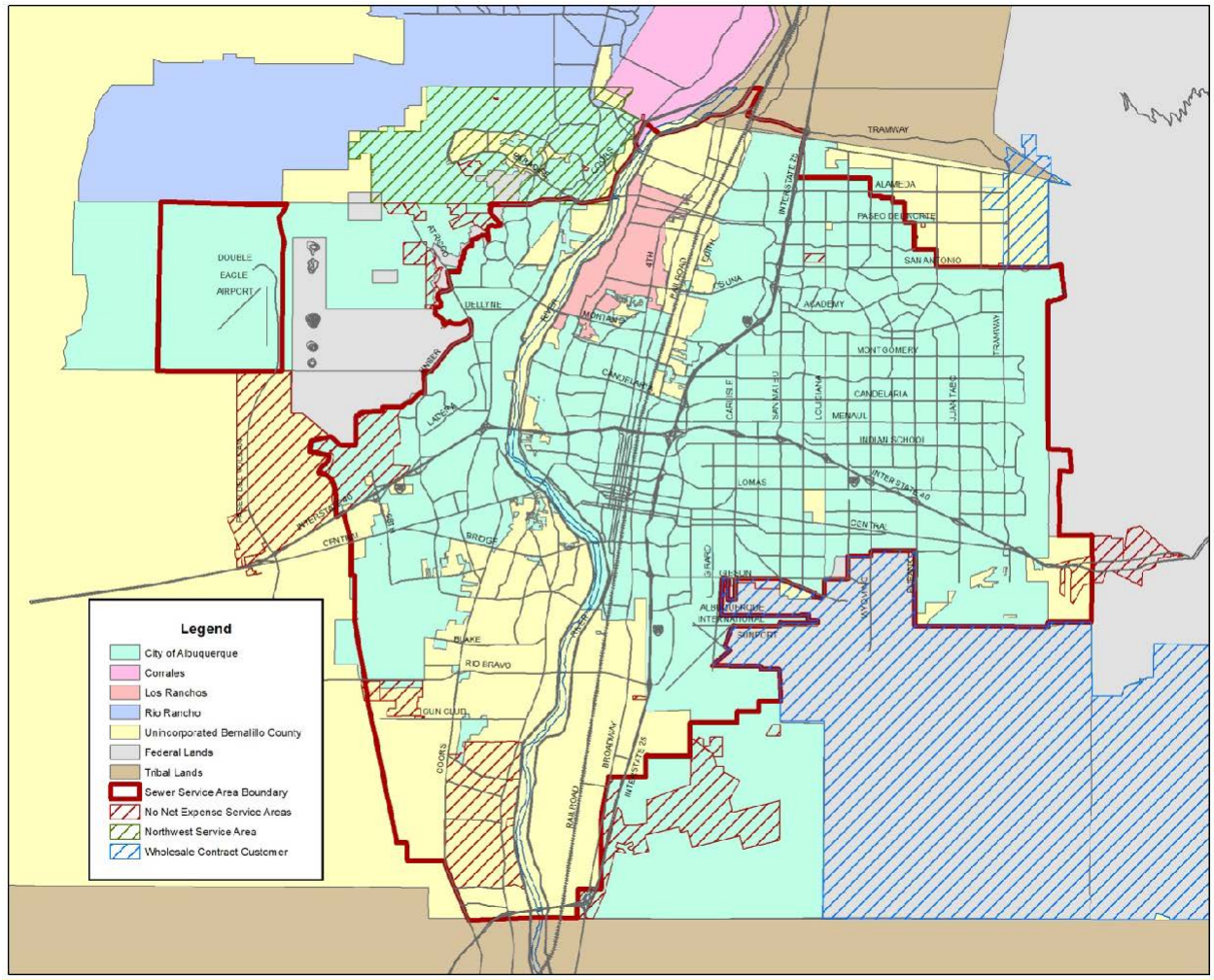
WATER SERVICE AREA MAP

The System provides water services to approximately 656,237 residents comprising approximately 95% of the residents of the County. Approximately one-third of unincorporated County residents are water customers of the Water System. As of January 1, 2024, service is provided to approximately 217,564 customer accounts, including 187,386 residential and 30,178 multi-family, commercial, institutional and industrial accounts. Approximately 86.1% of the water sales are for residential uses.

Surface water from the San Juan-Chama Drinking Water Project that is utilized through the San Juan-Chama Drinking Water Project is the primary source of potable water supply for the Water Authority. Groundwater is used to supplement surface water supplies to meet peak demands and to provide supply during drought periods or other times when surface water is not available. The Water Authority also owns and operates two (2) non-potable water systems to provide irrigation and industrial water in the service area. In calendar year 2023, the Water Authority's potable water resources use consisted of 50% from groundwater and 50% from San Juan-Chama surface water. The non-potable water supply is derived from 5% of reuse of treated effluent and non-potable for irrigation. The groundwater supply is produced from 59 wells grouped in 17 well fields located throughout the metropolitan area and the San Juan-Chama surface water is diverted from the Rio Grande. Total well production capacity is approximately 255 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in available production capacity of 178 MGD. Peak day demand for 2023 was 153 MGD. The Water Authority also has five (5) arsenic treatment facilities that remove naturally occurring arsenic from groundwater. Each well field includes chlorination for disinfection as required by the Safe Drinking Water Act.

Water storage reservoirs provide for fire, peak hour and uphill transfer to storage. Water is distributed from higher to lower elevations through a 115-foot vertical height pressure zone to provide minimum static pressures of 50 pounds per square inch ("psi") for consumers. 62 reservoirs are located throughout the service area, with a total reservoir storage capacity of 247,000,000 gallons. If demand requires, reservoir water can also be transferred to a higher zone or across zones through an east-west series of reservoirs by means of pump stations sited at the reservoirs. There are a total of 39 potable water pump stations housing 130 booster pumps, with a total capacity of 748 MGD, available for water transfers between reservoirs. These reservoirs are interconnected by 3,099 miles of pipelines, consisting of active distribution mains, transmission mains, well collector and hydrant legs, and are situated at various locations east and west of the service area to provide multiple sources of supply to customers and for operating economies. The Water System takes advantage of the unique topography of the Water Authority's service area which allows ground level storage while simultaneously providing system pressure by gravity. Control of the Water System is provided by remote telemetry units distributed throughout the Water System for control from a central control facility.

WASTEWATER SERVICE AREA MAP



Major Assets:

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

WASTEWATER SERVICE AREA MAP

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

Treatment plant capacity is based upon 76 MGD hydraulic capacity. Existing flows at the plant have averaged 47.9 MGD over the past five (5) years, but these figures do not reflect the amount of non-potable water being reused for irrigation and industrial use at the SWRP. The Water Authority has an operational industrial pretreatment program approved by the EPA. The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for the Water Authority maintaining compliance with strict standards contained in NPDES Permit #NM0022250, with the most recent renewal of such permit effective December 1, 2019 (as renewed, the "NPDES Permit"). The Water Authority's wastewater effluent discharge consistently meets all requirements contained in the NPDES Permit.

The Water Authority received an Administrative Order (an "AO") from the EPA for violations of the NPDES Permit associated with sanitary sewer overflows, laboratory reporting issues, and plant violations from 2001 to 2010. The Water Authority received two (2) additional AOs for an overflow which occurred on February 27, 2015 as a result of a major power failure. The first 2015 AO required that the Water Authority implement electrical and other improvements to prevent another power failure and the potential for another spill. All that work was completed in 2015 and a project completion report was filed with the EPA. The second 2015 AO included adoption of the Corrective Action Plan items that were completed, and a project completion report was submitted to the EPA in June 2018.

Since January 2003, the wastewater treatment plant has had a 6.6 mega-watt cogeneration facility to provide most of its power needs. The cogeneration facilities are complemented by a 1 mega-watt ground mounted solar energy array and a 6.3 mega-watt covered parking mounted solar energy array. These on-site power generating facilities normally supply 100% of the wastewater 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 SWRP currently generates electricity from the biogas produced in the digesters.

The Water Authority currently manages wastewater sludge using two (2) methods: surface disposal and production of compost. The Water Authority sells the compost, primarily to the State Department of Transportation. A 660-acre dedicated surface disposal site is used when seasonal market conditions are not favorable for sale of compost product. During Fiscal Year 2023, 28% of all sludge produced at the treatment plant was beneficially recycled into compost and sold. The Water Authority's Compliance Division operates a water quality laboratory, providing analytical support for process control and regulatory compliance for wastewater, drinking water, groundwater, storm water, surface water, the zoological park, residuals management and environmental health programs. The laboratory is internationally accredited under International Standards Organization Standard 17025 for inorganic chemistry and microbiology testing. The entire laboratory is also accredited by the American Association for Laboratory Accreditation. The Water Authority reduces expenses by analyzing a majority of the bacteriological samples at the Water Authority's internal water quality lab.

LEGISLATION

Proposed Operating Budget FY25

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-xx-xx

RESOLUTION

APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025

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

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

WHEREAS, the Budget Ordinance requires the Executive Director to submit a performance plan for the fiscal year commencing on July 1 of the year in which the budget proposal is submitted, and 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 Water Authority's financial resources; and

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

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

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

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

BE IT RESOLVED BY THE WATER AUTHORITY:

Section 1. That the following amounts are hereby appropriated to the following funds for operating The Albuquerque Bernalillo County Water Utility Authority during Fiscal Year 2025:

GENERAL FUND – 21 245,347,000

This appropriation is allocated to the following programs:

Administration 2,005,000

Risk	6,926,000
Legal	989,000
Human Resources	2,007,000
Information Technology	11,632,000
Finance	4,890,000
Customer Services	5,549,000
Asset Management	805,000
Wastewater Plant	12,416,000
San Juan-Chama Water Treatment Plant	4,967,000
Groundwater Operations	7,663,000
Wastewater Collections	8,073,000
Water Field Operations	22,011,000
Compliance	6,878,000
Fleet & Facility Maintenance	6,680,000
Central Engineering	4,051,000
Planning & Utility Development	1,074,000
Water Resources	5,070,000
Power & Chemicals	31,956,000
Taxes	740,000
Authority Overhead	1,566,000
San Juan-Chama	1,615,000
Transfers to Other Funds:	
Rehab Fund (28)	19,382,000
Water 2120 Fund (27)	1,402,000
Debt Service Fund (31)	75,000,000
DEBT SERVICE FUND – 31	99,865,000
This appropriation is allocated to the following programs:	
Debt Service	93,865,000
Transfer to Other Funds:	
Growth Fund (29)	6,000,000
SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND – 41	39,042
This appropriation is allocated to the following programs:	

General Government 39,042

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

Section 3. The Executive Director is authorized to continue the Water Authority's partnerships with other governmental entities to support non-profit community development projects. Qualified projects may be approved to defer payment of all or a portion of applicable Utility Expansion Charges until the property is sold. The Water Authority will secure its position with a second mortgage on the subject property.

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

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

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY

BILL NO. R-XX-XX

RESOLUTION

APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025 AND 2025-2034 DECADE PLAN

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

WHEREAS, the Board, by Ordinance, has established a budget process which requires the Executive Director to formulate an annual Capital Implementation Program budget for approval by the Water Authority Board; and

WHEREAS, the Board has received the Capital Implementation Program Budget formulated by the Executive Director as well as the 2025-2034 Decade Plan and has deliberated on it and provided public notice and input; and

WHEREAS, Water Authority policy requires Board approval of the 2025-2034 Decade Plan; and

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

BE IT RESOLVED BY THE WATER AUTHORITY:

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

Project 1 – Basic Program (Proposed Amounts by Category):

Sanitary Sewer Pipeline Renewal	$21,587,000
Drinking Water Pipeline Renewal	8,850,000
Southside Water Reclamation Plant Renewal	20,250,000
Soil Amendment Facility (SAF) Renewal	850,000
Lift Station and Vacuum Station Renewal	5,570,000
Odor Control Facilities Renewal	1,050,000
Drinking Water Plant Groundwater System Renewal	12,500,000
Drinking Water Plant Treatment Systems Renewal	14,100,000
Reuse Line and Plant Rehab	3,700,000
Compliance	32,000
Shared Renewal	4,036,000
Franchise Agreement Compliance	3,750,000

Vehicles and Heavy Equipment	3,725,000
Project 1 Total – Basic Program Appropriation:	$100,000,000

Project 2 - Special Projects (Proposed Amounts by Category):

Steel Waterline Rehab	$1,000,000
Automated Meter Infrastructure (AMI)	2,000,000
Renewable Energy Projects	2,350,000
Project 2 Total – Special Projects Appropriation:	$5,350,000

Project 3 – Growth (Proposed Amounts by Category):

Development Agreements	$1,250,000
Land & Easement Acquisition	10,000
Master Plans	800,000
MIS/GIS	3,940,000
Project 3 Total – Growth Appropriation:	$6,000,000

Project 4 – Other (Proposed Amounts by Category):

Water 2120 Project Fund	$17,402,000
Project 4 Total – Other Appropriation:	$17,402,000

Section 2. That the 2025-2034 Decade Plan is hereby approved.

PERFORMANCE PLAN

Proposed Operating Budget FY25

Fiscal Year 2025
Performance Plan

Albuquerque Bernalillo County
Water Utility Authority

Table of Contents

Executive Summary

The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Business Goals and contain performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources. The FY25 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. The measures also provide a mechanism to conduct comparative analyses to implement quality improvement processes and enhance decision-making.

The Performance Plan contains three years of actual prior year data which establishes a baseline as well as projected performance targets that drive financial and budgetary policies. In addition to assessing its performance year to year, the Water Authority assesses its performance in relation to the other utilities.

The Performance Plan contains 27 key performance measures organized by the Water Authority's Business Goal areas. The following table summarizes the Water Authority's performance compared to it targets and tracks the Water Authority's progress of baseline, current, and target performance.

Goal	Performance Measure	Baseline	Current	Target
Water Supply & Operations	Drinking Water Compliance Rate	▲	▲	▲
	Distribution System Water Loss	▲	▲	▲
	Water Distribution System Integrity	▲	▲	▲
	Operations and Maintenance Cost Ratios	■	■	■
	Planned Maintenance Ratio	■	■	■
	Water Use per Capita Consumption	■	■	▲
Wastewater Collection & Operations	Sewer Overflow Rate	▲	▲	▲
	Collection System Integrity	■	■	■
	Wastewater Treatment Effectiveness Rate	■	■	■
	Operations and Maintenance Cost Ratios	■	■	■
	Planned Maintenance Ratio	■	■	■
Customer Services	Customer Service and Technical Quality Complaints	▲	▲	▲
	Customer Service Cost per Account	▲	▲	▲
	Billing Accuracy	■	▲	▲
	Call Center Indicators	▲	▲	▲
	Residential Cost of Water/Sewer Service	■	■	■
	Stakeholder Outreach Index	▲	▲	▲
Business Planning & Management	Debt Ratio	■	■	■
	Return on Assets	■	■	■
	System Renewal/Replacement Rate	■	■	■
	Triple Bottom Line Index	■	■	■
Organization Development	Employee Health and Safety Severity Rate	■	■	■
	Training Hours per Employee	▲	▲	▲
	Customer Accounts per Employee	▲	▲	▲
	Employee Turnover	▲	▲	▲
	Retirement Eligibility	▲	▲	▲
	Organizational Best Practices Index	▲	▲	▲

Performance Key

▲ **Excellent** ■ **Good** ■ **Fair** ▼ **Poor**

Introduction

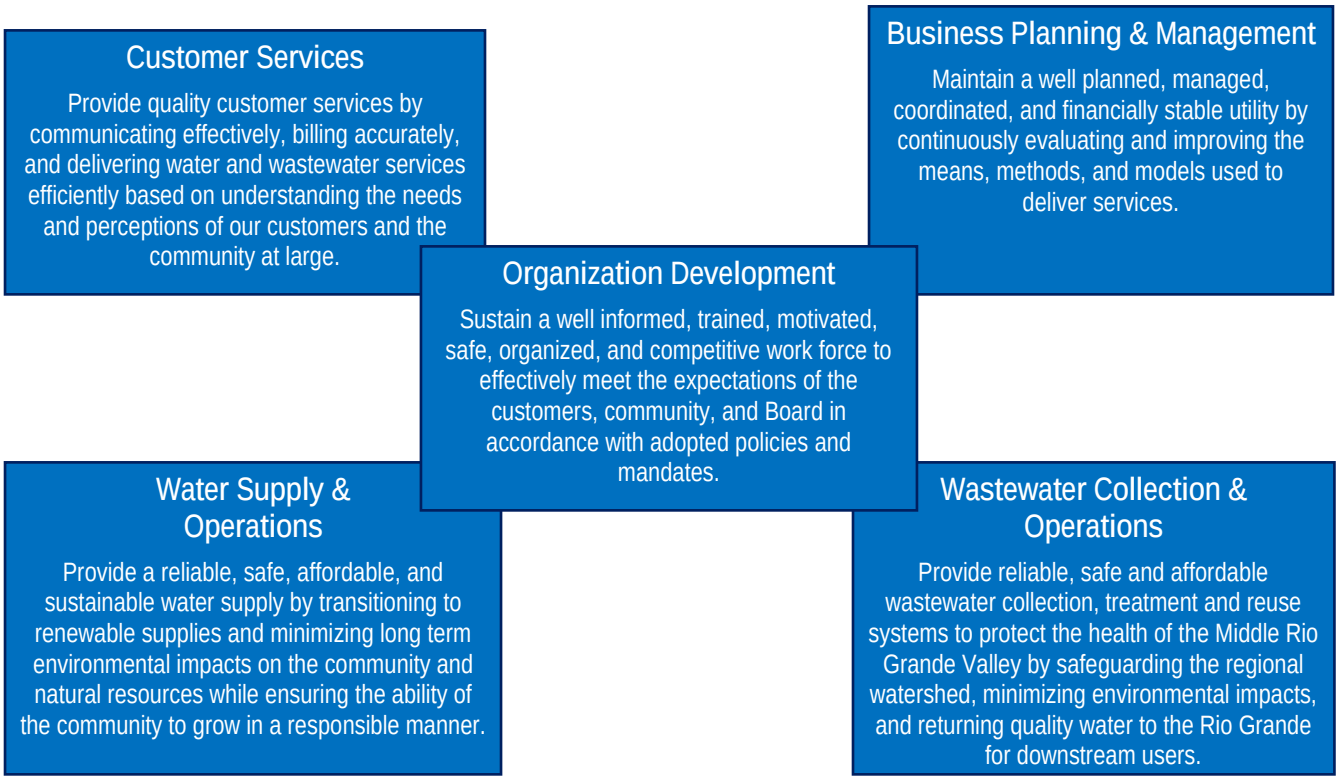
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Business Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's financial resources. The Water Authority uses these measures to help improve its operational efficiency and effectiveness by identifying areas of improvement. The measures also provide a mechanism to conduct comparative analyses to implement quality improvement processes and enhance decision-making.

The Water Authority utilizes the *American Water Works Association's (AWWA) Benchmarking Performance Indicators Survey* (Survey) in developing its Performance Plan. The Survey provides utilities an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was compiled in 2023 (FY22 data) by AWWA from 130 different utilities. The Performance Plan uses the survey data as a basis for its performance measures to track the Water Authority's performance with that of other utilities.

Business Goals

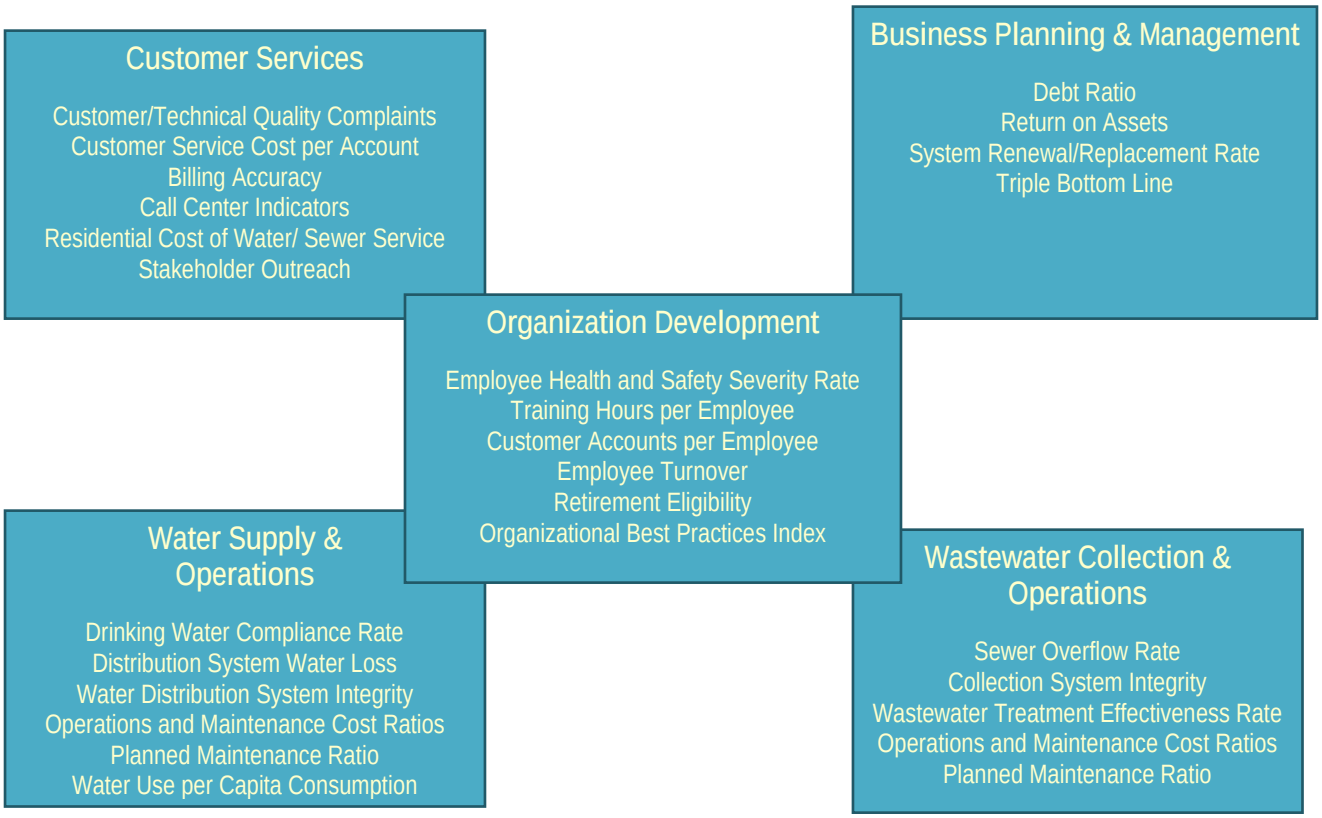
The Water Authority's Performance Plan is organized by the Water Authority's Business Goal areas which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems. Figure 1 shows the Water Authority's Business Goals which parallels the AWWA model. The Water Authority also developed guiding goal statements for each goal area which explains the long-term desired result for each goal.

Figure 1: Water Authority's Business Goals & Guiding Goal Statements



The Performance Plan contains 27 key performance measures. The performance measures are organized by the Water Authority's Business Goal areas shown in Figure 2. The performance measures are linked to the Goal areas in that the tracking of the metric is used to achieve the long-term desired result for that goal.

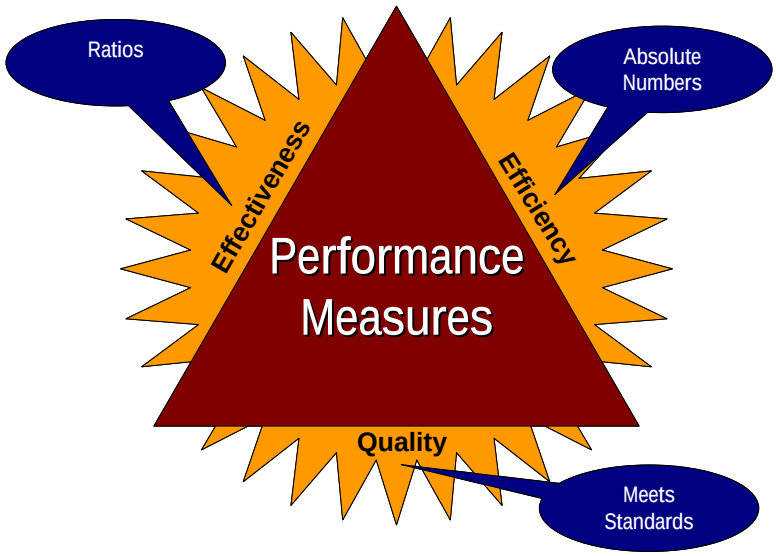
Figure 2: Performance Measures by Goal Area



Performance Measure Types

The Plan's performance measures fall into three main categories: Quality, Effectiveness and Efficiency. Quality measures are presented as standards. Effectiveness measures are presented as ratios. Efficiency measures are presented as absolute numbers.

(1) *Standards*, such as meeting drinking water quality standards
(2) *Ratios*, such as operation and maintenance costs per million gallons of water or wastewater processed
(3) *Absolute numbers*, such as the monthly bill for a residential water or wastewater customer



Performance Plan Logic Model

The Performance Plan presents each performance measure through an *evaluation logic model*. The logic model is a systematic and visual method that shows how performance measures quantify what is being done (inputs), how well it is being done (outputs), and why it is being done (outcomes). *Inputs* are the specific data needed to construct and calculate each performance measure. These resources may include dollars, hours, people or material resources used to produce an output. *Outputs* are the product of the calculation of the inputs and describe the level of effectiveness of each performance measure. The outputs are the metrics that are benchmarked with other utilities. *Outcomes* are the desired result of the performance measure that the Water Authority would like to achieve in connection with its long-range goals and with its shorter-term objectives. The logic model is used to show where the organization wants to be and how it can get there.

Simply stated, the performance measures identify gaps in service delivery or performance. They are used to help monitor the Water Authority's performance and to develop performance targets. The Water Authority sets performance targets that are aligned with the desired outcomes to determine how effective or efficient the utility is in achieving the desired outcome. The Water Authority uses the desired outcomes to create an ongoing discussion with its stakeholders and show why decisions are made in prioritizing and allocating financial resources.

The Business Goals and One-Year Objectives are incorporated into the logic model. Figure 3 shows the alignment between the goals, objectives and performance measures in the logic model. 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. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some Objectives are related to completing projects or improving or implementing programs.

Figure 3: Logic Model Alignment of Goals, Objectives and Performance Measures

Benchmarking and Industry Peer Group

The Performance Plan contains three years of actual prior year data (FY21 through FY23) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY24) as well as projected performance in the proposed budget year (FY25). The Plan allows the Water Authority to benchmark its performance from year to year and to determine how its current and projected performance compares to baseline past performance. Overall, the Performance Plan's logic model incorporates five years of data in determining its performance, evaluating trends, and determining projected performance.

In addition to assessing its performance year to year, the Water Authority also compares its performance with that of other utilities in its *industry peer group*. As stated in the Introduction section, the Water Authority obtains its comparative data from the AWWA Benchmarking Performance Indicators Survey. By benchmarking with other utilities, the Water Authority can assess its performance relative to other high-performing utilities. For each performance measure, the industry peer group is presented throughout the Plan.

Industry Peer Group	
1)	**Combined Water/Sewer** Represents those utilities designated as providing both water and wastewater services
2)	**Populations greater than 500,000** Utilities that serve populations greater 500,000
3)	**Region 4** Utilities in the following States: AR, AZ, CO, ID, KS, LA, MO, NE, NM, OK, TX, UT, WY

Strategic Planning, Budgeting and Improvement Process

The Performance Plan is a component of the *Strategic Planning, Budgeting and Improvement Process* that is discussed in the Financial Plan. This Process drives the development of the annual operating and capital budgets by providing data used to set performance goals, as well as allocate and prioritize resources. Performance measures provide an approach for strategically allocating and prioritizing resources to balance the level and cost of services with customer expectations. For example, higher treatment costs may be the desired outcome to improve customer satisfaction.

As a part of the Strategic Planning, Budgeting and Improvement Process, the Business Goals, One-Year Objectives, and performance measures are integrated using the logic model in order to achieve service delivery and performance improvement. A good example of the integration between performance measures and objectives is the Employee Health and Safety Severity Rate (see pages 101-103) which measures the rate of employee days lost from work due to illness or injury. Since starting the benchmarking process, the Water Authority noticed that its lost workdays were on average fifteen times higher than other utilities. As a result, the Water Authority has used the Objectives to implement several programs including safety incentive bonuses to reduce the number of employee lost days. Overall, the integration of the performance measures and objectives is used to achieve the long-term desired results of the Water Authority's Business Goals.

Performance Accountability & Budgeting

Each Water Authority division manager is responsible for their respective goal areas and objectives and for tracking their performance. The Executive Director, who is the champion and supportive leader of the performance management process, meets with the division managers and their staff to review progress reports on the performance measures and objectives.

A biennial customer opinion survey is conducted to assess the utility's performance from the customer's viewpoint. Results of a customer opinion survey are presented to the Board. The

survey allows the Water Authority to track customer satisfaction on the programs, policies, and operational performance of the organization. Several survey questions are tied to the performance measures and levels of service. In this way, the survey provides qualitative data that relates to quantitative data from the benchmarking to ensure that the Water Authority is balancing performance improvement with customer expectations.

The Water Authority also uses performance measures and performance targets in conjunction with the review of the annual budget. The Executive Director and Division Managers integrate performance reporting into the budget process to focus the budget discussion on the allocation of resources and to address performance gaps. Budget requests are tied either to performance measure targets or objectives in terms of providing a justification for their purpose. By integrating the objectives and performance measures into the budget process, the Water Authority has moved from just measuring performance to managing performance and how and what it wants to achieve. As a result, the Water Authority has become more transparent and accountable to its customers and the governing board.

Performance Measurement Linkage to Asset Management Planning

The Water Authority has established a Strategic Asset Management Program (SAMP) based on a business model that helps the Water Authority 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. The Water Authority uses performance measures, performance targets, and the customer opinion survey to develop its levels of service to deliver the defined services at the lowest life-cycle cost. In quantifying its performance, the Water Authority has begun to balance its performance with the levels of service, cost of service, customer expectations, and business risk. As a part of its SAMP, the Water Authority has developed its levels of service to coincide with its performance measures at the Goal level. Moreover, a quarterly key performance indicator report is presented to the governing board which provides a snapshot of utility performance by service level categories.

Performance Measurement Linkage to Effective Utility Management

The Effective Utility Management (EUM) was developed by the Environmental Protection Agency and several water and wastewater associations and research foundations. EUM is designed to help water and wastewater utilities comprehensively assess current operations and identify a path to improving in key areas that are the highest priorities. The Water Authority uses EUM to make informed decisions and practical, systematic changes to achieve excellence in utility performance in the face of everyday challenges and long-term needs for the utility and the community it serves.

The Water Authority uses the EUM guidebook to help identify and address its most pressing needs through an incremental, continual improvement management approach. This guidebook, called the Primer, contains *Ten Attributes of Effectively Managed Utilities* which helps the utility maintain a balanced focus on the ten operational areas. Figure 4 provides a performance relationship matrix between the Business Goals and the EUM Attributes. The Water Authority uses performance benchmarking data from both the AWWA and EUM frameworks to select priorities for improvement, based on the utility's strategic objectives and the needs of the community it serves.

Figure 4: Performance Relationship Diagram of Goals and EUM Attributes

EUM Attribute	Water Supply & Operations	Wastewater Collection & Operations	Customer Services	Business Planning & Management	Organization Development	Attribute Score
 CUSTOMER SATISFACTION			■			■
 EMPLOYEE AND LEADERSHIP DEVELOPMENT					▲	▲
 ENTERPRISE RESILIENCY	■	■			■	■
 FINANCIAL VIABILITY			■	■		■
 INFRASTRUCTURE STRATEGY AND PERFORMANCE	■	■		■		■

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Figure 4: Performance Relationship Diagram of Goals and EUM Attributes (continued)

EUM Attribute	Water Supply & Operations	Wastewater Collection & Operations	Customer Services	Business Planning & Management	Organization Development	Attribute Score
 OPERATIONAL OPTIMIZATION	■	■			■	■
 PRODUCT QUALITY	▲	■				■
 STAKEHOLDER UNDERSTANDING AND SUPPORT			▲			▲
 COMMUNITY SUSTAINABILITY				■	■	■
 WATER RESOURCE SUSTAINABILITY	▲			▲		▲
Goal Score	■	■	■	■	■	■

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

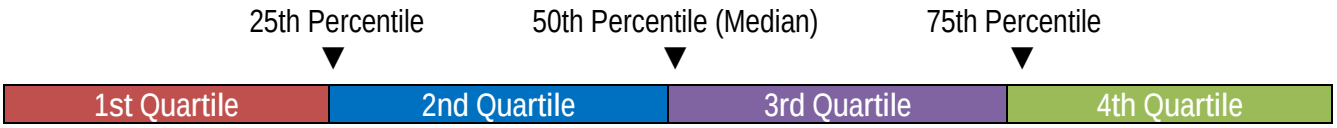
Communicating Performance Measurement

Performance measurement results and progress in meeting performance targets are communicated to elected officials and customers through this report, and to employees throughout the organization. Increasing employee understanding of the performance measures and the organization's long-term goals is a critical step in achieving the Water Authority's long-term goals. The Employee Health and Safety Severity Rate is a good example how the Water Authority educated the importance of meeting its goals and making safety a high priority in the organization. Employee annual performance reviews are aligned with the policy strategic objectives which have helped to educate employees about the utility's core values, goals and annual objectives. It has engaged employees by creating awareness or by specifically allowing employees to be more accountable in improving the utility's performance as measured through its key performance indicators.

