Azotea, San Juan-Chama Project

PROPOSED FY2026 Budget and Performance Plan

Albuquerque Bernalillo County Water Utility Authority

Proposed Operating Budget FY26

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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Albuquerque Bernalillo County Water Utility Authority
New Mexico

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

Albuquerque Bernalillo County
Water Utility Authority

April 23, 2025

To: Klarissa Peña, 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, 2025 and Ending June 30, 2026

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 2026 (FY26). This submittal is inclusive of the Water Authority's financial plan for FY26. 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. The budget reflects a conservative outlook, in keeping with the financial plans of FY21-FY25. This approach, and strategic deployment of Water Authority reserve funds, has ensured continuity of critical public services despite financial uncertainty associated with current economic conditions.

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

Major factors driving the development of the FY26 budget 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.

The Water Authority has developed the budget according to the utility's projected estimated revenues. General Fund revenue for FY26 is estimated to be $259.8 million ($1.1 million less than FY25). There is no rate revenue adjustment proposed for FY26.

For FY26, General Fund revenues are expected to be $5.0 million less than proposed expenses. This amount will bring the Working Capital or Fund Balance to $31.1 million at June 30, 2026. 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 FY26, the Rate Reserve fund is $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 FY26 are $264.8 million, representing an increase of $16.9 million from the FY25 revised budget, including interfund transfers. This is comprised of an increase of $3.0 million for salaries and benefits, a decrease of $0.3 million for operating expenses, and an increase of $14.1 million for interfund transfers to the capital and debt service funds. Personnel expenses include a 3.0% cost of living increase in wages, a 5.0% increase in health benefit costs and a 0.5% increase in PERA pension costs. Debt service payments comprise 30.0% of the total General Fund operating expense in FY26.

The proposed Capital Implementation Program (CIP) budget for FY26 reflects the Water Authority's commitment to spend $250 million over ten years to upgrade its Southside Water Reclamation Plant, along with an along with amounts ranging between $70 million and $90 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 FY26 is $96.5 million. $70.0 million is appropriated for the basic rehab capital programs, $4 million for growth-related projects, $20.0 million for special projects, and $2.5 million for *Water 2120* projects. The $20.0 million for special projects funding for building projects, steel waterline and AMI infrastructure, and renewable energy projects.

Bernalillo County's American Rescue Plan Act (ARPA) Recovery Funds will continue to be spent in FY26. Below is a listing of the projects, funding amount, and a brief description.

1. Carnuel Sewage Collection System ($4,872,938) – Funding will be used for construction of a force main system that will provide sewer service to Carnuel residents and has a direct positive community impact and reduction in groundwater pollution (eliminates septic systems). ARPA funding will used for the construction phase.
2. Metropolitan Detention Center (MDC) Water & Sewer Improvements ($16,811,788) – Funding will be used to install a lift station and force main at the MDC facility for improved sewer service. This will eliminate potential compliance violations and costly operations and maintenance for the existing on-site lagoon treatment system.
3. Mesa del Sol Non-Potable Reuse Booster Pump & Reservoir ($5,504,974) – Funding will be used to design and construct a re-use reservoir, booster pump and transmission lines to provide adequate pressures for re-use system throughout Mesa del Sol.
4. South Valley Drinking Water Project Phase 8 & 9 ($8,000,000) – Funding will be used to design and construct waterlines for residents and businesses in the South Valley that currently rely on private wells.
5. Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation ($9,861,297) – Funding will be used to design and rehabilitate the existing interceptor line through KAFB as well as support the Max Q development project (Completed).
6. Volcano Cliffs & Corrales Trunk Reservoir & Transmission Line ($15,000,000) – Funding will be used to design and construct a reservoir and transmission line for increased water capacity and transfer within Volcano Cliffs trunk and Corrales trunk.
7. Bosque Non-Potable Water Reclamation Plant and Reuse System ($2,875,037) – Consistent with Water 2120, this project extends the Water Authority's water resources through conservation and direct and indirect potable reuse. This project would provide non-potable water for irrigation of parks, school fields, and golf courses. ARPA funding will complete the 1st phase, which is underway, that includes finalizing the layouts for the facility (conceptual design) and submission of an NPDES permit to discharge to the Rio Grande south of Montano Road. This funding will also begin the 2nd phase that consists of preliminary and final design. The Water Authority has received $300,000 in Capital Outlay funding through the State of NM.
8. Carnuel Water System Expansion ($500,000) – Funding will be used for additional waterline extension design and construction for the Village of Carnuel Water System Expansion project. The Water Authority has received $300,000 in Capital Outlay funding through the State of NM.
9. To'Hajiilee Water Line Extension ($1,000,000) – Funding will be used for construction of a 7.8 mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo County to the Well 5 site.

The FY26 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 FY26 to improve processes and realize operating efficiencies.

As we look forward to FY26, we also reflect on the Water Authority successes in recent years. These included:

- ✓ Achievement of 20% reliance on renewable energy sources
- ✓ Sustainable Water Utility Management Award (2024) Association of Metropolitan Water Agencies
- ✓ AQUARIUS Award for Public Health (2024) U.S. Environmental Protection Agency
- ✓ Outstanding Water Treatment Plant Award (2024) American Water Works Association
- ✓ Six-Year Directors Award for Optimization (2024) American Water Works Association
- ✓ Three-Year President's Award for Superior Finished Water Quality (2024) American Water Works Association
- ✓ Five-Year Directors Award for wastewater utility operational excellence (2024) American Water Works Association

Other achievements in the preceding fiscal year include the completion of the Kirtland Air Force Base Tijeras Interceptor Rehabilitation Project which provided rehab of aging 21", 42", 48", 54" and 72" interceptor sewer pipe, as well as rehabilitation of many corroded manholes along the Interceptor sewer alignment, installation of multiple new interceptor manholes, and any associated required grading/drainage adjustments and pipeline structural support.

Operations

The Rocky Mountain Section of AWWA presented the San Juan-Chama Water Treatment Plant the 2024 Outstanding Water Treatment Plant Award based on excellent qualifications and for being maintained and operated by an outstanding staff. Critical Capital Improvement projects culminating at the SWTP including (1) the settled water pond dredging that removed over 38,000 dry tons of sediment that had built up over the last 15 years of operation in the East Pond alone. The SWTP commissioned an automated rake screening system at the Rio Grande raw water intake. The new equipment will improve the intake screen cleaning process by improving safety and efficiency for staff.

Groundwater operations Complete construction of the renovation/expansion of Corrales Pump Station 7 to provide reliable water supply for the upper Corrales Trunk. Staff Developed an abandoned well encasement design to economically protect the wellhead of abandoned wells without incurring the high expense of formal plugging and capping the wells. In conjunction with Centralized Engineering, an alternate scheme to supply water to the North I-25 non-potable system was constructed utilizing existing high arsenic groundwater wells to provide a redundant non-potable supply in instances when San Juan Chama surface water is not available at the Alameda diversion.

The Southside Water Reclamation Plant (SWRP) section accomplishments included: a complete rebuild of the ultraviolet (UV) light disinfection system was completed inhouse to maintain continued compliance with the National Pollutant Discharge Elimination System (NPDES) permit and for calendar year 2024 46% of SWRP's power needs were provided by renewable/green energy generation sources including an on-site solar array and digester gas-fueled cogeneration.

Field Distribution section crews installed over 8,000 additional Automated Meter Infrastructure (AMI) meter devices. The division received and responded to 28,000 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%) and updated over 438 assets into the asset registry and GIS. Field Distribution section crews performed over 3,000-meter box inspections of the utility and customer service lines for the Service Line Inventory required in the Revised Lead and Copper Rule. Approximately 400 of these inspections were completed for the Water Authority's consultant CDM Smith to perform a statistical analysis for the Service Line Inventory and Replacement Plan.

Wastewater Collections section encouraged innovation. Journeyman Michael Johnson won the 2024 Innovation Award for developing a method to pump down entire sections of vacuum pipelines and

pits in a Vactor single setup. This helps the Water Authority maintain vacuum service to each customer while temporarily taking a line or even the entire station out of service for necessary work.

Collections staff optimized Collection System odor expenditures for chemicals and carbon. Developing corrosion management approach to reducing costs.

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. Coordinated with Conservation to evaluate new ICI (Industrial, Commercial, Institutional) service requirements for additional water-saving policies and procedures.

Staff created the Intake Form process which reassigns duties from New Construction (Customer Service) to Utility Development to better navigate customers with the necessary steps needed to obtain service.

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 FY25 are projected to be approximately $65 million. During the fiscal year, this section continued to face several challenges including: extended material delivery timelines, contractor crew availability and consultant availability limitations, and escalating construction costs for most CIP projects.

Critical and priority rehab projects managed included: completion of the Process Lab prefabricated buildings, primary clarifiers and the SCADA tower at SWRP; completion of the raw water intake mechanical rake project, settling basin dewatering, and GAC Filter replacement at SWTP, 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, Distribution/GW Warehouses construction at the Chappell Campus/Former Vulcan lease site (in progress), and several interceptor rehabilitation projects. Design of the 8E Transmission line project and the ASR Large-Scale Recharge Expansion project is also underway, as well as an evaluation of rehab options for critical tapped Concrete Cylinder transmission lines.

Critical and priority special projects managed during the fiscal year included:, construction of the KAFB Tijeras Interceptor rehab project (completed), Intel Raw Water Transmission line construction (completed), construction of the MDC Lift Station/Force Main project (in progress), construction of the To'Hajiilee Waterline project (in progress), construction of the SWRP Outfall Improvements project (in progress), construction of the Volcano Cliffs Arsenic Treatment Facility (in progress), construction of the Carnuel SAS/WL extension projects (in progress), construction of the South Valley Drinking Water Project (SVDWP) Ph. 8A/8B.1 Waterline Extension (in progress), design of the Santa Barbara Arsenic Treatment Facility project (in progress), and design of the Bosque Water Reclamation Facility project (in progress). Management of projects with ARPA funding continues to be done in close coordination with Bernalillo County.

The Asset Management staff began second year of managing asset management CIP accounting and budget functions, implemented new Finance Enterprise capital asset tracking system, identified significant GIS/Maximo data issues, developed a workflow optimization modeling proposal and introduced the proposed change to staff, developed Cognos reports for various financial reports, enhanced the Decade Plan and conducted training assessments with work groups.

Grants Management submitted the State of New Mexico "Intended Use Plan" for Clean and Drinking Water State Revolving funds and the Infrastructure Capital Improvement Plan which is required for State capital outlay requests. Staff submitted reimbursement requests for the American Rescue Plan Act (ARPA) funded projects to Bernalillo County

and coordinated the receipt of additional ARPA funds.

Applications were submitted for Congressional directed spending funds, State capital outlay, Water Trust Board.

The Water Rights and Environmental Programs team achieved several notable accomplishments, with a particular focus on signing the updated Abiquiu Storage contract with the US Army Corps of Engineers (USACE). This pivotal agreement, which was the culmination of WRDA 2020, marks a significant step in enhancing water storage capabilities for the region. Subsequently, the Water Authority negotiated a storage agreement to support the storage of prior and paramount and Rio Grande Compact debit water in Abiquiu, within Water Authority's storage allotment. Additionally, the team has started analyzing the current status of the Water Resources Management Strategy: Water 2120 and began planning and collecting data for the 10-year update of Water 2120. Additionally, the team coordinated with NMED and elected officials to prevent major changes to the pump and treat system at the Kirtland Air Force Base Bulk Fuels Facility project, an action that ensured the safety of downgradient supply wells. They also commenced construction on the SWRP outfall restoration project. Furthermore, design has begun to expand the large-scale aquifer storage recharge project at the drinking water treatment plant, adding two direct injection ASR wells and increasing the recharge capacity.

The Conservation team achieved several notable accomplishments. A new Program Manager was hired, and a roadmap for Non-functional Turf (NFT) was developed, along with customer conversations focused on this topic. The team successfully reduced the Gallons Per Capita Per Day (GPCD) from 129 to 125. A Data Analyst was brought on board to move towards data-driven conservation, collaborating with the IT department to expand continuous usage alerts.

The Water Authority continued its commitment of $200,000 in support of the Rio Grande Water Fund's watershed restoration and its joint funding agreement with the U.S. Department of the Interior for hydrologic monitoring and water resource assessments of the Middle Rio Grande Basin. Staff continued meeting with Explora to develop water exhibits and provide resources for teaching and mentoring for their new STEM science center which opened in CY2022.

Compliance

The Water Quality Lab staff successfully worked with other Divisions and completed requirements for the Revised Lead and Copper Rule, including a service line inventory that is available to the public online and beginning the schedule to test for lead at schools and childcare centers. Unregulated Contaminant Monitoring for PFAS was completed as required by EPA for FY25. Source water monitoring was also completed during this time and no exceedance of water quality standards was identified.

The Water Quality Laboratory will complete the phase 1 upgrade to the LabVantage laboratory database including testing and integrations. The lab also was successful in accreditation in testing lead and copper drinking water samples to be able to support the revised rule requirements by completing lead testing at ABCWUA rather than sending them all to an external lab.

The NPDES Program completed the reporting requirements for the permit renewal application and public comment period requirements in FY25. This program was also successful in implementing an expanded field crew this year for additional testing and inspections of the sewer system.

Administration, Employee Relations and Development

The Risk/Safety program continued its collaboration with contractor Spine Solutions to perform job function evaluations and ergonomic assessments at various employee sites. Additionally, the security contractor remained proactive in monitoring remote key sites to reduce theft, vandalism, and potential intrusions. Nine employees successfully received their Commercial Driver's Licenses through ABCWUA's Truck Driving School as part of the DOT/CDL program. The Vulnerability Assessment was

completed in late 2024, with certification anticipated by March 2025. Risk staff continued to effectively mitigate potential claims before they escalated into tort claims, saving significant costs by determining non-Water Authority responsibilities and securing favorable pre-mediation settlements.

Human Resources completed the 2024 Employee Satisfaction Survey in October with a 63% completion rate. Encouraging responses revealed that Water Authority Employees have pride in their workplace and feel their contributions are meaningful. Always opportunities to do better, but overall employees report positive work environments where safety is taken seriously and prospects for growth are available. This year for the very fist time, Water Authority awarded one employee the Innovator of the Year. Michael Johnson, an employee in the Lift-Stations group, was recognized for his innovation that saved time, improved employee safety, and was developed with existing materials.

The Tuition Assistance Policy (TAP) was updated to encourage more non- degree employees to take advantage of degree programs. During the fiscal year, 25 employees received a total of $39,004 in tuition assistance.

Human Resources also conducted refresher Substance Abuse Training for Managers. They not only covered the policy, but supervisors and managers had a chance to ask questions and had valuable discussions about how they can help and became more familiar with resources available.

Wellness staff continued to offer wellness challenges to employees and send wellness communication emails on a variety of topics such as chronic disease prevention, mental health & wellbeing, nutrition, healthy eating tips and recipes and exercise, safety and stretching. This year, 417 employees attended the annual Health and Safety picnic in September to celebrate achieving the injury prevention goals.

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 65 certification promotions of employees throughout the Water Authority's nine different career ladders.

Budget, Finance and Business Management

The Water Authority received the following recognition from the Government Finance Officers Association (GFOA): FY23 Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and the Popular Annual Financial Report (PAFR), and the FY25 Distinguished Budget Presentation Award.

The Finance Accounting section submitted the FY24 ACFR and PAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting program.

Fleet & Facility Maintenance Completed GW Security Assessment the AMP team and CENG. Prioritized and establish work order process. Addressing site intrusions have been a priority for the CFM staff. Fleet also Coordinating with Ground Water, Yellowstone and CFM staff in preparation for the NMED Sanitary Survey to ensure compliance at our well sites and reservoirs. All CFM staff is currently assigned and actively working on this project.

Customer Services, in collaboration with the Public Affairs division, conducted focus groups with citizens to educate them about billing and redesign of the bill. The staff has reviewed all comments and suggestions, working with the bill vendor to create a draft redesign for both the bill and setup accessible information digitally. Additionally, the team is collaborating with the rate consultant and the Finance department to revise and reformat the Water & Sewer Rate Ordinance and Budget Ordinance. In October 2024, Customer Services Division (CSD) participated in the Albuquerque Community Assistance Fair alongside other utilities, agencies, and social services partners. Furthermore, the staff has been in the testing phase of a new update to the Customer Care & Billing (CCB) software system. This upgrade aims to improve customer response times, reduce custom coding, and

minimize the manual review of processes.

Other significant ITD projects included: completion of the annual review and update of the Comprehensive Information Technology Security Plan and related policies that are aligned with the NIST Cybersecurity Framework, completed assessment of migrating all on-premise based applications to either a Cloud solution, both private and public, and identified other alternatives for hosting our applications and services.

The FY26 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Goals, Objectives, and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

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

Operations

The operational cornerstone of *Water 2120* is the San Juan-Chama Drinking Water Project (DWP), which will continue to have a major positive impact on the ground water resources in the Middle Rio Grande. After 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 DWP supply 70-75% of all customer demand. Flow conditions in the Rio Grande, due to the continuing drought conditions, have limited the ability to fully realize this goal on a consistent basis.

The Water Authority began a major renovation of the Southside Water Reclamation Plant (SWRP) in FY10, called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plat. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility, aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility. In FY26, RRAMP improvements will continue with the preliminary treatment facility, the anaerobic digesters, aeration basin, Pump House 3, numerous electrical upgrades, and cogeneration facility repairs.

The last phase of primary clarifier covering will be completed in a continued commitment to reducing odors originating from the SWRP. The completion of the South Process Basins 1 and 2 Rehabilitation construction project which will replace and rehabilitate treatment equipment that has reached the end of its service life. Lastly the construction of the SWRP Outfall Restoration Project will be completed providing habitat improvement and restoration for endangered species, replacement of invasive and non-native vegetation, and improved public access and hiking/biking trails.

The Surface Water Treatment Plant staff will continue with the filter media replacement with new granular activated carbon in 3 more of the filters. This will be the second phase of a 4-phase project to restore filter performance to initial design conditions promoting increased finished water quality. Staff will continue to improve monitoring and trending of the Total Organic Carbon (TOC) concentration and removal across the Water Treatment Plant to better predict potential Disinfection By-Product (DBP) formation in the distribution system.

Groundwater Operations management will initiate a multi-year project to replace failed wells to restore Master Plan wellfield capacity for the water system. Construction of Volcano Cliffs Arsenic Treatment Plant and To'Hajiilee transmission line will be

completed. The construction for Santa Barbara Arsenic Treatment Plant will begin.

Wastewater Collections section will develop a template contract for new satellite communities which discharge wastewater to the Water Authority collection system for conveyance. Staff continues to optimize collection system odor expenditures for chemicals and carbon. Staff will continue the AMI metering devices to gather system performance data.

Field Distribution will continue to complete inspections of service lines during normal operations for the service line inventory. Field Distribution and Compliance will continue to work with a consultant to complete the service line inventory for customers with large meters. Field Distribution and Compliance will also work with the consultant on a multi-year gap analysis identifying requirements and developing procedures for compliance with the Lead and Copper Rule Improvements by 2027.

Field Distribution will work with Utility Development and Groundwater to incorporate new language in the Availability Statement/Serviceability Letter regarding private fire pumps or booster pumps that may have adverse impacts on the Water Authority system. Staff will work with the Public Information Officer, Communications Specialist, and Compliance on public outreach related to fire protection and fire hydrants.

Water Quality Program will be working in depth with Albuquerque Public Schools to complete the required testing at elementary schools, all schools are offered free testing, but it is required that each elementary school is contacted to collect 5 samples from faucets or fountains commonly used for drinking water. The Water Authority pays for the lab analyses.

The Water Quality Laboratory will be planning for the phase 2 database upgrade which includes enhancements and moving to a cloud-based format. All Compliance Division programs are working towards a paperless document management system utilizing SharePoint.

All teams will continue working with the Asset Management Program, IT and the GIS department to establish asset conditions, fully utilize Maximo, automate database integrations where possible, and develop spatial datasets that improve annual planning and tracking to assess specific service areas and issues.

Centralized Engineering will continue managing CIP projects. Major projects for FY26 include: $7 million for Sanitary Sewer Pipeline Renewal projects, $5.5 million for SAF/Lift Station/Vacuum Station/Odor Control Facility Renewal projects, $11 million for Drinking Water Pipeline Renewal projects, $5 million for Drinking Water Plant Treatment Systems Renewal projects, $12 million for SWRP Renewal projects, $15 million for Drinking Water Plant Groundwater System Renewal projects, $3.8 million for Franchise Agreement Compliance projects, $20 million for SWRP Operations, Trades and Warehouse buildings, and $2.5 million for Information Technology projects. CIP also anticipates completion of multiple ARPA- and WTB-funded special projects in FY26, including the To'Hajiilee pipeline project, the MDC Lift Station/Force Main project, the Carnuel SAS/WL extension projects, the Volcano Cliffs Arsenic Treatment Facility, and the SVDWP Ph. 8A/8B.1 waterline extension project.

The Asset Management Program Team will update the Comprehensive Asset Management Plan with a focus on establishing an internal process for monitoring condition and assigning scores and participate in vulnerability assessment process.
Asset Management, Finance, and Information Technology staff will continue to transition the dashboards, Effective Utility Management (EUM) measures and key performance indicators to Microsoft Power BI.

Grants Management will finalize the Grant Funding strategy and the grant policies & procedures documents. Staff will continue to apply for Water Trust Board, Congressional Directed Spending, and other state and federal grant opportunities.

The Water Resources Division, is set to embark on several key initiatives aimed at enhancing water supply and operations. These initiatives include developing a long-term strategy for utilizing existing wells, updating the Water Resources Management Strategy: Water 2120, and advocating for the Water Authority's interests on the Colorado River. Additionally, the team will complete aquifer storage and recovery (ASR) permitting and design for the expansion of the large-scale ASR project and will initiate design for a new ASR project near Arroyo del Oso Golf Course. Efforts will also be made to establish easement storage agreements for the remaining four San Juan-Chama Project contractors, take steps towards permitting native Rio Grande system water within Abiquiu Reservoir, and conduct regular water quality monitoring at the Water Authority's two source water protection groundwater monitoring wells.

On the conservation front, the team will continue to implement the Colorado River Water Users Memorandum of Understanding (MOU) to promote municipal water conservation. They will also focus on expanding into data-driven conservation efforts, developing strategies to target users for conservation initiatives based on data analytics. A marketing campaign will be launched to encourage AMI customers to sign up for the portal, further promoting water conservation efforts.

The Utility Development group in coordination with Field, Compliance and Customer Service, will develop a template contract for new satellite communities which discharge wastewater to the Water Authority Collection System for conveyance to and treatment by the SWRP.

Compliance

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

The NPDES program will conduct baseline monitoring to understand the impacts of PFAS at all point of the wastewater treatment and disposal process, including identifying any industry sources. Planning for NPDES permit requirements will begin for the Bosque Water Reclamation Plant. The Hydraulic Modeling Program will finalize a master reuse model in FY 26 as well.

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 include the submission of the required AWIA Mandated Risk and Resiliency Analysis to the EPA by March 31, 2025, to certify completion. Claims management practices will be optimized to decrease costs and settlements, supported by a new Subrogation/Recovery Checklist developed for Operations Teams to enhance cost recovery, particularly for extraordinary bore through events. Coordination with external vendors will facilitate the delivery of specialized safety training and assessments, while findings from the Safety Training Audit will be thoroughly reviewed and implemented. Alternative solutions for security surveillance at remote sites, such as lift station 20, are under exploration.

Human Resources wellness staff is looking forward to planning the FY26 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 wellness staff is looking forward to planning the FY26 Safety Picnic for staff. Staff will continue offering wellness challenges for individuals and departments focusing on nutrition, physical

activity and weight loss, and disease and injury prevention to employees with a 70% or greater complete rate.

Human Resources Training staff have implemented the Innovation Program and will continue to report on success stories. This program will help identify new ways to seek efficiencies throughout the organization and recognize at least 1 new innovation story each quarter.

Training staff, along with HR will be conducting New Supervisor Training for all new supervisors promoted in the last year assisting them with best practices and acclimating them to preferred methods. Staff will utilize compensation data complied by Rocky Mountain RMAWWA and other public entity sources, HR will evaluate data for union and non- union positions focusing on labor trends and market data to compare Water Authority positions.

HR will also be implementing a new payroll, timekeeping and HR personnel tracking system which will provide greater access to employees' own data.

Budget, Finance and Business Management

The Budget and the Capital Improvement team will implement the ClearGov software that will generate the Budget Books moving forward. 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.

Fleet & Facility Maintenance will implement a new business process for Fleet inventory in both Water Authority sites. Staff will continue to manage all vehicle related services, repairs at an adequate level keeping the majority of the repairs in-house.

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

Customer Services is preparing for an upgrade to the Customer Care & Billing (CCB) software system, which has been undergoing monthly testing. The upgrade is anticipated to "Go Live" between July and August 2025. This enhancement aims to improve customer response times, reduce custom coding, and minimize the manual review of processes. In addition, the Water Affordability processes will be reassessed to enhance outreach, communication, and collaboration with other government agencies. This initiative will be a priority for FY26 to increase customer assistance. Training sessions for supervisors and managers will be scheduled for both new and experienced staff. Moreover, a KPI project for Customer Service/Dispatch will be established to track ongoing goals and performance metrics.

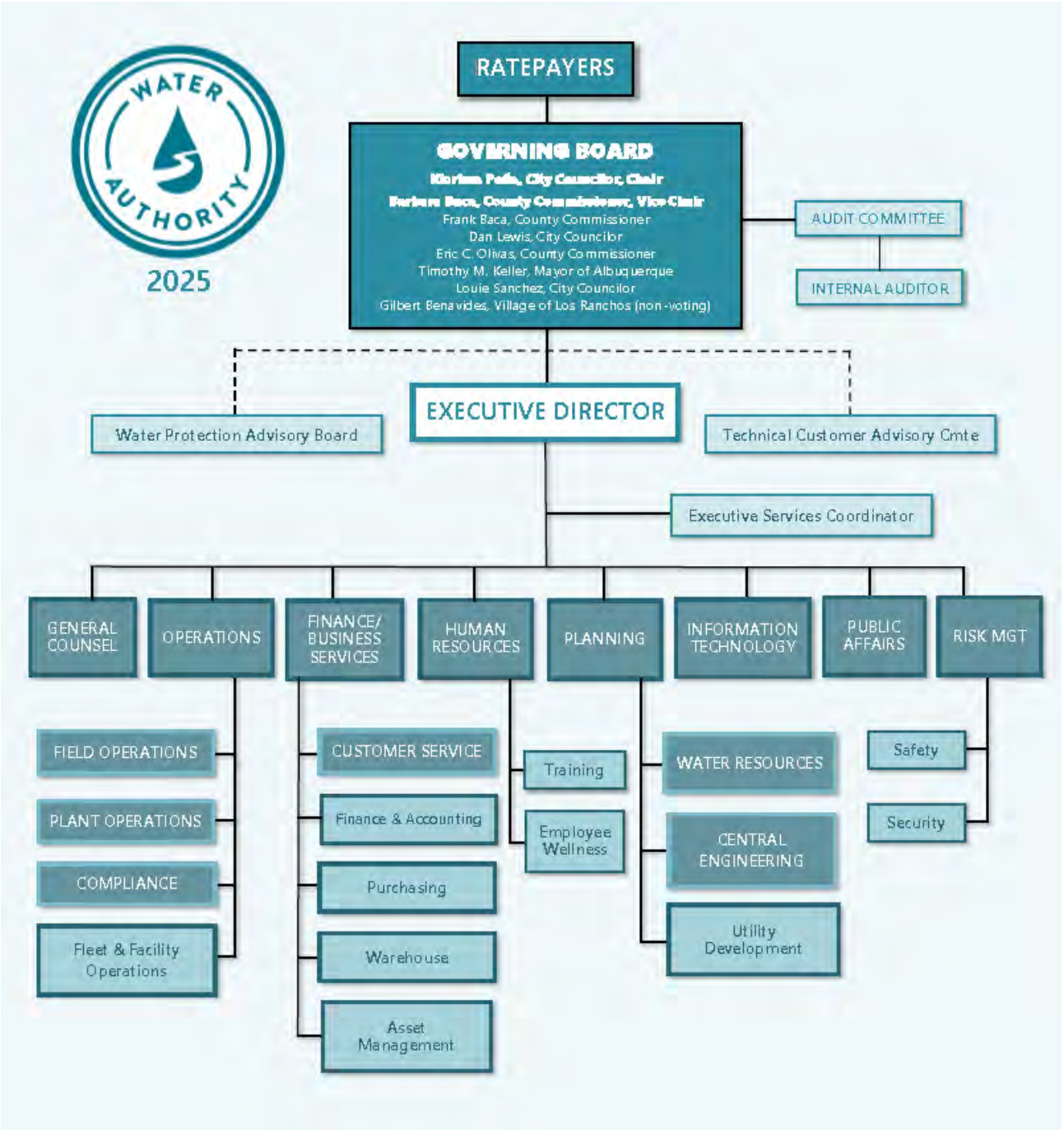
The Information Technology program (ITD) will continue to implementation of the SCADA Master Program; implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform for Surface Water, Ground Water, Reclamation and Collections systems.

Application staff will begin the Customer Service CCB software upgrade, upgrade the Compliance LabVantage software, implement GIS enhancements, shift identified services to the cloud, and perform ongoing cybersecurity patching.

ITD Network staff will continue to build in redundant network connections, internet service provider services and telephony to accommodate a reliable and consistent service for the utility.

ITD Cybersecurity staff will continue to work on reducing risk scores, perform external penetration testing and application testing to identify security risks, and continue moving towards a Zero Trust Framework.

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


WATER AUTHORITY
2025
RATEPAYERS
GOVERNING BOARD
Klarissa Peña, City Councilor, Chair
Barbara Baca, County Commissioner, Vice Chair
Frank Baca, County Commissioner
Dan Lewis, City Councilor
Eric C. Olivas, County Commissioner
Timothy M. Keller, Mayor of Albuquerque
Louie Sanchez, City Councilor
Gilbert Benavides, Village of Los Ranchos (non-voting)
AUDIT COMMITTEE
INTERNAL AUDITOR
Water Protection Advisory Board
EXECUTIVE DIRECTOR
Technical Customer Advisory Cmte
Executive Services Coordinator
GENERAL COUNSEL
OPERATIONS
FINANCE/ BUSINESS SERVICES
HUMAN RESOURCES
PLANNING
INFORMATION TECHNOLOGY
PUBLIC AFFAIRS
RISK MGT
FIELD OPERATIONS
PLANT OPERATIONS
COMPLIANCE
Fleet & Facility Operations
CUSTOMER SERVICE
Finance & Accounting
Purchasing
Warehouse
Asset Management
Training
Employee Wellness
WATER RESOURCES
CENTRAL ENGINEERING
Utility Development
Safety
Security

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

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

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

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

The Water Authority's Goals and Objectives focus on improving the utility's operations and improving customer conditions. The goals are based on the American Water Works Association's (AWWA) business model using fifteen successful quality achievement programs. The FY26 Goals and Objectives have been submitted for approval to the Water Authority Board.

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

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

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

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

The Performance Plan section contains the FY26 Performance Plan. This plan contains performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources.

BUDGET PROPOSAL
&
FINANCIAL CONSOLIDATIONS

Proposed
Operating Budget
FY26

MISSION AND OVERVIEW OF GOAL DEVELOPMENT

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

Mission

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

Assure responsive Customer Service.

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

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

Overview of Goal Development

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

FY26 GOALS AND OBJECTIVES

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

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

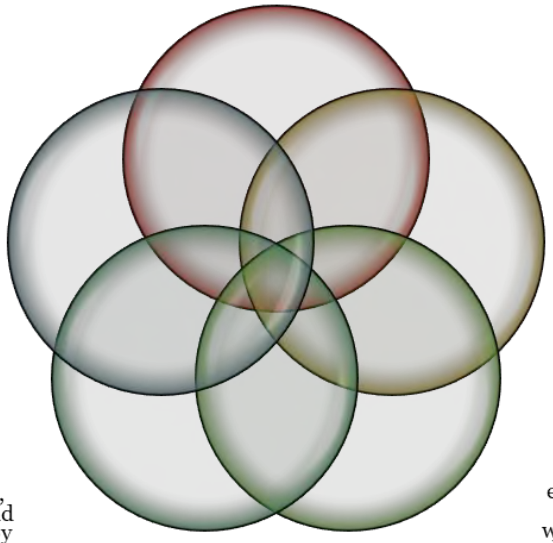
Water Authority's Business Goals & Guiding Goal Statements

Goal 1: Water Supply & Operations

• Provide a reliable, safe, affordable, and sustinable 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 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.



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 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 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.

FY26 GOALS AND OBJECTIVES

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

In addition to identifying areas of improvement, some of the Objectives are related to completing projects or improving programs. A few of the objectives are carried over from FY25 either because they require more time to complete or are ongoing issues.

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

FY26 GOALS AND OBJECTIVES

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

Below is a summary of the Goals and Objectives for FY26, as introduced to the Water Authority Board in March 2025.

Goal 1: Water Supply and Operations

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

Objective 1.1 Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify/update priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY26.

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 FY26. 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 a priority list 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 FY26.

Objective 1.4 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 FY26.

- 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 1.5 Improve monitoring and trending of the Total Organic Carbon (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 FY26.

Objective 1.6 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 FY26.

- 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 1.7 Continue implementation of the Revised Lead and Copper Rule (LCRR) including updating the service line inventory and the service line replacement plan. This will include developing a process to complete the inventory for customers with large meters. Submit the annual inventory and updates to the replacement plan to NMED by October 16, 2025. Complete a multi-year gap analysis aimed at identifying requirements and developing procedures for compliance with the Lead and Copper Rule Improvements (LCRI) by 2027.

Objective 1.8 Update the Water Resources Management Strategy: Water 2120 by the end of the 2nd Quarter of FY26

Objective 1.9 Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY26.

- Promote collaboration and advocacy among San Juan-Chama contractors and the San Juan River Basin for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association.
- Attend Upper Colorado River Commission (UCRC) meetings as well as regular monthly updates from the New Mexico Interstate Stream Commission (NMISC).

Objective 1.10 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 developing a plan for decreasing Non-Functional Turf by 30% by the end of the 4th Quarter of FY26.

Objective 1.11 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 FY26.

Objective 1.12 Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions:

i. Identify and develop outreach and education of source water protection actions for customers and agencies in support of implementation of the RAPP;

ii. Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY26;

iii. Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) through the end of the 4th Quarter of FY26; and

iv. Collaborate and coordinate with Water Authority divisions on responses and actions for released to source waters.

Objective 1.13 Establish easement storage agreements for San Juan-Chama Project contractors with the United States Army Corps of Engineers storage through the 4thf Quarter of FY26. Update or establish sub-allotment agreements, as appropriate, for the storage of San Juan-Chama Project and native Rio Grande system water in Abiquiu Reservoir. Work with U.S. Bureau of Reclamation to establish lots within the URGWOM accounting model for the tracking of storage of both SJCP and native Rio Grande System water.

Objective 1.14 Take steps towards permitting of native Rio Grande system water by the Water Authority within Abiquiu Reservoir. Coordinate with NMISC and NMOSE on the permit application and draft permit through the 4th Quarter of FY26.

Objective 1.15 Design, install and sample monitoring wells at the Hewlett Packard-Digital site. Conduct regular water quality monitoring of the Water Authority source water protection groundwater monitoring wells at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site and the Hewlett Packard-Digital groundwater contamination site through the end of FY26.

Objective 1.16 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 FY26.

Objective 1.17 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 FY26.

Objective 1.18 Work with City and other project stakeholders to design and construct the Tijeras Advanced Water Treatment Plant (AWTP) and Tijeras Reuse Reservoir and Pump Station (RRPS) facilities at Mesa Del Sol to support the special industrial complex, including Maxeon and other entities, through the end of FY27.

Goal 2: Wastewater Collection and Operations

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

Objective 2.1 Seek recognition in the National Association of Clean Water Agencies (NACWA) Peak Performance award program for excellence in permit compliance through the end of the 4th Quarter of FY26.

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 FY26.

- 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 manage 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 FY26.

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 FY26.

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 FY26.

Objective 2.6 With FY25 completion of AMI device installation in all ten vacuum station service areas, obtain and utilize data to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY26

Objective 2.7 Develop a template contract for new satellite communities which discharge wastewater to the Water Authority Collection System for conveyance to and treatment by the SWRP by the end of the 4th Quarter of FY26.

Objective 2.8 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 FY27.

Objective 2.9 Prepare for Per-and Polyfluoroalkyl Substances (PFAS) regulations and monitoring requirements in the new NPDES permit by conducting baseline sampling at the SWRP influent, effluent, reuse water, biosolids, compost, and pretreatment program industrial permit customers by the end of the 4th Quarter of FY26. This will help identify trends and/or impacts to the wastewater system.

Objective 2.10 Establish hazardous waste disposal support in the Compliance Division for all WA facilities and capital improvement projects to remain in compliance with federal and state hazardous waste generator regulations. In FY26 complete an audit of routine and periodic hazardous waste disposal activities and complete the required reporting for each site that generates hazardous waste with the NMED Hazardous Waste Bureau. Also, in FY26 plan for assessing each facility site for compliance with stormwater management regulations as well.

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 Review policy changes for the Low-Income Credit program to enhance financial assistance for low-income households. Increase proactive communication with customers about the assistance programs offered by the Water Authority that involve our external partnerships by the end of the 4th Quarter of FY26.

Objective 3.2 Collaborate with other governmental entities that pre-quality low-income residents. Explore options to establish an automated reporting system or information transfer for approved residents, enabling the automatic enrollment of qualified Water Authority customers into the Low-income Credit program by the end of the 4th Quarter of FY26.

Objective 3.3 Reduce the percentage of delinquent water and wastewater accounts to below 10% over the next 2 years by the end of the 4th Quarter of FY26.

Objective 3.4 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 FY26.

Objective 3.5 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 FY26.

Objective 3.6 Develop data-based conservation efforts to utilize customer and Water Authority data to target users for conservation efforts by the 4th Quarter of FY26.

Objective 3.7 In conjunction with the development of automated leak notifications for customers with AMI meters, 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 FY26, and complete at least one interceptor design package by the 4th Quarter of FY26; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY26.

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 FY26. Generate at least 35% 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 FY26 and report progress quarterly.

Objective 4.3 Audit Sharepoint databases and GIS layers, reconcile the two datasets for consistency and accuracy, and relocate applicable items for the following by the end of the 4th Quarter of FY26:

1. Development Agreement layer
2. Service Connection Agreement layer
3. Inter-governmental Agreement layer

Objective 4.4 Find opportunities to improve the Flow Inquiry process in Planning and Utility Development to make it more efficient and helpful for customers. Investigate the idea of providing hydrant curves as well as an exhibit indicating where the analysis was performed by the end of the 4th Quarter of FY26.

Objective 4.5 Incorporate new language in the Availability Statement/Serviceability Letter template to provide direction if private fire pumps are considered for proposed developments. Also, create a Standard Operating Procedure (SOP) which will provide guidance when a private fire pump is proposed that may have adverse impacts on the Water Authority system by the end of the 4th Quarter of FY26.

Objective 4.6 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 FY26.

i. Preventative Maintenance to Corrective Maintenance Ratio, Target 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 4.7 To improve decision making with available data transition existing SAMP, Board Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY26. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).

Objective 4.8 Initiate the update of the Comprehensive Asset Management Plant (CAMP). Begin planning and collecting data to update the CAMP by the end of the 4th Quarter of FY26 to include the following tasks:

- Update asset condition scoring and monitoring framework
- Develop integration with existing asset registry data – Maximo
- Energy and chemical usage cost analysis
- Update Fleet Maintenance CAMP

Objective 4.9 Update the EPA Effective Utility Management program to reflect the 2024 Primer revisions. Perform the Self-Assessment by meeting with all divisions/departments and prepare a report on the results of the assessment by the end of the 4th Quarter of FY26.

Objective 4.10 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 FY26 that are directly related to National Infrastructure Protection Plan Water Sector-Specific Plan and America's Infrastructure Act.

Objective 4.11 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 FY26. 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 4.12 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 FY26. 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.
- Upgrade Asset Management System (Maximo) and shift to a managed hosting solution. Expected completion during the 4th Quarter of FY26.
- Cloud/SAAS Migrations for targeted workloads.

Objective 4.13 Develop, implement, and monitor a Maximo conditions assessment for Compliance Division's inventoried assets by the end of the 4th Quarter of FY26.

