Approved FY2024 Budget& Performance Plan

Albuquerque Bernalillo County Water Utility Authority

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Albuquerque, NM 87103

www.abcwua.org

GOVERNING BOARD MEMBERS

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


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Bernalillo County


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City of Albuquerque


Member Barbara Baca
Bernalillo County


Member Pat Davis
City of Albuquerque


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  Executive Director
- Stanley R. Allred
  Chief Operations & Finance Officer
- Elizabeth Anderson
  Chief Planning Officer
- Charles Kolberg
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- Erica Jaramillo
  Human Resources Manager
- David Morris
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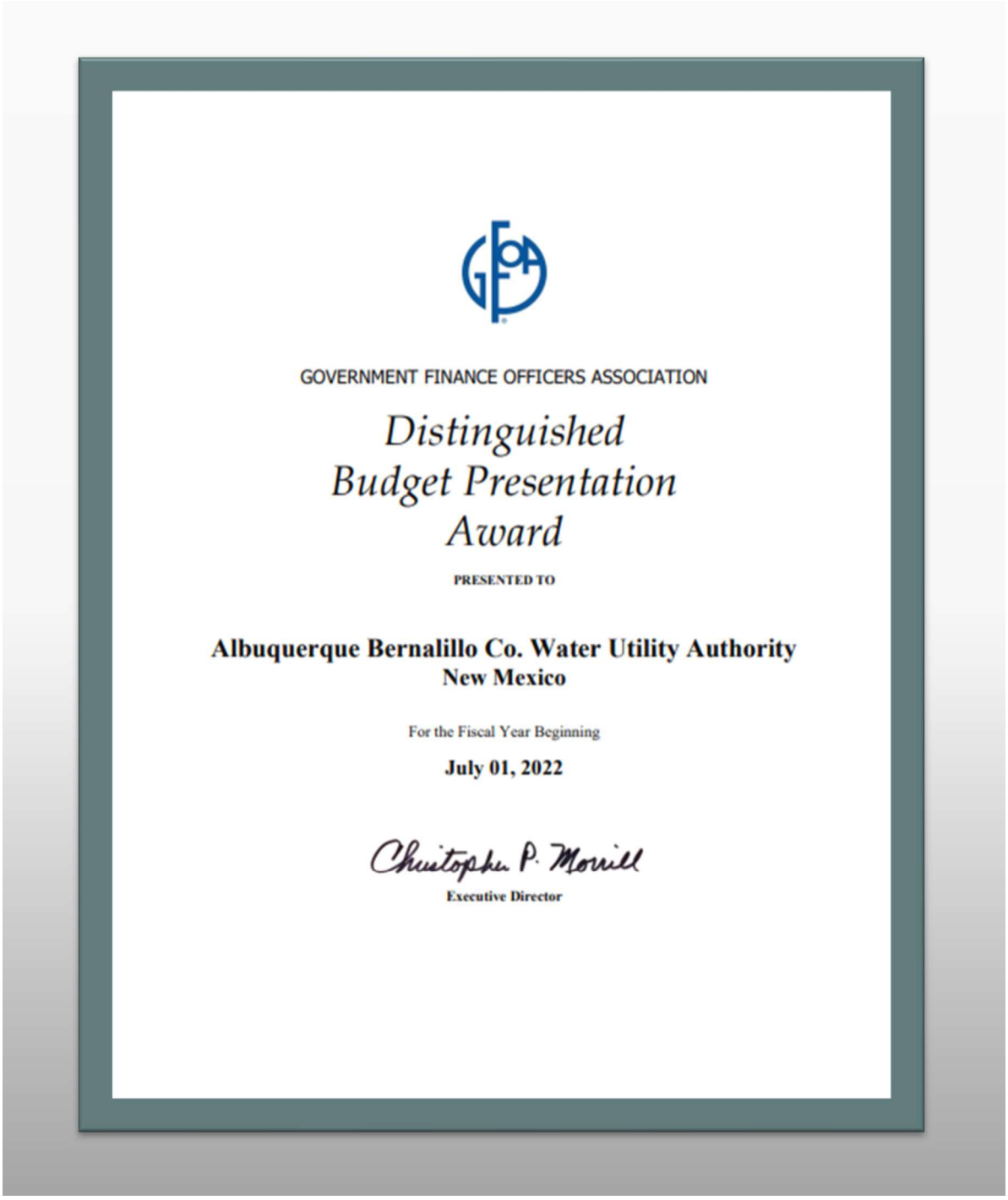


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Albuquerque Bernalillo Co. Water Utility Authority
New Mexico

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrill

Executive Director

EXECUTIVE LETTER

Albuquerque Bernalillo County Water Utility Authority

April 19, 2023

To: Eric Olivas, Chair

From: Mark S. Sanchez, Executive Director

Subject: Resolution Appropriating Funds for the Operation of the Water Authority for the Fiscal Year Beginning July 1, 2023, and Ending June 30, 2024

Presented to the Board for review and consideration is the proposed budget for the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for Fiscal Year 2024 (FY24). This submittal is the Water Authority's financial plan for FY24. The development of this financial plan has been guided by the Water Authority's Five-year Goals, One-year Objectives, Performance Plan and the Guiding Principles. In the development of this proposed budget, the Water Authority has taken a conservative financial approach to provide effective and efficient water and wastewater services balanced against projected resources. This proposed budget is based upon the 10-year Financial Plan. It is balanced, fiscally conservative and sound.

The Water Authority has developed the budget according to the utility's projected estimated revenues. General Fund revenue for FY24 is estimated to be $248.4 million, representing an increase of $3.7 million from the FY23 budget amount. There is no rate revenue adjustment proposed for FY24.

The proposed General Fund operating expenses for FY24 are $248.4 million, representing an increase of $1.7 million from the FY23 revised budget, including interfund transfers. This is comprised of an increase of $3.3 million for salaries and benefits, a decrease of $3.0 million for operating expenses, and an increase of $1.4 million for interfund transfers to the capital and debt service funds. Personnel expenses include a 2.0% step increase in wages, a 2.5% increase in health benefit costs and a 0.5% increase in PERA pension costs. The most significant expense continues to be debt service payments, which comprise 31.0% of the total General Fund operating expense in FY24.

For FY24, General Fund revenues, including an addition of $0.5 million from fund balance, are expected to be $0.005 million more than proposed expenses. This amount will bring the Working Capital or Fund Balance to $32.6 million at June 30, 2024. 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 FY24, the Rate Reserve fund remains at $9.0 million; the Risk Reserve is $0.5 million; and the Soil Amendment Facility Reserve is $2.1 million.

Submitted in a separate resolution is the Capital Implementation Program (CIP) proposed budget for FY24. This budget reflects the Water Authority's commitment to spend $250.0 million to upgrade its sewage treatment plant and an additional $36.0 million per year to cover the costs of routine replacement of aging pipes, pumps and other infrastructure as recommended in an asset management study commissioned by the Water Authority. The proposed CIP appropriation for FY24 is $103.5 million. $88.7 million is appropriated for the basic rehab capital programs, $4.0 million for growth-related projects, $8.3 million for special projects, and $2.5 million for *Water 2120* projects. The $8.3 million for special projects is comprised of $1.0 million for Automated Meter Infrastructure (AMI), $2.0 million for steel water line replacement, $0.3 million for various renewable energy projects and $5.0 million for the Mission Facility site renewal.

In FY22, the Water Authority finalized a subrecipient agreement for the purpose of carrying out a portion of Bernalillo County's American Rescue Plan Act (ARPA) Recovery Funds. The listed projects below will continue in FY24 not to exceed $55,816,573 in Federal assistance and will assist the County in utilizing such funds. Below is a listing of the projects, funding amount, and a brief description.

Carnuel Sewage Collection System ($3,845,000) – Funding will be used for construction of a force main system that will provide sewer service to Carnuel residents and has a direct positive community impact and reduction in groundwater pollution (eliminates septic systems). ARPA funding will used for the construction phase.

MDC Water & Sewer Improvements ($4,200,000) – 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.

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

South Valley Drinking Water Project Phase 8 & 9 ($8,000,000) – Funding will be used to design and construct waterlines for residents and businesses in the South Valley that currently rely on private wells.

Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation ($15,000,000) – Funding will be used to design and rehabilitate the existing interceptor line through KAFB as well as support the Max Q development project.

Volcano Cliffs & Corrales Trunk Reservoir & Transmission Line ($15,000,000) – Funding will be used to design and construct a reservoir and transmission line for increased water capacity and transfer within Volcano Cliffs trunk and Corrales trunk.

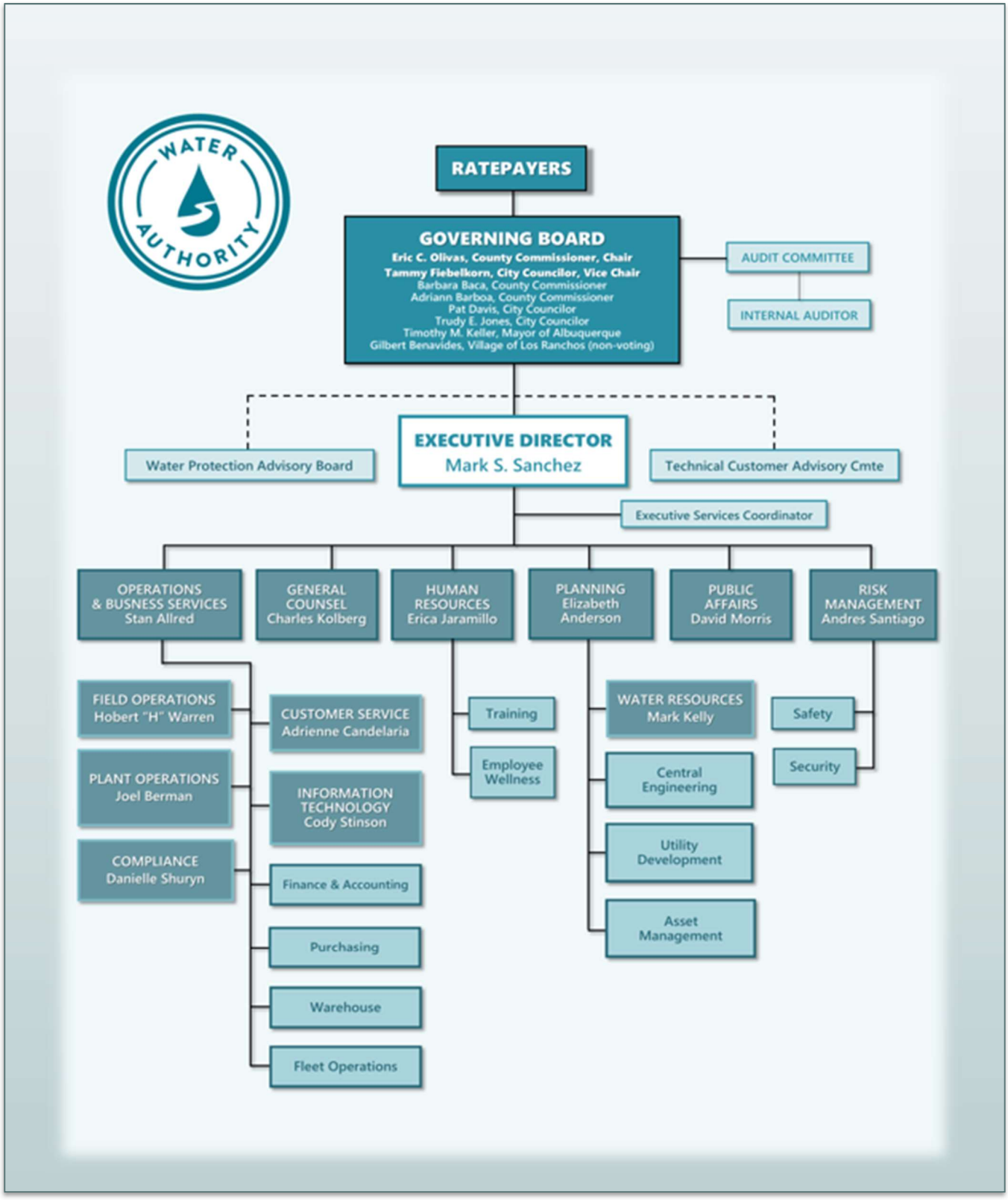
Bosque Non-Potable Water Reclamation Plant and Reuse System ($2,875,037) – Consistent with Water 2120, this project extends the Water Authority's water resources through conservation and direct and indirect potable reuse. This project would provide non-potable water for industrial purposes and irrigation needs to parks, schools, and golf courses. ARPA funding will complete the 1st phase, which is underway, that includes finalizing the layouts for the facility (conceptual design) and submission of a NPDES permit to discharge to the Rio Grande south of Montano Road. This funding will also begin the 2nd phase that consists of preliminary and final design. The Water Authority has received $300,000 in Capital Outlay funding through the State of NM.

Carnuel Water System Expansion ($1,000,000) – Funding will be used for additional waterline extension design and construction for the Village of Carnuel Water System Expansion project. The Water Authority has received $3000,000 in Capital Outlay funding through the State of NM.

To'Hajiilee Water Line Extension ($1,000,000) – Funding will be used for construction of a 7.8 mile, 10-inch gravity transmission line from the 7W Reservoir located on the westside of Bernalillo County to the Well 5 site.

This budget proposal represents the Water Authority's coordinative effort to bring to the Board a financial plan that provides the necessary funding to perform all the varied operational and administrative functions, to maintain the Level of Service (LOS) to its customers with high-quality water and wastewater service and address the Water Authority's priorities for FY24 to improve services and gain operating efficiencies.

ORGANIZATION CHART



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

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

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

5) **Work Units**: This section contains personnel information and work unit information.

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

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

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

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

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

    1) Are we improving year to year?

    2) How do we compare with the industry standard?

    3) Are we increasing customer satisfaction?

The electronic version of the FY24 Approved Budget can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

The electronic version of the FY24 Performance Plan can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

The electronic version of the FY2024-2033 CIP Decade Plan can be found at the Water Authority's website: http://www.abcwua.org/your-water-authorityfinances/

❖ **Budget Policies and Procedures Ordinance**:

NMSA 1978, Section 72-1-10, which created the Albuquerque Bernalillo County Water Utility Authority (Water Authority), along with the Water Authority's Budget Policies and Procedures Ordinance, requires the Executive Director to formulate the operating budget for the Water Authority.

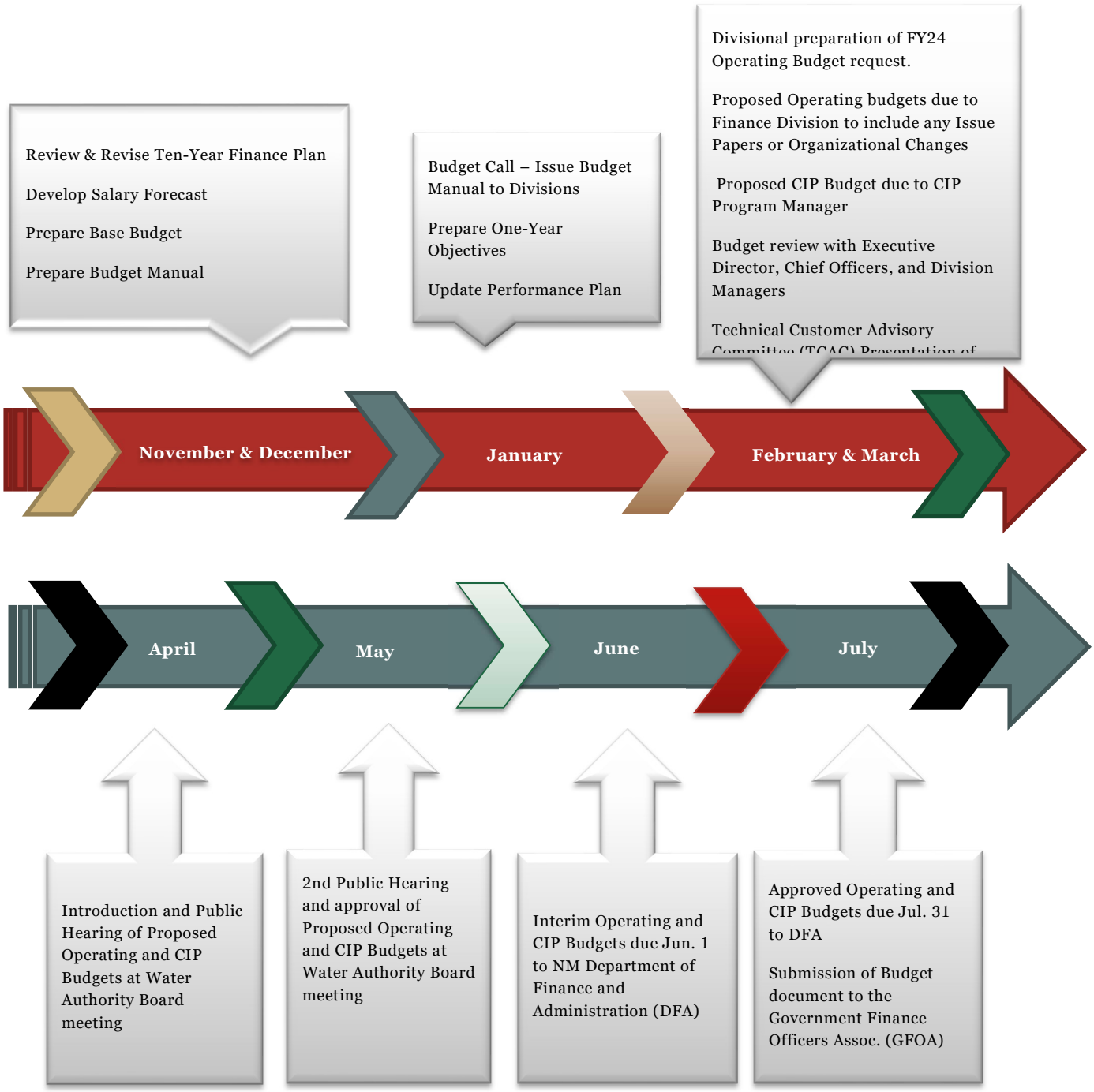
The Executive Director shall propose the budget to the Board at the April regularly scheduled meeting each year. The Water Authority Board then will approve or amend and approve the Executive Director's proposed budget, after the Board has received the budget and has deliberated on it, provided public notice and allowed for public input at or before the May regularly scheduled meeting.

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

- ✓ In November and December, the Water Authority's Ten-Year Financial Plan is revised to determine the revenue and appropriation levels that are projected for the budgeted fiscal year as well as how future years will be impacted by these financial decisions.
- ✓ In December, departments and divisions prepare their One-Year Objectives. Objectives meetings are held with the Executive Director and Senior Staff to review and finalize the One-Year Objectives. A salary forecast is completed for review by the Executive Director. Expense data is accumulated at the current level and totals are reviewed to determine if other actions or changes in budget instructions must be made to achieve a balanced budget. Once revenue and appropriation levels are determined, the base budget is prepared.
- ✓ In January, the budget instructions are issued to divisions and the Performance Plan data is updated. The performance plan contains performance measures that guide the operating and capital budgets in allocating the Water Authority's financial resources and is driven by the five-year goals and one-year objectives.
- ✓ In February and March, budget meetings are held with the Executive Director and Water Authority Senior Staff. During this process, divisions may request program expansions, offer plans for reducing costs, or propose revenue enhancements. One-Year Objectives and Performance Plan data are reviewed and updated. The Capital Implementation Program (CIP) Decade Plan is reviewed and updated for the fiscal year CIP Proposed budget submission.

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

❖ Budget Development Timeline



❖ Process for Amending the Budget after Adoption

In accordance with the Water Authority's Budget Policies and Procedures Ordinance, the Water Authority Board, upon its own initiative or upon a recommendation by the Executive Director, may amend the operating and/or capital budget during the fiscal year to which it applies. No amendment to the

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

- **Basis of Budgeting and Accounting**

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

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

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

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

EXECUTIVE SUMMARY

PROFILE OF THE WATER AUTHORITY

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

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

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

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

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

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

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

VISION AND MISSION STATEMENTS

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

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

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

FY24 BUDGET HIGHLIGHTS

The FY24 Executive Director's Approved Budget establishes the Water Authority's financial plan and uses the Goals, Objectives, and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input

from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

BUDGET ASSUMPTIONS

In the preparation of the FY24 budget, certain assumptions were made related to the operations of the Water Authority, the economic climate and system growth within Bernalillo County and the City of Albuquerque.

SALARIES:

- ✓ The wage and salary base are established for each filled or authorized-to-be-filled position.
- ✓ This base is increased or decreased for all wage adjustments for FY24 to incorporate current contractual increases.
- ✓ A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.
- ✓ Employee benefits are calculated on wage and salary costs at the following rates: FICA - 7.65% regular, RHCA-2.0%, PERA-26.45% for blue and white collar and management/professional, this amount does include the 0.5% yearly for both employer and employee as required by the PERA Legislation. Other employee benefits (health, dental, vision, retiree health insurance, group life) –budgeted at FY23 actual amounts plus a 2.5% contracted rate increase for health insurance.

CAPITAL EXPENSES:

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

OPERATING EXPENSES:

- ✓ FY24 operating expenses were budgeted equal to FY23 appropriated amounts. One-time appropriations for FY23 were deleted.
- ✓ Inflationary adjustments were not granted as automatic across-the-board adjustments.
- ✓ For FY24, utilities (gas, electricity, and water/wastewater) were budgeted based on historical expenses and anticipated needs.
- ✓ Workers' Compensation and other insurance, tort and risk expenses are treated as expenses in the Risk department for FY24. These amounts are identified based on the historical experience and exposure factors relative to the Water Authority.
- ✓ Beyond those stated above, line-item increases needing special justifications include extraordinary price increases, increases in workload, or a special need not previously funded.
- ✓ Fuel costs have been appropriated for FY24 per the US Energy Information Administration forecast of oil prices. The forecast for gasoline prices is $3.38/gallon and for diesel is $3.85/gallon.
- ✓ Vehicle maintenance charges are estimated for FY24 according to the class of vehicle and historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.

CHALLENGES

The biggest challenge facing the Water Authority in FY24 are:

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

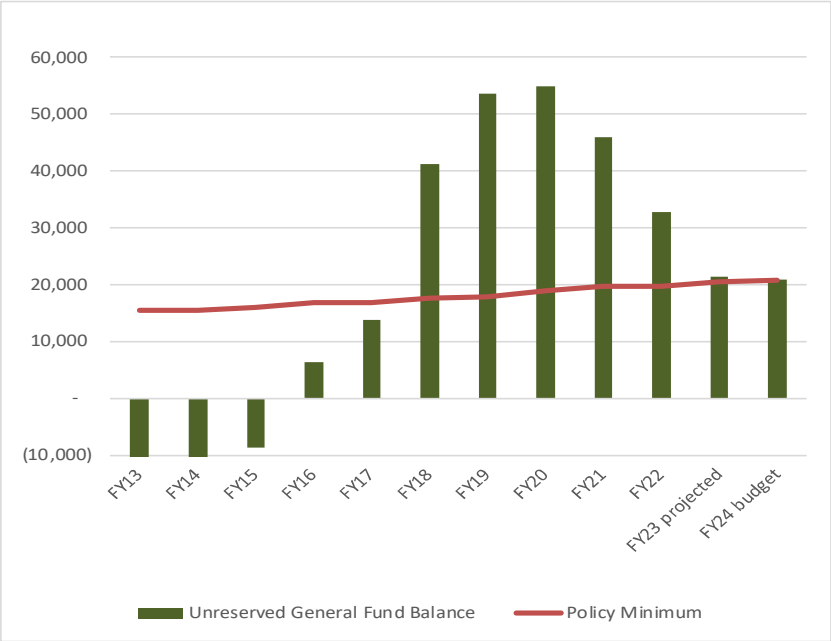
One of the biggest challenges facing the Water Authority is managing the increasing costs across the board for supplies; especially in the areas of fuels, chemicals for water and wastewater treatment, and general operating and maintenance supplies. The Water Authority operates and maintains two water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

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

FUND BALANCE

In the FY24 budget, revenues are projected to equal expenses in the General Operating Fund. Surplus revenue will be added to the balance to achieve a Fund Balance equal to at least 1/12th of the annual budgeted operating expenses. The decrease in the Fund Balance, beginning in FY21, reflects the policy decision of the Water Authority to "draw down" the excess working capital to offset increases in operating expenses.

