



## **Approved FY2026 Budget & Performance Plan Albuquerque Bernalillo County Water Utility Authority**

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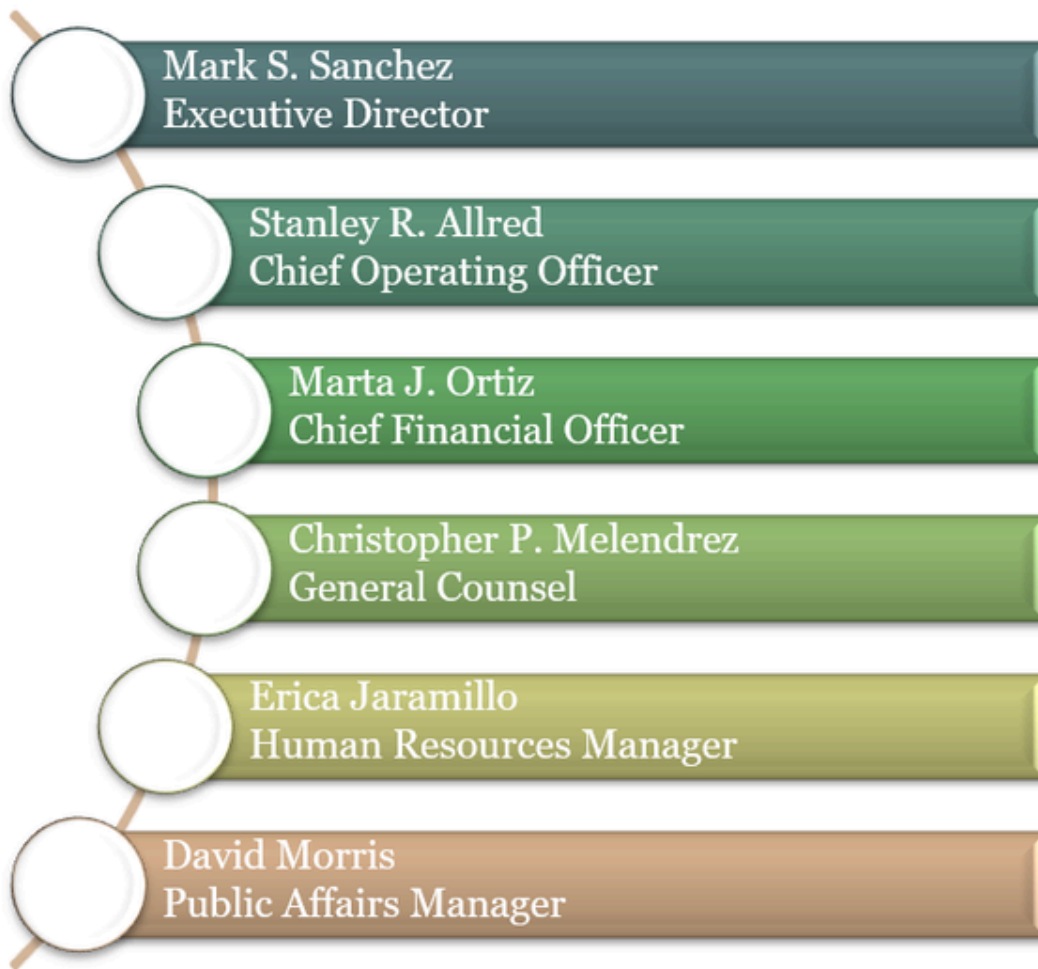
# GOVERNING BOARD MEMBERS

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

	Chair Klarissa J. Peña City of Albuquerque
	Vice Chair Barbara Baca Bernalillo County
	Member Frank A. Baca Bernalillo County
	Member Dan Lewis City of Albuquerque
	Member Eric Olivas Bernalillo County
	Member Louie Sanchez City of Albuquerque
	Member Timothy M. Keller City of Albuquerque Mayor
	"Ex-Officio" Gilbert Benavides Village of Los Ranchos Board Trustee



# EXECUTIVE LEADERSHIP





# FY25 DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

## *Distinguished Budget Presentation Award*

PRESENTED TO

**Albuquerque Bernalillo County  
Water Utility Authority  
New Mexico**

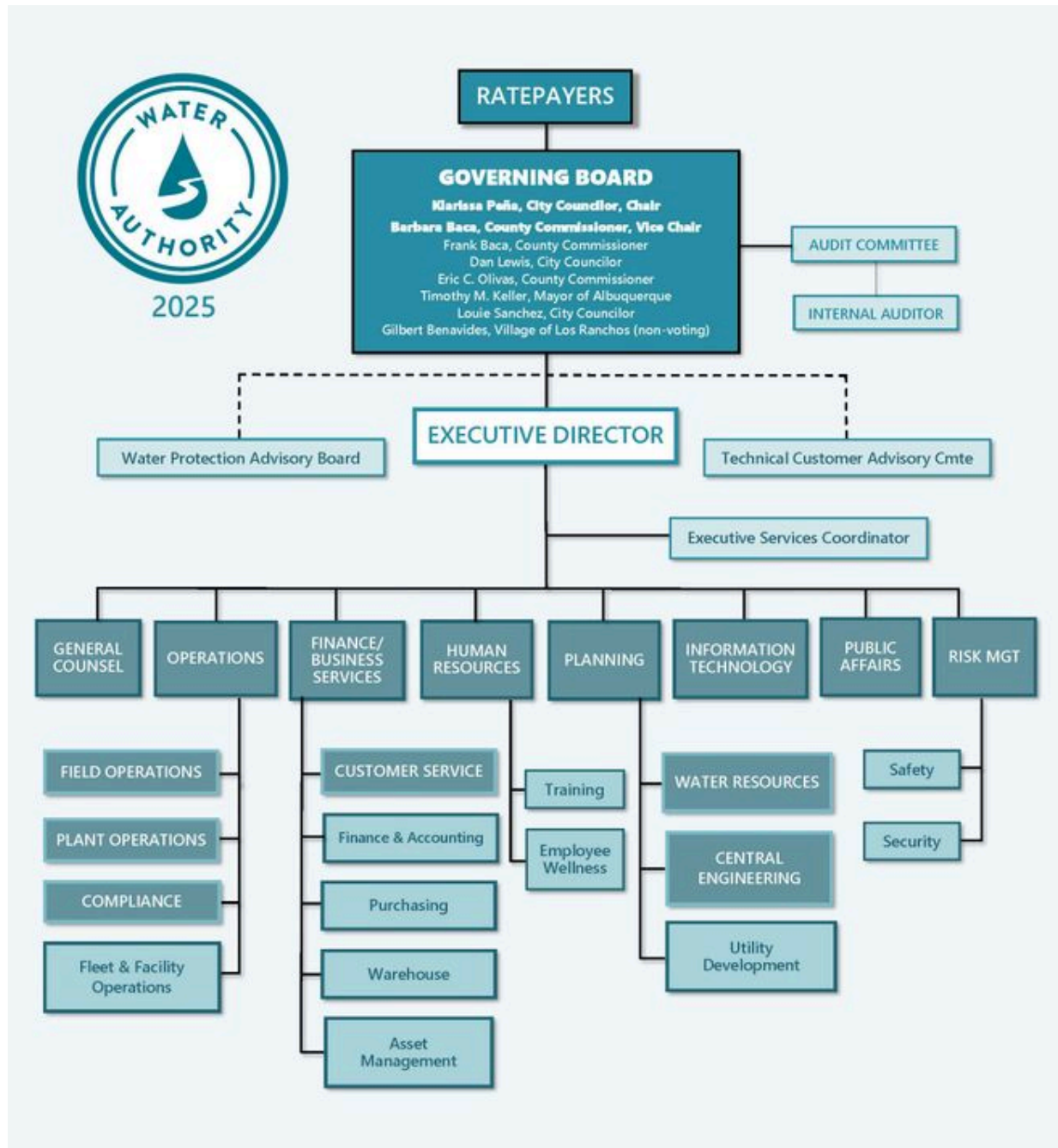
For the Fiscal Year Beginning

**July 01, 2024**

*Christopher P. Morill*

**Executive Director**

# ORGANIZATIONAL CHART



# READERS GUIDE

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

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

1. **Executive Summary**: This section is designed as an overview, explaining the policies as well as outlining the budget.
2. **Business Goals and One-Year Objectives**: This section explains the Water Authority's business goals and details the current one-year priority objectives.
3. **Approved Budget & Financial Consolidations**: This section contains Resources, Appropriations, Fund Balance Tables by fund group, and the financial plan. The funds are presented with estimated ending fund balances for both the current year and the budget year.
4. **Revenue Analysis and Economic Outlook**: This section contains detailed information on the projected revenue and the Economic Outlook to be addressed in the coming year. This section also looks at the Albuquerque economy as it relates to the budget.
5. **Work Units**: This section contains personnel information and work unit information.
6. **Capital Budget**: This section explains the Water Authority's capital process, which is prepared on an annual basis. Anticipated capital projects and the expected operating impacts are discussed as well.
7. **Debt Obligations**: This section provides tables and schedules of the Water Authority's debt obligations.
8. **Statistical and Supplemental Information**: This section contains statistical information that is useful for understanding the budget and Water Authority operations. There is a brief explanation of the methodology used in budget preparation, a listing of acronyms, and a selected glossary of terms.
9. **Appropriations Legislation**: This section contains copies of the legislation that has been approved by the Water Authority Board.

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

1. Are we improving year to year?
2. How do we compare with the industry standard?
3. Are we increasing customer satisfaction?

The electronic version of the FY26 Approved Budget can be found at the Water Authority's website: <http://www.abcwua.org/your-water-authorityfinances/>

The electronic version of the FY26 Performance Plan can be found at the Water Authority's website: <http://www.abcwua.org/your-water-authorityfinances/>

The electronic version of the FY2026-2035 CIP Decade Plan can be found at the Water Authority's website: <http://www.abcwua.org/your-water-authorityfinances/>

# EXECUTIVE LETTER



June 28, 2025

To: Klarissa Peña, Chair

From: Mark S. Sanchez, Executive Director

A handwritten signature in black ink, appearing to read "MS Sanchez", written over the printed name.

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 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 the continuity of critical public services despite financial uncertainty associated with current economic conditions.

The proposed budget is consistent with the Board's 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 \$53.5 million on 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 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 comprises an increase of \$3.0 million in salaries and benefits, a decrease of \$0.3 million in operating expenses, and an increase of \$14.1 million for interfund transfers to the capital and debt service funds. Personnel expenses include a 4.0% cost of living increase in wages, a 4.0 % 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 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 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 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 the construction of a force main system that will provide sewer service to Carnuel residents and has a direct positive community impact and reduction in groundwater pollution (eliminates septic systems). ARPA funding will be used for the construction phase.
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 the 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 the irrigation of parks, school fields, and golf courses. ARPA funding will complete the first phase, which is underway, which 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 second 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 west side 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.



# PROFILE OF THE WATER AUTHORITY

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

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



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

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

The Board is responsible, among other things, for passing resolutions, adopting the budget, appointing committees, and hiring the Water Authority's Executive Director. The Water Authority's Executive Director is responsible for



carrying out the policies and resolutions of the governing board and for overseeing the day-to-day operations of the Water Authority.

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

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

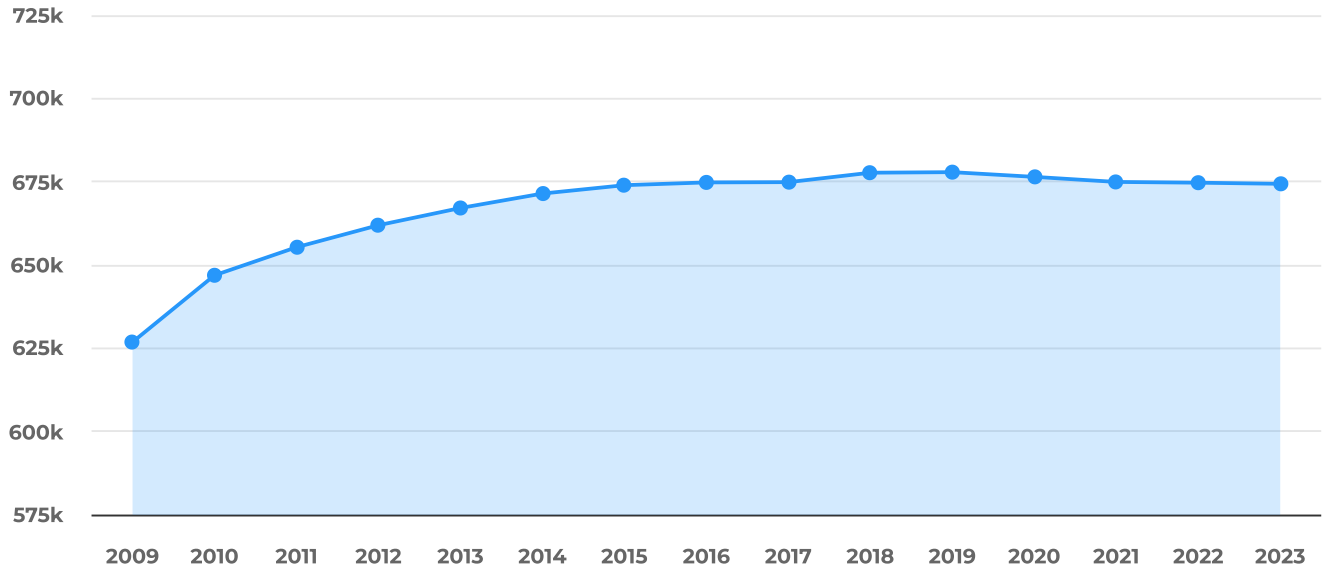
## POPULATION



TOTAL POPULATION

**674,357****-0.05%**  
vs. 2022

GROWTH RANK

**16** out of **34** Counties in New Mexico

*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



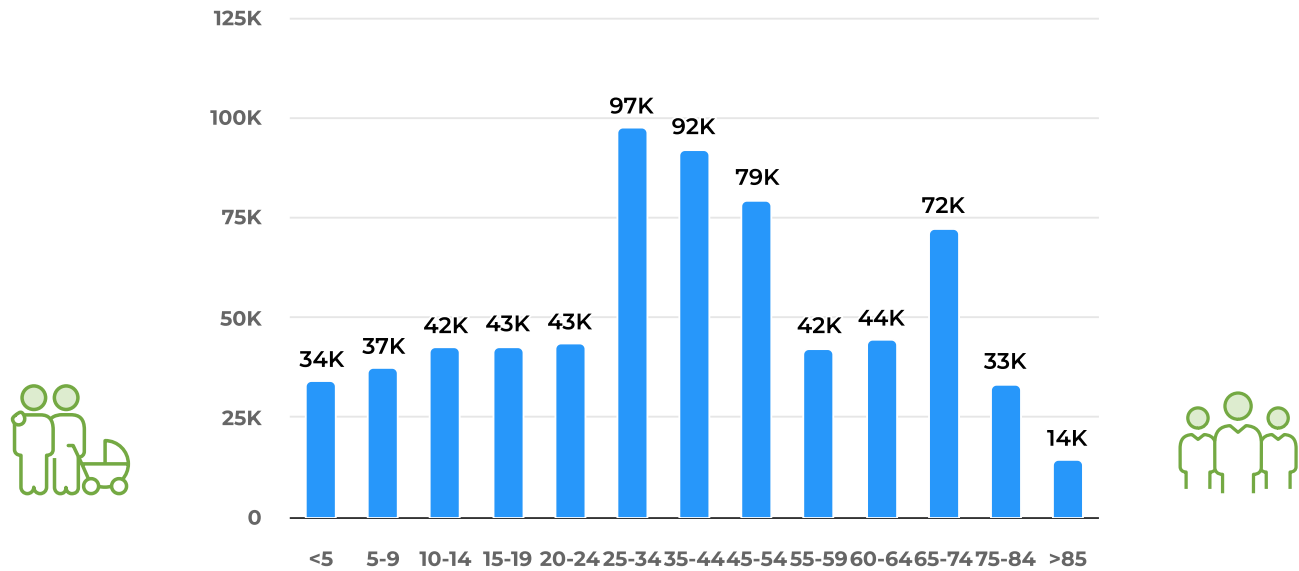
DAYTIME POPULATION

**703,355**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

POPULATION BY AGE GROUP



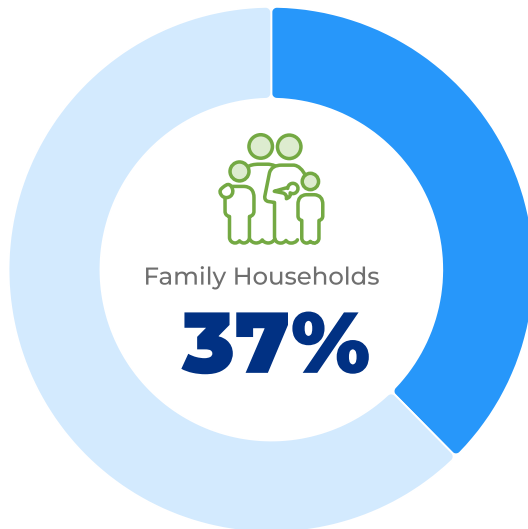
Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

\* Data Source: American Community Survey 5-year estimates

## HOUSEHOLD

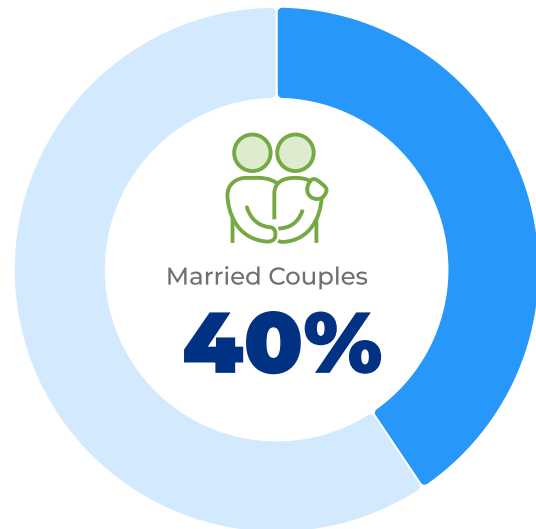
TOTAL HOUSEHOLDS  
**283,609**

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



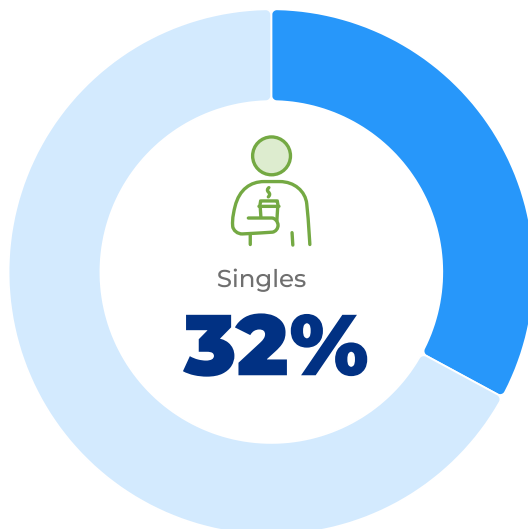
**-9%**

lower than state average



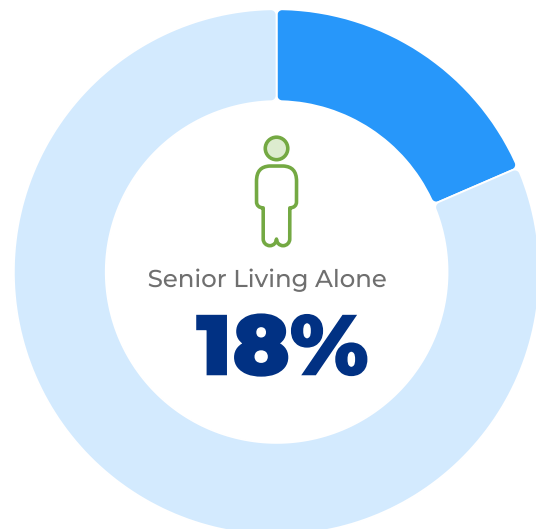
**-8%**

lower than state average



**7%**

higher than state average



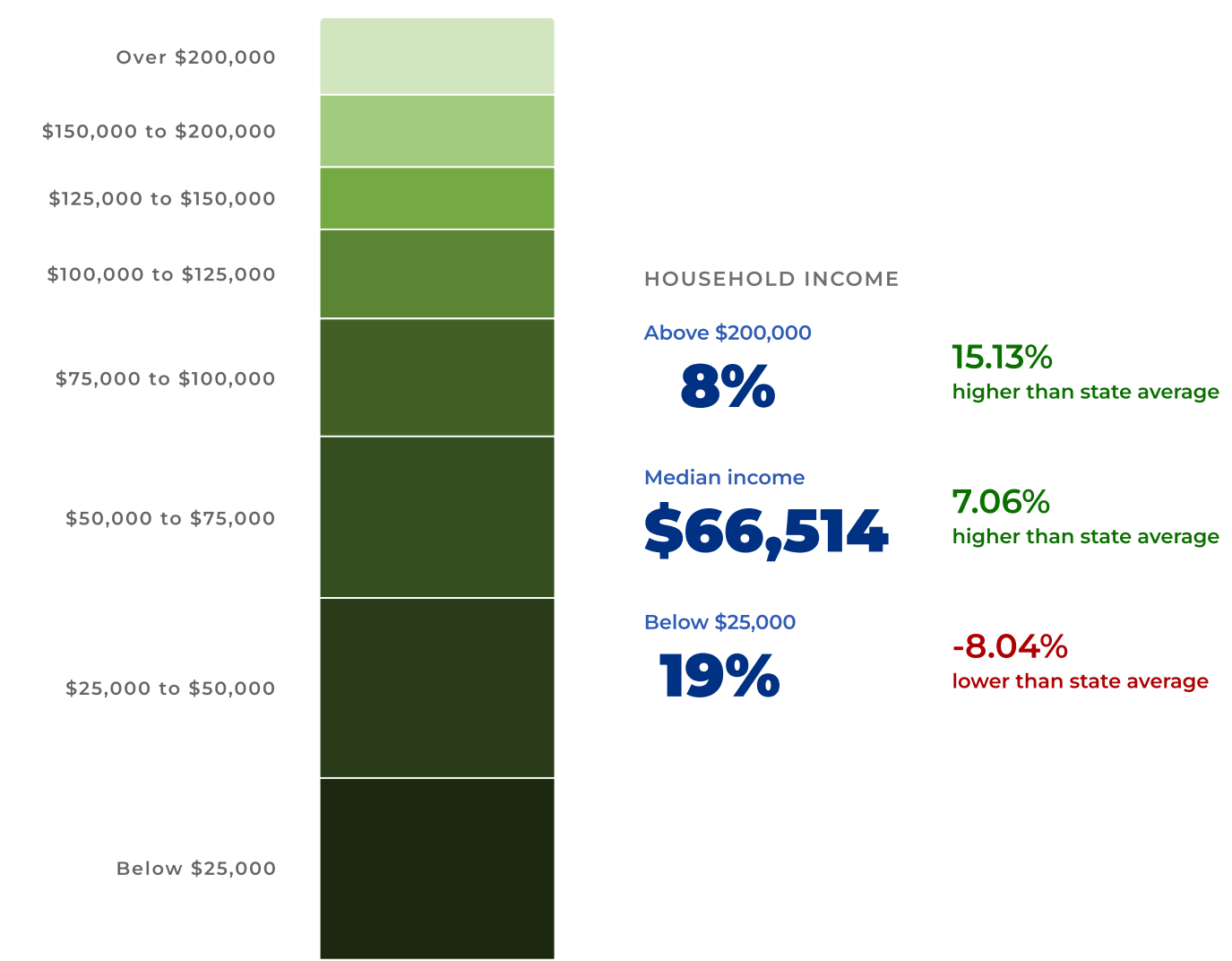
**10%**

higher than state average

*\* Data Source: American Community Survey 5-year estimates*

# ECONOMIC

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



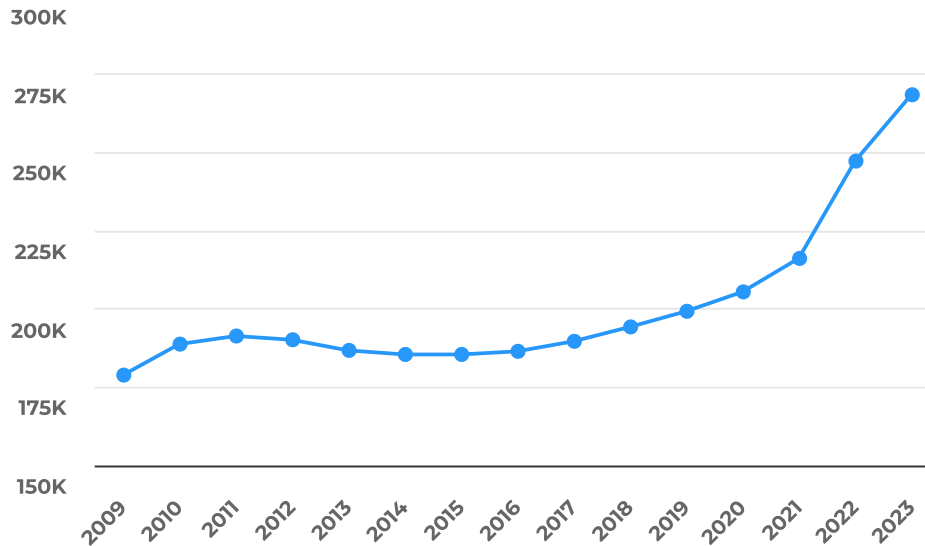
\* Data Source: American Community Survey 5-year estimates

## HOUSING



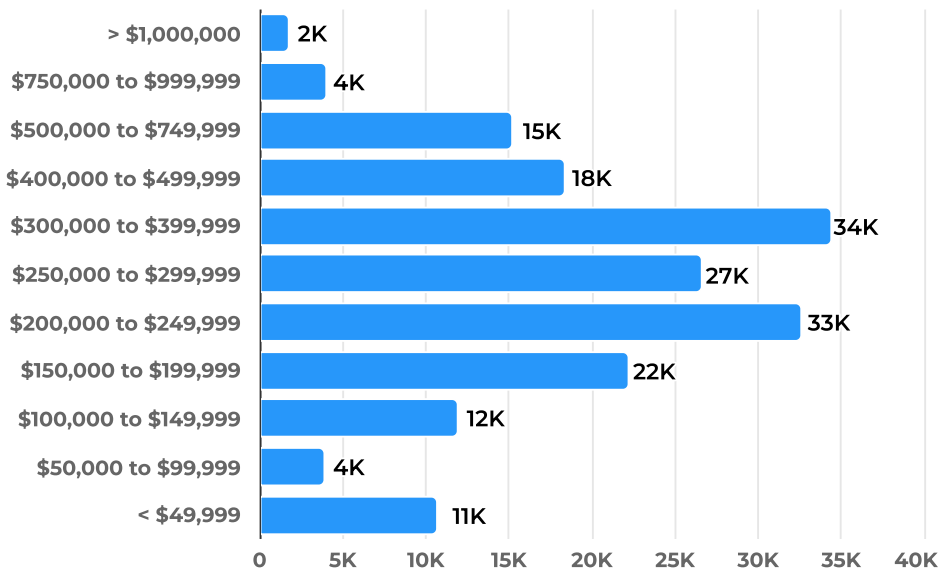
2023 MEDIAN HOME VALUE

# \$268,500



\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME VALUE DISTRIBUTION



\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME OWNERS VS RENTERS

Albuquerque-  
Bernalillo  
County Water  
Utility  
Authority

State Avg.



\* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

# OPERATIONS DEMOGRAPHICS

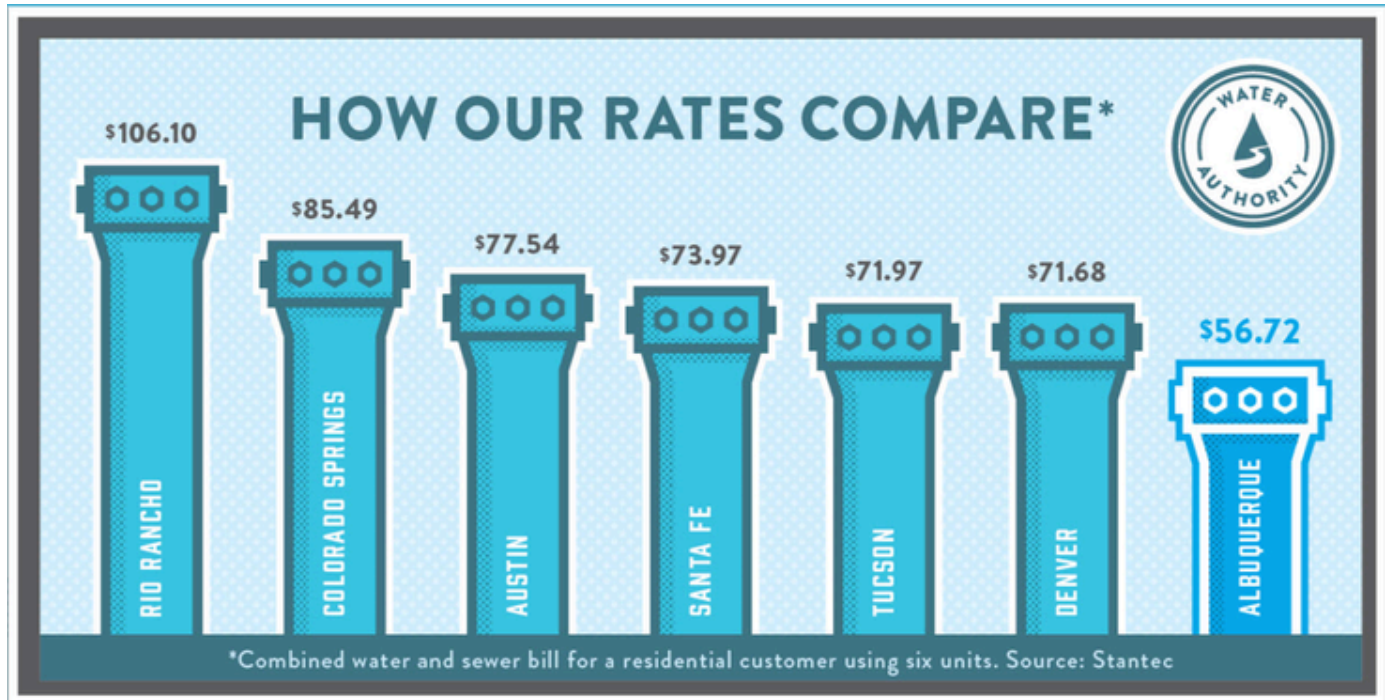
• <b>Drinking Water Production (2024):</b>	<b>29 billion gallons</b>
• <b>Reclaimed Discharge to River:</b>	<b>17 billion gallons</b>
• <b>EPA Drinking Water Compliance Since Inception:</b>	<b>100%</b>
• <b>Permit Compliance:</b>	<b>100%</b>

# INFRASTRUCTURE ASSETS

Water and Re-Use Assets:	90 mgd surface water treatment plant 3 re-use/recycling systems (30 mgd) 3,130 miles of water lines 90 wells (170 mgd) 62 water storage reservoirs 4 arsenic removal facilities/15 mgd
Wastewater Assets:	76 mgd water reclamation plant 2,700 miles of sewer lines 45 lift and vacuum stations
Renewable Energy Assets:	9 MW in solar arrays, 6.6 MW biogas cogeneration = 20% renewable reliance

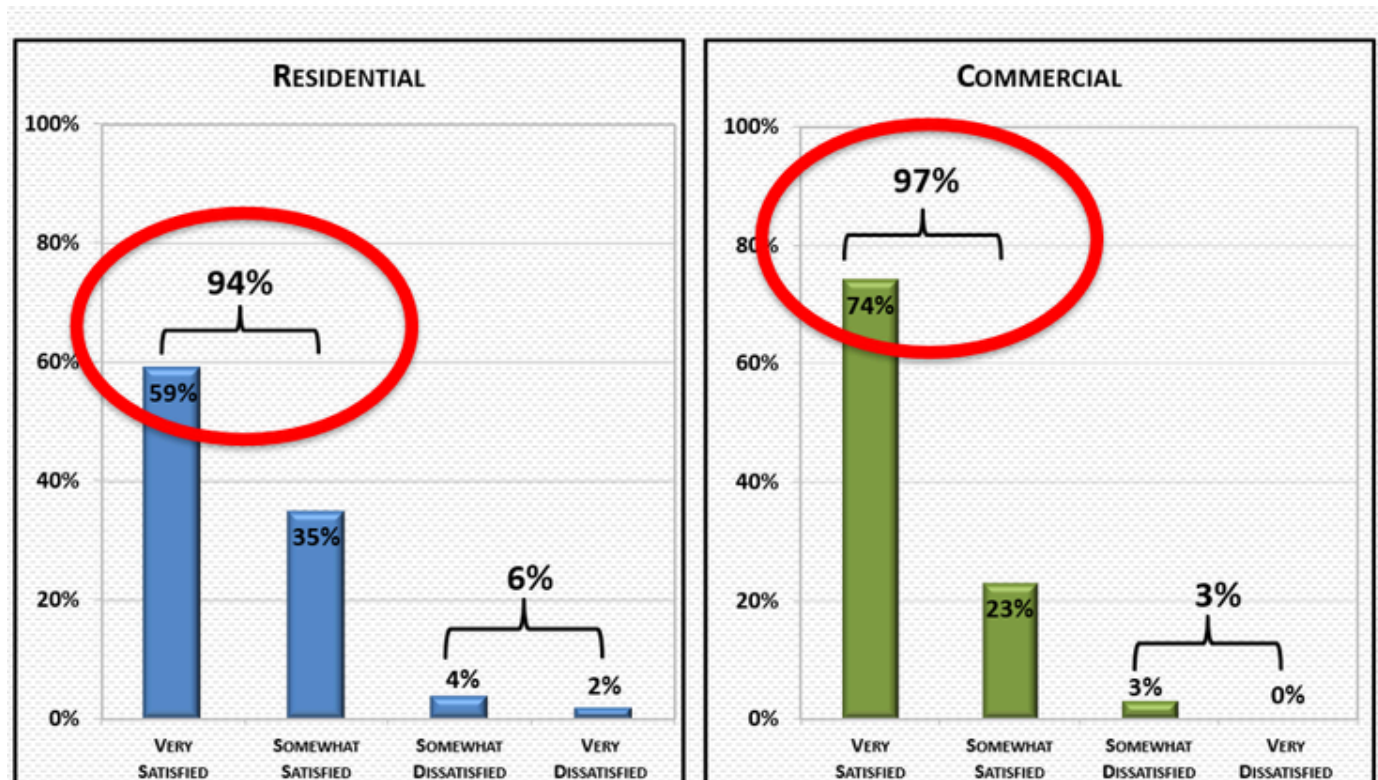


# AFFORDABILITY



# CUSTOMER SATISFACTION

Source: 2024 Customer Opinion Survey, Research & Polling, Inc.

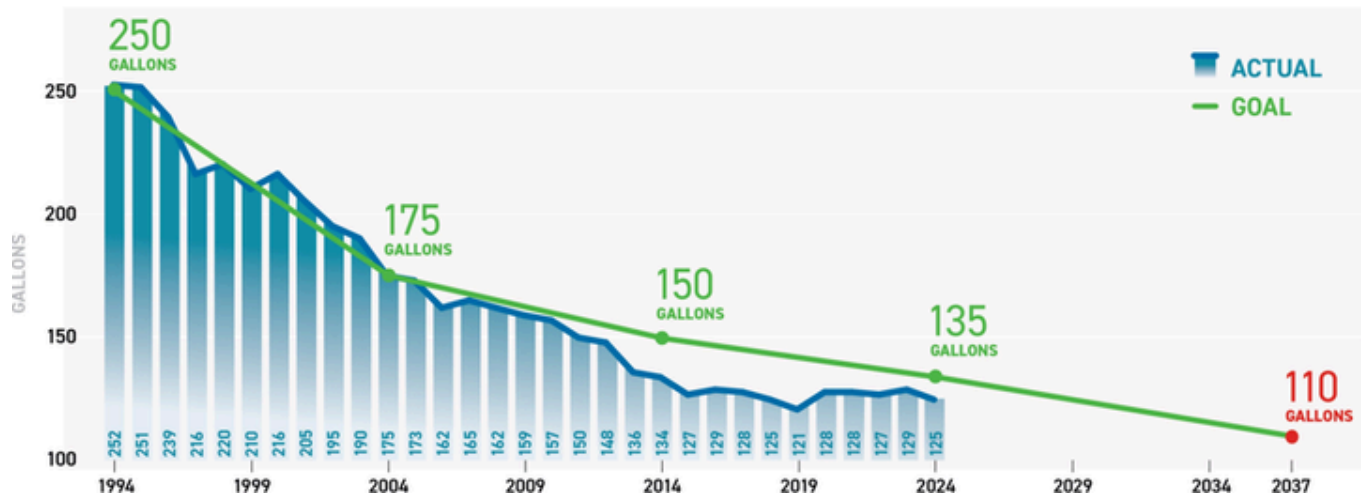




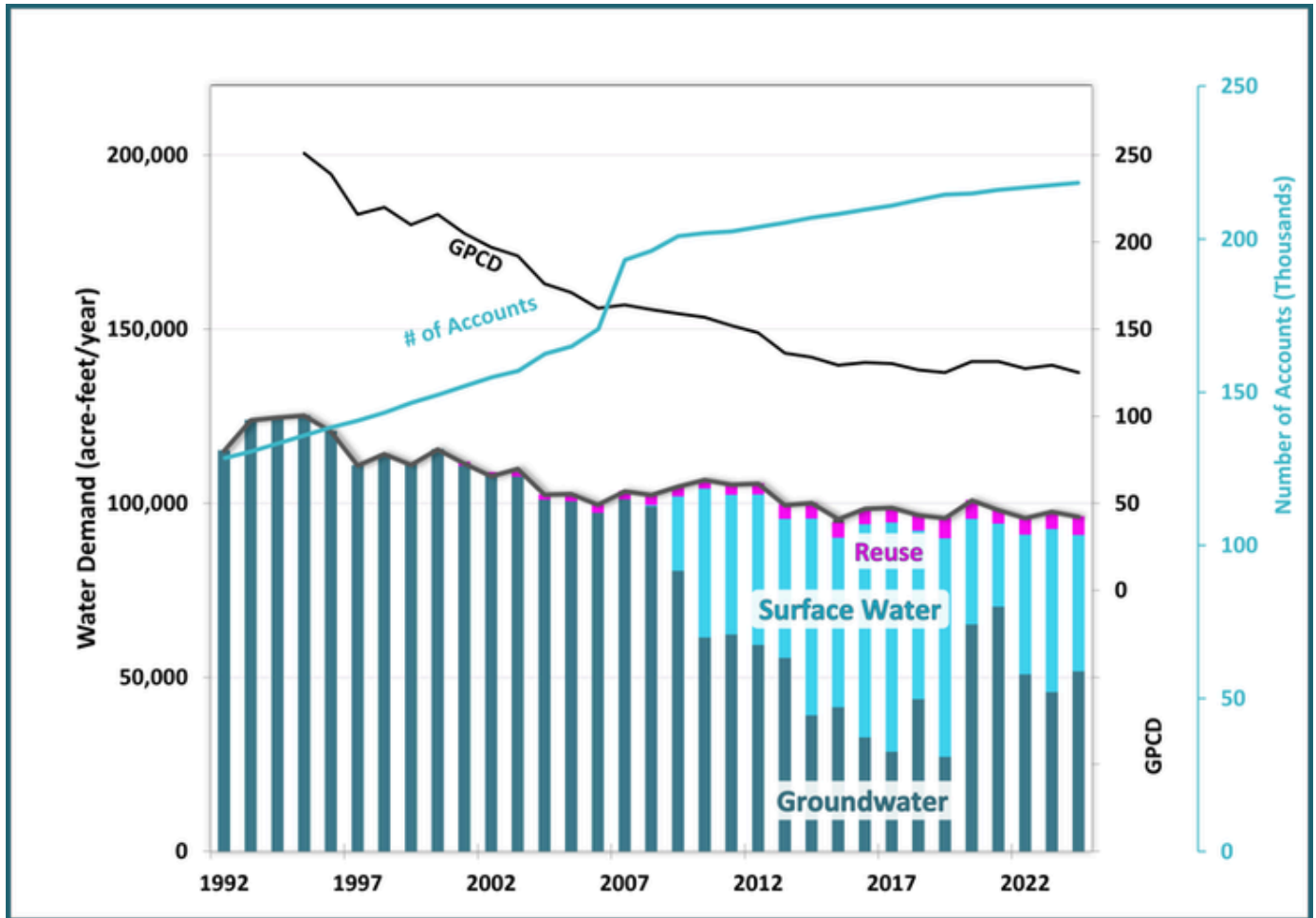
# PER CAPITA USE REFLECTS CONSERVATION EFFORTS



## Gallons Per Capita Per Day, 1994-2037



# PRODUCTION vs. POPULATION GROWTH



# KEY OUTREACH EFFORTS

Building public trust is vital to the success of the Albuquerque Bernalillo County Water Utility Authority. Key public efforts include:

## News Coverage

The Water Authority recorded 507 stories reaching an estimated audience of 3,470,533 (with duplication). Stories reached an online audience of 10,535,435,218 and the Water Authority has a total of 738,135 social media views. The estimated value of this publicity was \$90,633,090.

## Bill Inserts

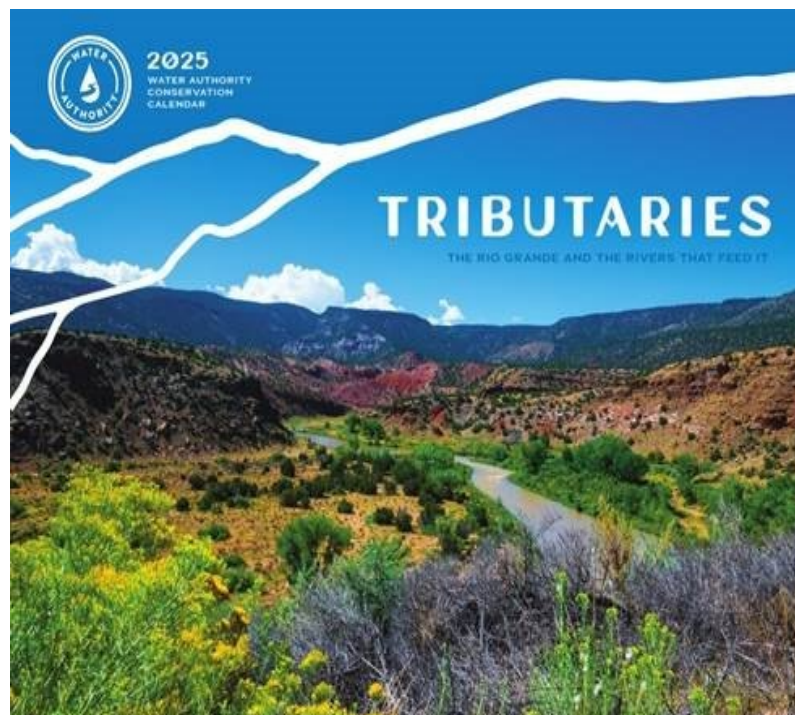
The Water Authority produced 12 bill inserts reaching about 210,000 Water Authority customers per month (2,520,000 total with duplication). Topics included \$3 per square foot xeriscape rebates, water by the numbers outdoor irrigation guidelines, the annual water quality report, smart controllers, preventing and reporting on water waste, preventing frozen pipes, how to properly dispose of fats, oils and grease, awareness of the EPA's new lead prevention program and notice of a rate change.

## Fats, Oils and Grease Campaign

In November and December 2024, the Water Authority launched a multi-media campaign to remind the public how to properly dispose of grease during the holidays to prevent sewer backups.

## Annual Report

The Water Authority produced a total of printed 2025 annual reports and placed a digital version of the report online. Of the hard-cover reports, a total of 312 were mailed to New Mexico legislators, business leaders, business and financial partners and members of NACWA (National Association of Clean Water Agencies).



## 2025 Calendar

The Water Authority printed and distributed 6,000 2025 calendars throughout the community in December 2024. The calendars featured beautiful photos of the tributaries to the Rio Grande and included water conservation tips.

## Water Conservation Campaign

During the months of April, May and June 2025, the Water Authority implemented a multi-media outreach campaign to remind the public about time-of-day watering restrictions and the need to conserve water, which was particularly important due to the drought conditions in our area.

## Social Media

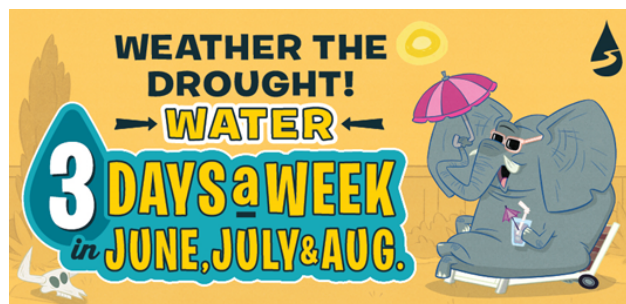
Top post for FY25 on Facebook highlighted our xeriscape rebates (6,645 views); ongoing daily posts on Facebook, Instagram, Nextdoor, and LinkedIn as needed.

## Construction & Project Outreach

- Notify customers and residents of planned infrastructure updates using fliers, email correspondence, and Nextdoor notifications.
- Attended neighborhood meetings for upcoming water & sewer project
- Groundbreaking event for the SWRP Outfall Project
- Various tours of SWRP Outfall Project with Bureau of Reclamation, CABQ Open Space, etc.

## Various other Water Authority Outreach

- FREE online webinars to promote water conservation for outdoor irrigators.
- Water Authority Educators visit Albuquerque classrooms and host 4<sup>th</sup> graders on field trips to the Rio Grande and bosque.
- Launched outreach campaign for the new EPA Lead & Copper Rule (October 2024 and ongoing).
- Monthly 505Outside electronic newsletter and website to an email list of about 140,000.





# BASIS OF BUDGETING

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

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

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

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

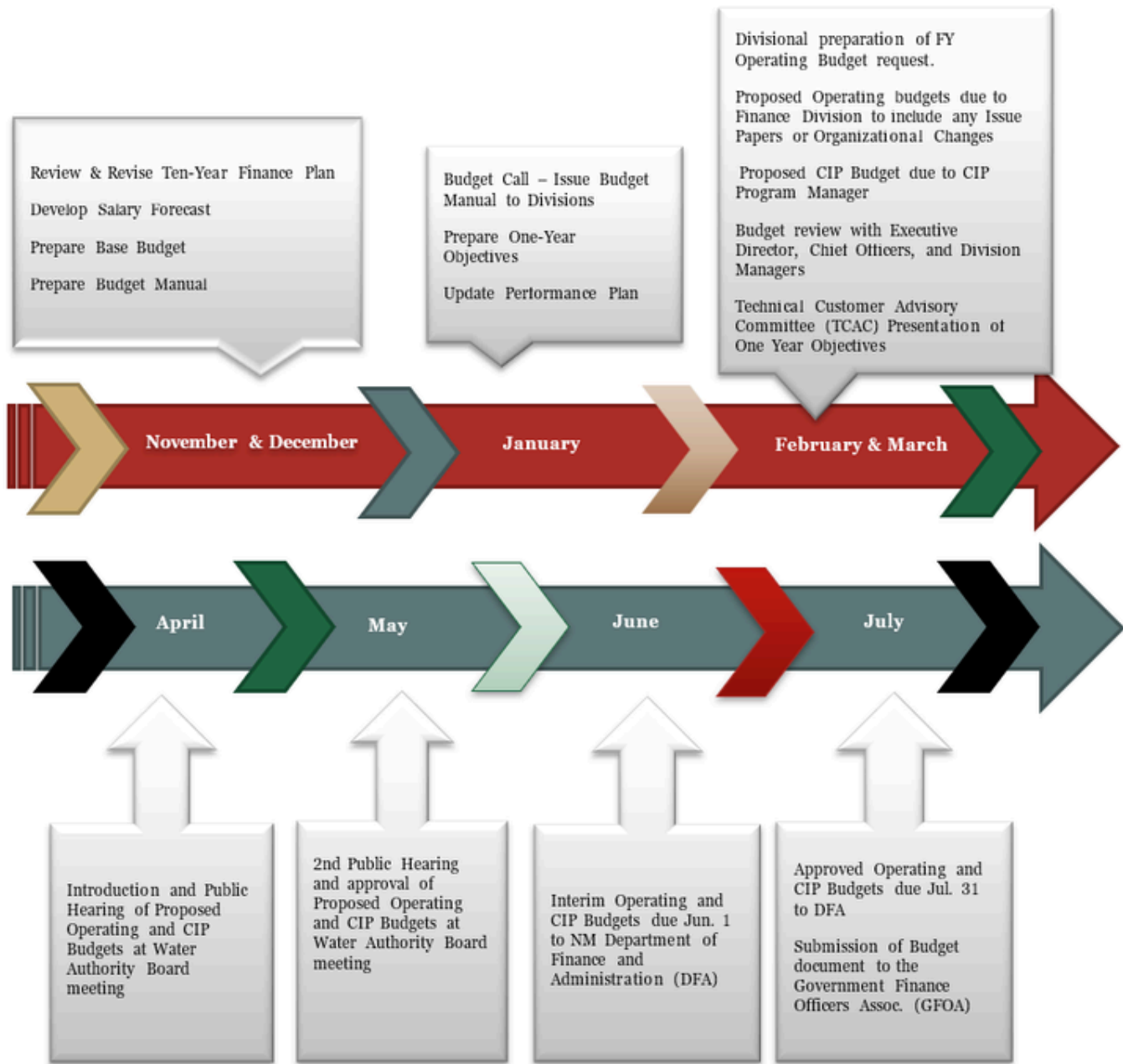


# BUDGETING PROCESS

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

- In November and December, the Water Authority's Ten-Year Financial Plan is revised to determine the revenue and appropriation levels that are projected for the budgeted fiscal year as well as how future years will be impacted by these financial decisions.
- In December, departments and divisions prepare their One-Year Objectives. Objectives meetings are held with the Executive Director and Senior Staff to review and finalize the One-Year Objectives. A salary forecast is completed for review by the Executive Director. Expense data is accumulated at the current level and totals are reviewed to determine if other actions or changes in budget instructions must be made to achieve a balanced budget. Once revenue and appropriation levels are determined, the base budget is prepared.
- In January, the budget instructions are issued to divisions and the Performance Plan data is updated. The performance plan contains performance measures that guide the operating and capital budgets in allocating the Water Authority's financial resources and is driven by the five-year goals and one-year objectives.
- In February and March, budget meetings are held with the Executive Director and Water Authority Senior Staff. During this process, divisions may request program expansions, offer plans for reducing costs, or propose revenue enhancements. One-Year Objectives and Performance Plan data are reviewed and updated. The Capital Implementation Program (CIP) Decade Plan is reviewed and updated for the fiscal year CIP Proposed budget submission.
- In March, staff present the One-Year Objectives to the Technical Customer Advisory Committee (TCAC) for their feedback and input. Staff also present the Performance Plan with prior year's results. The One-Year Objectives are presented to the Water Authority Board for public presentation and feedback and approval in April.
- In April, the proposed budget document is presented to the TCAC for feedback and input. The Executive Director submits the proposed operating and CIP budgets to the Water Authority Board. This proposal includes the budget, capital program, and rate proposal which may recommend changes in rates and fees. After receiving the budget proposal from the Executive Director, the Water Authority Board schedules at least two public hearings. Because of its deliberations and the information gathered at the public hearings, the Water Authority Board may amend the budget proposal at any time prior to approval at the May regularly scheduled meeting.
- In May, the Water Authority Board approves the operating budget, CIP budget, and Performance Plan.
- In June and July, the Water Authority submits the approved operating and CIP budget to NM Department of Finance and Administration (DFA) and the Government Finance Officers Association (GFOA) for the budget award.

## Budget Development Timeline



# PROCESS FOR AMENDING THE BUDGET AFTER ADOPTION

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



# FINANCIAL POLICIES

## **Budget and Financial Policies:**

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

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

#### STATE STATUTES:

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

#### BUDGET ORDINANCE PROVISIONS:

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

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

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

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

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

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

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

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

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

## BUDGET ORDINANCE PROVISIONS:

## § 2-1-1 INTENT.

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

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

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

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

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

## BUDGET ORDINANCE PROVISIONS:

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

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

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

## BUDGET ORDINANCE PROVISIONS:

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

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

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

## RATE ORDINANCE PROVISIONS:

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

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

“(C) Increasing Minimum Monthly Fixed Charges. So long as there are Senior Obligations outstanding, if the determination of §1-1-2(B) above shows that the net revenues are less than 133% of the debt service requirements on the outstanding Senior Obligations, the fixed monthly charge will be increased for water and sewer accounts. So long as there are Subordinate Obligations outstanding, if the determination of §1-1-2(B) above shows that the Net Revenues are less than 120% of the Debt Service Requirements on the outstanding Senior Obligations and outstanding Subordinate Obligations, the fixed monthly charge will be increased for water and sewer accounts. The increase in the fixed monthly charge will be a percentage of the established fixed monthly charges that produce additional revenues so that if the adjusted charges had been effective the previous quarter, the total Net Revenues would have been sufficient to meet the requirements of this paragraph. If the determination of §1-1-2(B) above shows that the Net Revenues are insufficient to meet the requirements above, it shall be determined if the revenue loss is due to efforts of Water Authority Customers to conserve water by reviewing usage patterns. If the usage study shows that the reduced revenues are due to conservation efforts, the Executive Director shall analyze the Utility’s operations for the purpose of determining whether or not corresponding expense reductions can be affected and shall present any such expense reduction proposals to the Water Authority.”

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

§ 2-1-11 FINANCIAL AND MANAGEMENT REPORTS.

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

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

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

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

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

“(B) At a minimum, an average of 50% of the cost of capital projects which constitute the normal capital program of the water and sewer system including the rehabilitation and replacement of existing facilities, and the

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

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

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

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

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

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

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

### Lease Policies

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

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

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

- The Water Authority will prepare the note disclosure and record all accounting entries in the Comprehensive Annual Financial Report (CAFR) according to the guidance of GASB Statement No. 87
- The Water Authority will implement GASB Statement No. 87 effective July 1, 2018, for comparative statement presentation purposes.

## Debt Policies

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

- Full and timely payment of principal and interest on all outstanding debt
- System revenue bonds shall be used as a source of funding, after considering alternative funding sources, such as federal and state grants and pay as you go financing
- Debt shall be incurred to finance capital improvements and long-term assets associated with the water and wastewater system. Types of projects include, but not limited to, constructing, acquiring, enlarging, extending, bettering, repairing or improving the water and wastewater system facilities. For a more detailed list refer to chapter 72, article 1 section 10K NMSA 1978 as amended
- Capital improvements plans should be developed, approved and financed in accordance with Rate Ordinances and the Decade Plan
- The Water Authority will evaluate the impact of debt amounts and debt service requirements of any new proposed debt within the overall context of outstanding debt
- Principal and interest retirement schedules shall be structured to: (1) meet available cash flow available to service debt, (2) achieve a low borrowing cost for the Water Authority, (3) accommodate the debt service payments of existing debt and (4) respond to perceptions of market demand. Level debt payments and shorter maturities shall always be encouraged to demonstrate to ratepayers, investors and rating agencies that debt is being managed and retired prudently. Debt incurred shall generally be limited to obligations with serial and term maturities but may be sold in the form of other structures if circumstances warrant
- The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impact
- Debt incurred may be issued, at the discretion of the Water Authority, on either Senior, Subordinate or Super Subordinate liens on the System's net revenues
- The average life of the debt incurred should be no greater than the projected average life of the assets being financed
- The payment of debt shall be secured by net revenues of the joint water and wastewater system ("net system revenues")
- Maintain Post Issuance Compliance Guidelines that formalize post issuance compliance controls and procedures related to the Water Authority's financial and legal obligations (see Appendix)
- Inter-fund borrowing may be used as an alternative to conventional borrowing
- The Water Authority shall not pledge any Water Authority revenues to any conduit bond financings or guarantee indebtedness of others
- The Water Authority may use the services of qualified internal staff and outside advisors, including bond counsel, tax counsel, disclosure counsel, underwriters and financial advisors, to assist in the analysis, evaluation, and decision process
- The Water Authority shall select a method of sale that achieves the financial goals of the Water Authority and minimizes financing costs. Such sales can be competitive, negotiated or private placement, depending upon the project and market conditions. The recommendation by the Water Authority's Financial Advisor will be considered in the decision as to the most appropriate sale method
- The Water Authority shall make every attempt to earn and maintain the highest investment grade rating achievable
- Finance team members and Underwriters should be selected in accordance with the Water Authority Purchasing Procedures and the Debt Management Policy & Guidelines ("Debt Policy"). The selection should maximize the quality of services received while minimizing the cost to the Water Authority. Any subtractions or additions to the finance team members shall be subject to the Water Authority's Chief Financial Officer's ("CFO") approval. Selected

underwriters and financial advisors shall adhere to the Municipal Securities Rule-making Board (“MSRB”) and the Securities and Exchange Commission (“SEC”) rules and regulations

- The Water Authority shall maintain good communications with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the Water Authority
- Financial reports and bond official statements shall follow a policy of full, complete and accurate disclosure of financial conditions and operating results. All reports shall conform to guidelines issued by the Government Finance Officers Association (“GFOA”), Securities and Exchange Commission (“SEC”) and the Internal Revenue Service (“IRS”) to meet the disclosure needs of rating agencies, underwriters, investors and taxpayers.
- Federal income tax laws restrict the ability to earn arbitrage relating to tax-exempt bonds. Every attempt shall be made to eliminate or minimize negative arbitrage.



# EXECUTIVE SUMMARY

## REVENUES

FY26 General Fund Revenue = \$259,847,000



# EXPENSES

FY26 General Fund Expense = \$264,830,364



## FY26 BUDGET HIGHLIGHTS

- **General Fund (GF) Revenue (\$259.8 million):**
  - Rate resources include:
    - Water Service - \$155.6 million
    - Wastewater Service – \$92.2 million
    - New connection fee revenue - \$375,000
    - Water Resource Management revenue - \$4.5 million
  - No rate or fee adjustment being proposed
  - Nominal growth in service area (0.32%)
    - Fixed revenue – monthly service fees (base rate)
    - Variable revenue – monthly consumption based on actual usage (gallons consumed)
  - Consumption levels currently 126 Gallons Per Capita Per Day (GPCD)



## • General Fund (GF) Revenue:

- Rate resources include:
  - Water Service
  - Wastewater Service
  - New connection fee revenue
  - Water Resource Management revenue
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  - Fixed revenue – monthly service fees (base rate)
  - Variable revenue – monthly consumption based on actual usage (gallons consumed)
- Consumption levels currently 126 Gallons Per Capita Per Day (GPCD)

## • Other GF miscellaneous revenues (\$11.0 million):

- City of Albuquerque - Admin Fees (Solid Waste & DMD)
- Interest income
  - Conservative estimate due to the instability of investment market
- Miscellaneous revenue (ex. compost, fees, assessments, sale of assets, etc.)

## • Other Fund estimated Revenue (CIP & Debt Service):

- Utility Expansion Charge - \$8.1 million
- Water Resource Charge - \$1.0 million
- Bond / Loan Proceeds - \$90.0 million
- Lease of Stored Water - \$300,000

- **Expense (\$264.8 million):**

- **Labor (\$76.5 million):**

- 4% cost of living increase
    - Increase in fringe benefit premiums (4%) 80% employer paid
      - Ex: health, dental, vision, and life insurance
    - Total full-time positions = 658

- **Significant operational expenses include (\$78.3 million):**

- An increase in customer AMI infrastructure installations
      - \$2.2 million annual software maintenance costs
    - Transfer to cloud-based IT Network (Subscriptions) & Cyber-security
      - \$3.0 million, reduction of \$1.0 to \$2.0 million in CIP hardware purchases
    - \$3.0 million – IT Software maintenance expense to support regular updates
    - \$2.4 million – Insurance for Property and General Liability and other Insurance Coverages

- **Expense:**

- **Other operational expenses continued:**

- \$4.5 million – Barricade & paving (emergency repairs)
    - \$15.6 million – Chemicals
    - \$16.3 million – Energy usage
      - PNM - July 1 - 11% increase
      - PNM – April 2026 – an additional 10% increase
    - \$1.3 million – Banking & credit card fees (merchant fees)
    - \$1.8 million – Site security

- **GF transfers to other funds**

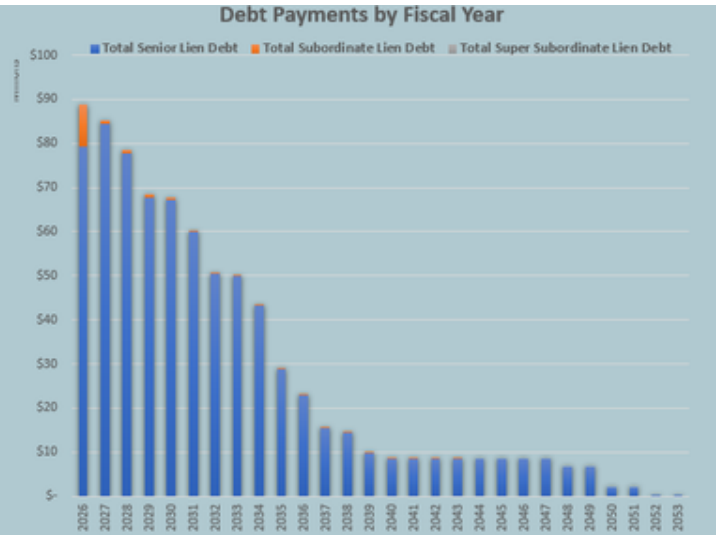
- \$31,402,000 – Capital project funding to keep up with inflation & address an increase in repairs for aging infrastructure (50% is pay-as-you-go funding)
    - \$78,530,000 – Cover debt obligations

- **The ending working capital balance from FY25 will be used to offset budgeted expenses in FY26**

- Projection \$35.2 million

- **Expense:**

- **Total Debt obligations outstanding = \$516.1 million (Principal)**
  - A decrease of \$62.7 million from FY25
  - Capacity for future large capital projects
- **\$93.8 million FY26 annual debt payments (P & I)**
  - Includes \$2.0 million to pay-off subordinate loans
  - Includes last payment for San Juan-Chama in FY26



# VISION AND MISSION STATEMENTS

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

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

- **Assure** responsive Customer Service.
- **Provide** reliable, high quality, affordable and sustainable water supply, wastewater collection treatment, and reuse systems.
- **Support** healthy, environmentally sustainable, and economically-viable community.

## FY26 BUDGET HIGHLIGHTS

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

## BUDGET ASSUMPTIONS

Revenues in Water and Sewer are sufficient to cover operating expenses for 2026

- Funds for Capital projects
- Recover operational costs of service
- Fund debt service principal/interest payments
- Stabilize fund reserves

Nominal growth in service area

4% cost of living increase

Increase in fringe benefit premiums

No increase in operational costs

- Efficiencies
- Business processes

Increase Capital project funding

- Repairs/Replacement of aging infrastructure



# CHALLENGES

The main challenge facing the Water Authority in FY26 are:

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

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

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

## OVERALL BUDGET CHALLENGES

### • Challenges creating uncertainty, driving up costs

#### • Inflation

- Affects the cost of materials, supplies, and services

#### • Labor Shortages in Consultants & Contractors

- Lead to project delays
- Construction bids are 10%-30% higher than the engineer’s estimate

#### • 8% vacancy Rate

- Workforce Recruitment & Retention Difficulties
- Record tight labor market

#### • Supply Chain Shortages

- Lead times - (Brass - 35 weeks and construction pipe/valves –1 year or longer)
- Up to 2-year lead-time delay on transformers, VFDs, valves, pumps, etc.

#### • Market Volatility

- Harder to predict and control costs (ex. electricity, chemicals, consumables)

#### • Increased Customer Water Conservation Efforts

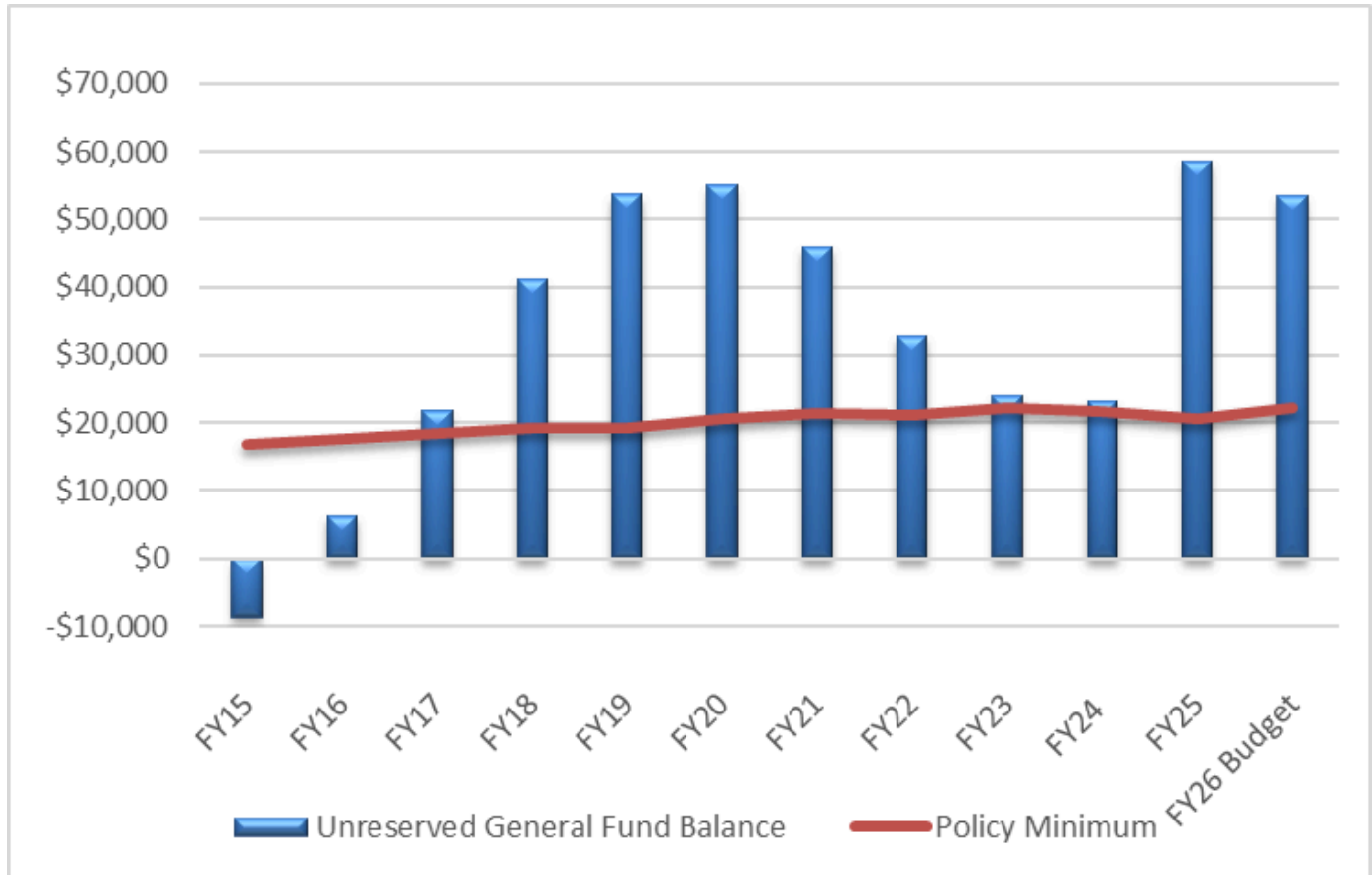
- Beneficial for Sustainability, however,
- Results in lower revenue and increased financial strain



# FUND BALANCE

In the FY26 budget, revenues are projected to be \$5.0 million less than expenses in the General Operating Fund. The Water Authority's target is to maintain the General Operating Fund fund balance to at least 1/12th of the annual budgeted operating expenses.

The decrease in the Fund Balance, beginning in FY20 through FY24, reflects the policy decision of the Water Authority to "draw down" the excess working capital to offset increases in operating expenses. The increase in the fund balance in FY25 reflects the rate revenue adjustment.





# BUSINESS GOALS & ONE-YEAR OBJECTIVES

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

## OVERVIEW OF GOAL DEVELOPMENT

The Water Authority Budget Ordinance requires that a Performance Plan be connected to the Business Goals and includes 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.

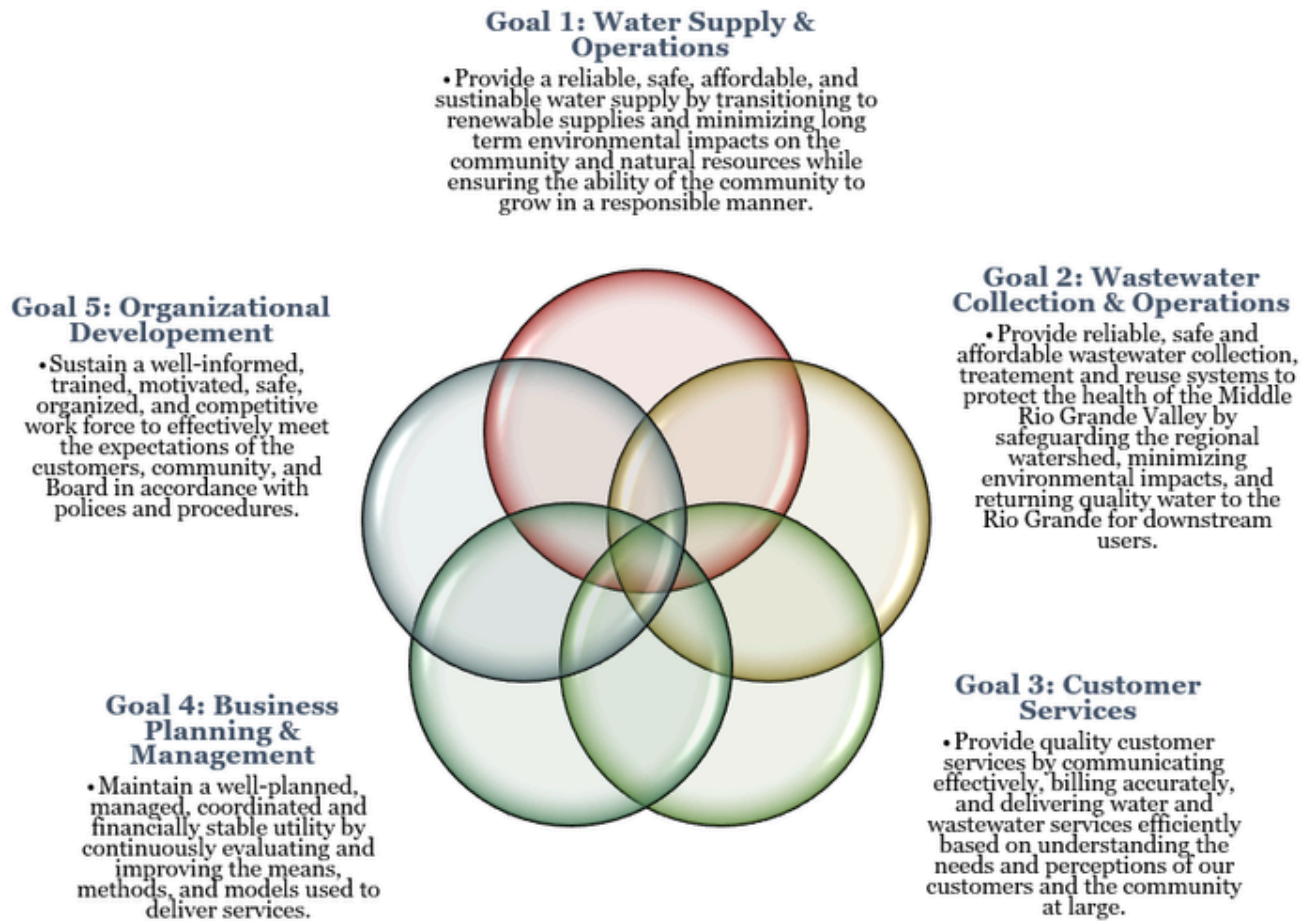
The Water Authority utilizes the American Water Works Association's (AWWA) Benchmarking Performance Indicators Survey (Survey) in developing its Performance Plan. The survey provides utilities with an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was compiled in 2024 from fiscal year 2023 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.

