Blanco Diversion Dam Looking Upstream through Spillway & Sluiceway

Approved FY2025 Budget& Performance Plan

Albuquerque Bernalillo County Water Utility Authority

One Civic Plaza Ste 5012
PO Box 568
Albuquerque, NM 87103

www.abcwua.org

GOVERNING BOARD MEMBERS

The Water Authority is accountable to its ratepayers via an eight-member Governing Board. Current members include:


Chair Eric Olivas
Bernalillo County


Vice Chair Louie Sanchez
City of Albuquerque


Member Klarissa J. Peña
City of Albuquerque


Member Joaquin Baca
City of Albuquerque


Member Barbara Baca
Bernalillo County


Member Adriann Barboa
Bernalillo County


Member Timothy M. Keller
City of Albuquerque Mayor


"Ex-Officio" Gilbert Benavides
Village of Los Ranchos Board Trustee

EXECUTIVE LEADERSHIP

- Mark S. Sanchez
  Executive Director
- Stanley R. Allred
  Chief Operating Officer
- Marta J. Ortiz
  Chief Financial Officer
- Elizabeth Anderson
  Chief Planning Officer
- Christopher P. Melendrez
  General Counsel
- Erica Jaramillo
  Human Resources Manager
- David Morris
  Public Affairs Manager

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FY24 DISTINGUISHED BUDGET PRESENTATION AWARD

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

EXECUTIVE LETTER

Albuquerque Bernalillo County Water Utility Authority

April 17, 2024

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 $30.0 million at June 20, 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.

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 be used for the construction phase.

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 existing on-site lagoon treatment system.

Mesa del Sol Non-Potable Reuse Booster Pump & Reservoir ($4,896,536) – Funding will be used to design and construct a reuse reservoir, booster pump and transmission lines to provide adequate pressures for reuse system throughout Mesa del Sol.

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.

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.

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.

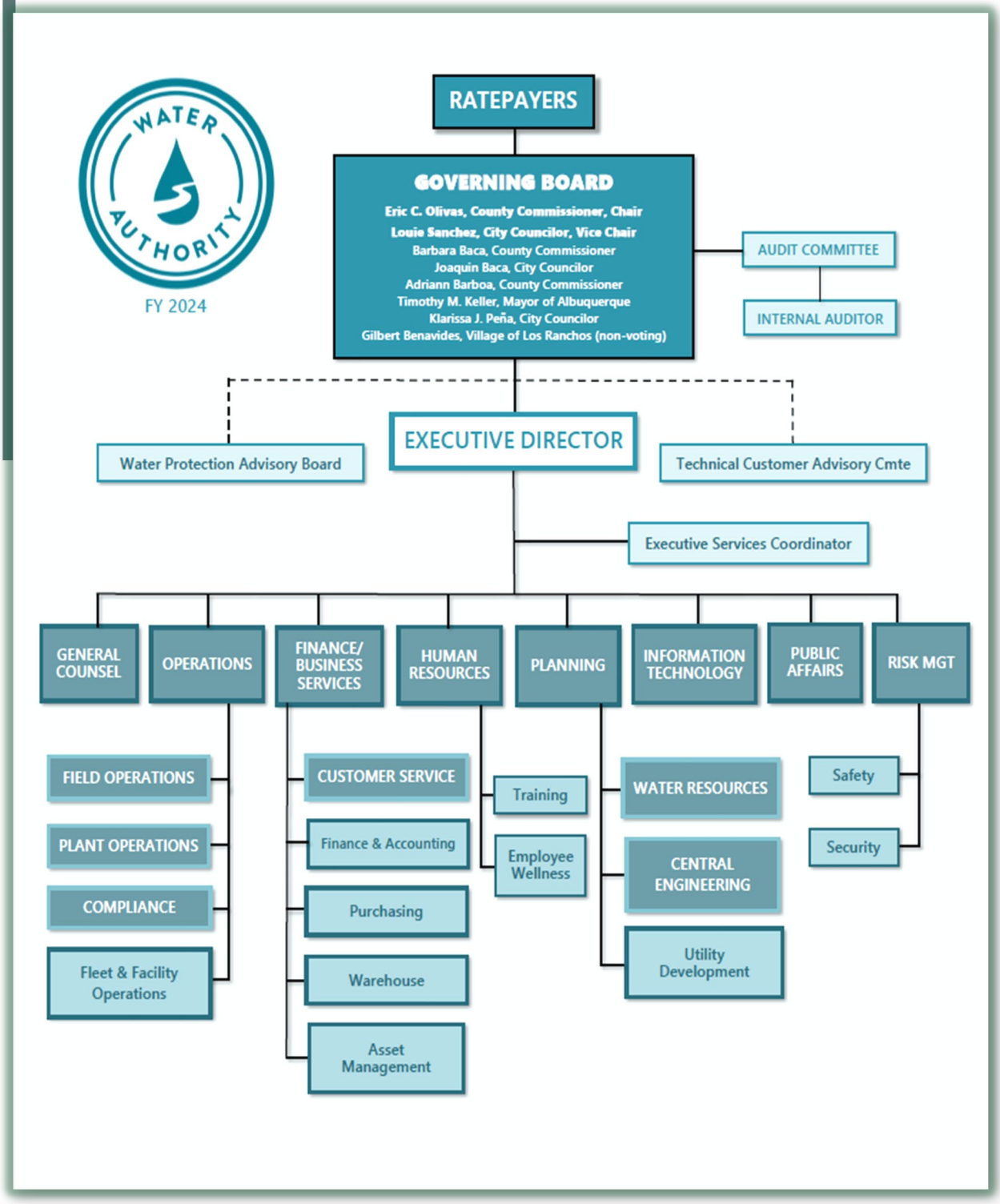
Bosque Non-Potable Water Reclamation Plant and Reuse System ($2,875,037) – Consistent with Water 2120, this project extends the Water Authority's water resources through conservation and direct and indirect potable reuse. This project would provide non-potable water for industrial purposes and irrigation needs to parks, schools, 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 a 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.

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.

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.

ORGANIZATION CHART



The **Approved Budget** presents all funding issues by program strategy and division levels for all operating funds. The **Appendix** is the **Performance Plan**, which assesses the performance of the Water Authority using measures that are designed to help the Water Authority improve its operational efficiency and effectiveness. These performance measures help guide the operating and capital budgets in allocating the Water Authority's financial resources, thus making these budgets performance based.

- The **Approved Budget** has 9 major sections:
  - ✓ Executive Summary
  - ✓ Five-Year Goals and One-Year Objectives
  - ✓ Approved Budget & Financial Consolidations
  - ✓ Revenue Analysis and Economic Outlook
  - ✓ Work Units
  - ✓ Capital Budget
  - ✓ Debt Obligations
  - ✓ Statistical and Supplemental Information
  - ✓ Appropriations Legislation

1) **Executive Summary**: This section is designed as an overview, explaining the policies as well as outlining the budget.
2) **Five-Year Goals and One-Year Objectives**: This section explains the Water Authority's five-year goals and details the current one-year priority objectives.
3) **Approved Budget & Financial Consolidations**: This section contains Resources, Appropriations, Fund Balance Tables by fund group, and the financial plan. The funds are presented with estimated ending fund balances for both the current year and the budget year.
4) **Revenue Analysis and Economic Outlook**: This section contains detailed information on the projected revenue and the Economic Outlook to be addressed in the coming year. This section also looks at the Albuquerque economy as it relates to the budget.
5) **Work Units**: This section contains personnel information and work unit information.

6) **Capital Budget**: This 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.

7) **Debt Obligations**: This section provides tables and schedules of the Water Authority's debt obligations.

8) **Statistical and Supplemental Information**: This section contains statistical information that is useful to understand the budget and Water Authority operations. There is a brief explanation of the methodology used in budget preparation, a listing of acronyms, and a selected glossary of terms.

9) **Appropriations Legislation**: This section contains copies of the legislation that has been approved by the Water Authority Board.

❖ The Appendix contains the **Performance Plan**, which contains performance measures organized by the Water Authority's Five-Year Goal areas. Each goal area is described by a goal statement which explains the long-term desired result for that goal. The purpose of these performance measures is to help the Water Authority understand how it is meeting its goals and to answer some of the basic questions:

1) Are we improving year to year?

2) How do we compare with the industry standard?

3) Are we increasing customer satisfaction?

The electronic version of the FY25 Approved Budget can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

The electronic version of the FY25 Performance Plan can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

The electronic version of the FY2025-2034 CIP Decade Plan can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

BUDGET POLICIES AND PROCESSES

- **Budget Policies and Procedures Ordinance**:

  NMSA 1978, Section 72-1-10, which created the Albuquerque Bernalillo County Water Utility Authority (Water Authority), along with the Water Authority's Budget Policies and Procedures Ordinance, 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.

- **Process for Preparing, Reviewing, and Adopting the Budget:**

  - ✓ In November and December, the Water Authority's Ten-Year Financial Plan is revised to determine the revenue and appropriation levels that are projected for the budgeted fiscal year as well as how future years will be impacted by these financial decisions.

  - ✓ In December, departments and divisions prepare their One-Year Objectives. Objectives meetings are held with the Executive Director and Senior Staff to review and finalize the One-Year Objectives. A salary forecast is completed for review by the Executive Director. Expense data is accumulated at the current level and totals are reviewed to determine if other actions or changes in budget instructions must be made to achieve a balanced budget. Once revenue and appropriation levels are determined, the base budget is prepared.

  - ✓ In January, the budget instructions are issued to divisions and the Performance Plan data is updated. The performance plan contains performance measures that guide the operating and capital budgets in allocating the Water Authority's financial resources and is driven by the five-year goals and one-year objectives.

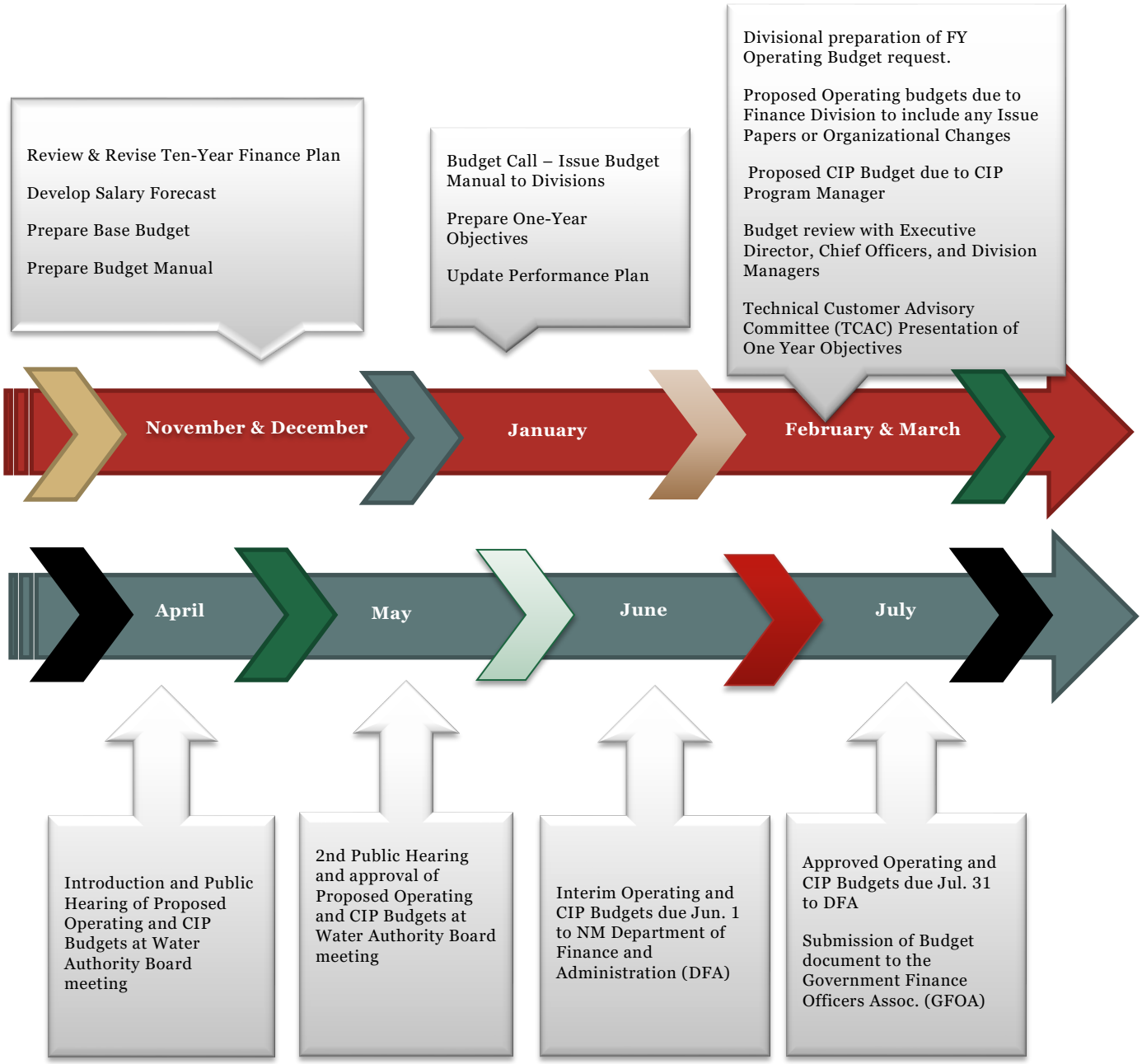
  - ✓ In February and March, budget meetings are held with the Executive Director and Water Authority Senior Staff. During this process, divisions may request program expansions, offer plans for reducing costs, or propose revenue enhancements. One-Year Objectives and Performance Plan data are reviewed and updated. The Capital Implementation Program (CIP) Decade Plan is reviewed and updated for the fiscal year CIP Proposed budget submission.

  - ✓ In March, staff present the One-Year Objectives to the Technical Customer Advisory Committee (TCAC) for their feedback and input. Staff also present the Performance Plan with prior year results. The One-Year Objectives are

presented to the Water Authority Board for public presentation and feedback and approval in April.

- ✓ In April, the proposed budget document is presented to the TCAC for feedback and input. The Executive Director submits the proposed operating and CIP budgets to the Water Authority Board. This proposal includes the budgets, capital program, and rate proposal which may recommend changes in rates and fees. After receiving the budget proposal from the Executive Director, the Water Authority Board schedules at least two public hearings. Because of its deliberations and the information gathered at the public hearings, the Water Authority Board may amend the budget proposal at any time prior to approval at the May regularly scheduled meeting.
- ✓ In May, the Water Authority Board approves the operating budget, CIP budget, and Performance Plan.
- ✓ In June and July, the Water Authority submits the approved operating and CIP budget to NM Department of Finance and Administration (DFA) and the Government Finance Officers Association (GFOA) for the budget award.

❖ Budget Development Timeline



❖ Process for Amending the Budget after Adoption

In accordance with the Water Authority's Budget Policies and Procedures Ordinance, the Water Authority Board, upon its own initiative or upon a recommendation by the Executive Director, may amend the operating and/or capital budget during the fiscal year to which it applies. No amendment to the operating budget shall result in total authorized expenses that exceed resources to be available for the fiscal year to which the budget is applicable. During the fiscal year, the Executive Director is authorized to transfer funds or change expense authority within and among line-item authority, as established by the annual appropriation resolution and other approved appropriations for operating

purposes, if the transfer or change does not result in the increase or decrease in that line-item expense authority in excess of the cumulative amount of $100,000 or 5% of the line-item authority, whichever is lower. Actions taken by the Executive Director to transfer funds or change expense authority within and among line-item authority shall be reported in detail to the Water Authority Board at its next regularly scheduled meeting. The Executive Director may transfer funding of up to 10% of an existing capital project within adopted projects as approved by the Board provided that the change does not significantly alter the project's scope. Any change which exceeds this amount requires Water Authority Board approval.

❖ **Basis of Budgeting and Accounting**

The Water Authority uses **the accrual method for both the budget and accounting basis**. Under the accrual method, revenues are recognized when earned, and expenses are recognized as they are incurred.

The Water Authority is operated as an enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity.

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

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 balance to the extent they have not been expended or encumbered at fiscal year-end.

EXECUTIVE SUMMARY

PROFILE OF THE WATER AUTHORITY

In January 2003, the New Mexico Legislature approved, and the Governor signed Senate Bill 887, which transferred the municipal Water and Wastewater Utility of the City of Albuquerque to the Albuquerque Bernalillo County Water Utility Authority (Water Authority). Senate Bill 887 became law in June 2003 (NMSA 1978 § 72-1-10). In December 2003, the Water Authority, the City of Albuquerque (City) and Bernalillo County (County) entered into an operations and maintenance agreement to continue the day- to-day management of the water utility under the City.

The transition of the utility to full control by the Water Authority was completed in July 2007. During the 2005 New Mexico Legislative Session, Senate Bill 879 became law, investing the Water Authority with the statutory powers provided to all New Mexico public water and wastewater utilities, and, as such, making it a political subdivision of the state.

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

The Water Authority is governed by an eight-member board consisting of three Albuquerque City Councilors, three Bernalillo County Commissioners, the Mayor of the City of Albuquerque, and a non- voting member from the Village of Los Ranchos.

The Board is responsible, among other things, for passing resolutions, adopting the budget, appointing committees, and hiring the Water Authority's Executive Director. The Water Authority's Executive Director is responsible for carrying out the policies and resolutions of the governing board and for overseeing the day-to-day operations of the Water Authority.

The Board is required to adopt an initial budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the Water Authority's financial planning and control. The budget is appropriated at the fund level for each fund.

The Board is also required to adopt one-year objectives related to five-year goals based on the American Water Works Association's business model. The Water Authority budget for operations and capital implementation is driven by the five-year goals and one-year objectives.

VISION AND MISSION STATEMENTS

The Water Authority's Vision is to go beyond our customer's expectations. We value high quality and reliable service to our customers at a reasonable cost, supporting the regional community, the environment, and our employees.

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.

FY25 BUDGET HIGHLIGHTS

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

BUDGET ASSUMPTIONS

In the preparation of the FY25 budget, certain assumptions were made related to the operations of the Water Authority, the economic climate and system growth within Bernalillo County and the City of Albuquerque.

SALARIES:

- ✓ The wage and salary base are 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.
- ✓ A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.
- ✓ 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.

CAPITAL EXPENSES:

- ✓ New and replacement property items are included in the appropriate program appropriations within each of the capital funds.
- ✓ Power, chemicals, and fuel will not exceed the CPI index and the cost of operating two water distribution systems will not exceed the consultant estimate.

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) were budgeted based on historical expenses and anticipated needs.
- ✓ Workers' Compensation and other insurance, tort and risk expenses are treated as expenses in the Risk department for FY25. These amounts are identified based on the historical experience and exposure factors relative to the Water Authority.
- ✓ Beyond those stated above, line-item increases needing special justifications include extraordinary price increases, increases in workload, or a special need not previously funded.
- ✓ 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.
- ✓ 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.

CHALLENGES

The biggest challenge facing the Water Authority in FY25 are:

- ✓ Increased Conservation
- ✓ Reduce system water loss
- ✓ Increasing cost of power and chemicals
- ✓ Increase operating efficiencies to reduce operating expenses
- ✓ Improvements to the Surface Water Treatment Plant
- ✓ Financing the Asset Management Plan/Invest in Infrastructure

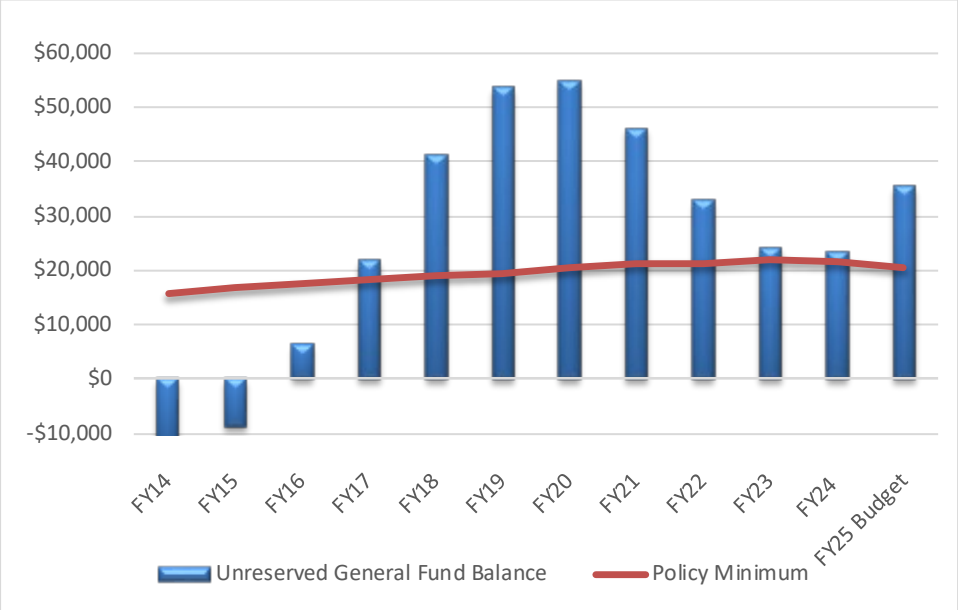
One of the biggest challenges facing the Water Authority is managing the increasing costs across the board for supplies; especially in the areas of fuels, chemicals for water and wastewater treatment, and general operating and maintenance supplies. The Water Authority operates and maintains two water systems, the well/aquifer system and the surface water treatment system. Although the well system usage is reduced as the surface water system increases in capacity, the well system still must be fully operational to supplement the surface water, as necessary especially in times of drought where the water levels in the Rio Grande River prohibit the usage of the surface water plant.

The Southwest region of the United States has been facing drought conditions for many years. In response, the Water Authority adopted its "Water Resources Drought Management Plan" (updated April 2023). The plan is integrated as part of the Water Authority's comprehensive long-term planning and operational element, *Water 2120,* which provides a road map to sustainably manage and plan for water resource management over the next century. Drought in the Water Authority's service area relates to drought conditions severity, surface water availability, and the amount of groundwater pumped during dry and high-demand periods. As drought has its greatest impact in the irrigation season, spring through fall, demand-side mitigation focuses on managing outdoor water use.

FUND BALANCE

In the FY25 budget, revenues are projected to be $11.8 million more than expenses in the General Operating Fund. Surplus revenue will be added to the balance to achieve a Fund Balance equal to at least 1/12th of the annual budgeted operating expenses. The decrease in the Fund Balance, beginning in FY21, reflects the policy decision of the Water Authority to "draw down" the excess working capital to offset increases in operating expenses.

UNRESERVED GENERAL FUND BALANCE HISTORY



FY24 ACCOMPLISHMENTS

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

AWARDS:

- ✓ AQUARIUS Award from the U.S. Environmental Protection Agency (EPA) for the utility's efforts to bring water service to the Village of Carnuel.
- ✓ FY24 Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
- ✓ FY23 GFOA Certificate of Achievement for Excellence in Financial Reporting (both Comprehensive and Popular)
- ✓ 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

ACHIEVEMENTS:

- ✓ Achievement of 20% reliance on renewable energy sources
- ✓ Receipt of rebate check ($656,379) for participation in the Public Service Company of New Mexico (PNM) Peak Saver Program

Other achievements in the preceding fiscal year include progressing to the construction 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. The Intel Raw Water Transmission Line project was completed by the end of FY24.

➢ Operations

In calendar year 2023, 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 the 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 water 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.

The 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.

The 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 innovative 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 to 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.

The 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.

The 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 plant. 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.

The 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.

➢ Budget and Financial Policies

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

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

STATE STATUTES:

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

BUDGET ORDINANCE PROVISIONS:

§ 2-1-3 BUDGET CONTENTS AND FORMAT.

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

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

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

"(B) The Authority budget shall be fund based."

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

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

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

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

BUDGET ORDINANCE PROVISIONS:

§ 2-1-1 INTENT.

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

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

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

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

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

BUDGET ORDINANCE PROVISIONS:

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

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

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

BUDGET ORDINANCE PROVISIONS:

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

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

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

RATE ORDINANCE PROVISIONS:

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

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

"(C) Increasing Minimum Monthly Fixed Charges. So long as there are Senior Obligations outstanding, if the determination of §1-1-2(B) above shows that the net revenues are less than 133% of the debt service requirements on the outstanding Senior Obligations, the fixed monthly charge will be increased for

water and sewer accounts. So long as there are Subordinate Obligations outstanding, if the determination of §1-1-2(B) above shows that the Net Revenues are less than 120% of the Debt Service Requirements on the outstanding Senior Obligations and outstanding Subordinate Obligations, the fixed monthly charge will be increased for water and sewer accounts. The increase in the fixed monthly charge will be a percentage of the established fixed monthly charges that produce additional revenues so that if the adjusted charges had been effective the previous quarter, the total Net Revenues would have been sufficient to meet the requirements of this paragraph. If the determination of §1-1-2(B) above shows that the Net Revenues are insufficient to meet the requirements above, it shall be determined if the revenue loss is due to efforts of Water Authority Customers to conserve water by reviewing usage patterns. If the usage study shows that the reduced revenues are due to conservation efforts, the Executive Director shall analyze the Utility's operations for the purpose of determining whether or not corresponding expense reductions can be affected and shall present any such expense reduction proposals to the Water Authority."

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

§ 2-1-11 FINANCIAL AND MANAGEMENT REPORTS.

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

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

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

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

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

"(B) At a minimum, an average of 50% of the cost of capital projects which constitute the normal capital program of the water and sewer system including the rehabilitation and replacement of existing facilities, and the construction of water wells, pump stations, reservoirs, service lines, other water lines, gate valves, revenue meters and meter boxes, sewer lines, odor control stations, and pumping stations, and treatment facilities shall be paid with cash rather than borrowed funds. The normal capital program excludes special capital projects such as the expansion of the wastewater treatment plants, arsenic mitigation, state and federal grant projects, state and federal mandated projects, and related to water resources management to achieve a sustainable supply of water. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impacts."

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

"(D) Utility Expansion Charge (UEC) revenues or those of successor development fees in excess of $6 million per year shall be transferred to the Joint Water and Sewer Capital Funds. The transfer of these funds shall be made in the fiscal year following the most recent audited Comprehensive Annual Financial Report."

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

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

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

"(C) Committed expenditures for the rehabilitation of water wells, pump stations, reservoirs, service lines, other water lines, gate valves and the committed expenditures for rehabilitation of sewer lines, odor control stations, pumping stations and treatment facilities from revenues in the Water and Sewer Rehabilitation Fund shall not be less than $40 million dollars per year."

➢ Lease Policies

In FY20, the Water Authority elected to early implement GASB Statement No. 87, Leases.

The Water Authority's Lease Policy & Guidelines provides for the following:

- ✓ Definition of a Lease – A contract that conveys control of the right to use another entity's nonfinancial asset, such as buildings, land, vehicles and equipment, as specified in the contract for a period of time in an exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under this policy, unless specifically excluded in GASB Statement No. 87.
- ✓ Lease Term – The lease term is defined as the period during which a lessee/lessor has a noncancelable right to use an asset, plus the following periods, if applicable:
    - Periods covered by a lessee's/lessor's option to extend the lease if it is reasonably certain that the lessee/lessor will exercise that option
    - Periods covered by a lessee's/lessor's option to terminate the lease if it is reasonably certain that the lessee/lessor will not exercise that option
- ✓ The Water Authority will not recognize as a lease for the following:
    - A short-term lease – A lease that has a maximum possible term under the lease contract of 12 months (or less), including any options to extend
    - A lease <$5,000 – A lease amount that is under a $5,000 minimum lease threshold
    - GASB Statement No. 87 exceptions such as intangible assets (i.e., software licenses) and biological assets (i.e., water rights)
- ✓ The Water Authority will prepare the note disclosure and record all accounting entries in the Comprehensive Annual Financial Report (CAFR) according to the guidance of GASB Statement No. 87
- ✓ The Water Authority will implement GASB Statement No. 87 effective July 1, 2018, for comparative statement presentation purposes.

➢ Debt Policies

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

- ✓ Full and timely payment of principal and interest on all outstanding debt

- ✓ System revenue bonds shall be used as a source of funding, after considering alternative funding sources, such as federal and state grants and pay as you go financing
- ✓ Debt shall be incurred to finance capital improvements and long-term assets associated with the water and wastewater system. Types of projects include, but not limited to, constructing, acquiring, enlarging, extending, bettering, repairing or improving the water and wastewater system facilities. For a more detailed list refer to chapter 72, article 1 section 10K NMSA 1978 as amended
- ✓ Capital improvements plans should be developed, approved and financed in accordance with Rate Ordinances and the Decade Plan
- ✓ The Water Authority will evaluate the impact of debt amounts and debt service requirements of any new proposed debt within the overall context of outstanding debt
- ✓ Principal and interest retirement schedules shall be structured to: (1) meet available cash flow available to service debt, (2) achieve a low borrowing cost for the Water Authority, (3) accommodate the debt service payments of existing debt and (4) respond to perceptions of market demand. Level debt payments and shorter maturities shall always be encouraged to demonstrate to ratepayers, investors and rating agencies that debt is being managed and retired prudently. Debt incurred shall generally be limited to obligations with serial and term maturities but may be sold in the form of other structures if circumstances warrant
- ✓ The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impact
- ✓ Debt incurred may be issued, at the discretion of the Water Authority, on either Senior, Subordinate or Super Subordinate liens on the System's net revenues
- ✓ The average life of the debt incurred should be no greater than the projected average life of the assets being financed
- ✓ The payment of debt shall be secured by net revenues of the joint water and wastewater system ("net system revenues")
- ✓ Maintain Post Issuance Compliance Guidelines that formalize post issuance compliance controls and procedures related to the Water Authority's financial and legal obligations (see Appendix)
- ✓ Inter-fund borrowing may be used as an alternative to conventional borrowing
- ✓ The Water Authority shall not pledge any Water Authority revenues to any conduit bond financings or guarantee indebtedness of others

- ✓ The Water Authority may use the services of qualified internal staff and outside advisors, including bond counsel, tax counsel, disclosure counsel, underwriters and financial advisors, to assist in the analysis, evaluation, and decision process
- ✓ The Water Authority shall select a method of sale that achieves the financial goals of the Water Authority and minimizes financing costs. Such sales can be competitive, negotiated or private placement, depending upon the project and market conditions. The recommendation by the Water Authority's Financial Advisor will be considered in the decision as to the most appropriate sale method
- ✓ The Water Authority shall make every attempt to earn and maintain the highest investment grade rating achievable
- ✓ Finance team members and Underwriters should be selected in accordance with the Water Authority Purchasing Procedures and the Debt Management Policy & Guidelines ("Debt Policy"). The selection should maximize the quality of services received while minimizing the cost to the Water Authority. Any subtractions or additions to the finance team members shall be subject to the Water Authority's Chief Financial Officer's ("CFO") approval. Selected underwriters and financial advisors shall adhere to the Municipal Securities Rule-making Board ("MSRB") and the Securities and Exchange Commission ("SEC") rules and regulations
- ✓ The Water Authority shall maintain good communications with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the Water Authority
- ✓ Financial reports and bond official statements shall follow a policy of full, complete and accurate disclosure of financial conditions and operating results. All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC") and the Internal Revenue Service ("IRS") to meet the disclosure needs of rating agencies, underwriters, investors and taxpayers.
- ✓ Federal income tax laws restrict the ability to earn arbitrage relating to tax-exempt bonds. Every attempt shall be made to eliminate or minimize negative arbitrage.

FIVE-YEAR GOALS & ONE-YEAR OBJECTIVES

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.

OVERVIEW OF GOAL DEVELOPMENT

The Water Authority Budget Ordinance requires that a Performance Plan be connected to the Five-Year 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 from fiscal year 2022 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.

The FY25 Performance Plan can be found in the Appendix section of this budget document and on the Water Authority's website:

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

The Water Authority's Performance Plan is organized by its Five-Year 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. The figure below shows the Water Authority's Five-Year Goals which parallels the AWWA model. The Water Authority also developed guiding goal statements for

each goal area which explain the long-term desired result for each goal. The Performance Plan contains 27 key performance measures. The performance measures are organized by the Five-Year Goal areas. 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.

Water Authority's Five-Year Goals & Guiding Goal Stations

Goal 1: 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.

Goal 2: Wastewater Collection & Operations

• Provide reliable, safe and affordable wastewater collection, treatement 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 3: Customer Services

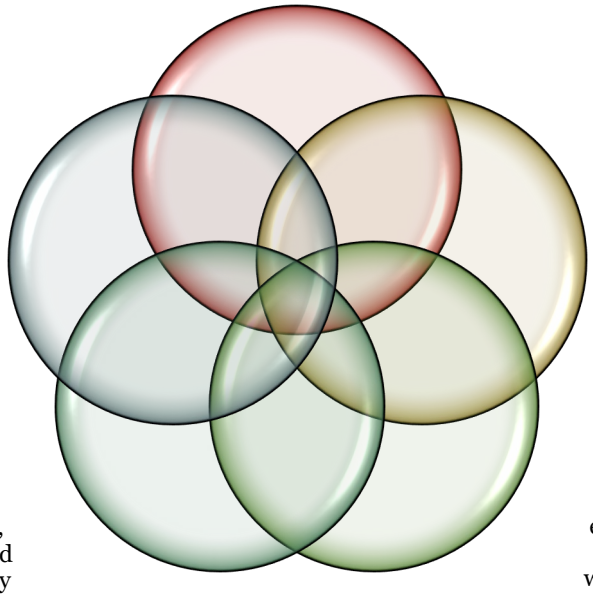
• Provide quality customer services by communicating effectively, billing accurately, and delivering water and wastewater services efficiently based on understanding the needs and perceptions of our customers and the community at large.

Goal 4: 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.

Goal 5: Organizational Developement

• 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 polices and procedures.



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 relating to 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 Five-Year Goals and One-Year Objectives are incorporated into the logic model. The figure below 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.

Logic Model Alignment of Goals, Objectives and Performance Measures

FY25 ONE-YEAR OBJECTIVES

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

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

Some objectives are related to completing projects or improving programs. Some of the FY25 objectives are tied to resources contained in the FY25 Approved Budget. A few of the objectives are carried over from FY24 either because they require more time to complete or are ongoing issues. Some of the objectives are tied to the Performance Plan to improve operations and/or customer service.

GOAL 1: 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.

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 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 & 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 training 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

Continued 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 training 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 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 Water Authority positions and develop compensation strategies base on the date by the end of the 4th Quarter of FY25.

APPROVED BUDGET & FINANCIAL CONSOLIDATIONS

WATER AUTHORITY FUNDS

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

Fund 21 - General Fund

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

Fund 27 – Water 2120 Projects

Fund 28 – Capital Rehab Fund

Fund 29 – Capital Growth Fund

To account for the operations of the Water Authority's Capital Improvement Program.

Fund 31 - Debt Service Fund

To accumulate the monies to pay the debt service associated with water and wastewater services.

Fund 41 – San Juan Chama Project Contractors Association Fund (SJCPCA)

To account for the operations of the San Juan Chama Project Contractors Association. The resources for these funds are the administration fees and special assessments collection from the members of the association.

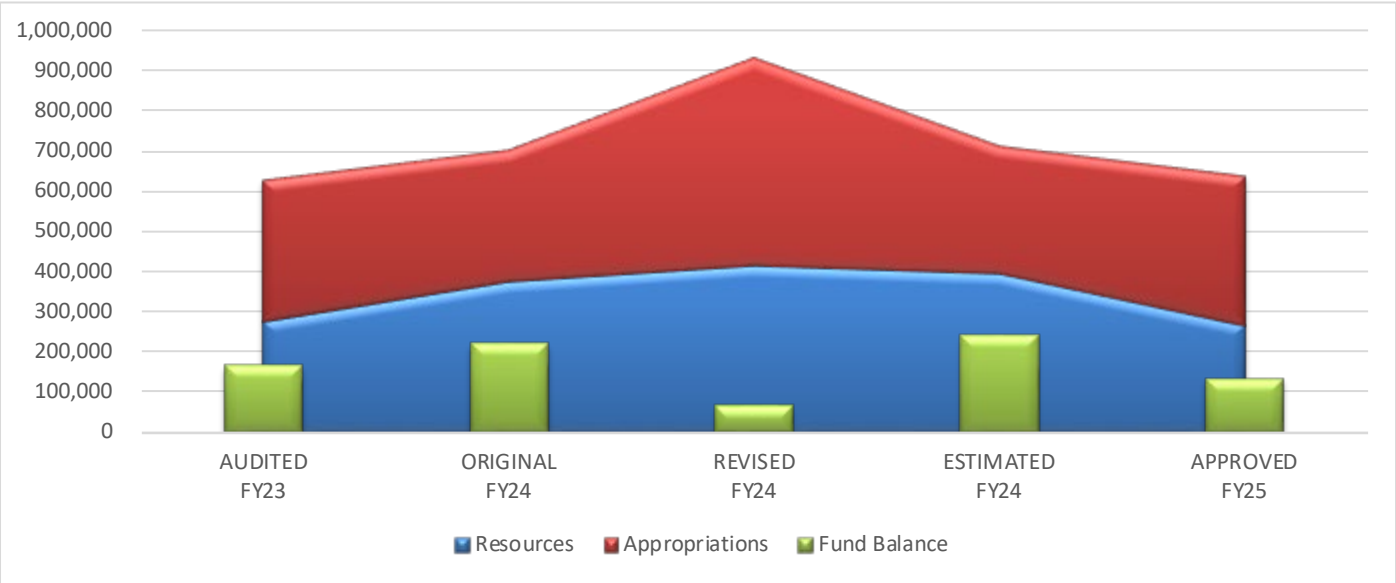
DEPARTMENT/FUND RELATIONSHIP

DEPARTMENT EXPENSES WITHIN FUNDS

Work Unit	Department	General Fund	Capital Funds	Debt Service Fund	SJCPCA Fund
Administration					
	Executive Director	✓			
	Risk	✓			
	Legal	✓			
	Human Resources	✓			
	Information Technology	✓			
Financial/Business Services					
	Finance	✓			
	Customer Service	✓			
	Asset Management	✓			
Plant					
	Wastewater Treatment Plant	✓			
	San Juan-Chama Water Treatment Plant	✓			
	Groundwater Operations	✓			
Field					
	Wastewater Collection	✓			
	Water Field Operations	✓			
Compliance					
	Laboratory	✓			
	NPDES	✓			
	Water Quality	✓			
Fleet & Facility Maintenance					
	Fleet Maintenance	✓			
	Facility Maintenance	✓			
Planning & Engineering					
	Central Engineering	✓			
	Planning & Utility Development	✓			
Water Resources					
	Water Resources Planning	✓			
	Water Conservation	✓			
General Government					
	Power & Chemicals	✓			
	Taxes	✓			
	Overhead	✓			
	San Juan Chama	✓			
	General Government	✓		✓	✓

CONSOLIDATED RESOURCES, APPROPRIATIONS, AND FUND BALANCE

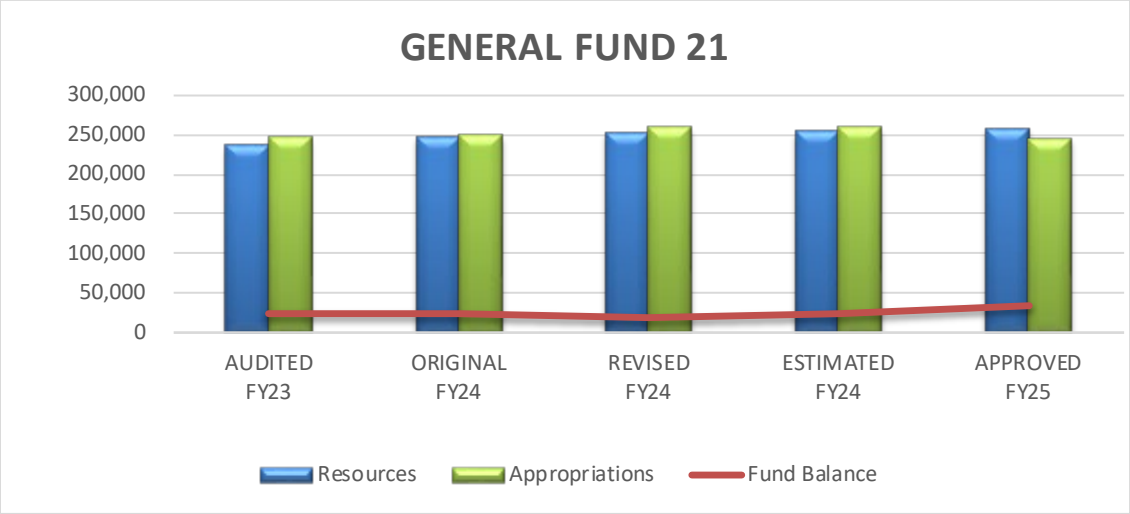
($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Working Capital Balance	232,280	166,171	166,171	166,171	239,111	72,939
RESOURCES:						
Proceed Revenues	484	121,000	113,795	121,139	-	(113,795)
Miscellaneous Revenues	29,253	11,238	29,611	19,500	9,379	(20,232)
Enterprise Revenues	247,013	246,170	272,931	257,747	257,732	(15,199)
Transfers from Other Funds	111,718	120,020	121,077	121,077	101,784	(19,293)
Interfund Adjustments	(111,718)	(120,020)	(121,077)	(121,077)	(101,784)	19,293
Total Current Resources	276,750	378,408	416,337	398,386	267,111	(149,226)
Add from Fund Balance	4,000	500	500	500		(500)
TOTAL RESOURCES	280,750	378,908	416,837	398,886	267,111	(149,726)
APPROPRIATIONS:						
Enterprise Operations	139,158	132,483	142,739	142,581	149,602	6,863
CIP Water 2120, Basic Rehab & Growth	125,831	103,520	276,847	76,227	128,752	(148,095)
Debt Service	87,138	88,346	97,166	97,166	93,865	(3,301)
Transfers to Other Funds:	111,718	120,020	121,077	121,077	101,784	(19,293)
Interfund Adjustments	(111,718)	(120,020)	(121,077)	(121,077)	(101,784)	19,293
TOTAL APPROPRIATIONS	352,126	324,349	516,752	315,974	372,219	(144,533)
Adj to Fund Balance	5,267	(500)	(500)	(9,973)		500
ENDING FUND BALANCE	166,171	220,230	65,756	239,111	134,003	68,247
Rate Reserve	(9,000)	(9,000)	(3,834)	(3,834)	(9,000)	(5,166)
Risk Reserve	(500)	(500)	(500)	(500)	(500)	-
Soil Amendment Facility Reserve	(1,486)	(2,147)	(2,147)	(2,147)	(2,147)	-
ENDING FUND BALANCE (NET OF RESERVES)	155,185	208,583	59,275	232,630	122,356	63,081



COMBINED FY25 FUNDS BUDGET

($000's)	GENERAL FUND FUND 21	CAPITAL FUNDS 27/28/29	DEBT SERVICE FUND 31	SJCPCA FUND FUND 41	FY25 TOTALS
Beginning Fund Balance	**23,148**	**181,658**	**34,282**	**23**	**239,111**
RESOURCES					
Interest	3,500				3,500
Miscellaneous	3,000	1,025	600	39	4,664
Water	151,067				151,067
Water Resources Management	4,500				4,500
Wastewater	93,125				93,125
Solid Waste Admin Fee	1,836				1,836
DMD Admin Fee	379				379
Utility Expansion Charges			8,040		8,040
Transfers	-	26,784	75,000	-	101,784
TOTAL CURRENT RESOURCES	257,407	27,809	83,640	39	368,895
Add from Fund Balance					-
TOTAL RESOURCES	**257,407**	**27,809**	**83,640**	**39**	**368,895**
APPROPRIATIONS					
Wages	50,064				50,064
Fringe Benefits	23,482				23,482
Other Services	343				343
Utilities	17,810				17,810
Supplies	17,930				17,930
Travel, Training, and Dues	566				566
Repairs and Maintenance	15,726				15,726
Vehicle Maintenance	3,326				3,326
WC, Insurance, Tort, and Other Liab	4,156				4,156
NM Water Conservation Fee	740				740
Admin Svcs/OPEB	410				410
Contractual Services	15,010	128,752		39	143,801
Transfer to Capital Fund	20,784		6,000		26,784
Transfer to Debt Service	75,000				75,000
Debt Service Payments			93,865		93,865
TOTAL APPROPRIATIONS	**245,347**	**128,752**	**99,865**	**39**	**474,003**
Revenue Over (Under) Expenditures	12,060	(100,943)	(16,225)	-	(105,108)
Adjustment to Fund Balance	-	-	-	-	-
ENDING FUND BALANCE	**35,208**	**80,715**	**18,057**	**23**	**134,003**
Rate Reserve	9,000	-	-	-	9,000
Risk Reserve	500	-	-	-	500
Soil Amendment Facility Reserve	2,147	-	-	-	2,147
ENDING FUND BALANCE	**23,561**	**80,715**	**18,057**	**23**	**122,356**

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



Resources

The General Fund revenue budget for FY25 is $257.4 million, which reflects the rate revenue adjustment. Of the total revenue, 96.6% is comprised of charges for water and wastewater services. FY25 current resources are estimated to be $4.5 million above the FY24 revised budget.

Appropriations

The General Fund appropriation budget for FY25 is $245.3 million. Operating expenses represent a net decrease of $13.3 million from the FY24 revised budget. This includes an increase of $3.8 million in salaries and benefits, an increase of $3.1 million in operating expenses, and a decrease of $20.2 million for the transfers to the capital and debt service funds. Personnel expenses include a 2% cost of living adjustment, as per labor agreements, a 7.0% increase in health benefit costs and a 0.5% increase in PERA pension costs. FY25 approved issue papers submitted by divisions total $3.8 million. A detailed listing of the approved issue papers is on page 98.

Reserves

For FY25, the Rate Reserve is $9.0 million; the Risk Reserve is $0.5 million; and the Soil Amendment Facility Reserve is $2.1 million.

Fund Balance

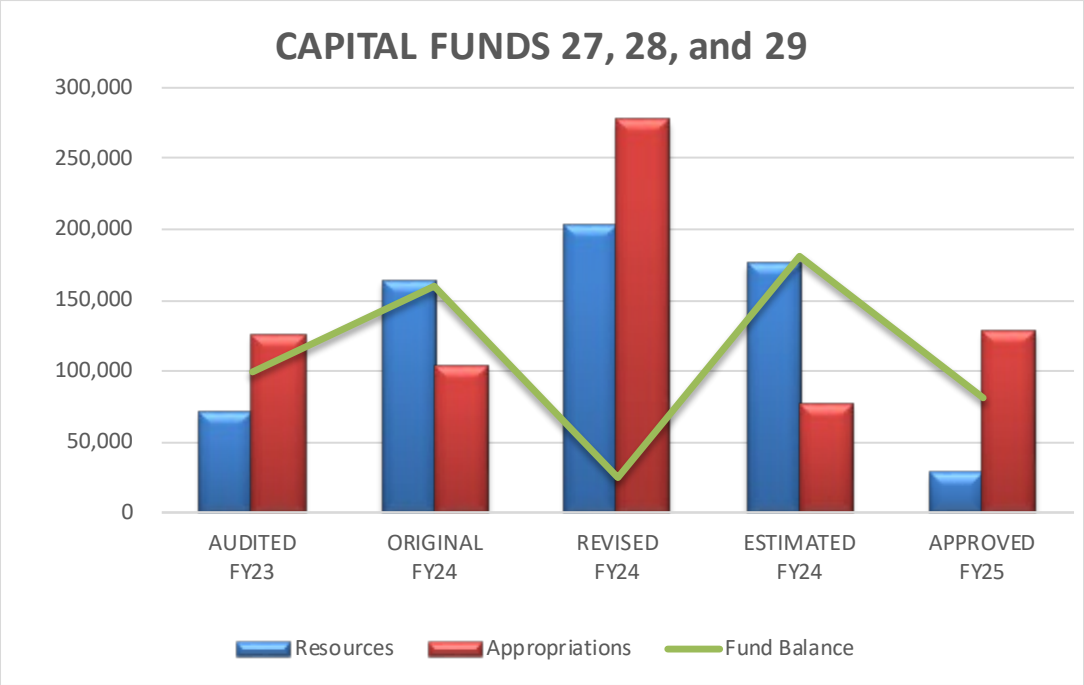
The Water Authority's policy is to maintain a Fund Balance equal to at least 1/12th of the annual budgeted operating expenses. The Fund Balance at June 30, 2025, is projected to be $35.2 million.

GENERAL FUND - 21
RESOURCES, APPROPRIATIONS, and FUND BALANCE

($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**32,778**	**24,044**	**24,044**	**24,044**	**23,148**	**(897)**
RESOURCES:						
Rate Revenues:						
Water Service	104,705	98,107	98,107	112,292	116,670	18,563
Water Facilities Rehab	38,551	34,022	34,022	39,900	34,022	-
Wastewater Service	44,165	71,184	64,184	45,201	64,143	(41)
Wastewater Facilities Rehab	36,288	28,982	35,982	37,002	28,982	(7,000)
Contr/Aid/Hookups	205	375	375	289	375	-
Water Resources Management	4,219	4,500	4,500	4,560	4,500	-
Total Rate Revenue	**228,133**	**237,170**	**237,170**	**239,244**	**248,692**	**11,522**
Other Revenues:						
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	10,066	3,500	(2,000)
Miscellaneous Revenue	1,734	7,909	7,909	2,700	3,000	(4,909)
Total Other Revenue	**7,506**	**10,774**	**15,774**	**15,131**	**8,715**	**(7,059)**
Total Current Resources	235,639	247,944	252,944	254,375	257,407	4,463
Add from Fund Balance	4,000	500	500	500		(500)
TOTAL RESOURCES	**239,639**	**248,444**	**253,444**	**254,875**	**257,407**	**3,963**
APPROPRIATIONS:						
Programs:						
Administration	1,569	1,826	1,876	2,047	2,005	129
Risk	6,631	6,187	6,187	6,144	6,926	739
Legal	1,216	823	823	1,333	989	166
Human Resources	1,779	1,919	1,919	1,809	2,007	88
Information Technology	10,920	10,530	10,530	13,682	11,632	1,102
Finance	4,630	4,392	4,392	5,363	4,890	498
Customer Services	4,970	5,409	5,409	5,346	5,549	140
Asset Management	784	805	805	757	805	-
Wastewater Plant	12,175	12,213	12,121	11,459	12,416	295
San Juan-Chama Water Treatment Plant	4,613	4,899	4,896	4,563	4,967	71
Groundwater Operations	7,323	7,298	7,298	7,126	7,663	365
Wastewater Collection	8,188	8,031	7,988	7,598	8,073	85
Water Field Operations	20,995	21,508	21,451	20,960	22,011	560
Compliance	6,179	6,266	6,264	6,279	6,878	614
Fleet & Facility Maintenance	5,673	5,730	5,878	5,739	6,680	802
Central Engineering	3,440	3,795	3,795	3,258	4,051	256
Planning & Utility Development	831	999	999	871	1,074	75
Water Resources	3,983	4,767	4,767	4,154	5,070	303
Power & Chemicals	28,405	21,256	31,256	29,899	31,956	700
Taxes	857	656	656	990	740	84
Overhead	911	1,670	1,670	1,686	1,566	(104)
San Juan-Chama	2,955	1,440	1,606	1,410	1,615	9
Total Enterprise Appropriations	**139,024**	**132,419**	**142,585**	**142,473**	**149,563**	**6,978**
Transfers to Other Funds:						
Water 2120 Fund - 27	-	1,402	1,402	1,402	1,402	-
Rehab Fund - 28	32,868	36,618	36,618	36,618	19,382	(17,236)
Debt Service Fund - 31	74,850	78,000	78,000	78,000	75,000	(3,000)
Total Transfers	**107,718**	**116,020**	**116,020**	**116,020**	**95,784**	**(20,236)**
TOTAL APPROPRIATIONS	**246,742**	**248,439**	**258,605**	**258,493**	**245,347**	**(13,258)**
Adjustment to Fund Balance	(1,631)	(500)	(500)	2,722	-	500
ENDING FUND BALANCE	**24,044**	**23,549**	**18,383**	**23,148**	**35,208**	**16,824**
Rate Reserve	(9,000)	(9,000)	(3,834)	(3,834)	(9,000)	(5,166)
Risk Reserve	(500)	(500)	(500)	(500)	(500)	-
Soil Amendment Facility Reserve	(1,486)	(2,147)	(2,147)	(2,147)	(2,147)	-
ENDING FUND BALANCE (NET OF RESERVES)	**13,058**	**11,902**	**11,902**	**16,667**	**23,561**	**17,721**

CAPITAL FUNDS – 27, 28, AND 29

The Capital Funds are used to fund the operations of the Water Authority's Capital Improvement Program based on projects identified in the Water Authority's Decade Plan. The resources for these funds are the transfers from the General and the Debt Service Funds.