UNRESERVED GENERAL FUND BALANCE HISTORY



FY23 ACCOMPLISHMENTS

As we look forward to FY24, we also reflect on the Water Authority successes in recent years. These included:

AWARDS:

- ✓ AQUARIUS Award from the U.S. Environmental Protection Agency (EPA) for the utility's efforts to bring water service to the Village of Carnuel.
- ✓ 2021-2022 American Water Works Association (AWWA) Partnership for Safe Water Treatment-Presidents Award
- ✓ FY23 Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
- ✓ FY21 GFOA Certificate of Achievement for Excellence in Financial Reporting (both Comprehensive and Popular)
- ✓ 2021 American Council of Engineering Companies (ACEC) Engineering Excellence Award, Power Loop A&B, Phase 1 (Carollo Engineers, designer)

ACHIEVEMENTS:

- ✓ Achievement of 20% reliance on renewable energy sources
- ✓ Holding water and sewer rates steady for the fourth consecutive year

Other achievements in the preceding fiscal year include progressing to the design phase on the To'Hajiilee Transmission Line project that will provide high-quality potable water to the To'Hajiilee Navajo community, and the Volcano Cliffs Arsenic Treatment Facility that will treat water from 5 existing wells, providing approximately 12 million gallons per day (MGD) of potable water for the users in the westside of the service area. The Water Authority expects that both projects will go to construction in FY24. The Intel Raw Water Transmission Line project will be completed before the end of FY23.

➢ Operations

In calendar year 2022, the Surface Water Treatment Plant (SWTP) section produced 46% of all water for the Water Authority, which reflects drought conditions in the Rio Grande River during the year. After a three-month shut-down due to the drought conditions during the summer months, SWTP staff, along with Groundwater crews and Water Quality staff, coordinated a successful

restart of the plant with no observations of discolored water by staff or complaints by the public. Groundwater section provided all the potable water to the service area between mid-June 2022 and mid-October 2022 due to the shutdown of the SWTP.

Groundwater section provided all the potable water to the service area between mid-June 2022 and mid-October 2022 due to the shutdown of the SWTP.

Groundwater major projects during the year included: performing in-house asset renewal, upgrades, and maintenance to pump control valves and booster and well pumps, refining the scope for a study of stranded high arsenic well assets, and assessing the impacts on service from wide-scale loss of power.

The Southside Water Reclamation Plant (SWRP) section accomplishments included: installing ultra-violet channel flow control baffles and performing channel cleaning to help reduce exceedances of E. coli bacteria and mercury; diverting 29% of biosolid waste to compost production, successfully commissioning exhaust gas treatment systems for the North Cogen engines and achieving a goal of 34% energy use from renewable power sources.

Field Distribution section crews installed over 17,000 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 455 large water meters and over 300 small water meters for accuracy (median 94.8%) and updated over 756 assets into the asset registry. Staff are pouring and casting concrete meter vaults instead of purchasing premade vaults, resulting in cost savings. Crews upgraded four actuators at the SWTP and continued the pressure management program with 38 device rebuilds and two complete replacements.

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

Collections staff piloted a manhole monitoring study to diagnose flow patterns and provide advance alerts of downstream blockages to reduce the number of sanitary sewer overflows.

Planning & Utility Development section, in coordination with the City of Albuquerque and Bernalillo County, continued its work to ensure that the water

and wastewater infrastructure designed and constructed as part of new developments met Water Authority standards. A complete draft of the Guide To Development has been written. Staff migrated the Work Order process and Connection Permits to an online platform where customers can track the status of their projects and provided training to contractors on the new permit process. Staff developed processes for capturing information for asset management purposes, developed key performance indicators (KPIs) for primary deliverables and began the process of archiving historical documents.

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 FY23 are projected to be approximately $60 million. During the fiscal year, this section had to face many challenges including: extended material delivery timelines, contractor crew availability and consultant availability which extended times for scope/fee preparation and deliverables.

Critical and priority rehab projects managed included: the Process Lab prefabricated buildings, primary clarifiers and the SCADA tower at SWRP; the raw water intake mechanical rake project 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, and interceptor rehabilitation projects.

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

The Asset Management staff continued progress on updating the asset registry, completed the Comprehensive Asset Management Plan, developed a property asset report for Risk to update replacement costs for insurance purposes, developed framework in Maximo to load barricades and paving restoration costs, developed processes for optimizing preventive maintenance with various work groups, set up business processes for Fleet and Facility Maintenance, 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, funding for Emerging Contaminants and funding for the Lead Service Line Replacement programs.

Water Resources reported 1.3 billion gallons of water was conserved in CY22 from CY21. Water savings was achieved in many ways: Drought Rebate classes, water waste compliance, Outreach to the top 5% residential water users, leak inspections, rebates, and programs with City of Albuquerque and Bernalillo County partners. As a result of these savings, the Water Authority achieved 127 gallons per capita per day (GPCD) in CY22, continuing the utility's move towards the goal of 110 GPCD by year 2037.

Conservation staff completed the new "Irrigation Efficiency Guide" and lead the Customer Conversations forum sessions on Drought Planning.

Water Resources Water Rights & Environmental Planning staff coordinated with Central Engineering and Groundwater staff to optimize the recharge at Bear Canyon and added 2,000 acre-feet of recoverable water through the Aquifer Storage Recovery (ASR) wells. The SWRP Outfall Restoration project continued to progress on the design package, submittal of the biological assessment and stakeholder meetings with local and federal agencies.

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 developed performance metrics to monitor quality and productivity. Lab capacity returned to normal/pre-COVID performance levels during the fiscal year.

Staff conducted a 3-day training session for divisions on use of the drinking water and reuse models. Staff expect the model to be finalized by fiscal year-end.

The Water Quality program completed the Sanitary Survey with the New Mexico Environmental Department's Drinking Water Bureau. Staff increased source supply monitoring for Per-and Polyfluoroalkyl Substances (PFAS) and 1,4 dioxane,

and successfully completed ground water well monitoring. Equipment was purchased last fiscal year to enable the utility to perform its own monitoring.

The National Pollutant Discharge Elimination system (NPDES) program finalized the Mercury Reduction Plan and sent the revisions to the U.S. Environmental Protection Agency (EPA). Construction was completed on the sample preparation laboratory and staff completed Pretreatment program document revisions and public outreach on the changes to the program.

➢ Administration, Employee Relations and Development

In November 2022, Public Relations and Water Resources staff held virtual Customer Conversations meetings on the topic of "Drought Planning".

The Risk/Safety program conducted a pre-assessment meeting with local fire department officials in preparation for a Bulk Chemical Spill Response functional exercise (tabletop exercise). The new 2022 Federal Motor Carrier Safety Administration program for entry-level commercial driver's license (CDL) training was implemented. Risk staff effectively mitigated claims before they materialized into tort claims and negotiated favorable pre-mediation settlements; these measures both realized significant cost savings for the utility.

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

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

Human Resources and Safety staff worked in conjunction with a Physical Therapy & Worksite Strategies consultant to perform job function analyses in three work groups: Field Distribution, Groundwater and Compliance. The goal of these analyses is to mitigate workplace injuries and reduce non-work hours caused by these injuries.

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 ninety-one certification promotions of employees throughout the Water Authority during the fiscal year and employees received a total of $30,000 (to date) in tuition assistance.

➢ Budget, Finance and Business Management

The Water Authority received the following recognition from the Government Finance Officers Association (GFOA): FY21 Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and the Popular Annual Financial Report (PAFR), and the FY23 Distinguished Budget Presentation Award.

The Finance Accounting section submitted the FY22 ACFR and PAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting program.

Purchasing staff prepared documents for solicitation of various CIP projects, developed multiple analytical reports for tracking procurement records and initiated development of a web-based procurement scoring application.

Warehouse staff established formal after-hours access procedures for emergency use of the warehouses and developed key performance indicators (KPIs) to monitor warehouse operations and order fulfillment productivity.

Fleet & Facility Maintenance partnered with Asset Management staff to develop an automated service request management system, finalized the fleet satellite storeroom management procedures, and established centralized contracts for various facility maintenance activities.

Treasury section managed the rising interest rate environment reestablishing a Treasury Bill securities ladder and maximized the return on liquid bank balances by utilizing government money market account sweeps. Treasury and Customer Services implemented a self-service payment kiosk at the new Bernalillo County building location. This kiosk allows customers to make payments in a convenient and safe location during non-operating hours.

Customer Services updated the Customer Care Training program, partnered with Finance staff and the rate consultant to complete a Water & Wastewater Cost of Service study and instituted a call quality monitoring program in the Dispatch area. In October 2022, CSD joined other utilities, agencies, and social services partners in the Albuquerque Community Assistance Fair.

Security continued to be the focus for Information Technology staff in all areas during FY23.

Maps/Records staff completed the Construction in Progress lay in the Geographic Information System (GIS), completed the Data Readiness Assessment for the utility network upgrade, and began an inventory of the maps located in the Map Room.

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

The FY24 Executive Director's Proposed Budget establishes the Water Authority's financial plan and uses the Goals, Objectives, and the Performance Plan as guides for the appropriation of funds. The Water Authority, with input from the operating divisions, developed the budget by determining those essential costs necessary to successfully run the utility operation.

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

➢ Operations

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

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

The Water Authority began a major renovation of the Southside Water Reclamation Plant (SWRP) in FY10, called the Reclamation Rehabilitation and Asset Management Plan (RRAMP). The RRAMP is a multi-year program to renew the treatment processes at the plat. Several key improvement projects in this

program have been completed, including the Preliminary Treatment Facility, aeration basin and air piping renovations, final clarifier renovations, and major renovations and improvements to the Solids Dewatering Facility. In FY24, RRAMP improvements will continue with the preliminary treatment facility, the anaerobic digesters, aeration basin, and cogeneration facility renewals.

In FY24, SWRP staff will actively recruit new customers for the Soil Amendment Facility compost.

Areas of focus for SWRP staff will be to continue to optimize the operation of digester gas cleaning and cogeneration emission control systems and develop indicators for the chloramination process used to disinfect effluent reuse water.

The Surface Water Treatment Plant staff plan to work towards the American Water Works Association (AWWA) Partnership for Safe Water-Treatment Phase IV Excellence in Treatment Award. Other areas of focus for the plant will be to test quenching of backwash water chlorine residual to improve the biofiltration activity in the filter beds and to continue to investigate measures to obtain more product water from the same diversion volume.

Groundwater Operations management will fine tune the groundwater system operations to trim the summer power costs while maintaining system resilience & reliability. Staff will be working with PNM to assess the impact of wide-spread power outages on water deliveries and will engage the services of a consultant to perform the requisite hydraulic modeling to counteract the impacts.

Groundwater staff will continue optimizing operations for arsenic absorption. Staff will develop and execute a program of regular inspections of the drinking water reservoir inventory.

Wastewater Collections section will utilize closed-circuit television (CCTV) to monitor unlined concrete lines that are 15” and greater. Staff will partner with SWTP and SWRP staff to optimize the iron sludge discharges for odor control purposes. Staff will continue the pilot study that uses “smart” manhole covers to aid in the prediction of blockages and provide final recommendations.

Water Field-Distribution section will continue to task a dedicated crew to replace 20,000 aging water meters with smart meters. Field crews will continue to perform block to block rehab repairs which will generate significant cost savings by performing these tasks in-house.

Field crews will continue the flushing program to systematically flush water lines and filter the water using the new No Des system before returning it to the

distribution system and minimize water loss. Crews will continue to exercise 4,000 isolation valves; the long-term goal is to exercise all isolation valves over a ten-year period. To support the water audit and strategic water loss plan, staff will test a minimum of 300 small meters and test all new meters when they are received.

Field crews will begin year 3 of the 5-year plan to replace the San Juan-Chama transmission line actuators. The current actuators are undersized and weak, so crews are replacing them before they break; generating cost savings of approximately $40,000 per actuator by not having to hire outside contractors.

Water Resources-Conservation will implement the new Water Resources Drought Management Plan, develop a landscape classification analysis to support implementation of the Colorado River Water Users MOU, and update the Xeriscape program.

Staff will continue its collaboration with Explora to coordinate staff for mentorship opportunities and facilitation of the interactive water exhibits for the new STEM center.

Water Resources-Environmental staff will begin permitting of a new, deep-injection ASR project, finalize project permitting for construction and complete procurement documents for the SWRP Outfall Restoration project, operate current ASR projects and continue water level measurements and water quality sampling support, and renew the agreements with the U.S. Geological Survey and City of Albuquerque BioPark Refugium.

Centralized Engineering will continue managing CIP projects. Major projects for FY24 include: $33.3 million for Sanitary Sewer Pipeline Renewal projects, $19.2 million for Drinking Water Plant Treatment Systems Renewal projects, $8.8 million for SWRP Renewal projects, $7.2 million for Drinking Water Plant Groundwater System Renewal projects and $3.5 million for Information Technology projects.

The Asset Management Program Team will finalize inventories for the asset registry and set up depreciation schedules on assets.

Asset Management, Finance, and Information Technology staff will continue to transition the dashboards, Effective Utility Management (EUM) measures and key performance indicators to Microsoft Power BI.

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

The Utility Development group will develop a system and process to minimize outstanding Connection Permits and offer refresher presentations to contractors on the Connection Permit process and give presentations for the new Work Order process. Staff will continue to add KPIs to increase data quality assurance and to better track status of deliverables.

➢ 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 Water Quality Lab will be investigating data entry automation to improve quality control and reduce paper waste. The lab also will look to increase capacity to support large sample collection projects for analyzing Per-and Polyfluoroalkyl Substances (PFAS) at external labs, lead samples analyzed in-house and managing sending low-level mercury wastewater samples to external labs.

FY24 will see the implementation and complete development of standard operating procedures for use and model management of the Drinking Water and Reuse models. Staff will establish a reduced role for the consultants as the internal management processes are put in place.

NPDES program staff will work with a complete the Mercury Minimization Plan work including sample collection, data analysis, writing the implementation update report for the EPA and increase public education and outreach. Staff will initiate an investigation of PFAS with monitoring throughout the treatment plant and on each interceptor with monthly data collection. A website portal will be implemented for the Cross Connection Program inspections. Staff will begin preparing the NPDES renewal permit application.

➢ 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. Staff will review and update the utility emergency communications plan.

Risk/Safety will continue optimizing safety training by analyzing post-injury data and working with a contractor to conduct field ergonomic assessments and with a safety engineering firm to conduct safety risk assessments at various plant and field locations. Staff will expand the risk software system to enhance data management by analyzing claims and loss data to identify trends for risk mitigation and cost reduction.

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

Human Resources wellness staff is looking forward to planning the FY24 Safety Picnic for staff. Staff will continue offering wellness challenges for individuals and departments focusing on mental health, nutrition, physical activity and weight loss tips, disease and injury prevention topics to employees.

Human Resources Training staff will focus on implementation of the Innovation Program. This program will help identify new ways to seek efficiencies throughout the organization. Staff will also implement a pilot Mentorship Program.

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

➢ Budget, Finance and Business Management

Finance will submit to GFOA the FY24 Approved Budget for the Distinguished Budget Presentation Award, the FY23 Annual Comprehensive Financial Report for the Certificate of Achievement for Excellence in Financial Reporting and the FY23 Popular Annual Financial Report for the Popular Annual Financial Reporting Award. The division believes that all three financial documents will meet or exceed the recommended requirements to successfully receive each award and to also be nationally recognized by GFOA for these accomplishments.

Treasury will manage the rising interest rate environment by maintaining a diversified portfolio of bank balances and investments to offset banking fees. Staff will partner with Accounts Payable and ITD to implement the Wells Fargo Payment Manager program to increase the security of payments to vendors and to outsource check printing. In conjunction with Customer Services, staff will

continue to review and improve the back-office processes. Staff will engage other utilities to pilot the utility's payment kiosk to accept their customers' payments.

During FY24, the Purchasing section will work with Centralized Engineering to re-solicit On-Call Engineering Services, Volcano Cliffs Arsenic Treatment Facility and other federally funded construction and engineering contracts and roll out and train users on the new purchasing scoring application. Warehouse staff will improve data collection management by performing analyses including inventory cost analysis, asset cost rollup accuracy and material/service usage on work orders.

Budget will continue to provide budget and ERP system training to utility staff and schedule monthly budget update meetings with staff. Staff will monitor, update and lead discussions of the FY24 Water Authority Goals & Objectives and EUM metrics and Performance Plan.

Customer Services will begin to prepare for an upgrade to the Customer Care & Billing (CCB) software system. This upgrade will improve customer response time, reduce custom coding and reduce the manual review of processes. Staff will partner with Utility Development staff to streamline the New Construction Application process.

The Information Technology program (ITD) will continue to build the foundational structure for the Service Management Office to standardize IT policies and procedures and partner with departments to capture institutional knowledge and document services to create a formal Service Catalog and a more stringent Change Control process. The Project Management Office will implement the Project Portfolio Management tool to provide a centralized location to manage the entire collection of projects and align them with organizational goals.

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.

Maps and Records staff will assist with the EPA's Lead and Copper Rule data gathering requirements, complete the inventory of the Map Room, and build schema for Connection Permits and load them into GIS.

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.

ITD SCADA objectives for FY24 include complete installation and setup of the new radio tower and move towards completion of the SWRP application conversion.

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.

➢ Budget and Financial Policies

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

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

STATE STATUTES:

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

BUDGET ORDINANCE PROVISIONS:

§ 2-1-3 BUDGET CONTENTS AND FORMAT.

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

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

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

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

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

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

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

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

BUDGET ORDINANCE PROVISIONS:

§ 2-1-1 INTENT.

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

"(B) To adopt a goals and objectives process that encourages active citizen participation, that is linked to the budget process, that encourages performance measurement, and that is consistent with the desired conditions of

the Authority's service area, the Authority shall coordinate its goal setting with the City of Albuquerque and Bernalillo County governments."

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

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

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

BUDGET ORDINANCE PROVISIONS:

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

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

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

BUDGET ORDINANCE PROVISIONS:

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

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

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

RATE ORDINANCE PROVISIONS:

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

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

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

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

§ 2-1-11 FINANCIAL AND MANAGEMENT REPORTS.

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

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

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

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

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

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

"(C) At a minimum, 25% of the cost of capital projects not included in the normal capital program of the water and sewer system shall be paid with cash rather than borrowed funds. This policy shall not apply to the possible

acquisition of other operating water and wastewater utility systems sustainable water supply or to mitigate short term rate impacts."

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

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

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

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

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

➢ Lease Policies

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

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

- ✓ Definition of a Lease – A contract that conveys control of the right to use another entity's nonfinancial asset, such as buildings, land, vehicles and equipment, as specified in the contract for a period of time in an exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under this policy, unless specifically excluded in GASB Statement No. 87.
- ✓ Lease Term – The lease term is defined as the period during which a lessee/lessor has a noncancelable right to use an asset, plus the following periods, if applicable:
    - Periods covered by a lessee's/lessor's option to extend the lease if it is reasonably certain that the lessee/lessor will exercise that option

- Periods covered by a lessee's/lessor's option to terminate the lease if it is reasonably certain that the lessee/lessor will not exercise that option

✓ The Water Authority will not recognize as a lease for the following:

- A short-term lease – A lease that has a maximum possible term under the lease contract of 12 months (or less), including any options to extend
- A lease <$5,000 – A lease amount that is under a $5,000 minimum lease threshold
- GASB Statement No. 87 exceptions such as intangible assets (i.e., software licenses) and biological assets (i.e., water rights)

✓ The Water Authority will prepare the note disclosure and record all accounting entries in the Comprehensive Annual Financial Report (CAFR) according to the guidance of GASB Statement No. 87

✓ The Water Authority will implement GASB Statement No. 87 effective July 1, 2018, for comparative statement presentation purposes.

➢ Debt Policies

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

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

✓ System revenue bonds shall be used as a source of funding, after considering alternative funding sources, such as federal and state grants and pay as you go financing

✓ Debt shall be incurred to finance capital improvements and long-term assets associated with the water and wastewater system. Types of projects include, but not limited to, constructing, acquiring, enlarging, extending, bettering, repairing or improving the water and wastewater system facilities. For a more detailed list refer to chapter 72, article 1 section 10K NMSA 1978 as amended

✓ Capital improvements plans should be developed, approved and financed in accordance with Rate Ordinances and the Decade Plan

✓ The Water Authority will evaluate the impact of debt amounts and debt service requirements of any new proposed debt within the overall context of outstanding debt

- ✓ Principal and interest retirement schedules shall be structured to: (1) meet available cash flow available to service debt, (2) achieve a low borrowing cost for the Water Authority, (3) accommodate the debt service payments of existing debt and (4) respond to perceptions of market demand. Level debt payments and shorter maturities shall always be encouraged to demonstrate to ratepayers, investors and rating agencies that debt is being managed and retired prudently. Debt incurred shall generally be limited to obligations with serial and term maturities but may be sold in the form of other structures if circumstances warrant
- ✓ The term of each and every instrument of debt shall be 12 years or less; except for sustainable water supply projects. This policy shall not apply to the possible acquisition of other operating water and wastewater utility systems or to mitigate short term rate impact
- ✓ Debt incurred may be issued, at the discretion of the Water Authority, on either Senior, Subordinate or Super Subordinate liens on the System's net revenues
- ✓ The average life of the debt incurred should be no greater than the projected average life of the assets being financed
- ✓ The payment of debt shall be secured by net revenues of the joint water and wastewater system ("net system revenues")
- ✓ Maintain Post Issuance Compliance Guidelines that formalize post issuance compliance controls and procedures related to the Water Authority's financial and legal obligations (see Appendix)
- ✓ Inter-fund borrowing may be used as an alternative to conventional borrowing
- ✓ The Water Authority shall not pledge any Water Authority revenues to any conduit bond financings or guarantee indebtedness of others
- ✓ The Water Authority may use the services of qualified internal staff and outside advisors, including bond counsel, tax counsel, disclosure counsel, underwriters and financial advisors, to assist in the analysis, evaluation, and decision process
- ✓ The Water Authority shall select a method of sale that achieves the financial goals of the Water Authority and minimizes financing costs. Such sales can be competitive, negotiated or private placement, depending upon the project and market conditions. The recommendation by the Water Authority's Financial

Advisor will be considered in the decision as to the most appropriate sale method

- ✓ The Water Authority shall make every attempt to earn and maintain the highest investment grade rating achievable
- ✓ Finance team members and Underwriters should be selected in accordance with the Water Authority Purchasing Procedures and the Debt Management Policy & Guidelines ("Debt Policy"). The selection should maximize the quality of services received while minimizing the cost to the Water Authority. Any subtractions or additions to the finance team members shall be subject to the Water Authority's Chief Financial Officer's ("CFO") approval. Selected underwriters and financial advisors shall adhere to the Municipal Securities Rule-making Board ("MSRB") and the Securities and Exchange Commission ("SEC") rules and regulations
- ✓ The Water Authority shall maintain good communications with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the Water Authority
- ✓ Financial reports and bond official statements shall follow a policy of full, complete and accurate disclosure of financial conditions and operating results. All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC") and the Internal Revenue Service ("IRS") to meet the disclosure needs of rating agencies, underwriters, investors and taxpayers.
- ✓ Federal income tax laws restrict the ability to earn arbitrage relating to tax-exempt bonds. Every attempt shall be made to eliminate or minimize negative arbitrage.