Objective 4.14 Implement and begin monitoring a Fleet condition assessment program in the Maximo asset management system by the end of the 4th Quarter of FY26.

Objective 4.15 Develop and formalize Standard Operating Procedures for Centralized Facilities Maintenance by the end of the 4th Quarter of FY26.

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 70% or greater overall completion rate by the end of the 4th Quarter of FY26. In collaboration with the Safety program, attend 30% of all in-person safety trainings to lead a stretching/warmup session and promote wellness. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY26.

Objective 5.2 Develop an awareness program to increase employee participation in annual physicals by 25% by the end of the 4th Quarter of FY26.

Objective 5.3 Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY26. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY26.

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 FY26.

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 FY26 with a goal of at least 1 innovation story each quarter.

Objective 5.6 Explore a partnership with Central New Mexico College to develop an intern program designed to increase recruitment and develop future utility employees by the end of the 4th Quarter of FY26.

Objective 5.7 Develop a program to enable Water Authority employees to volunteer at community events and represent the Water Authority throughout FY26. Ensure that events are approved through a transparent process, and that normal work is completed.

Objective 5.8 Deliver a tailored program of monthly safety trainings that addresses the unique operational risks, hazards, and OSHA regulatory requirements specific to each division by the end of the 4th Quarter of FY26. This approach represents a refinement of the existing training program, shifting from general safety topics to a more focused strategy. Topics include, but are not limited to, excavation safety, electrical safety, fall protection, chemical hazard awareness, confined space entry, and Commercial Driver License (CDL) training certifications. Attendance will continue to be tracked through the Learning Management System (LMS) to ensure compliance and engagement.

Objective 5.9 Conduct monthly safety inspections to identify hazards and ensure compliance with OSHA standards, with a renewed focus on documenting, tracking, and resolving corrective actions in the Maximo system by the end of the 4th Quarter of FY26. This enhanced approach emphasizes accountability and timely resolution of inspection findings to improve workplace safety.

APPROPRIATIONS BY PROGRAM

The Albuquerque Bernalillo County Water Utility Authority can be examined by program. Comparing the revised budget for FY25 with the proposed FY26 budget shows changes in the Water Authority programs, excluding the interfund transfers.

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
Administration	2,065	2,005	1,996	2,016	2,006	10
Risk	6,330	6,926	6,925	7,262	6,982	57
Legal	1,369	989	988	1,006	995	7
Human Resources	1,849	2,007	2,006	1,962	2,021	15
Information Technology	11,992	11,632	12,981	15,599	13,335	354
Finance	5,366	4,890	4,710	5,413	5,082	372
Customer Services	5,341	5,549	5,658	5,335	5,936	278
Asset Management	783	805	804	749	700	(104)
Wastewater Plant	11,586	12,416	12,416	11,833	12,685	269
San Juan-Chama Water Treat Plant	4,581	4,967	4,967	4,616	5,171	204
Groundwater Operations	7,283	7,663	7,663	7,406	7,766	103
Wastewater Collection	7,558	8,073	8,073	7,860	8,156	83
Water Field Operations	20,963	22,011	22,011	21,455	22,998	987
Compliance	6,463	6,878	6,878	6,862	7,053	175
Fleet & Facility Maintenance	5,766	6,680	6,680	6,316	6,689	9
Central Engineering	3,260	4,051	4,039	3,496	4,134	95
Planning & Utility Development	870	1,074	1,073	934	1,062	(11)
Water Resources	4,356	5,070	5,128	4,602	5,237	109
Power & Chemicals	29,158	31,956	31,956	30,884	31,956	-
Taxes	895	740	740	850	740	-
Overhead	1,515	1,566	1,856	1,985	1,586	(270)
San Juan-Chama	1,410	1,615	2,609	2,878	2,609	-
Transfers from General Fund	116,020	95,784	95,784	95,784	109,932	14,148
Total Enterprise Appropriations	**256,778**	**245,347**	**247,941**	**247,102**	**264,830**	**16,889**

The proposed FY26 operating expenses budget, excluding the interfund transfers, contains an increase of $16.8 million from the FY25 revised budget. Total personnel costs increase $3.0 million. There was no increase in the General operating costs.

Personnel expenses for FY26 include a 3.0% step increase in wages based on existing labor agreements, a 5.0% increase in health benefits costs, and a 0.5% increase in PERA pension costs.

The proposed CIP appropriation for FY26 is $96.5 million. $70.0 million is appropriated for the basic rehab capital programs, $4 million for growth-related projects, $20.0 million for special projects, and $2.5 million for *Water 2120* projects. The $20.0 million for special projects funding for building projects, steel waterline and AMI infrastructure, and renewable energy projects.

The debt service fund transfer increases $3.5 million; this reflects the schedule of principal and interest payments for FY26.

The Water Authority's target is to maintain its General Fund Balance at 1/12th of the annual budgeted operating expenses as defined by the Water Authority's Rate Ordinance.

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

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

CHANGES IN EMPLOYMENT

The proposed budget for FY26 does not have any changes from the previous fiscal year.

	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
POSITIONS:						
Administration	8	8	8	8	8	-
Risk	6	6	6	6	6	-
Legal	1	1	1	1	1	-
Human Resources	15	15	15	15	15	-
Information Technology	43	43	43	43	43	-
Finance	31	31	31	31	31	-
Customer Services	49	50	50	50	50	-
Asset Management	6	5	5	5	5	-
Wastewater Plant	89	89	89	89	89	-
San Juan-Chama Water Treat Plant	35	35	35	35	35	-
Groundwater Operations	55	56	56	56	56	-
Wastewater Collection	64	64	64	64	64	-
Water Field Operations	148	148	148	148	148	-
Compliance	47	47	47	47	47	-
Fleet & Facility Maintenance	13	16	16	16	16	-
Central Engineering	26	26	26	26	26	-
Planning & Utility Development	4	4	4	4	4	-
Water Resources	13	14	14	14	14	-
TOTAL FULL-TIME POSITIONS	**653.0**	**658.0**	**658.0**	**658.0**	**658.0**	**0.0**

APPROPRIATIONS BY FUND

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

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
GENERAL FUND - 21						
Administration	2,065	2,005	1,996	2,016	2,006	10
Risk	6,330	6,926	6,925	7,262	6,982	57
Legal	1,369	989	988	1,006	995	7
Human Resources	1,849	2,007	2,006	1,962	2,021	15
Information Technology	11,992	11,632	12,981	15,599	13,335	354
Finance	5,366	4,890	4,710	5,413	5,082	372
Customer Services	5,341	5,549	5,658	5,335	5,936	278
Asset Management	783	805	804	749	700	(104)
Wastewater Plant	11,586	12,416	12,416	11,833	12,685	269
San Juan-Chama Water Treat Plant	4,581	4,967	4,967	4,616	5,171	204
Groundwater Operations	7,283	7,663	7,663	7,406	7,766	103
Wastewater Collection	7,558	8,073	8,073	7,860	8,156	83
Water Field Operations	20,963	22,011	22,011	21,455	22,998	987
Compliance	6,463	6,878	6,878	6,862	7,053	175
Fleet & Facility Maintenance	5,766	6,680	6,680	6,316	6,689	9
Central Engineering	3,260	4,051	4,039	3,496	4,134	95
Planning & Utility Development	870	1,074	1,073	934	1,062	(11)
Water Resources	4,356	5,070	5,128	4,602	5,237	109
Power & Chemicals	29,158	31,956	31,956	30,884	31,956	-
Taxes	895	740	740	850	740	-
Overhead	1,515	1,566	1,856	1,985	1,586	(270)
San Juan-Chama	1,410	1,615	2,609	2,878	2,609	-
Trf from General Fund 21 to Rehab Fund 28	36,618	19,382	19,382	19,382	30,000	10,618
Trf from General Fund 21 to Water 2120 Fund 27	1,402	1,402	1,402	1,402	1,402	-
Trf from General Fund 21 to Debt Service Fund 31	78,000	75,000	75,000	75,000	78,530	3,530
Subtotal General Fund - 21	**256,778**	**245,347**	**247,941**	**247,102**	**264,830**	**16,889**
CAPITAL FUNDS - 27, 28 & 29						
Water 2120 Projects	390	17,402	22,919	22,919	2,487	(20,432)
CIP Basic Rehab/Special Projects	69,610	103,000	172,123	172,123	90,000	(82,123)
CIP Growth/Special Projects	17,589	8,350	131,786	131,786	4,000	(127,786)
Transfer to Growth Fund 29 from Rehab Fund 28	-	16,000	10,000	10,000	-	(10,000)
Subtotal Capital Funds - 27, 28 & 29	**87,589**	**144,752**	**336,828**	**336,828**	**96,487**	**(240,341)**
DEBT SERVICE FUND - 31						
Debt Service	91,768	93,865	94,065	94,065	88,910	(5,155)
Transfer to Growth Fund 29	5,057	6,000	6,000	6,000	4,000	(2,000)
Subtotal Debt Service Fund - 31	**96,825**	**99,865**	**100,065**	**100,065**	**92,910**	**(7,155)**
SJCPCA FUND - 41						
General Government	117	39	62	62	39	(23)
Subtotal SJCPCA Fund - 41	**117**	**39**	**62**	**62**	**39**	**(23)**
TOTAL WATER AUTHORITY APPROPRIATIONS	441,309	490,003	684,896	684,057	454,266	(230,630)
Interfund Adjustment	(121,077)	(101,784)	(101,784)	(101,784)	(113,932)	(12,148)
NET WATER AUTHORITY APPROPRIATIONS	320,232	388,219	583,112	582,273	340,334	(242,778)

APPROPRIATIONS BY FUND

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
GENERAL FUND - 21						
100 WATER AUTHORITY:						
005 Executive Director	2,065	2,005	1,996	2,016	2,006	10
PROGRAM APPROPRIATION	2,065	2,005	1,996	2,016	2,006	10
105 RISK:						
010 Risk	6,330	6,926	6,925	7,262	6,982	57
PROGRAM APPROPRIATION	6,330	6,926	6,925	7,262	6,982	57
106 LEGAL:						
011 Legal	1,369	989	988	1,006	995	7
PROGRAM APPROPRIATION	1,369	989	988	1,006	995	7
110 HUMAN RESOURCES:						
015 Human Resources	1,849	2,007	2,006	1,962	2,021	15
PROGRAM APPROPRIATION	1,849	2,007	2,006	1,962	2,021	15
140 INFORMATION TECHNOLOGY:						
035 Information Technology	11,992	11,632	12,981	15,599	13,335	354
PROGRAM APPROPRIATION	11,992	11,632	12,981	15,599	13,335	354
120 FINANCE:						
020 Finance	5,366	4,890	4,710	5,413	5,082	372
PROGRAM APPROPRIATION	5,366	4,890	4,710	5,413	5,082	372
130 CUSTOMER SERVICES:						
025 Customer Services & Billing	4,237	4,470	4,480	4,217	5,936	1,456
026 Dispatch Operations	1,105	1,079	1,178	1,118	-	(1,178)
PROGRAM APPROPRIATION	5,341	5,549	5,658	5,335	5,936	278
206 ASSET MANAGEMENT						
166 Asset Management	783	805	804	749	700	(104)
PROGRAM APPROPRIATION	783	805	804	749	700	(104)

APPROPRIATIONS BY FUND

($000's	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
150 WASTEWATER PLANT:						
045 WW Cogen	815	954	954	1,021	982	28
050 WW Mechanical	4,490	4,605	4,605	4,365	4,733	128
055 WW Plant Operations	4,619	5,202	5,202	4,938	5,279	77
060 WW MDC	44	28	28	26	-	(28)
061 WW 2nd Chance Facility	5	10	10	6	-	(10)
065 WW SAF	1,550	1,541	1,541	1,433	1,615	74
115 South Reuse	61	76	76	45	76	-
PROGRAM APPROPRIATION	**11,586**	**12,416**	**12,416**	**11,833**	**12,685**	**269**
160 SJC WATER TREATMENT PLANT:						
075 San Juan-Chama Water Treatment Plant	4,574	4,897	4,897	4,584	5,101	204
100 College Arsenic Treatment	7	70	70	32	70	-
PROGRAM APPROPRIATION	**4,581**	**4,967**	**4,967**	**4,616**	**5,171**	**204**
170 GROUNDWATER SYSTEM:						
085 WA Wells, PS, Boosters, Reservoirs	5,115	5,208	5,208	4,848	4,797	(411)
090 GW Treatment	1,297	1,416	1,416	1,631	1,979	563
095 WA Control System Operators	858	1,023	1,023	913	991	(32)
110 North Reuse	13	16	16	14	-	(16)
PROGRAM APPROPRIATION	**7,283**	**7,663**	**7,663**	**7,406**	**7,766**	**103**
180 WASTEWATER COLLECTIONS:						
120 WW Gravity	5,362	5,729	5,729	5,433	5,751	22
125 WW Lift Station Operations	2,196	2,344	2,344	2,427	2,405	61
PROGRAM APPROPRIATION	**7,558**	**8,073**	**8,073**	**7,860**	**8,156**	**83**
190 WATER FIELD OPERATIONS:						
130 Utility Locating	936	1,014	1,014	932	-	(1,014)
135 WA Distribution Lines	19,108	20,105	20,105	19,602	22,025	1,920
136 Meter Operations	918	892	892	921	973	81
PROGRAM APPROPRIATION	**20,963**	**22,011**	**22,011**	**21,455**	**22,998**	**987**

APPROPRIATIONS BY FUND

($000's	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
200 COMPLIANCE:						
150 Laboratory	2,811	2,632	2,632	2,688	2,709	77
155 NPDES	1,810	2,257	2,257	2,187	2,359	102
160 Water Quality	1,842	1,989	1,989	1,988	1,985	(4)
PROGRAM APPROPRIATION	**6,463**	**6,878**	**6,878**	**6,862**	**7,053**	**175**
121 FLEET FACILITY MAINTENANCE						
021 Fleet Maintenance	4,014	4,555	4,555	4,108	4,612	57
022 Facilities Maintenance	1,751	2,125	2,125	2,207	2,077	(48)
PROGRAM APPROPRIATION	**5,766**	**6,680**	**6,680**	**6,316**	**6,689**	**9**
211 PLANNING & ENGINEERING:						
165 Central Engineering	3,260	4,051	4,039	3,496	4,134	95
170 Planning & Utility Development	870	1,074	1,073	934	1,062	(11)
PROGRAM APPROPRIATION	**4,130**	**5,125**	**5,112**	**4,431**	**5,196**	**84**
212 WATER RESOURCES:						
180 Water Resources Planning	2,143	2,474	2,470	2,404	2,536	66
185 Water Conservation	2,213	2,596	2,658	2,198	2,701	43
PROGRAM APPROPRIATION	**4,356**	**5,070**	**5,128**	**4,602**	**5,237**	**109**
220 GENERAL GOVERNMENT:						
201 Power	12,774	16,296	16,296	14,670	16,296	-
206 SJCWTP Chemicals	7,025	6,010	6,010	7,430	6,010	-
207 GW Chemicals	240	262	262	241	262	-
208 WW Treatment Chemicals	1,624	1,580	1,580	1,709	1,580	-
209 Collections Chemicals	7,494	7,808	7,808	6,833	7,808	-
PROGRAM APPROPRIATION	**29,158**	**31,956**	**31,956**	**30,884**	**31,956**	**-**
200 Taxes	895	740	740	850	740	-
PROGRAM APPROPRIATION	**895**	**740**	**740**	**850**	**740**	**-**
200 Overhead	983	1,166	1,456	1,495	1,186	(270)
205 Early Retirement	532	400	400	490	400	-
PROGRAM APPROPRIATION	**1,515**	**1,566**	**1,856**	**1,985**	**1,586**	**(270)**
230 SAN JUAN-CHAMA:						
215 San Juan-Chama	1,410	1,615	2,609	2,878	2,609	-
PROGRAM APPROPRIATION	**1,410**	**1,615**	**2,609**	**2,878**	**2,609**	**-**

APPROPRIATIONS BY FUND

($000's	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
TRANSFER FROM FUND 21 TO 28						
200 General Government	36,618	19,382	19,382	19,382	30,000	10,618
PROGRAM APPROPRIATION	36,618	19,382	19,382	19,382	30,000	10,618
TRANSFER FROM FUND 21 TO 27						
200 General Government	1,402	1,402	1,402	1,402	1,402	-
PROGRAM APPROPRIATION	1,402	1,402	1,402	1,402	1,402	-
TRANSFER FROM FUND 21 TO 31						
200 General Government	78,000	75,000	75,000	75,000	78,530	3,530
PROGRAM APPROPRIATION	78,000	75,000	75,000	75,000	78,530	3,530
CIP FUNDS						
27 WATER 2120 PROJECTS FUND						
Water 2120 Projects	390	17,402	22,919	22,919	2,487	(20,432)
PROGRAM APPROPRIATION	390	17,402	22,919	22,919	2,487	(20,432)
28 REHAB FUND						
Basic Rehab	62,212	100,000	158,097	158,097	70,000	(88,097)
Special Projects	7,398	3,000	14,026	14,026	20,000	5,974
PROGRAM APPROPRIATION	69,610	103,000	172,123	172,123	90,000	(82,123)
29 GROWTH FUND						
Growth	5,154	6,000	13,406	13,406	4,000	(9,406)
Special Projects	12,435	2,350	118,381	118,381	-	(118,381)
PROGRAM APPROPRIATION	17,589	8,350	131,786	131,786	4,000	(127,786)
TRANSFER FROM FUND 28 TO 27						
200 General Government	-	16,000	10,000	10,000	-	(10,000)
PROGRAM APPROPRIATION	-	16,000	10,000	10,000	-	(10,000)
DEBT SERVICE FUND - 31						
250 DEBT SERVICE						
230 DS - NM Loans	5,579	2,844	8,566	8,566	8,596	30
240 DS - Revenue Bonds	86,189	91,021	85,499	85,499	80,314	(5,185)
PROGRAM APPROPRIATION	91,768	93,865	94,065	94,065	88,910	(5,155)
260 UEC TRANSFER						
245 DS - UEC Transfer	5,057	6,000	6,000	6,000	4,000	(2,000)
PROGRAM APPROPRIATION	5,057	6,000	6,000	6,000	4,000	(2,000)
SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND - 41						
220 GENERAL GOVERNMENT:						
200 General Government	117	39	62	62	39	(23)
PROGRAM APPROPRIATION	117	39	62	62	39	(23)

FINANCIAL PLAN

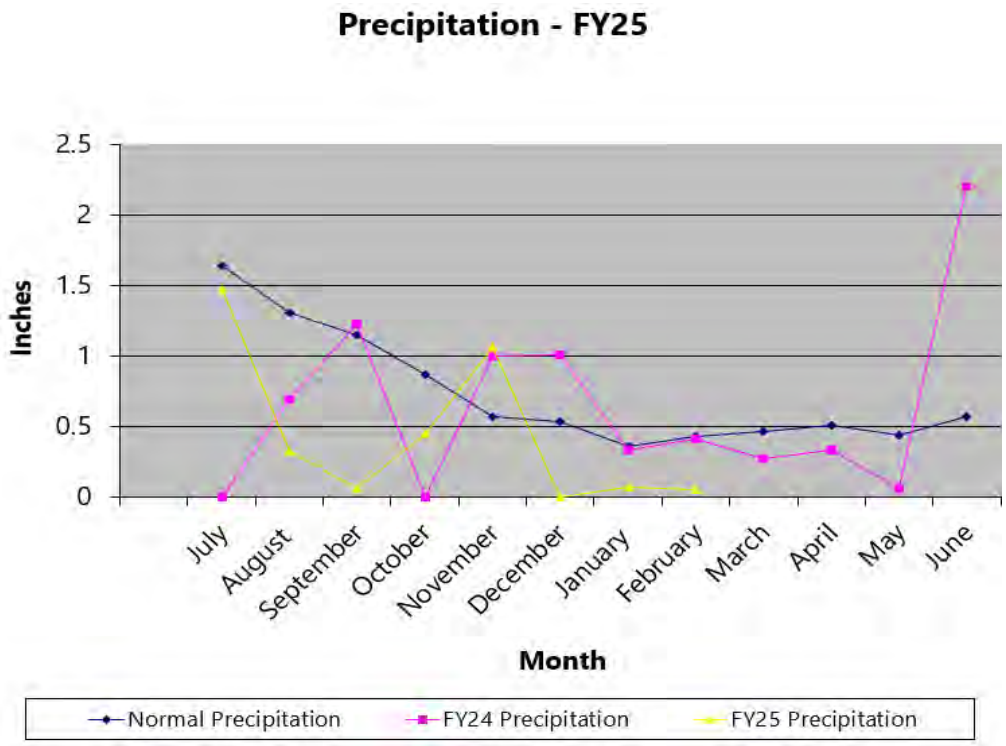
The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY25 thru FY35. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential 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.

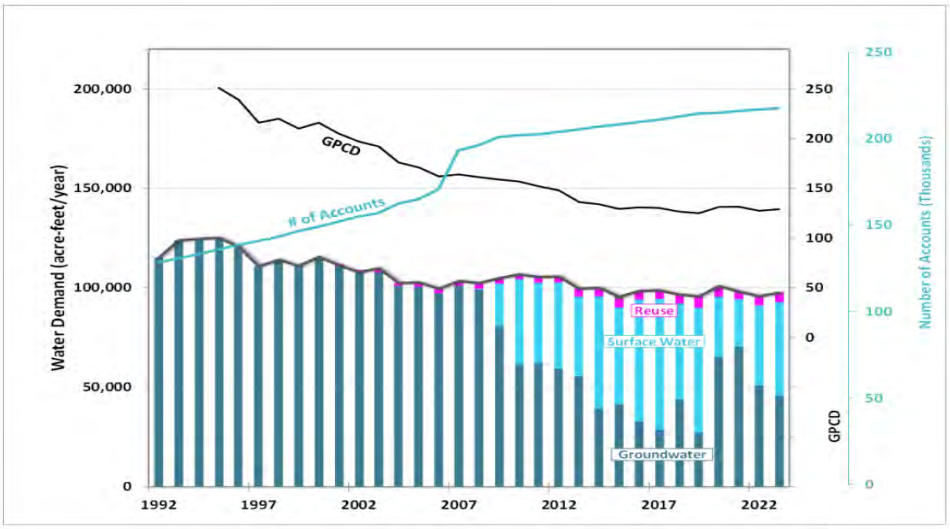
REVENUE OUTLOOK

Proposed
Operating Budget
FY26

PRECIPITATION HISTORY & WATER USE TRENDS

A history of the precipitation for FY24 and FY25 as compared to the average moisture that the service area has received since the beginning of the fiscal year is seen in the chart below as well as a chart of the water use trends.





REVENUE OUTLOOK

The Water Authority's revenue projections are summarized in the four tables included in this section. Table 1, General Fund 21, presents the operating budgeted revenue for FY26 as compared to budget FY25. Table 2, Capital Funds 27, 28, 29, Table 3, Debt Service Fund 31, and Table 4, San Juan Chama Professional Contractors Association Fund 41 provide for the same comparison as Table 1. For FY24, the actual audited results are reported, and for FY25, budgeted revenues and estimated actuals are reported as well.

Total Water Authority General Fund revenues for FY25 are projected to be $260.9 million. The system has seen minimal growth in the service area.

Budgeted General Fund revenues for FY25 are $259.8 million, representing an decrease of $1.2 million from the FY25 Revised Budget amount.

TABLE 1 - GENERAL FUND 21

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
Beginning Working Capital Balance	**24,044**	**23,148**	**23,148**	**23,148**	**36,114**	**12,966**
RESOURCES:						
Rate Revenue						
Water Service	112,380	116,670	114,670	114,670	114,727	57
Water Facilities Rehab	39,934	34,022	36,022	36,022	36,040	18
Wastewater Service	45,201	64,143	61,143	61,143	61,174	31
Wastewater Facilities Rehab	37,002	28,982	31,982	31,982	31,998	16
Contr/Aid/Hookups	289	375	375	375	375	-
Water Resources Management	4,560	4,500	4,500	4,500	4,500	-
Total Rate Revenue	**239,367**	**248,692**	**248,692**	**248,692**	**248,814**	**122**
Other Revenue						
Solid Waste Admin Fee	1,711	1,836	1,836	1,836	1,991	155
DMD Admin Fee	654	379	379	379	1,042	663
Interest on Investments	10,066	3,500	7,000	7,000	5,000	(2,000)
Miscellaneous Revenue	1,536	3,000	3,000	3,000	3,000	-
Total Other Revenue	**13,967**	**8,715**	**12,215**	**12,215**	**11,033**	**(1,182)**
Total Current Resources	**253,334**	**257,407**	**260,907**	**260,907**	**259,847**	**(1,060)**
Add from Working Capital	500	-	-	-	-	-
TOTAL RESOURCES	**253,834**	**257,407**	**260,907**	**260,907**	**259,847**	**(1,060)**

The revenue from the transfers from other funds for FY26 in the Capital Funds is projected to be $33.4 million below FY25 to make use of the fund balance.

TABLE 2 - CAPITAL FUNDS 27, 28, 29

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
Beginning Fund Balance	**99,245**	**181,658**	**181,658**	**181,658**	**1**	**(181,657)**
RESOURCES:						
Bond/Loan Proceeds	121,293	-	127,719	127,719	60,000	(67,719)
Grants/Loans	8,585	-	113,535	113,535	-	(113,535)
Water Rights/Water Resource Charges	1,451	1,000	2,000	2,000	1,060	(940)
Miscellaneous	5,780	25	16,229	16,229	30,025	13,796
Total Revenues	**137,109**	**1,025**	**259,483**	**259,483**	**91,085**	**(168,398)**
Transfer from Other Funds:						
General Fund - 21	38,020	20,784	58,804	58,804	31,402	(27,402)
Capital Fund - 28	-	-	10,000	10,000		
Debt Service Fund - 31	5,057	6,000	10,000	10,000	4,000	(6,000)
Total Transfers	**43,077**	**26,784**	**78,804**	**78,804**	**35,402**	**(33,402)**
TOTAL RESOURCES	180,186	27,809	338,287	338,287	126,487	(211,800)

The FY26 Expansion Charges revenue and the transfer from the General Fund will increase $.8 million from FY25. The FY26 transfer from the General Fund will increase $3.5 million above FY25 to make use of the fund balance.

TABLE 3 - DEBT SERVICE FUND 31

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
Beginning Fund Balance	**42,792**	**34,282**	**34,282**	**34,282**	**17,857**	**(16,425)**
RESOURCES:						
Bond Proceeds	320	-	-	-	-	-
Miscellaneous Revenues	492	600	600	1,500	300	(300)
Expansion Charges (UEC)	10,835	8,040	8,000	8,000	8,080	80
Total Revenues	**11,647**	**8,640**	**8,600**	**9,500**	**8,380**	**(220)**
Transfer from Other Funds:						
General Fund - 21	78,000	75,000	75,000	75,000	78,530	3,530
Total Transfers	**78,000**	**75,000**	**75,000**	**75,000**	**78,530**	3,530
TOTAL RESOURCES	**89,647**	**83,640**	**83,600**	**84,500**	**86,910**	**3,310**

The revenue remained the same for FY26 in the San Juan Chama Professional Contractors Association Fund reflects no special assessments levied for FY26.

TABLE 4 - SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND 41

($000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	PROPOSED BUDGET FY26	PROP 26/ REV 25 CHG
Beginning Fund Balance	90	23	23	23	24	1
RESOURCES:						
Administration Fees	42	39	39	40	39	-
Special Assessments	26	-	-	-	-	-
Total Revenues	**69**	**39**	**39**	**40**	**39**	**0**
TOTAL RESOURCES	**69**	**39**	**39**	**40**	**39**	**0**

ECONOMIC OUTLOOK

The following is based on the January 2025 forecast from S&P Global. Along with the baseline forecast, alternative forecasts are prepared with pessimistic and optimistic scenarios.

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

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

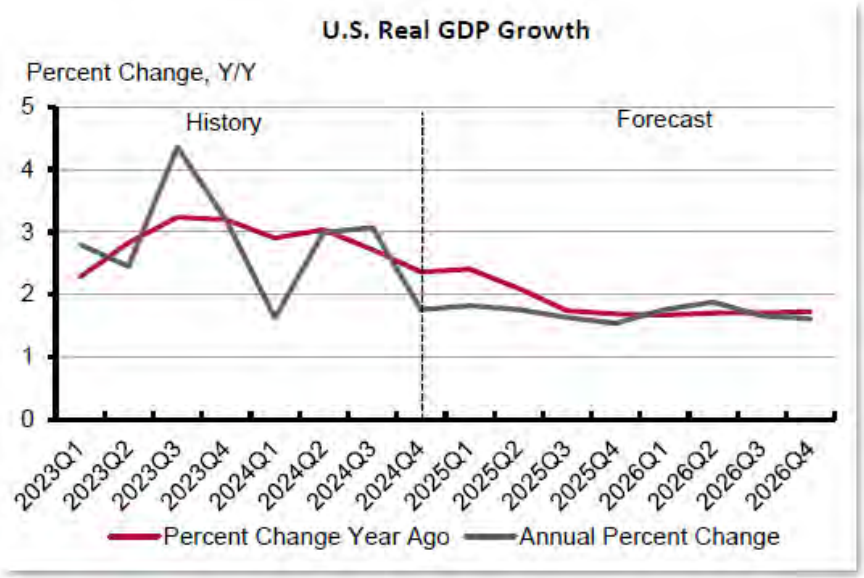
United States Review & Outlook

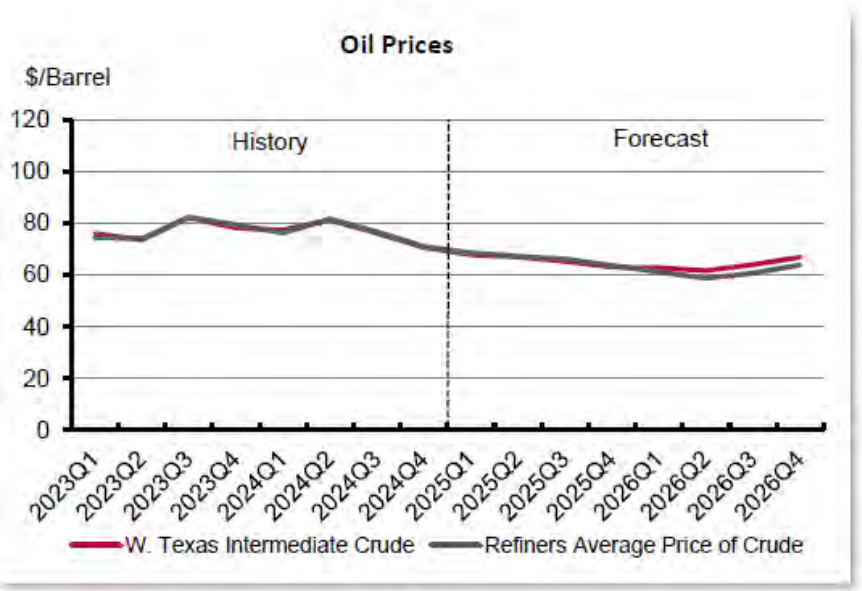
US Macro Forecast Snapshot: January 2025

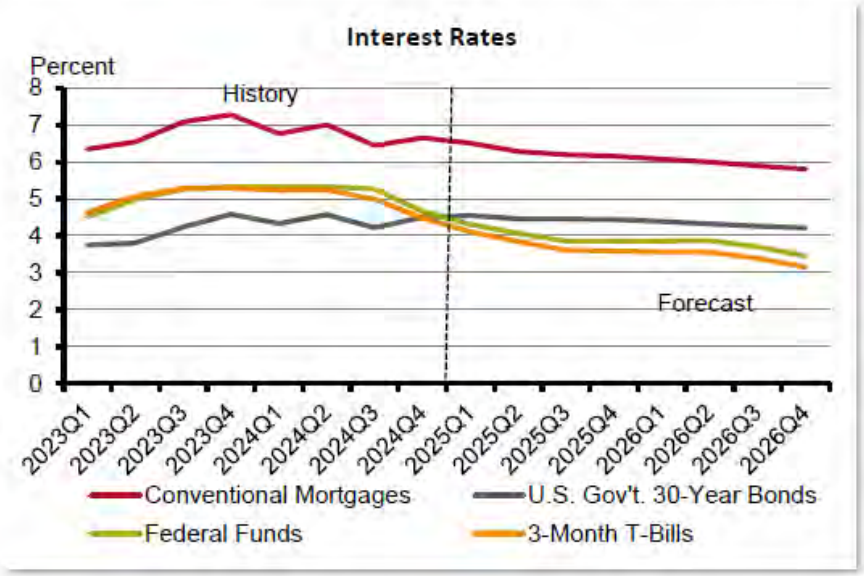
Variable	Baseline Scenario (50% Probability)	Pessimistic Scenario (25% Probability)	Optimistic Scenario (25% Probability)
GDP Growth	Real GDP rose 2.9% in 2023. Growth continues at 2.8% in 2024 and 2.0% in 2025.	Real GDP growth comes in at 2.8% in 2024 and slows to 1.7% in 2025.	Real GDP growth ticks down to 2.8% in 2024 and moves to 2.3% in 2025.
Consumer Spending	Consumption dropped from 3.0% in 2022 to 2.5% in 2023. Growth continues at 2.7% in 2024 and 2.5% in 2025.	Spending growth nudges up to 2.7% in 2024 and decelerates to 2.2% in 2025.	Spending accelerates to 2.7% in 2024 and 2.8% in 2025.
Business Fixed Investment	Rose 6.0% in 2023 and rises 3.7% in 2024 and 1.8% in 2025.	Rises 3.7% in 2024 before slowing to a rate of 1.4% in 2025.	Will rise 3.7% in 2024 and 2.3% in 2025.
Housing	Housing starts fell from 1.55 million in 2022 to 1.42 million in 2023 then will decline to 1.35 million in 2024 and 1.31 million in 2025.	Housing starts will drop to 1.35 million in 2024 and 1.27 million in 2025.	Housing starts will fall to 1.35 million in 2024 and nudge up to 1.36 million in 2025.
Exports	Rose 2.8% in 2023; rise 3.3% in 2024 and 3.1 % in 2025.	Rise 3.3% in 2024 and 2.8% in 2025.	Will jump 3.3% in 2024 and 3.4% in 2025.
Fiscal Policy	Under the Fiscal Responsibility Act of 2023 (FRA23) the debt ceiling is suspended 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 the federal funds rate target to continue to be lowered gradually, with a prolonged pause from mid-2025 to mid-2026, before reaching a range of 3.00% - 3.25% in early 2027.	The federal funds rate target is lowered gradually, with a prolonged pause be-tween mid-2025 and the end of 2026, before reaching a range of 3.25%-3.50% in late 2027.	The federal funds rate target range falls to a settled rate faster than in the base, settling at a range of 2.75% - 3.00% by mid-2026.
Credit Conditions	Tightened in 2023; conditions ease amidst declining interest rates.	Remain slightly tighter than in baseline.	Slightly looser than in baseline.
Productivity Growth	Rose 1.8% in 2023, and will rise 2.2% in 2024 and 1.5% in 2025.	Rises 2.2% in 2024 and 1.3% in 2025.	Rises 2.2% in 2024 and 1.5% in 2025.
Consumer Confidence	Rises sharply through the middle of 2025 then stabalizes from 2026 onward.	Remains below the baseline over the entire forecast interval.	Outperforms baseline between 2025 and 2028 before over moving roughly in line over the rest of the forecast interval.
Oil Prices (Dollars/barrel)	Average price of Brent crude oil fell from $101/barrel in 2022 to $82 in 2023. It slips to $80 in 2024 before falling to $72 in 2025.	Brent crude oil averages $80 in 2024 and $72 in 2025.	Brent crude oil averages $80 in 2024 and $72 in 2025.
Stock Markets	The year-end value of the S&P 500 rose 24.2% over 2023, and growth persists at 25.5% in 2024 before declining 8.6% over 2025.	The year-end value of the S&P 500 rises 25.5% in 2024 and falls 9.6% in 2025.	The year-end value of the S&P 500 will rise 25.5% in 2024 and decline 4.6% in 2025.
Inflation (CPI)	Core personal consumption (PCE) price inflation was 4.1 % in 2023 and will moderate to 2.8% in 2024 and remain there in 2025.	Core PCE price inflation cools to 2.8% in 2024 and rises to 3.1 % in 2025.	Core PCE price inflation moderates to 2.8% in 2024 and ticks down to 2.7% in 2025.
Foreign Growth	Eurozone GDP will increase from 0.5% in 2023 to 0.7% in 2024, while China's growth will fall from 5.2% in 2023 to 5.0% in 2024.	Induced effect from higher tariffs than baseline	Induced effect from lower tariffs than baseline
US Dollar	The broad real dollar picks up briefly in Q1 2025, then gently falls through 2031.	Briefly rises through 2026Q1, then decreases slowly and steadily through the forecast.	The broad dollar briefly rise through 2025Q1, then gently falls through 2032.

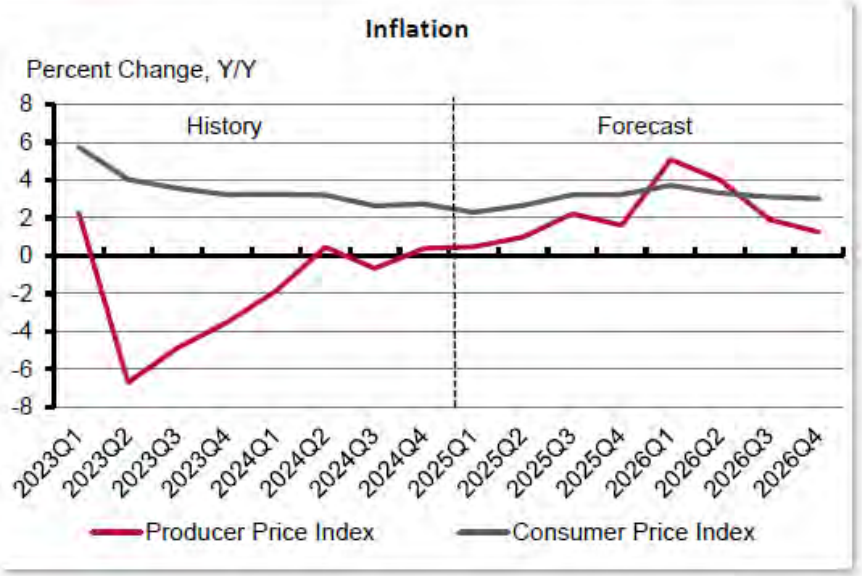
Source: S&P Global, January 2025

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









The outlook for the Albuquerque economy is developed by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. They use national forecasts from US Bureau of Economic Analysis, S&P Global, New Mexico Department of Workforce Solutions and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for January 2025 provides the forecast of the Albuquerque economy that is presented in the following section.

Albuquerque MSA Employment

In this forecast, employment data for the second calendar quarter of 2024 was released by the New Mexico Department of Workforce Solutions (NMDWS). Employment in the Albuquerque Metropolitan Statistical Area (MSA) has been consistently above pre-pandemic levels since 2022Q4; in 2024Q2, the MSA added 4,854 (1.2%) jobs.

In the second quarter of 2024, the highest number of jobs added was in the public sector (3,572 jobs, 4.7%).

FOR-UNM estimates average employment for calendar year 2024 to be 401,136 jobs. The private sector is projected to add 1,182 of these jobs with 0.4% overall growth and government is expected to add 3,572 jobs with 4.7% overall growth.

Ten (10) private sector industries are estimated to have grown in 2023. The top three largest year-over-year employment gains occurred in healthcare & social assistance (945 jobs, 1.6%); professional & technical services (882 jobs, 2.4%); and administrative & waste services (518 jobs, 2.1%). Healthcare & social assistance has been experiencing rather rapid growth since 2022, growing 8.6% overall to reach 60,385 total jobs in 2024Q2. Building considerable steam since 2020, professional & technical services grew steadily for 14 quarters before leveling off at around 37,000 total jobs, approximately 14% more than its 2019 level. By contrast, administrative & waste services have been just creeping along, averaging 24,944 jobs in the sector since late 2021.

Sectors adding jobs in the 300 range were accommodation & food services, which grew by 362 jobs (0.9%) year over year, to fill a total of 41,314 thousand jobs in 2024Q2; and manufacturing, which with an additional 253 jobs added (1.5%), arrived at 17,065 jobs in the sector. Both sectors have barely surpassed their pre-pandemic levels: accommodation & food services, with 40,314 total jobs, and manufacturing, at 17,065 jobs in total. Notably, the latter had to climb out of a steep pandemic- induced hole of about1,500 jobs lost before.