Resources

Total current resources approved for FY25 are $27.8 million. These resources are comprised of transfers from the General Fund ($20.8 million) and the Debt Service Fund ($6.0 million) and Miscellaneous revenue ($1.0). CIP resources decreased $136.2 million in FY25 from the FY24 Original Budget due to the receipt of bond proceeds in FY24 and a decrease in the transfer from the General Fund.

Appropriations

FY25 appropriations total $128.8 million. CIP appropriations increased $25.2 million from the FY24 Original Budget, based on the Water Authority's FY25-FY34 Decade Plan.

Fund Balance

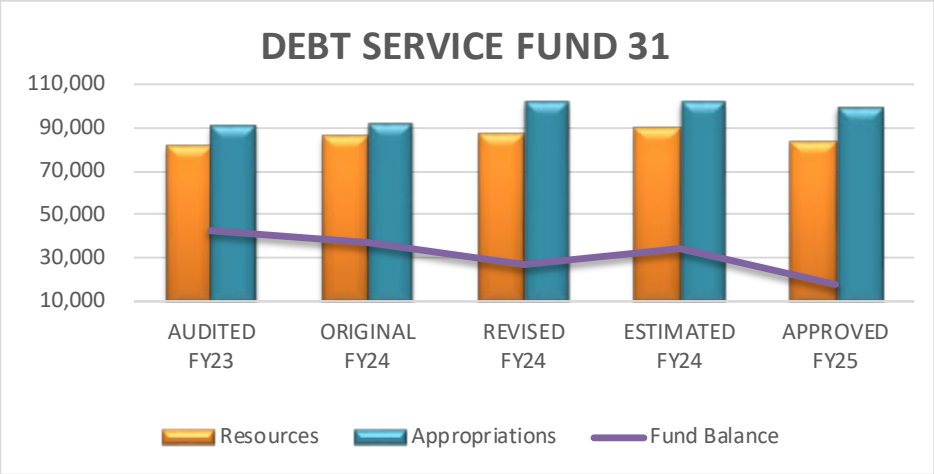
The Fund Balance at June 30, 2025 is projected to be $80.7 million.

CAPITAL FUNDS - 27, 28, AND 29
RESOURCES, APPROPRIATIONS, and FUND BALANCE

($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**146,309**	**99,245**	**99,245**	**99,245**	**181,658**	**82,413**
RESOURCES:						
Proceeds:						
Loan Proceeds	484	-	1,140	139	-	(1,140)
Bond Proceeds	-	121,000	121,000	121,000	-	(121,000)
Total Proceed Revenue	484	121,000	122,140	121,139	-	(122,140)
Miscellaneous Revenues:						
Other	21,134	-	5,478	3,488	25	(5,453)
Total Miscellaneous Revenues	21,134	-	5,478	3,488	25	(5,453)
Enterprise Revenues:						
Grants	11,097	-	30,171	6,248	-	(30,171)
Lease of Water Rights	523	500	500	130	500	-
Water Resource Charge	860	500	1,000	1,316	500	(500)
Total Enterprise Revenues	12,480	1,000	31,671	7,694	1,000	(30,671)
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	70,966	164,020	202,366	175,399	27,809	(174,557)
TOTAL RESOURCES	**70,966**	**164,020**	**202,366**	**175,399**	**27,809**	**(174,557)**
APPROPRIATIONS:						
CIP Water 2120	70	2,402	7,313	380	17,402	10,089
CIP Basic Rehab	90,481	92,118	136,589	62,188	103,000	(33,589)
CIP Growth	35,280	9,000	132,945	13,658	8,350	(124,595)
Total CIP	125,831	103,520	276,847	76,227	128,752	(148,095)
Transfer To Other Funds:						
Debt Service Fund - 31	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**125,831**	**103,520**	**276,847**	**76,227**	**128,752**	**(148,095)**
ADJUSTMENTS:						
Adjustment to Fund Balance	7,801	-	-	(16,760)	-	-
ENDING FUND BALANCE	**99,245**	**159,745**	**24,763**	**181,658**	**80,715**	**55,951**

DEBT SERVICE FUND - 31

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



Resources

Debt Service resources approved for FY25 are $83.6 million; a decrease of $3.1 million from the FY24 Revised Budget. The current resources are comprised of revenue from Utility Expansion Charges (UEC), miscellaneous revenue and transfers from the General Fund. The transfer from the General Fund is $75.0 million, based on the Water Authority's debt service schedule.

Appropriations

Appropriations total $99.9 million, of which $93.9 million is principal and interest payments for outstanding debt and $6.0 million is a transfer to the Growth Capital fund. Debt service payments increased in FY25 $3.3 million from the FY24 Revised Budget, based on the Water Authority's debt service schedule. The transfer to the capital fund increased to $6.0 million.

Fund Balance

Fund Balance at June 30, 2025 is projected to be $18.1 million.

DEBT SERVICE FUND - 31
RESOURCES, APPROPRIATIONS, and FUND BALANCE

($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**53,167**	**42,792**	**42,792**	**42,792**	**34,282**	**(8,510)**
RESOURCES:						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	426	400	720	813	600	(120)
Utility Expansion Charges	6,400	8,000	8,000	10,809	8,040	40
Transfers from Other Funds	74,850	78,000	78,000	78,000	75,000	(3,000)
Total Current Resources	81,676	86,400	86,720	89,622	83,640	(3,080)
TOTAL RESOURCES	**81,676**	**86,400**	**86,720**	**89,622**	**83,640**	**(3,080)**
APPROPRIATIONS:						
Debt Service	87,138	88,346	97,166	97,166	93,865	(3,301)
Transfers to Other Funds	4,000	4,000	5,057	5,057	6,000	943
TOTAL APPROPRIATIONS	**91,138**	**92,346**	**102,223**	**102,223**	**99,865**	**(2,358)**
Adj to Fund Balance	(913)	-	-	4,092	-	-
ENDING FUND BALANCE	**42,792**	**36,846**	**27,289**	**34,282**	**18,057**	**(9,232)**

SAN JUAN CHAMA PROJECT CONTRACTORS ASSOCIATION – 41

The San Juan Chama Project Contractors Association (SJCPCA) Funds are used to fund the operations of the SJCPCA. The resources for these funds are the administration fees and special assessments collection from the members of the association.

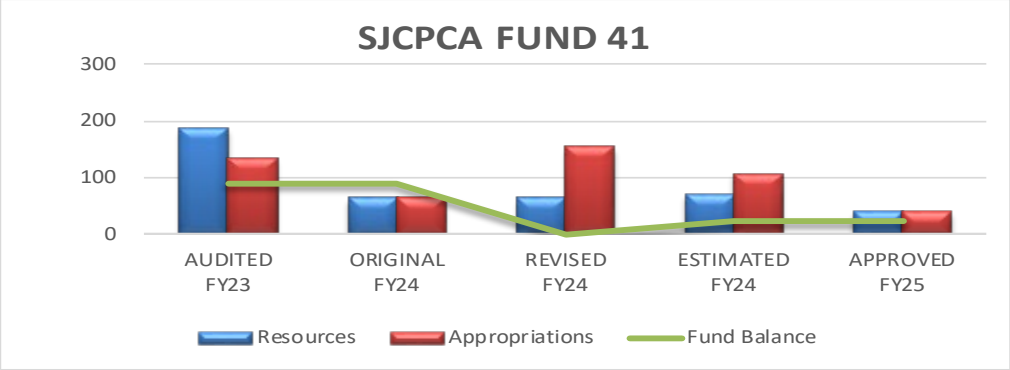
The Water Authority Board approved a Memorandum of Agreement creating the SJCPCA with various political subdivisions, public entities, and federally recognized Indian tribes for the protection of the San Juan-Chama Project and the associated water supply for the mutual benefit of the water users represented by the parties to the agreement.

The Water Authority was elected by the SJCPCA to serve as the fiscal agent for the SJCPCA. As the fiscal agent, the Water Authority shall:

1. Manage the fiscal affairs of the SJCPCA, with the supervision of the Board.

2. Collect an annual assessment from each member and any special assessments approved by the Board.

3. Manage the investment of SJCPCA funds which shall be held in trust for the members and used for the purposes of the agreement.



Resources

Total current resources approved for FY25 are $0.04 million. These resources are comprised of administration fees ($0.04 million) collected from members of the association. Resources decreased $0.25 million in FY25 from the FY24 Revised Budget.

Appropriations

FY25 appropriations total $0.04 million.

Fund Balance

The Fund Balance at June 30, 2024, is projected to be $0.23 million.

SAN JUAN CHAMA CONTRACTORS ASSOCIATION - FUND 41
RESOURCES, APPROPRIATIONS, and FUND BALANCE

($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**27**	**90**	**90**	**90**	**23**	**(67)**
RESOURCES:						
Administration Fees	48	38	38	42	39	1
Special Assessments	139	26	26	26	-	(26)
Total Current Resources	187	64	64	69	39	(25)
TOTAL RESOURCES	**187**	**64**	**64**	**69**	**39**	**(25)**
APPROPRIATIONS:						
General Government	134	64	154	108	39	(115)
TOTAL APPROPRIATIONS	**134**	**64**	**154**	**108**	**39**	**(115)**
Adj to Fund Balance	10	-	-	(28)	-	-
ENDING FUND BALANCE	**90**	**90**	**0**	**23**	**23**	**23**

THE FINANCIAL PLAN

The Water Authority uses a ten-year financial plan that factors in resources, expenses, capital needs and debt service requirements. The financial plan provides the Water Authority with the ability to compare the impact of future financial activity and issues to determine the most appropriate method of maintaining the Water Authority's financial stability. The Water Authority reviews water and wastewater rates bi-annually to ensure that inter- and intra- class equity is maintained.

To plan for the future and to ensure financial stability, an amendment to the Water Authority's Rate Ordinance was approved by the Board in June 2013 which increased rate revenue by 5% in fiscal years 2014, 2015, 2016 and again in 2018. There was no rate increase in fiscal years 2020, 2021, or 2022. The Water Authority approved a 5% rate revenue increase in fiscal year 2023. There was no rate increase in fiscal year 2024. A rate revenue adjustment was approved for fiscal year 2025.

Effective July 1, 2007, the Water Authority Board approved policies that impact financial planning for the future. A Rate Stabilization Fund was established to help offset fluctuations in revenue in the future and mitigate the need for rate increases. An annual adjustment to the Utility Expansion Charge (UEC) and the Water Resource Charge (WRC) based on the building cost or construction cost indices was implemented. This adjustment will allow the Water Authority's capital program to maintain constant dollars with inflationary increases in the future. A Water Resource Charge was established to provide the resources for the Water Authority to begin the planning, acquisition, and development of new water sources to meet the demands of new customers outside the established service area without impacting existing customers.

In FY20, the Water Authority established a reserve to provide funds for the future closure and post- closure care costs for the utility's Soil Amendment Facility, which processes byproducts of wastewater treatment. The New Mexico Solid Waste Rules, 20.9.3.27NMAC, require the registration of a composting facility with the New Mexico Environment Department. As part of this registration, the agency must provide financial assurance for the closure and nuisance abatement (Rule 20.9.10.9 NMAC) in the event the facility is to be closed. Management analysis of GASB Statement No. 18 determined that no liability needs to be recorded as the facility does not store byproducts on-site.

The Water Authority also develops a Decade Plan every year that guides the Capital Implementation Program (CIP). The projects included in the plan are identified for near-term and future work and include both rehabilitation needs and growth-related activities. The Water Authority's financial planning considers basic program needs as part of its revenue requirements, and, by policy, requires financing fifty percent of basic program rehabilitation CIP work from water and wastewater rate revenues. The balance of capital funding is obtained through

revenue bond or loan financing. Growth-related projects are funded through UEC revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriations to CIP projects. The development of a Decade Plan allows for long-term planning for both initial construction and rehabilitation costs as well as additional operating costs to operate and maintain new water and wastewater facilities.

The following table is the financial plan for the Water Authority. The plan displays financial projections from FY25 through FY34. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential expense levels in both operating and capital and compare them to the estimated revenue resources for each projected fiscal year. The plan shows the effects of the budget on the Water Authority's future Working Capital and provides a tool to project future budget needs for the Utility.

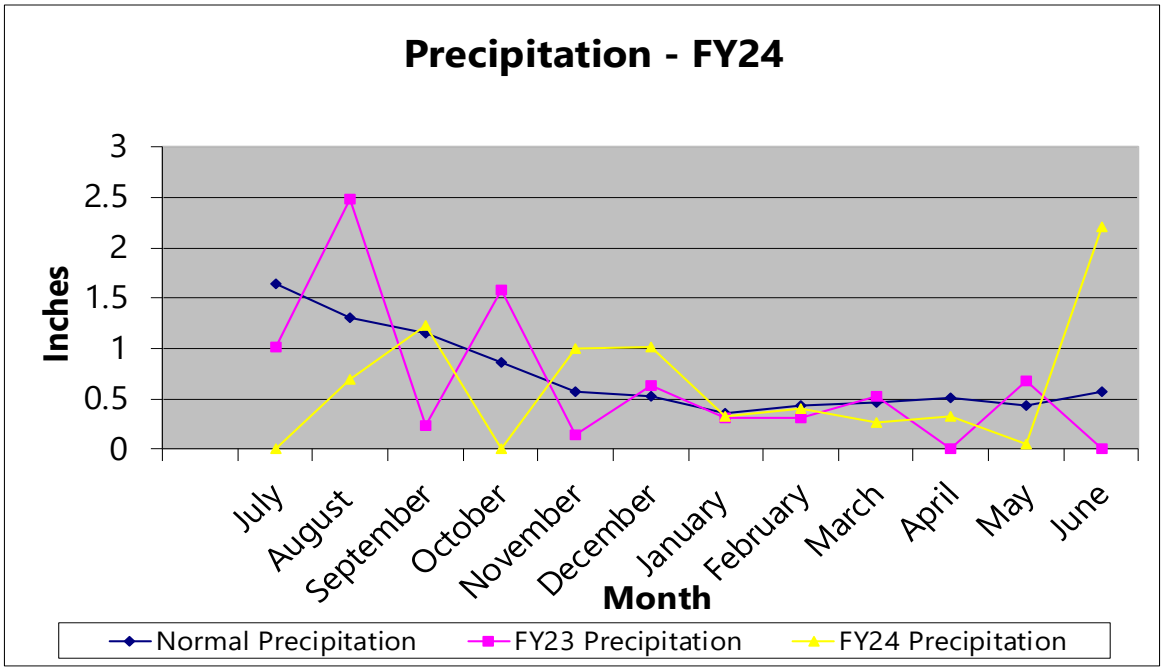
The amount in Capital Funds – Water 2120 for FY27 is for the new Reuse Plant identified in the *Water 2120* Plan.

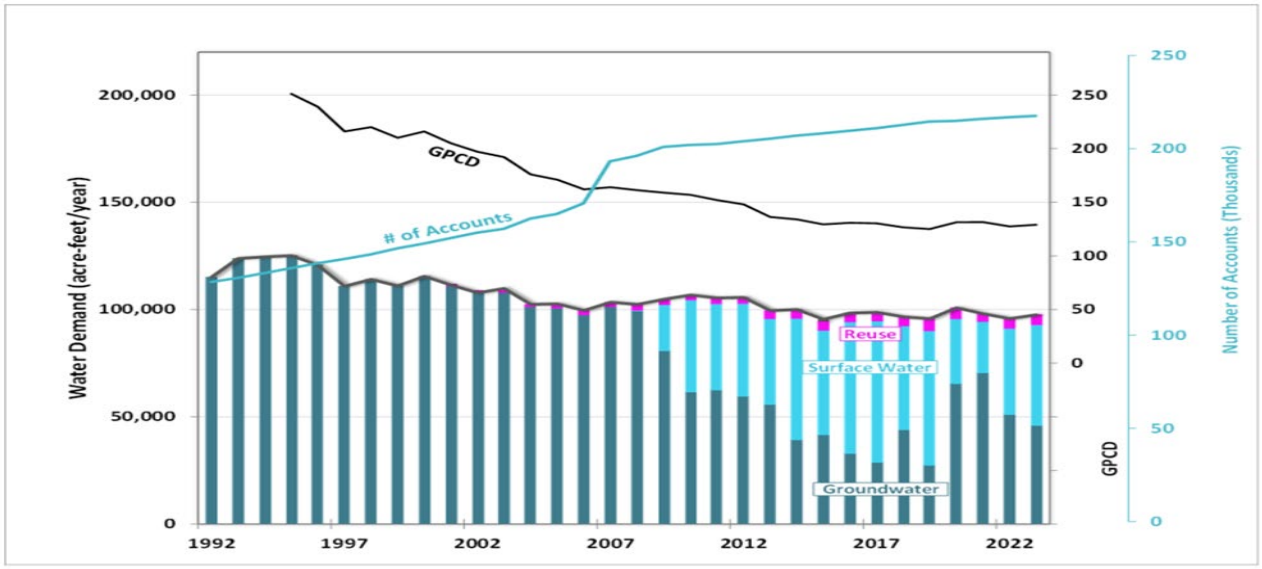
Finance Plan Forecast

Fiscal Year	Audited 2023	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034
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	$ 98,159
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	$ 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	$ 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	$ 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	$ -	$ 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	$ 1,000
Miscellanous	$ 2,188	$ 3,143	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	$ 29	$ -	$ 25	$ 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	$ 181,427
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	$ 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	$ 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	$ 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	$ 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	$ 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	$169,834
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	$ 5,064
Sources:												
Interest Income	$ 426	$ 400	$ 400	$ 100	$ 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	$ 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	$ 87,874
Interest/Miscellanous	$ 586	$ 320	$ 200	$ 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	$ 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	$ 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	$ 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	$ 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	$ 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	$ 37,463
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	$ 203,612
Water Resources Management		$ 4,500	$ 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	$ 126,532
Solid Waste Admin Fee		$ 1,711	$ 1,836	$ 1,711	$ 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	$ 654
Interest		$ 5,500	$ 3,500	$ 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	$ 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	$ 340,509
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	$ 87,816
Operations	$ 92,903	$ 72,884	$ 72,884	$ 76,805	$ 76,805	$ 76,805	$ 79,880	$ 82,955	$ 86,030	$ 89,105	$ 92,180	$ 95,255
Issue Papers			$ 3,844									
Incentive			$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300
Miscellanous						$ 3,000	$ 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	$ 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	$ 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	$ 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	$ 340,647
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	$ 37,325
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	$ 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	$ 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)	$ (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	$ 25,678
Rate Increases	5.00%	0.00%	12.00%	0.00%	10.00%	5.00%	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%

PRECIPITATION HISTORY & WATER USAGE 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.





RATE STRUCTURE & MAJOR REVENUE SOURCES

The Water Authority's Rate Structure

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

Major Revenue Sources

Water Sales ($151.1 million, 56.9% of total revenue).

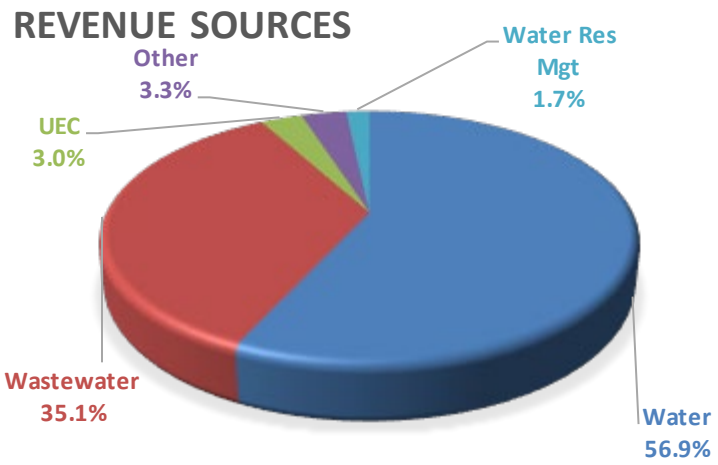
The Water System provides water services to approximately 656,237 residents comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 217,564 accounts, including 187,386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

Wastewater ($93.1 million, 35.1% of total revenue).

Wastewater services are provided to virtually all homes, schools, and businesses within the Albuquerque city limits, as well as the Village of Tijeras, Kirtland Air Force Base, Sandia Heights, and other residential areas in Bernalillo County. In all, the Water Authority provides service to about 600,000 people, with approximately 204,716 accounts, including 184,571 residential customer accounts, 17,802 multi-family and commercial accounts, 1,057 institutional accounts and 1,286 industrial and other customer accounts.

Utility Expansion Charges ($8.0 million, 3.0% of total revenue).

A Utility Expansion Charge is paid at the time of a meter sale or an application for service for all properties connecting to the water and/or wastewater system.



FY23 AUDITED ACTUAL REVENUES AND FY24 REVENUE PROJECTIONS

The Water Authority's revenue projections are summarized in the four tables included in this section. The first table, General Fund 21, presents the audited actual results for FY23, budgeted revenues and estimated actuals for FY24, and budgeted revenue for FY25. The second table, Debt Service Fund 31, third table, CIP Funds 27, 28, 29, and fourth table, SJCPCA Fund 41, provide for the same comparison as the General Fund 21 table.

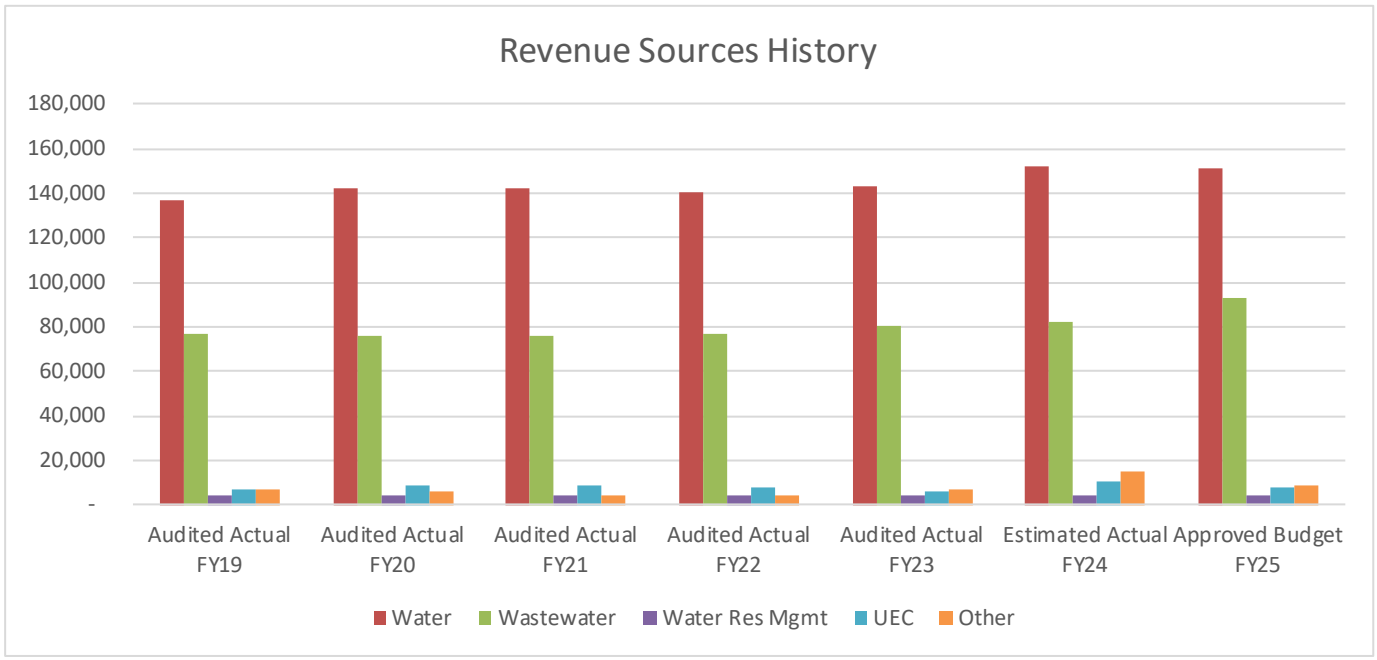
REVISED FY24 REVENUE ESTIMATES

General Fund revenues for FY24 are anticipated to be $254.4 million or $18.7 million above FY23 actuals. Rate revenue is anticipated to be $11.1 million above FY23 actuals; Other revenue is projected to be $7.6 million above FY23 actuals. The increase in Rate revenue is attributed to an increase in consumption levels for FY24. The increase in Miscellaneous revenue is mostly attributed to the increase in Interest Income stemming from a rise in interest rates.

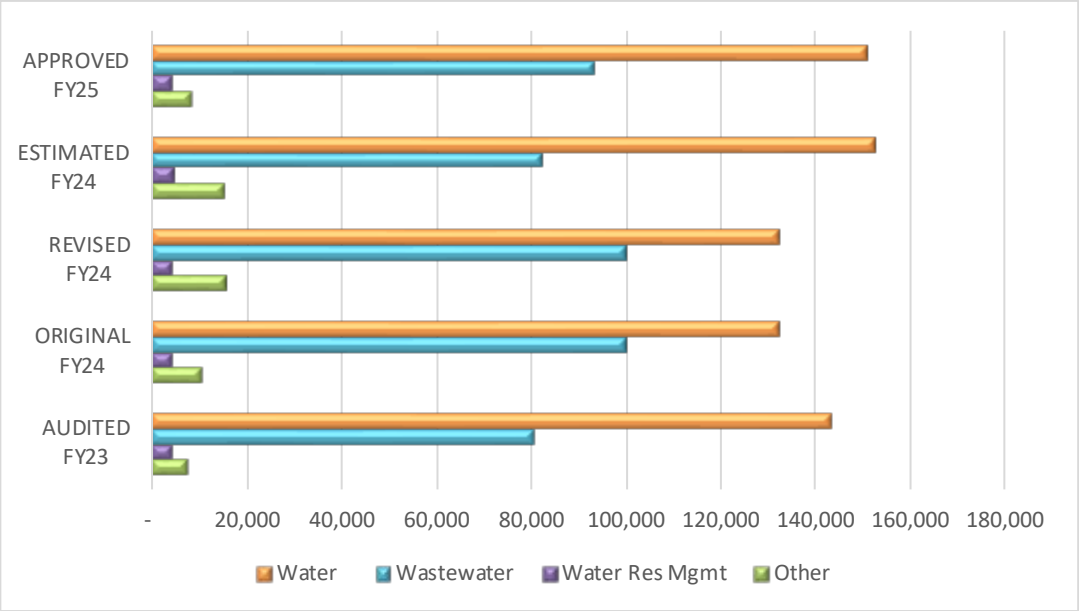
APPROVED BUDGET REVENUE ESTIMATES FOR FY25

Budgeted General Fund revenues for FY25 are $257.4 million, representing an increase of $4.5 million above the revised budgeted FY24 amount.

Revenue in the Debt Service Fund decreases $3.1 million in FY25 due to the decrease in the transfer from the General Fund.

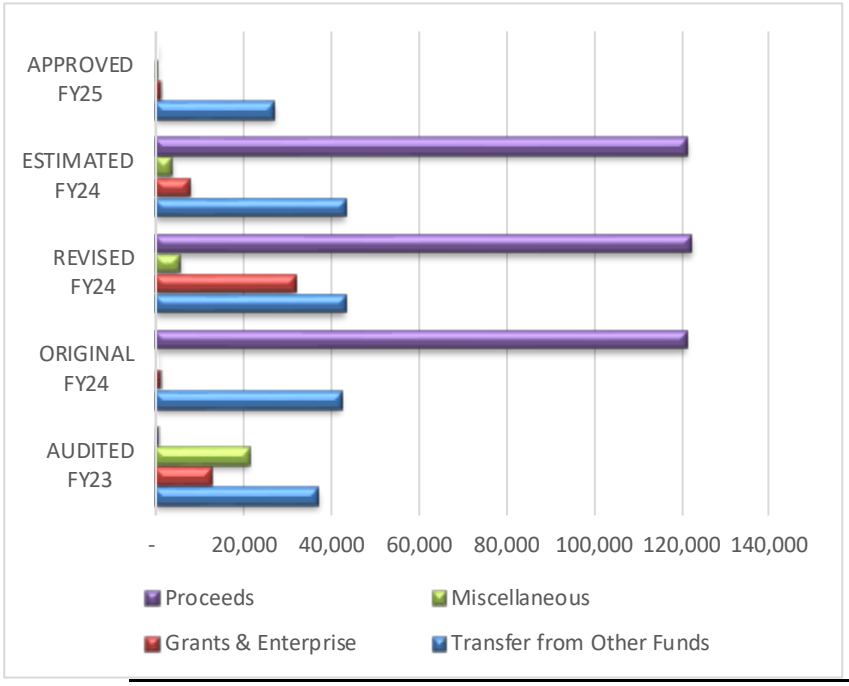

Revenue Sources History
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
Audited Actual FY19
Audited Actual FY20
Audited Actual FY21
Audited Actual FY22
Audited Actual FY23
Estimated Actual FY24
Approved Budget FY25
Water
Wastewater
Water Res Mgmt
UEC
Other

REVENUE – GENERAL FUND 21



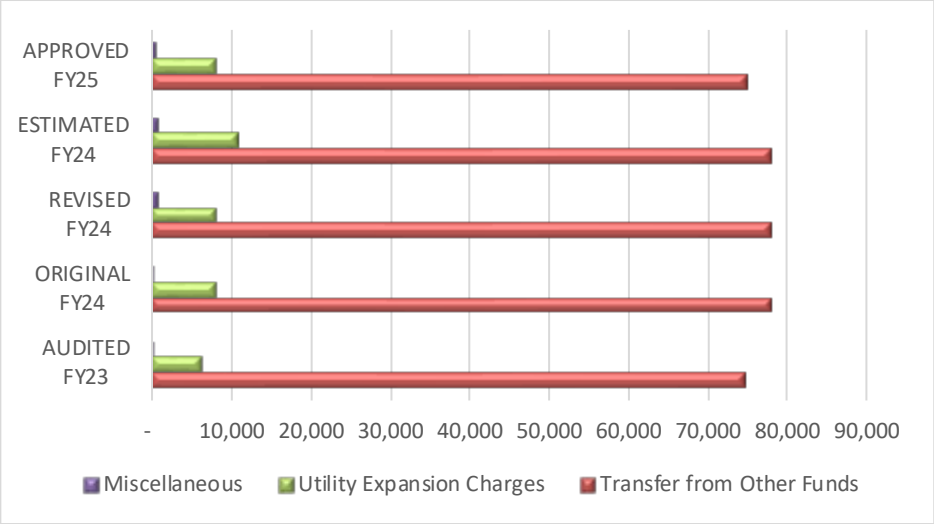
($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**32,778**	**24,044**	**24,044**	**24,044**	**23,148**	**(897)**
RESOURCES:						
Rate Revenues:						
Water Service	104,705	98,107	98,107	112,292	116,670	18,563
Water Facilities Rehab	38,551	34,022	34,022	39,900	34,022	-
Wastewater Service	44,165	71,184	64,184	45,201	64,143	(41)
Wastewater Facilities Rehab	36,288	28,982	35,982	37,002	28,982	(7,000)
Contr/Aid/Hookups	205	375	375	289	375	-
Water Resources Management	4,219	4,500	4,500	4,560	4,500	-
Total Rate Revenue	**228,133**	**237,170**	**237,170**	**239,244**	**248,692**	**11,522**
Other Revenues:						
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	10,066	3,500	(2,000)
Miscellaneous Revenue	1,734	7,909	7,909	2,700	3,000	(4,909)
Total Other Revenue	**7,506**	**10,774**	**15,774**	**15,131**	**8,715**	**(7,059)**
Total Current Resources	235,639	247,944	252,944	254,375	257,407	4,463
Add from Fund Balance	4,000	500	500	500	-	(500)
TOTAL RESOURCES	**239,639**	**248,444**	**253,444**	**254,875**	**257,407**	**3,963**

REVENUE – CAPITAL FUNDS – 27, 28, AND 29



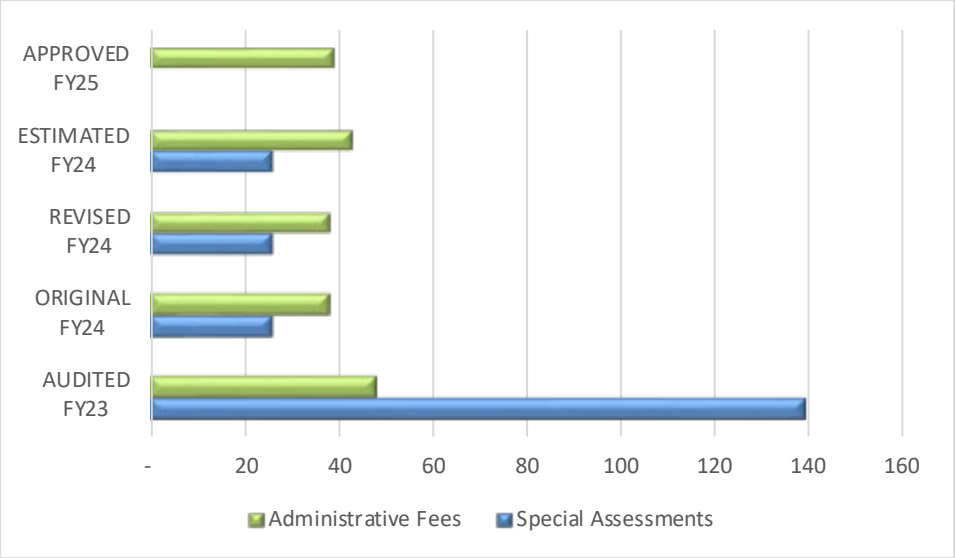
($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**146,309**	**99,245**	**99,245**	**99,245**	**181,658**	**82,413**
RESOURCES:						
Proceeds:						
Loan Proceeds	484	-	1,140	139	-	(1,140)
Bond Proceeds	-	121,000	121,000	121,000	-	(121,000)
Total Proceed Revenue	484	121,000	122,140	121,139	-	(122,140)
Miscellaneous Revenues:						
Other	21,134	-	5,478	3,488	25	(5,453)
Total Miscellaneous Revenues	21,134	-	5,478	3,488	25	(5,453)
Enterprise Revenues:						
Grants	11,097	-	30,171	6,248	-	(30,171)
Lease of Water Rights	523	500	500	130	500	-
Water Resource Charge	860	500	1,000	1,316	500	(500)
Total Enterprise Revenues	12,480	1,000	31,671	7,694	1,000	(30,671)
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	70,966	164,020	202,366	175,399	27,809	(174,557)
TOTAL RESOURCES	**70,966**	**164,020**	**202,366**	**175,399**	**27,809**	**(174,557)**

REVENUE – DEBT SERVICE FUND – 31



($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	53,167	42,792	42,792	42,792	34,282	(8,510)
RESOURCES:						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	426	400	720	813	600	(120)
Utility Expansion Charges	6,400	8,000	8,000	10,809	8,040	40
Transfers from Other Fur	74,850	78,000	78,000	78,000	75,000	(3,000)
Total Current Resources	81,676	86,400	86,720	89,622	83,640	(3,080)
TOTAL RESOURCES	**81,676**	**86,400**	**86,720**	**89,622**	**83,640**	**(3,080)**

REVENUE – SAN JUAN CHAMA CONTRACTORS ASSOCIATION – 41



($000's)	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Beginning Fund Balance	**27**	**90**	**90**	**90**	**23**	**(67)**
RESOURCES:						
Administration Fees	48	38	38	42	39	1
Special Assessments	139	26	26	26	-	(26)
Total Current Resources	187	64	64	69	39	(25)
TOTAL RESOURCES	**187**	**64**	**64**	**69**	**39**	**(25)**

ECONOMIC OUTLOOK

The following is based on the August 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 Global Insight Outlook

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

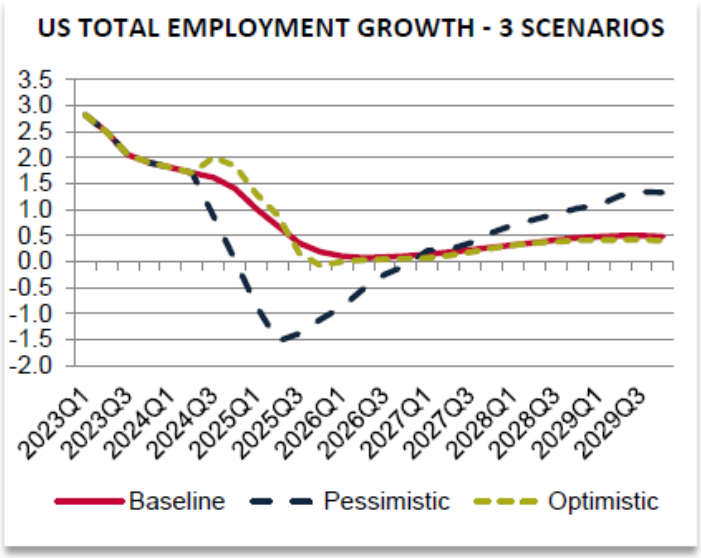
United States Review & Outlook

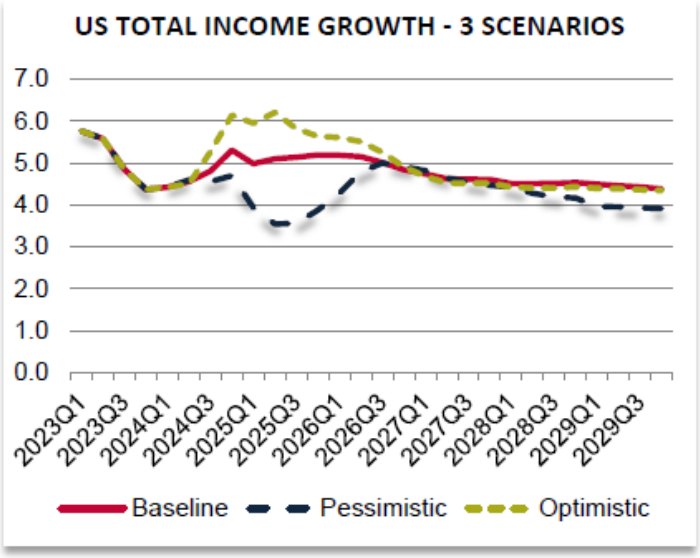
US Macro Forecast Snapshot: July 2024

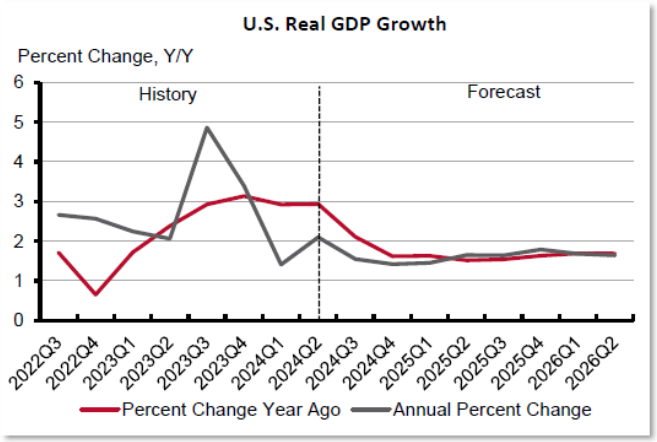
Variable	Baseline Scenario (55% Probability)	Pessimistic Scenario (25% Probability)	Optimistic Scenario (20% Probability)
GDP Growth	Real GDP rose 2.5% in 2023. Growth continues at 2.4% in 2024 and 1.6% in 2025.	Real GDP growth slows to 1.9% in 2024 and 0.1% in 2025.	Real GDP growth rises 2.7% in 2024 and decelerates to 2.4% in 2025.
Consumer Spending	Consumption dropped from 2.5% in 2022 to 2.2% in 2023. Growth continues at 2.2% in 2024 and 2.0% in 2025.	Spending slows to 1.5% in 2024 and 0.1 % in 2025.	Spending accelerates to 2.4% in 2024 and 2.9% in 2025.
Business Fixed Investment	Rose 4.5% in 2023 and rises 4.1 % in 2024 and 2.3% in 2025.	Rises 2.8% in 2024 before falling 2.2% in 2025.	Rises 4.6% in 2024 and 4.1 % in 2025.
Housing	Housing starts fell from 1.55 million in 2022 to 1.42 million in 2023 then will drop to 1.34 million in 2024 then tick up to 1.35 million in 2025.	Housing starts will fall further to 1.31 in 2024 and 1.23 million in 2025.	Housing starts will decline to 1.35 million in 2024 and increase to 1.38 million in 2025.
Exports	Rose 2.6% in 2023; rise 2.0% in 2024 and 3.7% in 2025.	Rise 1.7% in 2024 and 2.9% in 2025.	Will increase 2.0% in 2024 and jump 5.0% in 2025.
Fiscal Policy	Under the Fiscal Responsibility Act of 2023 (FRA23) the debt ceiling is sus-pended through 2024 but is assumed raised without incident before then.	Same fiscal assumptions as in baseline.	Same fiscal assumptions as in baseline.
Monetary Policy	We expect that the upper end of the fed-eral funds rate target range peaked at 5.50% as of mid-2023. First rate cut is assumed in December.	Rate cuts assumed to begin in July (earlier than baseline) and are faster than baseline	Rate cuts assumed to begin later than baseline.
Credit Conditions	Tightened in 2023; tightening persists through late 2024 amidst high interest rates.	Remain slightly tighter than in baseline.	Slightly looser than in baseline.
Productivity Growth	Rose 1.5% in 2023, and will rise 1.9% in 2024 and 1.4% in 2025.	Rises 2.0% in 2024 and in 2025.	Rises 1.8% in 2024 and 2.1 % in 2025.
Consumer Confidence	Rises from the second half of 2024 through the start of 2027, then levels out	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 fell from $101/barrel in 2022 to $83 in 2023. It nudges up to $84 in 2024 before falling to $77 in 2025.	Brent crude oil averages $92 in 2024 and $104 in 2025.	Brent crude oil averages $81 in 2024 and $77 in 2025.
Stock Markets	The year-end value of the S&P 500 rose 24.6% over 2023, and growth persists at 12.0% in 2024 and falls 2.7% in 2025.	The year-end value of the S&P 500 rises 7.8% in 2024 and falls 6.o% in 2025_	The year-end value of the S&P 500 will rise 15.5% in 2024 and decline 0.5% in 2025.
Inflation (CPI)	Core personal consumption (PCE) price inflation rose by 4.1 % in 2023 and will moderate to 2.8% in 2024 and 2.3% in 2025.	Core PCE price inflation cools to 2.8% in 2024 and 2.1 % in 2025.	Core PCE price inflation moderates to 2.7% in 2024 and 2.6% in 2025.
Foreign Growth	Eurozone GDP will tick up from 0.5% in 2023 to 0.6% in 2024, while China's growth will fall from 5.2% in 2023 to 4.7% in 2024.	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 2031 before resuming to rise.	Decreases slowly through the forecast through 2030 before resuming to rise.	The broad dollar strengthens slightly more than in the baseline.

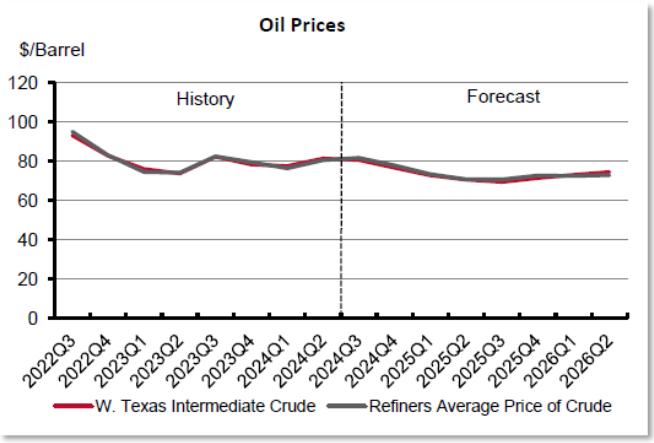
Source: S&P Global, July 2024

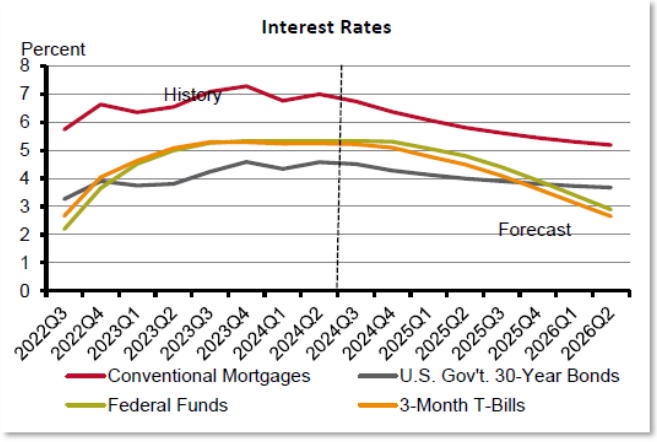
The following charts provide information on some of the key measures in the forecast.

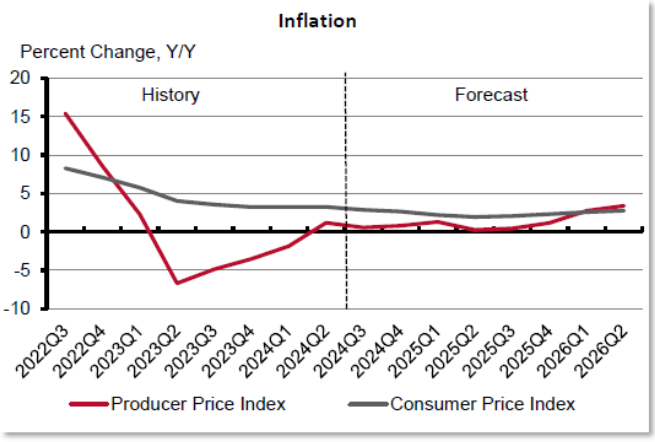












ALBUQUERQUE ECONOMIC OUTLOOK

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 S&P Global and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for August 2024 provides the forecast of the Albuquerque economy.

Albuquerque MSA Employment

Near Term Forecast

FOR-UNM projects average employment for the calendar year 2024 to be 402,761 jobs, 1.3% (5,362 jobs) more than the 397,400 jobs estimated for 2023. This forecasted increase in 2024 is expected to consist of 3,785 jobs (1.2%) added to the private sector and 1,577 jobs (2.1%) added to the public sector.

Fifteen (15) of the 19 private sector industries are predicted to grow in 2024. Unsurprisingly, as the largest sector in the MSA, healthcare & social assistance is expected to grow the most, to the tune of 1,384 jobs (2.3%), and will reach 60,857 total jobs.

In second place for private sector gains this year, with an increase of 814 jobs (2.2%) will be professional & technical services, which would then round out the year with a total of 37,089 jobs. Retail trade is predicted to see an addition of 617 jobs (1.5%) in the year, reaching a total of 42,98 jobs; while construction builds up its presence in the area with 381 more jobs (1.4%), staking its claim with 27,345 in total. Transportation & warehousing is expected to zoom ahead at a slightly faster rate of 1.8% as it increases by 224 jobs to reach 12,893 jobs in the MSA.

Three industries are projected to see increases of about 400 jobs this year: administrative & waste services, 427 jobs (1.7% growth); construction, 414 jobs (1.6% growth); and transportation & warehousing, 355 jobs (2.7% growth). After these additions, administrative & waste services will still be slightly under its 2019 level (-243 jobs, -0.9%); construction, after solid growth since 2020Q2 through 2022Q3, will be considerably above (1,945 jobs, 8%); and transportation & warehousing, after losing only 467 jobs (-5.3%) during the pandemic, and then gaining 4,304 jobs (46%) between 2021Q3 and 2022Q1, should then level off.

Five private sector industries are forecasted to grow by 100-200 jobs in 2024: other services (192 jobs, 1.9%); accommodation & food services (134 jobs, 0.3%); educational services (132 jobs, 2.1%); agriculture (125 jobs, 21.5%); and the arts, entertainment & recreation (111 jobs, 2.0%).

The remaining sectors predicted to increase in the year are administrative & waste services (59 jobs, 0.2%); management of companies & enterprises (19 jobs, 0.6%); wholesale trade (14 jobs, 0.1%); and mining (6 jobs, 2.6%). Manufacturing (7 jobs, 0.0%) is expected to essentially remain flat at a total of 16,866 jobs.

Local government (955 jobs, 2.5%); state government (425 jobs, 1.8%); and federal government (197 jobs, 1.3%) are all expected to add numbers to their rolls in 2024.

Four private sectors are likely to shed jobs this year: information, which includes media and film (-401 jobs, -7.2%); finance & insurance (-16 jobs, -0.1%); real estate (-10 jobs, -0.2%); and utilities (-7 jobs, -0.6%).

Out-Years Forecast

In the longer term from 2024 to 2029 (with 2024 as the base year), the Albuquerque MSA economy is forecasted to add 8,062 jobs at an average annual growth rate (AAG) of 0.4%. This forecast is up slightly from our last forecast, which predicted an average annual growth of 0.3%. The current forecast, however, predicts slower growth (0.3%) from 2024 through mid-2027, then it picks up to 0.4% through end-2029. 6,705 jobs are projected to be added to the private sector along with 1,357 to the public sector. In percentage terms, employment in the private sector is predicted to grow slightly faster, at 0.4% per year, while government employment grows at 0.3% per year. Total private employment will then be up 2.1% over the period and public employment will have grown by 1.7%.

FOR-UNM predicts that overall employment will rise in 13 private sector industries over the five-year window. The largest gain is expected in healthcare & social assistance (3,882 jobs), which is predicted to grow at an AAG of 1.3% throughout the forecast period. In 2029, when it reaches 64,739 total jobs, it will have grown 6.4% overall.

Coming in second, the construction industry is predicted to add to employment in the area by 2,447 jobs at a 1.8% AAG, arriving at a total of 29,791 for an overall increase of 8.9%. In third place, we expect to find professional & technical services arriving at 39,060 total jobs with an addition of 1,971 jobs. With an AAG of 1.1%, this sector will then have risen by 5.3% in the five-year time period.

Although it will be in fourth place numerically (750 jobs added), the arts, entertainment & recreation sector anticipates the highest percentage gains (13.2%) due to growing at 2.6% on average over the next five years. The larger part of the leisure & hospitality supersector, accommodation & food services, is expected to have zero growth in percentage terms with an addition of just 18 jobs. This sector will then hold 39,741 jobs. Other services is predicted to fall between the two this time, growing by 593 jobs (1.1% AAG), a gain of 5.7% over the forecast window. The ranks of this much smaller sector will then total 10,955 jobs.

Additions of between 100 to 400 jobs are expected in three sectors: finance & insurance (399 jobs, 0.6% AAG); wholesale trade (287 jobs, 0.5% AAG); and administrative & waste services (160 jobs, 0.1% AAG).