FIVE-YEAR GOALS & ONE-YEAR OBJECTIVES

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

OVERVIEW OF GOAL DEVELOPMENT

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

The Water Authority utilizes the American Water Works Association's (AWWA) Benchmarking Performance Indicators Survey (Survey) in developing its Performance Plan. The Survey provides utilities an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was compiled in 2022 from fiscal year 2021 data by AWWA from 168 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 FY24 Performance Plan can be found in the Appendix section of this budget document and on the Water Authority's website:

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

The Water Authority's Performance Plan is organized by its Five-Year Goal areas which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldridge

National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems. The figure below shows the Water Authority's Five-Year Goals which parallels the AWWA model. The Water Authority also developed guiding goal statements for each goal area which explains the long-term desired result for each goal. The Performance Plan contains 27 key performance measures. The performance measures are organized by the Five-Year Goal areas. The performance measures are linked to the Goal areas in that the tracking of the metric is used to achieve the long-term desired result for that goal.

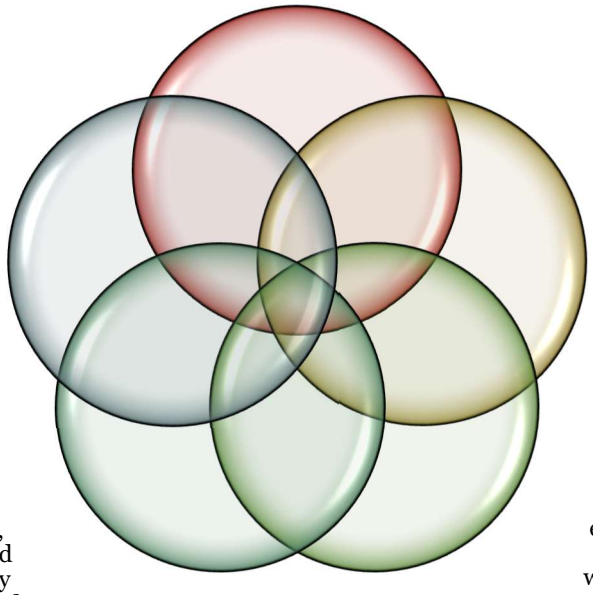
Water Authority's Five-Year Goals & Guiding Goal Stations

Goal 1: Water Supply & Operations

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

Goal 5: Organizational Developement

• Sustain a well-informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with polices and procedures.



Goal 2: Wastewater Collection & Operations

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

Goal 4: Business Planning & Management

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

Goal 3: Customer Services

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

The Performance Plan presents each performance measure through an evaluation logic model. The logic model is a systematic and visual method that shows how

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

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

The Five-Year Goals and One-Year Objectives are incorporated into the logic model. The figure below shows the alignment between the goals, objectives and performance measures in the logic model. With the performance measures being used to identify gaps, the One-Year Objectives, which are policy directives from the Water Authority Board, are used to close performance or service delivery gaps and improve performance levels. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some Objectives are related to completing projects or improving or implementing programs.

Logic Model Alignment of Goals, Objectives and Performance Measures

FY24 ONE-YEAR OBJECTIVES

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

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

Some objectives are related to completing projects or improving programs. Some of the FY24 objectives are tied to resources contained in the FY24 Approved Budget. A few of the objectives are carried over from FY23 either because they

require more time to complete or are ongoing issues. Some of the objectives are tied to the Performance Plan to improve operations and/or customer service.

GOAL 1: WATER SUPPLY & OPERATIONS

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

OBJECTIVE 1.1

Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.

OBJECTIVE 1.2

Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.

OBJECTIVE 1.3

Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY24.

OBJECTIVE 1.4

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 FY24. Work directly with the Public Service Company of New Mexico (PNM) and the Water Authority's Geographic 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 1.5

Assess arsenic treatment media adsorption capacity at groundwater treatment plants to determine if the nominal 40,000 bed-volume metric marketed by the media manufacturer can be increased and optimized to reduce the frequency of media replacement ongoing through the end of the 4th Quarter of FY24. Collect and analyze data captured from the existing four treatment plants to support this objective.

OBJECTIVE 1.6

Develop and execute a program of regular inspections of the inventory of drinking water reservoirs at a frequency consistent with good practices for steel and concrete reservoir assets and AWWA Partnership for Safe Water-Distribution goals by the end of the 4th Quarter of FY24.

OBJECTIVE 1.7

Implement the following in the Maximo asset management system:

- Checklist for Groundwater Swing Shift Operators to complete the Swing Shift standard operating procedures (SOP) requirements for each site on an iPad tablet by the end of the 4th Quarter of FY24.
- Checklist for Groundwater Weekly Disinfection for operators to complete the ClorTec/PSI chlorine generation equipment weekly data gathering in Maximo by the end of the 4th Quarter of FY24.
- Annual Groundwater Reservoir Exterior Inspection Program to annually document the condition of each reservoir. Report progress at the end of each quarter by the end of the 4th Quarter of FY24.

OBJECTIVE 1.8

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 FY24.

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

OBJECTIVE 1.9

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 FY24.

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

OBJECTIVE 1.10

To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY24.

OBJECTIVE 1.11

To improve the validated water audit inputs for apparent water loss, test a minimum of 300 small meters and half of all large meters to include the top 25 consumers to support the water audit and strategic water loss plan by the end of the 4th Quarter of FY24. Test meters in accordance with the recommendations of the water audit conducted by the Southwest Environmental Finance Center in calendar year 2021.

OBJECTIVE 1.12

As part of the water distribution system preventative maintenance program, continue the flushing program that uses a systematic approach to flush water lines, filtering the water using the NO-DES system before returning it to distribution by the end of the 4th Quarter of FY24. Monitor monthly and report the occurrence of complaints before and after flushing to evaluate whether the flushing program improved water quality in the area. Identify metrics to be used for measuring the effectiveness of this process moving forward.

OBJECTIVE 1.13

Provide timely response to utility locate requests and achieve a damage ratio of less than two Water Authority-caused damages per 1,000 utility locate requests by the end of the 4th Quarter of FY24. Continue exploring utility locating equipment and mapping technologies to improve locate accuracy, provide documentation, and reduce costly damages to buried water and wastewater infrastructure and report on results.

OBJECTIVE 1.14

Locate water leaks by surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY24; Track, evaluate, and report on existing ZoneScan and Echologics acoustic leak detection systems on a quarterly basis in FY24. Report on acoustic equipment "fleet" replacement on a quarterly basis in FY24.

OBJECTIVE 1.15

Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY24.

- Promote basin-wide collaboration and advocacy for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association.
- Plan for implementation of the Colorado River Water Users Memorandum of Understanding, 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.

OBJECTIVE 1.16

To prepare for increased climate variability, encourage the installation of desert-friendly xeriscapes, while working towards the Water 2120 conservation goal of 110 gallons per capita per day (GPCD) by 2037 by implementing the following activities by the end of the 4th Quarter of FY24:

- Perform 100 water use audits on high water users.
- Increase education and outreach on water conservation, xeriscape conversions, climate wise landscaping, and water waste.
- Develop a water use audit to identify leaks and develop a retrofit program for customers enrolled in the Water Authority's low-income credit program.

OBJECTIVE 1.17

Work with the New Mexico Environment Department and Office of the State Engineer to begin aquifer storage and recovery (ASR) permitting by the end of the 4th Quarter of FY24. Develop a project plan and cost estimate by the end of 2nd Quarter FY24.

OBJECTIVE 1.18

Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water use Efficiency Audits; 2) 400 Landscape Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY24.

OBJECTIVE 1.19

To better educate children on the importance of water resources planning, continue to collaborate with ¡Explora! to coordinate Water Authority staff for mentorships and facilitation of interactive water exhibits for the new Science Technology Engineering Mathematics (STEM) center through the 4th Quarter of FY24.

OBJECTIVE 1.20

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

- Complete an update of locations and/or plume extent at known groundwater contamination sites within the Service Area by the 2nd Quarter of FY24; map the update to include updated data from sites in the 2018 groundwater contamination site map and newly established sites by the NMED. Additionally, update the groundwater contamination site summaries from the 2018 RAPP with current site regulatory status, contaminants of concern and regulatory oversight summary;
- Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY24;
- Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) and the Office of Natural Resources Trustee (ONRT) through the end of the 4th Quarter of FY24; and

- Contract with the NM Bureau of Geology and Mineral Resources to provide an update to the Middle Rio Grande Basin Water Quality Study by the end of the 4th Quarter of FY24.

OBJECTIVE 1.21

Provide leadership and support of the Middle Rio Grande Endangered Species Collaborative Program (ESA Collaborative Program) through: 1) Participation in the Collaborative Program Executive Committee and 2) Participating in the development of adaptive management practices for the program through the 4th Quarter of FY24.

OBJECTIVE 1.22

To establish native water storage in Abiquiu Reservoir as approved by Congress, coordinate the update of the USACE Water Control Manual and storage contract updates through the 4th Quarter of FY24. Continue towards permitting and environmental approvals for Abiquiu Reservoir through the 4th Quarter of FY24.

OBJECTIVE 1.23

Conduct regular water quality monitoring and reporting of the Water Authority data gap well at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site through the end of FY24. Evaluate whether additional monitoring wells are needed by the end of the 1st Quarter of FY24 and seek funding, if applicable.

OBJECTIVE 1.24

Develop a strategy to convert existing irrigation accounts to non-potable accounts. Recommend actions based on the strategy by the 4th Quarter of FY24.

OBJECTIVE 1.25

To reduce water loss in the system work with the Non-Revenue Water Loss Control group to identify increases in AMI data management opportunities for enhancing the customer portal, reducing non-revenue water loss, improving conservation programs, optimizing distribution system operations, and facilitating capital planning decisions by the 4th Quarter of FY24.

OBJECTIVE 1.26

Develop a hydraulic modeling program that maintains centralized versions of the hydraulic models, provides routine user training, and develops Standard Operating Procedures (SOPs) by the end of the 4th Quarter of FY24.

GOAL 2: WASTEWATER COLLECTION & OPERATIONS

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

OBJECTIVE 2.1

Seek recognition in the National Association of Clean Water Agencies (NACWA) Peak Performance award program for excellence in permit compliance through the end of the 4th Quarter of FY24.

OBJECTIVE 2.2

Beneficially reuse biosolids by diverting at least 30% of the biosolids to compost through the end of the 4th Quarter of FY24.

OBJECTIVE 2.3

Complete Wastewater Plant Preventive Maintenance to Corrective Maintenance ratio to at least 45% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.

OBJECTIVE 2.4

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 FY24.

- 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 2.5

To gain information for future re-use projects, establish appropriate key performance indicators (KPIs) for the chloramination process at SWRP used to disinfect effluent re-use water by the end of the 4th Quarter of FY24. Use these indicators to optimize chemical feed rates at SWRP and at the Puerto del Sol and Mesa del Sol closed loop pumping systems to maintain desired water quality for effluent re-use water.

OBJECTIVE 2.6

In accordance with the Capacity, Management, Operations and Management (CMOM) Plan, televise and assess the condition of approximately 5% of the small diameter sanitary sewer system by the end of the 4th Quarter of FY24. Evaluate and prioritize unlined concrete large diameter lines (15-inch diameter and larger) for rehabilitation based on the condition from the FY23 CCTV data by the end of the 4th Quarter of FY24.

OBJECTIVE 2.7

Manage chemical usage and residual iron sludge from the Water Treatment Plant to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Monitor and report metrics through the end of the 4th Quarter of FY24, including progress on Odor Control Station construction. Identify additional odor control stations as needed.

OBJECTIVE 2.8

To continuously reduce sanitary sewer overflows (SSOs) in accordance with the 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 FY24.

OBJECTIVE 2.9

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 FY24.

OBJECTIVE 2.10

Install AMI devices in three additional vacuum station service areas to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY24.

OBJECTIVE 2.11

Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance. Obtain a compliance rate goal of 75% through the end of the 4th Quarter of FY24.

OBJECTIVE 2.12

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

- Monitor continuous discharge permitted industries 16 days per year or 4 days per quarter;
- Complete 16 industrial permit inspections each quarter;
- Complete 175 Food Service Establishment inspections each quarter; and
- Complete 52 dental office inspections each quarter.
- Report on performance and percent of Sewer Users in compliance for each category each quarter during FY24.

OBJECTIVE 2.13

Implement the Fats, Oils, Grease and Solids (FOGS) Policy to reduce impacts on the sewer system by working with the Collections section with sanitary sewer overflow (SSO) investigations to coordinate efforts to reduce FOGS discharges. Track and report the number of SSOs due to FOGS compared with previous years through the end of the 4th Quarter of FY24.

OBJECTIVE 2.14

Implement the Mercury Minimization Plan and report to the United States Environmental Protection Agency (EPA) by the end of the 2nd Quarter of FY24, as required in the permit.

OBJECTIVE 2.15

Continue to collaborate with the Office of the Natural Resources Trustee (ONRT) on projects that support environmental restoration, such as the SWRP Outfall Restoration Project. Report on identified opportunities and project progress through the 4th Quarter of FY24.

OBJECTIVE 2.16

In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required easements, permits, and environmental documents throughout FY24.

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

Improve customer satisfaction and operational efficiency in achieving the call- center targets through the 4th Quarter of FY24:

- Average Wait Time of less than 1:00 minute;
- Average Contact Time of less than 4:00 minutes;
- Abandoned Call Ratio of less than 3;
- First Call Resolution of greater than 95%;
- Average Call Quality of greater than 90% for Call Center and Communication Center

OBJECTIVE 3.2

Improve customer satisfaction by achieving a billing accuracy ratio of less than 8 errors per 10,000 bills through the 4th Quarter of FY24.

OBJECTIVE 3.3

Collaborate with Utility Development staff to review, improve and streamline the New Construction application processes by the end of the 4th Quarter of FY24.

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 FY24.

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 FY24.

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

Expend $64 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4th Quarter of FY24. $2 million shall be dedicated and used for identifying and replacing high-risk water pipes in critical or poor condition by the end of the 4th Quarter of FY24.

OBJECTIVE 4.2

Prepare quarterly updates in FY24 on the status of the implementation of the Reclamation Rehabilitation Asset Management Plan (RRAMP) including activities completed and remaining work. Continue implementation of the RRAMP by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY24.

OBJECTIVE 4.3

Implement at least one planned Interceptor Rehabilitation project in FY24, and complete at least one interceptor design package by the 4th Quarter of FY24; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY24.

OBJECTIVE 4.4

Coordinate with Bernalillo County to design and initiate construction of a force main to convey wastewater from the Municipal Detention Center to the Water Authority collections system through the end of the 4th Quarter of FY24.

OBJECTIVE 4.5

Work with the Navajo Nation to design and construct water conveyance infrastructure to deliver water provided by the Navajo Nation to To'Hajiilee through the end of the 4th Quarter of FY24.

OBJECTIVE 4.6

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 FY24. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester gas-fueled cogeneration by the end of the 4th Quarter of FY24 and report progress quarterly.

OBJECTIVE 4.7

Develop an annual asset workbook onboarding training program for On-Call contractors and consultants to improve understanding of asset onboarding workbooks (AOBWB) responsibilities. Perform on-going training sessions with project managers, consultants, and contractors by the end of the 4th Quarter of FY24.

OBJECTIVE 4.8

Create a Grant/Loan Funding Plan and annual Grant/Loan Funding Cycle Schedules to prioritize projects for State and Federal funding opportunities and update quarterly on the progress through the 4th Quarter of FY24.

OBJECTIVE 4.9

Finalize the Utility Development Guide to clarify the development process for users by the end of the 4th Quarter of FY24.

OBJECTIVE 4.10

Collaborate with local governments in an effort to develop more affordable housing through the end of the 4th Quarter of FY24.

OBJECTIVE 4.11

Finalize Operating Plans for Centralized Engineering and Utility Development to be used to inform/train new staff and for existing staff to use as a resource by the end of the 4th Quarter of FY24.

OBJECTIVE 4.12

Continue monitoring progress on Utility Development processes, with quarterly monitoring of the following metrics and associated target(s) through the end of the 4th Quarter of FY24.

- Availability Statement / Serviceability Letter
    - Turn-around time (excludes time in holding when additional information is required from the requestor), target response time of less than 45 days
    - Hold time, seek ways to reduce hold time, monitor and report progress
- Identify metrics and targets for others areas of Utility Development, such as turn-around times for connection permits and closeout packages. Currently deliverable status is reported through the Water Authority's Tracking Sites so customers can check on the status of their requests at:
    - https://availability.abcwua.org/
    - https://wa-workorders.abcwua.org/
    - https://connectionpermit.abcwua.org/

OBJECTIVE 4.13

Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated target(s) by the end of the 4th Quarter of FY24.

- Assets Inventoried, Target greater than 50%
- Asset Activity (Created, Decommissioned and Updated), Target greater than 6,500
- Assets with Purchase & Replacement Cost populated, Target greater than 5,000
- Work Orders without Assets, Target less than 25%
- Assets missing Classifications & Attributes, Target less than 25%
- Assets missing required data fields, Target less than 50%
- Maximo Employee Training, Target greater than 500 hours
- Preventative Maintenance Optimization, Target greater than 30%

OBJECTIVE 4.14

To improve decision making with available data transition existing Strategic Asset Management Plan (SAMP), Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY24. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).

OBJECTIVE 4.15

Continue promoting a Culture of Security in accordance with the American Water Works Association (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 FY24 that are directly related to National Infrastructure Protection Plan Water Sector-Specific Plan and America's Infrastructure Act.

OBJECTIVE 4.16

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 FY24. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the Water Authority's 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 4.17

Continue implementation of the Supervisory Control and Data Acquisition (SCADA) System Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th quarter of FY24.

OBJECTIVE 4.18

Complete Information Technology (IT) projects scheduled for FY24 and report progress quarterly.

OBJECTIVE 4.19

Continue efforts to build and grow the Project Management Office. Begin implementation of a Project Portfolio Management (PPM) system to provide a centralized location to manage the utility's entire collection of projects. Continue efforts to build foundational structure for the Service Management Office to standardize Information Technology (IT) policies and procedures within the division. Create a formal Service Catalog and a more stringent Change Control Process by the end of the 4th Quarter of FY24.

OBJECTIVE 4.20

Create a process to effectively update the Construction in Progress layer in GIS. Review and prioritize tasks needed to fulfill the requirements of the Data Readiness Assessment for the migration to the Utility Network. Complete and create standard editing procedures for the Service Lines layer data. Build schema for the new Connection Permits layer that replaces Tapping Permits and Mini Work Orders and place all existing Connection Permits into GIS. Continue to provide assistance with Revised Lead and Copper Rule (RLCR) compliance, the Utility Network upgrade, and the Water Model through the end of the 4th Quarter of FY24.

OBJECTIVE 4.21

Consolidate efforts to centralize a Data Warehouse/DataHub for more effective reporting and data analytics. Work with all divisions to organize data in a fashion that provides usable data to positively impact business decisions by the end of the 4th Quarter of FY24.

OBJECTIVE 4.22

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 FY24. Projects include:

- Upgrade the Customer care and billing (CC&B) application. The upgrade will include issuing a request for proposals (RFP), selecting a vendor and beginning implementation by the end of the 4th Quarter of FY24.
- Utility Network upgrade to begin FY24 with completion targeted for FY25.

OBJECTIVE 4.23

Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act and Clean Water Act regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, local laws and ordinances, and issues involving emerging contaminants to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY24.

OBJECTIVE 4.24

Collect, monitor, and report weekly, monthly, and quarterly key laboratory performance metrics to include:

- Water Quality Laboratory results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs). Maintain greater than 0.5 results reported per productive hour per quarter in each analytical section through end of the 4th Quarter of FY24.
- Laboratory Productivity (results reported per productive hour, results sent to subcontract laboratories in lieu of in-house testing). Maintain greater than 2,000 results per quarter in each analytical section through end of the 4th Quarter of FY24.

- Percentage of results reported late (turnaround time). Maintain less than 10 percent results reported late per quarter and provide quarterly results through end of the 4th Quarter of FY24.

OBJECTIVE 4.25

Continue to develop LabVantage ("laboratory information management system") throughout FY24 to increase the automation of data entry to reduce data entry errors, reduce the amount paper used at the laboratory and develop reports in LabVantage through the end of the 4th Quarter of FY24.

OBJECTIVE 4.26

Utilize the Environmental Monitoring Program to monitor the reliability and consistency of results from Compliance field instrumentation and sample collection techniques. Conduct and report on at least one internal audit per year. Issue corrective action response requests as needed and track and report on their progress. Ensure Compliance Division field instruments are calibrated as necessary and that personnel demonstrate capability in sample collection and measurement. Monitor and report on corrective action response report (CARR) closure duration quarterly through the end of the 4th Quarter of FY24.

OBJECTIVE 4.27

Maintain accreditation with the American Association for Laboratory Accreditation by addressing any changes resulting from the on-site assessment of the Water Quality Laboratory. Conduct internal audits, Standard Operating Procedure (SOP) revisions, and identify actions to address risks and opportunities as required by ISO/IEC 17025:2017. Implement any changes resulting from the 2023 Methods Update Rule. Track and report on corrective actions and risk assessment responses. Maintain a closure duration of less than 60 days per CARR and an average completion of less than 30 days for all CARRs per fiscal year through the end of the 4th Quarter of FY24.

OBJECTIVE 4.28

Prepare for the Revised Lead and Copper Rule to establish a system for a lead service line inventory. Identify and collect information from all schools and child-care centers in the service area that will require lead monitoring and develop sample plan templates for the facilities to use to track multiple faucets by the end of the 4th Quarter of FY24 Develop tools for monitoring, data requirements and expectations for corrosion control studies under the new rule.

OBJECTIVE 4.29

Review and update the utility emergency communications plan by the end of the 4th Quarter of FY24.

GOAL 5: ORGANIZATIONAL DEVELOPMENT

Sustain a well-informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.

OBJECTIVE 5.1

Recognize at least 15% of the work force through initiatives such as employee incentive awards, on-the-spot awards, and years of service awards through the 4th Quarter of FY24.

OBJECTIVE 5.2

Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60% or greater overall completion rate by the end of the 4th Quarter of FY24. In collaboration with our Employee Assistance Program, increase mental health awareness through quarterly trainings and presentations. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY24.