Two private sectors saw gains of about 100 jobs year over year in the quarter: management of companies & enterprises (121 jobs, 3.7%); and educational services (106 jobs, 1.7%). While the latter is doing well, ending the quarter with 6,492 total jobs after having been on a primarily upward trajectory since 2020, the former is trending very low, having lost around 700 jobs in the first quarter of 2021 and averaging just 3,302 jobs ever since.

The remaining industries that saw positive year-over-year gains in the quarter were other services (64 jobs, 0.6%); mining (10 jobs, 4.1%); and wholesale trade (8 jobs, 0.1%).

Of the sectors that declined in the quarter, four decreased by 300 or more jobs. Retail trade, having averaged 42,517 total jobs between the fourth quarters of 2022 and 2023, fell by 1.5% (-637 jobs). Information, a volatile industry that includes film and a number of other trades, dropped 426 jobs, or -7.0%, year over year. Finance & Insurance shed 356 jobs (-2.8%), continuing a dramatic decline that began in 2023Q2, though this industry only contains 12,464 jobs. Construction also shrunk this quarter (-305 jobs, -1.1%), but this sector has been increasing overall since 2020, its most recent four-quarter average of 27,066 jobs a striking 12.2% higher than the average of the same four quarters just prior to the pandemic.

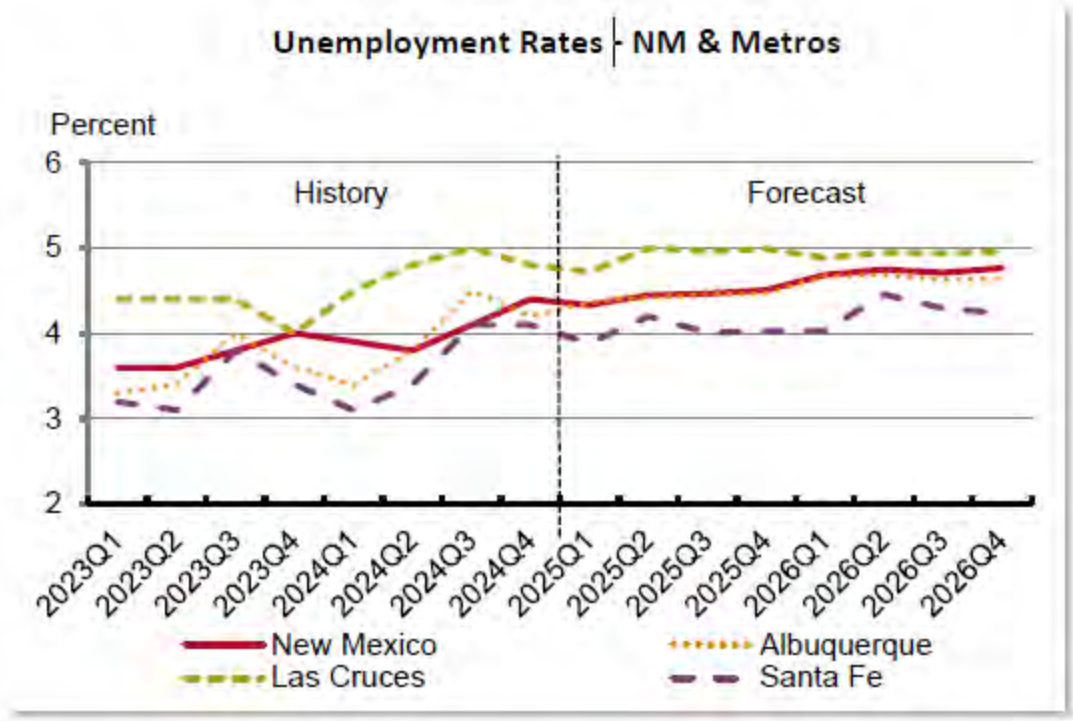
Transportation & warehousing lost 160 jobs (-1.3%) in the quarter but still maintains a steady presence in the area with 12,274 total jobs.

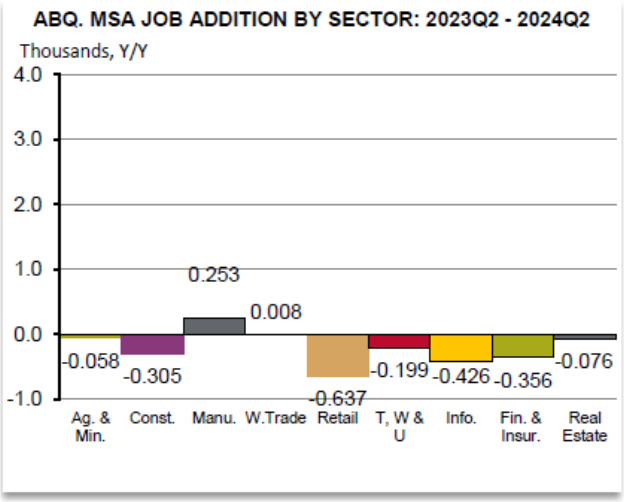
Four additional sectors lost jobs year over year in 2024Q2: real estate, rental & leasing (-76 jobs, -1.4%); agriculture (-68 jobs, -12.0%); utilities (-39 jobs, -3.5%); and the arts, entertainment & recreation (-20 jobs, -0.3%).

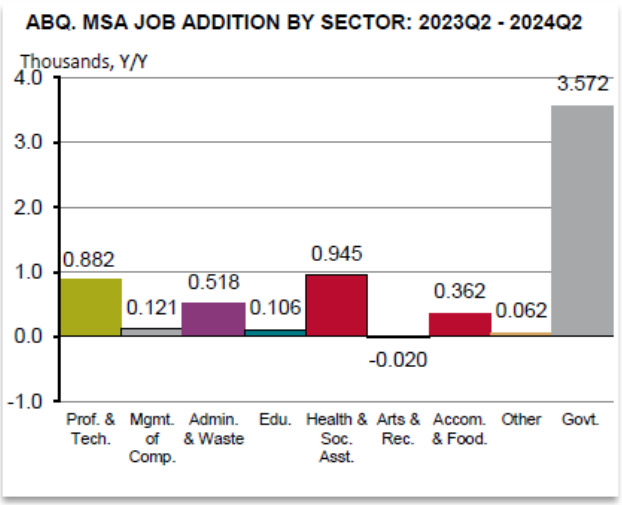
Data on the Albuquerque MSA civilian labor force and unemployment rate, produced by NMDWS, were current through the third quarter of 2024 at the time of this forecast. The non-seasonally adjusted labor force consisted of 455,493 persons in

the quarter, its most recent four-quarter average of 453,677 registering 1% higher than during the previous four quarters. The non-seasonally adjusted unemployment rate jumped up to 4.5% from the 3.5% average of the previous eight quarters.

The City of Albuquerque issued an average of 274 housing permits in 2024 (1,097 for the year), up from the 2023 average of 189 per quarter (just 756 for the year). However, numbers are still down from the 2021 and 2022 average of 433 per quarter and their respective yearly totals of 1,761 and 1,704 permits. Multi-family permits are beginning to increase, moving from 68 per quarter in 2023 (270 in total) to 143 per quarter in 2024 (total of 570); while single-family permits are continuing a long downward trend, their average of 132 per quarter in 2024 (total of 527 permits) a marked decrease from the 2020 average of 216 per quarter (865 in total).


Unemployment Rates - NM & Metros
Percent
6
5
4
3
2
History
Forecast
2023Q1
2023Q2
2023Q3
2023Q4
2024Q1
2024Q2
2024Q3
2024Q4
2025Q1
2025Q2
2025Q3
2025Q4
2026Q1
2026Q2
2026Q3
2026Q4
New Mexico
Albuquerque
Las Cruces
Santa Fe


ABQ. MSA JOB ADDITION BY SECTOR: 2023Q2 - 2024Q2
Thousands, Y/Y
4.0
3.0
2.0
1.0
0.0
-1.0
-0.058
-0.305
0.253
0.008
-0.637
-0.199
-0.426
-0.356
-0.076
Ag. & Min.
Const.
Manu.
W.Trade
Retail
T, W & U
Info.
Fin. & Insur.
Real Estate


ABQ. MSA JOB ADDITION BY SECTOR: 2023Q2 - 2024Q2
Thousands, Y/Y
4.0
3.0
2.0
1.0
0.0
-1.0
0.882
0.121
0.518
0.106
0.945
-0.020
0.362
0.062
3.572
Prof. & Tech.
Mgmt. of Comp.
Admin. & Waste
Edu.
Health & Soc. Asst.
Arts & Rec.
Accom. & Food.
Other
Govt.

CAPITAL BUDGET

Proposed
Operating Budget
FY26

What is the Capital Improvement Plan (CIP)?

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

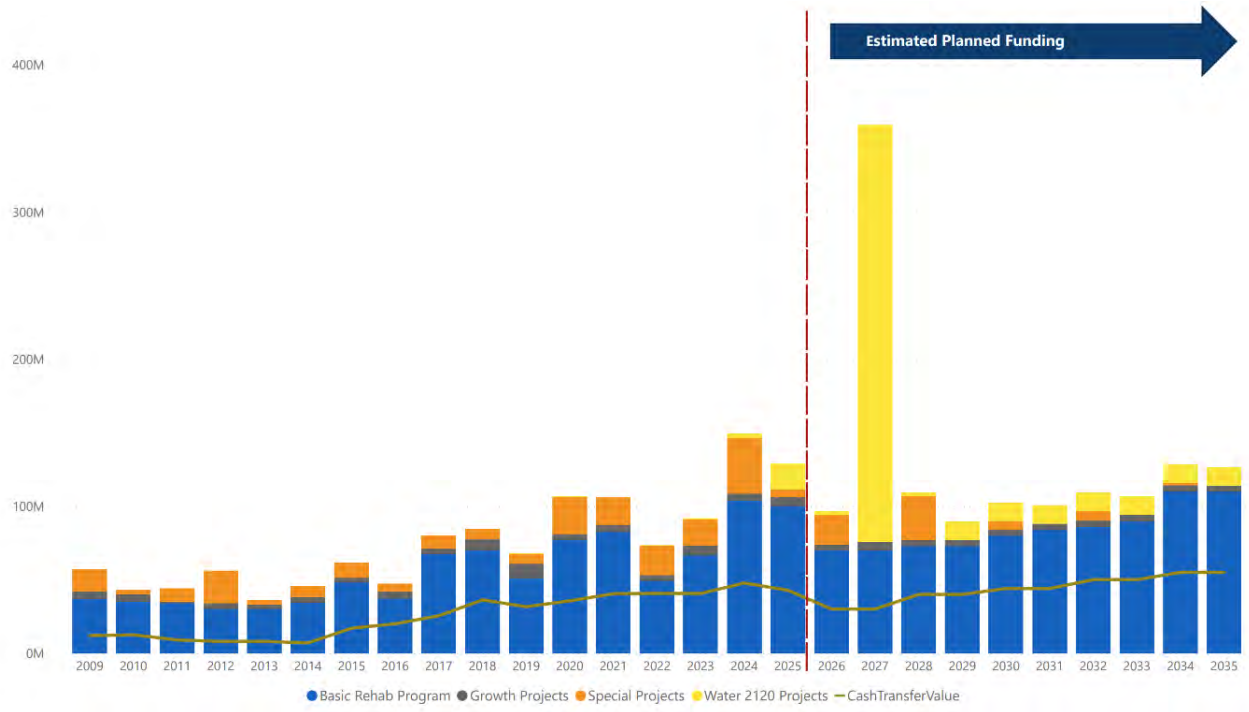
The CIP Ten-Year (Decade) Plan

The Decade Plan, a ten-year capital improvement plan, represents the blueprint for the Water Authority's capital program. Water Authority staff annually review and update the Decade Plan to assess program development and project scope, schedule, budget, justifications, and alternatives. Unless no changes have been made, the Water Authority Board provides an annual approval of the Decade Plan with at least one public hearing and due deliberation. In those fiscal years where the Decade Plan must be updated, the new Decade Plan must be approved by the Water Authority's Board in conjunction with that year's capital program budget.

The full FY26 – FY35 Decade Plan is available to view on the Water Authority's website at the following link:

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

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



Decade Plan FY 2026 - 2035: Summary of Projects

Category	Projected Fiscal Year Budget by Category ($1000's)										
Priority Renewal Projects:	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**Total**
100 - Sanitary Sewer Pipelines	7,000	9,500	9,600	9,000	13,850	18,350	13,050	12,350	16,450	15,850	**125,000**
200 - Drinking Water Pipelines	10,775	10,625	11,125	11,125	12,625	16,125	13,175	15,425	15,425	15,425	**131,850**
300 - Southside Water Reclamation Plant	12,325	9,425	12,725	17,225	17,175	14,625	22,225	18,225	17,775	16,725	**158,450**
400 - Soil Amendment Facility (SAF)	100	100	950	1,600	100	100	100	100	100	100	**3,350**
500 - Lift Station and Vacuum Station	5,395	3,730	2,895	3,345	2,595	1,595	2,455	2,095	2,695	2,695	**29,495**
600 - Odor Control Facilities	50	50	50	50	50	50	50	50	50	50	**500**
700 - Drinking Water Plant: Groundwater	14,950	13,950	15,525	15,595	18,455	17,442	18,178	23,990	36,470	35,073	**209,628**
800 - Drinking Water Plant: Treatment	5,050	9,250	6,600	7,200	6,100	6,075	6,175	6,075	8,825	13,075	**74,425**
900 - Reuse Line and Plant	650	150	150	200	200	200	200	200	200	200	**2,350**
1000 - Compliance	621	410	435	400	388	655	389	399	365	365	**4,427**
1100 - Shared Renewal	6,388	6,596	6,859	400	885	400	785	400	785	400	**23,898**
1200 - Franchise Agreement Compliance	3,750	3,750	3,750	3,750	3,750	4,000	4,750	4,750	4,750	4,750	**41,750**
1300 - Vehicles and Heavy Equipment	2,896	2,414	2,286	3,060	3,777	4,333	4,418	5,891	6,060	5,242	**40,377**
1450 - Mission Facility Improvements	50	50	50	50	50	50	50	50	50	50	**500**
Total Priority Renewal Projects	**70,000**	**70,000**	**73,000**	**73,000**	**80,000**	**84,000**	**86,000**	**90,000**	**110,000**	**110,000**	**846,000**
Water 2120 Project:											
8000 - All Water 2120 Projects	2,487	283,487	2,487	12,487	12,487	12,487	12,487	12,487	12,487	12,487	**375,870**
Total Water 2120 Projects	**2,487**	**283,487**	**2,487**	**12,487**	**12,487**	**12,487**	**12,487**	**12,487**	**12,487**	**12,487**	**375,870**
Special Projects:											
9400 - All Special Projects	20,000		30,000		5,800		7,000		1,950		**64,750**
Total Special Projects	**20,000**		**30,000**		**5,800**		**7,000**		**1,950**		**64,750**
Priority Growth Projects:											
2200 - Sewer and Wastewater Fac Grwth		2,321	0								**2,321**
2300 - Wtr Pipe and Wtr Facility Grth			1,540	2,000	210			1,540			**5,290**
2400 - Land and Easement Acquisition		10	10	10	10	10	10	10	10	10	**90**
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	2,450	1,775	1,000	540	2,330	2,540	2,040	1,000	2,540	2,540	**18,755**
3100 - Master Plans	300	100	100	100	100	100	600	100	100	100	**1,700**
3200 - Miscellaneous		100	100	100	100	100	100	100	100	100	**900**
Total Priority Growth Projects	**4,000**	**5,556**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**41,556**

Operating Cost/Saving Impacts

The FY26 – FY35 Decade Plan outlines potential operating cost/saving impacts in a detailed manner for most projects in the Project Summary Sheets.

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

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

The process includes the following specific activities:

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

- **Taking Inventory and Developing Proposals**:
  Staff gather information about the Water Authority's capital facilities and equipment to assess the condition of each. Staff carefully consider construction, repair, replacement, and addition alternatives. Based on thorough review, staff develops a list of proposed projects and equipment.

- **Conducting Financial Analysis:**
  Finance staff conducts financial analysis of historic and projected revenues and expenses to estimate cash flow and long-term financial condition; identifies capital financing alternatives; and prepares recommendations to match the type of funding most appropriate for specific capital improvements.

FY25 Water Authority Capital Improvement Program Budget

The FY26 capital program appropriation totals $96 million.

Summary of capital program appropriations:

- $70 million level one priority basic capital programs (The current Rate Ordinance requires no less than $40.0 million for Basic rehabilitation program.)
- $4 million for growth related projects
- $20 million for special projects
- $2 million for projects related to the Water 2120 plan.

The FY26 CIP budget does not include appropriations for projected future funding needs based on revenues from FY27 or later.

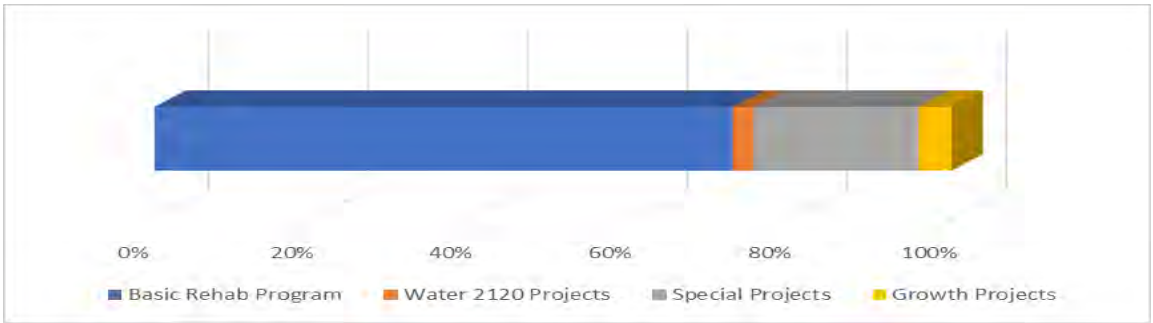
The Water Authority funds growth projects with Utility Expansion Charge (UEC) revenue which is tied to economic growth in the Water Authority's service area. The non-discretionary portion of the growth program includes funding for the low-income connection program managed by Bernalillo County and development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

The following table and chart demonstrate planned improvements listing of all the priority renewal projects, special projects, and growth-related projects. ($000's).

CAPITAL BUDGET

Ref No.	Project Description	FY23 Audited Actual (000's)	FY24 Audited Actual (000's)	FY25 Revised Budget (000's)	FY26 Proposed Budget (000's)
Basic Program Appropriations:					
100	Sanitary Sewer Pipeline Renewal	$33,429	$18,602	$19,556	$7,000
200	Drinking Water Pipeline Renewal	7,957	7,218	8,850	10,775
300	Southside Water Reclamation Plant Renewal	19,756	8,024	14,530	12,325
400	Soil Amendment Facility (SAF) Renewal	274	55	850	100
500	Lift Station and Vacuum Station Renewal	2,182	391	5,470	5,395
600	Odor Control Facilities Renewal	31	28	450	50
700	Drinking Water Plant Groundwater System	8,475	8,759	12,500	14,950
800	Drinking Water Plant Treatment Systems	2,135	6,883	21,009	5,050
900	Reuse Line and Plant Rehab	590	1,464	1,700	650
1000	Compliance	387	65	32	621
1100	Shared Renewal	4,732	6,136	4,158	6,388
1200	Franchise Agreement Compliance	3,027	1,799	3,750	3,750
1300	Vehicles and Heavy Equipment	3,243	2,787	3,725	2,896
1400	Mission Facility Renewal	-	-	-	50
	Level 1 Priority Renewal Projects Total	$86,218	$62,211	$96,580	$70,000
	Special Projects:				
9401	Steel Waterline Rehab*	$142	$2,722	$1,000	$ -
9403	Automated Meter Infrastructure (AMI)*	3,627	2,943	2,000	-
9404	Renewable Energy Projects*	119	133	2,350	-
9415	Issuance Costs	51	-	-	-
94	Miscellaneous	31,616	14,036	13,627	20,000
	Special Projects Total	$35,555	$19,834	$18,977	$20,000
	Combined Level 1 Priority Renewal and	121,773	82,045	115,557	90,000
	Growth Projects:				
2200	Sewer and Wastewater Facilities Growth	$29	$167	$ -	$ -
2300	Water Pipe & Water Facilities	-	-	19	-
2400	Land & Easment Acquisition	27	-	10	-
2700	Development Agreements	456	1,532	1,250	1,250
2800	MIS/GIS	3,443	2,894	3,940	2,450
3100	Master Plans	31	501	800	300
3200	Miscellaneous Growth	-	60	-	-
	Level 1 Priority Growth Projects Total	$3,986	$5,154	$6,019	$4,000
8000	Water 2120 Plan	$70	$390	$15,996	$2,487
	Total	$125,829	$87,589	$137,572	$96,487
	Prior Year CIP Budget Carryforward	0	0	$199,256	0
	Grand Total	$125,829	$87,589	$336,828	$96,487

* Moved from Special Projects to various renewal decade lines for FY2026 and beyond



FY26 Project Highlights

The Water Authority Capital Improvement Program (CIP) contains projects to improve the overall efficiency of the Water Authority to enhance the Water Authority's ability to provide services to its customers in the most cost-effective manner possible.

Staff continues to focus on identifying CIP funding to cover the costs of rehabilitation and replacement of aging pipes, pumps, and other infrastructure. The current CIP budget and Decade Plan allocates just over $70 million to Level 1 Priority Renewal projects in FY26 and strives to reach $90 million in annual CIP rehabilitation and renewal investment within the decade, 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 2026-2035 Decade Plan.

Major project details include:

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

Similarly, the FY26 budget includes rehab of critical unit processes and equipment systems at our Southside Water Reclamation Plant (~$12 million for SWRP Rehab) and our San Juan Chama Water Treatment Plant (~$5 million for SJCWTP Rehab), as well as $15 million for rehab of critical reservoir, pump station, and groundwater well rehab for our Groundwater Operations group, and ~$5.5 million for rehabilitation of lift stations, vacuum stations, odor stations, and facilities at our Soil Amendment Facility (SAF) sites.

Several Critical rehabilitation projects that will continue into FY26 and are funded with FY25 rollover funds, FY26 funds, Special Project funds, and grant-loan funds include the following:

- Replacement of the Lift Station 20 (LS20) Force Mains in several phases. Phase 1 is a critical priority in FY26 and will include replacement of the two failed parallel LS20 FMs on the west side of the Rio Grande and installation of 3rd parallel FM pipe; future Phase 2 will install a 3rd parallel FM underneath the Rio Grande, and future Phase 3 will rehab the parallel pipes on the east side of the Rio Grande, and install a 3rd parallel FM pipe to our SWRP facility, providing redundancy, reliability, and increased capacity for sewage transport from Albuquerque's westside over to our SWRP treatment facility (on Albuquerque's eastside). Phase 2 and Phase 3 will be prioritized in FY28 and beyond.
- Design of the Bosque-Westside Water Reclamation Facility, which will collect and treat sewage on Albuquerque's westside, and ultimately provide treated reclaimed water for use on the Westside, and more critically, reduce flows in our Westside Interceptor system to accommodate continued industrial, commercial, and residential growth on the westside of Albuquerque. Following design, the Water Authority will fund construction of this facility in FY28 thru FY30 via loan-grant funding appropriations.

- Design and construction of SWRP O&M and Trades Buildings and a Warehouse building, to replace 1980's-era facilities that are crumbling and no longer meet facility code requirements. These facilities will provide SWRP Operations and Maintenance staff with the ability to continue to operate and maintain SWRP facilities to meet wastewater treatment discharge requirements and produce high-quality treated effluent to the Rio Grande River and to the Southside reuse system, further reducing reliance on potable water for irrigation of City parks, golf courses, schools, etc.
- Design and construction of additional arsenic treatment facilities (Volcano Cliffs Arsenic Treatment Facility and the Santa Barbara Arsenic Treatment Facility) that will utilize existing high-arsenic groundwater wells to produce additional potable water on the Eastside and Westside of Albuquerque. Use of these high arsenic groundwater wells (termed stranded assets) is critical to maintaining flexibility and increasing capacity for future Albuquerque growth and anticipated future potable water demands.
- Design and construction of Aquifer Storage/Recovery (ASR) Wells 2 and 3, which will expand the Water Authority's ability to capture, and store treated surface water for future use. This project is critical to providing for future anticipated potable water demands in Albuquerque/Bernalillo County.

The Information Technology/GIS funding allocations will be utilized to continue purchase of new, or upgrade existing, hardware, software applications, and databases. Applications include the Enterprise Asset Management System (EAMS), Enterprise Resource Planning (ERP), Customer Care and Billing (CC&B), Kronos to UKG timekeeping and personnel system, among others. Funding will be used to address the mobile, security and telecommunications environments and to provide continual efficiencies to reduce costs and maintain backups of mission critical systems.

The Water Authority relies on a well-maintained and highly functioning line of vehicles and equipment. The Fleet Vehicle and Equipment Replacement funding allocation in the FY26 CIP budget includes approximately $2.9 million, which should allow for replacement of over 40 various types of vehicles and heavy equipment.

The remainder of the Basic rehabilitation program is primarily focused on addressing the Water Authority replacement needs and perform contingency work and normal repair and maintenance work in the groundwater plant system with minimal planned projects. These other needs include over $12.3 million in capital allotments for Southside Water Reclamation Plant Renewal and $14.5 million for Groundwater System Renewal.

DEBT OBLIGATIONS

Proposed Operating Budget FY26

DEBT OBLIGATIONS

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

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

The total outstanding obligation indebtedness of the Water Authority as of April 1, 2025 is $516.1 million, shown in the table on the next page.

DEBT OBLIGATIONS

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS
as of April 1, 2025
RATINGS: AA+ Fitch; Aa2 Moody's; AA+ S&P

	FINAL MATURITY	ORIGINAL AMT ISSUED	AMOUNT RETIRED	AMOUNT OUTSTANDING	INTEREST RATES
SENIOR DEBT OBLIGATIONS					
Bonds Series 2014A	7/1/2026	97,270,000	75,630,000	21,640,000	3.00-5.00%
Bonds Series 2015	7/1/2033	211,940,000	107,095,000	104,845,000	3.00-5.00%
Bonds Series 2017	7/1/2034	87,970,000	31,370,000	56,600,000	3.375-5.00%
Bonds Series 2018	7/1/2030	75,085,000	29,205,000	45,880,000	5.00%
NMFA Loan DW4877	5/1/2040	2,724,170	600,000	2,124,170	0.25-2.00%
Bonds Series 2020	7/1/2032	69,440,000	18,385,000	51,055,000	5.00%
NMFA Loan DW5028	5/1/2052	1,515,000	87,542	1,427,458	1.00%
Bonds Series 2020A	7/1/2038	47,800,000	19,215,000	28,585,000	5.00%
Bonds Series 2021	7/1/2046	73,255,000	3,350,000	69,905,000	3.00-5.00%
NMFA Loan No. PPRF 6194	7/1/2048	113,425,000	-	113,425,000	5.00-5.25%
NMFA Loan DW6343	5/1/1936	770,000	-	770,000	0.25%
SUBTOTAL - SENIOR DEBT OBLIGATIONS		**$ 781,194,170**	**$ 284,937,542**	**$ 496,256,628**	
SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS					
NMFA Loan No. 04 1727-AD	5/1/2030	10,426,232	6,953,416	3,472,816	1.00-5.00%
Bonds Series 2014B	7/1/2025	$ 87,005,000	$ 78,370,000	$ 8,635,000	3.00-5.00%
NMFA Loan WPF-5103	6/1/2042	800,000	77,839	722,161	0.25%
NMFA Loan WPF-5401	6/1/2043	800,000	35,528	764,472	0.25%
NMFA Loan WPF-5402	6/1/2043	770,827	35,643	735,184	0.25%
NMFA Loan WPF-5659	6/1/2044	200,000	8,663	191,337	0.25%
NMFA Loan WPF-5660	6/1/2044	710,000	-	710,000	0.25%
NMFA Loan WPF-5935	6/1/2045	370,000	-	370,000	0.25%
NMED Loan CWSRF EQ 146	6/1/2044	4,000,000	-	4,000,000	0.01%
NMFA Loan WPF-6261	6/1/2046	200,000	-	200,000	0.25%
NMFA Loan WPF-6262	6/1/2046	20,000	-	20,000	0.25%
SUBTOTAL - SUBORDINATE & SUPER SUBORDINATE DEBT OBLIGATIONS		**$ 105,302,059**	**$ 85,481,089**	**$ 19,820,970**	
TOTAL DEBT OBLIGATIONS		**$ 886,496,229**	**$ 370,418,631**	**$ 516,077,598**	

APPENDIX

Proposed Operating Budget FY26

FY26 BUDGET METHODOLOGY AND ASSUMPTIONS

Numerical Rounding

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

Salaries

- The wage and salary base was established for each filled or authorized-to-be-filled position.

- This base is increased or decreased for all wage adjustments for FY26 to incorporate current contractual increases.

- Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.0%, PERA-2.45% 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 FY26 actual amounts (Couple coverage).

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

Operating Expenses

- FY26 operating expenses were budgeted equal to FY25 appropriated amounts.

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

- For FY26, utilities (gas, electricity, and water/wastewater) and chemicals were budgeted equal to FY25 appropriated amounts.

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

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

- Fuel costs have been appropriated for FY26 were budgeted equal to FY25 appropriated amounts.

Capital Expenses

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

ACRONYMS

AMI – Automated Meter Infrastructure

ASR – Aquifer Storage and Recovery

AWWA – American Water Works Association

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

CC&B – Customer Care and Billing

CIP - Capital Implementation or Improvements Program

CMOM – Capacity Management Operations & Maintenance Program

DWP – San Juan–Chama Drinking Water Project

EPA – Environmental Protection Agency

ERP – Enterprise Resource Planning

EUM – Effective Utility Management

FTE - Full-time Equivalent Position

FY - Fiscal Year

GFOA - Government Finance Officers Association

GIS – Geographic Information System

GPCD – Gallons per capita per day

HR – Human Resources

ITD – Information Technology Program

KAFB – Kirtland Air Force Base

MDC – Metropolitan Detention Center

MGD – Million Gallons per Day

MIS – Management Information System

MOU – Memorandum of Understanding

MSA – Metropolitan Statistical Area

NM – New Mexico

NMED – New Mexico Environment Department

NPDES – National Pollution Discharge Elimination System

PAFR – Popular Annual Financial Report

PERA - Public Employees Retirement Association

PFAS - Per-and Polyfluoroalkyl Substances

PNM – Public Service Company of New Mexico

PTF – Preliminary Treatment Facility

RRAMP – Reclamation Rehabilitation and Asset Management Plan

SCADA – Supervisory Control and Data Acquisition

SJC – San Juan-Chama

SJCWTP - San Juan–Chama Water Treatment Plant

SOP – Standard Operating Procedures

SSOs – Sanitary Sewer Overflows

SWRP - Southside Water Reclamation Plant

SWTP – Surface Water Treatment Plant

UEC – Utility Expansion Charge

UNM – University of New Mexico

WPAB – Water Protection Advisory Board

GLOSSARY

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

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

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

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

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

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

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

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

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

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

CAPITAL EXPENSES: Expenses to acquire or construct capital assets

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

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

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

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

FINANCIAL PLAN: See Operating Budget

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

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

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

FUND BALANCE: Fund equity of governmental funds

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

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

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

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

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

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

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

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

NON-RECURRING REVENUES: Revenues generated only once

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

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

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

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

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

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

RECURRING REVENUES: Revenues generated each and every year

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

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

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

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

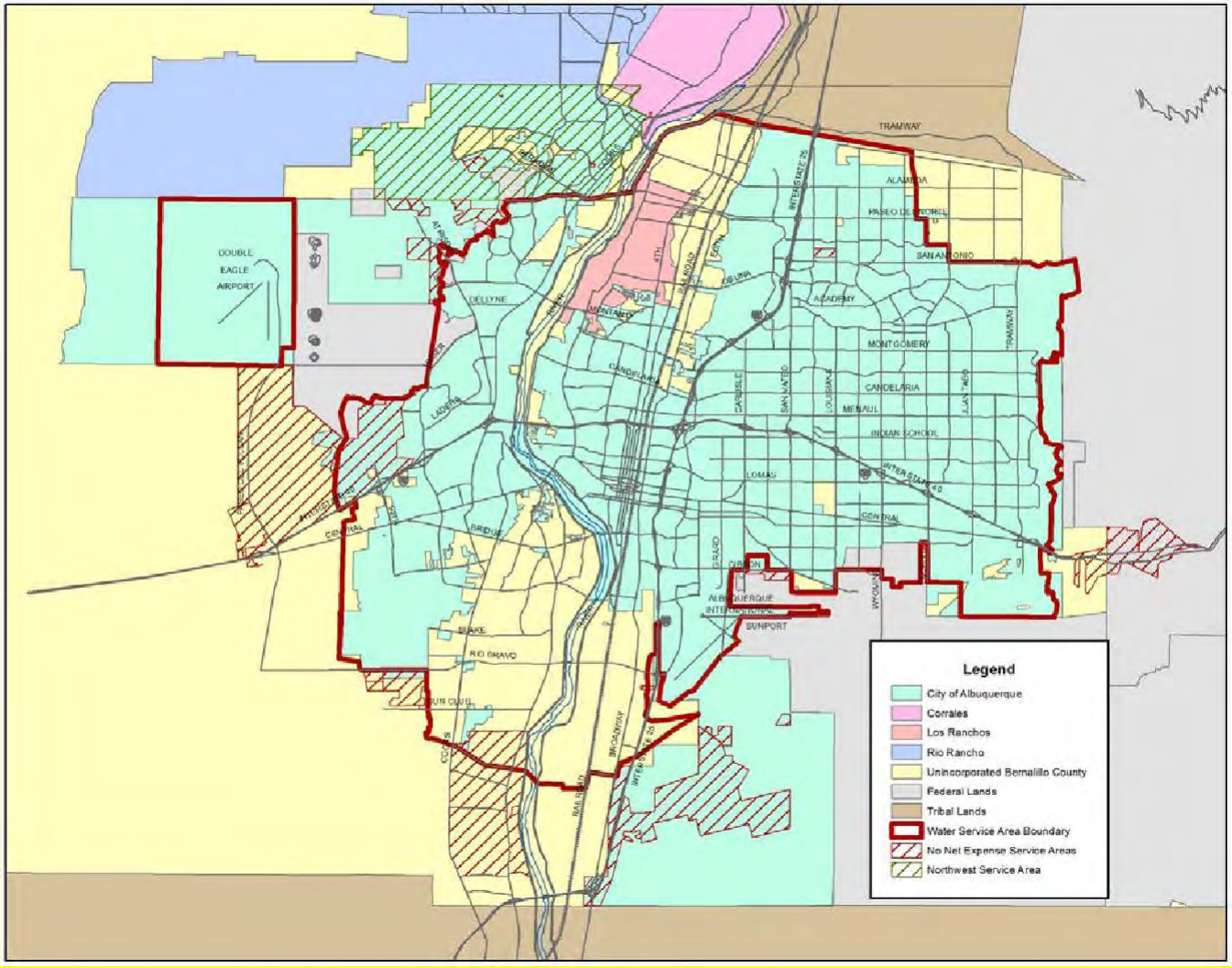
STATE ENGINEER PERMIT 4830: The permit allows the Water Authority to divert 97,000 acre-feet annually from the Rio Grande consisting of an equal amount of Water Authority San Juan-Chama water and native Rio Grande water. The native Rio Grande water is required to be simultaneously released from the Southside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

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

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

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

WATER SERVICE AREA MAP



Major Assets:

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

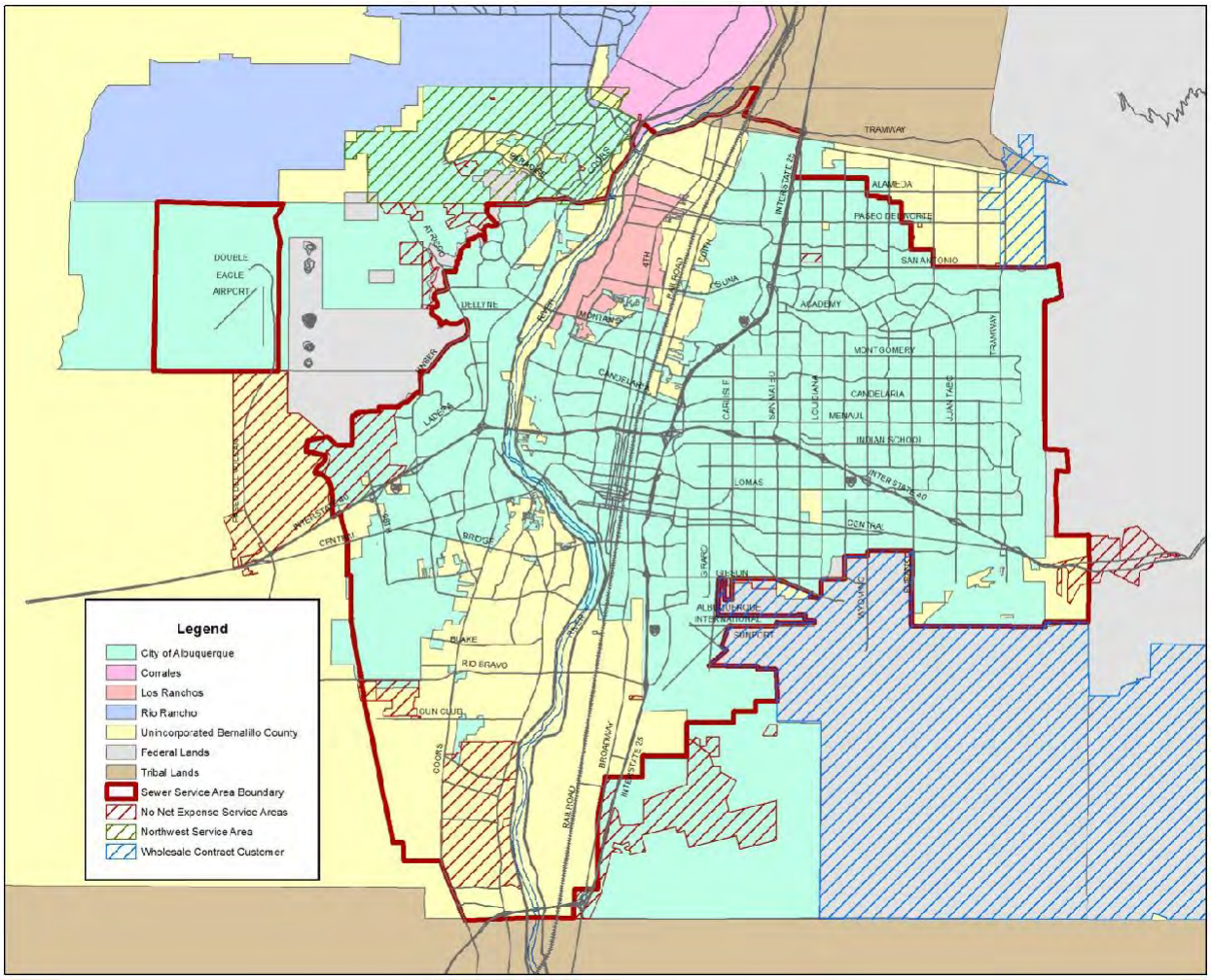
WATER SERVICE AREA MAP

The System provides water services to approximately 657,511 residents comprising approximately 95% of the residents of the County. Approximately one-third of unincorporated County residents are water customers of the Water System. As of January 1, 2025, service is provided to approximately 218,412 customer accounts, including 187,940 residential and 30,472 multi-family, commercial, institutional and industrial accounts. Approximately 86.0% 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 2024, the Water Authority's potable water resources use consisted of 59% from groundwater and 41% 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 246 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in available production capacity of 177 MGD. Peak day demand for 2024 was 122 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 potable 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 3,102 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 47.2 MGD over the past five (5) years, but these figures do not reflect the amount of non-potable water being reused for irrigation and industrial use at the SWRP. The Water Authority has an operational industrial pretreatment program approved by the EPA. The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for the Water Authority maintaining compliance with strict standards contained in NPDES Permit #NM0022250, with the most recent renewal of such permit effective December 1, 2019 (as renewed, the "NPDES Permit"). The Water Authority's wastewater effluent discharge consistently meets all requirements contained in the NPDES Permit.