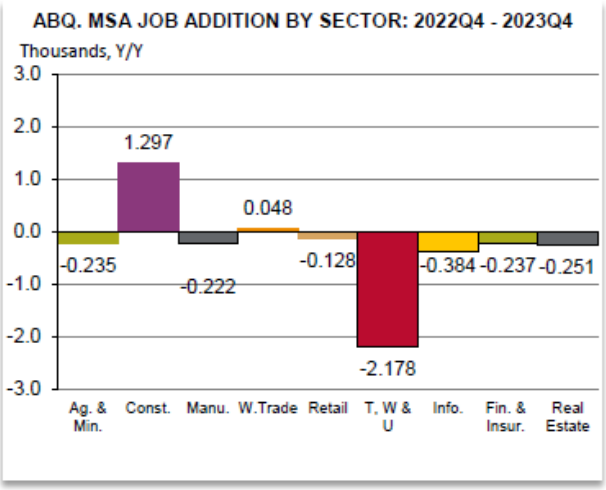
Four private sector industries should see modest positive gains during the next five years: educational services (49 jobs, 0.2% AAG); real estate, rental & leasing (35 jobs, 0.1% AAG); agriculture (34 jobs, 1.0% AAG); and mining (1 job, 0.1% AAG).

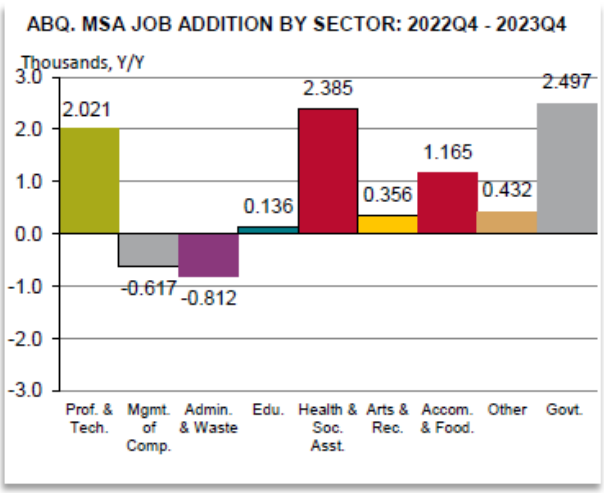
The forecast projects that six private sector industries will decline between 2024 and 2029. The largest expected decrease is in retail trade. This sector is forecasted to shrink by 2,361 jobs (-1.1% AAG). Manufacturing is also expected to lose a large number of jobs (-882 jobs, -1.0% AAG). A contraction of 385 jobs (-1.5% AAG) is projected to occur in the information industry. Smaller losses are anticipated in three sectors: management of companies & enterprises (-114 jobs, -0.7%); transportation & warehousing (-104 jobs, -0.2% AAG); and utilities (-73 jobs, -1.3% AAG).

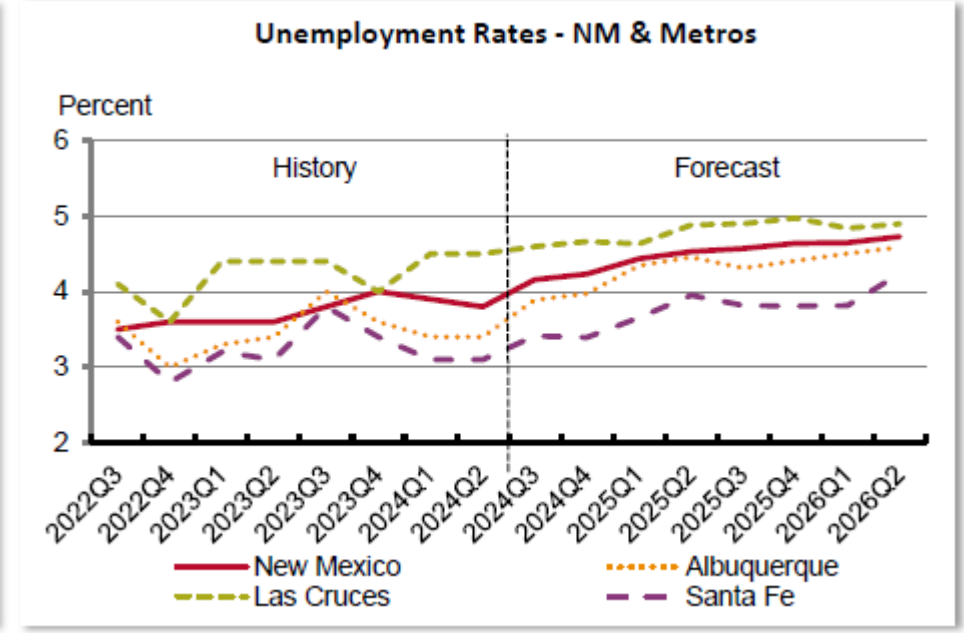
In the public sector, state government is expected to increase its ranks by 766 jobs or 3.2% at an average growth rate of 0.6% per year. Local government is expected to strengthen its position by 473 jobs over the five-year forecast period at a much slower rate of 0.2% each year for 1.2% overall growth. Finally, we expect federal government employment to add 118 jobs, also at 0.2% each year but with only 0.8% in overall growth.

The labor force is predicted to rise from 456,463 persons in 2024 to 464,213 in 2029 at an AAG of 0.3%. During this time, the non-seasonally adjusted unemployment rate is expected to increase from 3.7% in 2024 to an average of 4.6% in 2027 and 2028 before beginning to decline.

Housing permits, starting out low with around 286 per quarter in 2024 (1,145 for the year) should increase to an average of 367 per quarter by 2028 and 2029 (around 1,468 per year). Throughout the forecast window, the 333 average permits per quarter will typically consist of 198 single-family permits (about 60%) and 135 multi-family permits.







Housing & Construction

Construction permits show the trends in construction and the types of construction. Construction is categorized as new construction or additions, alterations, and repairs. New construction is further separated into residential and commercial.

There were 253 housing permits issued in the City of Albuquerque in the first 2024Q1, similar to 2023Q1's high of 310 permits. 2023 had averaged 189 per quarter, slowing down after a boom in 2022, which saw 610 permits in the first quarter and 759 in the second, driven by a spike in multi-family housing permits. Single-family permits have been trending downward for some time, at about -12.6% on average per year. The last four quarters saw an average of 135 single-family permits per quarter on average, for a total of 542 permits: down from 151 single-family permits on average per quarter and a total of 603 permits for the four quarters prior. The much more volatile multi-family permits averaged 39 per quarter during the last four quarters for a total of 157 and 200 per quarter (total of 801) during the previous four quarters.

Housing Permits - NM & Albuquerque Breakdown (Thousands)

	2022	2023	2024	2025	2026
NM Total Housing Units	7.314	6.813	7.119	6.679	7.432
% Change Year Ago	-7.2	-6.8	4.5	-6.2	11.3
NM Single-Family Housing Units	6.009	6.18	5.983	5.764	6.395
% Change Year Ago	11.9	2.8	-3.2	-3.7	10.9
NM Multi-Family Housing Units	1.305	0.633	1.137	0.915	1.037
% Change Year Ago	-48.1	-51.5	79.6	-19.5	13.4
City of Albuquerque Total Housing Units	1.704	0.756	1.145	1.161	1.333
% Change Year Ago	-3.2	-55.6	51.4	1.5	14.8
City of Albuquerque Single-Family Housing Units	0.708	0.486	0.615	0.718	0.815
% Change Year Ago	-10.3	-31.4	26.5	16.8	13.5
City of Albuquerque Multi-Family Housing Units	0.996	0.27	0.53	0.443	0.518
% Change Year Ago	2.5	-72.9	96.2	-16.3	16.9

Construction Employment - NM & Albuquerque (Thousands)

	2022	2023	2024	2025	2026
NM Construction Employment	49.83	52.995	54.132	54.942	55.811
% Change Year Ago	4.2	6.4	2.1	1.5	1.6
Albuquerque MSA Construction Employment	25.584	26.964	27.345	27.788	28.219
% Change Year Ago	4.2	6.4	2.1	1.5	1.6

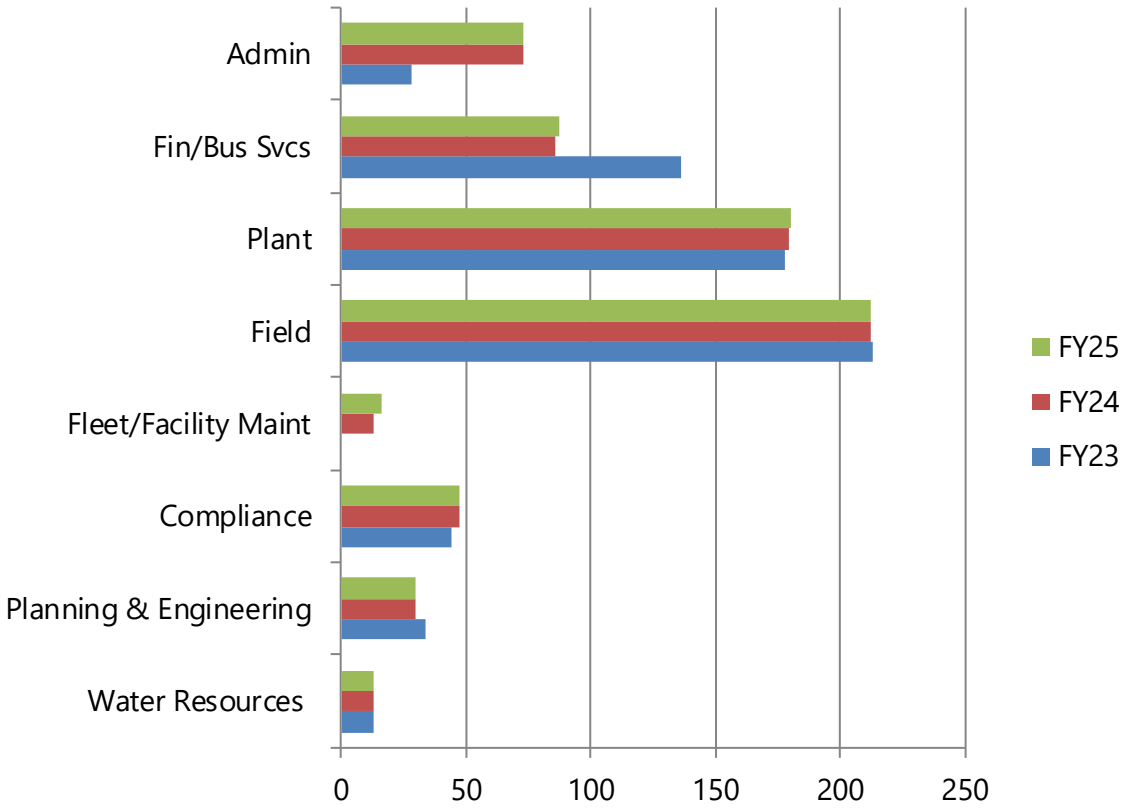
PERSONNEL INFORMATION

The FY25 budget is authorized and approved for 658.0 full-time equivalent (FTE) employees.

Three labor unions represent 506 of the 658 Authority employees. Local 2962 AFSME, AFL-CIO, CLC represents 55 clerical series employees, Local 624 AFSCME, AFL-CIO represents 311 blue collar employees and Local 3022 AFSCME, COUNCIL 18, AFL-CIO represents 140 management series employees.

Changes in Employment

The FY25 approved budget has an increase of 5.0 full-time equivalent positions over the FY24 level: AP Processor in Finance; Assistant Superintendent in Groundwater Operations, Plant; and a Maintenance Supervisor and 2 Maintenance Technicians in Fleet/Facility Maintenance. All other changes are due to staff reassignments and program realignments.



POSITIONS	AUDITED ACTUAL FY23	ORIGINAL BUDGET FY24	REVISED BUDGET FY24	ESTIMATED ACTUAL FY24	APPROVED BUDGET FY25	APPR 25/ REV 24 CHG
Administration						
Water Authority	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	-
Total Administration	28	71	73	73	73	-
Financial /Business Services						
Finance	31	31	31	31	32	1
Fleet & Facility Maintenance	13	-	-	-	-	
Customer Services	49	49	49	49	49	-
Information Technology	43	-	-	-	-	-
Asset Management	-	6	6	6	6	
Total Financial/Business Services	136	86	86	86	87	1
Plant						
Wastewater Treatment	88	89	89	89	89	-
San Juan-Chama Water Treat Plant	35	35	35	35	35	-
Groundwater	55	55	55	55	56	1
Total Plant	178	179	179	179	180	1
Field						
Wastewater Collection	64	64	64	64	64	-
Water Field Operations	149	149	148	148	148	-
Total Field	213	213	212	212	212	-
Compliance	44	47	47	47	47	-
Fleet & Facility Maintenance	-	13	13	13	16	3
Planning & Engineering						
Central Engineering	24	26	26	26	26	-
Asset Management	6	-	-	-	0	-
Planning & Utility Development	4	4	4	4	4	-
Total Planning & Engineering	34	30	30	30	30	-
Water Resources	13	13	13	13	13	-
TOTAL FULL TIME POSITIONS	**646.0**	**652.0**	**653.0**	**653.0**	**658.0**	**5.0**

FY25 APPROVED ISSUE PAPERS

Approved issue papers and initiatives funded in FY25 total $3,843,818. The list below identifies the issues and divisions that received additional funding.

Water Authority Approved Issue Papers - FY25	
Fund 21 - General Fund	**3,843,818**
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	**3,843,818**

ADMINISTRATION

Program Description

The work units under the Administration umbrella include Executive Director, Public Affairs, Risk, Legal, Human Resources, and Information Technology.

The Executive Director provides overall leadership for Water Authority operations. This program encompasses the Public Affairs operations. This program provides policy design and development, development of legislation for Water Authority Board approval, staff evaluation of all proposed legislation from the administrative, operational, and financial prospective and coordination and development of the Water Authority's annual budget including the Goals and Objectives and the Performance Plan. The Technical Customer Advisory Committee (TCAC), an advisory group to the Water Authority, is coordinated by this unit.

Risk consists of risk and safety compliance staff.

Legal consists of an attorney who functions as general counsel for the utility and provides advice and legal counsel on all aspects of the utility operation. This work includes advising on labor and employment matters; drafting and reviewing agreements, contracts, legislation, policies and procedures; functioning as a liaison and primary contact for outside counsel; and overseeing and handling collection efforts.

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

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

2024 Accomplishments

- 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.

- 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 innovative 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.

- 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Total Injury Hours	Organization Development	2600	2715	923	2500
Number Closed Claims Paid	Organization Development	80	86	18	50
Training Hours per Employee	Organization Development	25	21	14	25
Internal Employee Promotions	Organization Development	31%	73%	57%	50%
Average Vacancy Rate	Organization Development	7%	5%	7%	7%
Average Days to Hire	Organization Development	60	55	55	50
IT Service Desk Requests	Business Planning & Mgmt	7979	7096	8491	8000
Cybersecurity Phish-Prone %	Business Planning & Mgmt	6%	9%	9%	6%

2025 Objectives

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

- 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.

- 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 hour's 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.

- 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.

- 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.

- 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 based on the data by the end of the 4th Quarter of FY25.

- 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.

- 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 training 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.

- 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.

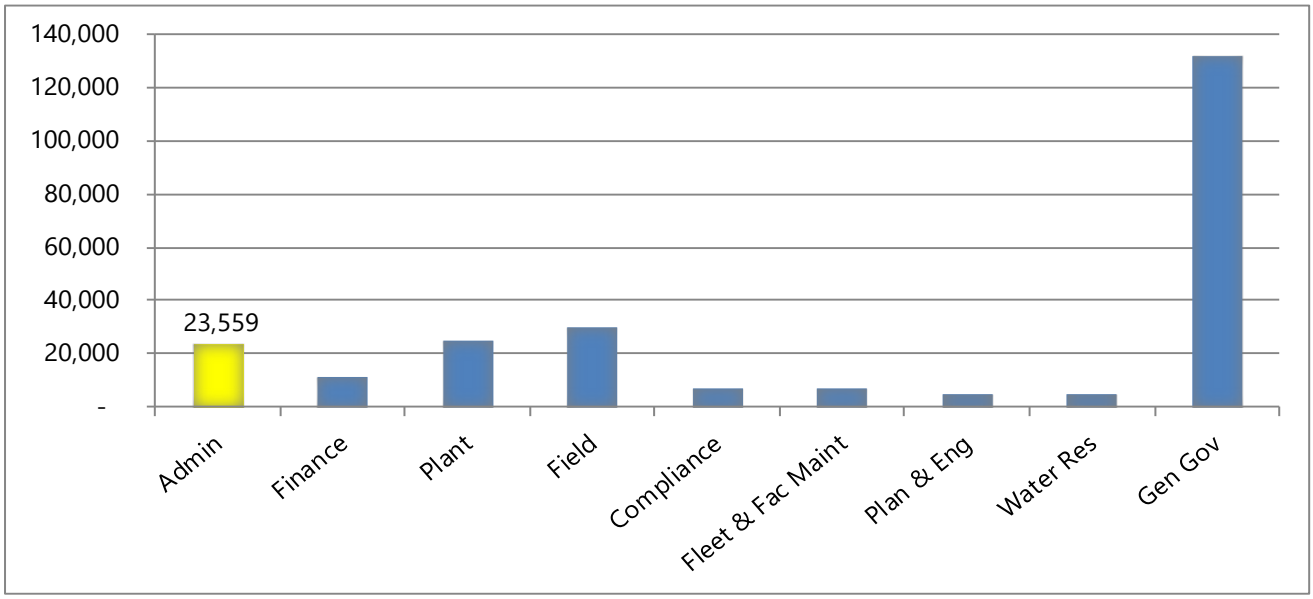
- Continued implementation of the SCADA System Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th quarter of FY25.
- Upgrade and patch all enterprise applications 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.

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Administration	7	7	7
Risk	5	5	5
Legal	1	1	1
Human Resources	15	15	15
Information Technology	-	43	43

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Executive Director							
	Personnel	842	1,054	1,104	1,123	1,203	99
	Operating	727	772	772	924	802	30
	Total	1,569	1,826	1,876	2,047	2,005	129
Risk							
	Personnel	539	536	536	617	675	139
	Operating	6,092	5,651	5,651	5,528	6,251	600
	Total	6,631	6,187	6,187	6,144	6,926	739
Legal							
	Personnel	255	208	208	358	234	26
	Operating	961	615	615	975	755	140
	Total	1,216	823	823	1,333	989	166
Human Resources							
	Personnel	1,566	1,722	1,722	1,629	1,810	88
	Operating	212	197	197	180	197	-
	Total	1,779	1,919	1,919	1,809	2,007	88
Information Technology							
	Personnel	-	-	5,720	5,861	6,022	302
	Operating	-	-	4,810	7,821	5,610	800
	Total	-	-	10,530	13,682	11,632	1,102
Total Division		**11,195**	**10,755**	**21,335**	**25,015**	**23,559**	**2,224**



Program Description

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

Finance provides support and information to the Water Authority as well as outside entities such as bonding agencies, vendors, and local businesses. The section develops and administers rates, bonding functions, arbitrage calculations, budgeting, accounting, payroll, purchasing/warehouse, auditing, grants management and overall financial support. This unit monitors the Water Authority's progress in meeting the yearly objectives and financial performance. Quarterly progress reports are submitted to the Water Authority Board on the status of the objectives and the financial plan.

Customer Services oversees the application for new services, utility billing, dispatch operations, utility revenue collection as well as billing information to water and wastewater customers.

The Asset Management program is an extensive business model that helps utility managers make better acquisition, operations and maintenance, renewal, and replacement decisions. The principles of asset management were developed to address the critical problem of aging public infrastructure and changing utility business environment. In Fiscal Year 2019, the Water Authority upgraded its Maximo® Enterprise Asset Management System/Computerized Maintenance Management System and integrated mobile work order technology to improve the accuracy of the asset data.

2024 Accomplishments

- 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 FY22 ACFR and PAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting program.
- 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.

- The 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.

- The 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Average Days Cash on Hand	Business Planning & Management	365	377	369	350
Bond Rating (S/P, Moody's)	Business Planning & Management	AA+/Aa2	AA+/Aa2	AA+/Aa2	AA+/Aa2
Water/Sewer Account Delinquency Rate	Customer Services	2.53%	1.59%	0.94%	1.00%
Low Income Assistance Program Coverage	Customer Services	22%	23%	26%	28%
Customer Service First Call Resolution	Customer Services	98%	98%	98%	98%
Billing Accuracy Ratio (per 10,000 bills	Customer Services	9%	7%	2%	3%
Asset Mgmt Activity (Create, Decommission, Update)	Business Planning & Management	12508	14779	1231086	6500
Maximo Asset Mgmt. Employee Training Hours	Business Planning & Management	224	109	264	500

2025 Objectives

- 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.
- 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.

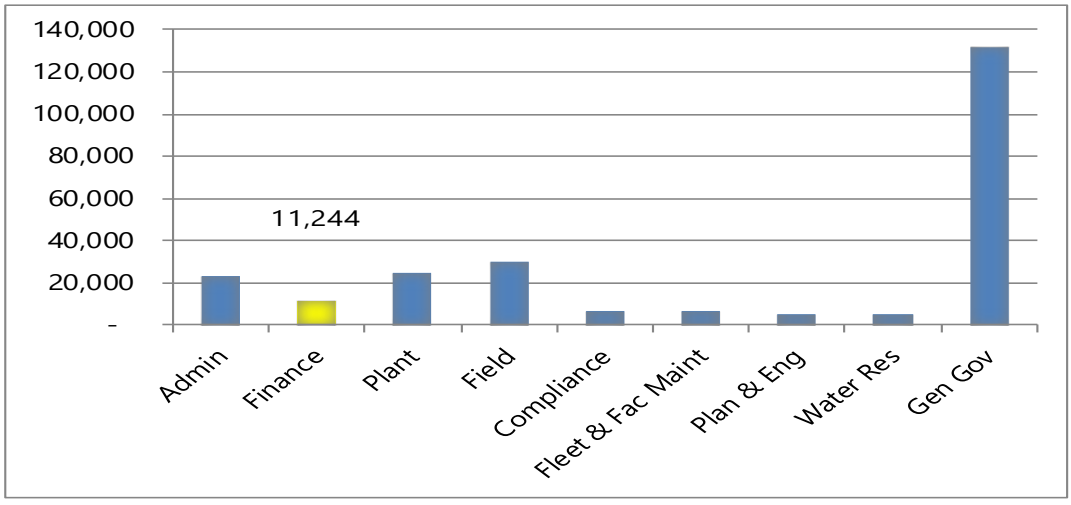
- Update and document all financial policies and procedures in accordance with GFOA Best Practices and internal audit recommendations by the end of the 4th Quarter of FY25.
- Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated targets through the end of the 4th Quarter of FY25.
    - Corrective Maintenance to Preventative Maintenance Ratio, Targe greater than 80%,
    - Asset Registry Information Accuracy/Number of Assets without Life Cycle Status, Target less than 10%,
    - Asset 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.
- 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).

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Finance	31	31	32
Customer Service	49	49	49
Information Technology	43	-	-
Asset Management	-	6	6

2025 Budgetary Comparisons

Expenses by Department ($000's)	Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Finance						
Personnel	2,763	2,966	2,966	2,625	3,044	78
Operating	1,867	1,426	1,426	2,737	1,846	420
Total	4,630	4,392	4,392	5,363	4,890	498
Fleet Maintenance						
Personnel	1,283	1,165	-	-	-	-
Operating	2,994	3,161	-	-	-	-
Total	4,278	4,326	-	-	-	-
Facilities Maintenance						
Personnel	42	89	-	-	-	-
Operating	1,354	1,315	-	-	-	-
Total	1,396	1,404	-	-	-	-
Customer Services						
Personnel	3,262	3,610	3,610	3,508	3,750	140
Operating	1,708	1,799	1,799	1,837	1,799	-
Total	4,970	5,409	5,409	5,346	5,549	140
Information Technology						
Personnel	5,562	5,720	-	-	-	-
Operating	5,358	4,810	-	-	-	-
Total	10,920	10,530	-	-	-	-
Asset Management						
Personnel	-	-	768	739	768	-
Operating	-	-	37	18	37	-
Total	-	-	805	757	805	-
Total Division	**26,193**	**26,061**	**10,606**	**11,465**	**11,244**	**638**



Program Description

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

Wastewater and Biosolids Management

The Southside Water Reclamation Plant provides preliminary screening, grit removal, primary clarification and sludge removal, advanced secondary treatment including ammonia and nitrogen removal, final clarification, and effluent chlorination and dechlorination prior to discharge to the Rio Grande River. Treatment plant capacity is based upon 76 MGD hydraulic capacity. The treatment plant has a 6.6 mega-watt cogeneration facility. This facility supplies 100% of the treatment plant's present electrical needs, along with providing heating for various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The plant currently generates electricity from the biogas produced in the digesters. This is no cost gas that qualifies the electricity generated for Renewable Energy Certificates (REC). These certificates have a value to other electrical energy producers and the Authority continues to research on how to sell its RECs to increase revenue.

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

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

Drinking Water

The Water Authority currently operates and maintains two different water systems capable of providing high quality drinking water to the community. The San Juan-Chama Drinking Water Project will supply 70-75% of the metropolitan area’s future water. Surface water from the Rio Grande is diverted from the river through a high-tech, 620-foot-long adjustable height bladder dam. Eight miles of pipeline transports the diverted water to the new water treatment plant for purification.

Thirty-six miles of pipeline then transports the treated water to the existing reservoirs throughout the service area.

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.

2024 Accomplishments

- In calendar year 2023, 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Groundwater Preventative to Corrective Maintenance Ratio	Water Supply & Operations	70%	75%	82%	70%
Surface Water Preventive to Corrective Maintenance Ratio	Water Supply & Operations	84%	73%	78%	70%
Wastewater Preventive to Corrective Maintenance Ratio	Wastewater Collection & Operations	49%	42%	48%	45%
Diversion of Biosolids to Compost	Wastewater Collection & Operations	23%	28%	25%	30%
Percent of Total Energy from Renewables	Water Supply & Operations Wastewater Collection & Operations	15%	17%	47%	45%
Percent of Reuse Water Use	Water Supply & Operations	5%	6%	5%	6%

2025 Objectives

- 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.
- 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.
- 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.
- 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.
- 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.

- 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.

- 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.

- 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.

- 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.

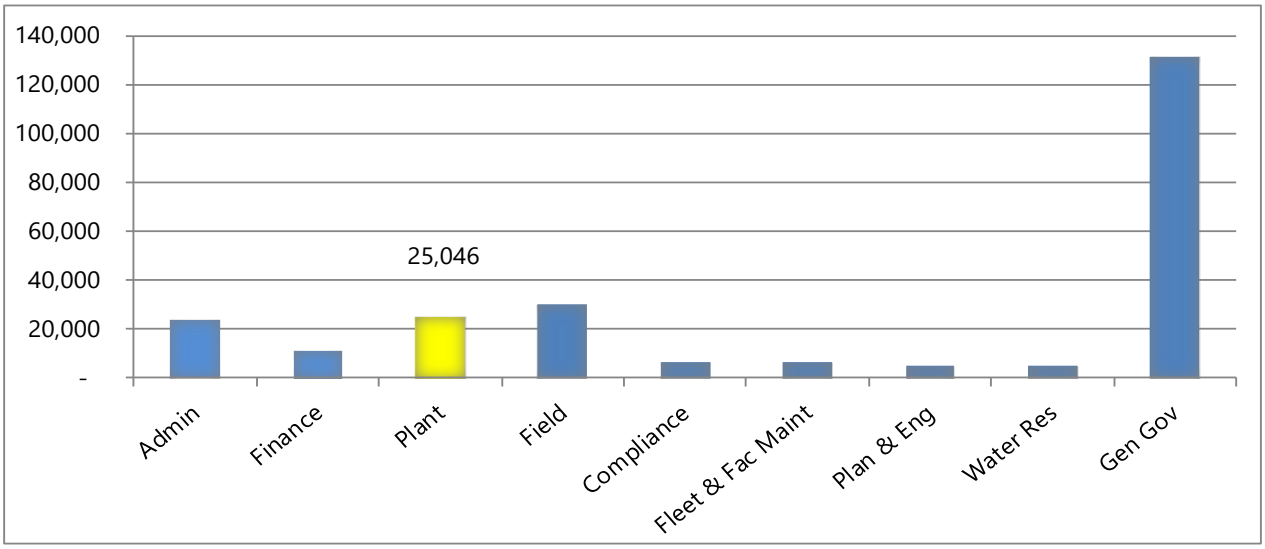
- Seek to increase renewable/green energy generation at Water Authority facilities. Provide updates on plan and project progress, and report power generation over time by the end of the 4th Quarter of FY25. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester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

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Wastewater Treatment Plant	88	89	89
San Juan-Chama Water Treatment Plant	35	35	35
Groundwater Operations	55	55	56

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Wastewater Plant							
	Personnel	8,916	9,592	9,592	8,825	9,867	275
	Operating	3,259	2,621	2,529	2,634	2,549	20
	Total	12,175	12,213	12,121	11,459	12,416	295
San Juan-Chama WTP							
	Personnel	3,659	3,955	3,955	3,795	4,031	76
	Operating	954	944	941	768	936	(5)
	Total	4,613	4,899	4,896	4,563	4,967	71
Groundwater Operations							
	Personnel	5,960	6,067	6,067	6,005	6,445	378
	Operating	1,363	1,231	1,231	1,121	1,218	(13)
	Total	7,323	7,298	7,298	7,126	7,663	366
Total Division		**24,110**	**24,410**	**24,314**	**23,148**	**25,046**	**732**



Program Description

The Field division is responsible for operating and maintaining the water distribution system, wastewater collection and non-potable reuse distribution system. Drinking water is distributed to approximately 656,237 residents comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System.

Wastewater Collection and Lift Stations

Wastewater Collections serves both customers connected to the collection system and those transporting wastewater to the treatment plant. The wastewater system consists of small diameter collector sewers, sewage lift stations, and large diameter interceptor sewers conveying wastewater flows by gravity to the Southside Water Reclamation Plant located south of the service area.

The wastewater collection system also includes lift stations that convey wastewater from lower to higher areas or across the Rio Grande. In the north and south valley, wastewater is collected in a vacuum system that includes valve pits, vacuum lines and a vacuum pump station that collects and conveys wastewater to gravity sewers to the Southside Water Reclamation plant for treatment and disposal. Collections provides contract operations for existing storm water lift stations. These lift stations move storm water from low lying areas to other facilities for ultimate discharge to the Rio Grande.

Water Distribution

The water distribution system consists of more than 3,310 miles of transmission and distribution pipelines that transport drinking water from the reservoirs to our customers throughout the service area. The water system takes advantage of the unique topography of the Water Authority's service area which allows ground level storage while simultaneously providing system pressure by gravity. Control of the water system is provided by remote telemetry units distributed throughout the system for control from a central control facility.

In addition, the Field division is responsible for water service lines, large and small diameter valves, pressure reducing and air relief valves and utility line locations. The division is responsible for main and service line repairs, street and sidewalk excavations/restoration, system shutdowns for construction coordination, and water meter reading and meter boxes and meter installation.

2024 Accomplishments

- 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.

- The 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Water Breaks/Leaks per 100 miles of pipe	Water Supply & Operations	13	9	9	10
Percent of Water Meter Readings Estimated	Water Supply & Operations	0.3%	0.1%	0.2%	1.0%
Water Valves Inspected and Exercised	Water Supply & Operations	4625	4000	4137	4000
Small Meters Tested for Accuracy	Water Supply & Operations	306	265	358	300
Utility Locate Request Damage Ratio (per 1,000 requests)	Water Supply & Operations	N/A	0.59	0.27	2.0
Collection System Failures per 100 miles of pipe	Wastewater Collection & Operations	4	5	1	3
Subbasin & Short Interval Sewer Lines Cleaned (miles)	Wastewater Collection & Operations	442	387	333	450

2025 Objectives

- 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.
- 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.
- 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.

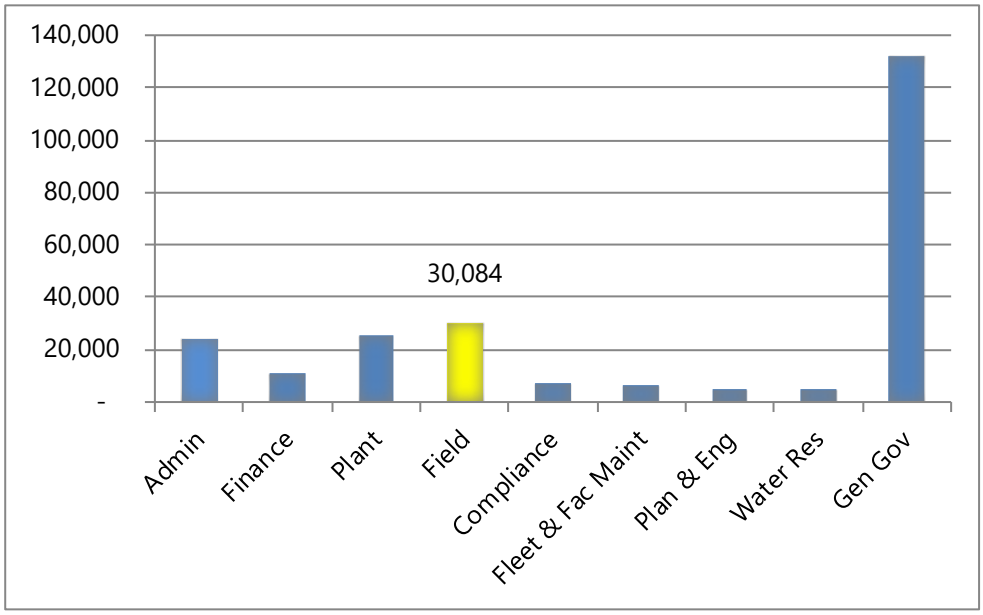
- Submit annual distribution data to the Partnership for Safe Water - Distribution program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY25.
    - Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.
- To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY25.
- 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.
- 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.
- 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.
- 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.
- 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.

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Wastewater Collection	64	64	64
Water Field Operations	149	148	148

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Wastewater Collection							
	Personnel	6,352	6,575	6,555	6,209	6,640	85
	Operating	1,836	1,456	1,433	1,389	1,433	-
	Total	8,188	8,031	7,988	7,598	8,073	85
Water Field Operations							
	Personnel	13,807	14,000	13,970	13,895	14,530	560
	Operating	7,188	7,508	7,481	7,065	7,481	-
	Total	20,995	21,508	21,451	20,960	22,011	560
Total Division		**29,183**	**29,539**	**29,439**	**28,558**	**30,084**	**645**



Program Description

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

2024 Accomplishments

- 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 the 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.
-

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Cross Connection Prevention and Control Ordinance Compliance	Business Planning & Management	70%	75%	74%	75%

2025 Objectives

- 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.
- 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.
- 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.
- 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.

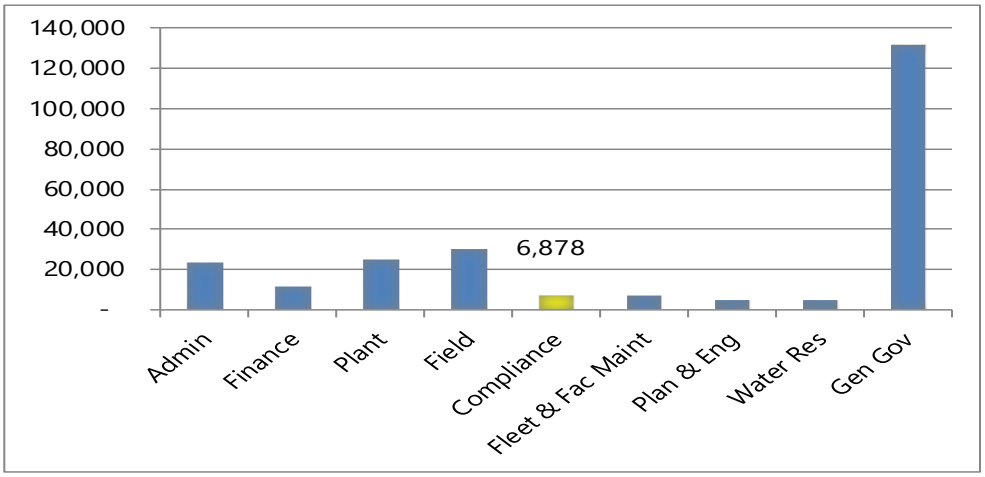
- Implement the Mercury Minimization Plan and report to the United States Environmental Protection Agency (EPA) by the end of the 2nd Quarter of FY24, as required in the permit.
- National Pollutant Discharge Elimination System (NPDES) Pretreatment Program monitors compliance with the Water Authority's 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.
- 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:
    - 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.
    - 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.
    - Evaluate the IU survey list and Permit at least 1 Industry per quarter.
- Implement the 2024 Program Objectives outlined in the MMP 2023 Implementation Status Report sent to EPA.
    - 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.

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Laboratory	21	22	20
NPDES	15	16	16
Water Quality	8	9	11

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Laboratory							
	Personnel	2,087	2,232	2,232	2,095	2,188	(44)
	Operating	674	446	444	696	444	-
	Total	2,762	2,678	2,676	2,791	2,632	(44)
NPDES							
	Personnel	1,585	1,765	1,765	1,674	2,036	271
	Operating	287	221	221	118	221	-
	Total	1,873	1,986	1,986	1,792	2,257	271
Water Quality							
	Personnel	933	1,078	1,078	1,025	1,465	387
	Operating	612	524	524	671	524	-
	Total	1,545	1,602	1,602	1,696	1,989	387
Total Division		**6,179**	**6,266**	**6,264**	**6,279**	**6,878**	**614**



Program Description

During FY24, Fleet & Facility Maintenance moved from Financial Services to become a separate program.

Fleet Maintenance provides all maintenance and repair services to the vehicles and equipment in the Water Authority's fleet.

Facility Maintenance provides maintenance and repair services to Water Authority facilities. This includes overseeing contract janitorial services, landscaping and outside maintenance of facilities, and all internal maintenance for facilities.

2024 Accomplishments

- 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.
- 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.

2025 Objectives

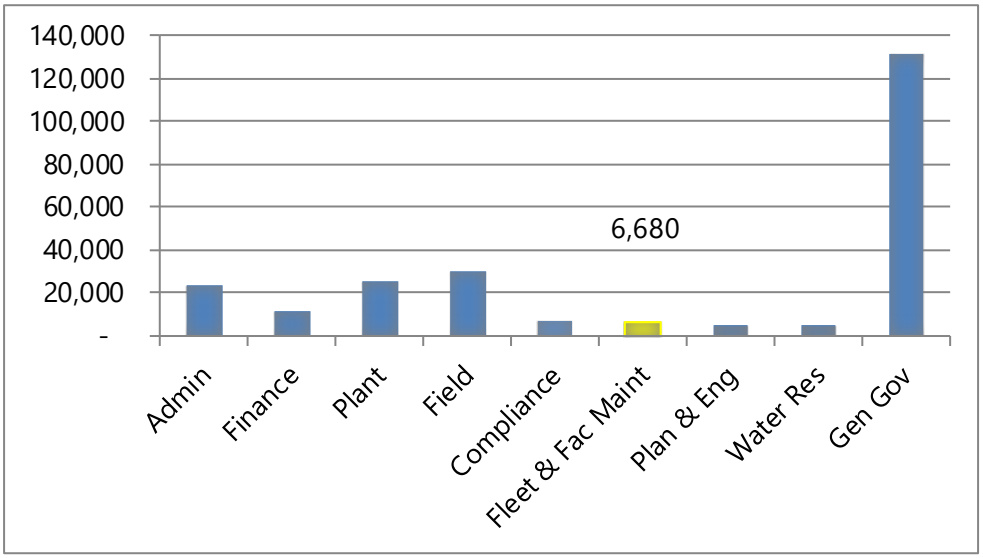
- Assess and strategize processes to help reduce fuel over-consumption to minimize the operating cost of Water Authority vehicles. Collaborate with department heads to develop a strategic plan to minimize fuel consumption by the end of the 4th Quarter of FY25.

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Fleet Maintenance	-	12	12
Facility Maintenance	-	1	4

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Fleet Maintenance							
	Personnel	-	-	1,165	1,274	1,394	229
	Operating	-	-	3,161	2,717	3,161	-
	Total	-	-	4,326	3,991	4,555	229
Facility Maintenance							
	Personnel	-	-	89	129	512	423
	Operating	-	-	1,463	1,619	1,613	150
	Total	-	-	1,552	1,748	2,125	573
Total Division		**-**	**-**	**5,878**	**5,739**	**6,680**	**802**



Program Description

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

2024 Accomplishments

- 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.

- The 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Capital Rehabilitation & Replacement Programs Spending ($ millions)	Business Planning & Management	$49M	$72M	$55M	$64M
Leaks Located Through Leak Detection Program	Water Supply & Operations	52	104	63	75

2025 Objectives

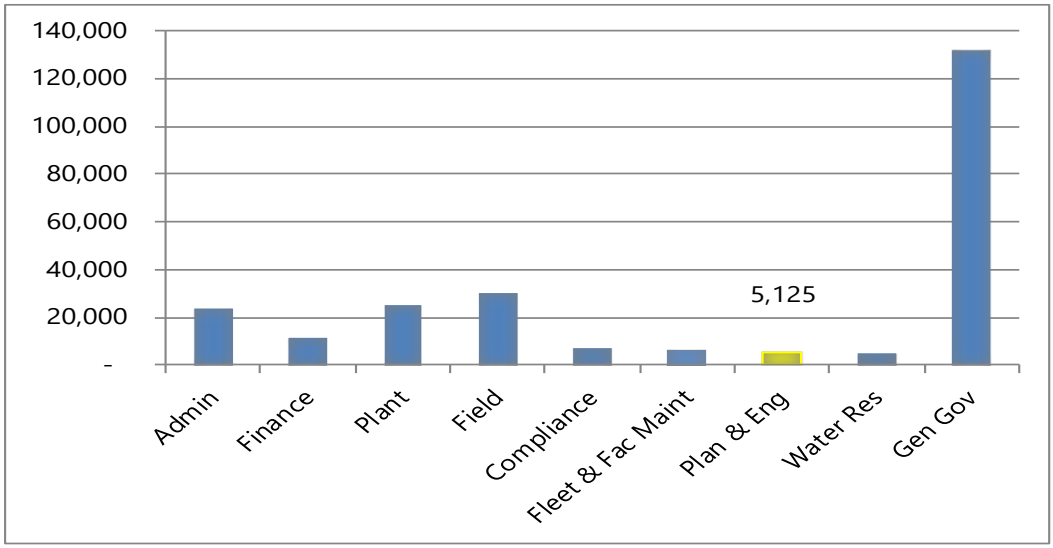
- Implement a Maximo-based Leak Detection Inspection process to track manual leak detection survey work, automate the WO process that results from leaks that are detected, and automate the back-end reporting of estimated annual water loss from leaks that are detected. This process will ultimately replace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

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Central Engineering	24	26	26
Asset Management	6	-	-
Planning & Utility Development	4	4	4

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Central Engineering							
	Personnel	3,315	3,731	3,731	3,211	3,987	256
	Operating	124	64	64	47	64	-
	Total	3,440	3,795	3,795	3,258	4,051	256
Asset Management							
	Personnel	756	768	-	-	-	-
	Operating	28	37	-	-	-	-
	Total	784	805	-	-	-	-
Planning & Util. Develop.							
	Personnel	644	911	911	699	986	75
	Operating	187	88	88	172	88	-
	Total	831	999	999	871	1,074	75
Total Division		**5,054**	**5,599**	**4,794**	**4,129**	**5,125**	**331**



Program Description

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

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

2024 Accomplishments

- Water Resources reported 422 million gallons of water was conserved in CY23 from CY22. Water savings were 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Education Programs Attendance	Water Supply & Operations	17535	11572	13642	15000
Service area gallons per capita per day	Water Supply & Operations	128	127	129	127

2025 Objectives

- 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.
- 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.

❖ 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.

❖ 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.

❖ 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.

❖ 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.

❖ 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.

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

❖ 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.

❖ Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water use Efficiency Audits; 2) 400 Landscape

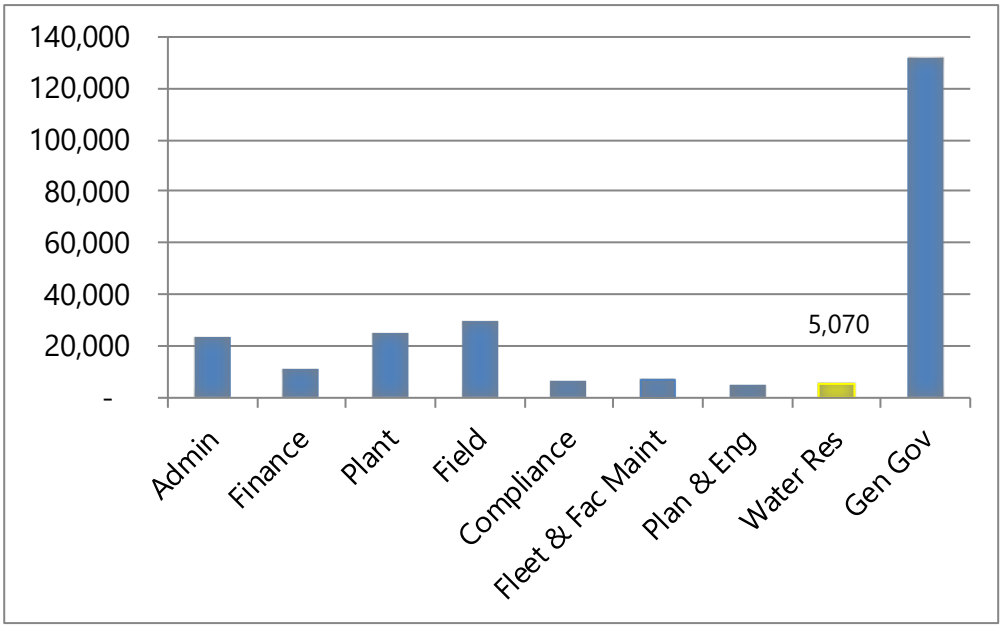
Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY25.

Staffing for 2025

POSITIONS (FTE)	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET
Water Resources Planning	6	6	6
Water Conservation	7	7	7

2025 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Water Resources Planning							
	Personnel	632	753	753	660	758	5
	Operating	1,331	1,704	1,704	1,280	1,716	12
	Total	1,963	2,457	2,457	1,940	2,474	17
Conservation							
	Personnel	660	696	696	697	712	16
	Operating	1,360	1,614	1,614	1,517	1,884	-
	Total	2,020	2,310	2,310	2,215	2,596	16
Total Division		**3,983**	**4,767**	**4,767**	**4,154**	**5,070**	**33**

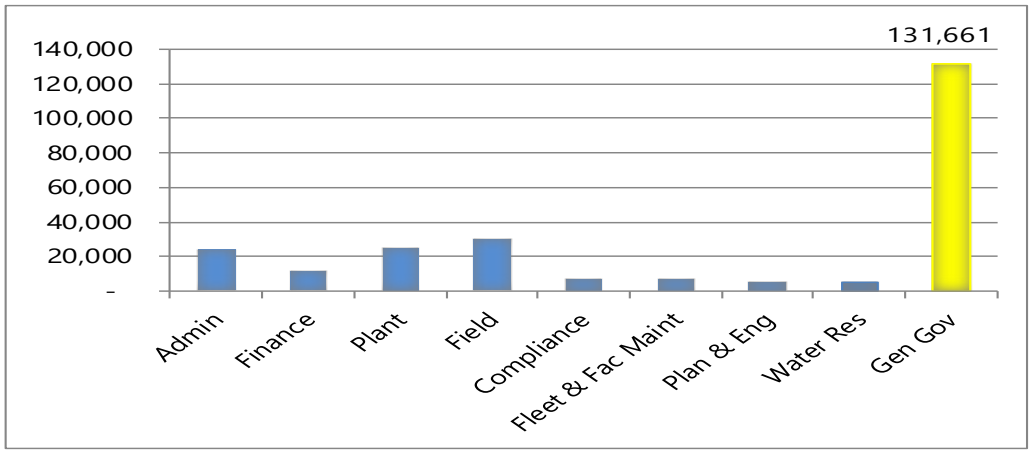


Program Description

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

2025 Budgetary Comparisons

Expenses by Department ($000's)	Audited Actual FY23	Original Budget FY24	Revised Budget FY24	Estimated Actual FY24	Approved Budget FY25	Appr 25/ Rev 24 Chg
Power & Chemicals						
Operating	28,405	21,256	31,256	29,899	31,956	700
Total	28,405	21,256	31,256	29,899	31,956	700
Taxes						
Operating	857	656	656	990	740	84
Total	857	656	656	990	740	84
Overhead						
Personnel	378	510	510	669	490	(20)
Operating	533	1,160	1,160	1,017	1,076	(84)
Total	911	1,670	1,670	1,686	1,566	(104)
Total Program	**30,172**	**23,582**	**33,582**	**32,575**	**34,262**	**680**
San Juan Chama						
Operating	2,955	1,440	1,606	1,410	1,615	9
Total	2,955	1,440	1,606	1,410	1,615	9
General Government						
Interfund Transfers	107,718	116,020	116,020	116,020	95,784	(20,236)
Total Division	**140,845**	**141,042**	**151,208**	**150,005**	**131,661**	**(19,547)**



• What are Capital Improvements?

Capital Improvements include the purchase, construction, replacement, addition, or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of Water Authority requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A "Capital Project" has a monetary value of at least $5,000, has a useful life of more than two years, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other "capital outlay" items in the annual operating budget.

• How are Capital Improvements Funded?

The Water Authority's Capital program is comprised of different categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside of the Basic Program but are funded from the same revenue stream that funds the Basic Program.

The current Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and sewer system shall be paid with cash rather than from borrowed funds.

The balance of capital funding is obtained through revenue bond or loan financing.

The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program.

System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test.

The Water Authority has increased in recent years its utilization of state and federal grants to fund some Capital Improvement Projects in part or in whole.

What is the Capital Improvement Plan?

The Water Authority's mission is to provide a reliable, supply of high-quality water, at an affordable price, and sustainable water supply, wastewater collection treatment, and reuse systems to our customers. To continue meeting the Water Authority's mission, the following goals need to be consistently achieved when implementing Capital Improvement Program (CIP) projects:

CIP Projects are planned, identified, and executed in a manner that ensures overall project success.

CIP Project implementation efficiency is maximized, both in terms of resources and expenditures.

CIP Projects are consistently implemented, regardless of the lead department and/or individual(s) assigned to complete a particular project.

Water Authority stakeholders understand their respective roles, and all collectively share responsibility, accountability, and credit for the successful completion of CIP Projects.

Project status and financial reports are timely, accurate, and consistently formatted.

The Water Authority uses a Team Approach to complete CIP Projects. This means that projects are identified and executed in a manner which involves all stakeholders, both within the Water Authority (Central Engineering, Information Technology, Finance, Operations and Maintenance, and Water Resources) and outside the Water Authority (Water Authority ratepayers, other agencies and interested organizations, and impacted businesses and residences) as appropriate.

THE PLANNING PROCESS

To meet its mission, the Water Authority strives to ensure that the following goals and objectives are maintained over a 10-year planning horizon:

- Water Supply Reliability: Avoid chronic shortages, manage risk from future uncertainty, and maximize local control.
- Production and Distribution Facility Reliability: Maintain the Water Authority's infrastructure, improve employee and/or public safety, perform other work necessary to maintain or improve service to customers, and address vulnerabilities from seismic and other events.
- High Quality: Consistently meet or exceed existing and future water quality regulations. Provide uniform aesthetic quality to all customers to the extent practicable.
- Affordable Cost: Ensure that sound, responsible financial management practices are observed in the conduct of Water Authority business.
- Environmental Protection: Plan, design, and operate Water Authority facilities efficiently, effectively, and safely, bearing in mind our responsibility to be a good neighbor and a good steward of the environment by avoiding or mitigating environmental impacts, reliably complying with existing and future environmental regulations, and protecting groundwater resources.