OBJECTIVE 5.3

Develop an awareness program to increase employee participation in annual physicals by 20% by the end of the 4th Quarter of FY24.

OBJECTIVE 5.4

Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY24. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY24.

OBJECTIVE 5.5

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 FY24.

OBJECTIVE 5.6

Provide employees with job-related training and monitor hours of training completed. Maintain an average of at least 25 hours of training per employee through the end of the 4th Quarter of FY24.

OBJECTIVE 5.7

Consistent with the Water Research Foundation Utility Innovation Project, develop a Strategic Plan for the Water Authority's Innovation Program by the end of the 4th Quarter of FY24. The Innovation Program will help identify new ways to seek efficiencies throughout the organization.

OBJECTIVE 5.8

Implement a mentorship program to support staff as they progress in their careers and reduce silos between divisions. Conduct a pilot program by the end of the 2nd Quarter of FY24.

APPROVED BUDGET & FINANCIAL CONSOLIDATIONS

WATER AUTHORITY FUNDS

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

Fund 21 - General Fund

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

Fund 27 – Water 2120 Projects

Fund 28 – Capital Rehab Fund

Fund 29 – Capital Growth Fund

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

Fund 31 - Debt Service Fund

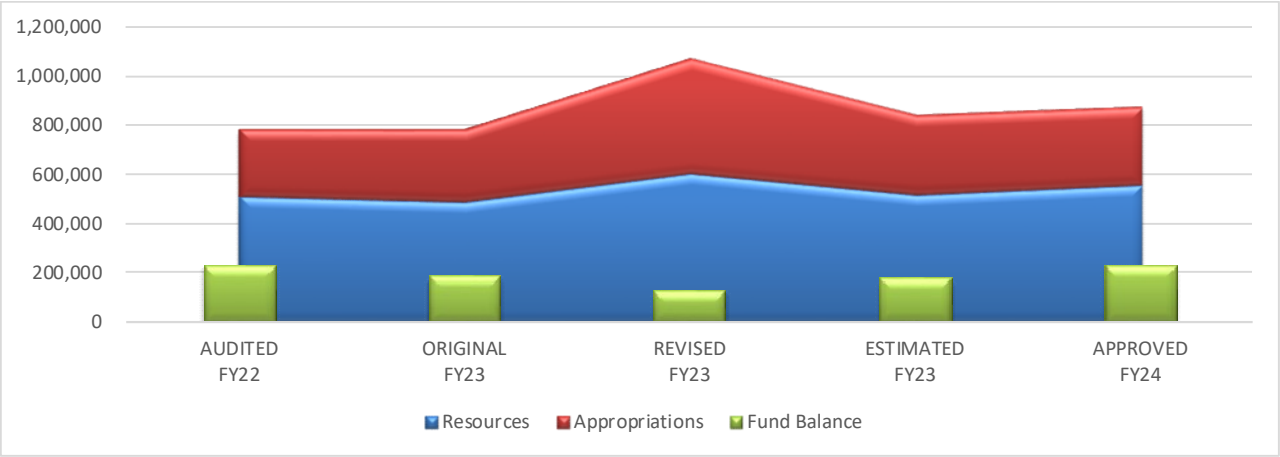
To accumulate the monies to pay the debt service associated with water and wastewater services.

Fund 41 – San Juan Chama Project Contractors Association Fund

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

CONSOLIDATED RESOURCES, APPROPRIATIONS, AND FUND BALANCE

($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Proceed Revenues	89,240	-	2,173	427	121,000	118,827
Miscellaneous Revenues	17,070	13,773	44,764	28,654	11,238	(33,526)
Enterprise Revenues	234,728	241,098	320,140	249,595	246,171	(73,969)
Transfers from Other Funds	118,433	118,618	118,618	117,118	120,020	1,402
Interfund Adjustments	(118,433)	(118,618)	(118,618)	(117,118)	(120,020)	(1,402)
Total Current Resources	341,038	254,871	367,077	278,676	378,409	11,332
Add from Fund Balance		1,000	4,000	4,000	500	(3,500)
Beginning Working Capital Balance	170,362	232,280	232,280	232,280	178,806	(53,474)
TOTAL RESOURCES	511,400	488,152	603,357	514,956	557,715	(45,642)
APPROPRIATIONS:						
Enterprise Operations	122,520	129,316	132,343	137,684	132,483	140
CIP Water 2120, Basic Rehab & Growth	73,481	79,207	248,695	107,327	103,520	(145,175)
Debt Service	82,042	88,663	88,663	87,139	88,346	(317)
Transfers to Other Funds:	118,433	118,618	118,618	117,118	120,020	1,402
Interfund Adjustments	(118,433)	(118,618)	(118,618)	(117,118)	(120,020)	(1,402)
TOTAL APPROPRIATIONS	278,043	297,186	469,701	332,150	324,349	(145,352)
Adj to Fund Balance	(1,076)	(1,000)	(4,000)	(4,000)	(500)	3,500
ENDING FUND BALANCE	232,280	189,966	129,656	178,806	232,868	103,212
Rate Reserve	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	-
Risk Reserve	(500)	(500)	(500)	(500)	(500)	-
Soil Amendment Facility Reserve	(1,486)	(2,147)	(2,147)	(2,147)	(2,147)	-
ENDING FUND BALANCE (NET OF RESERVES)	221,295	178,319	118,009	167,159	221,221	103,212

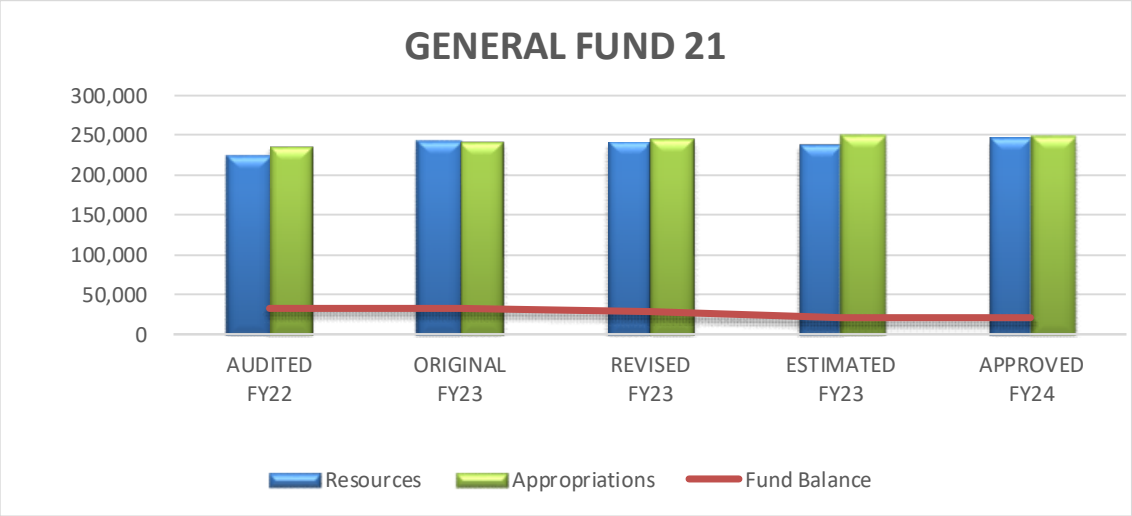


COMBINED FY24 FUNDS BUDGET

($000's)	GENERAL FUND FUND 21	CAPITAL FUNDS 27/28/29	DEBT SERVICE FUND 31	SJCPCA FUND FUND 41	FY24 TOTALS
RESOURCES					
Interest	500				500
Miscellaneous	7,909	122,000	400	64	130,373
Water	132,504				132,504
Water Resources Management	4,500				4,500
Wastewater	100,166				100,166
Solid Waste Admin Fee	1,711				1,711
DMD Admin Fee	654				654
Utility Expansion Charges			8,000		8,000
Transfers	-	42,020	78,000	-	120,020
TOTAL CURRENT RESOURCES	247,944	164,020	86,400	64	498,428
Add from Fund Balance	500				500
Beginning Fund Balance	21,335	110,532	46,854	86	178,807
TOTAL RESOURCES	**269,779**	**274,552**	**133,254**	**150**	**677,735**
APPROPRIATIONS					
Wages	47,974				47,974
Fringe Benefits	21,727				21,727
Other Services	19				19
Utilities	12,815				12,815
Supplies	12,003				12,003
Travel, Training, and Dues	581				581
Repairs and Maintenance	14,971				14,971
Vehicle Maintenance	3,418				3,418
WC, Insurance, Tort, and Other Liab	4,006				4,006
NM Water Conservation Fee	656				656
Admin Svcs/OPEB	494				494
Contractual Services	13,754	103,520		64	117,338
Transfer to Capital Fund	38,020		4,000		42,020
Transfer to Debt Service	78,000				78,000
Debt Service Payments			88,346		88,346
TOTAL APPROPRIATIONS	**248,439**	**103,520**	**92,346**	**64**	**444,369**
Revenue Over (Under) Expenditures	21,340	60,500	(5,946)	-	75,894
Adjustment to Fund Balance	500	-	-	-	500
ENDING FUND BALANCE	**20,840**	**171,032**	**40,908**	**86**	**232,868**
Rate Reserve	9,000	-	-	-	9,000
Risk Reserve	500	-	-	-	500
Soil Amendment Facility Reserve	2,147	-	-	-	2,147
ENDING FUND BALANCE (NET OF RESERVES)	**9,193**	**171,032**	**40,908**	**86**	**221,221**

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

General Fund revenue budget for FY24 is $248.4 million, including an addition of $0.5 million from working capital. Of the total revenue, 95.7% is comprised of charges for water and wastewater services. FY24 current resources are estimated to be $4.2 million above the FY23 revised budget. There is no rate revenue adjustment for FY24.

Appropriations

General Fund appropriation budget for FY24 is $248.4 million. Operating expenses contain a net increase of $1.7 million from the FY23 revised budget. This includes an increase of $3.3 million in salaries and benefits, a decrease of $3.0 million in operating expenses, and an increase of $1.4 million for the transfer to the Water 2120 capital fund. Personnel expenses include a 2% cost of living adjustment, as per labor agreements, a 2.5% increase in health benefit costs and a 0.5% increase in PERA pension costs. FY24 approved issue papers submitted by divisions total $2.2 million. A detailed listing of the approved issue papers is on page 70.

Reserves

For FY23, the Rate Reserve is $9.0 million; the Risk Reserve is $0.5 million; and the Soil Amendment Facility Reserve is $2.1 million.

Fund Balance

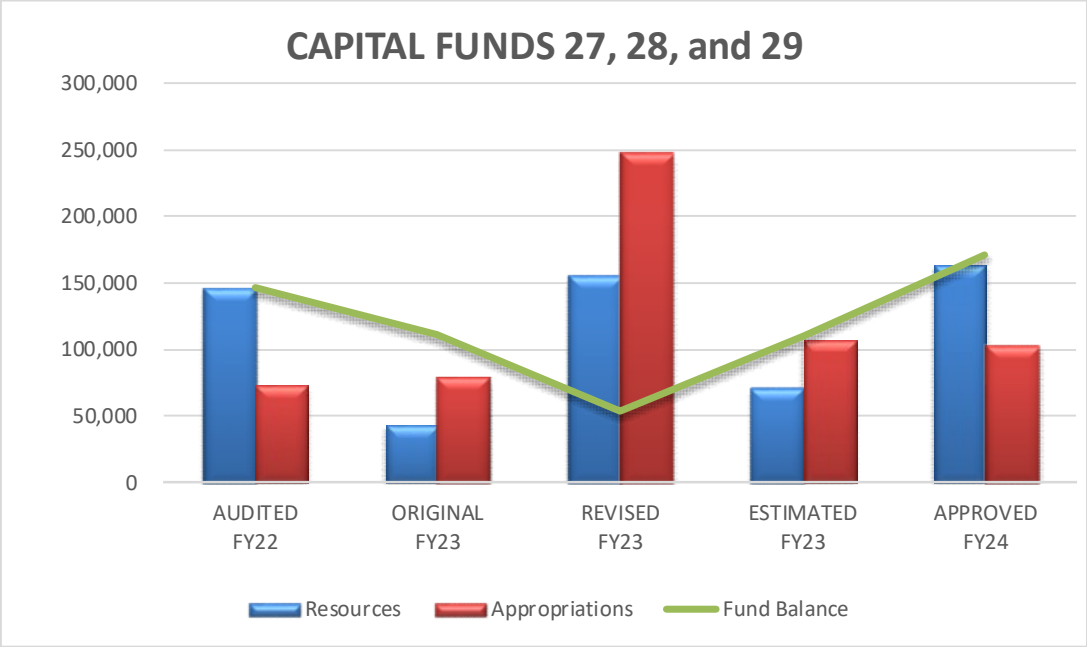
The Water Authority's policy is to maintain a Fund Balance equal to at least 1/12th of the annual budgeted operating expenses. The Fund Balance at June 30, 2024, is projected to be $20.8 million.

GENERAL FUND - 21
RESOURCES, APPROPRIATIONS, and FUND BALANCE

($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Rate Revenues:						
Water Service	102,868	96,107	96,107	108,107	98,107	2,000
Water Facilities Rehab	37,515	34,022	34,022	38,551	34,022	-
Wastewater Service	42,069	69,112	69,112	44,165	71,184	2,072
Wastewater Facilities Rehab	34,558	28,982	28,982	36,288	28,982	-
Contr/Aid/Hookups	337	375	375	205	375	-
Water Resources Management	4,261	4,500	4,500	4,219	4,500	-
Total Rate Revenue	**221,608**	**233,098**	**233,098**	**231,535**	**237,170**	**4,072**
Other Revenues:						
Solid Waste Admin Fee	1,761	1,705	1,705	1,705	1,711	6
DMD Admin Fee	373	487	487	487	654	167
Interest on Investments	163	500	500	3,631	500	-
Miscellaneous Revenue	1,831	7,909	7,909	1,874	7,909	-
Total Other Revenue	**4,128**	**10,601**	**10,601**	**7,697**	**10,774**	**173**
Total Current Resources	225,736	243,699	243,699	239,231	247,944	4,245
Add from Fund Balance	-	1,000	4,000	4,000	500	(3,500)
Beginning Fund Balance	46,032	32,778	32,778	32,778	21,335	(11,444)
TOTAL RESOURCES	**271,768**	**277,477**	**280,477**	**276,009**	**269,779**	**(10,698)**
APPROPRIATIONS:						
Programs:						
Administration	1,584	1,839	1,821	1,546	1,826	5
Risk	5,680	5,668	5,668	6,393	6,187	519
Legal	872	816	816	1,172	823	7
Human Resources	1,691	1,856	1,841	1,726	1,919	78
Finance	4,495	4,327	4,365	4,636	4,392	27
Fleet & Facility Maintenance	4,998	5,242	5,251	5,680	5,730	479
Customer Services	4,817	5,265	5,229	4,968	5,409	180
Information Technology	9,866	9,775	9,874	10,772	10,530	656
Wastewater Plant	11,373	11,747	11,732	12,331	12,213	481
San Juan-Chama Water Treatment Plant	4,064	4,790	4,790	4,536	4,899	109
Groundwater Operations	6,517	7,169	7,169	7,257	7,298	129
Wastewater Collection	7,423	7,835	7,834	8,203	8,031	197
Water Field Operations	18,428	21,100	21,064	20,909	21,508	444
Compliance	5,127	5,920	5,913	6,106	6,266	353
Central Engineering	3,193	3,432	3,424	3,407	3,795	371
Asset Management	591	763	763	767	805	42
Planning & Utility Development	608	824	818	817	999	181
Water Resources	3,511	4,652	4,648	3,888	4,767	119
Power & Chemicals	23,091	21,051	24,051	27,451	21,256	(2,795)
Taxes	916	656	656	955	656	-
Overhead	980	1,670	1,670	1,081	1,670	-
San Juan-Chama	2,546	2,747	2,747	2,955	1,440	(1,307)
Total Enterprise Appropriations	**122,371**	**129,144**	**132,144**	**137,556**	**132,419**	**275**
Transfers to Other Funds:						
Water 2120 Fund - 27	-	-	-	-	1,402	1,402
Rehab Fund - 28	36,618	36,618	36,618	35,118	36,618	-
Debt Service Fund - 31	77,815	78,000	78,000	78,000	78,000	-
Total Transfers	**114,433**	**114,618**	**114,618**	**113,118**	**116,020**	**1,402**
TOTAL APPROPRIATIONS	**236,804**	**243,762**	**246,762**	**250,674**	**248,439**	**1,677**
Adjustment to Fund Balance	(2,186)	(1,000)	(4,000)	(4,000)	(500)	3,500
ENDING FUND BALANCE	**32,778**	**32,715**	**29,715**	**21,335**	**20,840**	**(8,875)**
Rate Reserve	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	-
Risk Reserve	(500)	(500)	(500)	(500)	(500)	-
Soil Amendment Facility Reserve	(1,486)	(2,147)	(2,147)	(2,147)	(2,147)	-
ENDING FUND BALANCE (NET OF RESERVES)	**21,792**	**21,068**	**18,068**	**9,688**	**9,193**	**(8,875)**

CAPITAL FUNDS – 27, 28, AND 29

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



Resources

Total current resources approved for FY24 are $164.0 million. These resources are comprised of bond proceeds ($121.0 million), transfers from the General Fund ($38.0 million) and the Debt Service Fund ($4.0 million) and Miscellaneous revenue ($1.0). CIP resources increase $120.4 million in FY24 from the FY23 Original Budget.

Appropriations

FY24 appropriations total $103.5 million. CIP appropriations increase $24.3 million from the FY23 Original Budget, based on the Water Authority's FY24-FY33 Decade Plan.

Fund Balance

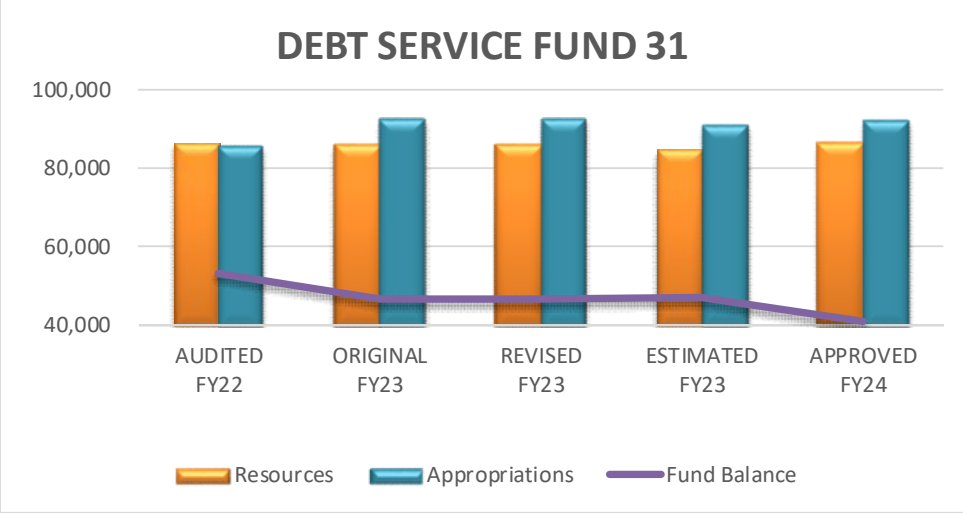
The Fund Balance at June 30, 2024 is projected to be $171.0 million.

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

($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Proceeds:						
Loan Proceeds	86,699	-	2,173	427	-	(2,173)
Bond Proceeds	2,541	-	-	-	121,000	121,000
Total Proceed Revenue	89,240	-	2,173	427	121,000	118,827
Miscellaneous Revenues:						
Other	12,344	3,000	33,977	20,344	-	(33,977)
Total Miscellaneous Revenues	12,344	3,000	33,977	20,344	-	(33,977)
Enterprise Revenues:						
Grants	2,625	-	78,184	10,277	-	(78,184)
Lease of Water Rights	200	-	423	523	500	77
Water Resource Charge	1,874	-	435	860	500	65
Total Enterprise Revenues	4,699	-	79,042	11,660	1,000	(78,042)
Transfer from Other Funds:						
General Fund - 21	36,618	36,618	36,618	35,118	38,020	1,402
Debt Service Fund - 31	4,000	4,000	4,000	4,000	4,000	-
Total Transfers	40,618	40,618	40,618	39,118	42,020	1,402
Total Current Resources	146,901	43,618	155,810	71,550	164,020	8,210
Beginning Fund Balance	71,898	146,309	146,309	146,309	110,532	(35,777)
TOTAL RESOURCES	**218,799**	**189,927**	**302,119**	**217,859**	**274,552**	**(27,567)**
APPROPRIATIONS:						
CIP Water 2120	73	300	4,481	67	2,402	(2,079)
CIP Basic Rehab	69,326	72,917	115,541	74,683	97,118	(18,423)
CIP Growth	4,082	5,990	128,672	32,576	4,000	(124,672)
Total CIP	73,481	79,207	248,695	107,327	103,520	(145,175)
Transfer To Other Funds:						
Debt Service Fund - 31	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**73,481**	**79,207**	**248,695**	**107,327**	**103,520**	**(145,175)**
ADJUSTMENTS:						
Adjustment to Fund Balance	991	-	-	-	-	-
ENDING FUND BALANCE	**146,309**	**110,720**	**53,426**	**110,532**	**171,032**	**117,606**

DEBT SERVICE FUND - 31

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



Resources

Debt Service resources approved for FY24 are $86.4 million; an increase of $0.4 million from the FY23 Revised Budget. The current resources are comprised of revenue from Utility Expansion Charges (UEC), miscellaneous revenue and transfers from the General Fund. UEC revenue remains at $8.0 million based on the current trend in residential development. The transfer from the General Fund remains at $78.0 million, based on the Water Authority's debt service schedule.

Appropriations

Appropriations total $92.3 million, of which $88.3 million is principal and interest payments for outstanding debt and $4.0 million is a transfer to the Growth Capital fund. Debt service payments decrease in FY24 $0.3 million from the FY23 Revised Budget, based on the Water Authority's debt service schedule. The transfer to the capital fund remains at $4.0 million.

Fund Balance

Fund Balance at June 30, 2024 is projected to be $40.9 million.