Presentation of Data

The Performance Plan's comparative data is presented in quartile rankings. The top quartile reflects the 75th percentile, and the bottom quartile reflects the 25th percentile. The median is the 50th percentile value. Figure 5 illustrates the four quartiles. Data in the 2nd and 3rd quartiles is described as the "Interquartile Range" which includes 50% of all the values submitted for each performance measure. This range is considered nominal or representative of most of the data.

Figure 5: Percentile/Quartile Illustration



Layout of Performance Plan

The performance measures are categorized by the Water Authority's Business Goal areas.

- Each Goal area section provides an overview of the Goal with a Guiding Goal Statement and Goal Performance Scorecard for each performance measure.
- Each Goal area section shows how the Objectives are linked to the performance measures and their scorecard status.
- Each performance measure is presented through a logic model of inputs, outputs and outcomes as well as comparative statistics and charts to illustrate how the Water Authority is performing year to year and how it is performing compared to the industry peer group.

A results narrative includes a discussion and analysis of how the performance measure meets anticipated performance targets and long-range goals. If the targets are not being met, an explanation is provided for the reason and what is expected in the future. The Performance Plan also indicates if there are One-Year Objectives related to a performance measure to show how policy directives are used to improve service delivery and/or minimize performance gaps. In addition, the Performance Plan provides customer opinion survey statistics to show how customer expectations relate to the performance measure.

Goal 1
Water Supply and Operations

Guiding Goal Statement

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.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
1-1	Drinking Water Compliance Rate	▲	▲
1-2	Distribution System Water Loss	▲	▲
1-3	Water Distribution System Integrity	▲	▲
1-4	O&M Cost Ratios: O&M Cost per account	▲	▲
1-4	O&M Cost Ratios: O&M Cost per MG processed	■	■
1-4	O&M Cost Ratios: Direct cost of treatment per MG	■	■
1-5	Planned Maintenance Ratio	■	■
1-6	Water Use per Capita Consumption	■	■
	Overall Goal Status	■	■

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

Linkage of Objectives to Performance Measures

FY25 Objectives	Measure Reference
Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions: ❖ Complete an update of locations and/or plume extent at known groundwater contamination sites within the Service Area by the 2nd Quarter of FY25; map the update to include updated data from sites in the 2018 groundwater contamination site map and newly established sites by the NMED; ❖ Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY25; ❖ Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) through the end of the 4th Quarter of FY25.	**1-1**
Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY25.	**1-1**
Complete the assessment that began in FY23 of the impact of widescale power outages upon water system production and pumping facilities by the end of the 4th Quarter of FY25. Work directly with the Public Service Company of New Mexico (PNM) and the Water Authority's Geographical Information System (GIS) group to determine potential impact areas. Subsequently, engage the services of a hydraulic modeling consultant to perform strategic hydraulic modeling to assess resulting water supply capacity limitations and water outage timelines.	**1-1**
Develop and execute a program of regular inspections of the inventory of drinking water reservoirs at a frequency consistent with good practices for steel and concrete reservoir assets and AWWA Partnership for Safe Water-Distribution goals by the end of the 4th Quarter of FY25.	**1-1**
Monitor the following in the Maximo asset management system: ❖ Checklist for Groundwater Swing Shift Operators to complete the Swing Shift standard operating procedure (SOP) requirements for each site on an iPad tablet by the end of the 4th Quarter of FY25. ❖ Checklist for Groundwater Weekly Disinfection for operators to complete the ClorTec/PSI chlorine generation equipment weekly data gathering in Maximo by the end of the 4th Quarter of FY25. Annual Groundwater Reservoir Exterior Inspection Program to annually document the condition of each reservoir. Report progress at the end of each quarter by the end of the 4th Quarter of FY25.	**1-1**
Improve monitoring and trending of the Total Organic Compound (TOC) concentration and removal across the Water Treatment Plant to better predict potential Disinfection By-Product (DBP) formation in the distribution system. Continue to optimize TOC removal through enhanced coagulation and biologically active filtration by reporting quarterly data to assess seasonal TOC trends and removal metrics through the 4th Quarter of FY25.	**1-1**
Implement a Maximo-based Leak Detection Inspection process to track manual leak detection survey work, automate the WO process that results from leaks that are detected, and automate the back-end reporting of estimated annual water loss from leaks that are detected. This process will ultimately replace the current spreadsheet-based system that the Leak Detection group uses.	**1-2** **1-3**
❖ Work with City and other project stakeholders to design and construct the Tijeras Advanced Water Treatment Plant (AWTP) and Tijeras Reuse Reservoir and Pump Station (RRPS) facilities at Mesa Del Sol to support the special industrial complex, including Maxeon and other entities, through the end of FY27.	**1-3**
Develop a quarterly meter box inspection program for all meter routes that have been replaced with Automated Meter Infrastructure (AMI) devices (approximately 170,000 meters to date) by the end of the 4th Quarter of FY25. This will include developing an inspection form for meter crews in GIS.	**1-3**

FY25 Objectives	Measure Reference
Develop an air release valve maintenance program by the end of the 4th Quarter of FY25. Perform an initial inspection to determine the required maintenance for all air release valves or combination air vacuum valves on transmission lines, distribution lines 16-inch or larger, and well collector lines. There are 306 valves currently identified in GIS for the initial inspection.	**1-3**
Develop a corrosion monitoring inspection program by the end of the 4th Quarter of FY25. This includes procuring the services of a National Association of Corrosion Engineers (NACE)-certified inspector to perform an inventory of all corrosion monitoring stations on San Juan Chama infrastructure, other potable, and non-potable transmission lines. There are 370 stations currently identified in GIS.	**1-3**
To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY25.	**1-3**
Work with the New Mexico Environment Department and Office of the State Engineer to begin aquifer storage and recovery (ASR) permitting by the end of the 4th Quarter of FY25.	**1-3**
Conduct regular water quality monitoring of the Water Authority data gap well at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site through the end of FY25. Design, install and sample monitoring well(s) at the Hewlett Packard-Digital site.	**1-3**
Develop a reuse water modeling program that maintains a centralized version of the reuse model to be utilized as the system develops by the end of the 4th Quarter of FY25.	**1-3**
Complete three risk analyses utilizing the drinking water model by the end of the 4th Quarter of FY25. Risk analysis to include pipeline failure between Simms Reservoir and the San Antonio Pressure Reducing Valves (PRV), limitations on the Lomas Reservoir due to a high point in the transmission line, and interconnection of transmission line 8E between Montgomery and Freeway Trunks.	**1-3**
Submit annual treatment data to the Partnership for Safe Water - Treatment program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY25. ❖ Maintain turbidities for each individual filter cell and for combined filter effluent at less than 0.1 nephelometric turbidity unit (NTU) more than 95% of time in operation. ❖ Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to American Water Works Association (AWWA). Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water -Treatment.	**1-4**
Submit annual distribution data to the Partnership for Safe Water - Distribution program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY25. Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.	**1-4**
Analyze the current status of the Water Resources Management Strategy: Water 2120. Begin planning and collecting data to enable the 10-year update of Water 2120. Assemble datasets of climate data for the region utilizing the latest technology. Prepare for the update by analyzing current and future supply and demand scenarios by the end of the 4th Quarter of FY25.	**1-6**
Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY25. ❖ Promote basin-wide collaboration and advocacy for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association. ❖ Plan for and begin implementation of the Colorado River Water Users Memorandum of Understanding (MOU), which promotes municipal water conservation through conversions to drought-and climate-resilient landscaping, while maintaining vital urban landscapes and tree canopies that benefit our communities, wildlife, and the environment. Implement the MOU by decreasing Non-Functional Turf by 30%.	**1-6**

FY25 Objectives	Measure Reference
Commission meetings as well as monthly updates from the New Mexico Interstate Stream Commission (NMISC) to the San Juan-Chama contractors.	
❖ With the goal to reduce water consumption, convert 10% of existing irrigation accounts that are within 200 feet of reuse lines to non-potable accounts by the 4th Quarter of FY25.	**1-6**
Evaluate new ICI (Industrial, Commercial, Institutional) service requirements for additional water-saving policies and procedures by the end of the 4th Quarter of FY25.	**1-6**
❖ With the goal to reduce water consumption, develop automated leak notifications for customers with AMI meters by the end of the 4th Quarter of FY25. Implement a 48-hour continuous usage alert for customers with AMI.	**1-6**
To establish native water storage in Abiquiu Reservoir as approved by Congress, coordinate the update of the United States Army Corps of Engineers (USACE) Water Control Manual and storage contract updates through the 2nd Quarter of FY25. Continue towards permitting and environmental approvals for Abiquiu Reservoir through the 4th Quarter of FY25.	**1-6**

Performance Measure Division Responsibility

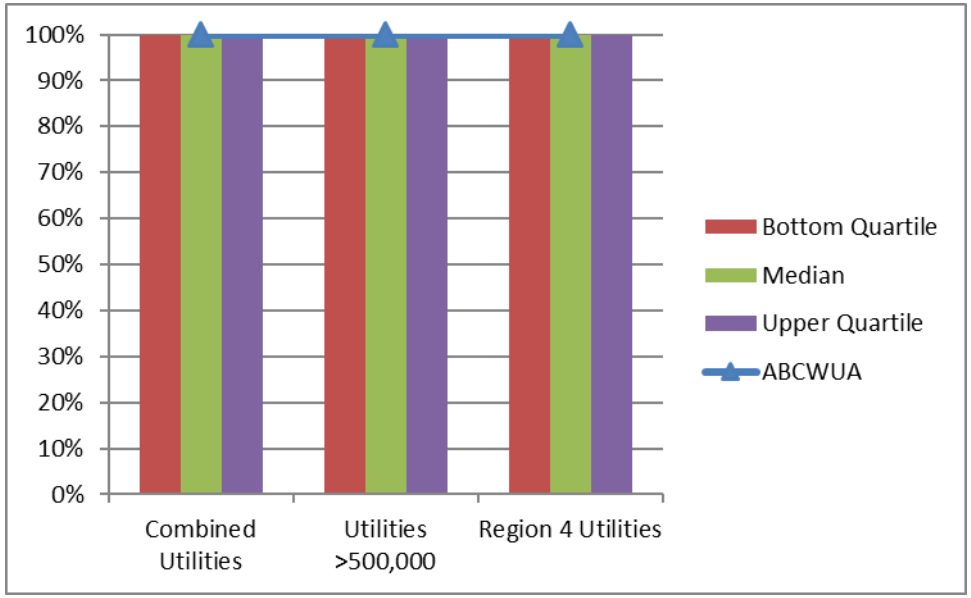
Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance	Operations Water Resources, Engineering & Planning
1-1	Drinking Water Compliance Rate	✓		✓	
1-2	Distribution System Water Loss		✓		✓
1-3	Water Distribution System Integrity		✓		✓
1-4	O&M Cost Ratios: O&M Cost per account	✓	✓		
1-4	O&M Cost Ratios: O&M Cost per MG processed	✓			
1-4	O&M Cost Ratios: Direct cost of treatment / MG	✓			
1-5	Planned Maintenance Ratio	✓	✓		✓
1-6	Water Use per Capita Consumption				✓

1-1 Drinking Water Compliance Rate

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Quality	Quantify the percentage of time each year that the Water Authority meets all of the health-related drinking water standards in the US National Primary Drinking Water Regulations	Number of days in full compliance	100%	100%	100%	100%	100%	100%	Provide safe and reliable drinking water to our customers 100% of the time

Industry Benchmark



Results Narrative

The drinking water compliance rate indicates the percent of time that a drinking water utility is in full compliance with all the water quality contaminants and treatment techniques mandated for public water systems in the United States. A utility measures its compliance relative only to those primary maximum contaminant levels and treatment techniques that apply to its operations. The drinking water compliance rate uses simple tests of "in compliance" and "not in compliance." As a performance measure for comparative analysis, the drinking water compliance rate allows a utility to gauge its compliance with health-related drinking water parameters relative to other water utilities reporting data into the comparative analysis system.

Measurement Status

The Water Authority has been in 100% compliance for the past three fiscal years and is on-target to meet 100% compliance for the next two fiscal years.

For FY12, the Water Authority developed several policy objectives to improve the processes and procedures for water quality compliance reporting. The Water Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions. In FY13, the Compliance Division developed and implemented a reporting system and environmental monitoring program.

In FY19, the Water Authority revised its Water Quality Report with an updated design. The updated report has an easier-to-read design that was developed with input from ratepayers via the utility's Customer Conversations program. The report, a requirement of the EPA, provides information about where our drinking water originates, how it is made safe to drink, and water quality regulations. It also includes the results of EPA-required sampling and testing.

In FY20, the Water Authority received recognition from the Partnership for Safe Water for treatment and distribution system operations. The Partnership for Safe Water provides self-assessment and optimization programs so that utilities have the tools to optimize water utility operation and help ensure public health protection. As a part of this program, a target was established to maintain filter effluent turbidity less than 0.1 NTU more than 95% of time in operation.

In FY25, the Water Authority will work towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water-Treatment program.

2022 Customer Opinion Survey

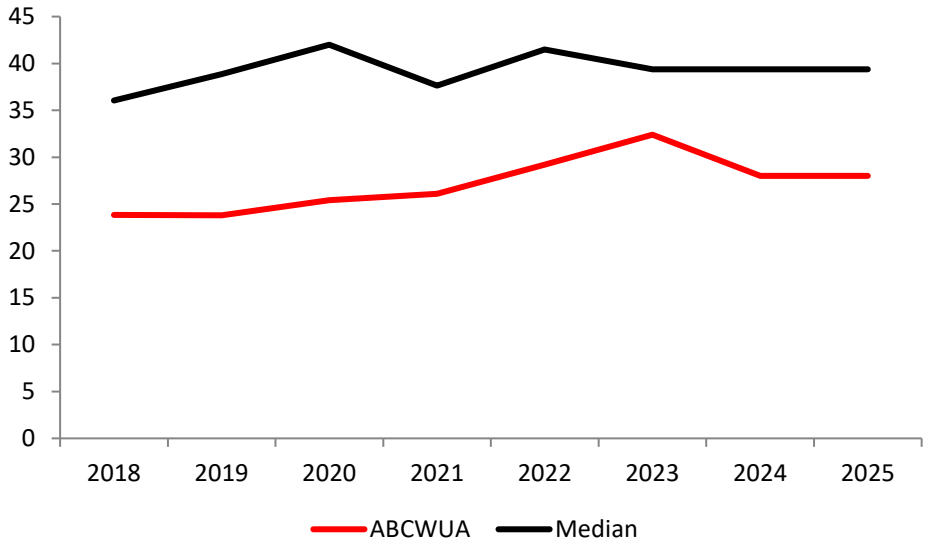
- 97% of customers are either very or somewhat satisfied with the reliability/availability of water
- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 77% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance) of drinking water

1-2 Distribution System Water Loss

Performance Results (Real Losses – gallons per service connection per day)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2021	2022	2023	2024	2025	
Efficiency	Quantify the amount of produced water that fails to reach customers and cannot otherwise be accounted for through authorized usage	Total water loss from leakages, total water distributed	29.23	26.09	29.20	32.40	28.0	28.0	Improve water use efficiency and recover lost revenue

Industry Benchmarks



Lower Values Desirable

Results Narrative

Distribution system water loss is the difference between the volume of water distributed for use by all customer classes and the volume of water consumed by authorized users. There are many factors contributing to distribution system water loss. The major ones are leakage, metering inaccuracies, and unauthorized consumption. Among these, only leakage is a true loss of water. Metering inaccuracies affect the utility's capability for measuring true loss, but such inaccuracies can lead to both overstatements and understatements of the true loss. Because water losses impact revenues, it is important that a utility have practices in place to understand the specific causes of losses in its system. Tracking water losses will help the Water Authority understand the condition of distribution system infrastructure and the effects of its operation, maintenance, and replacement practices. This measure provides opportunity for the Water Authority to compare the distribution system water loss against that in the distribution systems of other utilities.

Measurement Status

Compared to its industry peers, the Water Authority has been successful in maintaining very low real water losses. In FY09, the Water Authority began its leak detection program that focused on finding water line leaks before they surface, fixing leaking hydrants, and improving meter inaccuracy.

The Water Authority has utilized the AWWA Water Audit methodology in determining its apparent and real water losses. In FY19, the utility's water audit was validated. In FY20, the Water Authority improved the validated water audit inputs for apparent water loss, conducted a statistically significant number of small meter tests to support the water audit and strategic water loss plan. The utility also conducted an apparent loss forensic analysis and identify areas of improvement for reducing water loss. In FY22, the utility validated the FY21 water audit and evaluated strategies to reduce both apparent and real water losses.

In FY23, the Water Authority began a 3-year program of replacing the current leak detection units with updated technology.

2022 Customer Opinion Survey

- 69% of customers are either very or somewhat satisfied with the condition of the water lines in the number of leaks that they may observe surfacing

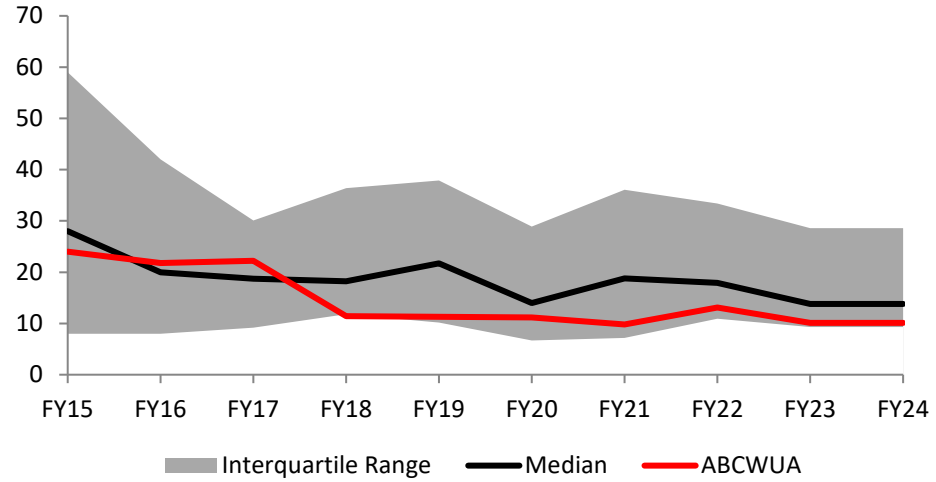
1-3 Water Distribution System Integrity

Performance Results

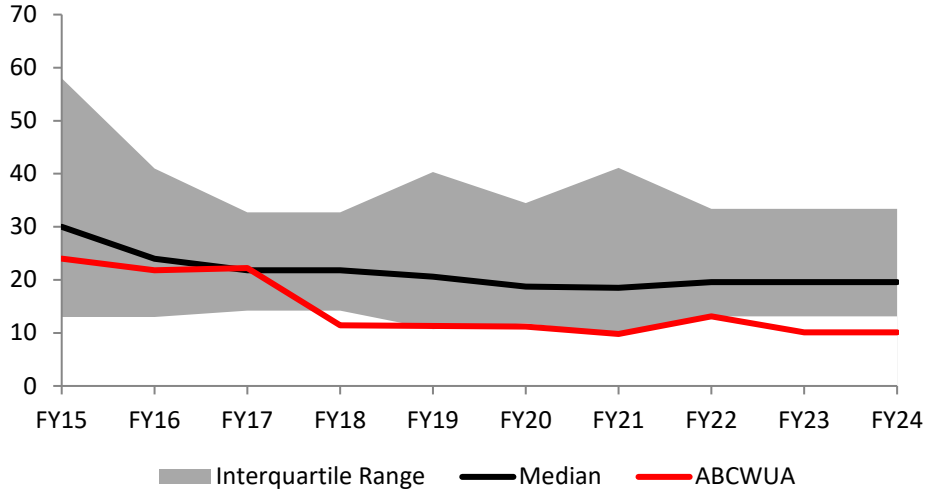
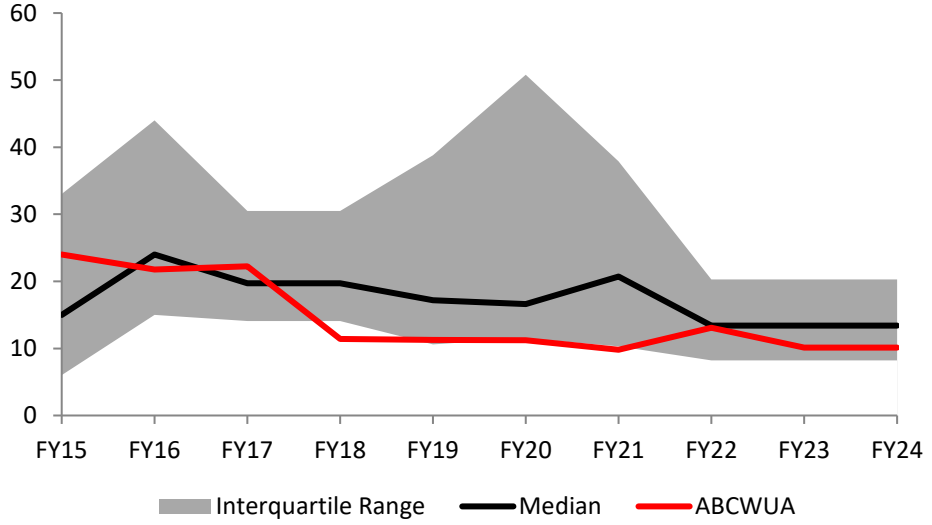
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	11.0	9.8	13.1	10.1	10.1	10.1	Improve the condition and reliability of the water distribution system and reduce emergency repairs and water supply interruptions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

For a water utility, distribution system integrity has importance for health, customer service, operations, and asset management reasons. Excessive leaks and breaks result in increased costs due to an increased number of emergency repairs. Utilities use operational and maintenance (O&M) procedures designed to reduce the value of this measure. The cost of these (O&M) programs must be balanced against the cost of emergency repairs and the consequences of water supply interruptions. Comparing the value of this measure with other utilities can provide information on the rate that many utilities may find acceptable.

Measurement Status

The Water Authority's performance in this measure has been below the median for the past three fiscal years. The Water Authority has adopted policy objectives to increase spending on water line rehabilitation which will help reduce emergency repairs and water supply interruptions. Since FY08, the Water Authority has invested $1 million a year in steel water line rehabilitation in addition to planned water line rehabilitation spending. The purpose for this objective is to target steel lines because they have a higher frequency of leaks than other material types in the system. The Water Authority included as an objective for FY23 to continue spending an additional $1 million in steel water line rehabilitation. In FY24, $2 million was appropriated for steel water line rehabilitation. In FY25, $1 million was appropriated for steel water line rehabilitation.

In February 2020, the Water Authority updated the asset management plan for small diameter waterlines and sewerlines. This update included: completing an inventory of all the lines, identifying the installation year, material type and size; assessing the Probability of Failure of the lines; determining the Consequence of Failure of the lines; calculating the risk of line failure; and creating a 10-year capital improvement replacement plan budget.

2022 Customer Opinion Survey

- 73% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to repair leaks and the response time for restoring service

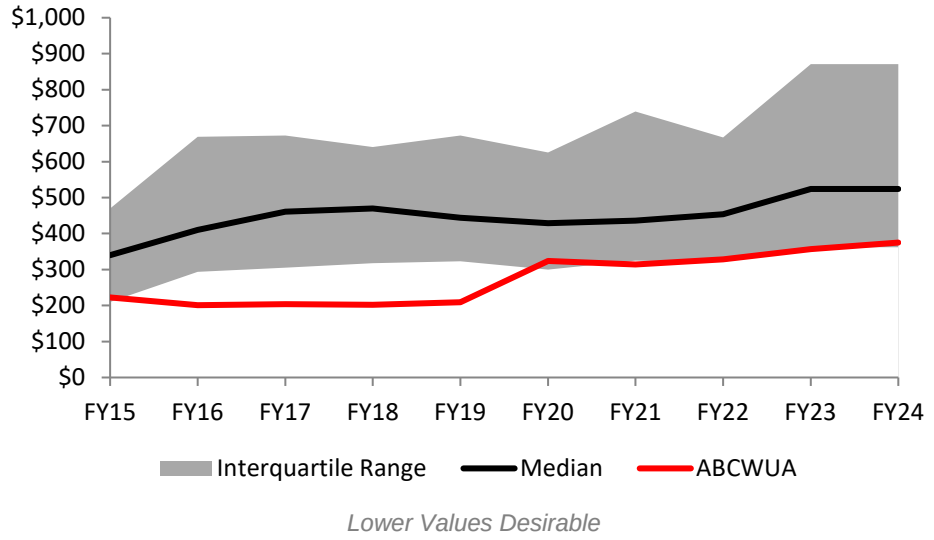
1-4 Operations and Maintenance Cost Ratio

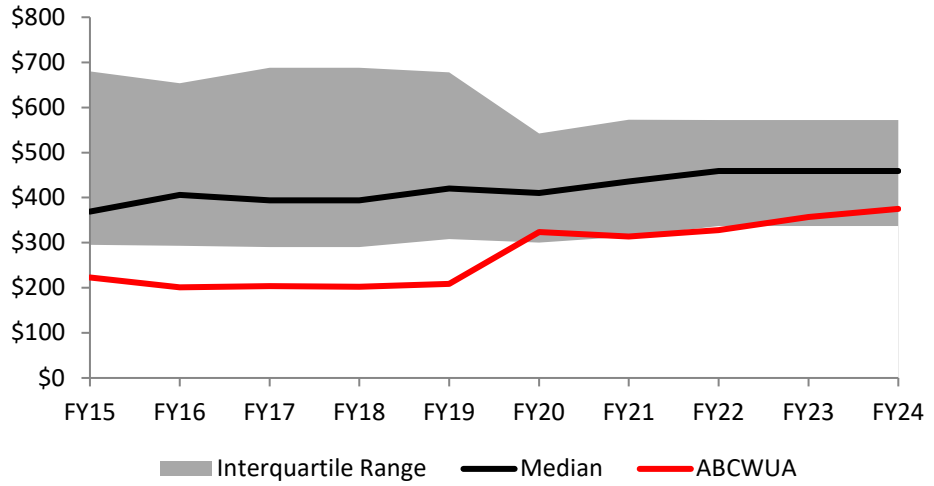
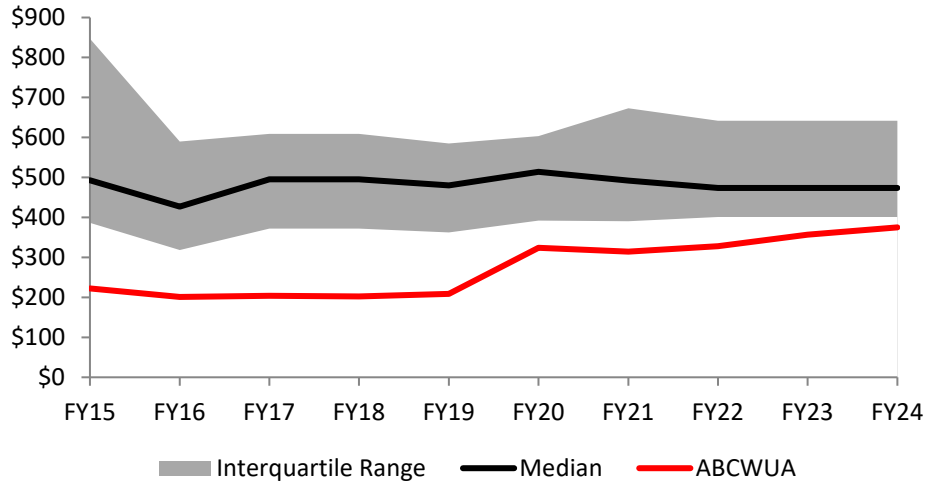
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$333	$314	$328	$357	$357	$375	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/ Wastewater Utilities



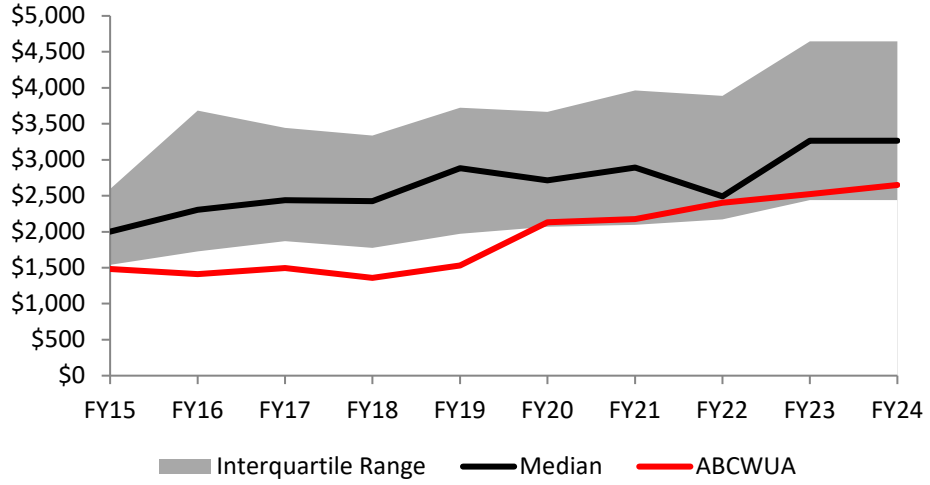
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Distributed

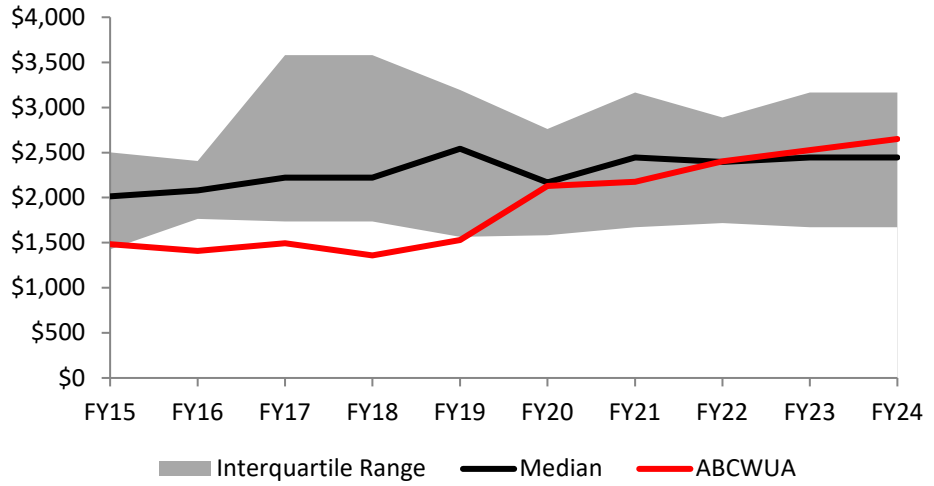
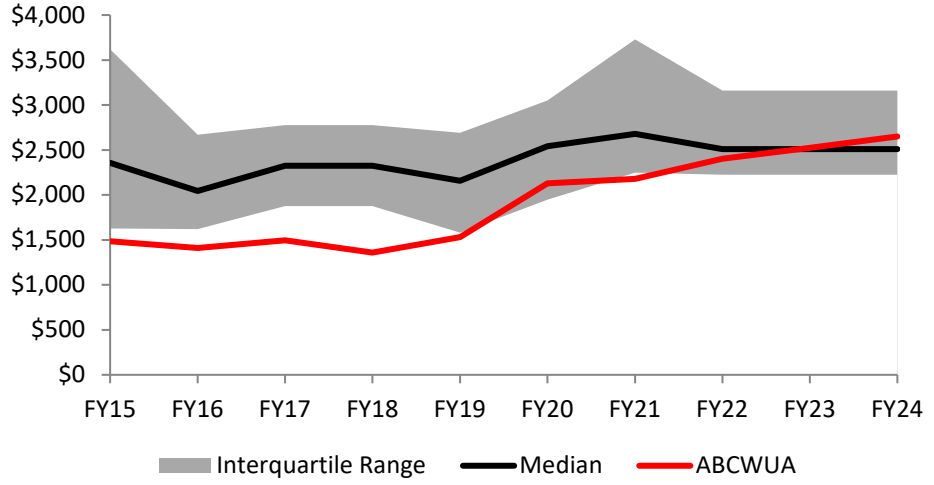
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total volume of water distributed	$2,368	$2,177	$2,403	$2,525	$2,525	$2,650	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Distributed

Combined Water/ Wastewater Utilities



Lower Values Desirable

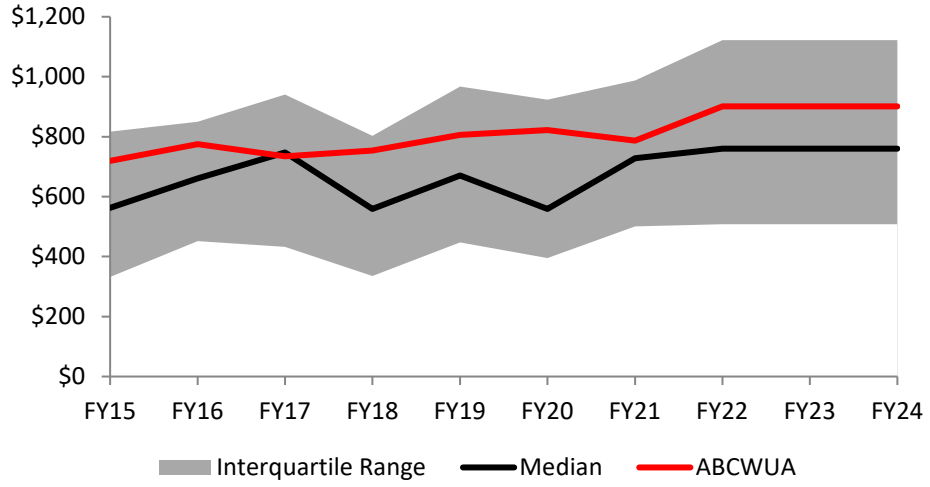
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

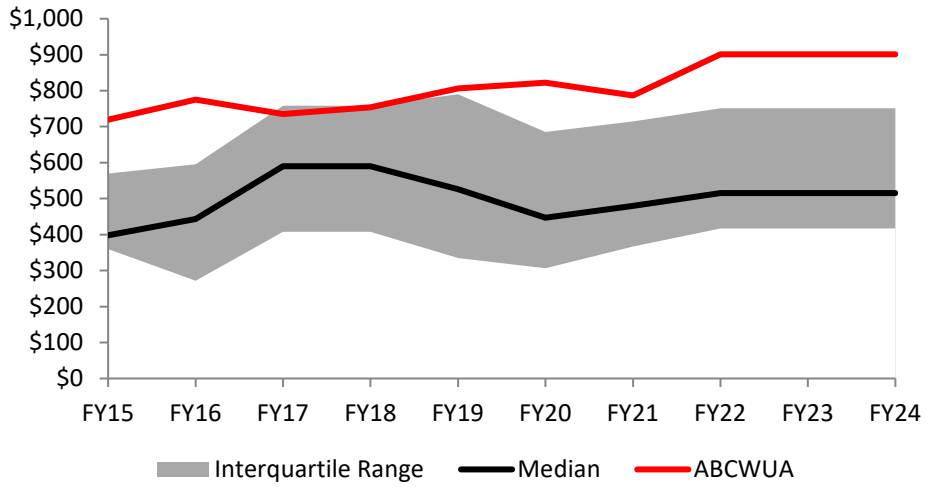
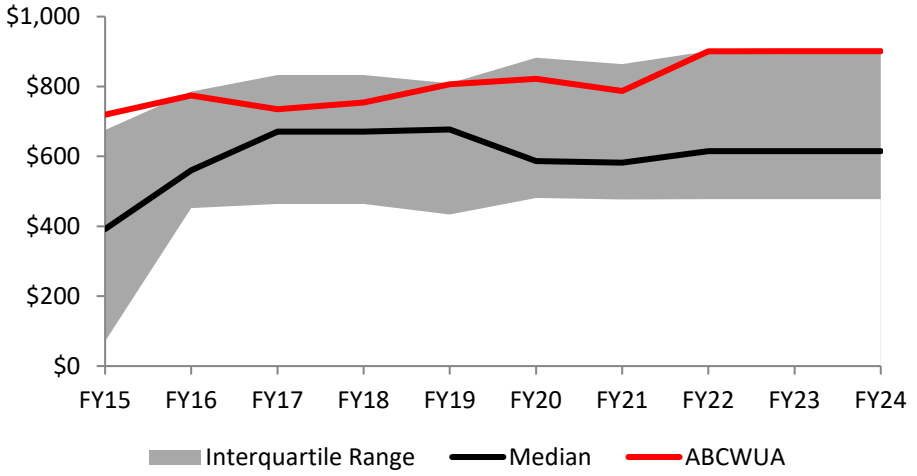
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	$836	$787	$901	$901	$901	$901	Maintain lower O&M costs without reducing customer level of service

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

These related measures tally the cost of O&M per account and per million gallons of water processed. Comparing the value of this measure with other utilities can provide information regarding the status of current accepted practices.