The FY26 Performance Plan can be found in the Appendix section of this budget document and on the Water Authority's website:

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

The Water Authority's Performance Plan is organized by its Business Goal areas, which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems. The figure below shows the Water Authority's Business Goals, which parallel the AWWA model. The Water Authority also developed guiding goal statements for each goal area which explain the long-term desired result for each goal. The Performance Plan contains 27 key performance measures. The performance measures are organized by the Business Goal areas. The performance measures are linked to the goal areas in which the tracking of the metric is used to achieve the long-term desired result for that goal.

# WATER AUTHORITY'S BUSINESS GOALS & GUIDING GOAL STATIONS



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

measures being used to identify gaps, the One-Year Objectives, which are policy directives from the Water Authority Board, are used to close performance or service delivery gaps and improve performance levels. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some objectives are related to completing projects or improving or implementing programs.

## Logic Model Alignment of Goals, Objectives and Performance Measures



# FY26 ONE-YEAR 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 explain the long-term desired result for that goal. The continuous performance programs help the Water Authority to identify gaps in service delivery or performance.

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

Some objectives are related to completing projects or improving programs. Some of the FY26 objectives are tied to resources contained in the FY26 Approved Budget. A few of the objectives are carried over from FY25 either because they require more time to complete or are ongoing issues. Some of the objectives are tied to the Performance Plan to improve operations and/or customer service.

# GOAL 1: WATER SUPPLY 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:

- 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.

**Objective 1.13** 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.

**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-qualify 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 training 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 workforce 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.



# FY25 ACCOMPLISHMENTS

As we look forward to FY26, we also reflect on the Water Authority's 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 pipes, 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 outstanding staff. Critical Capital Improvement projects culminating at the SWTP include (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's accomplishments included a complete rebuild of the ultraviolet (UV) light disinfection system was completed in-house 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 by the Water Authority's consultant, CDM Smith, to perform a statistical analysis for the Service Line Inventory and Replacement Plan.

The 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 for 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 a corrosion management approach to reducing costs.

The 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.

The Centralized Engineering section managed CIP projects primarily associated with the renewal of the Water Authority's water and wastewater infrastructure. Capital renewal expenses by the end of 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 their second year of managing asset management CIP accounting and budget functions, implemented a new Finance Enterprise capital asset tracking system, identified significant GIS/Maximo data issues, developed a workflow optimization modeling proposal and introduced the proposed changes 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, and the 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 the 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 was also 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. There are 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 first time, the 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 could help and became more familiar with the 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 with the AMP team and CENG. Prioritized and established work order process. Addressing site intrusions has been a priority for the CFM staff. Fleet also coordinated 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 are 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 have reviewed all comments and suggestions, working with the bill vendor to create a draft redesign for both the bill and set up 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, the Customer Services Division (CSD) participated in the Albuquerque Community Assistance Fair alongside other utilities, agencies, and social services partners. Furthermore, the staff have 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 identifying other alternatives for hosting our applications and services.

# FY26 HIGHLIGHTS

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 groundwater 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 the 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 groundwater 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 plant. Several key improvement projects in this program have been completed, including the Preliminary Treatment Facility, aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility. In 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 the 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 of the Santa Barbara Arsenic Treatment Plant will begin.



The Wastewater Collections section will develop a template contract for new satellite communities which discharge wastewater to the Water Authority collection system for conveyance. Staff continue to optimize collection system odor expenditures for chemicals and carbon. Staff will continue using 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.

The 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 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 conditions and assigning scores and participating in the 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 to the 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 in 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 points 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 are looking forward to planning the FY26 Safety Picnic for staff. Staff will continue offering wellness challenges to 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 are looking forward to planning the FY26 Safety Picnic for staff. Staff will continue offering wellness challenges to 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 compiled 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 and 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 the implementation of the SCADA Master Program, implementing 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.

# APPROVED BUDGET & FINANCIAL CONSOLIDATION

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

## WATER AUTHORITY FUNDS

### ***Fund 21 - General Fund***

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

### ***Fund 27 – Water 2120 Projects***

### ***Fund 28 – Capital Rehab Fund***

### ***Fund 29 – Capital Growth Fund***

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

### ***Fund 31 - Debt Service Fund***

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

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

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

# DEPARTMENT/FUND RELATIONSHIP

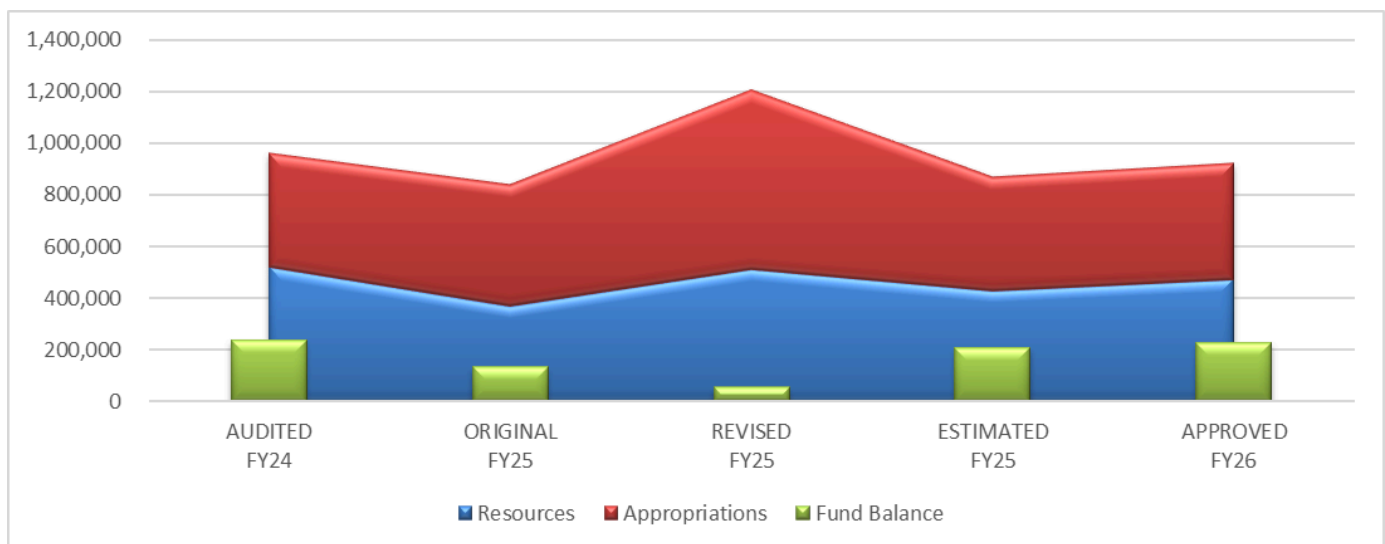
## DEPARTMENT EXPENSES WITHIN FUNDS

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

# RESOURCES, APPROPRIATIONS, AND FUND BALANCE

## CONSOLIDATED RESOURCES, APPROPRIATIONS, AND FUND BALANCE

(\$000's)	AUDITED FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	APPROVED BUDGET FY26	APPR 25/ REV 26 CHG
Beginning Working Capital Balance	<u>166,171</u>	<u>239,112</u>	<u>239,112</u>	<u>239,112</u>	<u>208,816</u>	<u>(30,296)</u>
RESOURCES:						
Proceed Revenues	121,293		15,719	1,433	90,000	74,281
Miscellaneous Revenues	20,629	9,379	25,515	20,113	11,397	(14,118)
Enterprise Revenues	260,238	257,732	358,194	306,371	257,954	(100,240)
Transfers from Other Funds	<u>121,077</u>	<u>101,784</u>	<u>111,784</u>	<u>101,784</u>	<u>113,932</u>	<u>2,148</u>
Total Current Resources	523,236	368,895	511,211	429,701	473,283	(37,928)
Add from Fund Balance	500					
<b>TOTAL RESOURCES</b>	<u>523,736</u>	<u>368,895</u>	<u>511,211</u>	<u>429,701</u>	<u>473,283</u>	<u>(37,928)</u>
APPROPRIATIONS:						
Enterprise Operations	140,873	149,602	152,418	139,035	154,938	2,520
CIP Water 2120, Basic Rehab & Growth	87,590	128,752	337,228	118,351	96,487	(240,741)
Debt Service	91,768	93,865	93,865	82,127	88,910	(4,955)
Transfers to Other Funds:	<u>121,077</u>	<u>101,784</u>	<u>111,784</u>	<u>101,784</u>	<u>113,932</u>	<u>2,148</u>
<b>TOTAL APPROPRIATIONS</b>	<u>441,308</u>	<u>474,003</u>	<u>695,295</u>	<u>441,297</u>	<u>454,267</u>	<u>(241,028)</u>
Adj to Fund Balance	(9,487)			(18,700)		
<b>ENDING FUND BALANCE</b>	<u>239,112</u>	<u>134,004</u>	<u>55,028</u>	<u>208,816</u>	<u>227,832</u>	<u>172,804</u>

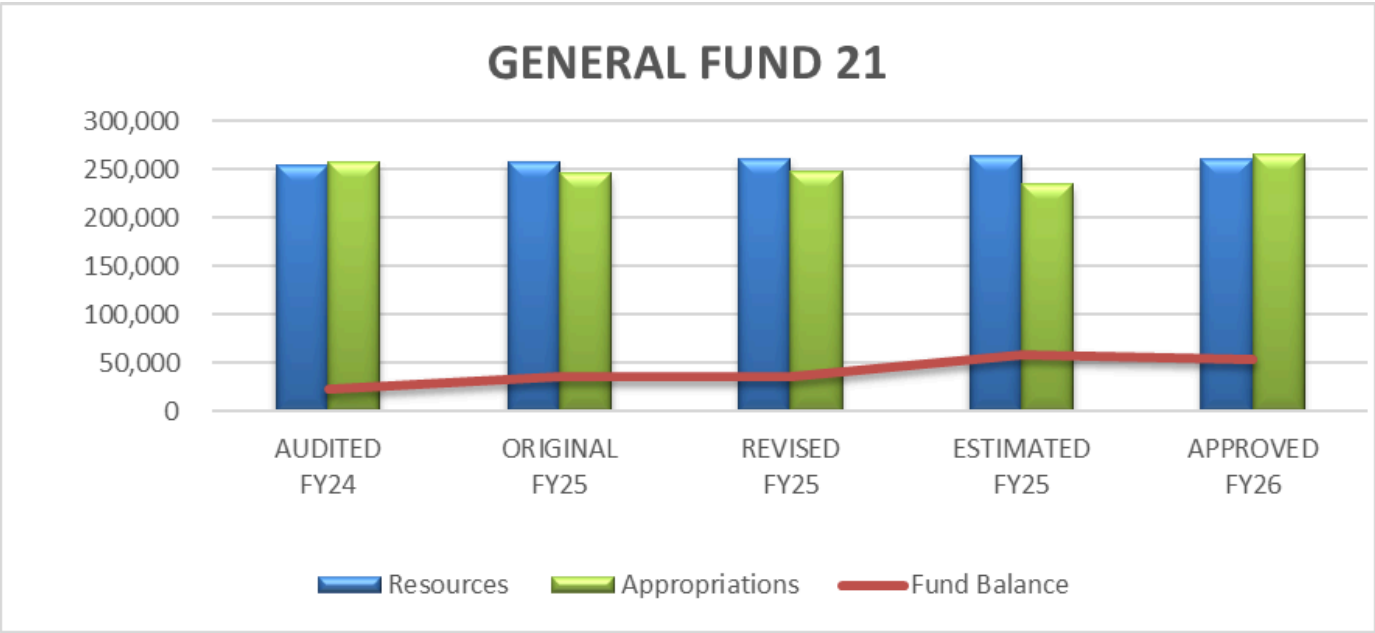


**COMBINED FY26 FUNDS BUDGET**

	<b>GENERAL FUND FUND 21</b>	<b>CAPITAL FUNDS 27/28/29</b>	<b>DEBT SERVICE FUND 31</b>	<b>SJCPCA FUND FUND 41</b>	<b>FY26 TOTALS</b>
<b>(\$000's)</b>					
Beginning Fund Balance	<u>58,536</u>	<u>133,016</u>	<u>17,245</u>	<u>20</u>	<u>208,816</u>
<b>RESOURCES</b>					
Interest	5,000				5,000
Miscellaneous	3,000	1,085	300	39	4,424
Water	151,142				151,142
Water Resources Management	4,500				4,500
Wastewater	93,172				93,172
Solid Waste Admin Fee	1,991				1,991
DMD Admin Fee	1,042				1,042
Bond/Loan Proceeds		90,000			
Utility Expansion Charges			8,080		8,080
Transfers	<u>          </u>	<u>35,402</u>	<u>78,530</u>	<u>          </u>	<u>113,932</u>
<b>TOTAL CURRENT RESOURCES</b>	259,847	126,487	86,910	39	473,283
Add from Fund Balance					
<b>TOTAL RESOURCES</b>	<u>259,847</u>	<u>126,487</u>	<u>86,910</u>	<u>39</u>	<u>473,283</u>
<b>APPROPRIATIONS</b>					
Wages	51,957				51,957
Fringe Benefits	24,600				24,600
Other Services	343				343
Utilities	17,809				17,809
Supplies	17,931				17,931
Travel, Training, and Dues	546				546
Repairs and Maintenance	18,070				18,070
Vehicle Maintenance	3,326				3,326
WC, Insurance, Tort, and Other Liab	4,156				4,156
NM Water Conservation Fee	740				740
Admin Svcs/OPEB	410				410
Contractual Services	15,010	96,487		39	111,536
Transfer to Capital Fund	31,402		4,000		35,402
Transfer to Debt Service	78,530				78,530
Debt Service Payments	<u>          </u>	<u>          </u>	<u>88,910</u>	<u>          </u>	<u>88,910</u>
<b>TOTAL APPROPRIATIONS</b>	<u>264,830</u>	<u>96,487</u>	<u>92,910</u>	<u>39</u>	<u>454,266</u>
Revenue Over (Under) Expenditures	(4,983)	30,000	(6,000)		19,017
Adjustment to Fund Balance	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ENDING FUND BALANCE</b>	<u>53,553</u>	<u>163,016</u>	<u>11,245</u>	<u>20</u>	<u>227,833</u>

# GENERAL FUND - 21

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



### Resources

The General Fund revenue budget for FY26 is \$259.8 million. Of the total revenue, 95.7% comprises charges for water and wastewater services. FY26 current resources are estimated to be \$1.0 million below the FY25 revised budget.

### Appropriations

The General Fund appropriation budget for FY26 is \$264.8 million. Operating expenses represent a net increase of \$16.9 million from the FY25 revised budget. This includes an increase of \$3.0 million in personnel expenses, a decrease of \$0.3 million in operating expenses, and an increase of \$14.2 million in transfers to the capital and debt service funds. Personnel expenses include a 4% cost of living adjustment, as per labor agreements, a 4.0% increase in health benefit costs and a 0.5% increase in PERA pension costs.

### Fund Balance

The Water Authority’s policy is to maintain a Fund Balance equal to at least 1/12th of the annual budgeted operating expenses. The Fund Balance on June 30, 2026, is projected to be \$53.5 million.

### Reserves

The Water Authority maintains three reserve accounts. For FY26, the Rate Reserve is \$9.0 million; the Risk Reserve is \$0.5 million; and the Soil Amendment Facility Reserve is \$2.1 million.

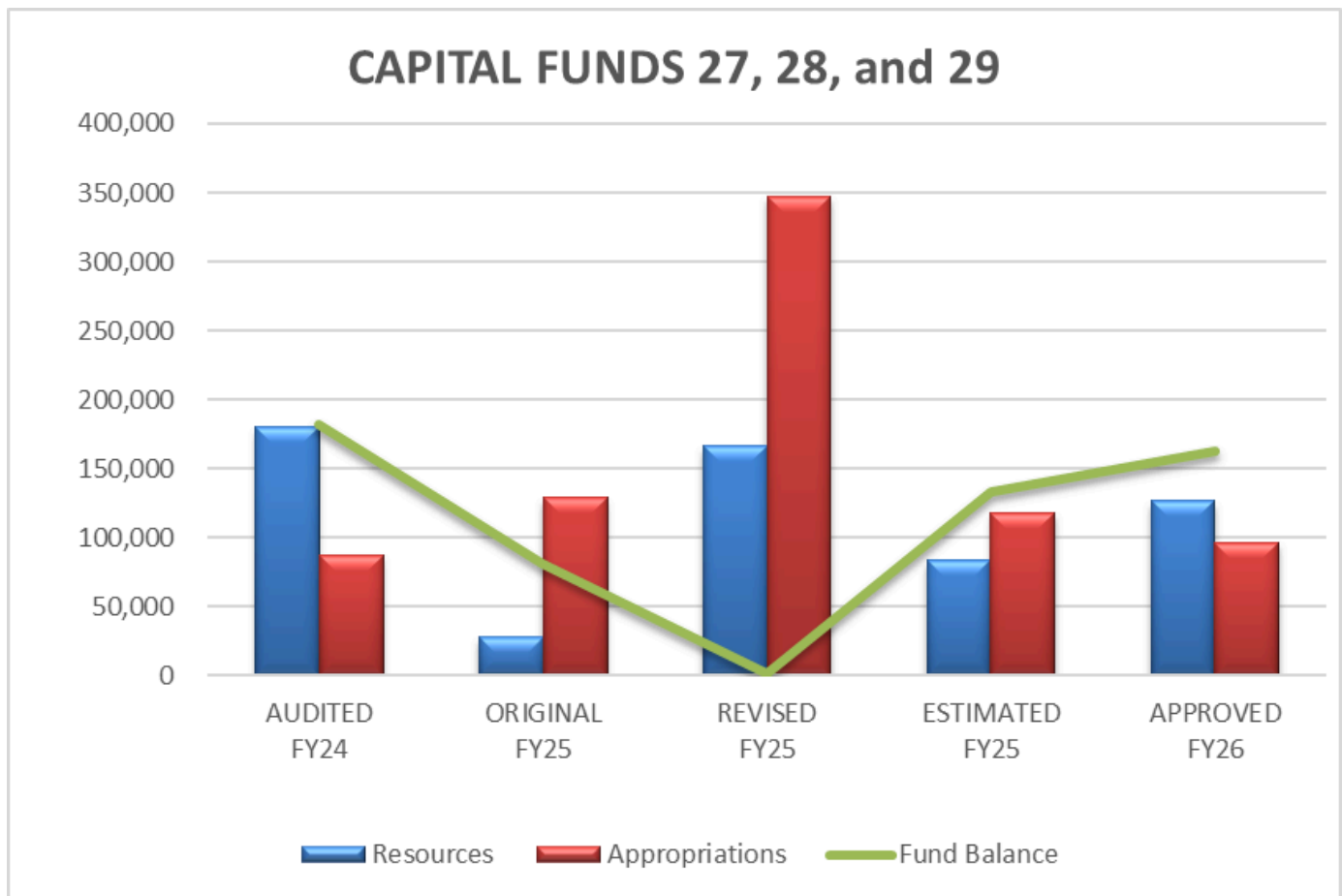


**RESOURCES, APPROPRIATIONS, and FUND BALANCE**

	<b>AUDITED ACTUAL FY24 (\$000's)</b>	<b>ORIGINAL BUDGET FY25</b>	<b>REVISED BUDGET FY25</b>	<b>ESTIMATED ACTUAL FY25</b>	<b>APPROVED BUDGET FY26</b>	<b>APPR 26/ REV 25 CHG</b>
Beginning Fund Balance	<u>24,044</u>	<u>23,148</u>	<u>23,148</u>	<u>23,148</u>	<u>58,536</u>	<u>35,386</u>
<b>RESOURCES:</b>						
Rate Revenues:						
Water Service	112,380	116,670	105,910	105,554	114,727	8,817
Water Facilities Rehab	39,934	34,022	44,782	42,817	36,040	(8,742)
Wastewater Service	45,201	64,143	51,143	52,725	61,174	10,031
Wastewater Facilities Rehab	37,002	28,982	41,982	42,905	31,998	(9,984)
Contr/Aid/Hookups	289	375	375	224	375	-
Water Resources Management	4,560	4,500	4,500	4,428	4,500	-
<b>Total Rate Revenue</b>	<u>239,367</u>	<u>248,692</u>	<u>248,692</u>	<u>248,652</u>	<u>248,814</u>	<u>122</u>
Other Revenues:						
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	8,671	5,000	(2,000)
Miscellaneous Revenue	<u>1,536</u>	<u>3,000</u>	<u>3,000</u>	<u>3,728</u>	<u>3,000</u>	<u>-</u>
<b>Total Other Revenue</b>	<u>13,967</u>	<u>8,715</u>	<u>12,215</u>	<u>14,614</u>	<u>11,033</u>	<u>(1,182)</u>
Total Current Resources	253,334	257,407	260,907	263,267	259,847	(1,060)
Add from Fund Balance	500	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<u>253,834</u>	<u>257,407</u>	<u>260,907</u>	<u>263,267</u>	<u>259,847</u>	<u>(1,060)</u>
<b>APPROPRIATIONS:</b>						
Programs:						
Administration	2,065	2,005	1,996	1,946	2,006	10
Risk	6,330	6,926	6,925	6,824	6,982	57
Legal	1,369	989	988	861	995	7
Human Resources	1,849	2,007	2,006	1,920	2,021	15
Information Technology	11,992	11,632	12,981	16,466	13,335	354
Finance	5,366	4,890	4,710	5,487	5,082	372
Customer Services	5,341	5,549	5,658	5,136	5,936	278
Asset Management	783	805	804	702	700	(104)
Wastewater Plant	11,586	12,416	12,416	11,226	12,685	269
San Juan-Chama Water Treatment Plant	4,581	4,967	4,967	4,477	5,171	204
Groundwater Operations	7,283	7,663	7,663	7,179	7,766	103
Wastewater Collection	7,558	8,073	8,073	7,607	8,156	83
Water Field Operations	20,963	22,011	22,011	20,803	22,998	987
Compliance	6,463	6,878	6,878	7,038	7,053	175
Fleet & Facility Maintenance	5,766	6,680	6,680	5,845	6,689	9
Central Engineering	3,260	4,051	4,039	3,297	4,134	95
Planning & Utility Development	870	1,074	1,073	880	1,062	(11)
Water Resources	4,356	5,070	5,128	3,919	5,237	109
Power & Chemicals	29,158	31,956	31,956	21,800	31,956	-
Taxes	895	740	740	871	740	-
Overhead	1,515	1,566	1,856	1,713	1,586	(270)
San Juan-Chama	<u>1,410</u>	<u>1,615</u>	<u>2,609</u>	<u>2,777</u>	<u>2,609</u>	<u>-</u>
<b>Total Enterprise Appropriations</b>	<u>140,756</u>	<u>149,563</u>	<u>152,156</u>	<u>138,774</u>	<u>154,899</u>	<u>2,743</u>
Transfers to Other Funds:						
Water 2120 Fund - 27	1,402	1,402	1,402	1,402	1,402	-
Rehab Fund - 28	36,618	19,382	19,382	19,382	30,000	10,618
Debt Service Fund - 31	<u>78,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>78,530</u>	<u>3,530</u>
<b>Total Transfers</b>	<u>116,020</u>	<u>95,784</u>	<u>95,784</u>	<u>95,784</u>	<u>109,932</u>	<u>14,148</u>
<b>TOTAL APPROPRIATIONS</b>	<u>256,778</u>	<u>245,347</u>	<u>247,941</u>	<u>234,558</u>	<u>264,830</u>	<u>16,889</u>
Adjustment to Fund Balance	<u>2,048</u>	-	-	<u>6,679</u>	-	-
<b>ENDING FUND BALANCE</b>	<u>23,148</u>	<u>35,208</u>	<u>36,114</u>	<u>58,536</u>	<u>53,553</u>	<u>17,437</u>

# CAPITAL FUNDS - 27, 28, and 29

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



## Resources

The total current resources approved for FY26 are \$126.5 million. These resources are comprised of loan proceeds (\$90.0 million), transfers from the General Fund (\$31.4 million) and the Debt Service Fund (\$4.0 million) and Miscellaneous revenue (\$1.0). CIP resources decreased \$100.4 million in FY26 from the FY25 Original Budget primarily due to the receipt of grants in FY25.

## Appropriations

FY26 appropriations total \$96.5 million. CIP appropriations decreased \$32.3 million from the FY25 Original Budget, based on the capital needs identified in the Water Authority's FY26-FY35 Decade Plan and the Financial Plan.

## Fund Balance

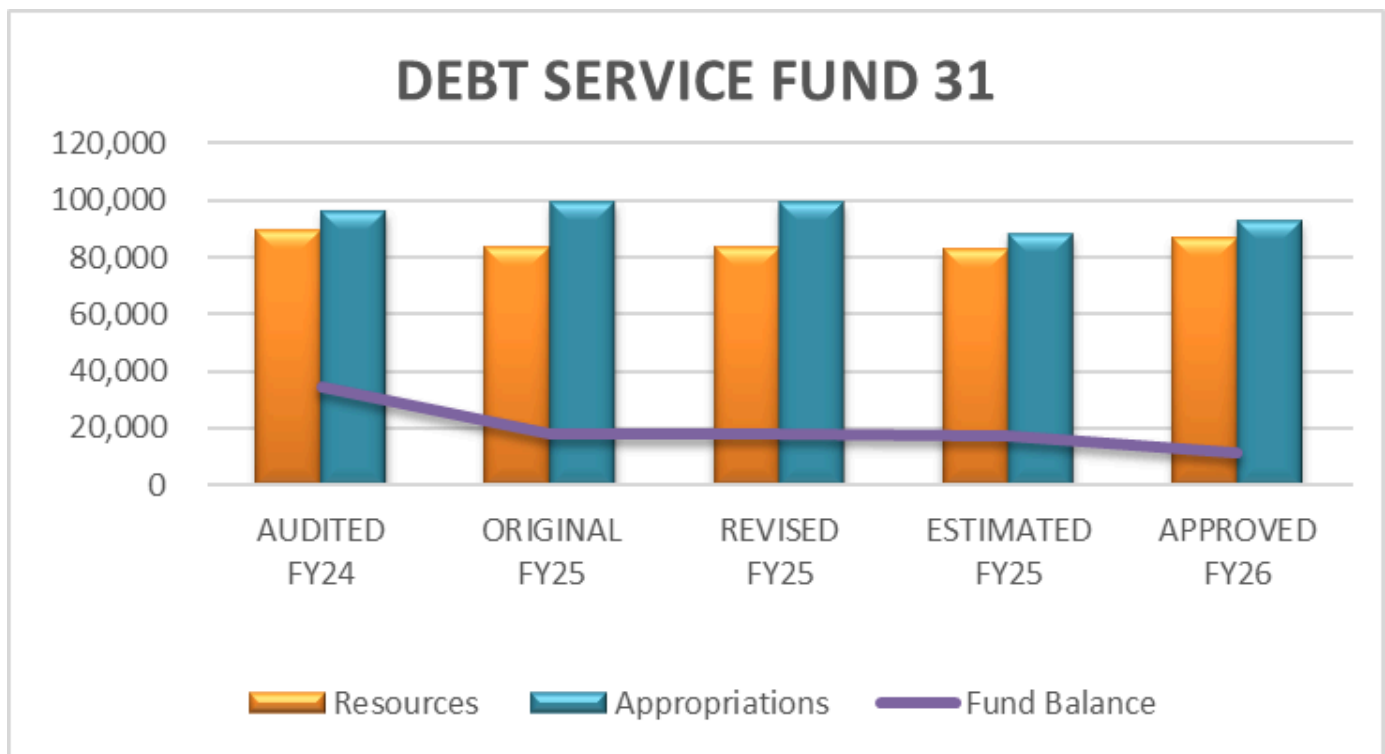
The Fund Balance on June 30, 2026, is projected to be \$163.0 million.

**RESOURCES, APPROPRIATIONS, and FUND BALANCE**

	<b>AUDITED ACTUAL FY24 (\$000's)</b>	<b>ORIGINAL BUDGET FY25</b>	<b>REVISED BUDGET FY25</b>	<b>ESTIMATED ACTUAL FY25</b>	<b>APPROVED BUDGET FY26</b>	<b>APPR 26/ REV 25 CHG</b>
Beginning Fund Balance	<u>99,245</u>	<u>181,658</u>	<u>181,658</u>	<u>181,658</u>	<u>133,016</u>	<u>(48,642)</u>
<b>RESOURCES:</b>						
Proceeds:						
Loan Proceeds	293	-	15,719	1,433	90,000	74,281
Bond Proceeds	<u>121,000</u>	=	=	=	=	=
Total Proceed Revenue	<u>121,293</u>	=	<u>15,719</u>	<u>1,433</u>	<u>90,000</u>	<u>74,281</u>
Miscellaneous Revenues:						
Other	<u>5,780</u>	<u>25</u>	<u>12,661</u>	<u>4,113</u>	<u>25</u>	<u>(12,636)</u>
Total Miscellaneous Revent	<u>5,780</u>	<u>25</u>	<u>12,661</u>	<u>4,113</u>	<u>25</u>	<u>(12,636)</u>
Enterprise Revenues:						
Grants	8,585	-	100,462	50,295	-	(100,462)
Lease of Water Rights	130	500	500	86	530	30
Water Resource Charge	<u>1,321</u>	<u>500</u>	<u>500</u>	<u>776</u>	<u>530</u>	<u>30</u>
Total Enterprise Revenues	<u>10,036</u>	<u>1,000</u>	<u>101,462</u>	<u>51,157</u>	<u>1,060</u>	<u>(100,402)</u>
Transfer from Other Funds:						
General Fund - 21	38,020	20,784	20,784	20,784	31,402	10,618
Capital Fund - 28	-	-	10,000	-	-	-
Debt Service Fund - 31	<u>5,057</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>4,000</u>	<u>(2,000)</u>
Total Transfers	<u>43,077</u>	<u>26,784</u>	<u>36,784</u>	<u>26,784</u>	<u>35,402</u>	<u>(1,382)</u>
Total Current Resources	180,186	27,809	166,625	83,488	126,487	(40,138)
<b>TOTAL RESOURCES</b>	<b><u>180,186</u></b>	<b><u>27,809</u></b>	<b><u>166,625</u></b>	<b><u>83,488</u></b>	<b><u>126,487</u></b>	<b><u>(40,138)</u></b>
<b>APPROPRIATIONS:</b>						
CIP Water 2120	390	17,402	22,919	168	2,487	(20,432)
CIP Basic Rehab	69,611	103,000	172,123	65,491	90,000	(82,123)
CIP Growth	<u>17,589</u>	<u>8,350</u>	<u>142,186</u>	<u>52,691</u>	<u>4,000</u>	<u>(138,186)</u>
Total CIP	<u>87,590</u>	<u>128,752</u>	<u>337,228</u>	<u>118,351</u>	<u>96,487</u>	<u>(240,741)</u>
Transfer To Other Funds:						
Capital Fund - 27	=	=	<u>10,000</u>	=	=	<u>(10,000)</u>
Total Transfers	=	=	<u>10,000</u>	=	=	<u>(10,000)</u>
<b>TOTAL APPROPRIATION:</b>	<b><u>87,590</u></b>	<b><u>128,752</u></b>	<b><u>347,228</u></b>	<b><u>118,351</u></b>	<b><u>96,487</u></b>	<b><u>(250,741)</u></b>
<b>ADJUSTMENTS:</b>						
Adjustment to Fund Balance	<u>(10,183)</u>	=	=	<u>(13,779)</u>	=	=
<b>ENDING FUND BALANCE</b>	<b><u>181,658</u></b>	<b><u>80,715</u></b>	<b><u>1,055</u></b>	<b><u>133,016</u></b>	<b><u>163,016</u></b>	<b><u>161,960</u></b>

# DEBT SERVICE FUND - 31

The Debt Service Fund is used to accumulate monies for payment of principal and interest on revenue bonds secured by pledge of water and wastewater revenues.



## Resources

Debt Service resources approved for FY26 are \$86.9 million; an increase of \$3.3 million from the FY25 Revised Budget. The current resources are comprised of revenue from Utility Expansion Charges (UEC), miscellaneous revenue and transfers from the General Fund. The transfer from the General Fund is \$78.5 million, based on the Water Authority's debt service schedule.

## Appropriations

Appropriations total \$92.9 million, of which \$88.9 million is principal and interest payments for outstanding debt and \$4.0 million is a transfer to the Growth Capital fund. Debt service payments decreased in FY26 by \$4.9 million from the FY25 Revised Budget, based on the Water Authority's debt service schedule. The transfer to the capital fund decreased to \$4.0 million.

## Fund Balance

Fund Balance on June 30, 2026, is projected to be \$11.2 million.

**RESOURCES, APPROPRIATIONS, and FUND BALANCE**

	<b>AUDITED ACTUAL (\$000's) FY24</b>	<b>ORIGINAL BUDGET FY25</b>	<b>REVISED BUDGET FY25</b>	<b>ESTIMATED ACTUAL FY25</b>	<b>APPROVED BUDGET FY26</b>	<b>APPR 26/ REV 25 CHG</b>
<b>Beginning Fund Balance</b>	<b>42,792</b>	<b>34,282</b>	<b>34,282</b>	<b>34,282</b>	<b>17,245</b>	<b>(17,037)</b>
<b>RESOURCES:</b>						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	813	600	600	1,346	300	(300)
Utility Expansion Charges	10,835	8,040	8,040	6,562	8,080	40
Transfers from Other Funds	<u>78,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>78,530</u>	<u>3,530</u>
Total Current Resources	<u>89,647</u>	<u>83,640</u>	<u>83,640</u>	<u>82,908</u>	<u>86,910</u>	<u>3,270</u>
<b>TOTAL RESOURCES</b>	<b><u>89,647</u></b>	<b><u>83,640</u></b>	<b><u>83,640</u></b>	<b><u>82,908</u></b>	<b><u>86,910</u></b>	<b><u>3,270</u></b>
<b>APPROPRIATIONS:</b>						
Debt Service	91,768	93,865	93,865	82,127	88,910	(4,955)
Miscellaneous Expenses	-	-	200	225	-	-
Transfers to Other Funds	<u>5,057</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>4,000</u>	<u>(2,000)</u>
<b>TOTAL APPROPRIATION</b>	<b><u>96,825</u></b>	<b><u>99,865</u></b>	<b><u>100,065</u></b>	<b><u>88,352</u></b>	<b><u>92,910</u></b>	<b><u>(7,155)</u></b>
Adj to Fund Balance	(1,332)	-	-	(11,592)		
<b>ENDING FUND BALANCE</b>	<b><u>34,282</u></b>	<b><u>18,057</u></b>	<b><u>17,857</u></b>	<b><u>17,245</u></b>	<b><u>11,245</u></b>	<b><u>(6,612)</u></b>

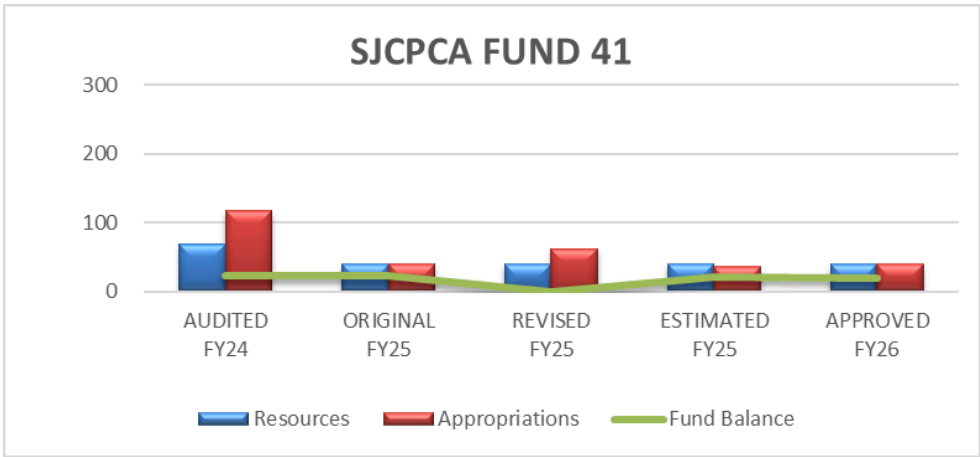
# SAN JUAN CHAMA PROJECT CONTRACTORS ASSOCIATION - 41

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

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

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

- 1. Manage the fiscal affairs of the SJCPCA, with the supervision of the Board.
- 2. Collect an annual assessment from each member and any special assessments approved by the Board.
- 3. Manage the investment of SJCPCA funds which shall be held in trust by the members and used for the purposes of the agreement.



**Resources**

Total current resources approved for FY26 are \$0.39 million. These resources are comprised of administration fees (\$0.39 million) collected from members of the association.

**Appropriations**

FY26 appropriations total \$0.39 million, which is a \$0.23 million decrease from the FY25 Revised Budget.

**Fund Balance**

The Fund Balance on June 30, 2026, is projected to be \$0.20 million.



**RESOURCES, APPROPRIATIONS, and FUND BALANCE**

	<b>AUDITED ACTUAL (\$000's) FY24</b>	<b>ORIGINAL BUDGET FY25</b>	<b>REVISED BUDGET FY25</b>	<b>ESTIMATED ACTUAL FY25</b>	<b>APPROVED BUDGET FY26</b>	<b>APPR 26/ REV 25 CHG</b>
Beginning Fund Balance	<b>90</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>20</b>	<b>(3)</b>
<b>RESOURCES:</b>						
Administration Fees	42	39	39	40	39	-
Special Assessments	<u>26</u>	=	=	=	=	=
Total Current Resources	<u>69</u>	<u>39</u>	<u>39</u>	<u>40</u>	<u>39</u>	=
<b>TOTAL RESOURCES</b>	<b><u>69</u></b>	<b><u>39</u></b>	<b><u>39</u></b>	<b><u>40</u></b>	<b><u>39</u></b>	<b>-</b>
<b>APPROPRIATIONS:</b>						
General Government	<u>117</u>	<u>39</u>	<u>62</u>	<u>36</u>	<u>39</u>	<u>(23)</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>117</u></b>	<b><u>39</u></b>	<b><u>62</u></b>	<b><u>36</u></b>	<b><u>39</u></b>	<b><u>(23)</u></b>
Adj to Fund Balance	(19)	-	-	(7)	-	-
<b>ENDING FUND BALANCE</b>	<b><u>23</u></b>	<b><u>23</u></b>	<b><u>-</u></b>	<b><u>20</u></b>	<b><u>20</u></b>	<b><u>20</u></b>

# THE FINANCIAL PLAN

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

To plan for the future and to ensure financial stability, an amendment to the Water Authority's Rate Ordinance was approved by the Board in June 2013 which increased rate revenue by 5% in fiscal years 2014, 2015, 2016 and again in 2018. There was no rate increase in fiscal years 2020, 2021, or 2022. The Water Authority approved a 5% rate revenue increase in fiscal year 2023 and a 12% rate revenue increase in fiscal year 2025. There was no rate increase in fiscal year 2026.

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

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

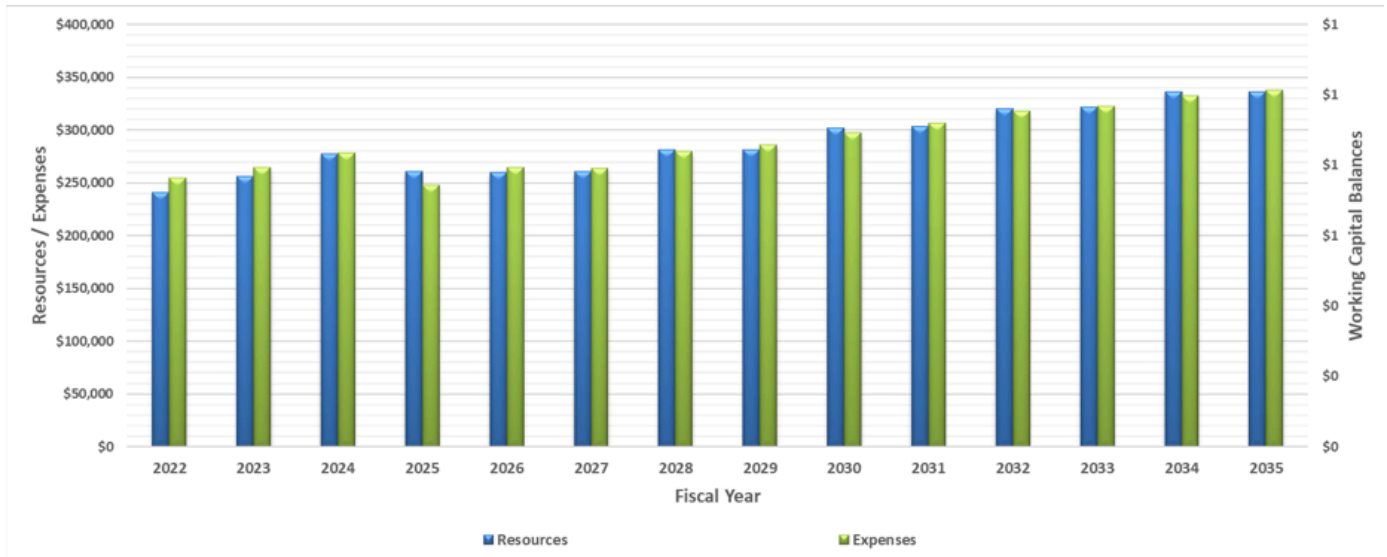
The Water Authority also develops a Decade Plan every year that guides the Capital Implementation Program (CIP). The projects included in the plan are identified for near-term and future work and include both rehabilitation needs and growth-related activities. The Water Authority's financial planning considers basic program needs as part of its revenue requirements, and, by policy, requires financing for fifty percent of basic program rehabilitation CIP work from water and wastewater rate revenues. The balance of capital funding is obtained through revenue bonds or loan financing. Growth-related projects are funded through UEC revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriations to CIP projects. The development of a Decade Plan allows for long-term planning for both initial construction and rehabilitation costs as well as additional operating costs to operate and maintain new water and wastewater facilities.

The following table is the financial plan for the Water Authority. The plan displays financial projections from FY26 through 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.

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

# FY26 FINANCE PLAN

- Used to predict future financial needs (resources (revenue), capital needs, debt service obligations, and operating expenses)
- Illustrates potential rate and fee adjustments needed over the next decade.



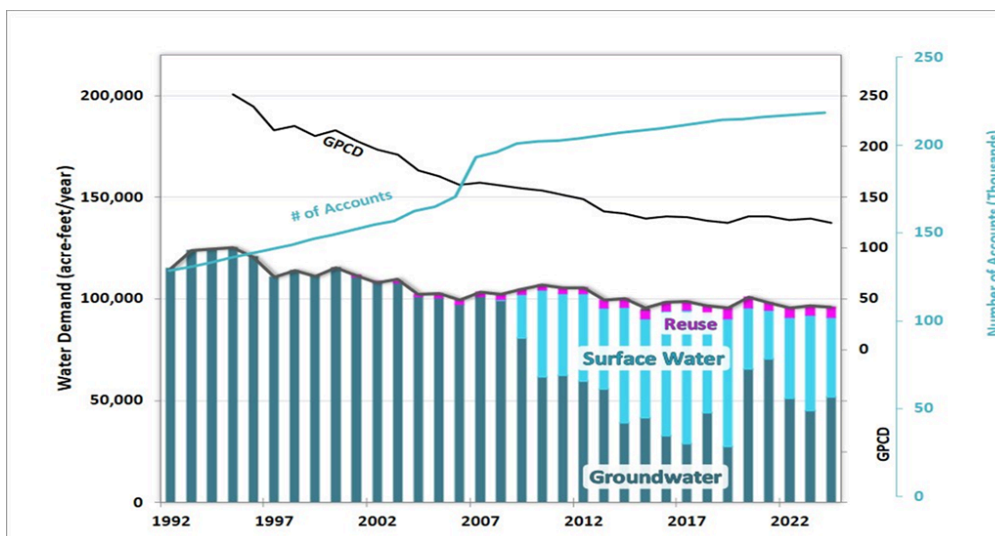
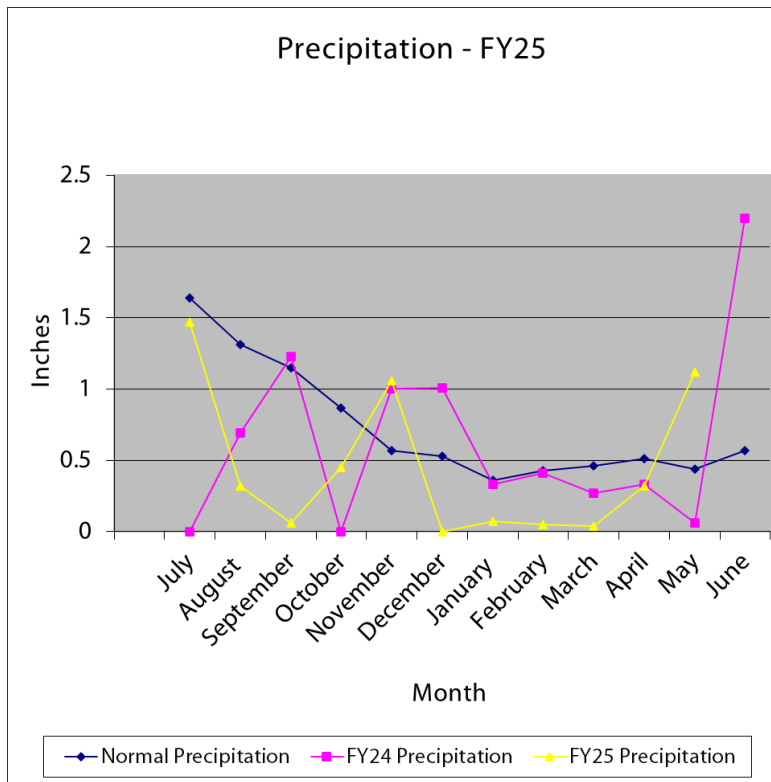
Finance Plan Forecast													
Fiscal Year	Audited 2023	Audited 2024	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
<b>Capital Funds (27 - Water 2120)</b>													
<b>Beginning Fund Balance</b>	\$ 6,828	\$ 8,552	\$ 10,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sources:</b>													
Trf. from Operating (21)	\$ -	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402	\$ 11,402
Trf. from Rehab (28)	-	-	10,000	-	-	-	-	-	-	-	-	-	-
Water Resource Charge (WRC)	1,795	992	1,060	1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060	\$ 1,060
Grants/Subsidies	-	-	-	-	\$ 291,000	-	-	-	-	-	-	-	-
Interest	-	39	25	25	25	25	25	25	25	25	25	25	25
Miscellaneous	-	130	-	-	-	-	-	-	-	-	-	-	-
<b>Sources Total</b>	\$ 1,795	\$ 2,563	\$ 12,487	\$ 2,487	\$ 293,487	\$ 2,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487
<b>Uses:</b>													
Trf. to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water 2120 Projects	71	383	23,219	2,487	\$ 283,487	\$ 2,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487
<b>Uses Total</b>	\$ 71	\$ 383	\$ 23,219	\$ 2,487	\$ 293,487	\$ 2,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487	\$ 12,487
<b>Ending Fund Balance</b>	\$ 8,552	\$ 10,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Capital Funds (28 - Rehab)</b>													
<b>Beginning Fund Balance</b>	\$ 131,196	\$ 79,771	\$ 162,741	\$ -	\$ 30,000	\$ -	\$ 33,000	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 55,000
<b>Sources:</b>													
Trf. from Operating	\$ 32,868	\$ 36,618	\$ 19,382	\$ 30,000	\$ 30,000	\$ 40,000	\$ 40,000	\$ 44,000	\$ 44,000	\$ 50,000	\$ 50,000	\$ 55,000	\$ 55,000
Trf. from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants/Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan Proceeds	\$ -	\$ 121,000	\$ -	\$ 60,000	\$ -	\$ 66,000	\$ -	\$ 76,000	\$ -	\$ 76,000	\$ -	\$ 110,000	\$ -
Miscellaneous	\$ 217	\$ 3,038	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 5,800	\$ -	\$ 7,000	\$ -	\$ 1,950	\$ -
<b>Sources Total</b>	\$ 33,085	\$ 160,656	\$ 19,382	\$ 120,000	\$ 40,000	\$ 136,000	\$ 40,000	\$ 125,800	\$ 44,000	\$ 133,000	\$ 50,000	\$ 166,950	\$ 55,000
<b>Uses:</b>													
Basic Rehab (Min 50% Cash Trans)	\$ 81,728	\$ 68,787	\$ 158,097	\$ 70,000	\$ 70,000	\$ 73,000	\$ 73,000	\$ 80,000	\$ 84,000	\$ 86,000	\$ 90,000	\$ 110,000	\$ 110,000
Special Projects (Misc.)	\$ 2,782	\$ 8,899	\$ 14,026	\$ 20,000	-	\$ 30,000	\$ -	\$ 5,800	\$ -	\$ 7,000	\$ -	\$ 1,950	\$ -
Trf. to Other Funds	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Uses Total</b>	\$ 84,510	\$ 77,686	\$ 182,123	\$ 90,000	\$ 70,000	\$ 103,000	\$ 73,000	\$ 85,800	\$ 84,000	\$ 93,000	\$ 90,000	\$ 111,950	\$ 110,000
<b>Ending Fund Balance</b>	\$ 79,771	\$ 162,741	\$ -	\$ 30,000	\$ -	\$ 33,000	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 55,000	\$ -
<b>Capital Funds (29 - Growth)</b>													
<b>Beginning Fund Balance</b>	\$ 8,284	\$ 10,922	\$ 8,185	\$ 556	\$ 556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sources:</b>													
Trf. from Debt Service (UEC)	\$ 4,000	\$ 5,057	\$ 6,000	\$ 4,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Trf. from Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants/Subsidies	\$ 28,324	\$ 8,568	\$ 115,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 8,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sources Total</b>	\$ 40,438	\$ 13,625	\$ 121,665	\$ 4,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
<b>Uses:</b>													
Growth Projects (UEC)	\$ 3,976	\$ 5,275	\$ 13,386	\$ 4,000	\$ 5,556	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Special Projects (Grants/Subsidies)	\$ 33,824	\$ 11,087	\$ 115,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Uses Total</b>	\$ 37,800	\$ 16,362	\$ 129,294	\$ 4,000	\$ 5,556	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
<b>Ending Fund Balance</b>	\$ 10,922	\$ 8,185	\$ 556	\$ 556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Finance Plan Forecast													
Fiscal Year	Audited 2023	Audited 2024	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032	Forecast 2033	Forecast 2034	Forecast 2035
<b>Debt Service Fund (31)</b>													
<b>Beginning Fund Balance</b>	\$ 53,166	\$ 42,792	\$ 34,282	\$ 17,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857
<b>Sources:</b>													
Loan Interest Income	\$ 426	\$ 493	\$ 400	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Utility Expansion Charges (UEC)	\$ 6,977	\$ 8,092	\$ 8,040	\$ 8,080	\$ 8,121	\$ 8,161	\$ 8,202	\$ 8,243	\$ 8,284	\$ 8,326	\$ 8,326	\$ 8,326	\$ 8,326
Trf. from Operating	\$ 74,850	\$ 78,000	\$ 75,000	\$ 78,530	\$ 75,632	\$ 76,593	\$ 68,174	\$ 70,317	\$ 75,276	\$ 75,234	\$ 75,234	\$ 75,474	\$ 75,474
Miscellaneous	\$ 586	\$ 320	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
<b>Sources Total</b>	\$ 82,839	\$ 86,905	\$ 83,640	\$ 86,910	\$ 84,053	\$ 85,054	\$ 76,676	\$ 78,860	\$ 83,860	\$ 83,860	\$ 83,860	\$ 84,100	\$ 84,100
<b>Uses:</b>													
Debt Service (P & I)	\$ 88,627	\$ 90,009	\$ 93,865	\$ 88,810	\$ 78,953	\$ 80,954	\$ 72,576	\$ 74,760	\$ 79,760	\$ 79,760	\$ 79,760	\$ 80,000	\$ 80,000
Trf. to Capital	\$ 4,000	\$ 5,057	\$ 6,000	\$ 4,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Miscellaneous	\$ 586	\$ 349	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
<b>Uses Total</b>	\$ 93,213	\$ 95,415	\$ 100,065	\$ 92,910	\$ 84,053	\$ 85,054	\$ 76,676	\$ 78,860	\$ 83,860	\$ 83,860	\$ 83,860	\$ 84,100	\$ 84,100
<b>Ending Fund Balance</b>	\$ 42,792	\$ 34,282	\$ 17,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857	\$ 11,857
<b>Operating Fund (21)</b>													
<b>Beginning Fund Balance</b>	\$ 32,777	\$ 24,044	\$ 23,148	\$ 36,114	\$ 31,131	\$ 27,406	\$ 29,029	\$ 24,438	\$ 29,260	\$ 25,735	\$ 28,134	\$ 27,161	\$ 30,709
<b>Sources:</b>													
Revenue	\$ 252,363	\$ 24,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Service	112,380	\$ 114,670	\$ 114,670	\$ 114,727	\$ 116,785	\$ 127,646	\$ 127,709	\$ 137,352	\$ 138,038	\$ 145,976	\$ 146,705	\$ 153,674	\$ 153,751
Water Facilities Rehab	39,934	\$ 36,022	\$ 36,040	\$ 36,040	\$ 36,058	\$ 38,574	\$ 39,593	\$ 42,583	\$ 42,796	\$ 45,256	\$ 45,483	\$ 47,643	\$ 47,667
Water Resources Management	4,560	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
Wastewater Service	45,201	\$ 61,143	\$ 61,174	\$ 61,174	\$ 61,204	\$ 67,172	\$ 67,205	\$ 72,279	\$ 72,641	\$ 76,817	\$ 77,201	\$ 80,869	\$ 80,909
Wastewater Facilities Rehab	37,002	\$ 31,982	\$ 31,998	\$ 32,014	\$ 35,135	\$ 35,153	\$ 37,807	\$ 37,996	\$ 40,181	\$ 40,382	\$ 42,300	\$ 42,321	\$ 42,321
Connections	289	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375
Solid Waste Admin Fee	1,711	\$ 1,836	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991	\$ 1,991
DMD Admin Fee	654	\$ 379	\$ 1,042	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654	\$ 654
Interest	10,666	\$ 7,000	\$ 5,000	\$ 3,000	\$ 3,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Other Miscellaneous	\$ 3,616	\$ 1,536	\$ 3,000	\$ 3,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
<b>Sources Total</b>	\$ 255,979	\$ 277,634	\$ 260,907	\$ 259,947	\$ 260,581	\$ 281,546	\$ 281,681	\$ 302,040	\$ 303,491	\$ 320,250	\$ 321,791	\$ 336,505	\$ 336,668
<b>Uses:</b>													
Wages/Fringe Benefits	\$ 64,091	\$ 64,881	\$ 72,835	\$ 76,557	\$ 78,930	\$ 80,588	\$ 82,280	\$ 84,008	\$ 85,772	\$ 87,573	\$ 89,412	\$ 91,290	\$ 93,207
Operations	\$ 92,903	\$ 97,629	\$ 75,478	\$ 78,341	\$ 78,341	\$ 78,341	\$ 81,416	\$ 84,491	\$ 87,566	\$ 90,641	\$ 93,716	\$ 96,791	\$ 99,866
Issue Papers		\$ 3,844		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring Issue Papers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous		\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Trf. to Debt Service	\$ 74,850	\$ 78,000	\$ 75,000	\$ 78,530	\$ 75,632	\$ 76,593	\$ 68,174	\$ 70,317	\$ 75,276	\$ 75,234	\$ 75,234	\$ 75,474	\$ 75,474
Trf. to Capital (Water 2120)	\$ -	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402	\$ 1,402
Trf. to Capital	\$ 32,868	\$ 36,618	\$ 19,382	\$ 30,000	\$ 30,000	\$ 40,000	\$ 40,000	\$ 44,000	\$ 44,000	\$ 50,000	\$ 50,000	\$ 55,000	\$ 55,000
<b>Uses Total</b>	\$ 264,712	\$ 278,530	\$ 247,941	\$ 264,830	\$ 264,306	\$ 279,924	\$ 286,272	\$ 297,218	\$ 307,016	\$ 317,851	\$ 322,765	\$ 332,957	\$ 337,950
<b>Ending Fund Balance</b>	\$ 24,044	\$ 23,148	\$ 36,114	\$ 31,131	\$ 27,406	\$ 29,029	\$ 24,438	\$ 29,260	\$ 25,735	\$ 28,134	\$ 27,161	\$ 30,709	\$ 29,427
<b>Reserves:</b>													
Operating (Risk & SAF)	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647	\$ 2,647
Rate	\$ 9,000	\$ 3,834	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
<b>Total Reserves</b>	\$ (11,647)	\$ (6,489)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)	\$ (11,647)
<b>Ending Fund Balance less Res</b>	\$ 12,397	\$ 16,667	\$ 24,467	\$ 19,484	\$ 15,759	\$ 17,382	\$ 12,791	\$ 17,613	\$ 14,088	\$ 16,487	\$ 15,514	\$ 19,062	\$ 17,780
<b>Rate Increases</b>	5.00%	0.00%	12.00%	0.00%	0.00%	9.25%	0.00%	7.50%	0.00%	5.25%	0.00%	4.25%	0.00%

# REVENUE ANALYSIS

## PRECIPITATION HISTORY & WATER USAGE 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.





# RATE STRUCTURE & MAJOR REVENUE SOURCES

## The Water Authority's Rate Structure

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

## Major Revenue Sources

### ***Water Sales (\$151.1 million, 56.4% of total revenue)***

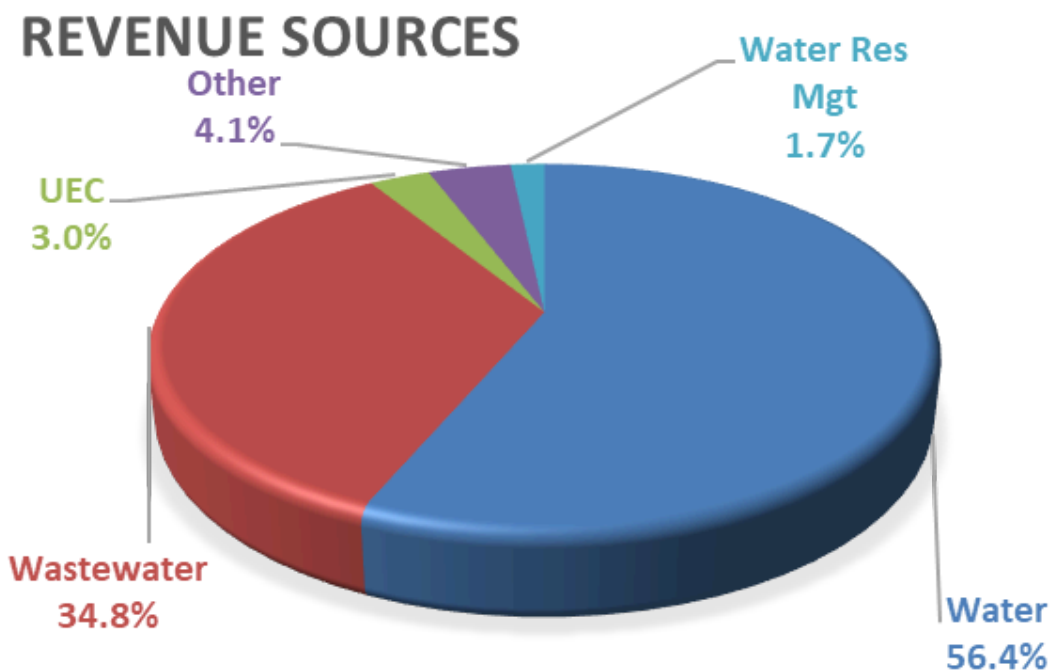
The Water System provides water services to approximately 657,511 residents, comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 218,011 accounts, including 187,719 residential and 30,292 multifamily, commercial, institutional, and industrial accounts. Approximately 86.1% of the water sales are for residential uses.

### ***Wastewater (\$93.2 million, 34.8% of total revenue)***

Wastewater services are provided to virtually all homes, schools, and businesses within the Albuquerque city limits, as well as the Village of Tijeras, Kirtland Air Force Base, Sandia Heights, and other residential areas in Bernalillo County. In all, the Water Authority provides service to about 600,000 people, with approximately 205,315 accounts, including 185,043 residential customer accounts, 17,941 multifamily and commercial accounts, 855 institutional accounts and 1,476 industrial and other customer accounts.

### ***Utility Expansion Charges (\$8.0 million, 3.0% of total revenue)***

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



#### FY24 AUDITED ACTUAL REVENUES AND FY25 REVENUE PROJECTIONS

The Water Authority's revenue projections are summarized in the four tables included in this section. The first table, General Fund 21, presents the audited actual results for FY24, budgeted revenues and estimated actuals for FY25, and budgeted revenue for FY26. The second table, Debt Service Fund 31, third table, CIP Funds 27, 28, 29, and fourth table, SJCPCA Fund 41, provide for the same comparison as the General Fund 21 table.

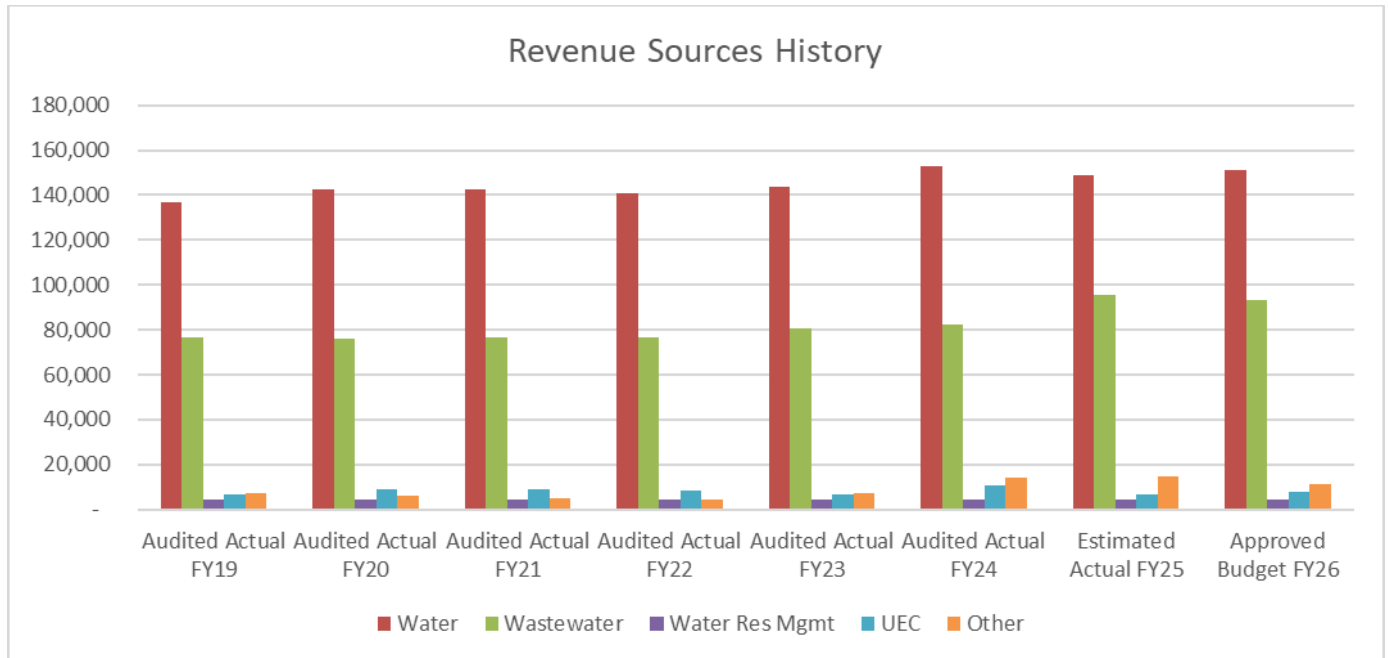
#### REVISED FY25 REVENUE ESTIMATES

General Fund revenues for FY25 are anticipated to be \$263.3 million or \$9.9 million above FY24 actuals. Rate revenue is anticipated to be \$9.3 million above FY24 actuals; Other revenue is projected to be \$0.6 million above FY24 actuals. The increase in rate revenue is attributed to a rate revenue adjustment for FY25. The increase in Miscellaneous revenue is mostly attributed to the increase in miscellaneous revenue.

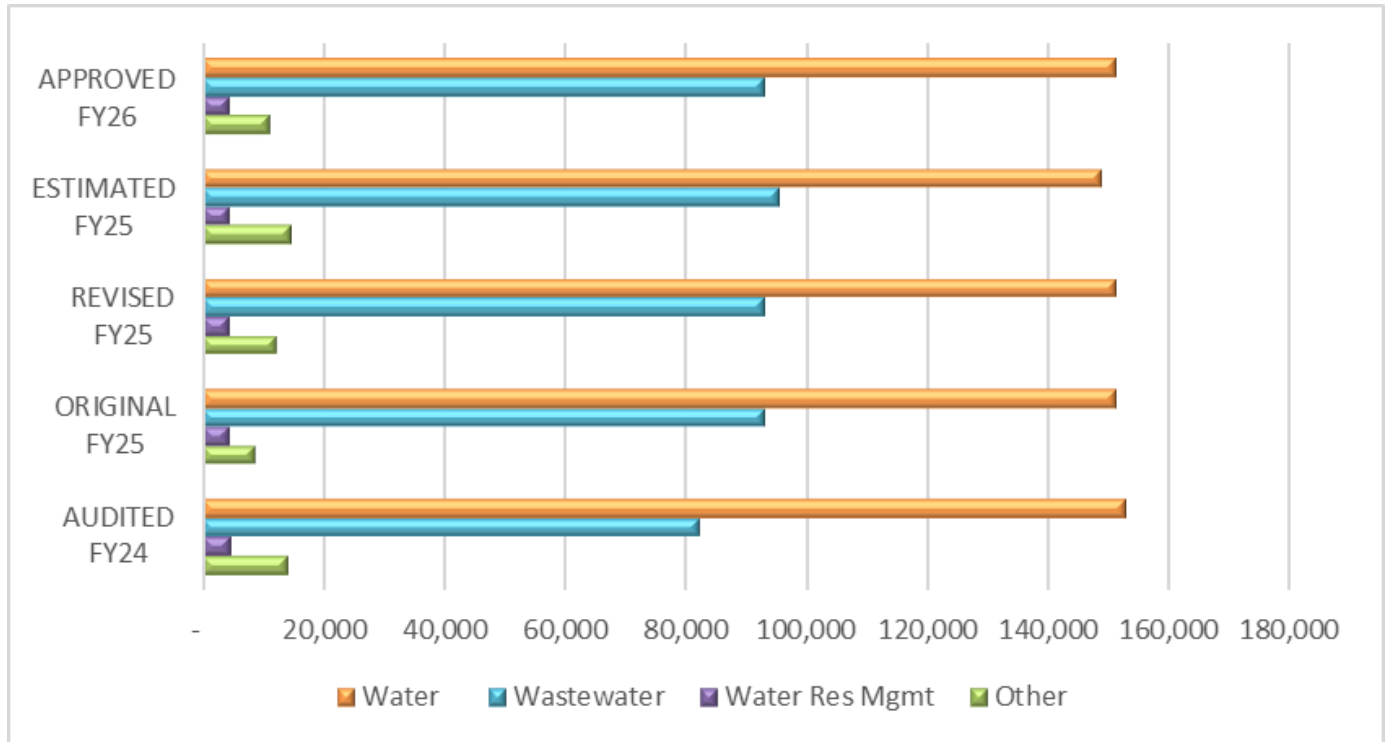
#### APPROVED BUDGET REVENUE ESTIMATES FOR FY26

Budgeted General Fund revenues for FY26 are \$259.8 million, representing a decrease of \$1.1 million below the revised budgeted FY25 amount, attributed to the decrease in Interest Income.

Revenue from the Debt Service Fund increased \$3.3 million in FY26 due to the increase in the transfer from the General Fund.