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

($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	434	-	-	426	400	400
Utility Expansion Charges	8,421	8,000	8,000	6,400	8,000	-
Transfers from Other Funds	77,815	78,000	78,000	78,000	78,000	-
Total Current Resources	86,670	86,000	86,000	84,826	86,400	400
Beginning Fund Balance	52,432	53,167	53,167	53,167	46,854	(6,313)
TOTAL RESOURCES	**139,102**	**139,167**	**139,167**	**137,993**	**133,254**	**(5,913)**
APPROPRIATIONS:						
Debt Service	82,042	88,663	88,663	87,139	88,346	(317)
Transfers to Other Funds	4,000	4,000	4,000	4,000	4,000	-
TOTAL APPROPRIATIONS	**86,042**	**92,663**	**92,663**	**91,139**	**92,346**	**(317)**
Adj to Fund Balance	107	-	-	-	-	-
ENDING FUND BALANCE	**53,167**	**46,504**	**46,504**	**46,854**	**40,908**	**(5,596)**

SAN JUAN CHAMA CONTRACTORS ASSOCIATION – 41

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

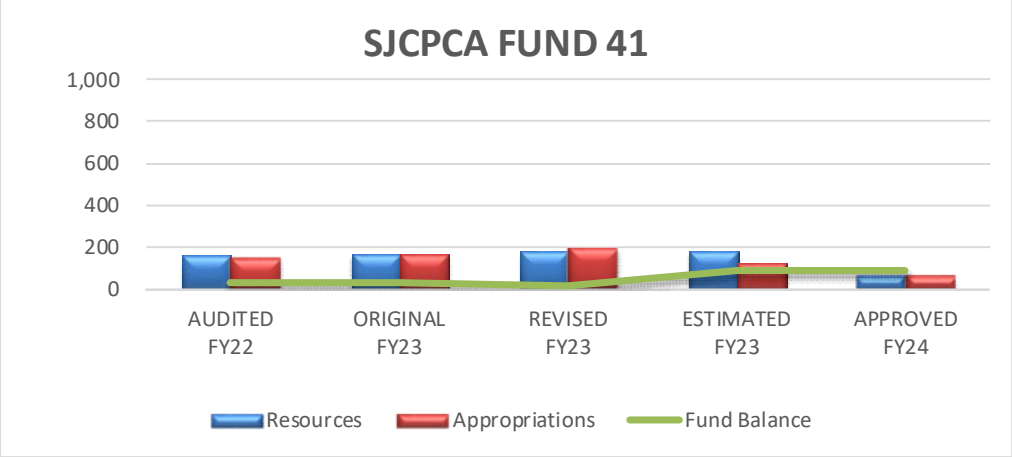
The Water Authority Board approved a Memorandum of Agreement creating the SJCPCA with various political subdivisions, public entities, and federally recognized Indian tribes for the protection of the San Juan-Chama Project and the associated water supply for the mutual benefit of the water users represented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

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

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

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

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



Resources

Total current resources approved for FY24 are $0.06 million. These resources are comprised of administration fees ($0.04 million) and Special Assessments ($0.02 million) collected from members of the association. Resources decrease $0.12 million in FY24 from the FY23 Revised Budget.

Appropriations

FY24 appropriations total $0.06 million.

Fund Balance

The Fund Balance at June 30, 2024, is projected to be $0.09 million.

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

($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Administration Fees	40	40	40	48	38	(2)
Special Assessments	125	132	147	139	26	(121)
Total Current Resources	164	172	186	187	64	(122)
Beginning Fund Balance	-	27	27	27	86	58
TOTAL RESOURCES	**164**	**199**	**214**	**214**	**150**	**(64)**
APPROPRIATIONS:						
General Government	149	172	199	128	64	(135)
TOTAL APPROPRIATIONS	**149**	**172**	**199**	**128**	**64**	**(135)**
Adj to Fund Balance	12	-	-	-	-	-
ENDING FUND BALANCE	**27**	**27**	**15**	**86**	**86**	**71**

THE FINANCIAL PLAN

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

To plan for the future and to ensure financial stability, an amendment to the Water Authority's Rate Ordinance was approved by the Board in June 2013 which increased rate revenue by 5% in fiscal years 2014, 2015, 2016 and again in 2018. There was no rate increase in fiscal years 2020, 2021, or 2022. The Water Authority approved a 5% rate revenue increase in fiscal year 2023. There was no rate increase in fiscal year 2024. The Water Authority will be preparing a cost-of-service study in 2023-2024 to look at future needs of the system.

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 by products on-site.

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

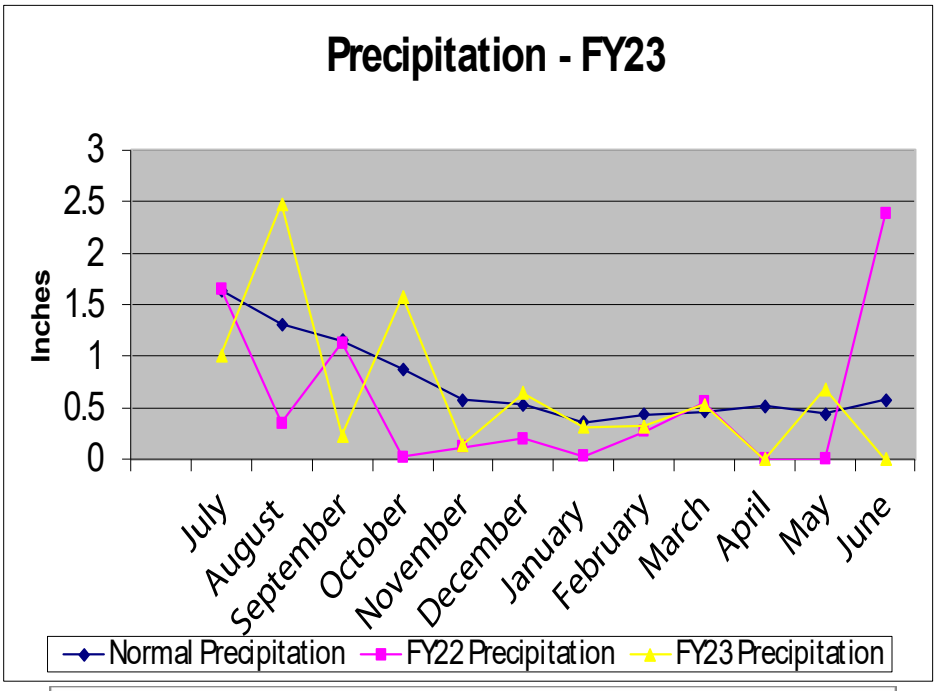
The following table is the financial plan for Fund 21 (General Fund). The plan displays financial projections from FY24 thru FY32. This plan considers the Water Authority's Capital needs, Debt Service needs, revenue sources and expenses. The Financial Plan helps the Water Authority plan for future potential 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.

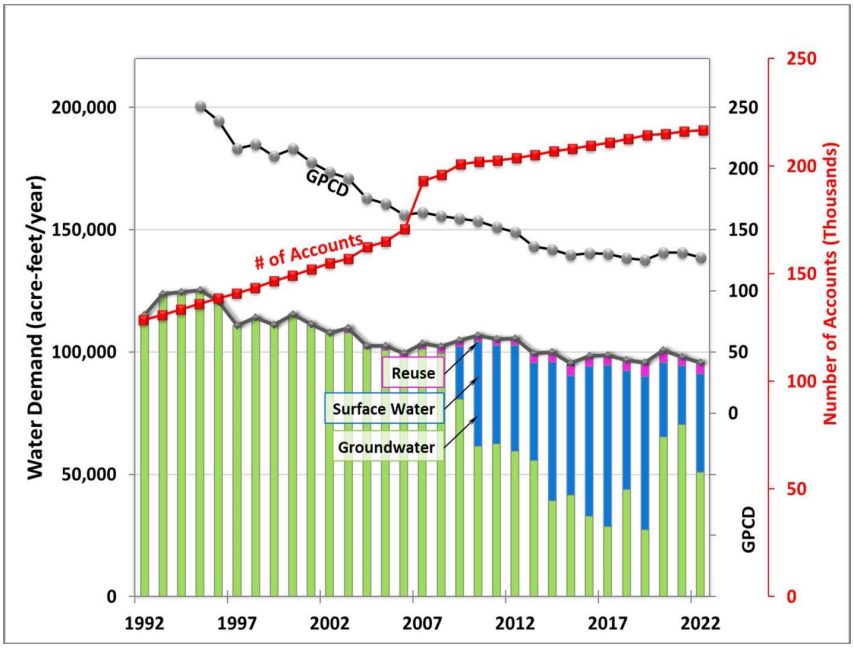
The amount in Capital Funds – Water 2120 for FY30 is for the new Reuse Plant identified in the Water 2120 Plan.

	Audited 2022	Revised 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Funds											
Needs: Basic (Min 50% cash Trans)	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Increase for Rehab/Asset Mgt Plan	25,686	188,746	56,768	59,768	29,268	32,268	34,268	37,168	40,268	43,268	40,268
Growth Projects	4,082	10,672	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Renewal Energy	117	350	350	350	350	350	350	350	350	350	350
Steel Line	1,026	2,024	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
AMI	5,497	5,625	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water 2120	73	4,058	2,402	2,402	2,402	13,402	13,402	15,402	81,402	11,402	11,402
Resources:											
Beginning Fund Balance	71,898	146,309	52,990	114,990	55,990	84,490	58,640	86,140	61,740	89,240	65,175
Trf. from Operating	36,618	36,618	36,618	39,618	42,618	45,268	48,618	51,618	54,618	57,618	54,618
Trf from Operating 2120			1,402	1,402	1,402	12,402	12,402	14,402	12,402	10,402	10,402
Trf. from Debt Service	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Grants	2,625	78,184									
Bond/Loan Proceeds	89,240	2,173	121,000		54,000		52,000		120,000		52,000
Water Resource Charge	1,874	435	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Adjustments/Misc	13,535	33,746									
Subtotal	219,790	301,465	217,010	161,010	159,010	147,160	176,660	157,160	253,760	162,695	187,630
Interest on Above			1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total	219,790	301,465	218,510	162,510	160,510	148,660	178,160	158,660	255,260	164,195	189,130
Ending Fund Balance	146,309	52,990	114,990	55,990	84,490	58,640	86,140	61,740	89,240	65,175	93,110
Debt Service Fund											
Resources:											
Interest Income		400	400	100	100	100	100	100	100	100	100
UECs	8,421	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from 621	77,815	78,000	78,000	86,915	84,915	72,415	65,319	64,967	72,415	62,415	62,415
Adjustments/Misc	434										
Begininning Fund Balance	52,432	53,167	46,904	37,289	37,289	37,289	37,289	37,289	37,289	37,289	37,289
Total	139,103	139,567	133,304	132,304	130,304	117,804	110,708	110,356	117,804	107,804	107,804
Expenditures:											
Agent Fees	-	-	15	15	15	15	15	15	15	15	15
Trf to Capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Debt Service	82,042	88,663	92,000	91,000	85,000	70,000	58,404	58,052	52,000	42,000	42,000
Adjustments/Misc	(106)						5,500	5,500	5,500	5,500	5,500
FY/26 Bond Proceeds					4,000	6,500	5,500	5,500	5,500	5,500	5,500
FY/30									13,500	13,500	13,500
Total	85,936	92,663	96,015	95,015	93,015	80,515	73,419	73,067	80,515	70,515	70,515
Ending Fund Balance	53,167	46,904	37,289	37,289	37,289	37,289	37,289	37,289	37,289	37,289	37,289
Operating Fund											
Resources											
Rate Revenue	221,607	229,795	234,944	250,692	251,945	251,945	264,542	264,542	264,542	264,542	264,542
Growth Revenue		2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Nonrate Revenue	4,129	10,601	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Addl Working Capital											
Rate reserve											
Beginning Fund Balance	46,032	32,778	32,573	32,426	34,483	34,435	30,834	41,132	43,957	35,453	33,009
Total	271,768	275,174	280,518	296,118	299,429	299,380	308,377	318,675	321,500	312,995	310,551
Expenditures											
Labor	60,060	64,830	68,358	69,725	71,120	72,542	73,993	75,473	76,982	78,522	80,092
Operations Exp	60,011	63,500	61,158	64,321	65,286	66,265	67,259	68,605	69,977	71,376	72,804
Issue Paper			2,246								
Incentive	300	300	300	300	300	300	300	300	300	300	300
Non-recurring issues			657								
Transf. to DS	77,815	78,000	78,000	86,915	84,915	72,415	65,319	64,967	72,415	62,415	62,415
Transfer to Cap 2120			1,402	1,402	1,402	12,402	12,402	14,402	12,402	10,402	10,402
Transf. to Cap.	36,618	36,618	36,618	39,618	42,618	45,268	48,618	51,618	54,618	57,618	54,618
Total	240,976	245,248	250,738	264,282	267,641	271,193	269,891	277,364	288,694	282,633	282,631
Operating Reserves	1,986	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Rate Reserve	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Ending Fund Balance w/Res	21,792	20,926	20,779	22,836	22,788	19,187	29,485	32,310	23,806	21,362	18,920
Ending Fund Balance w/o Res	**32,778**	**32,573**	**32,426**	**34,483**	**34,435**	**30,834**	**41,132**	**43,957**	**35,453**	**33,009**	**30,567**
Rate Increases	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%
	2022	**2023**	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**

PRECIPITATION HISTORY & WATER USAGE TRENDS

A history of the precipitation for FY22 and FY23 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.





The Water Authority's Rate Structure

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

Major Revenue Sources

Water Sales ($132.5 million, 51.8% of total revenue).

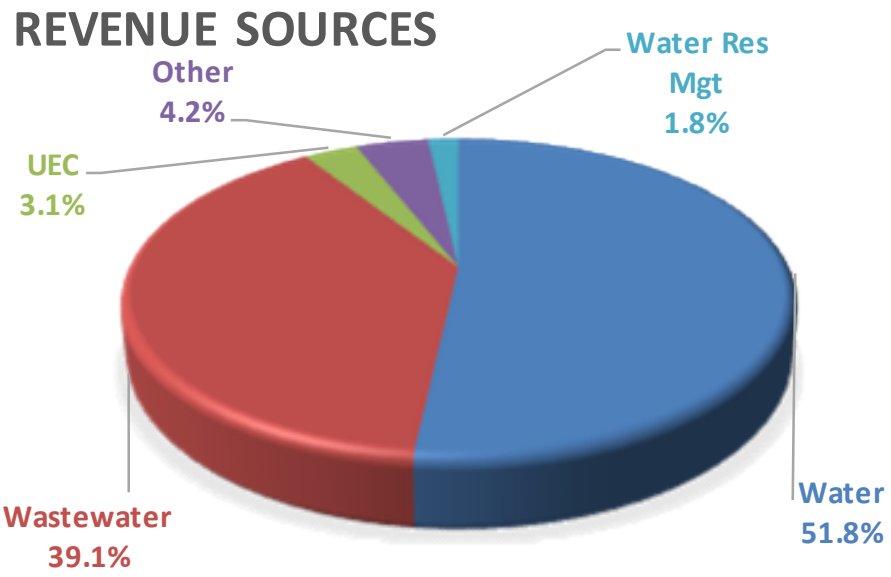
The Water System provides water services to approximately 654,067 residents comprising approximately 95% of the residents of Bernalillo County. About one-third of unincorporated County residents are customers of the Water System. Service is provided to approximately 216,856 accounts, including 186,886 residential and 29,970 multi-family, commercial, institutional, and industrial accounts. Approximately 76.4% of the water sales are for residential uses.

Wastewater ($100.2 million, 39.1% of total revenue).

Wastewater services are provided to virtually all homes, schools, and businesses within the Albuquerque city limits, as well as the Village of Tijeras, Kirtland Air Force Base, Sandia Heights, and other residential areas in Bernalillo County. In all, the Water Authority provides service to about 600,000 people, with approximately 204,146 accounts, including 184,075 residential customer accounts, 17,761 multi-family and commercial accounts, 1,057 institutional accounts and 1,253 industrial and other customer accounts.

Utility Expansion Charges ($8.0 million, 3.1% of total revenue).

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



FY22 AUDITED ACTUAL REVENUES AND FY23 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 FY22, budgeted revenues and estimated actuals for FY23, and budgeted revenue for FY24. 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.

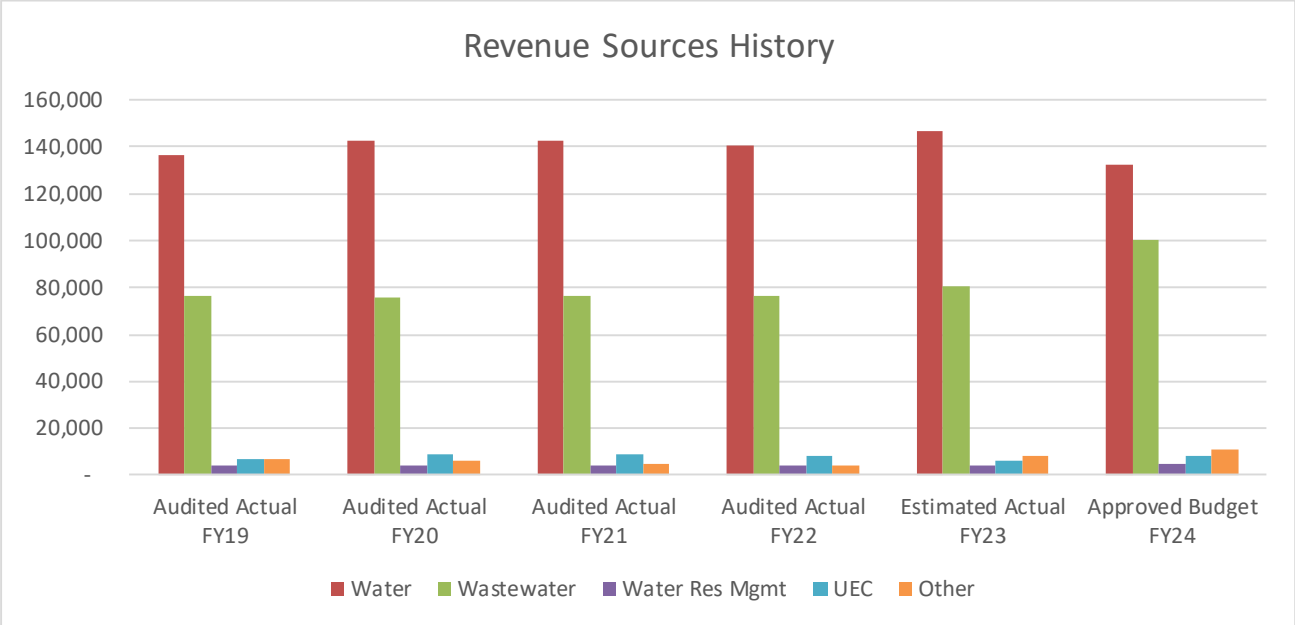
REVISED FY23 REVENUE ESTIMATES

General Fund revenues for FY23 are anticipated to be $239.2 million or $13.5 million above FY22 actuals. Rate revenue is anticipated to be $9.9 million above FY22 actuals; Other revenue is projected to be $3.6 million above FY22 actuals. The increase in Rate revenue is attributed to a rate revenue adjustment approved by the Water Authority Board for FY23. The increase in Miscellaneous revenue is mostly attributed to the increase in Interest Income stemming from a rise in interest rates.

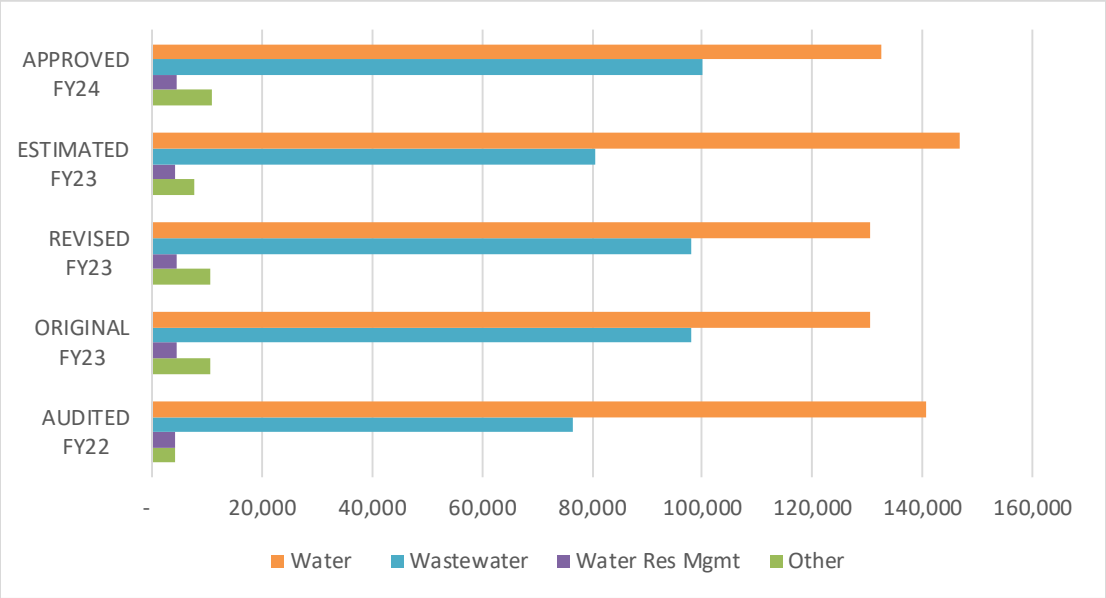
APPROVED BUDGET REVENUE ESTIMATES FOR FY24

Budgeted General Fund revenues for FY24 are $248.4 million including the addition of $0.5 million from fund balance, represents an increase of $4.2 million above the revised budgeted FY23 amount.

Revenue in the Debt Service Fund increases $0.4 million in FY24 due to Miscellaneous revenue.