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. Treatment O&M costs have increased with operating both surface and ground water supply systems which provides more sustainability and reliability to customers. Beginning in FY22, the Water Authority has experienced increased operating costs due to supply chain issues and inflationary cost increases especially for treatment chemicals. Staff are continuously monitoring expenses and exploring solutions to keep expenses in-line while not compromising levels of service.

The Water Authority has also installed solar arrays which generated 15.4 MWh in electricity for its two treatment plants (drinking water and wastewater) in FY22. The renewable energy produced by these facilities, plus participation in the local energy utility's peak electrical demand response program, saves over $2 million annually. For FY25, the Water Authority will continue to work on the Partnership for Safe Water program to optimize its system operations and performance.

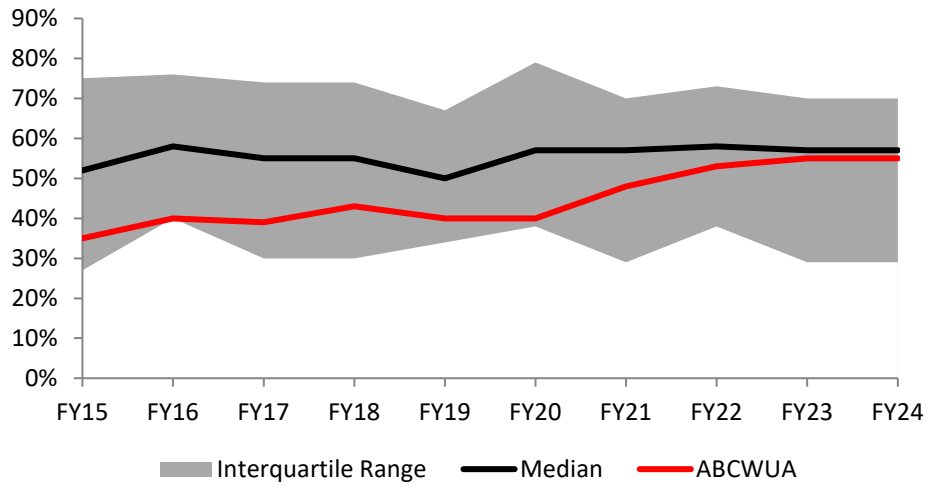
1-5 Planned Maintenance Ratio

Performance Results

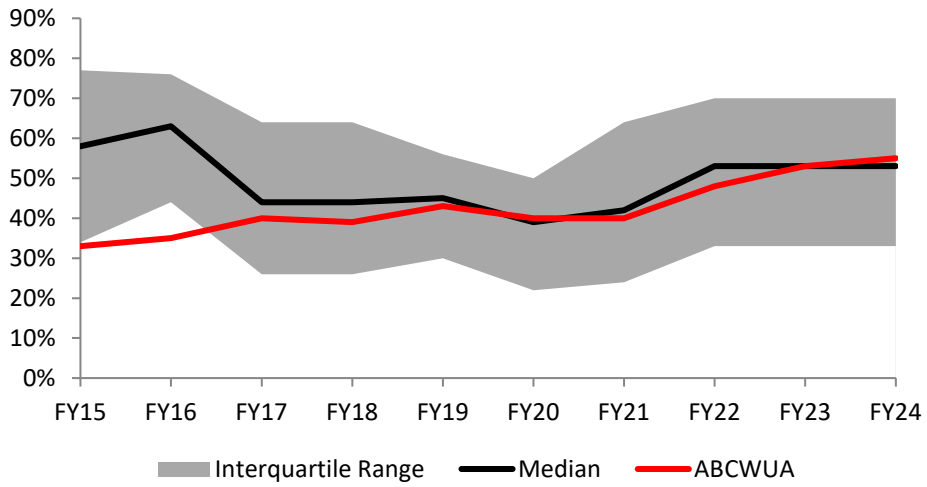
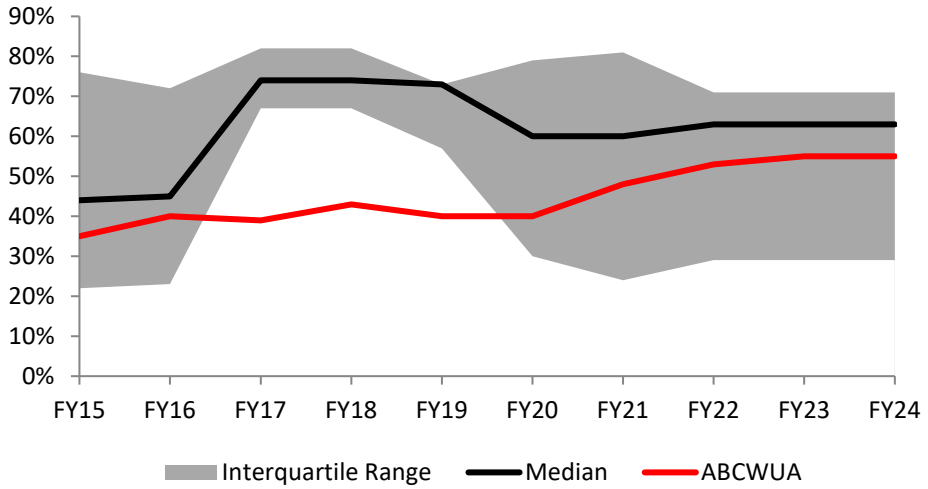
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	47%	48%	53%	55%	55%	57%	Reduce emergency maintenance from system malfunctions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

Planned maintenance includes preventive and predictive maintenance. Preventive maintenance is performed according to a predetermined schedule rather than in response to failure. Predictive maintenance is initiated when secondary monitoring signals from activities indicate that maintenance is due. All other maintenance is categorized as corrective (i.e., maintenance resulting from an asset that is no longer providing reliable service such as a breakdown, blockage, or leakage). Planned maintenance is preferable for assets for which the cost of repairs is high relative to the cost of corrective maintenance. The avoided cost includes both the cost of repair and the cost consequences of the service disruption, with the latter including an allowance for customer costs. Many utilities want to increase their percentage of planned maintenance activities and reduce their percentage of corrective maintenance activities. A higher ratio may indicate a reduction in emergency maintenance resulting from system malfunctions (e.g., pipeline breaks or pump failures).

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years but has been steadily increasing beginning in FY21. Since FY08, the Water Authority has used this performance measure to identify gaps in planned/preventative maintenance activities. Over the past six fiscal years, the Water Authority has focused on increasing water operations planned maintenance for its groundwater facilities and the surface water plant. For the distribution system, the Water Authority will be increasing planned maintenance through its leak detection program mentioned in Performance Measure 1-2, Distribution System Water Loss.

Planned maintenance is a key component to the Water Authority's asset management program. In FY18, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets. As the Water Authority fully develops the asset management program, the planned maintenance performance is expected to continue to increase.

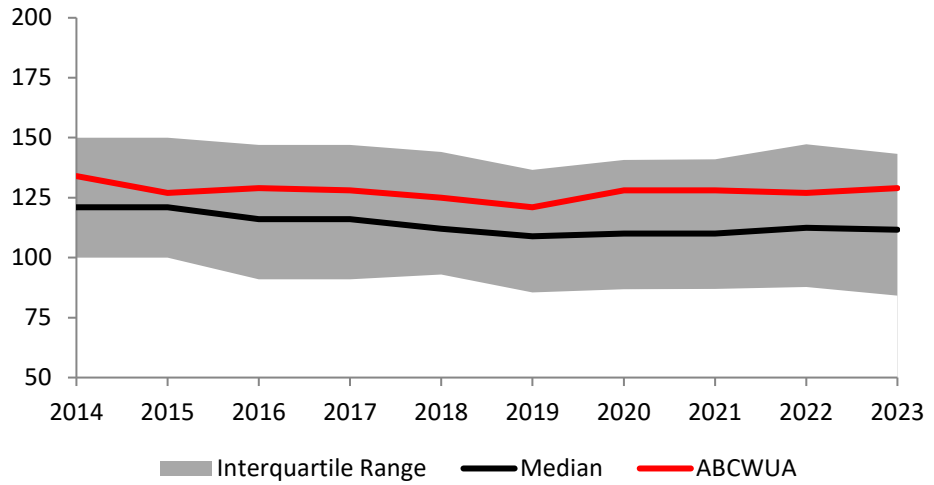
1-6 Water Use per Capita Consumption

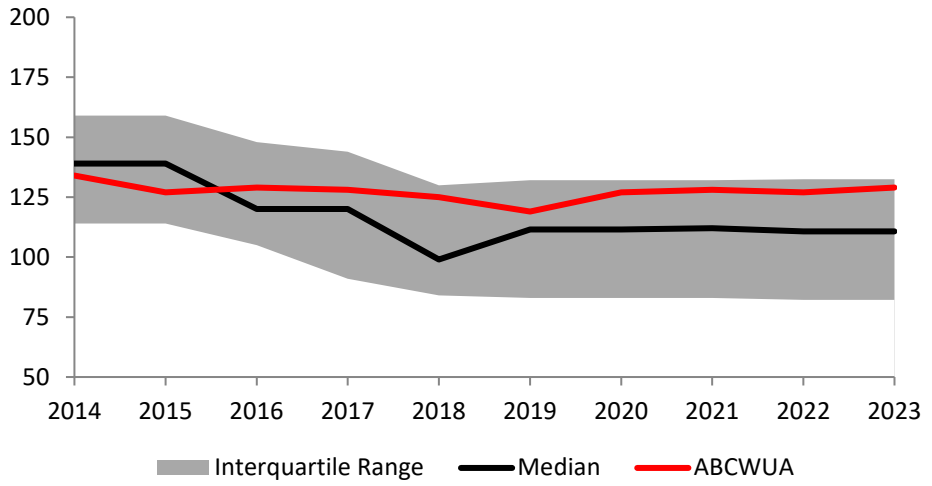
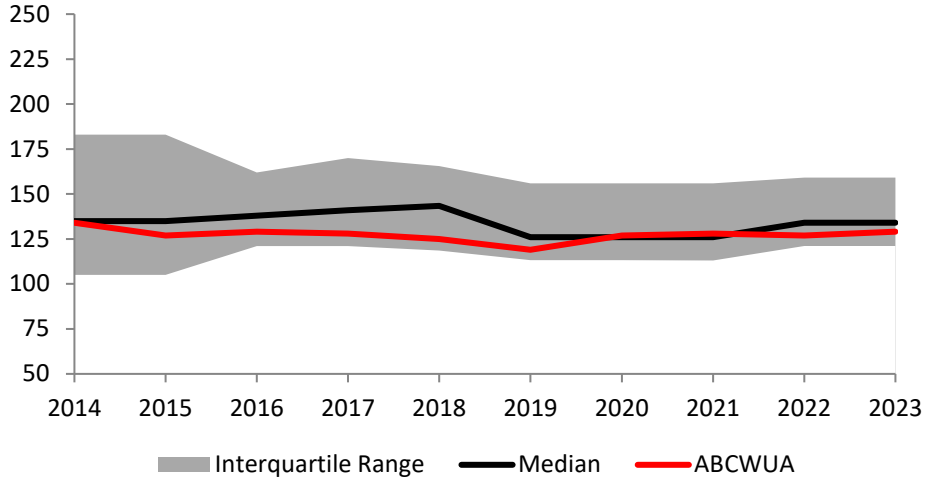
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2020	2021	2022	2023	2024	
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class and system-wide per capita usage	Gallons per person per day (GPCD)	127	128	128	127	129	128	Reduce water consumption to extend water resources and minimize environment impacts

Industry Benchmarks

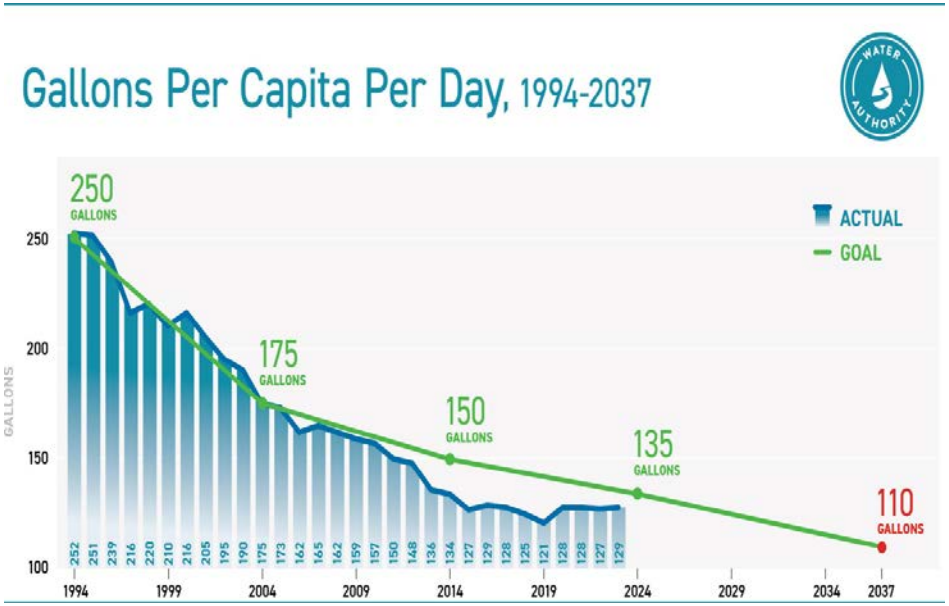
Combined Water/ Wastewater Utilities



Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

In 2021, the US Census Bureau released the Biennial Census data. The average size per household decreased and this changed the estimates in the population served causing the GPCD in 2021 to remain the same as in 2020. The GPCD dropped to 127 in 2022. The GPCD was 129 in 2023.



2022 Customer Opinion Survey

- 72% of customers are either very or somewhat satisfied with the utility's conservation programs
- 64% of customers either strongly or somewhat agree that they follow the Water by the Numbers program when setting their irrigation schedule

Goal 2
Wastewater Collection & Operations

Guiding Goal Statement

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.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
2-1	Sewer Overflow Rate	▲	▲
2-2	Collection System Integrity	■	■
2-3	Wastewater Treatment Effectiveness Rate	■	■
2-4	O&M Cost Ratios: O&M Cost per account	▲	▲
2-4	O&M Cost Ratios: O&M Cost per MG processed	■	■
2-4	O&M Cost Ratios: Direct cost of treatment per MG	■	■
2-5	Planned Maintenance Ratio	■	■
	Overall Goal Status	■	■

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY25 Objectives	Measure Reference
Continue to reduce sanitary sewer overflows (SSOs) in accordance with the Capacity, Management, Operation, and Maintenance (CMOM) Plan. Continue the manhole monitoring pilot study initiated in FY23 to diagnose flow patterns and provide advance alerts of downstream blockages. Provide final recommendations based on the pilot study by the end of the 4th Quarter of FY25.	**2-1**
Manage chemical usage and residual iron sludge from the Water Treatment Plant to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Monitor and report metrics through the end of the 4th Quarter of FY25, including progress on Odor Control Station construction. Identify additional odor control stations, as needed.	**2-2**
As part of the CMOM Program, continue to evaluate pilot modifications to the Sub-Basin cleaning program. Look at possible changes such as sub-basin cleaning frequency to optimize effectiveness of preventative maintenance cleaning to the lines most likely to spill. Provide final recommendations for modifications to the cleaning program by the end of the 4th Quarter of FY25.	**2-2**
Install AMI devices in three additional vacuum station service areas to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY25.	**2-2**
National Pollutant Discharge Elimination System (NPDES) Pretreatment Program monitors compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance: ❖ Monitor continuous discharge permitted industries 16 days per year or 4 days per quarter; ❖ Complete 16 industrial permit inspections each quarter; ❖ Complete 175 Food Service Establishment inspections each quarter; and ❖ Complete 52 dental office inspections each quarter. Report on performance and percent of Sewer Users in compliance for each category each quarter during FY25.	**2-2** **2-3**

FY25 Objectives	Measure Reference
NPDES Pretreatment Program is required to maintain a list of all Industrial Users (IU) within its service area as part of its Environmental Protection Agency (EPA) NPDES permit. The Pretreatment Program will conduct 12 Industrial User Survey inspections each quarter and evaluate all of them to determine the necessity of permitting within the quarter. When the users are identified as Significant Industrial Users (SIU), the program will permit the SIU within the next quarter. The FY25 Industrial User Surveys and permit necessity evaluations will focus on the Mercury Minimization Plan (MMP) SIC list with mercury discharge potential and the previously permitted hospitals as outlined in the MMP Implementation Program Objectives: 1. Evaluate previously permitted hospitals for permit necessity and start the permitting process for at least 50% of those needed. o FY25 goal is to evaluate/permit 50% (4) hospitals at one (1) per quarter. 2. Evaluate mercury potential at 10-25% of industrial users on the SIC list per year. o FY25 goal is to inspect/evaluate 19% (44) SIC facilities at 11 per quarter. 3. Evaluate the IU survey list and Permit at least 1 Industry per quarter.	**2-2** **2-3**
Implement the 2024 Program Objectives outlined in the MMP 2023 Implementation Status Report sent to EPA. 1. Evaluate mercury potential at 10-25% (20-51) of dental facilities per year. o FY25 goal is to sample/evaluate 18% (36) dental facilities at 9 per quarter.	**2-2** **2-3**
Seek recognition in the National Association of Clean Water Agencies (NACWA) Peak Performance award program for excellence in permit compliance through the end of the 4th Quarter of FY25.	**2-3**
Continue work on the Partnership for Clean Water program for the Southside Water Reclamation Plant (SWRP) to optimize system operations and performance by the end of the 4th Quarter of FY25. ❖ Continue work on outstanding items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.	**2-4**
In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required planning/design documents, permits, and environmental documents through FY25.	**NA**

Performance Measure Division Responsibility

Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance
2-1	Sewer Overflow Rate		✓	
2-2	Collection System Integrity		✓	
2-3	Wastewater Treatment Effectiveness Rate	✓		✓
2-4	O&M Cost Ratios: O&M Cost per account	✓	✓	
2-4	O&M Cost Ratios: O&M Cost per MG processed	✓		
2-4	O&M Cost Ratios: Direct cost of treatment / MG	✓		
2-5	Planned Maintenance Ratio	✓	✓	

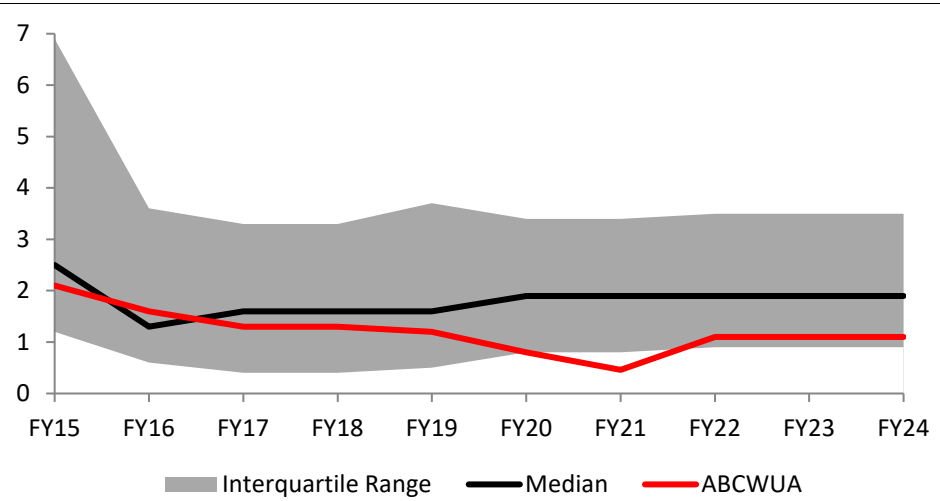
2-1 Sewer Overflow Rate

Performance Results

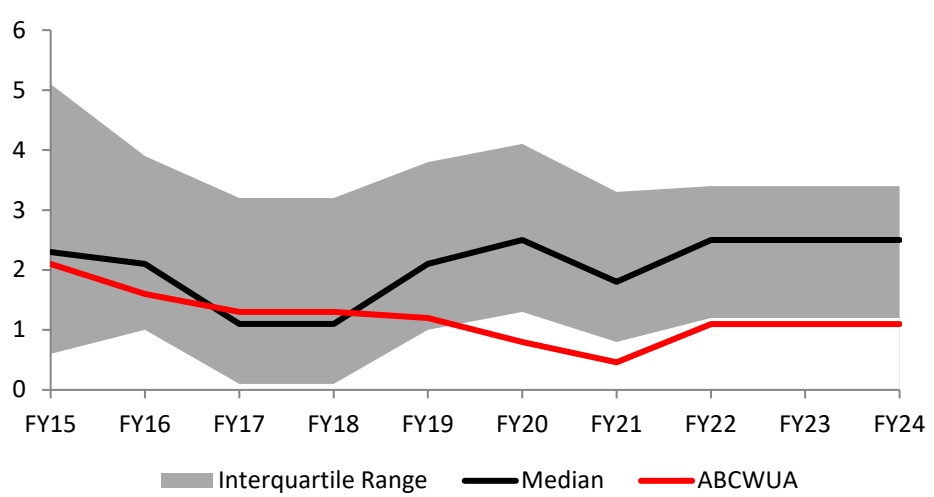
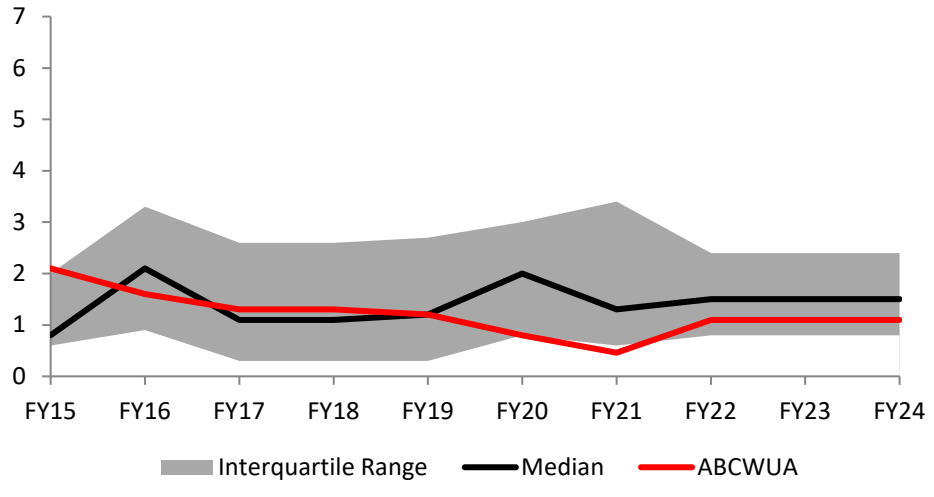
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	0.9	0.5	1.1	1.1	1.1	1.0	Improve the condition and reliability of the collection system and reduce customer complaints

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

Overflows are good measures of collection system condition and the effectiveness of maintenance activities. This measure is intended to measure overflows created by conditions within collection system components under control of the utility. This measure does not include conditions which are deemed outside control of the utility such as general flooding from wet weather conditions.

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the past three fiscal years and is on-target to maintain a very low overflow rate for the next two fiscal years. The Water Authority has been using its GIS in connection with its upgraded work order system based on asset management principles to analyze sanitary sewer overflows. For FY14, the Collection Section implemented the CMOM activities from the CMOM report completed in FY13. The FY25 Objectives will help to improve the monitoring, cleaning, and response procedures related to sewer overflows.

You wouldn't flush an elephant down the toilet – or would you?!

Every year, the Water Authority provides bill inserts reminding customers not to pour cooking grease down the drain as this causes backups and overflows in the collection system; this usually occurs during the holidays.

The Water Authority's website now has a game where you can either prevent or create a sewer overflow:

https://www.abcwua.org/keeping-elephants-out-of-sewers/

2022 Customer Opinion Survey

- 70% of customers are either very or somewhat satisfied with the condition of the sewer lines in the number of overflows that they may observe
- 71% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to respond to overflows or backups and the response time for restoring service

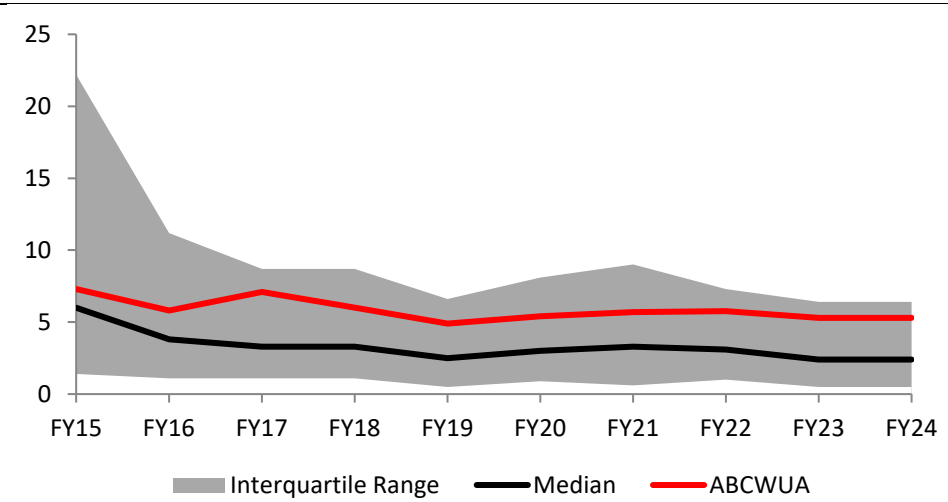
2-2 Collection System Integrity

Performance Results

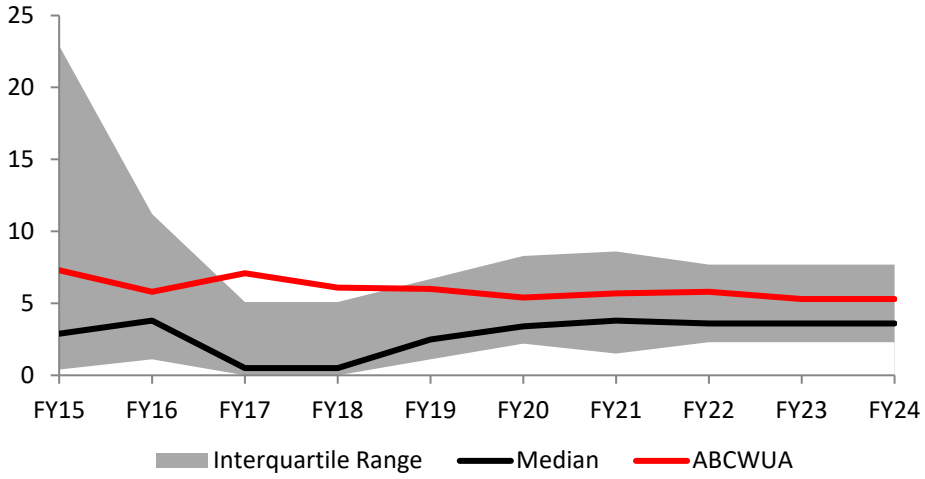
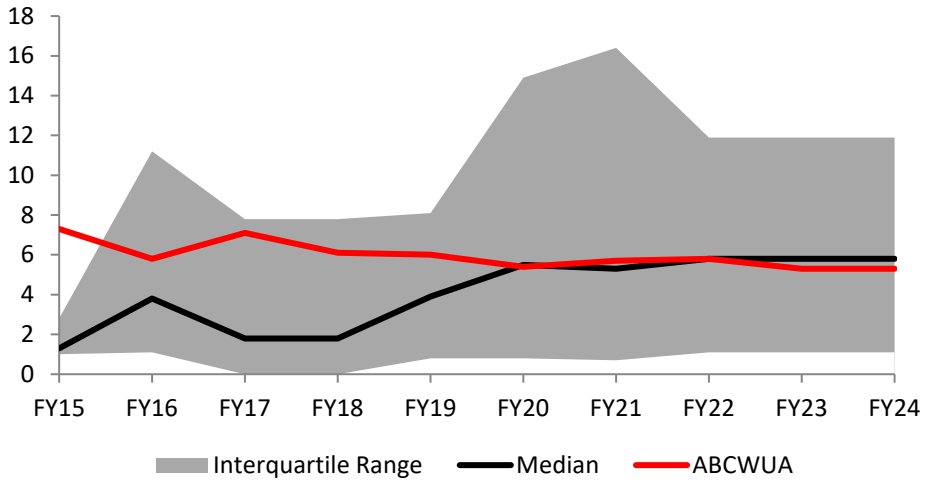
Measure Type	Purpose	Inputs	Outputs					Outcome
			Baseline	Prior Year Actuals		Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	5.6	5.7	5.8	5.3	5.3	5.3	Improve the condition and capacity of the collection system and minimize catastrophic failures

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative
When tracked over time, a utility can compare its failure rate to those at other utilities and it can evaluate whether its own rate is decreasing, stable, or increasing. When data is maintained by the utility to characterize failures according to pipe type and age, type of failure, and cost of repairs, better decisions regarding routine maintenance and replacement/renewals can be made.