The Water Authority's planning process has been developed to ensure that the following is well documented and understood by all stakeholders – Water Authority's overall planning objectives, justification of planned CIP Projects, relationship of individual projects, and refinement of project criteria as more information becomes known. The Water Authority's planning is intended to support healthy, environmentally sustainable, and an economically viable community and to allow for the orderly expansion of development consistent with both the local land use and growth management plans and the Water Authority's mission. Key components of the planning process include accurately predicting future water demands and confirming existing and planned water supplies.

The 2011 Utility-Wide Asset Management Plan (UWAMP), with various revised sections over the last several years, serves as a baseline to ensure that appropriate project-specific decisions are made over a 10-year specific planning period. UWAMP establish refined criteria for water production and groundwater, water quality (as related to CIP projects), transmission mains, storage facilities and booster pump stations, reliability, wastewater collection treatment, reuse systems, and major replacements. The UWAMP is based upon detailed analyses and

hydraulic modeling, current and projected customer demands, the current and projected state of water supply and wastewater infrastructure such as pipelines, pumping stations, and production facilities, and current and projected regulations and standards related to water quality, water storage, land uses, and other factors impacting water and wastewater service needs.

The Water Authority's CIP includes all projects identified in the UWAMP, as well as other maintenance and reliability projects and extraordinary expense items. New projects that are not developed during the planning process, and thus not contained within the CIP Spreadsheet, may be added as needed. Depending on the cost and type of project, Board approval for funding may be required. Typically, new projects are identified either during the annual budget process or because of regularly held Engineering/Operations Project Coordination Meetings.

THE TEN-YEAR (DECADE) PLAN

The blueprint for the Water Authority's Basic Program is its Decade Plan, a 10-year CIP that is updated annually. The Decade Plan includes detailed requirements for program development and project scope, schedule, budget, justification, and alternatives. The Decade Plan requires approval by the Water Authority Board with at least one public hearing and due deliberation.

The electronic version of the FY2025-2034 CIP Decade Plan can be found at the Water Authority's website:

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

Demonstrated 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

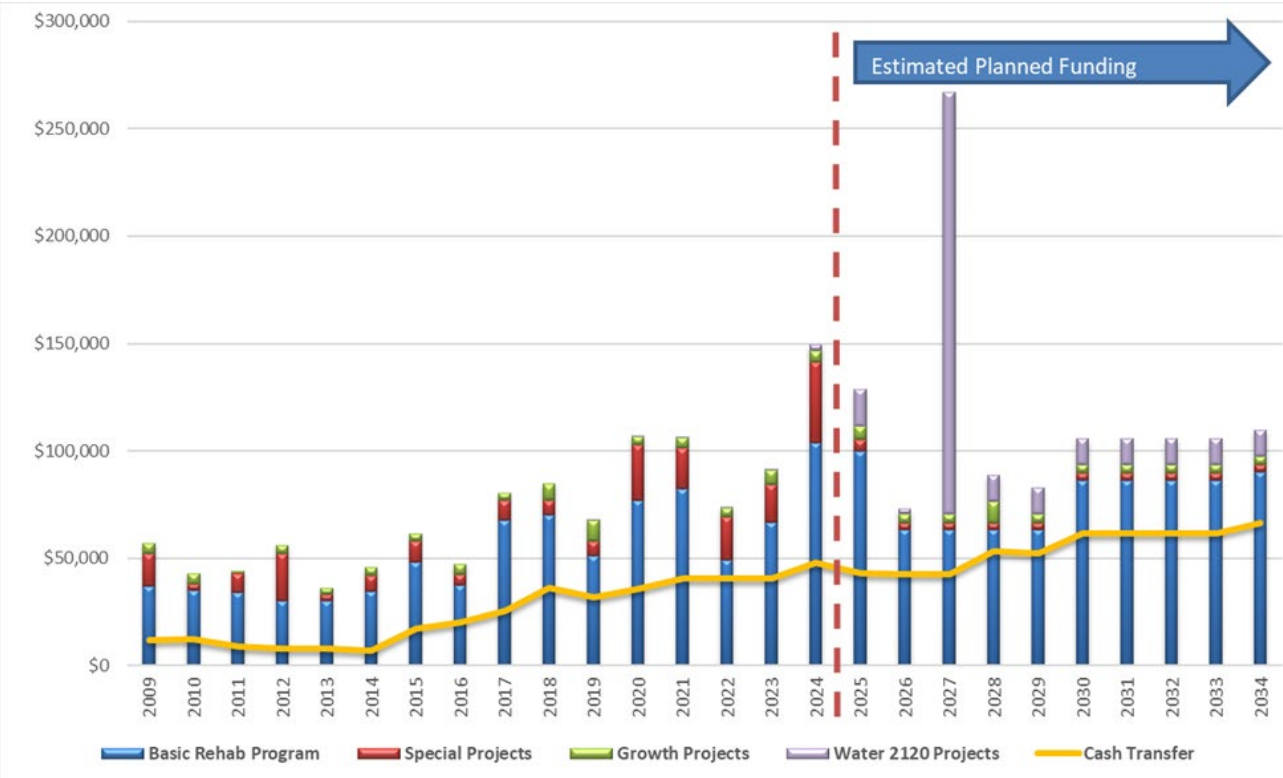
The Water Authority CIP includes projects to improve the overall efficiency of the Water Authority and to enhance the Water Authority's ability to provide services to its customers. The projects included in this Decade Plan and CIP are intended to accomplish these objectives in the most efficient and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

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

The Water Authority intends to enhance the water and sewer infrastructure with several targeted projects included in the 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

Graphed below is the history and estimated planned funding through 2034:



THE CIP BUDGET DEVELOPMENT, MONITORING AND AMENDMENT POLICY & PROCEDURES

The development and update of the 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. Policy requires no less than $30.0 million allocated for the Basic Program as specified in the current Rate Ordinance. Specific activities in the development 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 as described in the CIP Planning Process above. Timetables are set that extend through development and final adoption of the budget. Water Authority goals and objectives are reviewed to ensure that they are being met through the budget cycle.

- Taking Inventory and Developing Proposals:

  Staff gathers information about the Water Authority's capital facilities and equipment to assess the risk and 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. Administrative Policy also allows for rollovers of capital funds in excess and/or deficit from each previous fiscal year remaining budget. Unobligated funds remaining at the end of a budget year to the next budget year to cover allowable costs in that budget period. This carryover does not require Water Authority Board approval. Restricted funds, grants, bond and loan proceeds, and cash transfers that are recorded in capital funds are the only cumulative balances allowed under this policy.

FY25 CAPITAL IMPROVEMENT PROGRAM BUDGET

The Water Authority's CIP budget is comprised of different categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside of the Basic Program but are funded from the same revenue stream that funds the Basic Program. The current Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and sewer system shall be paid with cash rather than from borrowed funds.

The balance of capital funding is obtained through revenue bond or loan financing.

The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program.

System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test.

The Water Authority regularly reviews and pursues Grant opportunities from a variety of sources, primarily State and Federal agencies. The primary advantage of grants is that unlike loans, they do not have to be repaid. A grant provides a valuable funding source to help finance eligible projects for the Water Authority. It is important to remember that grants are very competitive. A considerable amount of time and preparation are required to final grant opportunities that fit within the granting agencies parameters, plan a project(s), and then develop a winning proposal. Throughout the year, planning and construction needs are matched with funding opportunities offered by the various granting agencies.

The Water Authority received several million dollars in Federal grant funding and the Water Authority was recently awarded $2.0 million for implementation of the Advanced Metering Infrastructure (AMI) Project Phase 6, of which $0.8 million is repayable and 90 percent grant funds totaling $7.7 million for construction of a waterline to To'Hajiilee. Additional details on these and other grants received by the Water Authority is detailed in the table on the next several pages.

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget	FY23 Budget	FY24 Budget	FY25* Budget
			(000's)	(000's)	(000's)	(000's)
Bernalillo County	American Rescue Plan Act (ARPA) Subaward –Bosque Non-potable Water Reclamation Plant and Reuse System	The planning and design of a new satellite Bosque Water Resource Recovery Facility (WRRF) to treat wastewater for non-potable reuse/irrigation, improve the capacity of the existing downstream Westside Interceptor, and discharge treated water to the Rio Grande to help maintain river flows through the Oxbow section.	$ 2,875	$ -	$ -	$ -
Bernalillo County	ARPA Subaward – Carnuel Sewage Collection System	The acquisition of easement/right-of-way, and construction and engineering services during construction of the Village of Carnuel Wastewater System Expansion Phase I project.	3,845	-	-	-
Bernalillo County	ARPA Subaward – Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation	To rehabilitate aging interceptor sewer pipe within the KAFB Property. Funding will be used to for construction and engineering services during construction.	15,000	-	-	-
Bernalillo County	ARPA Subaward – Metro Detention Center (MDC) Water and Sewer Improvements	The design, easement/right-of-way acquisition, construction, and engineering during construction of a new lift station and force main that will pump sewage from MDC facility on the West Mesa to the existing gravity sewer system located at Atrisco Vista Blvd and I-40/US66.	4,200	-	7,473	-
Bernalillo County	ARPA Subaward – Mesa Del Sol Non-potable Reuse Booster Pump Station and Reservoir	The acquisition of land/easement, construction, and engineering services during construction of a new non-potable reuse Pump Station, Reservoir, and Disinfection facility near Mesa Del Sol.	4,896	-	-	-
Bernalillo County	ARPA Subaward – South Valley Drinking Water Project, Phase 8 and 9	The planning, design, easement/right-of-way acquisition, construction, and engineering services during construction of a portion of the Phase 8 and Phase 9 South Valley Drinking Water Project, which has expanded potable drinking water availability throughout the South Valley of Bernalillo County.	8,000	-	-	-
Bernalillo County	ARPA Subaward – Volcano Cliffs and Corrales Trunk Reservoir and Transmission Line	The design, easement/right-of-way acquisition, construction, and engineering services during construction of the Volcano Cliffs Arsenic Treatment Facility and associated Pump Station upgrades and a new transmission line that will facilitate increase pumping capacity and potable delivery within and between the Volcano and Corrales transmission line trunks.	15,000	-	-	-
Bernalillo County	ARPA Subaward – Carnuel Water System	The design and construction of additional waterline extension to maximize opportunities for additional potable water service connections for the Village of Carnuel	-	1,000	-	-
Bernalillo County	ARPA Subaward – To'Hajiilee Water Line Extension	The 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 is required to provide potable water to To'Hajiilee.	-	1,000	-	-
State of NM Department of Environment (NMED)	Water Authority - Bosque Wastewater Treatment and Discharge System Design	To plan, design, and construct a wastewater treatment and discharge system, including a treatment plant, irrigation and aquifer storage and recovery systems, on the westside of the Rio Grande in Bernalillo County.	410	285	300	120
NMED	Water Authority – Monitor Well Construction	To plan, design, and construct a ground water monitoring well to monitor ethylene dibromide contamination in the area of KAFB.	770	25	526	-
NMED	Water Authority – Water and Wastewater System Upgrade	To plan, design, construct, and upgrade water and wastewater systems, including connecting homes to a public sanitary sewer system, in the Carnuel community and Tijeras watershed in Bernalillo County.	155	-	300	2,150
NMED	Water Authority – Wastewater Plant Outfall Construction	To plan, design, construct the realignment of the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	323	709	319	-

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget	FY23 Budget	FY24 Budget	FY25* Budget
			(000's)	(000's)	(000's)	(000's)
New Mexico Finance Authority (NMFA) Water Trust Board (WTB)	Advanced Metering Infrastructure (AMI) Phase 6 (60% Grant/40% Loan, with $1.2 million match)	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	2,000	-	-	
NMFA WTB	To'Hajiilee Water Project (90% Grant/10% Loan, with $3.5 million match)	The project consists of the construction of an approximately 7.7-mile pipeline to To'Hajiilee from the Water Authority's existing storage tanks on the City of Albuquerque's west side and shall include such other related work and revisions necessary to complete the project.	7,708	-	-	-
NMFA WTB	Advanced Metering Infrastructure (AMI) Phase 7 (90% Grant/10% Loan, with $1.2 million match)	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	-	2,000	-	-
NMFA WTB	Volcano Cliffs Arsenic Treatment Facility (90% Grant/10% Loan, with $10.5 million match)	The project consists of design and construction of new Volcano Cliffs Arsenic Treatment to treat groundwater from the Water Authority Volcano Cliffs and Zamora Wells.	-	7,100	-	-
NMFA WTB	Wastewater Plant Outfall Construction	To plan, design, construct the realignment of the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	-	-	3,700	-
NMED	Water Authority – Water Treatment Facility Equipment	The design, easement/right-of-way acquisition, construction, and engineering services during construction of the Volcano Cliffs Arsenic Treatment Facility and associated Pump Station upgrades and a new transmission line that will facilitate increase pumping capacity and potable delivery within and between the Volcano and Corrales transmission line trunks.	-	50	-	-
NMED	Water Authority – Winrock Site Wastewater Reuse System	To plan, design, construct and equip a wastewater reuse system to provide reclaimed water to the Winrock site and public parks in the City of Albuquerque, NM in Bernalillo County.	-	-	5,300	-
NMED	Water Authority - Aquifer Storage and Recovery	To plan, permit, acquire right-of-way and easements, study, design, construct, and equip an aquifer storage and recovery (ASR) facility.	-	-	140	25
NMED	Water Authority – Arsenic Treatment Plant	To plan, design, construct and equip an arsenic treatment plant and associated infrastructure for the Albuquerque-Bernalillo County Water Utility Authority in Bernalillo county;	-	-	115	200
New Mexico Department of Indian Affairs (NMDIA)	To'Hajiilee Water Line Extension	The 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 is required to provide potable water to To'Hajiilee.	-	-	2,834	-
Navajo Nation Fiscal Recovery	ARPA - To'Hajiilee Water Line Extension	The 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 is required to provide potable water to To'Hajiilee.	-	-	8,457	-
NMFA WTB	Advanced Metering Infrastructure (AMI) Phase 8	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.				2,000
NMFA WTB	Expansion of DWTP Large-Scale Recharge Project	The project consists of permitting,design, and construction for the next phase of the existing full-scale direct injection recharge project, increasing the Water Authority's capacity for recharge and stored water for future use.				15,000
NMFA WTB	Arsenic Treatment Facilities	The project consists of plan, design, and construct Thomas and Santa Barbara arsenic treatment systems.				14,000
		Total Grant Funding:	**$ 65,182**	**$ 12,169**	**$ 29,464**	**$ 33,495**

The Water Authority's Capital Improvement Program Expense Budget totals $128.8 million for FY25. The projects included in this budget are consistent with the Water Authority's UWAMP and Decade Plan, which identify projects as being required for the replacement of existing infrastructure or projects for expansion.

Projects that are budgeted include the purchase, construction, replacement, addition, or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of Water Authority requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A "Capital Project" has a monetary value of at least $5,000, has a useful life of more than two years, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other "capital outlay" items in the annual operating budget.

The FY25 Approved Budget includes the following capital projects, listed by category: Basic Program, Special Projects, and Growth Projects. $100.0 million is appropriated for the level one priority basic capital programs, $5.4 million for special projects, $6.0 million for growth related 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. Demonstrated in the table below and the chart on the following page, are planned improvements listing of all the priority renewal projects, special projects, and growth-related projects. ($000's).

CIP Rehab Project Descriptions for Basic Programs

REF NO.	DESCRIPTION
100	o The Interceptor Renewal Program provides funding for evaluation, planning, design, construction, and related activity necessary for sanitary interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond feasible rehabilitation.
200	o Drinking Waterline Renewal Program provides funding for evaluation, planning, design, construction, and related activity necessary for the rehabilitation of water lines that have deteriorated and are past their useful life
300	o The Southside Water Reclamation Plant (SWRP) Renewal Program provides funding for the evaluation, planning, design, construction, and related activity necessary for the rehabilitation of replacement of facilities at the SWRP.

400

- The Soil Amendment Facility (SAF) Renewal Program is important element in the Water Authority's wastewater treatment systems. The SWRP generates approximately 60 tons of solids per day. These solids are land applied and composed at the SAF. The composed solids are sold and generate income for the utility. Without the SAF, the utility would have to pay to dispose of the solids in a landfill.
- Funding allows for rehabilitation of the existing fixed equipment and facilities at the SAF which include buildings, pumping systems, and grounds.

500

- Lift Station Renewal Program provides funding for the planning, design, engineering services, contract and/ or in-house services related to general lift stations.
- Vacuum Station Renewal Program provides funding for the rehabilitation and replacement of house pumps, tanks, and other equipment used to collect and convey the sanitary sewage.

600

- Odor Control Facilities Renewal Program provides funding for evaluation, planning, design, construction, and related activity necessary for odor control in the collection system. It will also be used to address collection system odors from all sources including small diameter pipes, pump stations and manholes.

700

- Drinking Water Groundwater Plant Renewal Program provides funding for 39 potable water booster stations that pump water to the upper zones of the water service area. If the booster pumps and auxiliary equipment are not maintained and repaired as needed, there is a significant risk of failure to get water to customers and/or maintain the expected levels of service.
- The Water Authority must maintain a full capacity groundwater supply system even with the San Juan-Chama Drinking Water facility. At times, river water may not be available for diversion, so the Water Authority will have to rely fully on its wells. Also, the wells are needed to provide peak capacity during the high demand periods. Funding will be used for rehabilitation and replacement.
- This program provides funding for the rehabilitation and replacement of each steel and concrete reservoir 20 years and 30 years, respectively. Failure to program funds on a continuing basis for this activity will shorten the life of these assets.
- The Water Authority has three arsenic removal treatment systems. Renewal and replacement of the granular ferric hydroxide media from the different pressure vessels are necessary to restore the ability of these systems to remove arsenic from the well water prior to distributing the water to the public.

800

- Drinking Water Surface Water Plant Renewal Program provides funding for emergency capital improvements to address unanticipated equipment or other asset failures at the facilities associated with the San Juan-Chama Drinking Water Plant and related facilities. This is a critical facility in the Water Authority's drinking water system and any asset failures need to be addressed quickly to maintain the expected level of service.

900

- Reuse Line and Plant Renewal Program provides funding for reclaimed (recycled) water field and plant assets including pipelines, buried valves, treatment facilities, pumping stations, and storage reservoirs. Using reclaimed water reduces demand on the Water Authority's potable water system.

1000

- Compliance Program provides funding for renewal of laboratory equipment at the Water Authority's Water Quality Lab. The Water Quality Lab supports the operation of the SWRP and Drinking Water system.
- Funding will provide the rehabilitation and replacement of equipment, facilities, and computer software used by staff for compliance with the National Pollutant Discharge Elimination System (NPDES) Program and for the Drinking Water Quality Program.

1100

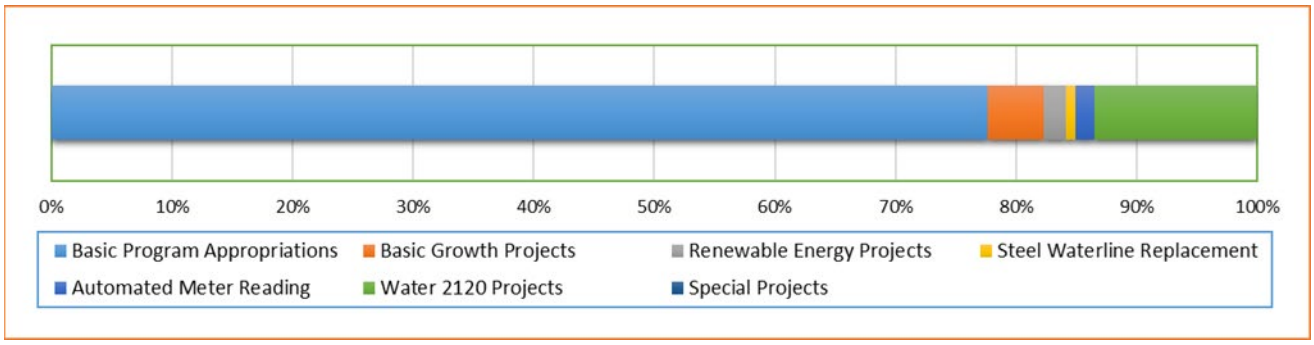
- Shared Renewal Program provides funding for:
    - The El Pueblo Ferrous/Ferric Transfer Station (Station 70) is shared by the Field and Plant Divisions.
    - Leak Detection staff to identify the location of leaks in the water distribution system.
    - The Scada Master Plan Project is to provide upgrade and renewal to the SCADA systems that are used to facilitate the operations of the Water and Wastewater systems.

1200

- The Franchise Agreement Compliance Program provides funding for compliance with the ABCWUA Franchise Ordinance between the City of Albuquerque/Bernalillo County and the Water Authority within the municipal limits of the service area. This decade plan item is for relocating water and sanitary sewer pipelines.
- This also provides reimbursement funding associated with adjusting the height of manholes and valve boxes as part of City Street resurfacing projects.

1300 ○ Vehicles and Heavy Equipment Program provides funding for fleet vehicles and heavy equipment replacements. The Water Authority is dependent upon reliable transportation and heavy equipment to execute its mission and operational level of service to its ratepayers and the community.

Graphed below is the FY25 CIP Budget illustrated as a percentage by category:



Ref No.	Project Description	FY22 Audited Actual (000's)	FY23 Audited Actual (000's)	FY24 Revised Budget (000's)	FY25 Approved 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.

Some of the project highlights include but are not limited to:

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 performing 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.

Creation of the Water Authority and Transfer of Debt Portfolio

The joint water and wastewater system (the "Water/Wastewater System") was owned by the City of Albuquerque, New Mexico (the "City") and operated by its Public Works Department until December 17, 2003. Revenue bond debt relating to the Water/Wastewater System continues to be outstanding. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (the "Water Authority") and provided that all functions, appropriations, money, records, equipment, and other real and personal property pertaining to the Water/Wastewater System would be transferred to the Water Authority. The legislation also provides that the debts of the City, payable from net revenues of the Water/Wastewater System, shall be debts of the Water Authority and that the Water Authority shall not impair the rights of holders of outstanding debts of the Water/Wastewater System. The legislation also required that the New Mexico Public Regulation Commission audit the Water/Wastewater System prior to the transfer of money, assets, and debts of the Water/Wastewater System; the audit was completed December 2003.

The policy-making functions of the Water/Wastewater System have been transferred to the Water Authority. The Water Authority and the City entered into a Memorandum of Understanding dated January 21, 2004, as amended April 7, 2004, under which the City continued to operate the Water/Wastewater System until June 30, 2007. In 2005, the New Mexico Legislature amended Section 7-1-10, NMSA 1978, to provide the Water Authority the statutory powers provided to all public water and wastewater utilities in the state and to recognize the Water Authority as a political subdivision of the State. On March 21, 2007, the Water Authority and City entered into a new MOU effective July 1, 2007. At that time, the utility employees transitioned from the City and became employees of the Water Authority.

Current Bond Ratings

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

Total Outstanding Obligations

The total outstanding obligation indebtedness of the Water Authority, as of July 1, 2024, is $578.782 million shown in the table on the next page.

FY25 DEBT SERVICE PAYMENTS **Ratings: AA/Aa2/AA+**

	Basic Capital Bonds		NM Finance Authority		
Issue	Principal	Interest	Principal	Interest	Total Issue
Bonds Series 2013B	2,420,000.00	60,500.00			2,480,500.00
Bonds Series 2014A	10,910,000.00	1,254,750.00			12,164,750.00
Bonds Series 2014B	8,570,000.00	646,000.00			9,216,000.00
Bonds Series 2015	17,275,000.00	4,645,972.50			21,920,972.50
Bonds Series 2017	5,160,000.00	2,863,693.76			8,023,693.76
Bonds Series 2018	6,425,000.00	2,454,625.00			8,879,625.00
Bonds Series 2020	6,385,000.00	2,712,375.00			9,097,375.00
Bonds Series 2020-A	6,615,000.00	510,632.86			7,125,632.86
Bonds Series 2021	3,350,000.00	3,040,300.00			6,390,300.00
NMFA Loan No. 04 1727-AD			578,200.00	72,956.32	651,156.32
NMFA Loan DW4877			94,641.00	35,278.12	129,919.12
NMFA Loan DW5028			44,429.00	14,274.58	58,703.58
NMFA Loan DW6343				1,802.01	1,802.01
NMFA Loan PPRF 6194				5,722,050.00	5,722,050.00
NMFA Loan WPF-5103			39,274.00	1,805.40	41,079.40
NMFA Loan WPF-5401			39,147.12	1,911.18	41,058.30
NMFA Loan WPF-5402			37,830.00	1,837.96	39,667.96
NMFA Loan WPF-5659			8,876.22	478.34	9,354.56
NMFA Loan WPF-5660			32,335.00	4,230.42	36,565.42
TOTAL	**$ 67,110,000.00**	**$ 18,188,849.12**	**$ 874,732.34**	**$ 5,856,624.33**	**$ 92,030,205.79**

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS

SENIOR DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2013B	55,265,000	2,420,000	2,420,000	
Bonds Series 2014A	97,270,000	32,550,000	32,550,000	
Bonds Series 2015	211,940,000	122,120,000	122,120,000	
Bonds Series 2017	87,970,000	61,760,000	61,760,000	
Bonds Series 2018	75,085,000	52,305,000	52,305,000	
Bonds Series 2020	69,440,000	57,440,000	57,440,000	
Bonds Series 2020A	47,800,000	35,200,000	35,200,000	
Bonds Series 2021	73,255,000	73,255,000	73,255,000	
NMFA Loan DW4877	2,724,282	1,763,906		1,763,906
NMFA Loan DW5028	1,515,000	1,427,458		1,427,458
NMFA Loan DW6343	770,000	770,000		770,000
NMFA Loan DW6194	113,425,000	113,425,000	113,425,000	
SUBTOTAL WATER AUTHORITY SENIOR DEBT OBLIGATIONS	**$ 836,459,282**	**$ 554,436,364**	**$ 550,475,000**	**$ 3,961,364**

SUBORDINATE/SUPERSUBORDINATE DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2014B	87,005,000	17,205,000	17,205,000	
NMFA Loan No. 04 1727-AD	10,426,232	3,647,816		3,647,816
NMFA Loan WPF-5103	800,000	722,161		722,161
NMFA Loan WPF-5401	800,000	764,472		764,472
NMFA Loan WPF-5402	770,827	735,184		735,184
NMFA Loan WPF-5659	200,000	191,337		191,337
NMFA Loan WPF-5660	710,000	710,000		710,000
NMFA Loan WPF-5935	370,000	370,000		370,000
SUBTOTAL SUBORDINATE DEBT OBLIGATIONS	**$ 101,082,059**	**$ 24,345,970**	**$ 17,205,000**	**$ 7,140,970**
GRAND TOTAL - WATER AUTHORITY DEBT OBLIGATIONS	**$ 937,541,341**	**$ 578,782,334**	**$ 567,680,000**	**$ 11,102,334**

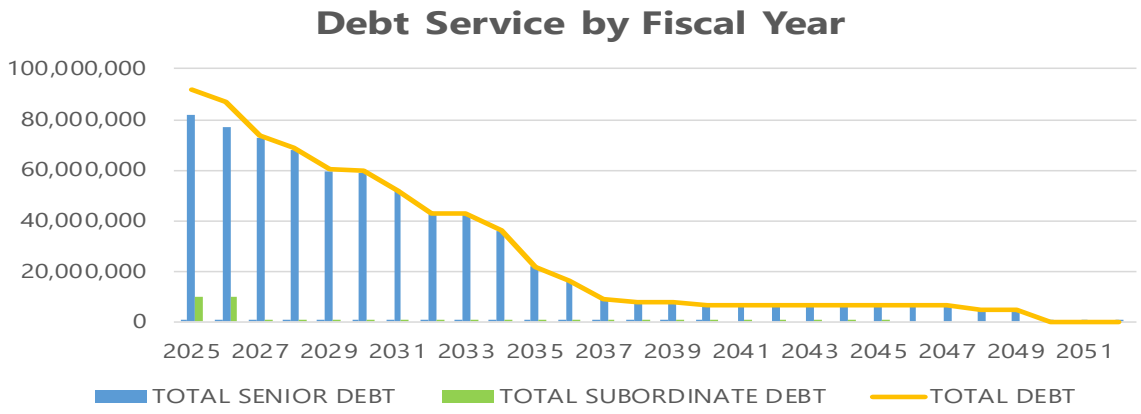
Albuquerque Bernalillo County Water Utility Authority - Senior Lien Debt (Principal and Interest)

Fiscal Year	Series 2013B Refunding	Series 2014A Bonds	Series 2015 Bonds	Series 2017 Bonds	Series 2018 Bonds	Series 2020 Bonds	Series 2020A Bond
2025	2,480,500	12,164,750	21,920,973	8,023,694	8,879,625	9,097,375	7,125,633
2026		12,082,375	19,336,348	8,014,319	8,870,375	8,778,125	7,117,649
2027		10,461,375	20,866,723	8,006,819	8,859,750	8,458,875	2,058,328
2028			21,042,446	8,000,444	8,851,875	8,139,625	2,061,839
2029			12,990,008	7,994,444	8,845,750	7,815,500	2,057,643
2030			12,981,050	7,988,069	8,835,500	7,496,500	2,055,680
2031			8,245,640	5,947,694	8,825,250	7,177,500	2,052,032
2032			8,181,775	5,940,194		6,858,500	2,051,168
2033			8,172,900	5,930,444		6,539,500	2,052,506
2034			8,195,700	5,927,694			2,051,365
2035				5,963,972			2,042,730
2036							2,135,913
2037							2,042,650
2038							1,166,153
2039							1,165,519
TOTAL	**2,480,500**	**34,708,500**	**141,933,561**	**77,737,784**	**61,968,125**	**70,361,500**	**39,236,807**

Fiscal Year	Series 2021 Bonds	Loan DW4877 NMFA	Loan DW5028 NMFA	Loan DW6343 NMFA	Loan PPRF6194 NMFA	TOTAL SENIOR DEB
2025	6,390,300	129,919	58,704	1,802	5,722,050	81,995,324
2026	7,105,175	129,918	58,703	1,925	5,722,050	77,216,962
2027	7,672,425	129,918	58,704	78,063	5,990,175	72,641,153
2028	7,668,300	129,916	58,703	78,063	11,826,425	67,857,637
2029	7,661,175	129,915	58,704	78,063	11,814,925	59,446,125
2030	7,655,425	129,914	58,703	78,063	11,812,300	59,091,204
2031	7,676,150	129,913	58,703	78,063	11,802,675	51,993,620
2032	7,675,350	129,912	58,704	78,063	11,790,425	42,764,090
2033	7,669,450	129,911	58,703	78,063	11,779,675	42,411,151
2034	7,663,150	129,910	58,703	78,063	11,774,300	35,878,885
2035	1,717,975	129,909	58,703	78,063	11,763,300	21,754,652
2036	1,718,700	129,908	58,704	78,063	11,750,800	15,872,087
2037	1,718,375	129,907	58,704		4,662,175	8,611,811
2038	1,717,000	129,906	58,703		4,660,300	7,732,062
2039	1,719,500	129,904	58,704		4,657,050	7,730,677
2040	1,715,875	129,903	58,703		4,652,175	6,556,656
2041	1,716,125		58,703		4,650,300	6,425,128
2042	1,715,175		58,703		4,646,050	6,419,928
2043	1,710,800		58,703		4,644,050	6,413,553
2044	1,707,500		58,704		4,638,925	6,405,129
2045	1,706,900		58,704		4,630,725	6,396,329
2046	1,703,900		58,704		4,623,588	6,386,191
2047	1,703,400		58,703		4,621,081	6,383,184
2048			58,703		4,612,681	4,671,384
2049			58,704		4,607,863	4,666,566
2050			58,703			58,703
2051			58,704			58,704
2052			58,703			58,703
TOTAL	**97,108,125**	**2,078,583**	**1,643,695**	**784,354**	**183,856,063**	**713,897,598**

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

Fiscal Year	Series 2014B Bonds	Loan No. 04 1727-AD NMFA	Loan No. WPF-5103 NMFA	Loan No. WPF-5401 NMFA	Loan No. WPF-5402 NMFA	Loan No. WPF-5659 NMFA	Loan No. WPF-5660 NMFA	Loan No. WPF-5935 NMFA	TOTAL SUB. DEBT	TOTAL DEBT
2025	9,216,000	651,156	41,079	41,058	39,668	9,355	36,565		10,034,882	92,030,206
2026	8,850,875	651,185	41,079	41,058	39,668	9,355	36,565	19,054	9,688,840	86,905,802
2027		651,215	41,080	41,058	39,669	9,355	36,565	19,054	837,995	73,479,148
2028		651,245	41,080	41,058	39,669	9,355	36,565	19,054	838,026	68,695,662
2029		651,276	41,079	41,058	39,668	9,355	36,565	19,054	838,056	60,284,181
2030		651,308	41,080	41,058	39,669	9,355	36,565	19,054	838,089	59,929,293
2031			41,080	41,058	39,669	9,355	36,565	19,054	186,781	52,180,401
2032			41,080	41,058	39,669	9,355	36,565	19,055	186,781	42,950,871
2033			41,080	41,058	39,669	9,355	36,565	19,054	186,780	42,597,932
2034			41,080	41,058	39,668	9,355	36,565	19,054	186,780	36,065,665
2035			41,079	41,058	39,668	9,355	36,565	19,054	186,780	21,941,431
2036			41,080	41,058	39,669	9,355	36,565	19,054	186,780	16,058,867
2037			41,080	41,058	39,668	9,355	36,565	19,054	186,781	8,798,591
2038			41,080	41,058	39,669	9,355	36,565	19,054	186,780	7,918,842
2039			41,079	41,058	39,668	9,355	36,565	19,054	186,779	7,917,456
2040			41,080	41,058	39,668	9,355	36,565	19,054	186,780	6,743,436
2041			41,080	41,058	39,668	9,355	36,565	19,054	186,780	6,611,908
2042			41,079	41,058	39,669	9,355	36,565	19,054	186,780	6,606,708
2043				44,760	39,669	28,195	36,565	19,054	168,243	6,581,796
2044							36,565	19,054	55,619	6,460,748
2045								19,055	19,055	6,415,383
2046										6,386,191
2047										6,383,184
2048										4,671,384
2049										4,666,566
2050										58,703
2051										58,704
2052										58,703
TOTAL	**18,066,875**	**3,907,386**	**739,434**	**783,810**	**753,701**	**196,577**	**731,299**	**381,084**	**25,560,166**	**739,457,763**



Debt Obligation Descriptions

- *Bond Series 2013B - $55,265,000*

  Joint Water and Sewer System Refunding Revenue Bonds. Provide partial refunding of the Series 2004 New Mexico Finance Authority (NMFA) bonds.

- *Bond Series 2014A $97,270,000*

  Joint Water and Sewer System Improvement Revenue Bonds

- *Bond Series 2014B - $87,005,000*

  Joint Water and Sewer System Improvement Refunding Bonds. Provide refunding of the Series 2005 Bonds, 2005 NMFA Loan, Series 2006A Bonds, Series 2001 New Mexico Environment Department (NMED) Loan, and various 2010 Drinking Water Loans.

- *Bond Series 2015 - $211,940,000*

  Joint Water and Sewer System Refunding and Improvement Revenue Bonds. Provide refunding of the Series 2007 NMFA Loan, the Series 2008A Bonds, and partial refunding of the Series 2009A-1 Bonds; also provides funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing and improving the Water and Sewer System.

- *Bond Series 2017 - $87,970,000*

  Joint Water and Sewer System Refunding and Improvement Revenue Bonds. Provide refunding of the Series 2009A-1 Bonds; also provides funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing, and improving the Water and Sewer System.

- *Bond Series 2018 - $75,085,000*

  Joint Water and Sewer System Improvement Revenue Bonds. Provide funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing and improving the Water and Sewer System.

- *Bond Series 2020 - $$69,440,000*

  Joint Water and Sewer System Improvement Revenue Bonds. Provide funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing, and improving the Water and Sewer System.

- *Bond Series 2020A - $47,800,000*

  Joint Water and Sewer System Refunding Revenue Bonds, Taxable. Provide refunding of the Series 2011 NMFA Loan and the Series 2013A Bonds.

- *Bond Series 2021 - $73,255,000*

  Joint Water and Sewer System Improvement Revenue Bonds. Provide funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing, and improving the Water and Sewer System.

- *NMFA Loan No. 04 1727-ADW - $10,426,232*

  Drinking Water State Revolving Loan Fund. Provide funding for the Santa Barbara Pump Station and Reservoir Project.

- *NMFA Loan DW4877 - $2,724,282*

  Drinking Water State Revolving Loan Fund. Provide funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing, and improving the Water and Sewer System, including acquisition and installation of water distribution lines for the Los Padillas community as part of the South Valley water project.

- *NMFA Loan DW5028 - $1,515,000*

  Drinking Water State Revolving Loan Fund. Provide funding for Phase 2C of Carnuel Drinking Water Project.

- *NMFA Loan WPF-5103 - $800,000*

  Water Project Fund Loan. Provide funding for replacing 16,000 water meters with Advanced Metering Infrastructure (AMI) meters and devices.

- *NMFA Loan WPF-5401 - $800,000*

  Water Project Fund Loan. Provide funding for replacing 18,000 existing water meters with AMI meters and devices.

- *NMFA Loan WPF-5402 - $770,827*

  Water Project Fund Loan. Provide funding for construction of an approximately 7.7-mile pipeline to To'Hajiilee Navajo Chapter and other related work and revisions necessary to complete the project.

- *NMFA Loan WPF-5659 - $200,000*

  Water Project Fund Loan. Provide funding for replacing 18,000 existing water meters with AMI meters and devices.

- *NMFA Loan WPF-5660 - $731,299*

  Water Project Fund Loan. Provide funding for the design and construction of a new Volcano Cliffs Arsenic Treatment facility.

- *NMFA Loan DW6343 - $770,000*

  Drinking Water State Revolving Loan Fund. Providing funding for conducting a lead service line replacement project including associated activities.

- *NMFA Loan DW6194 - $113,425,000*

  New Mexico Finance Authority Joint Water and Sewer System Improvement Revenue Bonds, Series 2023. Provide funding for acquiring additional Water and Sewer system assets, and extending, repairing, replacing, and improving the Water and Sewer System.

- *NMFA Loan WPF-5935 - $370,000*

  Water Project Fund Loan. Provide funding for restoration and management of watersheds.

General Fund – 21 Resources, Appropriations, and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14
RESOURCES:										
Miscellaneous Revenues	7,506	4,128	4,722	6,083	5,837	4,976	3,592	4,873	4,143	3,843
Enterprise Revenues	228,133	221,608	223,078	222,875	218,494	223,968	213,553	216,208	190,099	180,228
Transfers from Other Funds	-	-	-	-	-	943	793	792	748	593
Total Current Resources	235,639	225,736	227,800	228,958	224,331	229,887	217,938	221,873	194,990	184,664
Beginning Fund Balance	32,778	46,032	54,913	53,634	41,204	13,667	6,356	(8,722)	(10,676)	(10,921)
TOTAL RESOURCES	**268,417**	**271,768**	**282,713**	**282,592**	**265,535**	**243,554**	**224,294**	**213,151**	**184,314**	**173,743**
APPROPRIATIONS:										
Enterprise Operations	139,024	122,371	117,200	117,292	113,981	110,381	109,476	114,039	109,430	110,291
Transfers to Other Funds	107,718	114,433	118,233	111,029	98,856	101,158	91,628	87,842	81,160	76,094
TOTAL APPROPRIATIONS	**246,742**	**236,804**	**235,433**	**228,321**	**212,837**	**211,539**	**201,104**	**201,881**	**190,590**	**186,385**
ADJUSTMENTS TO FUND BALANCE	(1,631)	(2,186)	(1,248)	642	936	9,190	(9,523)	(4,912)	(2,445)	1,967
ENDING FUND BALANCE	**20,044**	**32,778**	**46,032**	**54,913**	**53,634**	**41,204**	**13,667**	**6,356**	**(8,722)**	**(10,676)**

Capital Funds – 27, 28, and 29 Resources, Appropriations, and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14
RESOURCES:										
Bond/Loan Proceeds	484	89,240	1,919	87,778	75,705	670	71,705	-	80,811	71,169
Miscellaneous Revenues	21,134	12,344	24	26	13,781	1,812	1,462	5,059	2,081	400
Enterprise Revenues	12,480	4,699	4,022	2,482	-	-	-	-	-	6,298
Transfers from Other Funds	36,868	40,618	40,418	35,645	31,589	36,250	25,474	20,000	17,000	7,000
Total Current Resources	70,966	146,901	46,383	125,931	121,075	38,732	98,641	25,059	99,892	84,868
Beginning Fund Balance	146,309	71,898	144,180	116,116	60,475	108,457	86,790	105,922	66,298	26,189
TOTAL RESOURCES	**217,275**	**218,799**	**190,563**	**242,047**	**181,550**	**147,188**	**185,430**	**130,981**	**166,190**	**111,057**
APPROPRIATIONS:										
Enterprise Operations	125,831	73,481	106,158	106,673	67,757	84,543	80,089	47,361	61,581	34,417
Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**125,831**	**73,481**	**106,158**	**106,673**	**67,757**	**84,543**	**80,089**	**47,361**	**61,581**	**34,417**
ADJUSTMENTS TO FUND BALA	7,801	991	(12,507)	8,805	2,324	(2,170)	3,116	3,170	1,312	(10,341)
ENDING FUND BALANCE	**99,245**	**146,309**	**71,898**	**144,180**	**116,116**	**60,475**	**108,457**	**86,790**	**105,922**	**66,298**

Debt Service Fund – 31 Resources, Appropriations, and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14
RESOURCES:										
Miscellaneous Revenues	6,826	8,855	57,324	9,323	7,270	10,398	8,546	9,257	7,565	7,872
Transfers from Other Funds	74,850	77,815	81,815	79,421	72,267	70,908	70,628	72,842	69,160	72,094
Total Current Resources	81,676	86,670	139,139	88,744	79,537	81,306	79,174	82,099	76,725	79,966
Beginning Fund Balance	53,167	52,432	49,731	49,939	56,420	52,819	54,576	48,798	515	(2,476)
TOTAL RESOURCES	**134,843**	**139,102**	**188,870**	**138,683**	**135,957**	**134,125**	**133,750**	**130,897**	**77,240**	**77,490**
APPROPRIATIONS:										
Debt Service	87,138	82,042	83,792	83,888	82,176	70,189	75,747	71,906	35,203	75,245
Transfers to Other Funds	4,000	4,000	4,000	4,000	5,000	6,000	4,474	5,000	5,000	3,000
TOTAL APPROPRIATIONS	**91,138**	**86,042**	**87,792**	**87,888**	**87,176**	**76,189**	**80,221**	**76,906**	**40,203**	**78,245**
ADJUSTMENTS TO FUND BALANCE	(913)	107	(48,646)	(1,063)	1,159	(1,516)	(710)	586	11,760	1,269
ENDING FUND BALANCE	**42,792**	**53,167**	**52,432**	**49,731**	**49,939**	**56,420**	**52,819**	**54,576**	**48,798**	**515**

San Juan Chama Contractors Association Fund – 41 Resources, Appropriations, and Fund Balance
Last Ten Fiscal Years

(000's)	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14
RESOURCES:										
Admin Fees/Special Assessments	187	164	-	-	-	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-	-	-	-	-	-
Total Current Resources	187	164	-	-	-	-	-	-	-	-
Beginning Fund Balance	27	-	-	-	-	-	-	-	-	-
TOTAL RESOURCES	**214**	**164**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
APPROPRIATIONS:										
General Government	134	149	-	-	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**134**	**149**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ADJUSTMENTS TO FUND BALANCE	10	12	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	**90**	**27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Water Users by Class and Meter Size

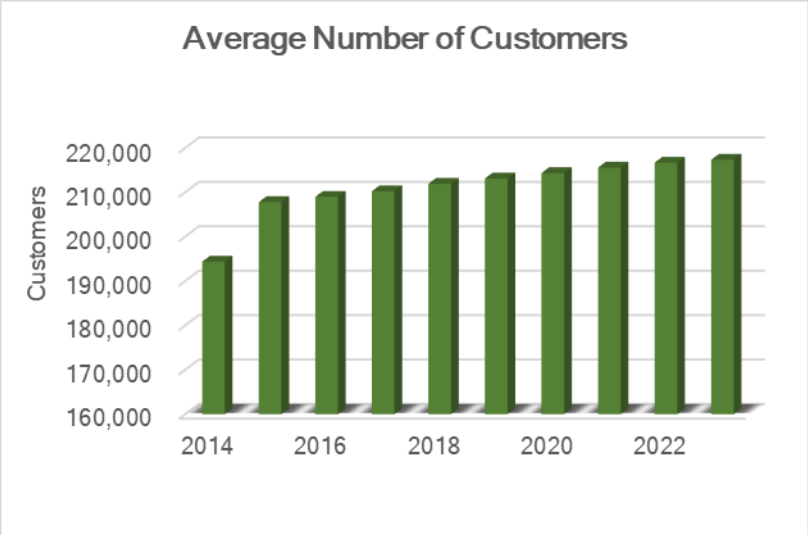
Last Ten Fiscal Years

	FISCAL YEAR									
Class	2023	2022	2021	2020	2019	2018	2017[1]	2016	2015	2014
Residential	187,187	186,730	185,889	184,919	183,942	183,018	181,814	187,479	186,461	174,193
Multi-Family	7,973	7,943	7,925	7,907	7,876	7,851	7,801	7,268	7,115	6,569
Commercial	12,352	12,314	12,242	12,159	12,100	12,023	11,913	11,901	11,923	11,303
Institutional	3,854	3,829	3,807	3,766	3,701	3,680	3,650	2,187	2,150	2,196
Industrial	129	128	123	119	121	122	119	110	113	99
Other metered	1,191	1,099	996	909	824	720	616			
Subtotal	212,686	212,043	210,982	209,779	208,564	207,414	205,913	208,945	207,762	194,360
SW	1,423	1,418	1,410	1,402	1,392	1,365	1,362			
Other non-metered	3,186	3,176	3,150	3,139	3,135	3,120	2,940			
Total	217,295	216,637	215,542	214,320	213,091	211,899	210,215			

	FISCAL YEAR									
Meter Size	2023	2022	2021	2020	2019	2018	2017[1]	2016	2015	2014
¾"	188,364	187,847	186,802	185,668	184,464	183,398	182,232	185,894	184,743	171,395
1" and 1 ¼ "	17,835	17,831	17,815	17,847	17,843	17,975	17,796	17,392	17,447	17,474
1 ½ "	2,580	2,567	2,549	2,522	2,522	2,467	2,381	2,300	2,269	2,238
2"	2,898	2,796	2,811	2,737	2,713	2,575	2,509	2,386	2,349	2,303
3"	611	603	606	609	626	606	603	590	575	578
4"	288	288	286	286	287	284	282	278	276	270
6"	67	68	69	66	66	66	68	64	63	60
8" and over	43	44	44	44	43	43	42	41	40	42
Subtotal	212,686	212,044	210,982	209,779	208,564	207,414	205,913	208,945	207,762	194,360
Other Non-metered	4,609	4,593	4,560	4,541	4,527	4,485	4,302			
Total	217,295	216,637	215,542	214,320	213,091	211,899	210,215			

[1] In Fiscal Year 2017, the water users by meter size are illustrated between metered and non-metered accounts.

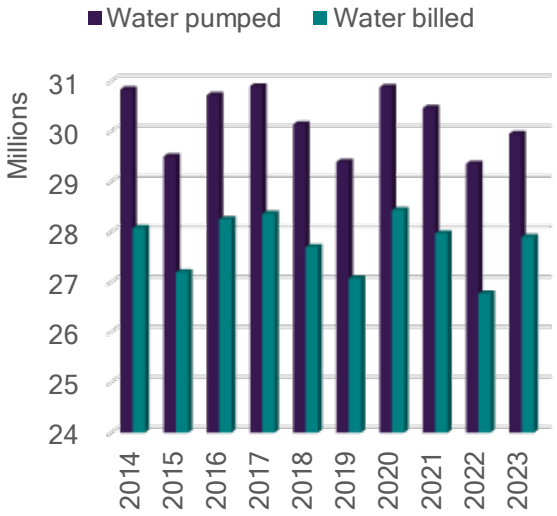
Source: ABCWUA Financial/Business Services Division

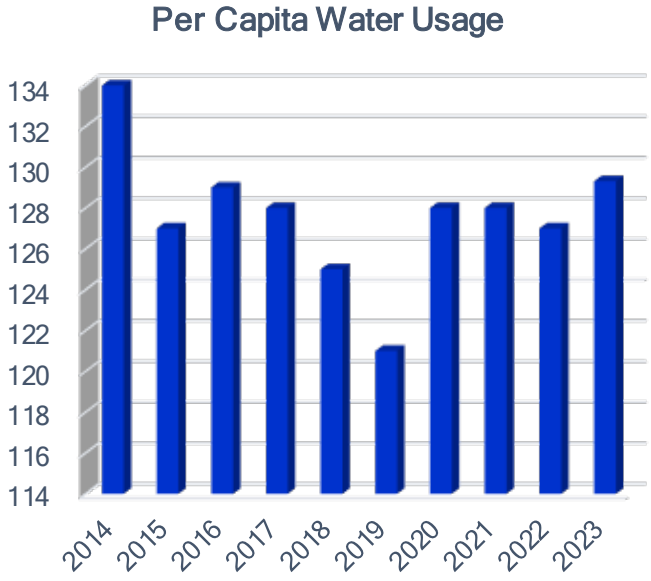


Water Consumption

Last Ten Fiscal Years

	Water Pumped	Water Billed	% Billed
2023	29,950,000	27,897,712	93.15%
2022	29,351,780	26,768,692	91.20%
2021	30,466,000	27,967,068	91.80%
2020	30,878,760	28,431,768	92.08%
2019	29,392,000	27,073,469	92.11%
2018	30,139,000	27,696,655	91.90%
2017	30,895,000	28,357,626	91.79%
2016	30,720,000	28,250,591	91.96%
2015	29,498,000	27,195,260	92.19%
2014	30,836,000	28,075,612	91.05%





	Per Capita Water Usage
2023	129
2022	127
2021	128
2020	128
2019	121
2018	125
2017	128
2016	129
2015	127
2014	134

Source: ABCWUA Financial/Business Services Division

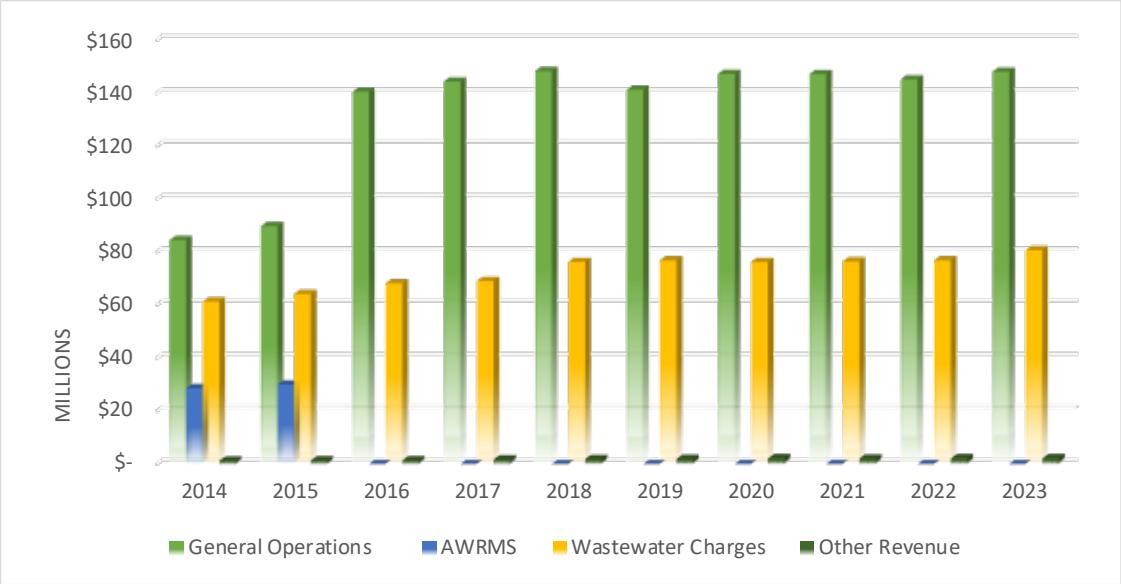
Revenue from Water and Wastewater Charges and Other Operating Revenue

Last Ten Fiscal Years

Fiscal Year	Revenue from Water Charges		Wastewater Charges	Other Revenue	Total Operating Revenue
	General Operations	AWRMS[1]			
2023	148,092,311		80,746,197	2,140,969	230,979,477
2022	145,215,374	-	76,845,065	2,134,395	224,194,834
2021	147,199,054	-	76,441,792	2,022,568	225,663,414
2020	147,244,774	-	76,231,345	2,133,000	225,609,119
2019	141,267,719	-	76,848,592	1,868,000	219,984,311
2018	148,315,450	-	76,253,042	1,828,000	226,396,492
2017	144,342,932	-	69,101,050	1,750,000	215,193,982
2016	140,551,140	-	68,166,636	1,339,000	210,056,776
2015	89,768,328	29,939,349	64,171,110	1,323,000	185,201,787
2014	84,500,221	28,561,586	61,327,115	1,232,000	175,620,922

[1] In 2016 the Albuquerque Water Resource Management Strategy (AWRMS) revenues were combined with General Operations revenue as part of the new rate ordinance structure.