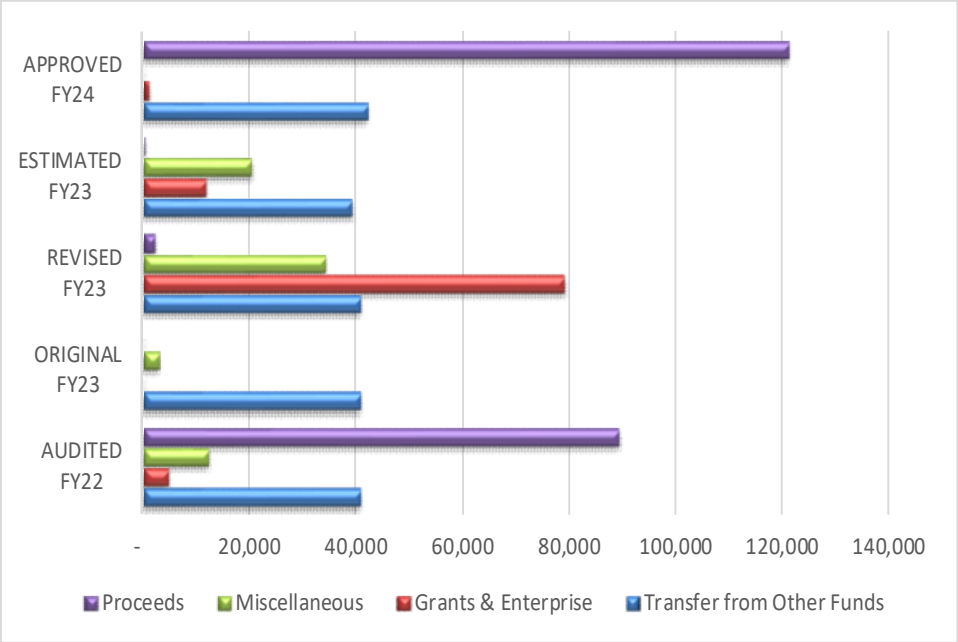


REVENUE – GENERAL FUND 21



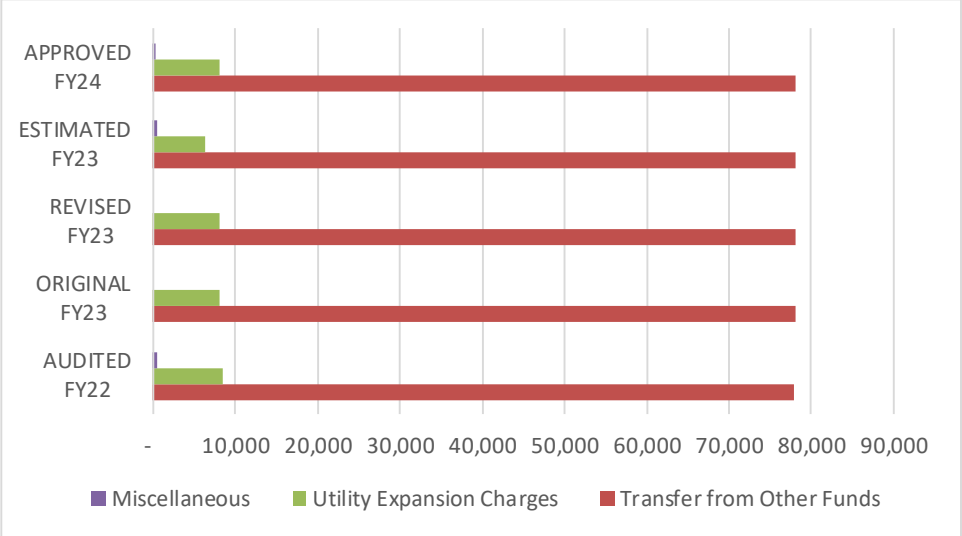
($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Rate Revenues:						
Water Service	102,868	96,107	96,107	108,107	98,107	2,000
Water Facilities Rehab	37,515	34,022	34,022	38,551	34,022	-
Wastewater Service	42,069	69,112	69,112	44,165	71,184	2,072
Wastewater Facilities Rehab	34,558	28,982	28,982	36,288	28,982	-
Contr/Aid/Hookups	337	375	375	205	375	-
Water Resources Management	4,261	4,500	4,500	4,219	4,500	-
Total Rate Revenue	**221,608**	**233,098**	**233,098**	**231,535**	**237,170**	**4,072**
Other Revenues:						
Solid Waste Admin Fee	1,761	1,705	1,705	1,705	1,711	6
DMD Admin Fee	373	487	487	487	654	167
Interest on Investments	163	500	500	3,631	500	-
Miscellaneous Revenue	1,831	7,909	7,909	1,874	7,909	-
Total Other Revenue	**4,128**	**10,601**	**10,601**	**7,697**	**10,774**	**173**
Total Current Resources	225,736	243,699	243,699	239,231	247,944	4,245
Add from Fund Balance	-	1,000	4,000	4,000	500	(3,500)
Beginning Fund Balance	46,032	32,778	32,778	32,778	21,335	(11,444)
TOTAL RESOURCES	**271,768**	**277,477**	**280,477**	**276,009**	**269,779**	**(10,698)**

REVENUE – CAPITAL FUNDS – 27, 28, AND 29



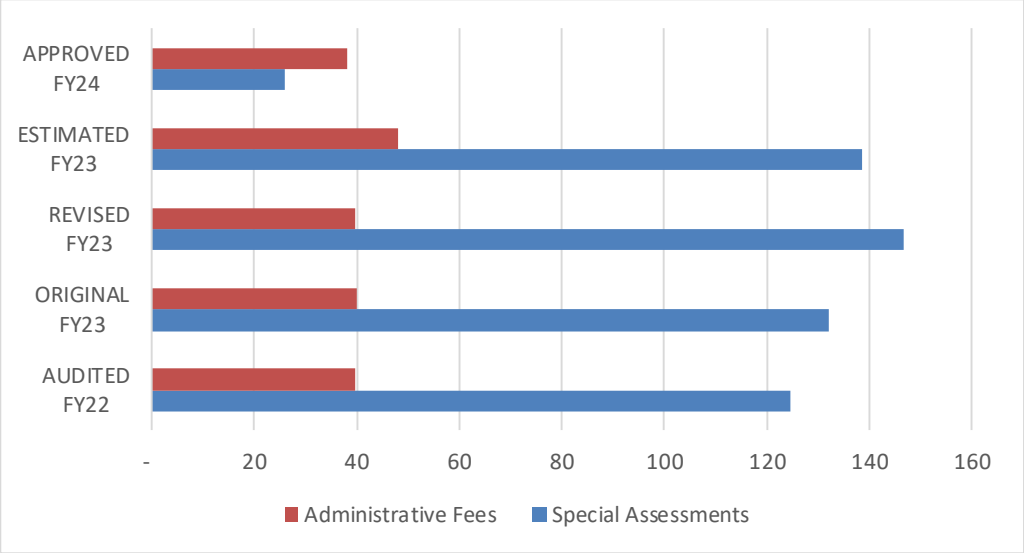
($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Proceeds:						
Loan Proceeds	86,699	-	2,173	427	-	(2,173)
Bond Proceeds	2,541	-	-	-	121,000	121,000
Total Proceed Revenue	89,240	-	2,173	427	121,000	118,827
Miscellaneous Revenues:						
Other	12,344	3,000	33,977	20,344	-	(33,977)
Total Miscellaneous Revenues	12,344	3,000	33,977	20,344	-	(33,977)
Enterprise Revenues:						
Grants	2,625	-	78,184	10,277	-	(78,184)
Lease of Water Rights	200	-	423	523	500	77
Water Resource Charge	1,874	-	435	860	500	65
Total Enterprise Revenues	4,699	-	79,042	11,660	1,000	(78,042)
Transfer from Other Funds:						
General Fund - 21	36,618	36,618	36,618	35,118	38,020	1,402
Debt Service Fund - 31	4,000	4,000	4,000	4,000	4,000	-
Total Transfers	40,618	40,618	40,618	39,118	42,020	1,402
Total Current Resources	146,901	43,618	155,810	71,550	164,020	8,210
Beginning Fund Balance	71,898	146,309	146,309	146,309	110,532	(35,777)
TOTAL RESOURCES	**218,799**	**189,927**	**302,119**	**217,859**	**274,552**	**(27,567)**

REVENUE – DEBT SERVICE FUND – 31



($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Proceed Revenues	-	-	-	-	-	-
Miscellaneous Revenues	434	-	-	426	400	400
Utility Expansion Charges	8,421	8,000	8,000	6,400	8,000	-
Transfers from Other Funds	77,815	78,000	78,000	78,000	78,000	-
Total Current Resources	86,670	86,000	86,000	84,826	86,400	400
Beginning Fund Balance	52,432	53,167	53,167	53,167	46,854	(6,313)
TOTAL RESOURCES	**139,102**	**139,167**	**139,167**	**137,993**	**133,254**	**(5,913)**

REVENUE – SAN JUAN CHAMA CONTRACTORS ASSOCIATION – 41



($000's)	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
RESOURCES:						
Administration Fees	40	40	40	48	38	(2)
Special Assessments	125	132	147	139	26	(121)
	-	-	-	-	-	-
Total Current Resources	164	172	186	187	64	(122)
Beginning Fund Balance	-	27	27	27	86	58
	-	-	-	-	-	-
TOTAL RESOURCES	**164**	**199**	**214**	**214**	**150**	**(64)**

The following is based on the August 2023 forecast from S&P Global. Along with the baseline forecast, alternative forecasts are prepared with pessimistic and optimistic scenarios.

National Economy and Key Points from the Global Insight Outlook

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

Baseline Scenario

This scenario reflects a probability of 55%. The key assumptions include:

- Gross Domestic Product (GDP) growth rises 1.8% in 2023 as the aggressive recovery following the pandemic-induced downturn begins to chill. Growth continues at 1.2% in 2024 and 1.5% in 2025
- Consumer Spending drops from 2.7% in 2022 to 2.0% in 2023. Growth continues at 1.3% in 2024 and 1.7% in 2025
- Business Fixed Investment increases 3.0% in 2023, 0.8% in 2024, and 0.7% in 2025
- Housing starts shrink from 1.55 million in 2022 to 1.41 million in 2023 before ticking down to 1.35 million in 2024 and rising to 1.40 million in 2025
- Exports rise 2.7% in 2023 and jump 4.0% in 2024 and 4.9% in 2025
- Fiscal Policy as expected, the Supreme Court ruled against the White House plan to forgive a portion of student debt. Student loan forbearance ends in September
- Monetary Policy expects the upper end of the federal funds rate target to reach 5.6% by early 2024
- Credit Conditions eased in 2021 but tighten throughout the forecast amid high interest rates
- Productivity Growth moves up from -1.7% in 2022 to 0.2% in 2023. Growth continues at 1.0% in 2024 and 1.6% in 2025

- Consumer Confidence dips through the middle of 2023 before gently escalating
- Oil Prices average price of Brent crude oil falls from $101/barrel in 2022 to $80 in 2023 and $78 in 2024, before rising to $86 in 2025
- Stock Markets the year-end value of the S&P 500 fell 19.4% in 2022. The index grows 11.3% over 2023, 1.2% in 2024, and 2.3% in 2025
- Inflation Consumer Price Index (CPI) falls from 5.0% in 2022 to 4.3% in 2023, 2.9% in 2024, and 2.2% in 2025
- Foreign Growth Eurozone growth slips from 3.5% in 2022 to 0.7% in 2023, while China's growth rises from 3.0% in 2022 to 5.5% in 2023
- US Dollar real dollar gently falls through the end of 2029 before resuming to rise

Pessimistic Scenario

This scenario reflects a probability of 25%. The key assumptions include:

- Gross Domestic Product (GDP) rises 1.5% in 2023. Growth then slows to 0.2% in 2024 before rising to 1.3% in 2025
- Consumer Spending rises 1.6% in 2023, 0.5% in 2024, and 1.6% in 2025
- Business Fixed Investment rises 2.0% in 2023 before falling by 2.9% in 2024 and 2.0% in 2025
- Housing starts drop from 1.55 million in 2022 to 1.38 million in 2023 and 1.24 in 2024 before rising to 1.29 million in 2025
- Exports increase 2.2% in 2023 and 2024, then jump 5.4% in 2025
- Fiscal Policy has the same assumptions as in the baseline
- Monetary Policy federal funds rates reaches an upper limit of 5.63% in early 2024 before descending to an upper limit of 2.63% by 2027, where it remains throughout the forecast period
- Credit Conditions remain slightly tighter than in baseline
- Productivity Growth rises 0.7% in 2023, 2.1% in 2024, and 1.8% in 2025
- Consumer Confidence remains below the baseline over the entire forecast interval
- Oil Prices have Brent crude oil averages $89 in 2023, $94 in 2024, and $102 in 2025

- Stock Markets year-end value of the S&P 500 fell 19.4% in 2022 then rises 5.0% in 2023. Growth reverses to -0.4% in 2024 before amping up to 3.7% in 2025
- Inflation Consumer Price Index (CPI) slows to 4.5% in 2023, 3.0% in 2024, and 1.7% in 2025
- Foreign Growth – the global economy suffers from Russia-Ukraine conflict, and COVID-19 related setbacks endure
- US Dollar real dollar decreases slowly through the forecast through 2028 before resuming to rise

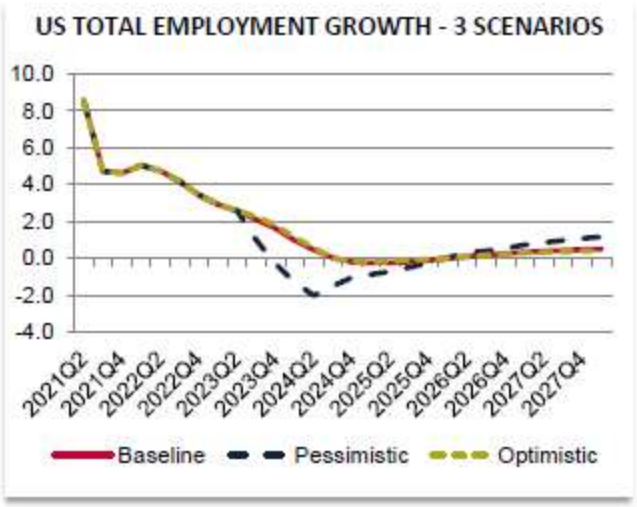
Optimistic Scenario

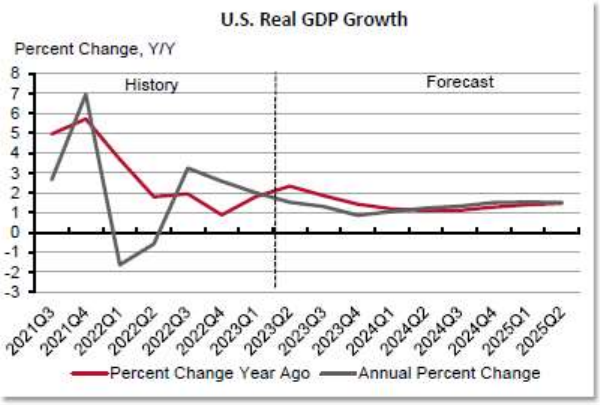
This scenario reflects a probability of 20%. The key assumptions include:

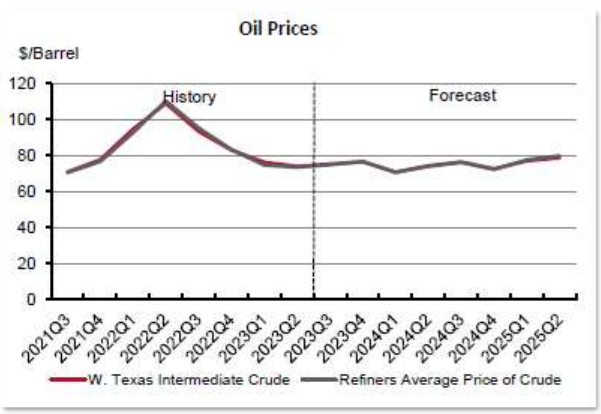
- Gross Domestic Product (GDP) grows 2.1% in 2023 as the relative strength in consumer spending supports growth. Growth persists at 2.0% in 2024 and 1.9% in 2025
- Consumer Spending rises 2.2% in 2023, 2.1% in 2024, and 2.2% in 2025
- Business Fixed Investment rises 3.5% in 2023, 2.5% in 2024, and 2.1% in 2025
- Housing starts fall from 1.55 million in 2022 to 1.42 million in 2023. Housing starts then tick down to 1.39 million in 2024 before picking up to 1.44 million in 2025
- Exports rise 2.7% in 2023, 5.4% in 2024, and 4.3% in 2025
- Fiscal Policy has the same assumptions as in the baseline
- Monetary Policy has a similar path to the baseline, but with a higher long-run federal funds rate over 2023-2026
- Credit Conditions are slightly looser than in the baseline
- Productivity Growth ticks up 0.1% in 2023, before jumping 1.6% in 2024 and 2.0% in 2025
- Consumer Confidence outperforms baseline over the entire forecast interval
- Oil Prices have Brent crude oil averages at $78 in 2023, $78 in 2024 before jumping to $86 in 2025
- Stock Markets -the year-end value of the S&P 500 fell -19.4% in 2022, but grows 14.7% in 2023, 2.5% in 2024, and 3.0% in 2025

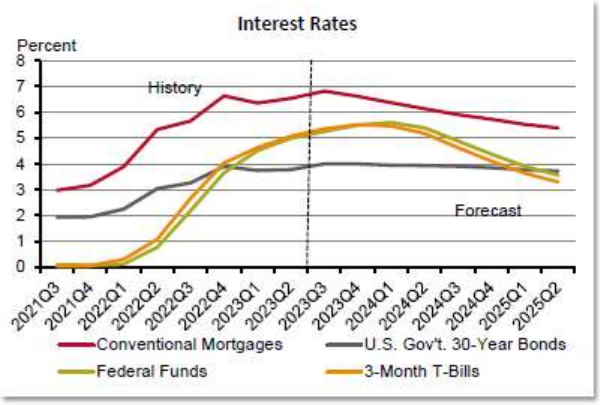
- Inflation Consumer Price Index (CPI) inflation falls from 5.0% in 2022 to 4.3% in 2023, 3.2% in 2024, and 2.3% in 2025
- Foreign Growth global economy recovers more quickly than in the baseline amid a faster resolution to the Russia-Ukraine conflict
- US Dollar real dollar strengthens slightly more than in the baseline

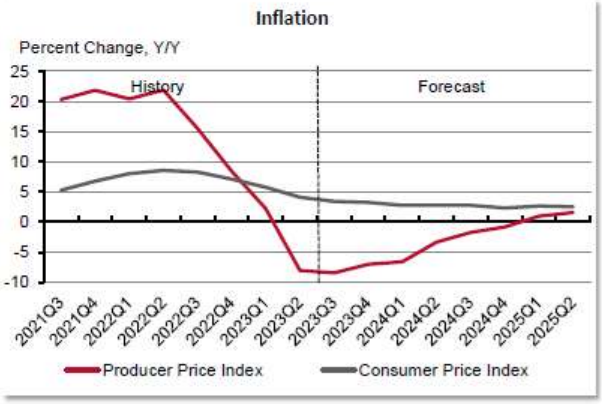
The following charts provide information on some of the key measures in the forecast.











ALBUQUERQUE ECONOMIC OUTLOOK

The outlook for the Albuquerque economy is developed by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. They use national forecasts from S&P Global and local insights to develop forecasts of the state and local economy. The BBER FOR-UNM forecasting model for August 2023 provides the forecast of the Albuquerque economy.

Albuquerque MSA Employment

Near Term Forecast

In calendar year 2023, FOR-UNM projects that the Albuquerque MSA will add 6,336 jobs (1.6%). This is 1,531 jobs (0.4 percentage points) more than we projected in our last forecast, bringing average employment for the year to 393,339 jobs. 5,298 of the added jobs are expected to be in the private sector (1.7% growth) and 1,037 jobs are expected to be added in government (1.4% growth).

Sixteen (16) private sector industries are expected to see gains this year. Not surprisingly, the largest gains projected are in healthcare & social assistance, the industry with the most employment. We project an addition of 1,496 jobs (2.6%

growth) in this sector, bringing it above its pre- pandemic level by 2023Q3. The second largest gains this year are projected to be in the accommodation & food services sector (1,354 jobs, 3.6% growth). This industry has been seeing relatively slow growth since it recovered most of its pandemic losses in 2021Q3.

Professional & technical services is expected to see an addition of 494 jobs (1.4%). This is a fast-growing industry in the MSA, with a 7.8% increase (2,514 jobs) between 2020Q2 and 2022Q3. Over the past year, this industry averaged 34,757 jobs, 6.8% (2,214 jobs) more than its 2019 average.

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

Four private sectors are expected to add between 100 and 300 jobs this year: manufacturing (272 jobs, 1.6%); other services (256 jobs, 2.7%); arts, entertainment & recreation (218 jobs, 4.3%); and wholesale trade (138 jobs, 1.2%). Manufacturing, already above its pre-pandemic level, is projected to continue increasing; other services is projected to level out and not quite recover; while the arts, entertainment & recreation sector has already recovered and is projected to level out. Wholesale trade should also level out just slightly below its pre-pandemic average.

Four more private sectors are expected to add jobs this year: educational services (84 jobs, 1.4% growth); information (64 jobs, 1.2% growth); utilities (45 jobs, 4.2% growth); and mining (22 jobs, 9.9% growth).

Only five private sector industries are expected to lose jobs over the course of the year. The greatest loss projected is 122 jobs (-0.3%) from retail trade. This is a relatively minor loss, considering this industry has remained almost completely flat for quite a few years, not including its pandemic hit. The remaining private-sector losses projected are in finance & insurance (-112 jobs, -0.9%); agriculture (-44 jobs, -5.5%); real estate, rental & leasing (-32 jobs, -0.6%); and management of companies & enterprises (-30 jobs, -0.8%).

The government sector is expected to grow throughout the year with local government (594 jobs, 1.6%) and state government (452 jobs, 2.0%) advancing, but federal government will likely move sideways (-9 jobs, -0.1%).

Out-Years Forecast

In the longer term from 2023 to 2028 (with 2023 as the base year), the Albuquerque MSA economy is forecasted to add 8,042 jobs at an average annual growth rate (AAG) of 0.4%. This is a downward revision of over 2,000 jobs since our last forecast, but the AAG is only down 0.2 percentage points.

Although inflation is cooling and recession fears are beginning to lessen, we have yet to see how seasonality may be affecting inflation rates and what the extent of the effect of the interest rate hikes on the labor market may be.

Our current forecast projects modest growth over the forecast window (0.4% AAG), with the addition of 8,042 jobs. Private employment is forecasted to add 6,128 jobs (0.4% AAG) and 1,915 jobs are expected to be added to government employment totals (0.5% AAG).

That said, we expect all but three private sectors to grow over this period. We forecast the healthcare & social assistance sector to grow the most during this time, with an addition of 2,615 jobs at an AAG of 0.9%, leaving it with 60,854 jobs, 4,082 (7.2%) more than it had in 2019.

The next largest increase of jobs is forecasted to be in the accommodation & food services (1,864 jobs, 1.0% AAG) and professional & technical services (1,527 jobs, 0.9% AAG) industries. With these gains, accommodation & food services will be 2.9% above its pre-pandemic level and professional & technical services will be 11.8% above.

The construction industry is expected to grow considerably, adding 929 jobs at an average annual rate of 0.7%, and end the forecast window a sizable 12.0% above its 2019 level.

Other services is projected to come in next. This sector, which usually follows the trend of the leisure & hospitality industry, is expected to add 686 jobs at an average annual rate of 1.4%. This will bring it to a total of 10,377 jobs, 3.9% above its 2019 average. Similarly, arts, entertainment & recreation will round out the numbers already added to the aforementioned industry by accommodation & food services, by adding 388 jobs (1.5% AAG). Employment in the arts will then be 9.8% (509 jobs) higher than in 2019.

Administrative & waste services (474 jobs, 04% AAG); finance & insurance (463 jobs, 0.7% AAG); and transportation & warehousing (446 jobs, 0.7% AAG); all see jobs increases in the 400-500 range with modest and will have steady overall growth. However, administrative & waste services end the forecast window only 0.9% above its 2019 average while finance & insurance ends up 4% higher, and transportation & warehousing arrives at 13,875 jobs in 2028, 61.5% (5,286 jobs) more than it had in 2019.

We expect a good number of jobs to be added over the forecast window in information (285 jobs, 1.0% AAG); educational services (0.7% AAG); wholesale trade (171 jobs, 0.3% AAG); and management of companies & enterprises (85 jobs, 0.5% AAG). Agriculture (26 jobs, 0.7% AAG); utilities (6 jobs, 0.1% AAG); and mining (4 jobs, 0.3% AAG) will also contribute to the overall increase in employment.

The private sector industries projected to lose jobs are retail (-3,699 jobs, -1.8% AAG); manufacturing (-293 jobs, -0.3%); and real estate, rental & leasing (-63 jobs, -0.2%). These results will leave retail 6.6% (-2,716 jobs) below its pre-pandemic average and real estate 2.8% (-158 jobs) below. However, manufacturing will be 1.8% (299 jobs) higher.