Measurement Status
The Water Authority's performance in this measure has been within the median range for the past three fiscal years.

In February 2020, the Water Authority updated the asset management plan for small diameter water lines and sewer lines. This update included: completing an inventory of all the lines, identifying the installation year, material type and size; assessing the Probability of Failure of the lines; determining the Consequence of Failure of the lines; calculating the risk of line failure; and creating a 10-year capital improvement replacement plan budget.

For FY25, there is a policy objective to assess the condition of small diameter sanitary sewer lines as a part of the CMOM program. This objective includes evaluating and prioritizing unlined concrete large diameter lines for rehabilitation.

2022 Customer Opinion Survey
- 98% of customers are either very or somewhat satisfied with the reliability of wastewater drainage
- 81% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to control odors form sewer lines or treatment facilities

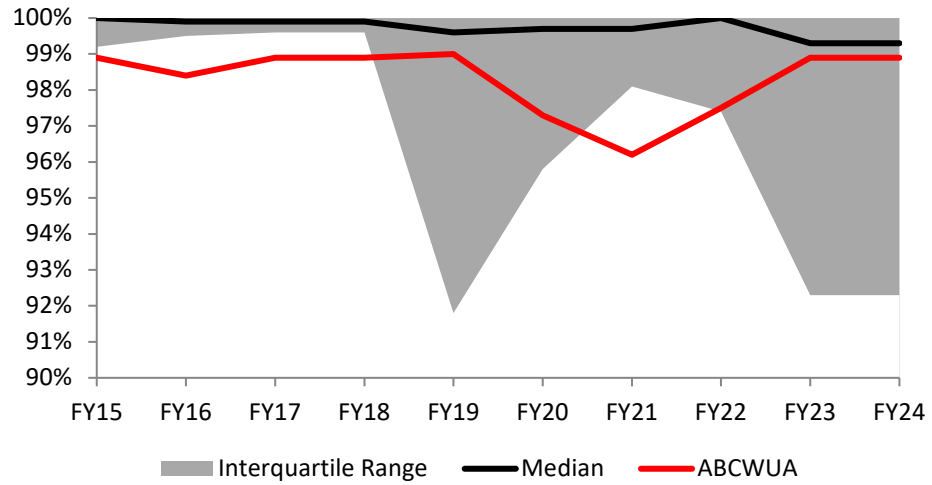
2-3 Wastewater Treatment Effectiveness Rate

Performance Results

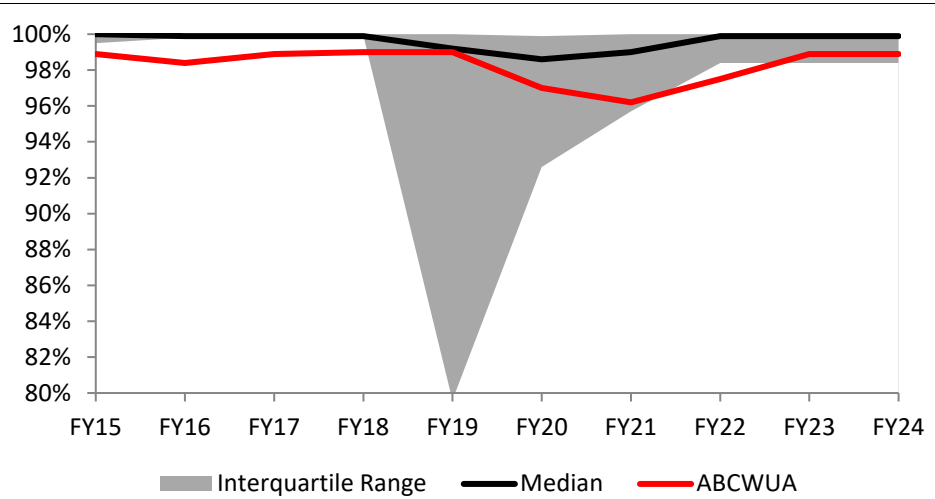
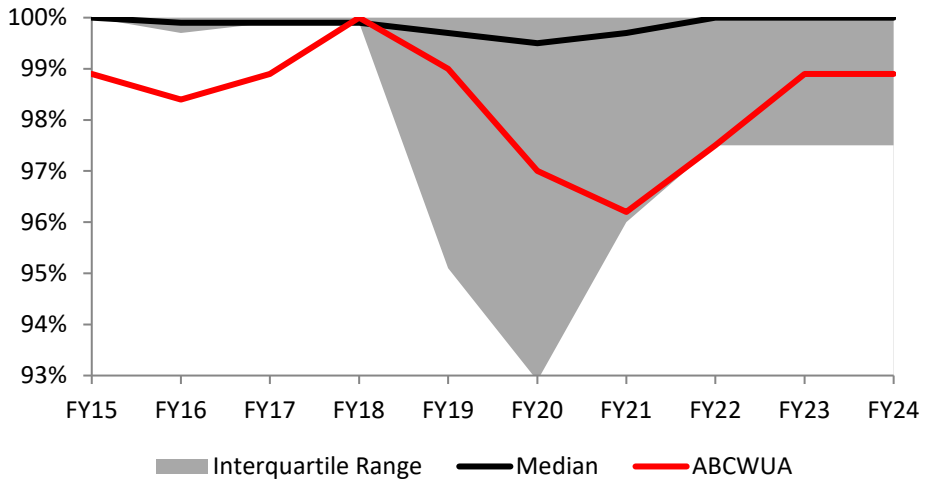
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	97%	96%	98%	99%	99%	99%	Minimize environmental impacts to the river by returning high quality water to the river

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

The wastewater treatment effectiveness rate allows a utility to compare its treatment effectiveness rate for its facility with those at other utilities. It also can track its individual facility performances over time. Ideally, the percentage of days in a year that the treatment facility satisfies all discharge permit requirements should be 100%. A number lower than this indicates that a violation occurred during the year.

Measurement Status

The Water Authority's performance in this measure has been above the median range for last three fiscal years. The Water Authority's goal in for FY25 is to have no more than five non-compliance days.

In FY11, the Water Authority completed conversion to ultraviolet disinfection to eliminate use of chlorine for safety, security and to protect river environment. The Water Authority will continue to meet its performance targets during major rehabilitation activities at the wastewater treatment plant. The utility is close to completing a $250 million overhaul of the treatment plant.

Peak Performance AWARDS
NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES

The Water Authority received the NACWA **Silver** Peak Performance Award in 2013-2014, 2016-2019 which recognizes public wastewater treatment facilities for their outstanding compliance records.

2022 Customer Opinion Survey

- 91% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

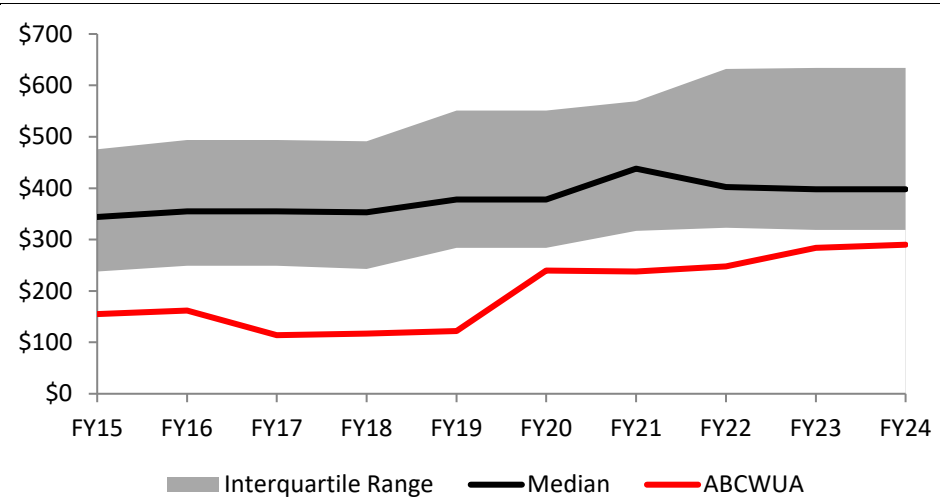
2-4 Operations and Maintenance Cost Ratio

Performance Results for O&M Cost per Account

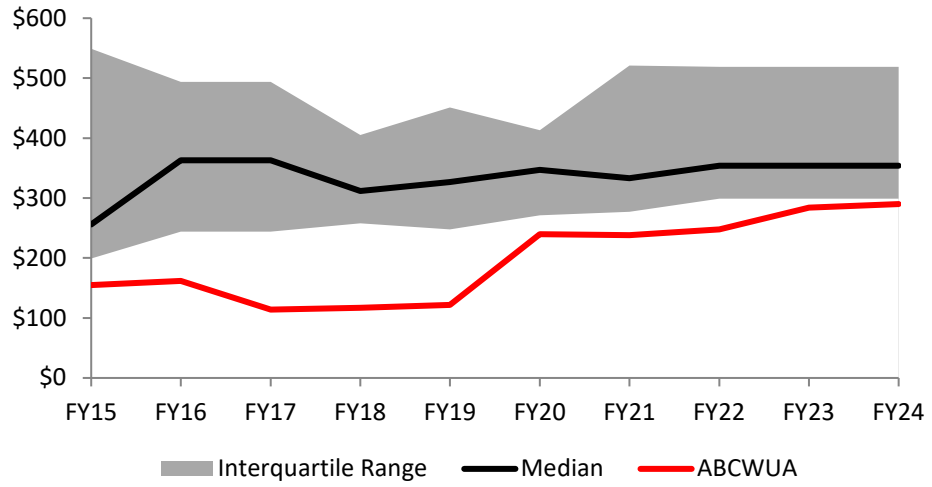
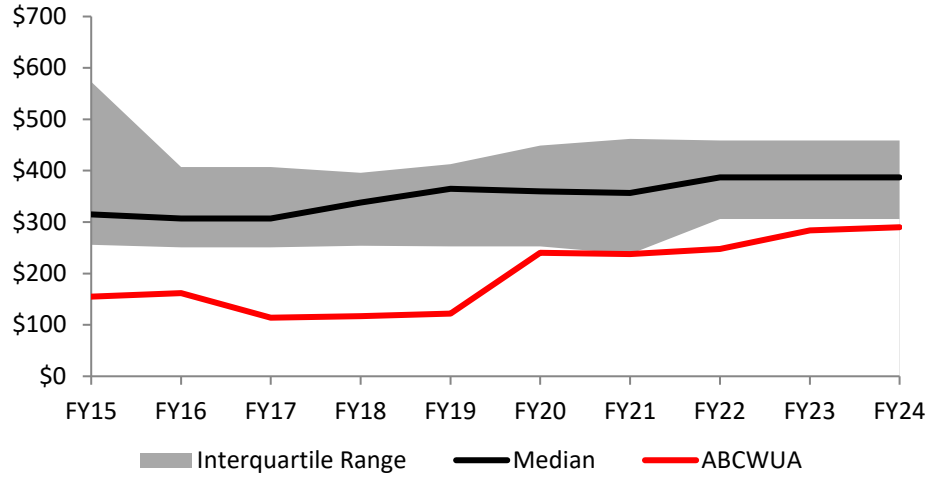
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$238	$238	$248	$284	$290	$300	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/ Wastewater Utilities



Lower Values Desirable

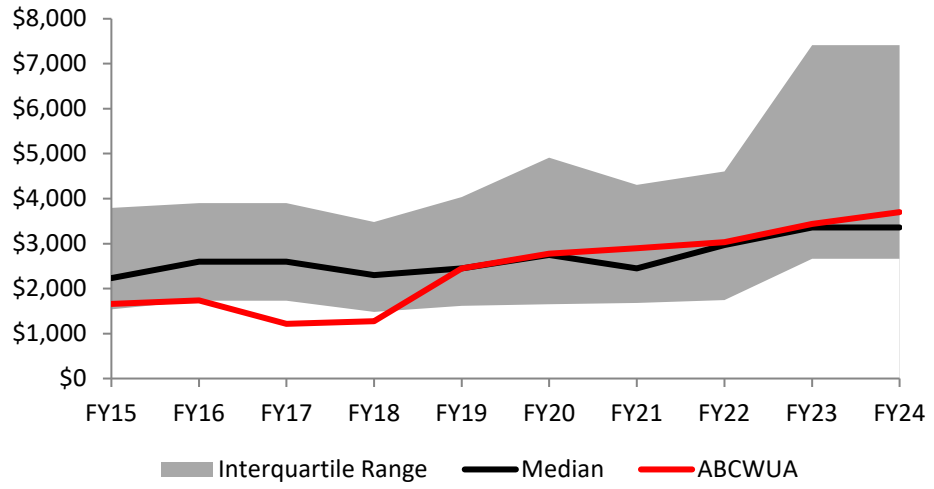
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Collected

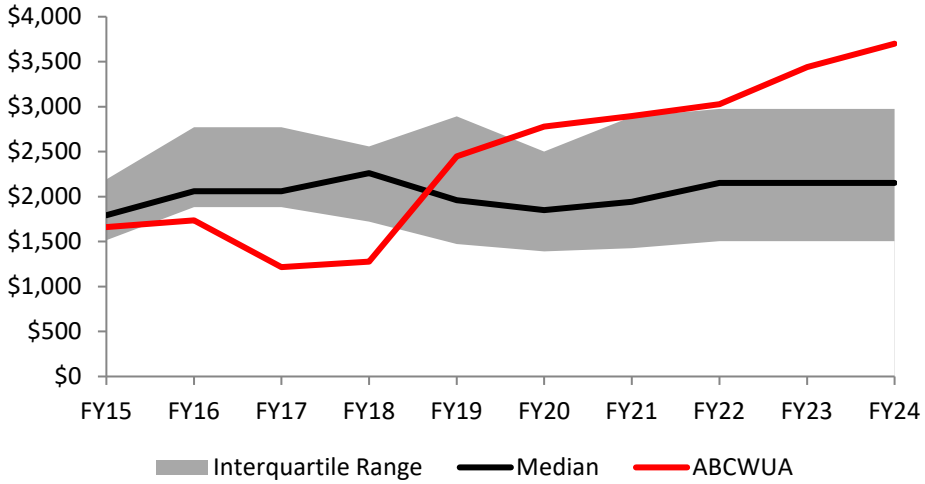
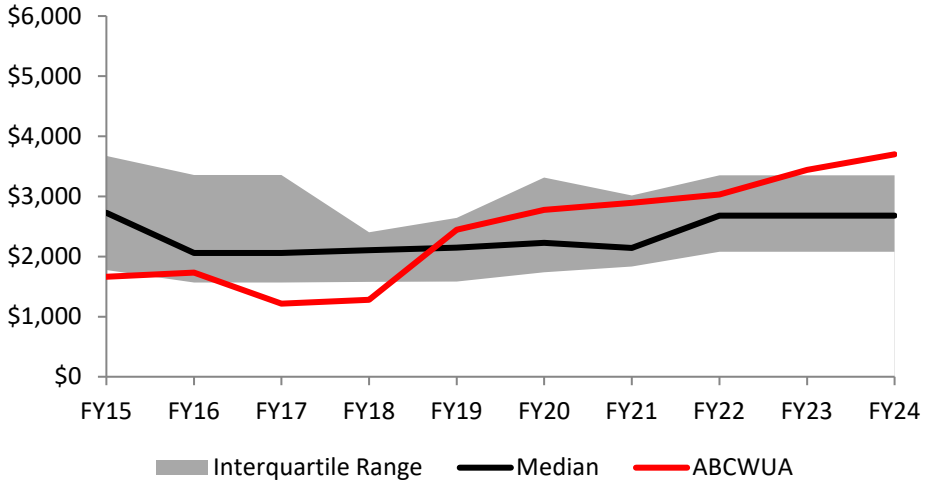
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total wastewater collected	$2,900	$2,895	$3,029	$3,439	$3,700	$3,850	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Collected

Combined Water/ Wastewater Utilities



Lower Values Desirable

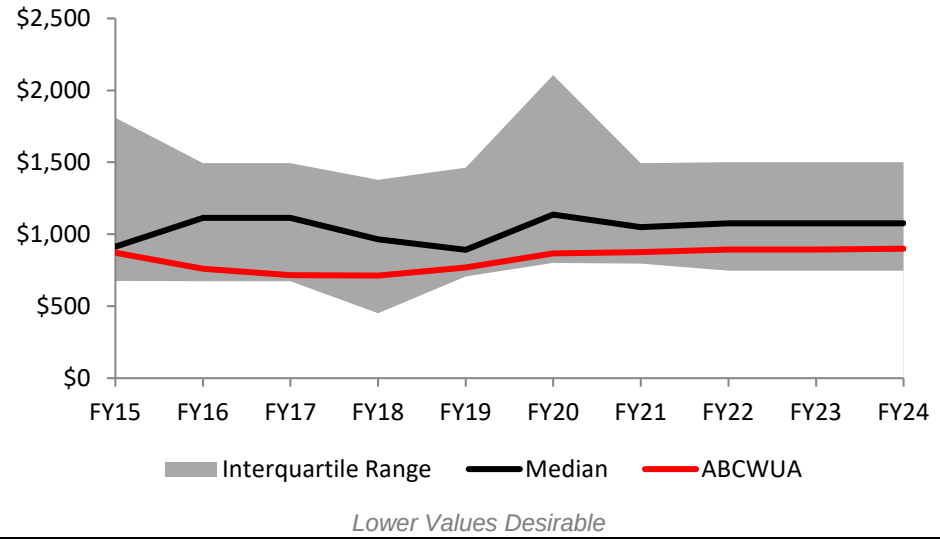
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

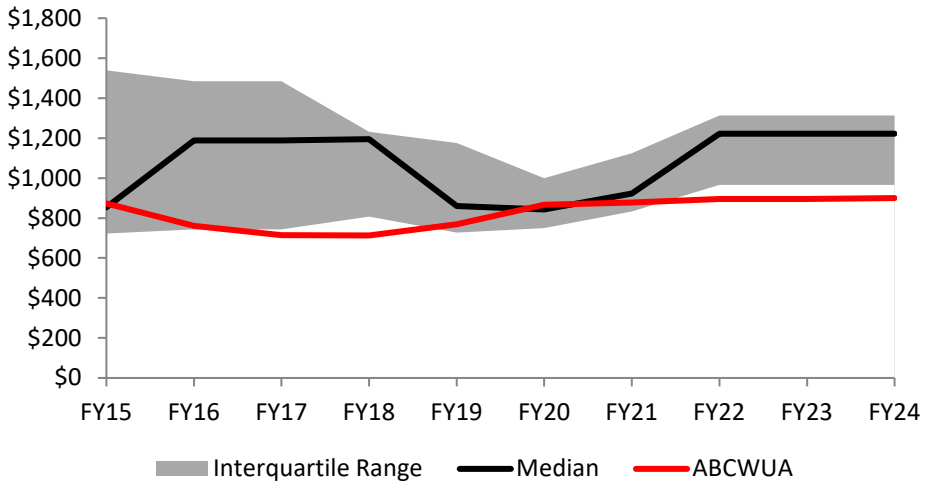
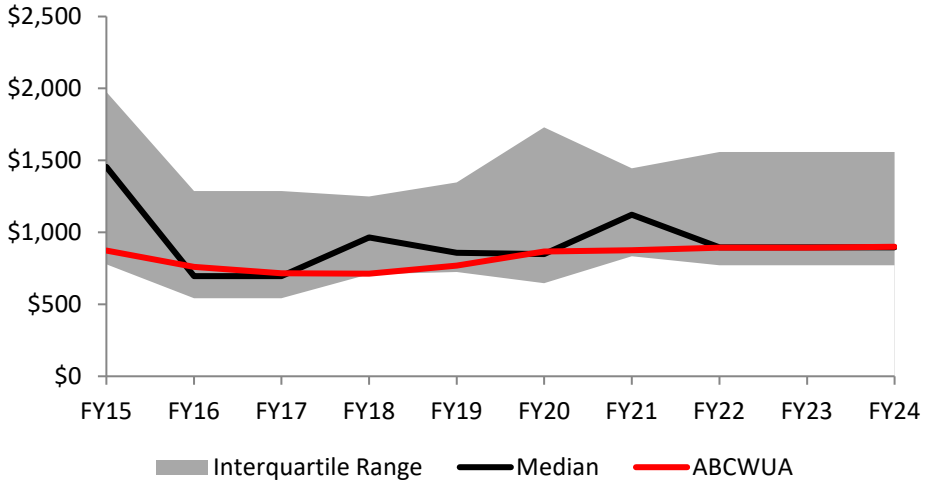
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	$889	$877	$895	$895	$895	$900	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost of Treatment per MG

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative
These related measures tally the cost of O&M per account and per million gallons of wastewater processed. Comparing the value of this measure with other utilities can provide information regarding the status of current accepted practices.

Measurement Status
The Water Authority's performance in this measure has been above or within the median range for the past three fiscal years and is on-target to maintain this performance for the next two fiscal years.

In FY20, the Water Authority received recognition from the Partnership for Clean Water for treatment operations. The Partnership for Clean Water provides self-assessment and optimization programs so that utilities have the tools to optimize wastewater utility operation and help ensure public health protection.

For FY25, the Water Authority will continue to work on the Partnership for Clean Water program to optimize its system operations and performance.

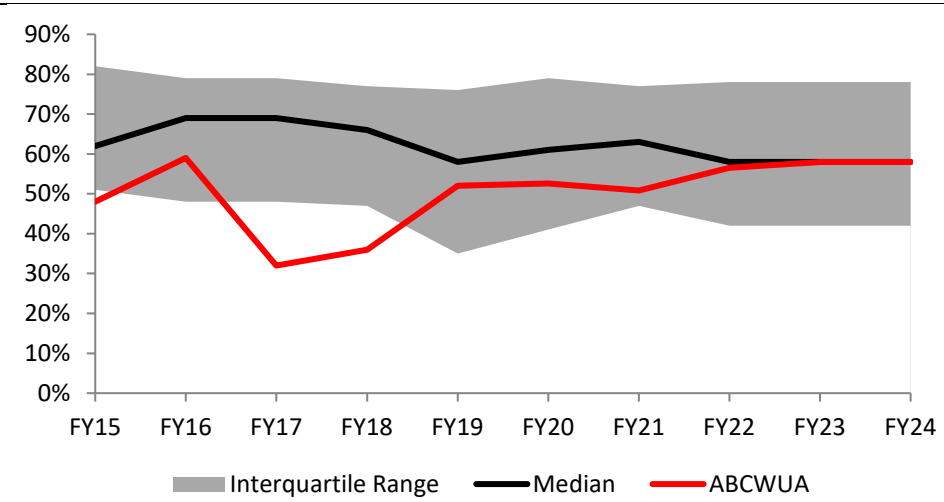
2-5 Planned Maintenance Ratio

Performance Results

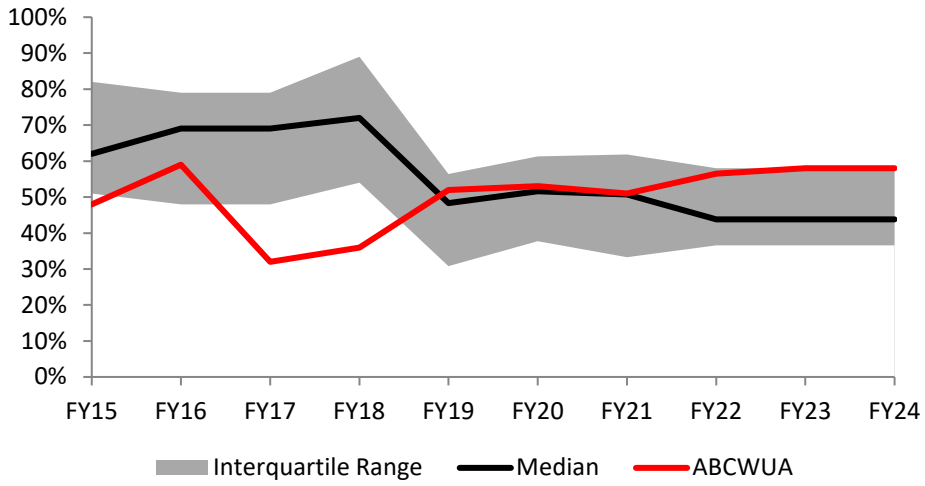
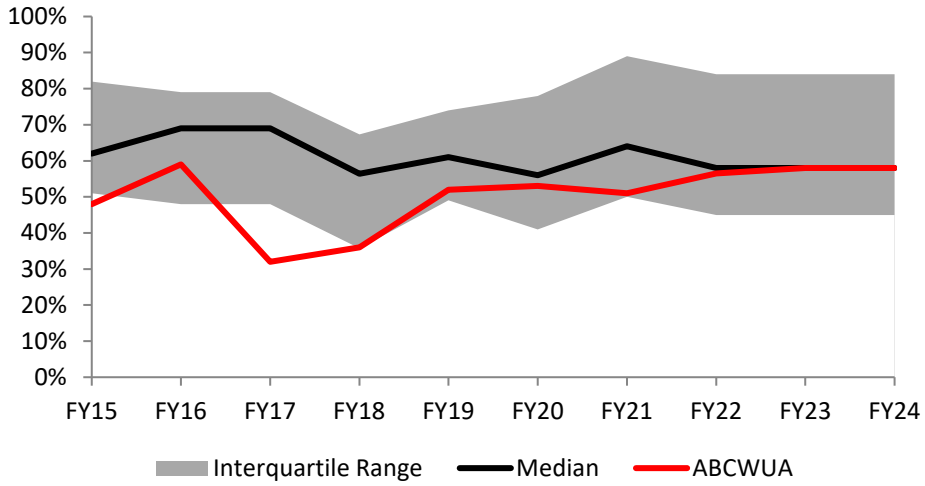
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	52%	51%	57%	58%	58%	60%	Reduce emergency maintenance from system malfunctions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

Planned maintenance includes preventive and predictive maintenance. Preventive maintenance is performed according to a predetermined schedule rather than in response to failure. Predictive maintenance is initiated when secondary monitoring signals from activities indicate that maintenance is due. All other maintenance is categorized as corrective (i.e., maintenance resulting from an asset that is no longer providing reliable service such as a breakdown, blockage, or leakage). Planned maintenance is preferable for assets for which the cost of repairs is high relative to the cost of corrective maintenance. The avoided cost includes both the cost of repair and the cost consequences of the service disruption, with the latter including an allowance for customer costs. Many utilities want to increase their percentage of planned maintenance activities and reduce their percentage of corrective maintenance activities. A higher ratio may indicate a reduction in emergency maintenance resulting from system malfunctions.

Measurement Status

The Water Authority's performance in this measure has at or above the median range for the past three fiscal years, and the projections are for the percentage to keep increasing. For the past eight fiscal years, there have been objectives within the divisions to increase planned maintenance work orders at the wastewater treatment plant. These objectives will also help the Water Authority meets its performance targets mentioned in Performance Measure 2-3, Wastewater Treatment Effectiveness Rate.

Planned maintenance is a key component to the Water Authority's asset management program. In FY18, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets.

Goal 3
Customer Services

Guiding Goal Statement

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.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
3-1	Customer Quality Complaints	▲	▲
3-1	Technical Quality Complaints	▲	▲
3-2	Customer Service Cost per Account	▲	▲
3-3	Billing Accuracy	■	▲
3-4	Call Center Indicators	▲	▲
3-5	Residential Cost of Water & Wastewater Service	■	■
3-6	Stakeholder Outreach Index	▲	▲
	Overall Goal Status	▲	▲

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

Linkage of Objectives to Performance Measures

FY25 Objectives	Measure Reference
In conjunction with the development of automated leak notifications for customers with AMI meters, develop an instructional video to assist customers in signing up in the self-service portal and setting alerts. Launch a marketing campaign to encourage AMI customers to sign up for the portal.	**3-1** **3-6**
Continue implementation of the AMI project by replacing 20,000 aging water meters with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY25.	**3-1** **3-4**
Conduct customer focus group meetings to acquire customer input on a bill redesign by end of the 1st Quarter of FY25. Evaluate feedback and develop bill redesign, if determined, by the end of the 4th Quarter of FY25.	**3-6**
Conduct Customer Conversation meetings to engage customers and obtain input from customers on the Water Authority's activities through the end of the 4th Quarter of FY25.	**3-6**
Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water use Efficiency Audits; 2) 400 Landscape Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY25.	**3-6**

Performance Measure Division Responsibility

Ref #	Performance Measure	Operations Field	Operations Compliance	Customer Services	Information Technology	Finance
3-1	Customer Service & Technical Quality Complaints		✓	✓		
3-2	Customer Service Cost per Account			✓		✓
3-3	Billing Accuracy			✓	✓	
3-4	Call Center Indicators			✓		
3-5	Residential Cost of Water & Wastewater Service					✓
3-6	Stakeholder Outreach Index			✓		

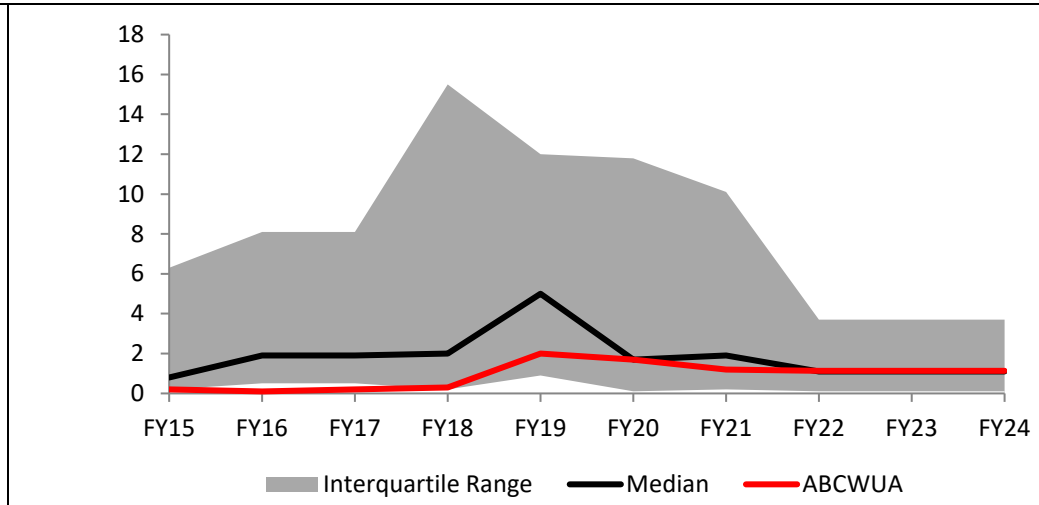
3-1 Customer Service Complaints and Technical Quality Complaints

Performance Results (Service Associated Complaints)

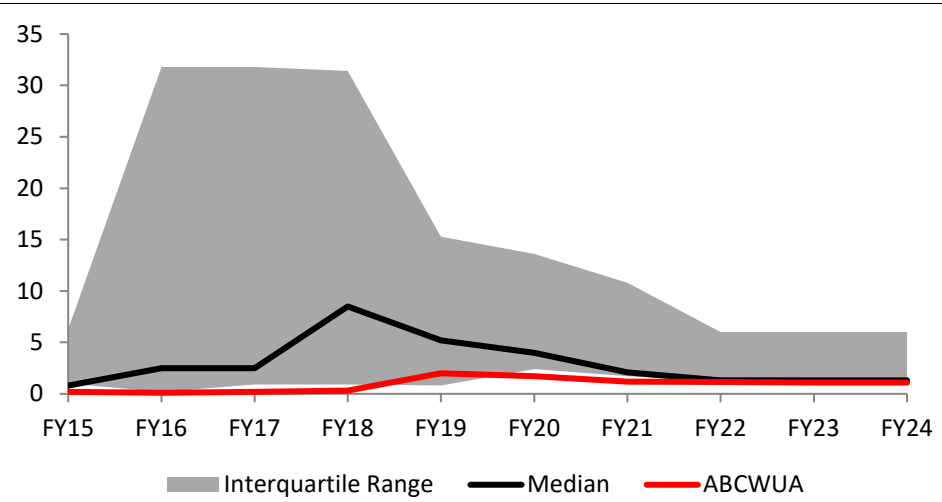
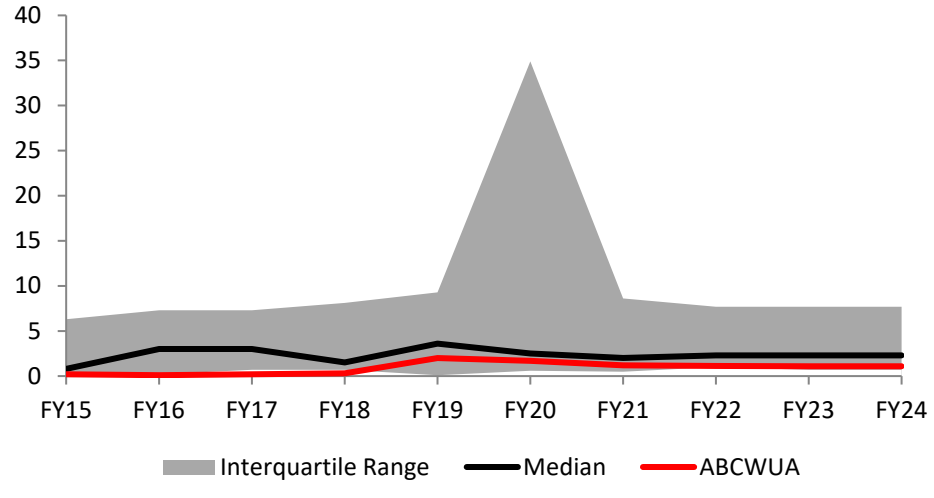
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of customer service complaints per 1,000 customer accounts	1.1	1.2	1.1	1.1	1.1	1.1	Improve customer satisfaction with service and product