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

Since January 2003, the wastewater treatment plant has had a 6.6 mega-watt cogeneration facility to provide most of its power needs. The cogeneration facilities are complemented by a 1 mega-watt ground mounted solar energy array and a 6.3 mega-watt covered parking mounted solar energy array. These on-site power generating facilities normally supply 100% of the wastewater treatment plant's present electrical needs, along with providing heating of various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The SWRP currently generates electricity from the biogas produced in the digesters.

The Water Authority currently manages wastewater sludge using two (2) methods: surface disposal and production of compost. The Water Authority sells the compost, primarily to the State Department of Transportation. A 660-acre dedicated surface disposal site is used when seasonal market conditions are not favorable for sale of compost product. During Fiscal Year 2023, 25% 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

PERFORMANCE PLAN

Proposed Operating Budget FY26

Fiscal Year 2026
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 FY26 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

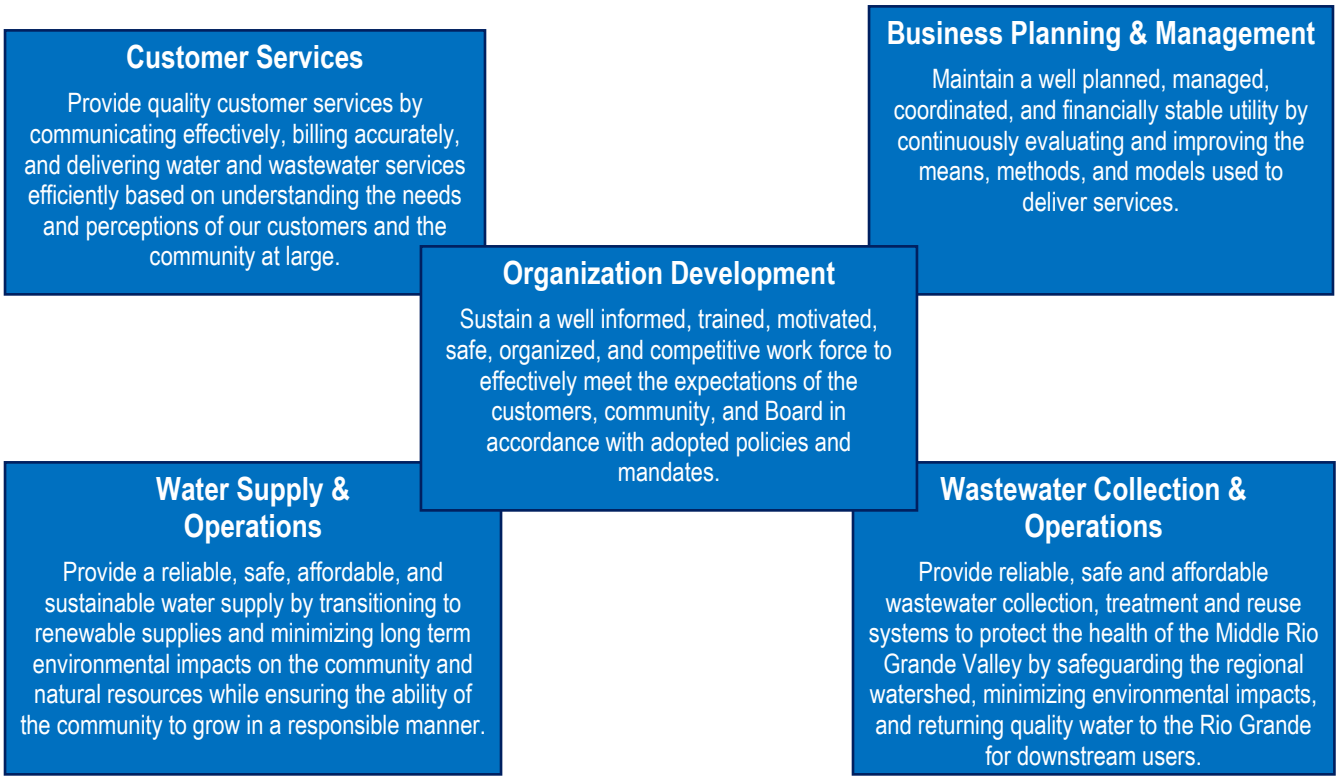
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Business Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's 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 2024 (FY23 data) by AWWA from 157 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

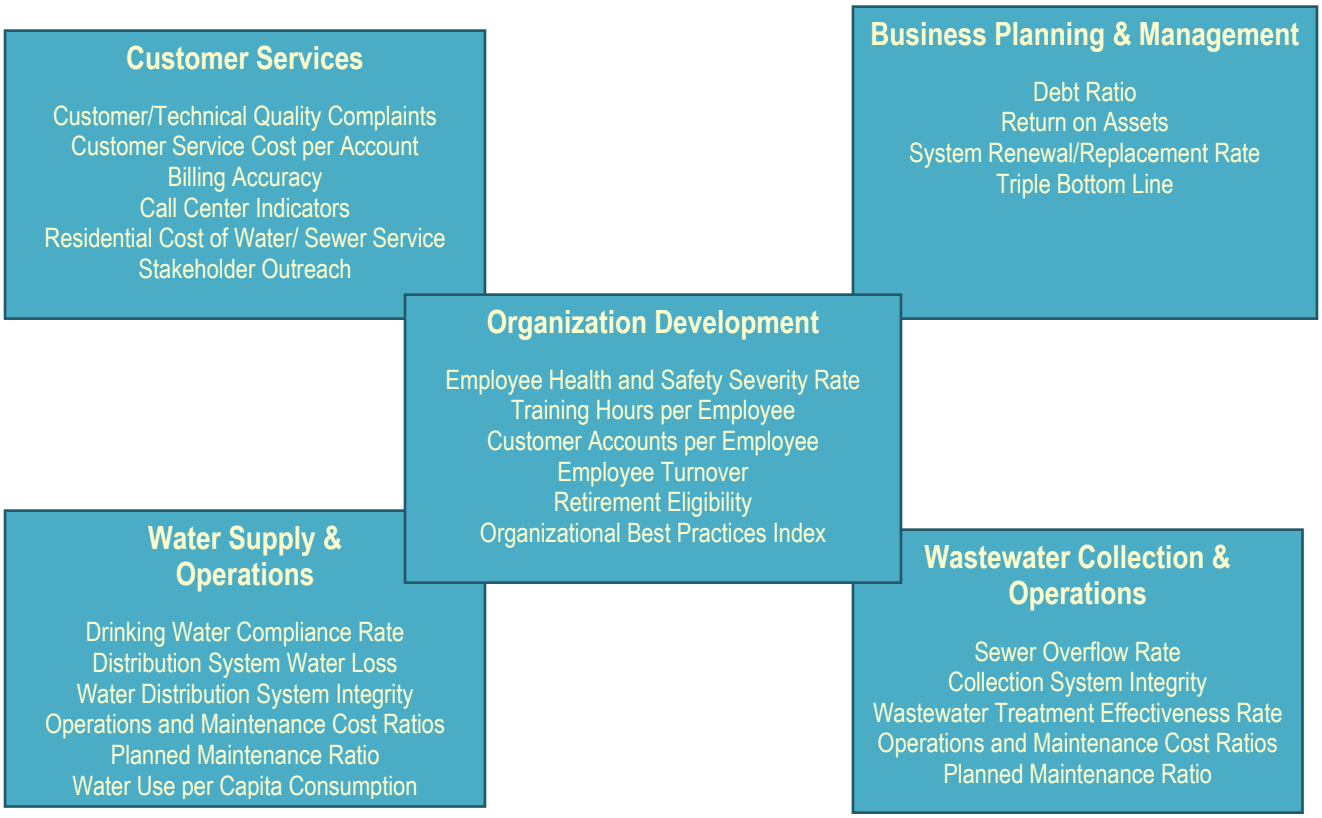
The Water Authority's Performance Plan is organized by the Water Authority's Business Goal areas which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming Award, and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

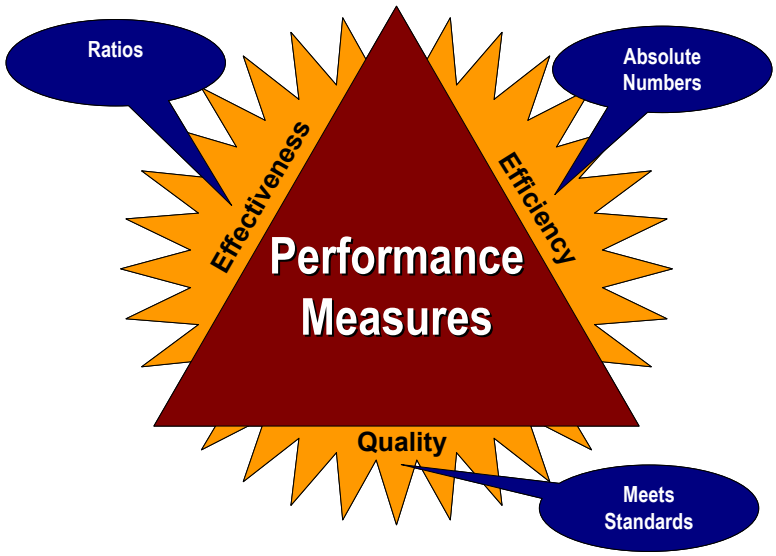
Figure 2: Performance Measures by Goal Area



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 (FY22 through FY24) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY25) as well as projected performance in the proposed budget year (FY26). 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 100-102) 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

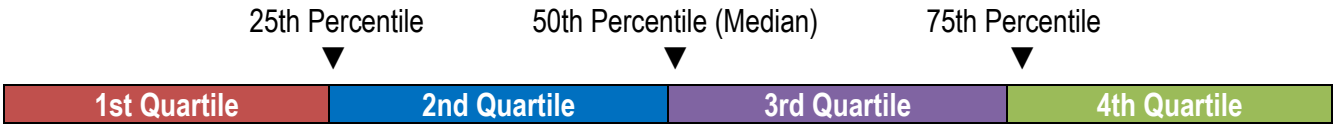
Communicating Performance Measurement

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

FY26 Objectives	Measure Reference
Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions: ❖ Identify and develop outreach and education of source water protection actions for customers and agencies in support of implementation of the RAPP. ❖ Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY26. ❖ Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) through the end of the 4th Quarter of FY26; and ❖ Collaborate and coordinate with Water Authority divisions on responses and actions for released to source waters.	**1-1**
Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify/update priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY26.	**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 FY26. 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 a priority list 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 FY26.	**1-1**
Continue implementation of the Revised Lead and Copper Rule (LCRR) including updating the service line inventory and the service line replacement plan. This will include developing a process to complete the inventory for customers with large meters. Submit the annual inventory and updates to the replacement plan to NMED by October 16, 2025. Complete a multi-year gap analysis aimed at identifying requirements and developing procedures for compliance with the Lead and Copper Rule Improvements (LCRI) by 2027.	**1-1**
Improve monitoring and trending of the Total Organic Carbon (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 FY26.	**1-1**
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**
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 FY26.	**1-3**
Design, install and sample monitoring wells at the Hewlett Packard-Digital site. Conduct regular water quality monitoring of the Water Authority source water protection groundwater monitoring wells at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site and the Hewlett Packard-Digital groundwater contamination site through the end of FY26.	**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 FY26.	**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 FY26. ❖ 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.	**1-4**

FY26 Objectives	Measure Reference
❖ 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.	
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 FY26. ❖ 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**
Update the Water Resources Management Strategy: Water 2120 by the end of the 2nd Quarter of FY26.	**1-6**
Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY26. ❖ Promote collaboration and advocacy among San Juan-Chama contractors and the San Juan River Basin for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association. ❖ Attend Upper Colorado River Commission (UCRC) meetings as well as regular monthly updates from the New Mexico Interstate Stream Commission (NMISC).	**1-6**
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 developing a plan for decreasing Non-Functional Turf by 30% by the end of the 4th Quarter of FY26.	**1-6**
Establish easement storage agreements for San Juan-Chama Project contractors with the United States Army Corps of Engineers storage through the 4th Quarter of FY26. Update or establish sub-allotment agreements, as appropriate, for the storage of San Juan-Chama Project and native Rio Grande system water in Abiquiu Reservoir. Work with U.S. Bureau of Reclamation to establish lots within the URGWOM accounting model for the tracking of storage of both SJCP and native Rio Grande System water.	**1-6**
Take steps towards permitting of native Rio Grande system water by the Water Authority within Abiquiu Reservoir. Coordinate with NMISC and NMOSE on the permit application and draft permit through the 4th Quarter of FY26.	**1-6**

Performance Measure Division Responsibility

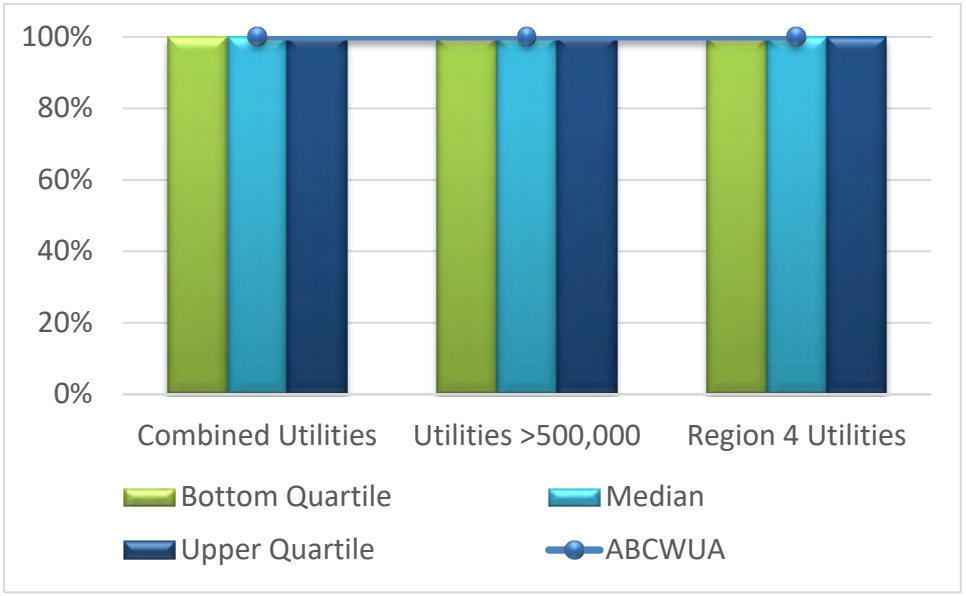
Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance	Operations Water Resources, Engineering & Planning
1-1	Drinking Water Compliance Rate	✓		✓	
1-2	Distribution System Water Loss		✓		✓
1-3	Water Distribution System Integrity		✓		✓
1-4	O&M Cost Ratios: O&M Cost per account	✓	✓		
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	
				FY22	FY23	FY24	FY25	FY26	
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 FY26, 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.

2024 Customer Opinion Survey

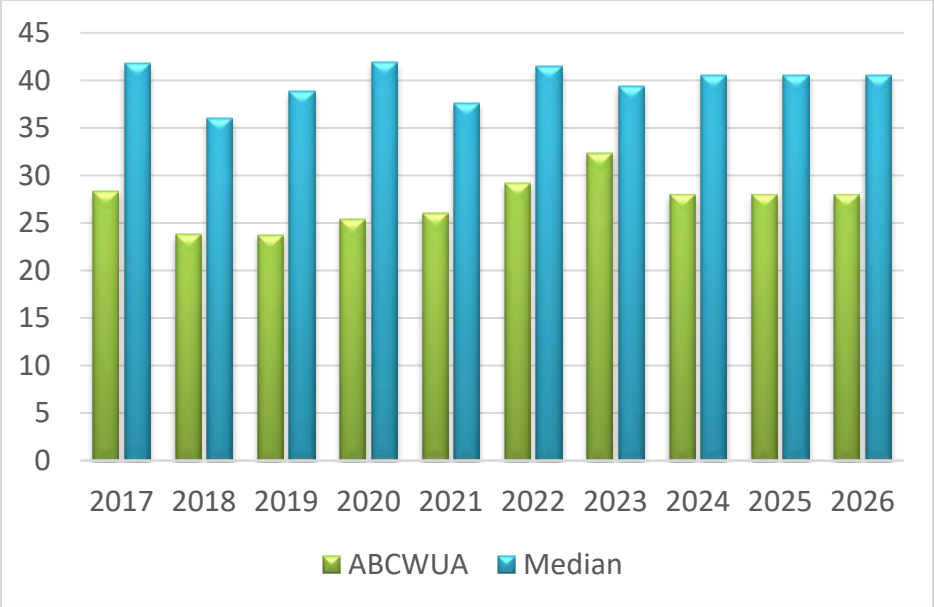
- 97% of customers are either very or somewhat satisfied with the reliability/availability of water
- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 79% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance) 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	
				2022	2023	2024	2025	2026	
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	29.86	29.20	32.40	28.00	28.00	28.00	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.

2024 Customer Opinion Survey

- 75% 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

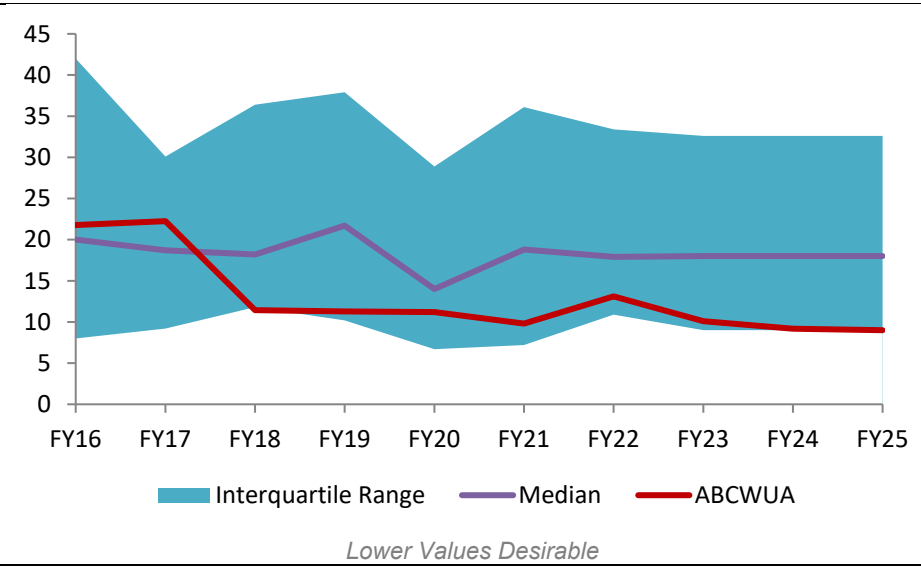
1-3 Water Distribution System Integrity

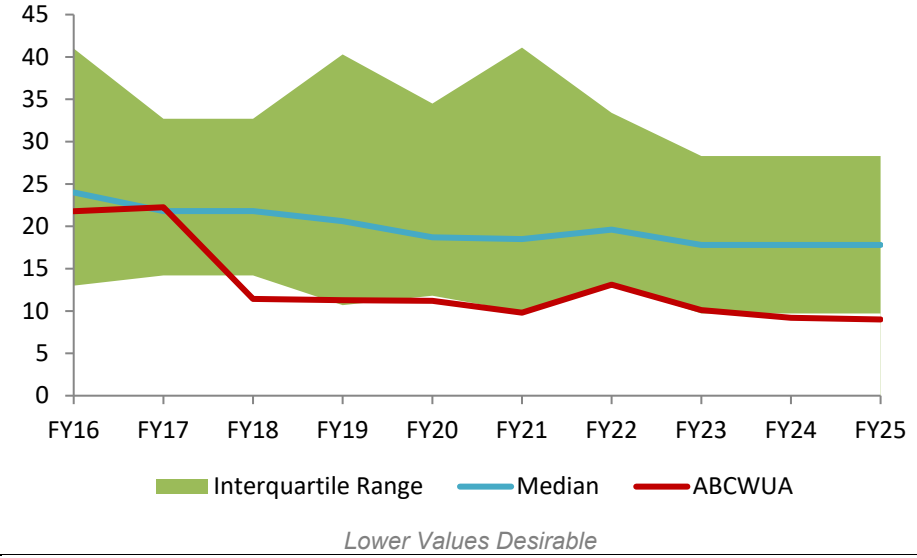
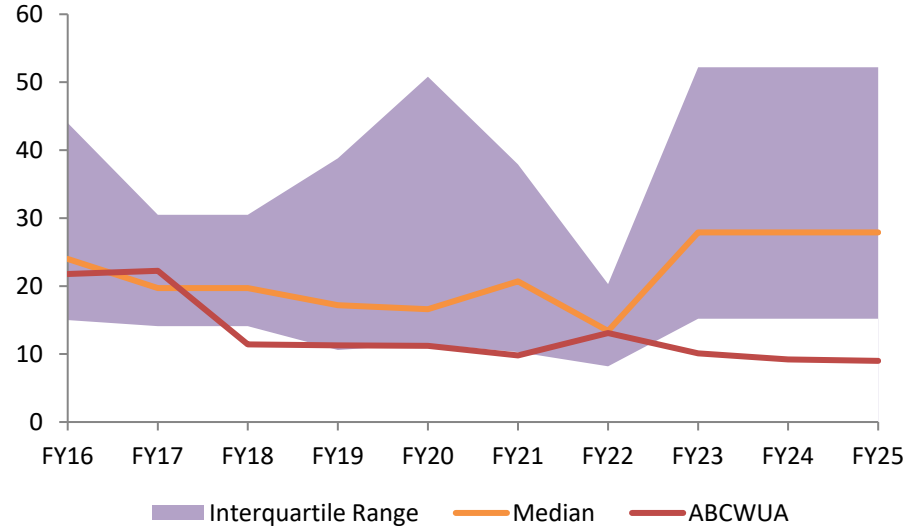
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	10.80	13.1	10.1	9.2	9.0	9.0	Improve the condition and reliability of the water distribution system and reduce emergency repairs and water supply interruptions

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

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.

2024 Customer Opinion Survey

- 79% 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

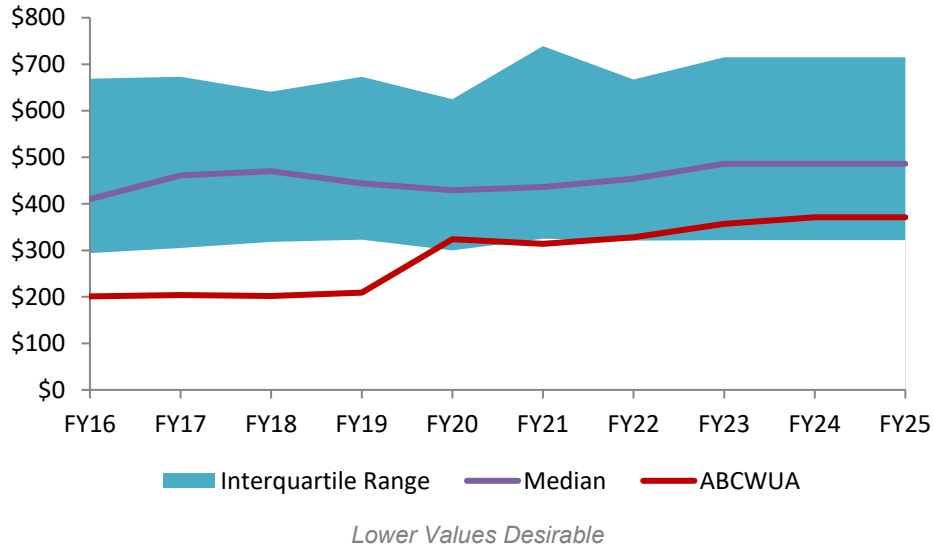
1-4 Operations and Maintenance Cost Ratio

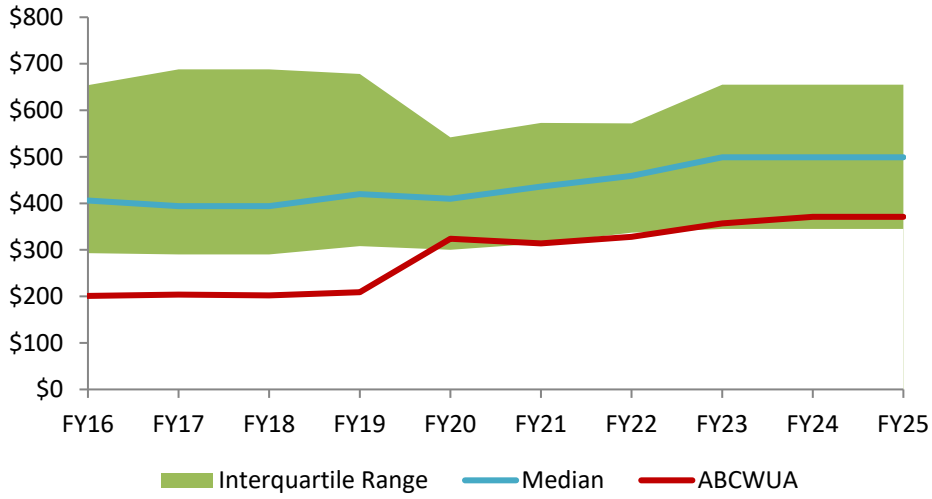
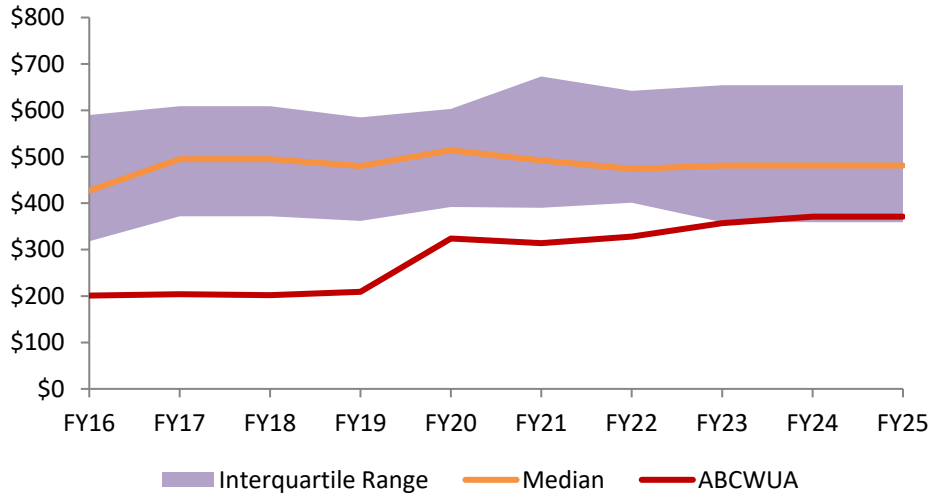
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	$352	$328	$357	$371	$371	$390	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/ Wastewater Utilities



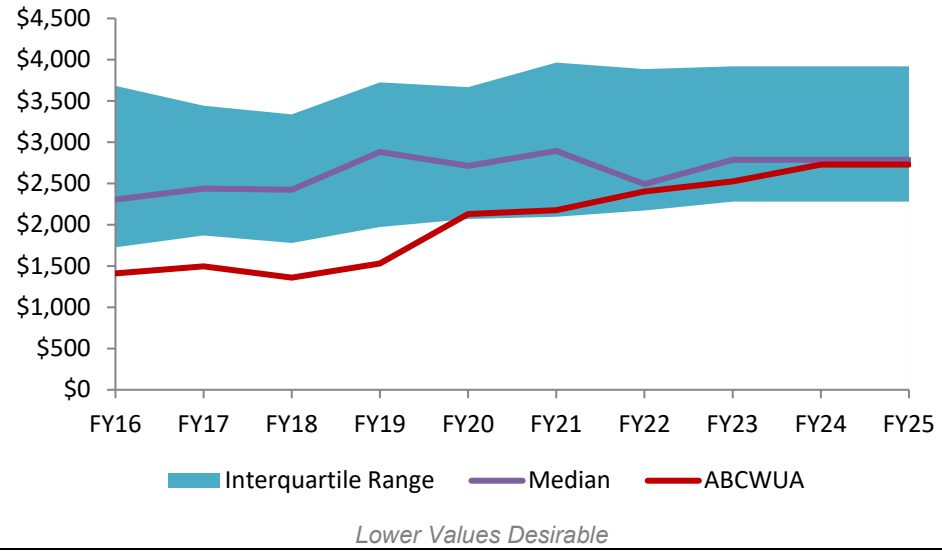
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

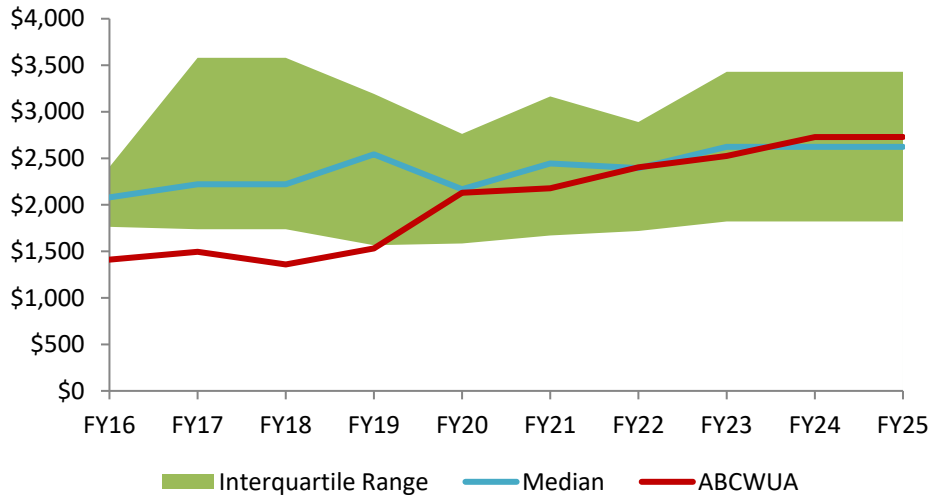
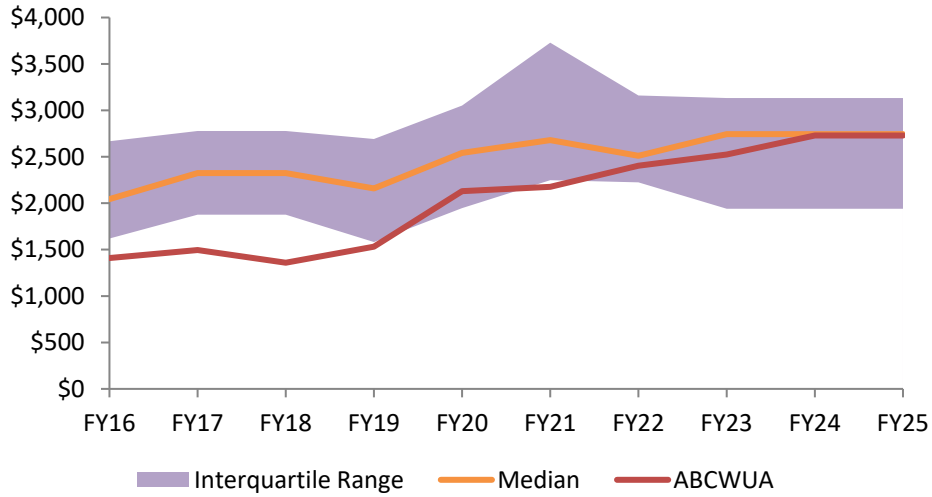
Performance Results for O&M Cost per MG Distributed

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	$2,552	$2,403	$2,525	$2,729	$2,729	$2,800	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Distributed

Combined Water/ Wastewater Utilities



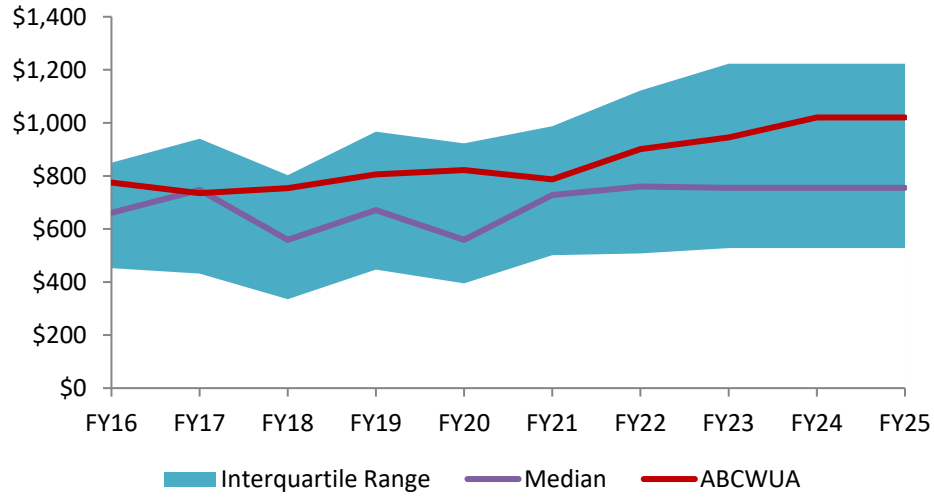
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

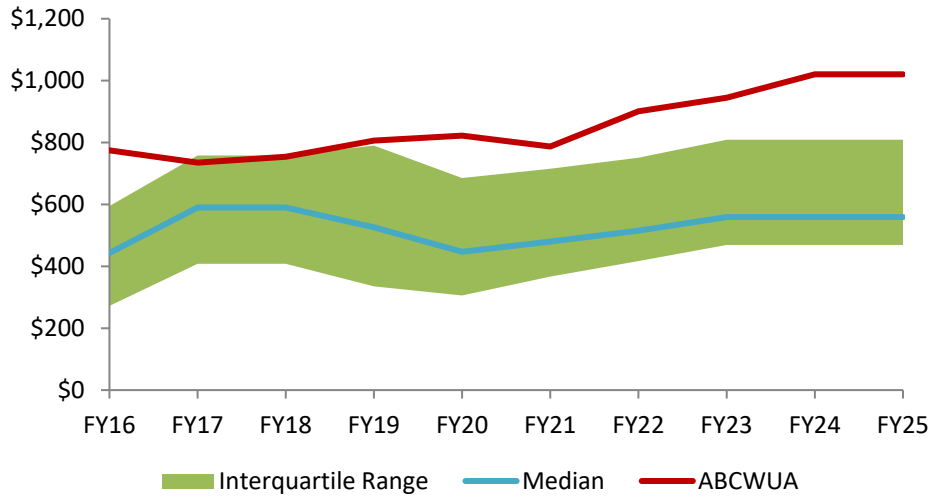
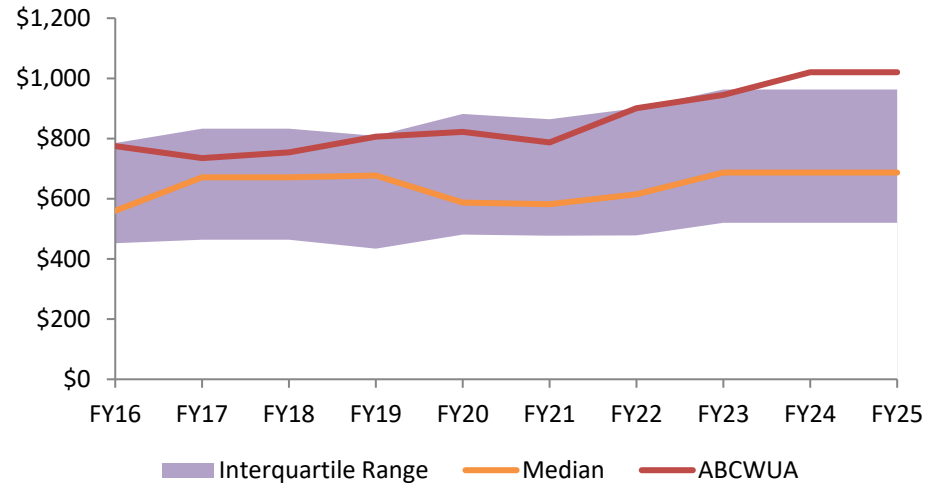
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	$955	$901	$945	$1,020	$1,020	$1,100	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 FY26, the Water Authority will continue to work on the Partnership for Safe Water program to optimize its system operations and performance.

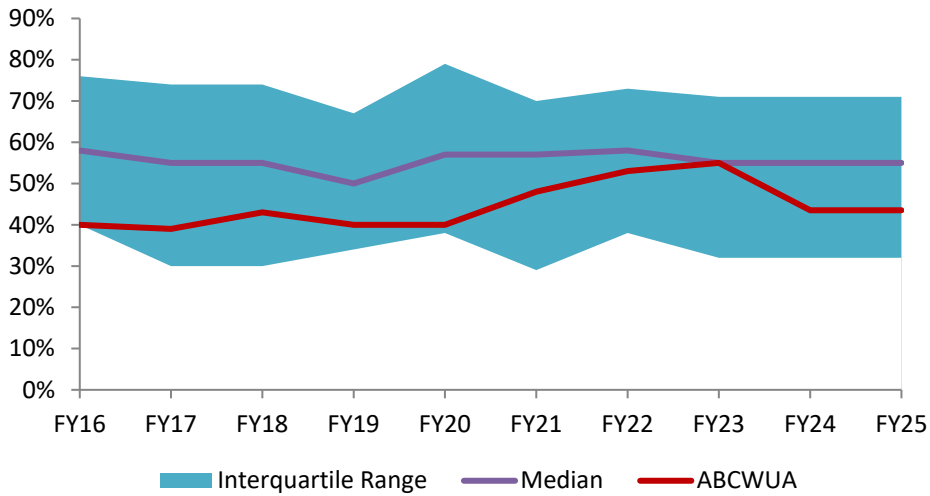
1-5 Planned Maintenance Ratio

Performance Results

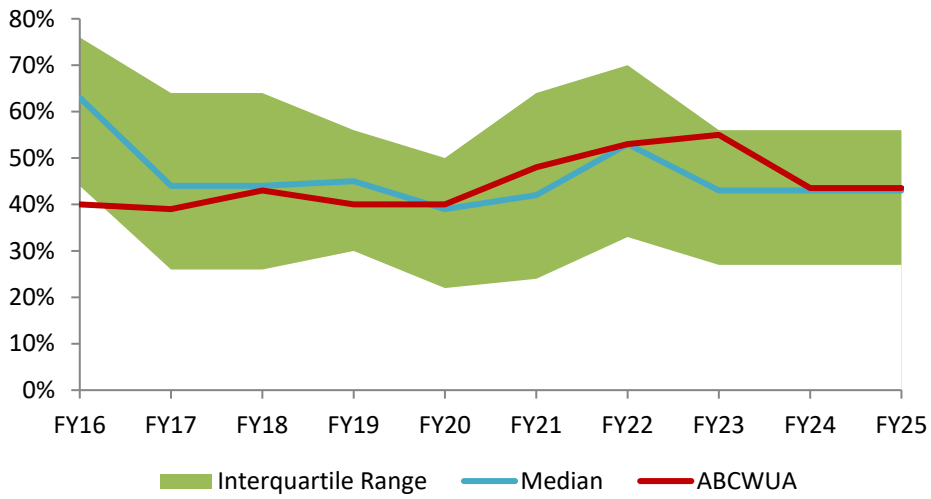
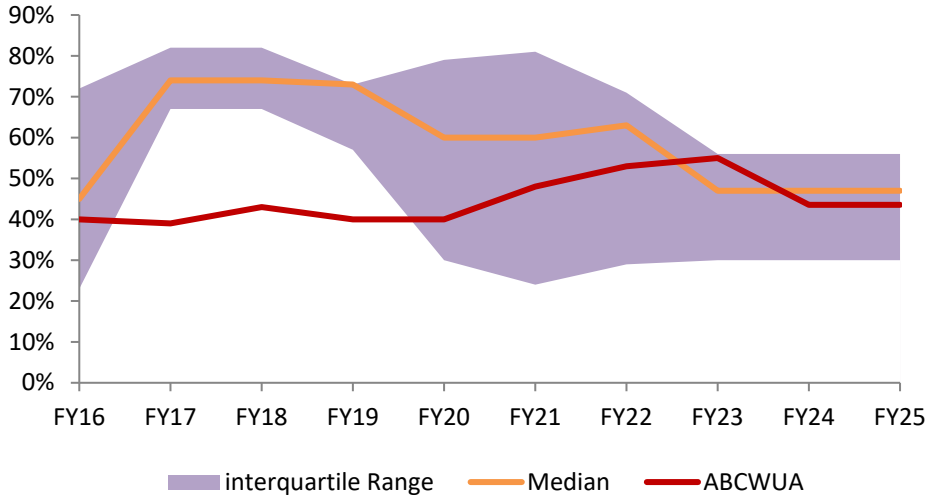
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	50%	53%	55%	44%	44%	50%	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.