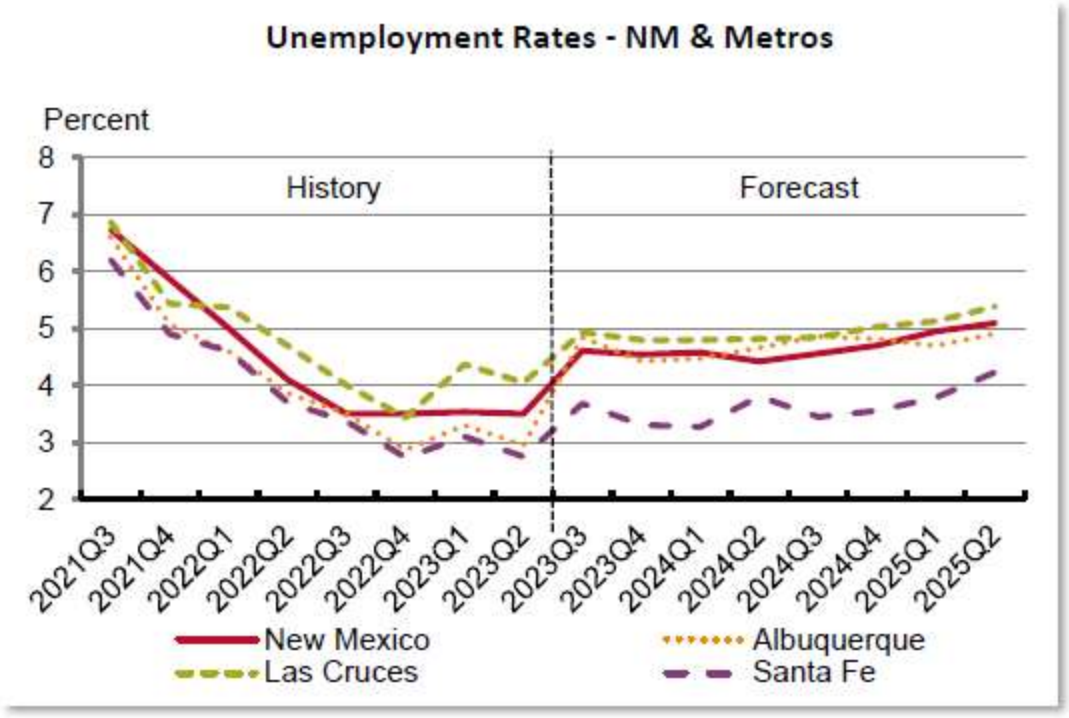
Employment in government is expected to increase by 1,297 jobs in local government (0.7% AAG), 578 jobs in state government (0.5% AAG), and 40 jobs in federal government (0.1% AAG). Combined, because of the sharp losses to local government in 2020 and 2021, the government sector will end the forecast window still down 0.4% (-284 jobs) from its 2019 average.

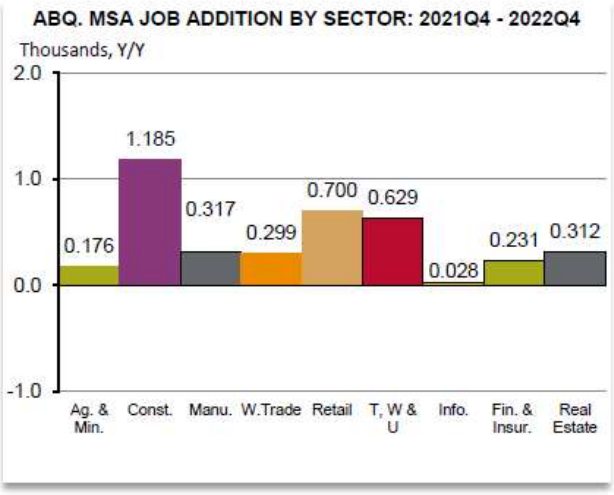
Personal income in the Albuquerque MSA is expected to grow steadily at 4.8% per year, reaching an average of $64.034 billion in 2028. This will bring it to 24% higher than in 2023, representing solid wage growth in nominal terms.

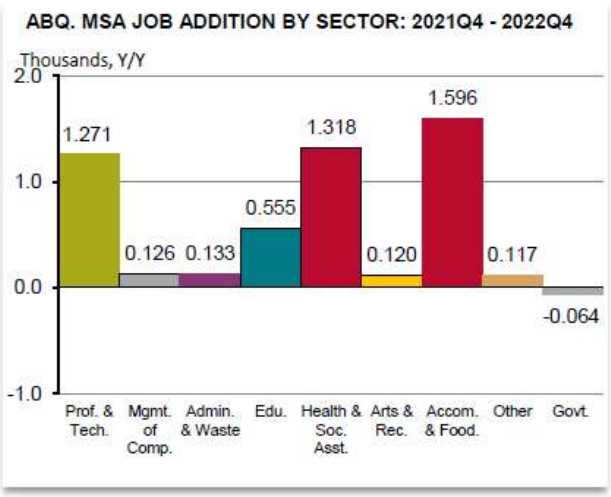
The MSA's non-seasonally adjusted labor force will also continue to grow steadily (0.4% AAG) throughout the forecasted time period, reaching 453,161 persons in 2028, or 1.5% above its pre-pandemic peak of 446,571 persons. The non-seasonally adjusted unemployment rate is expected to rise to an average of 3.9% by 2023, 4.7% in 2024, and then average about 4.9% thereafter.

In 2021 and 2022, the City of Albuquerque issued over 1,700 housing permits each year. High house prices, high interest rates, and low inventory are expected to depress average permits throughout the forecast period although they should slowly pick up. We forecast 1,135 permits in 2023, an average of 1,353 in 2024 and 2025, and 1,531 per year from 2026 through 2028. Annual increases will almost

entirely stem from single-family housing permits as multi- family permits are projected to stay flat at about 129 permits per year.







Housing & Construction

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

In 2021 and 2022, the City of Albuquerque issued over 1,700 housing permits each year. High house prices, high interest rates, and low inventory are expected to depress average permits throughout the forecast period although they should slowly pick up. The forecast is 1,135 permits in 2023, an average of 1,353 in 2024 and 2025, and 1,532 per year from 2026 through 2028. Annual increases will almost entirely stem from single-family housing permits as multi-family permits are projected to stay flat at about 129 permits per year.

Housing Permits - NM & Albuquerque Breakdown (Thousands)

	2021	2022	2023	2024	2025
NM Total Housing Units	7.884	7.312	5.514	6.026	6.294
% Change Year Ago	49.5	-7.3	-24.6	9.3	4.5
NM Single-Family Housing Units	5.37	6.007	4.523	5.098	5.252
% Change Year Ago	16.6	11.9	-24.7	12.7	3
NM Multi-Family Housing Units	2.514	1.305	0.991	0.928	1.042
% Change Year Ago	276.3	-48.1	-24.1	-6.3	12.3
City of Albuquerque Total Housing Units	1.761	1.704	1.21	1.272	1.403
% Change Year Ago	37.4	-3.2	-29.0	5.2	10.3
City of Albuquerque Single-Family Housing Units	0.789	0.708	0.709	0.801	0.885
% Change Year Ago	-8.8	-10.3	0.1	13.0	10.5
City of Albuquerque Multi-Family Housing Units	0.972	0.996	0.501	0.471	0.518
% Change Year Ago	133.1	2.5	-49.7	-5.9	9.9

Construction Employment - NM & Albuquerque (Thousands)

	2021	2022	2023	2024	2025
NM Construction Employment	47.815	49.531	50.901	51.046	51.444
% Change Year Ago	-1.3	3.6	2.8	0.3	0.8
Albuquerque MSA Construction Employment	24.653	25.444	26.023	26.054	26.166
% Change Year Ago	-1.3	3.6	2.8	0.3	0.8

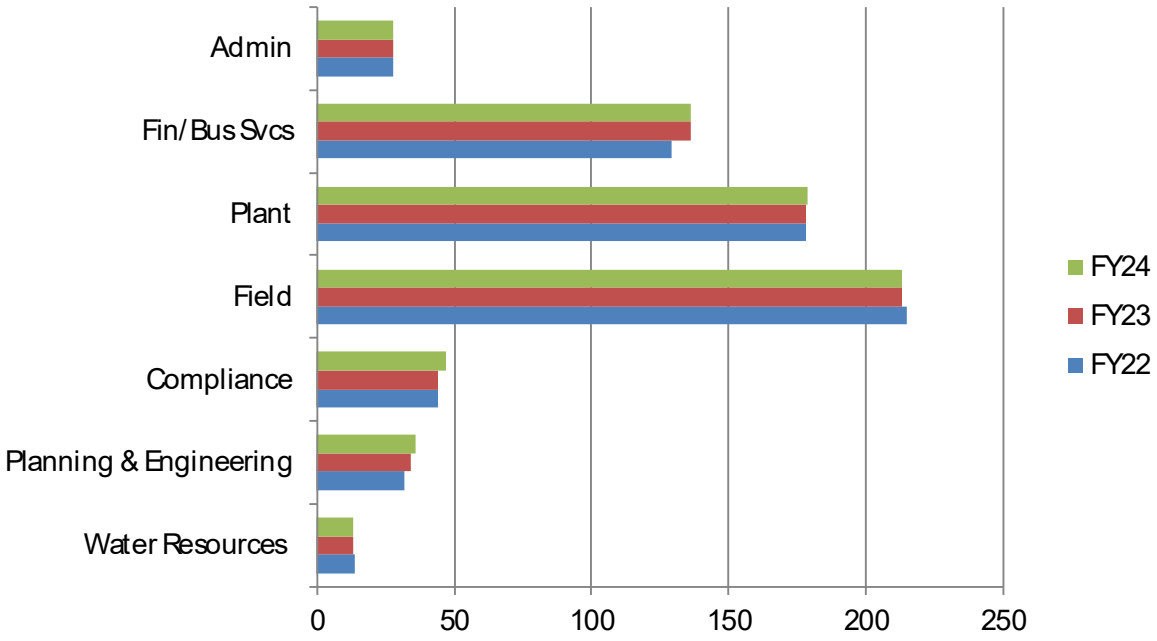
PERSONNEL INFORMATION

The FY24 budget is authorized and approved at 652.0 full-time equivalent (FTE) employees.

Three labor unions represent 501 of the 652 Authority employees. Local 2962 AFSME, AFL-CIO, CLC represents 55 clerical series employees, Local 624 AFSCME, AFL-CIO represents 310 blue collar employees and Local 3022 AFSCME, COUNCIL 18, AFL-CIO represents 136 management series employees.

Changes in Employment

The FY24 approved budget has an increase of 6.0 full-time equivalent positions over the FY23 level: Electrician in Wastewater Plant; Water Quality Laboratory Technician, NPDES Senior Scientist, and Water Quality Scientist in Compliance; and 2 Senior Engineer positions in Central Engineering. All other changes are due to staff reassignments and program realignments.



POSITIONS	AUDITED ACTUAL FY22	ORIGINAL BUDGET FY23	REVISED BUDGET FY23	ESTIMATED ACTUAL FY23	APPROVED BUDGET FY24	APPR 24/ REV 23 CHG
Administration						
Water Authority	7	7	7	7	7	0
Risk	5	5	5	5	5	0
Legal	1	1	1	1	1	0
Human Resources	15	15	15	15	15	0
Total Administration	28	28	28	28	28	0
Financial /Business Services						
Finance	42	44	44	44	44	0
Customer Services	49	49	49	49	49	0
Information Technology	38	43	43	43	43	0
Total Financial/Business Services	129	136	136	136	136	0
Plant						
Wastewater Treatment	91	88	88	88	89	1
San Juan-Chama Water Treat Plant	34	35	35	35	35	0
Groundwater	53	55	55	55	55	0
Total Plant	178	178	178	178	179	1
Field						
Wastewater Collection	64	64	64	64	64	0
Water Field Operations	151	149	149	149	149	0
Total Field	215	213	213	213	213	0
Compliance	44	44	44	44	47	3
Planning & Engineering						
Central Engineering	24	24	24	24	26	2
Asset Management	5	6	6	6	6	0
Planning & Utility Development	3	4	4	4	4	0
Total Planning & Engineering	32	34	34	34	36	2
Water Resources	14	13	13	13	13	0
TOTAL FULL TIME POSITIONS	**640.0**	**646.0**	**646.0**	**646.0**	**652.0**	**6.0**

FY24 APPROVED ISSUE PAPERS

Approved issue papers and initiatives funded in FY24 total $2,245,981. The list below identifies the issues and divisions that received additional funding.

Water Authority Approved Issue Papers - FY24	
Fund 21 - General Fund	**2,245,981**
Administration	
Risk-Increase Insurance Tort & Other Premiums	500,000
Financial Services	
Fleet Maintenance-Increase Fuels	318,208
Facilities Maintenance-Increase Repairs & Maintenance	100,000
Customer Services-Pay Scale Increase-Customer Care Program	72,656
Information Technology-Cloud Solutions & Infrastructure Hosting	187,000
Information Technology-Staff Augmentation/Professional Services	100,000
Plant	
Wastewater Mechanical-Electrician Position	105,218
Field	
Wastewater Collections-Convert Wastewater Worker to CDL Trainer Position	20,286
Compliance	
Laboratory-Water Quality Laboratory Technician Position	96,475
NPDES-Senior Scientist Position	119,264
Water Quality-Water Quality Scientist Position	106,270
Planning & Engineering	
Central Engineering-Increase Travel & Training	4,900
Central Engineering-2 Senior Engineer Positions	55,704
Water Resources	
Conservation-Supplies for Printing and Water Smart Academy	50,000
General Government	
General Govt-Tuition Reimbursement& Incentive Programs	110,000
Wastewater Plant Chemicals-Cogen Emissions Control Chemicals	205,000
San-Juan Chama-Increase SJC Project O&M Costs	95,000
San Juan Chama Professional Contractors Association	
FY24 Budget Adjustments	-
TOTAL	**2,245,981**

ADMINISTRATION

Program Description

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

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.

2023 Accomplishments

- In November 2022, Public Relations and Water Resources staff held virtual Customer Conversations meetings on the topic of "Drought Planning".
- The Risk/Safety program conducted a pre-assessment meeting with local fire department officials in preparation for a Bulk Chemical Spill Response functional exercise (tabletop exercise). The new 2022 Federal Motor Carrier Safety Administration program for entry-level commercial driver's license (CDL) training was implemented. Risk staff effectively mitigated claims before

they materialized into tort claims and negotiated favorable pre-mediation settlements; these measures both realized significant cost savings for the utility.

- Risk, Plant Operations and Information Technology (ITD) staff continued to implement key Security Consultant's Deliverables in accordance with AWWA G430 standards and the Vulnerability Assessment.
- Human Resources wellness staff continued to offer wellness challenges to employees and send wellness communication emails on a variety of topics such as chronic disease prevention, mental health & wellbeing, nutrition, healthy eating tips and recipes and exercise, safety and stretching.
- Human Resources and Safety staff worked in conjunction with a Physical Therapy & Worksite Strategies consultant to perform job function analyses in three work groups: Field Distribution, Groundwater and Compliance. The goal of these analyses is to mitigate workplace injuries and reduce non-work hours caused by these injuries.
- 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 ninety-one certification promotions of employees throughout the Water Authority during the fiscal year and employees received a total of $30,000 (to date) in tuition assistance.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Total Injury Hours	Organization Development	2600	2715	2500
Percent Safety Training Attendance	Organization Development	79%	75%	80%
Number Closed Claims Paid	Organization Development	80	65	80
Training Hours per Employee	Organization Development	25%	21%	25%
Internal Employee Promotions	Organization Development	31%	67%	50%

Average Vacancy Rate	Organization Development	7%	5%	7%
Average Days to Hire	Organization Development	60	55	40

2024 Objectives

- Recognize at least 15% of the work force through initiatives such as employee incentive awards, on-the-spot awards, and years of service awards through the 4th Quarter of FY24.
- Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60% or greater overall completion rate by the end of the 4th Quarter of FY24. In collaboration with our Employee Assistance Program, increase mental health awareness through quarterly trainings and presentations. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY24.
- Develop an awareness program to increase employee participation in annual physicals by 20% by the end of the 4th Quarter of FY24.
- Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY24. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY24.
- 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 FY24.
- Provide employees with job-related training and monitor hours of training completed. Maintain an average of at least 25 hours of training per employee through the end of the 4th Quarter of FY24.
- Consistent with the Water Research Foundation Utility Innovation Project, develop a Strategic Plan for the Water Authority's Innovation Program by the end of the 4th Quarter of FY24. The Innovation Program will help identify new ways to seek efficiencies throughout the organization.

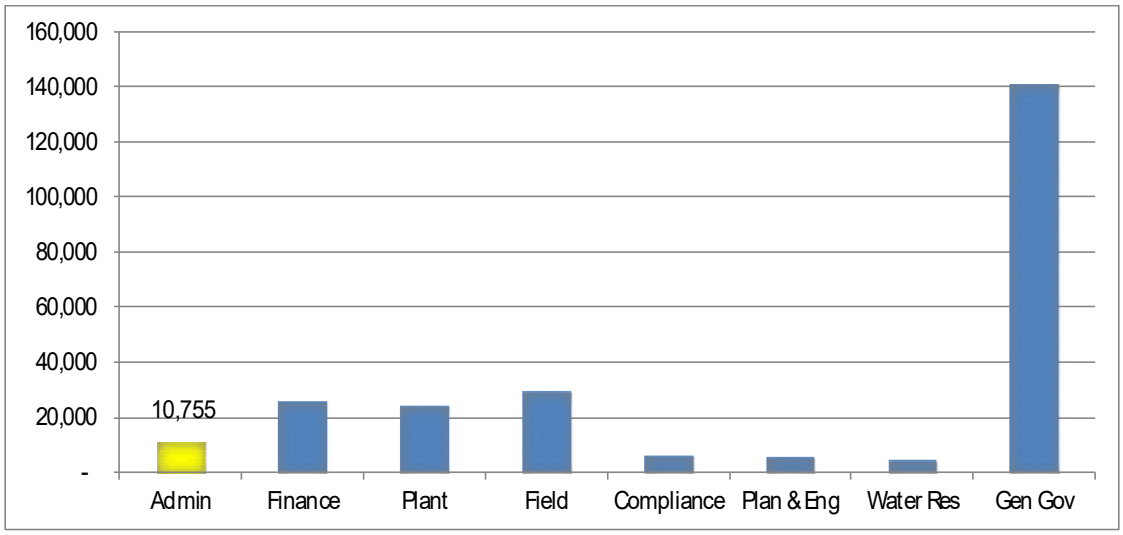
- ❖ Implement a mentorship program to support staff as they progress in their careers and reduce silos between divisions. Conduct a pilot program by the end of the 2nd Quarter of FY24.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Administration	7	7	7
Risk	5	5	5
Legal	1	1	1
Human Resources	15	15	15

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Executive Director							
	Personnel	789	1,050	1,050	825	1,054	5
	Operating	795	789	772	721	772	-
	Total	1,584	1,839	1,821	1,546	1,826	5
Risk							
	Personnel	496	517	517	536	536	19
	Operating	5,184	5,151	5,151	5,858	5,651	500
	Total	5,680	5,668	5,668	6,393	6,187	519
Legal							
	Personnel	184	201	201	227	208	7
	Operating	687	615	615	946	615	-
	Total	872	816	816	1,172	823	7
Human Resources							
	Personnel	1,539	1,644	1,644	1,514	1,722	78
	Operating	152	212	197	212	197	-
	Total	1,691	1,856	1,841	1,726	1,919	78
Total Division		**9,827**	**10,179**	**10,146**	**10,838**	**10,755**	**609**


160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
10,755
Admin
Finance
Plant
Field
Compliance
Plan & Eng
Water Res
Gen Gov

Program Description

The Financial/Business Services Division provides the Financial, Fleet Maintenance, Facilities Maintenance, Customer Services, and Information Technology 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, 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. During FY20, Fleet Maintenance, which provides all maintenance and repairs to the vehicles and equipment in the Water Authority's fleet, was moved under the Purchasing section.

During FY22, Facilities Maintenance, which provides maintenance and repair services to Water Authority facilities, was established under the Purchasing section. 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. 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.

2023 Accomplishments

- The Water Authority received the following recognition from the Government Finance Officers Association (GFOA): FY21 Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and the Popular Annual Financial Report (PAFR), and the FY23 Distinguished Budget Presentation Award.
- The Finance Accounting section submitted the FY22 ACFR and PAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting program.

- Purchasing staff prepared documents for solicitation of various CIP projects, developed multiple analytical reports for tracking procurement records and initiated development of a web-based procurement scoring application.
- Warehouse staff established formal after-hours access procedures for emergency use of the warehouses and developed key performance indicators (KPIs) to monitor warehouse operations and order fulfillment productivity.
- Fleet & Facility Maintenance partnered with Asset Management staff to develop an automated service request management system, finalized the fleet satellite storeroom management procedures, and established centralized contracts for various facility maintenance activities.
- Treasury section managed the rising interest rate environment reestablishing a Treasury Bill securities ladder and maximized the return on liquid bank balances by utilizing government money market account sweeps.
- Treasury and Customer Services implemented a self-service payment kiosk at the new Bernalillo County building location. This kiosk allows customers to make payments in a convenient and safe location during non-operating hours.
- Customer Services updated the Customer Care Training program, partnered with Finance staff and the rate consultant to complete a Water & Wastewater Cost of Service study and instituted a call quality monitoring program in the Dispatch area. In October 2022, CSD joined other utilities, agencies, and social services partners in the Albuquerque Community Assistance Fair.
- Maps/Records staff completed the Construction in Progress lay in the Geographic Information System (GIS), completed the Data Readiness Assessment for the utility network upgrade, and began an inventory of the maps located in the Map Room.
- Other significant ITD projects included: the continued update of the SCADA system, added connections for redundancy at various work locations, added security features to network and software applications, and the Service Management and Project Management Offices

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Average Days Cash on Hand	Business Planning & Management	365	377	350
Bond Rating (S/P, Moody's)	Business Planning & Management	AA+/Aa2	AA+/Aa2	AA+/Aa2
Water/Sewer Account Delinquency Rate	Customer Services	2.53%	1.59%	1.50%
Low Income Assistance Program Coverage	Customer Services	22%	23%	25%
Customer Service First Call Resolution	Customer Services	98%	98%	98%
Billing Accuracy Ratio (per 10,000 bills	Customer Services	9%	9%	8%
IT Service Desk Requests	Business Planning & Management	7979	7096	8000
Cybersecurity Phish-Prone Percentage	Business Planning & Management	6%	9%	5%

2024 Objectives

- Improve customer satisfaction and operational efficiency in achieving the call-center targets through the 4th Quarter of FY24:
  - Average Wait Time of less than 1:00 minute;
  - Average Contact Time of less than 4:00 minutes;
  - Abandoned Call Ratio of less than 3;
  - First Call Resolution of greater than 95%;

- Average Call Quality of greater than 90% for Call Center and Communication Center

- Improve customer satisfaction by achieving a billing accuracy ratio of less than 8 errors per 10,000 bills through the 4th Quarter of FY24.
- 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 FY24.
- 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 FY24.
- 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 4thQuarter of FY24. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the Water Authority's 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.
- Continue implementation of the Supervisory Control and Data Acquisition (SCADA) System Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th quarter of FY24.
- Complete Information Technology (IT) projects scheduled for FY24 and report progress quarterly.
- Continue efforts to build and grow the Project Management Office. Begin implementation of a Project Portfolio Management (PPM) system to provide a centralized location to manage the utility's entire collection of projects. Continue efforts to build foundational structure for the Service Management Office to standardize Information Technology (IT) policies and procedures within the division. Create a formal Service Catalog and a more stringent Change Control Process by the end of the 4th Quarter of FY24.
- Create a process to effectively update the Construction in Progress layer in GIS. Review and prioritize tasks needed to fulfill the requirements of the Data

Readiness Assessment for the migration to the Utility Network. Complete and create standard editing procedures for the Service Lines layer data. Build schema for the new Connection Permits layer that replaces Tapping Permits and Mini Work Orders and place all existing Connection Permits into GIS. Continue to provide assistance with Revised Lead and Copper Rule (RLCR) compliance, the Utility Network upgrade, and the Water Model through the end of the 4th Quarter of FY24.