Industry Benchmark (Service Associated Complaints)

Combined Water/ Wastewater Utilities



Lower Values Desirable

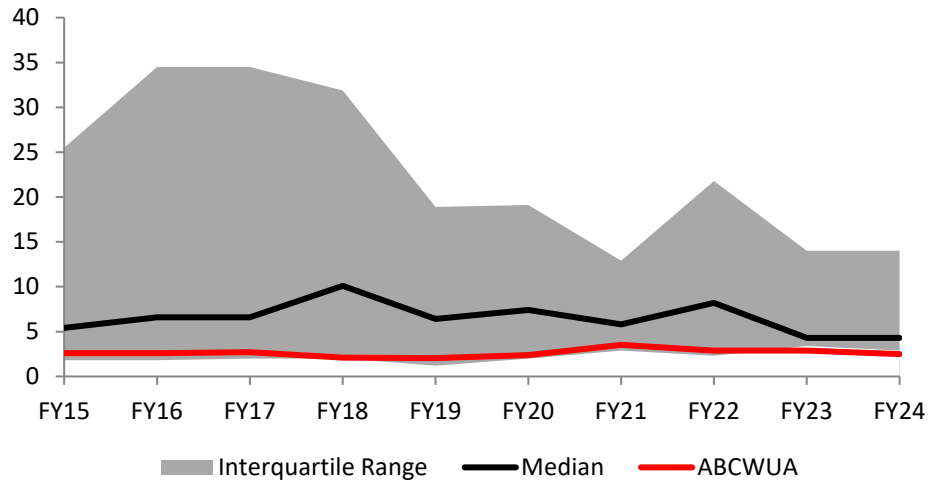
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Technical Quality Complaints)

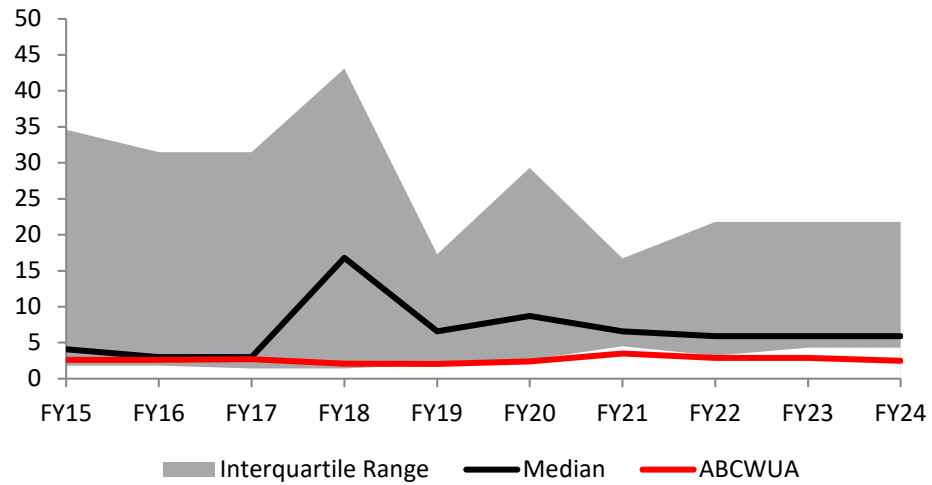
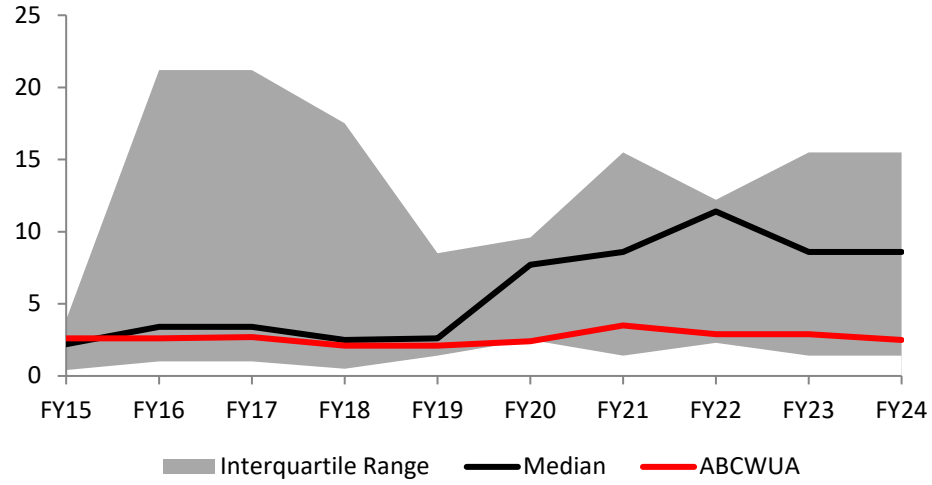
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of technical quality complaints per 1,000 customer accounts	2.9	3.5	2.9	2.9	2.5	2.5	Improve customer satisfaction with service and product

Industry Benchmarks (Technical Quality Complaints)

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

These pair of measures capture all complaints received by the utility, which are reported either as "service associated" or as "technical quality" complaints. The number of complaints is a good measure of customer service. The two categories allow a utility to track those that are people related and those that are product related.

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years for customer service complaints and above the median range for technical quality complaints. The Water Authority upgraded its call center phone systems to effectively track customer service performance; the new phone system also allows customers to pay their bills by phone and provide 24/7 service to billing, emergencies, and reporting water waste. Moreover, the Water Authority has developed and executed a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service.

Water Authority Customer Service operations were greatly affected by the COVID-19 pandemic. The payment lobby was closed for in-person payments, many staff members transitioned to remote working, and delinquency charges and water turn-offs were suspended. In 2022, the payment lobby was re-opened, staff began to come back into the office and in Spring 2022 collection efforts resumed. Customer Services set up a system of payment plans and referrals to a wide variety of sources for bill assistance.

Currently, approximately 80% of the water meters have been upgraded to the Automated Meter Infrastructure (AMI) meters. For FY25, the Water Authority will continue implementation of the AMI project by replacing 20,000 aging water meters with smart meters to increase revenue, support conservation efforts, and provide better customer service. Staff project that the project will be complete within 2-3 fiscal years. Another objective is to continue a valve-exercising program to improve reliability and reduce interrupted water service, by exercising 4,000 isolation valves.

2022 Customer Opinion Survey

- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 77% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance) of drinking water
- 91% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

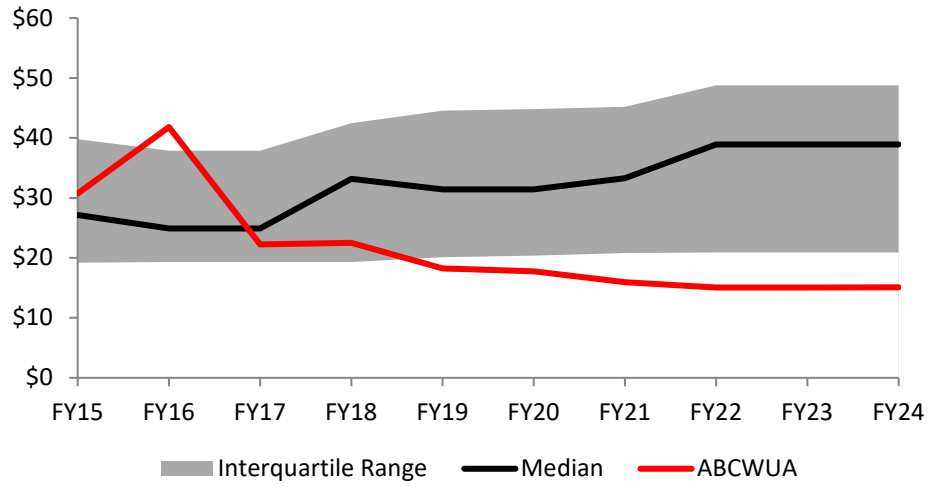
3-2 Customer Service Cost per Account

Performance Results

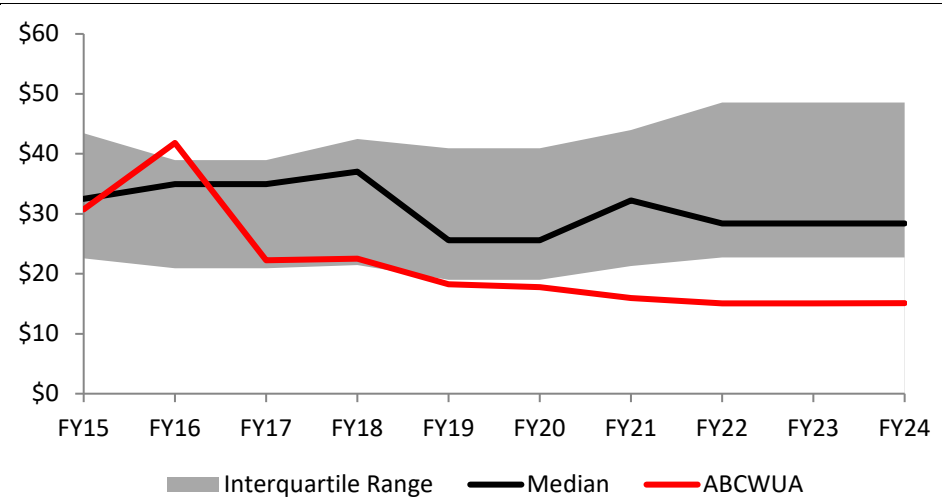
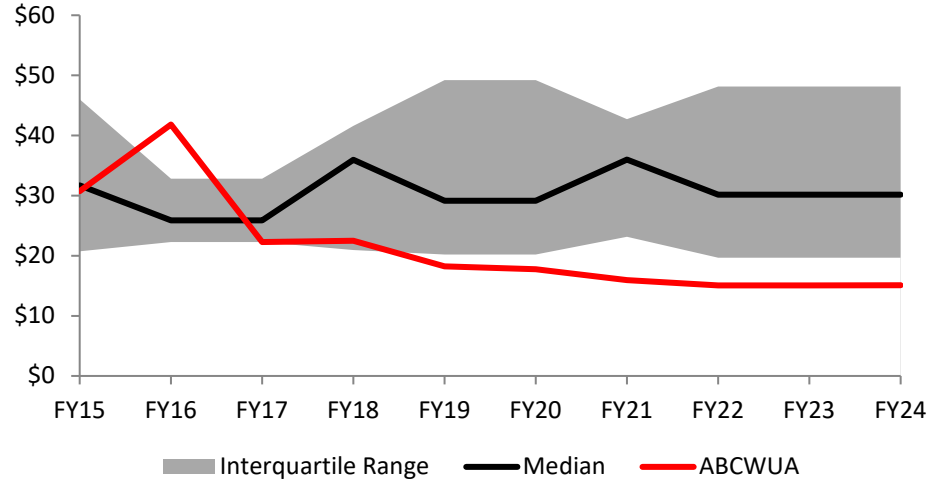
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$16.26	$15.96	$15.06	$15.06	$15.10	$15.15	Improve efficiency by reducing customer service cost per account while meeting customer expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

The measure is expressed as the cost of managing a single customer account for one year. When viewed alone, it quantifies resource efficiency. Viewing in conjunction with other measures such as customer complaints gives the utility more information about operational performance.

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. Customer service costs have increased from the result of implementing its Automated Meter Infrastructure program which is about 80% complete. Costs will decrease over time as more meters are replaced with smart meters which will increase revenue, support conservation efforts, and provide better customer service.

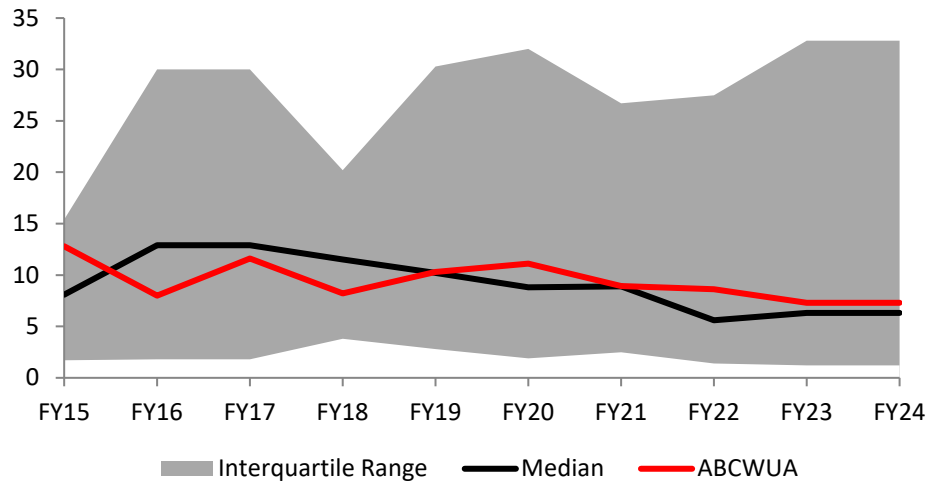
3-3 Billing Accuracy

Performance Results

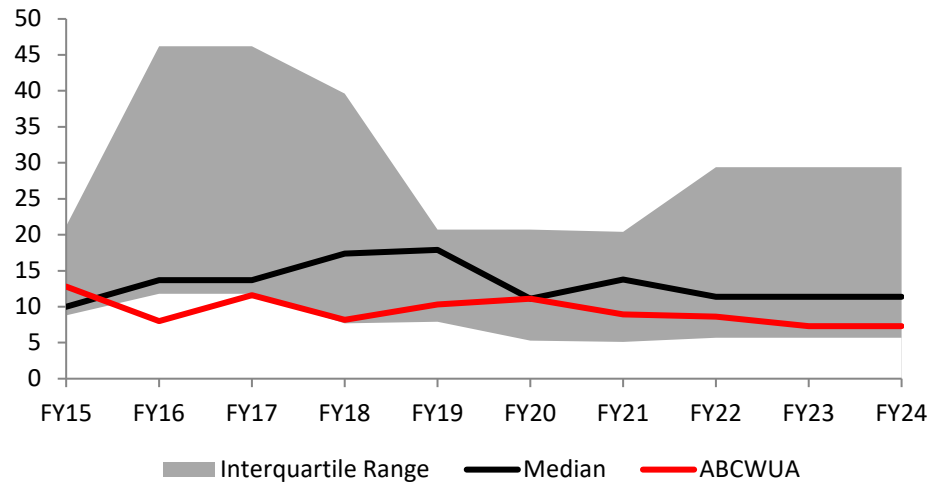
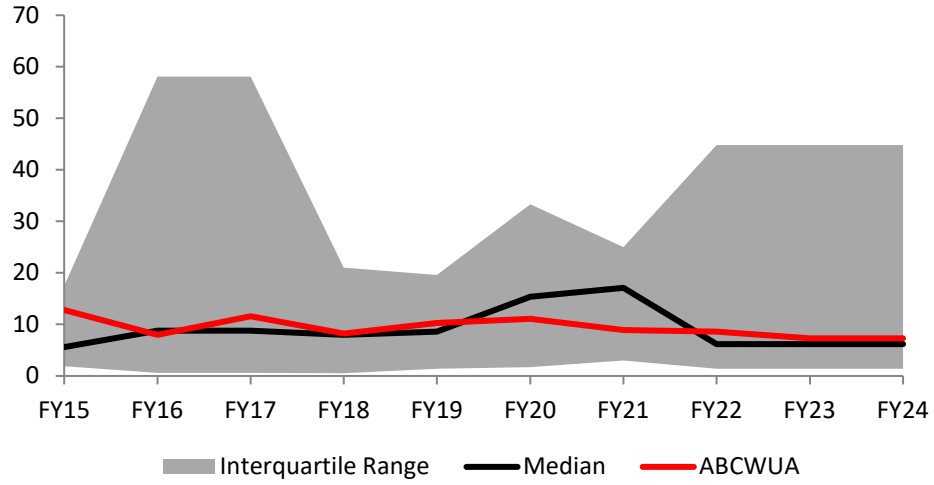
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	9.5	8.9	8.6	7.3	7.3	7.0	Improve billing accuracy to minimize customer complaints

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

Customers rarely think about their utility unless they have a problem with service or billing. This measure helps a utility measure how effective its billing practices are relative to others.

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the past three fiscal years. As the utility continues implementation of its Automated Metering Infrastructure (AMI) system, we see the performance in this measure improving. The purpose of the AMI Project is to replace the Water Authority's aging meters with modern smart meters to save money, deliver more accurate bills and encourage users to conserve water.

AMI customers can view in real-time exactly how much water they consume and use this information to actively manage and reduce their daily usage. They also can change their basic account data, create personal goals and budgets with reminders and updates, and download targeted educational material to learn about and enroll in resource-conservation programs. The technology also allows the Water Authority to remotely review consumption levels across the service area, assisting with conservation and billing and identifying and repairing leaks before they become significant problems.

2022 Customer Opinion Survey

- 89% of customers are either very or somewhat satisfied with the accuracy of their billing statement
- 87% of customers are either very or somewhat satisfied with understanding the bill format and water usage graph
- 90% of customers are either very or somewhat satisfied with the billing payment options

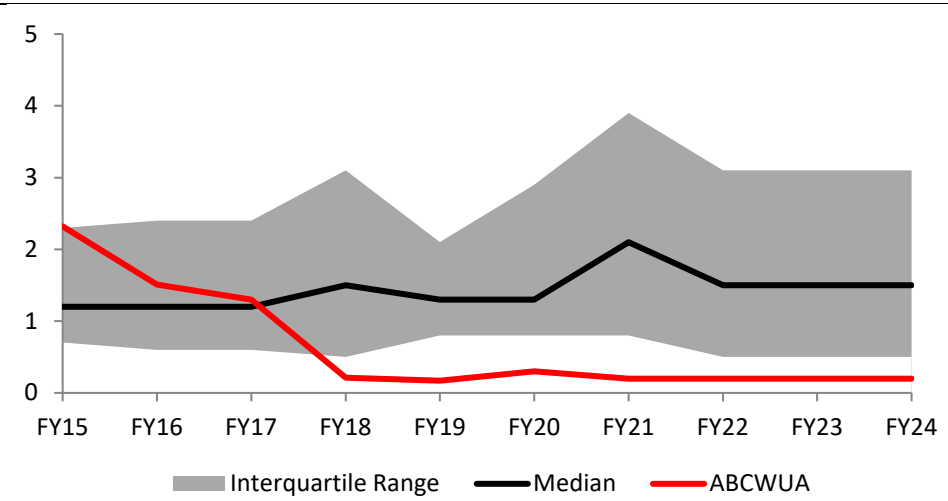
3-4 Call Center Indicators

Performance Results Average Wait Time (minutes)

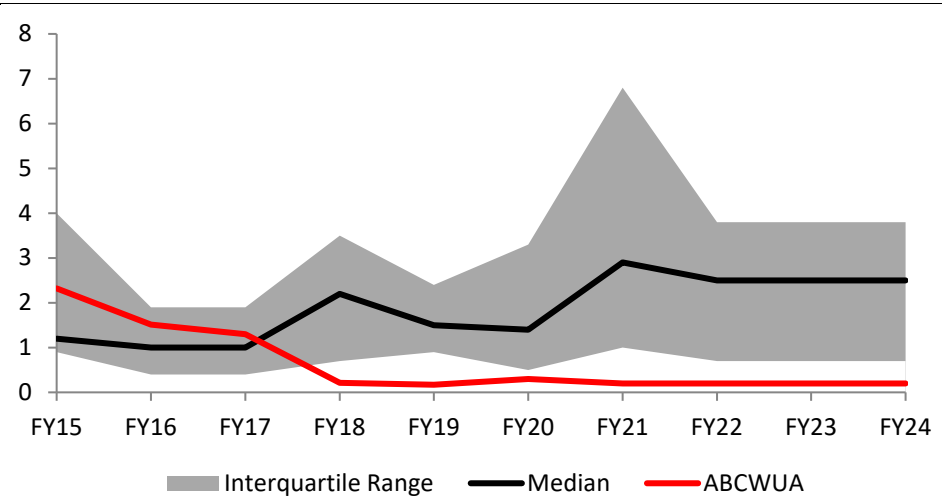
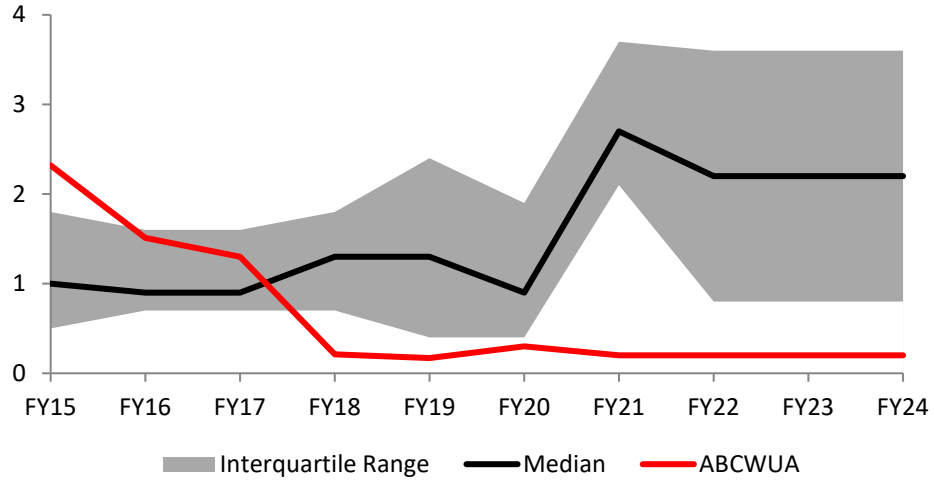
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the call wait time experienced by Water Authority customers	Average time a caller must wait on hold before they can speak to an agent or customer service representative, not including time spent navigating through computerized menu options	0:20	0:20	0:20	0:20	0:20	0:20	Reduce call wait time and avoid customers hanging up

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

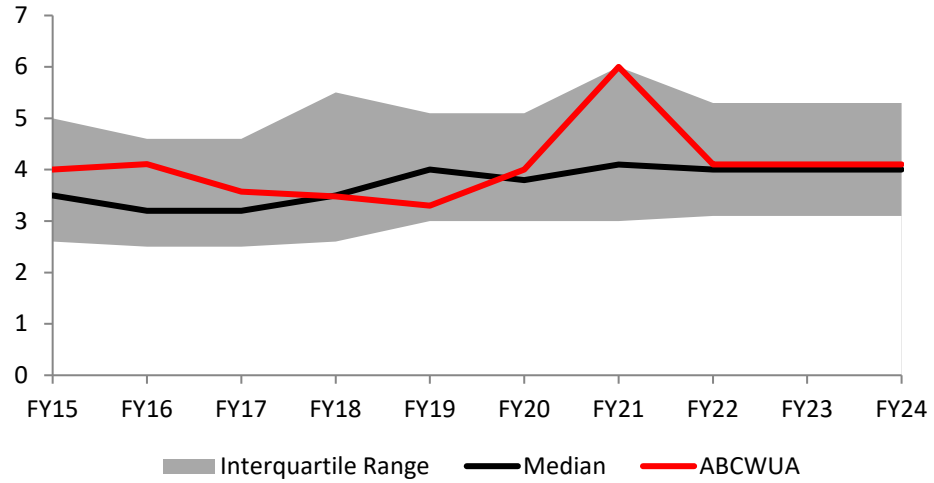
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Average Total Call Time (minutes)

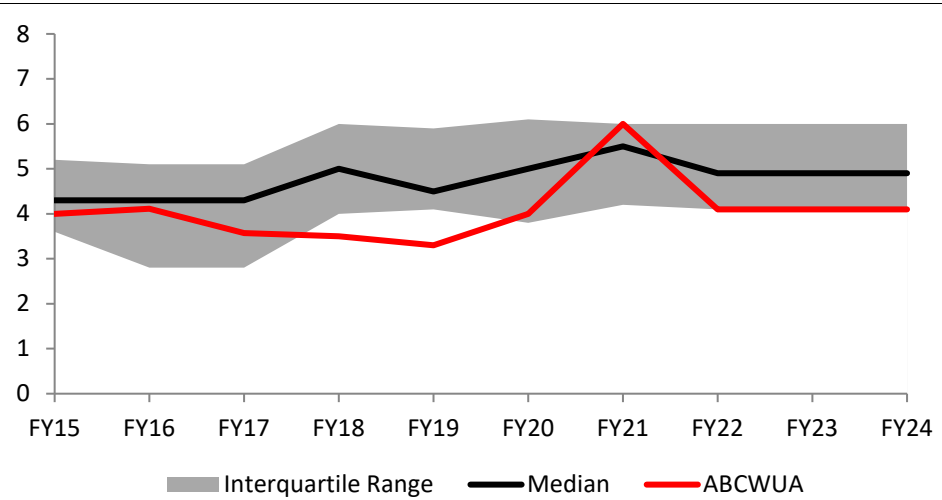
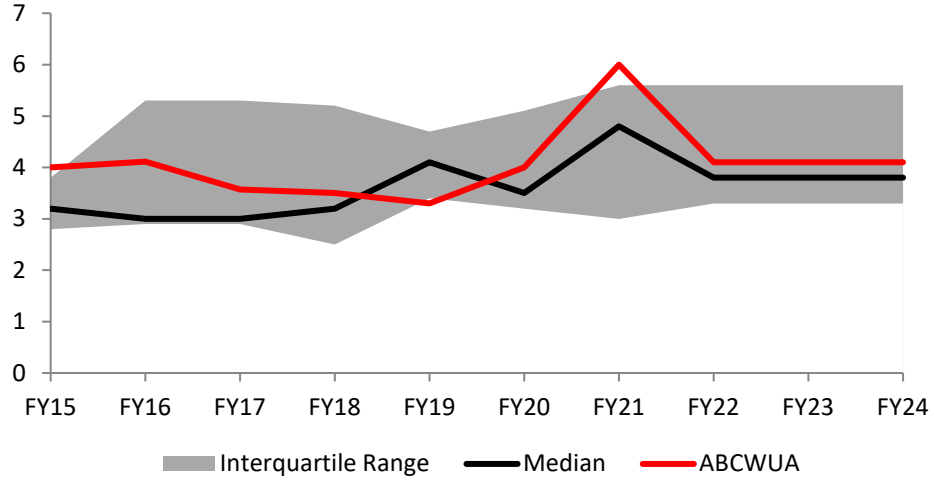
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the time spent to resolve the purpose of the phone call by Water Authority customers	Average time spent by a customer service representative on the phone with a customer	5:13	6:00	4:10	4:10	4:10	4:10	Reduce the average total call time to enable CSRs to handle more customer calls and reduce wait time

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

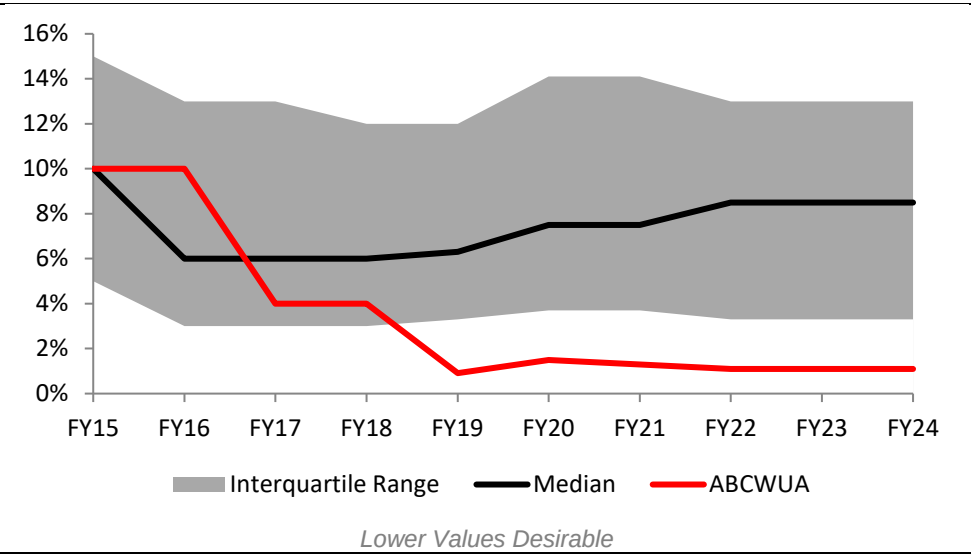
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Abandoned Call Ratio

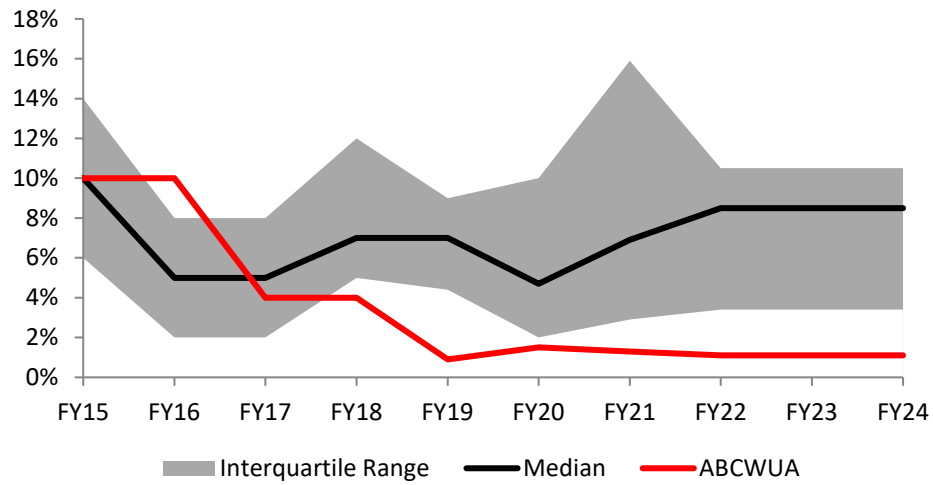
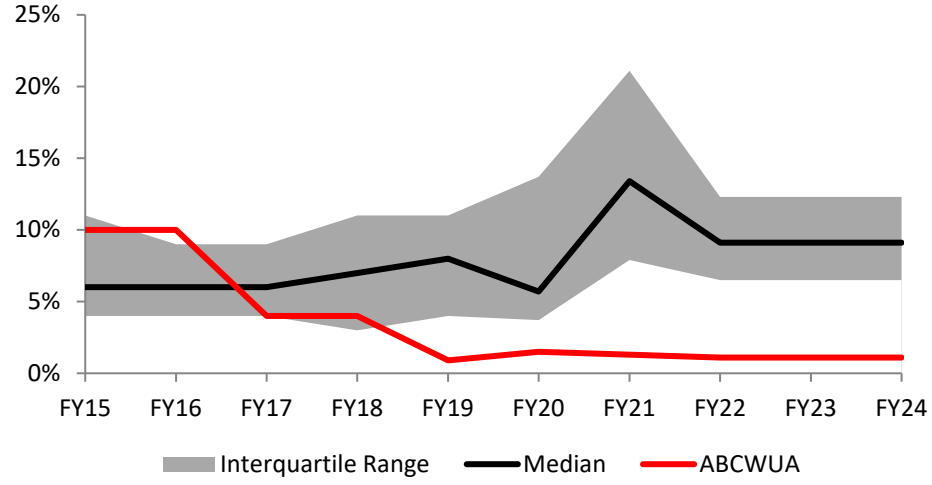
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the number calls abandoned from Water Authority customers	Total number of calls abandoned divided by the total number of calls received	1.2%	1.3%	1.1%	1.1%	1.1%	1.1%	Allow CSRs to effectively assist customers with their needs before they become impatient and hang up

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

The efficiency (cost) and effectiveness (outcomes) of call centers can be evaluated in many ways. Utilities can track and compare their call center's average wait time, average talk time, and abandoned call ratio to better understand if expenses can be reduced while customer satisfaction is improved. Abandoned calls are those terminated by the calling party before being answered by an agent or customer service representative (CSR). The total number of calls received during the reporting period refers to the number of calls attempting to reach the contact center that are not blocked, incomplete, or denied.