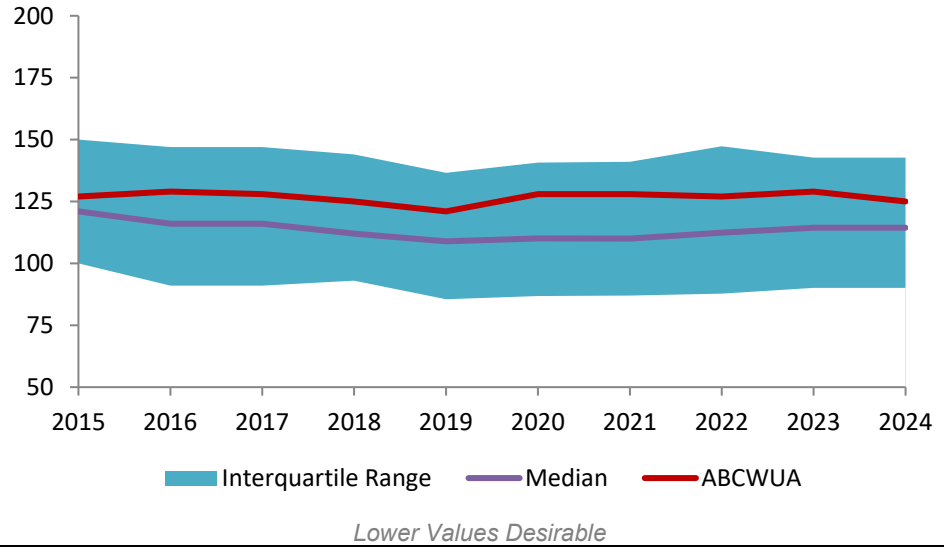
1-6 Water Use per Capita Consumption

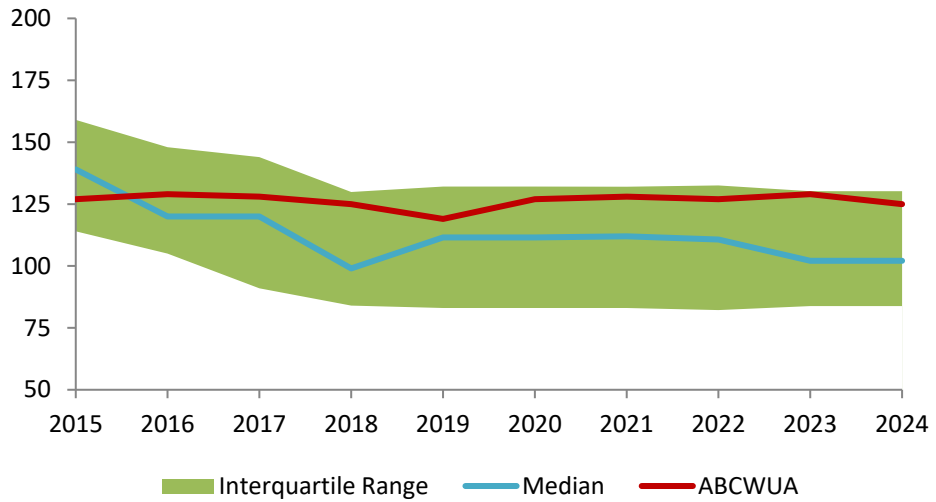
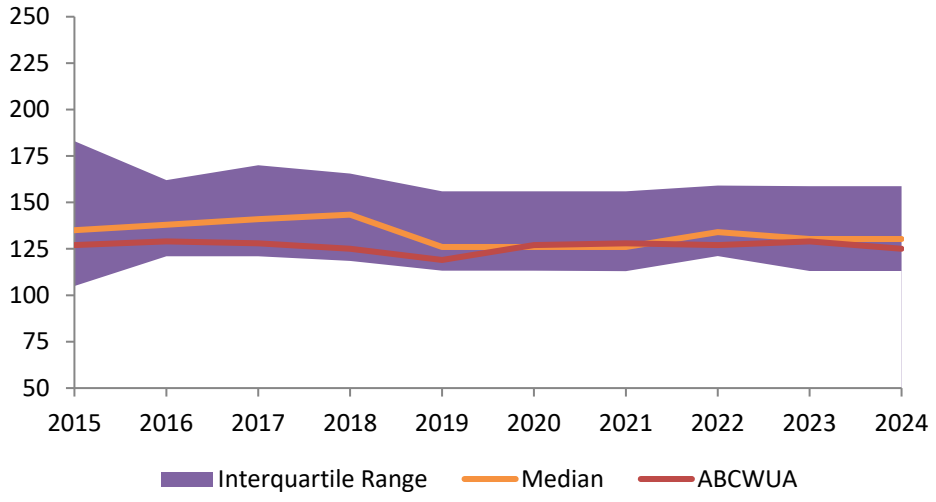
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2021	2022	2023	2024	2025	
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)	128	128	127	129	125	124	Reduce water consumption to extend water resources and minimize environment impacts

Industry Benchmarks

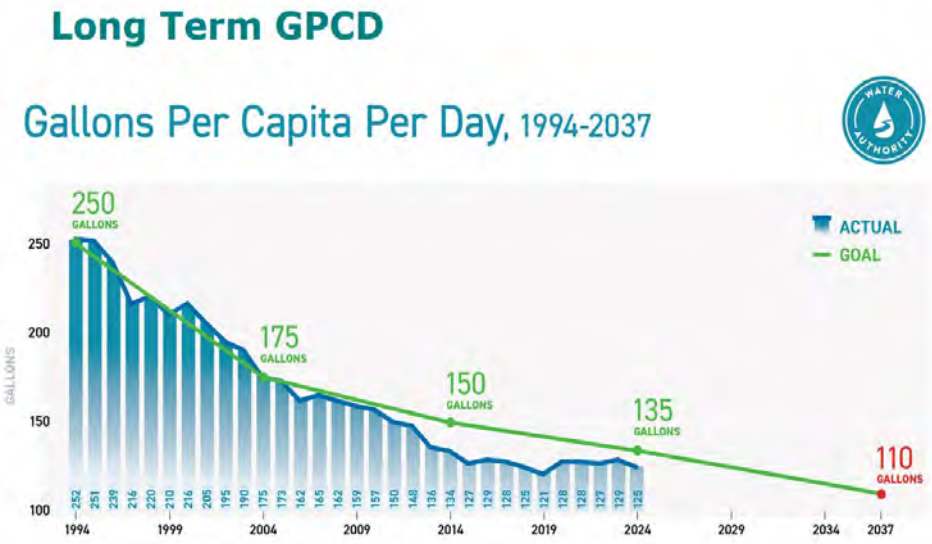
Combined Water/ Wastewater Utilities



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 and dropped to 125 in 2024.



2024 Customer Opinion Survey

- 75% of customers are either very or somewhat satisfied with the utility's conservation programs
- 67% 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

FY26 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 FY26.	**2-1**
Manage chemical usage and residual iron sludge from the Water Treatment Plant to manage 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 FY26.	**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 FY26.	**2-2**
With FY25 completion of AMI device installation in all ten vacuum station service areas, obtain and utilize data to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY26.	**2-2**
Develop a template contract for new satellite communities which discharge wastewater to the Water Authority Collection System for conveyance to and treatment by the SWRP by the end of the 4th Quarter of FY26.	**2-2** **2-3**
Prepare for Per-and Polyfluoroalkyl Substances (PFAS) regulations and monitoring requirements in the new NPDES permit by conducting baseline sampling at the SWRP influent, effluent, reuse water, biosolids, compost, and pretreatment program industrial permit customers by the end of the 4th Quarter of FY26. This will help identify trends and/or impacts to the wastewater system.	**2-2** **2-3**
Establish hazardous waste disposal support in the Compliance Division for all WA facilities and capital improvement projects to remain in compliance with federal and state hazardous waste generator regulations. In FY26 complete an audit of routine and periodic hazardous waste disposal activities and complete the required reporting for each site that generates hazardous waste with the NMED Hazardous Waste Bureau. Also, in FY26 plan for assessing each facility site for compliance with stormwater management regulations as well.	**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 FY26.	**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 FY26. ❖ 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 FY27.	**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	✓	✓	

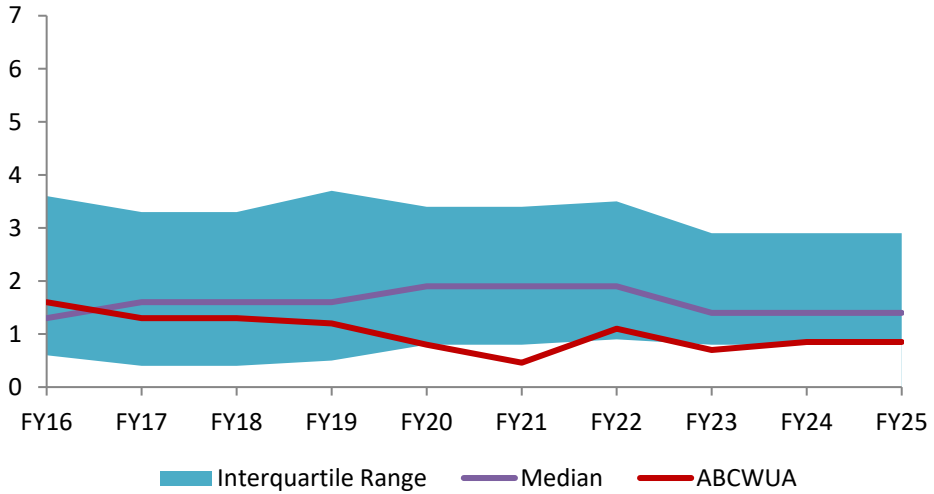
2-1 Sewer Overflow Rate

Performance Results

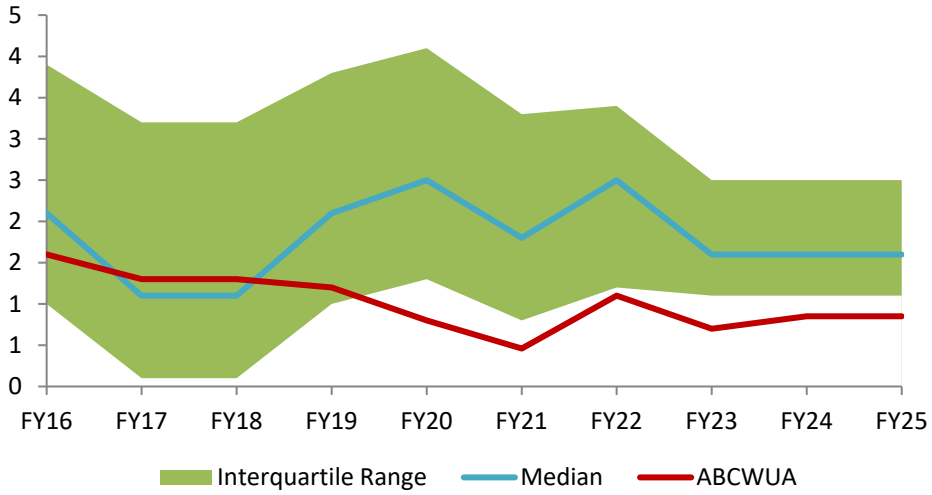
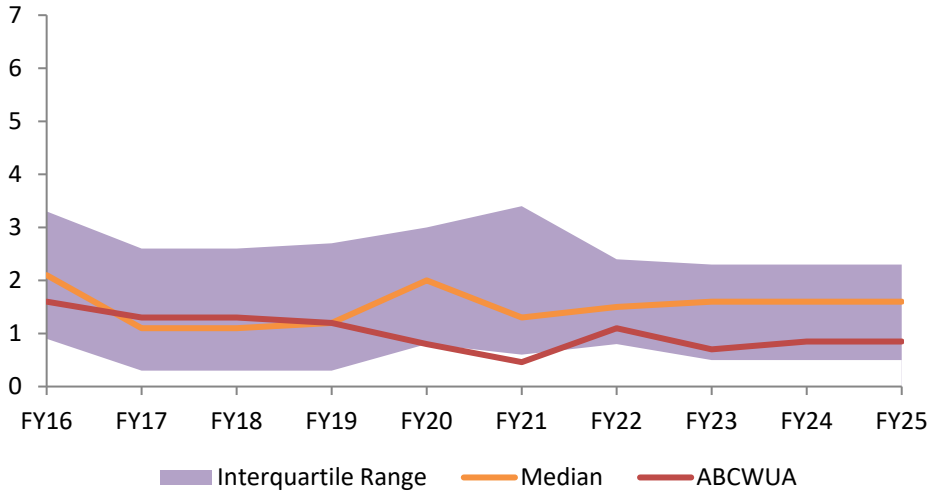
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	0.9	1.1	0.7	0.9	0.9	0.9	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/

2024 Customer Opinion Survey

- 77% of customers are either very or somewhat satisfied with the condition of the sewer lines in the number of overflows that they may observe
- 79% 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

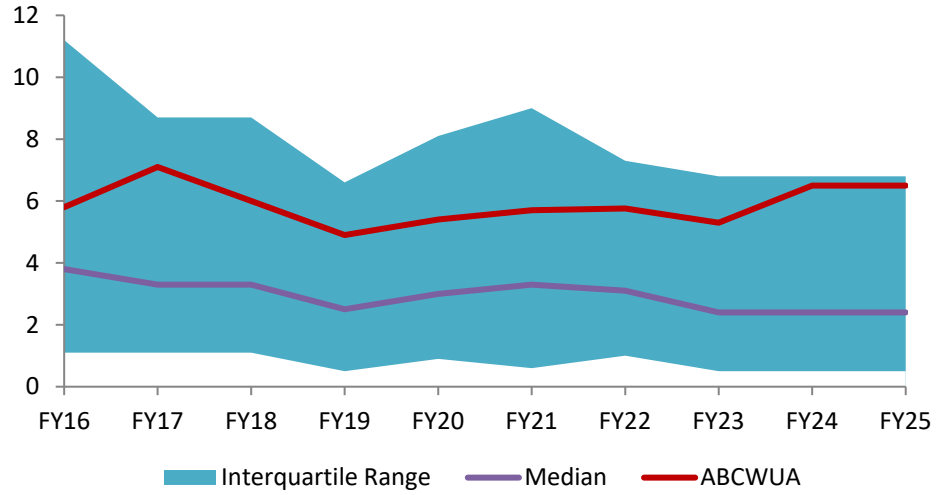
2-2 Collection System Integrity

Performance Results

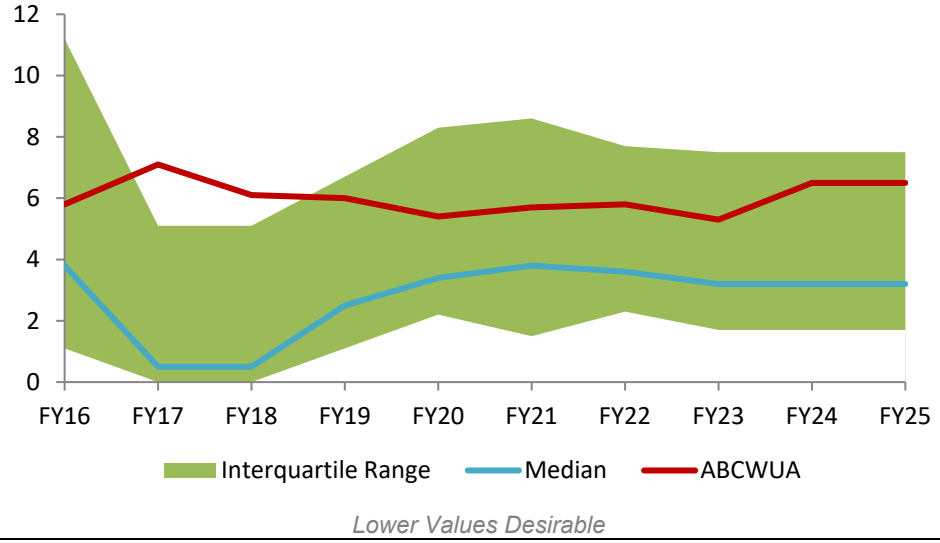
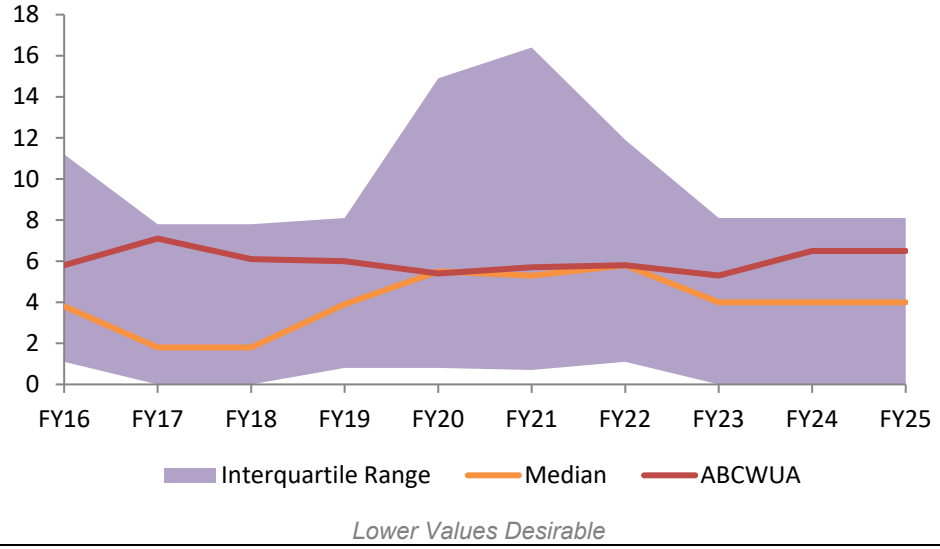
Measure Type	Purpose	Inputs	Outputs					Outcome
			Baseline	Prior Year Actuals		Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	5.86	5.8	5.3	6.5	6.5	6.0	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 FY26, there is a policy objective to continue to reduce sanitary sewer overflows (SSOs) in accordance with the Capacity, Management, Operation, and Maintenance (CMOM) Plan. Staff will continue the manhole monitoring pilot study initiated in FY23 to diagnose flow patterns and provide advance alerts of downstream blockages and provide final recommendations based on the pilot study by the end of the 4th Quarter of FY26.

Another FY26 policy objective is to continue to evaluate pilot modifications to the Sub-Basin cleaning program and look at possible changes such as sub-basin cleaning frequency to optimize effectiveness of preventative maintenance cleaning to the lines most likely to spill. Staff will provide final recommendations for modifications to the cleaning program by the end of FY26.

2024 Customer Opinion Survey
- 93% 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

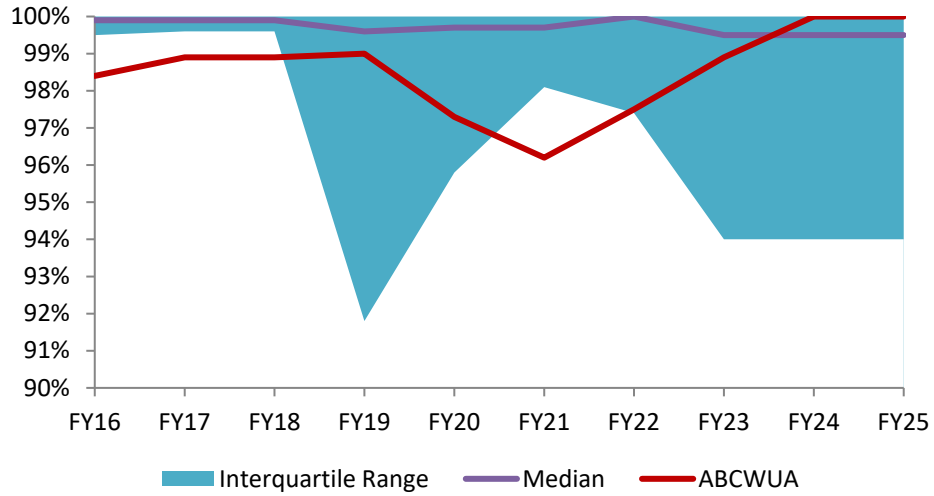
2-3 Wastewater Treatment Effectiveness Rate

Performance Results

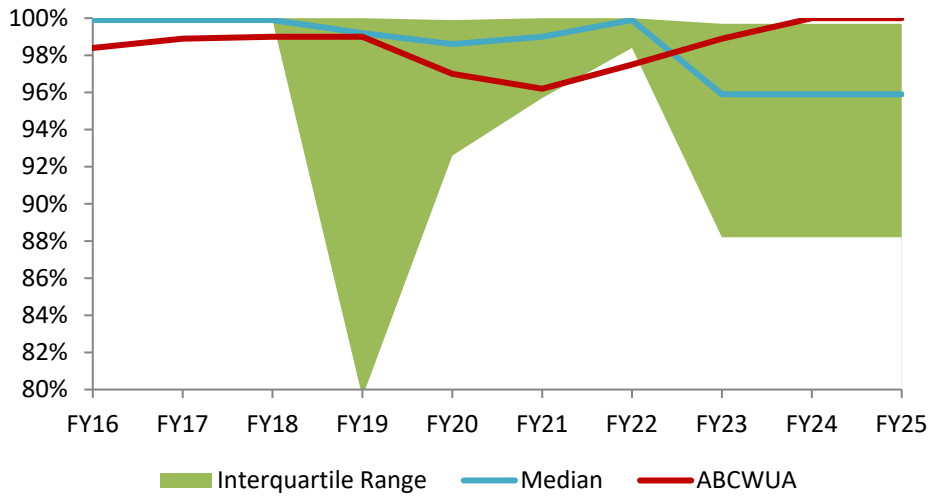
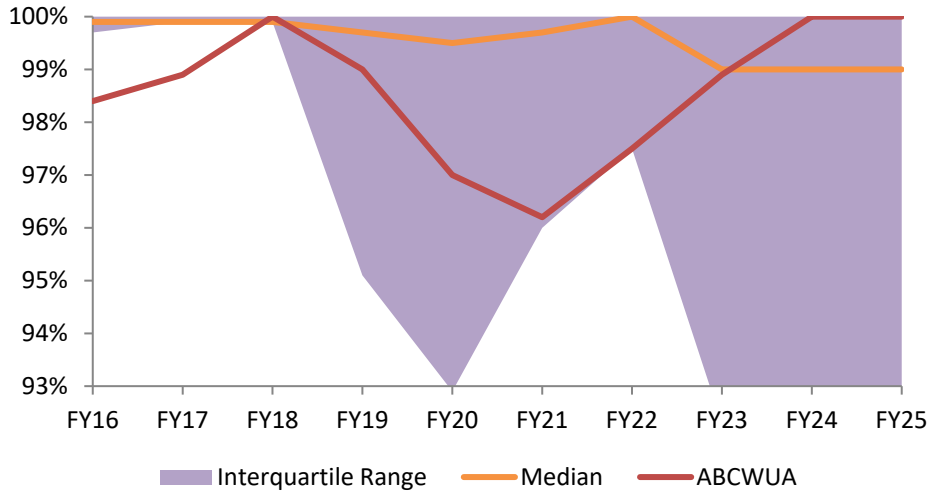
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	99%	98%	99%	100%	95%	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 FY26 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.

The Water Authority received the NACWA **Gold** Peak Performance Award in 2023 which recognizes public wastewater treatment facilities for their excellence in compliance with its NPDES permit.

2024 Customer Opinion Survey

- 82% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

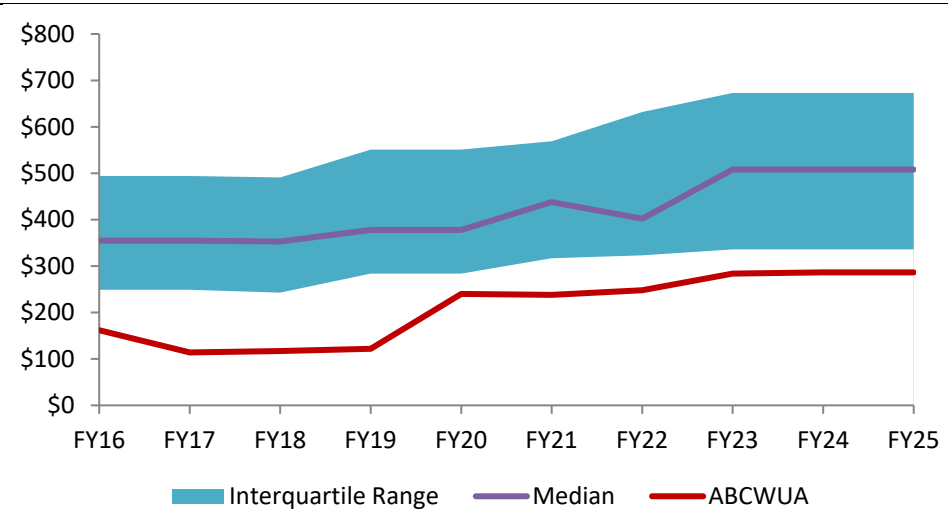
2-4 Operations and Maintenance Cost Ratio

Performance Results for O&M Cost per Account

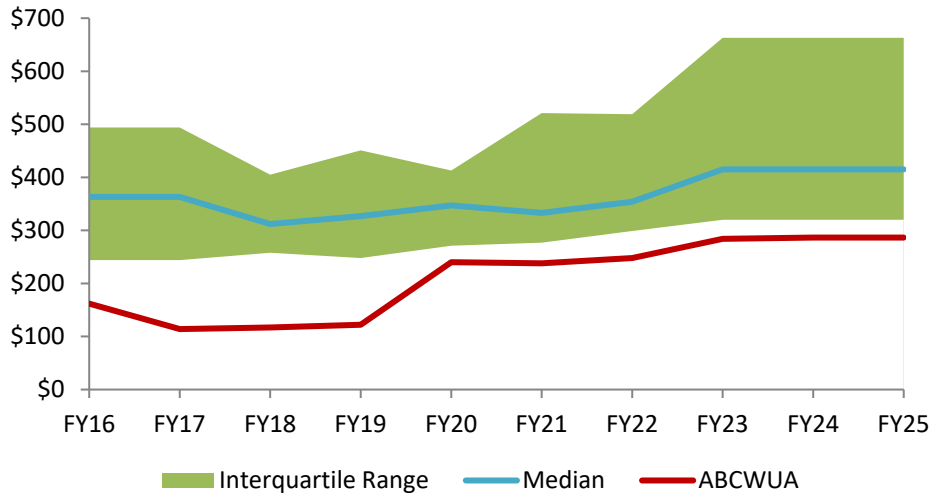
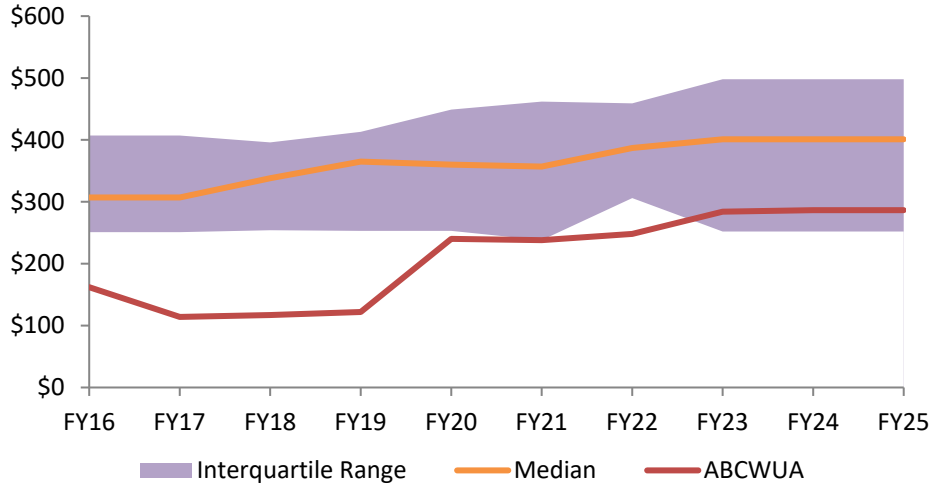
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$272	$248	$284	$286	$286	$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

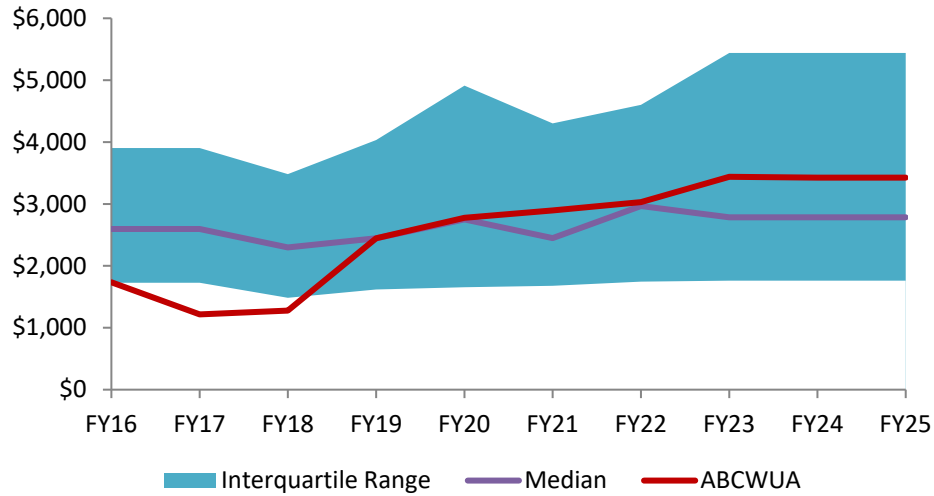
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Collected

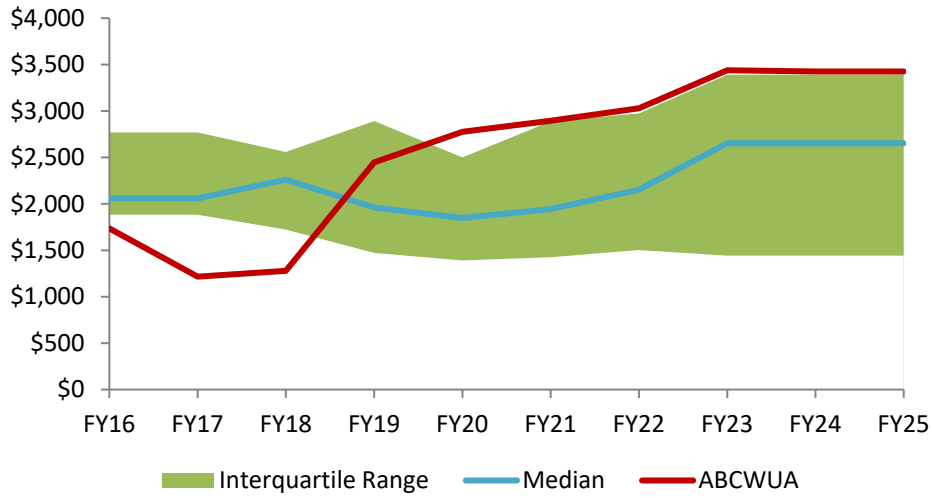
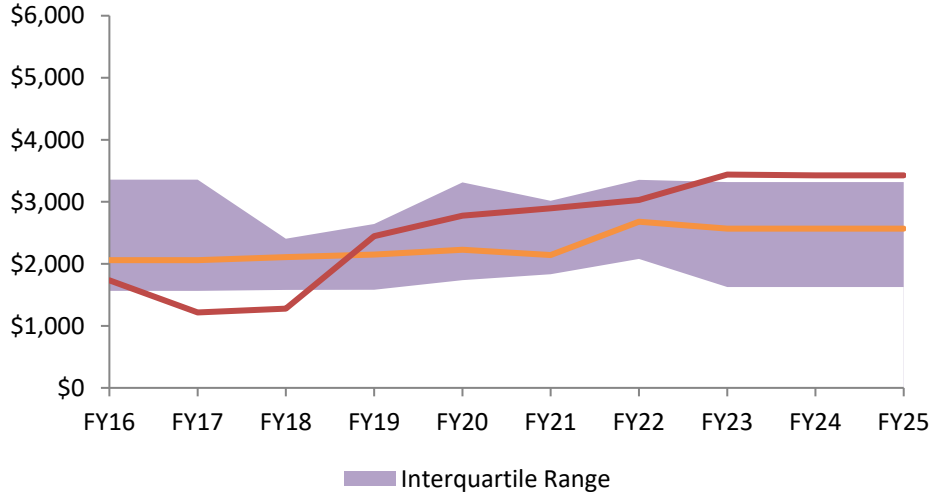
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total wastewater collected	$3,298	$3,029	$3,439	$3,426	$3,426	$3,600	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

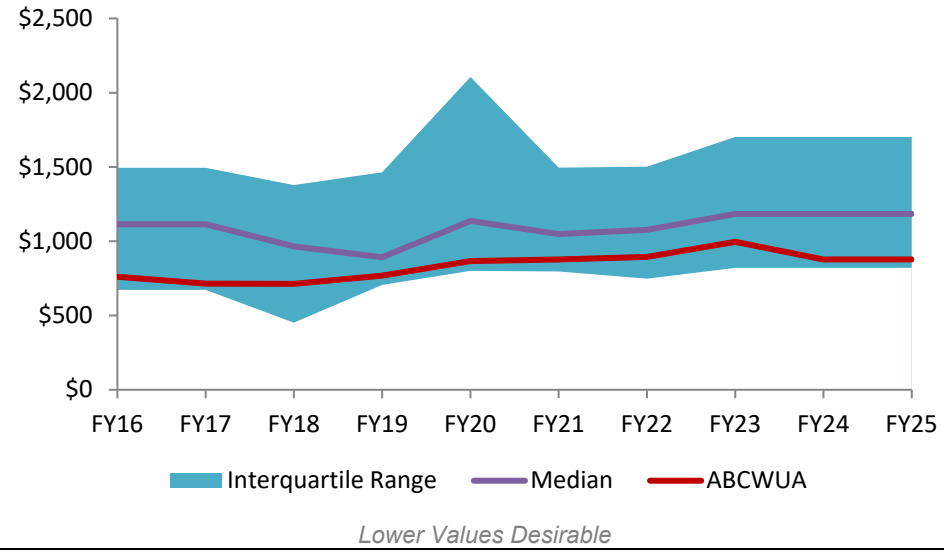
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

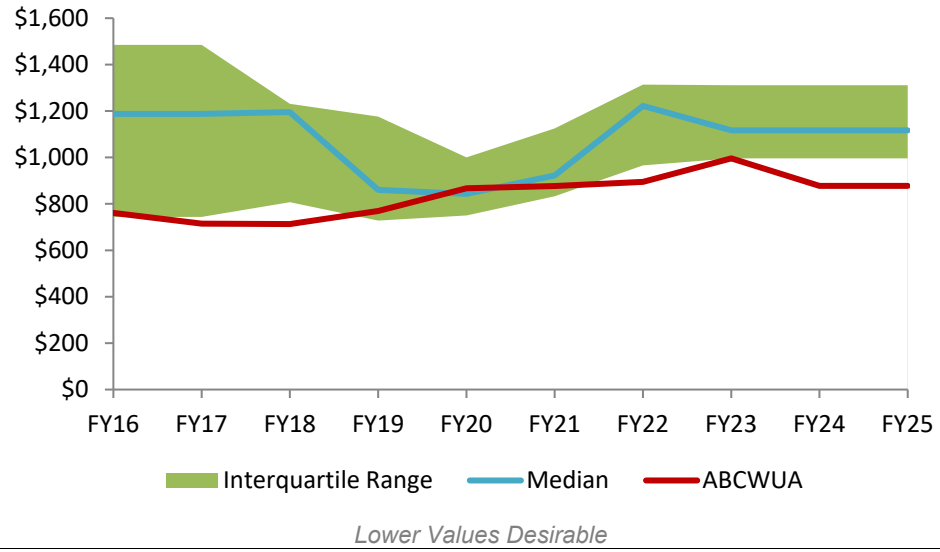
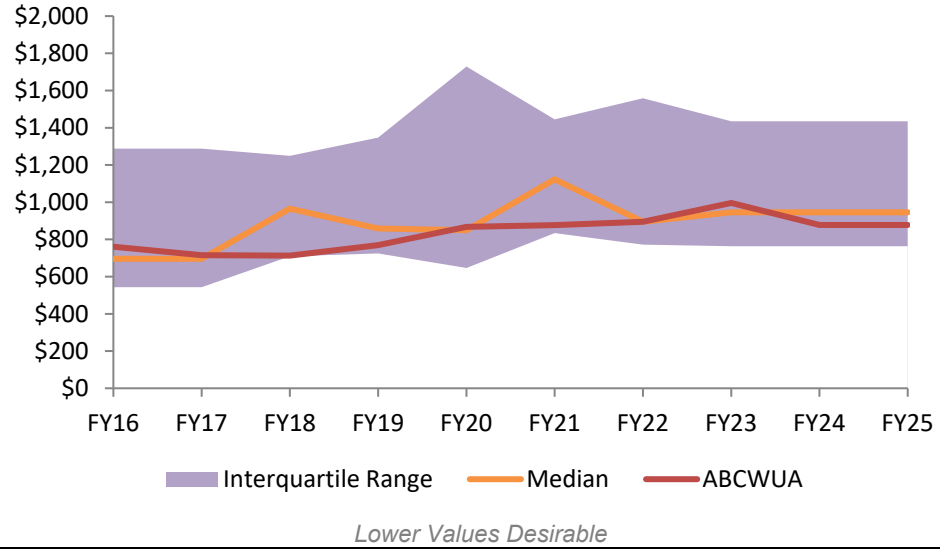
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	$923	$895	$996	$878	$878	$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 FY26, the Water Authority will continue to work on the Partnership for Clean Water program to optimize its system operations and performance.