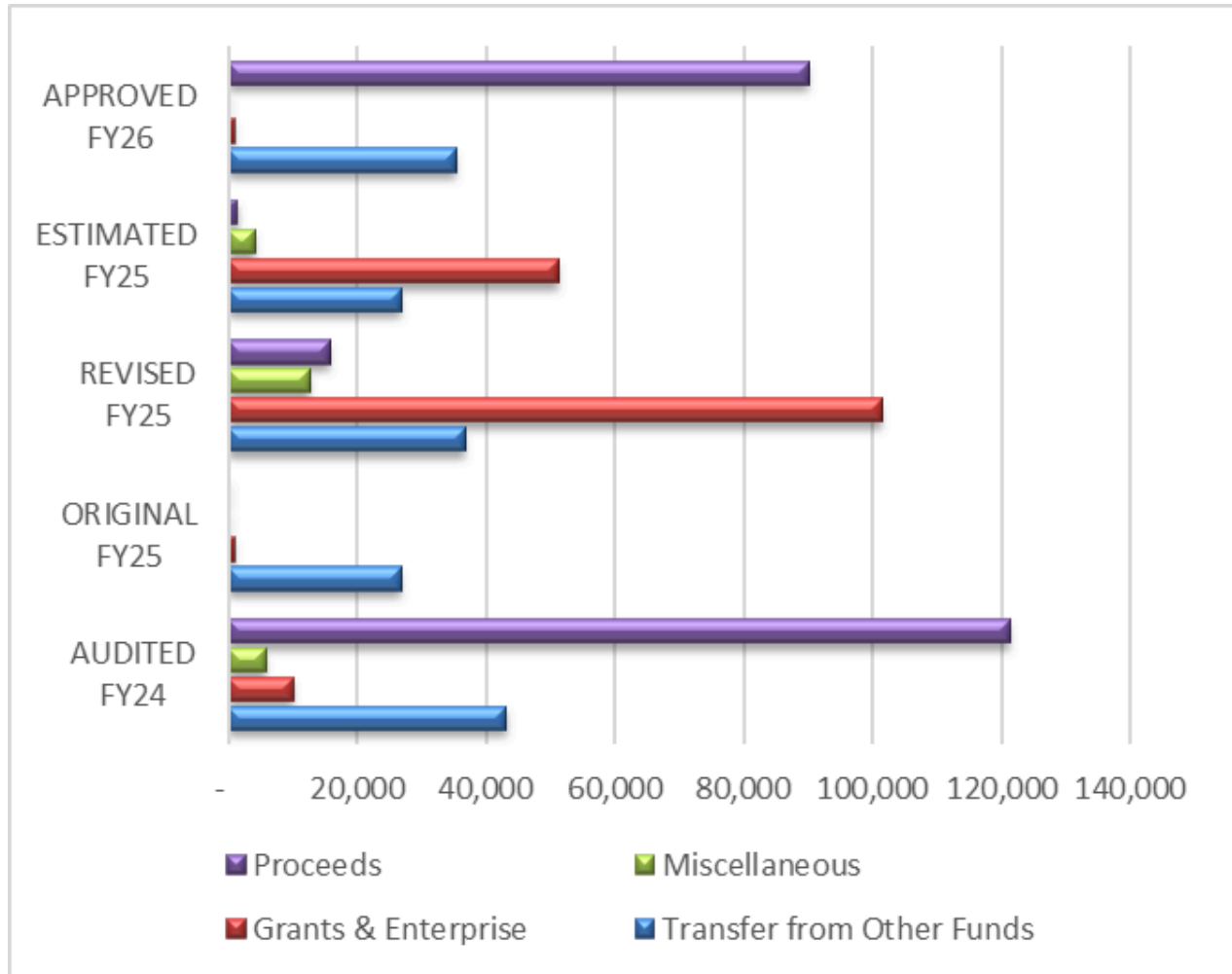


# REVENUE - GENERAL FUND 21



	AUDITED ACTUAL FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	APPROVED BUDGET FY26	APPR 26/ REV 25 CHG
(\$000's)						
Beginning Fund Balance	24,044	23,148	23,148	23,148	58,536	35,388
<b>RESOURCES:</b>						
Rate Revenues:						
Water Service	112,380	116,670	105,910	105,554	114,727	8,817
Water Facilities Rehab	39,934	34,022	44,782	42,817	36,040	(8,742)
Wastewater Service	45,201	64,143	51,143	52,725	61,174	10,031
Wastewater Facilities Rehab	37,002	28,982	41,982	42,905	31,998	(9,984)
Contr/Aid/Hookups	289	375	375	224	375	-
Water Resources Management	<u>4,560</u>	<u>4,500</u>	<u>4,500</u>	<u>4,428</u>	<u>4,500</u>	=
<b>Total Rate Revenue</b>	<b>239,367</b>	<b>248,692</b>	<b>248,692</b>	<b>248,652</b>	<b>248,814</b>	<b>122</b>
Other Revenues:						
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	8,671	5,000	(2,000)
Miscellaneous Revenue	<u>1,536</u>	<u>3,000</u>	<u>3,000</u>	<u>3,728</u>	<u>3,000</u>	=
<b>Total Other Revenue</b>	<b>13,967</b>	<b>8,715</b>	<b>12,215</b>	<b>14,614</b>	<b>11,033</b>	<b>(1,182)</b>
Total Current Resources	253,334	257,407	260,907	263,267	259,847	(1,060)
Add from Fund Balance	<u>500</u>	=	=	=	=	=
<b>TOTAL RESOURCES</b>	<b><u>253,834</u></b>	<b><u>257,407</u></b>	<b><u>260,907</u></b>	<b><u>263,267</u></b>	<b><u>259,847</u></b>	<b><u>(1,060)</u></b>

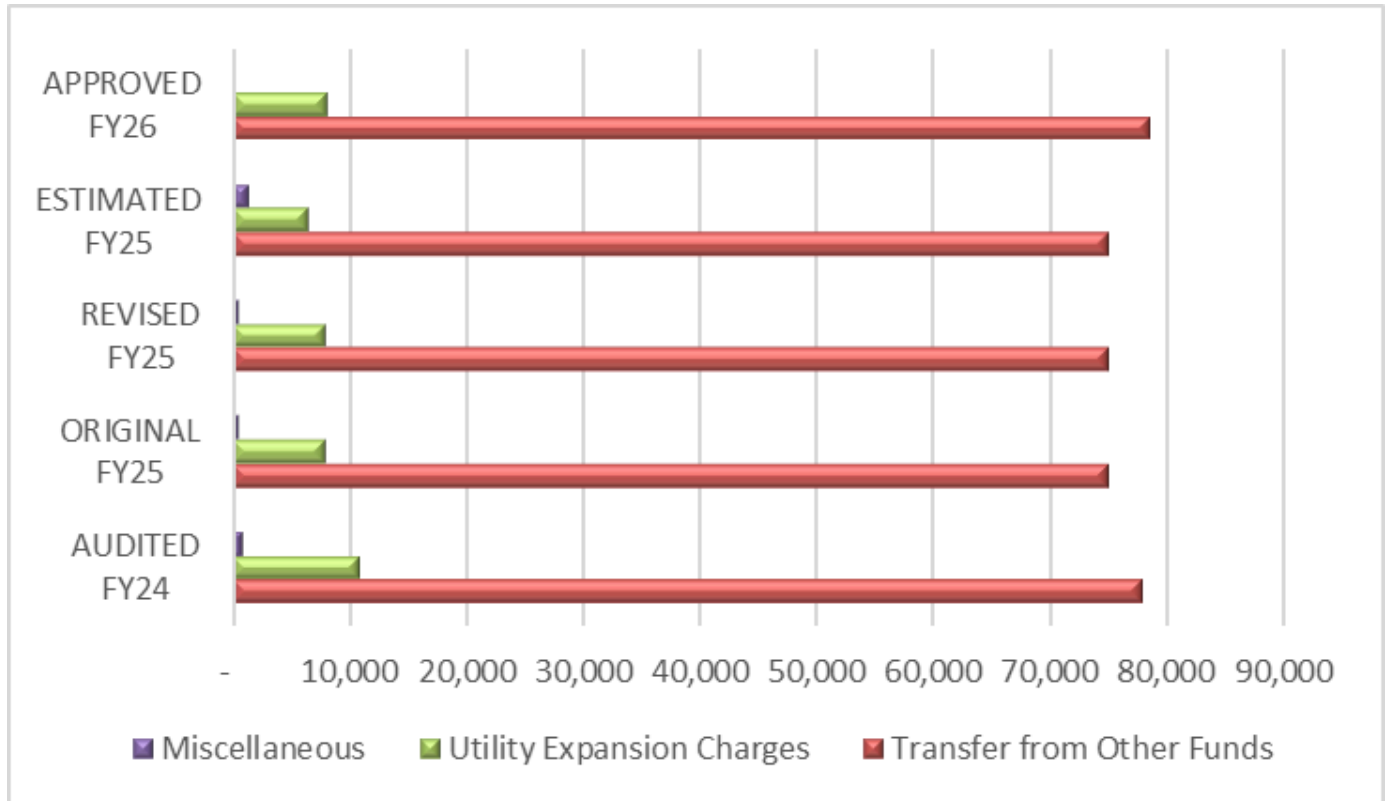
# REVENUE - CAPITAL FUNDS 27, 28, AND 29



<b>(\$000's)</b>	<b>AUDITED ACTUAL FY24</b>	<b>ORIGINAL BUDGET FY25</b>	<b>REVISED BUDGET FY25</b>	<b>ESTIMATED ACTUAL FY25</b>	<b>APPROVED BUDGET FY26</b>	<b>APPR 26/ REV 25 CHG</b>
<b>Beginning Fund Balance</b>	<b>99,245</b>	<b>181,658</b>	<b>181,658</b>	<b>181,658</b>	<b>133,016</b>	<b>(48,642)</b>
<b>RESOURCES:</b>						
Proceeds:						
Loan Proceeds	293		15,719	1,433	90,000	74,281
Bond Proceeds	<u>121,000</u>	=	=	=	=	=
Total Proceed Revenue	<u>121,293</u>	=	<u>15,719</u>	<u>1,433</u>	<u>90,000</u>	<u>74,281</u>
Miscellaneous Revenues:						
Other	<u>5,780</u>	<u>25</u>	<u>12,661</u>	<u>4,113</u>	<u>25</u>	<u>(12,636)</u>
Total Miscellaneous Revenues	<u>5,780</u>	<u>25</u>	<u>12,661</u>	<u>4,113</u>	<u>25</u>	<u>(12,636)</u>
Enterprise Revenues:						
Grants	8,585		100,462	50,295		(100,462)
Lease of Water Rights	130	500	500	86	530	30
Water Resource Charge	<u>1,321</u>	<u>500</u>	<u>500</u>	<u>776</u>	<u>530</u>	<u>30</u>
Total Enterprise Revenues	<u>10,036</u>	<u>1,000</u>	<u>101,462</u>	<u>51,157</u>	<u>1,060</u>	<u>(100,402)</u>
Transfer from Other Funds:						
General Fund - 21	38,020	20,784	20,784	20,784	31,402	10,618
Rehab Fund - 28	-	-	10,000	-	-	-
Debt Service Fund - 31	<u>5,057</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>4,000</u>	<u>(2,000)</u>
Total Transfers	<u>43,077</u>	<u>26,784</u>	<u>36,784</u>	<u>26,784</u>	<u>35,402</u>	<u>(1,382)</u>
Total Current Resources	180,186	27,809	166,625	83,488	126,487	(40,138)
<b>TOTAL RESOURCES</b>	<b><u>180,186</u></b>	<b><u>27,809</u></b>	<b><u>166,625</u></b>	<b><u>83,488</u></b>	<b><u>126,487</u></b>	<b><u>(40,138)</u></b>

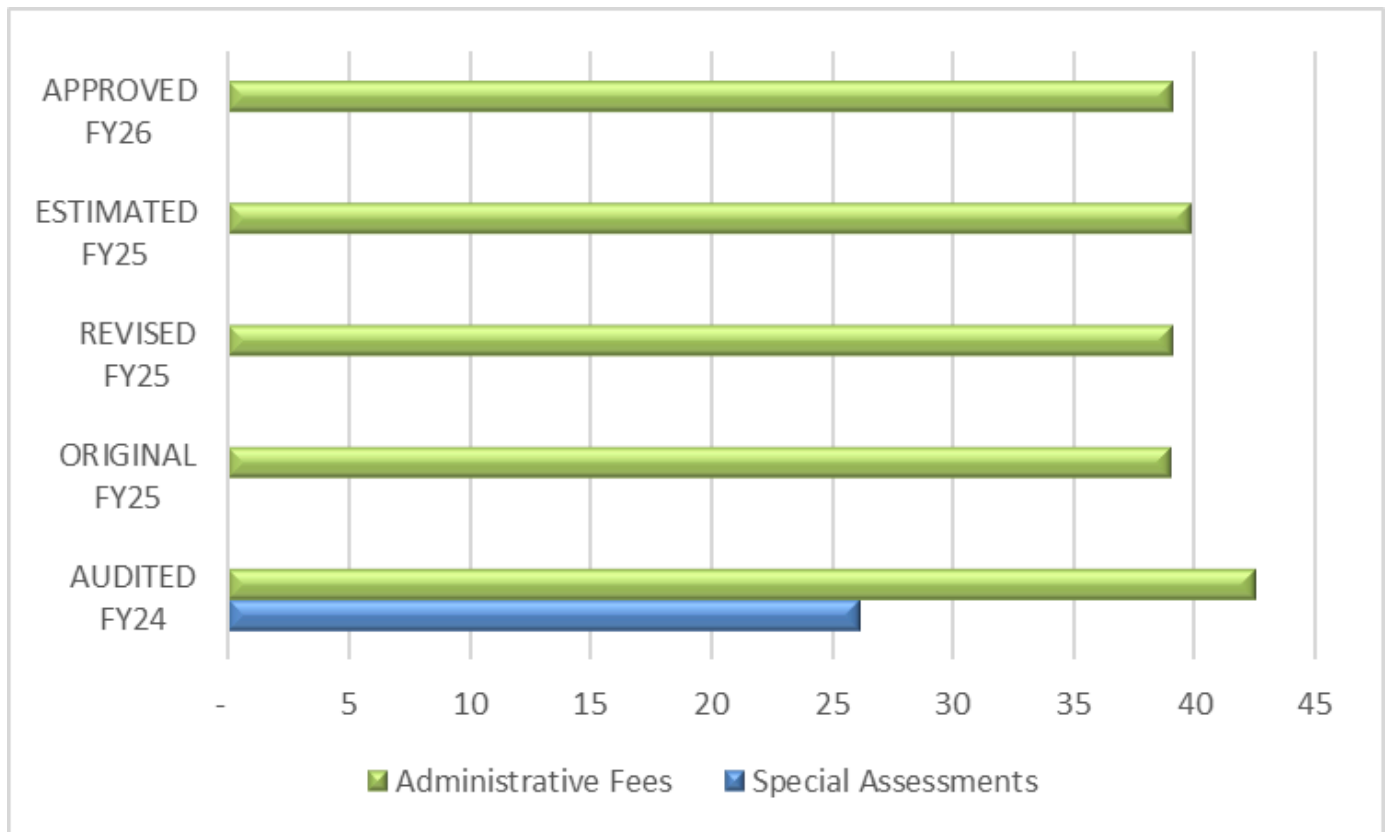


# REVENUE - DEBT SERVICE FUND - 31



(\$000's)	AUDITED ACTUAL FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	APPROVED BUDGET FY26	APPR 26/ REV 25 CHG
Beginning Fund Balance	42,792	34,282	34,282	34,282	17,245	(17,037)
<b>RESOURCES:</b>						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	813	600	600	1,346	300	(300)
Utility Expansion Charges	10,835	8,040	8,040	6,562	8,080	40
Transfers from Other Funds	<u>78,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>78,530</u>	<u>3,530</u>
Total Current Resources	89,647	83,640	83,640	82,908	86,910	3,270
<b>TOTAL RESOURCES</b>	<b><u>89,647</u></b>	<b><u>83,640</u></b>	<b><u>83,640</u></b>	<b><u>82,908</u></b>	<b><u>86,910</u></b>	<b><u>3,270</u></b>

# REVENUE - SAN JUAN CHAMA CONTRACTORS ASSOCIATION - 41



(\$000's)	AUDITED ACTUAL FY24	ORIGINAL BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	APPROVED BUDGET FY26	APPR 26/ REV 25 CHG
Beginning Fund Balance	90	23	23	23	20	(3)
<b>RESOURCES:</b>						
Administration Fees	42	39	39	40	39	-
Special Assessments	<u>26</u>	=	=	=	=	=
Total Current Resources	69	39	39	40	39	-
<b>TOTAL RESOURCES</b>	<u>69</u>	<u>39</u>	<u>39</u>	<u>40</u>	<u>39</u>	=

# 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 economies 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 the prices of local purchases and the wages and salaries of employees.

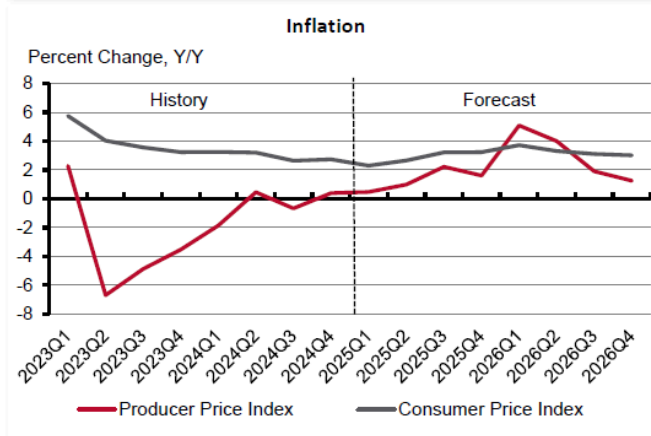
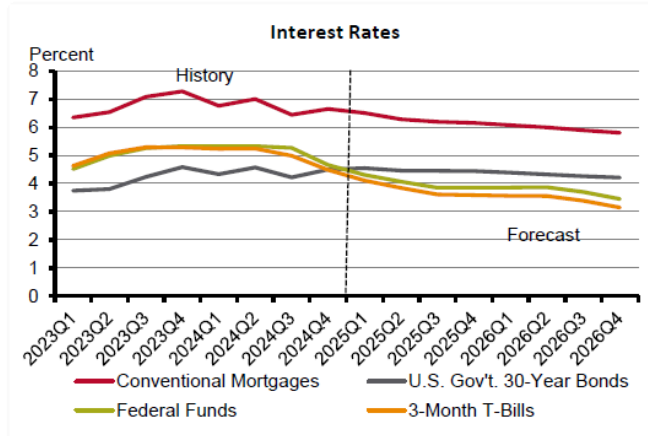
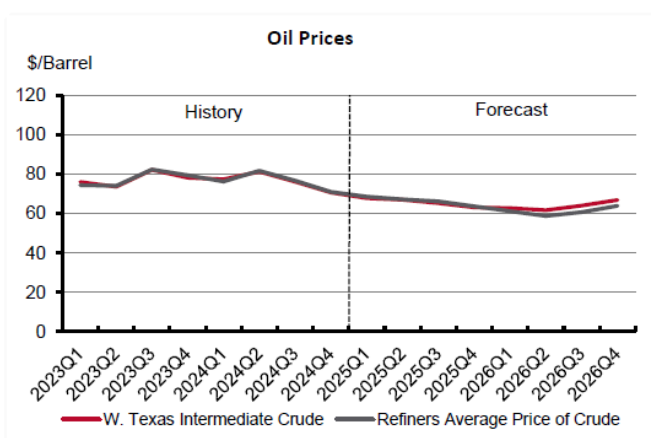
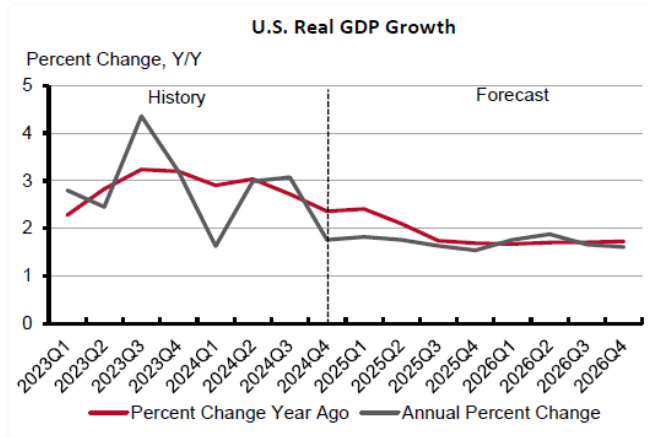
## United States Review & Outlook

### US Macro Forecast Snapshot: January 2025

Variable	Baseline Scenario (50% Probability)	Pessimistic Scenario (25% Probability)	Optimistic Scenario (25% Probability)
<b>GDP Growth</b>	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.
<b>Consumer Spending</b>	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.
<b>Business Fixed Investment</b>	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.
<b>Housing</b>	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.
<b>Exports</b>	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.
<b>Fiscal Policy</b>	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.
<b>Monetary Policy</b>	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 between 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.
<b>Credit Conditions</b>	Tightened in 2023; conditions ease amidst declining interest rates.	Remain slightly tighter than in baseline.	Slightly looser than in baseline.
<b>Productivity Growth</b>	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.
<b>Consumer Confidence</b>	Rises sharply through the middle of 2025 then stabilizes from 2026 onward.	Remains below the baseline over the entire forecast interval.	Outperforms baseline between 2025 and 2026 before over moving roughly in line over the rest of the forecast interval.
<b>Oil Prices (Dollars/barrel)</b>	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.
<b>Stock Markets</b>	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.
<b>Inflation (CPI)</b>	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.
<b>Foreign Growth</b>	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
<b>US Dollar</b>	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 the 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 the government sector 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 about 1,500 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%).

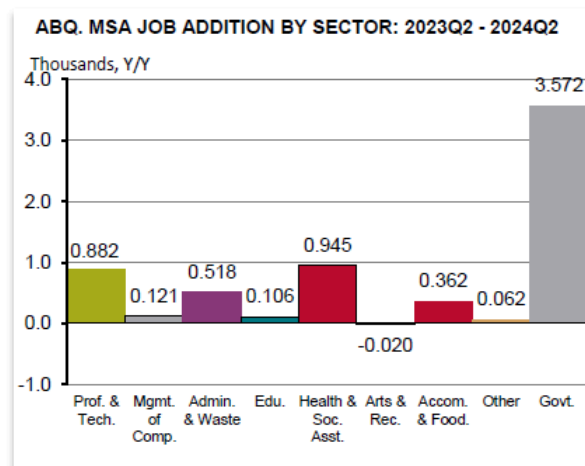
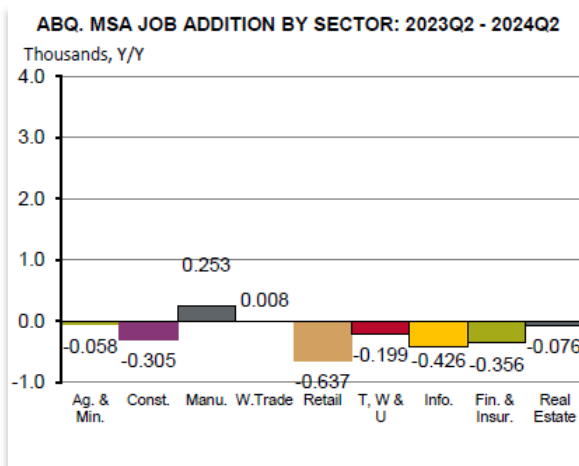
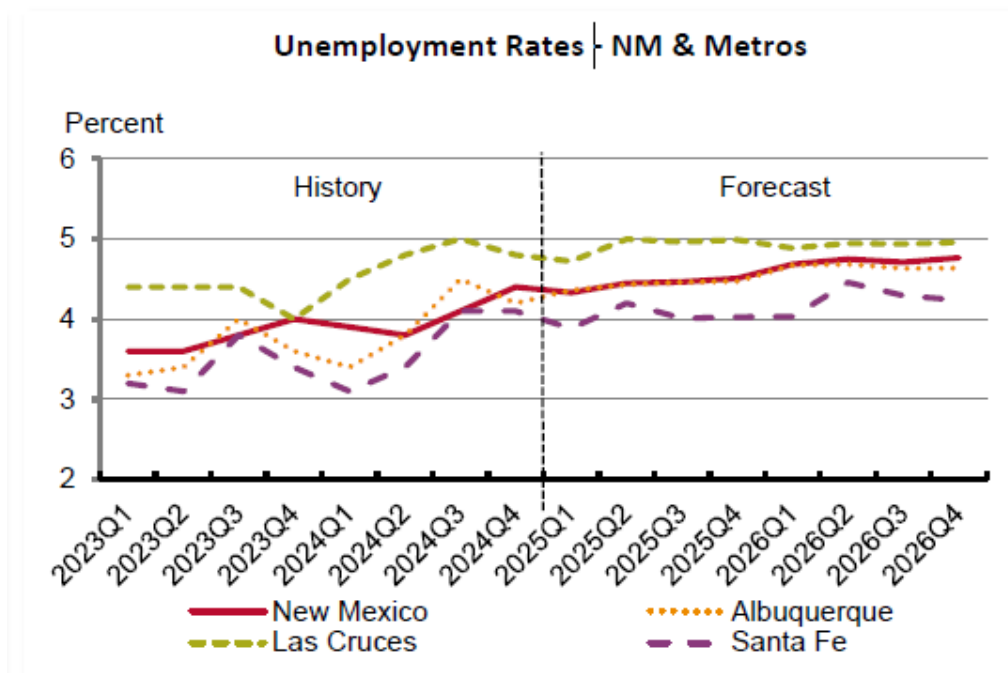
Of the sectors that declined in the quarter, four decreased by 300 or more jobs. Retail trade, having averaged 42,517 total jobs between the fourth quarters of 2022 and 2023, fell by 1.5% (-637 jobs). Information, a volatile industry that includes film and a number of other trades, dropped 426 jobs, 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).





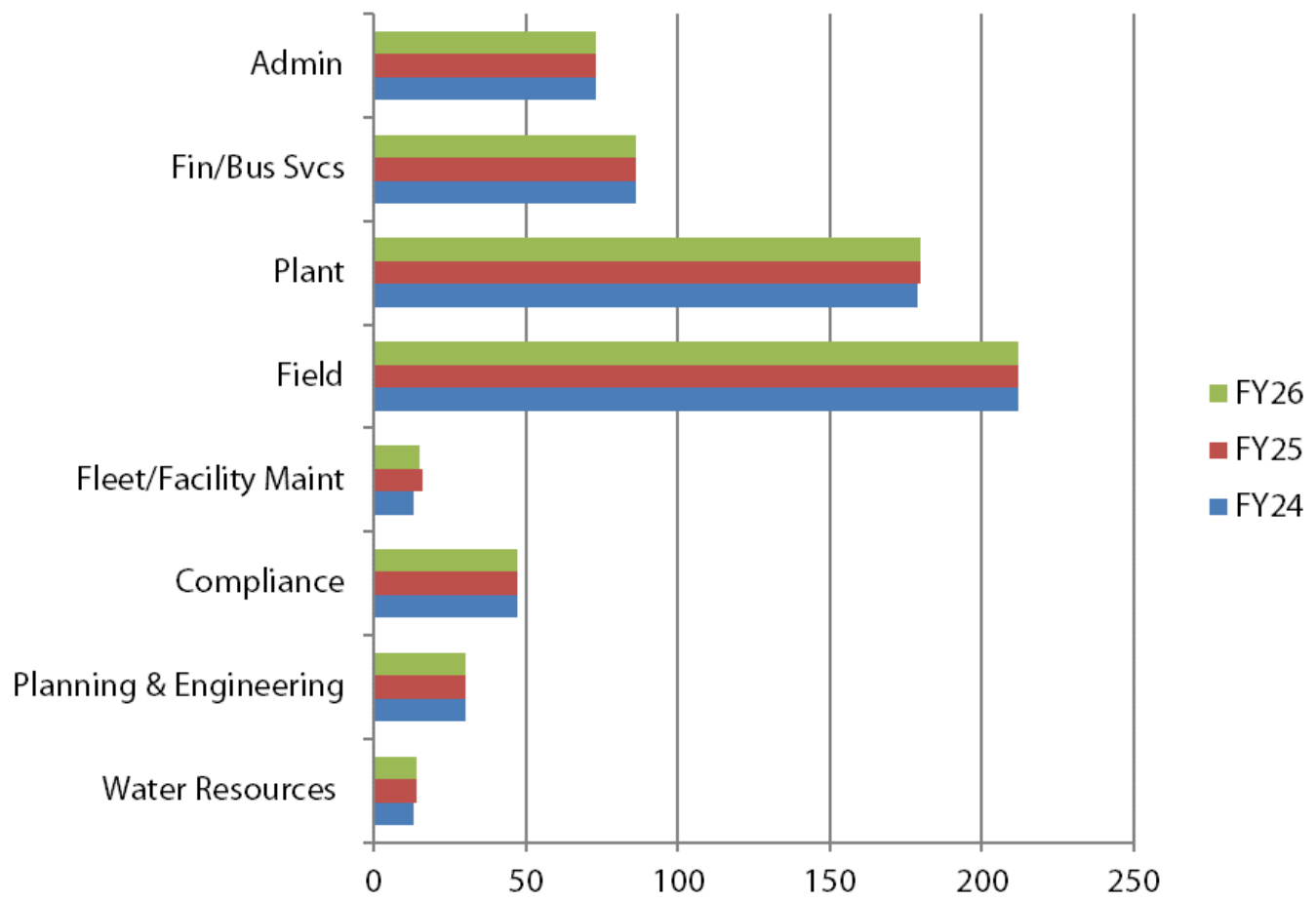
# PERSONNEL CHANGES

The FY26 budget is authorized and approved for 657.0 full-time equivalent (FTE) employees. The approved budget for FY26 has a decrease of 1.0 FTE; the vacant Chief Planning Officer position was deleted.

Three labor unions represent 506 of the 567 Authority employees. Local 2962 AFSCME, AFL-CIO, CLC represents 55 clerical series employees, Local 624 AFSCME, AFL-CIO represents 311 blue -collar employees and Local 3022 AFSCME, COUNCIL 18, AFL-CIO represents 140 management series employees.

## CHANGES IN EMPLOYMENT

POSITIONS	AUDITED ORIGINAL ACTUAL FY24	BUDGET FY25	REVISED BUDGET FY25	ESTIMATED ACTUAL FY25	APPROVED BUDGET FY26	APPR 26/ REV 25 CHG
<b>Administration</b>						
Water Authority	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	-
Total Administration	73	73	73	73	73	-
<b>Financial /Business Services</b>						
Finance	31	31	31	31	32	1
Customer Services	49	50	50	50	49	(1)
Asset Management	6	5	5	5	5	
Total Financial/Business Services	86	86	86	86	86	0
<b>Plant</b>						
Wastewater Treatment	89	89	89	89	89	-
San Juan-Chama Water Treat Plant	35	35	35	35	35	-
Groundwater	55	56	56	56	56	0
Total Plant	179	180	180	180	180	0
<b>Field</b>						
Wastewater Collection	64	64	64	64	64	-
Water Field Operations	148	148	148	148	148	-
Total Field	212	212	212	212	212	-
<b>Compliance</b>	47	47	47	47	47	-
<b>Fleet &amp; Facility Maintenance</b>	13	16	16	16	15	(1)
<b>Planning &amp; Engineering</b>						
Central Engineering	26	26	26	25	25	(1)
Planning & Utility Development	4	4	4	4	5	1
Total Planning & Engineering	30	30	30	29	30	-
<b>Water Resources</b>	13	14	14	14	14	-
<b>TOTAL FULL TIME POSITIONS</b>	<b>653.0</b>	<b>658.0</b>	<b>658.0</b>	<b>657.0</b>	<b>657.0</b>	<b>(1.0)</b>



# ADMINISTRATION

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

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

Risk consists of risk and safety compliance staff.

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

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

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

# 2025 ACCOMPLISHMENTS

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. There are 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 first time, the 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 could help and became more familiar with the 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.

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.

Information Technology 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 a Cloud solution, both private and public, and identifying other alternatives for hosting our applications and services.

# KEY PERFORMANCE INDICATORS

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Total Injury Hours	Organization Development	2,715	923	888	2,500
Number Closed Claims Paid	Organization Development	86	18	16	50
Training Hours per Employee	Organization Development	21	14	13	25
Internal Employee Promotions	Organization Development	73%	57%	38%	50%
Average Vacancy Rate	Organization Development	5%	7%	7%	7%
Average Days to Hire	Organization Development	55	55	50	50
IT Service Desk Requests	Business Planning & Management	7,096	8,491	9,164	8,000
Cybersecurity Phish-Prone Percentage	Business Planning & Management	9%	9%	9%	6%

# 2026 OBJECTIVES

- Conduct Customer Conversation meetings to engage customers and obtain input from customers on the Water Authority's activities through the end of the 4th Quarter of FY26.
- 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.
- 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.
- 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.
- 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 1<sup>st</sup> 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 4<sup>th</sup> Quarter of FY26.
  - Cloud/SAAS Migrations for targeted workloads.
- 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.
- Develop an awareness program to increase employee participation in annual physicals by 25% by the end of the 4th Quarter of FY26.
- 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.
- 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.
- 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.
- 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.
- 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.



- 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 4<sup>th</sup> 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.
- 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 4<sup>th</sup> Quarter of FY26. This enhanced approach emphasizes accountability and timely resolution of inspection findings to improve workplace safety.

# PERSONNEL SUMMARY

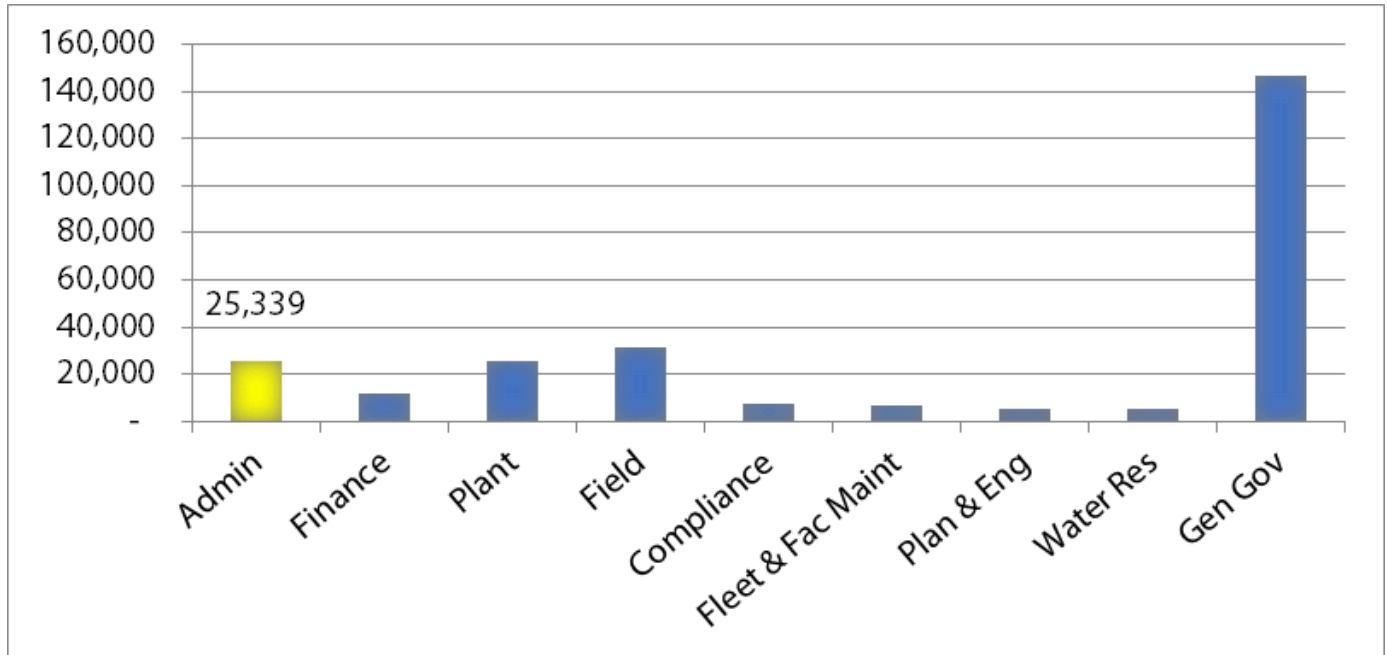
The approved budget for FY26 does not have any changes from the previous fiscal year.

Staffing for 2026			
POSITIONS (FTE)	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
Administration	8	8	8
Risk	6	6	6
Legal	1	1	1
Human Resources	15	15	15
Information Technology	43	43	43

# 2026 BUDGETARY COMPARISONS

Expenses by Department (\$000's)		Audited Actual FY24	Original Budget FY25	Revised Budget FY25	Estimated Actual FY25	Approved Budget FY26	Appr 26/ Rev 25 Chg
<b>Executive Director</b>							
	Personnel	1,136	1,203	1,203	1,165	1,226	23
	Operating	<u>928</u>	<u>802</u>	<u>793</u>	<u>781</u>	<u>780</u>	(13)
	Total	2,065	2,005	1,996	1,946	2,006	10
<b>Risk</b>							
	Personnel	617	675	675	653	733	58
	Operating	<u>5,713</u>	<u>6,251</u>	<u>6,250</u>	<u>6,171</u>	<u>6,249</u>	(1)
	Total	6,330	6,926	6,925	6,824	6,982	57
<b>Legal</b>							
	Personnel	346	234	234	236	241	7
	Operating	<u>1,022</u>	<u>755</u>	<u>754</u>	<u>624</u>	<u>754</u>	-
	Total	1,369	989	988	861	995	7
<b>Human Resources</b>							
	Personnel	1,648	1,810	1,810	1,792	1,825	15
	Operating	<u>200</u>	<u>197</u>	<u>196</u>	<u>129</u>	<u>196</u>	-
	Total	1,849	2,007	2,006	1,920	2,021	15
<b>Information Technology</b>							
	Personnel	5,803	6,022	6,022	5,972	6,376	354
	Operating	<u>6,189</u>	<u>5,610</u>	<u>6,959</u>	<u>10,494</u>	<u>6,959</u>	-
	Total	11,992	11,632	12,981	16,466	13,335	354
<b>Total Division</b>		<b>23,603</b>	<b>23,559</b>	<b>24,896</b>	<b>28,017</b>	<b>25,339</b>	<b>443</b>

# 2026 BUDGETARY COMPARISONS



# FINANCIAL/BUSINESS SERVICES

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

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

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

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

## 2025 ACCOMPLISHMENTS

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.

Asset Management began second year of managing asset management CIP accounting and budget functions – continued training for new staff – Accounting/Budget and Data Analysis. Implemented new Finance Enterprise capital asset tracking system as of the end of the FY24 accrual period in September. Identified significant GIS/Maximo data issues – collaborated in regular meetings with GIS staff to clean up duplicate, mismatched, and incorrect records. Collaborated with Centralized Engineering and Procurement staff to help develop contract and procurement documents for Construction Manager at Risk procurement delivery method. Developed a workflow optimization modeling proposal and introduced the proposed change to staff. Microsoft Teams/SharePoint/Power BI – business intelligence tools and development of collaborative process for completing asset on-boarding workbooks among other processes.

# KEY PERFORMANCE INDICATORS

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Average Days Cash on Hand	Business Planning & Management	377	369	378	350
Bond Rating (S/P, Moody's)	Business Planning & Management	AA+/Aa2	AA+/Aa2	AA+/Aa2	AA+/Aa2
Water/Sewer Account Delinquency Rate	Customer Services	1.59%	0.94%	0.93%	1.00%
Low Income Assistance Program Coverage	Customer Services	23%	26%	29%	28%
Customer Service First Call Resolution	Customer Services	98%	98%	98%	98%
Billing Accuracy Ratio (per 10,000 bills)	Customer Services	7%	3%	7%	3%
Asset Management Work Orders Without Assets	Business Planning & Management	20%	27%	22%	<10%
Asset Registry Information Accuracy	Business Planning & Management	23%	66%	69%	<10%

# 2026 OBJECTIVES

- 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.
- Collaborate with other governmental entities that pre-qualify 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.
- 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.
- 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.
- 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).
- Initiate the update of the Comprehensive Asset Management Plan (CAMP). Begin planning and collecting data to update the CAMP by the end of the 4<sup>th</sup> 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
  - 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 4<sup>th</sup> Quarter of FY26.

# PERSONNEL SUMMARY

The approved budget for FY26 has the following changes from FY25:

- Finance - Administrative Specialist moved from Fleet Maintenance to Finance
- Customer Services - Customer Care Assistant moved to Planning & Utility Development (re-classified to Process Coordinator)

## Staffing for 2026

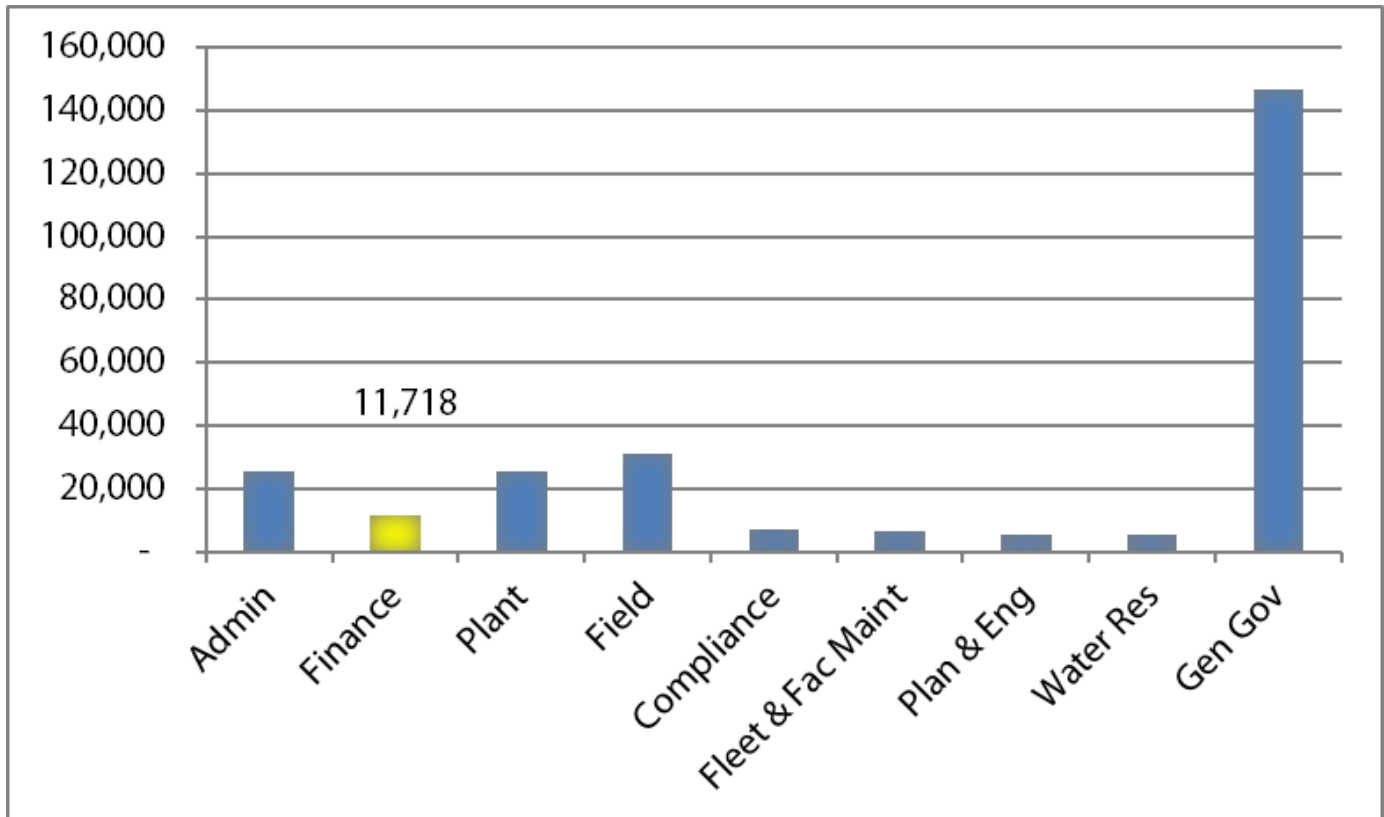
	FY24	FY25	FY26
POSITIONS (FTE)	ACTUAL	ACTUAL	BUDGET
Finance	31	31	32
Customer Service	49	50	49
Asset Management	6	5	5



## 2026 BUDGETARY COMPARISONS

Expenses by Department		Audited	Original	Revised	Estimated	Approved	Appr 26/
(\$000's)		Actual	Budget	Budget	Actual	Budget	Rev 25
		FY24	FY25	FY25	FY25	FY26	Chg
<b>Finance</b>							
	Personnel	2,625	3,044	2,866	2,877	3,238	372
	Operating	<u>2,741</u>	<u>1,846</u>	<u>1,844</u>	<u>2,611</u>	<u>1,844</u>	-
	Total	5,366	4,890	4,710	5,487	5,082	372
<b>Customer Services</b>							
	Personnel	3,502	3,750	3,861	3,478	4,139	278
	Operating	<u>1,840</u>	<u>1,799</u>	<u>1,797</u>	<u>1,658</u>	<u>1,797</u>	-
	Total	5,341	5,549	5,658	5,136	5,936	278
<b>Asset Management</b>							
	Personnel	765	768	768	685	664	(104)
	Operating	<u>18</u>	<u>37</u>	<u>36</u>	<u>17</u>	<u>36</u>	-
	Total	783	805	804	702	700	(104)
<b>Total Division</b>		<b>11,491</b>	<b>11,244</b>	<b>11,172</b>	<b>11,324</b>	<b>11,718</b>	<b>546</b>

## 2026 BUDGETARY COMPARISONS



# PLANT

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

## **Wastewater and Bio-Solids Management**

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

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

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

## **Drinking Water**

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

The groundwater supply is produced from 59 wells grouped in 17 well fields located throughout the metropolitan area and the San Juan-Chama surface water is diverted from the Rio Grande. Total well production capacity is approximately 255 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in an available production capacity of 178 MGD. Peak day demand for 2023 was 153 MGD. The Water Authority also has five (5) arsenic treatment facilities that remove naturally occurring arsenic from groundwater. Each well field includes chlorination for disinfection as required by the Safe Drinking Water Act.

Water storage reservoirs provide for fire, peak hour and uphill transfer to storage. Water is distributed from higher to lower elevations through a 115-foot vertical height pressure zone to provide minimum static pressures of 50 pounds per square inch ("psi") for consumers. 62 reservoirs are located throughout the service area, with a total reservoir storage capacity of 247,000,000 gallons. If demand requires, reservoir water can also be transferred to a higher zone or across zones through an east-west series of reservoirs by means of pump stations sited at the reservoirs. There are a total of 39 potable water pump stations housing 130 booster pumps, with a total capacity of 748 MGD, available for water transfers between reservoirs. These reservoirs are interconnected by 3,099 miles of pipelines, consisting of active distribution mains,

transmission mains, well collector and hydrant legs, and are situated at various locations east and west of the service area to provide multiple sources of supply to customers and for operating economies. The Water System takes advantage of the unique topography of the Water Authority's service area which allows ground-level storage while simultaneously providing system pressure by gravity. Control of the Water System is provided by remote telemetry units distributed throughout the Water System for control from a central control facility.

## 2025 ACCOMPLISHMENTS

Critical Capital Improvement projects culminating at the SWTP include (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 original filter media were replaced with new granular activated carbon in 3 of the 12 filters, with the remaining filters to undergo media replacement in subsequent fiscal years. This new media will restore filter performance to initial design conditions, promoting increased removal efficiency. SWTP was awarded the 6-year Directors Award and 3-year Presidents Award from the AWWA Partnership for Safe Water based on a well-optimized program and achieving superior finished water quality. 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.

Construction will continue on the Volcano Cliffs Arsenic Treatment Plant, which will ultimately provide capacity for up to 17 million gallons of additional potable water per day in the northwest portion of the service area. Construction on a seven (7) mile transmission line to provide potable water to the To'Hajiilee community is approximately 50% complete. The project will deliver a maximum of 360,000 gallons per day of reliable and high-quality water to support the long-term stability of the community. 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. In conjunction with Centralized Engineering, they succeeded in receiving approval to design Love Well 1R, a replacement well for the abandoned Love Well 1. This will be the first replacement well drilled for the future reliability of the groundwater system. Complete construction of the renovation/expansion of Corrales Pump Station 7 to provide reliable water supply for the upper Corrales Trunk.

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. The SWRP was awarded the Five-Year Directors Award from the AWWA Partnership for Clean Water for dedication to protecting the environment and public health through wastewater utility operational excellence. A complete rebuild of the ultraviolet (UV) light disinfection system was completed in-house to maintain continued compliance with the National Pollutant Discharge Elimination System (NPDES) permit.

# KEY PERFORMANCE INDICATORS

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Groundwater Preventive to Corrective Maintenance Ratio	Water Supply & Operations	75%	82%	82%	70%
Surface Water Preventive to Corrective Maintenance Ratio	Water Supply & Operations	73%	78%	79%	70%
Wastewater Preventive to Corrective Maintenance Ratio	Wastewater Collection & Operations	42%	48%	48%	45%
Diversion of biosolids to compost	Wastewater Collection & Operations	28%	25%	23%	30%
Percent of Total Energy from Renewables	Water Supply & Operations and Wastewater Collection & Operations	17%	17%	18%	25%
Percent of Reuse Water Use	Water Supply & Operations	6%	5%	7%	7%

# 2026 OBJECTIVES

- 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.
- 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.
- 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.
- 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 the time in operation.
- Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.
- Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water -Treatment.
- Improve monitoring and trending of the Total Organic 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.
- 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.
- 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.
- 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.

# PERSONNEL SUMMARY

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

## Staffing for 2026

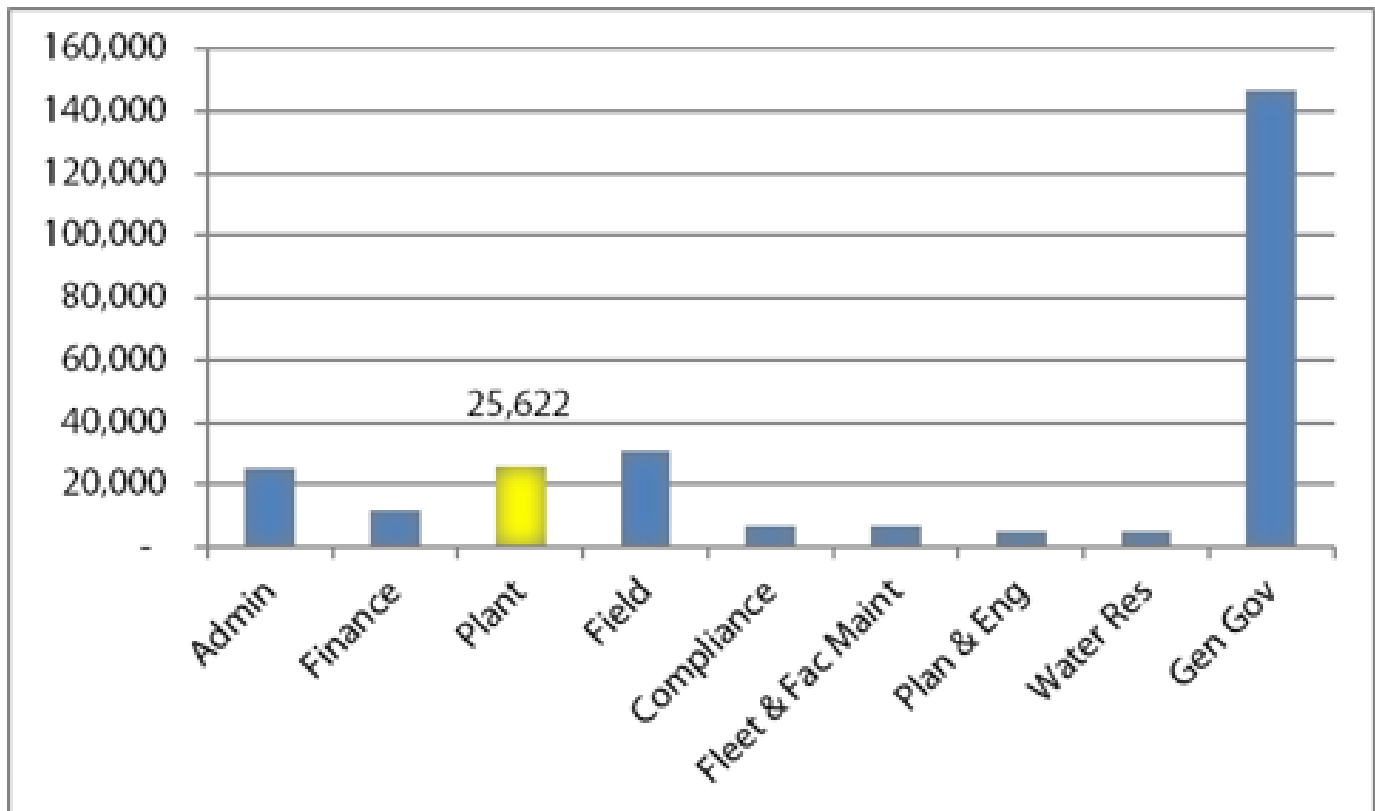
POSITIONS (FTE)	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
Wastewater Treatment Plant	89	89	89
San Juan-Chama Water Treatment Plant	35	35	35
Groundwater Operations	55	56	56

## 2026 BUDGETARY COMPARISONS

(\$000's)	Audited Actual FY24	Original Budget FY25	Revised Budget FY25	Estimated Actual FY25	Approved Budget FY26	Appr 26/ Rev 25 Chg
<b>Wastewater Plant</b>						
Personnel	8,891	9,867	9,867	9,031	10,141	274
Operating	<u>2,695</u>	<u>2,549</u>	<u>2,549</u>	<u>2,195</u>	<u>2,544</u>	(5)
Total	11,586	12,416	12,416	11,226	12,685	269
<b>San Juan-Chama WTP</b>						
Personnel	3,798	4,031	4,031	3,800	4,235	204
Operating	<u>783</u>	<u>936</u>	<u>936</u>	<u>677</u>	<u>936</u>	-
Total	4,581	4,967	4,967	4,477	5,171	204
<b>Groundwater Operations</b>						
Personnel	6,108	6,445	6,445	6,114	6,548	103
Operating	<u>1,175</u>	<u>1,218</u>	<u>1,218</u>	<u>1,065</u>	<u>1,218</u>	-
Total	7,283	7,663	7,663	7,179	7,766	103
<b>Total Division</b>	<b>23,449</b>	<b>25,046</b>	<b>25,046</b>	<b>22,883</b>	<b>25,622</b>	<b>576</b>



## 2026 BUDGETARY COMPARISONS



# Field

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

## **Wastewater Collection and Lift Stations**

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

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

## **Water Distribution**

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

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

# 2025 Accomplishments

Field Distribution and IT developed a meter box inspection form in IFS MWM for inspection of meter boxes where the meter has been upgraded to AMI. Field Distribution crews have performed over 1,360 inspections. This effort is helping the Water Authority be proactive in identifying issues with meter boxes such as tripping hazards.

Field Distribution crew completed in-house replacement of over 1,500 feet of steel water line near Carlisle and Simms in the Carlisle Cleaners Contamination Area. This required additional safety procedures and training for the crew to complete the replacement project.

Along with assistance from Central Engineering, Field Distribution crews have performed two in-house large diameter concrete cylinder line repairs on two 16-inch distribution lines in FY25. The entire repairs would have otherwise been contracted out, resulting in cost savings.

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. Crews also obtained training on public outreach if a confirmed lead service line is found.

Field Distribution crews have inspected over 245 air release valves, many of which have not been inspected since installation. Three air release valves have been replaced and nine have been repaired.

Field Distribution contracted and assisted with inspections of accessible corrosion monitoring test stations in the potable and non-potable water system (including along the San Juan Chama Transmission Lines). Field Distribution section crews installed over 8,000 additional Automated Meter Infrastructure (AMI) meter devices. Field Distribution continues the pressure monitoring effort with a total of 158 sensors installed in the system.

The division received and responded to over 28,000 line-locate requests from New Mexico 811 for excavations during the fiscal year leading to a reduction in underground utility damage frequency. This year the division saw an increase in line locates and third-party damages due to the City-wide fiber installation project.

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.

The Collection System 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. Previously we had no means of utilizing a Vactor to address a waterlogged vacuum line and each pit had to be individually pumped down. Optimizing Collection System odor expenditures for chemicals and carbon. Developing corrosion management approach to reducing costs. Transitioning manhole monitoring project to operating staff. Completed installation of AMI metering devices for all ten vacuum systems. Data is providing insights of actual versus theoretical operating conditions.

# Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Water Breaks/Leaks per 100 miles of pipe	Water Supply & Operations	9	9	4.34	10
Percent of Water Meter Readings Estimated	Water Supply & Operations	0.1%	0.2%	0.2%	1.0%
Water Valves Inspected and Exercised	Water Supply & Operations	4,000	4,137	4,108	4,000
Collection System Failures per 100 miles of pipe	Wastewater Collection & Operations	5	1	1.52	3
Subbasin & Short Interval Sewer Lines Cleaned (miles)	Wastewater Collection & Operations	387	333	255	450

## 2026 Objectives

- 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.
- 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.
- 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.
- 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.
- 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 the effectiveness of preventative maintenance cleaning for the lines most likely to spill. Provide final recommendations for modifications to the cleaning program by the end of the 4th Quarter of FY26.
- 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 4<sup>th</sup> Quarter of FY26.
- 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 4<sup>th</sup> Quarter of FY26.
- 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.
- 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.

# Personnel Summary

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

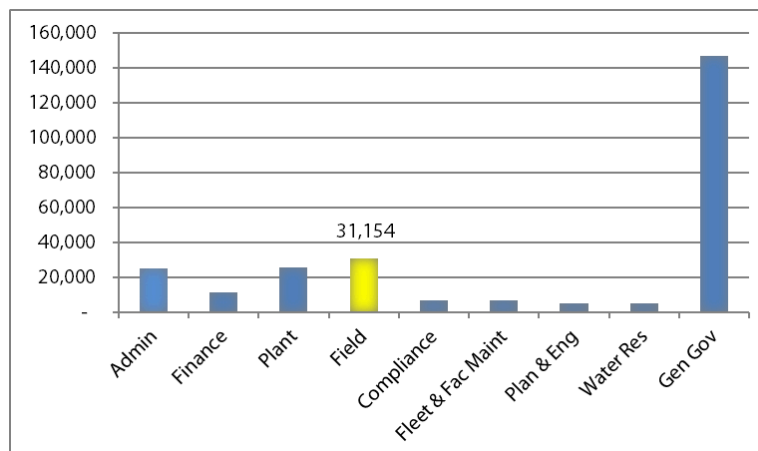
## Staffing for 2026

POSITIONS (FTE)	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
Wastewater Collection	64	64	64
Water Field Operations	148	148	148

## 2026 Budgetary Comparisons

	Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)	FY24	FY25	FY25	FY25	FY26	Chg
<b>Wastewater Collection</b>						
Personnel	6,125	6,640	6,640	6,189	6,724	84
Operating	<u>1,433</u>	<u>1,433</u>	<u>1,433</u>	<u>1,418</u>	<u>1,432</u>	(1)
Total	7,558	8,073	8,073	7,607	8,156	83
<b>Water Field Operations</b>						
Personnel	13,864	14,530	14,530	14,599	15,517	987
Operating	<u>7,099</u>	<u>7,481</u>	<u>7,481</u>	<u>6,204</u>	<u>7,481</u>	-
Total	20,963	22,011	22,011	20,803	22,998	987
<b>Total Division</b>	<b>28,521</b>	<b>30,084</b>	<b>30,084</b>	<b>28,411</b>	<b>31,154</b>	<b>1,070</b>

## 2026 Budgetary Comparisons



# Compliance

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

## 2025 Accomplishments

The Water Quality Program 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 was also 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.

## Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Sewer Use and Wastewater Control Ordinance Compliance	Business Planning & Management				
Industrial Users		79%	77%	75%	75%
Fats,Oils,Grease & Solids Establishments		86%	85%	86%	75%
Dental Offices		97%	97%	95%	75%

## 2026 Objectives

- 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.
- 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.
- Prepare for Per- and Polyfluoroalkyl Substances (PFAS) regulations and monitoring requirements in the new NPDES permit by conducting baseline sampling on 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 on the wastewater system.
- 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.
- Develop, implement, and monitor a Maximo conditions assessment for Compliance Division's inventoried assets by the end of the 4<sup>th</sup> Quarter of FY26.

## Personnel Summary

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

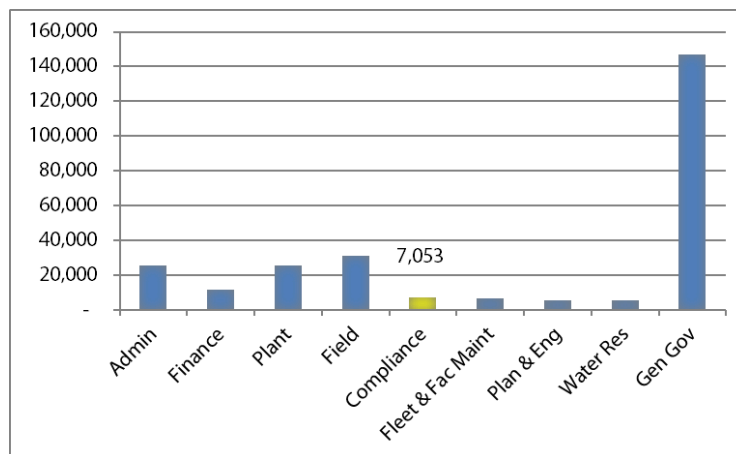
Staffing for 2026			
POSITIONS (FTE)	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
Laboratory	22	20	20
NPDES	16	16	16
Water Quality	9	11	11



## 2026 Budgetary Comparisons

		Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)		FY24	FY25	FY25	FY25	FY26	Chg
<b>Laboratory</b>							
	Personnel	2,096	2,188	2,188	1,914	2,265	77
	Operating	<u>716</u>	<u>444</u>	<u>444</u>	<u>1,062</u>	<u>444</u>	=
	Total	2,811	2,632	2,632	2,975	2,709	77
<b>NPDES</b>							
	Personnel	1,691	2,036	2,036	1,916	2,137	102
	Operating	<u>119</u>	<u>221</u>	<u>221</u>	<u>164</u>	<u>221</u>	=
	Total	1,810	2,257	2,257	2,080	2,359	102
<b>Water Quality</b>							
	Personnel	1,082	1,465	1,465	1,371	1,461	(4)
	Operating	<u>760</u>	<u>524</u>	<u>524</u>	<u>612</u>	<u>524</u>	=
	Total	1,842	1,989	1,989	1,983	1,985	(4)
<b>Total Division</b>		<b>6,463</b>	<b>6,878</b>	<b>6,878</b>	<b>7,038</b>	<b>7,053</b>	<b>175</b>

## 2026 Budgetary Comparisons



# Fleet and Facility Maintenance

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

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

## 2025 Accomplishments

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 are currently assigned and actively working on this project.

Coordinating with Ground Water, Yellowstone and CFM staff in preparation for the NMED Sanitary Survey to ensure compliance at our well sites and reservoirs.

Completed GW Security Assessment with the AMP team and CENG. Prioritized and established work order process. Addressing site intrusions has been a priority for the CFM staff.

## 2026 Objectives

- Implement and begin monitoring a Fleet condition assessment program in the Maximo asset management system by the end of the 4<sup>th</sup> Quarter of FY26.
- Develop and formalize Standard Operating Procedures for Centralized Facilities Maintenance by the end of the 4<sup>th</sup> Quarter of FY26.

## Personnel Summary

The approved budget for FY26 has the following changes from FY25:

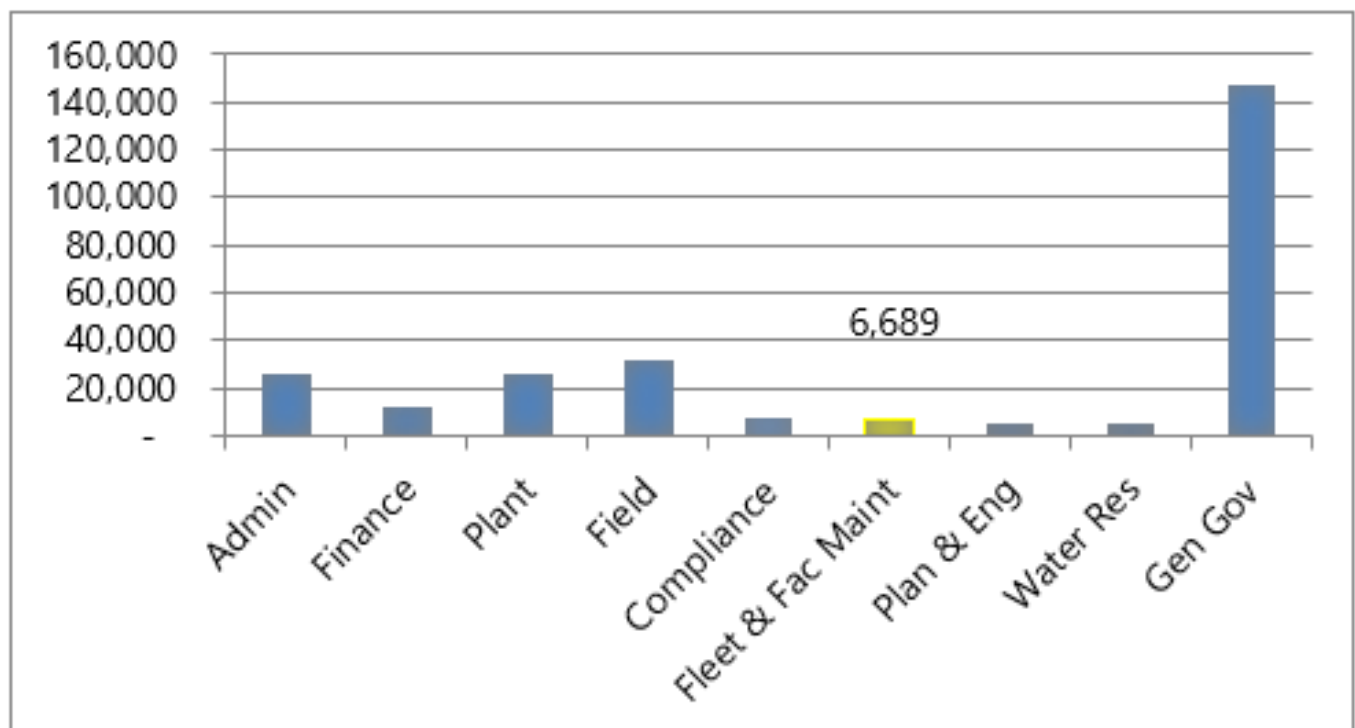
- Fleet Maintenance - Administrative Specialist moved to Finance

Staffing for 2026			
	FY24	FY25	FY26
POSITIONS (FTE)	ACTUAL	ACTUAL	BUDGET
Fleet Maintenance	12	12	11
Facility Maintenance	1	4	4

## 2026 Budgetary Comparisons

Expenses by Department		Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)		FY24	FY25	FY25	FY25	FY26	Chg
<b>Fleet Maintenance</b>							
	Personnel	1,263	1,394	1,394	1,230	1,451	57
	Operating	<u>2,751</u>	<u>3,161</u>	<u>3,161</u>	<u>2,433</u>	<u>3,161</u>	-
	Total	4,014	4,555	4,555	3,664	4,612	57
<b>Facility Maintenance</b>							
	Personnel	130	512	512	283	464	(48)
	Operating	<u>1,621</u>	<u>1,613</u>	<u>1,613</u>	<u>1,898</u>	<u>1,613</u>	-
	Total	1,751	2,125	2,125	2,181	2,077	(48)
<b>Total Division</b>		<b>5,766</b>	<b>6,680</b>	<b>6,680</b>	<b>5,845</b>	<b>6,689</b>	<b>9</b>

## 2026 Budgetary Comparisons



# Planning & Engineering

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

## 2025 Accomplishments

Planning will continue coordination with the City of Albuquerque and Bernalillo County, to ensure that the water and wastewater infrastructure designed and constructed as part of new developments meets Water Authority standards. Presented Work Order process to familiarize the engineering community with the various steps and requirements that are involved. 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. The process is close to going live online. In collaboration with New Construction, they created a new process for Certified Developers (typically large residential subdivisions) that no longer need engineer signatures on New Service Applications. Instead, New Construction relies on Acceptance Letters and correspondence from Utility Development to understand when service can be sold to these Certified Developers. Completed Phase 1 of the pro rata cleanup which removed uncollectible amounts from GIS for properties that already had service.

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.

## Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Capital Rehabilitation & Replacement Programs Spending (\$ millions)	Business Planning & Management	\$72	\$55	\$64	\$64
Leaks Located Through Leak Detection Program	Water Supply & Operations	104	63	167	75

# 2026 Objectives

- Work with the City and other project stakeholders to design and construct the Tijeras Advanced Water Treatment Plant (AWTP) and Tijeras Reuse Reservoir and Pump Station (RRPS) facilities at Mesa Del Sol to support the special industrial complex, including Maxeon and other entities, through the end of FY27.
- In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required planning/design documents, permits, and environmental documents through FY27.
- 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.
- 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.
- 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.
- 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 4<sup>th</sup> Quarter of FY26:
  1. Development Agreement layer
  2. Service Connection Agreement layer
  3. Inter-governmental Agreement layer
- 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 4<sup>th</sup> Quarter of FY26.
- Incorporate new language in the Availability Statement/Serviceability Letter template to provide directions 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 4<sup>th</sup> Quarter of FY26.
- Work with the Albuquerque Planning Department, the Office of the Mayor, and the Albuquerque City Council to improve the ABCWUA development review and permitting process to reduce the time from plan submittal to approval from the Water Authority to 90 days. Submit a new process plan to the ABCWUA Board by the end of the 1<sup>st</sup> Quarter of FY26.

# Personnel Summary

The approved budget for FY26 has the following changes from FY25:

- Central Engineering - Deleted Chief Planning Officer position
- Planning & Utility Development - Customer Care Assistant moved to Planning & Utility Development (re-classified to Process Coordinator) from Customer Services

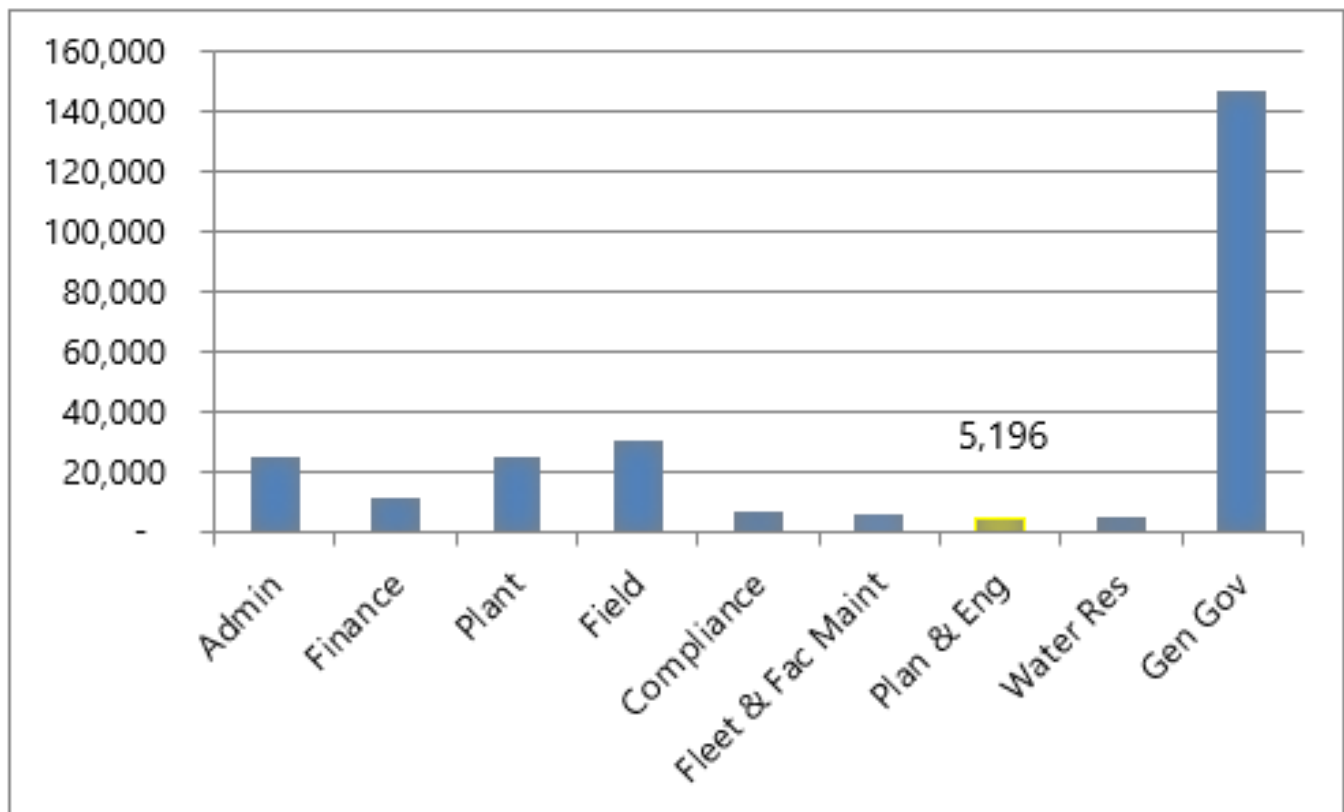
## Staffing for 2026

POSITIONS (FTE)	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
Central Engineering	26	26	25
Planning & Utility Developmen	4	4	5

## 2026 Budgetary Comparisons

		Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)		FY24	FY25	FY25	FY25	FY26	Chg
<b>Central Engineering</b>							
	Personnel	3,207	3,987	3,987	3,214	4,081	95
	Operating	<u>53</u>	<u>64</u>	<u>53</u>	<u>84</u>	<u>53</u>	=
	Total	3,260	4,051	4,039	3,297	4,134	95
<b>Planning &amp; Util. Develop.</b>							
	Personnel	697	986	986	690	975	(11)
	Operating	<u>173</u>	<u>88</u>	<u>87</u>	<u>190</u>	<u>87</u>	=
	Total	870	1,074	1,073	880	1,062	(11)
<b>Total Division</b>		<b>4,130</b>	<b>5,125</b>	<b>5,112</b>	<b>4,177</b>	<b>5,196</b>	<b>84</b>

## 2026 Budgetary Comparisons



# WATER RESOURCES

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

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

## 2025 ACCOMPLISHMENTS

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 the 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. This included assembling climate data for the region and analyzing current and future supply and demand scenarios. Source water protection achievements included the drilling and installation of a groundwater monitoring well near the HP/Digital groundwater contamination site. 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.