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the set of Call Center Indicators. The Water Authority upgraded its call center phone systems to effectively track customer service performance allowing the utility to benchmarking with industry peers. The new phone system also allows customers to pay their bills by phone and provide 24/7 service to billing, emergencies, and reporting water waste.

The Water Authority has begun tracking and setting targets for four customer service metrics. To improve customer satisfaction and operational efficiency, the following targets were established: 1) Average Wait Time of less than 1:00 minute; 2) Average Contact Time of less than 4:00 minutes; 3) Abandoned Call Ratio of less than 3; 4) First Call Resolution of greater than 95%; and 5) Average Call Quality of greater than 90% for Call Center and Communication Center.

2022 Customer Opinion Survey

- 88% of customers gave either excellent or good rating on the overall quality of service provided by a customer service representative
- 96% of customers are either very or somewhat satisfied with the courtesy of the customer service representative
- 83% of customers are either very or somewhat satisfied with the knowledge and ability to answer your questions or resolve your issues
- 80% of customers are either very or somewhat satisfied with the length of wait to speak with a customer service representative

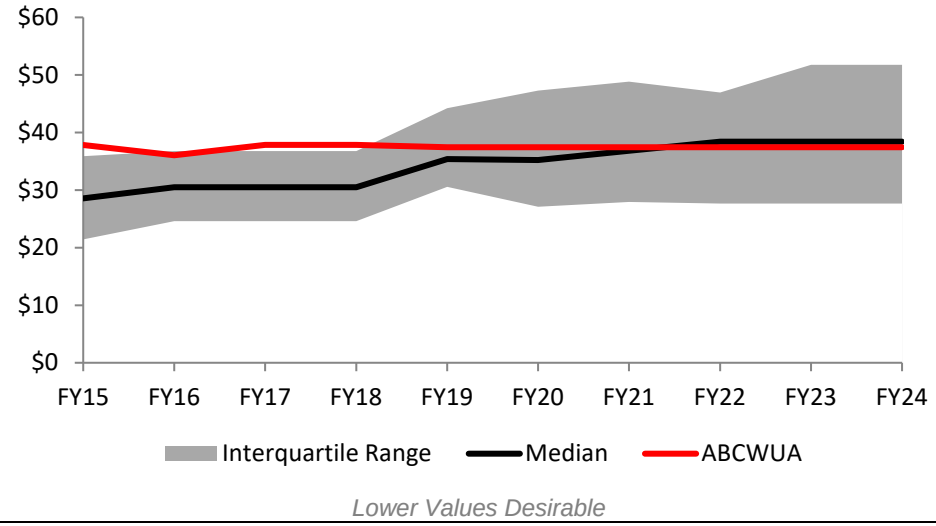
3-5 Residential Cost of Water and/or Sewer Service

Performance Results (Average Residential Water Service)

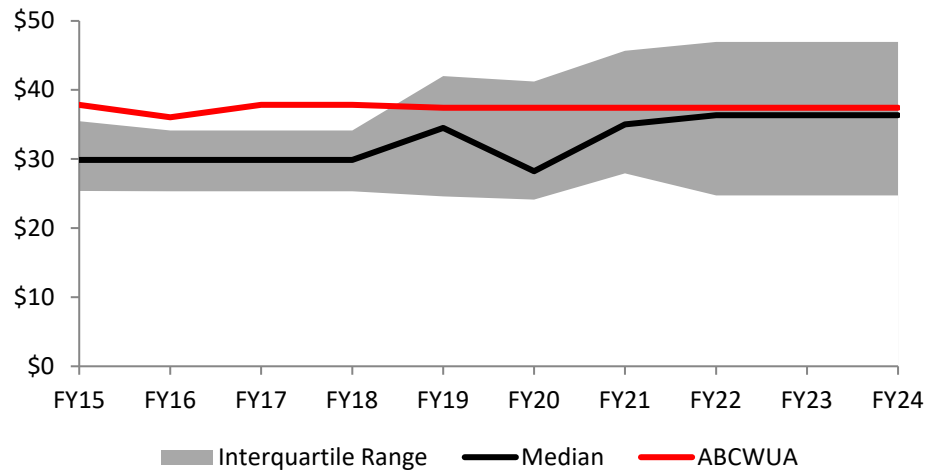
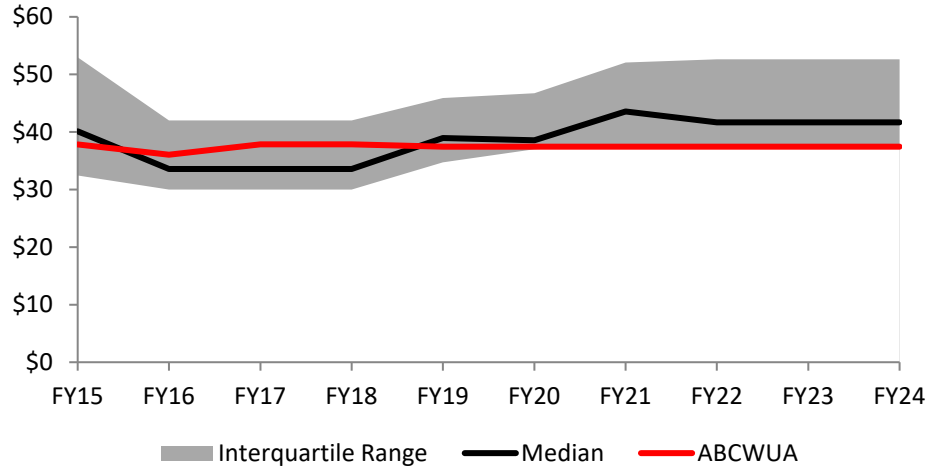
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$37.43	$37.43	$37.43	$37.43	$37.43	$41.92	Provide affordable water and legally justifiable rates to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

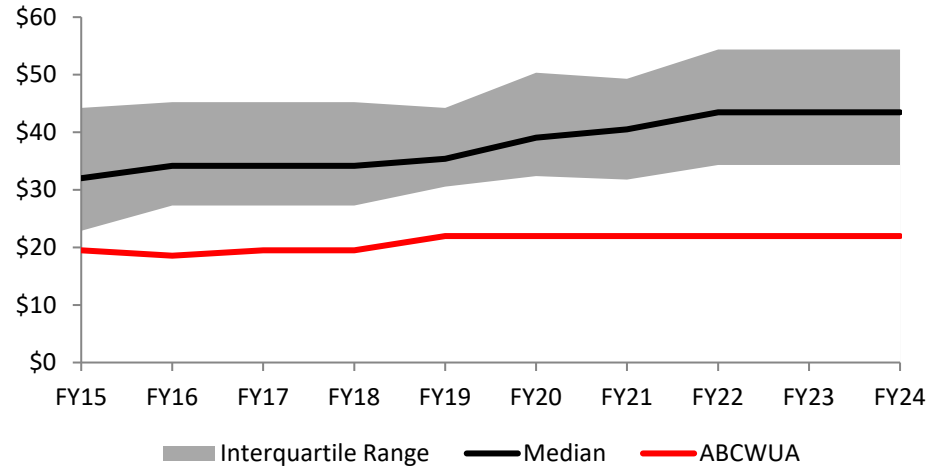
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Average Residential Sewer Service)

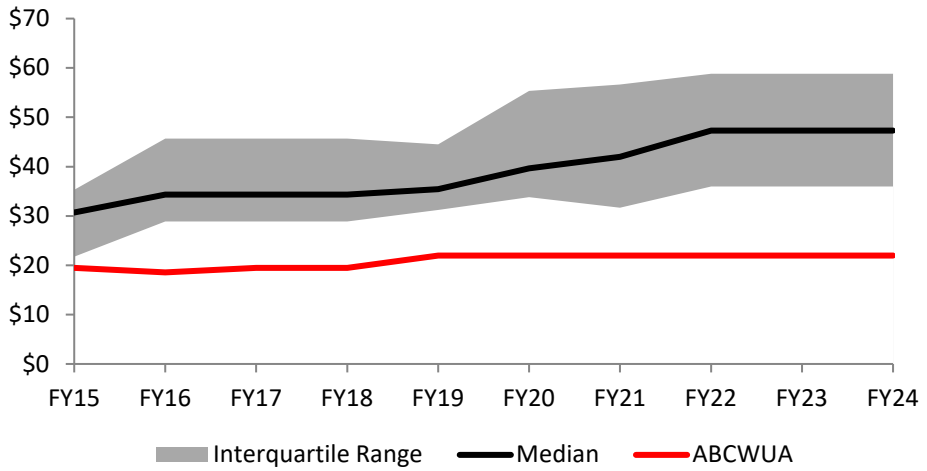
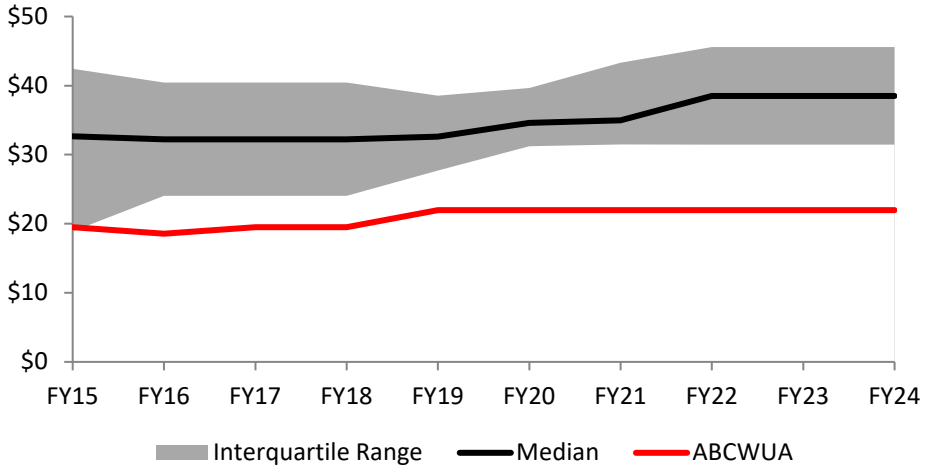
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$21.97	$21.97	$21.97	$21.97	$21.97	$24.60	Provide affordable water and legally justifiable rates to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

This measure shows average residential water bill amount for one month of service for water and wastewater. The data provided is based on a bill amount for a typical residential customer served water through a 3/4 × 5/8-inch meter. Because each utility is unique, this measure is quite complex. In some places, rates may be artificially low or high to achieve non-utility objectives. In others, utilities may have rates controlled by public utility commissions.

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years for average residential water service, and below the median range for the past three fiscal years for average residential sewer service.

The FY12 rate ordinance added a 200% tier to the extra use surcharge to promote conservation and increased the Low Use Water Discount from 20% to 30%. A 5% rate revenue increase was implemented in FY12, FY14, FY15, FY16, and FY18. The FY15 rate adjustment was on exclusively on the fixed rate to meet infrastructure renewal needs. The rate increases are a component of implementing the Finance Plan by incrementally increasing more capital funds to take care of increasing infrastructure needs.

The Water Authority completed a rate evaluation in FY21 and proposed no rate adjustment for FY22. The rate structure continues to balance conservation with rate stability and revenue sufficiency by moving more revenue recovery from the base charge than in previous years.

A 5% rate revenue increase was implemented in FY23. During FY23, a water/wastewater rate cost of service study was conducted; the study also included an affordability study. There was no rate adjustment for FY24.

In FY25, a rate revenue increase of 12% is proposed.

2022 Customer Opinion Survey

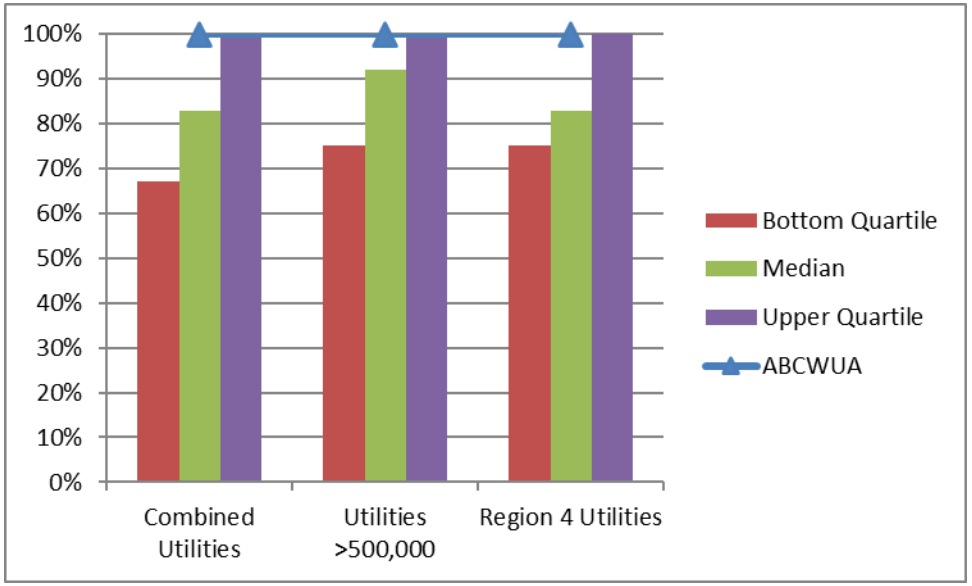
- 88% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid
- 77% of customers either strongly or somewhat agree that because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives
- 59% of customers either strongly or somewhat agree that water rates should be increased to cover the cost of providing a reliable water supply for future generations

3-6 Stakeholder Outreach Index

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the utility's stakeholder outreach activities	Self-assessment based on Stakeholder Outreach Checklist	Baseline	Prior Year Actuals			Current /Est	Projected	Assess the utility's outreach efforts with its stakeholders
				FY21	FY22	FY23	FY24	FY25	
			100%	100%	100%	100%	100%	100%	

Industry Benchmarks



Generally, higher values are desirable

Results Narrative

This indicator provides a measure of a utility's stakeholder outreach activities. It is calculated based on self-assigned points the various categories in the Stakeholder Outreach Checklist. The value assigned to each statement is based on evidence that existed during the reporting period to support the statement, as reviewed, and rated by senior utility management. Total scores can range from 0 to 12 and are presented as a percentage of the maximum possible score of 12.

Measurement Status

In FY22, the Water Authority conducted a customer opinion survey to assess the Water Authority's performance from the customer's viewpoint from previous surveys. This was the ninth customer opinion survey conducted since the first survey in 2006 which allowed the Water Authority view trends of customer's opinions. The results of the 2022 survey have been incorporated into the Performance Plan as many questions or statements are connected to the benchmarks in the Performance Plan. A customer opinion survey will next be conducted in FY24.

In last ten fiscal years, the Water Authority has conducted quarterly customer meetings called Customer Conversations to engage its customers through topic forums. The Technical Customer Advisory Committee (TCAC) host each meeting and TCAC members attend these meetings to observe the process and listen to customers' discussions and comments. The purpose of these forums is to engage customers through interactive activities to allow customers to discuss issues with fellow customers and provide meaningful feedback to the utility. The feedback is very helpful in creating or amending programs, policies, or projects.

In 2016, the Water Authority received the Water Environment Federation's **Public Communication and Outreach Award**. In 2017, the utility received the National Association of Clean Water Agencies' **Public Information and Education Award**. These awards recognize the scope and achievements of the Water Authority's education program. The primary goal of the education program is to inform and inspire students (and the parents they in turn help educate) to conserve water and protect our limited water resources. The program has contributed to the tremendous progress Albuquerque has made in decreasing its per capita water use. By helping the community save 300 billion gallons of water, the Water Authority's education program – with its puppet shows, classroom activities, field trips, and wastewater plant tours – has played a critical role in supporting the overall mission of the Water Authority.

Goal 4
Business Planning & Management

Guiding Goal Statement

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

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
4-1	Debt Ratio		
4-2	Return on Assets		
4-3	System Renewal / Replacement Rate (Water)		
4-3	System Renewal / Replacement Rate (Wastewater)		
4-4	Triple Bottom Line Index		
	Overall Goal Status		

Performance Key

Excellent | Good | Fair | Poor

Linkage of Objectives to Performance Measures

FY25 Objectives	Measure Reference
Implement at least one planned Interceptor Rehabilitation project in FY25, and complete at least one interceptor design package by the 4th Quarter of FY25; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY25.	**4-3**
Seek to increase renewable/green energy generation at Water Authority facilities. Provide updates on plan and project progress, and report power generation over time by the end of the 4th Quarter of FY25. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester gas-fueled cogeneration by the end of the 4th Quarter of FY25 and report progress quarterly.	**4-3**
Continue to develop LabVantage ("laboratory information management system") throughout FY25 to maximize the automation of data entry to reduce data entry errors and increase the use of electronic data deliverables (EDD) through the end of the 4th Quarter of FY25. Provide quarterly update on the LabVantage Upgrade through the end of the 4th quarter of FY25.	**4-4**
Implementation of the Revised Lead and Copper rule. Continue the initial service line inventory, publish inventory online, create a lead service line replacement plan, submit the inventory and the replacement plan to NMED Drinking Water Bureau (DWB) by October 16, 2024. Resume testing and implementation of customer survey of household premise plumbing material. Began outreach to all elementary schools and childcare facilities regarding new monitoring requirements and follow up with sample plan templates. Initiate lead sampling at elementary schools and schools and childcare facilities.	**4-4**
Prepare for Per-and Polyfluoroalkyl Substances (PFAS) regulation by conducting baseline sampling at active wells, the surface water intake, and distribution entry points by the end of the 4th Quarter of FY25. This will help identify trends and/or impacts to the water supply.	**4-4**
Finalize the Utility Development Guide to clarify the development process for users by the end of the 4th Quarter of FY25 including workshops and outreach to the development community.	**NA**
Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated target(s) by the end of the 4th Quarter of FY25. ❖ Corrective Maintenance to Preventative Maintenance Ratio, Target greater than 80% ❖ Asset Registry Information Accuracy/Number of Assets without Life Cycle Status, Target less than 10% ❖ Assets Inventory Accuracy, Target greater than 95% ❖ Work Orders without Assets, Target less than 10% ❖ Work Order Aging, Target greater than 90% of Work Orders Closed within 180 calendar days	**NA**
To improve decision making with available data transition existing Strategic Asset Management Plan (SAMP), Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY25. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).	**NA**

FY25 Objectives	Measure Reference
Review and update the Water Authority's Vulnerability Assessment (VA). Originally completed in 2018, the certification was submitted to the EPA in 2020. This assessment and certification are mandated to be revised and submitted to the EPA every 5 years. A consulting group will prepare a draft scope of work to evaluate the existing VA, commencing in the 1st Quarter of FY25. The assessment and certification process will conclude by the end of the 3rd Quarter of FY25.	**NA**
Continue promoting a Culture of Security in accordance with the AWWA G430 standard within the Water Authority, by developing policies and procedures that include strategies for internal communication and trainings on security-related topics. Track and measure metrics quarterly throughout FY25 that are directly related to National Infrastructure Protection Plan Water Sector-Specific Plan and America's Infrastructure Act.	**NA**
Complete the annual update and review of the Comprehensive Information Technology Security Plan and related policies that are aligned with the standards, guidelines, and best practices of the National Institute of Standards and Technology (NIST) Cybersecurity Framework by the end of the 4th Quarter of FY25. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the Water Authority's Supervisory Control and Data Acquisition (SCADA) systems. Complete Annual Penetration (PEN) test and remediate any critical items that pose an imminent threat. Automate and implement a secure zero-trust model to proactively detect and remediate indicators of compromise to minimize the impact to the Water Authority.	**NA**
Continue implementation of the SCADA System Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th quarter of FY25.	**NA**
Upgrade and patch all enterprise applications to add required upgrades and enhancements, mitigate potential cybersecurity vulnerabilities, continue daily support, leverage functionality enhancements to improve business processes and capture and use data intelligently and create efficiencies through the end of the 4th Quarter of FY25. Major Projects include: • Upgrade the Customer care and billing (CC&B) application. Expected completion during 1st Quarter of FY26. • Utility Network upgrade to begin FY25 with completion targeted for FY26. • SCADA Master Program related projects. • Replace ITD ITSM Tool for Service Desk Functionality. Expected completion during FY25. • Cloud/SAAS Migrations for targeted workloads.	**NA**
Evaluate the current Water Authority Budget Ordinance and Water and Wastewater Rate Ordinance. Recommend updates and revisions to the ordinances in accordance with Government Finance Officers Association (GFOA) Best Practices and New Mexico State Statute requirements by the end of the 4th Quarter of FY25.	**NA**
Update and document all financial policies and procedures in accordance with GFOA Best Practices and internal audit recommendations by the end of the 4th Quarter of FY25.	**NA**
Assess and strategize processes to help reduce fuel over-consumption to minimize the operating cost of Water Authority vehicles. Collaborate with department heads to develop a strategic plan to minimize fuel consumption by the end of the 4th Quarter of FY25.	**NA**

Performance Measure Division Responsibility

Ref #	Performance Measure	Finance	Operations Water Resources, Engineering & Planning
4-1	Debt Ratio	✓	
4-2	Return on Assets	✓	
4-3	System Renewal / Replacement Rate (Water)	✓	✓
4-3	System Renewal / Replacement Rate (Wastewater)	✓	✓
4-4	Triple Bottom Line Index		✓

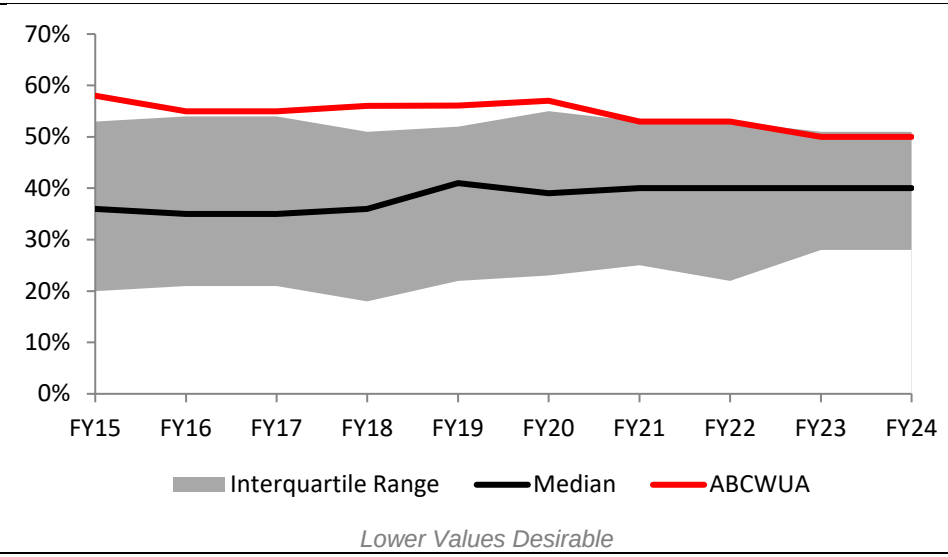
4-1 Debt Ratio

Performance Results

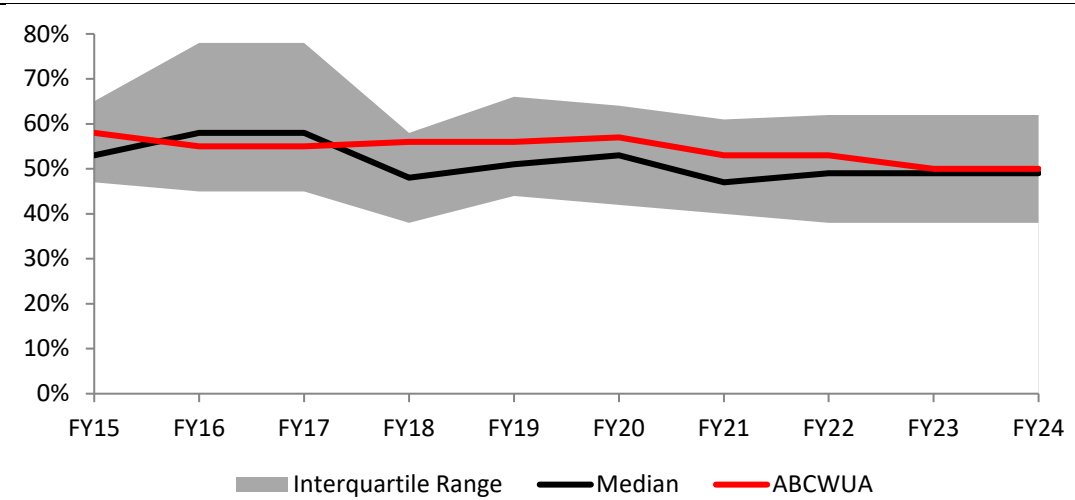
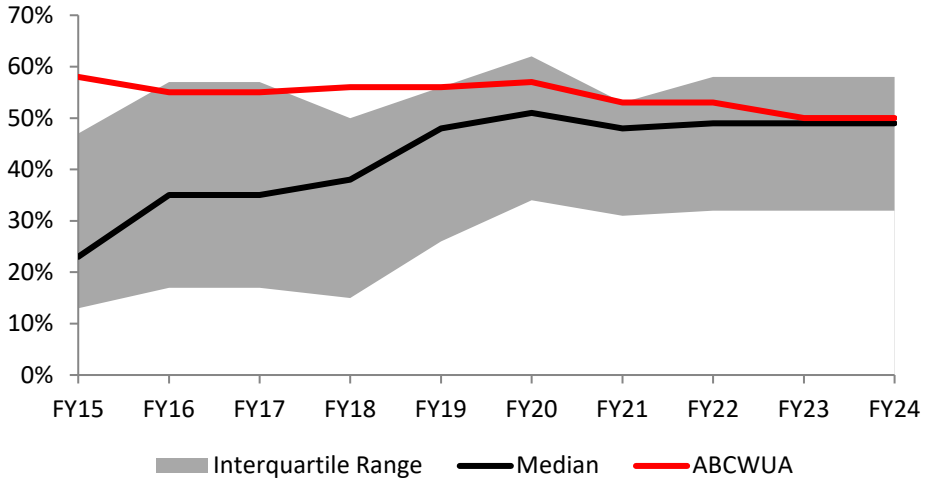
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	52%	53%	53%	50%	50%	50%	Maintain low debt burden and communicate fiscally responsible to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

The higher the calculated debt ratio, the more dependent the utility is on debt financing. Many utilities use this measure as an internal measure of performance. Debt equity ratio is an important measure because a high debt burden brings larger costs for interest and capital repayments.

Measurement Status

The Water Authority's performance in this measure has been below or at the median range for the past three fiscal years.

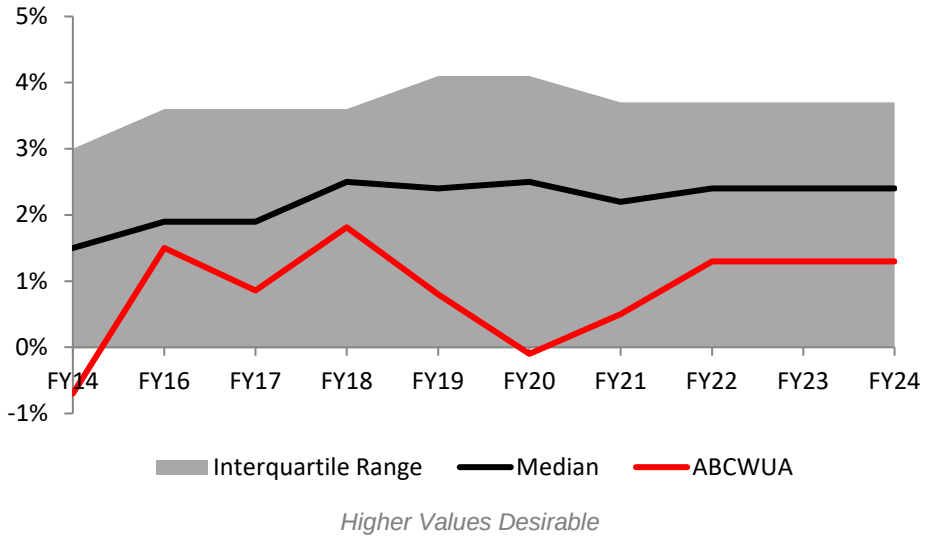
The Water Authority had borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $579.5 million in outstanding debt which is primarily attributed to carrying out the Water Resources Management Strategy projects, including the San Juan Chama Drinking Water Project. In addition, the Water Authority has secured its water supply for the long term compared to most utilities which must invest a significant amount of capital in securing a water supply. The Water Authority has never managed for a high rating from the three rating agencies. The cost of the new facilities, rehabilitation of existing facilities and asset management plan implementation will continue to require significant capital financing. The only way to improve this category would be to not invest in the required capital improvements and/or have significant rate increases to improve cash on hand. The long-term outlook for the Water Authority is above its peers given the capital investments which will be made and the rapid retirement of debt. The Water Authority has a bond rating of AA+ by Fitch, Aa2 by Moody's and AA+ by Standard and Poor's.

4-2 Return on Assets

Performance Results

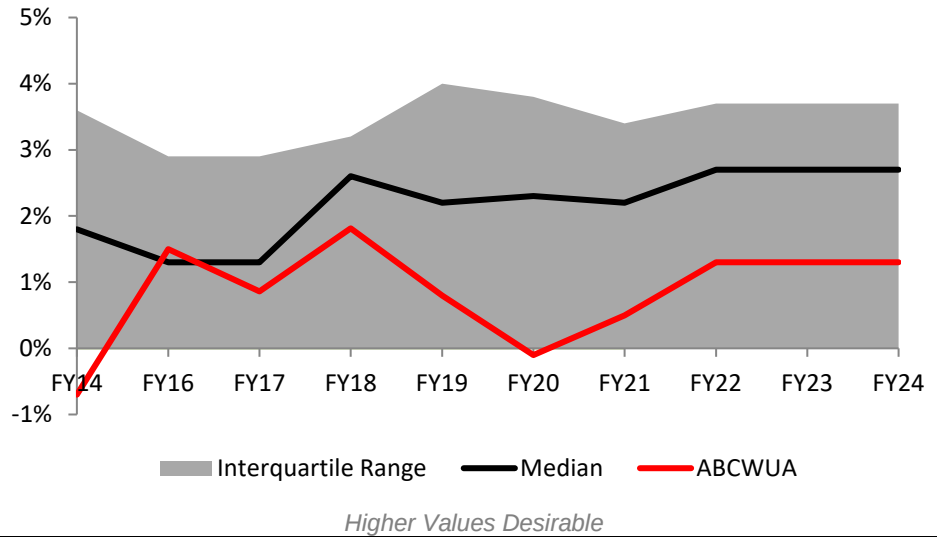
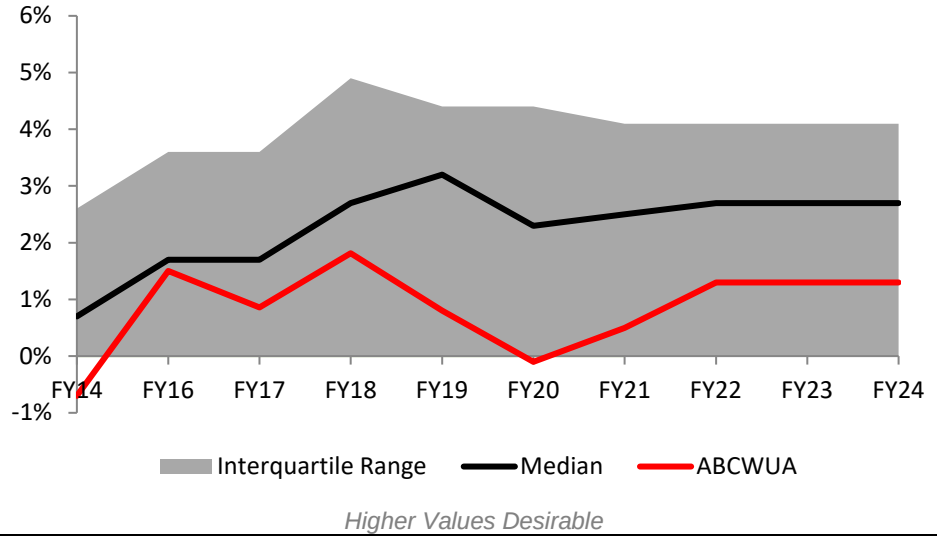
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	1.0%	0.5%	1.3%	1.3%	1.3%	1.4%	Improve the financial health of the Water Authority

Combined Water/ Wastewater Utilities



Higher Values Desirable

Industry Benchmarks

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

The return on assets ratio measures how well a utility's management team is doing its job. A comparison of net income and average total assets, the return on assets ratio reveals how much income management has been able to squeeze from each dollar's worth of a utility's assets. All utilities are interested in their financial health and are particularly sensitive to this measure, seeking higher ratios where possible.

Measurement Status

The Water Authority's performance in this measure is within the median range for the last three fiscal years. The San Juan Chama Drinking Water Project has had a major impact on depreciation and interest expenses. The Water Authority has developed and implemented a long-term financial plan which anticipates revenue needs and allows for financial stability, ongoing system improvements and rate stability for customers. It has also ensured conservative financial policies, including a 12-year financing on basic capital with 50% cash. In addition, $40 million must be invested in system rehabilitation and replacement. The utility has also established rate reserve fund to mitigate revenue fluctuations ($9 million).