Source: ABCWUA Financial/Business Services Division

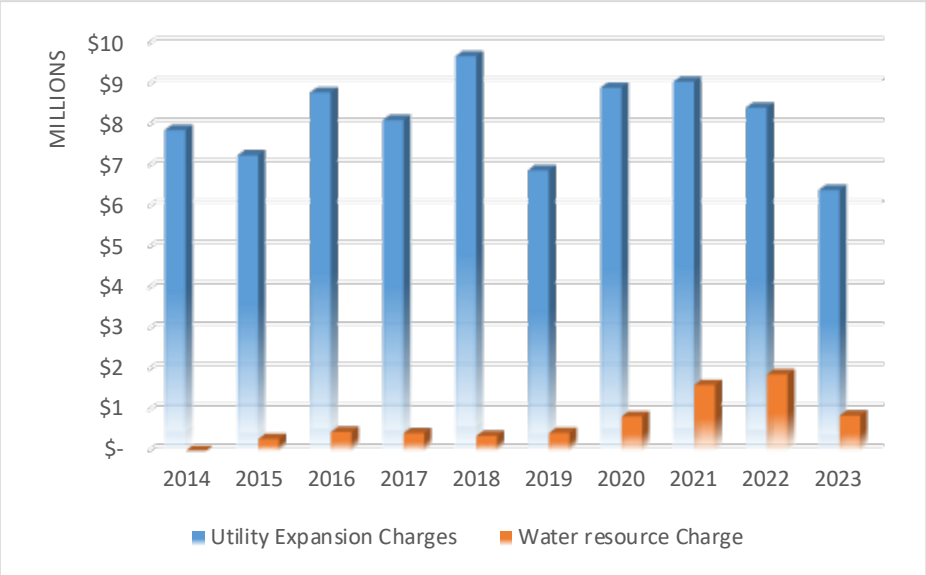


Revenue from Utility Expansion and Water Resource Charges

Last Ten Fiscal Years

Fiscal Year	Utility Expansion Charges	Water Resource Charge
2023	$ 6,399,829	$ 859,781
2022	8,421,390	1,873,759
2021	9,060,038	1,612,875
2020	8,916,871	838,525
2019	6,884,954	437,646
2018	9,685,634	363,963
2017	8,116,695	429,283
2016	8,795,436	461,502
2015	7,250,838	290,363
2014	7,872,237	0

Source: ABCWUA Financial/Business Services Division



Principal Revenue Payers

Current Fiscal Year and Nine Years Ago

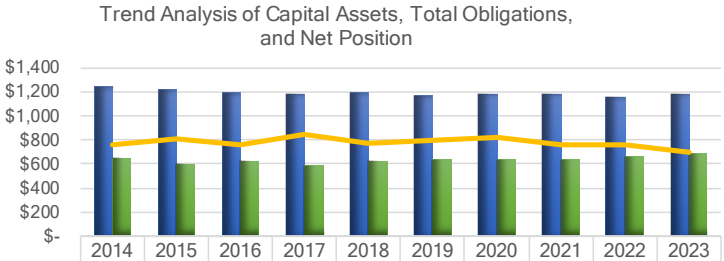
Water Customer Name	2023 Water Revenue	2023 Rank	2023 % of Total Revenue	2023 Consumption	2014 Water Revenue	2014 Rank	2014 % of Total Revenue	2014 Consumption
City of Albuquerque	$ 8,620,281	1	5.82%	2,382,724	$ 6,439,686	1	5.66%	2,446,486
Albuquerque Public Schools	2,687,122	2	1.81%	505,590	2,408,558	2	2.12%	689,789
University of New Mexico	1,320,690	3	0.89%	254,212	985,043	3	0.87%	269,600
Bernalillo County	681,322	4	0.46%	174,200	600,705	4	0.53%	201,189
Kirtland Air Force Base	653,564	5	0.44%	119,093	413,546	5	0.36%	142,385
Central NM Community College	309,429	6	0.21%	69,287	265,325	7	0.23%	79,961
Sumitomo	307,010	7	0.21%	120,876	204,004	9	0.18%	101,277
Lovelace Health	277,915	8	0.19%	81,669	269,454	6	0.24%	111,820
ABCWUA	271,405	9	0.18%	37,979	224,933	8	0.20%	59,027
New Mexico Fair Grounds	221,050	10	0.15%	62,787	198,412	10	0.17%	54,943
Total	$ 15,349,789		10.37%	3,808,417	$ 12,009,666		10.56%	4,156,477
Total Water System Revenue	$ 148,092,311				$ 113,696,174			

Wastewater Customer Name	2023 Water Revenue	2023 Rank	2023 % of Total Revenue	2023 Consumption	2014 Water Revenue	2014 Rank	2014 % of Total Revenue	2014 Consumption
Kirtland Air Force Base	$ 1,482,129	1	1.84%	742,747	$ 1,058,944	2	1.75%	640,563
Intel Corporation	1,205,696	2	1.49%	-	1,759,019	1	2.90%	-
University of New Mexico	1,150,733	3	1.43%	815,901	830,762	3	1.37%	547,474
Albuquerque Public Schools	785,516	4	0.97%	99,019	736,671	4	1.22%	167,665
City of Albuquerque	726,411	5	0.90%	156,614	533,975	5	0.88%	166,092
Creamland Dairies	543,001	6	0.67%	52,686	430,769	6	0.71%	53,826
Sumitomo	262,672	7	0.33%	-	157,999	9	0.26%	-
General Mills	199,610	8	0.25%	9	167,872	8	0.28%	13
Lovelace Health	159,660	9	0.20%	55,047	178,276	7	0.29%	96,842
Bernalillo County	153,903	10	0.19%	33,478	148,291	10	0.24%	48,509
Total	$ 6,669,331		8.26%	1,955,501	$ 6,002,578		9.91%	1,720,984
Total Wastewater System Revenue	$ 80,746,197				$ 60,600,108			

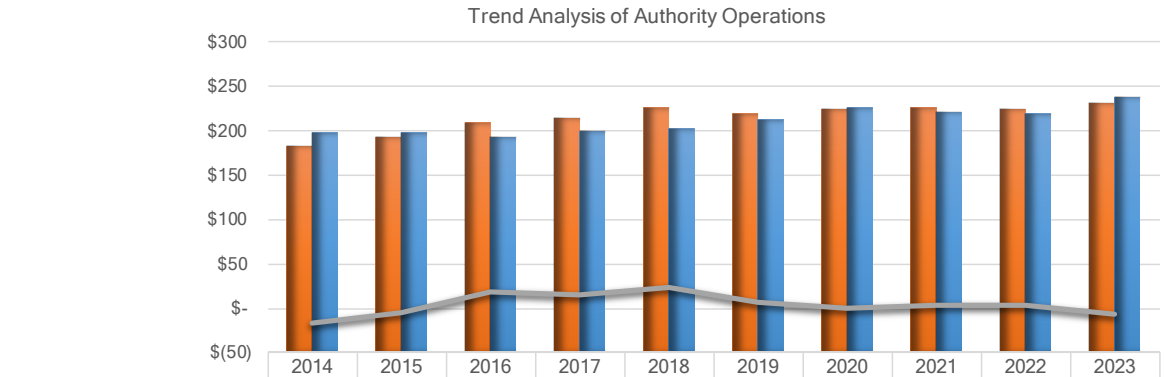
Source: ABCWUA Financial/Business Services Division

Trend Analysis

Last Ten Fiscal Years



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital Assets	$1,246	$1,220	$1,187	$1,182	$1,188	$1,168	$1,175	$1,178	$1,156	$1,185
Net Position	646	600	622	591	623	634	633	641	661	691
Total Obligations	754	807	763	843	771	801	827	763	754	699



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charges for services	$182	$192	$210	$215	$226	$220	$225	$226	$224	$231
Total operating expenses	198	197	192	199	203	213	226	221	220	238
Operating income (loss)	(16)	(5)	18	16	23	7	(0.1)	4	4	(7)

Source: ABCWUA Financial/Business Services Division

Outstanding Debt Ratio

Last Ten Fiscal Years

(In thousands of dollars)

Fiscal Year	Revenue Bonds	Notes from direct borrowings	Water Rights Contract	Unamortized Premium	Leases/ SBITAs	Total	Per Capita*	Per Customer*
2023	$ 520,305	$ 10,291	$ -	$ 32,977	$ 2,575	$ 566,148	837	2,605
2022	583,800	10,512	1,360	42,582	1,457	639,711	949	2,953
2021	567,270	8,565	2,679	39,671	559	618,744	917	2,871
2020	595,930	31,560	3,960	52,874	964	685,288	1,009	3,198
2019	577,825	35,873	5,203	46,119	-	665,020	979	3,121
2018	551,950	39,938	6,409	48,088	-	646,385	955	3,050
2017	589,880	44,013	7,579	60,241	-	701,713	1,286	3,338
2016	566,455	54,819	8,715	58,712	-	688,701	1,232	3,296
2015	601,985	63,627	9,817	71,578	-	747,007	1,294	3,595
2014	515,450	131,515	10,887	23,864	-	681,716	1,204	3,507

Note:
1. Per Capita is based on the estimated population provided by the US Census Bureau V2021 (Bernalillo County).
2. Per customer is based on the number of customers for the Authority.
3. Updated FY2017 schedule includes unamotizied premium amounts, which includes restated amounts for the per capita and per customer for 2014-2016.

*Not presented in thousands of dollars
Source: ABCWUA Financial/Business Services Division

Senior Lien Debt Coverage

Last Ten Fiscal Years

(In thousands of dollars)

SENIOR LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal	Interest	Amortized Premium		
2023	$ 265,295	$ 150,839	$ 114,456	$55,210	$21,555	$ (9,041)	1.70	1.33
2022	251,310	116,861	134,449	48,540	22,912	(9,747)	2.18	1.33
2021	241,235	112,883	128,352	49,354	23,410	(10,488)	2.06	1.33
2020	240,436	120,498	119,938	48,054	23,876	(9,233)	1.91	1.33
2019	235,645	115,118	120,527	45,093	25,534	(10,074)	1.99	1.33
2018	241,177	112,698	128,479	31,018	23,948	(10,447)	2.89	1.33
2017	227,044	111,326	115,718	37,497	23,899	(10,247)	2.26	1.33
2016	226,774	106,897	119,877	43,031	23,794	(10,477)	2.13	1.33
2015	203,834	107,597	96,237	33,819	22,579	(7,205)	1.96	1.33
2014	199,234	108,177	91,057	41,151	31,502	(4,684)	1.34	1.33

SENIOR AND SUBORDINATE LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal	Interest	Amortized Premium		
2023	$ 265,295	$ 150,839	$ 114,456	$64,201	$22,937	$ (9,605)	1.48	1.20
2022	251,310	116,861	134,449	57,319	24,722	(10,533)	1.88	1.20
2021	241,235	112,883	128,352	58,168	25,624	(11,512)	1.78	1.20
2020	240,436	120,498	119,938	56,782	26,476	(10,455)	1.65	1.20
2019	235,645	115,118	120,527	53,691	28,485	(11,525)	1.71	1.20
2018	241,177	112,698	128,479	42,216	27,303	(12,153)	2.24	1.20
2017	227,044	111,326	115,718	46,901	27,673	(12,407)	1.86	1.20
2016	226,774	106,897	119,877	43,964	27,865	(12,866)	2.03	1.20
2015	203,834	107,597	96,237	34,491	25,746	(9,046)	1.88	1.20
2014	199,234	108,177	91,057	42,081	31,889	(4,684)	1.31	1.20

Note:
1. Gross revenues include operating, non-operating, and miscellaneous revenues.
2. Operating expenses exclude depreciation and amortization, bad debt, and non-capitalized major repairs.
3. Interest, with accruals, less amortization of premium and/or discount with annual amortization displayed as of 2014.

Source: ABCWUA Financial/Business Services Division

Demographic/Economic Statistics

Last Ten Fiscal Years

Year	Population Albuquerque MSA	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2023	676,444	35,764,947	52.872	3.8%
2022	674,393	32,678,387	48.456	4.7%
2021	676,444	31,499,968	46.567	6.9%
2020	679,121	28,264,337	41.619	8.7%
2019	679,096	27,484,373	40.472	4.8%
2018	676,953	26,162,880	38.648	4.5%
2017	545,852	20,689,428	37.903	6.0%
2016	559,121	20,650,016	36.933	6.1%
2015	557,169	20,035,240	35.959	5.7%
2014	566,059	19,385,257	34.246	6.4%

Note:
Population is based on the estimated population provided by the US Census Bureau V2021 (Bernalillo County).

Sources: US Census Bureau and the University of New Mexico Bureau of Business and Economic Research

Top Ten Major Employers

Current Fiscal Year and Nine Years Ago

Employer	2023 Number of Employees	2023 Rank	2023 % of Albuquerque MSA* Employment	2014 Number of Employees	2014 Rank	2014 % of Albuquerque MSA* Employment
Kirtland Air Force Base[1]	23,000	1	6.12%	10,615	3	2.72%
Presbyterian Health System	13,457	2	3.58%	8,217	5	2.11%
Sandia National Laboratories	12,581	3	3.35%	8,930	4	2.29%
Albuquerque Public Schools	11,289	4	3.00%	14,810	1	3.80%
University of New Mexico	7,989	5	2.13%	14,644	2	3.76%
University of New Mexico Hospital	6,772	6	1.80%	5,959	6	1.53%
City of Albuquerque	5,800	7	1.54%	5,854	7	1.50%
State of New Mexico	4,950	8	1.32%	5,590	8	1.43%
Lovelace Health System	3,659	9	0.97%	4,000	9	1.03%
Bernalillo County	2,809	10	0.75%	-		0.00%
Total	92,306		24.56%	78,619		20.17%
Total Employment			375,846			389,765

[1] For FY2014, Kirtland Air Force Base employment was separated between civilian and military personnel

Source: New Mexico Partnership and listed employers
*Metropolitan Service Area (MSA)

Total Employment:BBER report

ANALYSIS METHODOLOGY FOR COMPUTING LINE-ITEM ADJUSTMENTS

Numerical Rounding

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

Salaries

- The wage and salary base were 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-2.00%, PERA – 27.45% for blue and white collar and management/professional, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (group life, health insurance including retiree health insurance) – budgeted at family plan levels.
- A vacancy savings rate of 0.5% for the Water Authority is calculated in employee salaries.

Operating Expenses

Division managers were required to provide detailed information supporting FY25 budget requests. Other FY25 operating expenses were 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) are budgeted based on historical expenses and anticipated needs.
- Power, chemicals and fuel will not exceed the CPI index and the cost of operating two water distribution systems will not exceed the consultant estimate.
- Beyond those stated above, line-item increases needing special justifications include extraordinary price increases, increased workload, or a special need not previously funded.

- Workers' Compensation and insurance are treated as direct costs for FY25. These costs are identified by the Risk Management department, based on historical experience and exposure factors relative to each specific program.
- 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.

Capital Expenses

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

ACRONYMS

- ABCWUA – Albuquerque Bernalillo County Water Utility Authority
- AFL-CIO – American Federation of Labor and Congress of Industrial Organizations
- AFSCME - American Federation of State, County and Municipal Employees
- AMI – Automated Meter Infrastructure
- ARPA – American Rescue Plan Act
- ASR – Aquifer Storage and Recovery
- AWWA – American Water Works Association
- BBER – University of New Mexico, Bureau of Business and Economic Research
- CC&B – Customer Care and Billing
- CCTV – Closed Circuit Television
- CIP - Capital Improvement Program or Capital Implementation Program
- CMOM – Capacity Management Operations & Maintenance Program
- COO – Chief Operating Officer
- CPI - Consumer Price Index

- DFA – NM Department of Finance and Administration
- DS - Debt Service
- DWP – San Juan–Chama Drinking Water Project
- EPA – Environmental Protection Agency
- ERP – Enterprise Resource Planning
- EUM – Effective Utility Management
- FEMA – Federal Emergency Management Agency
- FOGS – Fats, Oils, Grease and Solids
- FTE - Full-time Equivalent Position
- FY - Fiscal Year
- GASB - General Accounting Standards Board
- GDP - Gross Domestic Product
- GFOA - Government Finance Officers Association
- GIS – Geographic Information System
- GPCD – Gallons per capita per day
- GPS – Global Positioning System

- IHS – IHS Global Insight
- ISO – International Organization for Standardization
- ITD – Information Technology Program
- KAFB – Kirtland Air Force Base
- LIMS – Laboratory Information Management System
- MDC – Metropolitan Detention Center
- MGD – Million Gallons per Day
- MIS – Management Information System
- MOU – Memorandum of Understanding
- MSA – Metropolitan Statistical Area
- NACWA – National Association of Clean Water Agencies
- NM – New Mexico
- NMED – New Mexico Environment Department
- NMFA – New Mexico Finance Authority
- NPDES – National Pollution Discharge Elimination System
- OPEB – Other Post-Employment Benefits

- P&I – Principal and Interest
- PAFR – Popular Annual Financial Report
- PERA - Public Employees Retirement Association
- PFAS – Per-and Polyfluoroalkyl Substances
- PPCP – Pharmaceuticals and Personal Care Products
- PTF – Preliminary Treatment Facility
- RAPP – Rivers and Aquifers Protection Plan
- REC – Renewable Energy Credit
- RHCA – Retiree Health Care Association
- RFP - Request for Proposal(s)
- RRAMP – Reclamation Rehabilitation and Asset Management Plan
- SAF – Soil Amendment Facility
- SCADA – Supervisory Control and Data Acquisition
- SDF – Solids Dewatering Facility
- SJCWTP - San Juan–Chama Water Treatment Plant
- SOP – Standard Operating Procedures

- SRF – State Revolving Loan Fund
- SSO's – Sanitary Sewer Overflows
- SW – Solid Waste
- SWRP - Southside Water Reclamation Plant
- SWTP – Surface Water Treatment Plant
- TCAC – Technical Customer Advisory Committee
- UEC – Utility Expansion Charge
- UNM – University of New Mexico
- UV – Ultra-Violet
- WA - Water
- WAF – Water Assistance Fund
- WATS – Wastewater Aerobic/Anaerobic Transformations in Sewers Model
- WQL – Water Quality Laboratory
- WR – Water Resources Department
- WRMS – Water Resources Management Strategy
- WTP – Water Treatment Plant

- WW – Wastewater
- YR - Year

GLOSSARY OF TERMS

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

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

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

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

- APPROPRIATION: Legal authorization granted by the Water Authority Board to make 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, the Village of Los Ranchos, and the City of Rio Rancho

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

- FUND BALANCE: Fund equity of governmental funds. Remaining current assets in a fund if all current liabilities are paid with current assets See also Working Capital Balance

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

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

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

- PROGRAM STRATEGY: The unit of appropriations and 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 user fees, taxes and other sources during the fiscal year

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

- STATE ENGINEER PERMIT 4830: The permit allows the Water Authority to divert 97,000acre-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

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

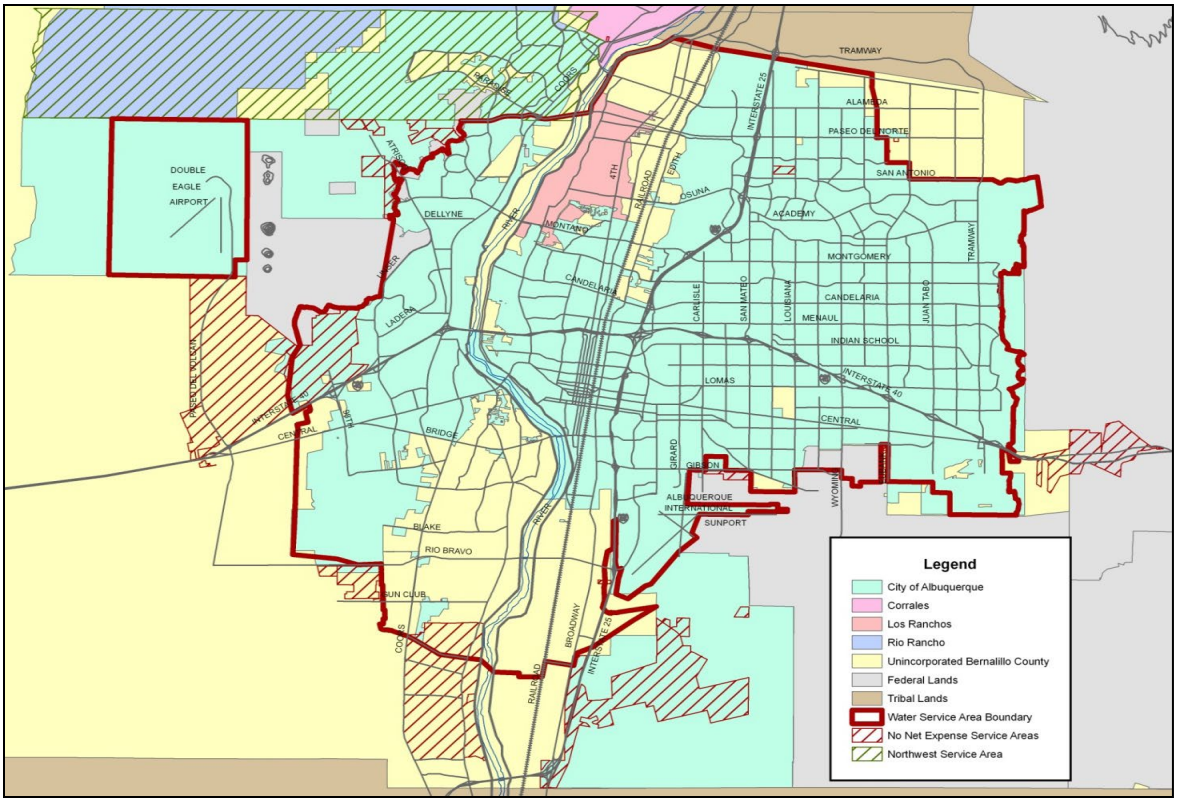
- UTILITY EXPANSION CHARGES: Assessed by the Water Authority to compensate for additional costs associated with the type and location of new development

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

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 (247 MGD)
- 44 pump stations including non-potable facilities (748 MGD)
- 130 booster pumps
- 3,099 miles of water supply pipeline
- 5 arsenic removal treatment facilities (15 MGD)



The Water System provides water services to approximately 656,237 residents comprising approximately 95% of the residents of the County. About one-third of unincorporated County residents are customers of the Water System. As of 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.

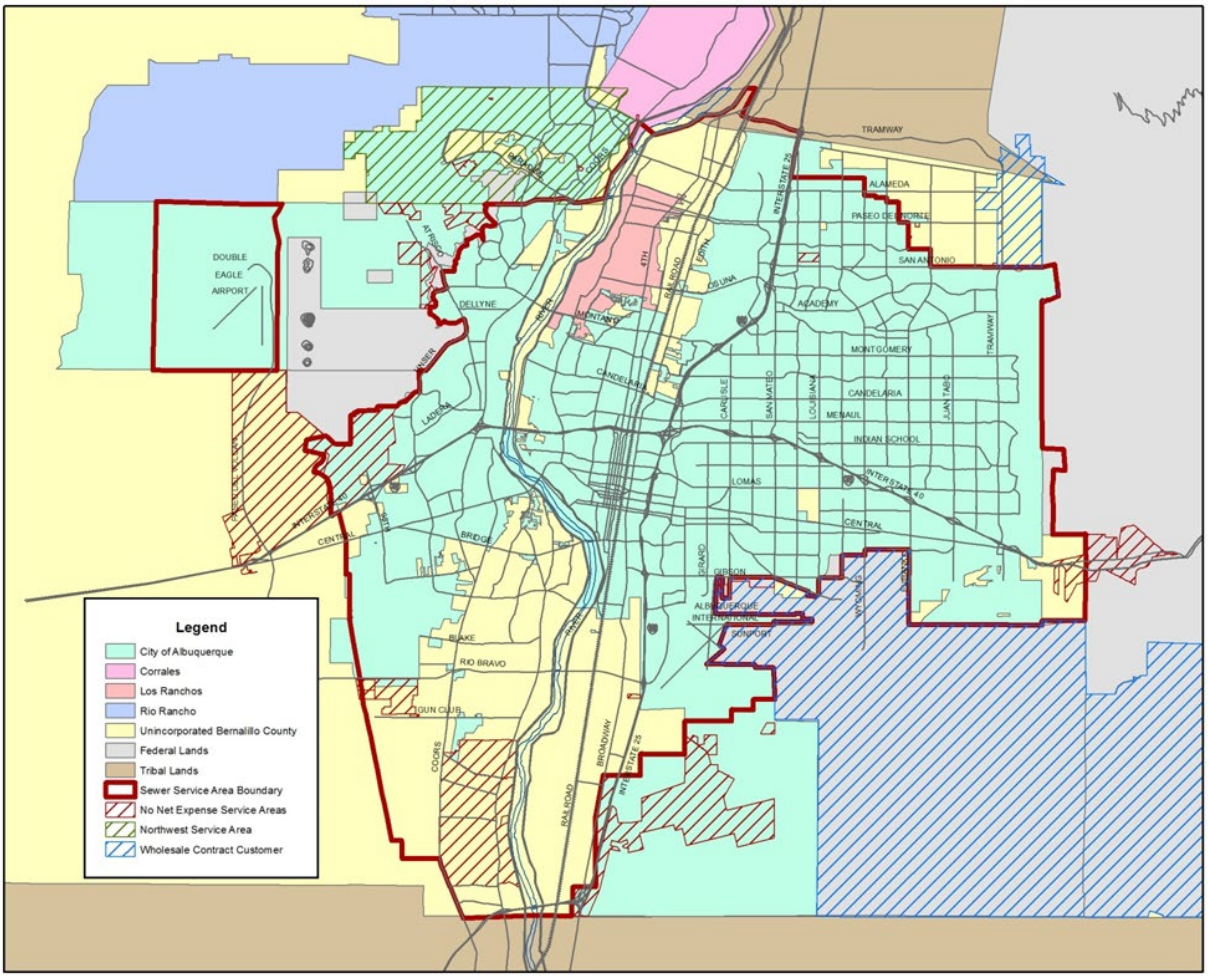
WASTEWATER SERVICE AREA MAP

Major Assets:

- Southside Water Reclamation Plant

- 45 Lift Stations
- 2,400 miles of collection pipeline

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 of 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.

PASSED AND ADOPTED THIS 6th DAY OF June, 2024
BY A VOTE OF: 7 FOR 0 AGAINST.

Yes: B. Baca, J. Baca, Barboa, Olivas, Peña, Sanchez, Sengel
No:
Excused:

Eric C. Olivas, Chair

ATTEST:

Mark S. Sanchez, Executive Director

R-24-10

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-24-10

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.

PASSED AND ADOPTED THIS 6th DAY OF June, 2024

BY A VOTE OF: 7 FOR 0 AGAINST.

Yes: B. Baca, J. Baca, Barboa, Olivas, Peña, Sanchez, Sengel

No:

Excused:

Eric C. Olivas, Chair

ATTEST:

Mark S. Sanchez, Executive Director

R-24-11

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-24-11

[+Bracketed Material+] - New
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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.

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion

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

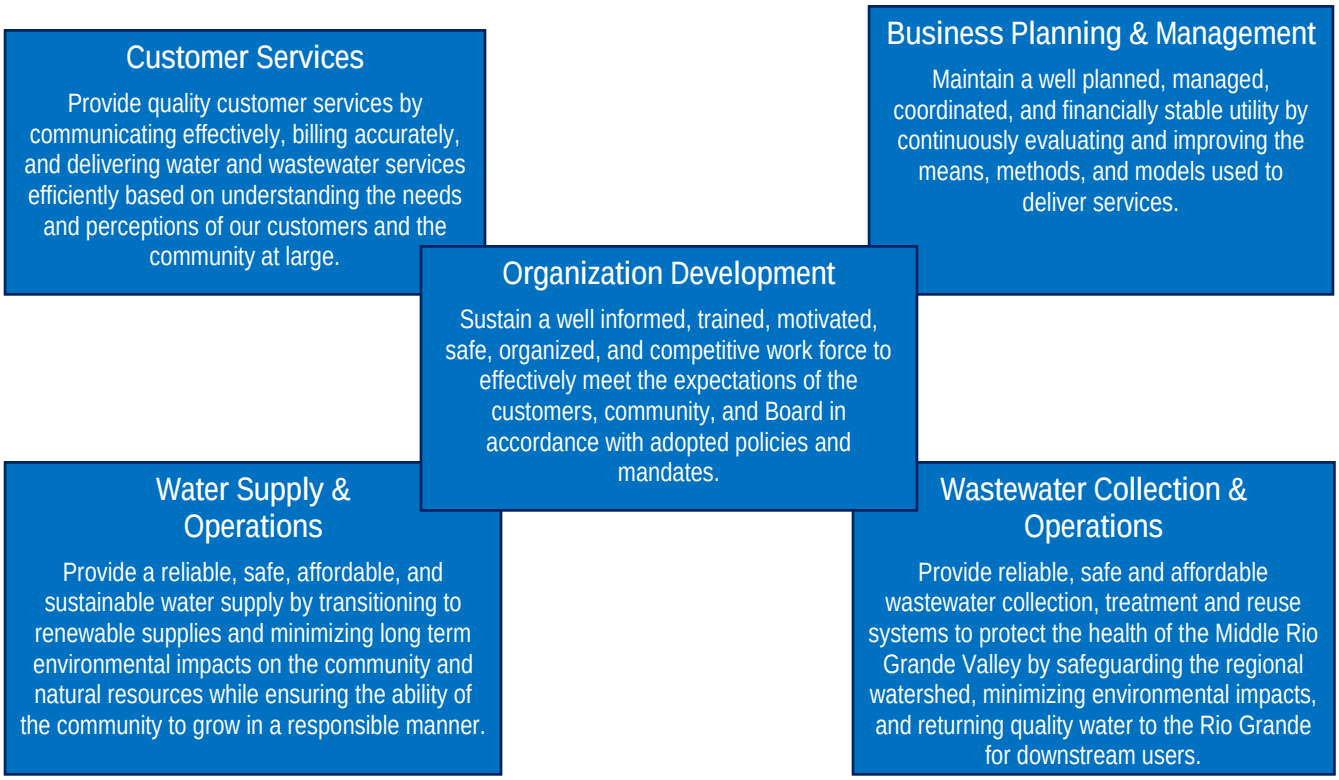
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Business Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's 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

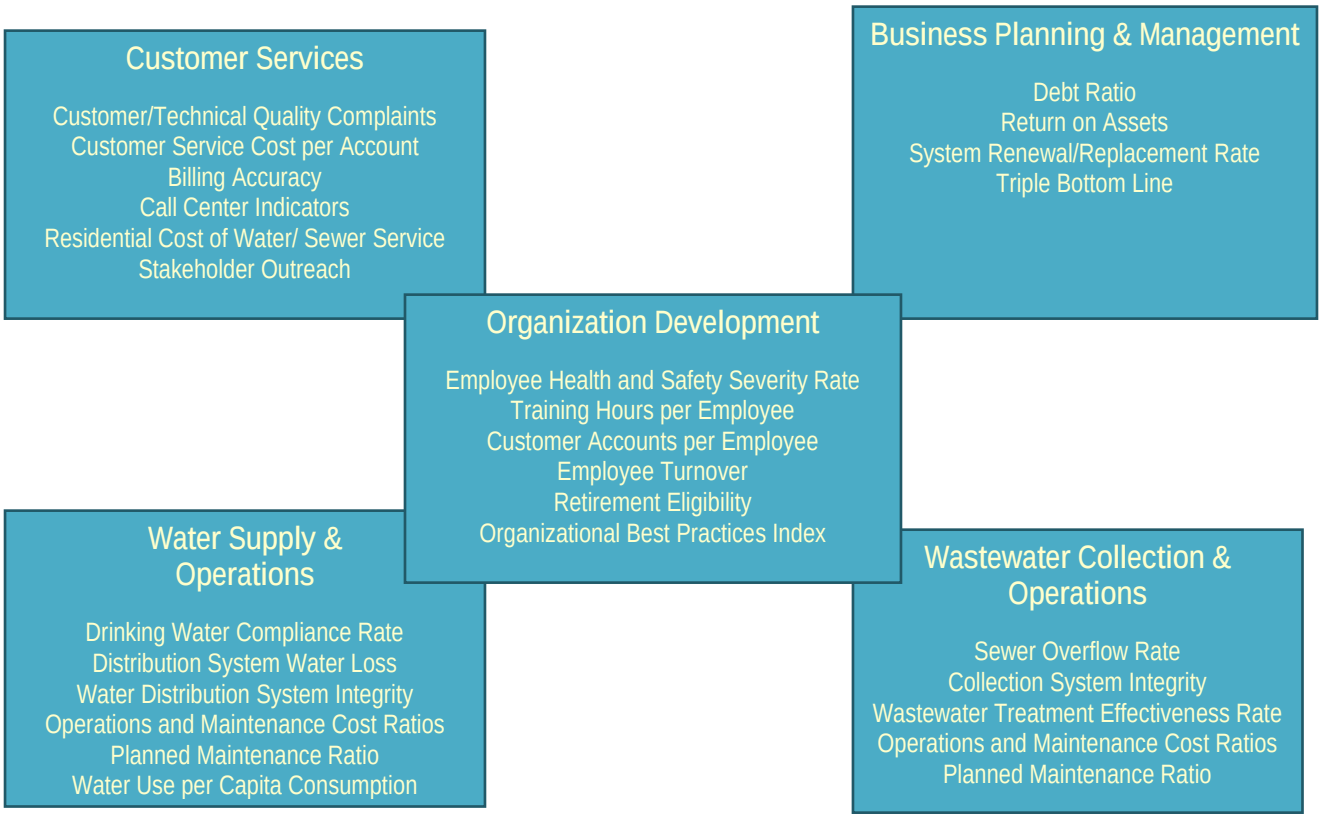
The Water Authority's Performance Plan is organized by the Water Authority's Business Goal areas which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming Award, and 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.

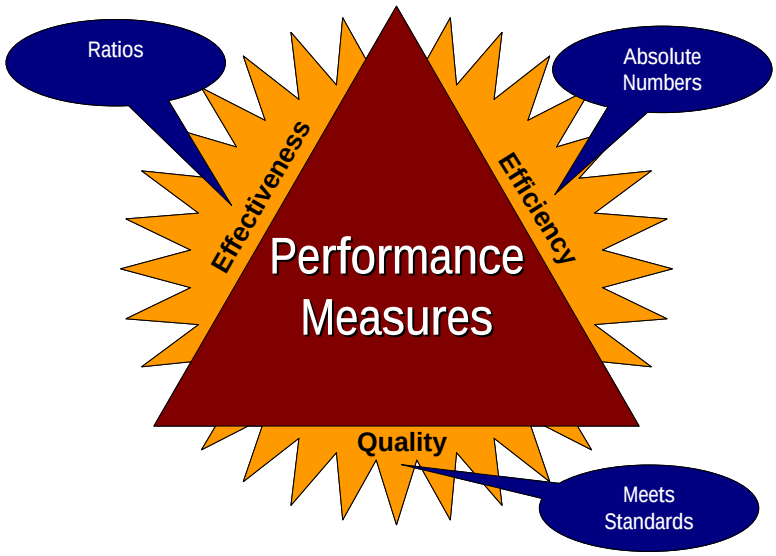
Figure 2: Performance Measures by Goal Area



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

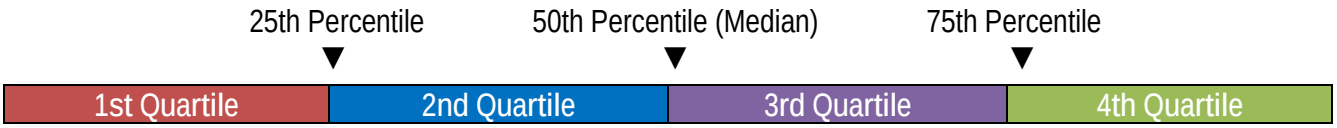
Communicating Performance Measurement

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

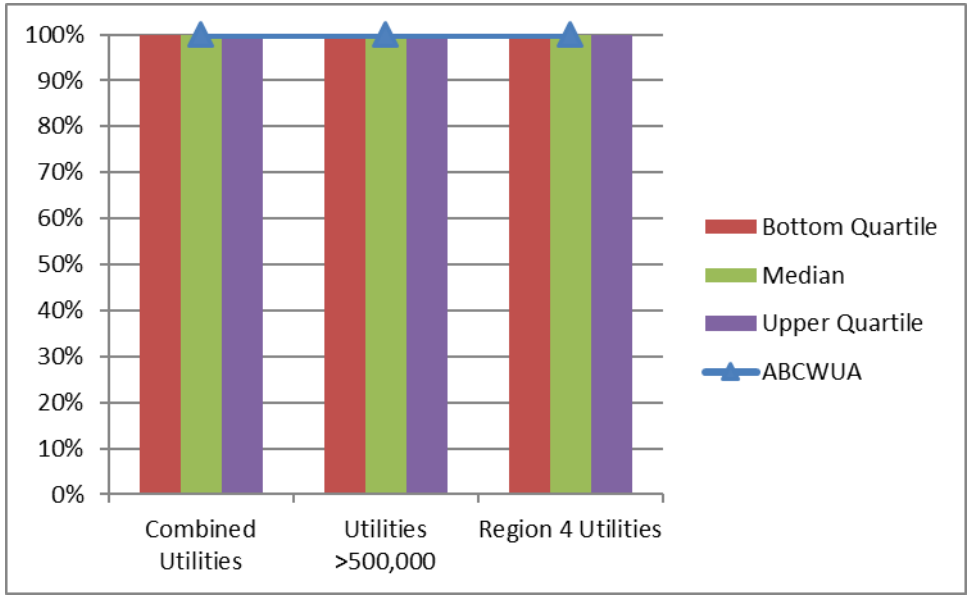
Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance	Operations Water Resources, Engineering & Planning
1-1	Drinking Water Compliance Rate	✓		✓	
1-2	Distribution System Water Loss		✓		✓
1-3	Water Distribution System Integrity		✓		✓
1-4	O&M Cost Ratios: O&M Cost per account	✓	✓		
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

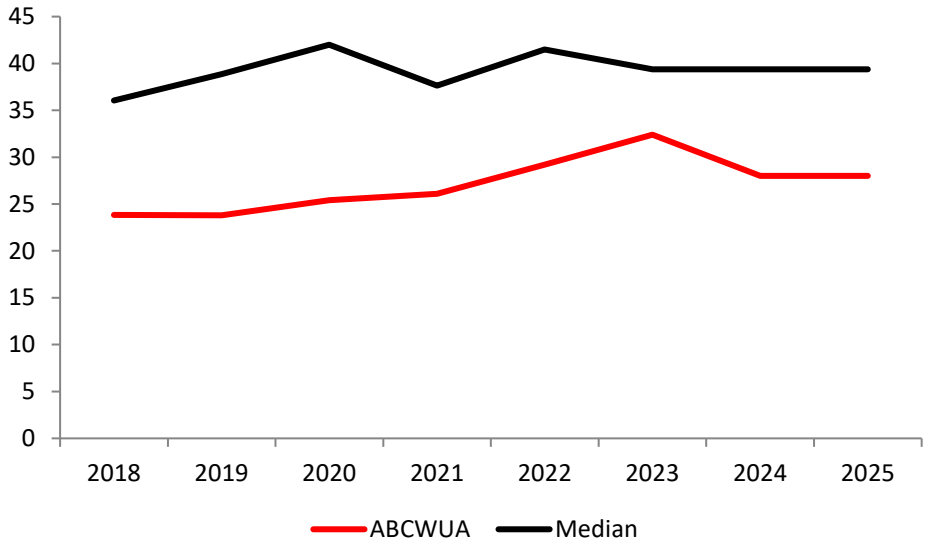
- 97% of customers are either very or somewhat satisfied with the reliability/availability of water
- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 77% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance)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

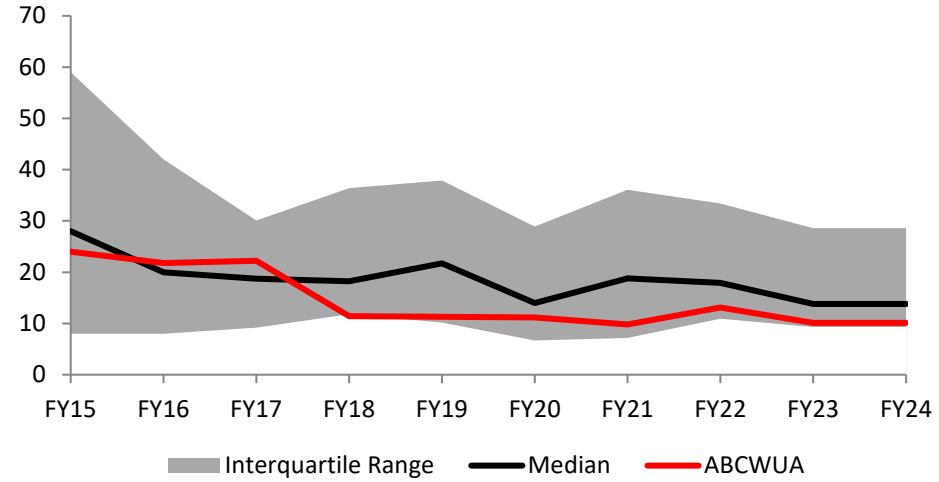
1-3 Water Distribution System Integrity

Performance Results

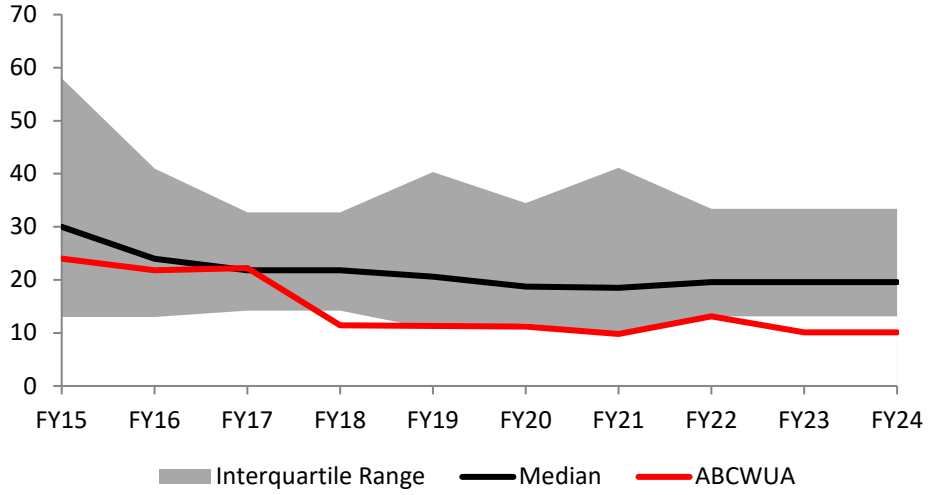
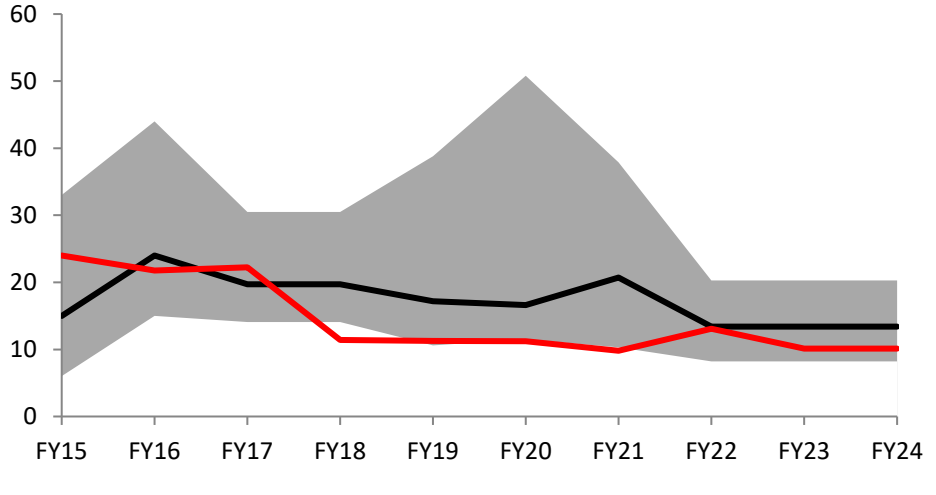
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	11.0	9.8	13.1	10.1	10.1	10.1	Improve the condition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

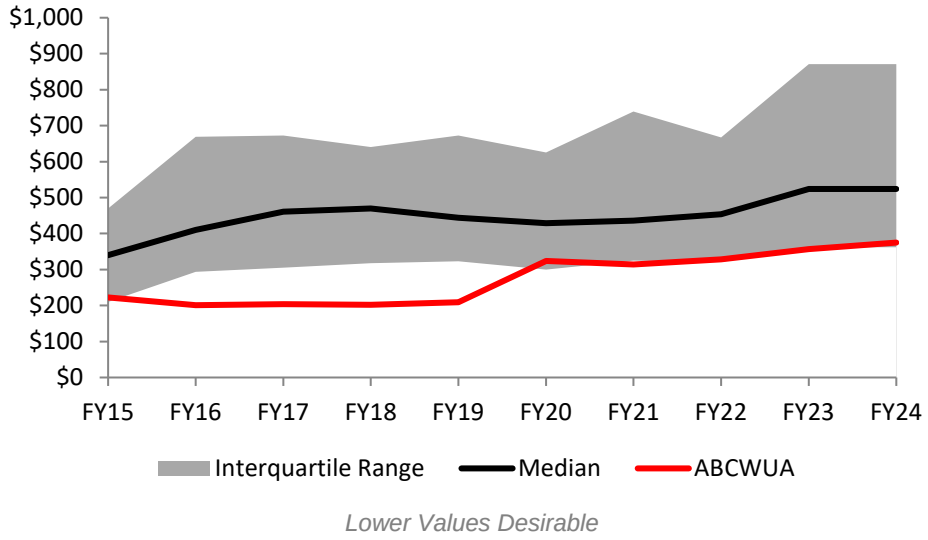
1-4 Operations and Maintenance Cost Ratio

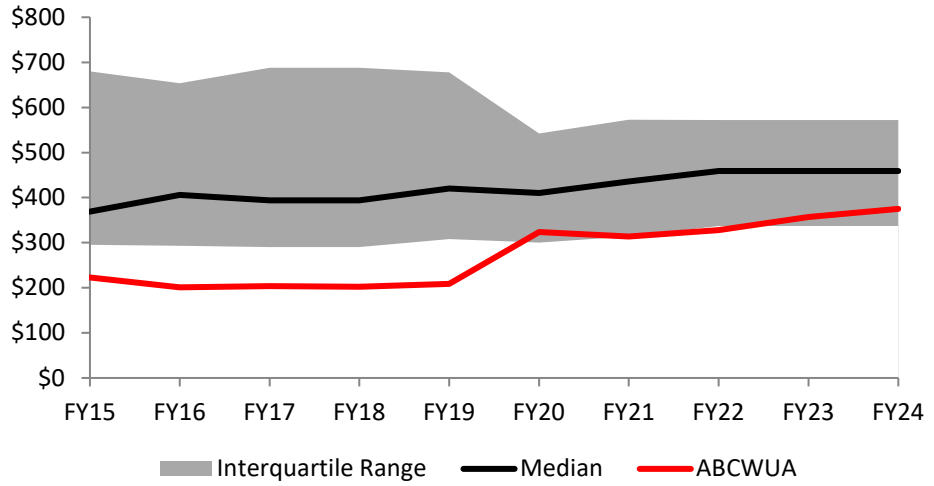
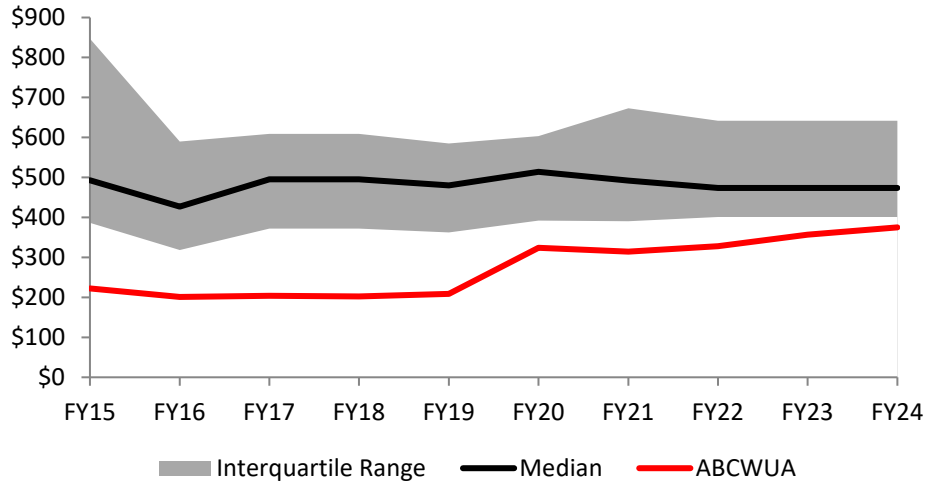
Performance Results for O&M Cost per Account

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



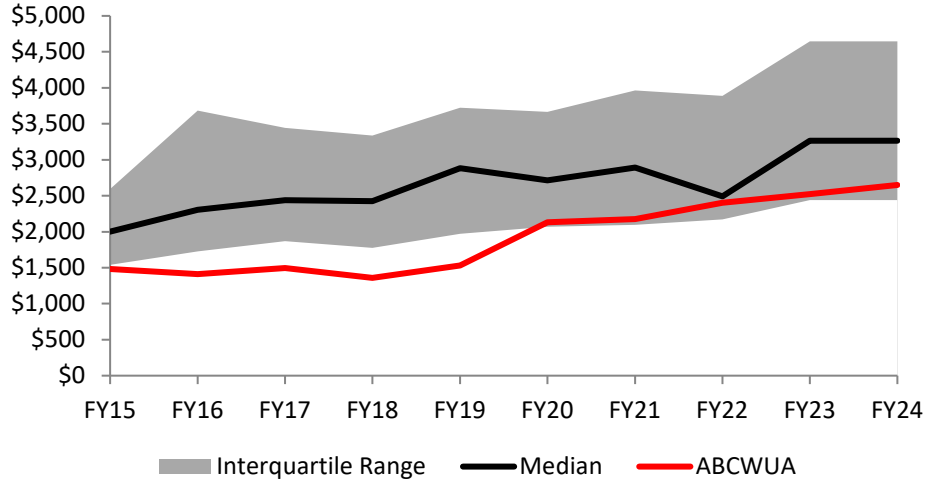
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Distributed

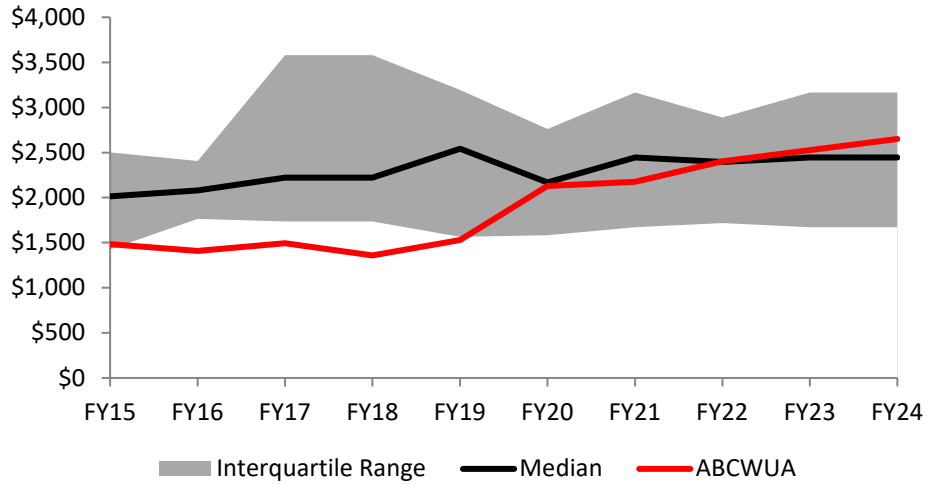
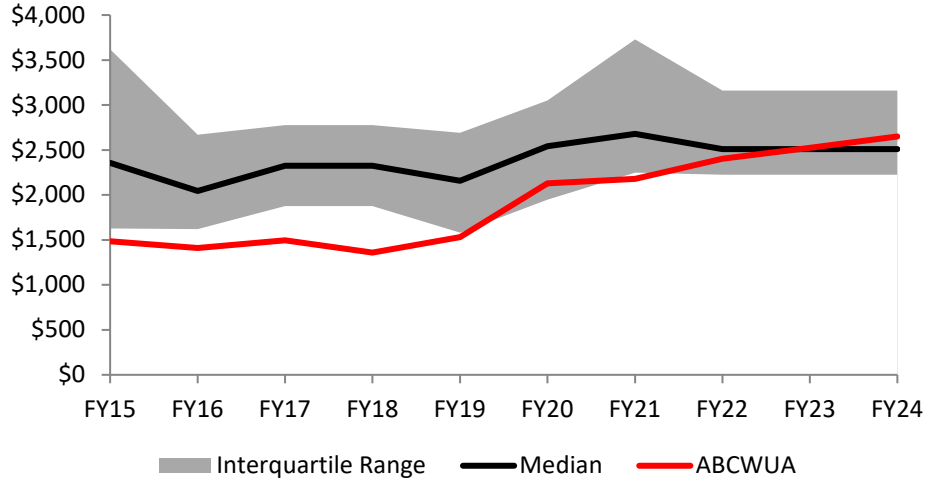
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes 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

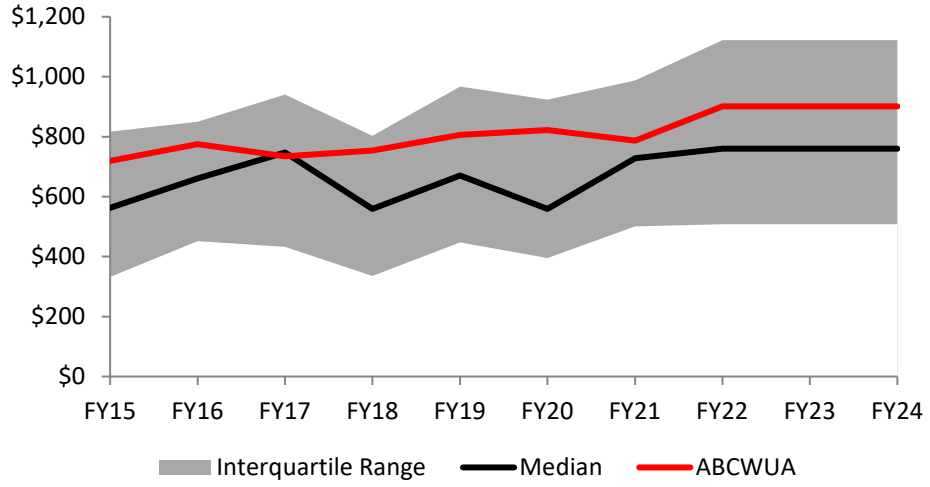
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

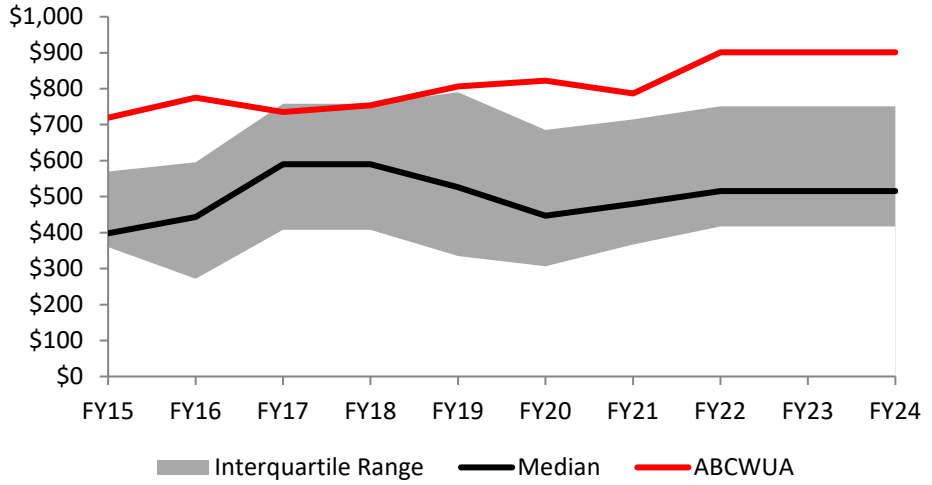
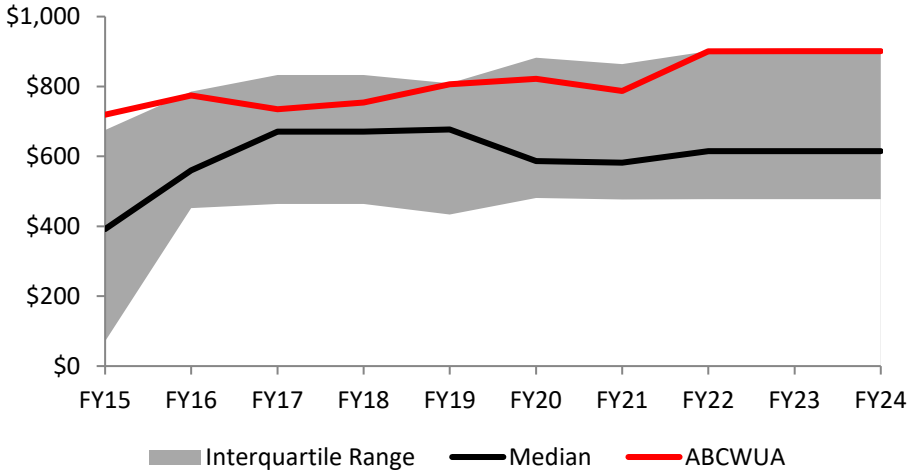
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes 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.