# KEY PERFORMANCE INDICATORS

INDICATOR	WATER AUTHORITY GOAL	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Goal
Education Programs Attendance	Water Supply & Operations	11,572	13,642	17,416	16,000
Service area gallons per capita per day	Water Supply & Operations	127	129	126	126

## 2026 OBJECTIVES

- Update the Water Resources Management Strategy: Water 2120 by the end of the 2<sup>nd</sup> Quarter of FY26.
- Support and advocate for the Water Authority's interests in the Colorado River through the end of the 4<sup>th</sup> 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 of 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).
- 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 4<sup>th</sup> Quarter of FY26.
- 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 4<sup>th</sup> Quarter of FY26.
- 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 4<sup>th</sup> Quarter of FY26;
  - Collaborate and coordinate with other agencies, including the support of the Water Protection Advisory Board (WPAB) through the end of the 4<sup>th</sup> Quarter of FY26; and
  - Collaborate and coordinate with Water Authority divisions on responses and actions for released to source waters.
- Establish easement storage agreements for San Juan-Chama Project contractors with the United States Army Corps of Engineers storage through the 4<sup>th</sup> 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.
- 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 4<sup>th</sup> Quarter of FY26.
- 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.
- Develop data-based conservation efforts to utilize customer and Water Authority data to target users for conservation efforts by the 4<sup>th</sup> Quarter of FY26.

# PERSONNEL SUMMARY

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

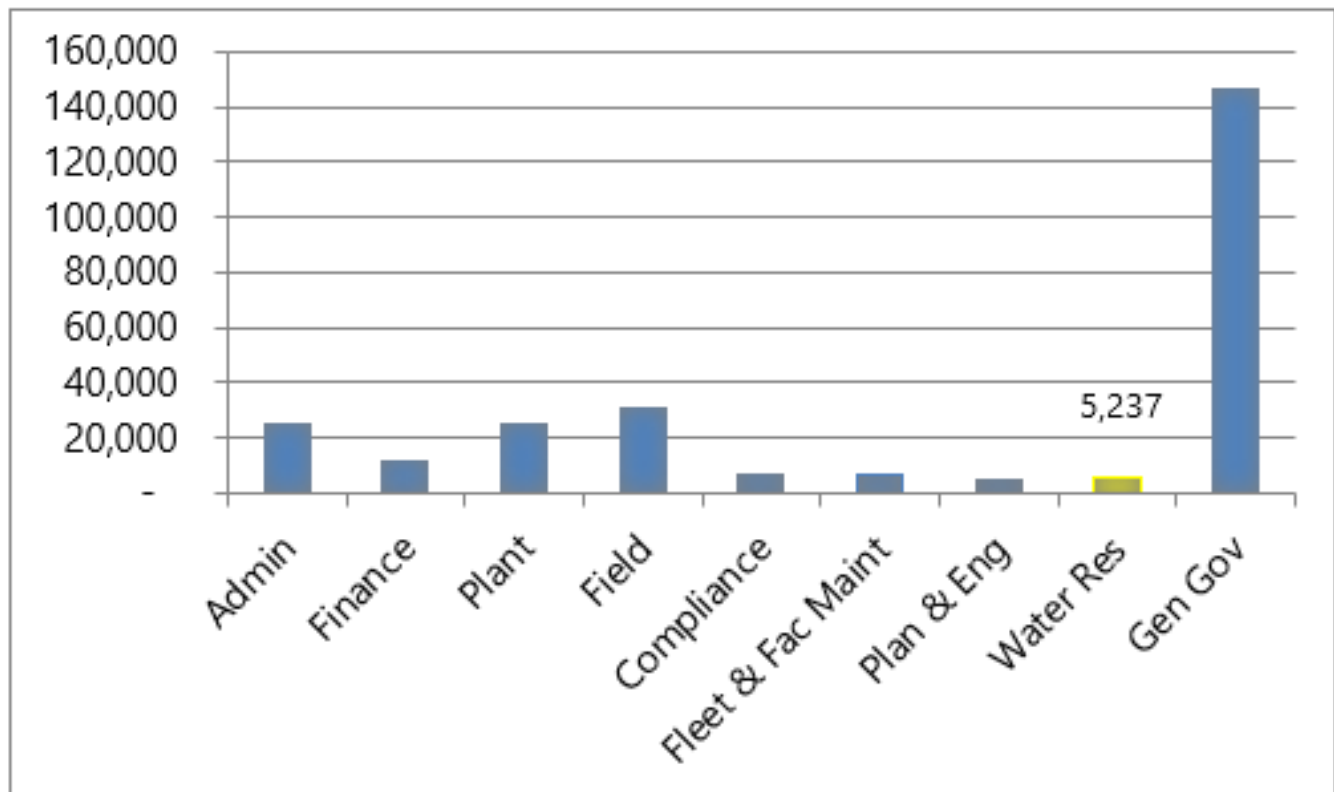
## Staffing for 2026

	FY24 ACTUAL	FY25 ACTUAL	FY26 BUDGET
POSITIONS (FTE)			
Water Resources Planning	6	6	6
Water Conservation	7	8	8

# 2026 BUDGETARY COMPARISONS

Expenses by Department		Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)		FY24	FY25	FY25	FY25	FY26	Chg
Water Resources Planning							
	Personnel	657	758	758	683	824	66
	Operating	<u>1,486</u>	<u>1,716</u>	<u>1,712</u>	<u>1,458</u>	<u>1,712</u>	=
	Total	2,143	2,474	2,470	2,141	2,536	66
Conservation							
	Personnel	693	712	778	498	821	43
	Operating	<u>1,520</u>	<u>1,884</u>	<u>1,879</u>	<u>1,280</u>	<u>1,879</u>	=
	Total	2,213	2,596	2,658	1,778	2,701	43
Total Division		4,356	5,070	5,128	3,919	5,237	109

## 2026 BUDGETARY COMPARISONS



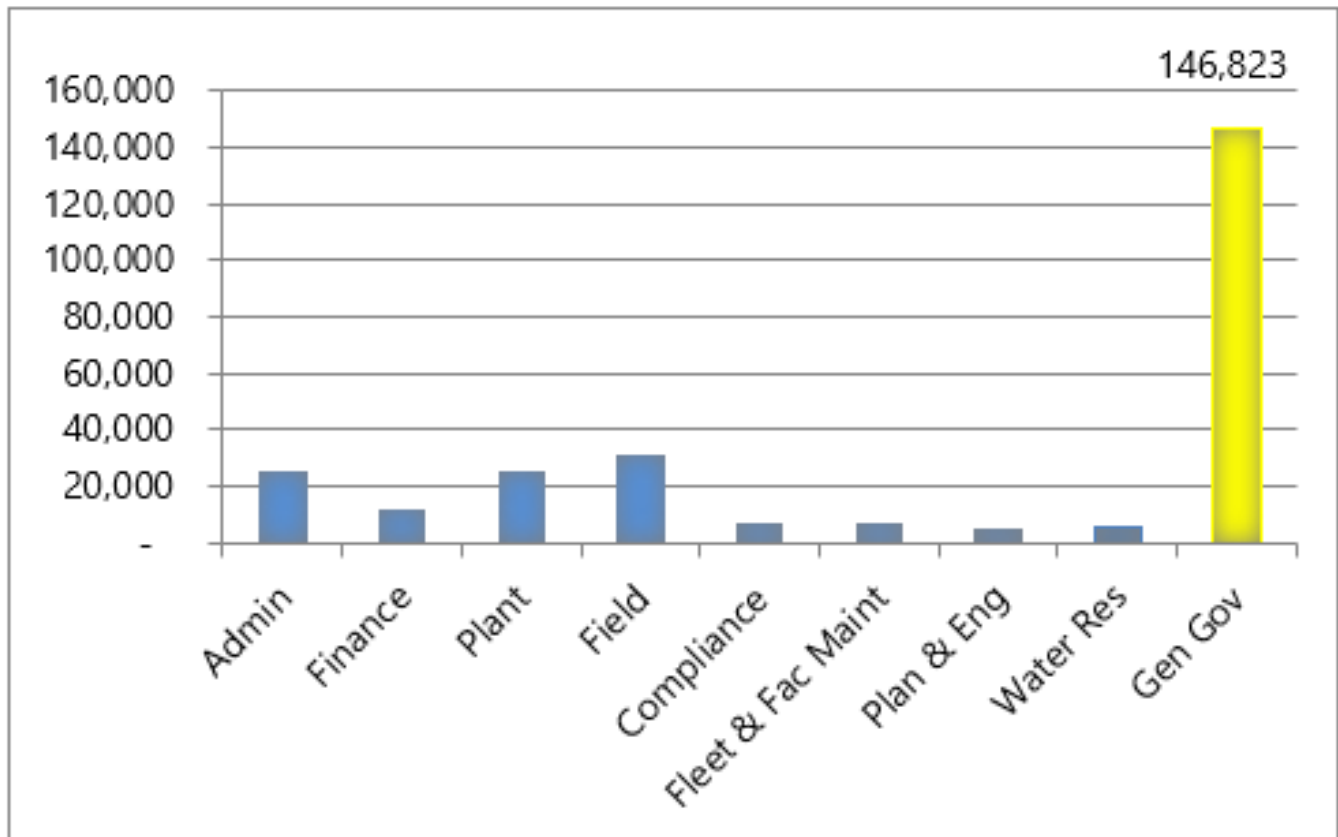
# GENERAL GOVERNMENT

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

## 2026 BUDGETARY COMPARISONS

Expenses by Department		Audited Actual	Original Budget	Revised Budget	Estimated Actual	Approved Budget	Appr 26/ Rev 25
(\$000's)		FY24	FY25	FY25	FY25	FY26	Chg
<b>Power &amp; Chemicals</b>							
	Operating	<u>29,158</u>	<u>31,956</u>	<u>31,956</u>	<u>21,800</u>	<u>31,956</u>	=
	Total	29,158	31,956	31,956	21,800	31,956	-
<b>Taxes</b>							
	Operating	<u>895</u>	<u>740</u>	<u>740</u>	<u>871</u>	<u>740</u>	=
	Total	895	740	740	871	740	
<b>Overhead</b>							
	Personnel	558	490	490	529	470	(20)
	Operating	<u>956</u>	<u>1,076</u>	<u>1,366</u>	<u>1,184</u>	<u>1,116</u>	(250)
	Total	1,515	1,566	1,856	1,713	1,586	(270)
<b>Total Program</b>		<b>31,568</b>	<b>34,262</b>	<b>34,552</b>	<b>24,384</b>	<b>34,282</b>	<b>(270)</b>
<b>San Juan Chama</b>							
	Operating	<u>1,410</u>	<u>1,615</u>	<u>2,609</u>	<u>2,777</u>	<u>2,609</u>	=
	Total	1,410	1,615	2,609	2,777	2,609	
<b>General Government</b>							
	Interfund Transfers	116,020	95,784	95,784	95,784	109,932	14,148
<b>Total Division</b>		<b>148,998</b>	<b>131,661</b>	<b>132,945</b>	<b>122,945</b>	<b>146,823</b>	<b>13,878</b>

# 2026 BUDGETARY COMPARISONS



# CAPITAL IMPROVEMENT PLAN

## What are Capital Improvements?

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

## How are Capital Improvements Funded?

- The Water Authority's Capital program consists of different categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside the Basic Program but are funded from the same revenue stream that funds the Basic Program.
- The current Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and sewer system shall be paid in cash rather than from borrowed funds.
- The balance of capital funding is obtained through revenue bonds or loan financing.
- The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program.
- System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test.
- The Water Authority has increased in recent years its utilization of state and federal grants to fund some Capital Improvement Projects in part or in whole.

### What is the Capital Improvement Plan?

- The Water Authority's mission is to provide a reliable supply of high-quality water, at an affordable price, and sustainable water supply, wastewater collection treatment, and reuse systems to our customers. To continue meeting the Water Authority's mission, the following goals need to be consistently achieved when implementing Capital Improvement Program (CIP) projects:
- CIP Projects are planned, identified, and executed in a manner that ensures overall project success.
- CIP Project implementation efficiency is maximized, both in terms of resources and expenditures.
- CIP Projects are consistently implemented, regardless of the lead department and/or individual(s) assigned to complete a particular project.
- Water Authority stakeholders understand their respective roles, and all collectively share responsibility, accountability, and credit for the successful completion of CIP Projects.
- Project status and financial reports are timely, accurate, and consistently formatted.
- The Water Authority uses a Team Approach to complete CIP Projects. This means that projects are identified and executed in a manner which involves all stakeholders, both within the Water Authority (Central Engineering, Information Technology, Finance, Operations and Maintenance, and Water Resources) and outside the Water Authority (Water Authority ratepayers, other agencies and interested organizations, and impacted businesses and residences) as appropriate.





# Capital Budgeting Process

## The planning process

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

- **Water Supply Reliability:** Avoid chronic shortages, manage risk from future uncertainty, and maximize local control.
- **Production and Distribution Facility Reliability:** Maintain the Water Authority's infrastructure, improve employee and/or public safety, perform other work necessary to maintain or improve service to customers, and address vulnerabilities from seismic and other events.

**High Quality:** Consistently meet or exceed existing and future water quality regulations. Provide uniform aesthetic quality to all customers to the extent practicable.

- **Affordable Cost:** Ensure that sound, responsible financial management practices are observed in the conduct of Water Authority business.
- **Environmental Protection:** Plan, design, and operate Water Authority facilities efficiently, effectively, and safely, bearing in mind our responsibility to be a good neighbor and a good steward of the environment by avoiding or mitigating environmental impacts, reliably complying with existing and future environmental regulations, and protecting groundwater resources.

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

The 2011 Utility-Wide Asset Management Plan (UWAMP), with various revised sections over the last several years, serves as a baseline to ensure that appropriate project-specific decisions are made over a 10-year planning period. UWAMP establishes refined criteria for water production and groundwater, water quality (as related to CIP projects), transmission mains, storage facilities and booster pump stations, reliability, wastewater collection treatment, reuse systems, and major replacements. The UWAMP is based upon detailed analyses and hydraulic modeling, current and projected customer demands, the current and projected state of water supply and wastewater infrastructure such as pipelines, pumping stations, and production facilities, and current and projected regulations and standards related to water quality, water storage, land uses, and other factors impacting water and wastewater service needs.

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

## The Ten-Year (Decade) plan

- The blueprint for the Water Authority's Basic Program is its Decade Plan, a 10-year CIP that is updated annually. The Decade Plan includes detailed requirements for program development and project scope, schedule, budget, justification, and alternatives. The Decade Plan requires approval by the Water Authority Board with at least one public hearing and due deliberation.
- The electronic version of the FY2026-2035 CIP Decade Plan can be found on the Water Authority's website: <http://www.abcwua.org/your-water-authority-finances/>
- Demonstrated on the following page is the planned funding allocation by category for a ten-year period in (\$000).

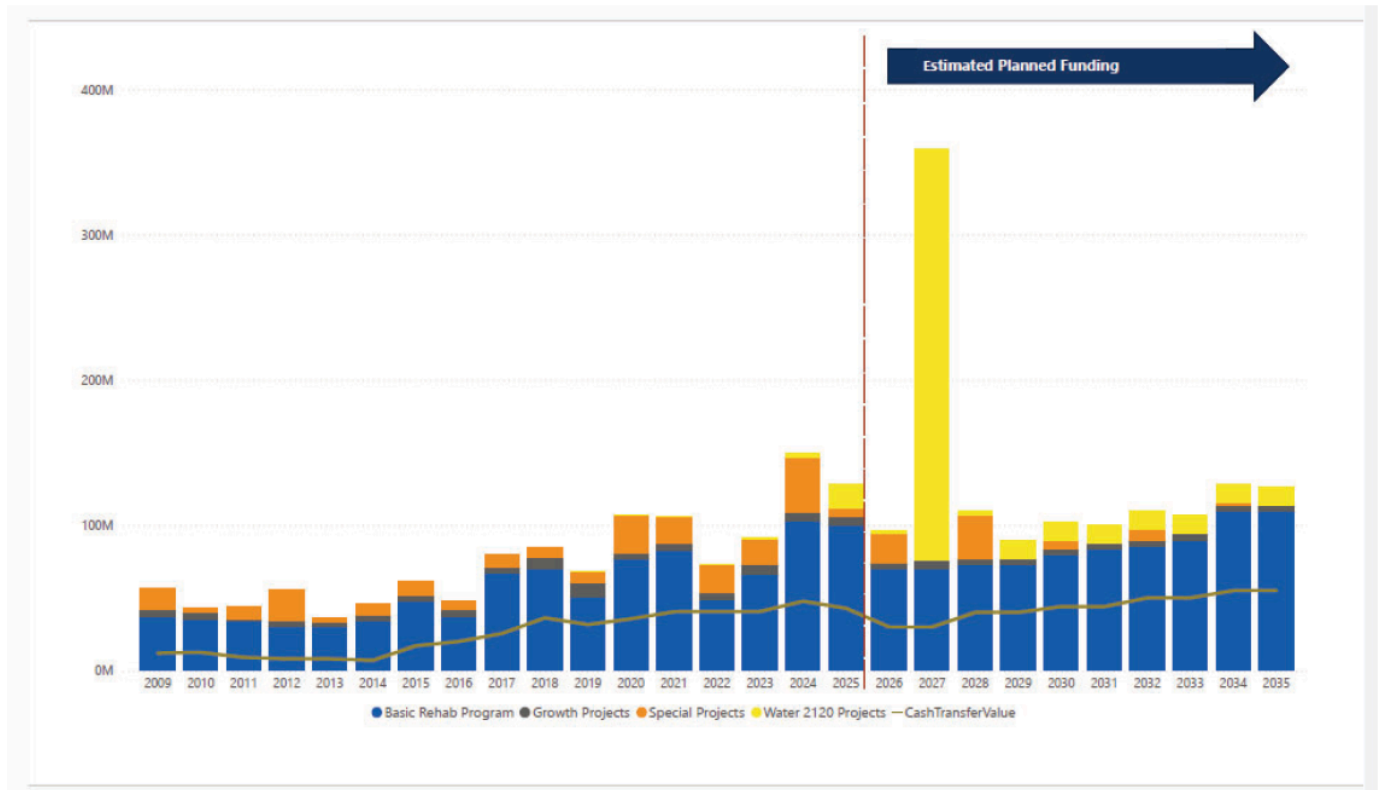
Decade Plan FY 2026 - 2035: Summary of Projects											
Category No.	Projected Fiscal Year Budget by Category (\$1000's)										
Priority Renewal Projects:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
100 - Sanitary Sewer Pipelines	7,000	9,500	9,600	9,000	13,850	18,350	13,050	12,350	16,450	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
<b>Total Priority Renewal Projects</b>	<b>70,000</b>	<b>70,000</b>	<b>73,000</b>	<b>73,000</b>	<b>80,000</b>	<b>84,000</b>	<b>86,000</b>	<b>90,000</b>	<b>110,000</b>	<b>110,000</b>	<b>846,000</b>
<b>Water 2120 Project:</b>											
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
<b>Total Water 2120 Projects</b>	<b>2,487</b>	<b>283,487</b>	<b>2,487</b>	<b>12,487</b>	<b>12,487</b>	<b>12,487</b>	<b>12,487</b>	<b>12,487</b>	<b>12,487</b>	<b>12,487</b>	<b>375,870</b>
<b>Special Projects:</b>											
9400 - All Special Projects	20,000	-	30,000	-	5,800	-	7,000	-	1,950	-	64,750
<b>Total Special Projects</b>	<b>20,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>5,800</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>1,950</b>	<b>-</b>	<b>64,750</b>
<b>Priority Growth Projects:</b>											
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
<b>Total Priority Growth Projects</b>	<b>4,000</b>	<b>5,556</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>41,556</b>

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

The Water Authority intends to enhance the water and sewer infrastructure with several targeted projects included in the 2026-2035 Decade Plan. Some of the major projects are listed below:

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

Graphed below is the history and estimated planned funding through 2035:



# Basis for Capital Revenue and Expenditures Estimates

## FY26 Capital Improvement Program Budget

- The Water Authority's CIP budget consists of different categories of projects, each with its own funding rules. The Basic Program is funded by recurring revenues generated from the water/wastewater rate structure. Special Projects are done outside the Basic Program but are funded from the same revenue stream that funds the Basic Program. The current Rate Ordinance states that, on average, 50 percent of the cost of capital projects which constitute the normal (Basic) capital program of the water and sewer system shall be paid in cash rather than from borrowed funds.
- The balance of capital funding is obtained through revenue bonds or loan financing.
- The rate structure is designed to provide sufficient revenue to meet the cash requirement and to meet the debt service obligations incurred to finance the remainder of the Basic Program.
- System growth projects are funded through Utility Expansion Charge (UEC) revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to Water Authority capital projects. UEC revenue is considered cash for purposes of meeting the cash test.
- The Water Authority regularly reviews and pursues grant opportunities from a variety of sources, primarily State and Federal agencies. The primary advantage of grants is that, unlike loans, they do not have to be repaid. A grant provides a valuable funding source to help finance eligible projects for the Water Authority. It is important to remember that grants are very competitive. A considerable amount of time and preparation is required to finalize grant opportunities that fit within the granting agencies' parameters, plan a project(s), and then develop a winning proposal. Throughout the year, planning and construction needs are matched with funding opportunities offered by the various granting agencies.
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- The Water Authority received several million dollars in State grant funding and the Water Authority was recently awarded \$14.0 million for the construction of an arsenic treatment system, of which \$1.4 million is repayable and 90 percent grant funds totaling \$12.6 million. Additional details on these and other grants received by the Water Authority are detailed in the table on the next several pages.

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26* Budget
			(000's)	(000's)	(000's)	(000's)	(000's)
Bernalillo County	American Rescue Plan Act (ARPA) Subaward –Bosque Non-potable Water Reclamation Plant and Reuse System	The planning and design of a new satellite Bosque Water Resource Recovery Facility (WRRF) to treat wastewater for non-potable reuse/irrigation, improve the capacity of the existing downstream Westside Interceptor, and discharge treated water to the Rio Grande to help maintain river flows through the Oxbow section.	\$ 2,875	\$ -	\$ -	\$ -	\$ -
Bernalillo County	ARPA Subaward – Carnuel Sewage Collection System	The acquisition of easement/right-of-way, and construction and engineering services during construction of the Village of Carnuel Wastewater System Expansion Phase I project.	5,072	-	-	-	-
Bernalillo County	ARPA Subaward – Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation	To rehabilitate aging interceptor sewer pipe within the KAFB Property. Funding will be used to for construction and engineering services during construction.	9,861	-	-	-	-
Bernalillo County	ARPA Subaward – Metro Detention Center (MDC) Water and Sewer Improvements	The design, easement/right-of-way acquisition, construction, and engineering during construction of a new lift station and force main that will pump sewage from MDC facility on the West Mesa to the existing gravity sewer system located at Atrisco Vista Blvd and I-40/US66.	4,200	-	12,611	-	-
Bernalillo County	ARPA Subaward – Mesa Del Sol Non-potable Reuse Booster Pump Station and Reservoir	The acquisition of land/easement, construction, and engineering services during construction of a new non-potable reuse Pump Station, Reservoir, and Disinfection facility near Mesa Del Sol.	5,504	-	-	-	-
Bernalillo County	ARPA Subaward – South Valley Drinking Water Project, Phase 8 and 9	The planning, design, easement/right-of-way acquisition, construction, and engineering services during construction of a portion of the Phase 8 and Phase 9 South Valley Drinking Water Project, which has expanded potable drinking water availability throughout the South Valley of Bernalillo County.	8,000	-	-	-	-
Bernalillo County	ARPA Subaward – Volcano Cliffs and Corrales Trunk Reservoir and Transmission Line	The design, easement/right-of-way acquisition, construction, and engineering services during construction of the Volcano Cliffs Arsenic Treatment Facility and associated Pump Station upgrades and a new transmission line that will facilitate increase pumping capacity and potable delivery within and between the Volcano and Corrales transmission line trunks.	15,000	-	-	-	-
Bernalillo County	ARPA Subaward – Carnuel Water System	The design and construction of additional waterline extension to maximize opportunities for additional potable water service connections for the Village of Carnuel	-	350	-	-	-
Bernalillo County	ARPA Subaward – To'Hajiilee Water Line Extension	The construction of a 7.8-mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo County to the Well 5 site is required to provide potable water to To'Hajiilee.	-	1,000	-	-	-
State of NM Department of Environment (NMED)	Water Authority - Bosque Wastewater Treatment and Discharge System Design	To plan, design, and construct a wastewater treatment and discharge system, including a treatment plant, irrigation and aquifer storage and recovery systems, on the westside of the Rio Grande in Bernalillo County.	410	285	300	120	10,295
NMED	Water Authority – Monitor Well Construction	To plan, design, and construct a ground water monitoring well to monitor ethylene dibromide contamination in the area of KAFB.	770	25	526	-	-
NMED	Water Authority – Water and Wastewater System Upgrade	To plan, design, construct, and upgrade water and wastewater systems, including connecting homes to a public sanitary sewer system, in the Carnuel community and Tijeras watershed in Bernalillo County.	155	-	300	2,150	400
NMED	Water Authority – Wastewater Plant Outfall Construction	To plan, design, construct the realignment of the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	323	709	319	-	-
New Mexico Finance Authority (NMFA) Water Trust Board (WTB)	Advanced Metering Infrastructure (AMI) Phase 6 (60% Grant/40% Loan, with \$1.2 million match)	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	2,000	-	-	-	-
NMFA WTB	To'Hajiilee Water Project (90% Grant/10% Loan, with \$3.5 million match)	The project consists of the construction of an approximately 7.7-mile pipeline to To'Hajiilee from the Water Authority's existing storage tanks on the City of Albuquerque's west side and shall include such other related work and revisions necessary to complete the project.	7,708	-	-	-	-



NMFA WTB	Advanced Metering Infrastructure (AMI) Phase 7 (90% Grant/10% Loan, with \$1.2 million match)	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	-	2,000	-	-	-
NMFA WTB	Volcano Cliffs Arsenic Treatment Facility (90% Grant/10% Loan, with \$10.5 million match)	The project consists of design and construction of new Volcano Cliffs Arsenic Treatment to treat groundwater from the Water Authority Volcano Cliffs and Zamora Wells.	-	7,100	-	-	-
NMFA WTB	Wastewater Plant Outfall Construction	To plan, design, construct the realignment of the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	-	-	3,700	-	-
NMED	Water Authority – Water Treatment Facility Equipment	The design, easement/right-of-way acquisition, construction, and engineering services during construction of the Volcano Cliffs Arsenic Treatment Facility and associated Pump Station upgrades and a new transmission line that will facilitate increase pumping capacity and potable delivery within and between the Volcano and Corrales transmission line trunks.	-	50	-	-	-
NMED	Water Authority – Winrock Site Wastewater Reuse System	To plan, design, construct and equip a wastewater reuse system to provide reclaimed water to the Winrock site and public parks in the City of Albuquerque, NM in Bernalillo County.	-	-	5,300	-	-
NMED	Water Authority - Aquifer Storage and Recovery	To plan, permit, acquire right-of-way and easements, study, design, construct, and equip an aquifer storage and recovery (ASR) facility.	-	-	140	25	225
NMED	Water Authority – Arsenic Treatment Plant	To plan, design, construct and equip an arsenic treatment plant and associated infrastructure for the Albuquerque-Bernalillo County Water Utility Authority in Bernalillo county;	-	-	115	200	230
New Mexico Department of Indian Affairs (NMDIA)	To'Hajilee Water Line Extension	The construction of a 7.8-mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo County to the Well 5 site is required to provide potable water to To'Hajilee.	-	-	2,834	-	-
Navajo Nation Fiscal Recovery	ARPA - To'Hajilee Water Line Extension	The construction of a 7.8-mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo County to the Well 5 site is required to provide potable water to To'Hajilee.	-	-	8,457	-	-
NMFA WTB	Advanced Metering Infrastructure (AMI) Phase 8	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	-	-	-	2,000	-
NMFA WTB	Expansion of DWTP Large-Scale Recharge Project	The project consists of permitting, design, and construction for the next phase of the existing full-scale direct injection recharge project, increasing the Water Authority's capacity for recharge and stored water for future use.	-	-	-	-	18,000
NMFA WTB	Arsenic Treatment Facilities	The project consists of plan, design, and construct Thomas and Santa Barbara arsenic treatment systems.	-	-	-	14,000	-
NMFA WTB	Advanced Metering Infrastructure (AMI) Phase 9	The project consists of replacing approximately 18,000 existing water meters with AMI meters and devices and shall include such other related work and revisions necessary to complete the project.	-	-	-	-	3,000
BOR	WaterSMART: SWRP Outfall Restoration	To plan, design, construct the realignment of the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	-	-	-	3,014	-
BOR	WaterSMART: Arroyo del Oso ASR	To plan an aquifer storage and recovery (ASR) facility.	-	-	-	400	-
ONRT	Wastewater Plant Outfall Vegetation	To provide vegetation for the Southside Water Reclamation Plant (SWRP) effluent outfall to the Rio Grande.	-	-	-	566	-
NMFA WTB	Arsenic Treatment Facilities	Funding for design of the Thomas and Santa Barbara arsenic treatment systems.	-	-	-	200	-
NMFA WTB	Expansion of DWTP Large-Scale Recharge Project	Funding for the design of the direct injection recharge project, increasing the Water Authority's capacity for recharge and stored water for future use.	-	-	-	902	-
NMFA DW	Lead Service Line Replacement	Funding for plan, design, replacing of lead service lines.	-	-	-	1,100	-
Total Grant Funding:			\$	61,878	\$	11,519	\$ 34,602 \$ 24,677 \$ 32,150

# Capital Improvement Project Ranking and Prioritization Process

## The CIP Budget Development, Monitoring and Amendment Policy & procedures

- The development and update of the CIP is an ongoing activity. It is part of the overall budgeting process since the current year, capital improvements have been implemented through the adoption of the annual budget. The policy requires no less than \$30.0 million allocated for the Basic Program as specified in the current Rate Ordinance. Specific activities in the development process are:
- Establishing Timetables, Goals, and Objectives:  
At the onset of the budgeting process, the CIP update begins with formal budget planning decisions between management and department heads as described in the CIP Planning Process above. Timetables are set that extend through development and final adoption of the budget. Water Authority goals and objectives are reviewed to ensure that they are met throughout the budget cycle.
- Taking Inventory and Developing Proposals:  
Staff gather information about the Water Authority's capital facilities and equipment to assess the risk and condition of each. Staff carefully consider construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.
- Conducting Financial Analysis:  
Finance staff conduct financial analysis of historic and projected revenues and expenses to estimate the Water Authority's cash flow and long-term financial condition. Capital financing alternatives are identified, and recommendations are prepared to match the type of funding most appropriate for specific capital improvements. Administrative Policy also allows for rollovers of capital funds in excess and/or deficit from each previous fiscal year's remaining budget. Unspent and unencumbered funds remain from the end of a budget year to the next budget year to cover allowable costs in that budget period. This carryover does not require Water Authority Board approval. Restricted funds, grants, bond and loan proceeds, and cash transfers that are recorded in capital funds are the only cumulative balances allowed under this policy.



## Definitions and Criteria for Capital Projects



- The Water Authority's Capital Improvement Program Expense Budget totals \$96.5 million for FY26. The projects included in this budget are consistent with the Water Authority's UWAMP and Decade Plan, which identifies projects as being required for the replacement of existing infrastructure or projects for expansion.
- Projects that are budgeted include the purchase, construction, replacement, addition, or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of Water Authority requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A "Capital Project" has a monetary value of at least \$5,000, has a useful life of at least two years, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other "capital outlay" items in the annual operating budget.
- The FY26 Approved Budget includes the following capital projects, listed by category: Basic Program, Special Projects, and Growth Projects. \$70.0 million is appropriated for the level one priority basic capital programs, \$20.0 million for special projects, \$4.0 million for growth-related projects, and \$2.5 million for Water 2120 projects. There are no appropriations in the proposed FY26 CIP budget for projects that will be funded with revenues from FY27 or later. Demonstrated in the table below and the chart in this section, are planned improvements, listing all the priority renewal projects, special projects, and growth-related projects (\$000's).

### CIP Rehab Project Descriptions for Basic Programs

#### 100 – Interceptor Renewal Program

Provides funding for evaluation, planning, design, construction, and related activities necessary for the rehabilitation or complete replacement of severely deteriorated sanitary sewer interceptor lines that are beyond feasible repair.

#### 200 – Drinking Waterline Renewal Program

Supports evaluation, planning, design, construction, and related activities for rehabilitating deteriorated water lines that have exceeded their useful life.

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#### 300 – Southside Water Reclamation Plant (SWRP) Renewal Program

Funds the evaluation, planning, design, construction, and related activities for rehabilitating or replacing facilities at the SWRP.

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#### 400 – Soil Amendment Facility (SAF) Renewal Program

A key component of the wastewater treatment system. The SAF processes approximately 60 tons of solids daily from the SWRP, composts them, and sells the compost. Without this facility, the utility would incur landfill disposal costs. Funding supports rehabilitation of fixed equipment and facilities, including buildings, pumping systems, and grounds.

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#### 500 – Lift and Vacuum Station Renewal Programs

Lift Station Renewal Program: Funds planning, design, engineering, and services (contracted or in-house) for general lift stations.

Vacuum Station Renewal Program: Supports rehabilitation and replacement of house pumps, tanks, and other equipment used in sewage collection and conveyance.

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#### 600 – Odor Control Facilities Renewal Program

Provides funding for evaluation, planning, design, construction, and related activities to control odors in the collection system, including those from small-diameter pipes, pump stations, and manholes.

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#### 700 – Drinking Water Groundwater Plant Renewal Program

Supports:

39 potable water booster stations that serve the upper zones of the water service area.

Maintenance of full groundwater supply capacity, especially when river water is unavailable or during peak demand.

Rehabilitation and replacement of steel and concrete reservoirs (every 20 and 30 years, respectively).

Renewal of three arsenic removal treatment systems by replacing granular ferric hydroxide media to ensure safe drinking water.

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#### 800 – Drinking Water Surface Water Plant Renewal Program

Funds emergency capital improvements to address unexpected equipment or asset failures at the San Juan-Chama Drinking Water Plant and related facilities, ensuring continued service.

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#### 900 – Reuse Line and Plant Renewal Program

Provides funding for reclaimed water infrastructure, including pipelines, valves, treatment facilities, pumping stations, and reservoirs. This reduces demand on the potable water system.

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#### 1000 – Compliance Program

Renewal of laboratory equipment at the Water Quality Lab.

Rehabilitation and replacement of equipment, facilities, and software used for compliance with the National Pollutant Discharge Elimination System (NPDES) and Drinking Water Quality Program.

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#### 1100 – Shared Renewal Program

Funds:

El Pueblo Ferrous/Ferric Transfer Station (Station 70), shared by Field and Plant Divisions.

Leak Detection staff for identifying leaks in the water distribution system.

SCADA Master Plan Project for upgrading and renewing SCADA systems used in water and wastewater operations.

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#### 1200 – Franchise Agreement Compliance Program

Provides funding for:

Compliance with the ABCWUA Franchise Ordinance, including relocation of water and sewer pipelines.

Reimbursement for adjusting manhole and valve box heights during City street resurfacing projects.

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#### 1300 – Vehicles and Heavy Equipment Program

Funds the replacement of fleet vehicles and heavy equipment essential for the Water Authority to maintain operational service levels and fulfill its mission.

Ref No.	Project Description	FY23 Audited Actual (000's)	FY24 Audited Actual (000's)	FY25 Revised Budget (000's)	FY26 Approved Budget (000's)
<b>Basic Program Appropriations:</b>					
100	Sanitary Sewer Pipeline Renewal	\$ 33,429	\$ 18,602	\$ 40,408	\$ 7,000
200	Drinking Water Pipeline Renewal	7,957	7,218	10,346	10,775
300	Southside Water Reclamation Plant Renewal	19,756	8,024	23,504	12,325
400	Soil Amendment Facility (SAF) Renewal	274	55	1,021	100
500	Lift Station and Vacuum Station Renewal	2,182	391	6,870	5,395
600	Odor Control Facilities Renewal	31	28	587	50
700	Drinking Water Plant Groundwater System Renewal	8,475	8,760	20,790	14,950
800	Drinking Water Plant Treatment Systems Renewal	2,135	6,883	26,022	5,050
900	Reuse Line and Plant Rehab	590	1,465	2,460	650
1000	Compliance	387	65	565	621
1100	Shared Renewal	4,732	6,136	16,086	6,388
1200	Franchise Agreement Compliance	3,027	1,799	4,569	3,750
1300	Vehicles and Heavy Equipment	3,243	2,787	4,868	2,896
1400	Mission Renewal	-	-	-	50
<b>Level 1 Priority Renewal Projects Total</b>		<b>\$ 86,218</b>	<b>\$ 62,213</b>	<b>\$ 158,096</b>	<b>\$ 70,000</b>
<b>Special Projects:</b>					
9401	Steel Waterline Rehab	\$ 142	\$ 2,722	\$ 2,161	\$ -
9403	Automated Meter Infrastructure (AMI)	3,627	2,943	2,055	-
9404	Renewable Energy Projects	119	133	3,066	-
9415	Issuance Costs	51	-	-	-
94*	Miscellaneous	31,616	14,035	135,525	20,000
<b>Special Projects Total</b>		<b>\$ 35,555</b>	<b>\$ 19,833</b>	<b>\$ 142,807</b>	<b>\$ 20,000</b>
<b>Combined Level 1 Priority Renewal and Special Projects</b>		<b>121,773</b>	<b>82,046</b>	<b>300,903</b>	<b>90,000</b>
<b>Growth Projects:</b>					
2000	Sewer and Wastewater Facilities Growth	\$ 29	\$ 167	\$ 798	\$ -
2300	Water Pipe & Water Facilities	\$ -	\$ -	\$ 880	\$ -
2400	Land & Easement Acquisition	27	-	20	-
2700	Development Agreements	456	1,532	3,159	1,250
2800	MIS/GIS	3,443	2,894	6,912	2,450
3100	Master Plans	31	501	1,328	300
3200	Miscellaneous Growth	-	60	309	-
<b>Level 1 Priority Growth Projects Total</b>		<b>\$ 3,986</b>	<b>\$ 5,154</b>	<b>\$ 13,406</b>	<b>\$ 4,000</b>
8000	Water 2120 Plan	\$ 70	\$ 390	\$ 22,919	\$ 2,487
<b>Grand Total</b>		<b><u>\$ 125,829</u></b>	<b><u>\$ 87,590</u></b>	<b><u>\$ 337,228</u></b>	<b><u>\$ 96,487</u></b>

\*Various Special Projects

FY25 Revised Budget includes carryover amounts from FY24.

# DEBT OVERVIEW SUMMARY

## Creation of the Water Authority and Transfer of Debt Portfolio

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

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

## Current Bond Ratings

The outstanding Water/Wastewater System parity obligations are currently rated “AA+” by Fitch, “Aa2” by Moody’s and “AA+” by S&P.

## Total Outstanding Obligations

The total outstanding obligation indebtedness of the Water Authority, as of July 1, 2025, is \$522.2 million.

## FY26 DEBT SERVICE PAYMENTS

Ratings: AA/Aa2/AA+

Issue	Basic Capital Bonds		Loans		Total Issue
	Principal	Interest	Principal	Interest	
Bonds Series 2014A	11,385,000.00	697,375.00			12,082,375.00
Bonds Series 2014B	8,635,000.00	215,875.00			8,850,875.00
Bonds Series 2015	15,510,000.00	3,826,347.50			19,336,347.50
Bonds Series 2017	5,415,000.00	2,599,318.76			8,014,318.76
Bonds Series 2018	6,745,000.00	2,125,375.00			8,870,375.00
Bonds Series 2020	6,385,000.00	2,393,125.00			8,778,125.00
Bonds Series 2020-A	6,660,000.00	457,648.74			7,117,648.74
Bonds Series 2021	4,255,000.00	2,850,175.00			7,105,175.00
NMFA Loan No. 04 1727-AD			589,793.00	57,892.32	647,685.32
NMFA Loan DW5028			44,873.00	13,830.30	58,703.30
NMFA Loan DW6343				1,925.00	1,925.00
NMFA Loan PPRF 6194				5,722,050.00	5,722,050.00
NMFA Loan WPF-5103			39,372.00	1,707.22	41,079.22
NMFA Loan WPF-5401			39,244.99	1,813.31	41,058.30
NMFA Loan WPF-5402			37,925.00	1,743.38	39,668.38
NMFA Loan WPF-5659			8,898.41	456.15	9,354.56
NMFA Loan WPF-5660			34,871.00	1,694.16	36,565.16
NMFA Loan WPF-5935			16,865.00	2,189.17	19,054.17
NMED CWSRF EQ 147			199,810.07	634.44	200,444.51
<b>TOTAL</b>	<b>\$ 64,990,000.00</b>	<b>\$ 15,165,240.00</b>	<b>\$ 1,011,652.47</b>	<b>\$ 5,805,935.45</b>	<b>\$ 86,972,827.92</b>

## SCHEDULE OF BONDS &amp; OTHER DEBT OBLIGATIONS

SENIOR DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2014A	97,270,000	21,640,000	21,640,000	
Bonds Series 2015	211,940,000	104,845,000	104,845,000	
Bonds Series 2017	87,970,000	56,600,000	56,600,000	
Bonds Series 2018	75,085,000	45,880,000	45,880,000	
Bonds Series 2020	69,440,000	51,055,000	51,055,000	
Bonds Series 2020A	47,800,000	28,585,000	28,585,000	
Bonds Series 2021	73,255,000	69,905,000	69,905,000	
NMFA Loan DW5028	1,515,000	1,383,029		1,383,029
NMFA Loan DW6343	770,000	770,000		770,000
NMFA Loan DW6194	113,425,000	113,425,000	113,425,000	
<b>SUBTOTAL WATER AUTHORITY SENIOR DEBT OBLIGATIONS</b>	<b>\$ 778,470,000</b>	<b>\$ 494,088,029</b>	<b>\$ 491,935,000</b>	<b>\$ 2,153,029</b>
SUBORDINATE/SUPERSUBORDINATE DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2014B	87,005,000	8,635,000	8,635,000	
NMFA Loan No. 04 1727-AD	10,426,232	2,894,616		2,894,616
NMFA Loan WPF-5103	800,000	682,887		682,887
NMFA Loan WPF-5401	800,000	725,325		725,325
NMFA Loan WPF-5402	770,827	697,354		697,354
NMFA Loan WPF-5659	200,000	182,461		182,461
NMFA Loan WPF-5660	710,000	677,665		677,665
NMFA Loan WPF-5935	370,000	370,000		370,000
NMFA Loan WPF-6261	200,000	200,000		200,000
NMFA Loan WPF-6262	20,000	20,000		20,000
NMFA Loan WPF-6263	90,250	90,250		90,250
NMED CWSRF EQ 147	4,000,000	4,000,000		4,000,000
NMED CWSRF 151	9,000,000	9,000,000		9,000,000
<b>SUBTOTAL SUBORDINATE DEBT OBLIGATIONS</b>	<b>\$ 114,392,309</b>	<b>\$ 28,175,558</b>	<b>\$ 8,635,000</b>	<b>\$ 19,540,558</b>
<b>GRAND TOTAL - WATER AUTHORITY DEBT OBLIGATIONS</b>	<b>\$ 892,862,309</b>	<b>\$ 522,263,587</b>	<b>\$ 500,570,000</b>	<b>\$ 21,693,587</b>



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

Fiscal Year	Series 2014A Bonds	Series 2015 Bonds	Series 2017 Bonds	Series 2018 Bonds	Series 2020 Bonds	Series 2020A Bonds
2026	12,082,375	19,336,348	8,014,319	8,870,375	8,778,125	7,117,649
2027	10,461,375	20,866,723	8,006,819	8,859,750	8,458,875	2,058,328
2028		21,042,446	8,000,444	8,851,875	8,139,625	2,061,839
2029		12,990,008	7,994,444	8,845,750	7,815,500	2,057,643
2030		12,981,050	7,988,069	8,835,500	7,496,500	2,055,680
2031		8,245,640	5,947,694	8,825,250	7,177,500	2,052,032
2032		8,181,775	5,940,194		6,858,500	2,051,168
2033		8,172,900	5,930,444		6,539,500	2,052,506
2034		8,195,700	5,927,694			2,051,365
2035			5,963,972			2,042,730
2036						2,135,913
2037						2,042,650
2038						1,166,153
2039						1,165,519
<b>TOTAL</b>	<b>22,543,750</b>	<b>120,012,589</b>	<b>69,714,091</b>	<b>53,088,500</b>	<b>61,264,125</b>	<b>32,111,174</b>

Fiscal Year	Series 2021 Bonds	Loan DW5028 NMFA	Loan DW6343 NMFA	Loan PPRF6194 NMFA	TOTAL SENIOR DEBT
2026	7,105,175	58,703	1,925	5,722,050	77,087,043
2027	7,672,425	58,704	78,063	5,990,175	72,511,235
2028	7,668,300	58,703	78,063	11,826,425	67,727,720
2029	7,661,175	58,704	78,063	11,814,925	59,316,210
2030	7,655,425	58,703	78,063	11,812,300	58,961,290
2031	7,676,150	58,703	78,063	11,802,675	51,863,707
2032	7,675,350	58,704	78,063	11,790,425	42,634,178
2033	7,669,450	58,703	78,063	11,779,675	42,281,241
2034	7,663,150	58,703	78,063	11,774,300	35,748,975
2035	1,717,975	58,703	78,063	11,763,300	21,624,743
2036	1,718,700	58,704	78,063	11,750,800	15,742,179
2037	1,718,375	58,704		4,662,175	8,481,904
2038	1,717,000	58,703		4,660,300	7,602,156
2039	1,719,500	58,704		4,657,050	7,600,773
2040	1,715,875	58,703		4,652,175	6,426,753
2041	1,716,125	58,703		4,650,300	6,425,128
2042	1,715,175	58,703		4,646,050	6,419,928
2043	1,710,800	58,703		4,644,050	6,413,553
2044	1,707,500	58,704		4,638,925	6,405,129
2045	1,706,900	58,704		4,630,725	6,396,329
2046	1,703,900	58,704		4,623,588	6,386,191
2047	1,703,400	58,703		4,621,081	6,383,184
2048		58,703		4,612,681	4,671,384
2049		58,704		4,607,863	4,666,566
2050		58,703			58,703
2051		58,704			58,704
2052		58,703			58,703
<b>TOTAL</b>	<b>90,717,825</b>	<b>1,584,992</b>	<b>782,552</b>	<b>178,134,013</b>	<b>629,953,610</b>

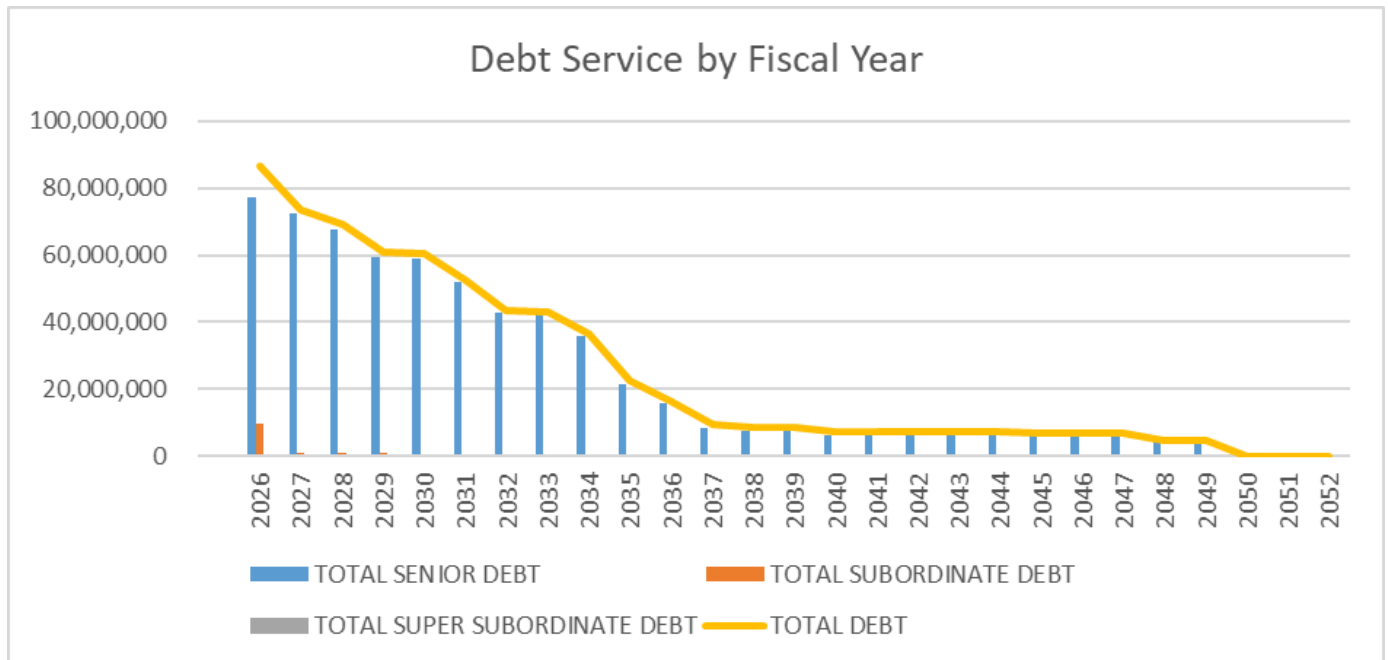


**Albuquerque Bernalillo County Water Utility Authority  
Subordinate Obligations (Principal and Interest)**

Fiscal Year	Series 2014B Bonds	Loan No. 04 1727-AD NMFA	Loan No. WPF-5103 NMFA	Loan No. WPF-5401 NMFA	Loan No. WPF-5402 NMFA	Loan No. WPF-5659 NMFA	Loan No. WPF-5660 NMFA	TOTAL SUBORDINATE DEBT
2026	8,850,875	647,685	41,079	41,058	39,668	9,355	36,565	9,666,286
2027		647,715	41,080	41,058	39,669	9,355	36,565	815,442
2028		647,745	41,080	41,058	39,669	9,355	36,565	815,471
2029		647,776	41,079	41,058	39,668	9,355	36,565	815,502
2030		472,808	41,080	41,058	39,669	9,355	36,565	640,534
2031			41,080	41,058	39,669	9,355	36,565	167,727
2032			41,080	41,058	39,669	9,355	36,565	167,727
2033			41,080	41,058	39,669	9,355	36,565	167,727
2034			41,080	41,058	39,668	9,355	36,565	167,726
2035			41,079	41,058	39,668	9,355	36,565	167,725
2036			41,080	41,058	39,669	9,355	36,565	167,726
2037			41,080	41,058	39,668	9,355	36,565	167,726
2038			41,080	41,058	39,669	9,355	36,565	167,726
2039			41,079	41,058	39,668	9,355	36,565	167,725
2040			41,080	41,058	39,668	9,355	36,565	167,725
2041			41,080	41,058	39,668	9,355	36,565	167,726
2042			41,079	41,058	39,669	9,355	36,565	167,726
2043				44,760	39,669	28,195	36,565	149,189
2044							36,565	36,565
<b>TOTAL</b>	<b>8,850,875</b>	<b>3,063,730</b>	<b>698,354</b>	<b>742,751</b>	<b>714,033</b>	<b>187,222</b>	<b>694,734</b>	<b>14,951,700</b>

**Albuquerque Bernalillo County Water Utility Authority  
Super Subordinate Obligations (Principal and Interest)**

Fiscal Year	Loan No. WPF-5935 NMFA	CWSRF EQ 151 NMED	CWSRF 147.00 NMED	Loan No. WPF-6261 NMFA	Loan No. WPF-6262 NMFA	Loan No. WPF-6263 NMFA	TOTAL SUPER SUBORDINATE DEBT	TOTAL DEBT
2026								<b>86,753,329</b>
2027	19,054		200,222	10,301	1,030		230,607	<b>73,557,284</b>
2028	19,054	450,541	200,222	10,301	1,030	4,656	685,804	<b>69,228,995</b>
2029	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>60,817,517</b>
2030	19,054	450,541	200,222	10,301	1,030	4,657	685,804	<b>60,287,629</b>
2031	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>52,717,239</b>
2032	19,054	450,541	200,222	10,302	1,030	4,656	685,805	<b>43,487,710</b>
2033	19,055	450,541	200,222	10,301	1,030	4,656	685,805	<b>43,134,772</b>
2034	19,054	450,541	200,222	10,301	1,030	4,657	685,804	<b>36,602,505</b>
2035	19,054	450,541	200,222	10,301	1,030	4,657	685,806	<b>22,478,274</b>
2036	19,054	450,541	200,222	10,301	1,030	4,656	685,805	<b>16,595,709</b>
2037	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>9,335,435</b>
2038	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>8,455,687</b>
2039	19,054	450,541	200,222	10,301	1,030	4,656	685,804	<b>8,454,302</b>
2040	19,054	450,541	200,222	10,301	1,030	4,657	685,806	<b>7,280,284</b>
2041	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>7,278,659</b>
2042	19,054	450,541	200,222	10,301	1,030	4,656	685,804	<b>7,273,458</b>
2043	19,054	450,541	200,222	10,301	1,030	4,657	685,806	<b>7,248,548</b>
2044	19,054	450,541	200,222	10,301	1,030	4,656	685,804	<b>7,127,498</b>
2045	19,054	450,541	200,222	10,301	1,030	4,657	685,805	<b>7,082,134</b>
2046	19,055	450,541	200,222	10,302	1,031	4,656	685,806	<b>7,071,997</b>
2047		450,541				4,657	455,198	<b>6,838,382</b>
2048								<b>4,671,384</b>
2049								<b>4,666,566</b>
2050								<b>58,703</b>
2051								<b>58,704</b>
2052								<b>58,703</b>
<b>TOTAL</b>	<b>381,084</b>	<b>9,010,823</b>	<b>4,004,436</b>	<b>206,023</b>	<b>20,602</b>	<b>93,132</b>	<b>13,716,099</b>	<b>658,621,409</b>



## Debt Obligation Description

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

Joint Water and Sewer System Improvement Revenue Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **NMFA Loan DW6343 - \$770,000**

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

- **NMFA Loan No. 04 1727-ADW - \$12,000,000**

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

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

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

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

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

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

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

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

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

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

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

- **NMFA Loan WPF-5660 - \$710,000**

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

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

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

- **NMED Loan CWSRF EQ 147 - \$4,000,000**

New Mexico Environment Department Clean Water State Revolving Loan Fund. Provide funding for the construction of a wastewater reuse pipeline.

- **NMFA Loan WPF-6261 - \$200,000**

Water Project Fund Loan. Provide funding for replacing 14,000 existing water meters with AMI meters and devices.

- **NMFA Loan WPF-6262 - \$20,000**

Water Project Fund Loan. Provide funding for an arsenic treatment facility at Thomas Wells.

- **NMFA Loan WPF-6263 - \$90,250**

Water Project Fund Loan. Provide funding for expansion of the large-scale recharge project at the drinking water treatment plant.

- **NMED Loan CWSRF EQ 151 - \$9,000,000**

New Mexico Environment Department Clean Water State Revolving Loan Fund. Provide funding for the construction of a reservoir, supply and discharge pipelines and a pumping station to supply reuse water.

# STATISTICAL AND SUPPLEMENTAL INFORMATION

## General Fund - 21 Resources, Appropriations, and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY24	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15
<b>RESOURCES:</b>										
Miscellaneous Revenues	13,967	7,506	4,128	4,722	6,083	5,837	4,976	3,592	4,873	4,143
Enterprise Revenues	239,367	228,133	221,608	223,078	222,875	218,494	223,968	213,553	216,208	190,099
Transfers from Other Funds	-	-	-	-	-	-	<u>943</u>	<u>793</u>	<u>792</u>	<u>748</u>
Total Current Resources	253,334	235,639	225,736	227,800	228,958	224,331	229,887	217,938	221,873	194,990
Beginning Fund Balance	<u>24,044</u>	<u>32,778</u>	<u>46,032</u>	<u>54,913</u>	<u>53,634</u>	<u>41,204</u>	<u>13,667</u>	<u>6,356</u>	<u>(8,722)</u>	<u>(10,676)</u>
<b>TOTAL RESOURCES</b>	<b><u>277,378</u></b>	<b><u>268,417</u></b>	<b><u>271,768</u></b>	<b><u>282,713</u></b>	<b><u>282,592</u></b>	<b><u>265,535</u></b>	<b><u>243,554</u></b>	<b><u>224,294</u></b>	<b><u>213,151</u></b>	<b><u>184,314</u></b>
<b>APPROPRIATIONS:</b>										
Enterprise Operations	140,758	139,024	122,371	117,200	117,292	113,981	110,381	109,476	114,039	109,430
Transfers to Other Funds	<u>116,020</u>	<u>107,718</u>	<u>114,433</u>	<u>118,233</u>	<u>111,029</u>	<u>98,856</u>	<u>101,158</u>	<u>91,628</u>	<u>87,842</u>	<u>81,160</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>256,778</u></b>	<b><u>246,742</u></b>	<b><u>236,804</u></b>	<b><u>235,433</u></b>	<b><u>228,321</u></b>	<b><u>212,837</u></b>	<b><u>211,539</u></b>	<b><u>201,104</u></b>	<b><u>201,881</u></b>	<b><u>190,590</u></b>
ADJUSTMENTS TO FUND BALANCE	<u>2,548</u>	<u>2,369</u>	<u>(2,186)</u>	<u>(1,248)</u>	<u>642</u>	<u>936</u>	<u>9,190</u>	<u>(9,523)</u>	<u>(4,912)</u>	<u>(2,445)</u>
<b>ENDING FUND BALANCE</b>	<b><u>23,148</u></b>	<b><u>24,044</u></b>	<b><u>32,778</u></b>	<b><u>46,032</u></b>	<b><u>54,913</u></b>	<b><u>53,634</u></b>	<b><u>41,204</u></b>	<b><u>13,667</u></b>	<b><u>6,356</u></b>	<b><u>(8,722)</u></b>

# Capital Funds - 27, 28, and 29 Resources, Appropriations and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY24	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15
<b>RESOURCES:</b>										
Bond/Loan Proceeds	121,293	484	89,240	1,919	87,778	75,705	670	71,705		80,811
Miscellaneous Revenues	5,780	21,134	12,344	24	26	13,781	1,812	1,462	5,059	2,081
Enterprise Revenues	10,036	12,480	4,699	4,022	2,482					
Transfers from Other Funds	<u>43,077</u>	<u>36,868</u>	<u>40,618</u>	<u>40,418</u>	<u>35,645</u>	<u>31,589</u>	<u>36,250</u>	<u>25,474</u>	<u>20,000</u>	<u>17,000</u>
Total Current Resources	180,186	70,966	146,901	46,383	125,931	121,075	38,732	98,641	25,059	99,892
Beginning Fund Balance	<u>99,245</u>	<u>146,309</u>	<u>71,898</u>	<u>144,180</u>	<u>116,116</u>	<u>60,475</u>	<u>108,457</u>	<u>86,790</u>	<u>105,922</u>	<u>66,298</u>
<b>TOTAL RESOURCES</b>	<b><u>279,431</u></b>	<b><u>217,275</u></b>	<b><u>218,799</u></b>	<b><u>190,563</u></b>	<b><u>242,047</u></b>	<b><u>181,550</u></b>	<b><u>147,188</u></b>	<b><u>185,430</u></b>	<b><u>130,981</u></b>	<b><u>166,190</u></b>
<b>APPROPRIATIONS</b>										
Enterprise Operations	87,589	125,831	73,481	106,158	106,673	67,757	84,543	80,089	47,361	61,581
Transfers to Other Funds	=	=	=	=	=	=	=	=	=	=
<b>TOTAL APPROPRIATIONS</b>	<b><u>87,589</u></b>	<b><u>125,831</u></b>	<b><u>73,481</u></b>	<b><u>106,158</u></b>	<b><u>106,673</u></b>	<b><u>67,757</u></b>	<b><u>84,543</u></b>	<b><u>80,089</u></b>	<b><u>47,361</u></b>	<b><u>61,581</u></b>
ADJUSTMENTS TO FUND BALANCE	<u>(10,184)</u>	<u>7,801</u>	<u>991</u>	<u>(12,507)</u>	<u>8,805</u>	<u>2,324</u>	<u>(2,170)</u>	<u>3,116</u>	<u>3,170</u>	<u>1,312</u>
<b>ENDING FUND BALANCE</b>	<b><u>181,658</u></b>	<b><u>99,245</u></b>	<b><u>146,309</u></b>	<b><u>71,898</u></b>	<b><u>144,180</u></b>	<b><u>116,116</u></b>	<b><u>60,475</u></b>	<b><u>108,457</u></b>	<b><u>86,790</u></b>	<b><u>105,922</u></b>



# Debt Service Fund - 31 Resources, Appropriations and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY24	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15
<b>RESOURCES:</b>										
Miscellaneous										
Revenues	11,647	6,826	8,855	57,324	9,323	7,270	10,398	8,546	9,257	7,565
Transfers from Other Funds	<u>78,000</u>	<u>74,850</u>	<u>77,815</u>	<u>81,815</u>	<u>79,421</u>	<u>72,267</u>	<u>70,908</u>	<u>70,628</u>	<u>72,842</u>	<u>69,160</u>
Total Current Resources	89,647	81,676	86,670	139,139	88,744	79,537	81,306	79,174	82,099	76,725
Beginning Fund Balance	<u>42,792</u>	<u>53,167</u>	<u>52,432</u>	<u>49,731</u>	<u>49,939</u>	<u>56,420</u>	<u>52,819</u>	<u>54,576</u>	<u>48,798</u>	<u>515</u>
<b>TOTAL RESOURCES</b>	<b><u>132,439</u></b>	<b><u>134,843</u></b>	<b><u>139,102</u></b>	<b><u>188,870</u></b>	<b><u>138,683</u></b>	<b><u>135,957</u></b>	<b><u>134,125</u></b>	<b><u>133,750</u></b>	<b><u>130,897</u></b>	<b><u>77,240</u></b>
<b>APPROPRIATIONS:</b>										
Debt Service	91,768	87,138	82,042	83,792	83,888	82,176	70,189	75,747	71,906	35,203
Transfers to Other Funds	<u>5,057</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>5,000</u>	<u>6,000</u>	<u>4,474</u>	<u>5,000</u>	<u>5,000</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>96,825</u></b>	<b><u>91,138</u></b>	<b><u>86,042</u></b>	<b><u>87,792</u></b>	<b><u>87,888</u></b>	<b><u>87,176</u></b>	<b><u>76,189</u></b>	<b><u>80,221</u></b>	<b><u>76,906</u></b>	<b><u>40,203</u></b>
ADJUSTMENTS TO FUND BALANCE	<u>(1,332)</u>	<u>(913)</u>	<u>107</u>	<u>(48,646)</u>	<u>(1,063)</u>	<u>1,159</u>	<u>(1,516)</u>	<u>(710)</u>	<u>586</u>	<u>11,760</u>
<b>ENDING FUND BALANCE</b>	<b><u>34,282</u></b>	<b><u>42,792</u></b>	<b><u>53,167</u></b>	<b><u>52,432</u></b>	<b><u>49,731</u></b>	<b><u>49,939</u></b>	<b><u>56,420</u></b>	<b><u>52,819</u></b>	<b><u>54,576</u></b>	<b><u>48,798</u></b>

# San Juan Chama Contractors Association Fund - 41 Resources, Appropriations and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY24	ACTUAL FY23	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15
<b>RESOURCES:</b>										
Admin Fees/Special Assessments	69	187	164	-	-	-	-	-	-	-
Transfers from Other Funds	=	=	=	=	=	=	=	=	=	=
Total Current Resources	69	187	164	-	-	-	-	-	-	-
Beginning Fund Balance	<u>90</u>	<u>27</u>	=	=	=	=	=	=	=	=
<b>TOTAL RESOURCES</b>	<b><u>159</u></b>	<b><u>214</u></b>	<b><u>164</u></b>	=	=	=	=	=	=	=
<b>APPROPRIATIONS</b>										
General Government	117	134	149							
Transfers to Other Funds	=	=	=	=	=	=	=	=	=	=
<b>TOTAL APPROPRIATIONS</b>	<b><u>117</u></b>	<b><u>134</u></b>	<b><u>149</u></b>	=	=	=	=	=	=	=
ADJUSTMENTS TO FUND BALANCE	<u>(19)</u>	<u>10</u>	<u>12</u>	=	=	=	=	=	=	=
<b>ENDING FUND BALANCE</b>	<b><u>23</u></b>	<b><u>90</u></b>	<b><u>27</u></b>	=	=	=	=	=	=	=

# Water Users by Class and Meter Size

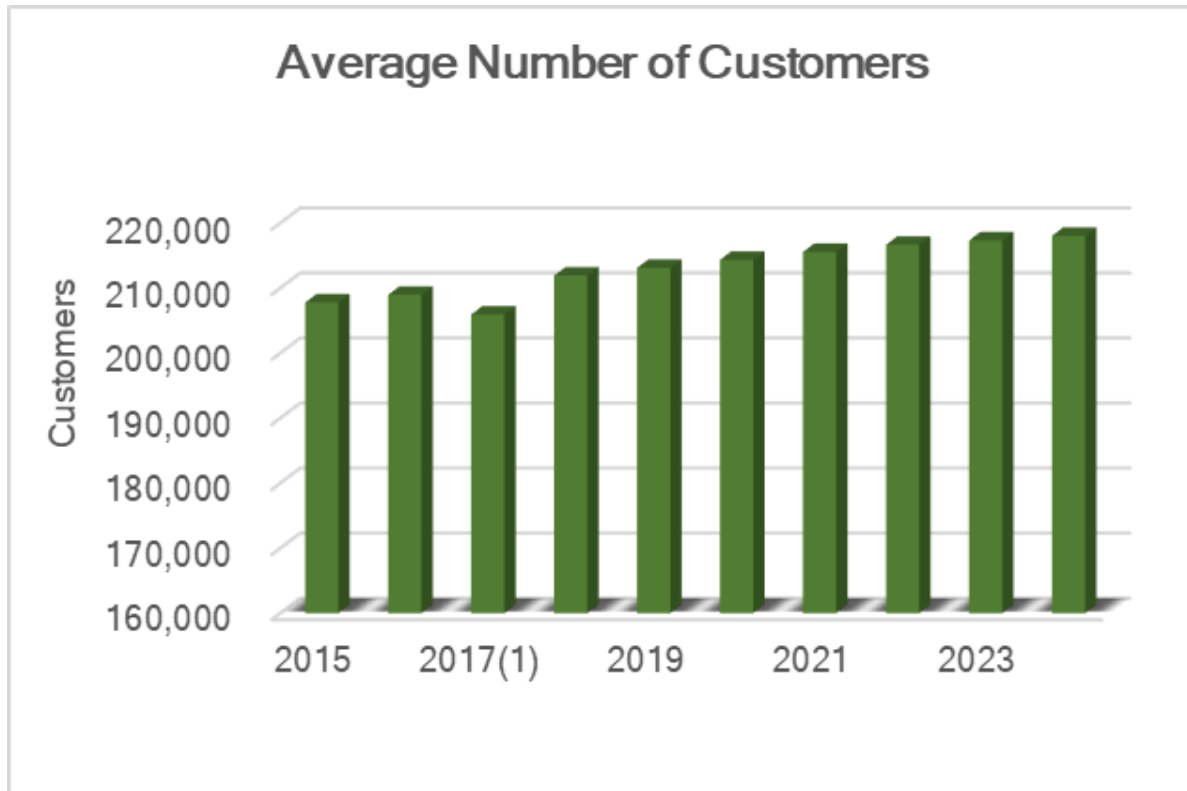
Last Ten Fiscal Years

Class	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017 <sup>(1)</sup>	2016	2015
Residential	187,719	187,187	186,730	185,889	184,919	183,942	183,018	181,814	187,479	186,461
Multi-Family	7,992	7,973	7,943	7,925	7,907	7,876	7,851	7,801	7,268	7,115
Commercial	12,378	12,352	12,314	12,242	12,159	12,100	12,023	11,913	11,901	11,923
Institutional	3,875	3,854	3,829	3,807	3,766	3,701	3,680	3,650	2,187	2,150
Industrial	130	129	128	123	119	121	122	119	110	113
Other metered	1,278	1,191	1,099	996	909	824	720	616		
Subtotal	213,372	212,686	212,043	210,982	209,779	208,564	207,414	205,913	208,945	207,762
SW	1,437	1,423	1,418	1,410	1,402	1,392	1,365	1,362		
Other non-metered	3,202	3,186	3,176	3,150	3,139	3,135	3,120	2,940		
Total	218,011	217,295	216,637	215,542	214,320	213,091	211,899	210,215		

Meter Size	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017 <sup>(1)</sup>	2016	2015
¾"	188,933	188,364	187,847	186,802	185,668	184,464	183,398	182,232	185,894	184,743
1" and 1 ¼ "	17,828	17,835	17,831	17,815	17,847	17,843	17,975	17,796	17,392	17,447
1 ½ "	2,626	2,580	2,567	2,549	2,522	2,522	2,467	2,381	2,300	2,269
2"	2,947	2,898	2,796	2,811	2,737	2,713	2,575	2,509	2,386	2,349
3"	623	611	603	606	609	626	606	603	590	575
4"	302	288	288	286	286	287	284	282	278	276
6"	69	67	68	69	66	66	66	68	64	63
8" and over	44	43	44	44	44	43	43	42	41	40
Subtotal	213,372	212,686	212,044	210,982	209,779	208,564	207,414	205,913	208,945	207,762
Other Non-metered	4,639	4,609	4,593	4,560	4,541	4,527	4,485	4,302		
Total	218,011	217,295	216,637	215,542	214,320	213,091	211,899	210,215		

<sup>(1)</sup> In Fiscal Year 2017, the water users by meter size are illustrated between metered and non-metered accounts.