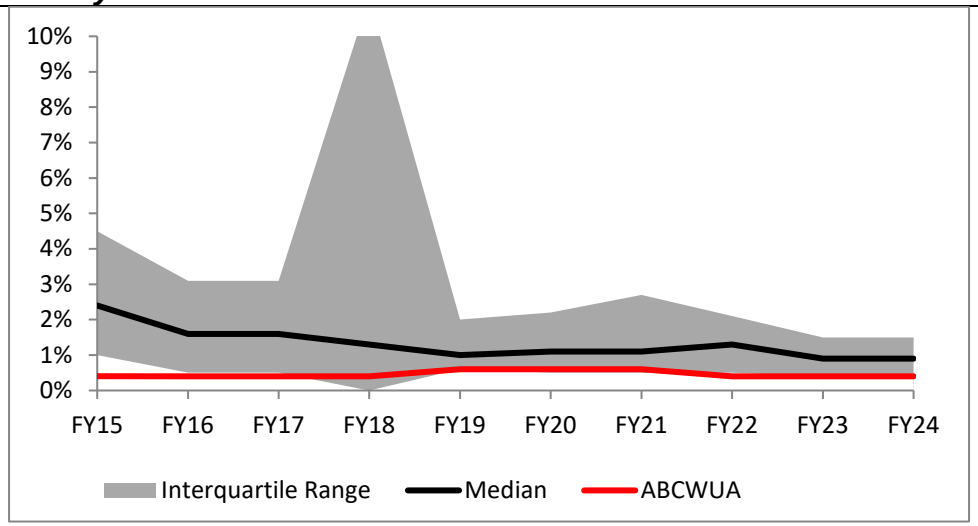
4-3 System Renewal / Replacement Rate

Performance Results (Water Pipeline & Distribution)

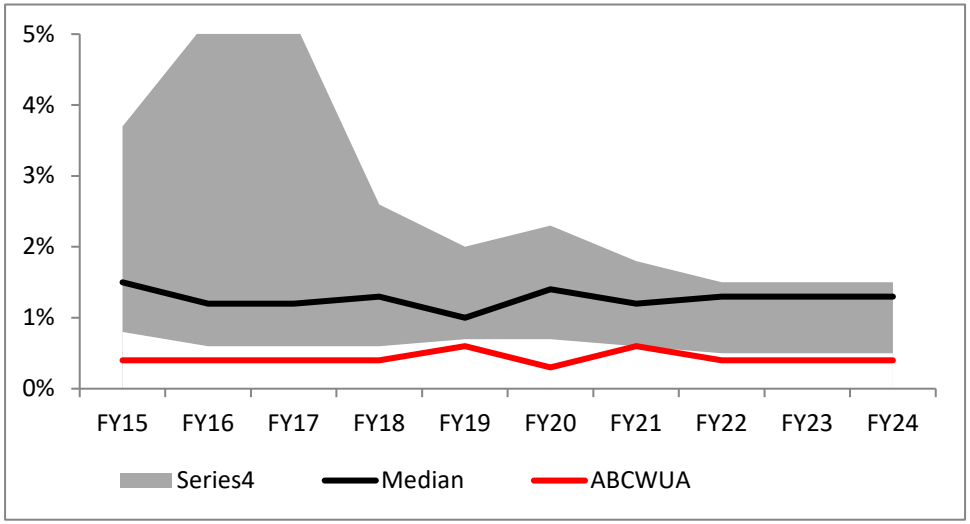
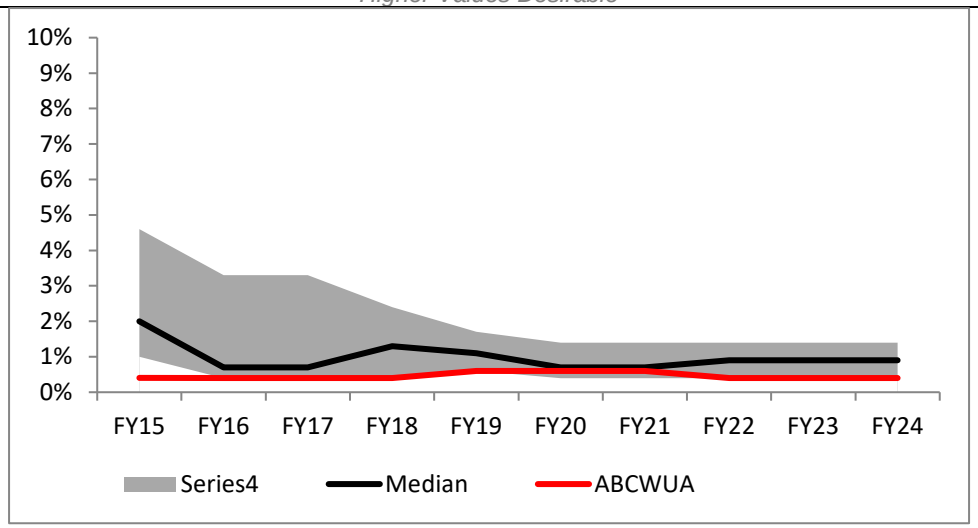
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.5%	0.6%	0.4%	0.4%	0.4%	0.5%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

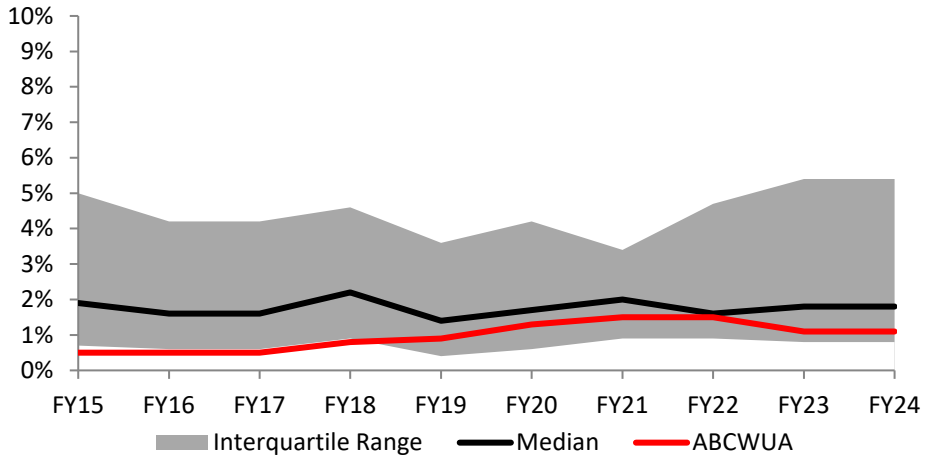
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Water Facility & Pumping)

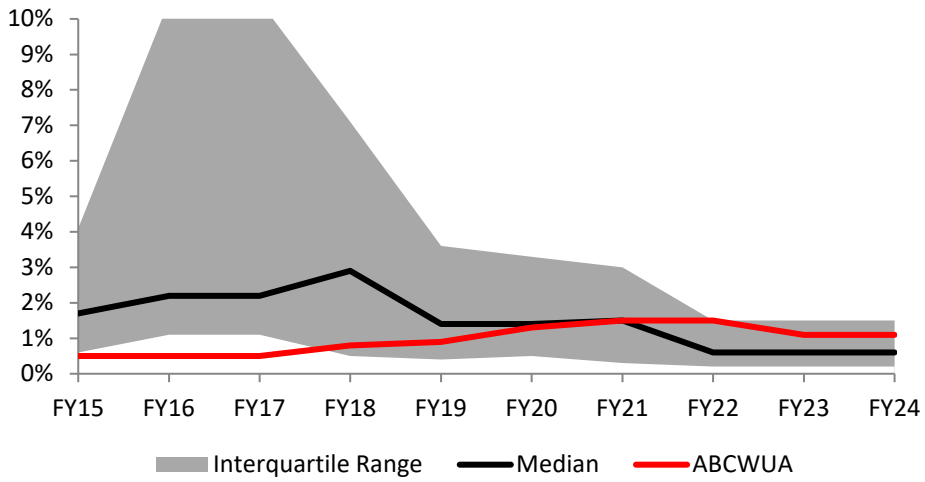
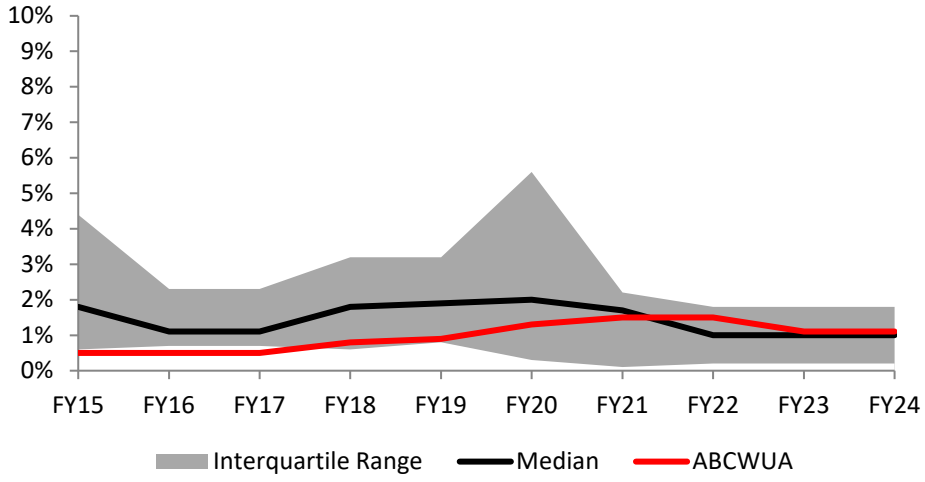
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.4%	1.5%	1.5%	1.1%	1.1%	1.2%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

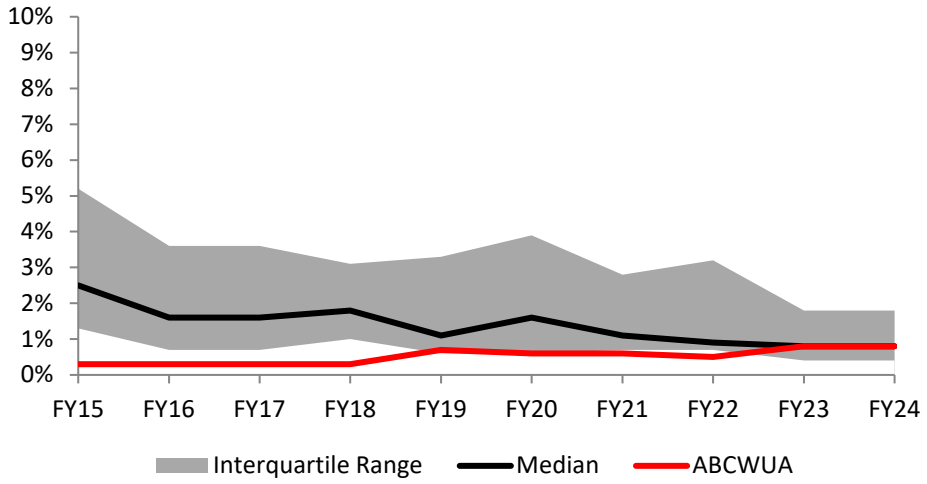
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Pipeline & Collection)

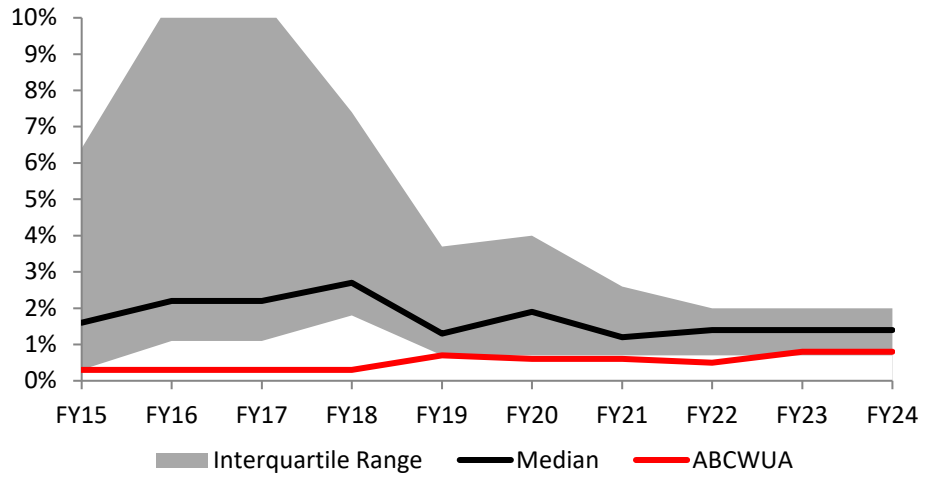
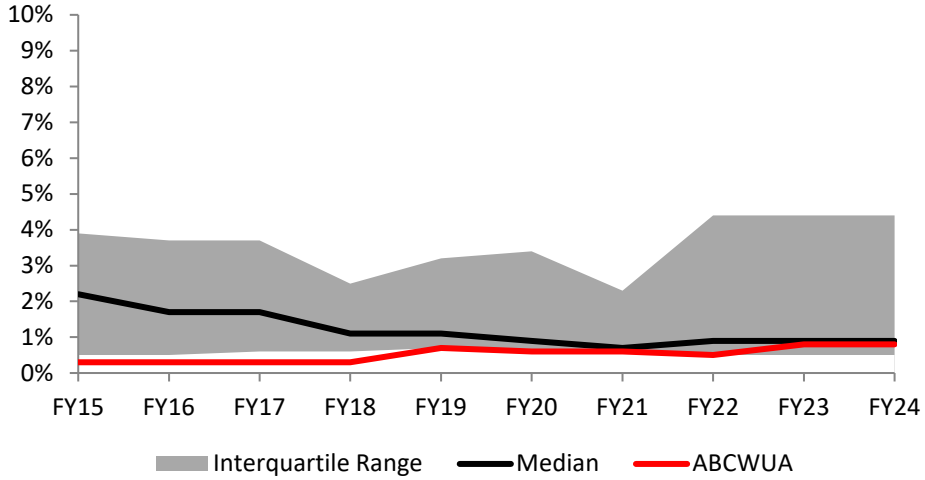
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.6%	0.6%	0.5%	0.8%	0.8%	0.9%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

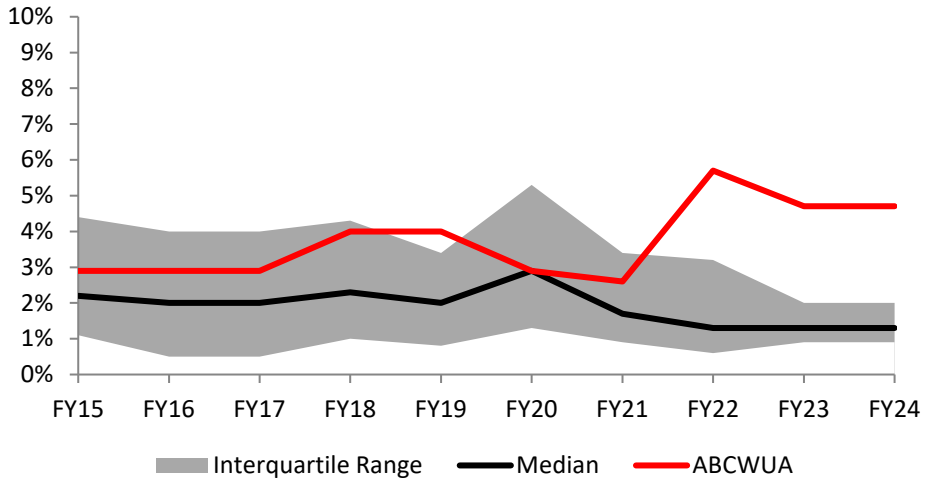
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Facility & Pumping)

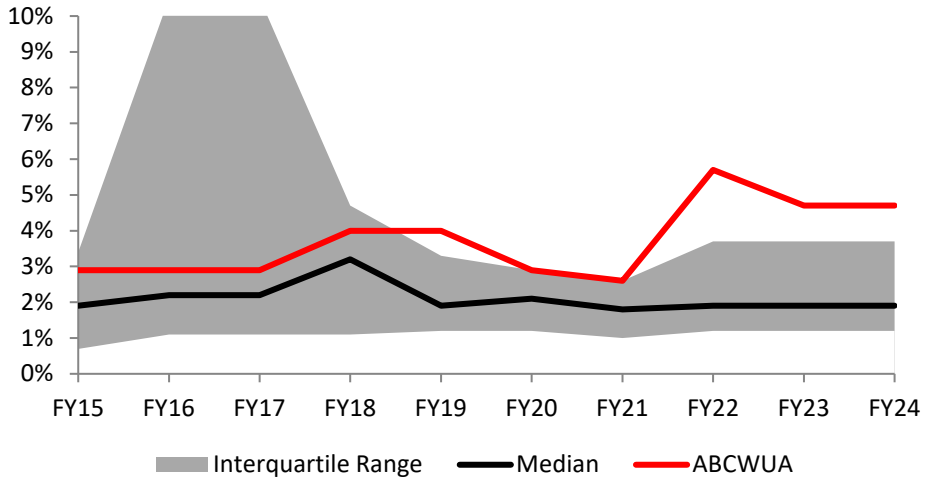
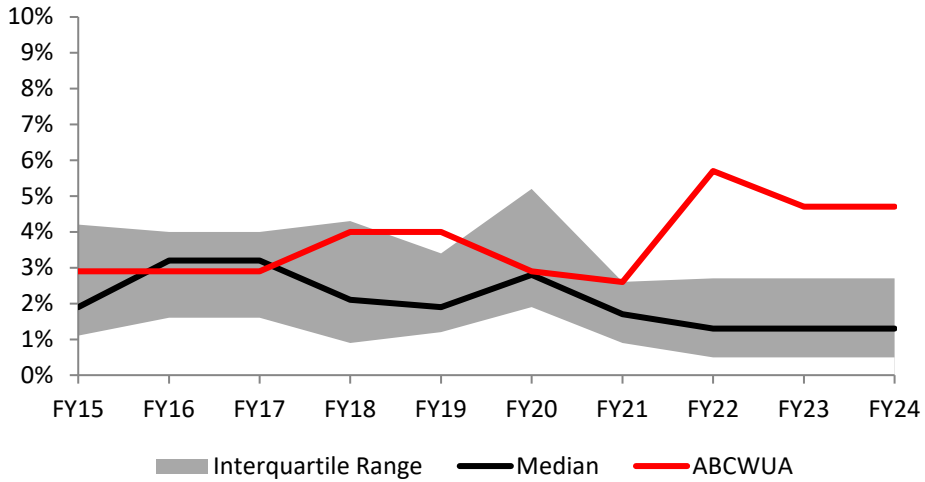
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	3.7%	2.6%	5.7%	4.7%	4.7%	4.8%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

This measure quantifies the degree to which a water or wastewater utility is replacing its infrastructure based on target lives for both water and wastewater asset groups. Data for these asset groups are provided in four categories:

1. Water pipeline/distribution
2. Water treatment facility and pumping
3. Wastewater pipelines and collection
4. Wastewater treatment facility and pumping

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years in three of the four asset groups. The wastewater treatment performance is within or above the median range because of the significant replacement and rehabilitation program at the wastewater treatment plant. Since FY07, the Water Authority increased its capital program spending from $30 million per year to $70 million per year, including significant increases in planned rehabilitation spending from $22 million to $58 million. Since FY15, the utility has added $3 million each year cumulatively. In FY25, the proposed capital budget is $108.8 million.

In FY08, the Water Authority formally established its asset management program to prolong asset life, improve decisions about asset rehabilitation, repair, and replacement, and meet customer expectations with a focus on system sustainability and reliability. The program is an extensive, well thought out 'Business Model' that helps the Water Authority make better acquisition, operations and maintenance, renewal, and replacement decisions. In FY11, the Water Authority completed an Asset Management Plan (AMP) as a part of its asset management program. The AMP provides a 30-year projection that allows the Water Authority to budget for renewals and replacements into the future. In addition, the Water Authority upgraded its work order system in FY18 in a manner that supports asset management business objectives. Moreover, the Water Authority has incorporated asset management principles and management of risk into ten-year Capital Improvement Plan. In 2019, the utility created a strategic asset management planning section to assist in providing optimal service, stewardship, and decision making and to reduce operational risk and to improve the Level of Service for Water Authority customers.

2022 Customer Opinion Survey

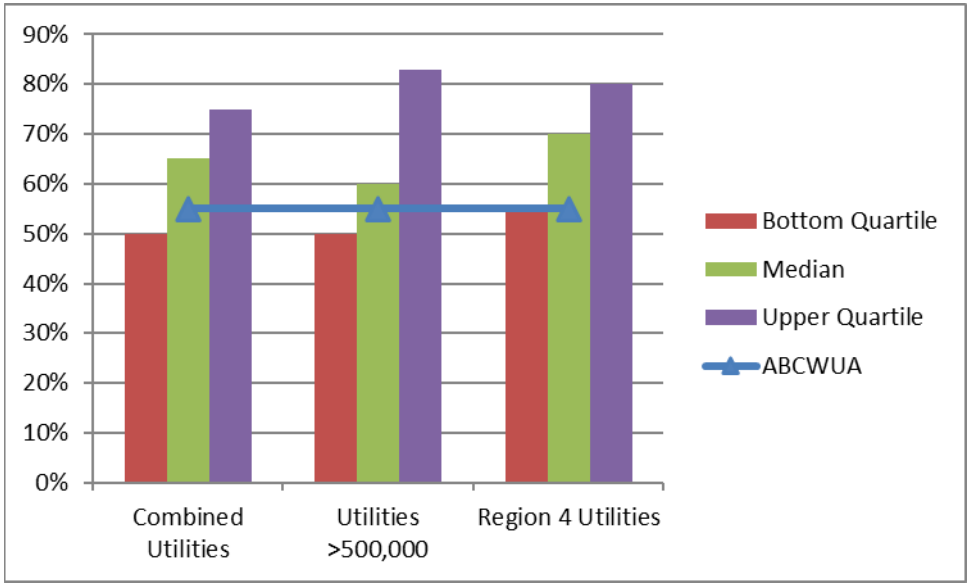
- 85% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

4-4 Triple Bottom Line Index

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the utility's sustainability efforts	Self-assessment based on Triple-Bottom-Line Checklist	55%	55%	55%	55%	55%	57%	Assess the utility's sustainability efforts

Industry Benchmarks



Generally, higher values are desirable

Results Narrative

This indicator provides a measure of a utility's sustainability efforts. It is calculated based on self-assessed points assigned in the various categories in the Triple-Bottom-Line (TBL) Checklist. The TBL framework represents a balanced view of environmental, social, and economic considerations. The value assigned to each statement is based on evidence that existed during the reporting period to support the statement, as reviewed and rated by senior utility management. Cumulative scores can range from 0 to 20 and are presented as percentages (total score / 20 × 100%).

Measurement Status

The Triple-Bottom-Line Index is included by AWWA in their benchmarking survey. The Water Authority has been measuring this Index for since FY14. It will continue to track these indicators and benchmark with industry peers and determine targets for its sustainability programs.

The Water Authority received the **2018 Exemplary Source Water Protection Award**. The AWWA distinguished the Water Authority from its peers for its innovative approach for protecting its source waters and the conjunctive management of its water resources to ensure long-term safety and resiliency of our water supply. Source water protection activities highlighted by the AWWA in its selection included the Water Authority's low-income credit program, the monitoring and mapping of potential and know groundwater contamination in the service area, and the comprehensive water planning efforts. The Water Authority also updated its source water protection plan.

In 2020, the Water Authority received the **National Association of Clean Water Agencies Environmental Achievement Award for Watershed Collaboration**. The Water Authority was recognized for its work in watershed stewardship, source water protection, community partnership and engagement, and its education program.

In FY22, the Water Authority received **the U.S. Environmental Protection Agency (EPA) AQUARIUS Award for Excellence in Systems Partnerships.** The Water Authority was recognized for its efforts to bring water service to the Village of Carnuel.

Goal 5
Organizational Development

Guiding Goal Statement

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.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
5-1	Employee Health and Safety Severity Rate	■	■
5-2	Training Hours per Employee	▲	▲
5-3	Customer Accounts per Employee (Water)	▲	▲
5-3	Customer Accounts per Employee (Wastewater)	▲	▲
5-4	Employee Turnover	▲	▲
5-5	Retirement Eligibility	▲	▲
5-6	Organizational Best Practices Index	▲	▲
	Overall Goal Status	▲	▲

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY25 Objectives	Measure Reference
Consistent with the EUM self-assessment, track and measure the effectiveness of an onsite injury prevention program by utilizing a local ergonomic/physical therapy contractor to conduct field ergonomic assessments. The goal of these assessments is to mitigate workplace injuries and to reinforce correct body mechanics. Maintain the yearly injury hours goal of 2,500 hours or less to improve productivity and reliability of services provided by employees by the end of the 4th Quarter of FY25.	**5-1**
Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60% or greater overall completion rate by the end of the 4th Quarter of FY25. In collaboration with our Employee Assistance Program, increase mental health awareness through quarterly trainings and presentations. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY25.	**5-1**
Develop an awareness program to increase employee participation in annual physicals by 20% by the end of the 4th Quarter of FY25.	**5-1**
Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY25. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY25.	**5-4**
Consistent with the Water Research Foundation Utility Innovation Project, report the Water Authority's Innovation Program success stories through the end of the 4th Quarter of FY25 with a goal of at least 1 new innovation story each quarter.	**5-6**
Incorporate feedback from the pilot mentorship program to create a leadership development program that can be implemented Authority-wide. Complete a second mentor leadership program by the end of the 3rd Quarter of FY25.	**5-6**
Utilizing compensation data compiled by Rocky Mountain AWWA and other public entity sources, evaluate the data for union and non-union positions. This will include evaluating labor trends and market data to compare to Water Authority positions and develop compensation strategies base on the date by the end of the 4th Quarter of FY25.	**5-6**

Performance Measure Division Responsibility

Ref #	Performance Measure	Operations	Financial / Business Services	Human Resources
5-1	Employee Health and Safety Severity Rate			✓
5-2	Training Hours per Employee			✓
5-3	Customer Accounts per Employee (Water)	✓	✓	
5-3	Customer Accounts per Employee (Wastewater)	✓	✓	
5-4	Employee Turnover	✓		✓
5-5	Retirement Eligibility	✓		✓
5-6	Organizational Best Practices Index	✓	✓	✓

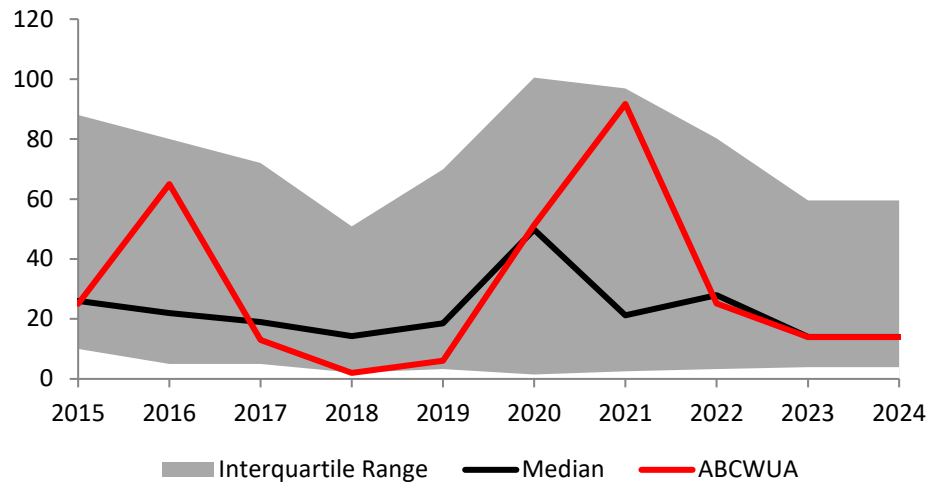
5-1 Employee Health and Safety Severity Rate

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2020	2021	2022	2023	2024	
Effectiveness	Quantify the rate of employee days lost from work due to illness or injury	Total workdays away from work and total hours worked by all employees	56	51	92	25	14	14	Improve employee health and safety to reduce total workdays from work

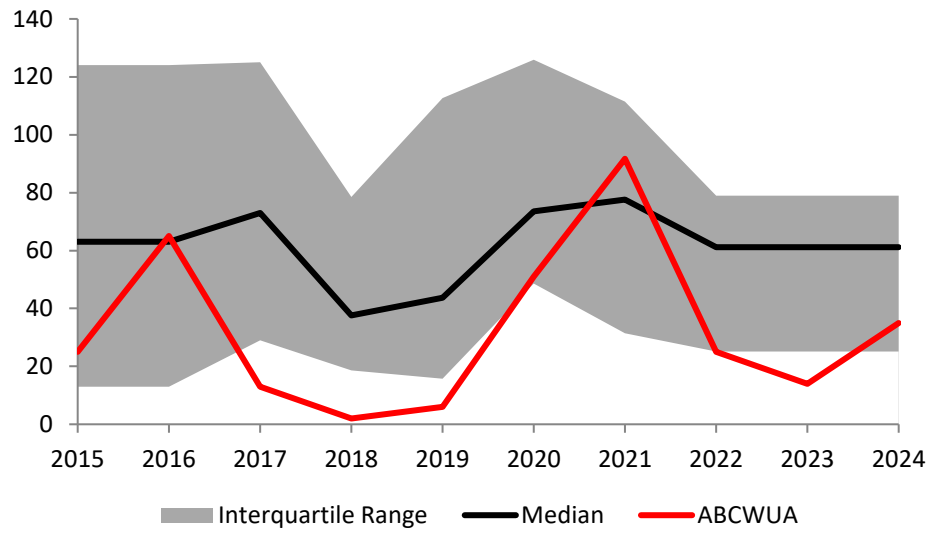
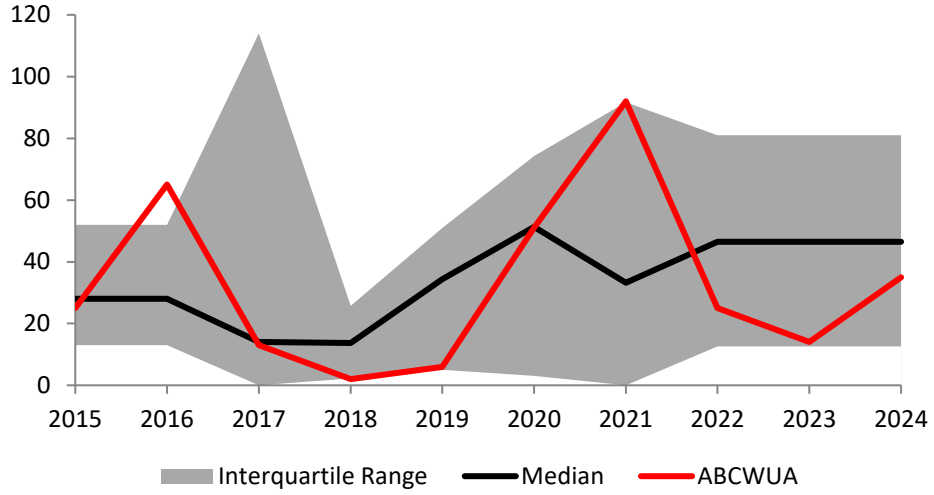
Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Val *ues*

Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

The Occupational Safety and Health Administration (OSHA) has established accident and illness recording and reporting requirements that affect most organizations. The OSHA standard is recommended because it has broad applicability, and most utilities are already recording the needed data. The OSHA lost-days measure quantifies the rate of days lost due to illness or injury per 100 employee-hours of work. It was selected as a good measure for water and wastewater utilities because it summarizes a very useful set of data that is readily available at most utilities.

Excessive lost workdays affect productivity and can cost utilities in several ways. Health care, insurance premiums, and overtime can all be adversely impacted by lost work due to injury or health reasons.

Measurement Status

The Water Authority's performance in this measure was below the median range when the Water Authority began measuring its performance in 2005. Since 2006, the Water Authority's performance in this measure has improved every year with a 100% decrease in injury hours over this time span. From past policy objectives, the Water Authority has developed safe work incentives and routine employee safety training. In addition, the Water Authority improved its Light Duty Program to get workers back to the job safely. This new process has provided a clearer understanding on what needs to take place when an injury occurs including the documentation, payroll coding and expectation and assignment of the employee. Starting in 2009, the Water Authority awarded its employees with a $300 incentive payment, taxes paid for meeting injury reduction goals. Overall, employees met the target goal 12 out of the 15 years.

The uptick in workdays away from work in FY20 through FY22 is related to the COVID-19 pandemic.

A policy objective for FY25 is to maintain the goal of injury hours at 2,500 hours or less to improve productivity and reliability of services provided by employees; the goal relates to the $300 per employee safety incentive program. Another FY25 Objective is to develop an awareness program to increase employee participation in annual physicals by 20%.