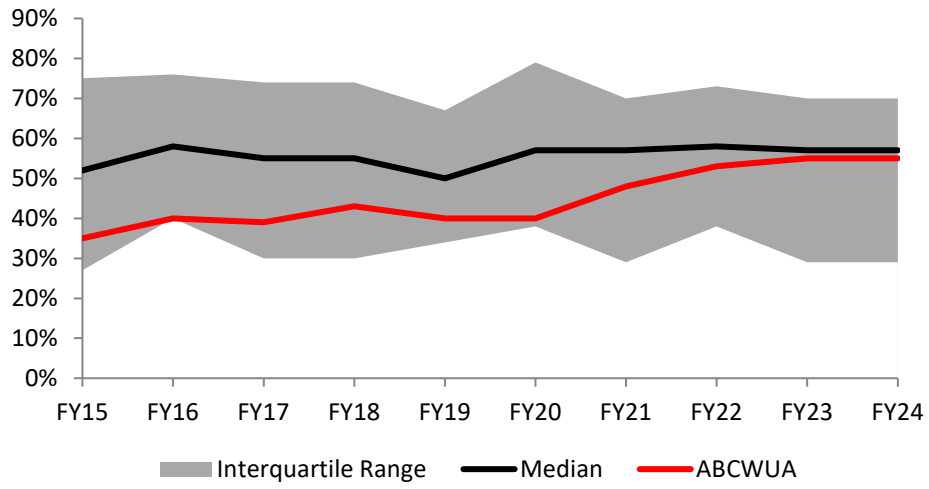
1-5 Planned Maintenance Ratio

Performance Results

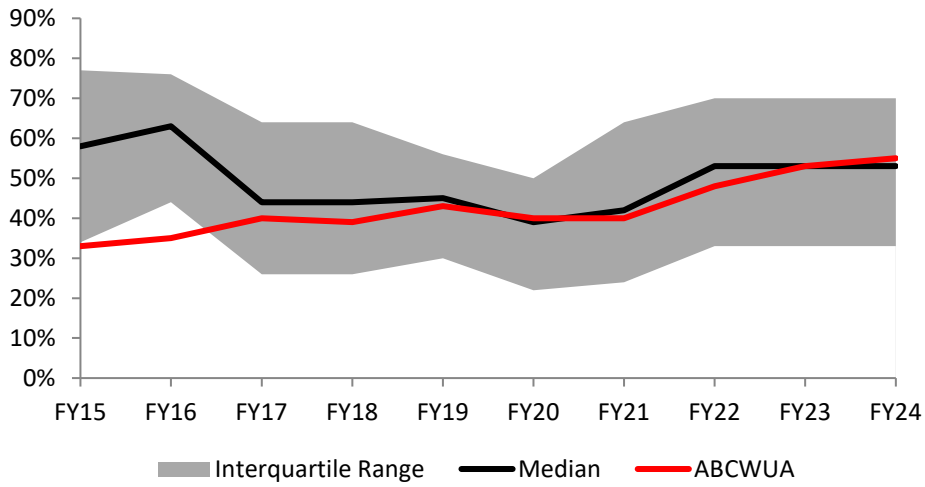
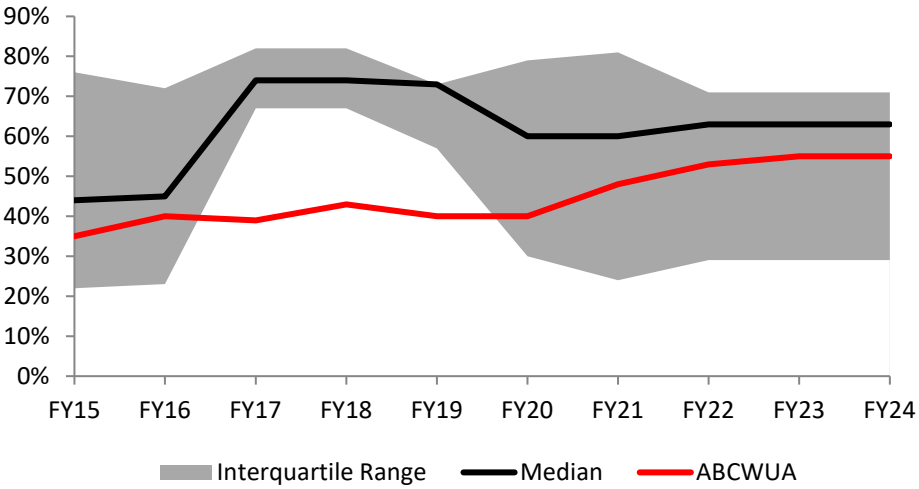
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	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.

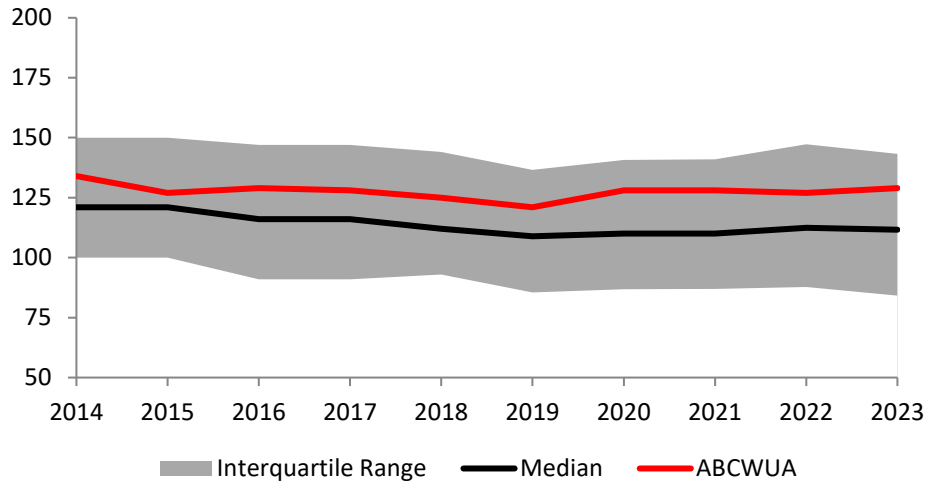
1-6 Water Use per Capita Consumption

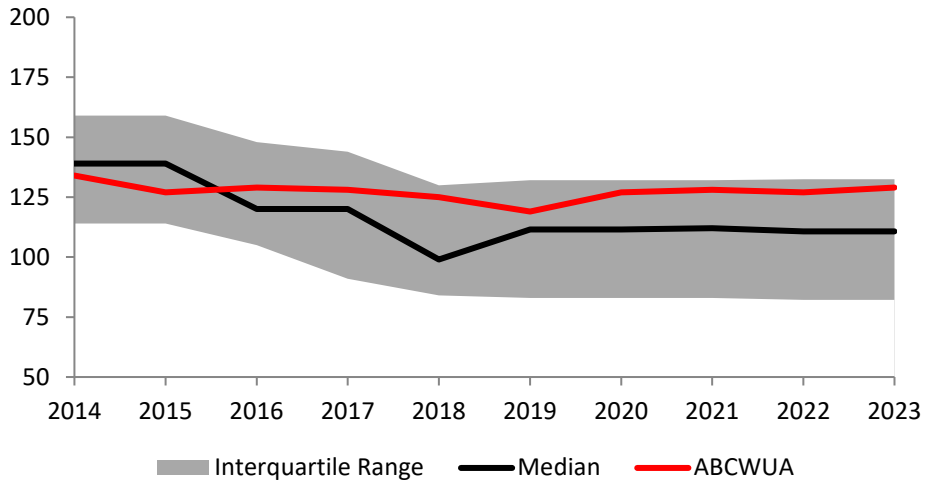
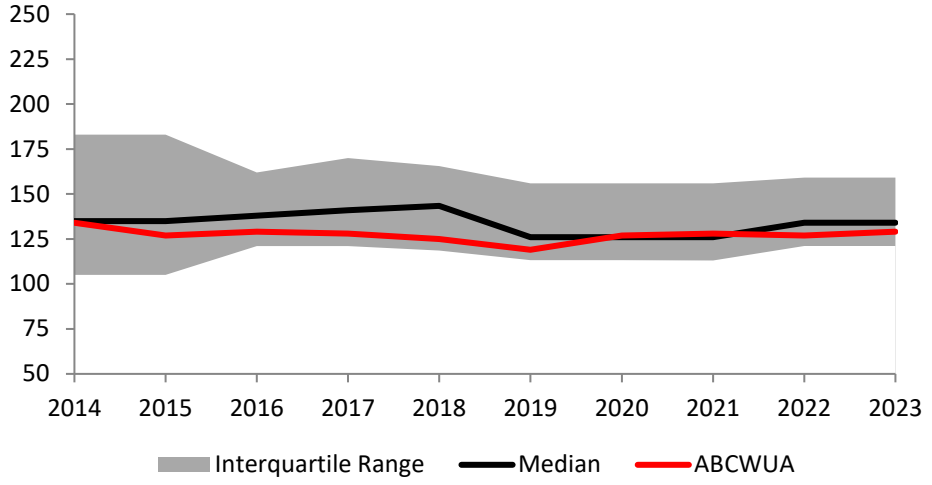
Performance Results

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

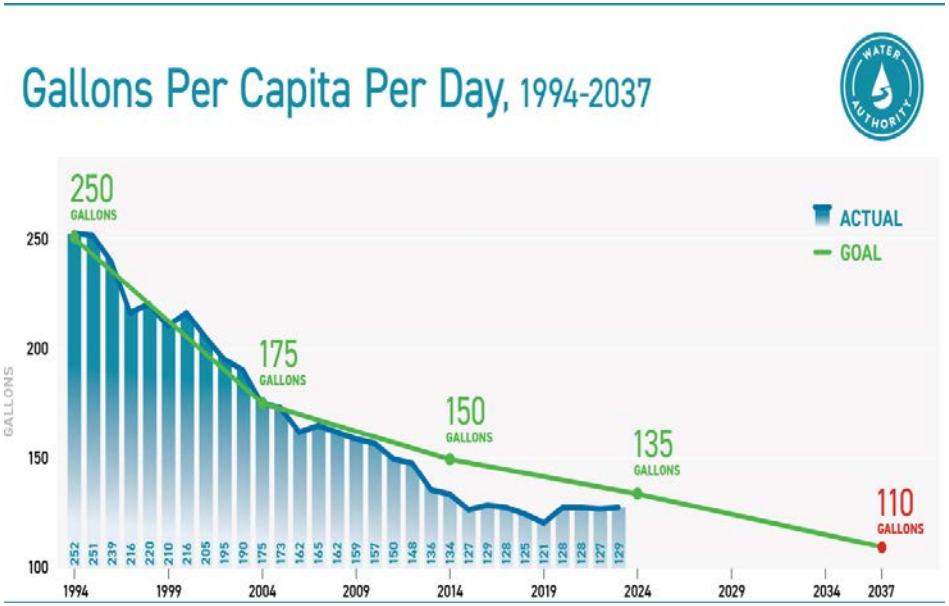
Combined Water/ Wastewater Utilities



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	✓	✓	

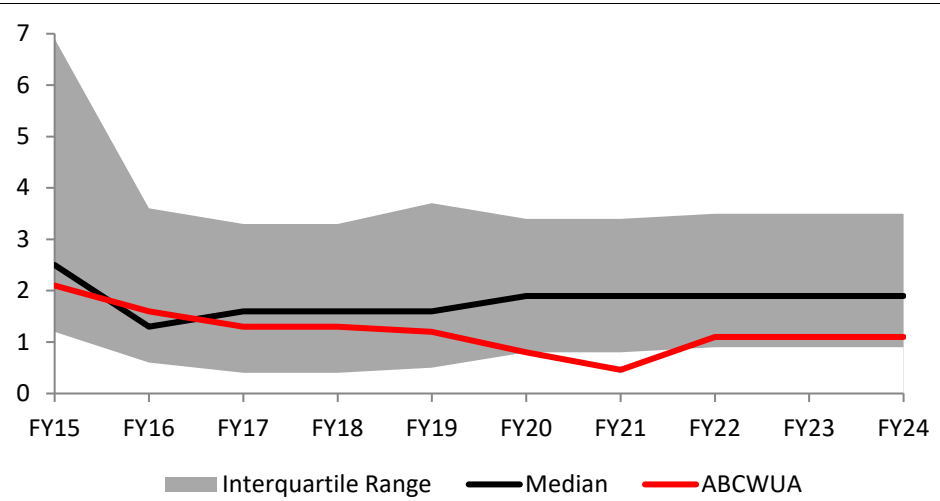
2-1 Sewer Overflow Rate

Performance Results

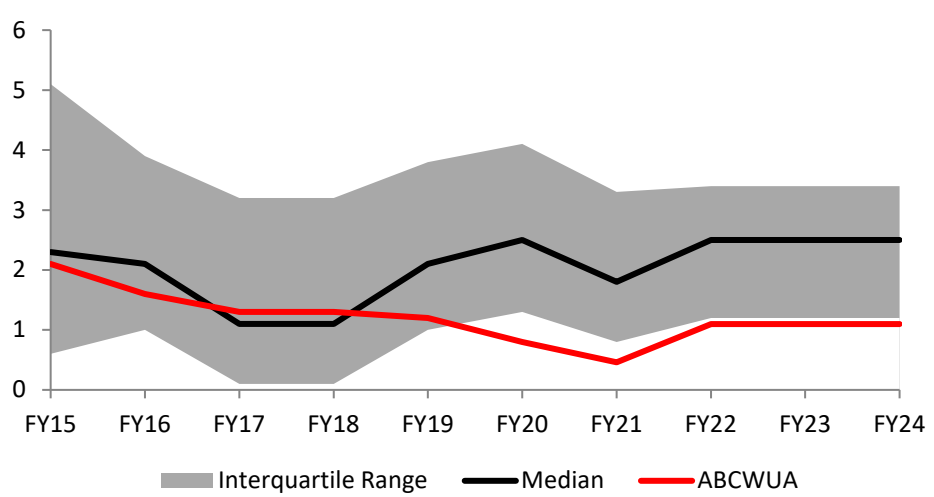
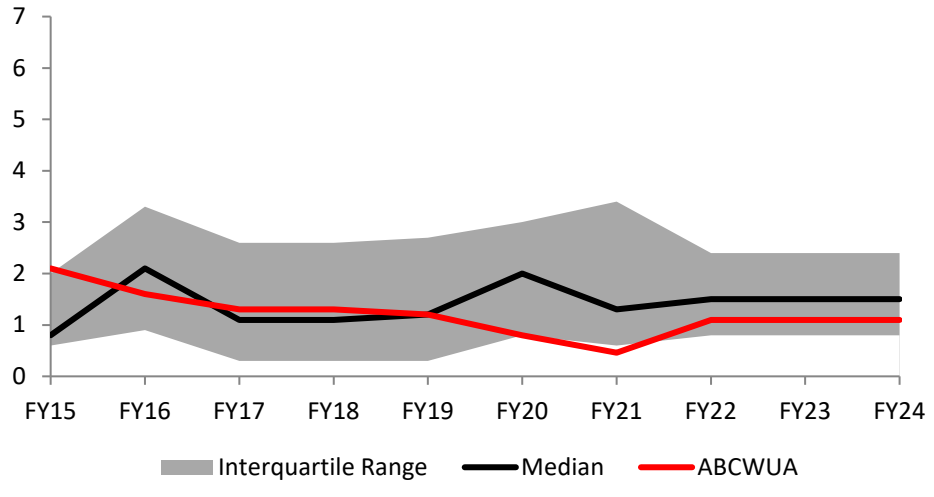
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping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

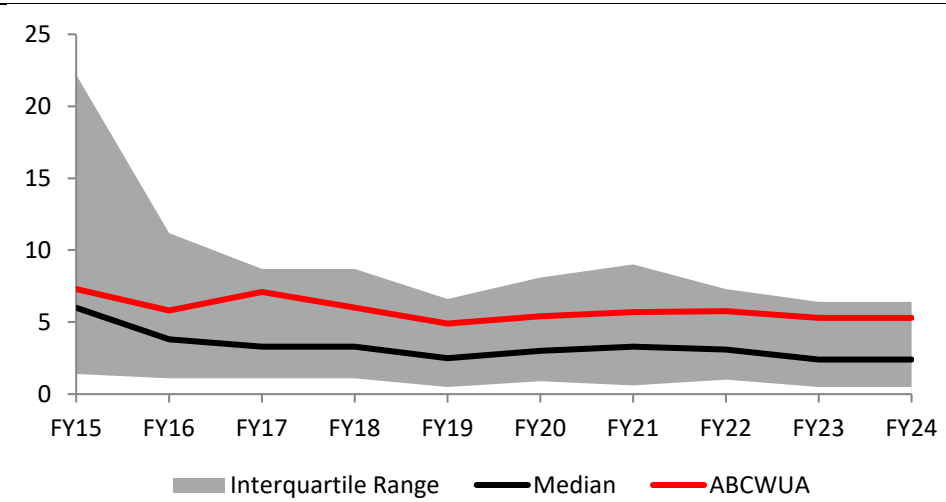
2-2 Collection System Integrity

Performance Results

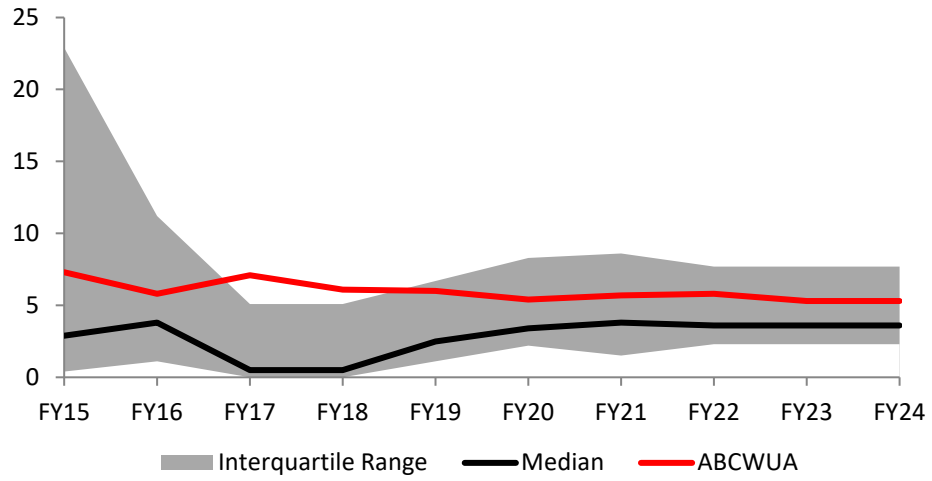
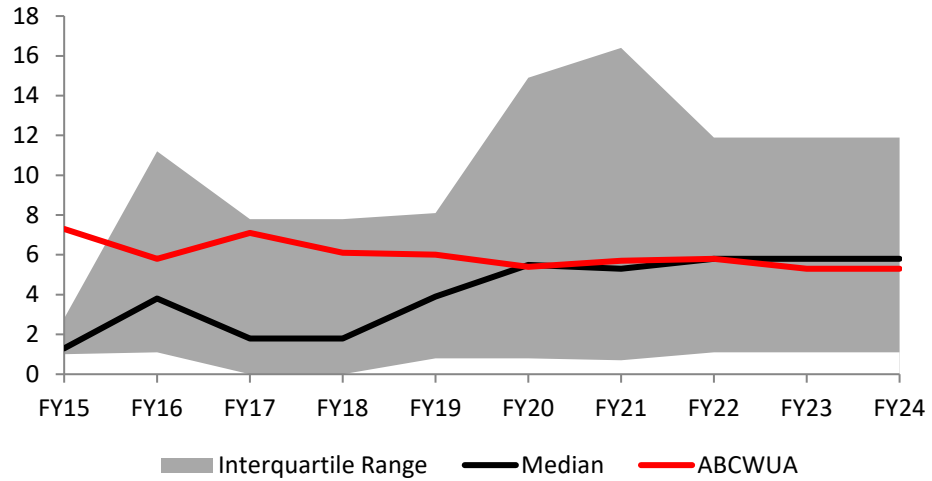
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	5.6	5.7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

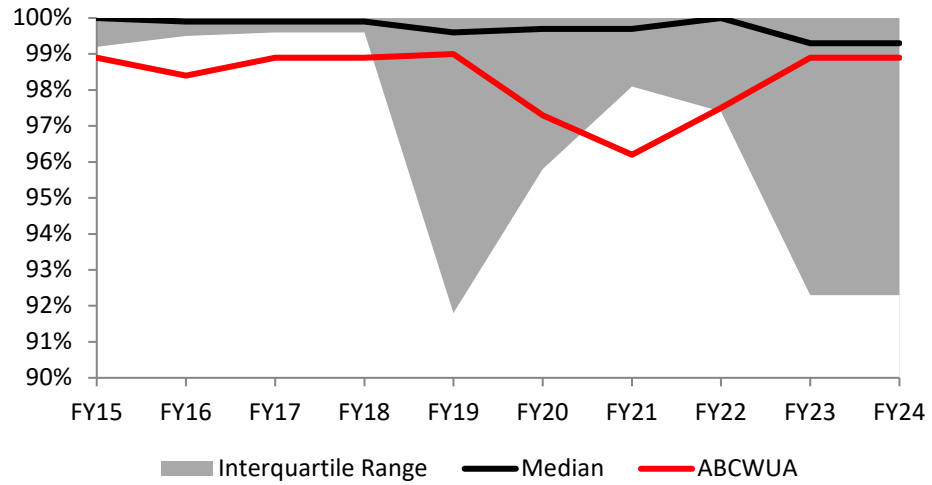
2-3 Wastewater Treatment Effectiveness Rate

Performance Results

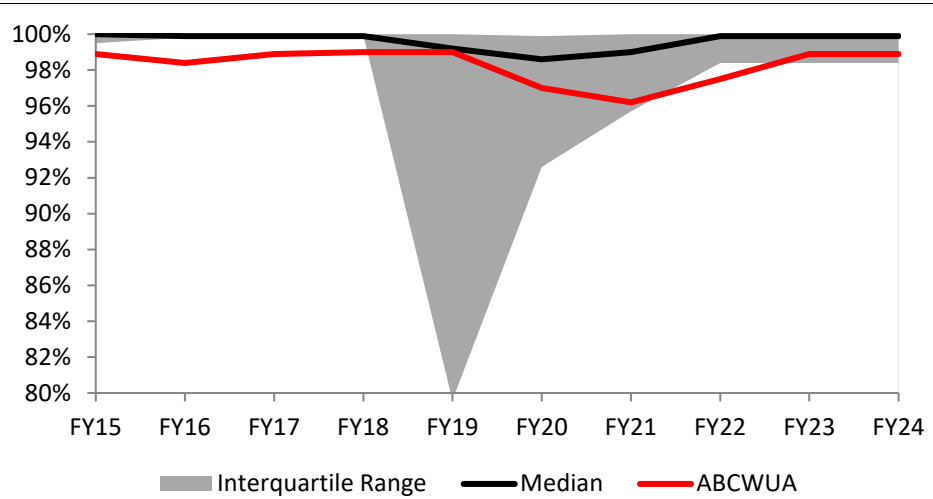
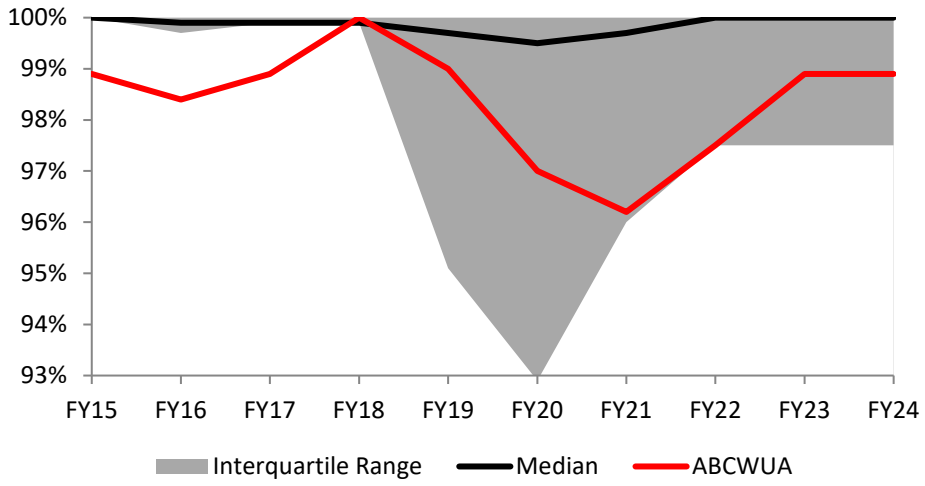
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that 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

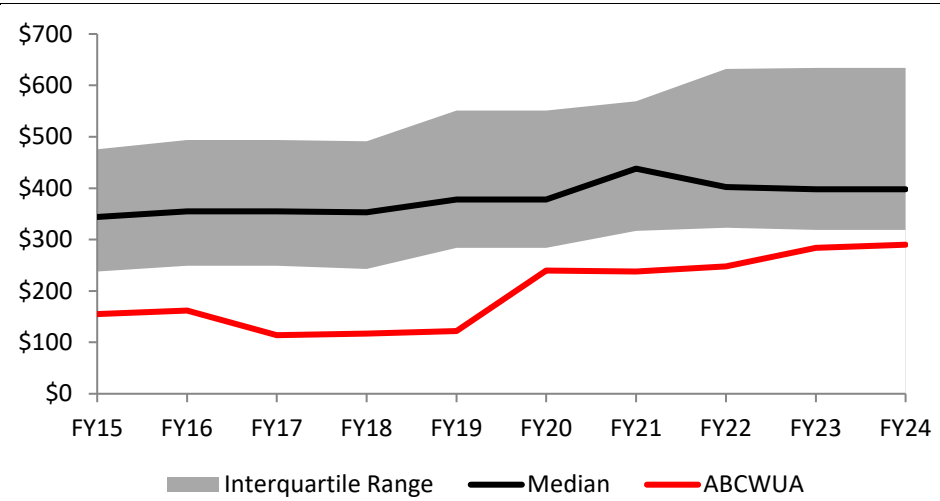
2-4 Operations and Maintenance Cost Ratio

Performance Results for O&M Cost per Account

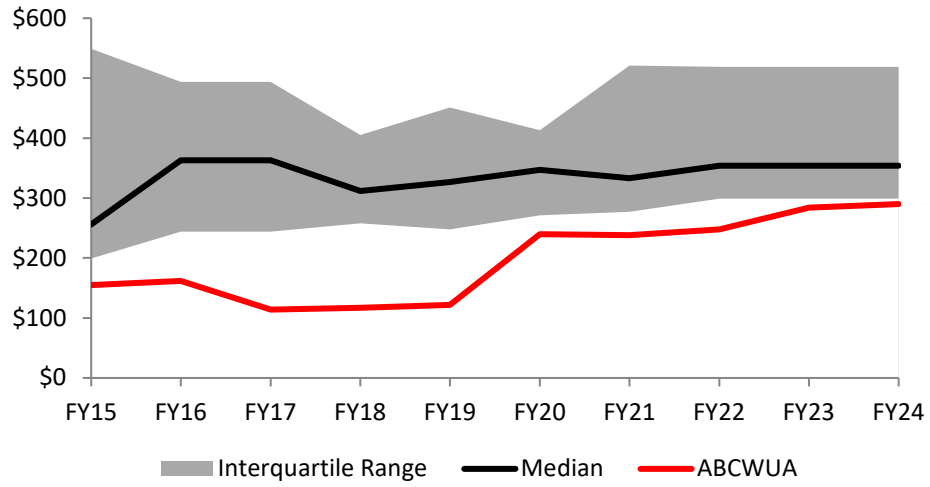
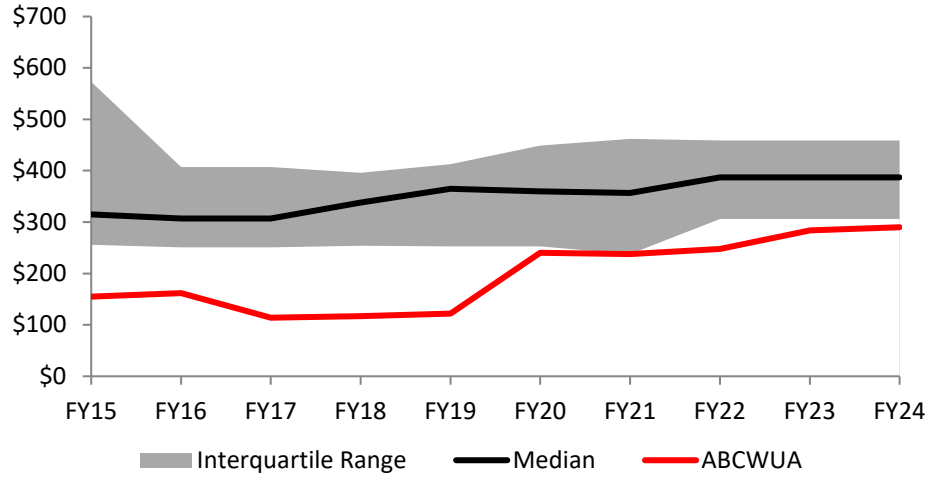
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes 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

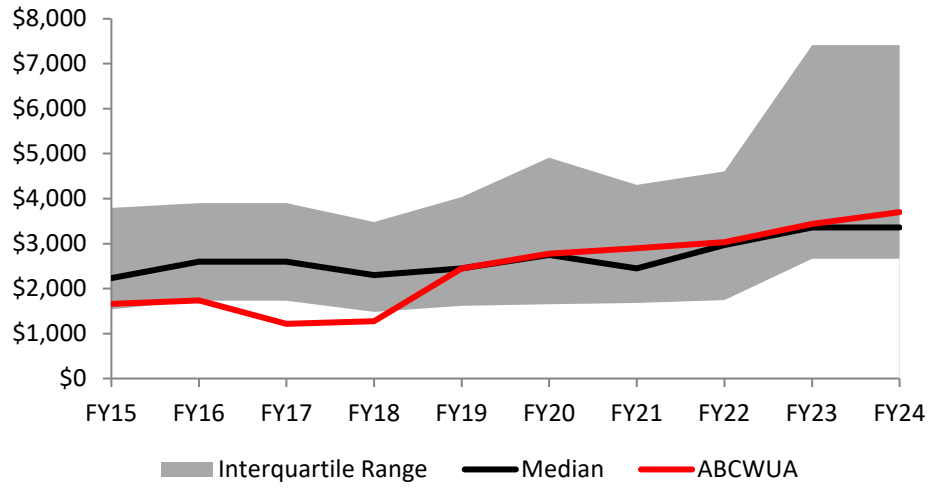
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Collected

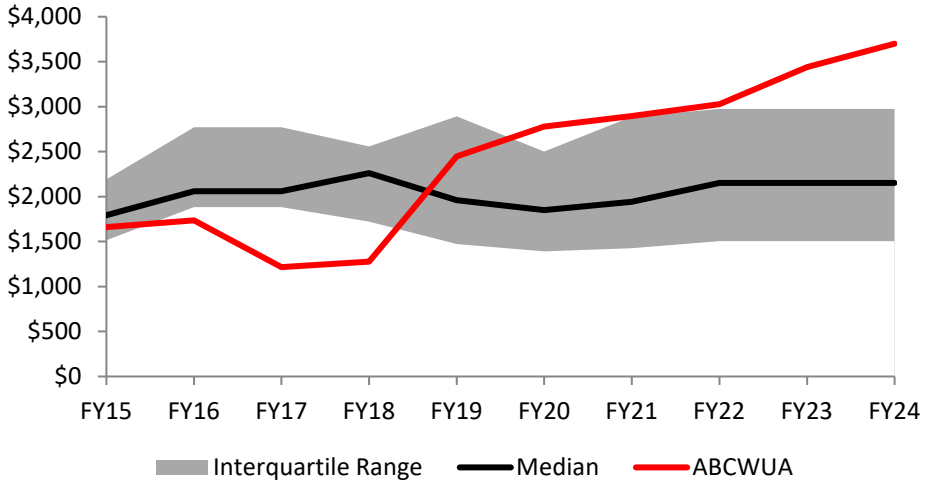
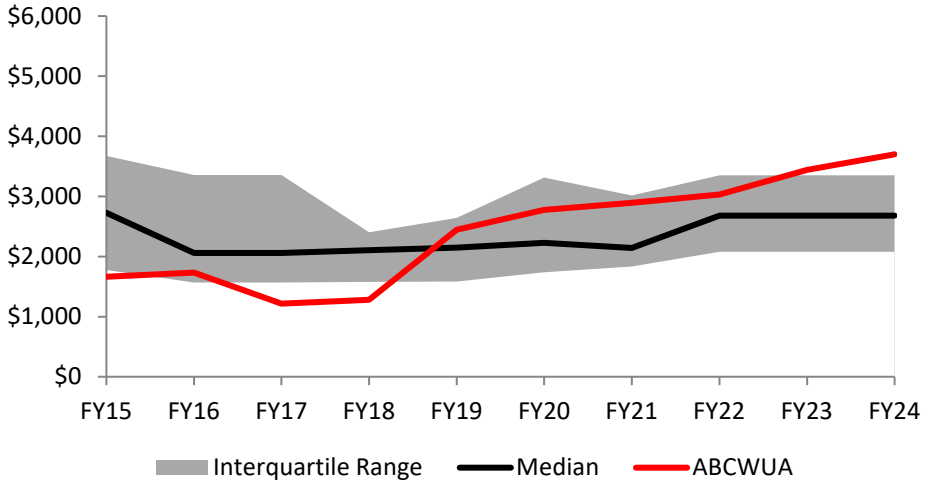
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes 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

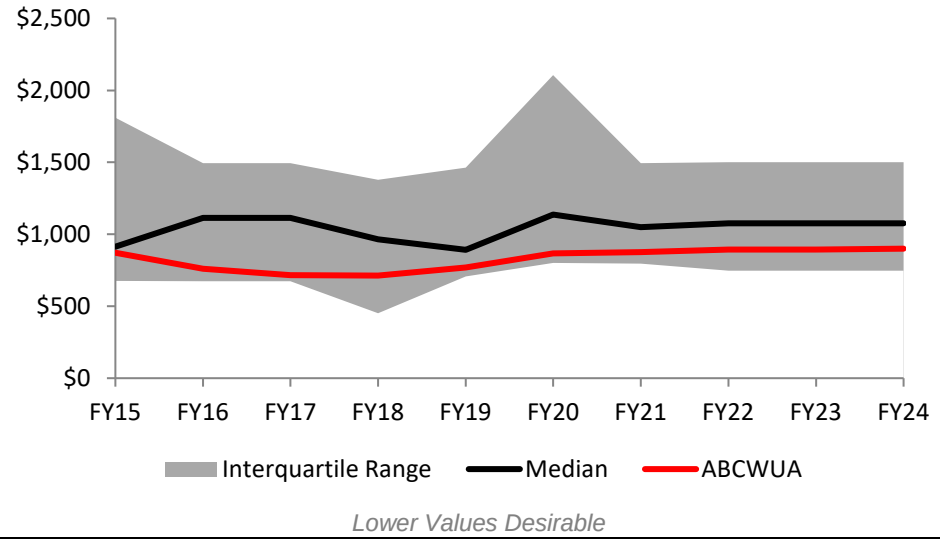
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

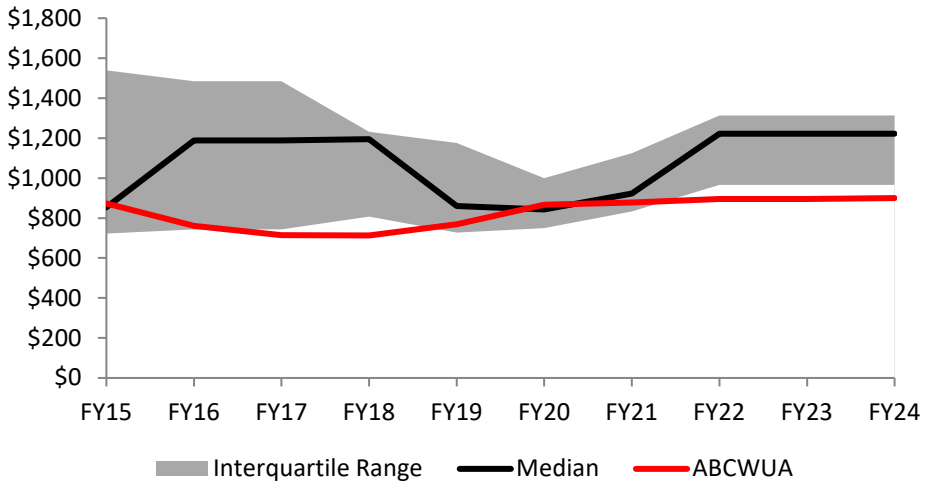
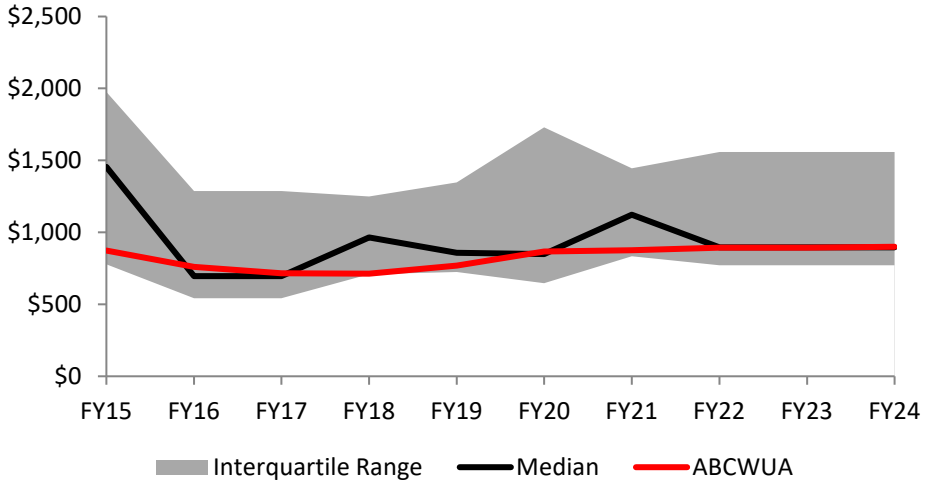
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes 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.