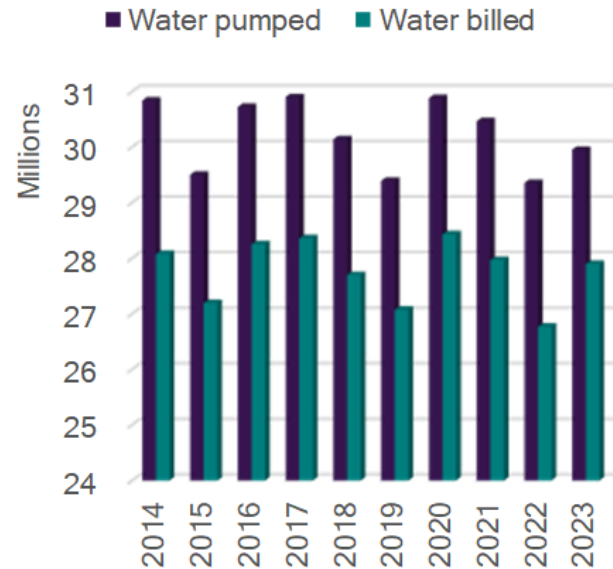
Source: ABCWUA Financial/Business Services Division



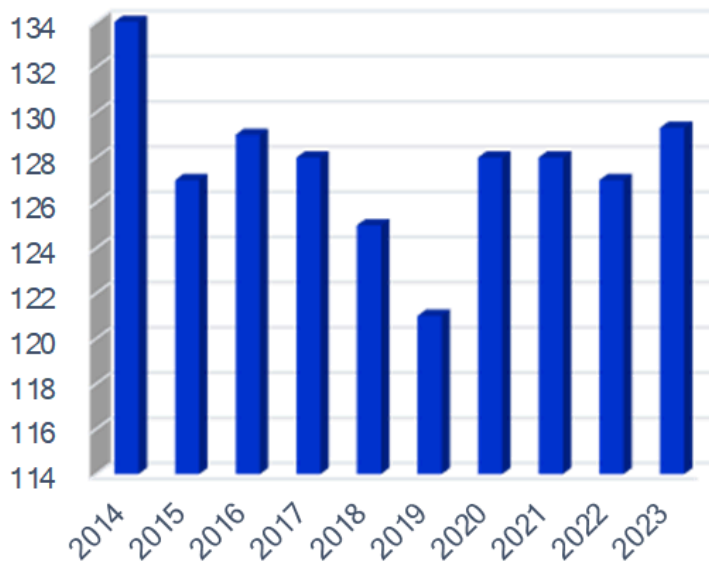
# Water Consumption

Last Ten Fiscal Years

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



## Per Capita Water Usage



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

Source: ABCWUA Financial/Business Services Division

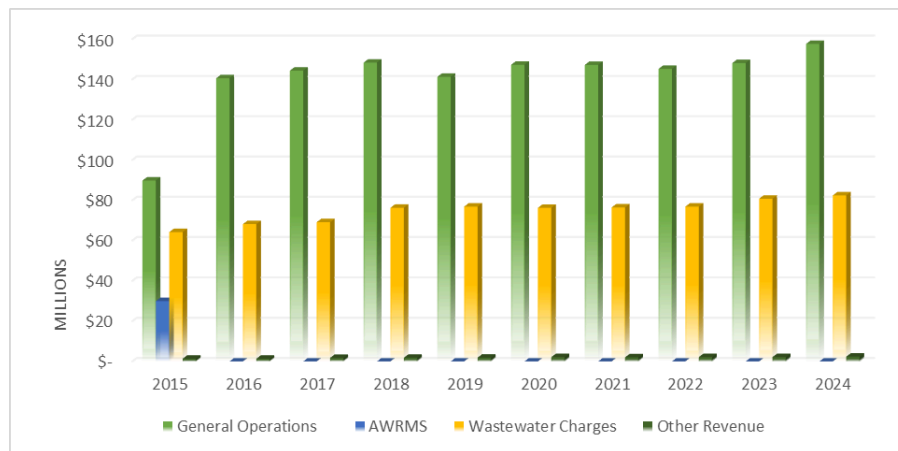
# Revenue from Water and Wastewater Charges and Other Operating Revenue

Last Ten Fiscal Years

Fiscal Year	Revenue from Water Charges		Wastewater Charges	Other Revenue	Total Operating Revenue
	General Operations	AWRMS <sup>(1)</sup>			
2024	\$ 157,597,966	\$ -	\$ 82,414,101	\$ 2,365,045	\$242,377,112
2023	148,092,311	-	80,746,197	2,140,969	230,979,477
2022	145,215,374	-	76,845,065	2,134,395	224,194,834
2021	147,199,054	-	76,441,792	2,022,568	225,663,414
2020	147,244,774	-	76,231,345	2,133,000	225,609,119
2019	141,267,719	-	76,848,592	1,868,000	219,984,311
2018	148,315,450	-	76,253,042	1,828,000	226,396,492
2017	144,342,932	-	69,101,050	1,750,000	215,193,982
2016	140,551,140	-	68,166,636	1,339,000	210,056,776
2015	89,768,328	29,939,349	64,171,110	1,323,000	185,201,787

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

Source: ABCWUA Financial/Business Services Division

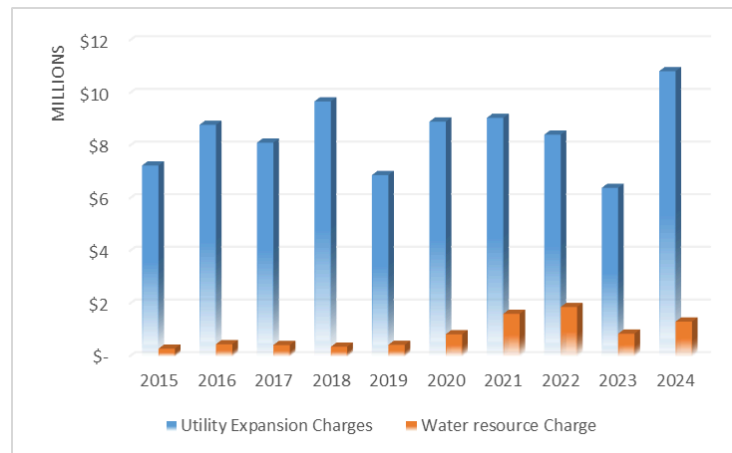


# Revenue from Utility Expansion and Water Resource Charges

Last Ten Fiscal Years

Fiscal Year	Utility Expansion Charges	Water Resource Charge
2024	\$ 10,834,698	\$ 1,321,031
2023	6,399,829	859,781
2022	8,421,390	1,873,759
2021	9,060,038	1,612,875
2020	8,916,871	838,525
2019	6,884,954	437,646
2018	9,685,634	363,963
2017	8,116,695	429,283
2016	8,795,436	461,502
2015	7,250,838	290,363

Source: ABCWUA Financial/Business Services Division





# Principal Revenue Payers

Current Fiscal Year and Nine Years Ago

Water Customer Name	2024				2015			
	Water Revenue	Rank	% of Total Revenue	Consumption	Water Revenue	Rank	% of Total Revenue	Consumption *
City of Albuquerque	\$ 9,917,151	1	6.29%	2,852,841	\$ 7,509,367	1	5.92%	-
Albuquerque Public Schools	2,938,528	2	1.86%	569,263	2,512,095	2	1.98%	-
University of New Mexico	1,370,327	3	0.87%	265,488	1,009,588	3	0.80%	-
Bernalillo County	778,959	4	0.49%	187,984	653,727	4	0.52%	-
Kirtland AirForce Base	711,930	5	0.45%	132,459	424,096	5	0.33%	-
Lovelace Health	325,524	6	0.21%	98,224	302,377	6	0.24%	-
Central NM Community College	317,189	7	0.20%	69,876	261,604	7	0.21%	-
Sumitomo	313,460	8	0.20%	123,079	211,103	9	0.17%	-
ABCWUA	283,303	9	0.18%	49,853	260,954	8	0.21%	-
Albuquerque Academy	233,231	10	0.15%	102,955	204,551	10	0.16%	-
Total	<u>\$ 17,189,602</u>		<u>10.91%</u>	<u>4,452,022</u>	<u>\$ 13,349,462</u>		<u>10.53%</u>	<u>-</u>
Total Water System Revenue	<u>\$ 157,597,966</u>				<u>\$ 126,817,517</u>			

Wastewater Customer Name	2024				2015			
	Wastewater Revenue	Rank	% of Total Revenue	Consumption	Wastewater Revenue	Rank	% of Total Revenue	Consumption *
Intel Corporation	\$ 2,169,255	1	2.63%	-	\$ -			
Kirtland AirForce Base	1,489,895	2	1.81%	743,703	1,177,562	1	1.84%	-
University of New Mexico	1,232,761	3	1.50%	989,654	853,042	2	1.33%	-
Albuquerque Public Schools	799,430	4	0.97%	102,957	772,714	3	1.20%	-
City of Albuquerque	774,981	5	0.94%	158,102	573,408	4	0.89%	-
Creamland Dairies	564,126	6	0.68%	53,801	422,779	5	0.66%	-
Sumitomo	275,801	7	0.33%	-			0.00%	-
General Mills	217,776	8	0.26%	11			0.00%	-
Lovelace Health	174,817	9	0.21%	61,252	212,363	6	0.33%	-
Bernalillo County	161,201	10	0.20%	36,563	169,312	7	0.26%	-
Central NM Community College					110,490	8	0.17%	-
Sandia Peak Services					76,403	9	0.12%	-
Four Hills MHP					70,876	10	0.11%	-
Total	<u>\$ 7,860,043</u>		<u>9.54%</u>	<u>2,146,043</u>	<u>\$ 4,438,949</u>		<u>6.92%</u>	<u>-</u>
Total Wastewater System Revenue	<u>\$ 82,414,101</u>				<u>\$ 64,171,110</u>			

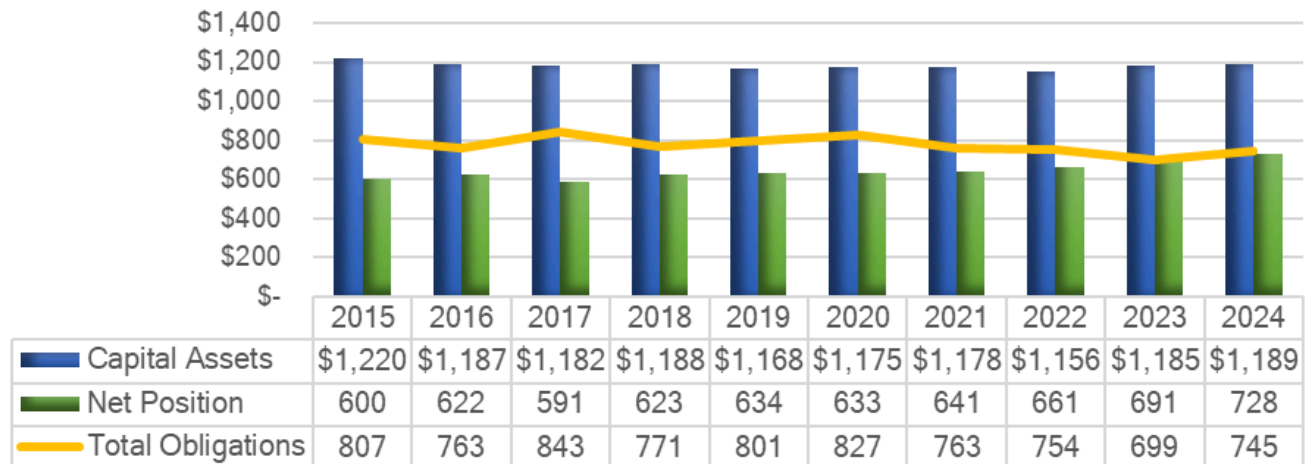
Source: ABCWUA Financial/Business Services Division

\* In FY15, no consumption data was measured for this schedule.

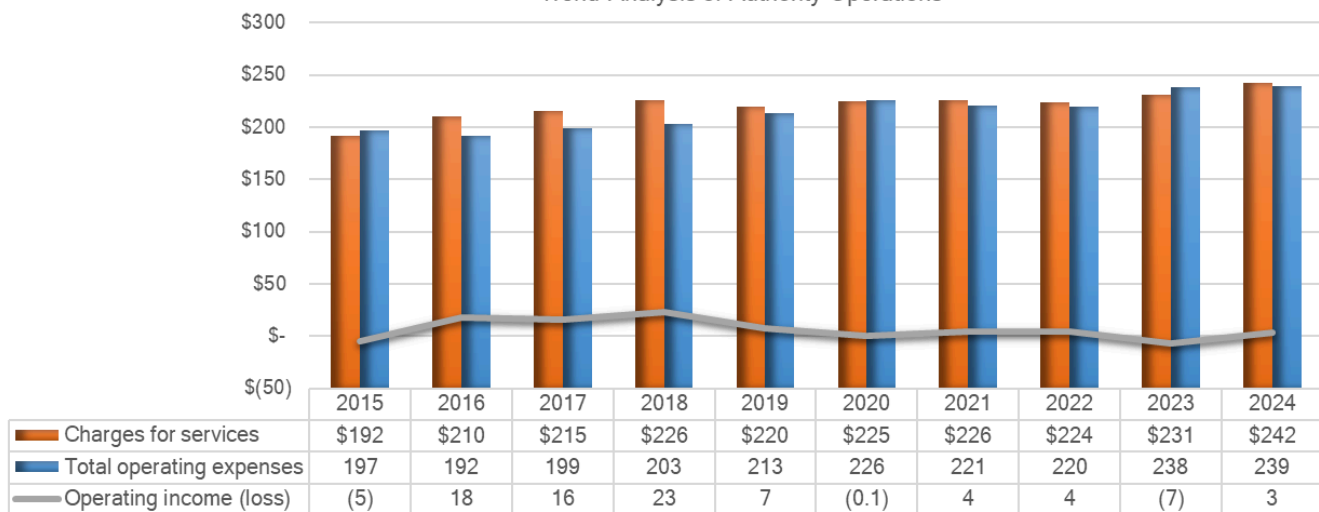
# Trend Analysis

Last Ten Fiscal Years

Trend Analysis of Capital Assets, Total Obligations, and Net Position



Trend Analysis of Authority Operations



# Outstanding Debt Ratio

Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Notes from direct borrowings	Water Rights Contract	Unamortized Premium	Leases/SBITAs	Total	Per Capita*	Per Customer*
2024	\$ 454,255	\$ 122,408	\$ -	\$ 32,248	\$ 1,798	\$ 610,709	908	2,801
2023	520,305	10,291	-	32,977	2,575	566,148	837	2,605
2022	583,800	10,512	1,360	42,582	1,457	639,711	949	2,953
2021	567,270	8,565	2,679	39,671	559	618,744	917	2,871
2020	595,930	31,560	3,960	52,874	964	685,288	1,009	3,198
2019	577,825	35,873	5,203	46,119	-	665,020	979	3,121
2018	551,950	39,938	6,409	48,088	-	646,385	955	3,050
2017	589,880	44,013	7,579	60,241	-	701,713	1,286	3,338
2016	566,455	54,819	8,715	58,712	-	688,701	1,232	3,296
2015	601,985	63,627	9,817	71,578	-	747,007	1,294	3,595

**Note:**

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

\*Not presented in thousands of dollars

Source: ABCWUA Financial/Business Services Division

# Senior Lien Debt Coverage

Last Ten Fiscal Years

## SENIOR LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal	Interest	Amortized Premium		
2024	\$ 271,805	\$ 154,081	\$ 117,724	\$58,321	\$22,812	\$ (8,625)	1.63	1.33
2023	265,295	150,839	114,456	55,210	21,555	(9,041)	1.70	1.33
2022	251,310	116,861	134,449	48,540	22,912	(9,747)	2.18	1.33
2021	241,235	112,883	128,352	49,354	23,410	(10,488)	2.06	1.33
2020	240,436	120,498	119,938	48,054	23,876	(9,233)	1.91	1.33
2019	235,645	115,118	120,527	45,093	25,534	(10,074)	1.99	1.33
2018	241,177	112,698	128,479	31,018	23,948	(10,447)	2.89	1.33
2017	227,044	111,326	115,718	37,497	23,899	(10,247)	2.26	1.33
2016	226,774	106,897	119,877	43,031	23,794	(10,477)	2.13	1.33
2015	203,834	107,597	96,237	33,819	22,579	(7,205)	1.96	1.33

## SENIOR AND SUBORDINATE LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal	Interest	Amortized Premium		
2024	\$ 271,805	\$ 154,081	\$ 117,724	\$67,651	\$23,769	\$ (8,625)	1.42	1.20
2023	265,295	150,839	114,456	64,201	22,937	(9,605)	1.48	1.20
2022	251,310	116,861	134,449	57,319	24,722	(10,533)	1.88	1.20
2021	241,235	112,883	128,352	58,168	25,624	(11,512)	1.78	1.20
2020	240,436	120,498	119,938	56,782	26,476	(10,455)	1.65	1.20
2019	235,645	115,118	120,527	53,691	28,485	(11,525)	1.71	1.20
2018	241,177	112,698	128,479	42,216	27,303	(12,153)	2.24	1.20
2017	227,044	111,326	115,718	46,901	27,673	(12,407)	1.86	1.20
2016	226,774	106,897	119,877	43,964	27,865	(12,866)	2.03	1.20
2015	203,834	107,597	96,237	34,491	25,746	(9,046)	1.88	1.20

Note:

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

Source: ABCWUA Financial/Business Services Division

# Demographic/Economic Statistics

Last Ten Fiscal Years

Year	Population Albuquerque MSA	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2024	672,508	37,053,846	55.098	4.0%
2023	672,508	35,556,843	52.872	3.8%
2022	672,508	32,587,048	48.456	4.7%
2021	676,444	31,499,968	46.567	6.9%
2020	679,121	28,264,337	41.619	8.7%
2019	679,096	27,484,373	40.472	4.8%
2018	676,953	26,162,880	38.648	4.5%
2017	545,852	20,689,428	37.903	6.0%
2016	559,121	20,650,016	36.933	6.1%
2015	557,169	20,035,240	35.959	5.7%

**Note:**

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

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

# Top ten Major Employers

Current Fiscal Year and Nine Years Ago

Employer	2024			2015		
	Number of Employees	Rank	% of Albuquerque MSA* Employment	Number of Employees	Rank	% of Albuquerque MSA* Employment
Kirtland Air Force Base <sup>(1)</sup>	23,000	1	5.69%	40,550	1	11.06%
Presbyterian Health System	13,457	2	3.33%	7,369	5	2.01%
Sandia National Laboratories	12,581	3	3.11%	8,400	4	2.29%
Albuquerque Public Schools	10,877	4	2.69%	14,480	2	3.95%
University of New Mexico	10,428	5	2.58%	14,300	3	3.90%
University of New Mexico Hospital	6,772	6	1.68%	5,950	7	1.62%
City of Albuquerque	6,300	7	1.56%	6,680	6	1.82%
State of New Mexico	4,950	8	1.22%	5,910	8	1.61%
Lovelace Health System	3,659	9	0.91%	3,700	10	1.01%
Bernalillo County	2,450	10	0.61%	-		0.00%
Total	94,474		23.37%	107,339		29.29%
Total Employment			404,266			366,502

<sup>(1)</sup> For FY2015, Kirtland Air Force Base employment was separated between civilian and military personnel

Source: New Mexico Partnership and listed employers

\*Metropolitan Service Area (MSA)

Total Employment: BBER report

# ANALYSIS METHODOLOGY FOR COMPUTING LINE-ITEM ADJUSTMENTS

## Numerical Rounding

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

## Salaries

- A wage and salary basis were 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-2.00%, PERA – 22.41% for blue and white collar and management/professionals (employer-portion), and 7.00% for temporary employees and some seasonal employees. Other employee benefits (group life, health insurance including retiree health insurance) – budgeted at family plan levels.
- A vacancy savings rate of 0.5% for the Water Authority is calculated for employee salaries.

## Operating Expenses

Division managers were required to provide detailed information supporting FY26 budget requests. Other FY26 operating expenses were equal to FY25 appropriated amounts. One-time appropriations for FY25 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.
- For FY26, utilities (gas, electricity, and water) are budgeted based on historical expenses and anticipated needs.
- Power, chemicals and fuel will not exceed the CPI index and the cost of operating two water distribution systems will not exceed the consultant estimate.
- Beyond those stated above, line-item increases needing special justifications include extraordinary price increases, increased workload, or a special need not previously funded.
- Workers' Compensation and insurance are treated as direct costs for FY26. These costs are identified by the Risk Management department, based on historical experience and exposure factors relative to each specific program.
- Vehicle maintenance charges are estimated for FY26 according to the class of vehicle and the historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance, including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.

## Capital Expenses

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



# ACRONYMS

- ABCWUA – Albuquerque Bernalillo County Water Utility Authority
- AFL-CIO – American Federation of Labor and Congress of Industrial Organizations
- AFSCME - American Federation of State, County and Municipal Employees
- AMI – Automated Meter Infrastructure
- ARPA – American Rescue Plan Act
- ASR – Aquifer Storage and Recovery
- AWWA – American Water Works Association
- BBER – University of New Mexico, Bureau of Business and Economic Research
- CC&B – Customer Care and Billing
- CCTV – Closed Circuit Television
- CIP - Capital Improvement Program or Capital Implementation Program
- CMOM – Capacity Management Operations & Maintenance Program
- COO – Chief Operating Officer
- CPI - Consumer Price Index
- DFA – NM Department of Finance and Administration
- DS - Debt Service
- DWP – San Juan–Chama Drinking Water Project
- EPA – Environmental Protection Agency
- ERP – Enterprise Resource Planning
- EUM – Effective Utility Management
- FEMA – Federal Emergency Management Agency
- FOGS – Fats, Oils, Grease and Solids
- FTE - Full-time Equivalent Position
- FY - Fiscal Year
- GASB - General Accounting Standards Board
- GDP - Gross Domestic Product
- GFOA - Government Finance Officers Association
- GIS – Geographic Information System
- GPCD – Gallons per capita per day
- GPS – Global Positioning System
- IHS – IHS Global Insight
- ISO – International Organization for Standardization
- ITD – Information Technology Program
- KAFB – Kirtland Air Force Base
- LIMS – Laboratory Information Management System
- MDC – Metropolitan Detention Center
- MGD – Million Gallons per Day
- MIS – Management Information System
- MOU – Memorandum of Understanding
- MSA – Metropolitan Statistical Area
- NACWA – National Association of Clean Water Agencies
- NM – New Mexico
- NMED – New Mexico Environment Department
- NMFA – New Mexico Finance Authority
- NPDES – National Pollution Discharge Elimination System
- OPEB – Other Post-Employment Benefits
- P&I – Principal and Interest
- PAFR – Popular Annual Financial Report

- PERA - Public Employees Retirement Association
- PFAS – Per-and Polyfluoroalkyl Substances
- PPCP – Pharmaceuticals and Personal Care Products
- PTF – Preliminary Treatment Facility
- RAPP – Rivers and Aquifers Protection Plan
- REC – Renewable Energy Credit
- RHCA – Retiree Health Care Association
- RFP - Request for Proposal(s)
- RRAMP – Reclamation Rehabilitation and Asset Management Plan
- SAF – Soil Amendment Facility
- SCADA – Supervisory Control and Data Acquisition
- SDF – Solids Dewatering Facility
- SJCWTP - San Juan–Chama Water Treatment Plant
- SOP – Standard Operating Procedures
- SRF – State Revolving Loan Fund
- SSO's – Sanitary Sewer Overflows
- SW – Solid Waste
- SWRP - Southside Water Reclamation Plant
- SWTP – Surface Water Treatment Plant
- TCAC – Technical Customer Advisory Committee
- UEC – Utility Expansion Charge
- UNM – University of New Mexico
- UV – Ultra-Violet
- WA - Water
- WAF – Water Assistance Fund
- WATS – Wastewater Aerobic/Anaerobic Transformations in Sewers Model
- WQL – Water Quality Laboratory
- WR – Water Resources Department
- WRMS – Water Resources Management Strategy
- WTP – Water Treatment Plant
- WW – Wastewater
- YR - Year

# GLOSSARY

**Accounting System:** The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**ACFR:** Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher-yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assets:** Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to the application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Bond:** A means of raising money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from the community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Flow:** The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

**Cash Management:** The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

**Compliance:** Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer is usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the

portion of the total cost of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equity:** The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

**Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

**Fixed Assets:** Long-lived assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated, such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria for the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement of the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and reports other post-employment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Internal Controls:** Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Liabilities:** Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Municipal(s):** (As used in the bond trade). "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Net Income:** The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Proprietary Funds:** Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revenues:** Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

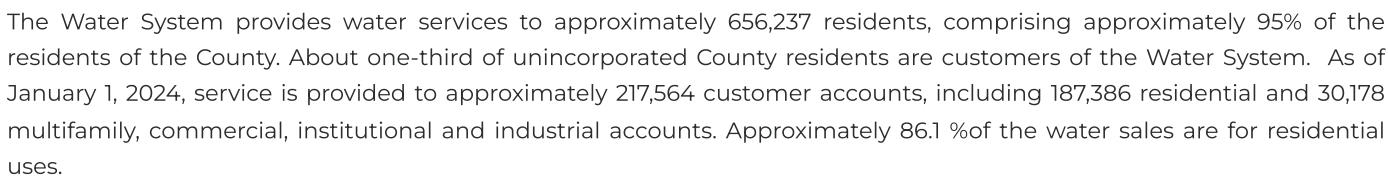
**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)



- 92 MGD San Juan-Chama Surface Water Treatment Plant
- Adjustable diversion dam, intake structure and raw water pump station on the Rio Grande
- 59 groundwater supply wells (255 MGD)
- 62 water supply reservoirs providing both mixed surface and groundwater, including non-potable reservoirs (247 MGD)
- 44 pump stations including non-potable facilities (748 MGD)
- 130 booster pumps
- 3,099 miles of water supply pipeline
- 5 arsenic removal treatment facilities (15 MGD)



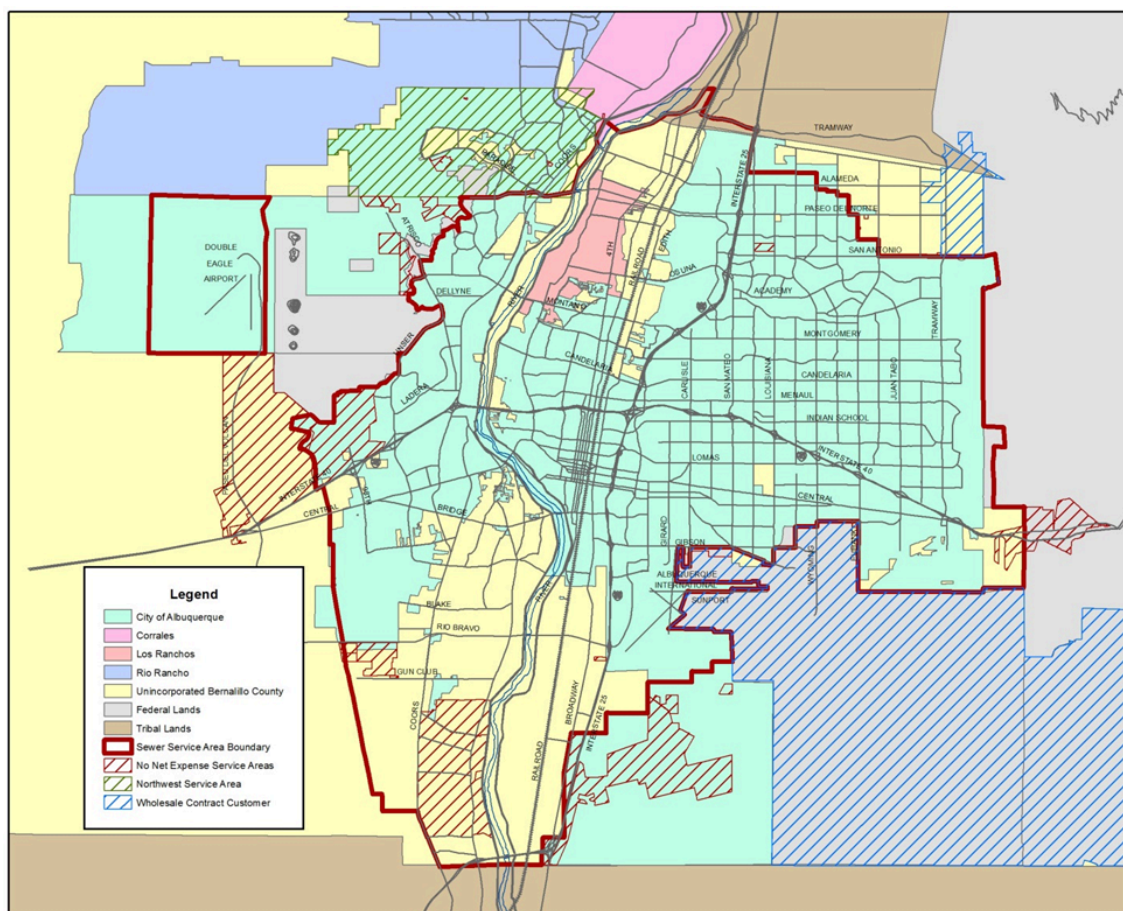
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Grande. Total well production capacity is approximately 255 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in an available production capacity of 178 MGD. Peak day demand for 2023 was 153 MGD. The Water Authority also has five (5) arsenic treatment facilities that remove naturally occurring arsenic from groundwater. Each well field includes chlorination for disinfection as required by the Safe Drinking Water Act.

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

# Major Assets

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



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

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

Since January 2003, the wastewater treatment plant has had a 6.6-megawatt 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 for various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The 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 the sale of compost products. During Fiscal Year 2023, 28% of all sludge produced at the treatment plant was beneficially recycled into compost and sold. The Water Authority's Compliance Division operates a water quality laboratory, providing analytical support for process control and regulatory compliance for wastewater, drinking water, groundwater, storm water, surface water, the zoological park, residuals management and environmental health programs. The laboratory is internationally accredited under International Standards Organization Standard 17025 for inorganic chemistry and microbiology testing. The entire laboratory is also accredited by the American Association for Laboratory Accreditation. The Water Authority reduces expenses by analyzing a majority of the bacteriological samples at the Water Authority's internal water quality lab.



**BILL NO. R-25-19**

1 RESOLUTION

2 APPROPRIATING FUNDS FOR THE OPERATING AND CAPITAL IMPROVEMENT

3 PROGRAM BUDGET FOR THE ALBUQUERQUE BERNALILLO COUNTY WATER

4 UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, AND

5 ENDING JUNE 30, 2026, AND 2026-2035 DECADE PLAN

9 WHEREAS, the Board, by Ordinance, has established an Operating budget, a  
10 performance plan process, an annual Capital Improvement Program budget as well as  
11 the 2026-2035 Decade Plan for the Water Authority; and

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

20 WHEREAS, the Budget Ordinance requires the Water Authority Board to  
21 approve or amend and approve the Executive Director's proposed operating and Capital  
22 Improvement Program budget, and 2026-2035 Decade Plan; and

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

1	WHEREAS, the Board has received the Operating and Capital Improvement	
2	Program budget, and 2026-2035 Decade Plan formulated by the Executive Director and	
3	has deliberated on it and provided public notice and input; and	
4	WHEREAS, appropriations for the operation of the Water Authority must be	
5	approved by the Board.	
6	BE IT RESOLVED BY THE WATER AUTHORITY:	
7	Section 1. That the following amounts are hereby appropriated to the following funds for	
8	operating the Water Authority during Fiscal Year 2026:	
9	<u>GENERAL FUND – 21</u>	
10	<u>Expense (by program):</u>	
11	Administration	\$2,006,171
12	Risk	6,981,647
13	Legal	994,866
14	Human Resources	2,021,214
15	Information Technology	13,335,197
16	Finance	5,082,036
17	Customer Service	5,936,172
18	Asset Management	700,028
19	Wastewater Plant	12,684,751
20	San Juan-Chama Water Treatment Plant	5,170,970
21	Groundwater Operations	7,766,254
22	Wastewater Collections	8,156,099
23	Water Field Operations	22,997,709
24	Compliance	7,052,838
25	Fleet & Facility Maintenance	6,688,627
26	Central Engineering	4,133,947
27	Planning & Utility Development	1,062,358
28	Water Resources	5,236,668
29	Power & Chemicals	31,956,000

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

1	Taxes	740,000
2	Authority Overhead	1,585,812
3	San Juan-Chama	2,609,000
4	Transfer to Other Funds:	
5	Basic Rehab Fund (28)	30,000,000
6	Water 2120 Fund (27)	1,402,000
7	Debt Service Fund (31)	<u>78,530,000</u>
8	General Fund Expense Total	\$264,830,364
9	<u>Revenue (by Type):</u>	
10	Rate Revenue	\$248,814,000
11	Miscellaneous	<u>11,033,000</u>
12	General Fund Revenue Total	\$259,847,000
13	<u>DEBT SERVICE FUND – 31</u>	
14	<u>Expense:</u>	
15	Debt Service (Principal & Interest)	\$88,910,000
16	Transfer to Other Funds:	
17	Growth Fund (29)	<u>4,000,000</u>
18	Debt Service Fund Expense Total	\$92,910,000
19	<u>Revenue:</u>	
20	Transfer from Other Funds:	
21	General Fund (21)	\$78,530,000
22	Utility Expansion Charges (UEC)	8,080,000
23	Miscellaneous	<u>300,000</u>
24	Debt Service Fund Revenue Total	\$86,910,000
25	<u>SAN JUAN CHAMA PROJECT CONTRACTORS ASSOCIATION FUND – 41</u>	
26	<u>Expense:</u>	
27	General Government	<u>\$39,042</u>
28	San Juan Chama Project Contractors Association Fund Expense Total	\$39,042
29	<u>Revenue:</u>	



	1	Miscellaneous	<u>\$39,042</u>
	2	San Juan Chama Project Contractors Association Fund Revenue Total	\$39,042
	3	<u>BASIC REHAB FUND – 28</u>	
	4	<u>Expense (by category):</u>	
	5	Sanitary Sewer Pipeline Renewal	\$7,000,000
	6	Drinking Water Pipeline Renewal	10,775,000
	7	Southside Water Reclamation Plant Renewal	12,325,000
	8	Soil Amendment Facility (SAF) Renewal	100,000
	9	Lift Station and Vacuum Station Renewal	5,395,000
	10	Odor Control Facilities Renewal	50,000
	11	Drinking Water Plant Groundwater System Renewal	14,950,000
	12	Drinking Water Plant Treatment Systems Renewal	5,050,000
	13	Reuse Line and Plant Rehab	650,000
	14	Compliance	621,000
	15	Shared Renewal	6,388,000
	16	Franchise Agreement Compliance	3,750,000
	17	Vehicles and Heavy Equipment	2,896,000
	18	Mission Facility Renewal	<u>50,000</u>
	19	Basic Rehab Fund Expense Sub-Total	\$70,000,000
	20	Miscellaneous (Special Projects)	<u>20,000,000</u>
	21	Basic Rehab & Special Projects Fund Expense Total	\$90,000,000
	22	<u>Revenue:</u>	
	23	Transfer from Other Funds:	
	24	General Fund (21)	\$30,000,000
	25	Loan Proceeds	<u>90,000,000</u>
	26	Basic Rehab Fund Revenue Total	\$120,000,000
	27	<u>GROWTH FUND – 29</u>	
	28	<u>Expense (by category):</u>	
	29	Development Agreements	\$1,250,000

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[-Bracketed Material-] - Deletion

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

1	Master Plans	300,000
2	MIS/GIS	<u>2,450,000</u>
3	Growth Fund Expense Total	\$4,000,000
4	<u>Revenue:</u>	
5	Transfer from Other Funds:	
6	Debt Service Fund (31)	<u>\$4,000,000</u>
7	Growth Fund Revenue Total	\$4,000,000
8	<u>WATER 2120 FUND – 27</u>	
9	<u>Expense:</u>	
10	Miscellaneous	<u>\$2,487,000</u>
11	Water 2120 Fund Expense Total	\$2,487,000
12	<u>Revenue:</u>	
13	Transfer from Other Funds:	
14	General Fund (21)	\$1,402,000
15	Water Resource Charges	\$1,060,000
16	Miscellaneous	<u>25,000</u>
17	Water 2120 Fund Revenue Total	\$2,487,000
18	Section 2. The Executive Director is authorized to develop and establish a	
19	nonrecurring safety/performance incentive program. This program will provide	
20	employees with an incentive based on cost reductions or performance enhancements	
21	resulting in operating efficiencies and/or a reduction in work related losses. Funding for	
22	this program is contingent on savings in the same or a greater amount.	
23	Section 3. The Executive Director is authorized to continue the Water Authority's	
24	partnerships with other governmental entities to support non-profit community	
25	development projects. Qualified projects may be approved to defer payment of all or a	
26	portion of applicable Utility Expansion Charges until the property is sold. The Water	
27	Authority will secure its position with a second mortgage on the subject property.	

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

1           Section 4. The Executive Director is directed to implement a 4% cost-of-living  
2 increase for FY26 subject to negotiation. If working capital balance exceeds one-twelfth  
3 of operating expenses, and debt service payments and debt service coverage are met,  
4 the remaining working capital balance shall be reserved for Capital Improvement  
5 Program.

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

8           Section 6. That the 2026-2035 Decade Plan is hereby approved.

1 PASSED AND ADOPTED THIS 21<sup>st</sup> DAY OF MAY, 2025  
2 BY A VOTE OF: 5 FOR 0 AGAINST.

3

4

5 Yes: F. Baca, Lewis, Olivas, Sanchez, Sengel

6 No:

7 Excused: B. Baca, Peña

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Eric C. Olivas, (Acting Chair)

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18 ATTEST:

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21 Mark S. Sanchez, Executive Director

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# Fiscal Year 2026 Performance Plan



Albuquerque Bernalillo County  
Water Utility Authority

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# 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 its targets and tracks the Water Authority's progress of baseline, current, and target performance.

Goal	Performance Measure	Baseline	Current	Target
<b>Water Supply &amp; Operations</b>	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	■	■	▲
<b>Wastewater Collection &amp; Operations</b>	Sewer Overflow Rate	▲	▲	▲
	Collection System Integrity	■	■	■
	Wastewater Treatment Effectiveness Rate	■	■	■
	Operations and Maintenance Cost Ratios	■	■	■
	Planned Maintenance Ratio	■	■	■
<b>Customer Services</b>	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	▲	▲	▲
<b>Business Planning &amp; Management</b>	Debt Ratio	■	■	■
	Return on Assets	■	■	■
	System Renewal/Replacement Rate	■	■	■
	Triple Bottom Line Index	■	■	■
<b>Organization Development</b>	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**

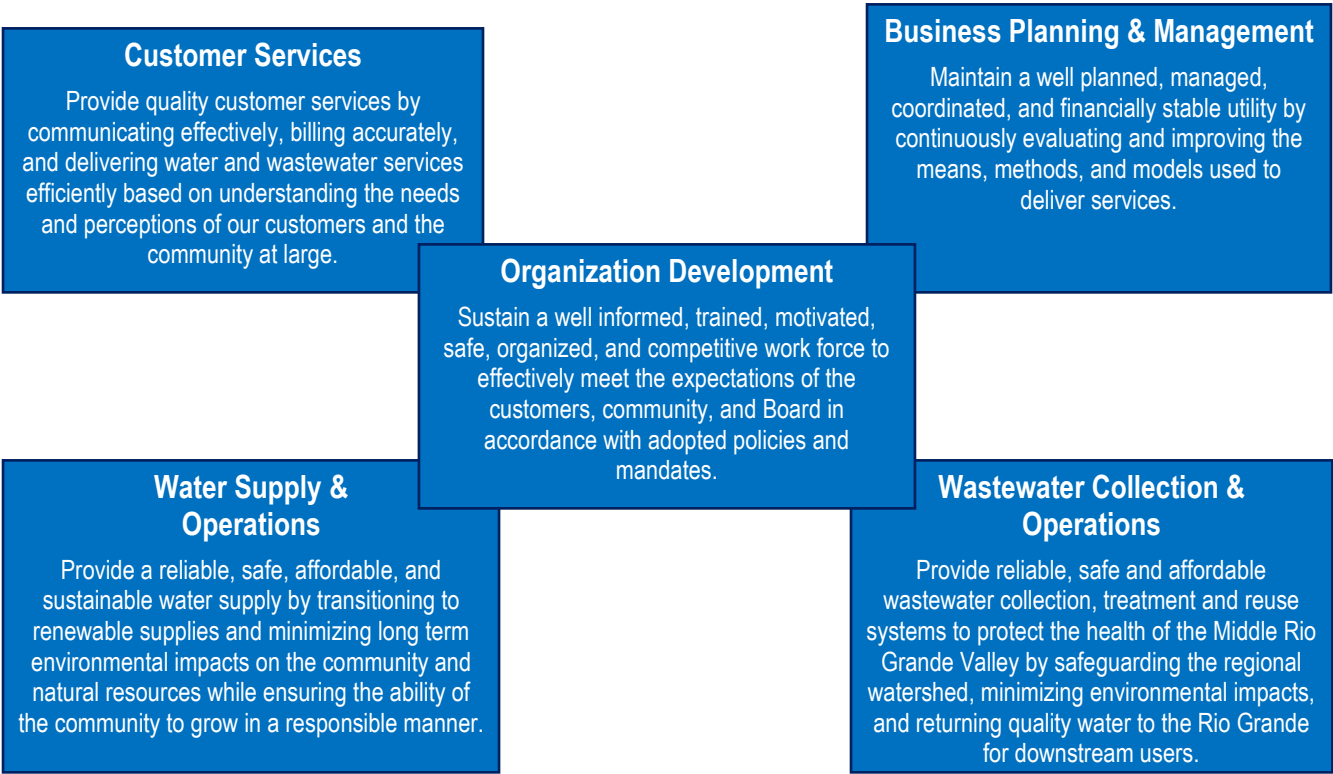
The Albuquerque Bernalillo County Water Utility Water Authority’s (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Business Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority’s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

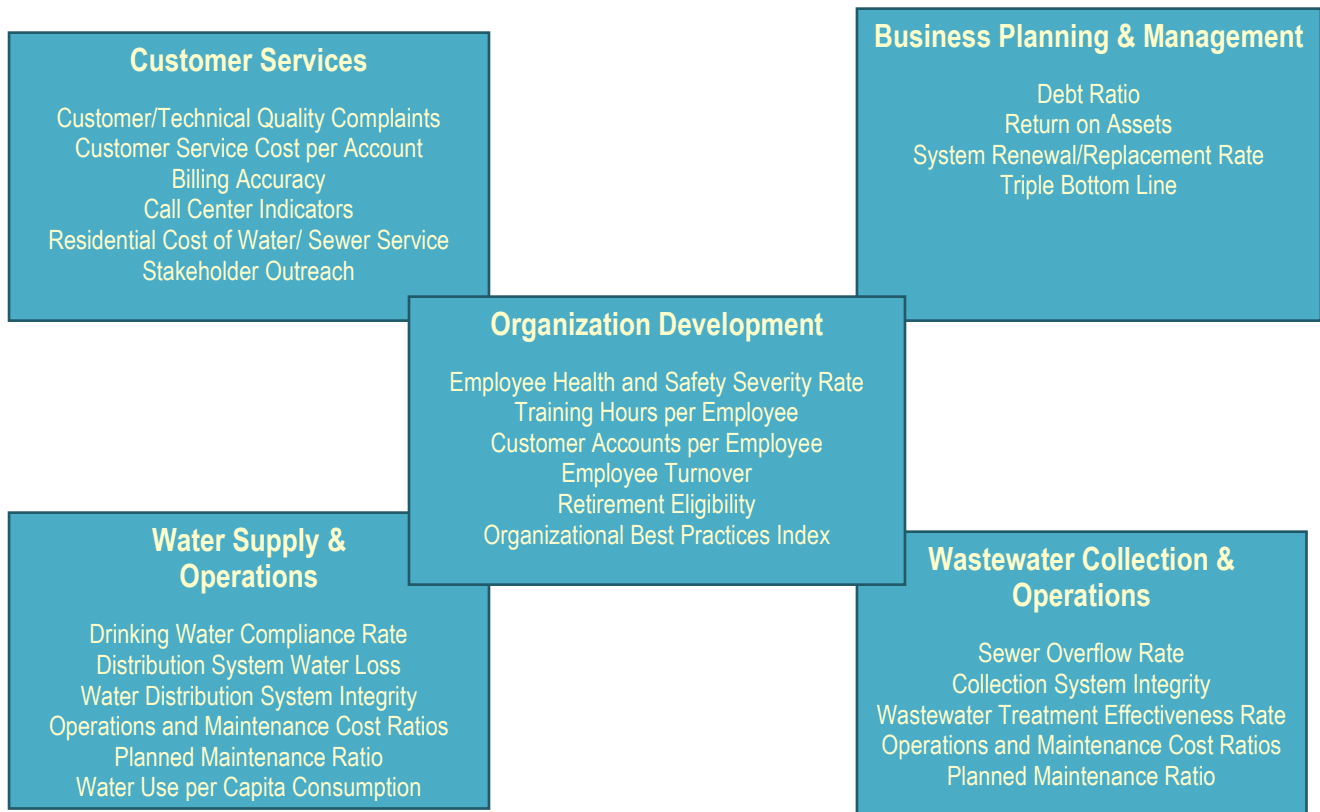
The Water Authority’s Performance Plan is organized by the Water Authority’s Business Goal areas which are modeled after AWWA’s business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems. 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.

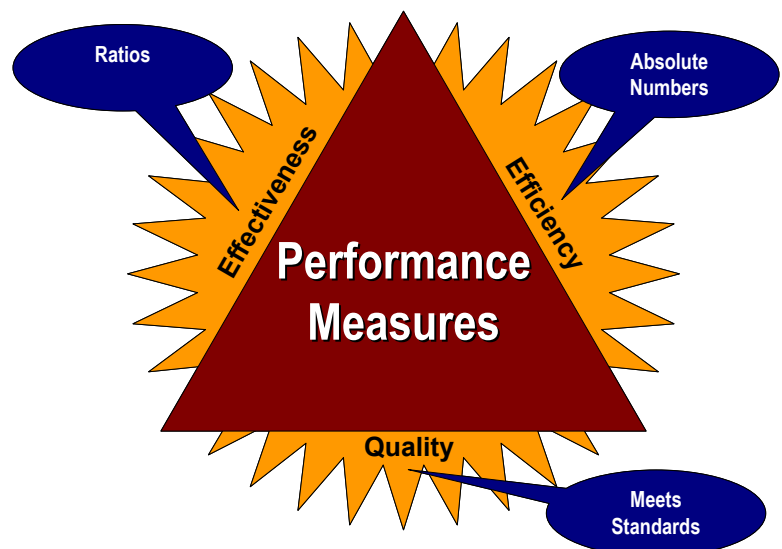
**Figure 2: Performance Measures by Goal Area**



### **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.

<b>Industry Peer Group</b>	
1)	<b>Combined Water/Sewer</b> Represents those utilities designated as providing both water and wastewater services
2)	<b>Populations greater than 500,000</b> Utilities that serve populations greater 500,000
3)	<b>Region 4</b> 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
 <p>CUSTOMER EXPERIENCE and SATISFACTION</p>						
 <p>WORKFORCE DEVELOPMENT</p>						
 <p>ENTERPRISE RESILIENCY</p>						
 <p>FINANCIAL VIABILITY</p>						
 <p>INFRASTRUCTURE STRATEGY and PERFORMANCE</p>						

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	■	■			■	■
 REGULATORY and RELIABILITY PERFORMANCE	▲	■				■
 STAKEHOLDER UNDERSTANDING and SUPPORT			▲			▲
 COMMUNITY SUSTAINABILITY				■	■	■
 WATER RESOURCE SUSTAINABILITY	▲			▲		▲
Goal Score	■	■	■	■	■	■

Performance Key

▲  
Excellent

■  
Good

■  
Fair

▼  
Poor



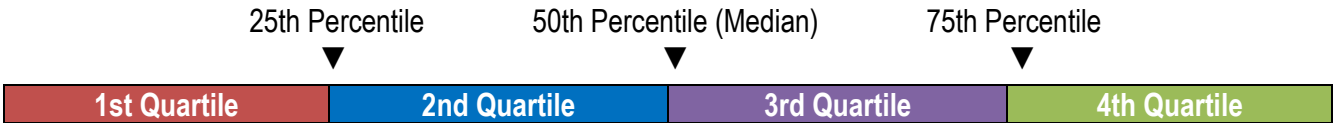
**Communicating Performance Measurement**

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	■	■
	<b>Overall Goal Status</b>	■	■

### Performance Key

▲  
Excellent

■  
Good

■  
Fair

▼  
Poor

## Linkage of Objectives to Performance Measures

FY26 Objectives	Measure Reference
<p>Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions:</p> <ul style="list-style-type: none"> <li>❖ Identify and develop outreach and education of source water protection actions for customers and agencies in support of implementation of the RAPP.</li> <li>❖ Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY26.</li> <li>❖ 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</li> <li>❖ Collaborate and coordinate with Water Authority divisions on responses and actions for released to source waters.</li> </ul>	<b>1-1</b>
<p>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.</p>	<b>1-1</b>
<p>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.</p>	<b>1-1</b>
<p>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.</p>	<b>1-1</b>
<p>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.</p>	<b>1-1</b>
<p>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.</p>	<b>1-1</b>
<p>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.</p>	<b>1-3</b>
<p>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.</p>	<b>1-3</b>
<p>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.</p>	<b>1-3</b>
<p>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.</p>	<b>1-3</b>
<p>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.</p> <ul style="list-style-type: none"> <li>❖ 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.</li> </ul>	<b>1-4</b>

FY26 Objectives	Measure Reference
<ul style="list-style-type: none"> <li>❖ Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.</li> <li>❖ Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water -Treatment.</li> </ul>	
<p>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.</p> <ul style="list-style-type: none"> <li>❖ Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.</li> </ul>	1-4
Update the Water Resources Management Strategy: Water 2120 by the end of the 2nd Quarter of FY26.	1-6
<p>Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY26.</p> <ul style="list-style-type: none"> <li>❖ 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.</li> <li>❖ Attend Upper Colorado River Commission (UCRC) meetings as well as regular monthly updates from the New Mexico Interstate Stream Commission (NMISC).</li> </ul>	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				✓

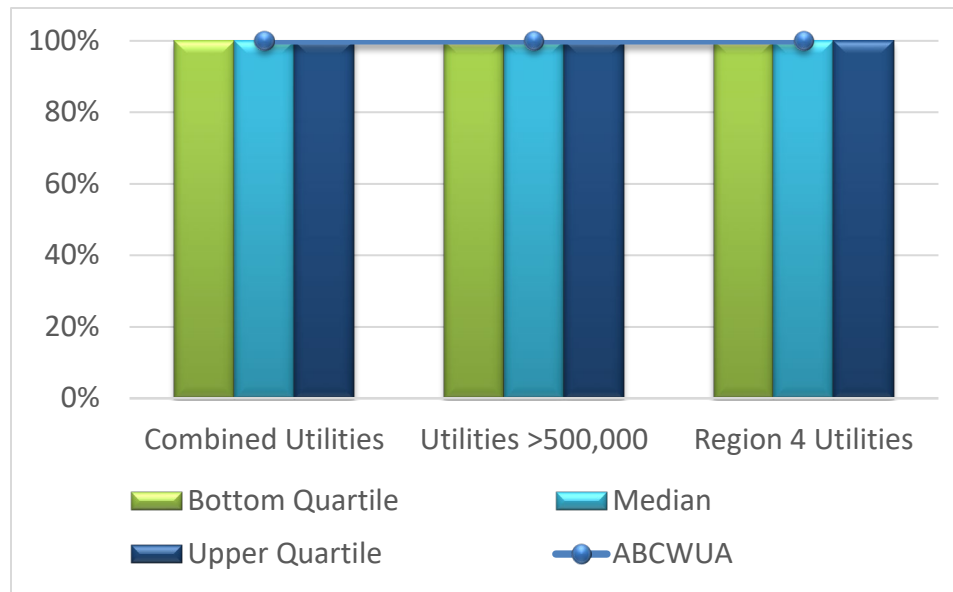
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**1-1 Drinking Water Compliance Rate**

**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Provide safe and reliable drinking water to our customers 100% of the time
				FY22	FY23	FY24	FY25	FY26	
			100%	100%	100%	100%	100%	100%	

**Industry Benchmark**



**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

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**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



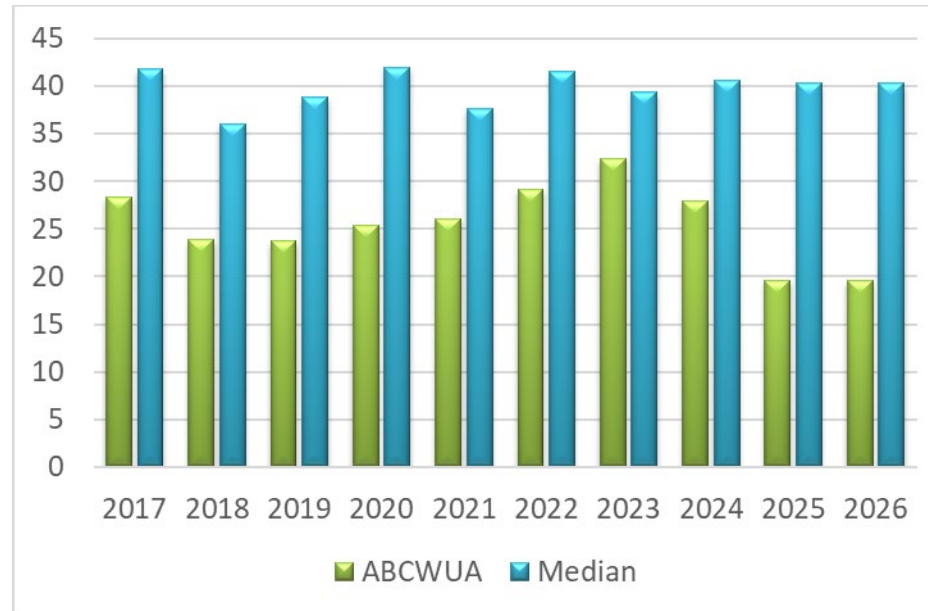
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**Goal 1: Water Supply and Operations**

**1-2 Distribution System Water Loss**

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

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Improve water use efficiency and recover lost revenue
				2022	2023	2024	2025	2026	
			29.86	29.20	32.40	28.00	28.00	28.00	

**Industry Benchmarks**



*Lower Values Desirable*

***FY26 Performance Plan***  
***Goal 1: Water Supply and Operations***

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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

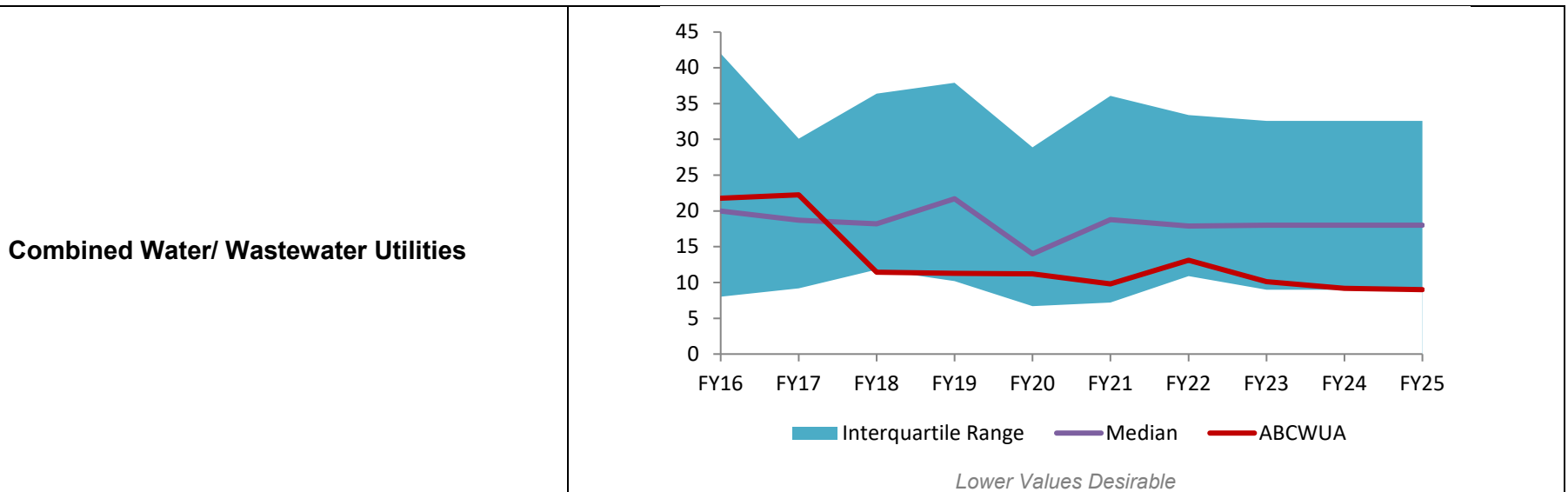
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**1-3 Water Distribution System Integrity**

**Performance Results**

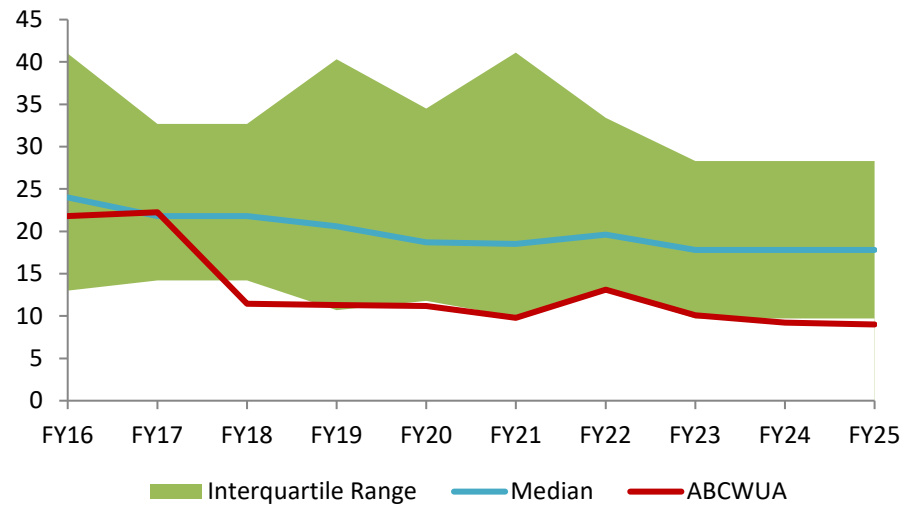
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	Baseline	Prior Year Actuals			Current/Est	Projected	Improve the condition and reliability of the water distribution system and reduce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

**Industry Benchmarks**



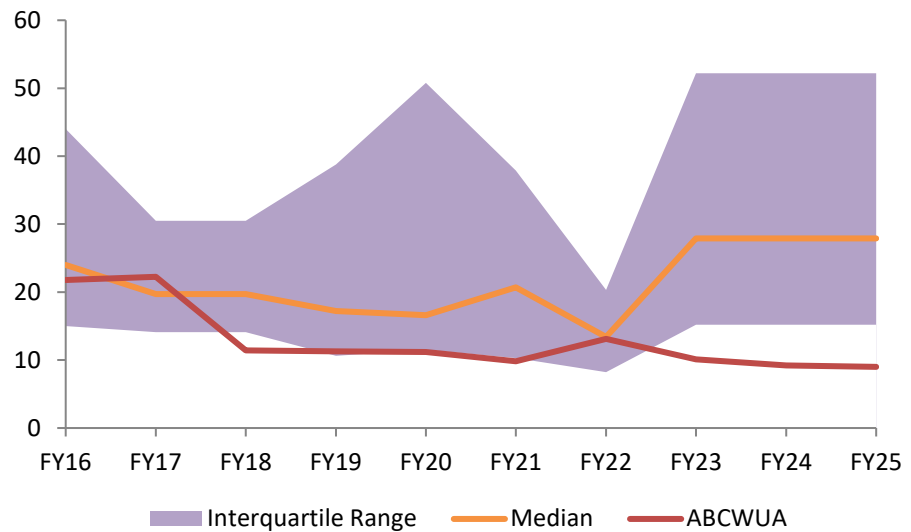
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Lower Values Desirable*

**Utilities located in Region 4**



*Lower Values Desirable*

**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

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**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

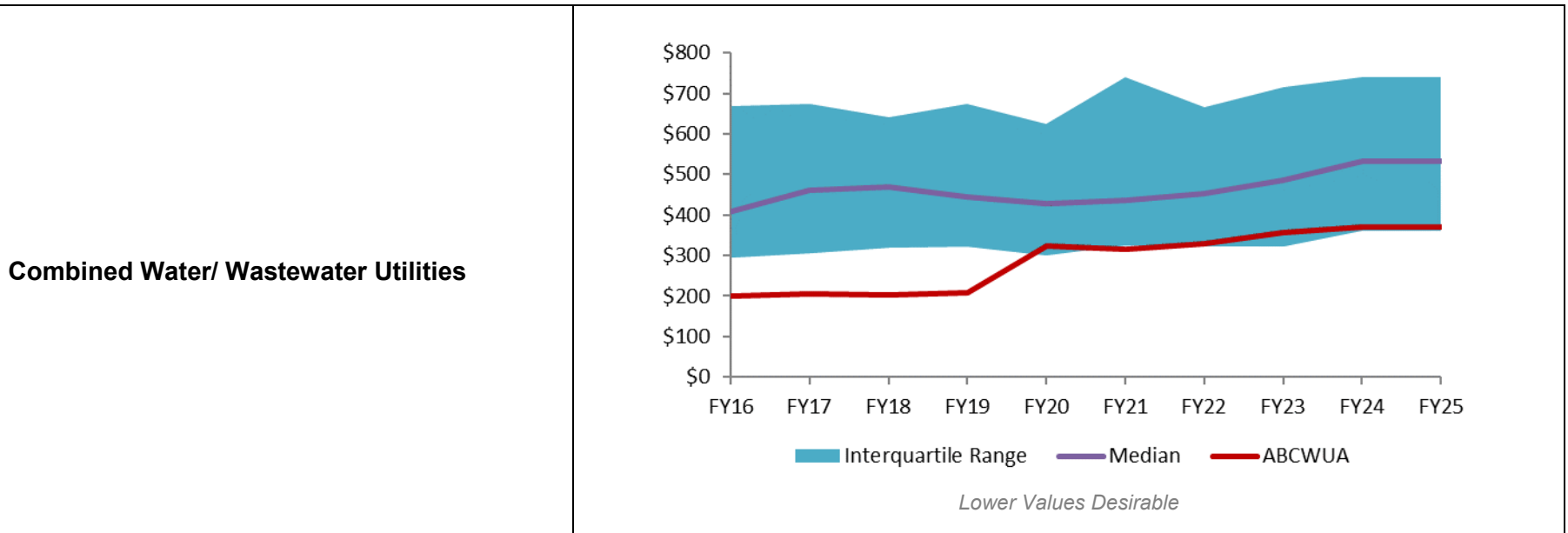
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**1-4 Operations and Maintenance Cost Ratio**

**Performance Results for O&M Cost per Account**

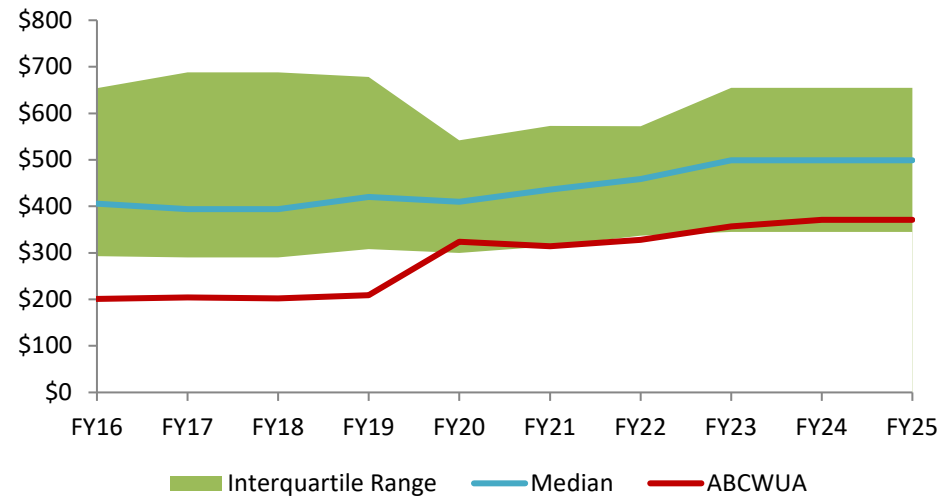
Measure Type	Purpose	Inputs	Outputs					Outcome	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
			FY22	FY23	FY24	FY25	FY26		
			\$352	\$328	\$357	\$371	\$371	\$390	

**Industry Benchmark for O&M Cost per Account**



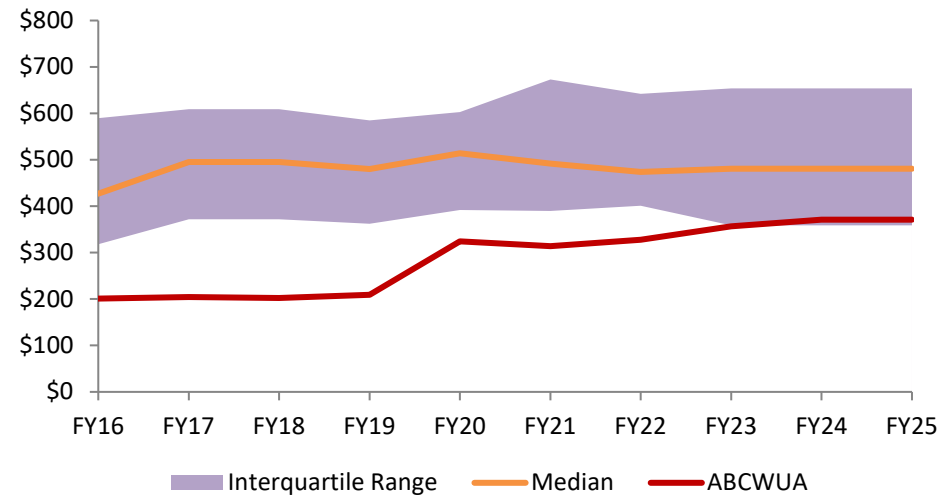
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Lower Values Desirable*

**Utilities located in Region 4**



*Lower Values Desirable*

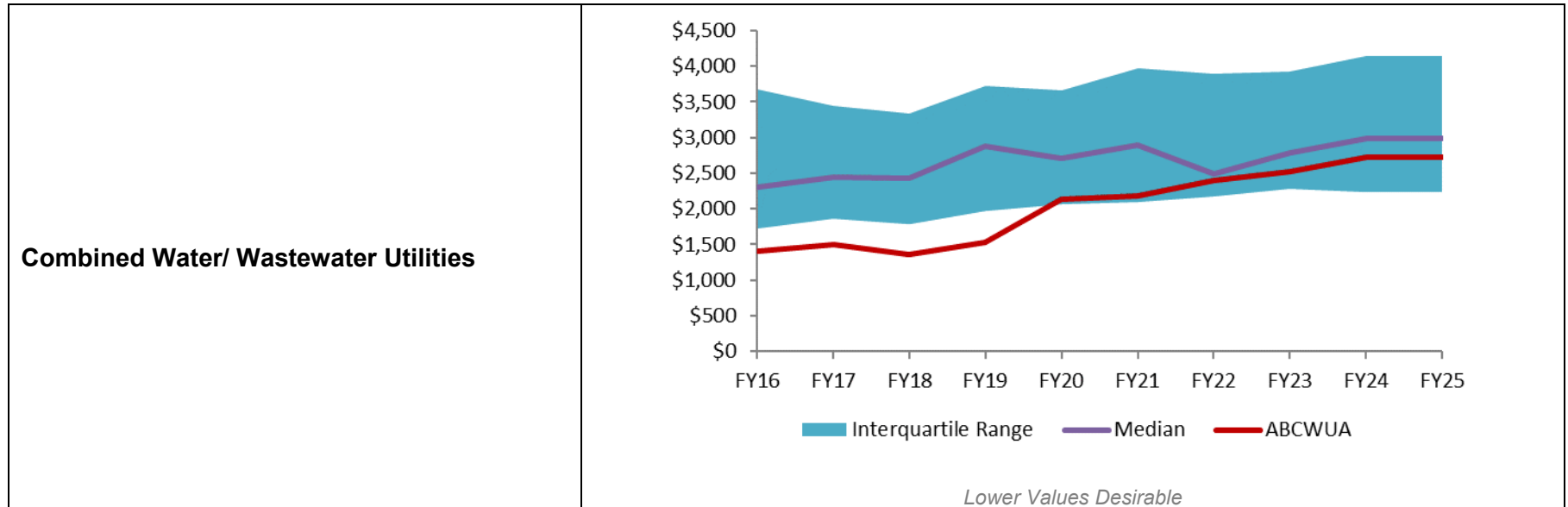


**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Performance Results for O&M Cost per MG Distributed**

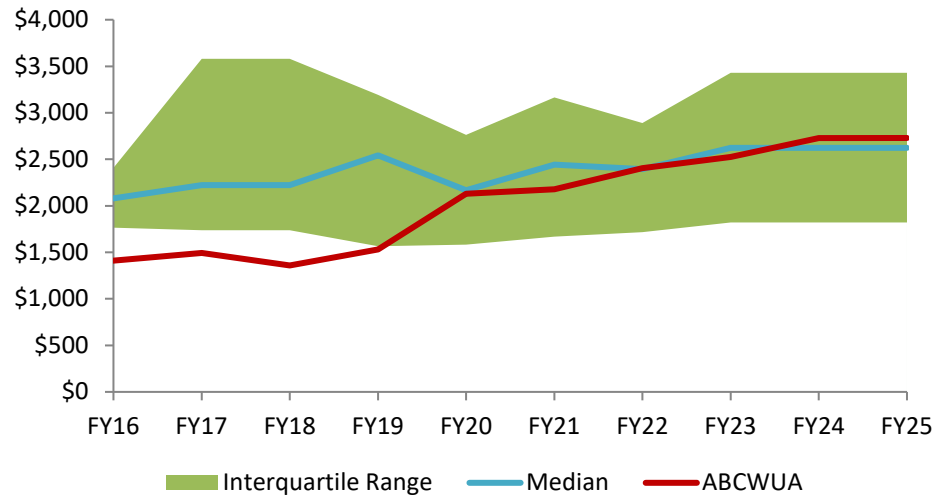
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total volume of water distributed	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
				FY22	FY23	FY24	FY25	FY26	
			\$2,552	\$2,403	\$2,525	\$2,729	\$2,729	\$2,800	

**Industry Benchmark for O&M Cost per MG Distributed**



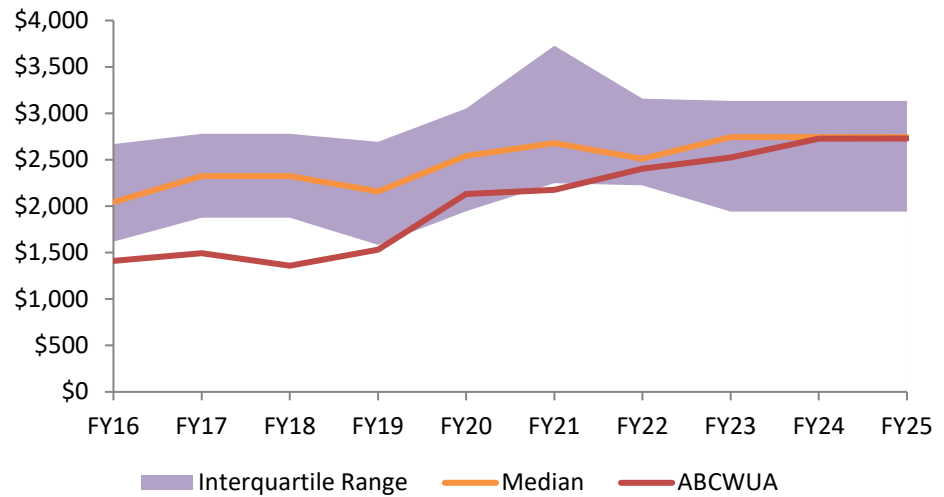
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Lower Values Desirable*

**Utilities located in Region 4**



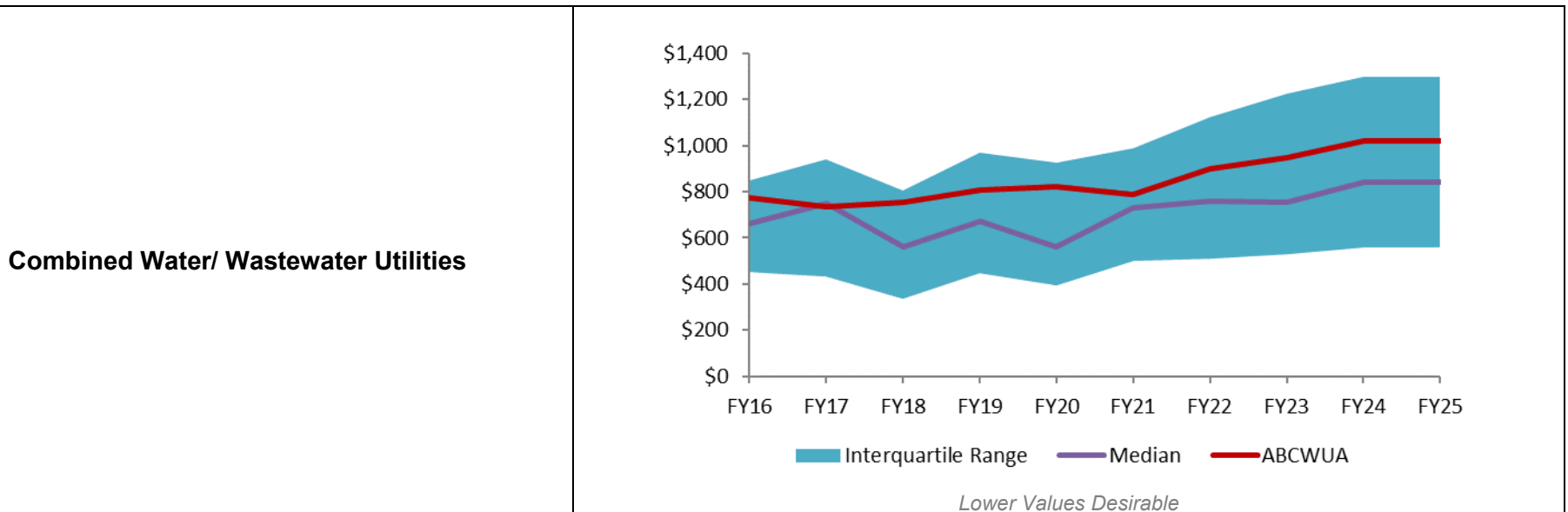
*Lower Values Desirable*

**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Performance Results for O&M Cost of Treatment per MG**

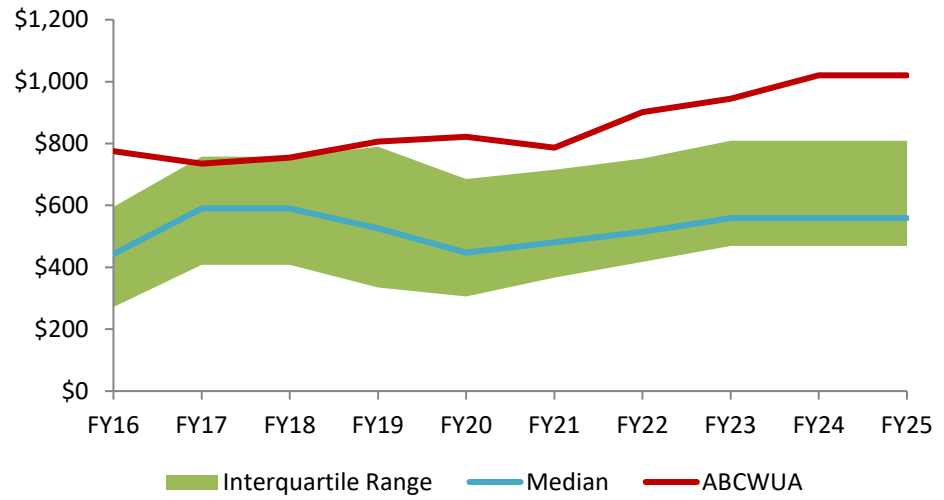
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
				FY22	FY23	FY24	FY25	FY26	
			\$955	\$901	\$945	\$1,020	\$1,020	\$1,100	

**Industry Benchmarks**



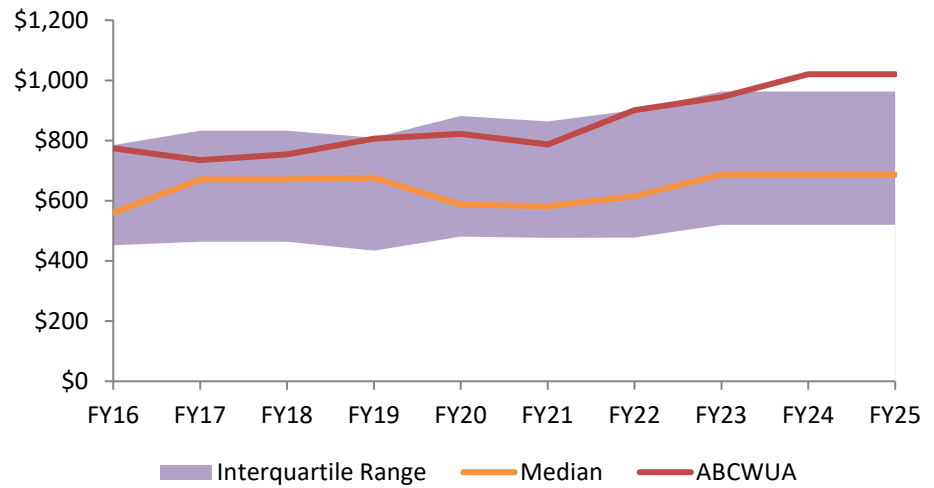
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Lower Values Desirable*

**Utilities located in Region 4**



*Lower Values Desirable*

***FY26 Performance Plan***  
***Goal 1: Water Supply and Operations***

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**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.