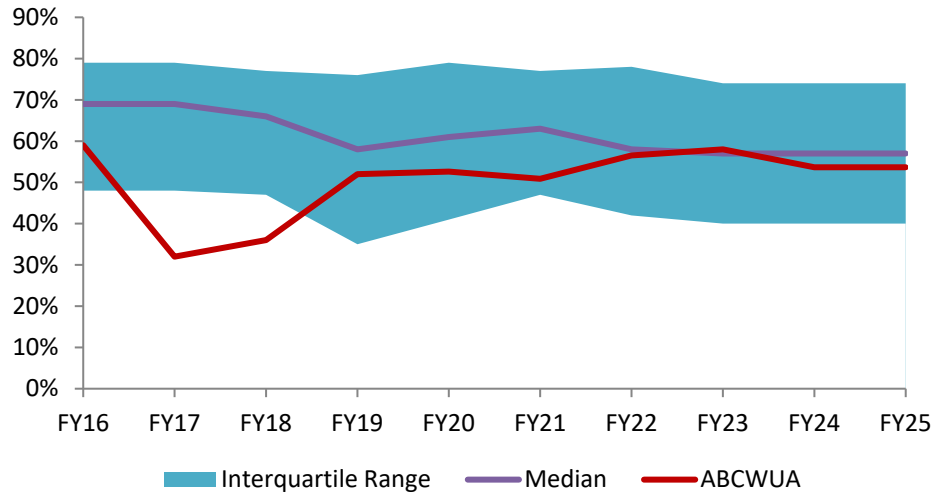
2-5 Planned Maintenance Ratio

Performance Results

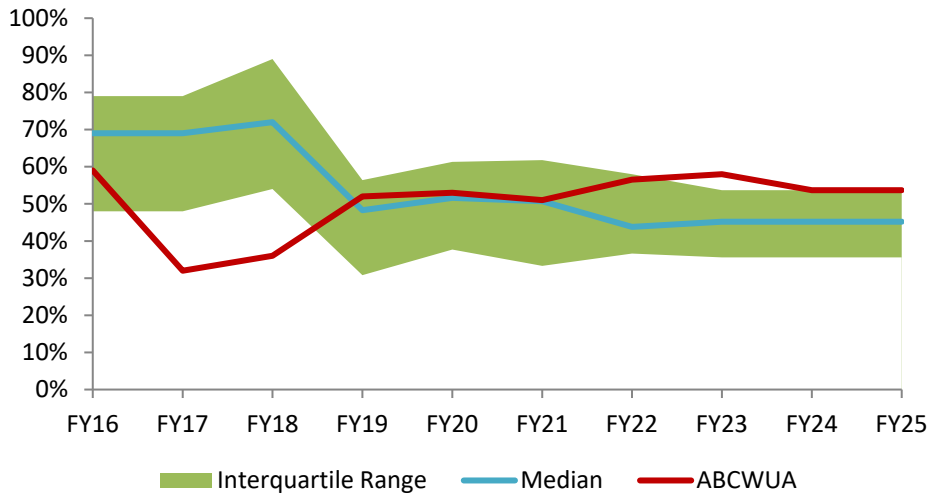
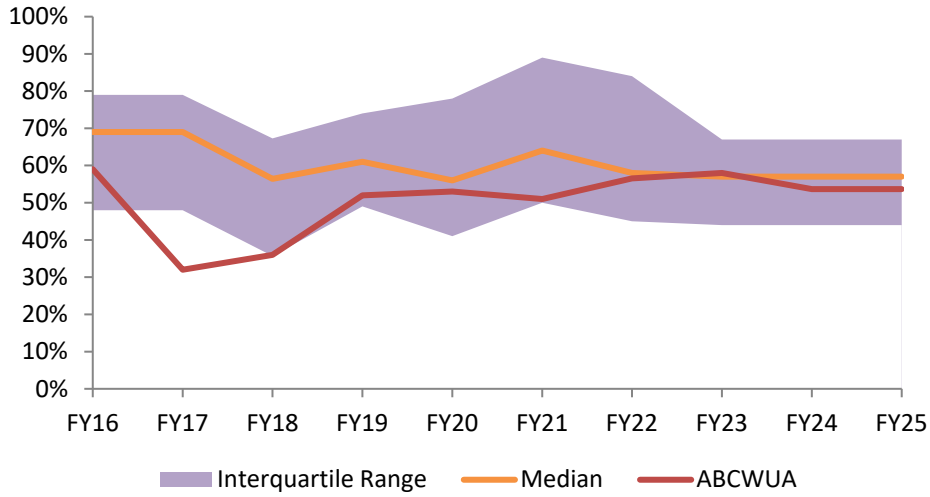
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	56%	57%	58%	54%	54%	56%	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 nine fiscal years, there have been key performance indicators (KPIs) within the divisions to increase planned maintenance work orders at the wastewater treatment plant. The monitoring of these KPIs 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

FY26 Objectives	Measure Reference
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 FY26.	**3-1** **3-4**
Reduce the percentage of delinquent water and wastewater accounts to below 10% over the next 2 years by the end of the 4th Quarter of FY26.	**3-4**
Review policy changes for the Low-Income Credit program to enhance financial assistance for low-income households. Increase proactive communication with customers about the assistance programs offered by the Water Authority that involve our external partnerships by the end of the 4th Quarter of FY26.	**3-5**
Collaborate with other governmental entities that pre-quality low-income residents. Explore options to establish an automated reporting system or information transfer for approved residents, enabling the automatic enrollment of qualified Water Authority customers into the Low-income Credit program by the end of the 4th Quarter of FY26.	**3.5**
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 FY26.	**3-6**
Develop data-based conservation efforts to utilize customer and Water Authority data to target users for conservation efforts by the 4th Quarter of FY26.	**3-6**
In conjunction with the development of automated leak notifications for customers with AMI meters, launch a marketing campaign to encourage AMI customers to sign up for the portal.	**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			✓		

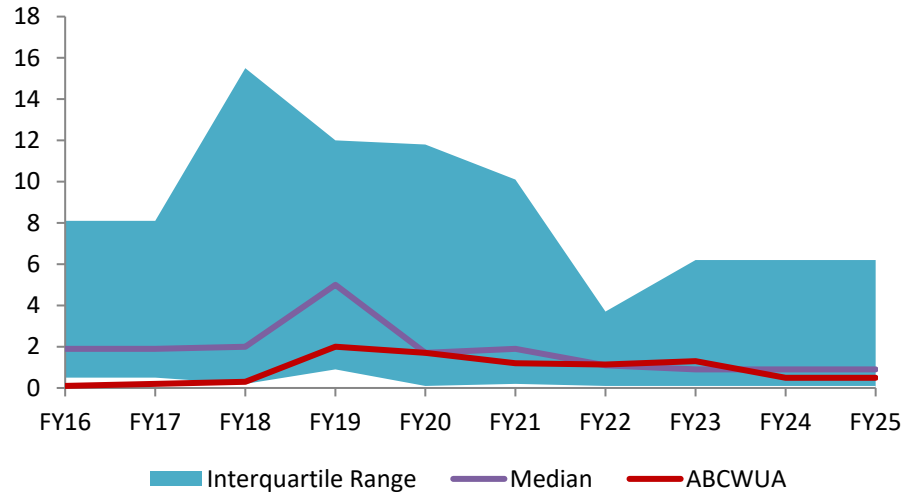
3-1 Customer Service Complaints and Technical Quality Complaints

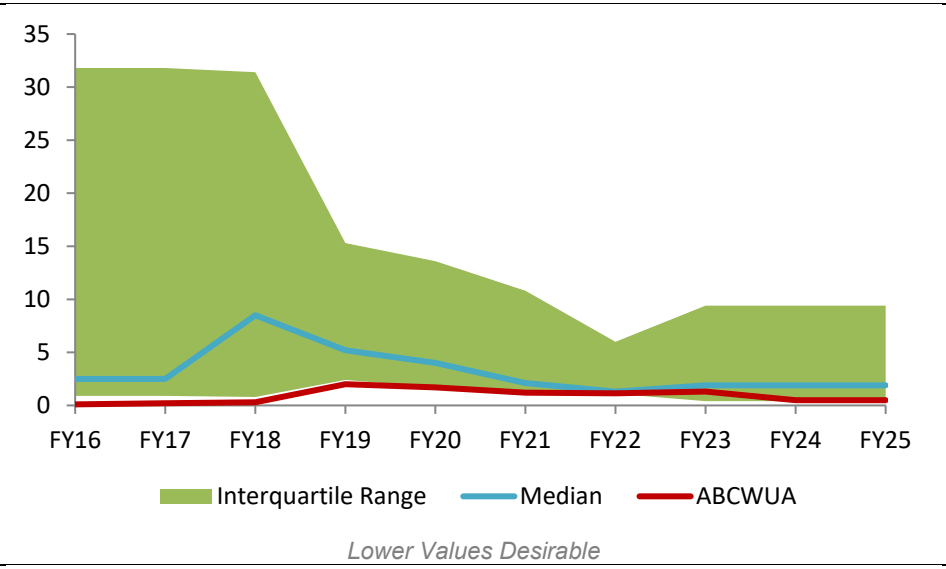
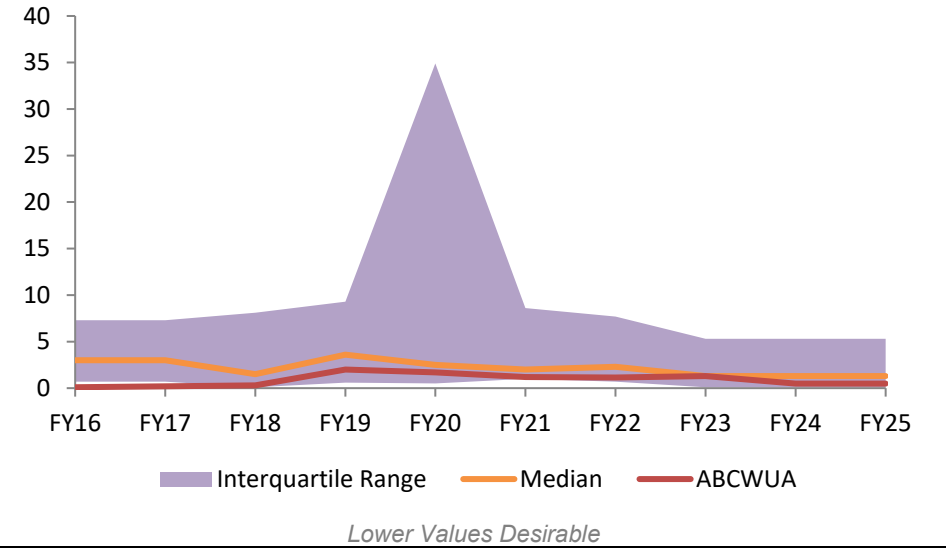
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	1.0	1.1	1.3	0.5	0.5	0.5	Improve customer satisfaction with service and product

Industry Benchmark (Service Associated Complaints)

Combined Water/ Wastewater Utilities



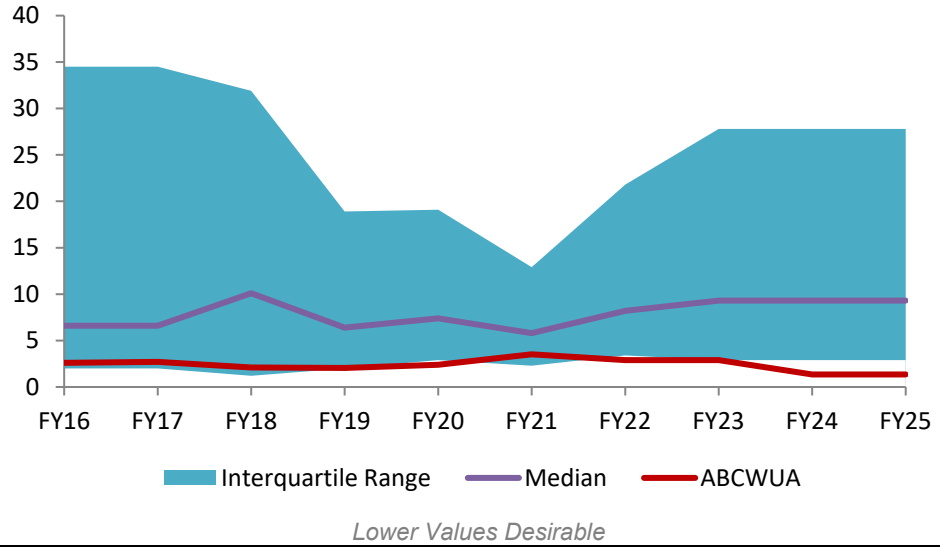
Utilities with populations greater than 500,000	
Utilities located in Region 4	

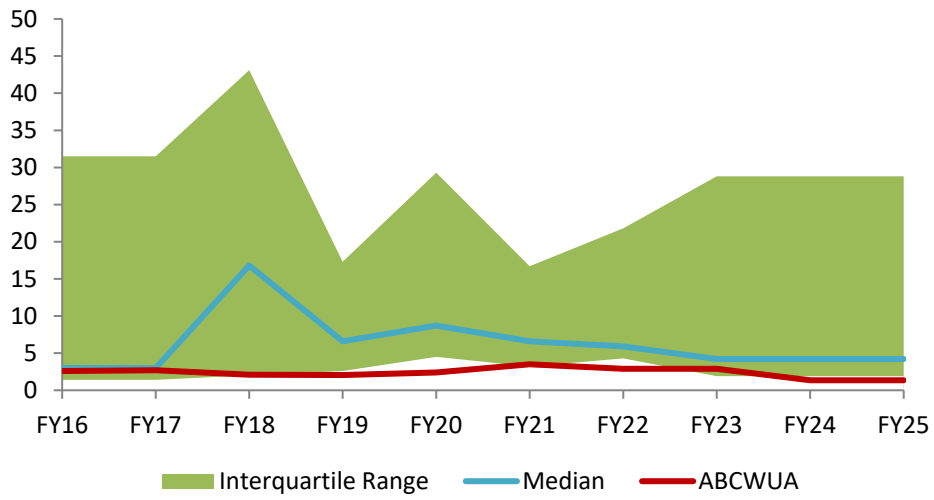
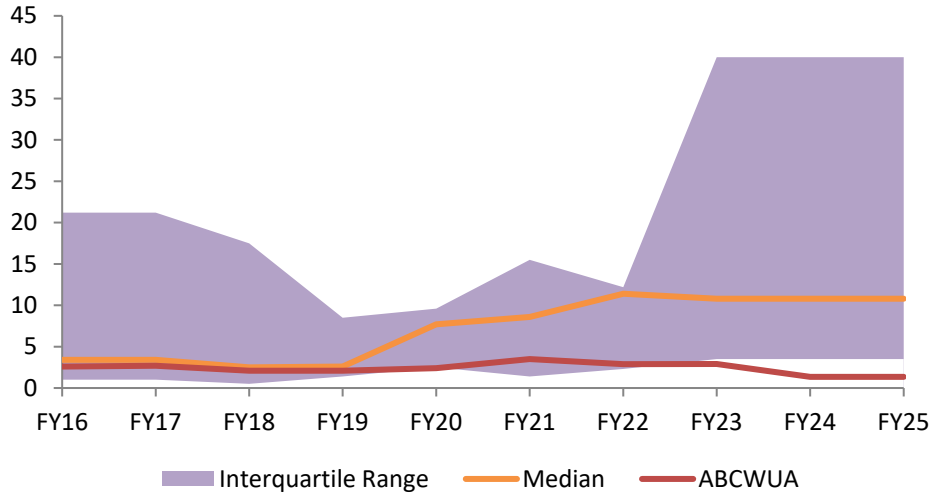
Performance Results (Technical Quality Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	2.4	2.9	2.9	1.4	1.4	1.4	Improve customer satisfaction with service and product

Industry Benchmarks (Technical Quality Complaints)

Combined Water/ Wastewater Utilities



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 85% of the water meters have been upgraded to the Automated Meter Infrastructure (AMI) meters. For FY26, 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.

2024 Customer Opinion Survey

- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 79% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance) of drinking water
- 82% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

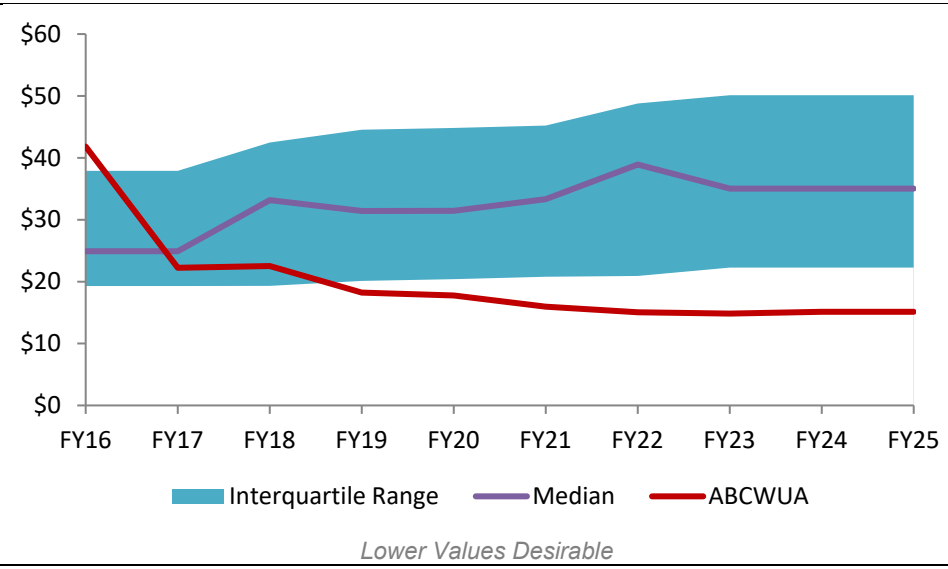
3-2 Customer Service Cost per Account

Performance Results

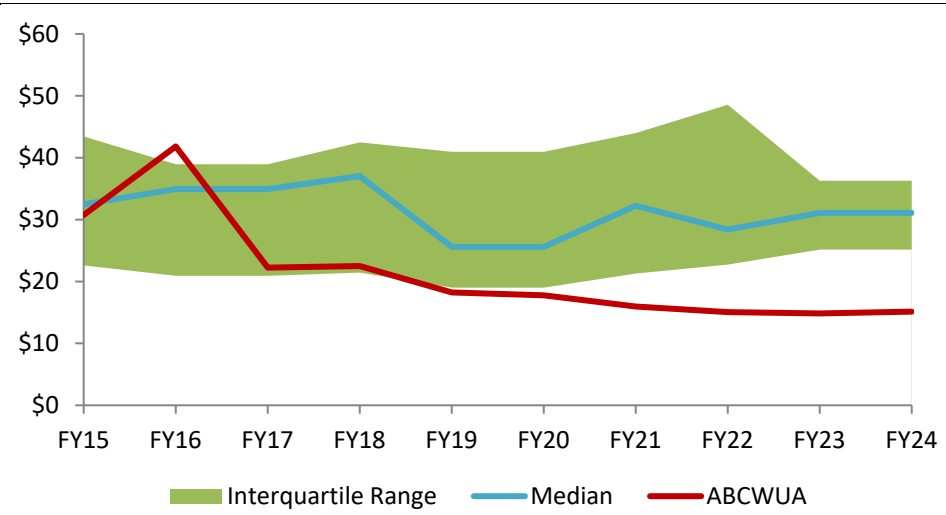
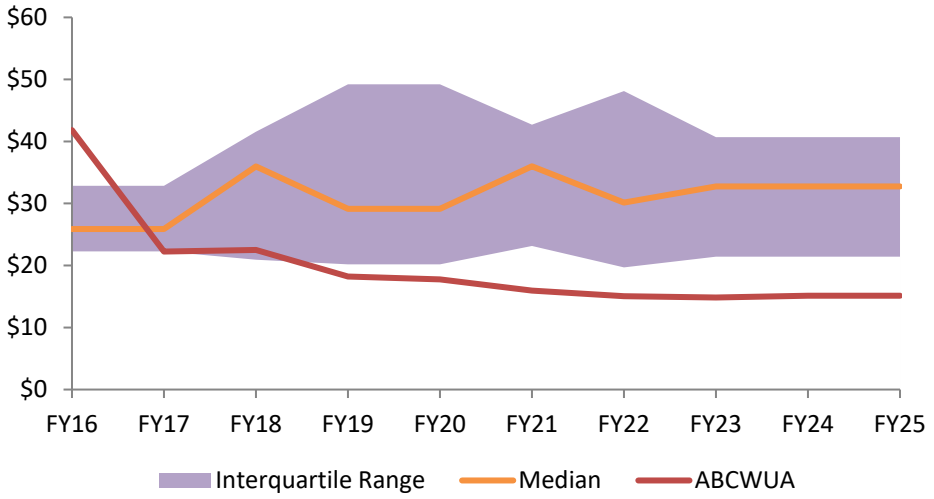
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$15.01	$15.06	$14.84	$15.14	$15.14	$16.00	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 85% 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.

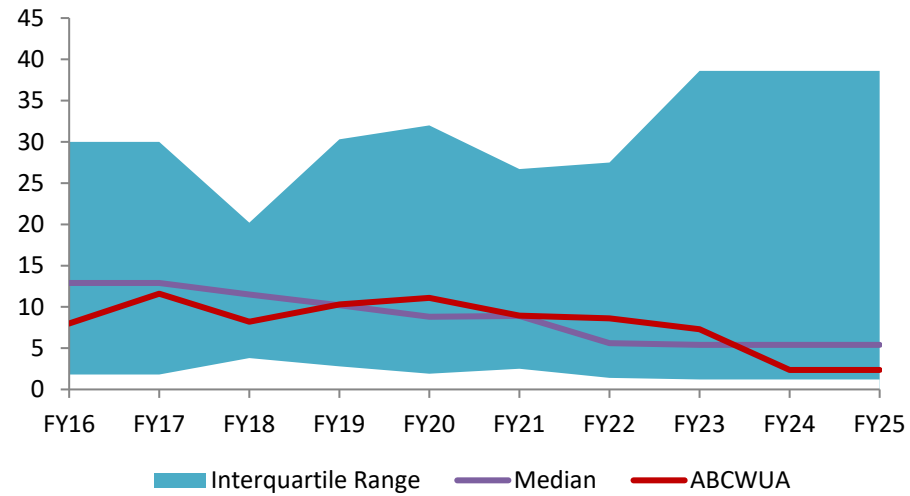
3-3 Billing Accuracy

Performance Results

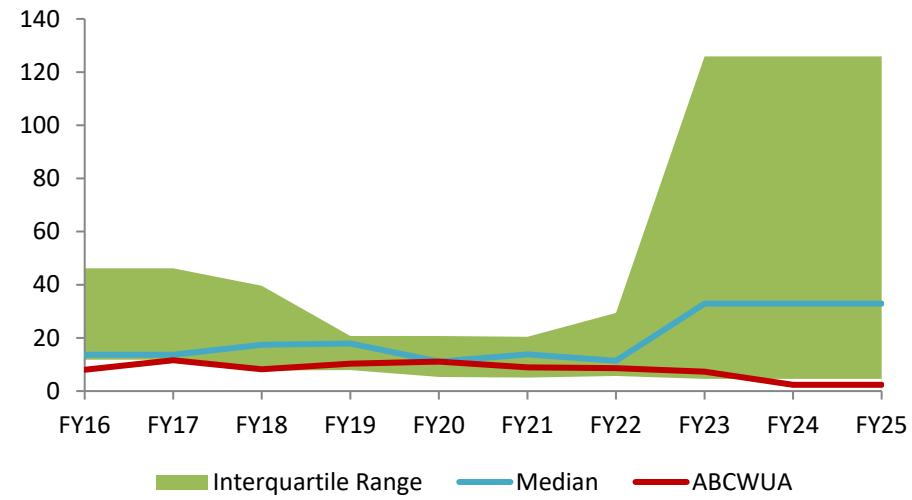
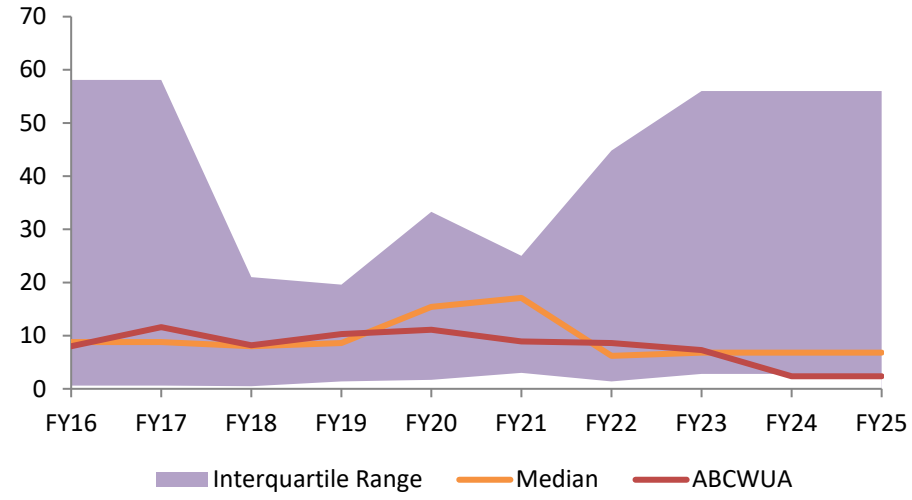
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	6.1	8.6	7.3	2.4	2.4	2.0	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.

In response to the FY24 Customer Conversations topic, the Water Authority will be updating the bill format and the water usage graph in FY26.

2024 Customer Opinion Survey

- 89% of customers are either very or somewhat satisfied with the accuracy of their billing statement
- 80% of customers are either very or somewhat satisfied with understanding the bill format and water usage graph
- 92% of customers are either very or somewhat satisfied with the billing payment options

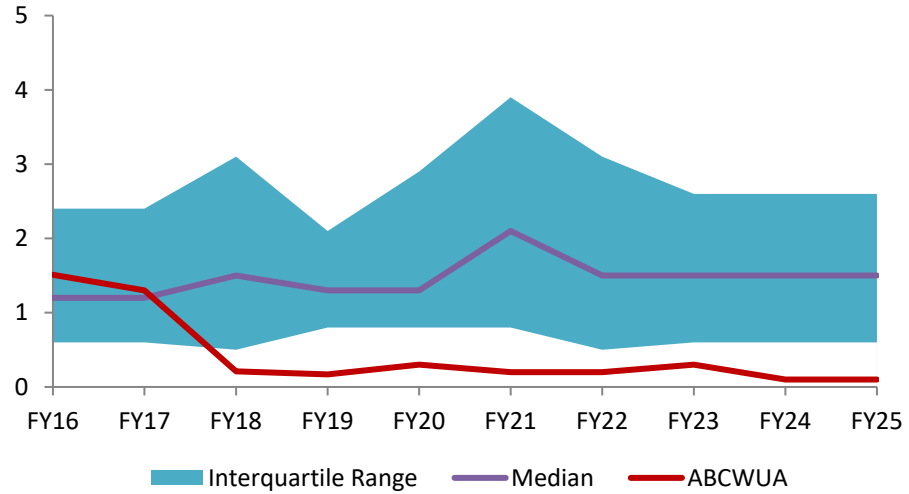
3-4 Call Center Indicators

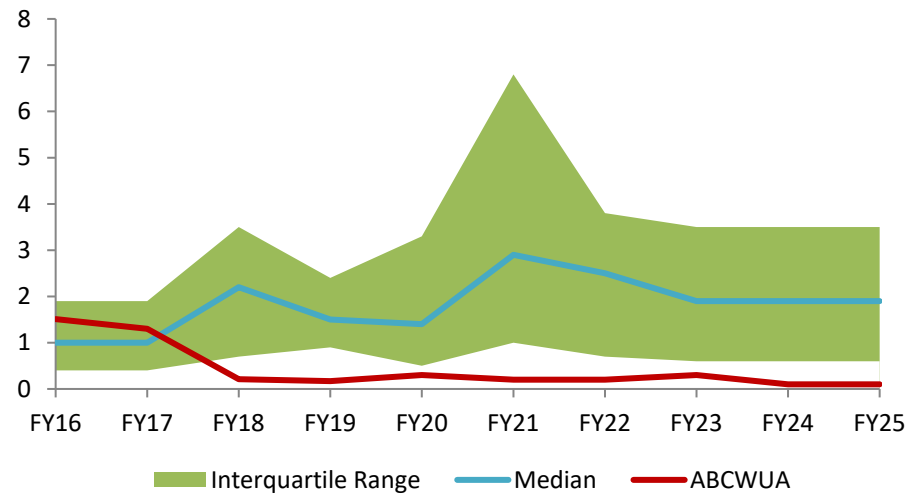
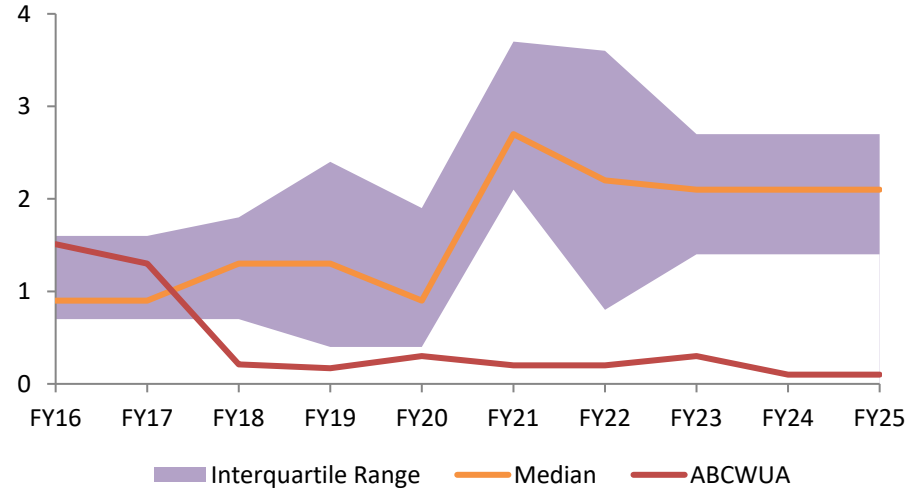
Performance Results Average Wait Time (minutes)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	0:30	0:10	0:10	0:10	Reduce call wait time and avoid customers hanging up

Industry Benchmarks

Combined Water/ Wastewater Utilities



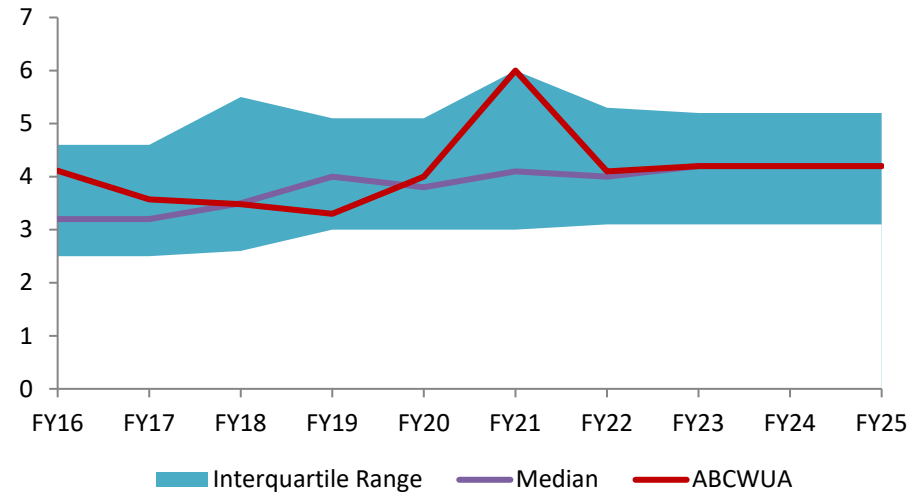
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Average Total Call Time (minutes)

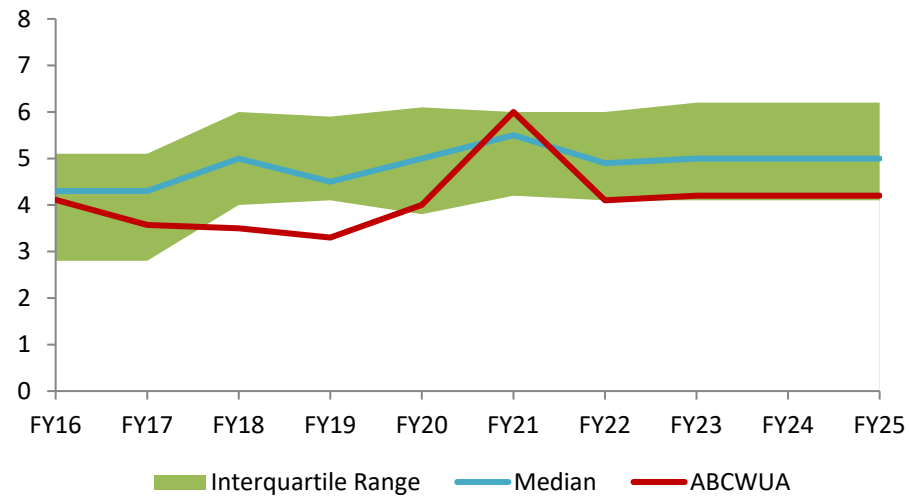
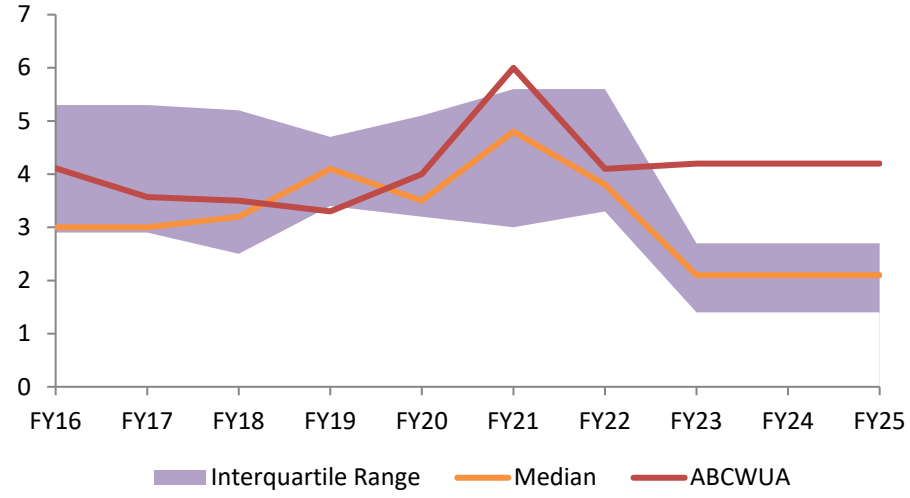
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the time spent to resolve the purpose of the phone call by Water Authority customers	Average time spent by a customer service representative on the phone with a customer	4:20	4:10	4:20	4:20	4:20	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

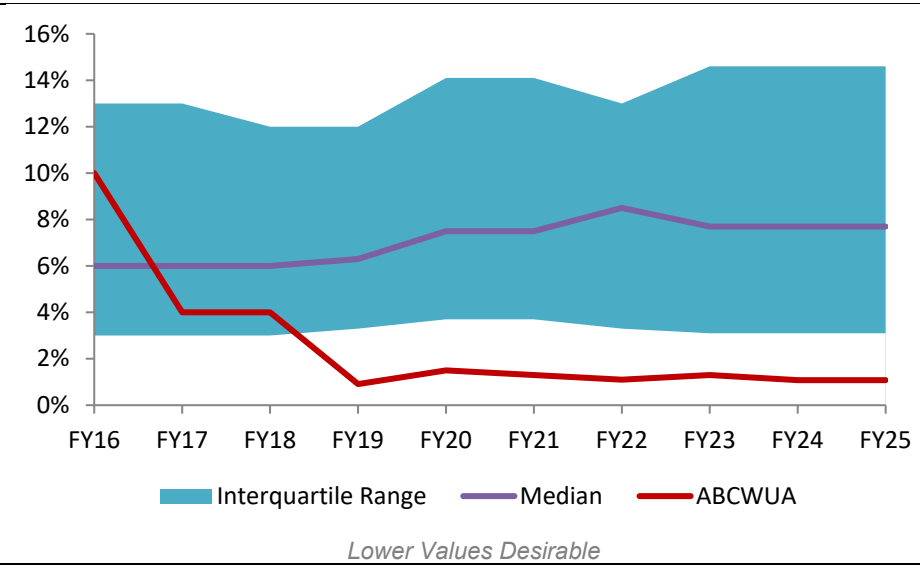
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

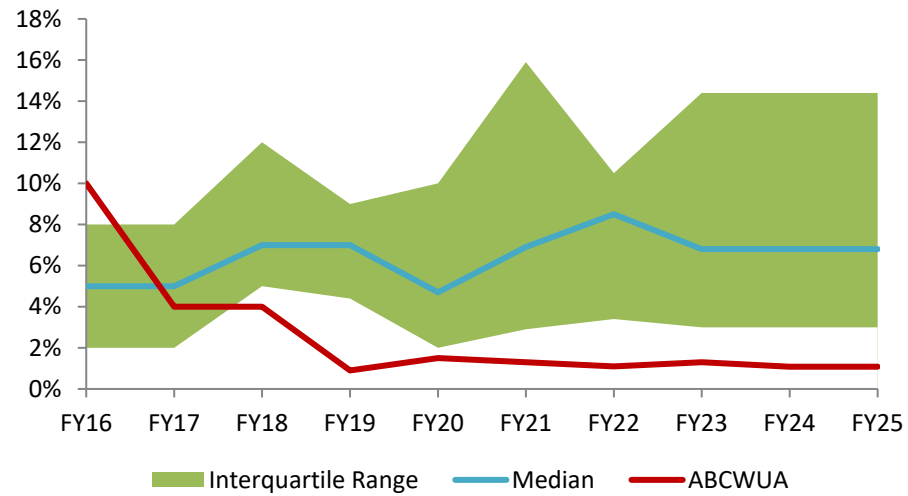
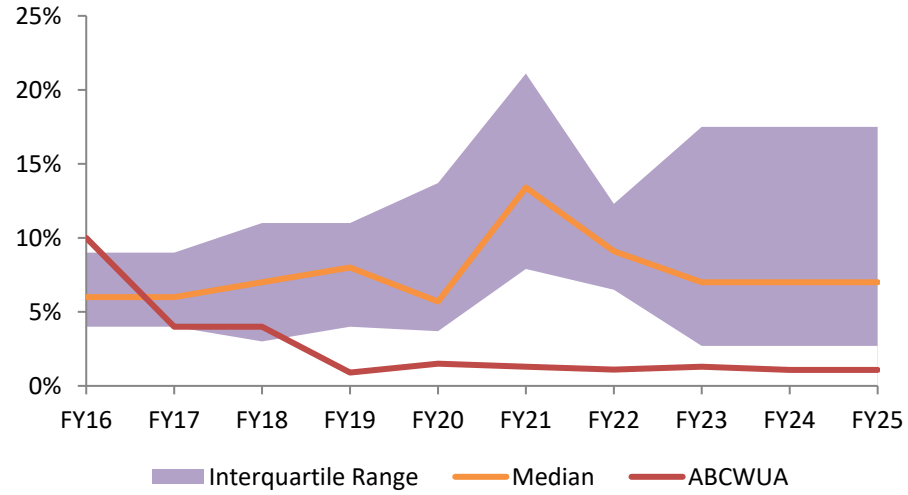
Performance Results Abandoned Call Ratio

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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%	1.1%	1.3%	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



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.