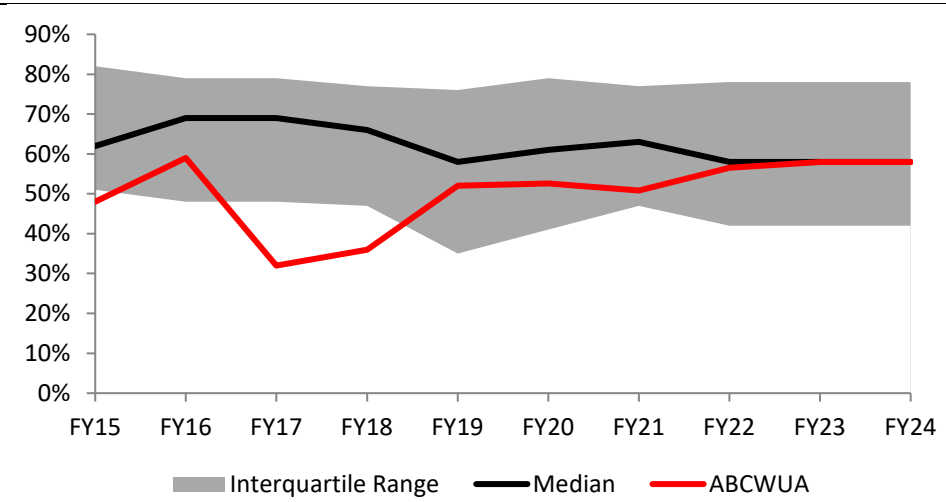
2-5 Planned Maintenance Ratio

Performance Results

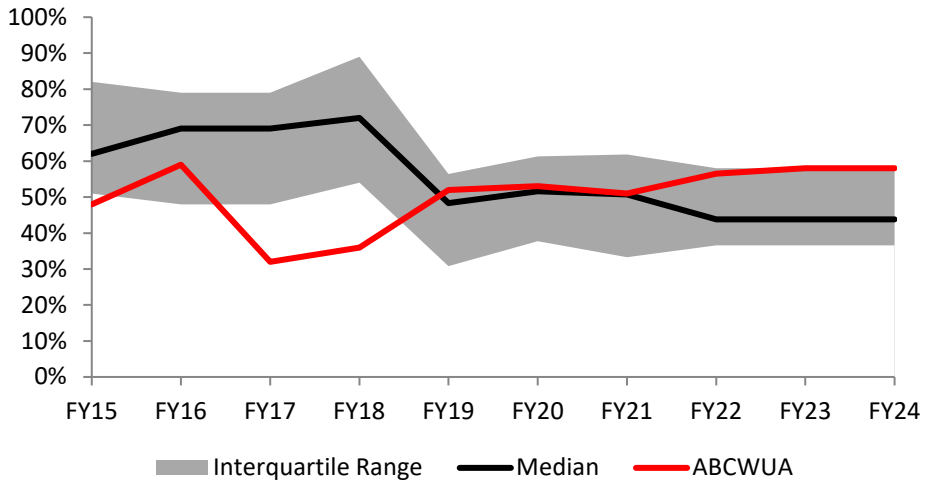
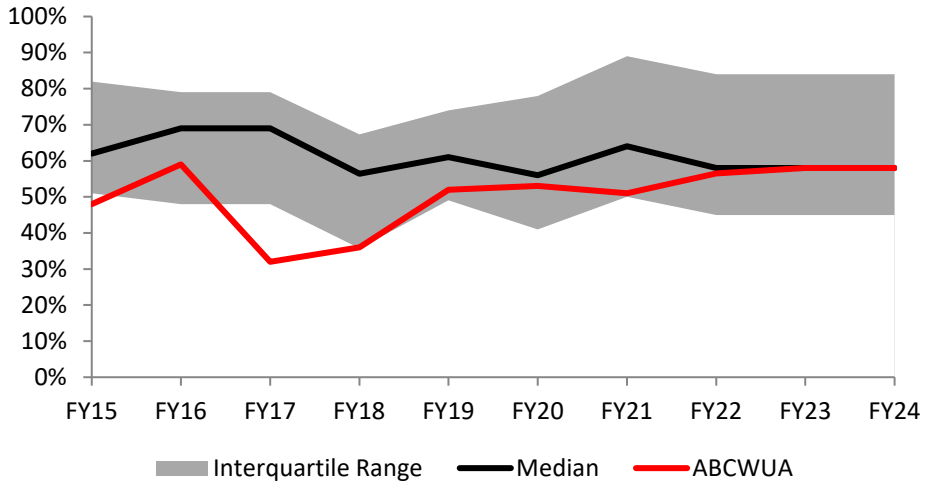
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	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			✓		

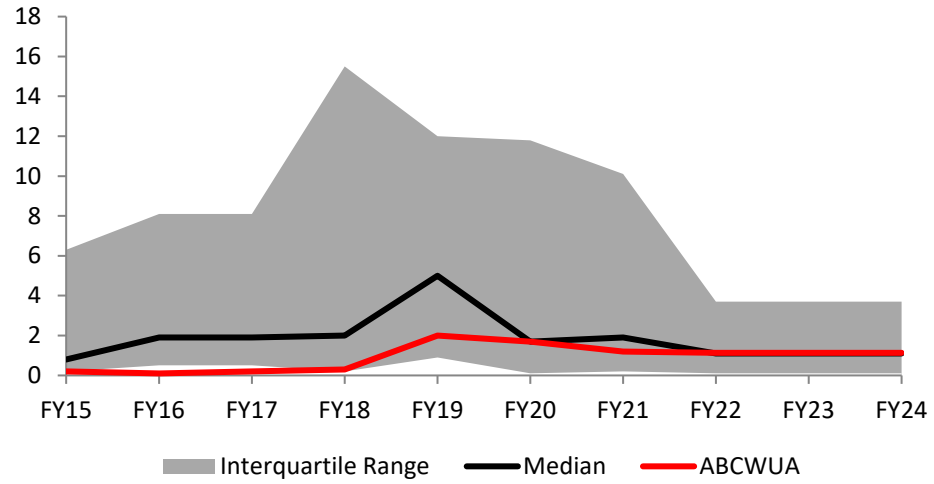
3-1 Customer Service Complaints and Technical Quality Complaints

Performance Results (Service Associated Complaints)

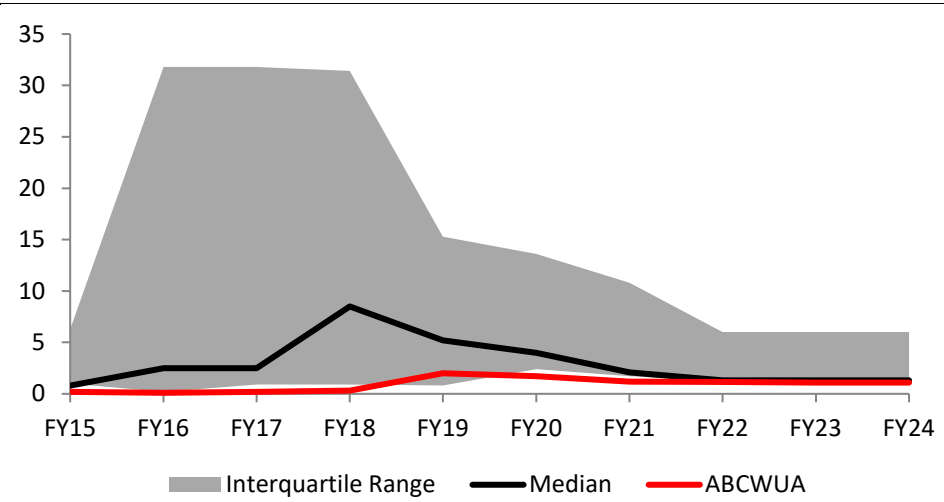
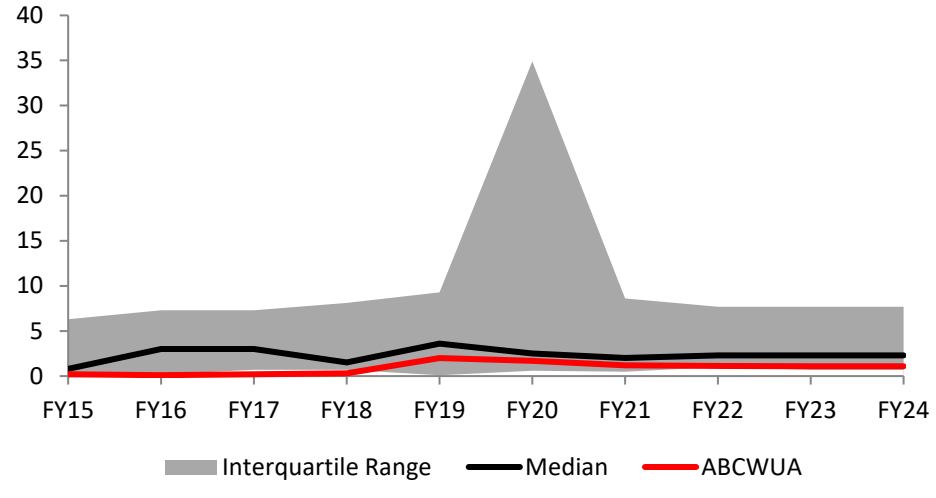
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to 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

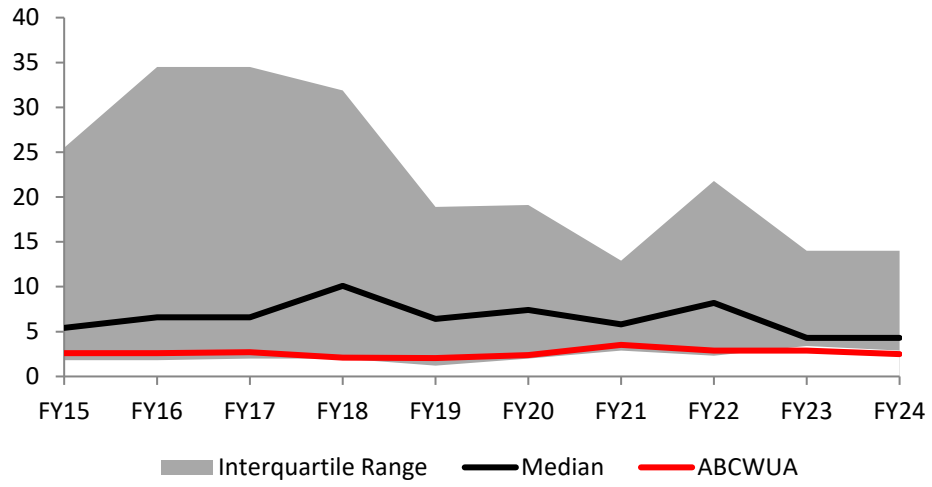
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Technical Quality Complaints)

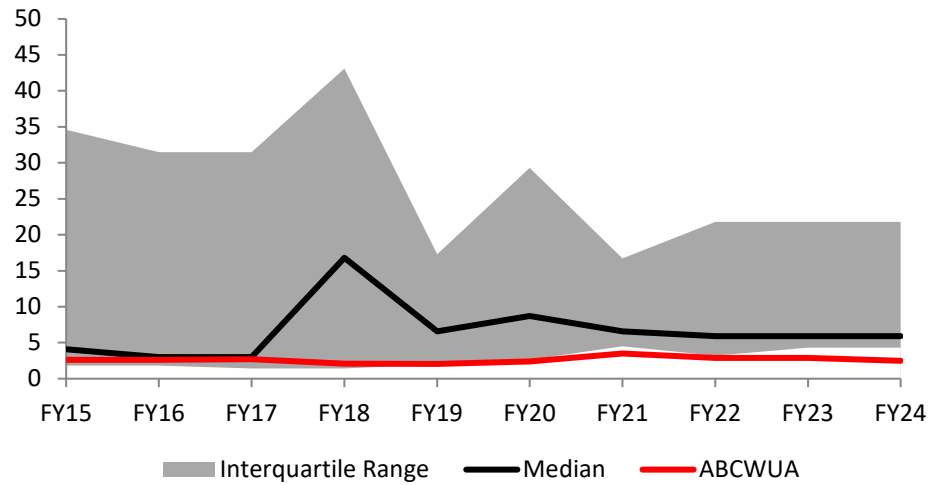
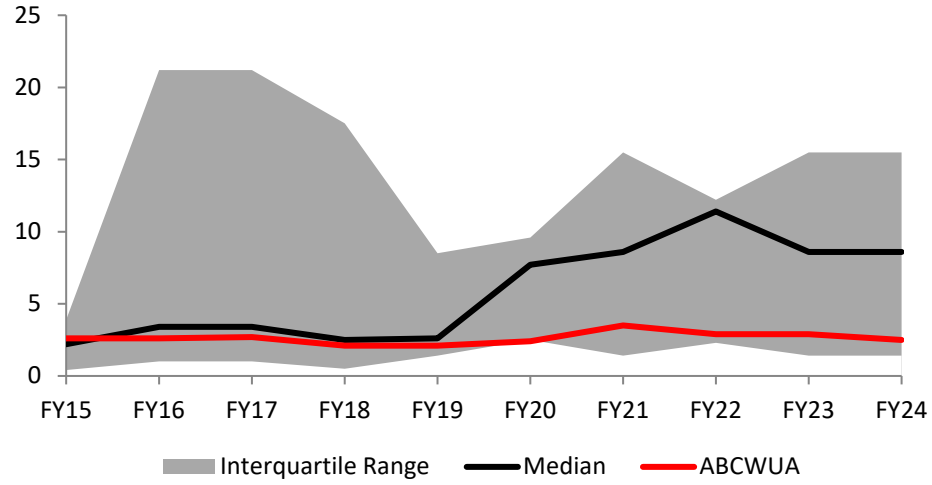
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to 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

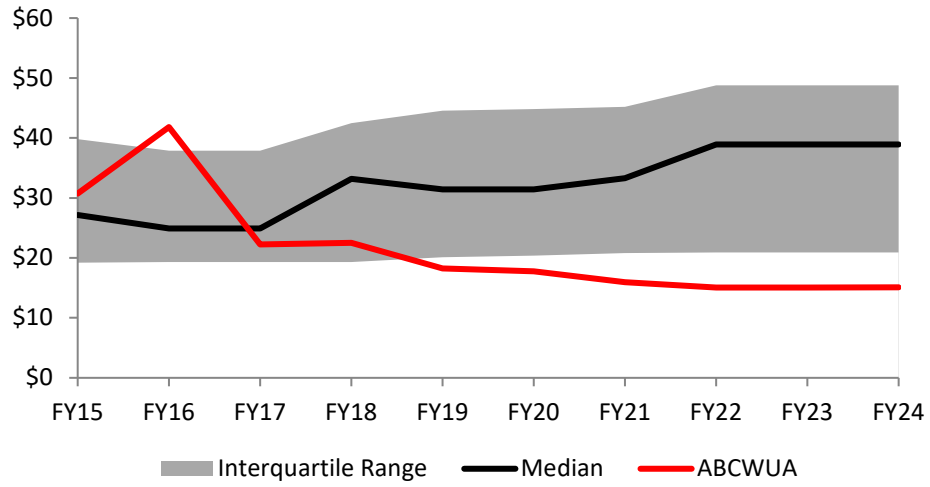
3-2 Customer Service Cost per Account

Performance Results

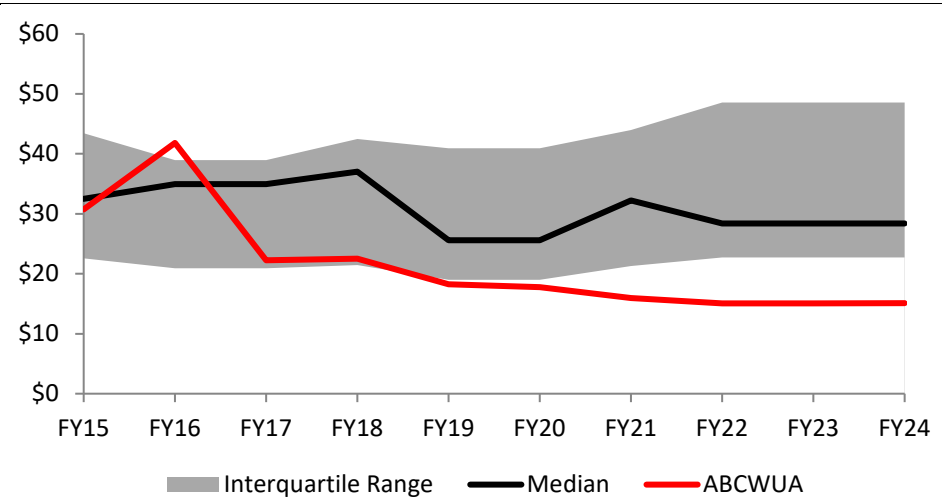
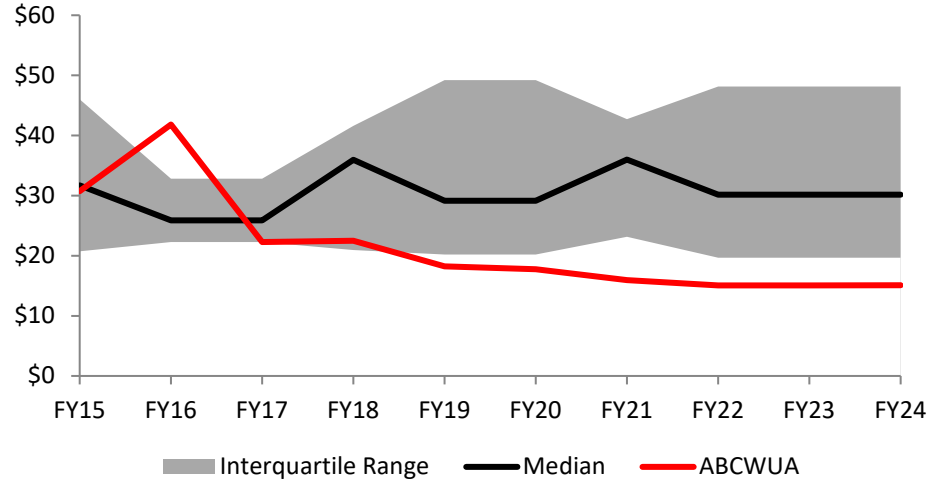
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$16.26	$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.

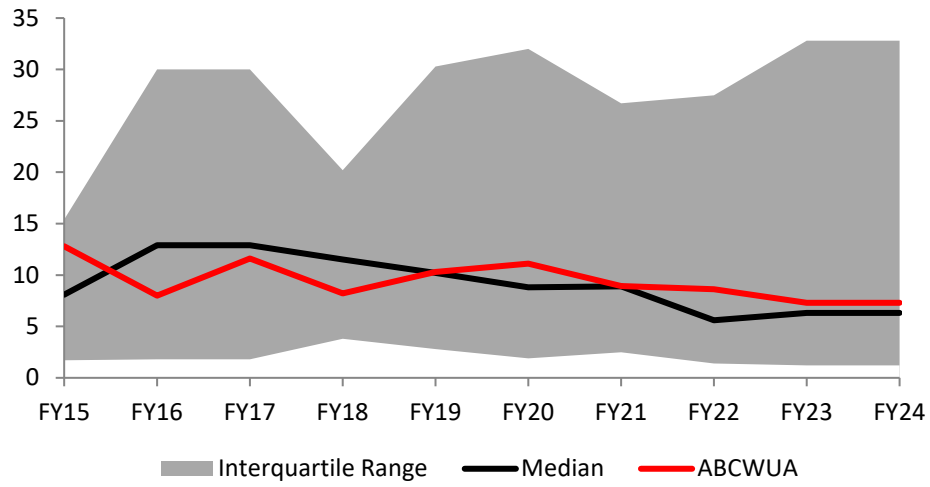
3-3 Billing Accuracy

Performance Results

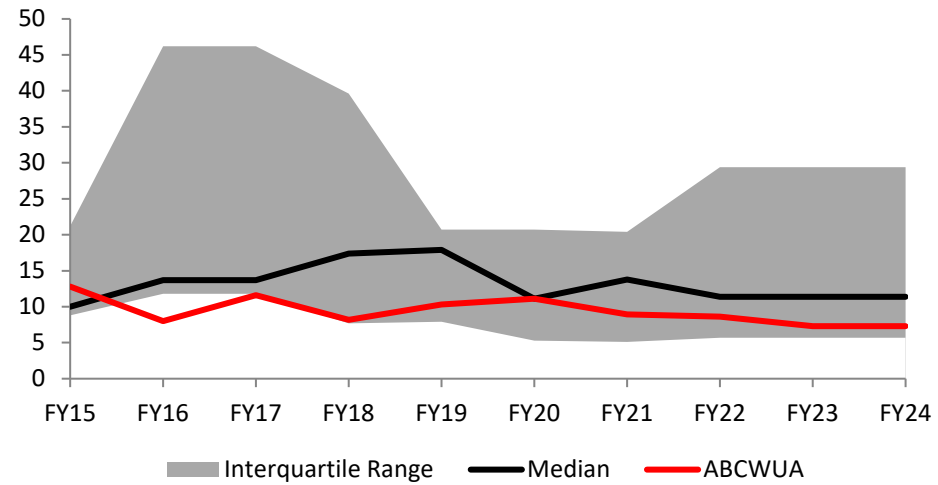
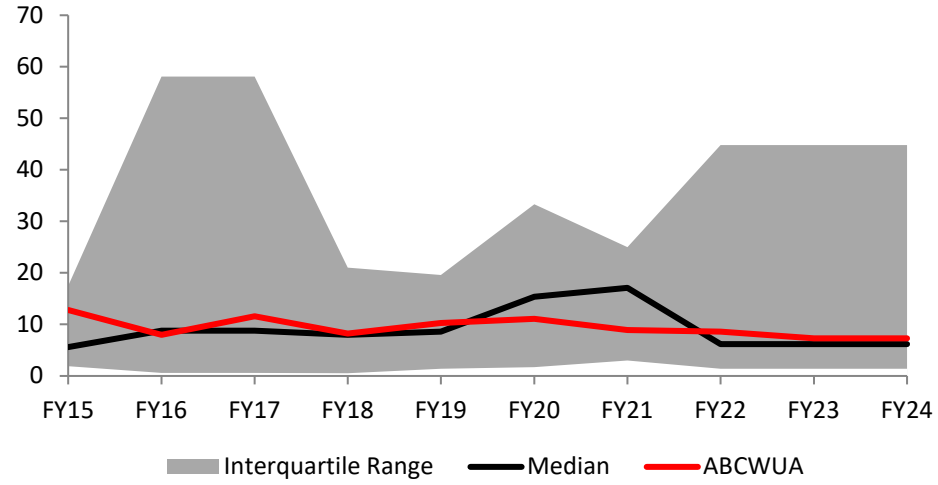
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	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

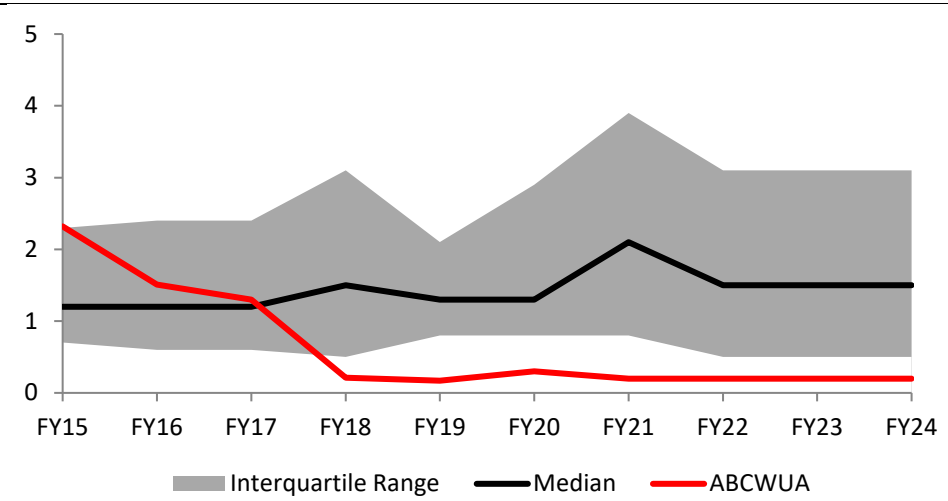
3-4 Call Center Indicators

Performance Results Average Wait Time (minutes)

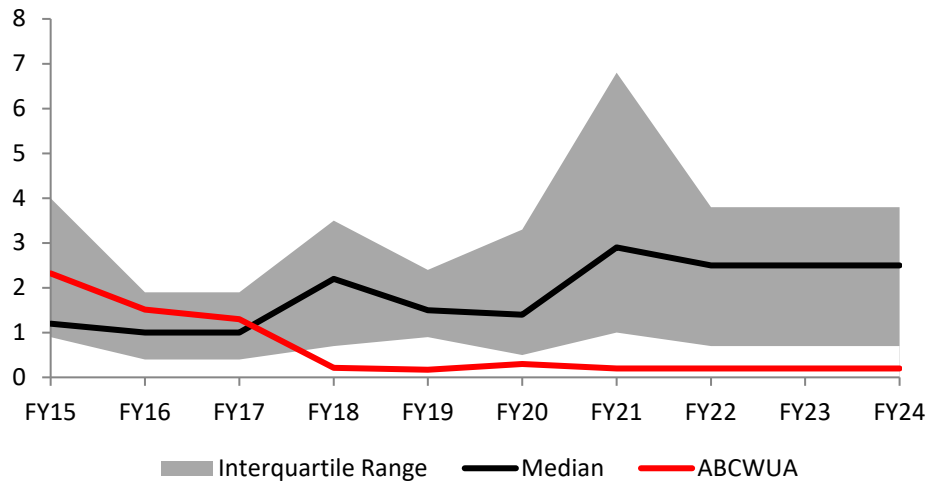
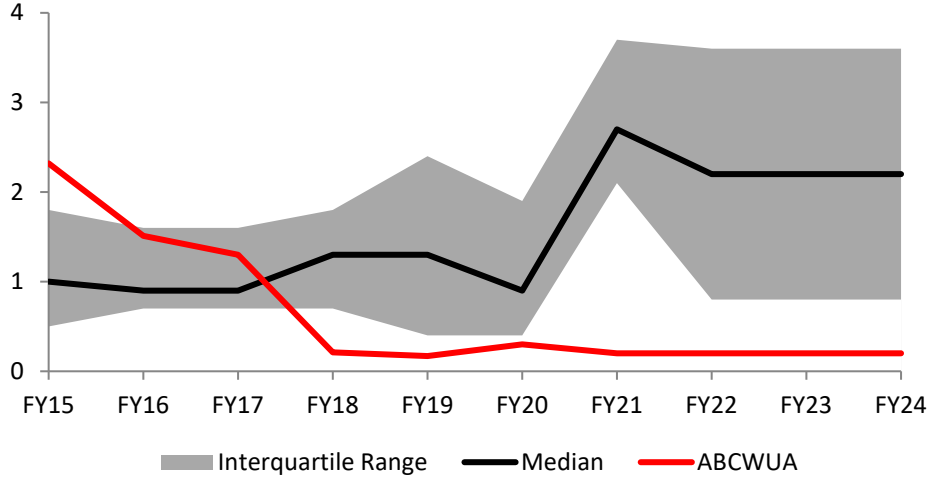
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the call wait time experienced by Water Authority customers	Average time a caller must wait on hold before they can speak to an agent or customer 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

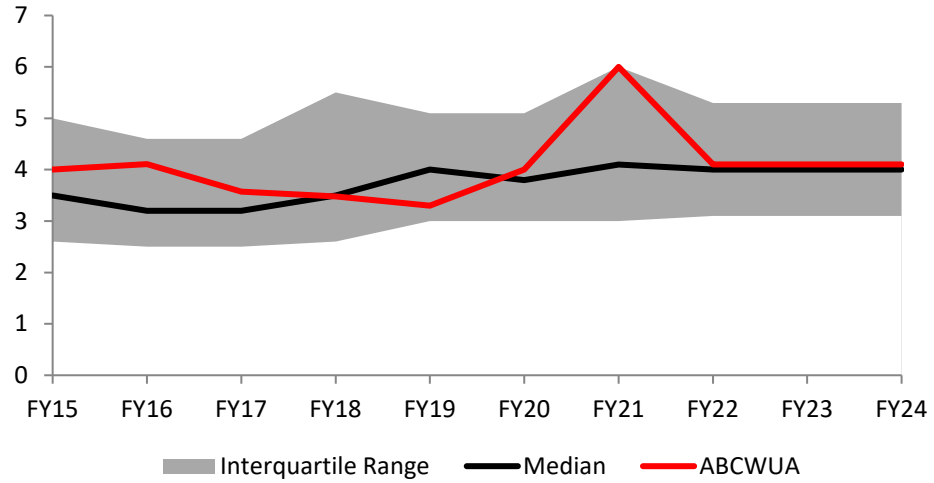
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Average Total Call Time (minutes)

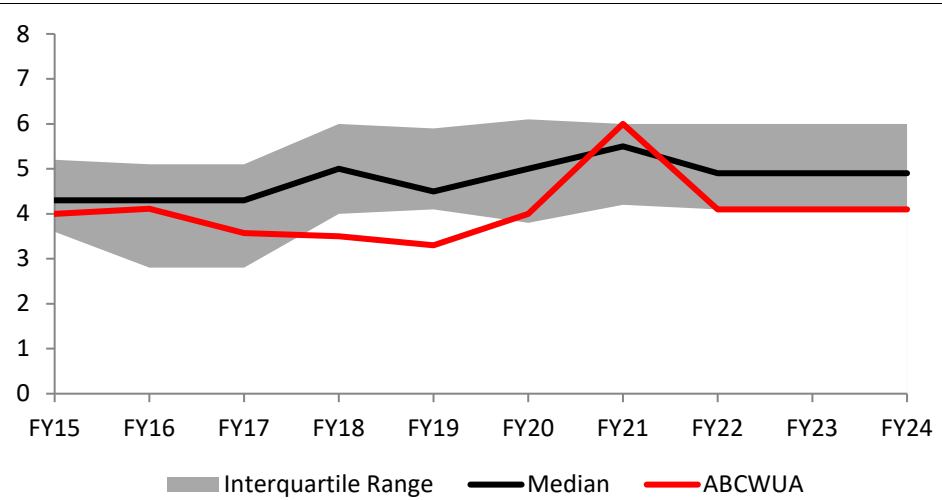
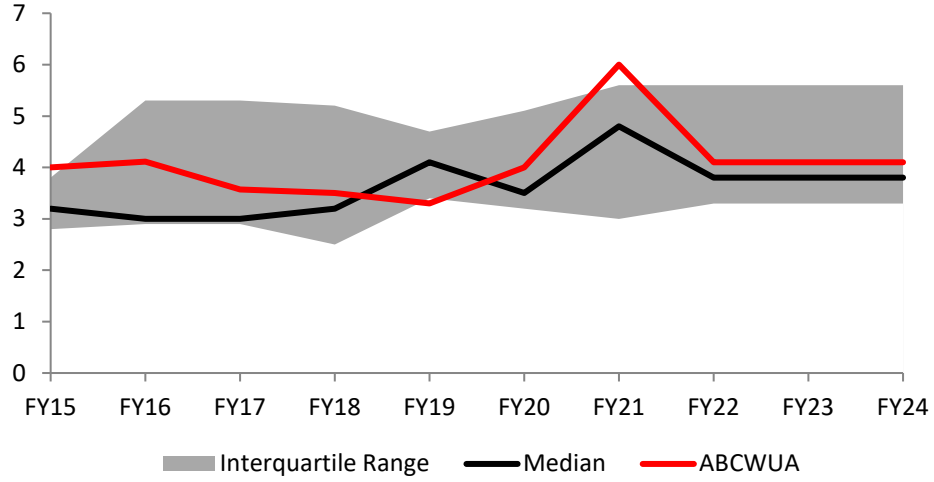
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the time spent to resolve the purpose of the phone call by Water Authority customers	Average time spent by a customer service representative on 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

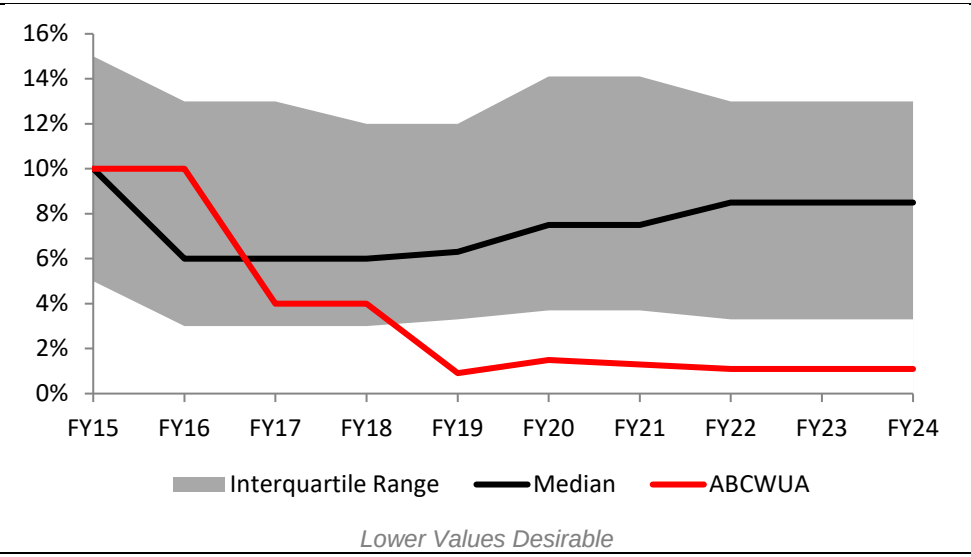
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Abandoned Call Ratio

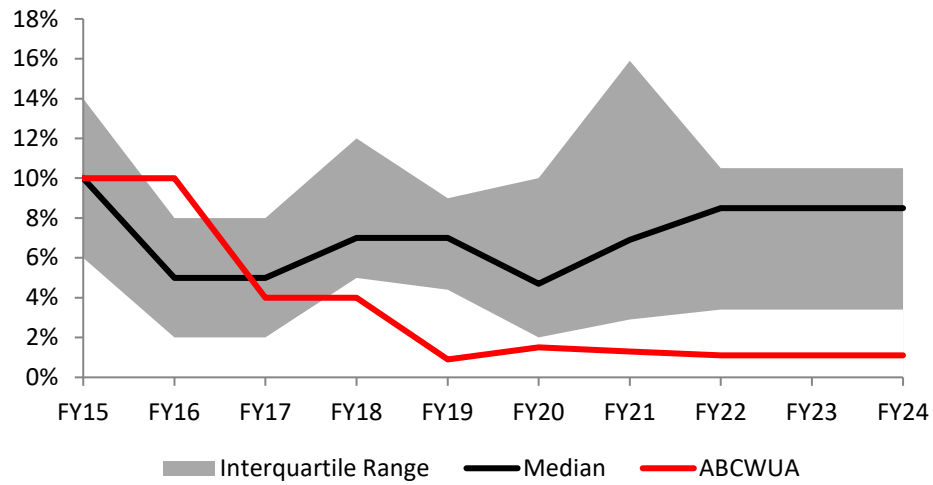
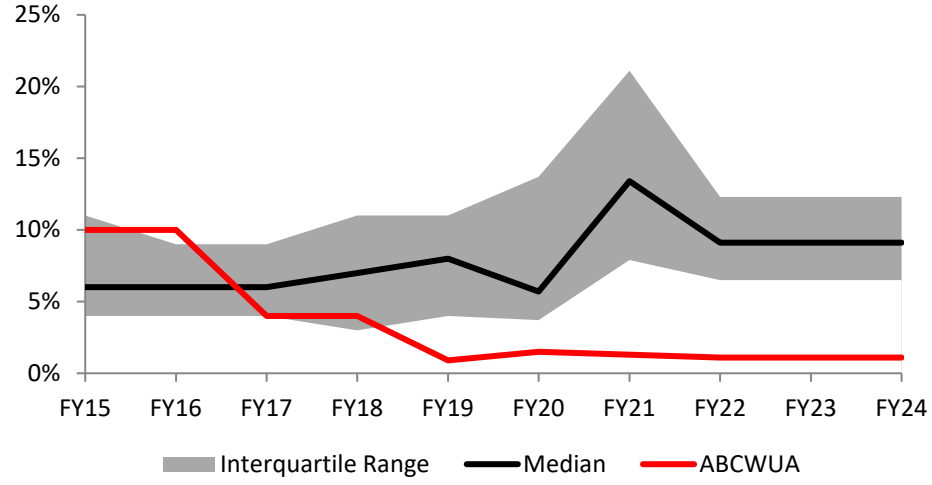
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the number calls abandoned from Water Authority customers	Total number of calls abandoned divided by the total number of calls received	1.2%	1.3%	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

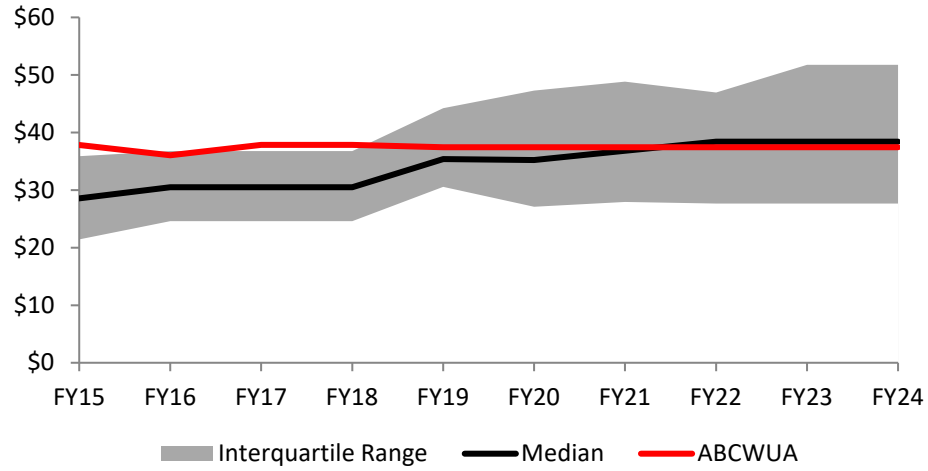
3-5 Residential Cost of Water and/or Sewer Service

Performance Results (Average Residential Water Service)

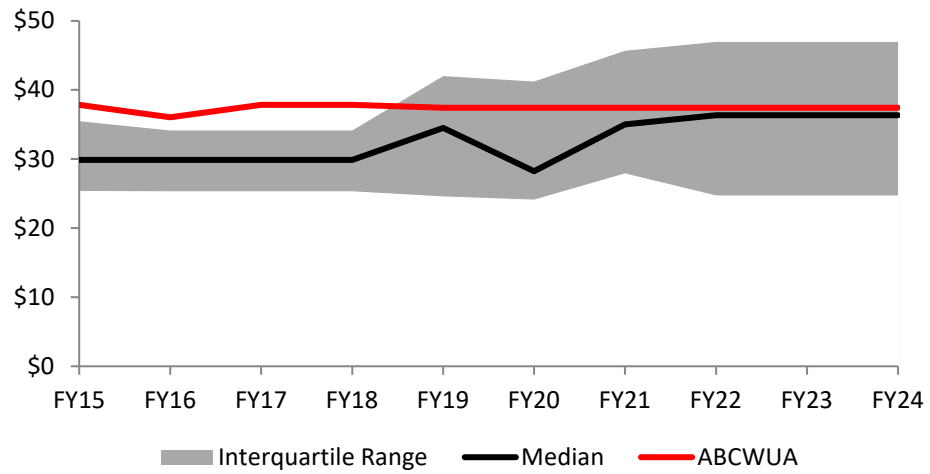
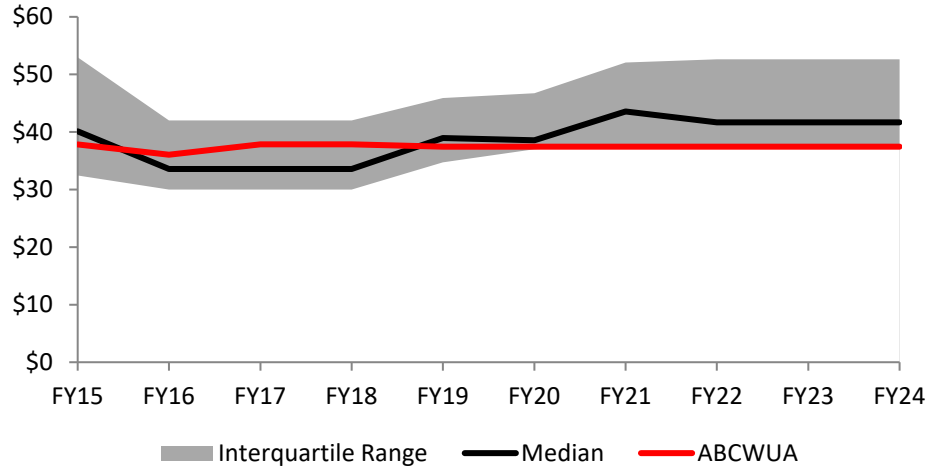
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	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

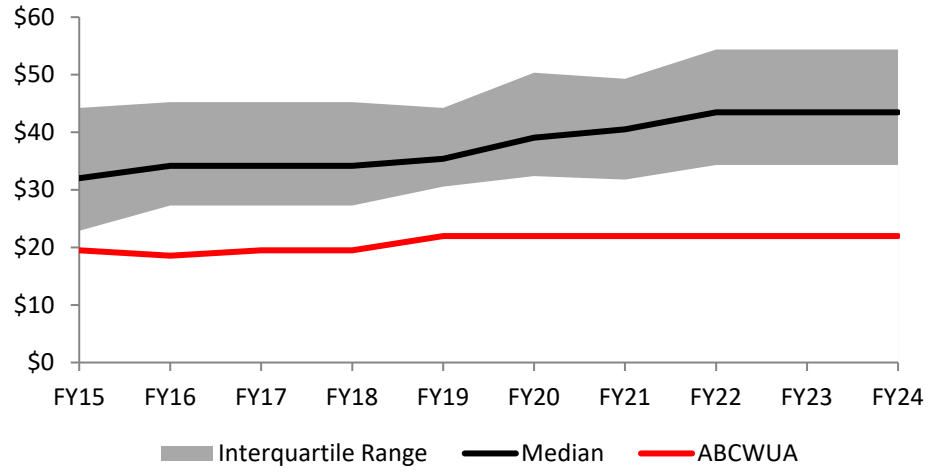
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Average Residential Sewer Service)

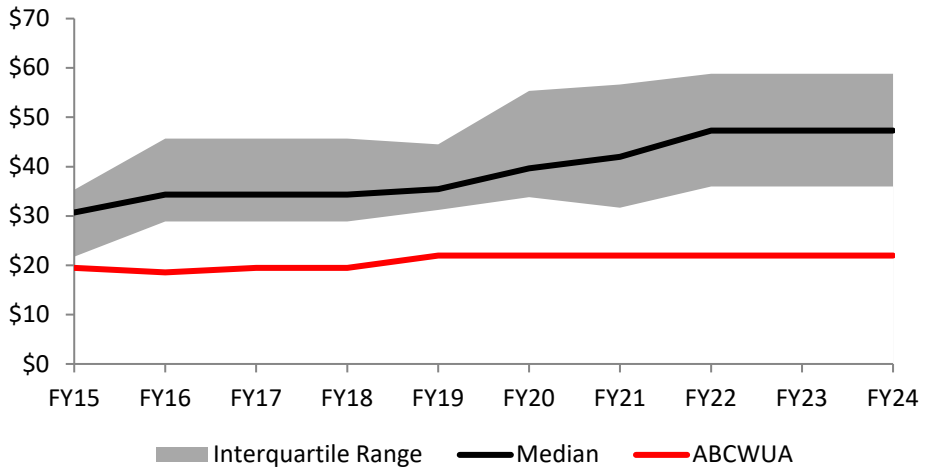
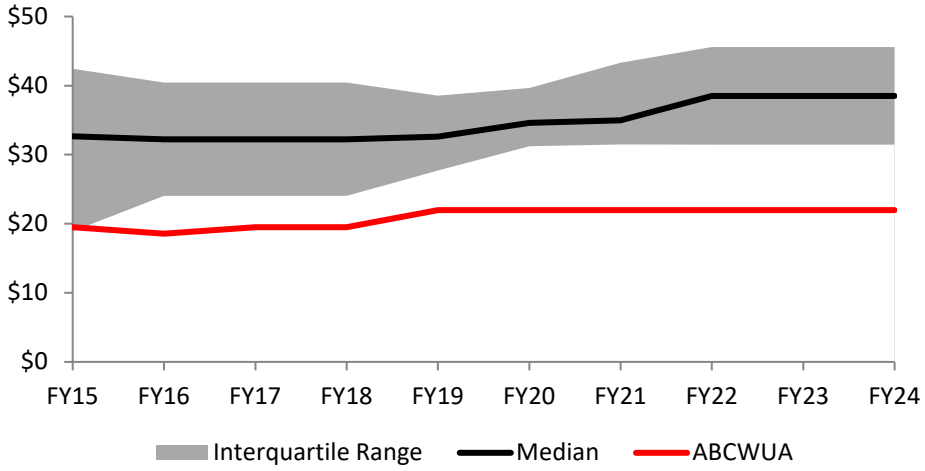
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	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

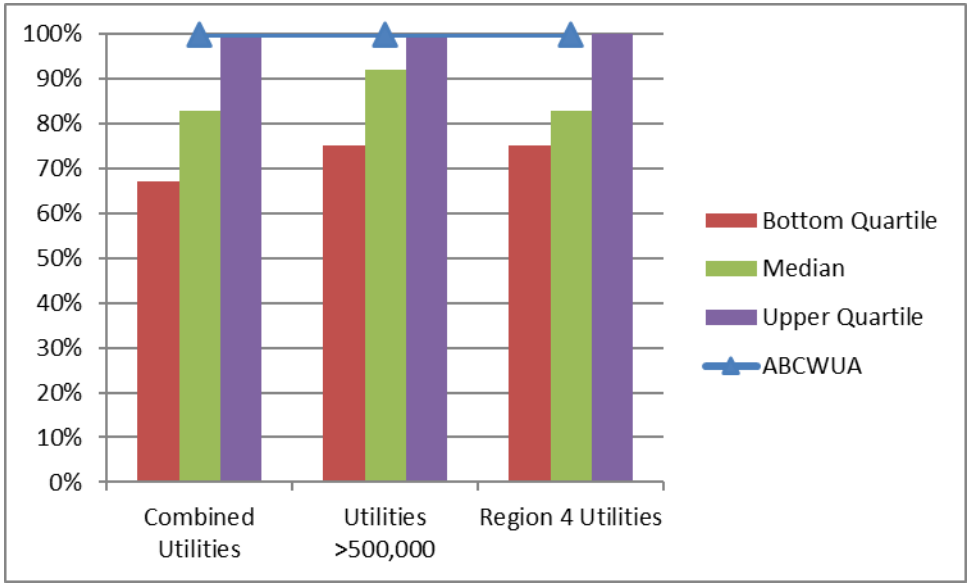
- 88% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid
- 77% of customers either strongly or somewhat agree that because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives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

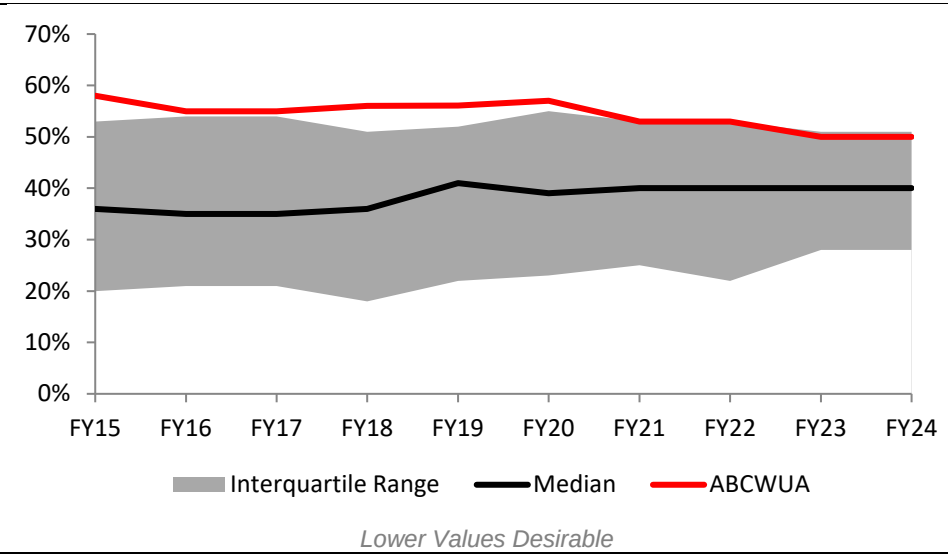
4-1 Debt Ratio

Performance Results

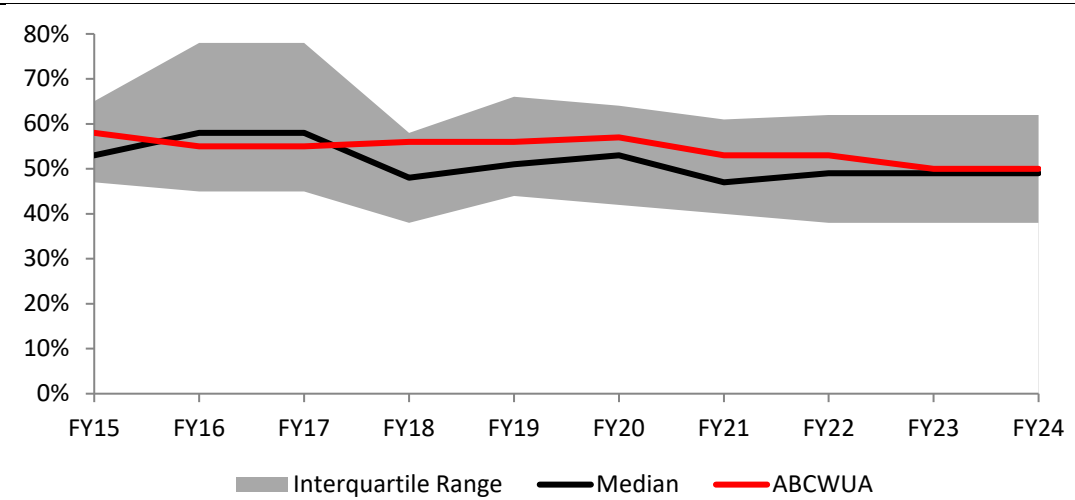
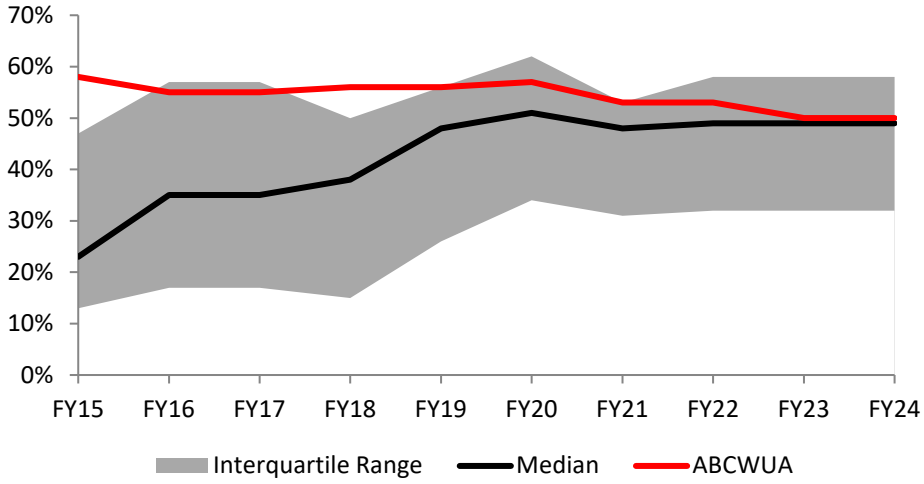
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	52%	53%	53%	50%	50%	50%	Maintain low debt burden and communicate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

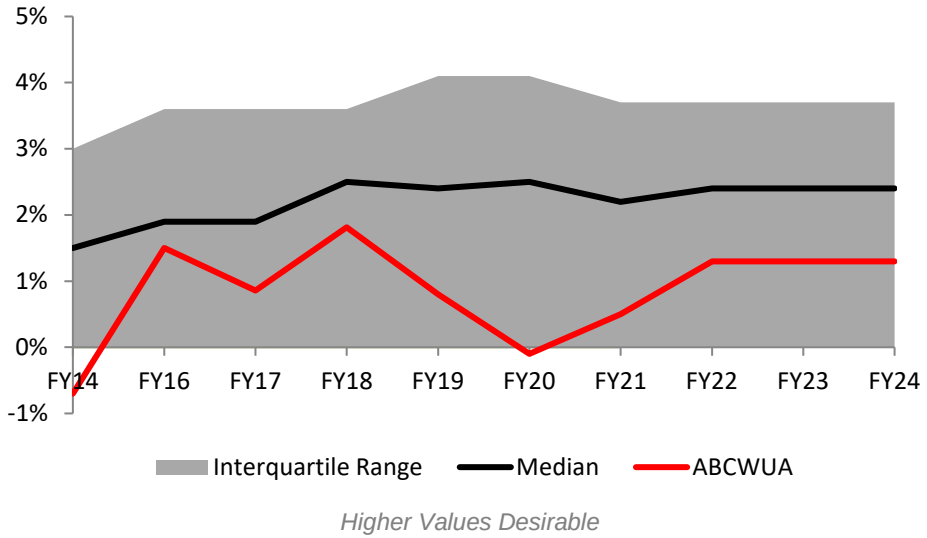
The Water Authority had borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $579.5 million in outstanding debt which is primarily attributed to carrying 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

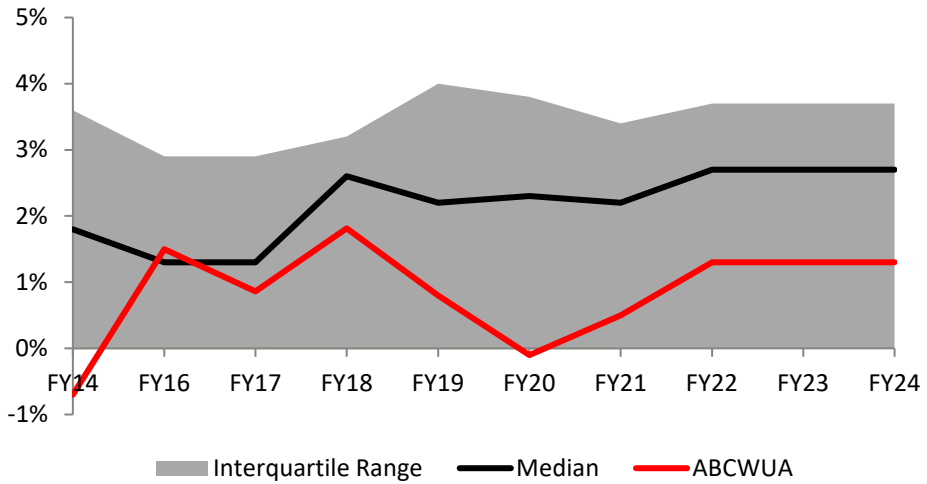
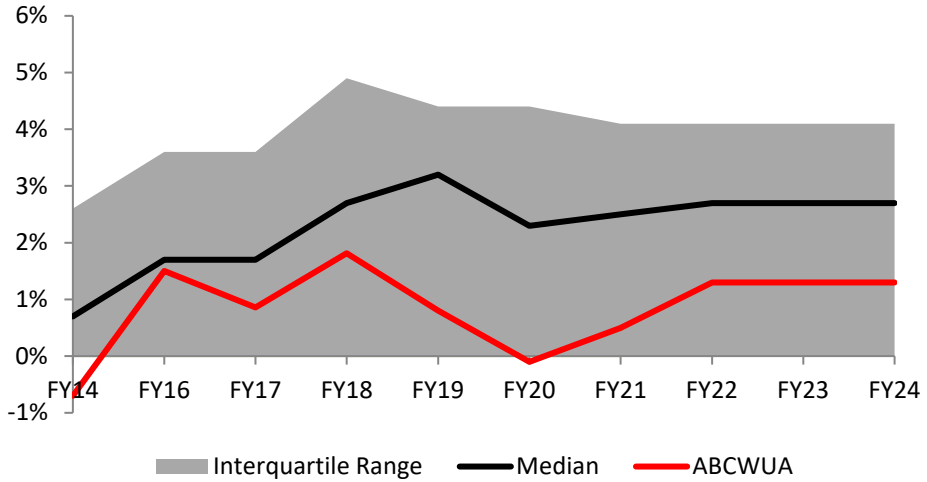
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	1.0%	0.5%	1.3%	1.3%	1.3%	1.4%	Improve the financial health of the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

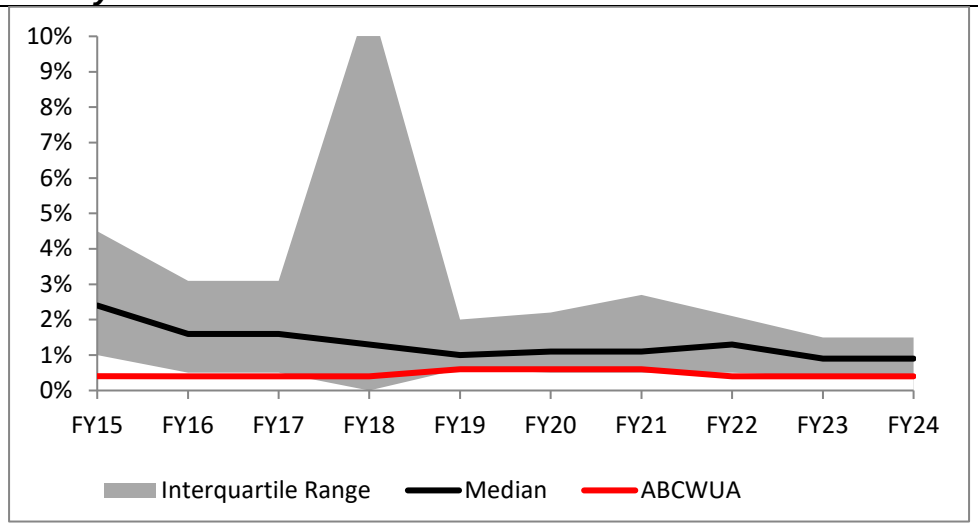
4-3 System Renewal / Replacement Rate

Performance Results (Water Pipeline & Distribution)