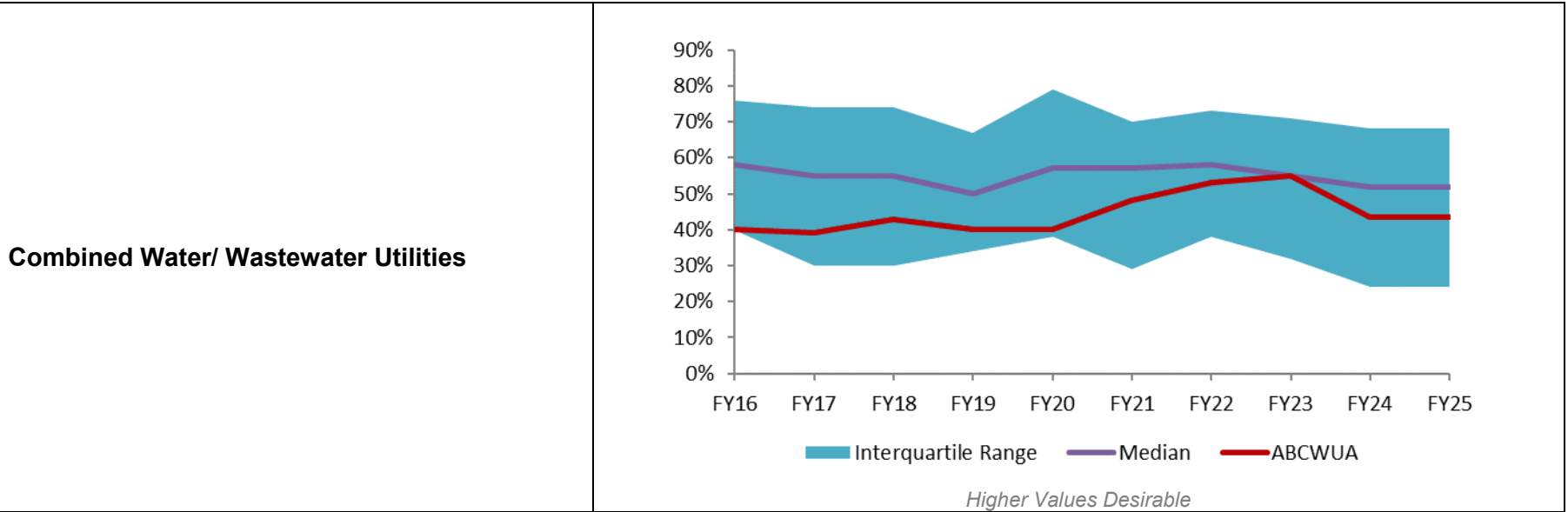
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**1-5 Planned Maintenance Ratio**

**Performance Results**

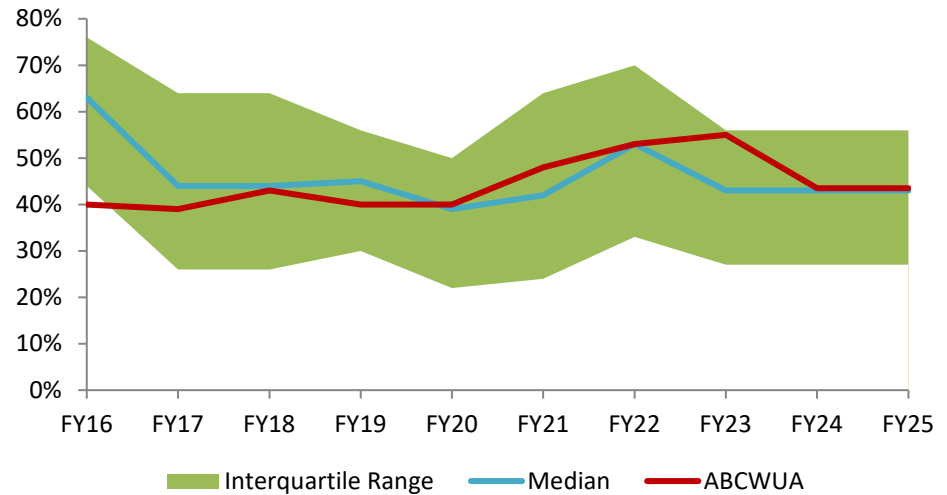
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce emergency maintenance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

**Industry Benchmarks**



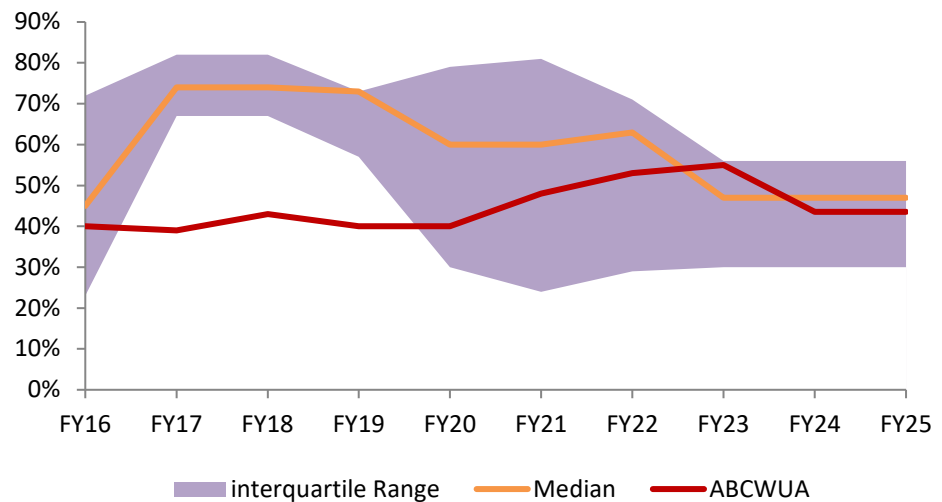
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Higher Values Desirable*

**Utilities located in Region 4**



*Higher Values Desirable*



***FY26 Performance Plan***  
***Goal 1: Water Supply and Operations***

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**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.

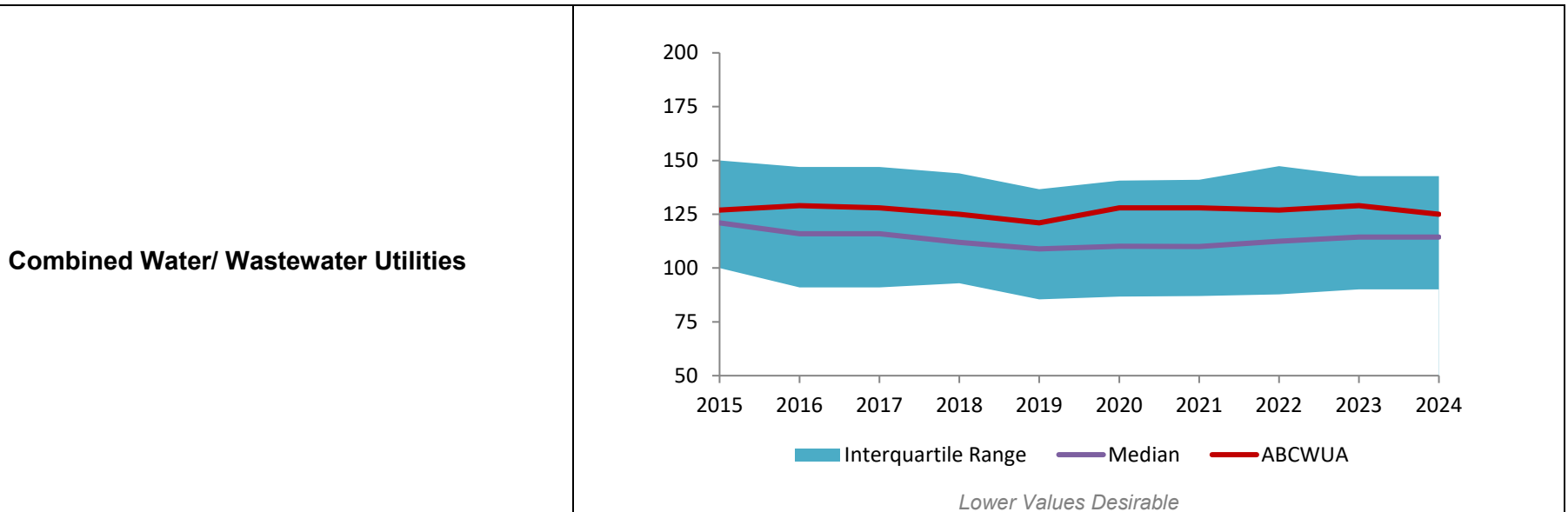
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**1-6 Water Use per Capita Consumption**

**Performance Results**

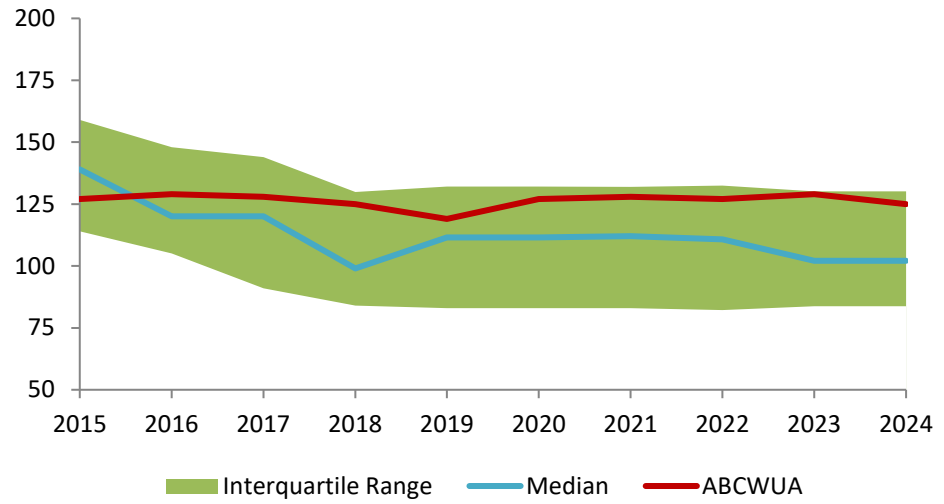
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class and system-wide per capita usage	Gallons per person per day (GPCD)	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce water consumption to extend water resources and minimize environment impacts
				2021	2022	2023	2024	2025	
			128	128	127	129	125	124	

**Industry Benchmarks**



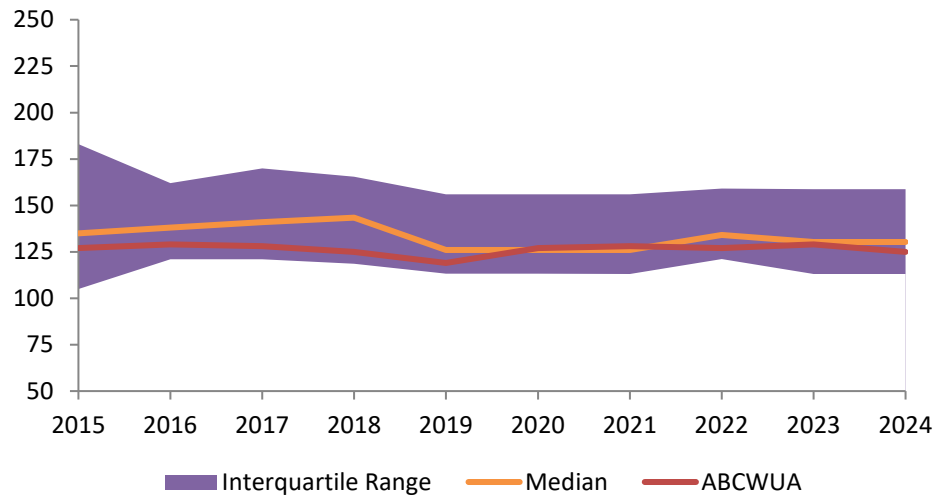
**FY26 Performance Plan**  
**Goal 1: Water Supply and Operations**

**Utilities with populations greater than 500,000**



*Lower Values Desirable*

**Utilities located in Region 4**



*Lower Values Desirable*

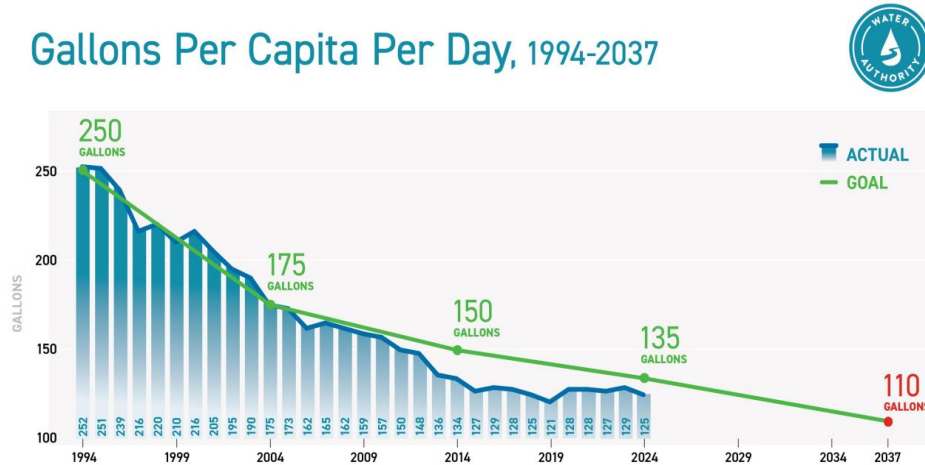
## FY26 Performance Plan Goal 1: Water Supply and Operations

### 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.

### Long Term GPCD

Gallons Per Capita Per Day, 1994-2037



WATER BY THE SEASONS SUMMER WATERING RECOMMENDATIONS (JUNE - AUGUST) FOR GREATER ALBUQUERQUE		
Plant Type	How Often?	How Deep?
TREES	1 TIME PER WEEK	24" INCHES
SHRUBS	1 TIME PER WEEK	18" INCHES
FLOWERING PLANTS	2 TIMES PER WEEK	12" INCHES
DESERT ACCENTS	2 TIMES PER MONTH	12" INCHES
GROUNDCOVER	1 TIME PER WEEK	8" INCHES
GRASS: TURF (COOL SEASON)	3-5 TIMES PER WEEK	6" INCHES
GRASS: TURF (WARM SEASON)	2-3 TIMES PER WEEK	12" INCHES
GRASS: ORNAMENTAL	1-2 TIMES PER WEEK	18" INCHES
VINES	1 TIME PER WEEK	12" INCHES

=MONTHLY    =WEEKLY

### 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	■	■
<b>Overall Goal Status</b>		■	■

### 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.	<b>2-1</b>
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.	<b>2-2</b>
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.	<b>2-2</b>
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.	<b>2-2</b>
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.	<b>2-2 2-3</b>
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.	<b>2-2 2-3</b>
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.	<b>2-2 2-3</b>
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.	<b>2-3</b>
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.	<b>2-4</b>
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.	<b>NA</b>

## 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	✓	✓	



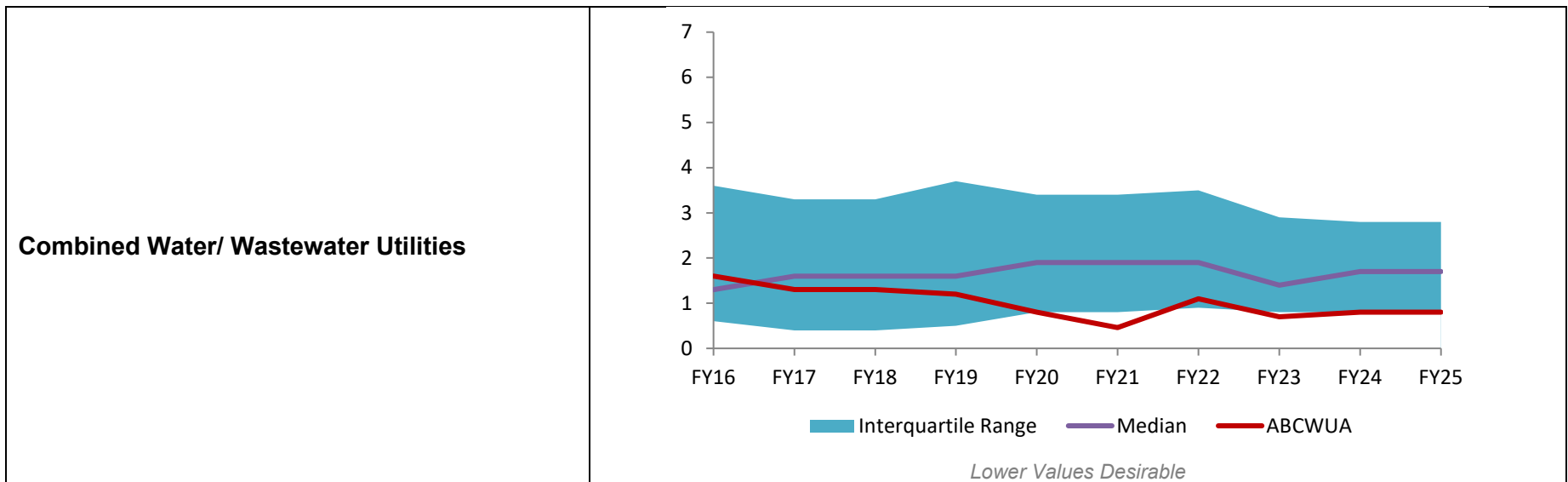
**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**2-1 Sewer Overflow Rate**

**Performance Results**

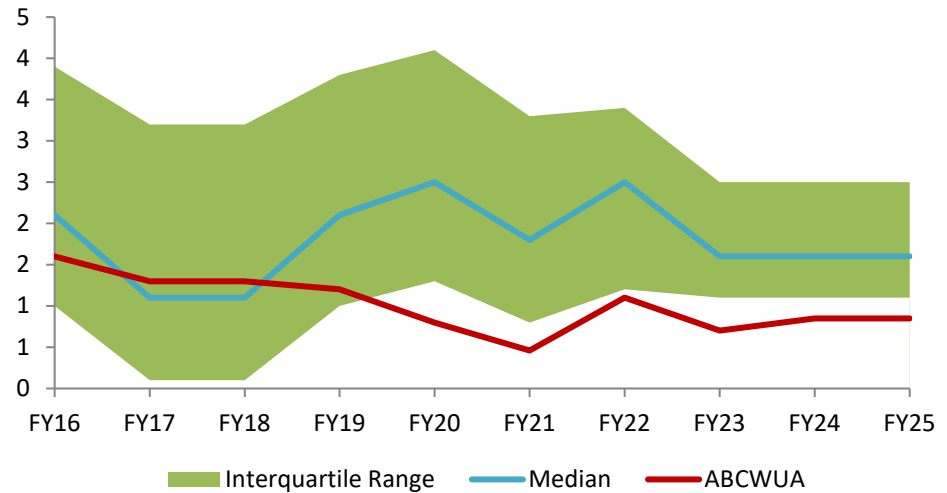
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	Baseline	Prior Year Actuals			Current/Est	Projected	Improve the condition and reliability of the collection system and reduce customer complaints
				FY22	FY23	FY24	FY25	FY26	
			0.9	1.1	0.7	0.8	0.8	0.8	

**Industry Benchmarks**

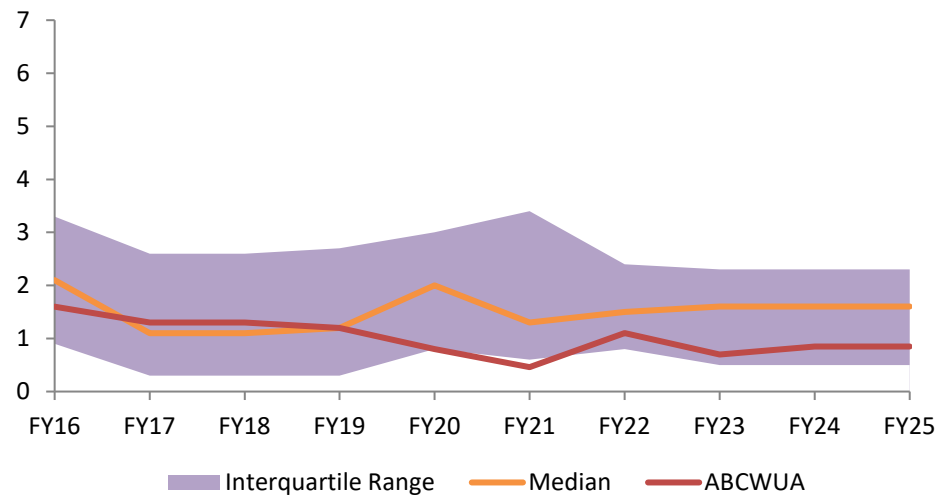


**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**Utilities with populations greater than 500,000**



**Utilities located in Region 4**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

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**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

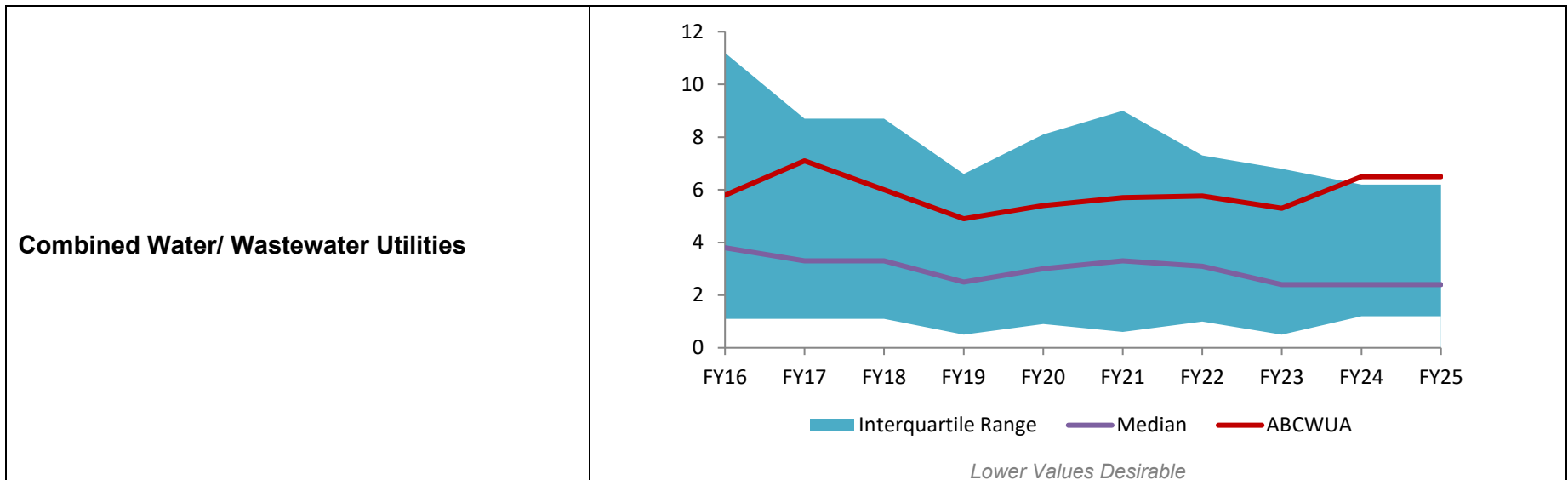
**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**2-2 Collection System Integrity**

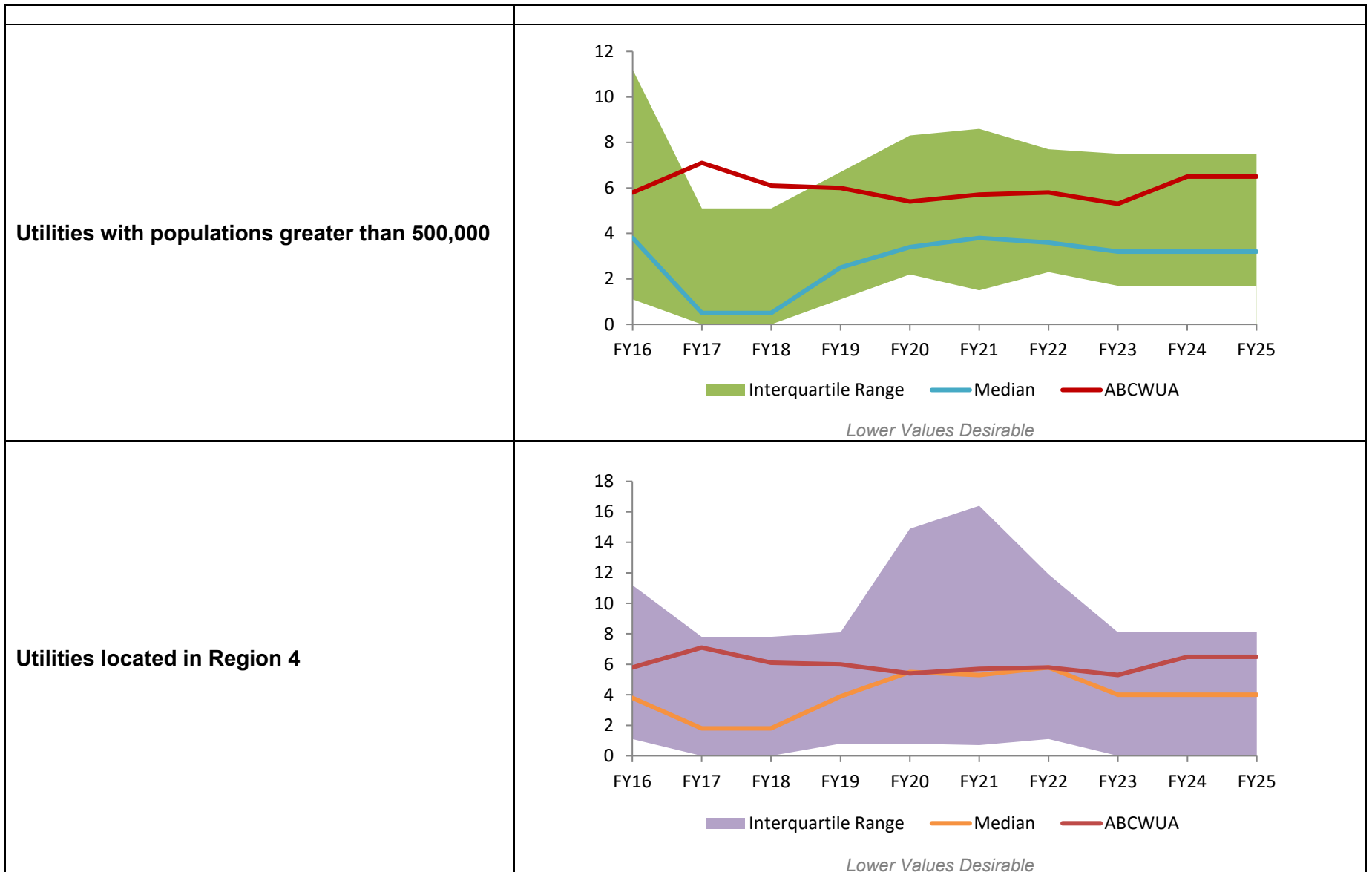
**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	Baseline	Prior Year Actuals			Current/Est	Projected	Improve the condition and capacity of the collection system and minimize catastrophic failures
				FY22	FY23	FY24	FY25	FY26	
			5.86	5.8	5.3	6.5	6.5	6.0	

**Industry Benchmarks**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

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**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 from sewer lines or treatment facilities

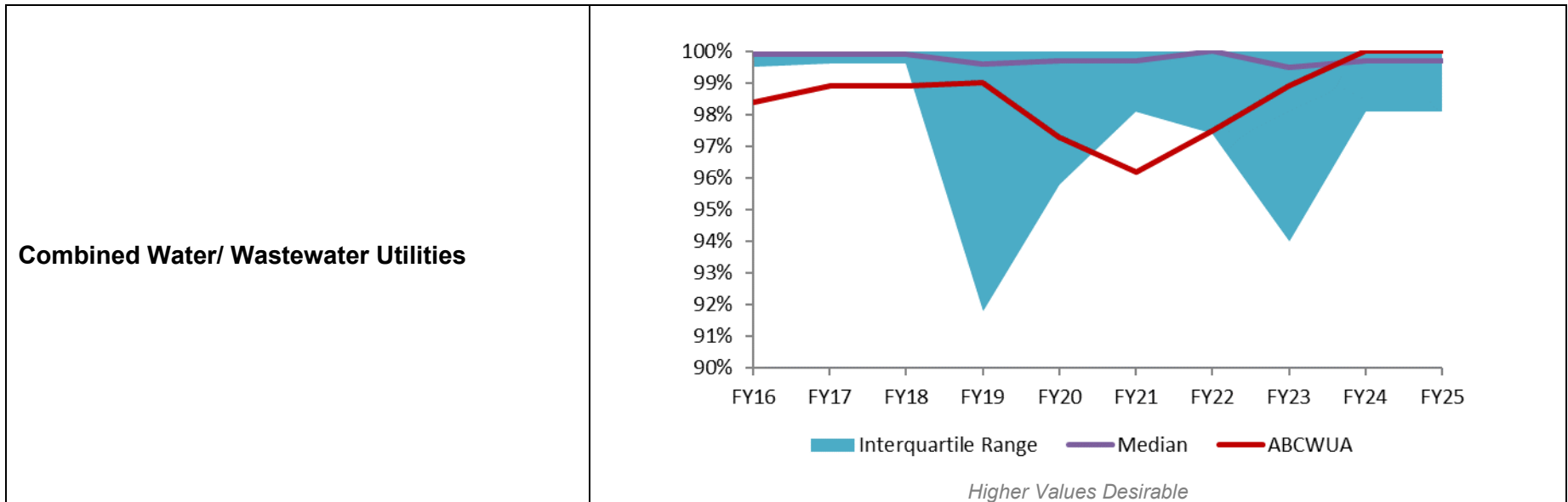
**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**2-3 Wastewater Treatment Effectiveness Rate**

**Performance Results**

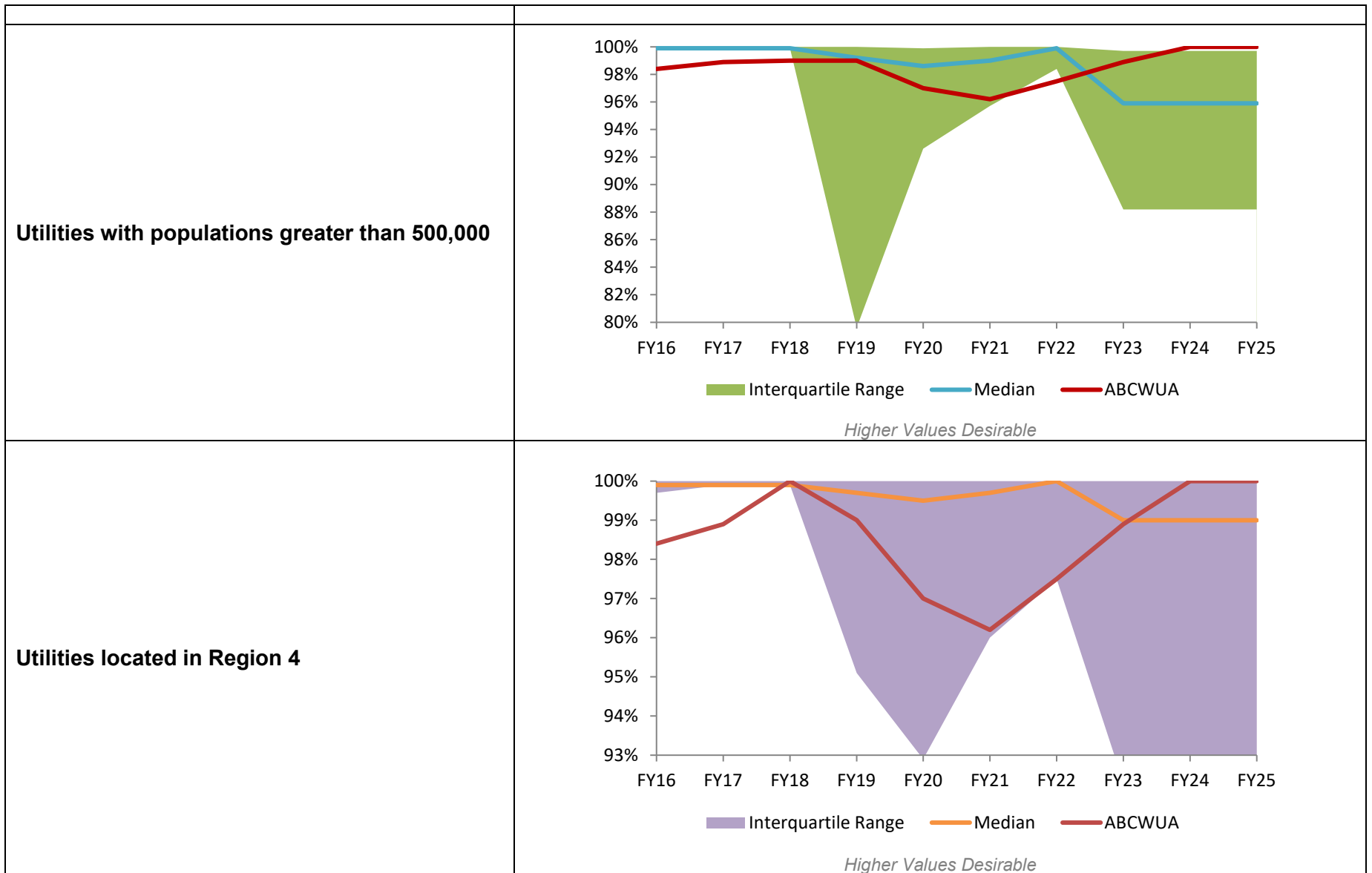
Measure Type	Purpose	Inputs	Outputs						Outcome
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent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

**Industry Benchmarks**





**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

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**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.



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.

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**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

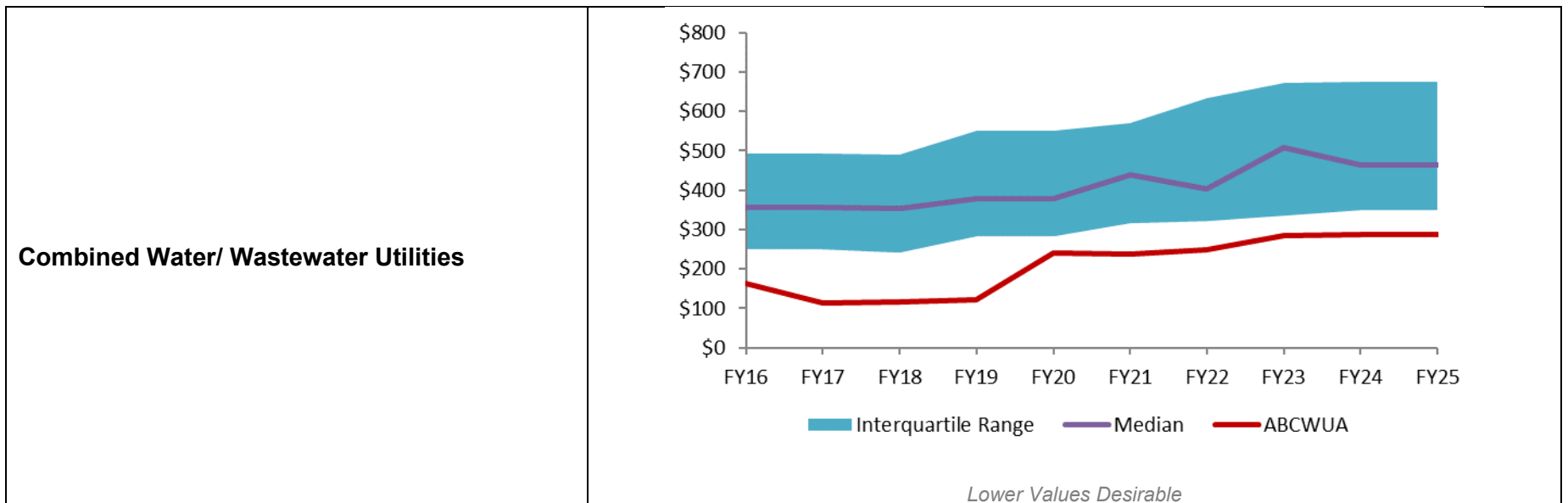
**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**2-4 Operations and Maintenance Cost Ratio**

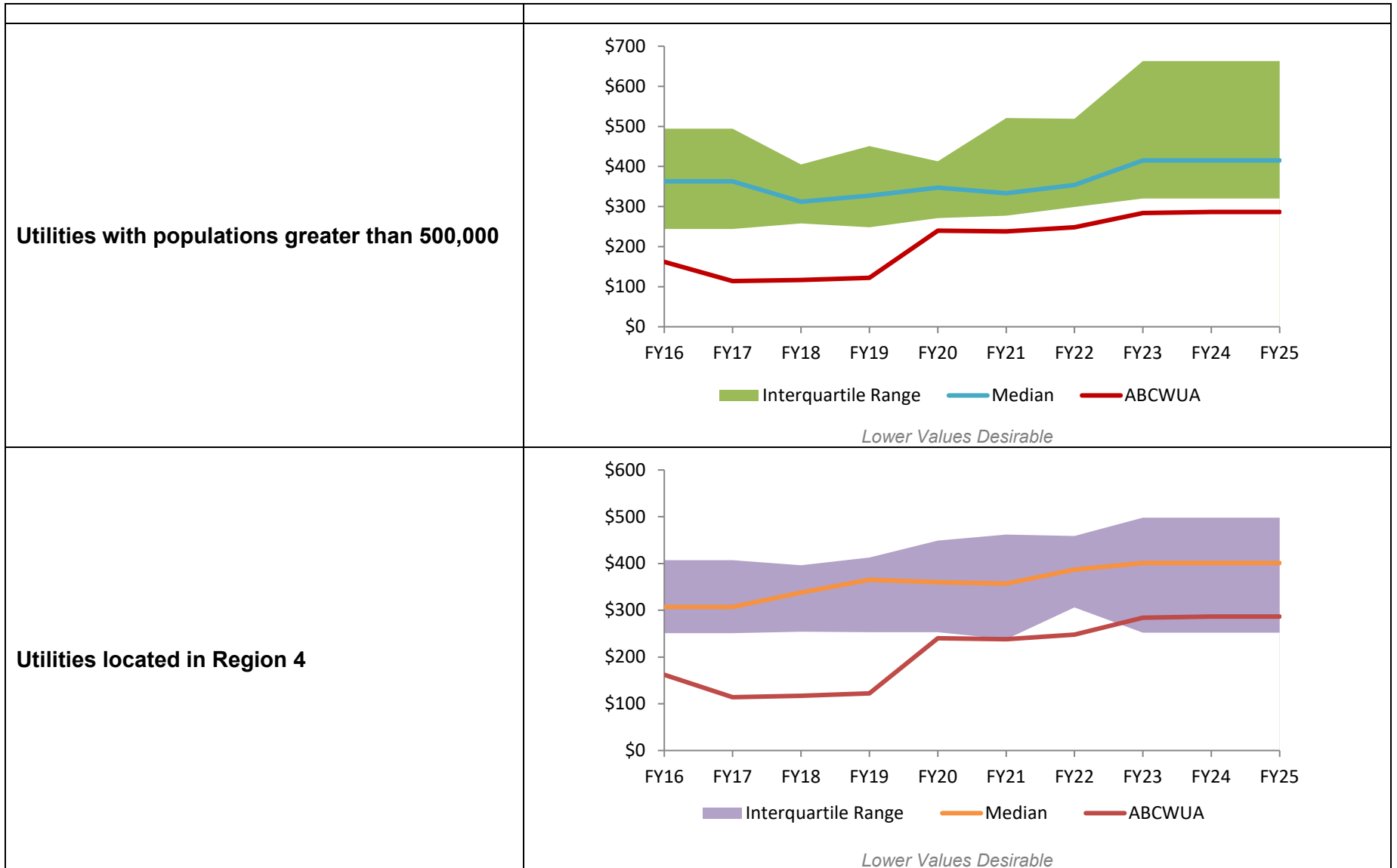
**Performance Results for O&M Cost per Account**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
				FY22	FY23	FY24	FY25	FY26	
			\$272	\$248	\$284	\$286	\$286	\$300	

**Industry Benchmark for O&M Cost per Account**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

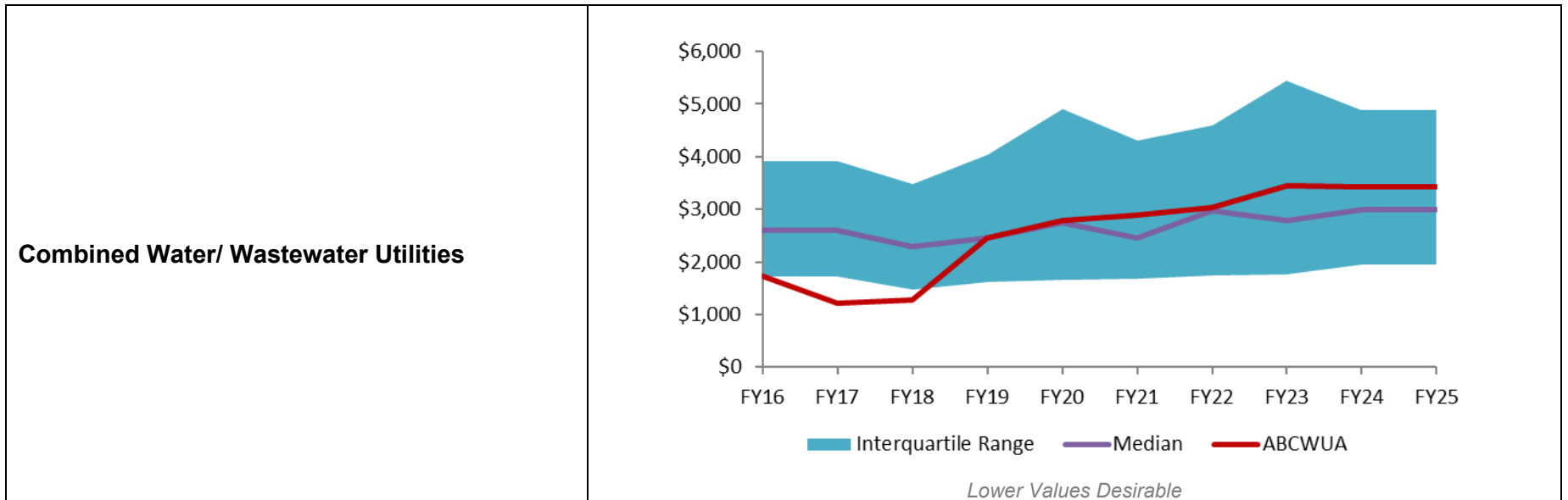


**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**Performance Results for O&M Cost per MG Collected**

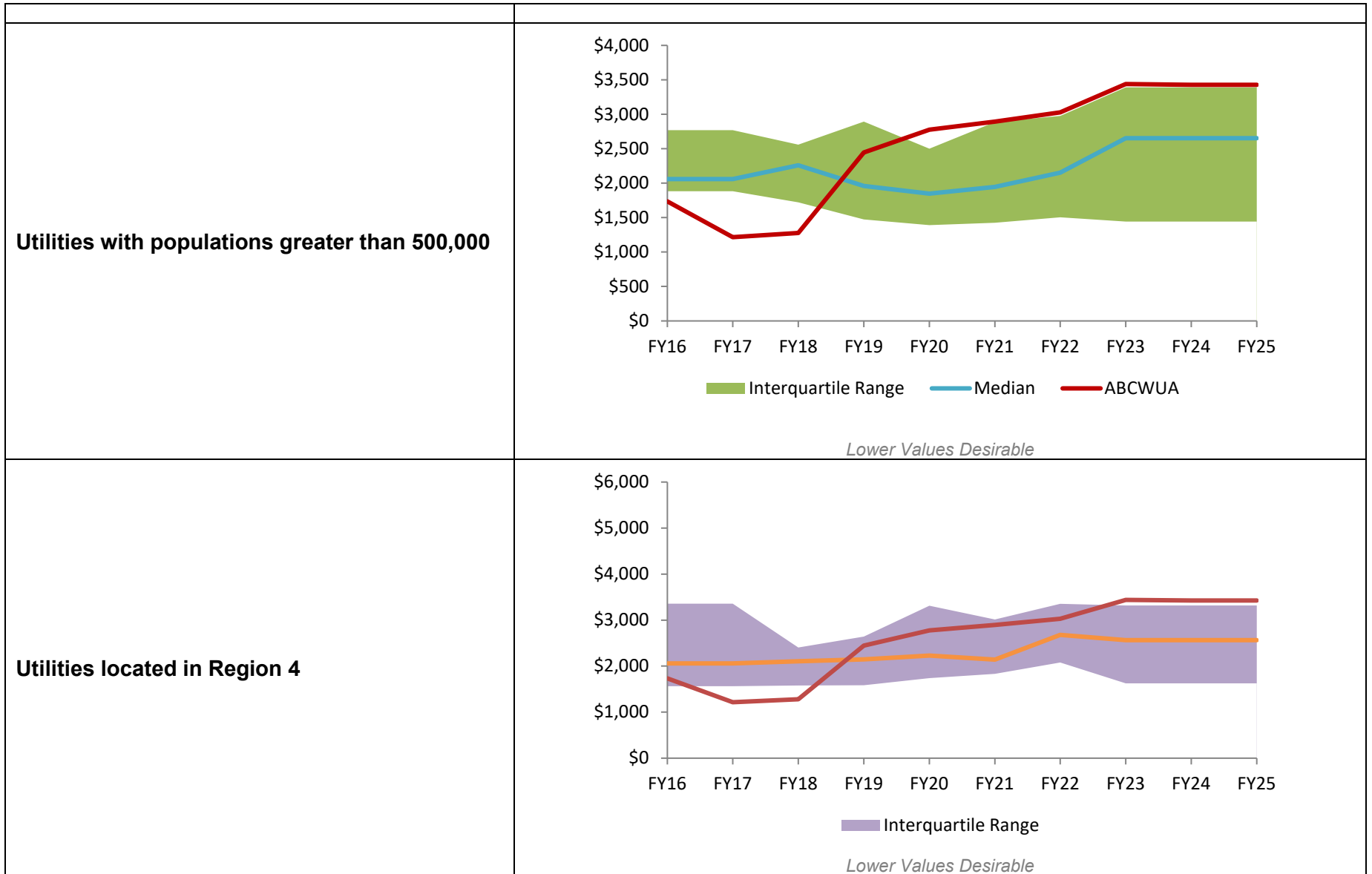
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total wastewater collected	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
				FY22	FY23	FY24	FY25	FY26	
			\$3,298	\$3,029	\$3,439	\$3,426	\$3,426	\$3,600	

**Industry Benchmark for O&M Cost per MG Collected**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

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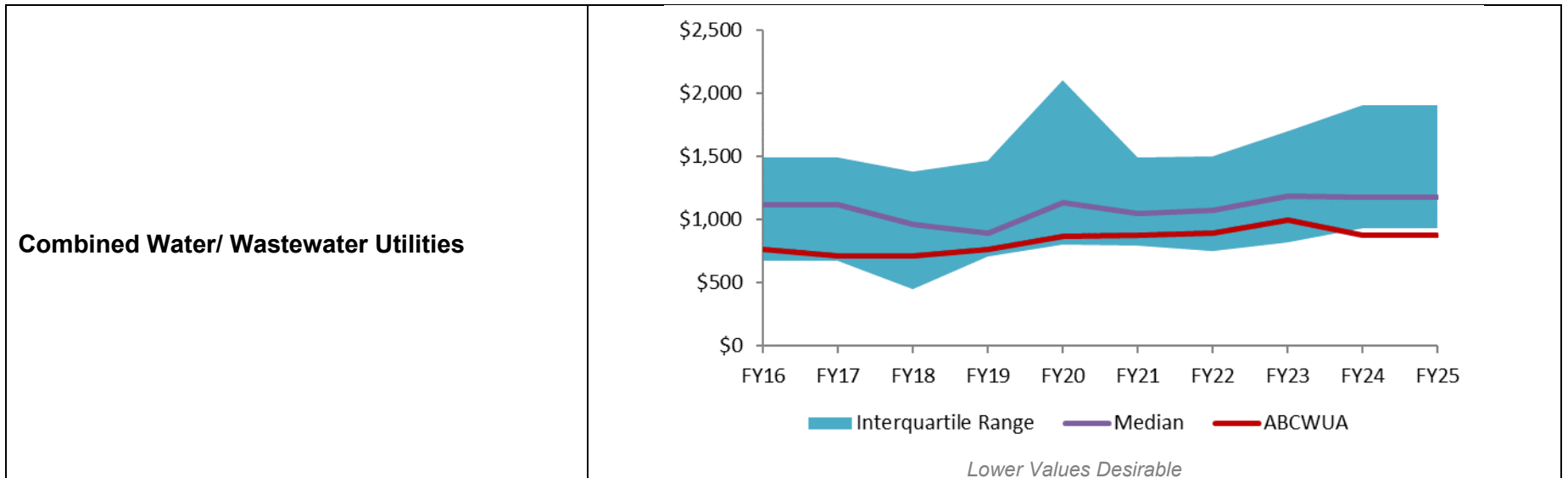


**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**Performance Results for O&M Cost of Treatment per MG**

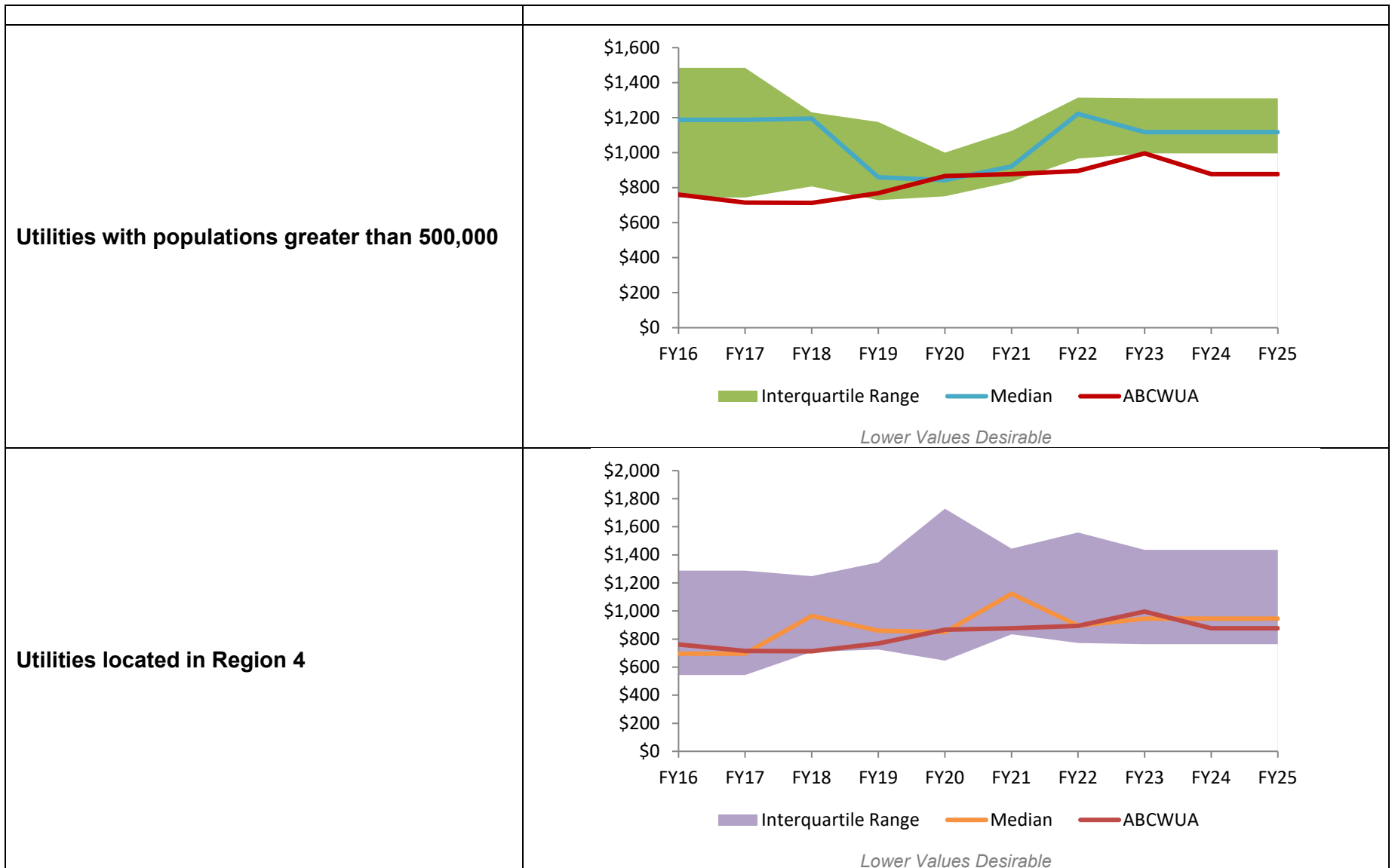
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	Baseline	Prior Year Actuals			Current/Est	Projected	Maintain lower O&M costs without reducing customer level of service
				FY22	FY23	FY24	FY25	FY26	
			\$923	\$895	\$996	\$878	\$878	\$900	

**Industry Benchmark for O&M Cost of Treatment per MG**





**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**



***FY26 Performance Plan***  
***Goal 2: Wastewater Collection and Operations***

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**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.

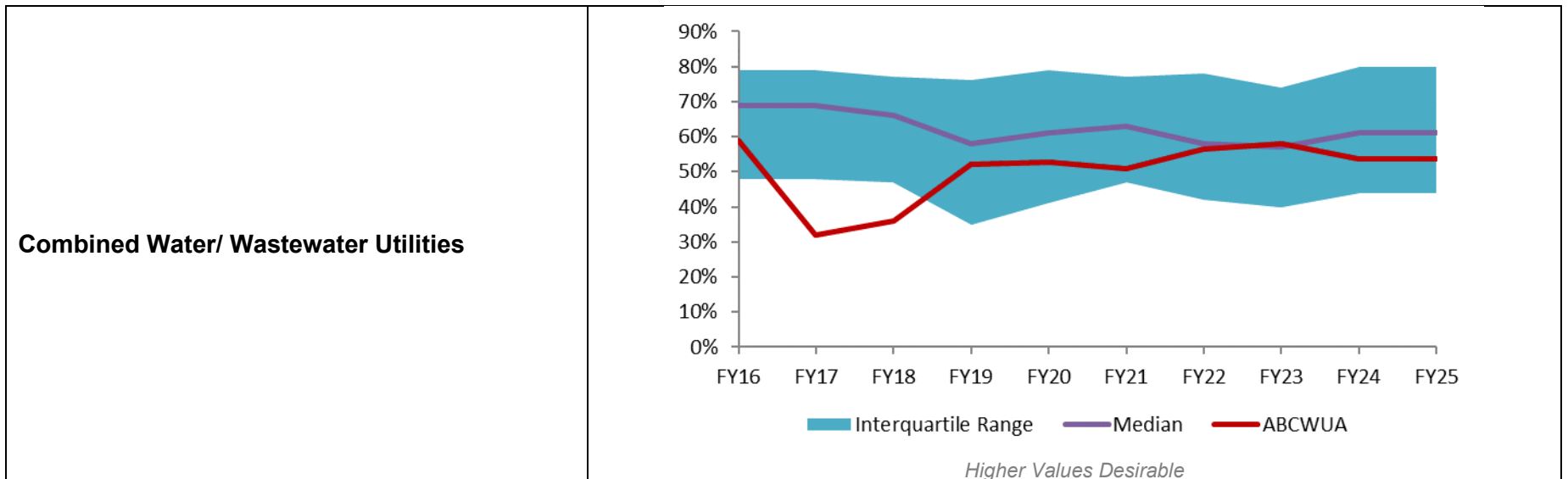
**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

**2-5 Planned Maintenance Ratio**

**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce emergency maintenance from system malfunctions
				FY22	FY23	FY24	FY25	FY26	
			56%	57%	58%	54%	54%	56%	

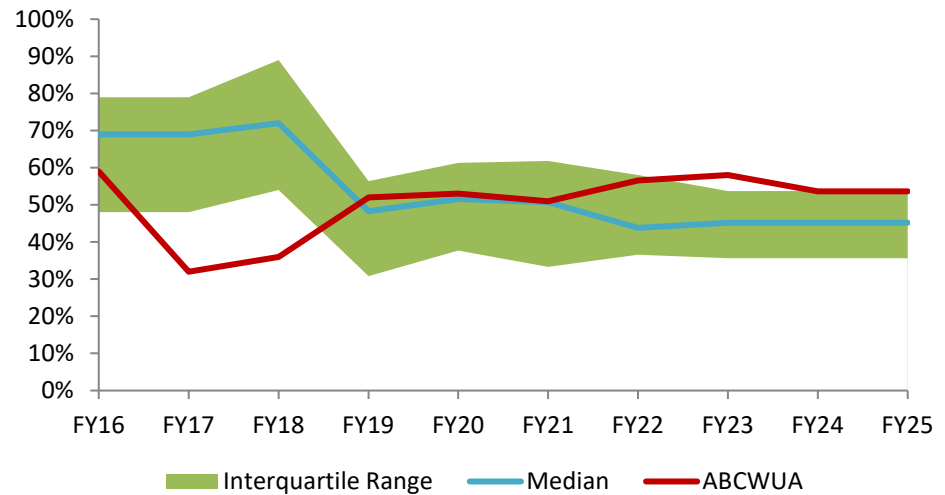
**Industry Benchmarks**



**FY26 Performance Plan**  
**Goal 2: Wastewater Collection and Operations**

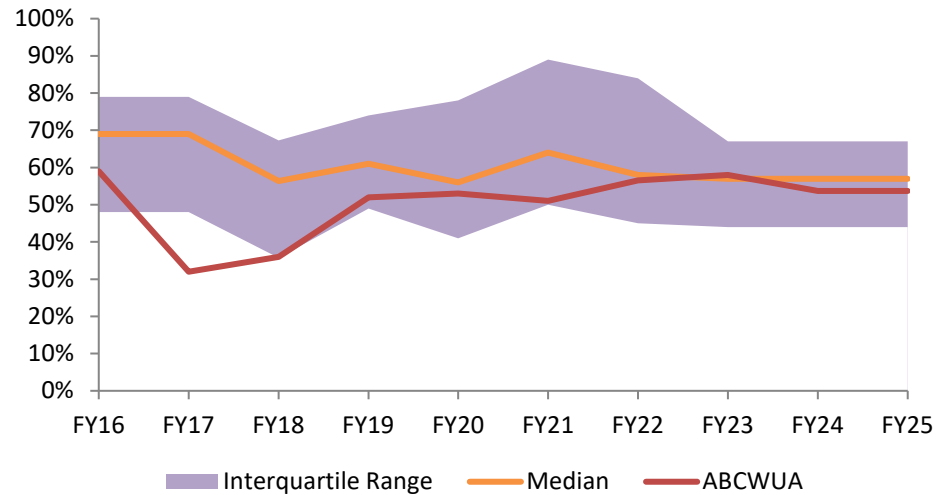
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**Utilities with populations greater than 500,000**



*Higher Values Desirable*

**Utilities located in Region 4**



*Higher Values Desirable*

***FY26 Performance Plan***  
***Goal 2: Wastewater Collection and Operations***

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**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 meet 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	▲	▲
<b>Overall Goal Status</b>		▲	▲

### Performance Key



## 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.	<b>3-1 3-4</b>
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.	<b>3-4</b>
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.	<b>3-5</b>
Collaborate with other governmental entities that pre-qualify 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.	<b>3.5</b>
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.	<b>3-6</b>
Develop data-based conservation efforts to utilize customer and Water Authority data to target users for conservation efforts by the 4th Quarter of FY26.	<b>3-6</b>
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.	<b>3-6</b>

### 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			✓		



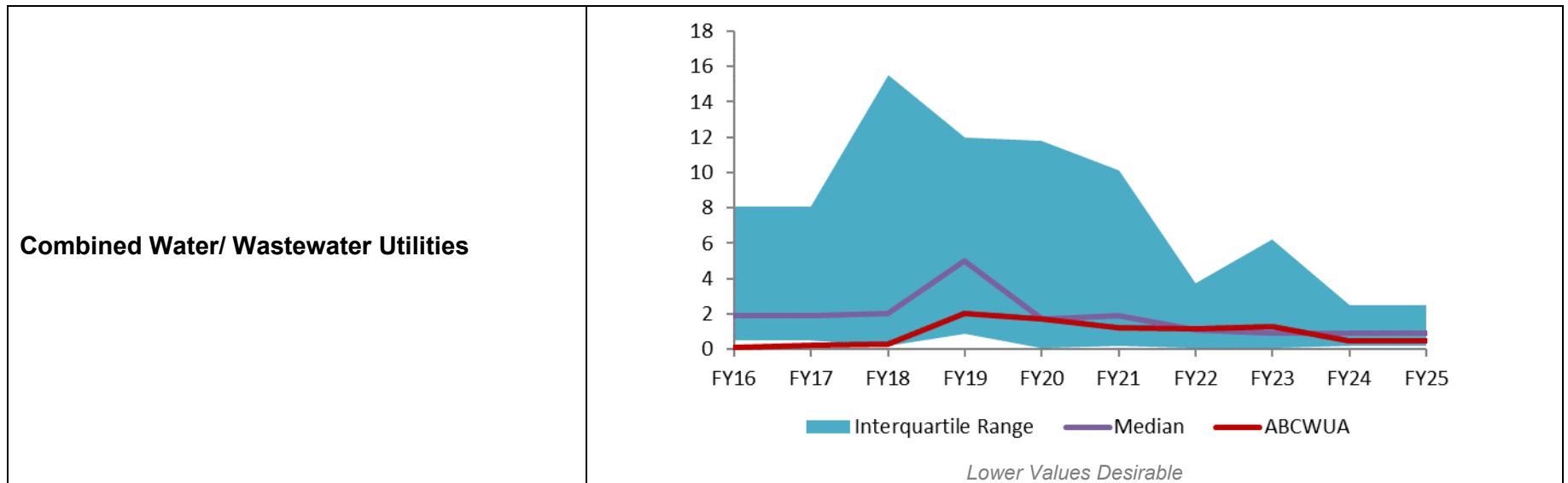
**FY26 Performance Plan  
Goal 3: Customer Services**

**3-1 Customer Service Complaints and Technical Quality Complaints**

***Performance Results (Service Associated Complaints)***

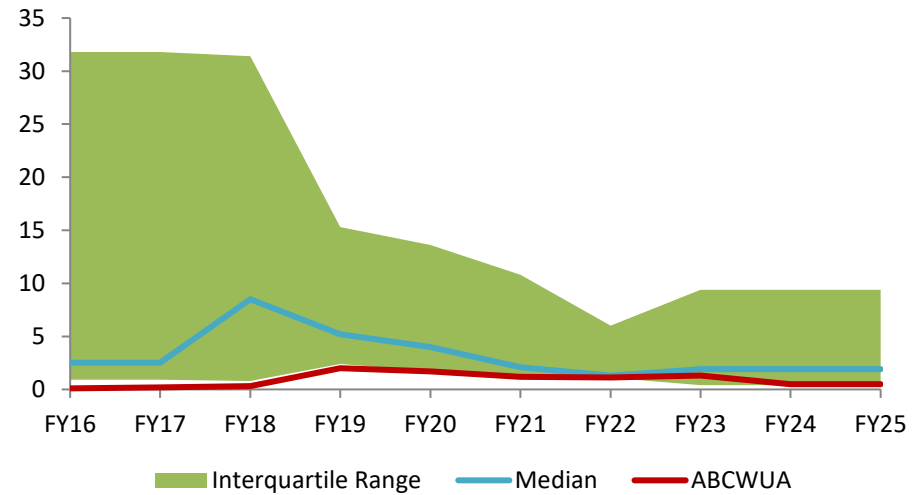
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of customer service complaints per 1,000 customer accounts	Baseline	Prior Year Actuals			Current/Est	Projected	Improve customer satisfaction with service and product
				FY22	FY23	FY24	FY25	FY26	
			1.0	1.1	1.3	0.5	0.5	0.5	