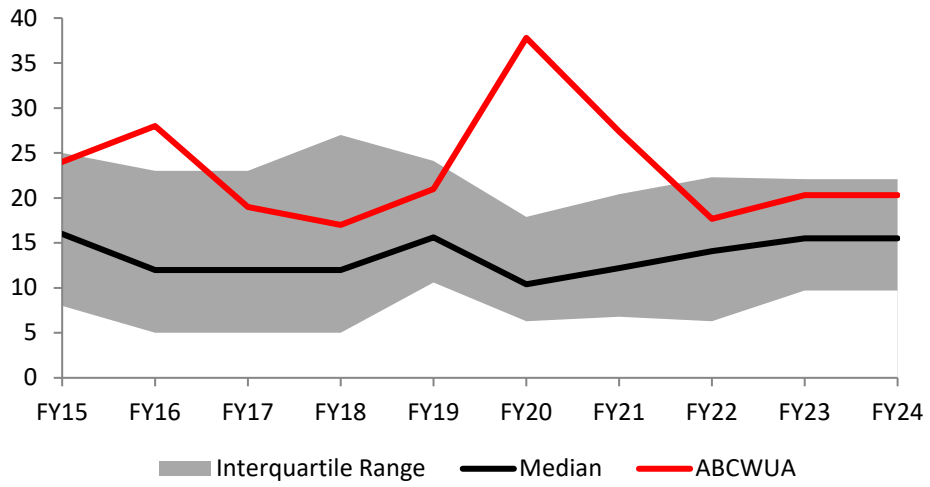
5-2 Training Hours per Employee

Performance Results

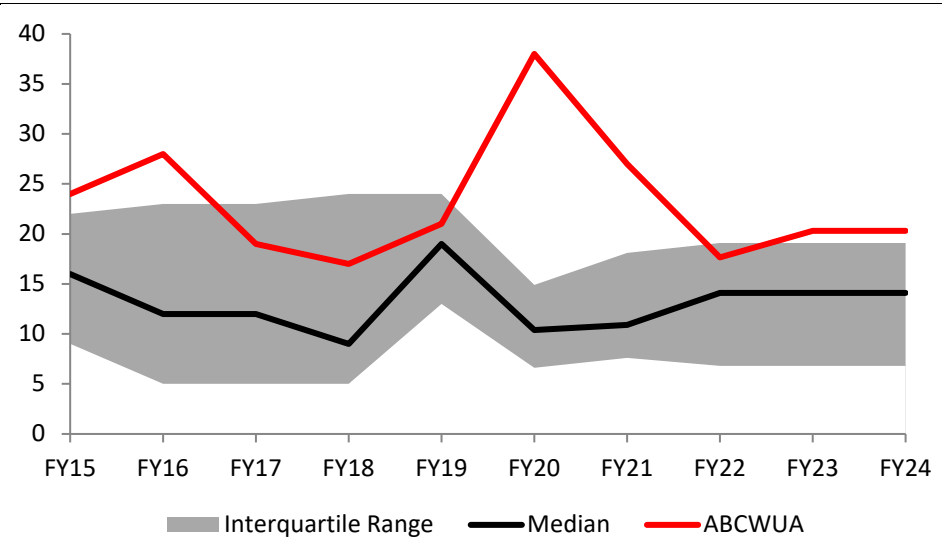
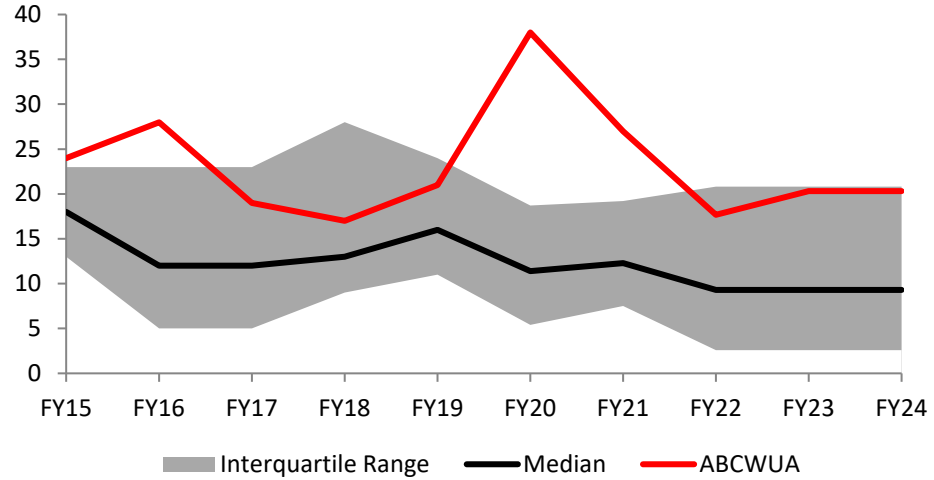
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the quantity of formal training completed by Water Authority employees	Number of formal training hours per employee per year	28	27	18	20	20	20	Improve employee knowledge and skills to maintain a motivated and effective works force

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

This measure is intended to reflect the organization's commitment to formal training as a means of improving employee knowledge and skills. It also does not address the effectiveness or efficiency of the training programs used by the utility.

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the past three fiscal years. The Water Authority adopted a policy objective in FY09 to increase certification training hours and by creating an organizational succession plan by implementing hiring, training and certification programs for mechanics, electricians and electronics technicians. The Water Authority has improved it performance in this measure since the implementation of these training programs. The utility has developed and implemented a training program for meter replacement technicians as well as the technicians maintaining the AMI program. The Water Authority continued to improve its performance in FY20 by implementing a new two-year mid-management certification training program that allows growth in the knowledge, skills and abilities for these employees and provide for better leadership and supervisor capabilities.

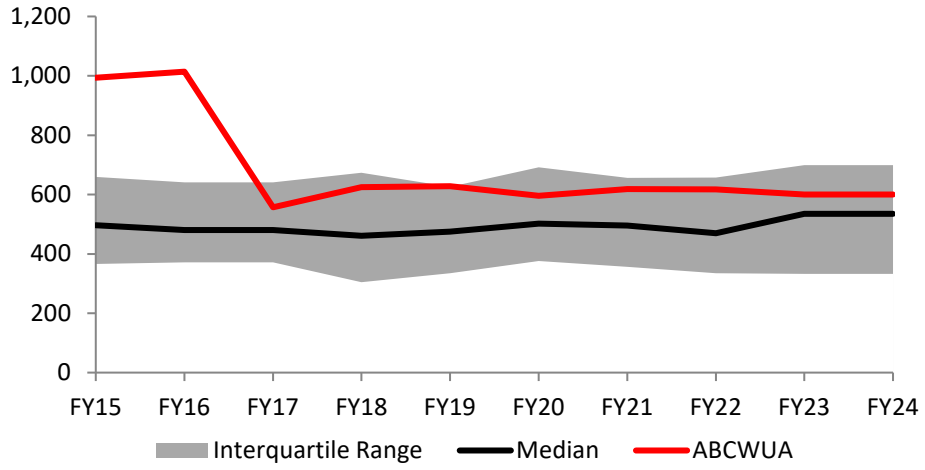
5-3 Customer Accounts per Employee

Performance Results (Customer Water Accounts per Employee)

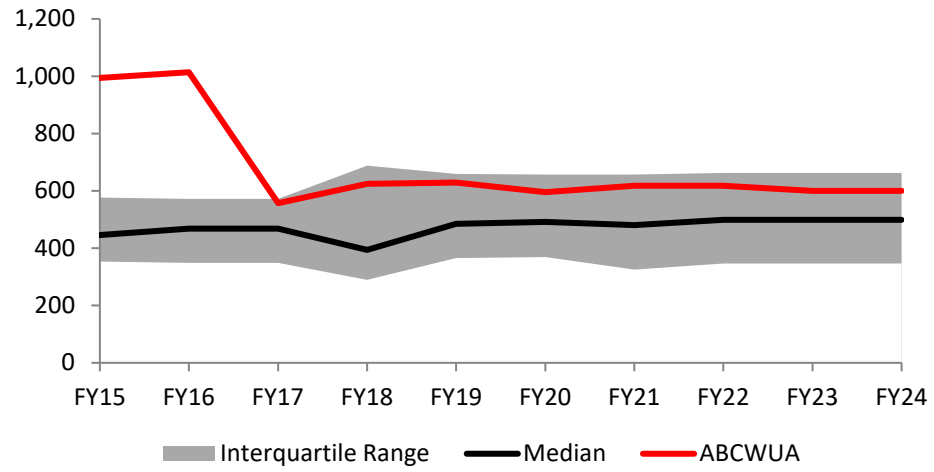
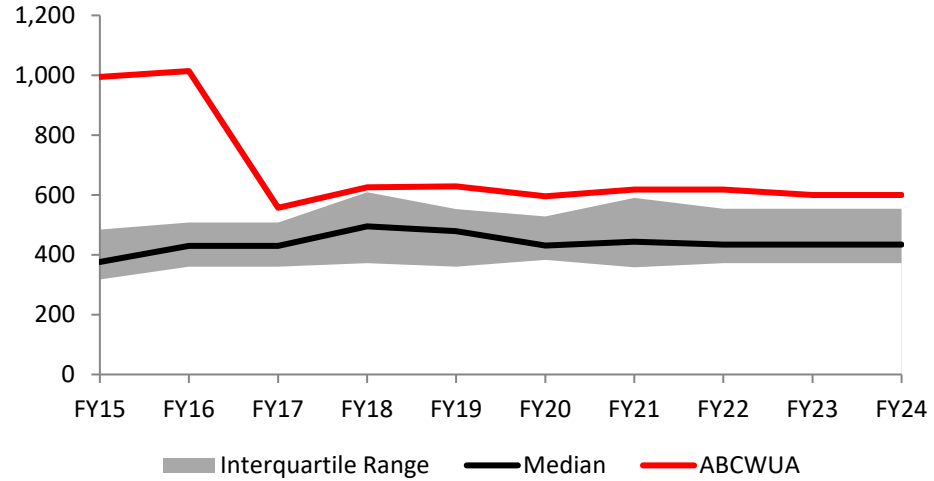
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	612	618	618	600	600	600	Provide efficient service to our customers to meet their expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

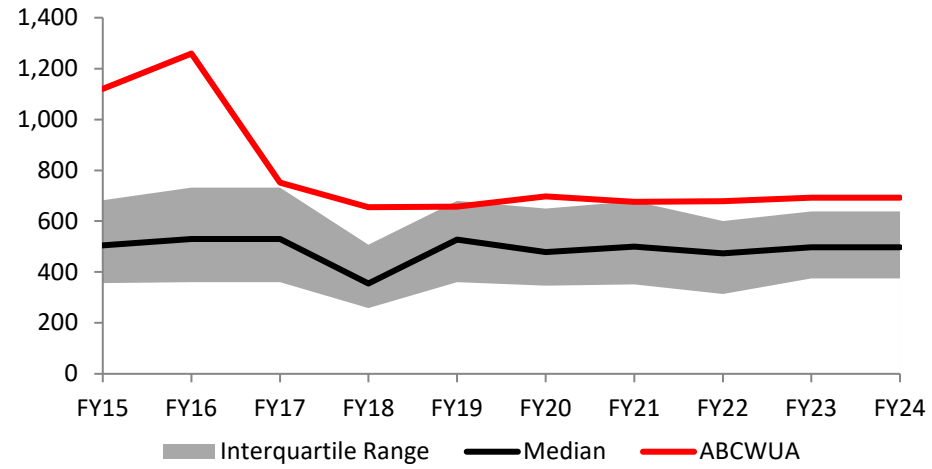
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Customer Wastewater Accounts per Employee)

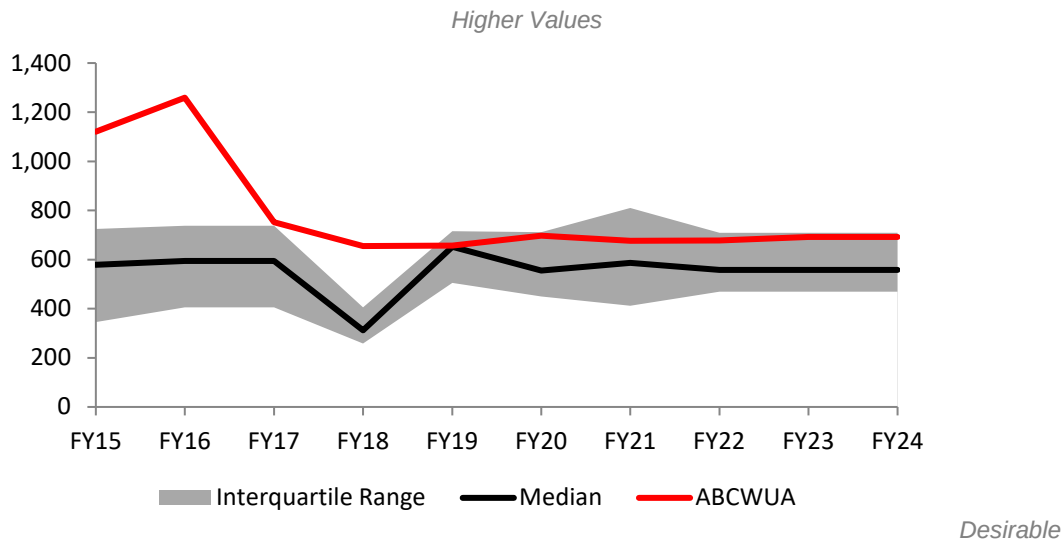
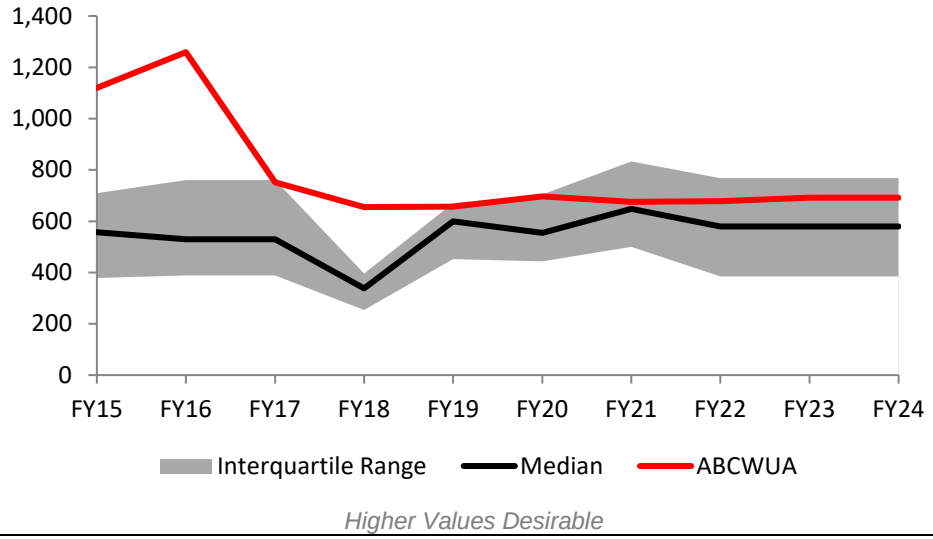
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	684	676	678	692	692	692	Provide efficient service to our customers to meet their expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	
Utilities located in Region 4	

Results Narrative
These measures measure employee efficiency expressed by water and wastewater accounts per employee.

Measurement Status
The Water Authority's performance in this measure has been within the top quartile for the past three fiscal years for water and wastewater accounts per employee. The utility anticipates no change in the metric for FY25.

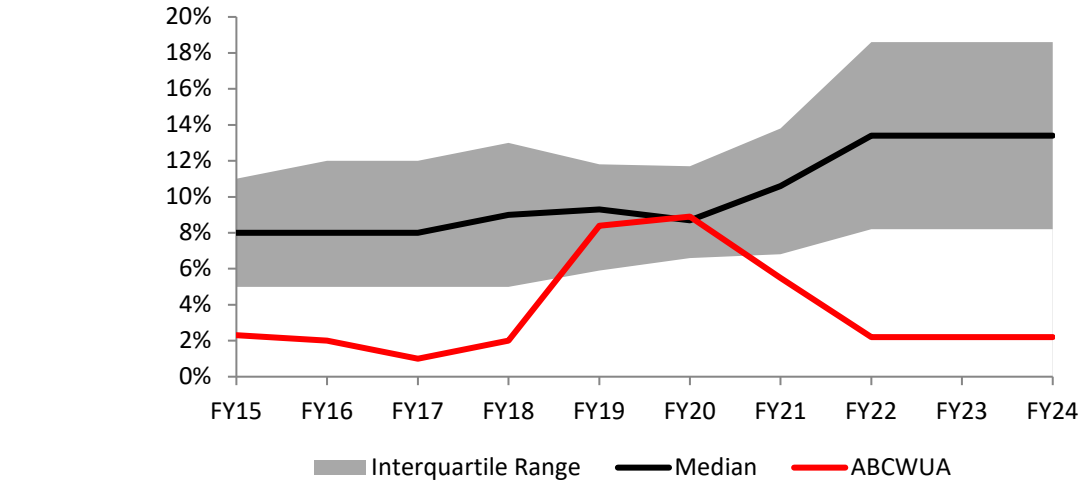
5-4 Employee Turnover

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Quantify the annual employee departures	Number of regular employee departures during the reporting period / Total number of FTEs	3.0%	6.0%	2.0%	2.0%	2.0%	2.0%	Determine staffing levels for operation needs and meeting service levels

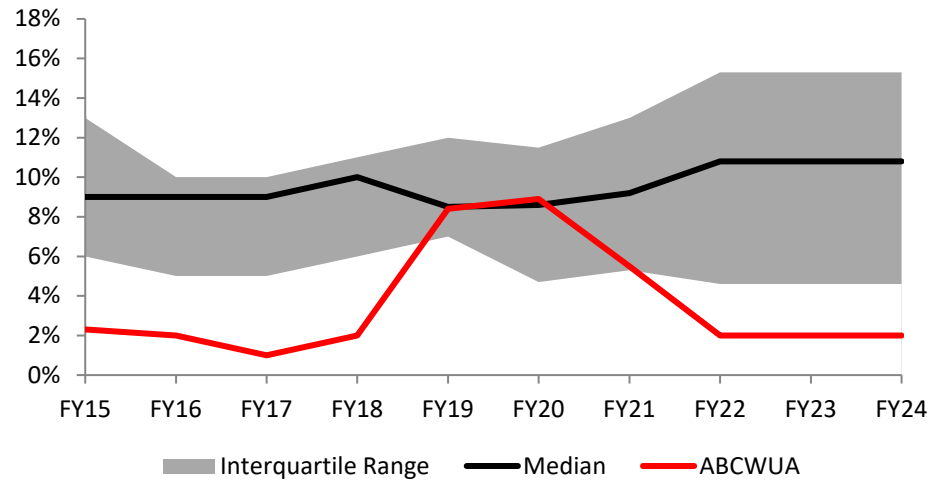
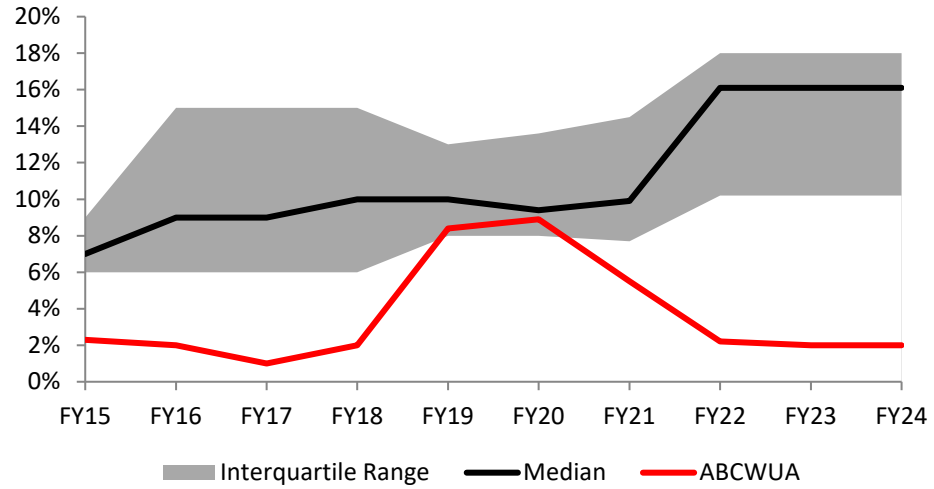
Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Value *s*

Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

This indicator quantifies annual employee departures normalized by the utility's workforce as Full-Time Equivalents (FTEs) per year. Regular employee departures include employees who leave voluntarily, retire, or are let go during the reporting period. Regular employees are those who worked more than 1,000 hours during the reporting period.

Measurement Status

The utility's performance is above the median range. The utility will continue to track this metric to determine staffing levels for operation needs and meeting service levels.

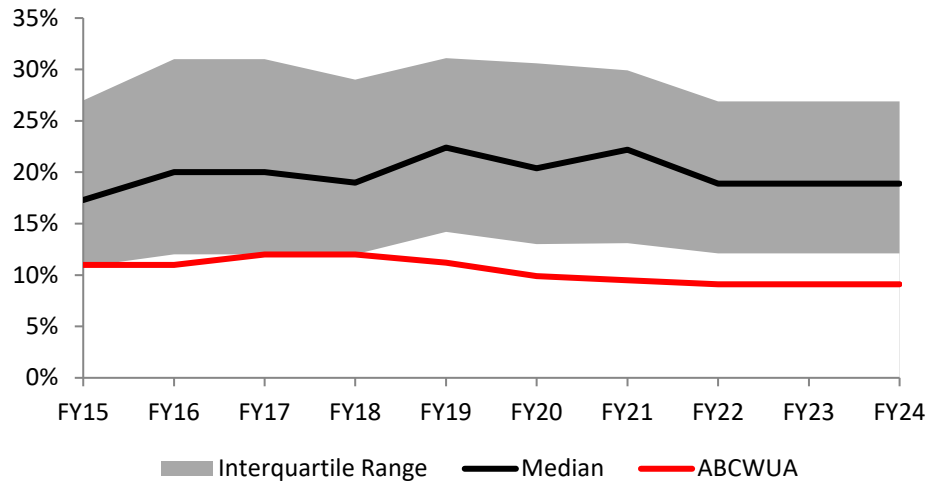
5-5 Retirement Eligibility

Performance Results

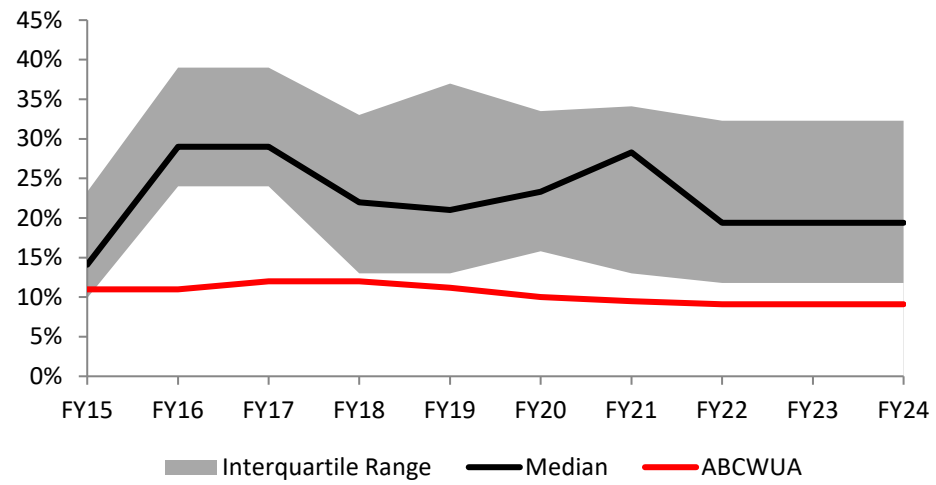
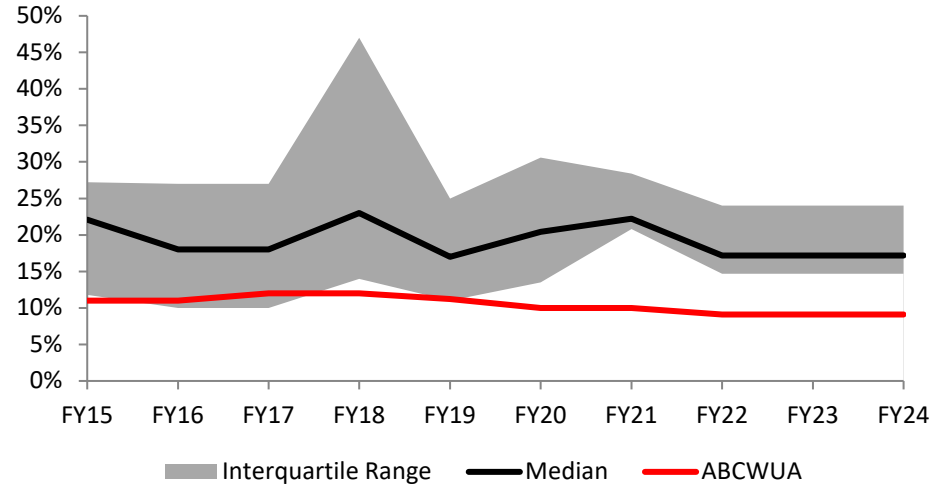
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Quantify the number employees who can retire	Number of regular employees eligible for retirement in the next 5 years / Total number of FTEs	9.0%	10.0	9.0%	9.0%	9.0%	9.0%	Determine staffing levels for operation needs and meeting service levels

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Results Narrative

This indicator provides a measure of the number of regular employees eligible for retirement normalized by the utility's workforce (as FTEs). Regular employees are those who worked more than 1,000 hours during the reporting period.

Measurement Status

The utility's performance is within or above the median range. The utility will continue to track this metric to determine staffing levels for operation needs and meeting service levels.

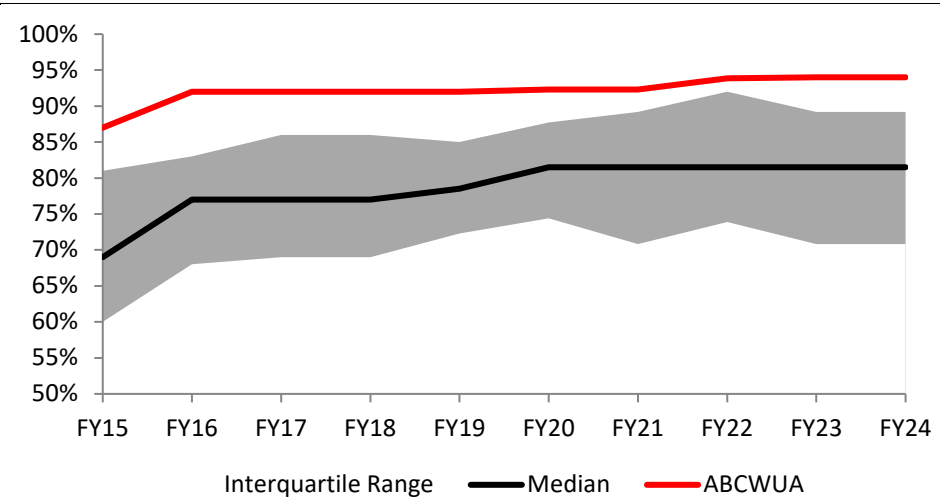
5-6 Organizational Best Practices Index

Performance Results

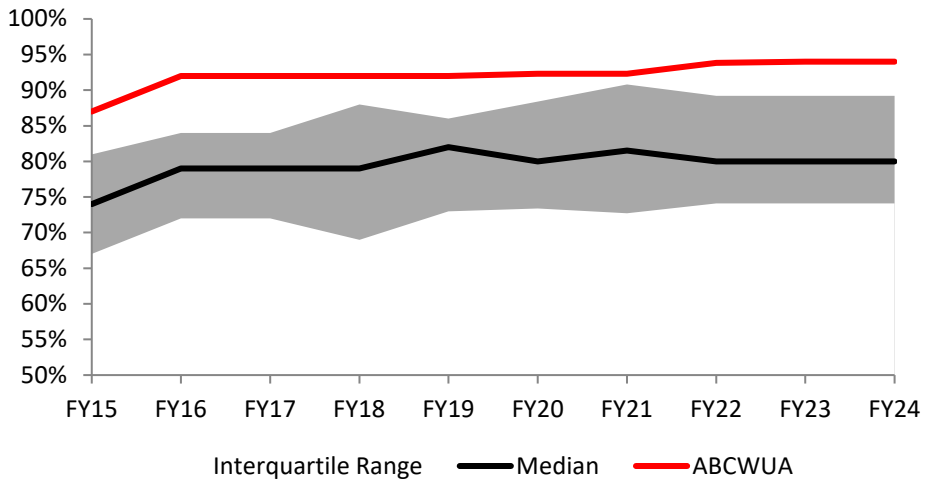
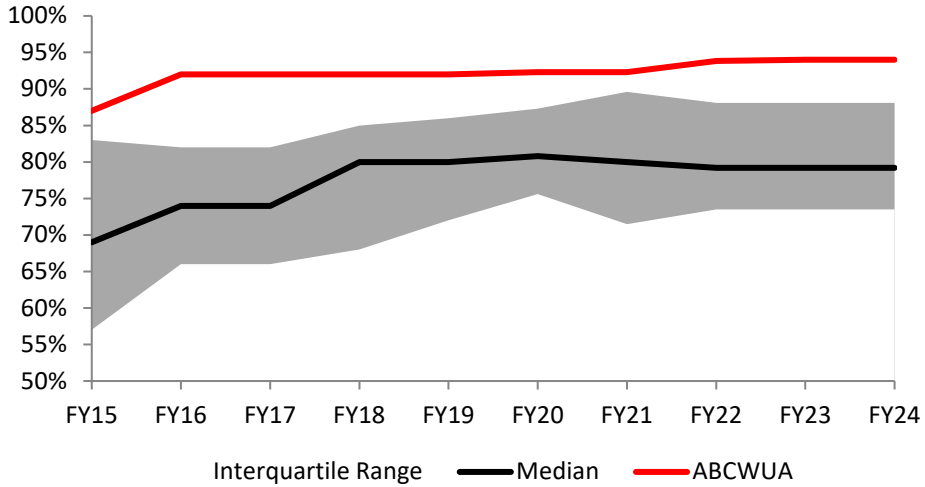
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Quality	To summarize the Water Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree to which the Water Authority is implementing the seven organizational best practices	93%	92%	94%	94%	94%	95%	Implement best management practices to sustain a competitive work force

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Results Narrative

This measure summarizes the status of implementation of good management practices at a utility. It is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. Correlations with other measures might show that performance in other areas is related to investments in improved management practices. The Water Authority used a self-scoring system to identify the degree to which organizational best practices are being implemented. The scoring system is based on assessments performed by the utility through the Effective Utility Management (EUM) framework. Scores for the fourteen areas are aggregated as a percentage.

The practices included in the index are as follows:

- Strategic Planning & Implementation
- Long-term Financial Planning
- Risk Management Planning
- Performance Measurement System
- Optimized Asset Management Program
- Customer Involvement Program
- Governing Body Transparency
- Drought Response/Water Shortage Contingency Plan
- Source Water Protection Plan
- Succession Planning
- Continuous Improvement Program
- Leadership Effectiveness

Measurement Status

The Water Authority's performance in this measure is above the median range for the past three fiscal years. After implementing the areas of improvement from the EUM assessments, the Water Authority anticipates continued progress on this measure. This measure is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. The Water Authority's EUM program incorporates the benchmarking performance indicators from the AWWA Utility Benchmarking program. The utility utilizes the EUM program to make performance improvements in its operations and service delivery by examining its performance on a quarterly basis.

NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES
EXCELLENCE IN Management AWARD

The Water Authority received the **Gold** Excellence in Management Award in 2015 and 2019 recognizing the utility's significant achievement in utility management and adopting successful management practices.

In 2016 and 2019, the Water Authority was recognized as a Utility of the Future Today. The Utility of the Future (UOTF) Today Recognition Program is a partnership of the Environmental Protection Agency and water sector organizations—the National Association of Clean Water Agencies, the Water Environment Federation, the Water Research Foundation and the WateReuse Association. The program celebrates the progress and exceptional performance of utilities while supporting the widespread adoption of the innovative UOTF business model. Utilities were selected for recognition based upon the adoption of UOTF principles (water reuse, watershed stewardship, beneficial biosolids reuse, community partnering & engagement, energy efficiency, energy generation & recovery, and nutrient & materials recovery) as the "Organizational Culture of the Future." The Water Authority was recognized for its efforts in transitioning from a traditional wastewater treatment system to a community-based resource recovery center and leader in the overall sustainability and resilience of the community the utility serves. UOTF acknowledged the Water Authority's progress in utility management, community partnerships and engagement, beneficial biosolids reuse, and water reuse.

In 2018, the Water Authority was recognized for its excellence in utility management through the highest accolade given by the Association of Metropolitan Water Agencies – the Platinum Award. The utility was recognized for high-quality, affordable water, responsive customer service, attention to resource management, infrastructure renewal and environmental protection.