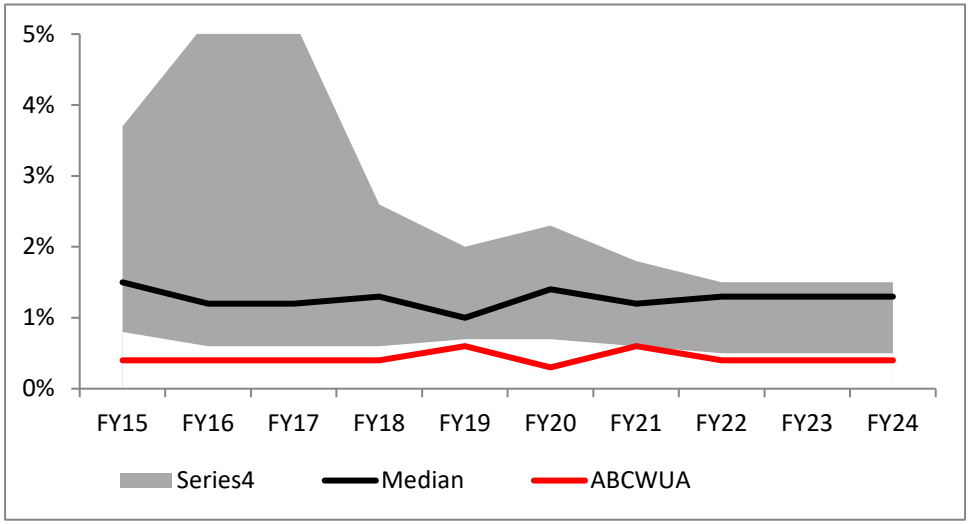
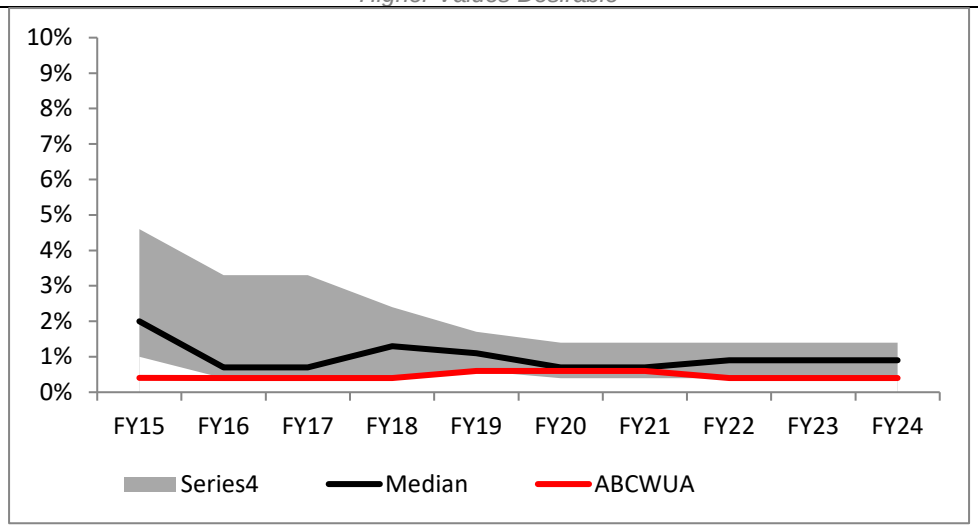
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved 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

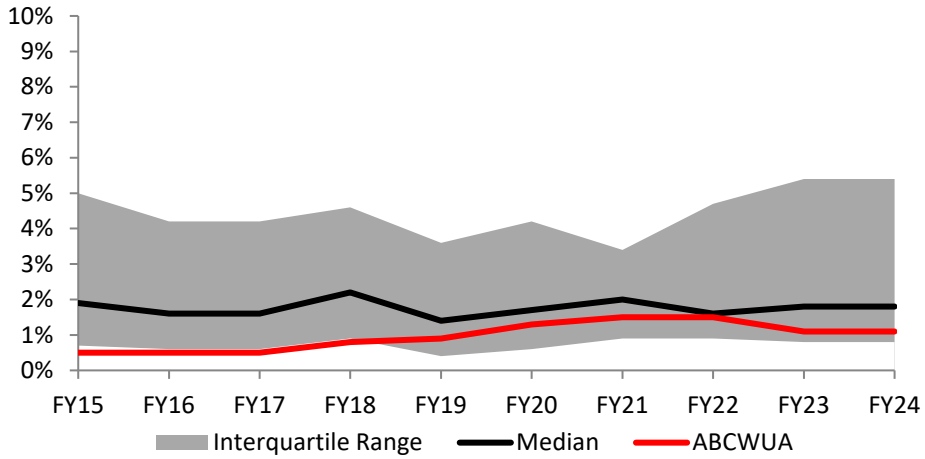
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Water Facility & Pumping)

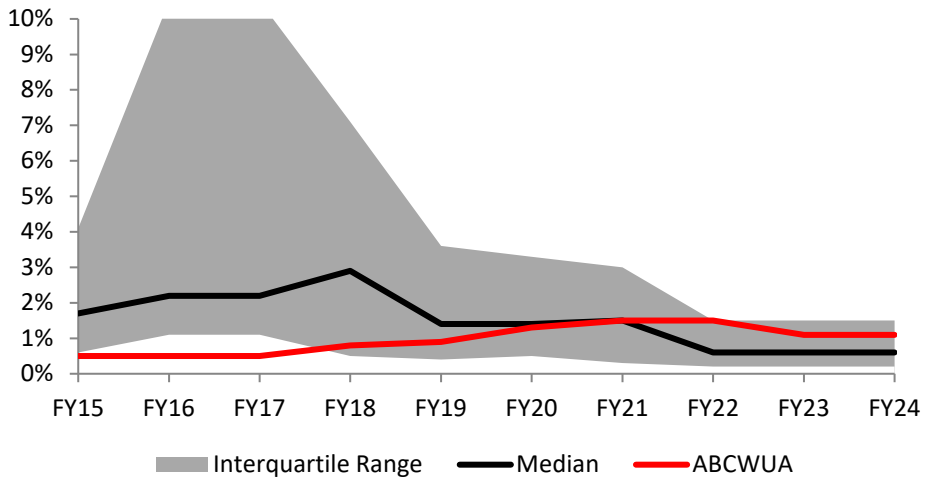
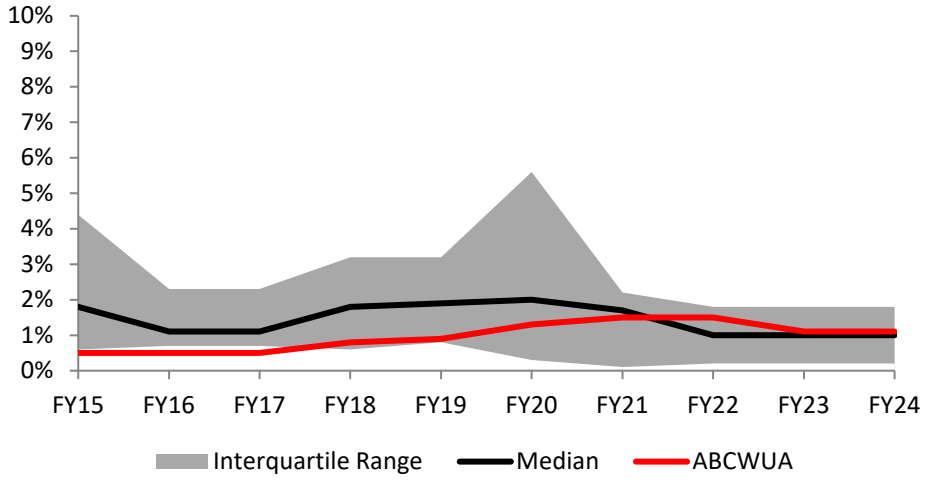
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved 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

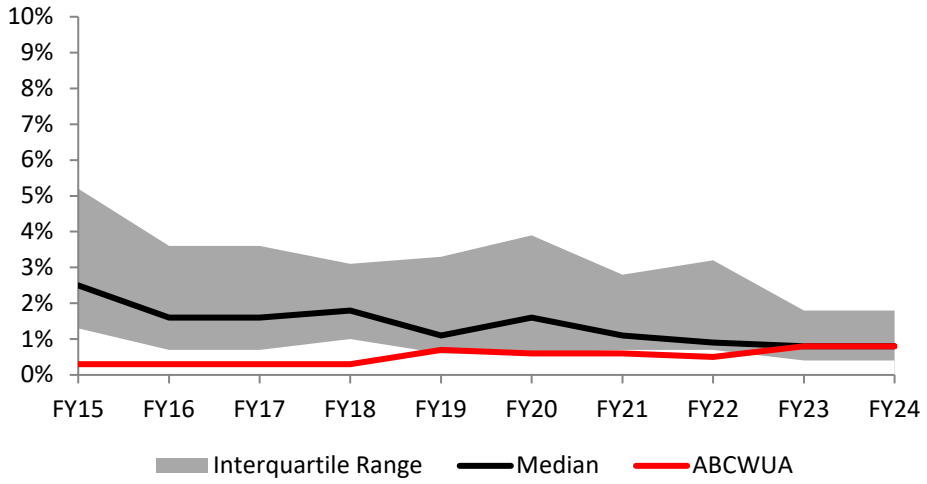
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Pipeline & Collection)

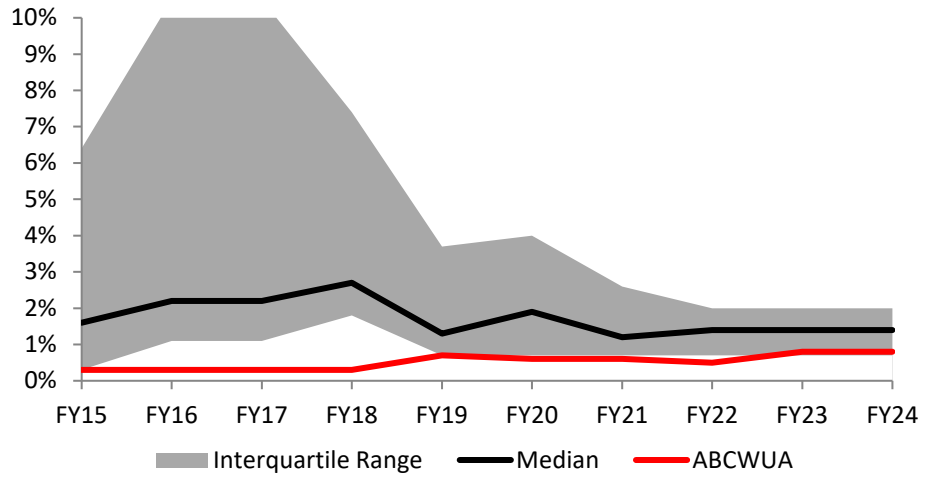
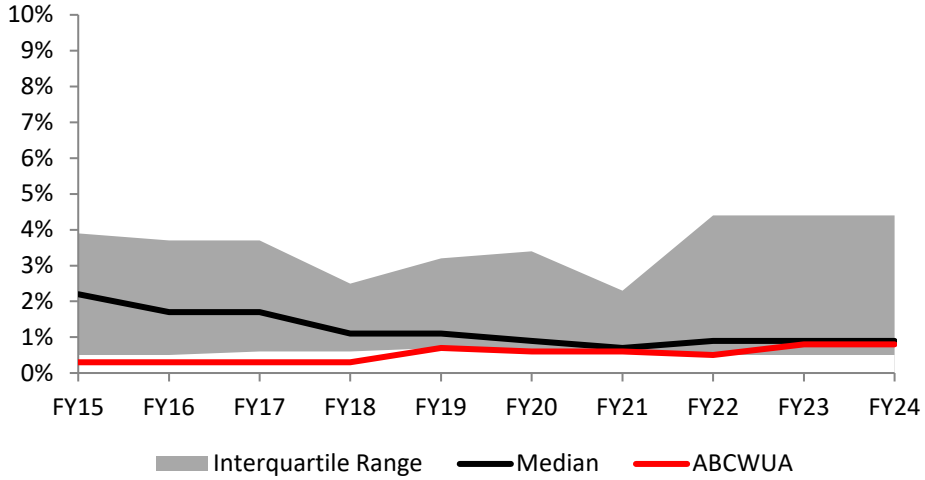
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved 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

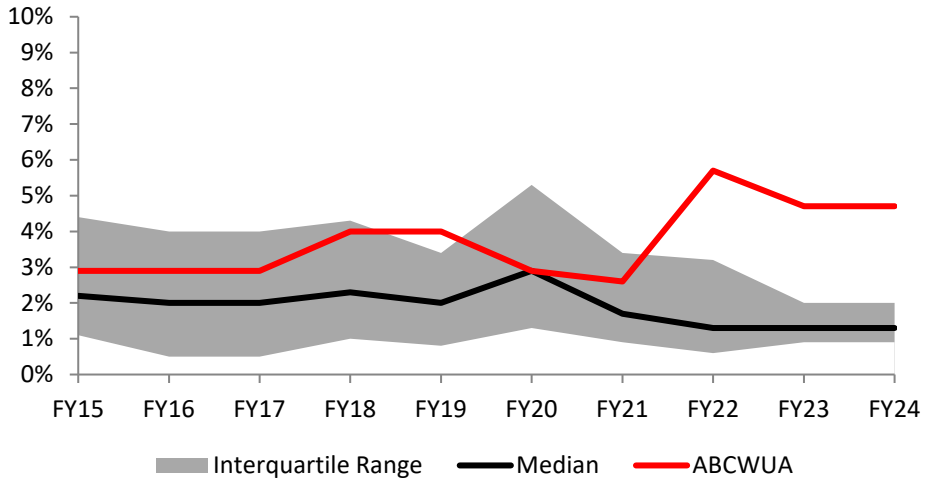
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Facility & Pumping)

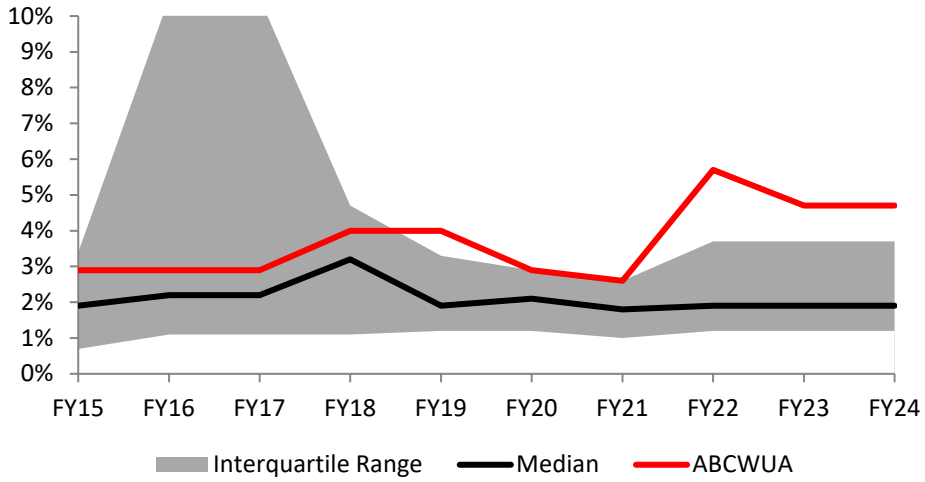
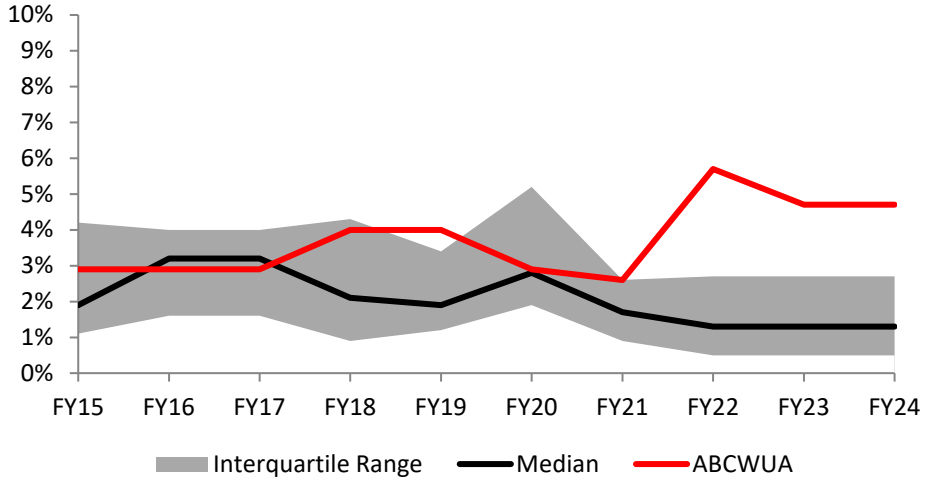
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved 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

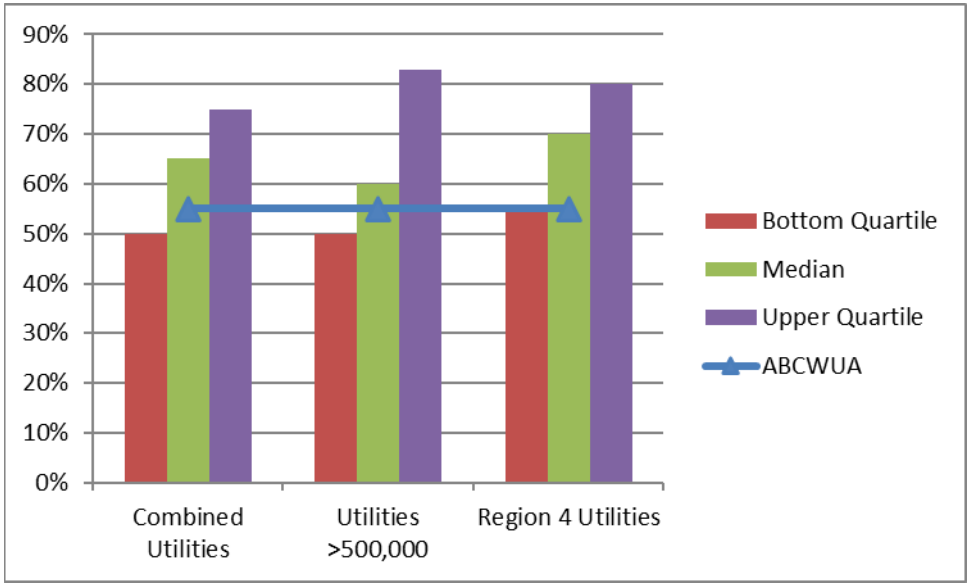
- 85% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

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	✓	✓	✓

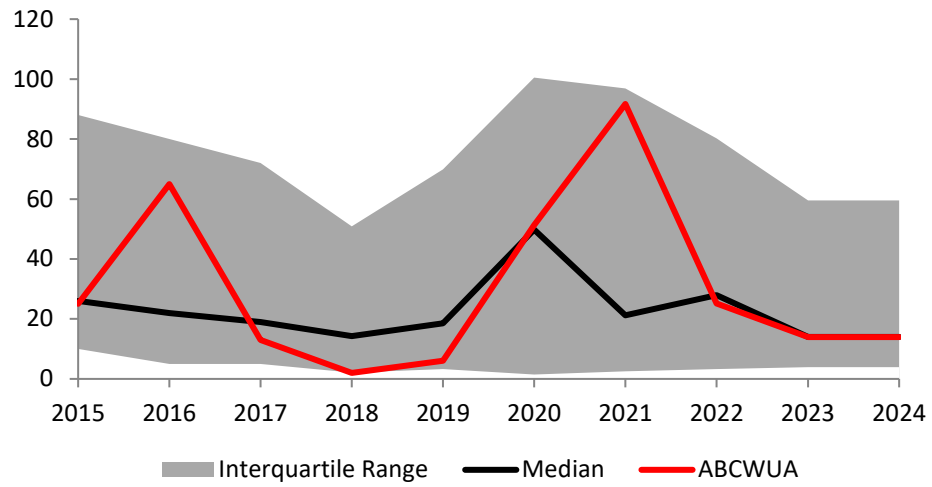
5-1 Employee Health and Safety Severity Rate

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

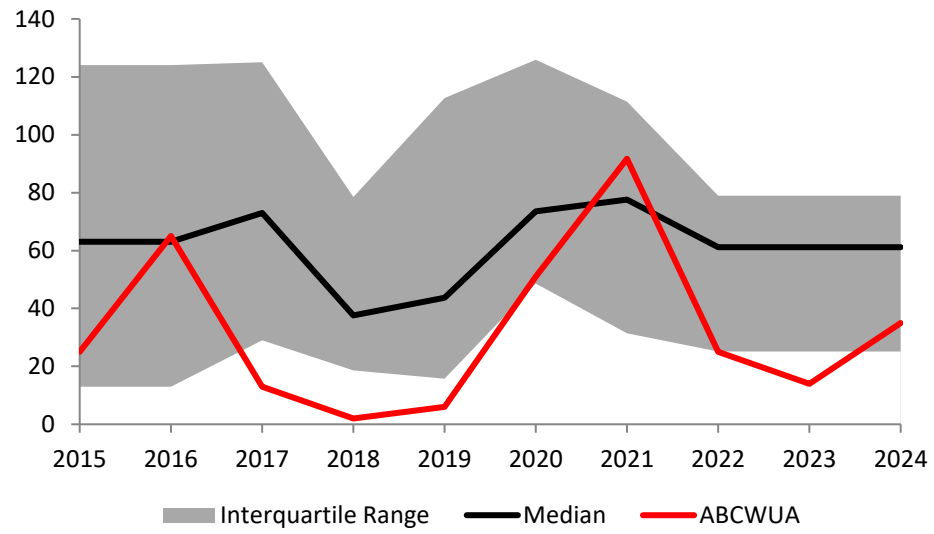
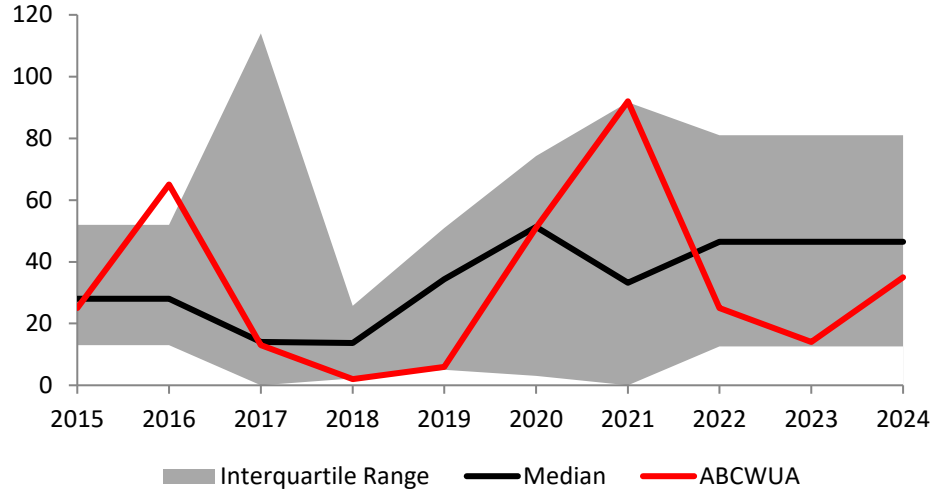
Industry Benchmarks

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%.

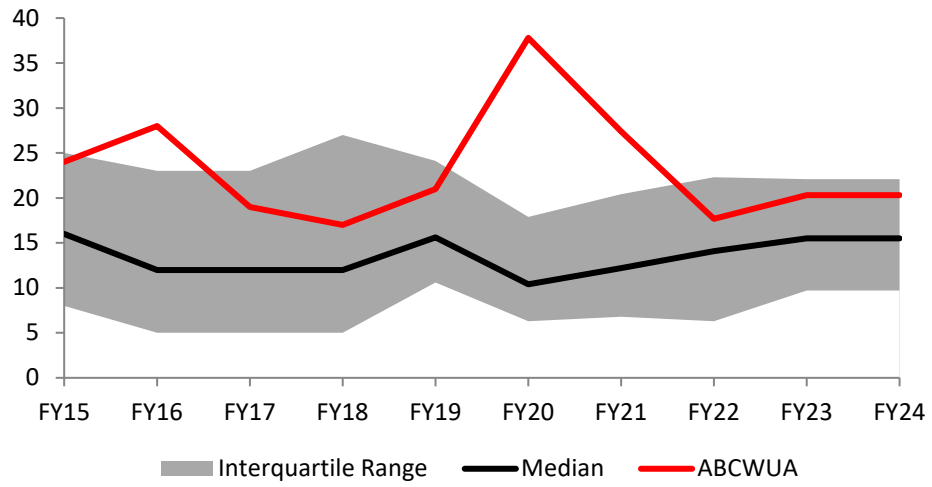
5-2 Training Hours per Employee

Performance Results

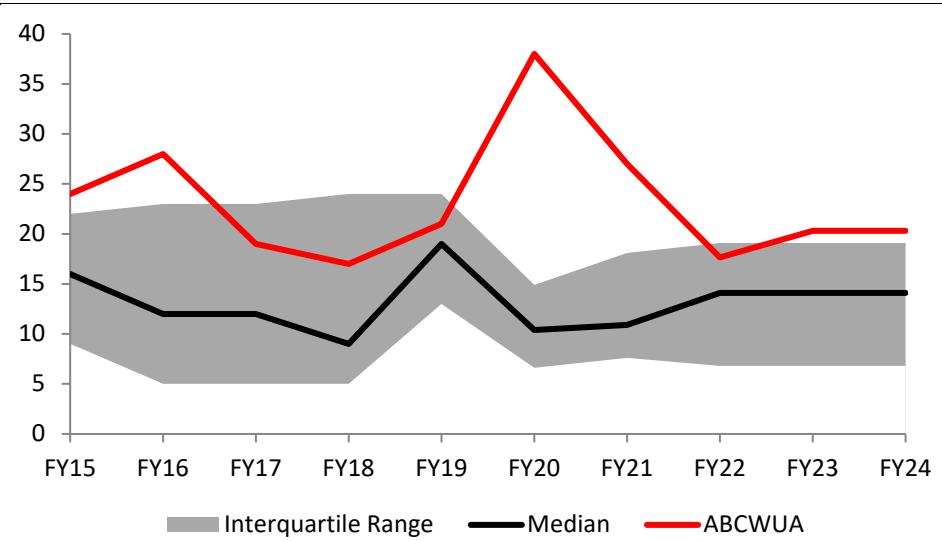
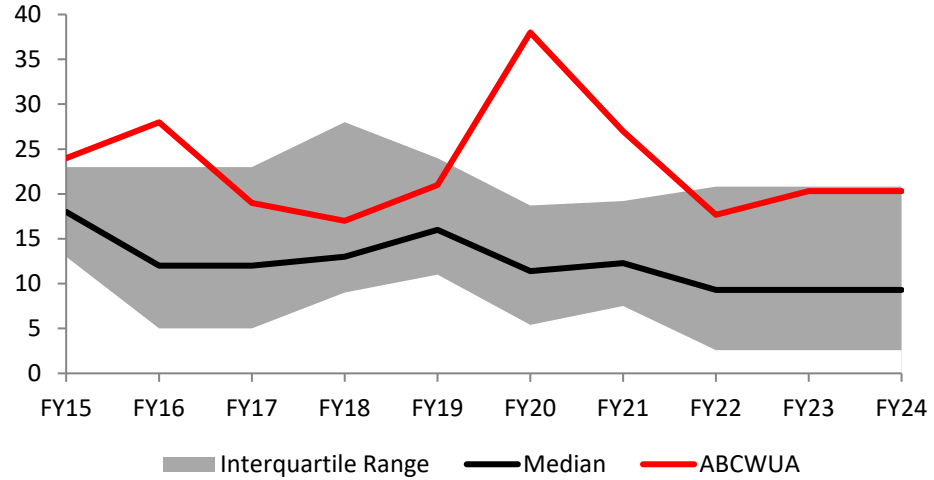
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Effectiveness	Measure the quantity of formal training completed by Water Authority employees	Number of formal training hours per employee per year	28	27	18	20	20	20	Improve 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.

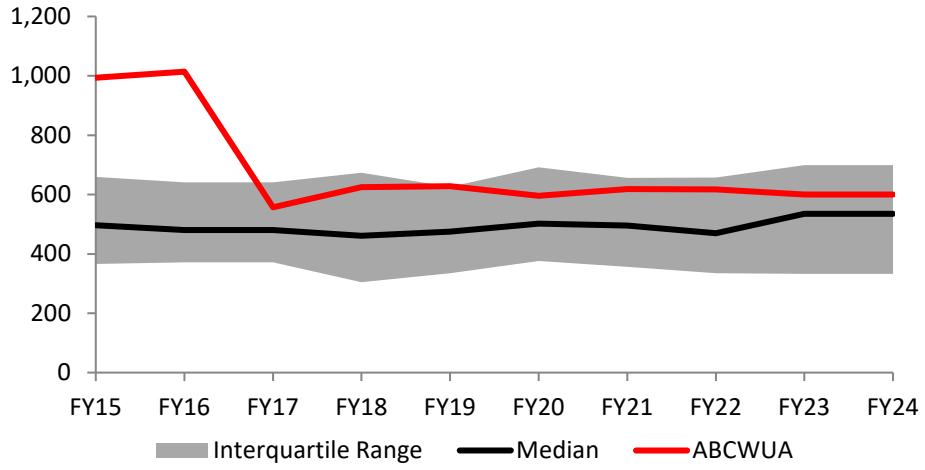
5-3 Customer Accounts per Employee

Performance Results (Customer Water Accounts per Employee)

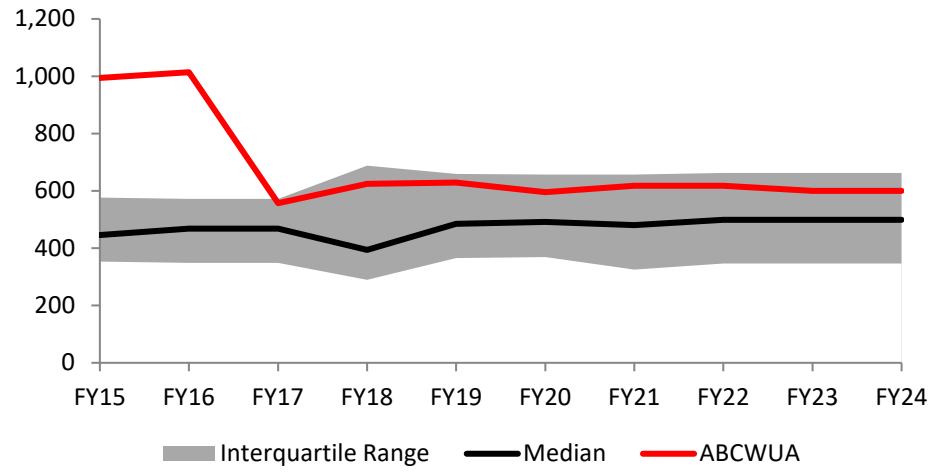
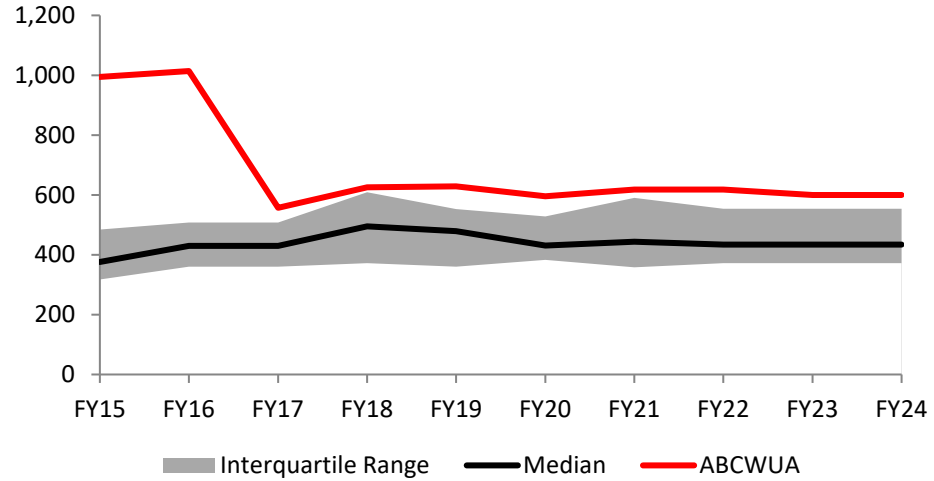
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	612	618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

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

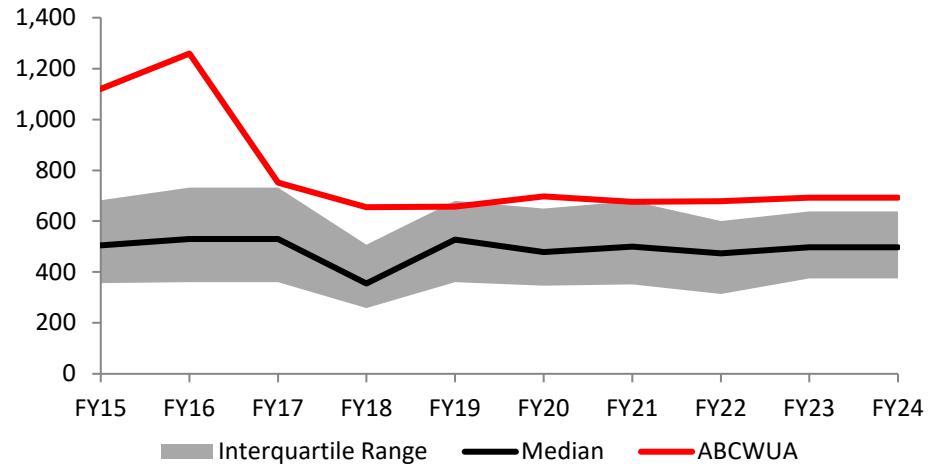
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Customer Wastewater Accounts per Employee)

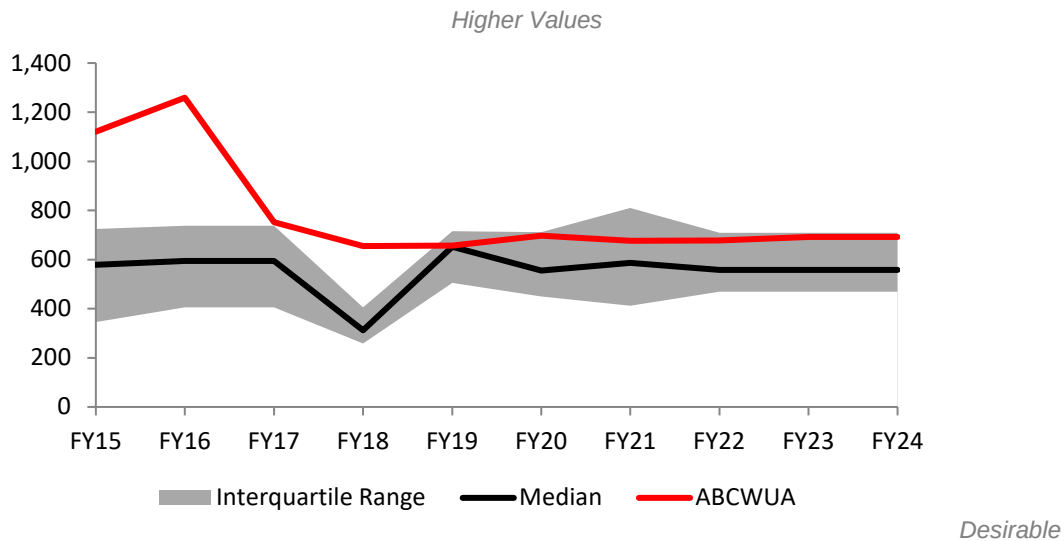
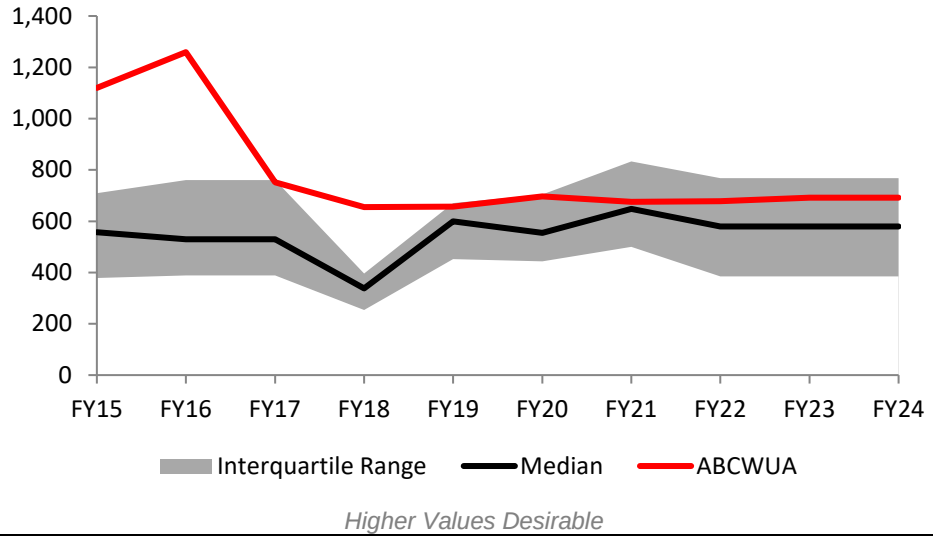
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	684	676	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.

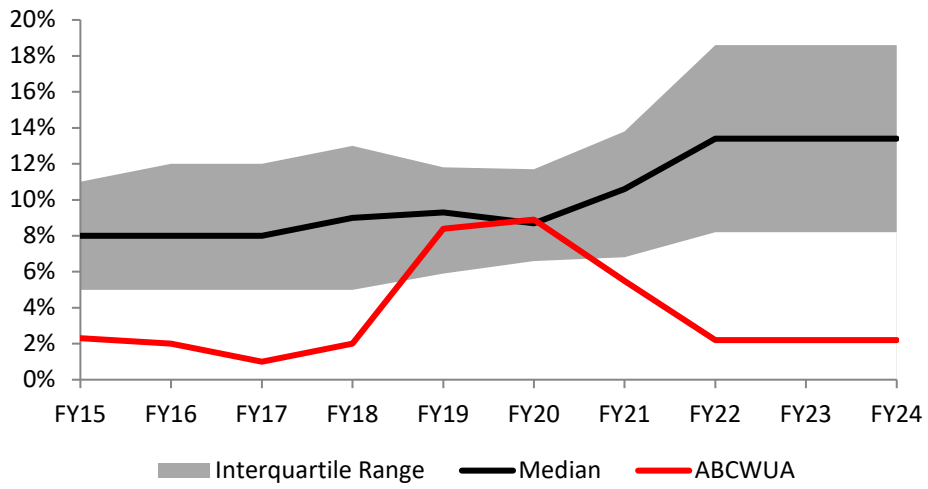
5-4 Employee Turnover

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

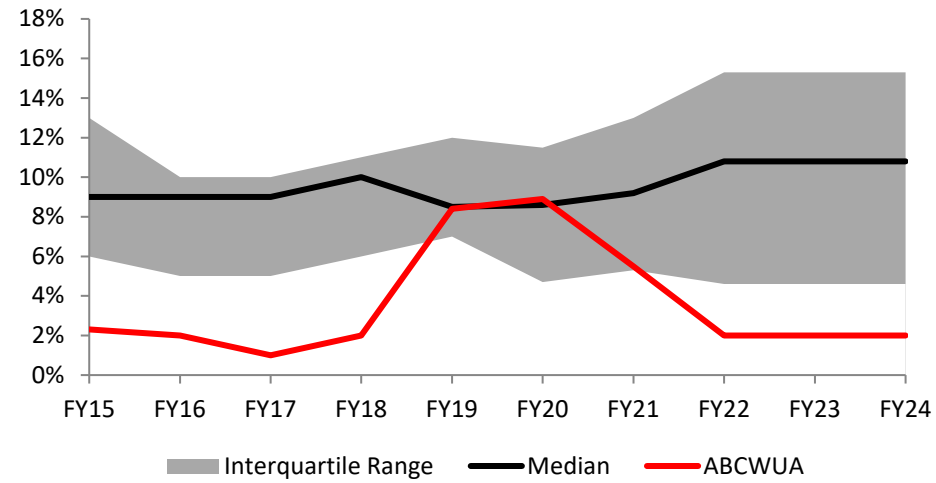
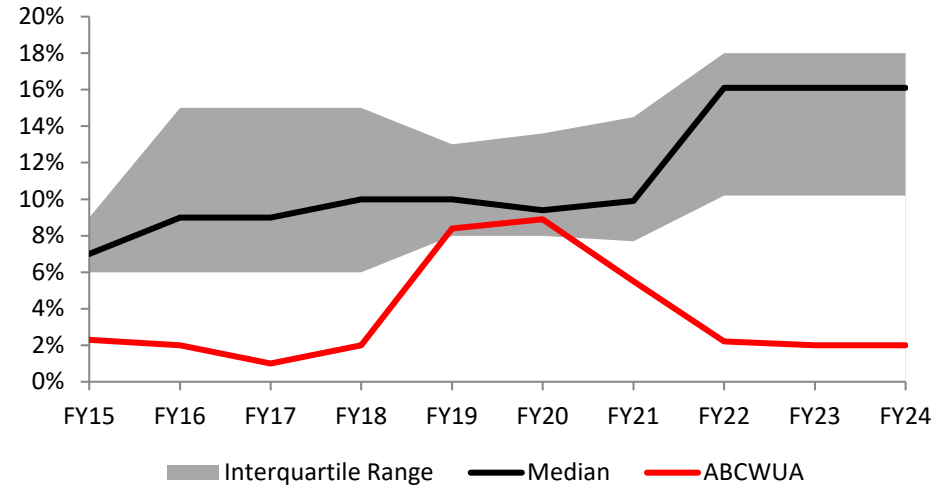
Industry Benchmarks

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.

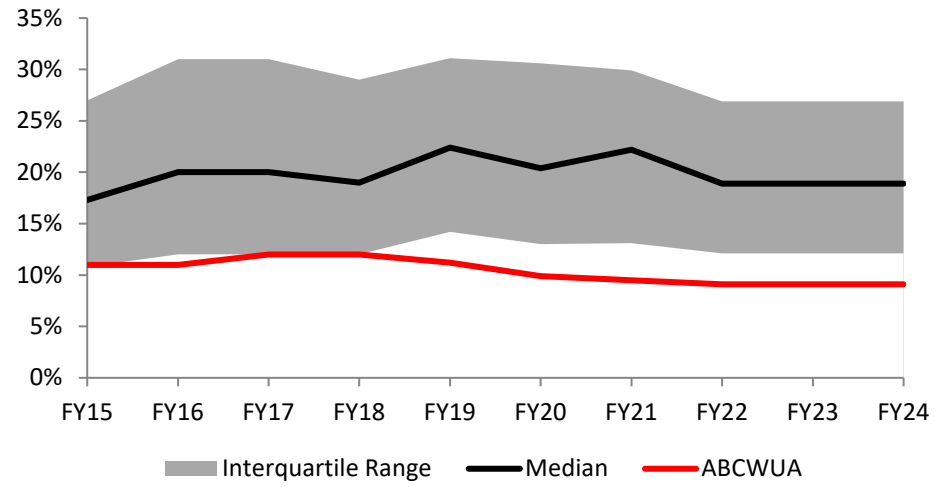
5-5 Retirement Eligibility

Performance Results

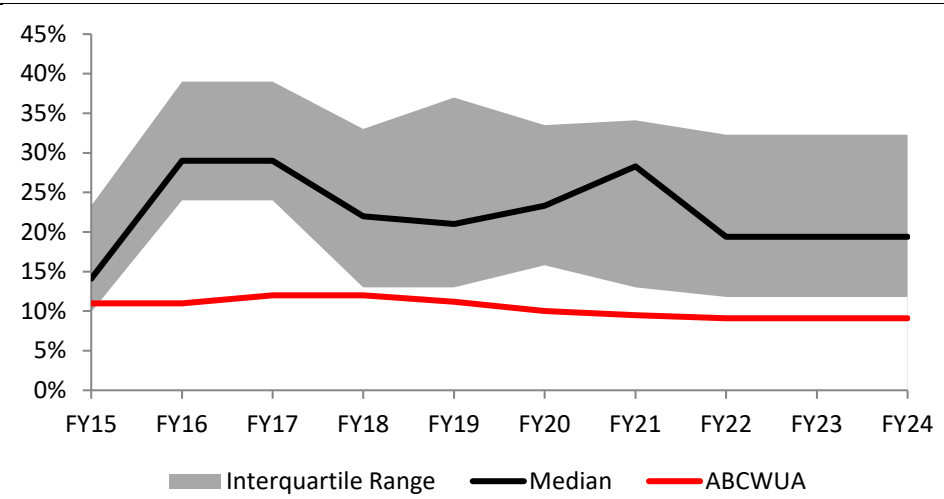
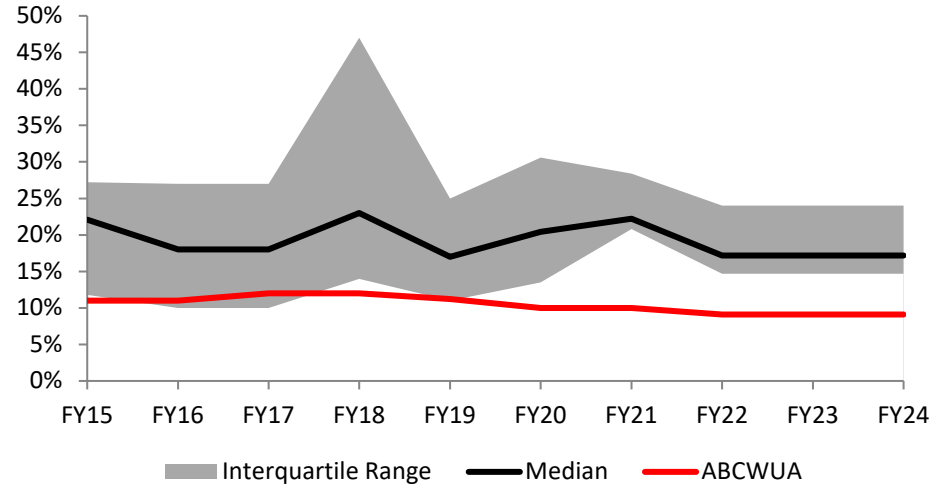
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Efficiency	Quantify the number employees who can retire	Number of regular employees eligible for retirement in the next 5 years / Total number of FTEs	9.0%	10.0	9.0%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

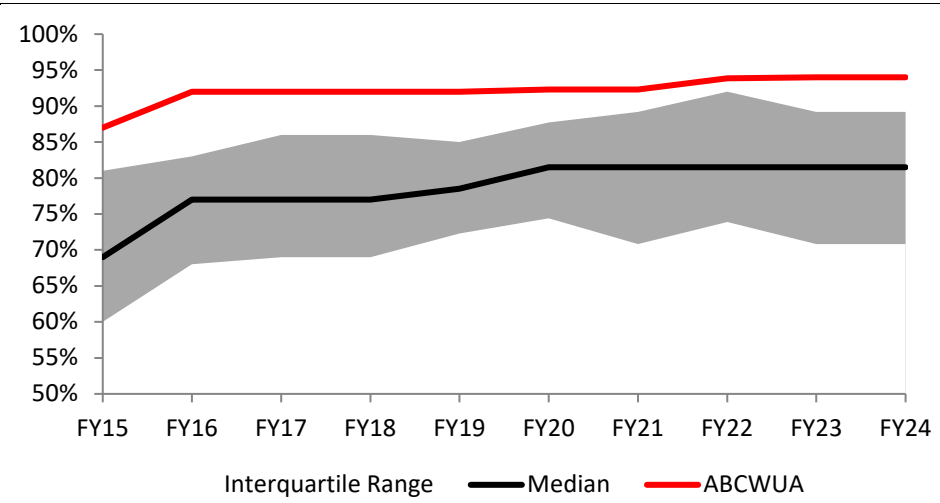
5-6 Organizational Best Practices Index

Performance Results

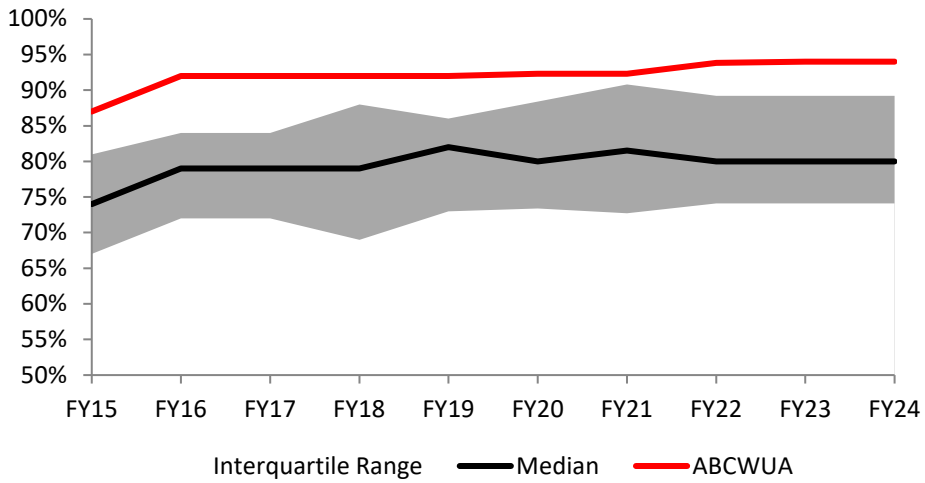
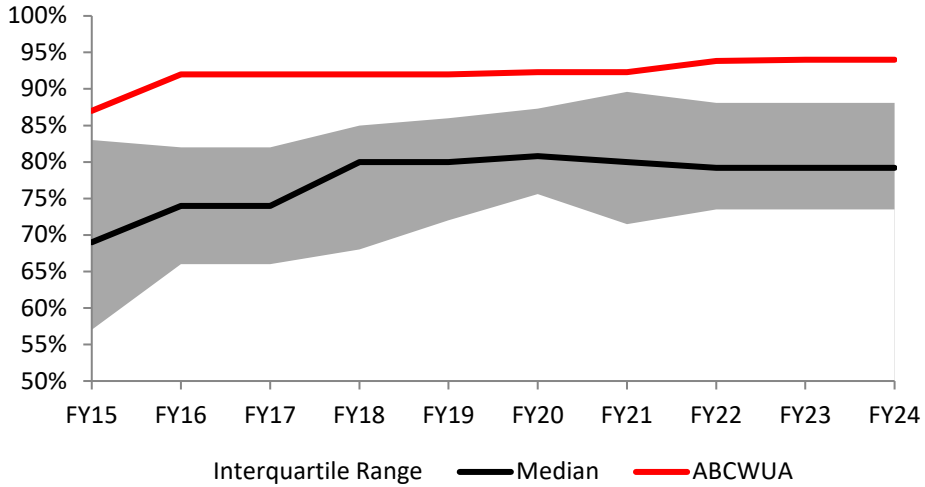
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY21	FY22	FY23	FY24	FY25	
Quality	To summarize the Water Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree 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.