***Industry Benchmark (Service Associated Complaints)***

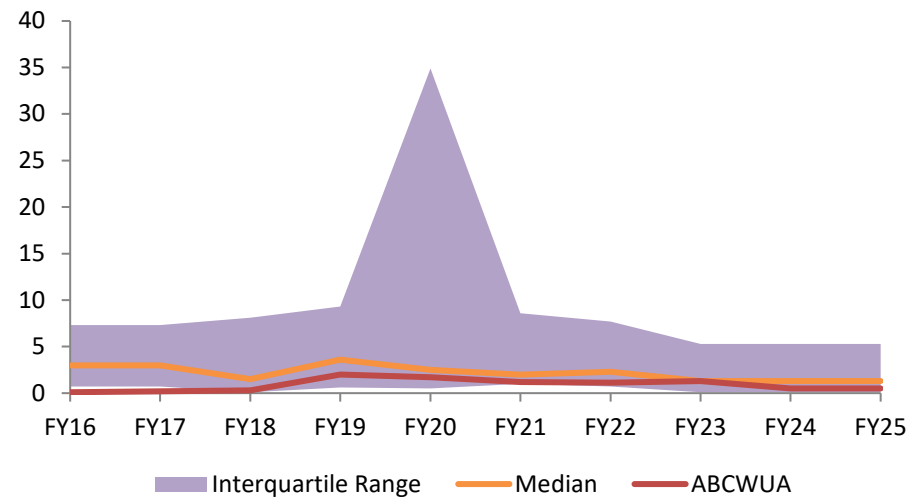


**FY26 Performance Plan**  
**Goal 3: Customer Services**

**Utilities with populations greater than 500,000**



**Utilities located in Region 4**

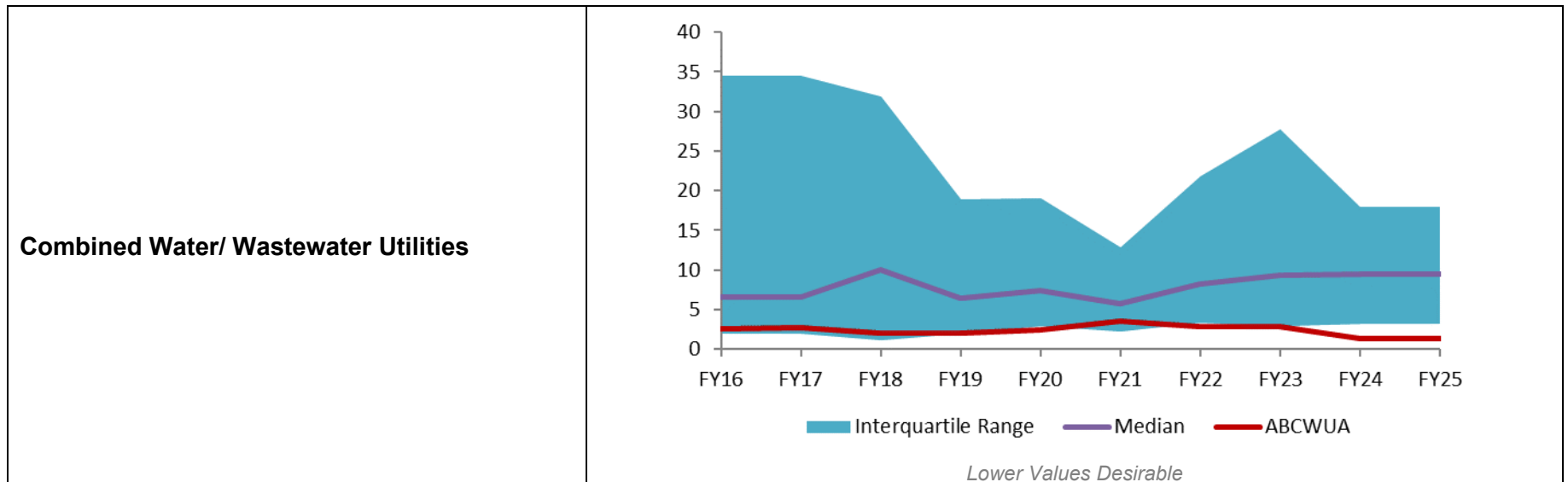


**FY26 Performance Plan**  
**Goal 3: Customer Services**

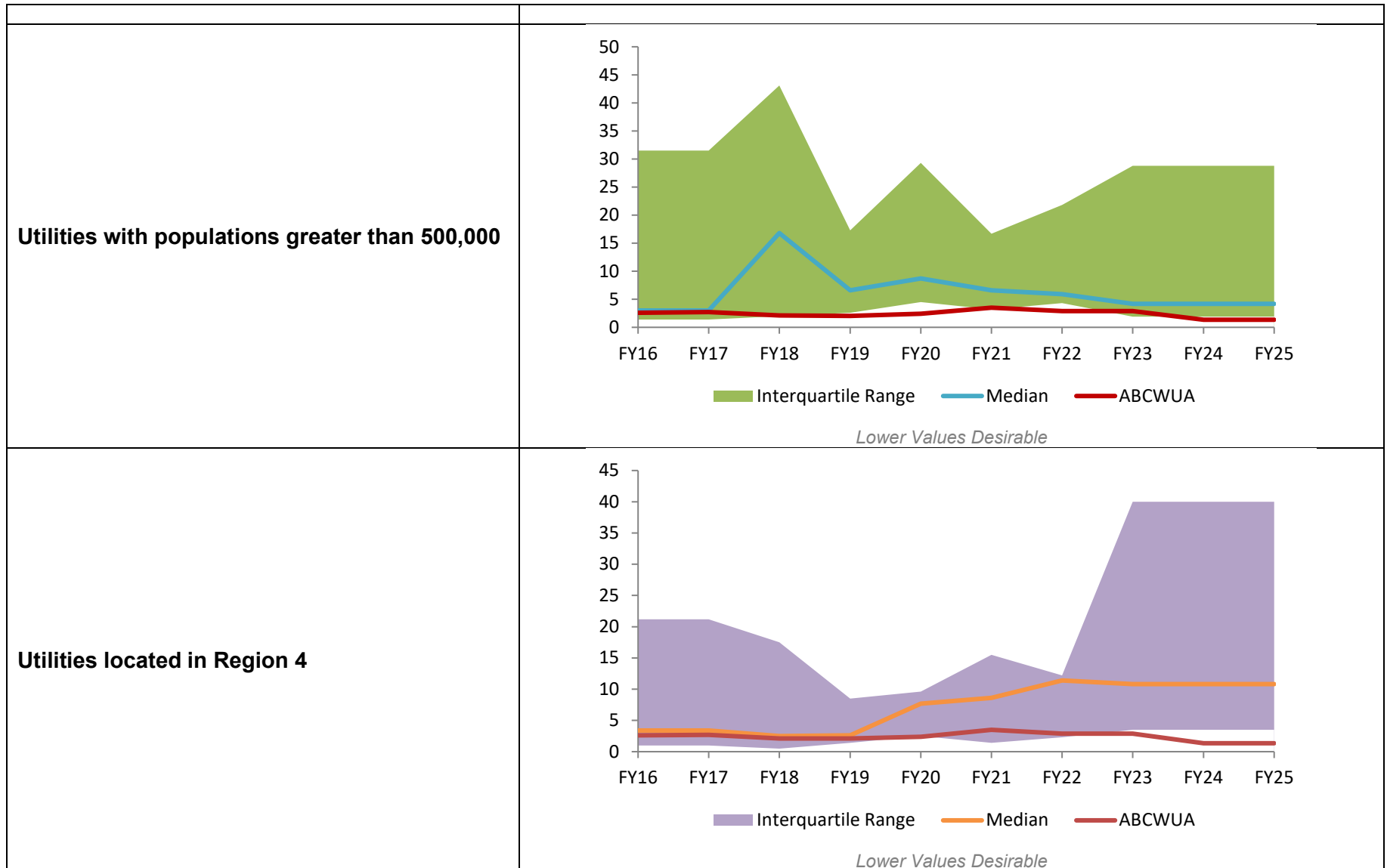
**Performance Results (Technical Quality Complaints)**

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

**Industry Benchmarks (Technical Quality Complaints)**



**FY26 Performance Plan  
Goal 3: Customer Services**



**FY26 Performance Plan**  
**Goal 3: Customer Services**

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**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

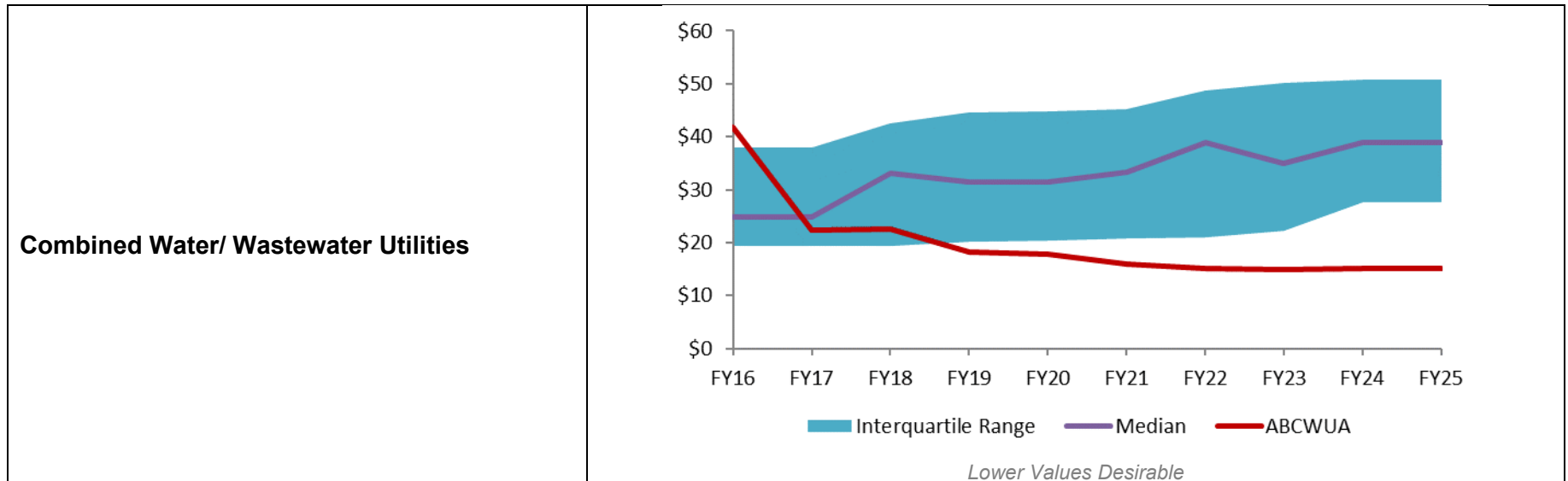
**FY26 Performance Plan  
Goal 3: Customer Services**

**3-2 Customer Service Cost per Account**

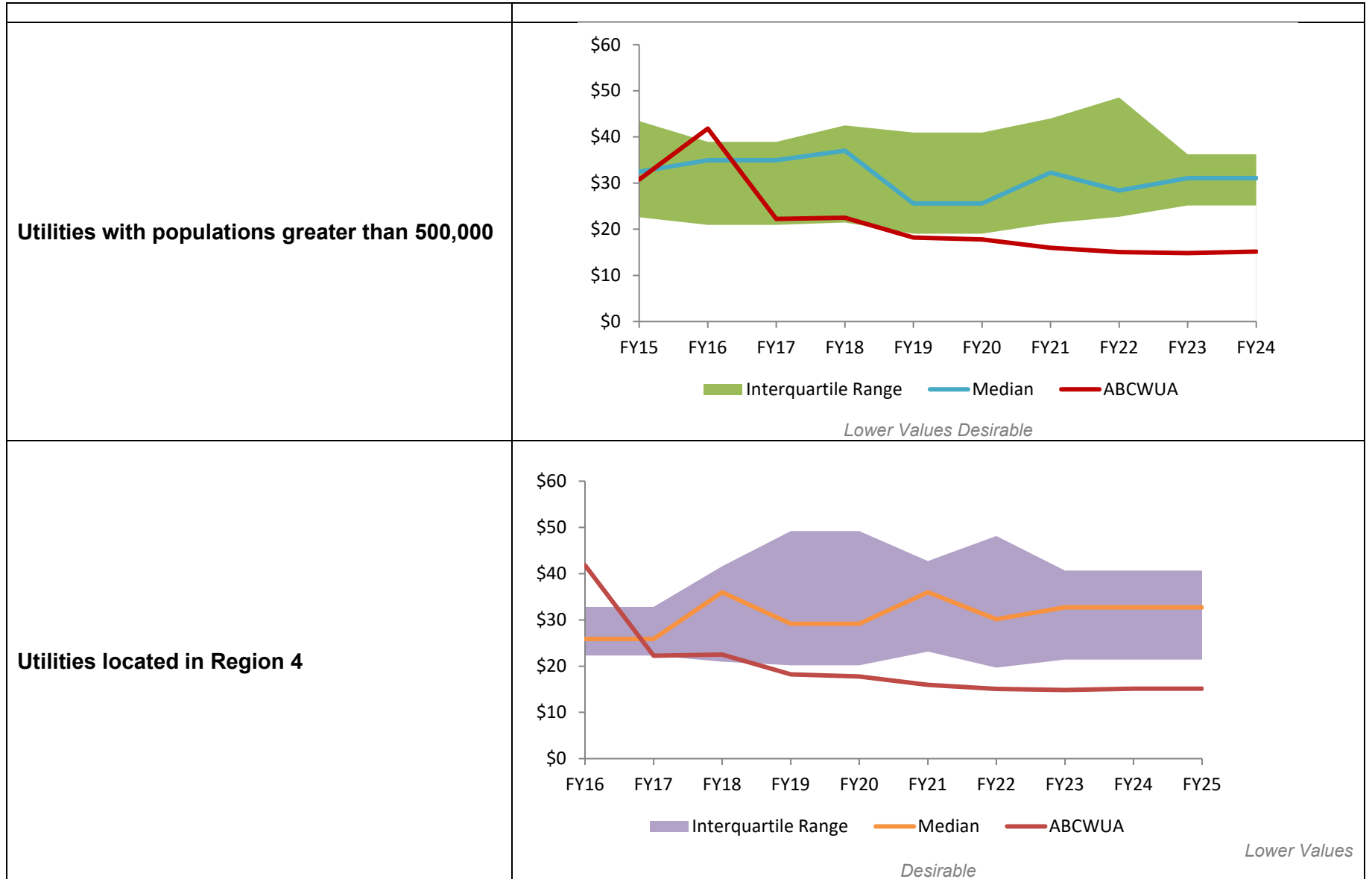
**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Improve efficiency by reducing customer service cost per account while meeting customer expectations
				FY22	FY23	FY24	FY25	FY26	
			\$15.01	\$15.06	\$14.84	\$15.14	\$15.14	\$16.00	

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**



***FY26 Performance Plan***  
***Goal 3: Customer Services***

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**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.



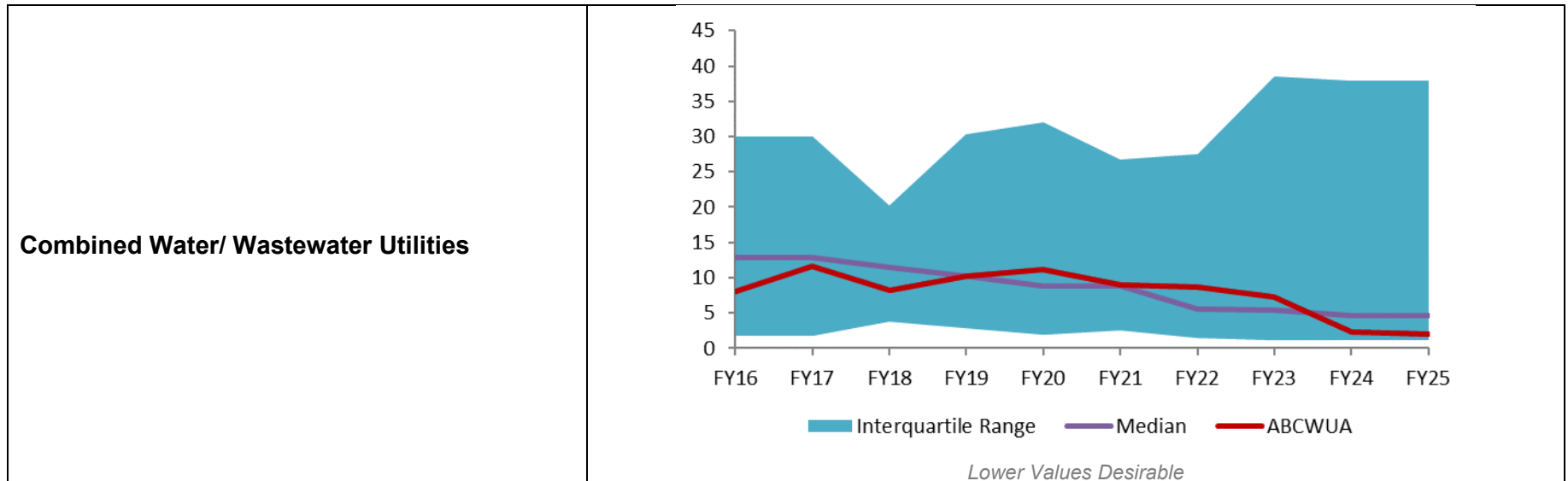
**FY26 Performance Plan  
Goal 3: Customer Services**

**3-3 Billing Accuracy**

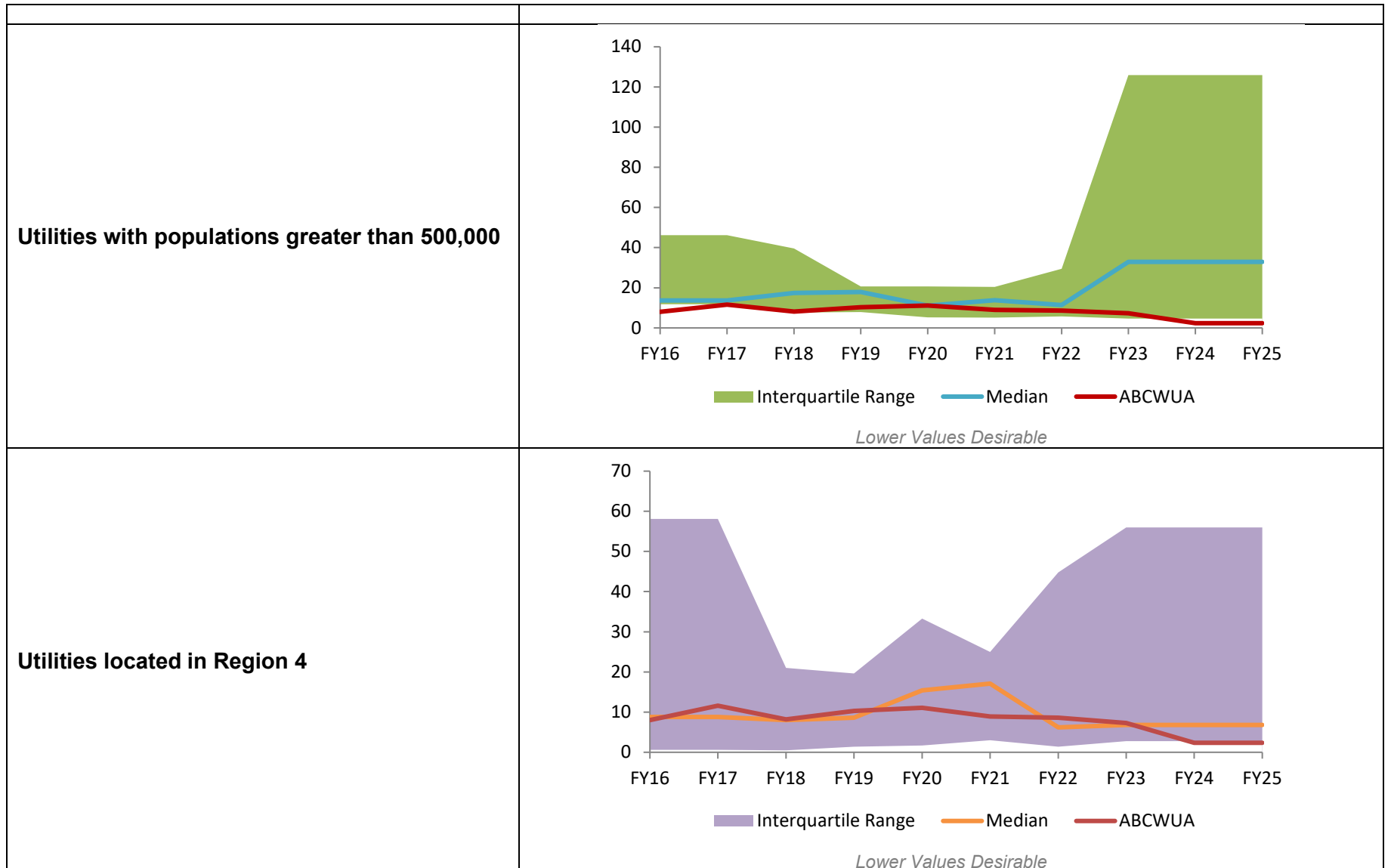
**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Improve billing accuracy to minimize customer complaints
				FY22	FY23	FY24	FY25	FY26	
			6.1	8.6	7.3	2.4	2.4	2.0	

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**



***FY26 Performance Plan***  
***Goal 3: Customer Services***

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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

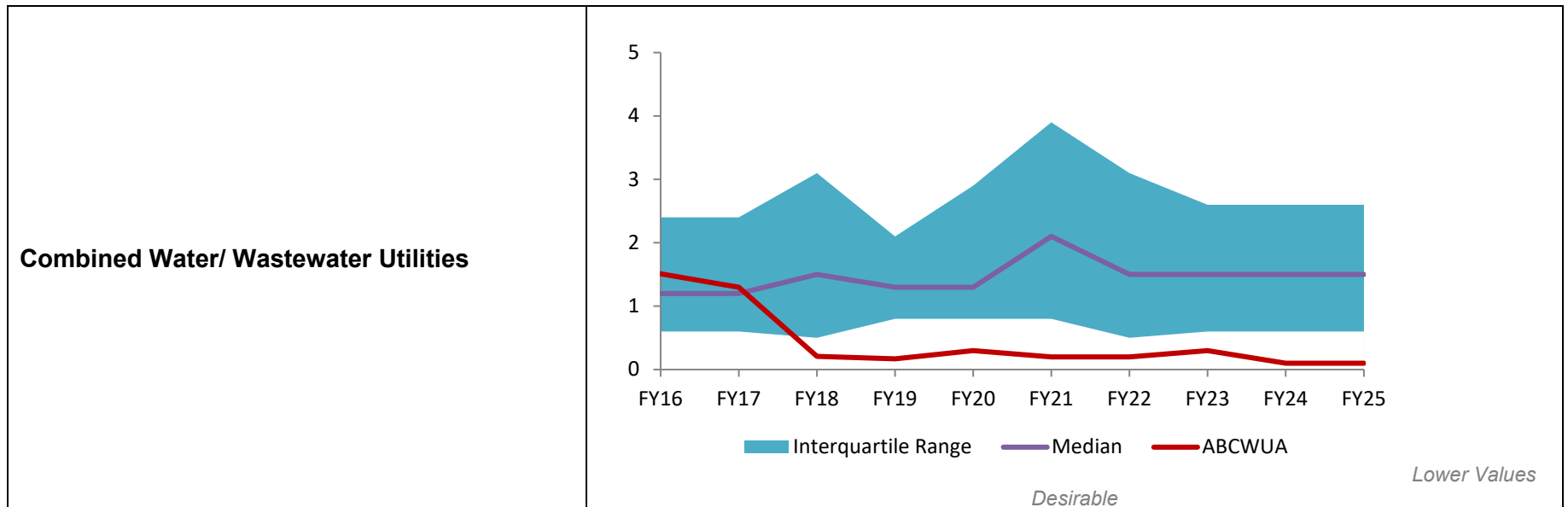
**FY26 Performance Plan  
Goal 3: Customer Services**

**3-4 Call Center Indicators**

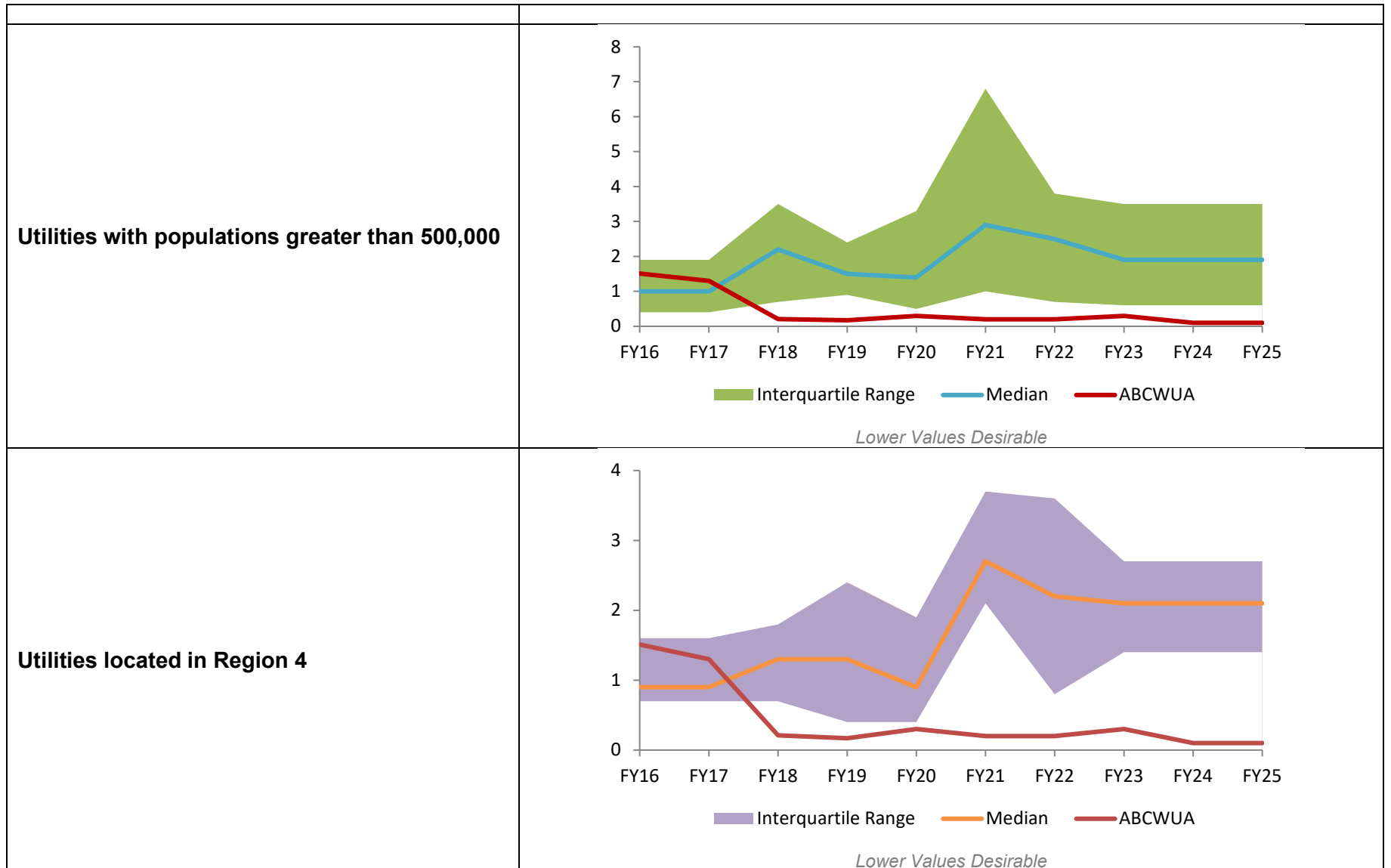
**Performance Results Average Wait Time (minutes)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce call wait time and avoid customers hanging up
				FY22	FY23	FY24	FY25	FY26	
			0:20	0:20	0:30	0:10	0:10	0:10	

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**

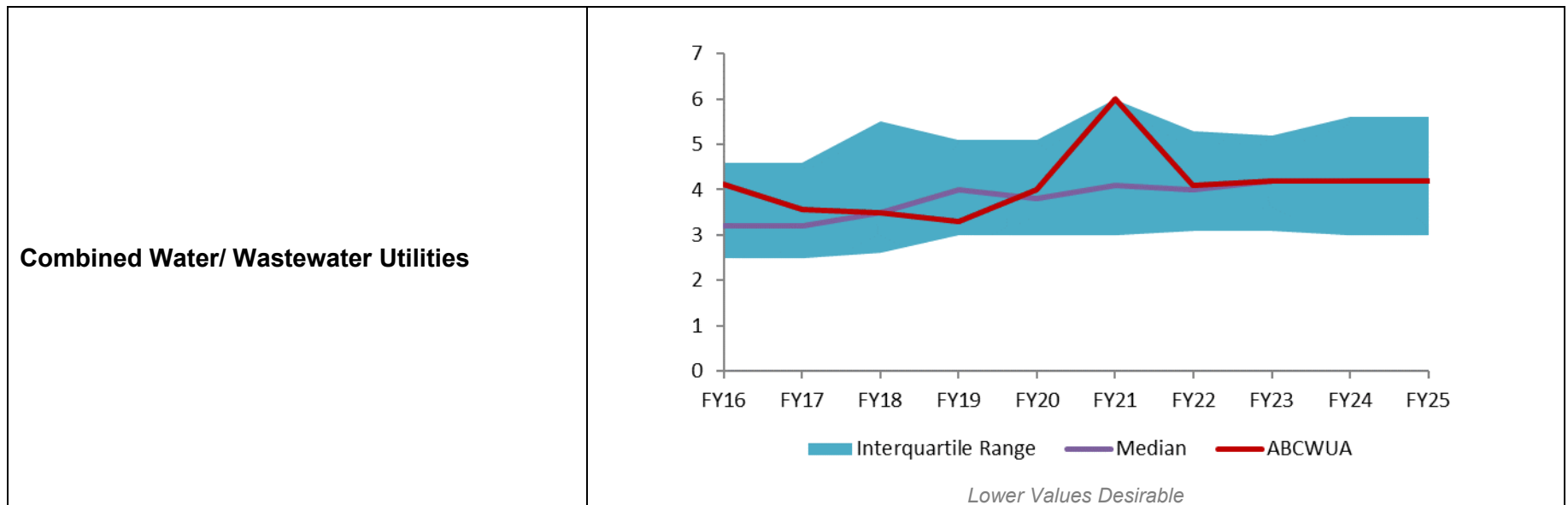


**FY26 Performance Plan  
Goal 3: Customer Services**

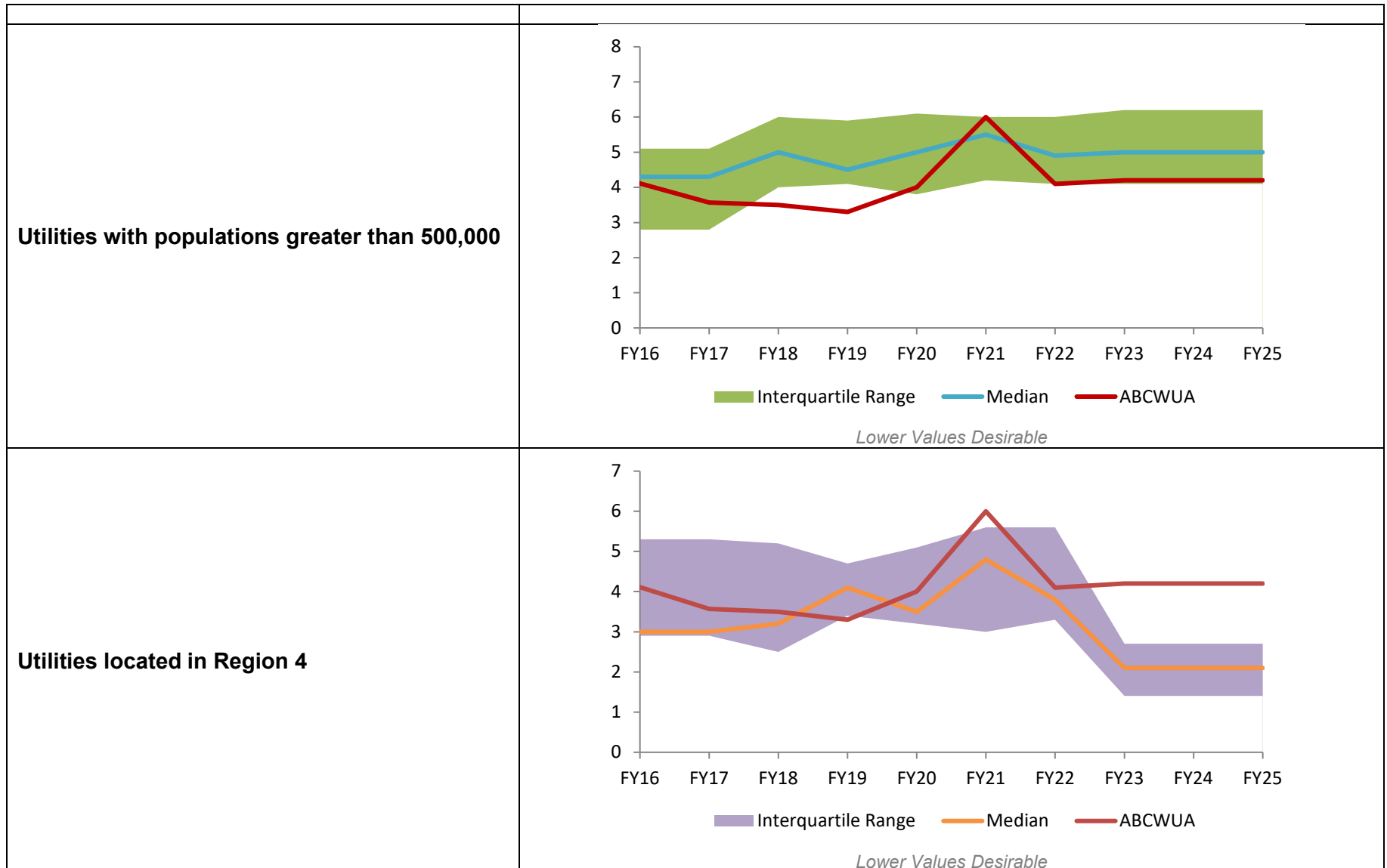
**Performance Results Average Total Call Time (minutes)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current /Est	Projected	Reduce the average total call time to enable CSRs to handle more customer calls and reduce wait time
				FY22	FY23	FY24	FY25	FY26	
			4:20	4:10	4:20	4:20	4:20	4:10	

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**

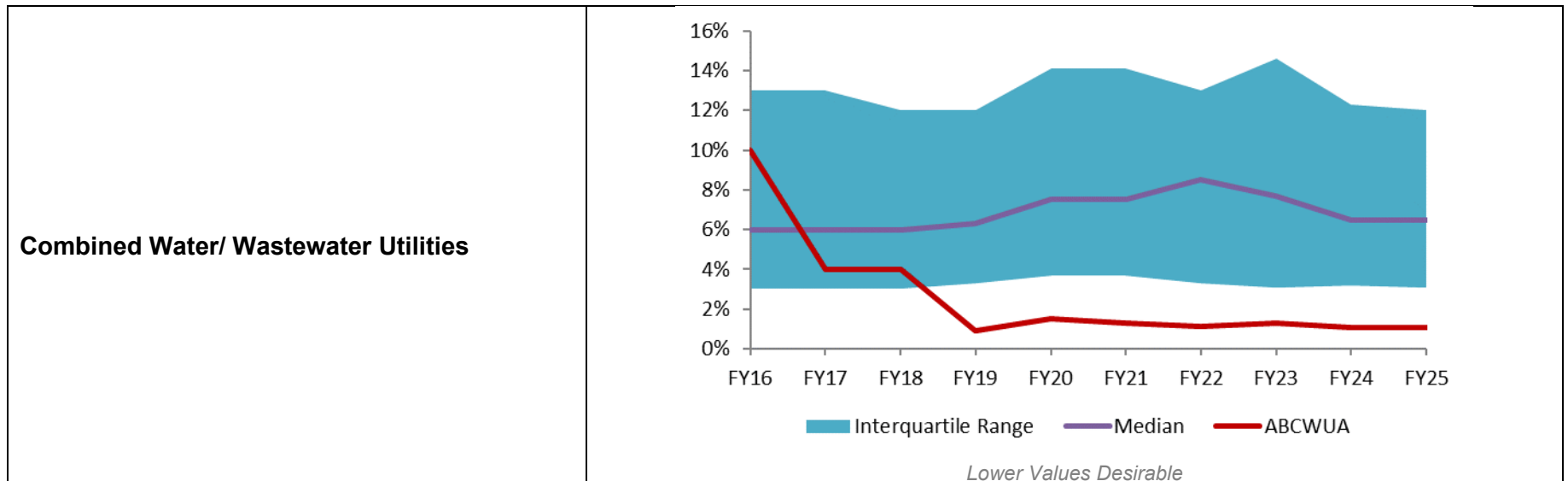


**FY26 Performance Plan  
Goal 3: Customer Services**

**Performance Results Abandoned Call Ratio**

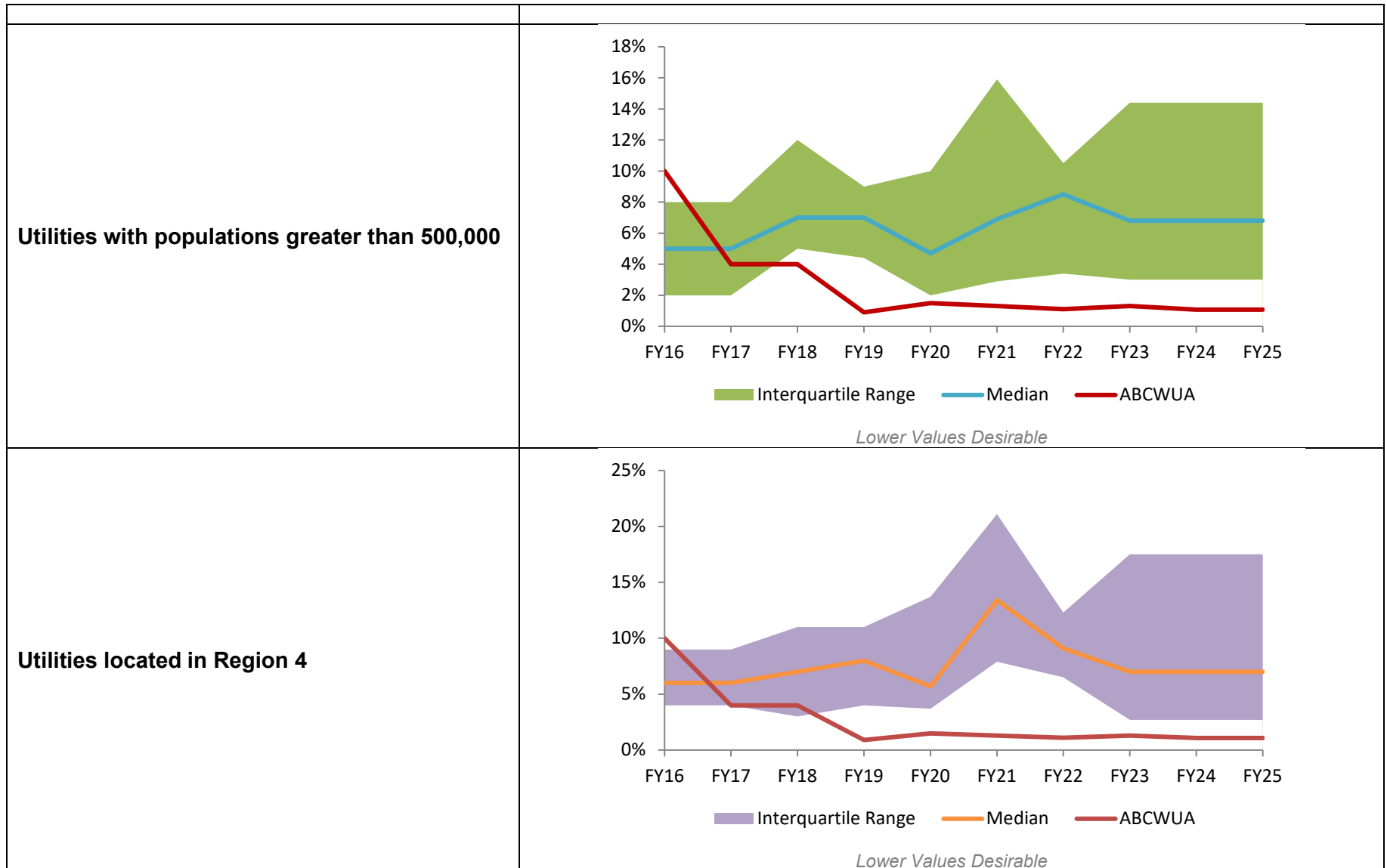
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the number calls abandoned from Water Authority customers	Total number of calls abandoned divided by the total number of calls received	Baseline	Prior Year Actuals			Current/Est	Projected	Allow CSRs to effectively assist customers with their needs before they become impatient and hang up
				FY22	FY23	FY24	FY25	FY26	
			1.2%	1.1%	1.3%	1.1%	1.1%	1.1%	

**Industry Benchmarks**





**FY26 Performance Plan  
Goal 3: Customer Services**



**FY26 Performance Plan**  
**Goal 3: Customer Services**

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**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

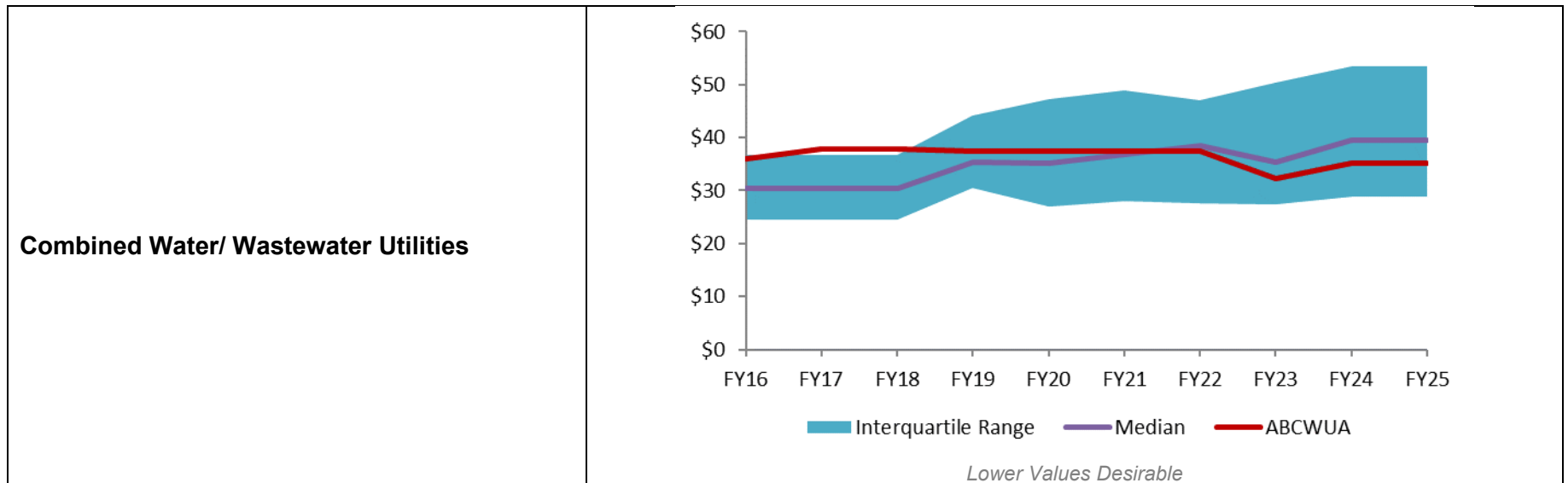
**FY26 Performance Plan  
Goal 3: Customer Services**

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

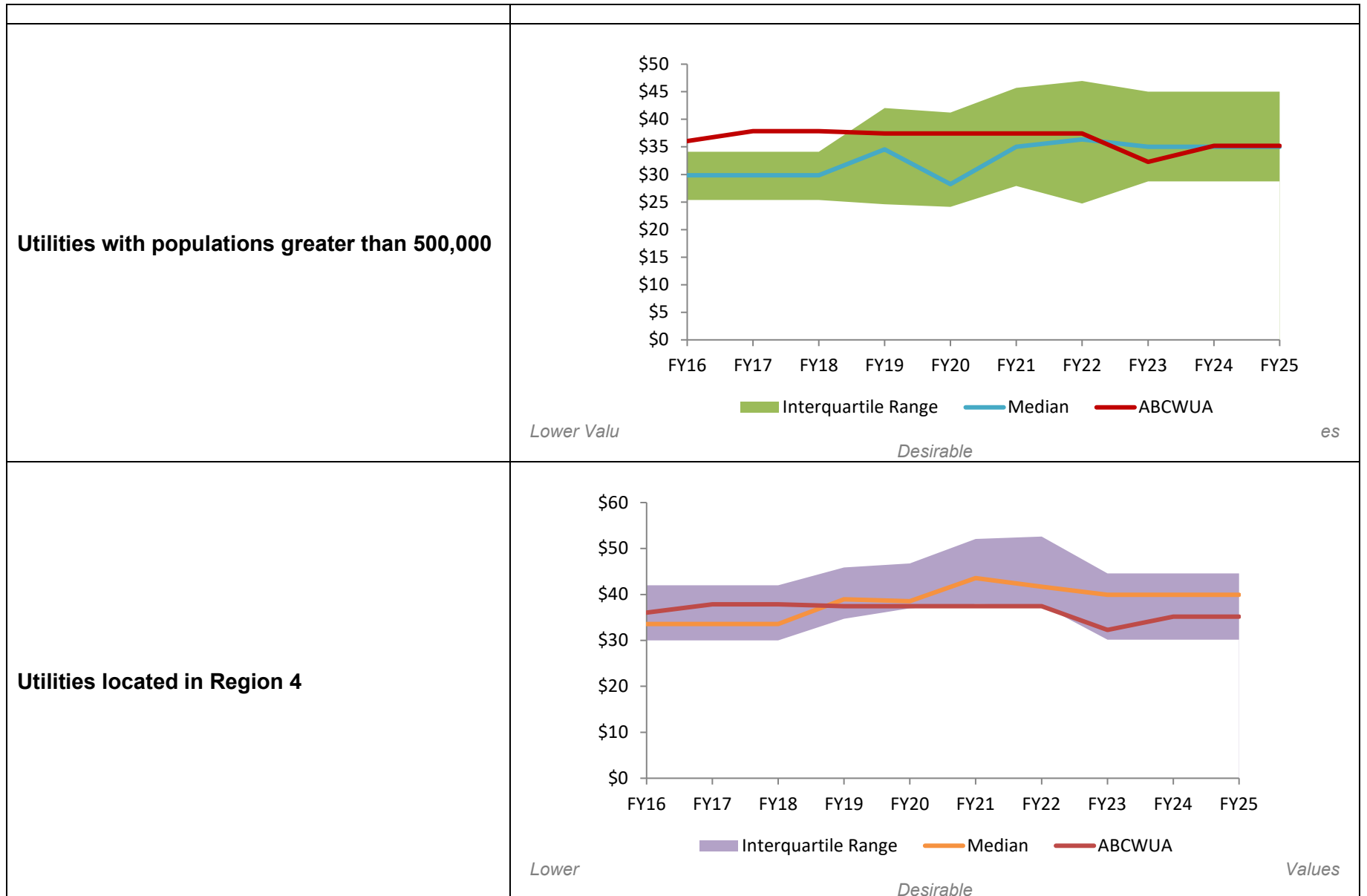
**Performance Results (Average Residential Water Service)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Provide affordable water and legally justifiable rates to our customers
				FY22	FY23	FY24	FY25	FY26	
			\$34.96	\$37.43	\$32.28	\$35.18	\$35.18	\$35.18	

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**

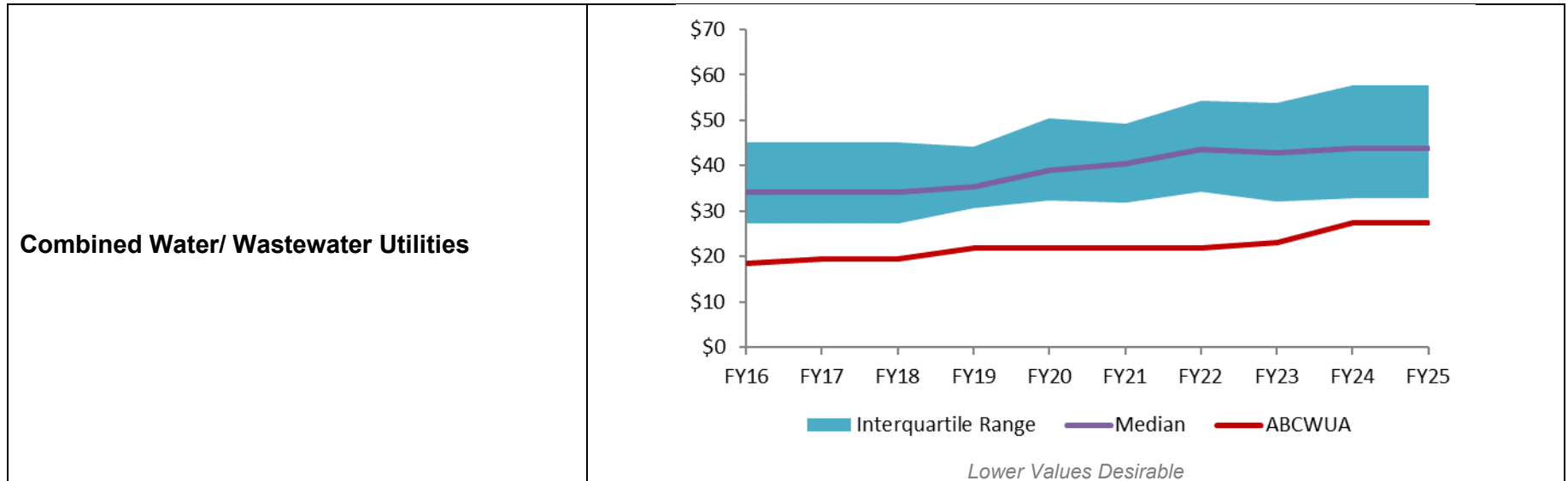


**FY26 Performance Plan**  
**Goal 3: Customer Services**

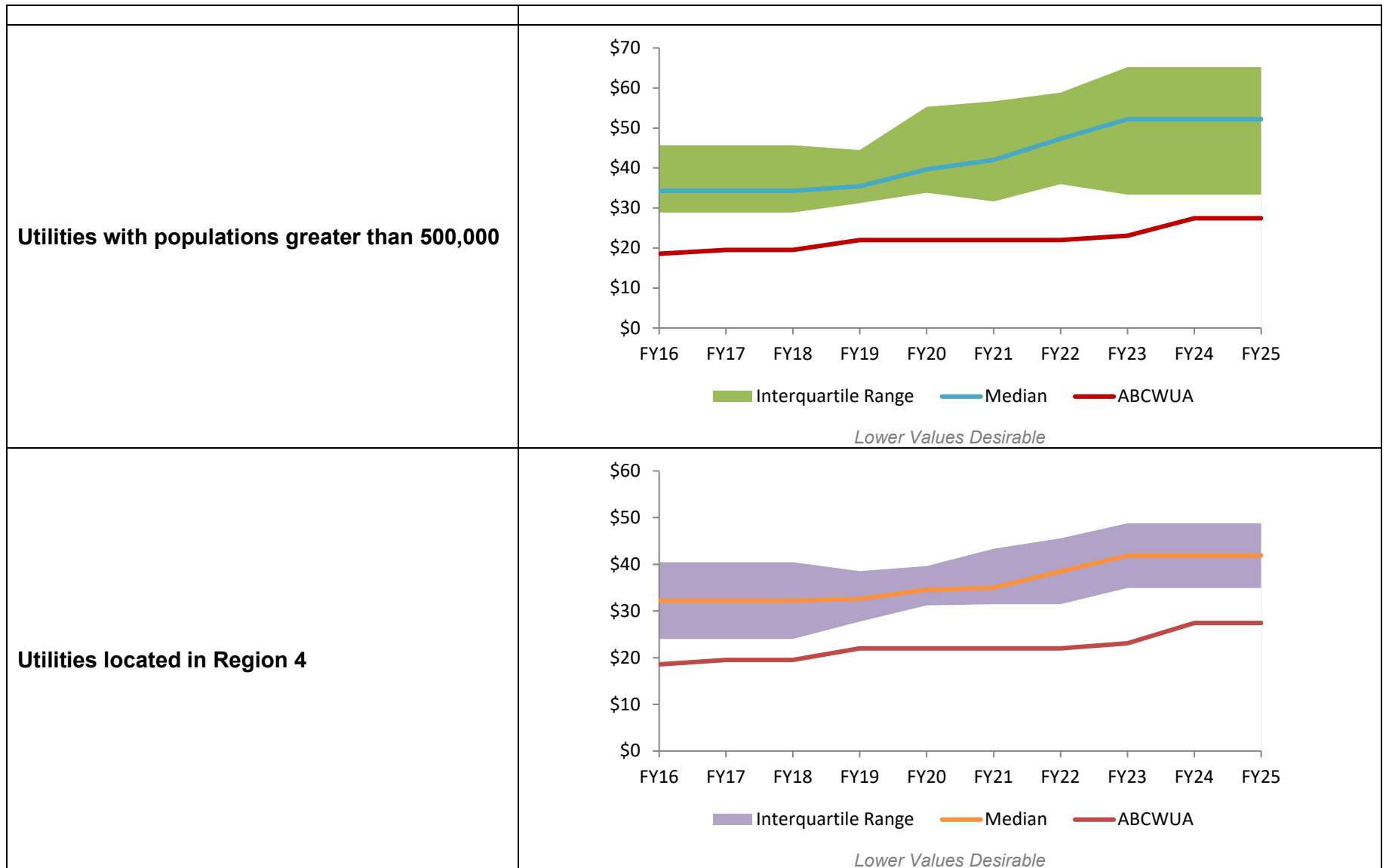
**Performance Results (Average Residential Sewer Service)**

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

**Industry Benchmarks**



**FY26 Performance Plan  
Goal 3: Customer Services**



***FY26 Performance Plan***  
***Goal 3: Customer Services***

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**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

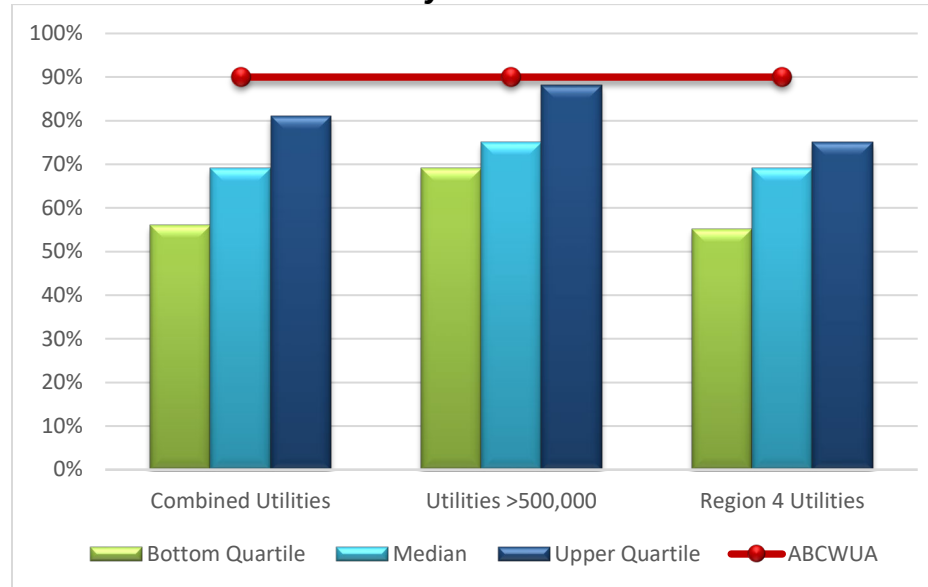
**FY26 Performance Plan  
Goal 3: Customer Services**

**3-6 Stakeholder Outreach Index**

**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the utility's stakeholder outreach activities	Self-assessment based on Stakeholder Outreach Checklist	Baseline	Prior Year Actuals			Current /Est	Projected	Assess the utility's outreach efforts with its stakeholders
				FY22	FY23	FY24	FY25	FY26	
			100%	100%	75%	94%	94%	95%	

**Industry Benchmarks**



*Generally, higher values are desirable*



**FY26 Performance Plan**  
**Goal 3: Customer Services**

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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		
<b>Overall Goal Status</b>			

### 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: <ol style="list-style-type: none"> <li>1. Development Agreement layer</li> <li>2. Service Connection Agreement layer</li> <li>3. Inter-governmental Agreement layer</li> </ol>	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: <ul style="list-style-type: none"> <li>• Update asset condition scoring and monitoring framework</li> <li>• Develop integration with existing asset registry data – Maximo</li> <li>• Energy and chemical usage cost analysis</li> <li>• Update Fleet Maintenance CAMP</li> </ul>	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. <ul style="list-style-type: none"> <li>❖ Preventative Maintenance to Corrective Maintenance Ratio, Target greater than 80%,</li> <li>❖ Asset Registry Information Accuracy/Number of Assets without Life Cycle Status, Target less than 10%,</li> <li>❖ Asset Inventory Accuracy, Target greater than 95%,</li> <li>❖ Work Orders without Assets, Target less than 10%,</li> <li>❖ Work Order Aging, Target greater than 90% of Work Orders Closed within 180 calendar days.</li> </ul>	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

<b>FY25 Objectives</b>	<b>Measure Reference</b>
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.	<b>NA</b>
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.	<b>NA</b>
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.	<b>NA</b>
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: <ul style="list-style-type: none"> <li>• Upgrade the Customer care and billing (CC&amp;B) application. Expected completion during 1st Quarter of FY26.</li> <li>• Utility Network upgrade to begin FY25 with completion targeted for FY26.</li> <li>• SCADA Master Program related projects.</li> <li>• Upgrade Asset Management System (Maximo) and shift to a managed hosting solution. Expected completion during the 4th Quarter of FY26.</li> <li>• Cloud/SAAS Migrations for targeted workloads.</li> </ul>	<b>NA</b>
Develop, implement, and monitor a Maximo conditions assessment for Compliance Division's inventoried assets by the end of the 4th Quarter of FY26.	<b>NA</b>
Implement and begin monitoring a Fleet condition assessment program in the Maximo asset management system by the end of the 4th Quarter of FY26.	<b>NA</b>
Develop and formalize Standard Operating Procedures for Centralized Facilities Maintenance by the end of the 4th Quarter of FY26.	<b>NA</b>

### 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		✓

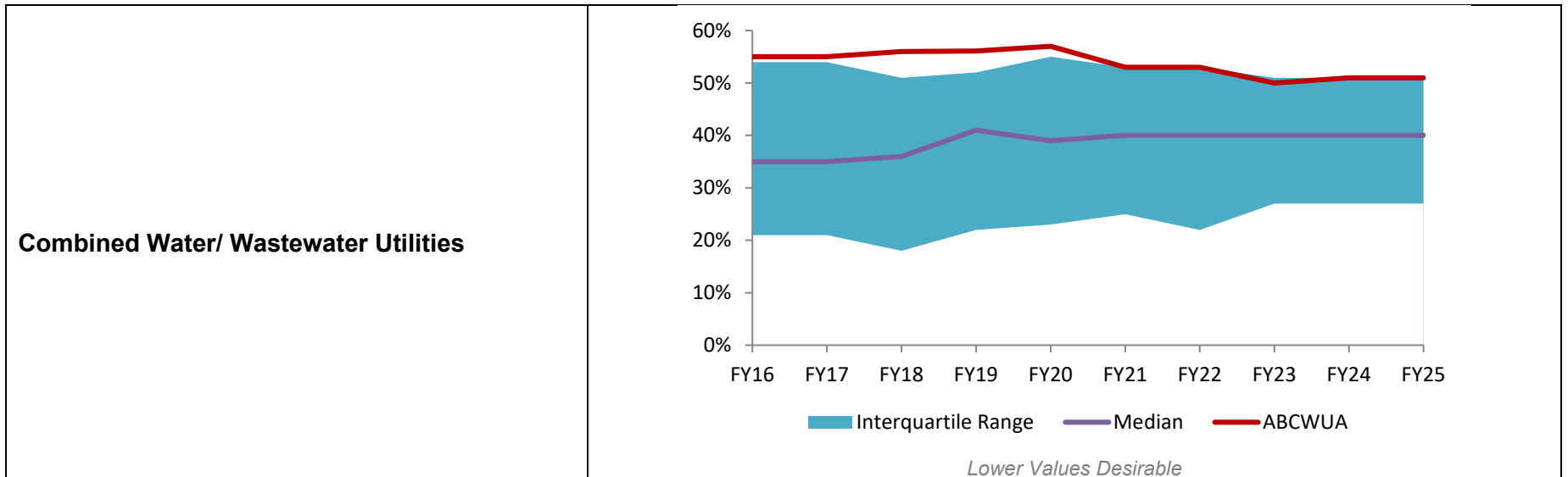
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**4-1 Debt Ratio**

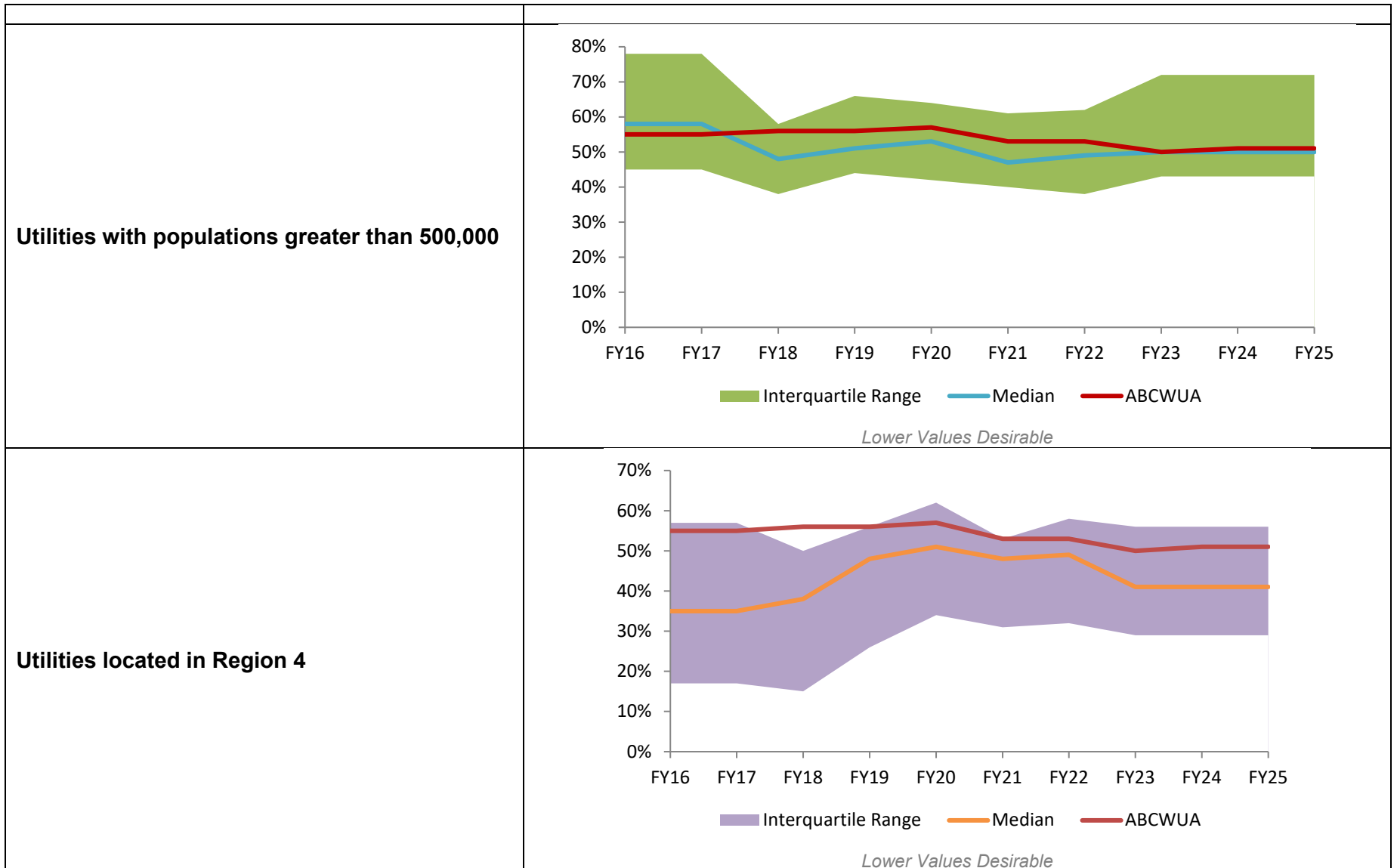
**Performance Results**

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

**Industry Benchmarks**



**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**



***FY24 Performance Plan***  
***Goal 4: Business Planning and Management***

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**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.



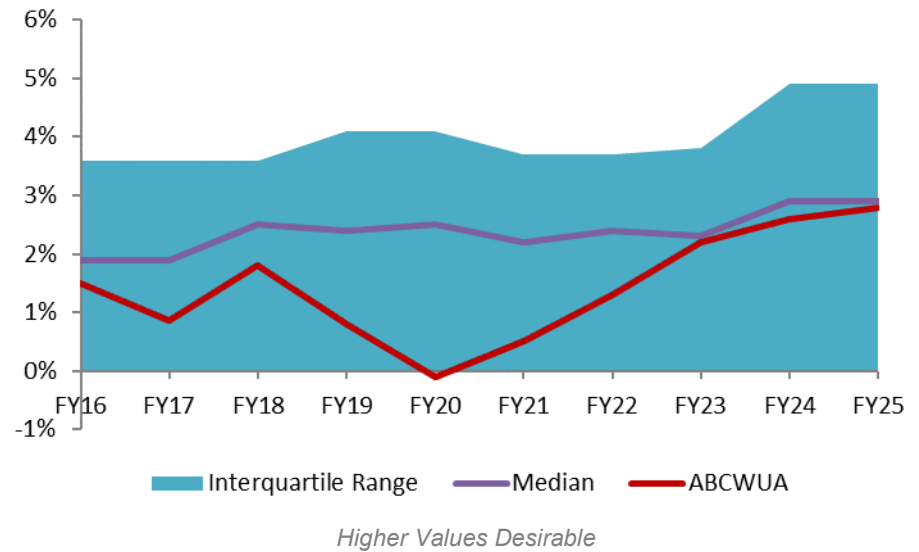
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**4-2 Return on Assets**

**Performance Results**

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

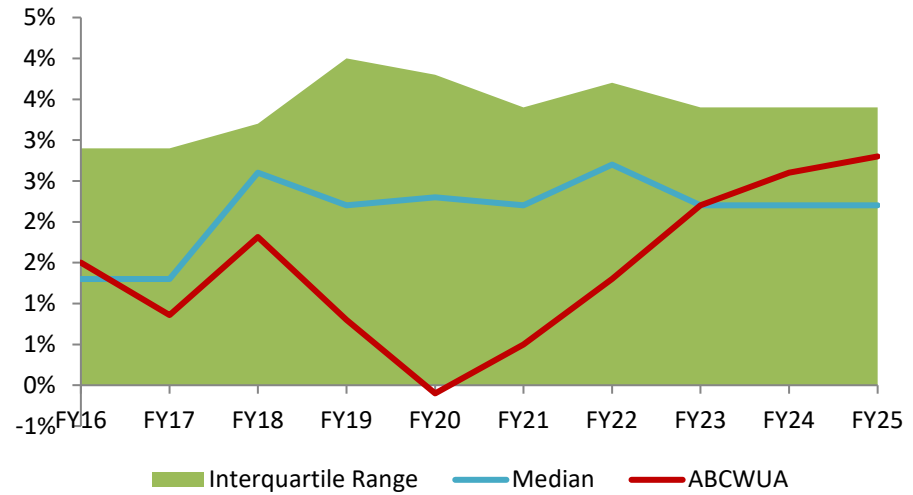
**Combined Water/ Wastewater Utilities**



**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

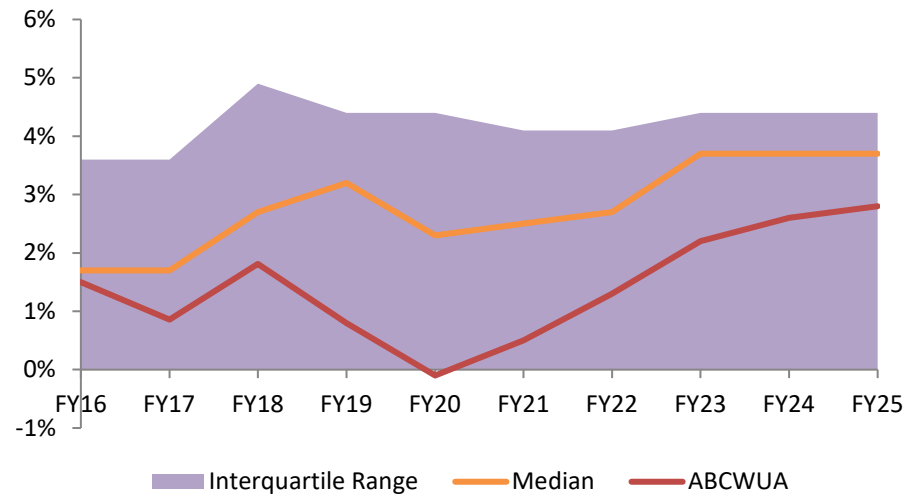
**Industry Benchmarks**

**Utilities with populations greater than 500,000**



*Higher Values Desirable*

**Utilities located in Region 4**



*Higher Values Desirable*

***FY24 Performance Plan***  
***Goal 4: Business Planning and Management***

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**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).