2024 Customer Opinion Survey

- 76% of customers gave either excellent or good rating on the overall quality of service provided by a customer service representative
- 83% of customers are either very or somewhat satisfied with the courtesy of the customer service representative
- 65% of customers are either very or somewhat satisfied with the knowledge and ability to answer your questions or resolve your issues
- 75% of customers are either very or somewhat satisfied with the length of wait to speak with a customer service representative

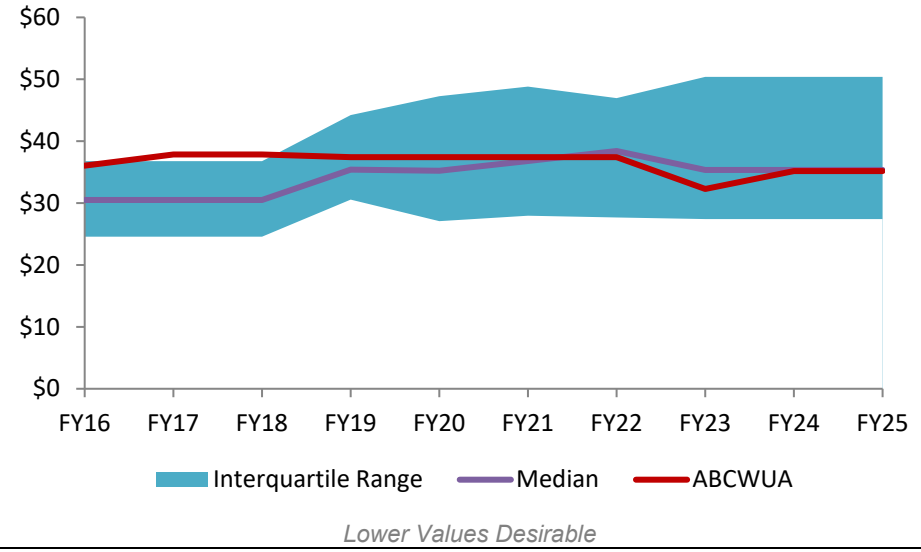
3-5 Residential Cost of Water and/or Sewer Service

Performance Results (Average Residential Water Service)

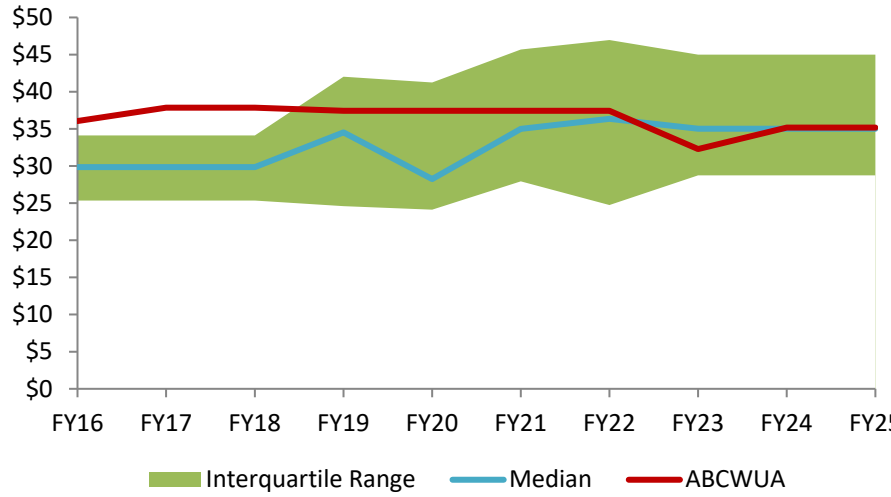
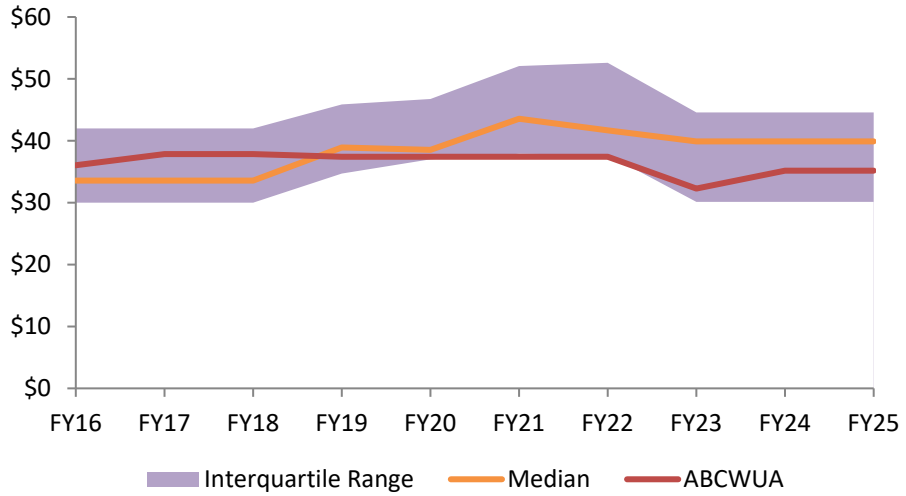
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$34.96	$37.43	$32.28	$35.18	$35.18	$35.18	Provide affordable water and legally justifiable rates to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

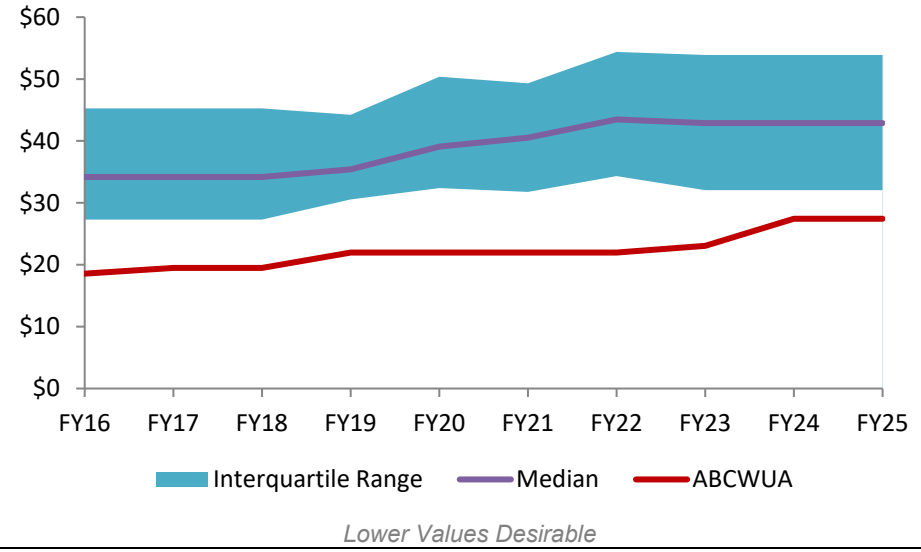
Utilities with populations greater than 500,000	 *Lower Valu es* *Desirable*
Utilities located in Region 4	 *Lower Values* *Desirable*

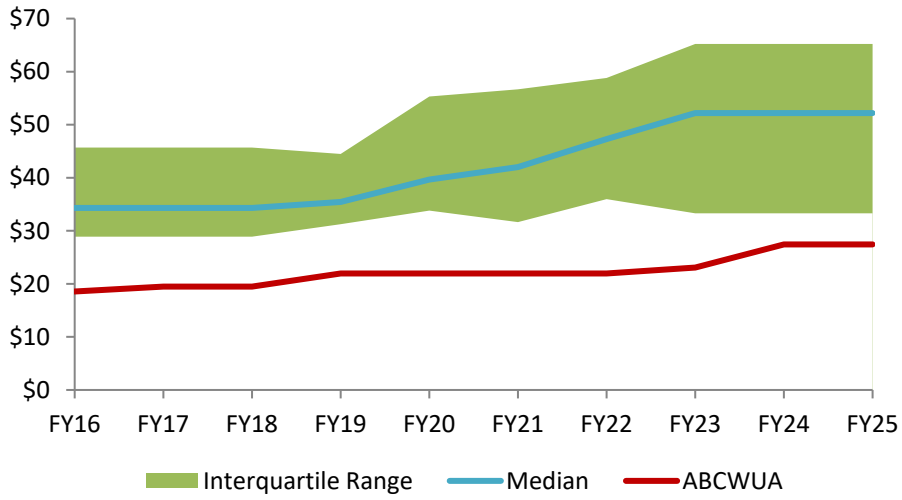
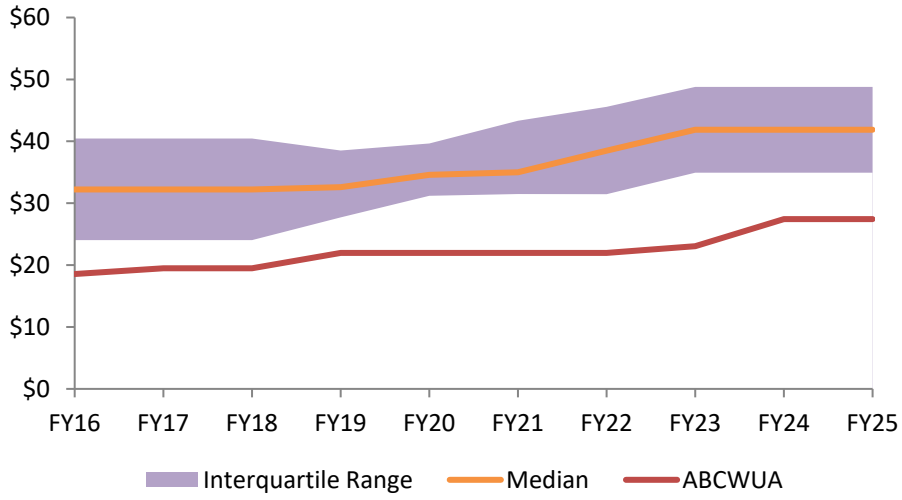
Performance Results (Average Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	$24.15	$21.97	$23.06	$27.43	$27.43	$27.43	Provide affordable water and legally justifiable rates to our customers

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

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% was implemented. No rate adjustment is proposed for FY26.

2024 Customer Opinion Survey

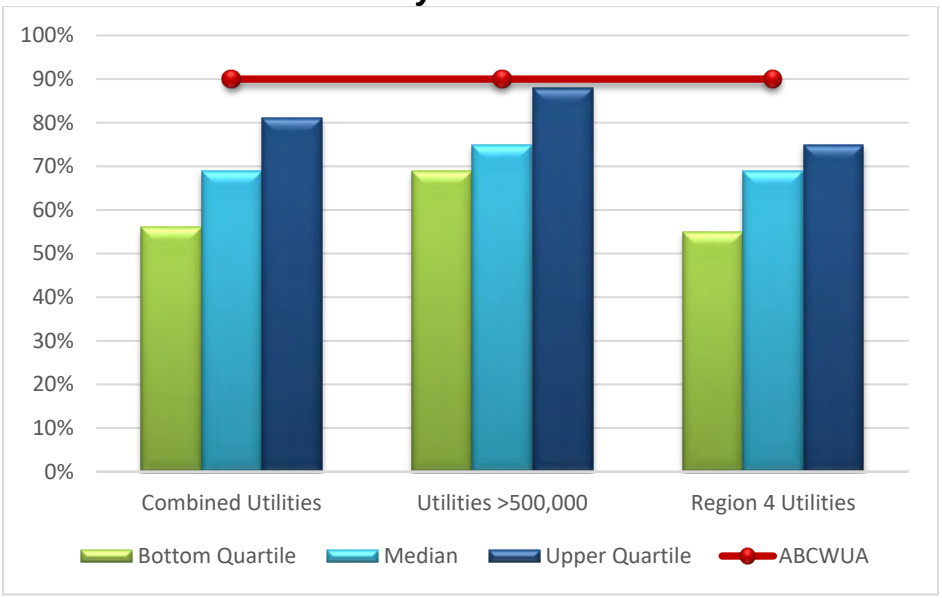
- 85% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid
- 77% of customers either strongly or somewhat agree that because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives
- 66% 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
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the utility's stakeholder outreach activities	Self-assessment based on Stakeholder Outreach Checklist	100%	100%	75%	94%	94%	95%	Assess the utility's outreach efforts with its stakeholders

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 FY24, 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 tenth 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 2024 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 FY26.

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

FY26 Objectives	Measure Reference
Implement at least one planned Interceptor Rehabilitation project in FY26, and complete at least one interceptor design package by the 4th Quarter of FY26; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY26.	**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 FY26. Generate at least 35% 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 FY26 and report progress quarterly.	**4-3**
Audit Sharepoint databases and GIS layers, reconcile the two datasets for consistency and accuracy, and relocate applicable items for the following by the end of the 4th Quarter of FY26: 1. Development Agreement layer 2. Service Connection Agreement layer 3. Inter-governmental Agreement layer	**NA**
Find opportunities to improve the Flow Inquiry process in Planning and Utility Development to make it more efficient and helpful for customers. Investigate the idea of providing hydrant curves as well as an exhibit indicating where the analysis was performed by the end of the 4th Quarter of FY26.	**NA**
Incorporate new language in the Availability Statement/Serviceability Letter template to provide direction if private fire pumps are considered for proposed developments. Also, create a Standard Operating Procedure (SOP) which will provide guidance when a private fire pump is proposed that may have adverse impacts on the Water Authority system by the end of the 4th Quarter of FY26.	**NA**
Initiate the update of the Comprehensive Asset Management Plan (CAMP). Begin planning and collecting data to update the CAMP by the end of the 4th Quarter of FY26 to include the following tasks: • Update asset condition scoring and monitoring framework • Develop integration with existing asset registry data – Maximo • Energy and chemical usage cost analysis • Update Fleet Maintenance CAMP	**NA**
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 FY26. ❖ Preventative Maintenance to Corrective Maintenance Ratio, Target 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.	**NA**
To improve decision making with available data transition existing SAMP, Board Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY26. 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
Update the EPA Effective Utility Management program to reflect the 2024 Primer revisions. Perform the Self-Assessment by meeting with all divisions/departments and prepare a report on the results of the assessment by the end of the 4th Quarter of FY26.	**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 FY26 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 FY26. 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**
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 FY26. 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. • Upgrade Asset Management System (Maximo) and shift to a managed hosting solution. Expected completion during the 4th Quarter of FY26. • Cloud/SAAS Migrations for targeted workloads.	**NA**
Develop, implement, and monitor a Maximo conditions assessment for Compliance Division's inventoried assets by the end of the 4th Quarter of FY26.	**NA**
Implement and begin monitoring a Fleet condition assessment program in the Maximo asset management system by the end of the 4th Quarter of FY26.	**NA**
Develop and formalize Standard Operating Procedures for Centralized Facilities Maintenance by the end of the 4th Quarter of FY26.	**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		✓

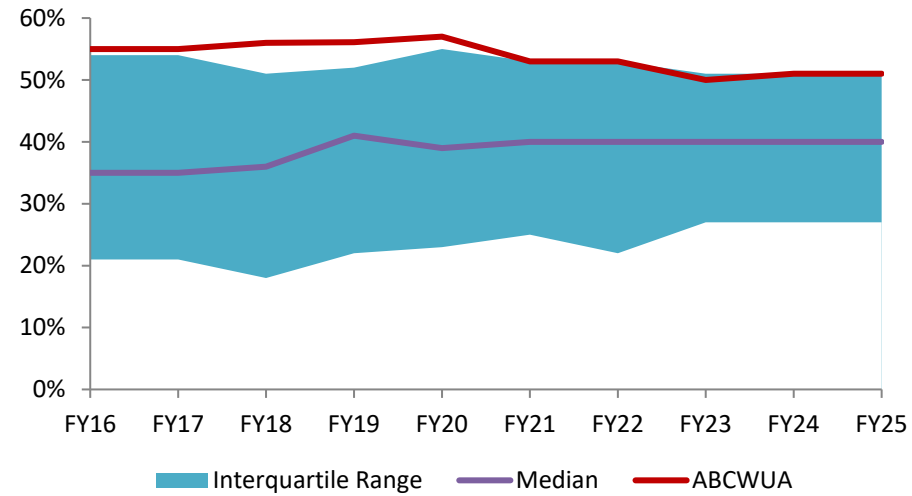
4-1 Debt Ratio

Performance Results

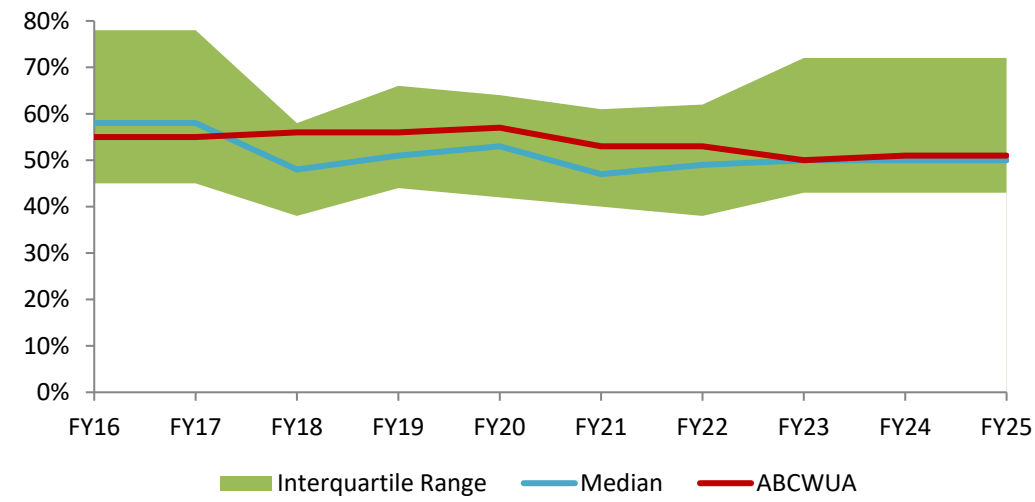
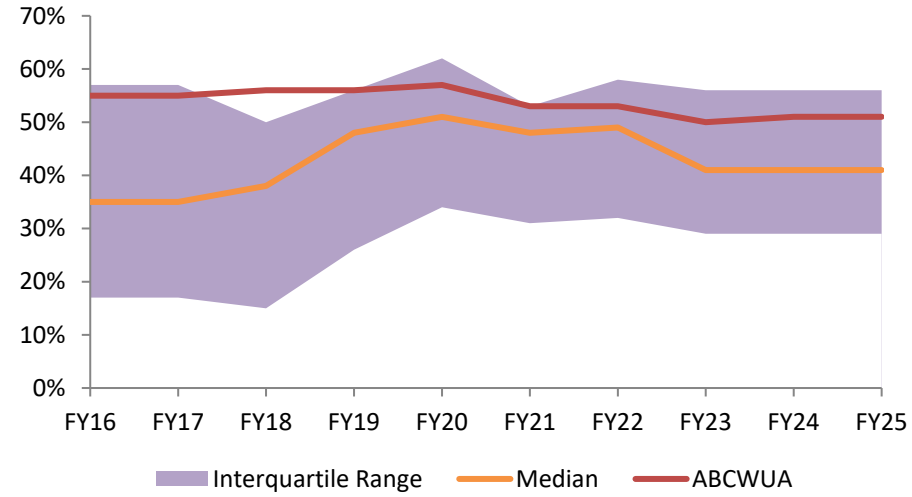
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	51%	53%	50%	51%	50%	50%	Maintain low debt burden and communicate 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.

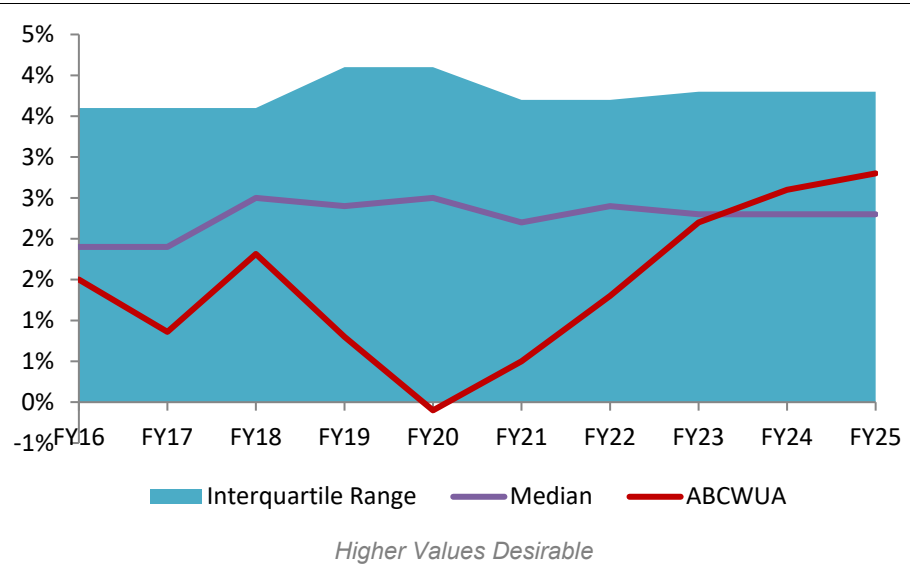
The Water Authority had borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $579.5 million in outstanding debt which is primarily attributed to carrying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

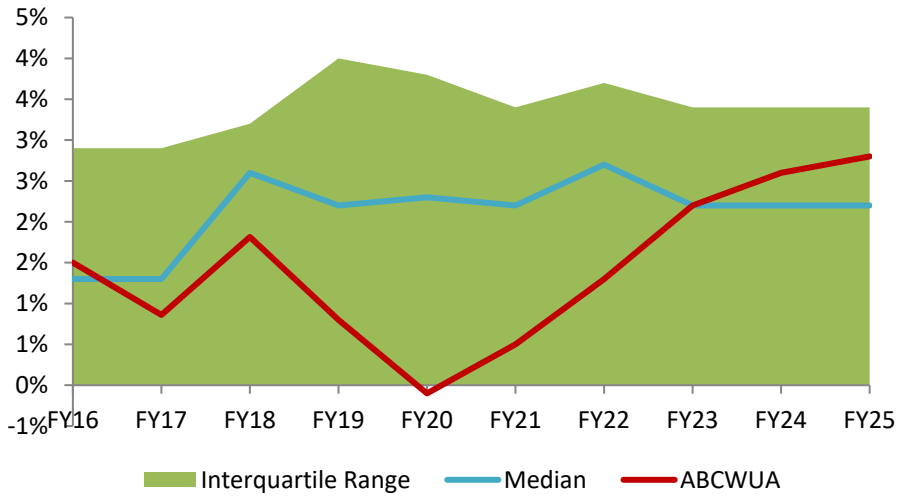
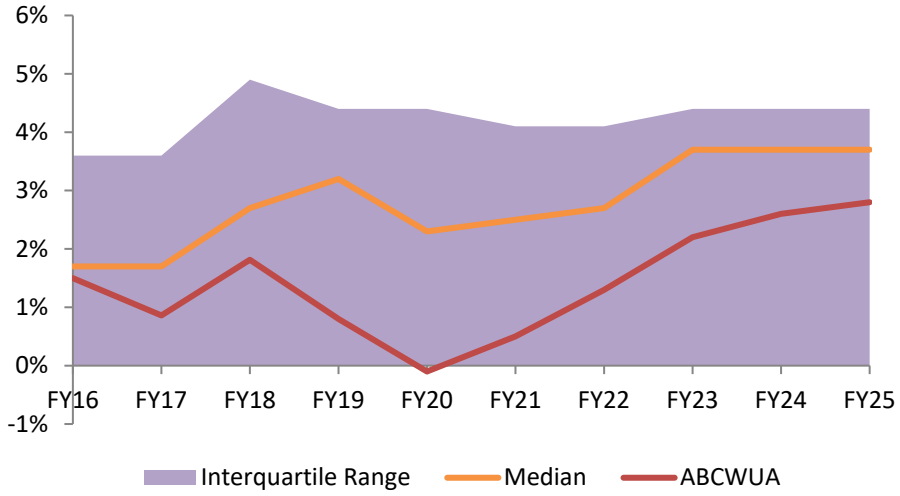
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	2.0%	1.3%	2.2%	2.6%	2.8%	3.0%	Improve the financial health of the 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).

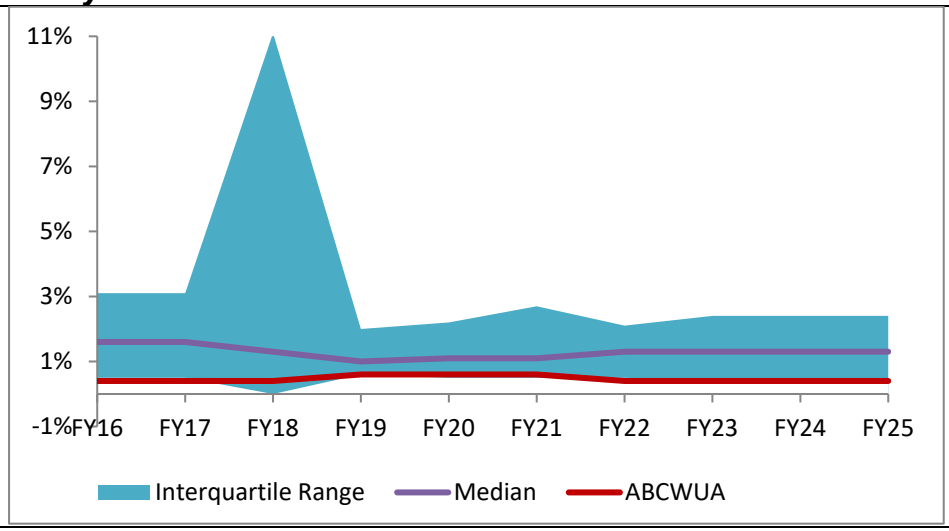
4-3 System Renewal / Replacement Rate

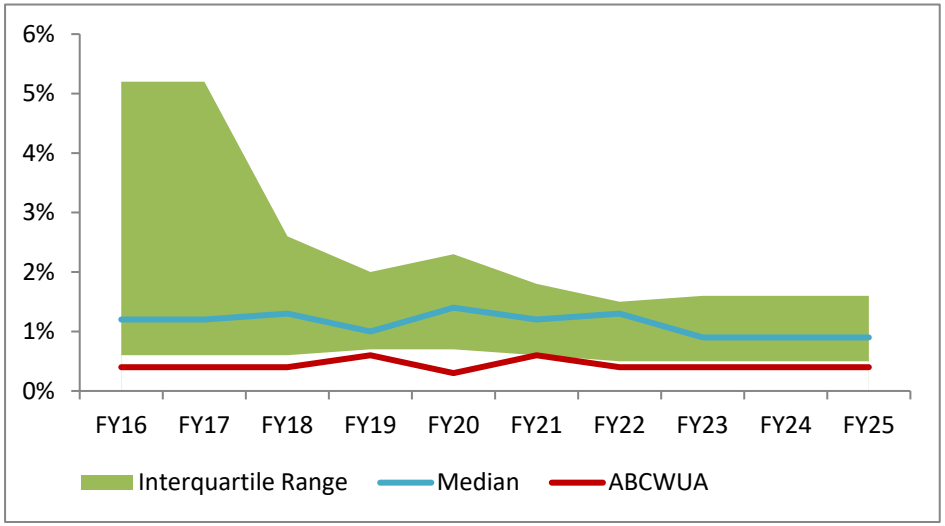
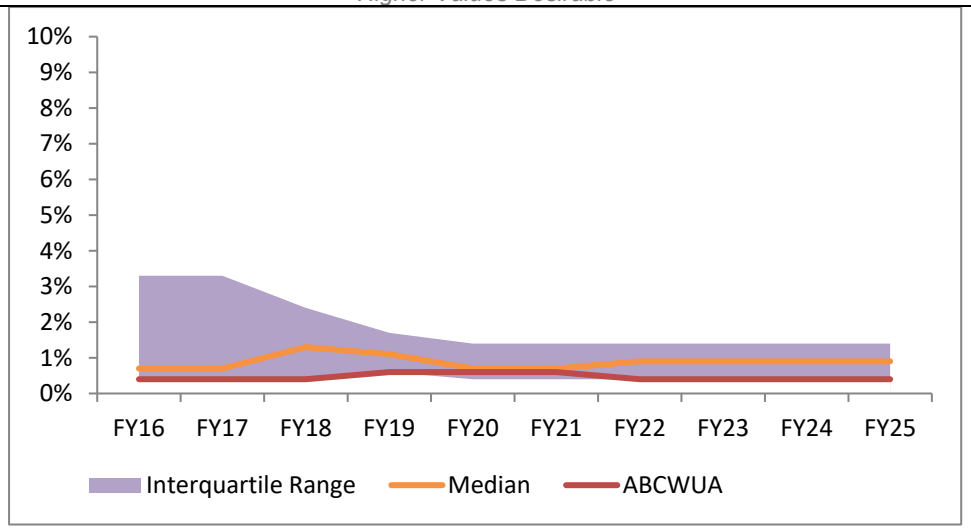
Performance Results (Water Pipeline & Distribution)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
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	0.4%	0.4%	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



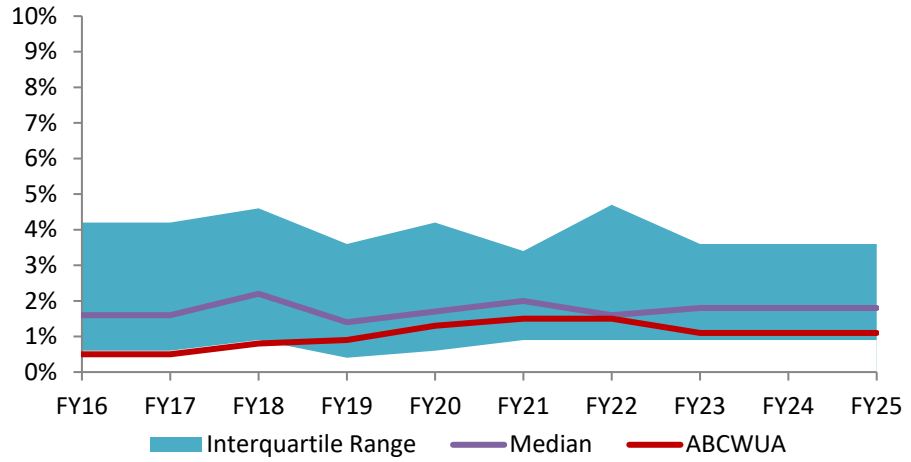
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Water Facility & Pumping)

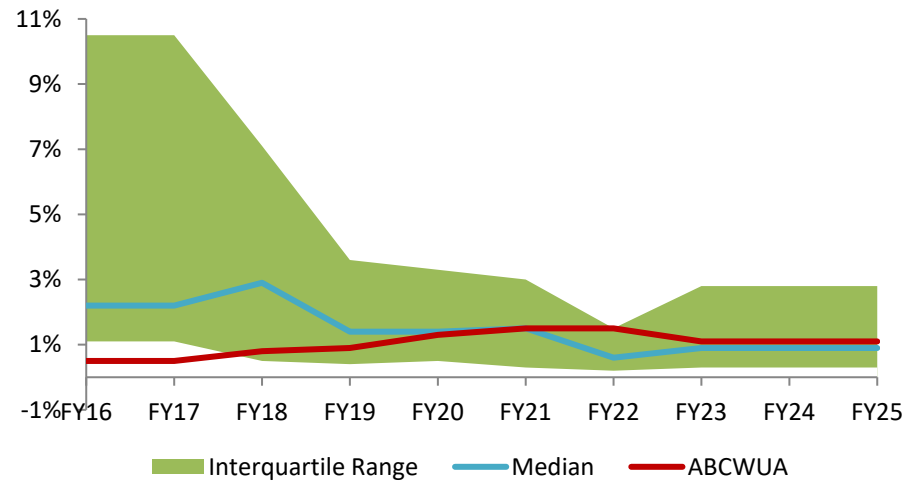
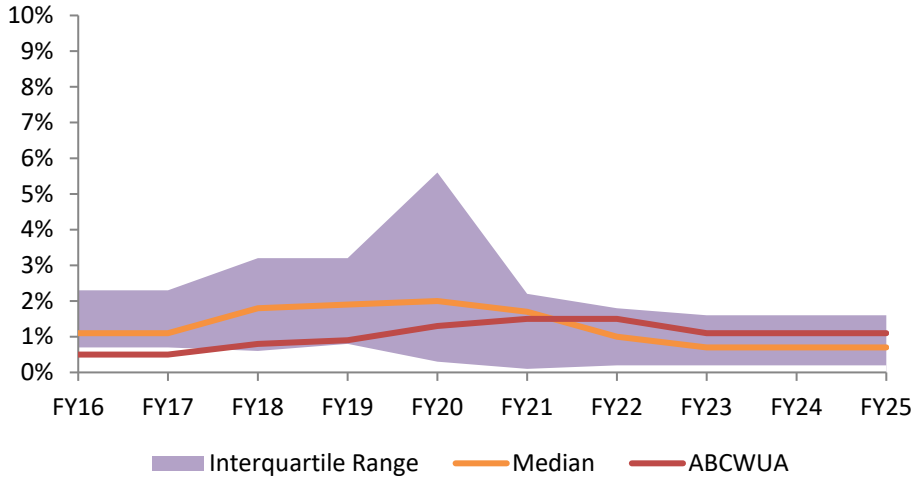
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.2%	1.5%	1.1%	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

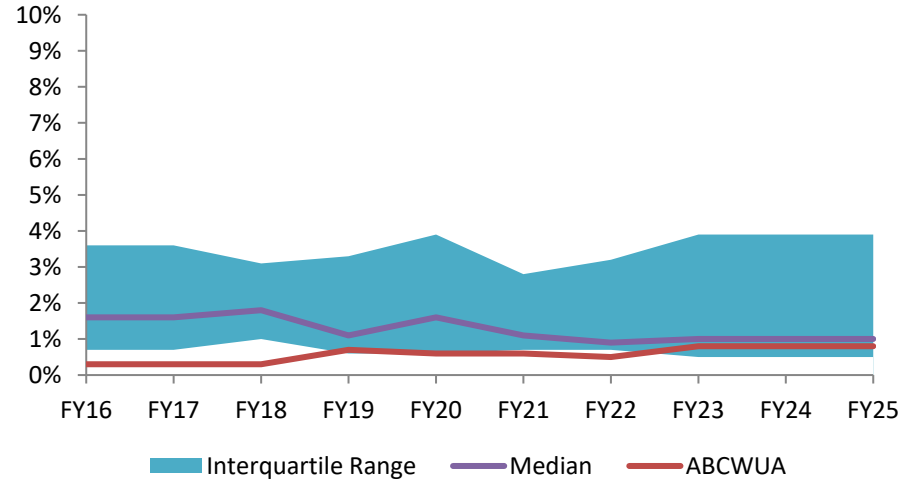
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Pipeline & Collection)

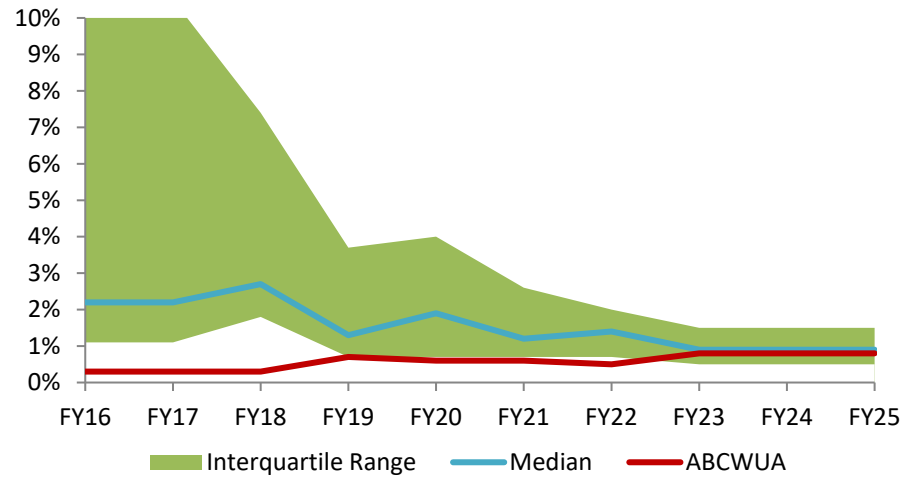
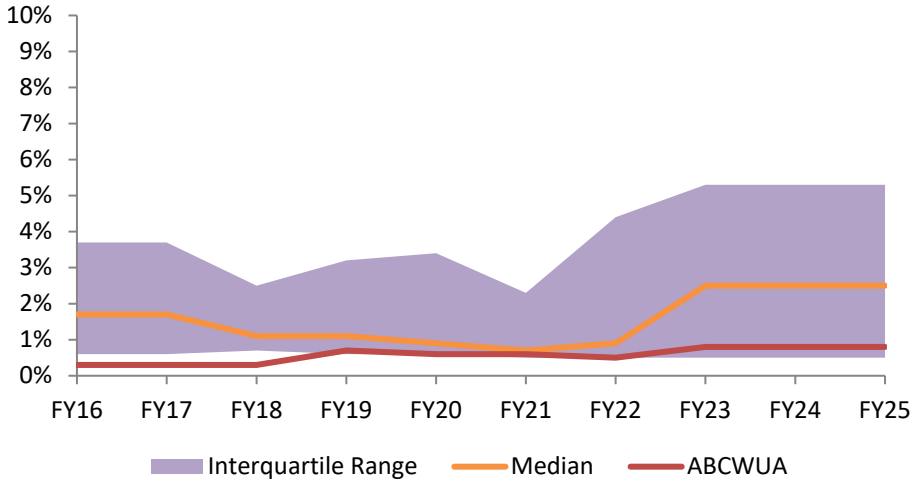
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.7%	0.5%	0.8%	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

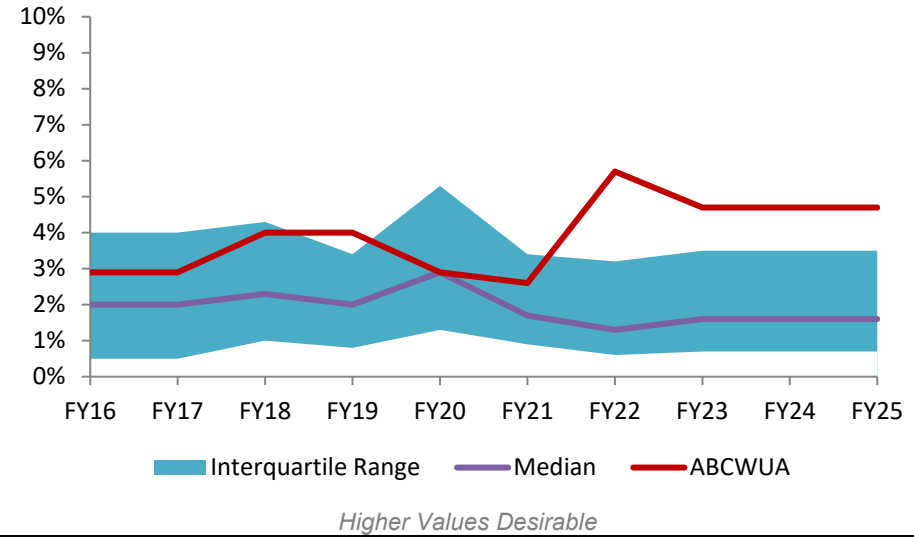
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Facility & Pumping)

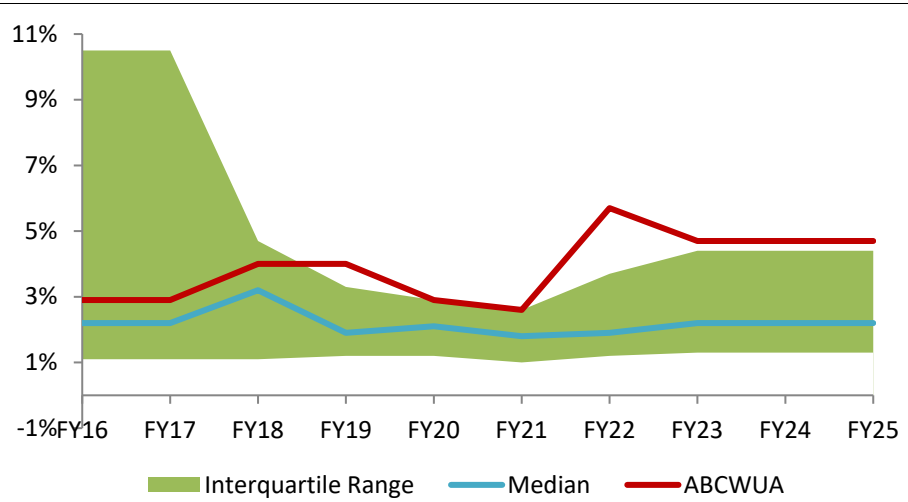
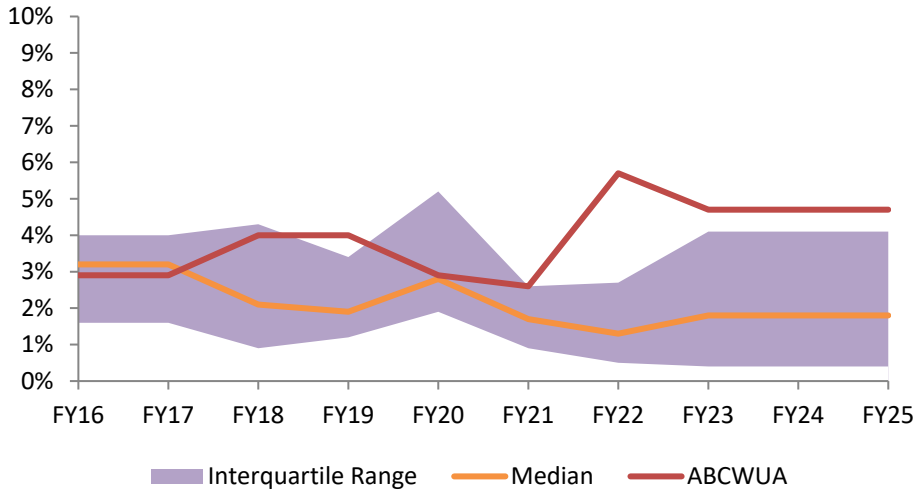
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	5.0%	5.7%	4.7%	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 FY26, the proposed capital budget is $96.5million.

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.