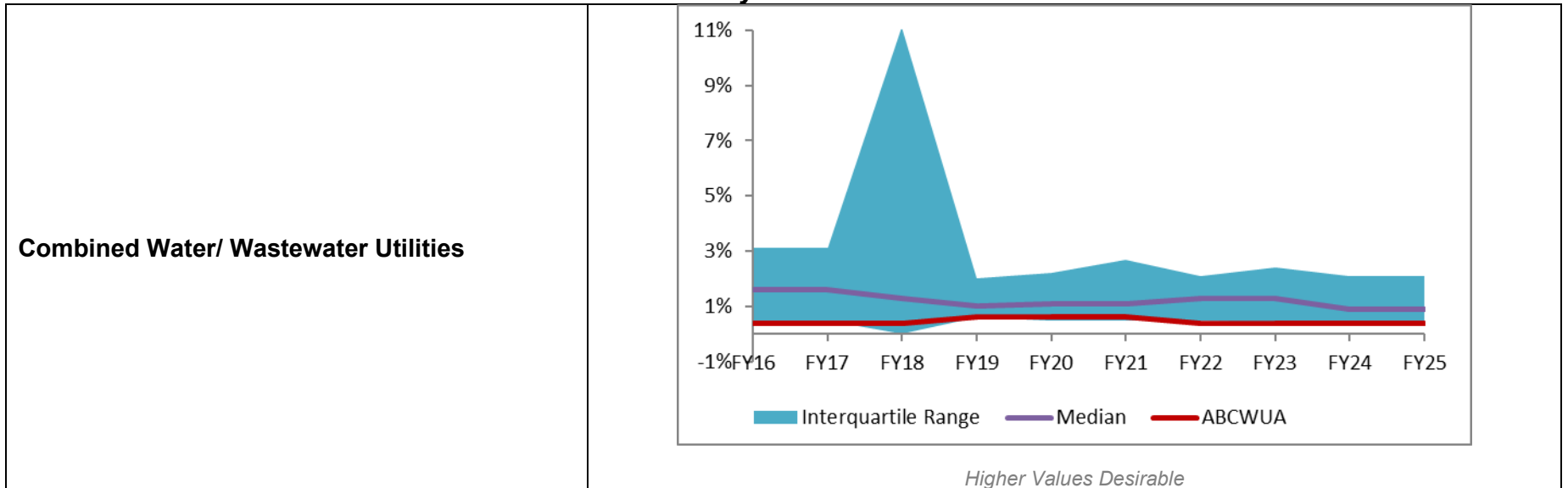
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**4-3 System Renewal / Replacement Rate**

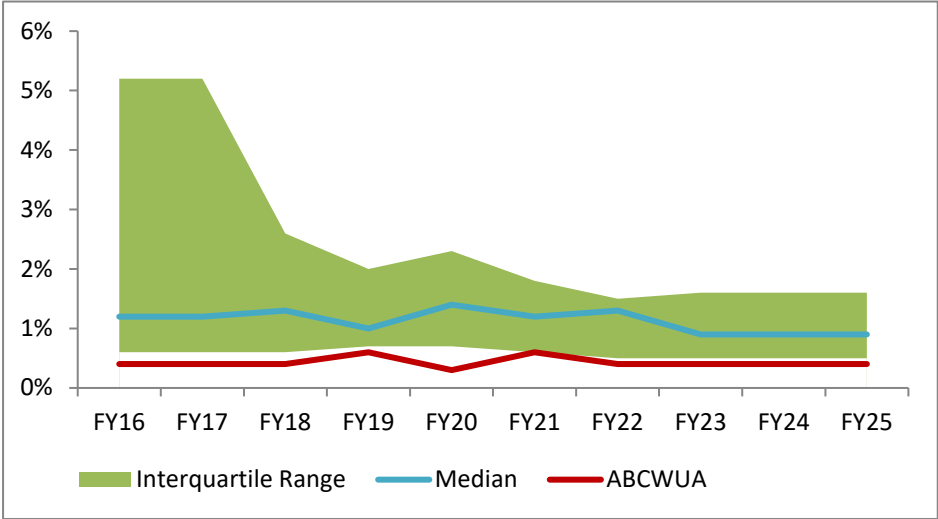
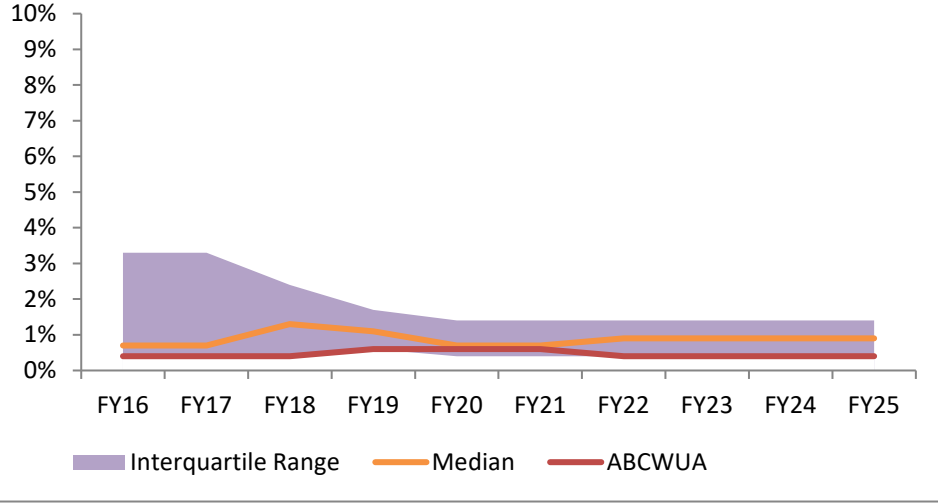
**Performance Results (Water Pipeline & Distribution)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce corrective maintenance by investing in infrastructure improvements to the system
				FY22	FY23	FY24	FY25	FY26	
			0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	

**Industry Benchmarks**



**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

<p><b>Utilities with populations greater than 500,000</b></p>	 <p align="center"><i>Higher Values Desirable</i></p>
<p><b>Utilities located in Region 4</b></p>	 <p align="center"><i>Higher Values Desirable</i></p>

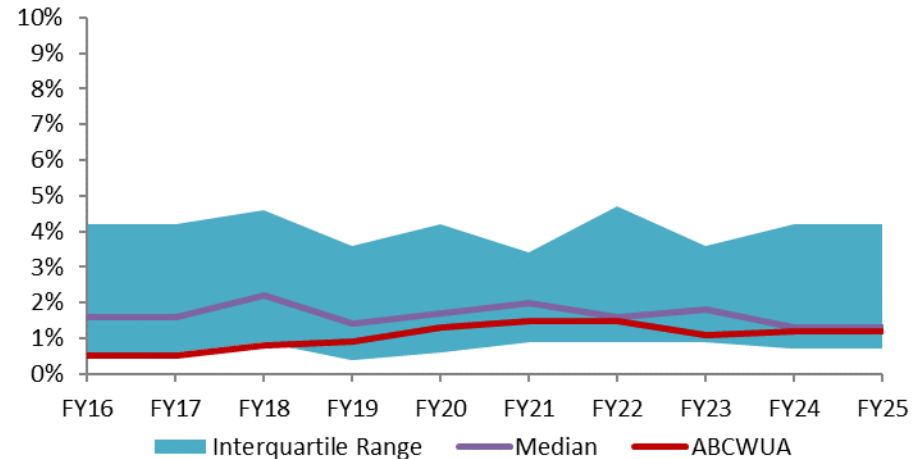
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**Performance Results (Water Facility & Pumping)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce corrective maintenance by investing in infrastructure improvements to the system
			1.2%	FY22	FY23	FY24	FY25	FY26	
				1.5%	1.1%	1.1%	1.1%	1.2%	

**Industry Benchmarks**

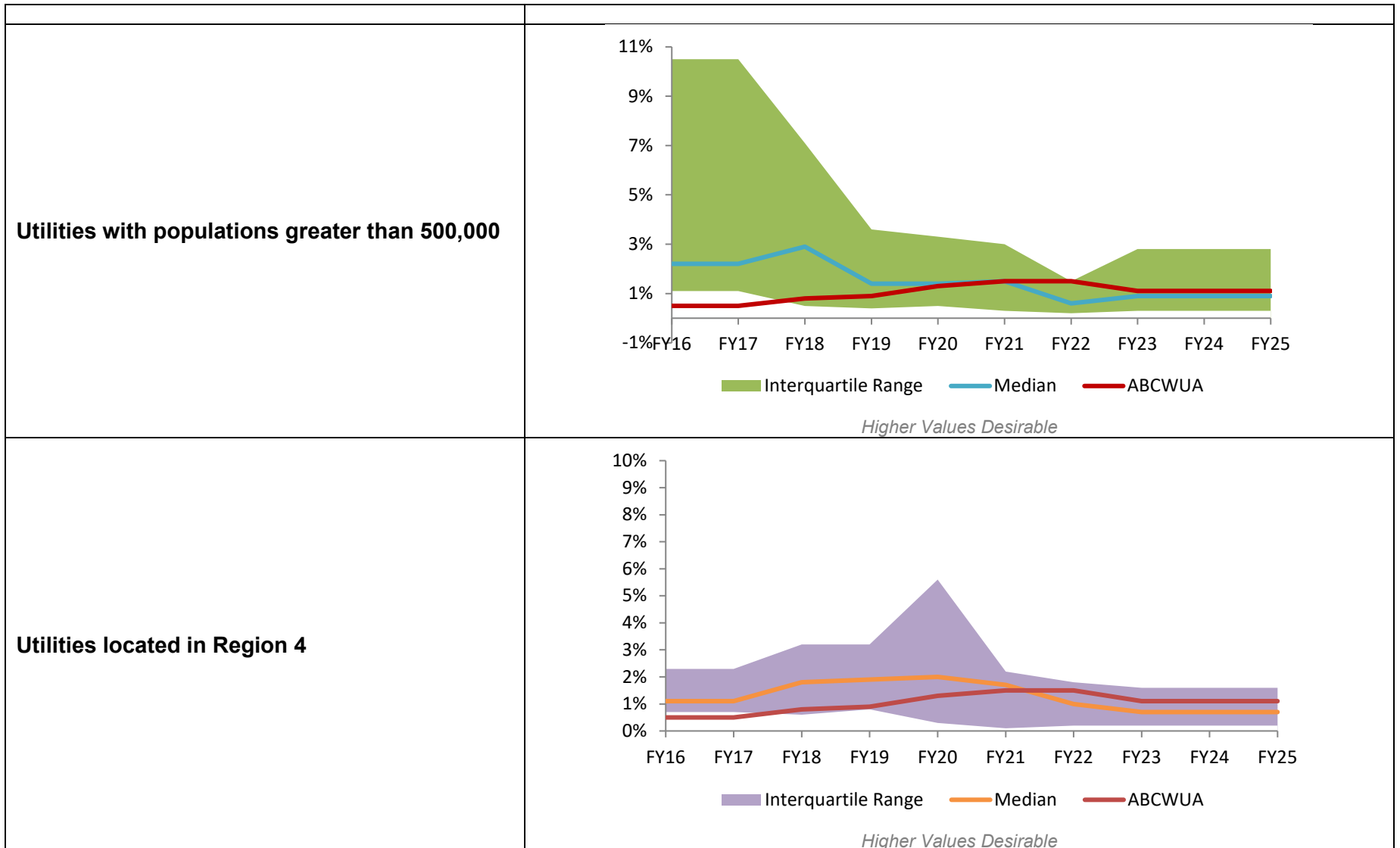
**Combined Water/ Wastewater Utilities**



*Higher Values Desirable*

**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

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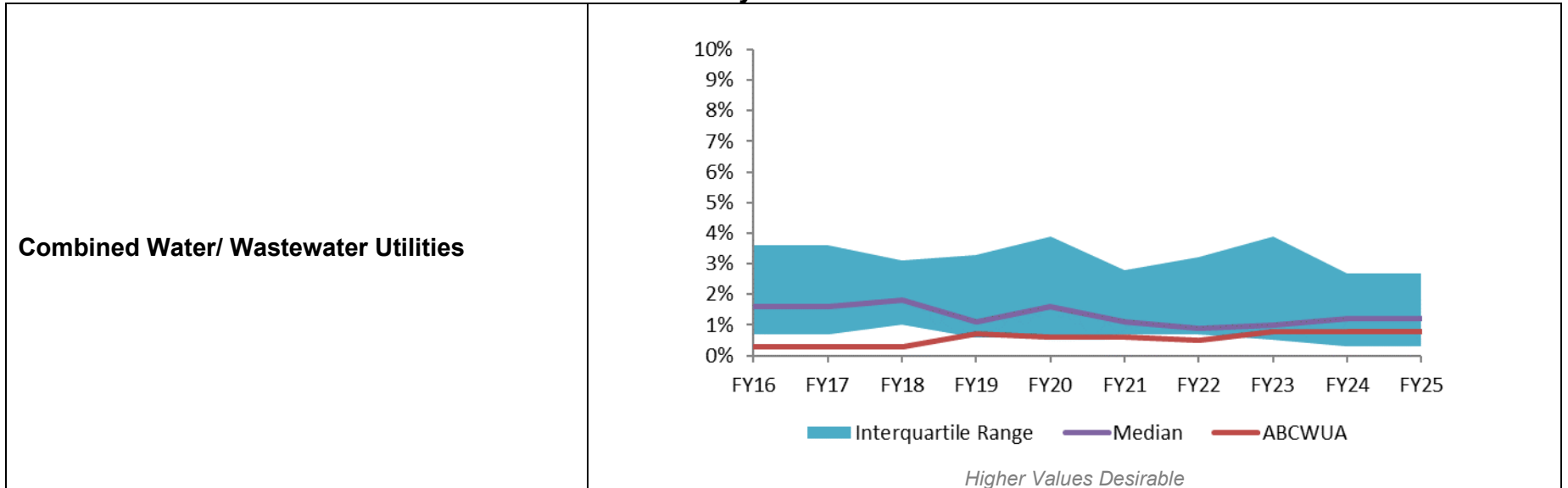


**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**Performance Results (Wastewater Pipeline & Collection)**

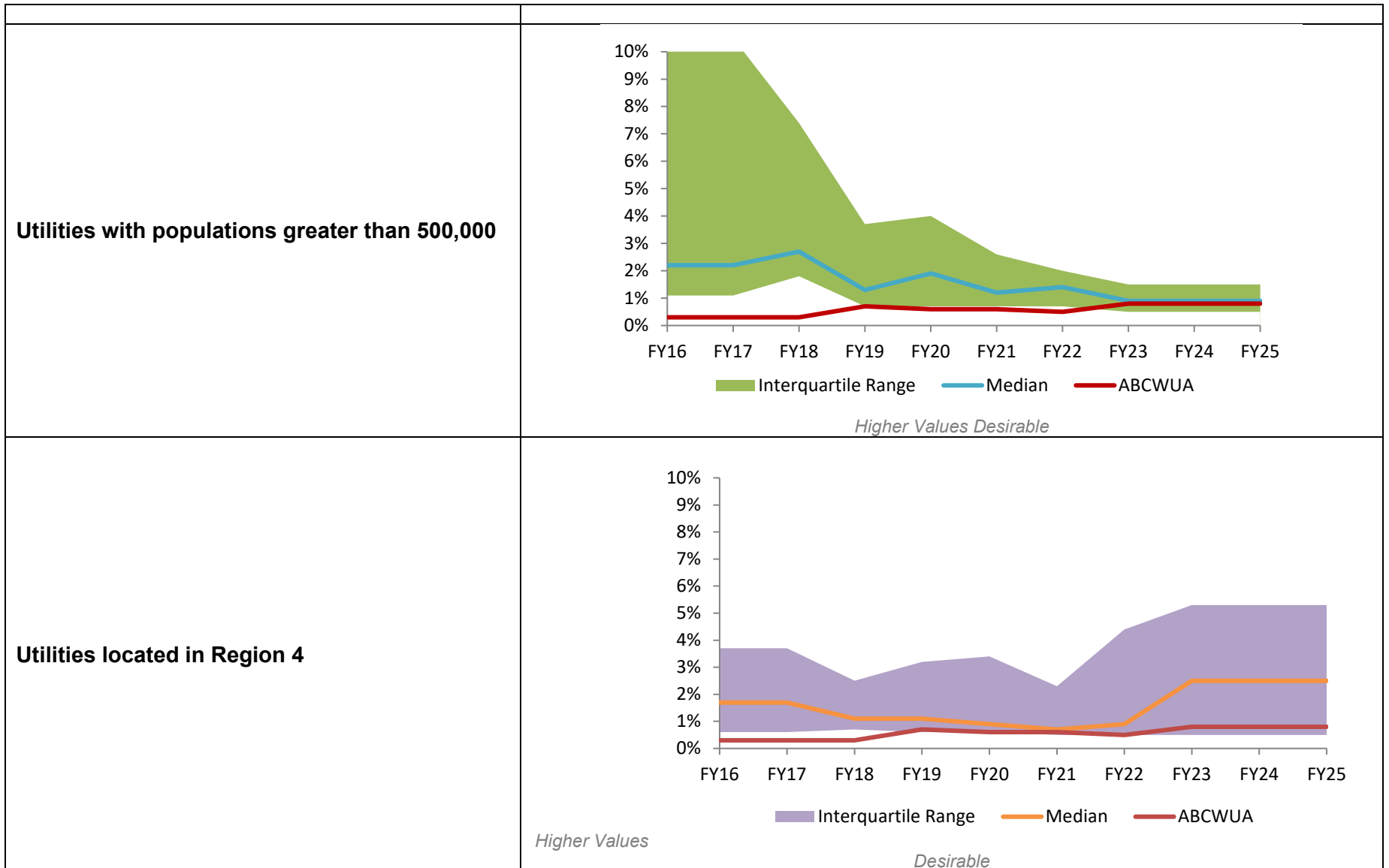
Measure Type	Purpose	Inputs	Outputs						Outcome
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce corrective maintenance by investing in infrastructure improvements to the system
			0.7%	FY22	FY23	FY24	FY25	FY26	
				0.5%	0.8%	0.8%	0.8%	0.9%	

**Industry Benchmarks**





**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**



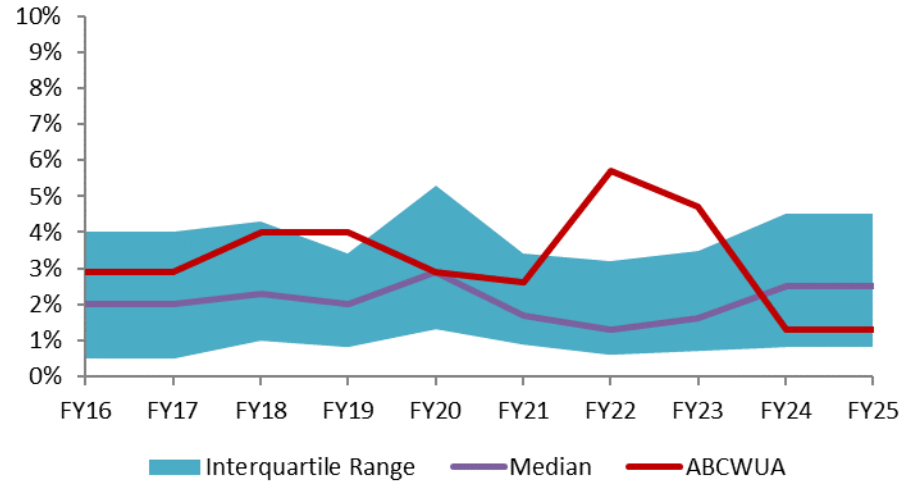
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**Performance Results (Wastewater Facility & Pumping)**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Reduce corrective maintenance by investing in infrastructure improvements to the system
			5.0%	FY22	FY23	FY24	FY25	FY26	
				5.7%	4.7%	4.7%	1.3%	1.3%	

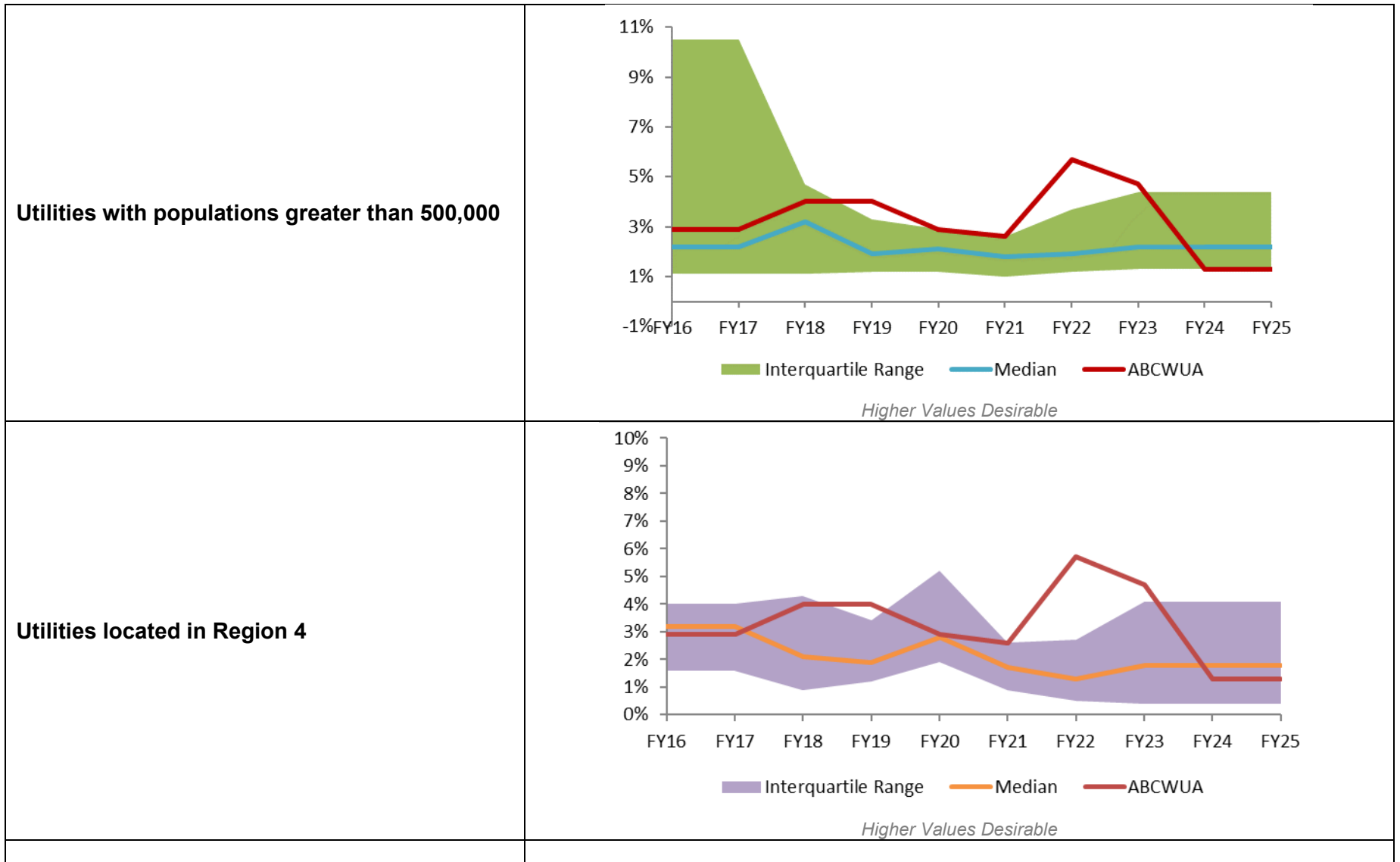
**Industry Benchmarks**

**Combined Water/ Wastewater Utilities**



*Higher Values Desirable*

**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**



**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

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**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          | 3. Wastewater pipelines and collection       |
| 2. Water treatment facility and pumping | 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

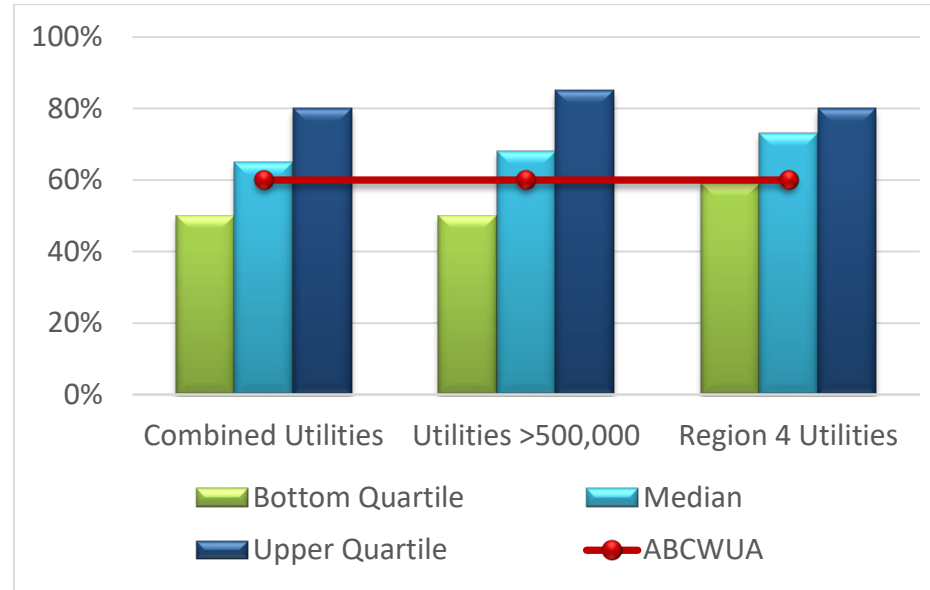
**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

**4-4 Triple Bottom Line Index**

**Performance Results**

Measure Type	Purpose	Inputs	Outputs					Outcome
Effectiveness	Quantify the utility's sustainability efforts	Self-assessment based on Triple-Bottom-Line Checklist	Baseline	Prior Year Actuals			Current /Est	Assess the utility's sustainability efforts
				FY22	FY23	FY24	FY25	
			58%	55%	60%	60%	60%	
							FY26	
							60%	

**Industry Benchmarks**



*Generally, higher values are desirable*

**FY24 Performance Plan**  
**Goal 4: Business Planning and Management**

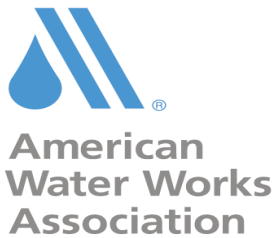
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Results Narrative

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 known 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		
<b>Overall Goal Status</b>			

### 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.	<b>5-1</b>
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.	<b>5-1</b>
Develop an awareness program to increase employee participation in annual physicals by 25% by the end of the 4th Quarter of FY26.	<b>5-1</b>
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.	<b>5-1</b>
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.	<b>5-1</b>
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.	<b>5-4</b>
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.	<b>5-4</b>
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.	<b>5-6</b>
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.	<b>5-6</b>



## Performance Measure Division Responsibility

Ref #	Performance Measure	Operations	Financial / Business Services	Human Resources	Administration/ Risk
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	✓	✓	✓	

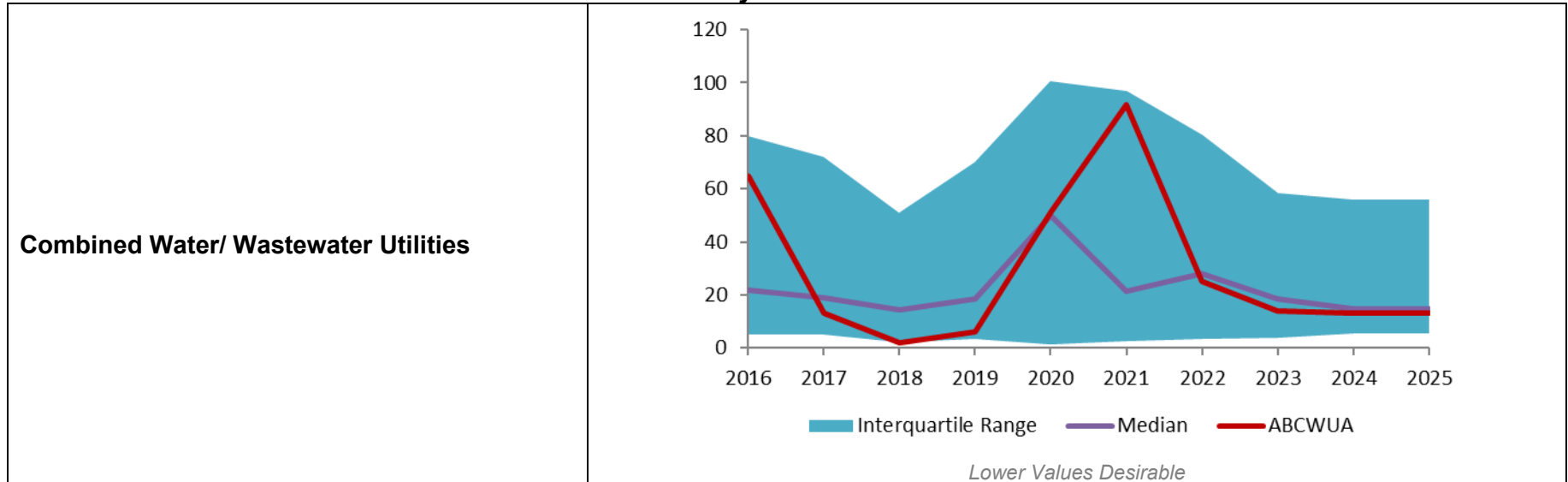
**FY25 Performance Plan**  
**Goal 5: Organization Development**

**5-1 Employee Health and Safety Severity Rate**

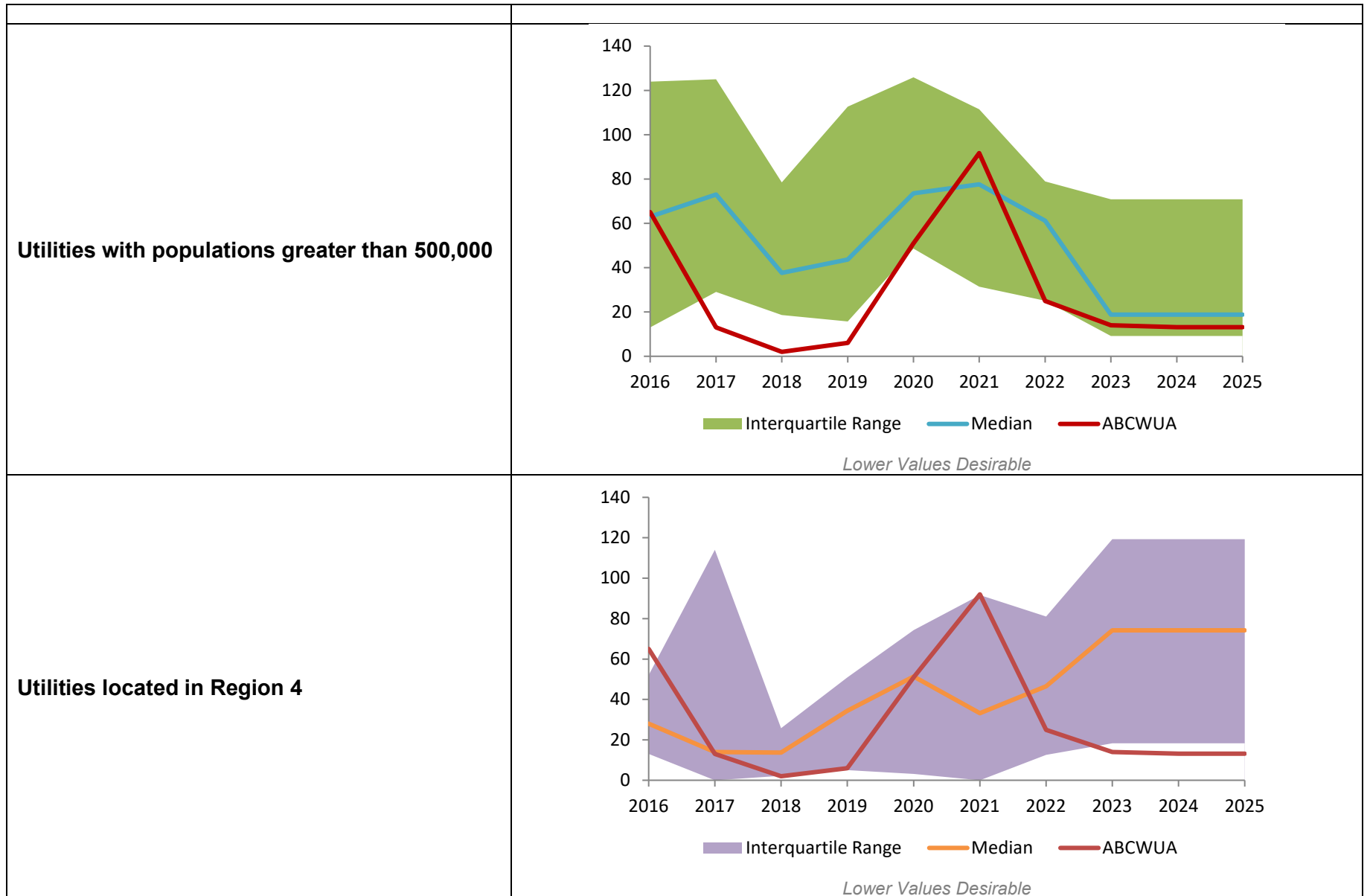
**Performance Results**

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

**Industry Benchmarks**



**FY25 Performance Plan**  
**Goal 5: Organization Development**



**FY25 Performance Plan**  
**Goal 5: Organization Development**

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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.

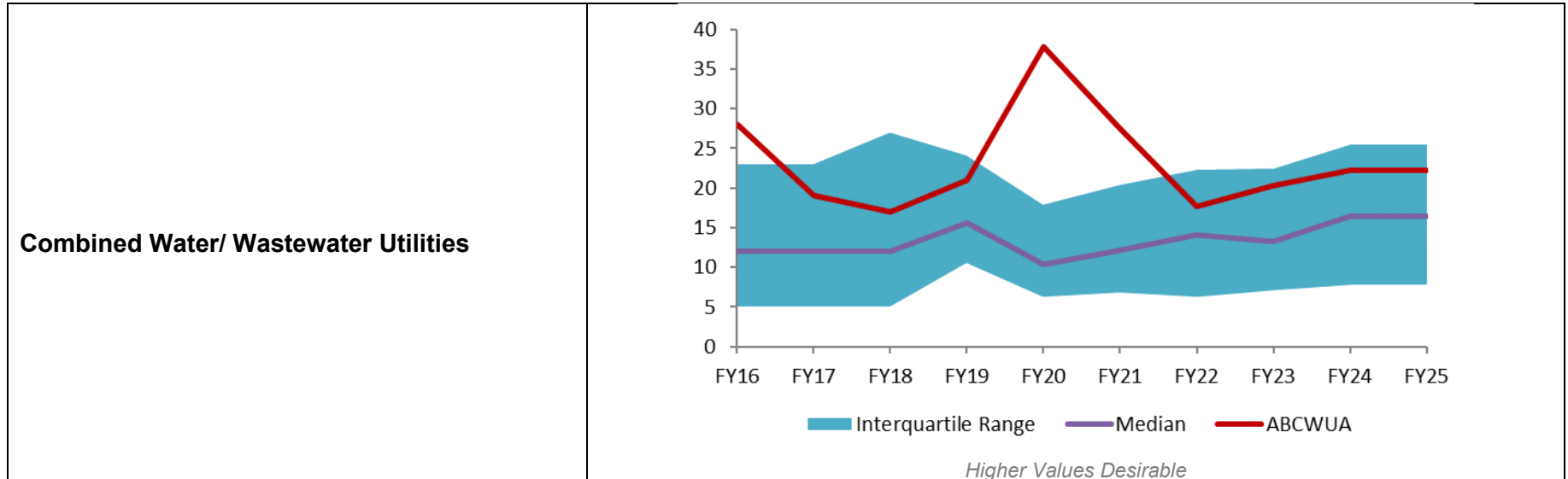
**FY25 Performance Plan**  
**Goal 5: Organization Development**

**5-2 Training Hours per Employee**

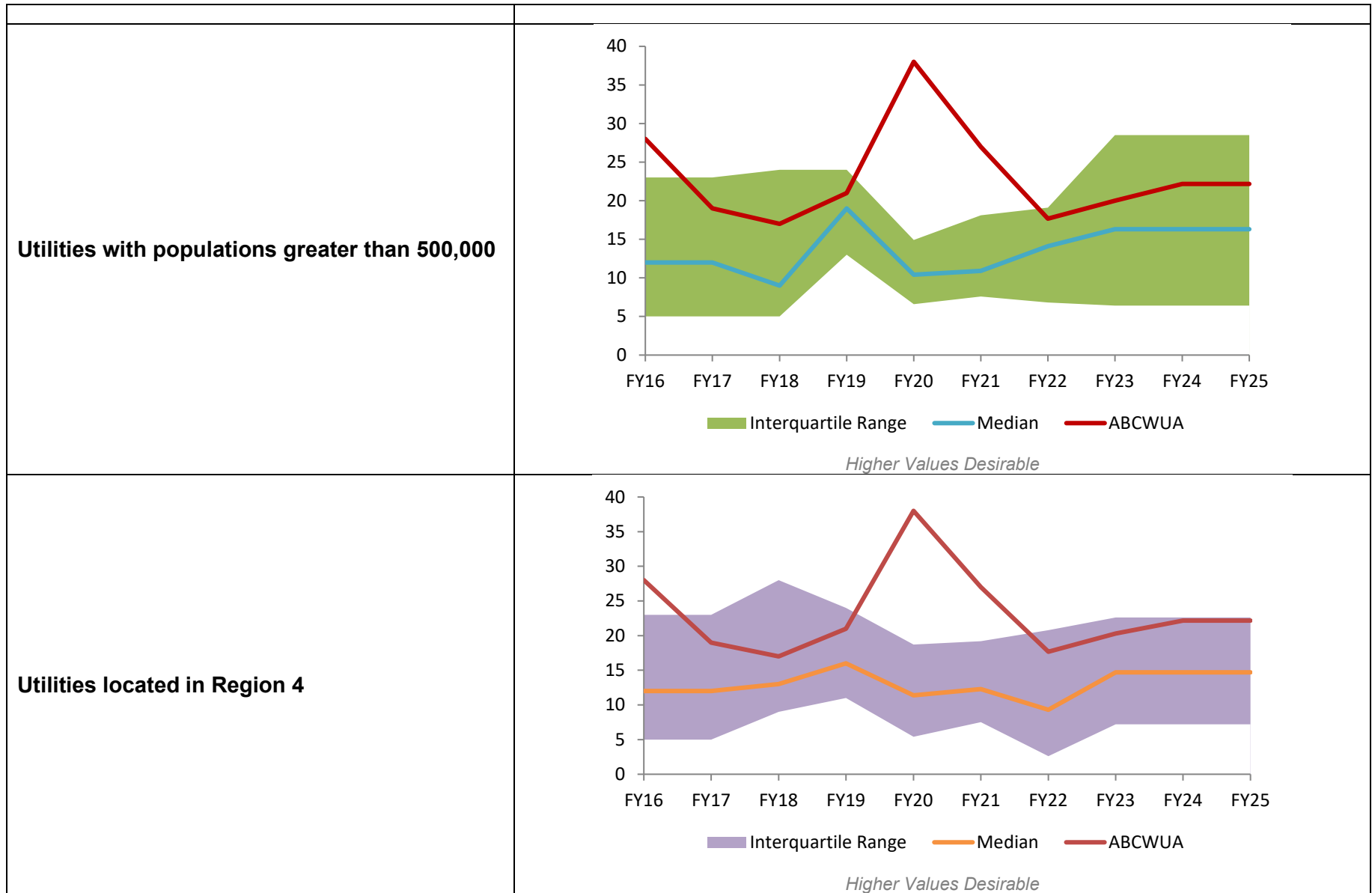
**Performance Results**

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

**Industry Benchmarks**



**FY25 Performance Plan**  
**Goal 5: Organization Development**



***FY25 Performance Plan***  
***Goal 5: Organization Development***

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**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 its 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.

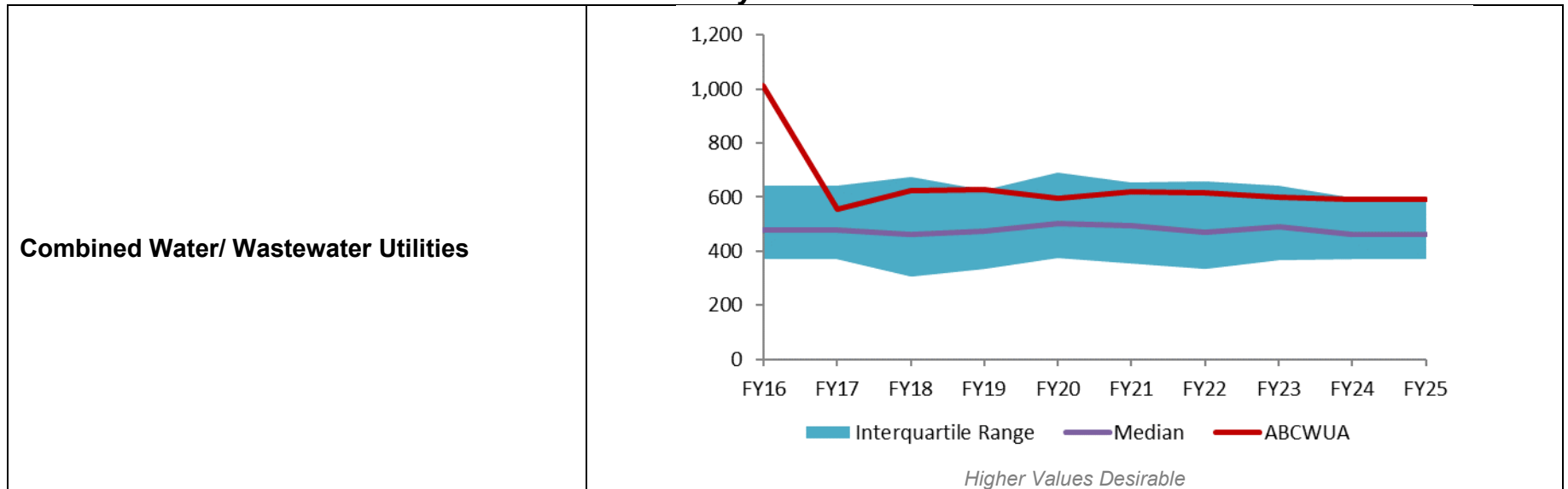
**FY25 Performance Plan**  
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**5-3 Customer Accounts per Employee**

**Performance Results (Customer Water Accounts per Employee)**

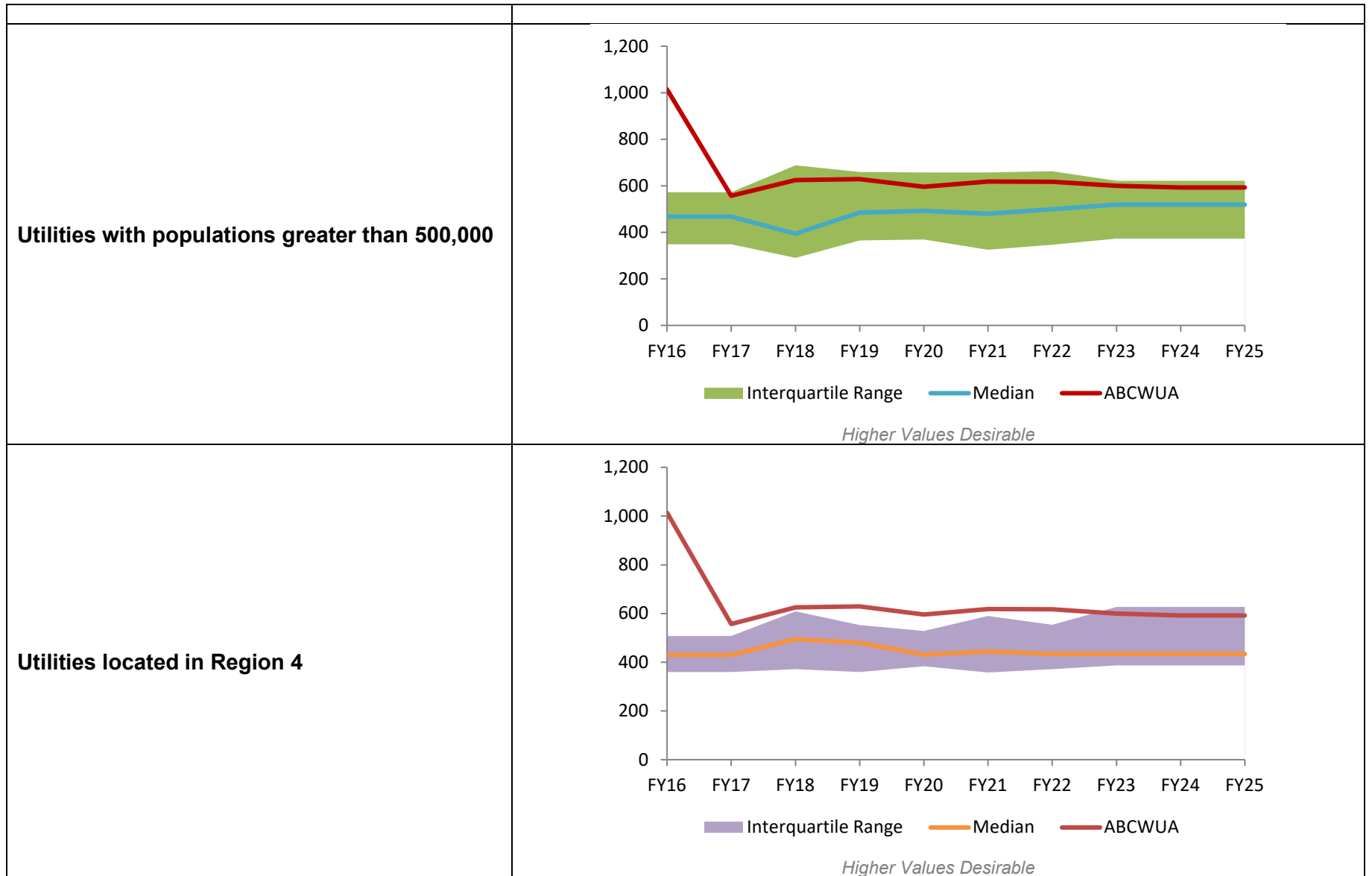
Measure Type	Purpose	Inputs	Outputs						Outcome
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	Baseline	Prior Year Actuals			Current/Est	Projected	Provide efficient service to our customers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

**Industry Benchmarks**





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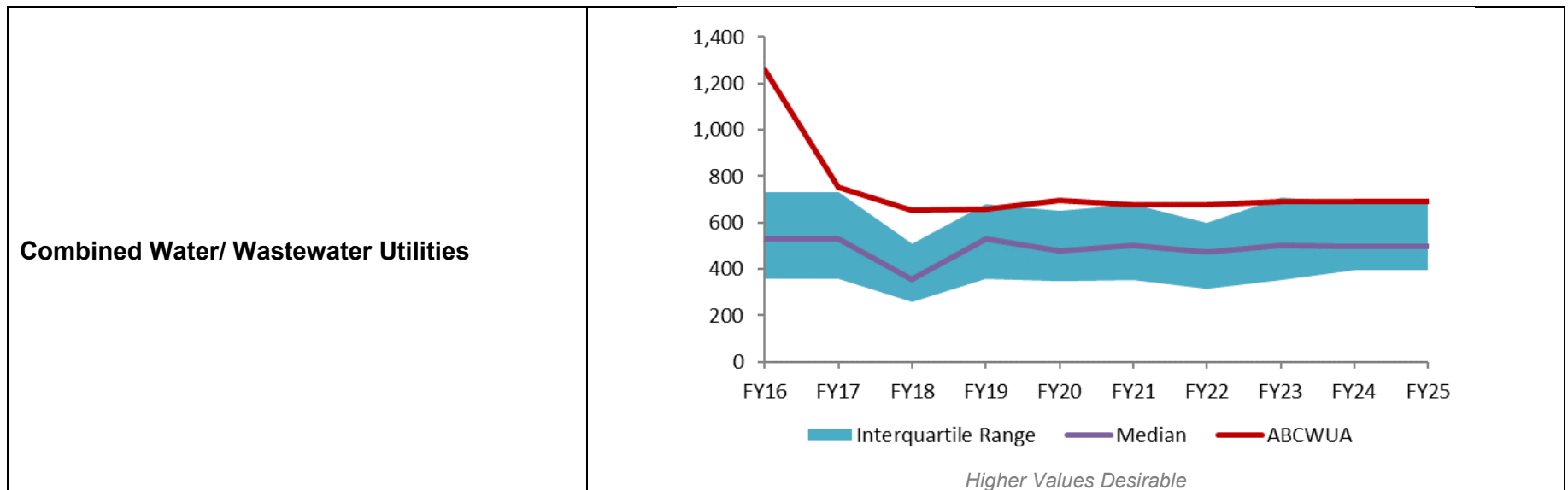


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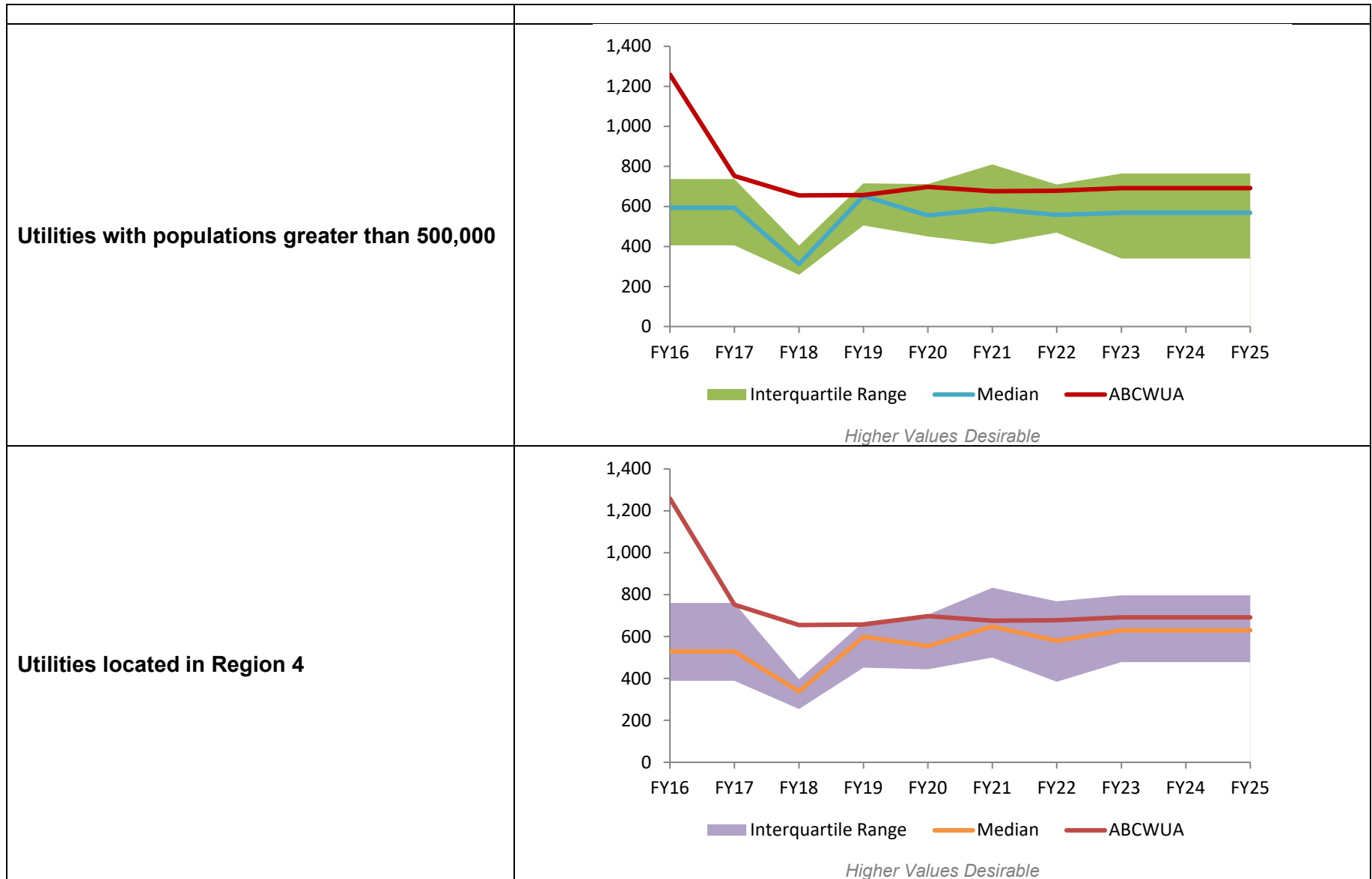
**Performance Results (Customer Wastewater Accounts per Employee)**

Measure Type	Purpose	Inputs	Outputs						Outcome
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	Baseline	Prior Year Actuals			Current/Est	Projected	Provide efficient service to our customers to meet their expectations
				FY22	FY23	FY24	FY25	FY26	
			687	678	692	692	692	695	

**Industry Benchmarks**



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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.

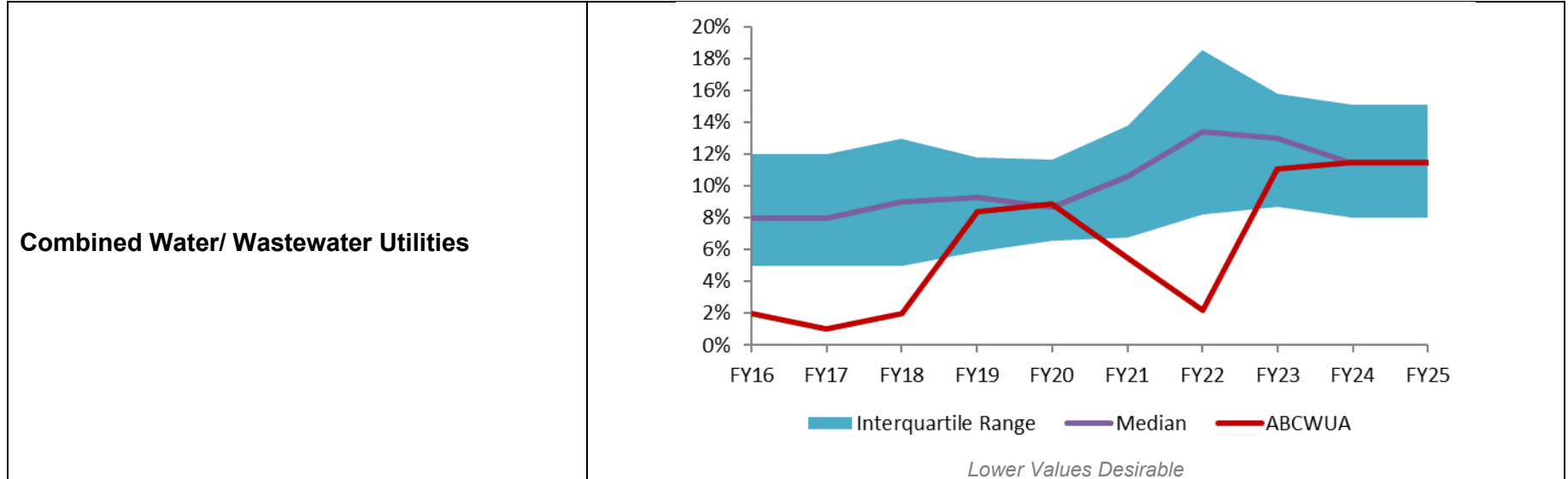
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**5-4 Employee Turnover**

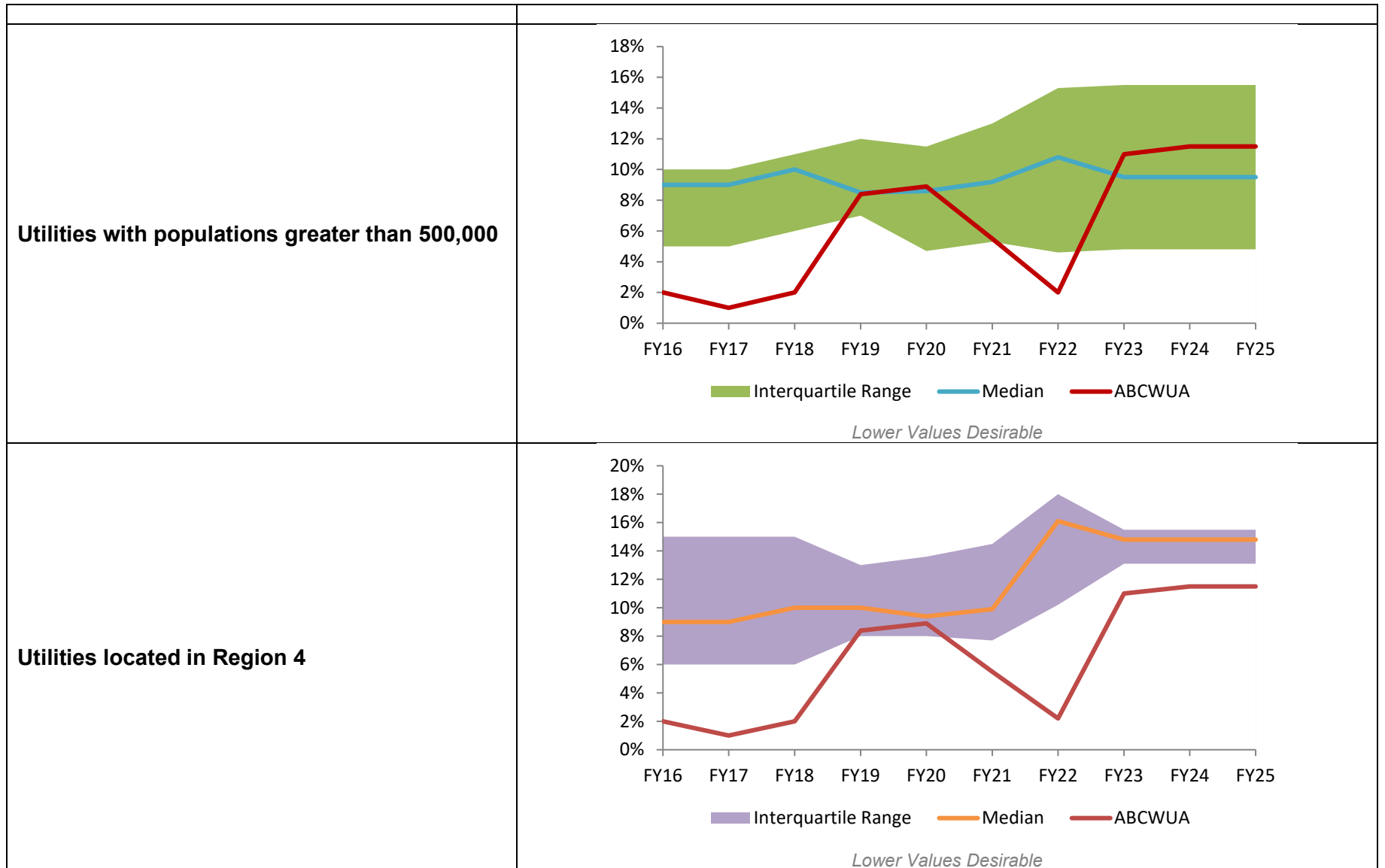
**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
Efficiency	Quantify the annual employee departures	Number of regular employee departures during the reporting period / Total number of FTEs	Baseline	Prior Year Actuals			Current/Est	Projected	Determine staffing levels for operation needs and meeting service levels
				FY22	FY23	FY24	FY25	FY26	
			8.0%	2.0%	11.0%	12.0%	12.0%	12.0%	

**Industry Benchmarks**



**FY25 Performance Plan  
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**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.

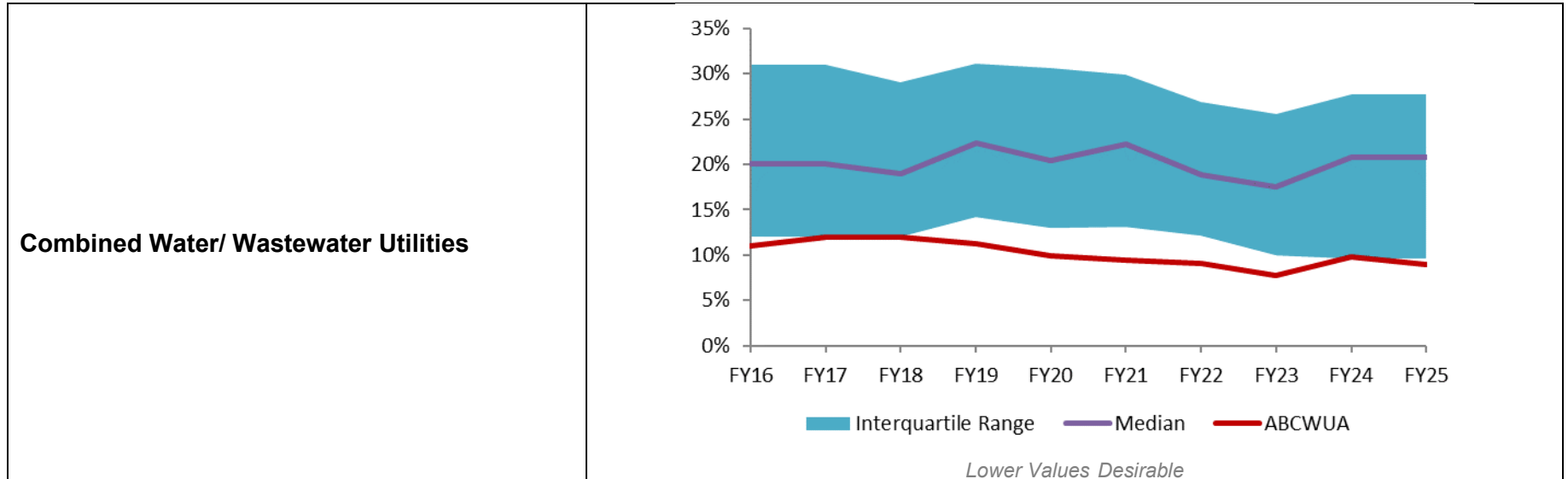
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**5-5 Retirement Eligibility**

**Performance Results**

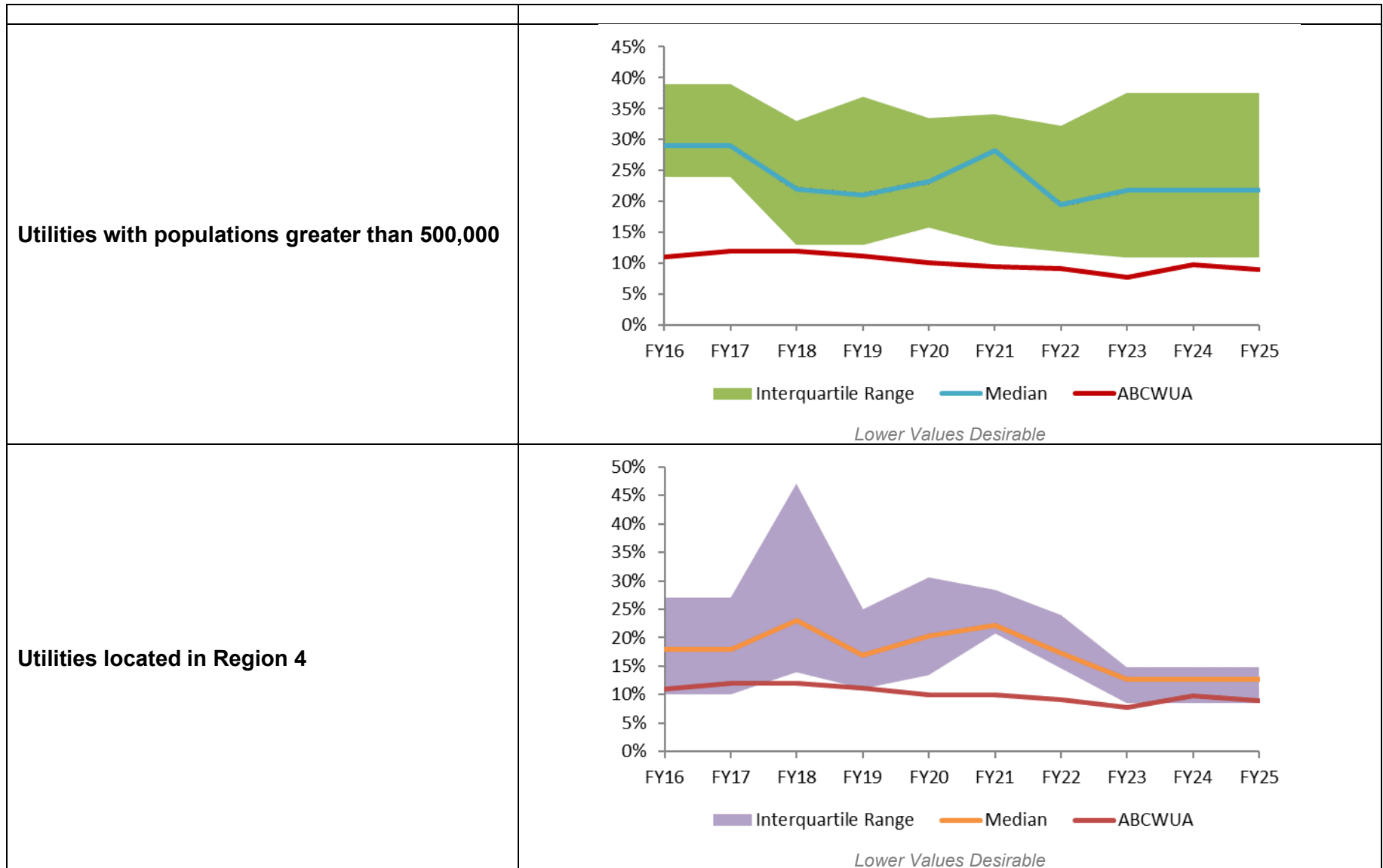
Measure Type	Purpose	Inputs	Outputs						Outcome
Efficiency	Quantify the number employees who can retire	Number of regular employees eligible for retirement in the next 5 years / Total number of FTEs	Baseline	Prior Year Actuals			Current/Est	Projected	Determine staffing levels for operation needs and meeting service levels
				FY22	FY23	FY24	FY25	FY26	
			8.0%	9.0%	8.0%	10.0%	9.0%	8.0%	

**Industry Benchmarks**





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**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.

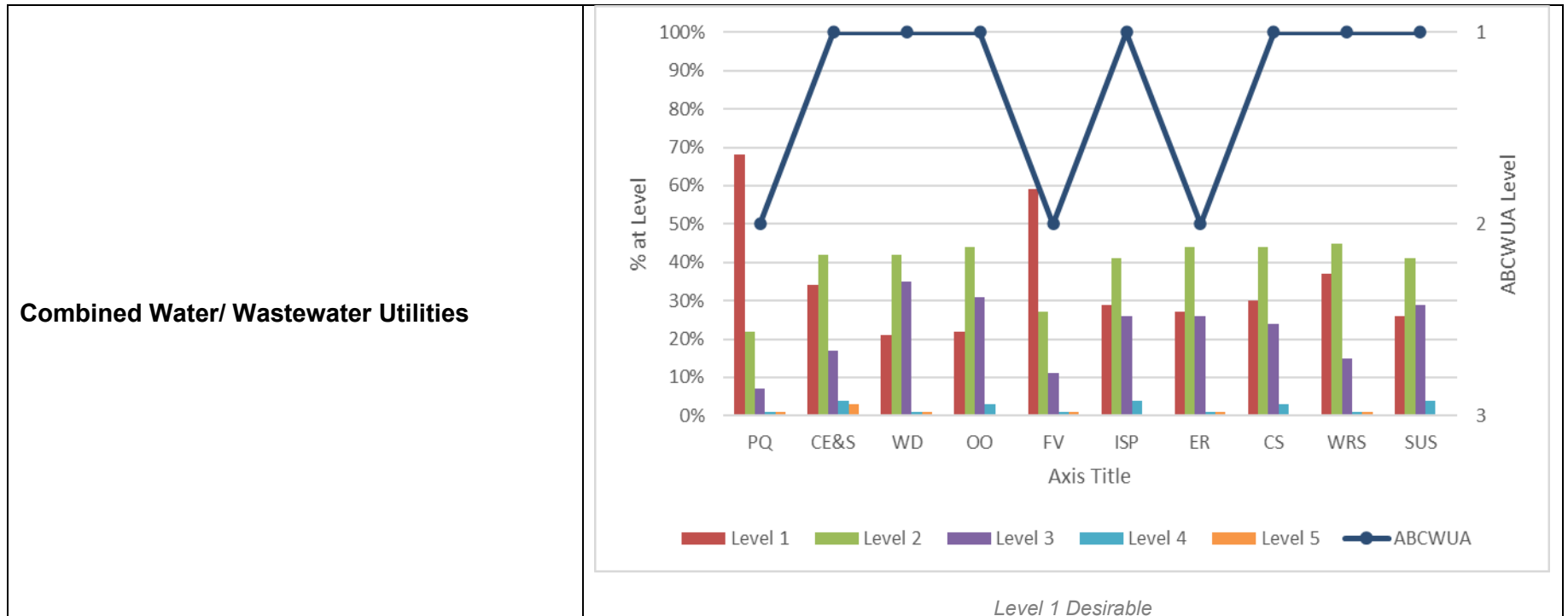
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**5-6 Effective Utility Management Attribute Maturity**

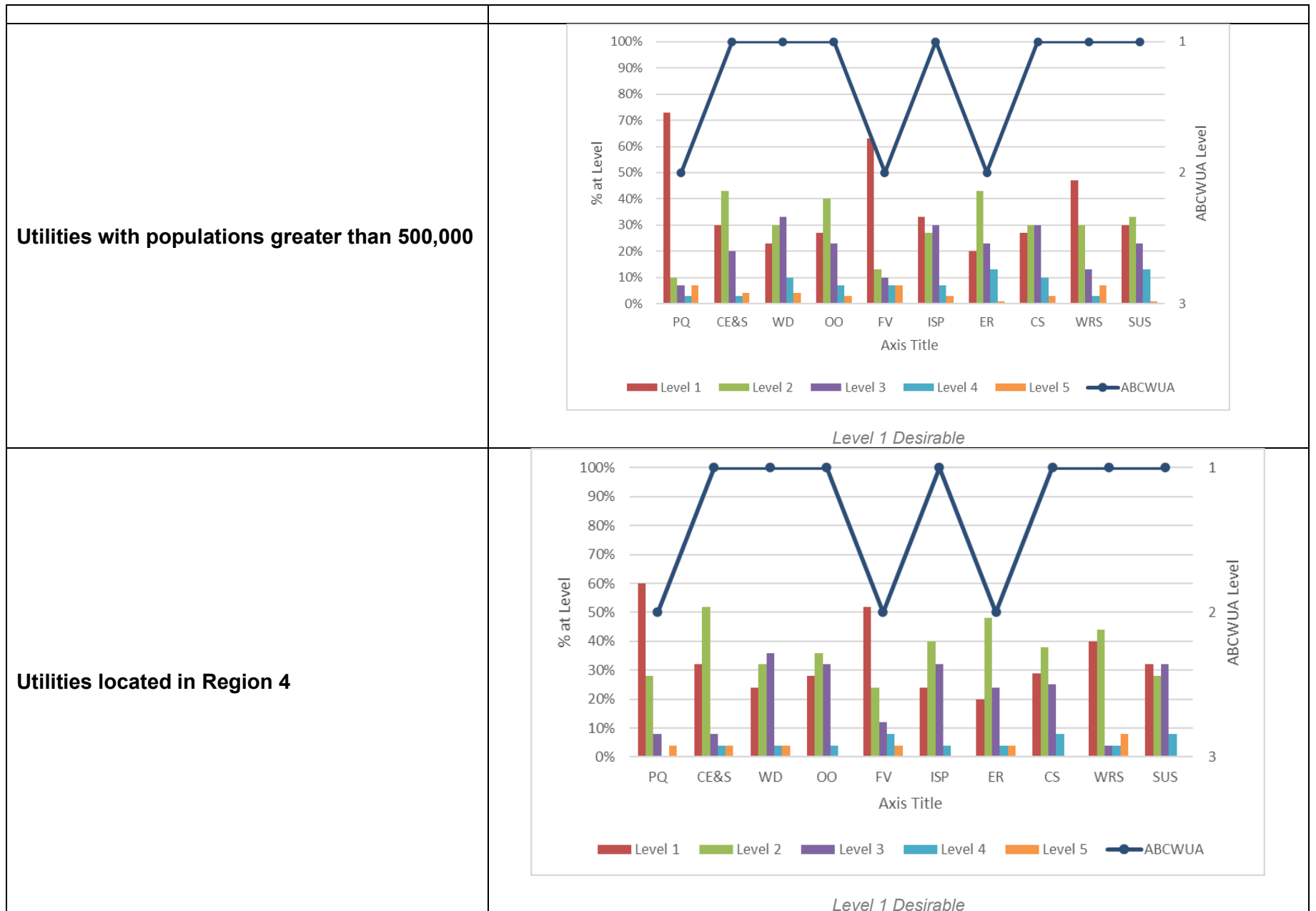
**Performance Results**

Measure Type	Purpose	Inputs	Outputs						Outcome
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	Baseline	Prior Year Actuals			Current/Est	Projected	Implement best management practices to sustain a competitive work force
				FY22	FY23	FY24	FY25	FY26	
			Level 1	NA	NA	Level 1	Level 1	Level 1	

**Industry Benchmarks**



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**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:

RRP	Regulatory and Reliability Performance
CE&S	Customer Experience and Satisfaction
WD	Workforce 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.

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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

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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.

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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 WaterReuse 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.

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