In FY26, the Water Authority will Initiate the update of the Comprehensive Asset Management Plan (CAMP)and begin planning and collecting data to update the CAMP to include the following tasks:

- Update asset condition scoring and monitoring framework
- Develop integration with existing asset registry data – Maximo
- Energy and chemical usage cost analysis
- Update Fleet Maintenance CAMP

2024 Customer Opinion Survey

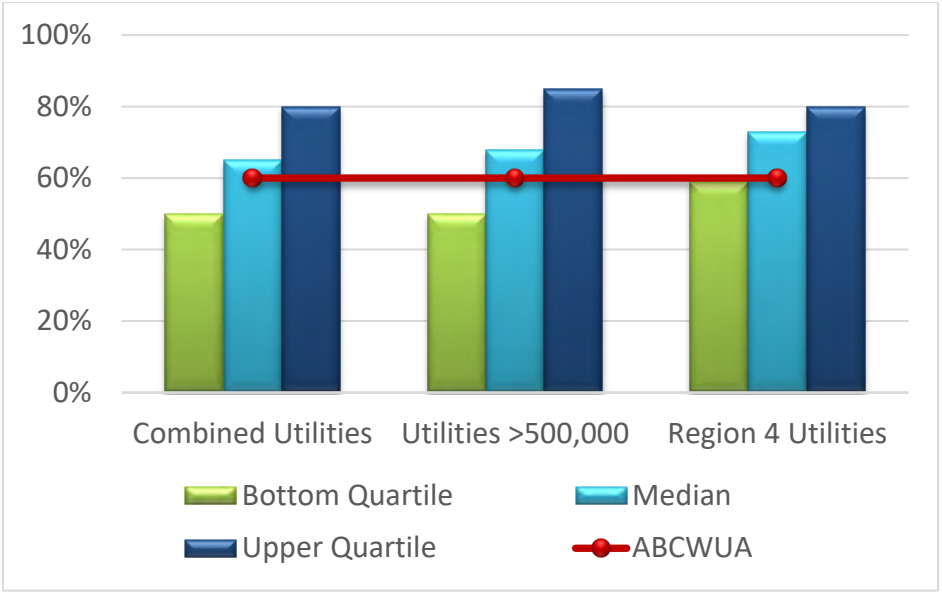
- 86% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

4-4 Triple Bottom Line Index

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Quantify the utility's sustainability efforts	Self-assessment based on Triple-Bottom-Line Checklist	58%	55%	60%	60%	60%	60%	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	Effective Utility Management Attribute Maturity	▲	▲
	Overall Goal Status	▲	▲

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY26 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 FY26.	**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 70% or greater overall completion rate by the end of the 4th Quarter of FY26. In collaboration with the Safety program, attend 30% of all in-person safety trainings to lead a stretching/warmup session and promote wellness. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY26.	**5-1**
Develop an awareness program to increase employee participation in annual physicals by 25% by the end of the 4th Quarter of FY26.	**5-1**
Deliver a tailored program of monthly safety trainings that addresses the unique operational risks, hazards, and OSHA regulatory requirements specific to each division by the end of the 4th Quarter of FY26. This approach represents a refinement of the existing training program, shifting from general safety topics to a more focused strategy. Topics include, but are not limited to, excavation safety, electrical safety, fall protection, chemical hazard awareness, confined space entry, and Commercial Driver License (CDL) training certifications. Attendance will continue to be tracked through the Learning Management System (LMS) to ensure compliance and engagement.	**5-1**
Conduct monthly safety inspections to identify hazards and ensure compliance with OSHA standards, with a renewed focus on documenting, tracking, and resolving corrective actions in the Maximo system by the end of the 4th Quarter of FY26. This enhanced approach emphasizes accountability and timely resolution of inspection findings to improve workplace safety.	**5-1**
Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY26. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY26.	**5-4**
Explore a partnership with Central New Mexico College to develop an intern program designed to increase recruitment and develop future utility employees by the end of the 4th Quarter of FY26.	**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 FY26 with a goal of at least 1 innovation story each quarter.	**5-6**
Develop a program to enable Water Authority employees to volunteer at community events and represent the Water Authority throughout FY26. Ensure that events are approved through a transparent process, and that normal work is completed.	**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	Effective Utility Management Attribute Maturity	✓	✓	✓

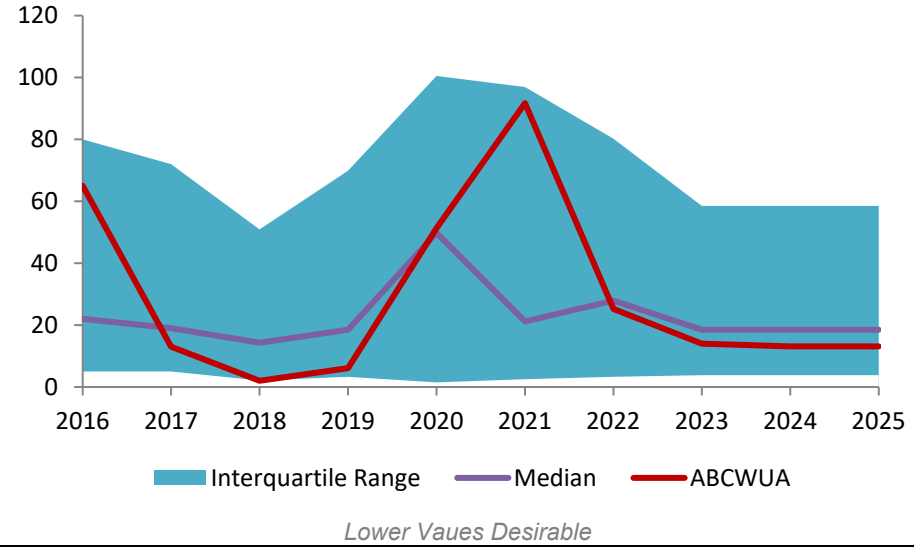
5-1 Employee Health and Safety Severity Rate

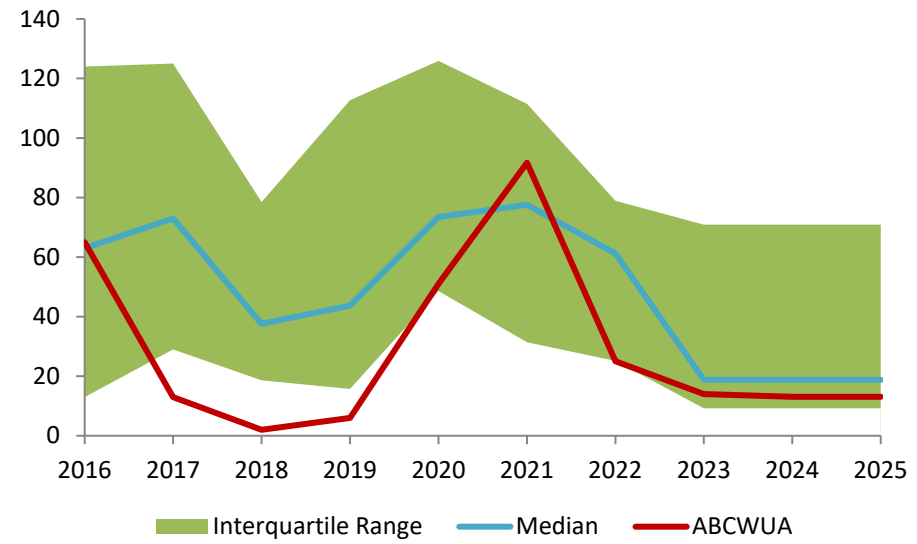
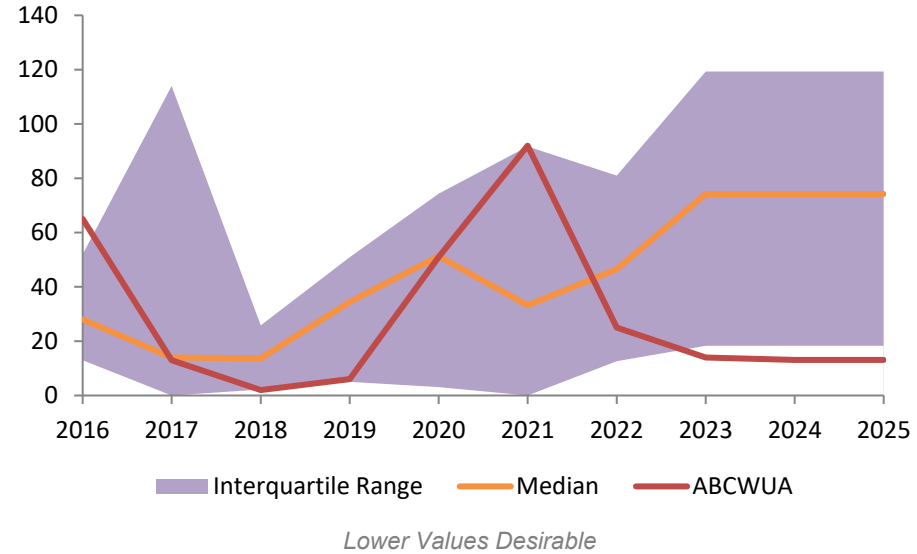
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2021	2022	2023	2024	2025	
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	43	92	25	14	13	13	Improve employee health and safety to reduce total workdays from work

Industry Benchmarks

Combined Water/ Wastewater Utilities



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

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 FY26 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.

For FY26, two additional safety-related policy objectives have been added:

1. Developing a tailored program of monthly safety trainings that address the unique operational risks, hazards, and OSHA regulatory requirements specific to each division.
2. Conducting monthly safety inspections to identify hazards and ensure compliance with OSHA standards.

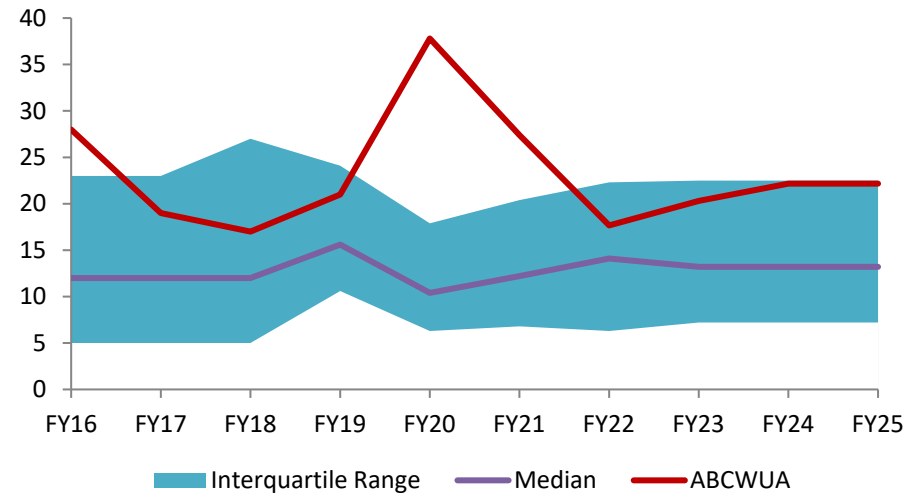
5-2 Training Hours per Employee

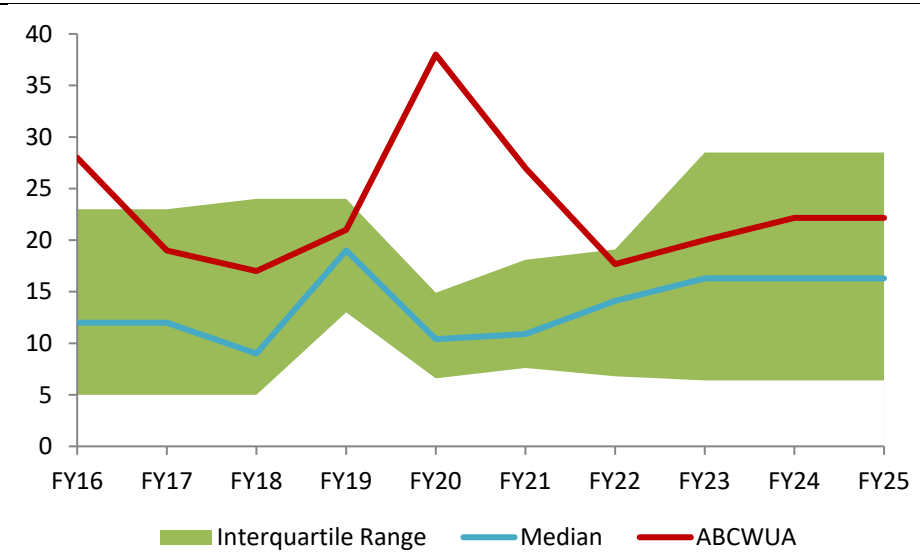
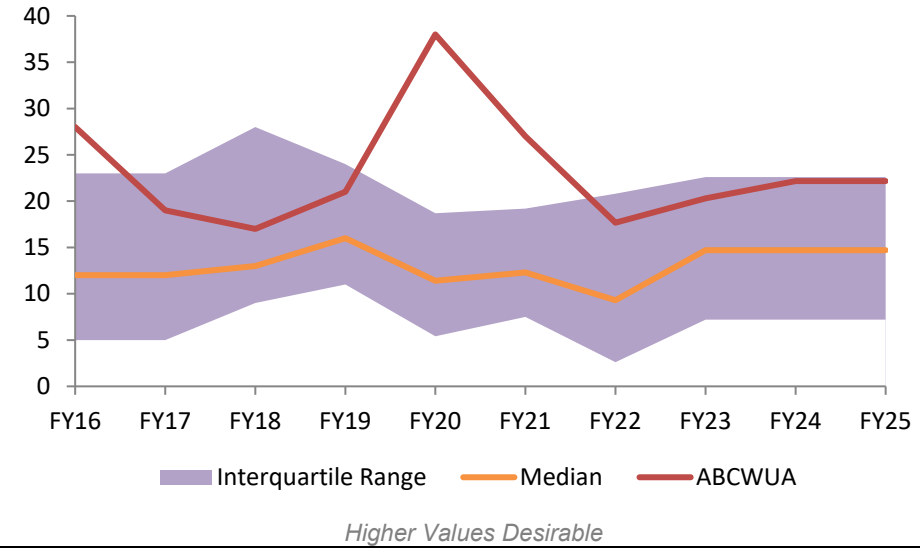
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Effectiveness	Measure the quantity of formal training completed by Water Authority employees	Number of formal training hours per employee per year	20	18	20	22	22	25	Improve employee knowledge and skills to maintain a motivated and effective works force

Industry Benchmarks

Combined Water/ Wastewater Utilities



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 conducting a 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.

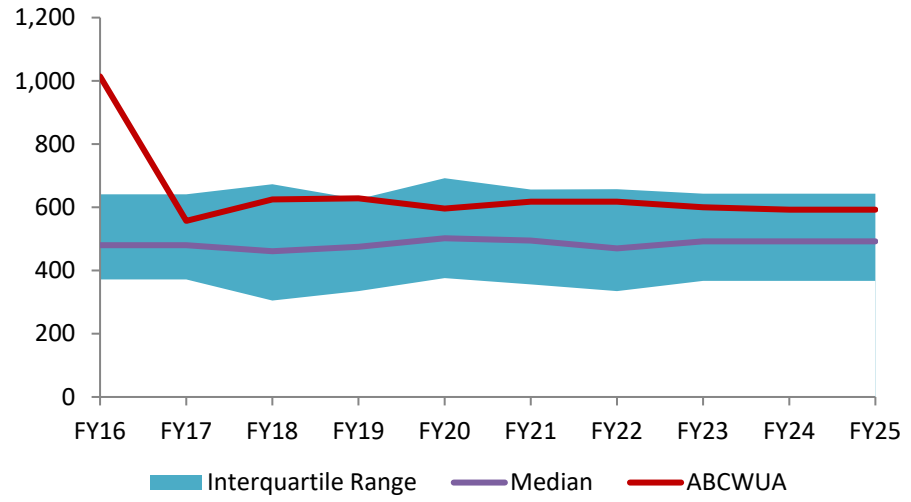
5-3 Customer Accounts per Employee

Performance Results (Customer Water Accounts per Employee)

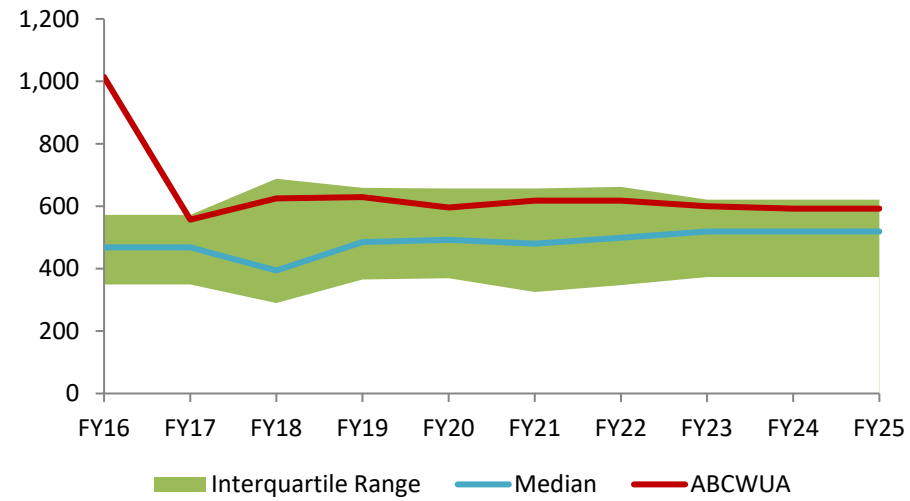
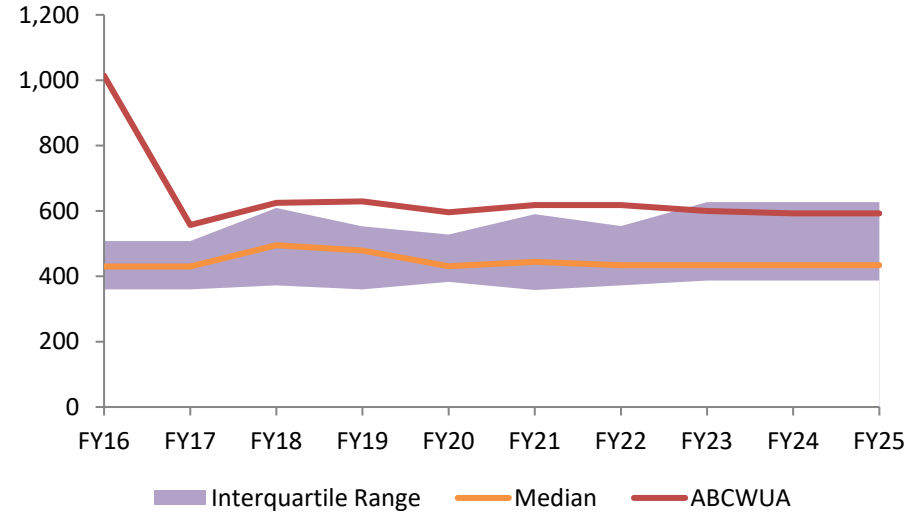
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	603	618	600	592	592	595	Provide efficient service to our customers to meet their expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

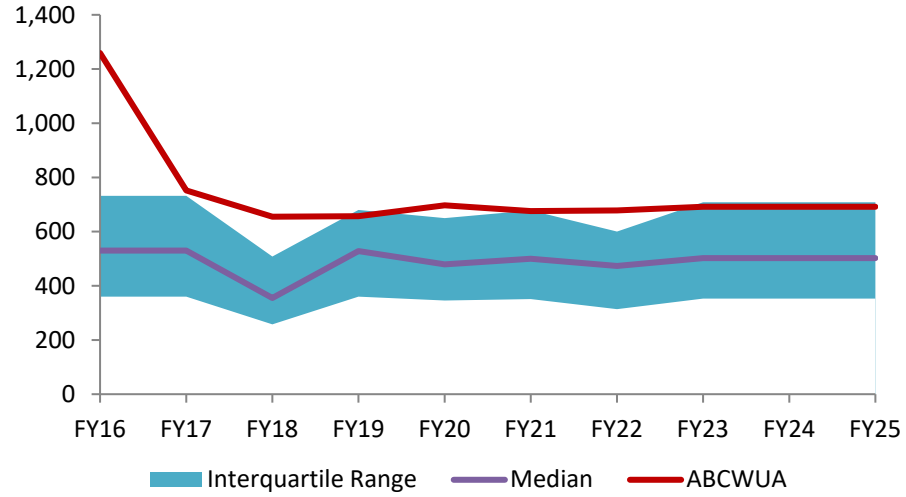
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Customer Wastewater Accounts per Employee)

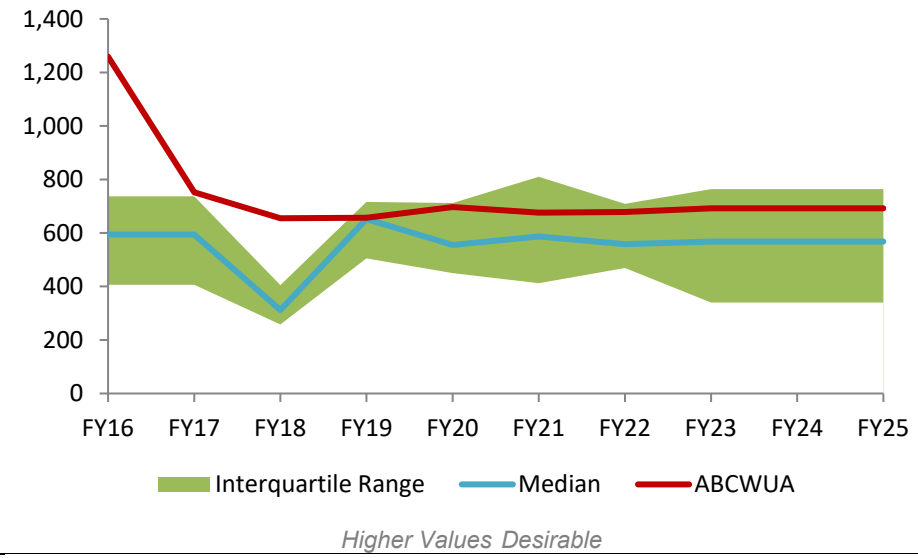
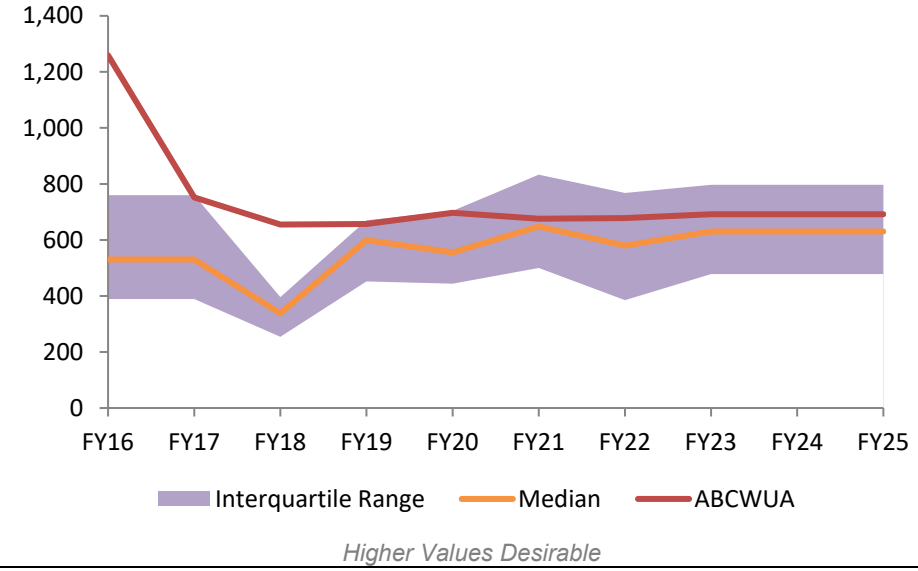
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	687	678	692	692	692	695	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 FY26.

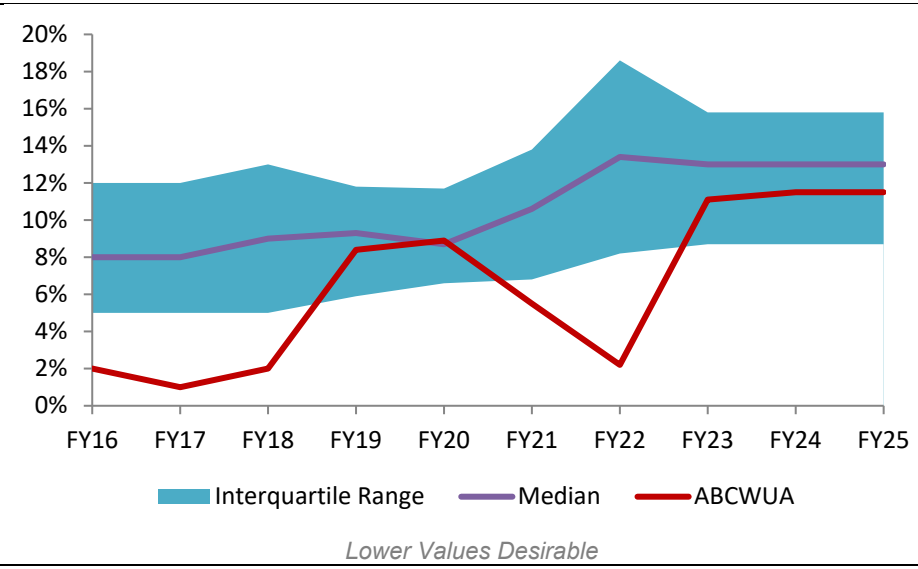
5-4 Employee Turnover

Performance Results

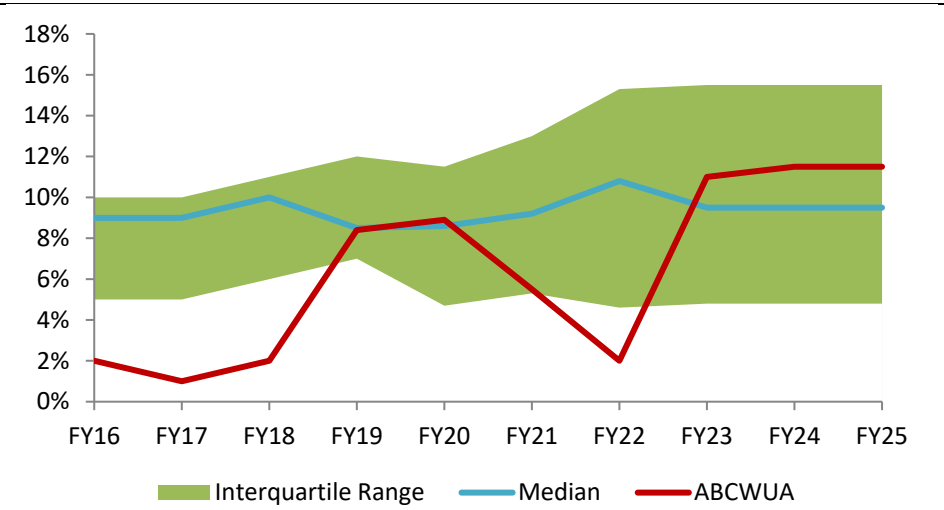
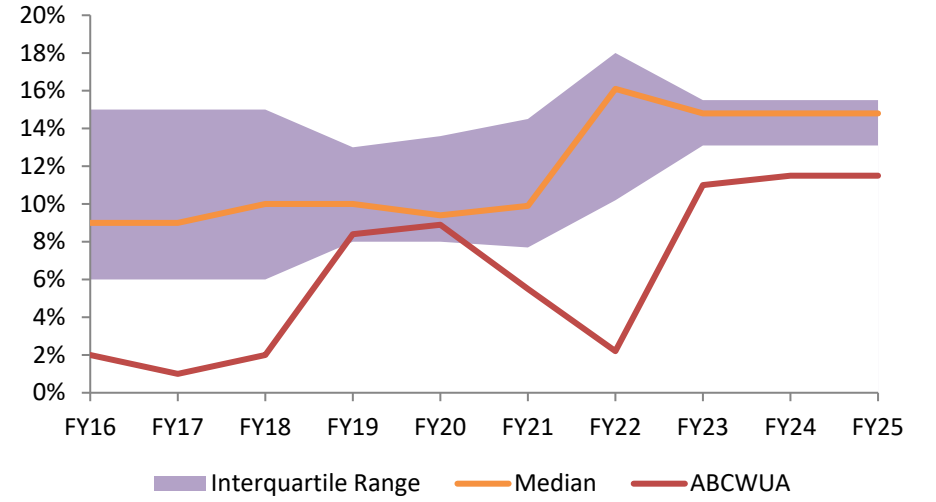
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Quantify the annual employee departures	Number of regular employee departures during the reporting period / Total number of FTEs	8.0%	2.0%	11.0%	12.0%	12.0%	12.0%	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 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.

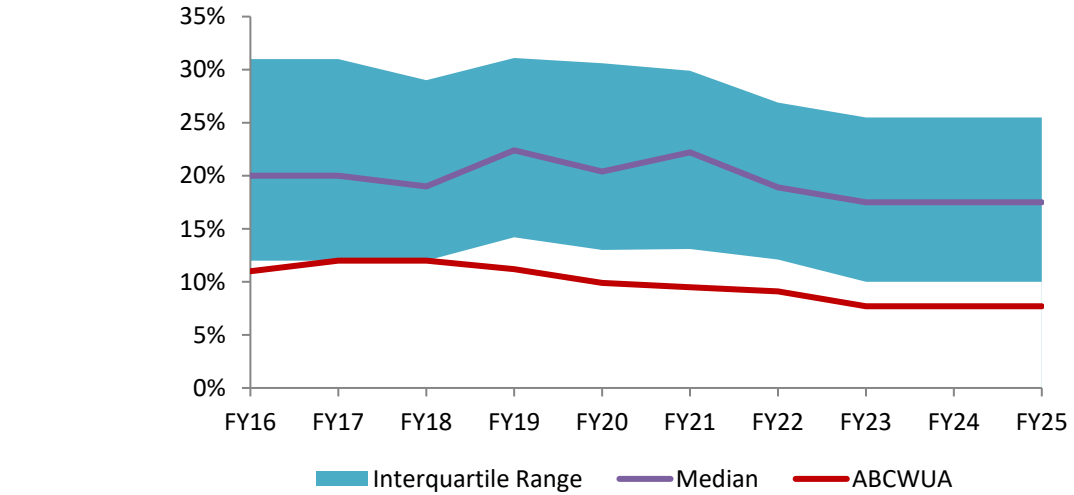
5-5 Retirement Eligibility

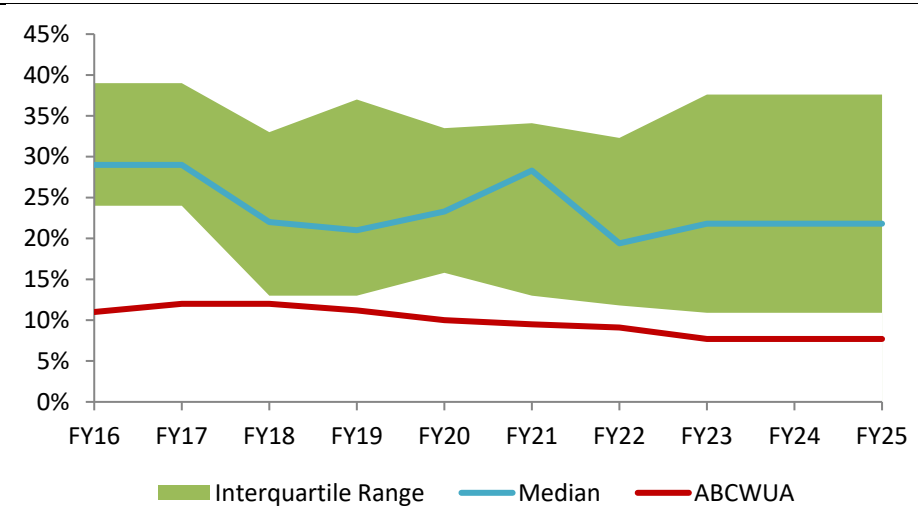
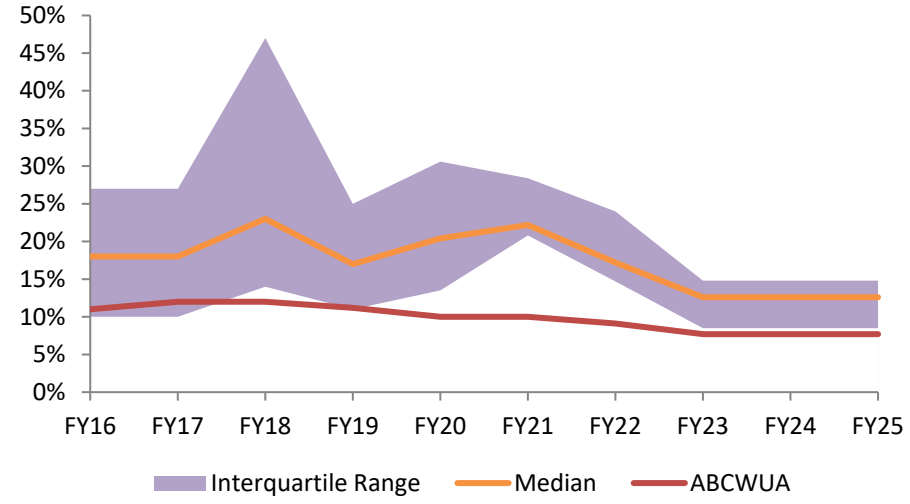
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Efficiency	Quantify the number employees who can retire	Number of regular employees eligible for retirement in the next 5 years / Total number of FTEs	8.0%	9.0%	8.0%	8.0%	8.0%	8.0%	Determine staffing levels for operation needs and meeting service levels

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

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.

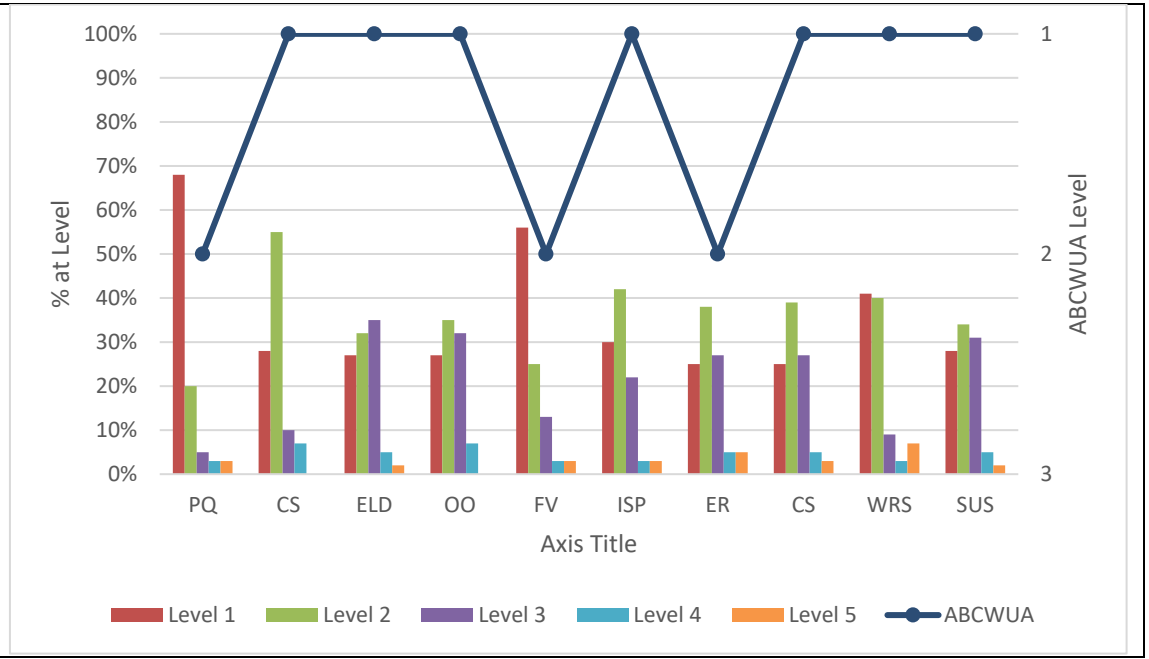
5-6 Effective Utility Management Attribute Maturity

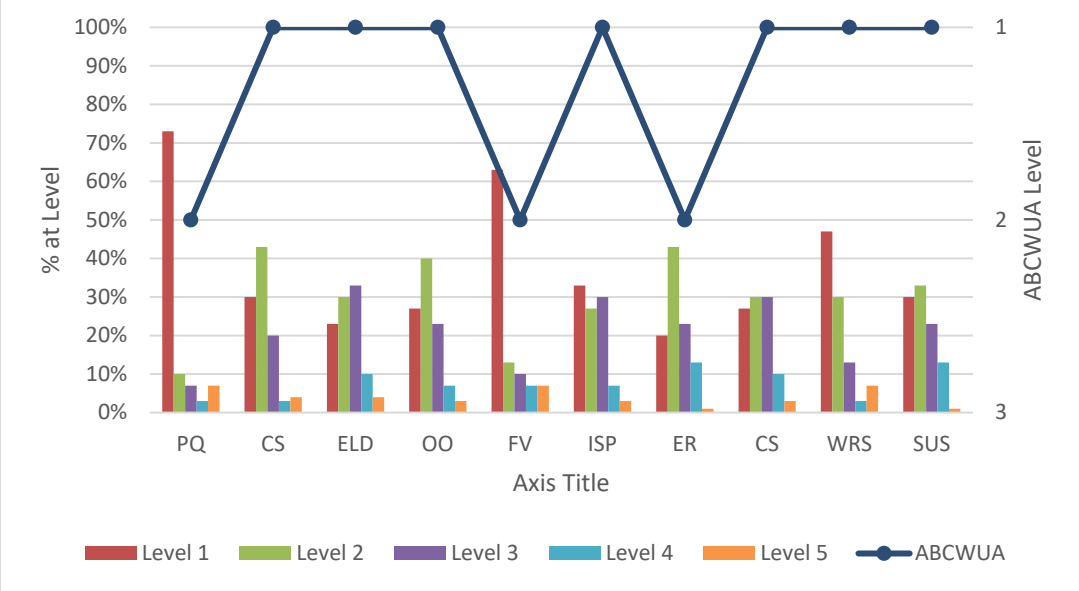
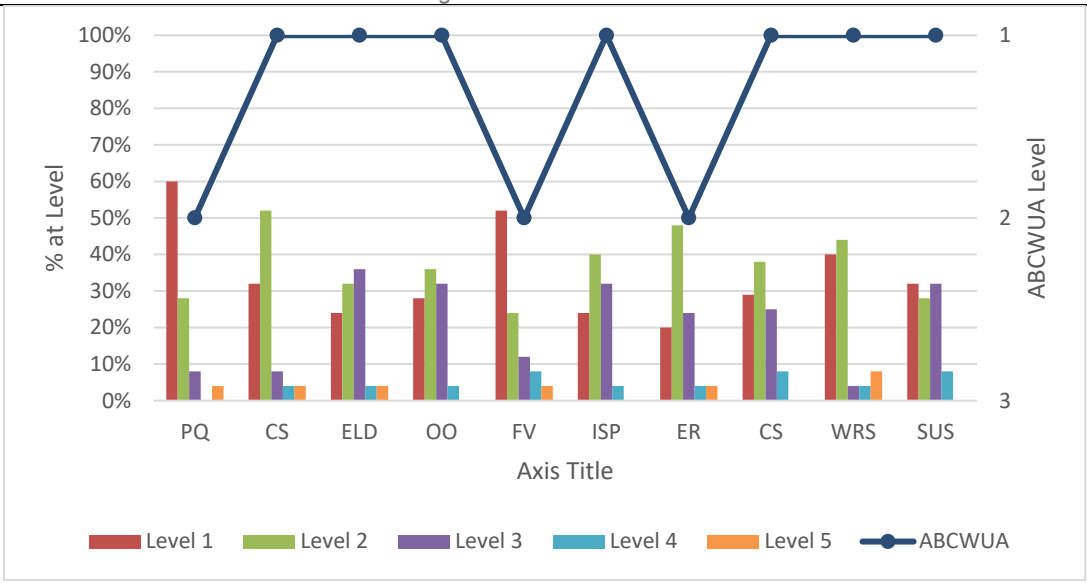
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY22	FY23	FY24	FY25	FY26	
Quality	To summarize the Water Authority's implementation and overall performance of utility management practices through the EUM framework	Self-scoring system to identify the degree to which the Water Authority is implementing the 10 EUM attributes	Level 1	NA	NA	Level 1	Level 1	Level 1	Implement best management practices to sustain a competitive work force

Industry Benchmarks

Combined Water/ Wastewater Utilities



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

Results Narrative

This indicator summarizes the overall performance and implementation of utility management practices through the EUM framework. Self-assessment and benchmarking are essential tools in guiding utilities systems through a process of understanding their challenges and establishing ways to improve utility performance. Utility managers can use the EUM framework to prioritize which attributes to evaluate and align their efforts with industry best practices. They will get a balanced and comprehensive picture of their organization by comparing how their system performs relative to the Ten Attributes of Effectively Managed Water Sector Utilities. The Ten Attributes provide a clear set of reference points and are intended to help utilities maintain a balanced focus on all important operational areas rather than reactively moving from one problem to the next or focusing on the "problem of the day." Utilities are encouraged to conduct a self-assessment as described in Appendix B of the EUM Primer to rate utility performance for each attribute. This self-assessment can be found online at https://www.epa.gov/sustainable-water-infrastructure/effective-water-utilitymanagement-practices/primer.

The Ten Attributes are:

PQ	Product Quality
CS	Customer Satisfaction
ELD	Employee and Leadership Development
OO	Operational Optimization
FV	Financial Viability
ISP	Infrastructure Strategy and Performance
ER	Enterprise Resiliency
CS	Community Sustainability
WRS	Water Resource Sustainability
SUS	Stakeholder Understanding and Support

The self-assessment uses the following scoring system to assign a value between one and five points for each practice:

- Level 1—Effective, systematic approach and implementation; consistently achieve goals.
- Level 2—Workable systems in place; mostly achieve goals.
- Level 3—Partial systems in place with moderate achievement but could improve.
- Level 4—Occasionally address this when specific need arises.
- Level 5—No system for addressing this.

Measurement Status

This is a new measure for FY24. The Water Authority's performance in this measure is above the median range for all attributes. 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. In FY26, there is a policy objective to complete a self-assessment using the EUM Attributes from the updated 2024 EUM primer.

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 Wate 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.