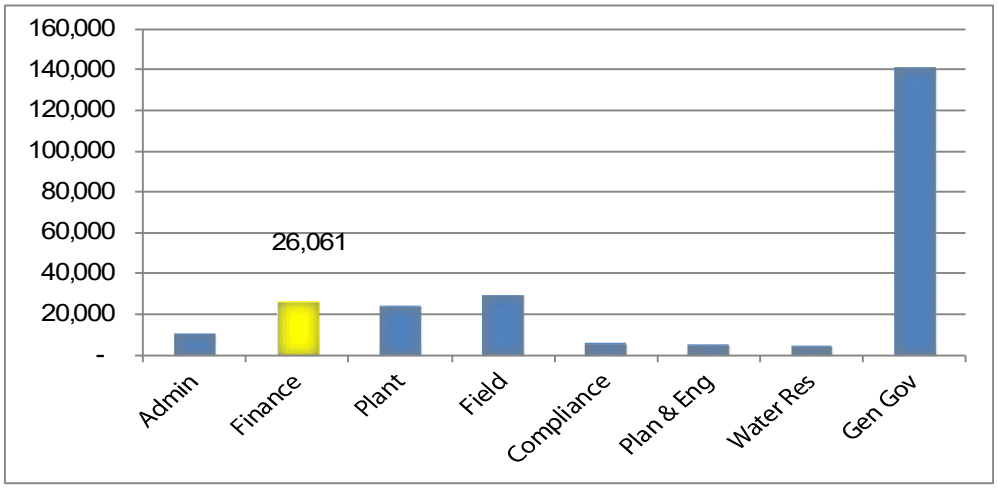
- Consolidate efforts to centralize a Data Warehouse/Data Hub for more effective reporting and data analytics. Work with all divisions to organize data in a fashion that provides usable data to positively impact business decisions by the end of the 4th Quarter of FY24.
- Upgrade and patch all enterprise 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 FY24. Projects include:
    - Upgrade the Customer care and billing (CC&B) application. The upgrade will include issuing a request for proposals (RFP), selecting a vendor and beginning implementation by the end of the 4th Quarter of FY24.
    - Utility Network upgrade to begin FY24 with completion targeted for FY25.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Finance	42	44	44
Customer Service	49	49	49
Information Technology	38	43	43

2024 Budgetary Comparisons

Expenses by Department ($000's)	Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Finance						
Personnel	2,856	2,879	2,939	2,778	2,966	27
Operating	1,639	1,448	1,426	1,858	1,426	-
Total	4,495	4,327	4,365	4,636	4,392	27
Fleet Maintenance						
Personnel	1,173	1,113	1,113	1,297	1,165	52
Operating	2,788	2,857	2,843	2,989	3,161	318
Total	3,961	3,970	3,956	4,286	4,326	370
Facilities Maintenance						
Personnel	-	80	80	41	89	9
Operating	1,037	1,192	1,215	1,354	1,315	101
Total	1,037	1,272	1,295	1,395	1,404	109
Customer Services						
Personnel	3,029	3,430	3,430	3,264	3,610	180
Operating	1,788	1,835	1,799	1,704	1,799	-
Total	4,817	5,265	5,229	4,968	5,409	180
Information Technology						
Personnel	4,678	5,411	5,351	5,432	5,720	369
Operating	5,188	4,364	4,523	5,341	4,810	287
Total	9,866	9,775	9,874	10,772	10,530	656
Total Division	**24,176**	**24,609**	**24,718**	**26,057**	**26,061**	**1,343**



Program Description

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

Wastewater and Biosolids Management

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

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

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

Drinking Water

The Water Authority currently operates and maintains two different water systems capable of providing high quality drinking water to the community. The San Juan-

Chama Drinking Water Project will supply 70-75% of the metropolitan area's future water. Surface water from the Rio Grande is diverted from the river through a high-tech, 620-foot-long adjustable height bladder dam. Eight miles of pipeline transports the diverted water to the new water treatment plant for purification. Thirty-six miles of new pipeline then transports the treated water to the existing reservoirs throughout the service area.

The groundwater supply is produced from sixty (60) 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 10 parts per billion arsenic) results in available production capacity of 179 MGD. Peak day demand for calendar year 2022 was 146 MGD. The Water Authority also has 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 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. 61 reservoirs are located throughout the service area, with a total reservoir storage capacity of 245 million 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 is a total of 39 pump stations housing 130 booster pumps, with a total capacity of 748 MGD, available for water transfers between reservoirs.

2023 Accomplishments

- In calendar year 2022, the Surface Water Treatment Plant (SWTP) section produced 46% of all water for the Water Authority, which reflects drought conditions in the Rio Grande River during the year. After a three-month shut-down due to the drought conditions during the summer months, SWTP staff, along with Groundwater crews and Water Quality staff, coordinated a successful restart of the plant with no observations of discolored water by staff or complaints by the public.
- Groundwater section provided all the potable water to the service area between mid-June 2022 and mid-October 2022 due to the shutdown of the SWTP.
- Groundwater major projects during the year included: performing in-house asset renewal, upgrades and maintenance to pump control valves and booster and well

pumps, refining the scope for a study of stranded high arsenic well assets, and assessing the impacts on service from wide-scale loss of power.

- The Southside Water Reclamation Plant (SWRP) section accomplishments included: installing ultra-violet channel flow control baffles and performing channel cleaning to help reduce exceedances of E. coli bacteria and mercury; diverting 29% of biosolid waste to compost production, successfully commissioning exhaust gas treatment systems for the North Cogen engines and achieving a goal of 34% energy use from renewable power sources.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Groundwater Preventative to Corrective Maintenance Ratio	Water Supply & Operations	70%	75%	65%
Surface Water Preventive to Corrective Maintenance Ratio	Water Supply & Operations	84%	73%	65%
Wastewater Preventive to Corrective Maintenance Ratio	Wastewater Collection & Operations	49%	42%	45%
Diversion of Biosolids to Compost	Wastewater Collection & Operations	23%	27%	30%
Percent of Total Energy from Renewables	Water Supply & Operations Wastewater Collection & Operations	15%	17%	20%
Percent of Reuse Water Use	Water Supply & Operations	5%	6%	6%

2024 Objectives

- Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.

- Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.
- Complete Wastewater Plant Preventive Maintenance to Corrective Maintenance ratio to at least 45% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.
- Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY24.
- 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 FY24. Work directly with the Public Service Company of New Mexico (PNM) and the Water Authority's Geographic 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.
- Assess arsenic treatment media adsorption capacity at groundwater treatment plants to determine if the nominal 40,000 bed-volume metric marketed by the media manufacturer can be increased and optimized to reduce the frequency of media replacement ongoing through the end of the 4th Quarter of FY24. Collect and analyze data captured from the existing four treatment plants to support this objective.
- Develop and execute a program of regular inspections of the inventory of drinking water reservoirs at a frequency consistent with good practices for steel and concrete reservoir assets and AWWA Partnership for Safe Water-Distribution goals by the end of the 4th Quarter of FY24.
- Implement the following in the Maximo asset management system:
    - Checklist for Groundwater Swing Shift Operators to complete the Swing Shift standard operating procedure (SOP) requirements for each site on an iPad tablet by the end of the 4th Quarter of FY24.
    - Checklist for Groundwater Weekly Disinfection for operators to complete the ClorTec/PSI chlorine generation equipment weekly data gathering in Maximo by the end of the 4th Quarter of FY24.

- o • Annual Groundwater Reservoir Exterior Inspection Program to annually document the condition of each reservoir. Report progress at the end of each quarter by the end of the 4th Quarter of FY24.

❖ 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 FY24.

- o 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.
- o Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to American Water Works Association (AWWA).
- o Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water - Treatment.

❖ Submit annual distribution data to the Partnership for Safe Water - Distribution program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY24.

- o Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to American Water Works Association (AWWA).

❖ To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY24.

❖ To improve the validated water audit inputs for apparent water loss, test a minimum of 300 small meters and half of all large meters to include the top 25 consumers to support the water audit and strategic water loss plan by the end of the 4th Quarter of FY24. Test meters in accordance with the recommendations of the water audit conducted by the Southwest Environmental Finance Center in calendar year 2021.

❖ As part of the water distribution system preventative maintenance program, continue the flushing program that uses a systematic approach to flush water lines, filtering the water using the NO-DES system before returning it to distribution by the end of the 4th Quarter of FY24. Monitor monthly and report the occurrence of complaints before and after flushing to evaluate whether the flushing program improved water quality in the area. Identify metrics to be used for measuring the effectiveness of this process moving forward.

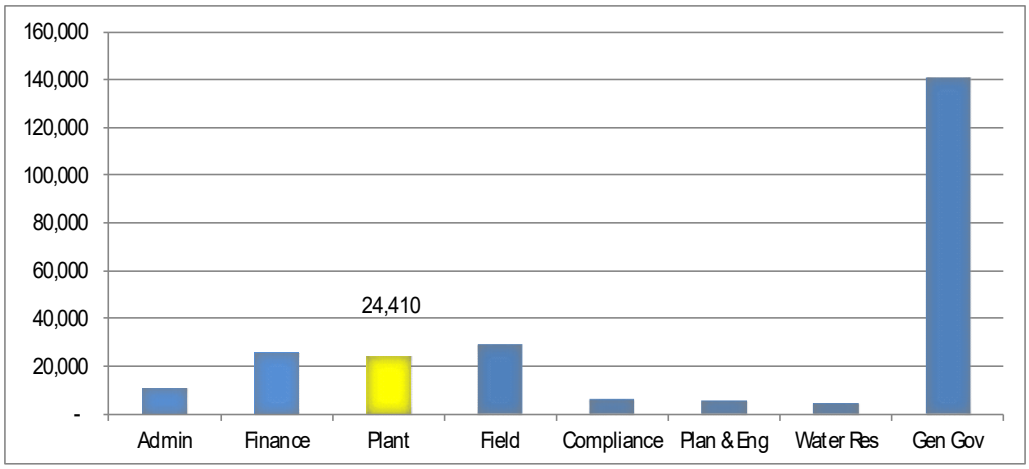
- Provide timely response to utility locate requests and achieve a damage ratio of less than two Water Authority-caused damages per 1,000 utility locate requests by the end of the 4th Quarter of FY24. Continue exploring utility locating equipment and mapping technologies to improve locate accuracy, provide documentation, and reduce costly damages to buried water and wastewater infrastructure and report on results.
- 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 FY24.
- Beneficially reuse biosolids by diverting at least 30% of the biosolids to compost through the end of the 4th Quarter of FY24.
- To gain information for future re-use projects, establish appropriate key performance indicators (KPIs) for the chloramination process at SWRP used to disinfect effluent re-use water by the end of the 4th Quarter of FY24. Use these indicators to optimize chemical feed rates at SWRP and at the Puerto del Sol and Mesa del Sol closed loop pumping systems to maintain desired water quality for effluent re-use water.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Wastewater Treatment	91	88	89
San Juan-Chama Water Treatment Plant	34	35	35
Groundwater	53	55	55

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Wastewater Plant							
	Personnel	8,614	9,111	9,111	8,998	9,592	481
	Operating	2,759	2,636	2,621	3,332	2,621	-
	Total	11,373	11,747	11,732	12,331	12,213	481
San Juan-Chama WTP							
	Personnel	3,264	3,816	3,816	3,628	3,955	139
	Operating	801	974	974	908	944	(30)
	Total	4,064	4,790	4,790	4,536	4,899	109
Groundwater Operations							
	Personnel	5,286	5,878	5,878	5,904	6,067	189
	Operating	1,231	1,291	1,291	1,353	1,231	(60)
	Total	6,517	7,169	7,169	7,257	7,298	129
Total Division		**21,955**	**23,706**	**23,691**	**24,124**	**24,410**	**719**



Program Description

The Field division is responsible for operating and maintaining the water distribution system, wastewater collection and non-potable reuse distribution system. Drinking water is distributed to approximately 687,405 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.

The Field division 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 3,103 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.

2023 Accomplishments

- Field Distribution section crews installed over 17,000 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 455 large water meters and over 300 small water meters for accuracy (median 94.8%) and updated over 756 assets into the asset registry. Staff are pouring and casting concrete meter vaults instead of purchasing premade vaults, resulting in cost savings. Crews upgraded four actuators at the SWTP and continued the pressure management program with 38 device rebuilds and two complete replacements.
- Wastewater Collections section continued to implement the Capacity Management Operations and Maintenance (CMOM) program. As part of the commitment to the program staff and contractors televised 5% of the small diameter system, and staff continued to investigate methods and tools to reduce the number of sanitary sewer overflows.
- Collections staff piloted a manhole monitoring study to diagnose flow patterns and provide advance alerts of downstream blockages to reduce the number of sanitary sewer overflows.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Water Breaks/Leaks per 100 miles of pipe	Water Supply & Operations	13	9	10
Percent of Water Meter Readings Estimated	Water Supply & Operations	0.3%	0.1%	0.1%
Water Valves Inspected and Exercised	Water Supply & Operations	4625	4000	4000
Small Meters Tested for Accuracy	Water Supply & Operations	306	265	300

Utility Locate Request Damage Ratio (per 1,000 requests)	Water Supply & Operations	N/A	0.59	2
Collection System Failures per 100 miles of pipe	Wastewater Collection & Operations	4	5	4
Subbasin & Short Interval Sewer Lines Cleaned (miles)	Wastewater Collection & Operations	442	316	450

2024 Objectives

- To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY24.
- To improve the validated water audit inputs for apparent water loss, test a minimum of 300 small meters and half of all large meters to include the top 25 consumers to support the water audit and strategic water loss plan by the end of the 4th Quarter of FY24. Test meters in accordance with the recommendations of the water audit conducted by the Southwest Environmental Finance Center in calendar year 2021.
- As part of the water distribution system preventative maintenance program, continue the flushing program that uses a systematic approach to flush water lines, filtering the water using the NO-DES system before returning it to distribution by the end of the 4th Quarter of FY24. Monitor monthly and report the occurrence of complaints before and after flushing to evaluate whether the flushing program improved water quality in the area. Identify metrics to be used for measuring the effectiveness of this process moving forward.
- Provide timely response to utility locate requests and achieve a damage ratio of less than two Water Authority-caused damages per 1,000 utility locate requests by the end of the 4th Quarter of FY24. Continue exploring utility locating equipment and mapping technologies to improve locate accuracy, provide documentation, and reduce costly damages to buried water and wastewater infrastructure and report on results.
- In accordance with the Capacity, Management, Operations and Management (CMOM) Plan, televise and assess the condition of approximately 5% of the small diameter sanitary sewer system by the end of the 4th Quarter of FY24. Evaluate and prioritize unlined concrete large diameter lines (15-inch diameter and larger) for rehabilitation based on the condition from the FY23 CCTV data by the end of the 4th Quarter of FY24.

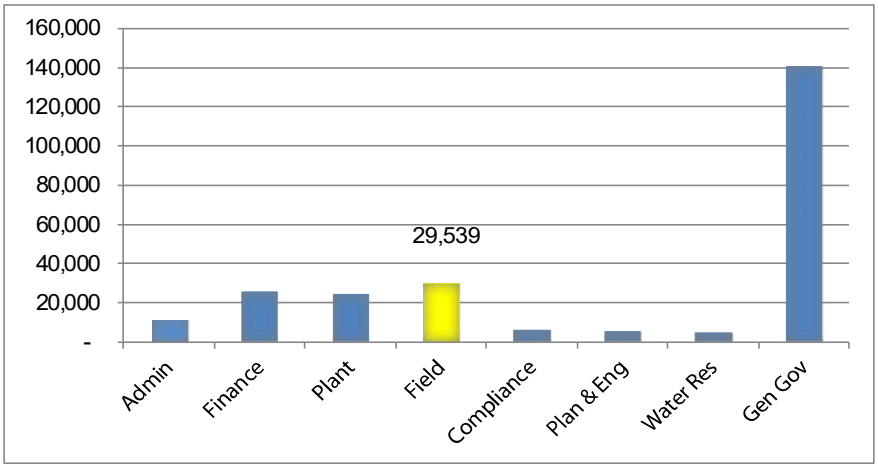
- Manage chemical usage and residual iron sludge from the Water Treatment Plant to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Monitor and report metrics through the end of the 4th Quarter of FY24, including progress on Odor Control Station construction. Identify additional odor control stations as needed.
- To continuously reduce sanitary sewer overflows (SSOs) in accordance with the 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 FY24.
- 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 FY24.
- Install AMI devices in three additional vacuum station service areas to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY24.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Wastewater Collection	64	64	64
Water Field Operations	151	149	149

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Wastewater Collection							
	Personnel	5,995	6,378	6,378	6,347	6,575	197
	Operating	1,428	1,457	1,456	1,856	1,456	-
	Total	7,423	7,835	7,834	8,203	8,031	197
Water Field Operations							
	Personnel	12,715	13,556	13,556	13,760	14,000	444
	Operating	5,713	7,544	7,508	7,149	7,508	-
	Total	18,428	21,100	21,064	20,909	21,508	444
Total Division		**25,850**	**28,935**	**28,898**	**29,112**	**29,539**	**641**



Program Description

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

2023 Accomplishments

- The Water Quality Lab staff developed performance metrics to monitor quality and productivity. Lab capacity returned to normal/pre-COVID performance levels during the fiscal year.
- Staff conducted a 3-day training session for divisions on use of the drinking water and reuse models. Staff expect the model to be finalized by fiscal year-end.
- The Water Quality program completed the Sanitary Survey with the New Mexico Environmental Department's Drinking Water Bureau. Staff increased source supply monitoring for Per-and Polyfluoroalkyl Substances (PFAS) and 1,4

dioxane, and successfully completed ground water well monitoring. Equipment was purchased last fiscal year to enable the utility to perform its own monitoring.

- The National Pollutant Discharge Elimination system (NPDES) program finalized the Mercury Reduction Plan and sent the revisions to the U.S. Environmental Protection Agency (EPA). Construction was completed on the sample preparation laboratory and staff completed Pretreatment program document revisions and public outreach on the changes to the program.

Key Performance Indicators

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

2024 Objectives

- Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act and Clean Water Act regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, local laws and ordinances, and issues involving emerging contaminants to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY24.
- Collect, monitor, and report weekly, monthly, and quarterly key laboratory performance metrics to include:
    - Water Quality Laboratory results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs). Maintain greater than 0.5 results reported per productive hour per quarter in each analytical section through end of the 4th Quarter of FY24.
    - Laboratory Productivity (results reported per productive hour, results sent to subcontract laboratories in lieu of in-house testing). Maintain greater than 2,000 results per quarter in each analytical section through end of the 4th Quarter of FY24.

- Percentage of results reported late (turnaround time). Maintain less than 10 percent results reported late per quarter and provide quarterly results through end of the 4th Quarter of FY24.

❖ Continue to develop LabVantage ("laboratory information management system") throughout FY24 to increase the automation of data entry to reduce data entry errors, reduce the amount paper used at the laboratory and develop reports in LabVantage through the end of the 4th Quarter of FY24.

❖ Utilize the Environmental Monitoring Program to monitor the reliability and consistency of results from Compliance field instrumentation and sample collection techniques. Conduct and report on at least one internal audit per year. Issue corrective action response requests as needed and track and report on their progress. Ensure Compliance Division field instruments are calibrated as necessary and that personnel demonstrate capability in sample collection and measurement. Monitor and report on corrective action response report (CARR) closure duration quarterly through the end of the 4th Quarter of FY24.

❖ Maintain accreditation with the American Association for Laboratory Accreditation by addressing any changes resulting from the on-site assessment of the Water Quality Laboratory. Conduct internal audits, Standard Operating Procedure (SOP) revisions, and identify actions to address risks and opportunities as required by ISO/IEC 17025:2017. Implement any changes resulting from the 2023 Methods Update Rule. Track and report on corrective actions and risk assessment responses. Maintain a closure duration of less than 60 days per CARR and an average completion of less than 30 days for all CARRs per fiscal year through the end of the 4th Quarter of FY24.

❖ Prepare for the Revised Lead and Copper Rule to establish a system for a lead service line inventory. Identify and collect information from all schools and child-care centers in the service area that will require lead monitoring and develop sample plan templates for the facilities to use to track multiple faucets by the end of the 4th Quarter of FY24 Develop tools for monitoring, data requirements and expectations for corrosion control studies under the new rule.

❖ Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance. Obtain a compliance rate goal of 75% through the end of the 4th Quarter of FY24.

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

- Monitor continuous discharge permitted industries 16 days per year or 4 days per quarter;
- Complete 16 industrial permit inspections each quarter;
- Complete 175 Food Service Establishment inspections each quarter; and
- Complete 52 dental office inspections each quarter.
- Report on performance and percent of Sewer Users in compliance for each category each quarter during FY24.

❖ Implement the Fats, Oils, Grease and Solids (FOGS) Policy to reduce impacts on the sewer system by working with the Collections section with sanitary sewer overflow (SSO) investigations to coordinate efforts to reduce FOGS discharges. Track and report the number of SSOs due to FOGS compared with previous years through the end of the 4th Quarter of FY24.

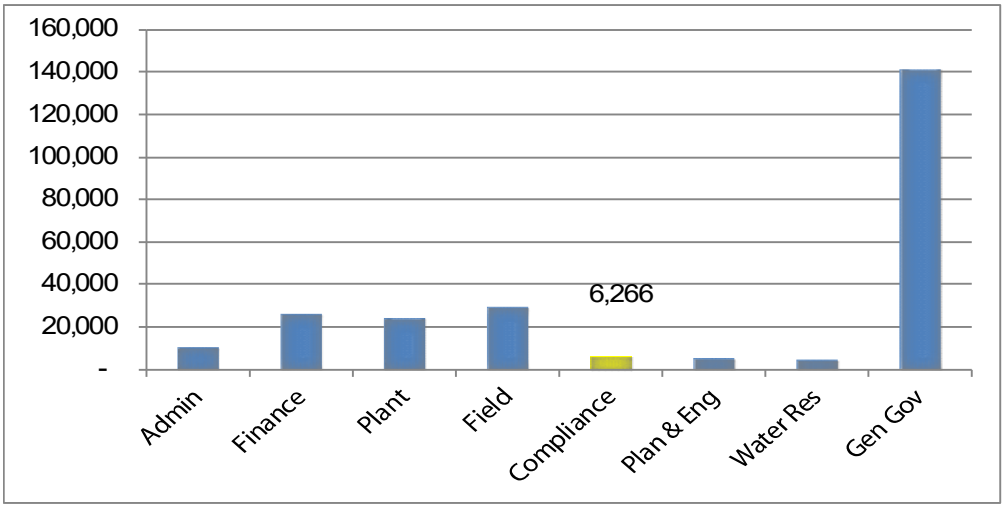
❖ Implement the Mercury Minimization Plan and report to the United States Environmental Protection Agency (EPA) by the end of the 2nd Quarter of FY24, as required in the permit.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Laboratory	21	21	22
NPDES	15	15	16
Water Quality	8	8	9

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Laboratory							
	Personnel	1,748	2,106	2,106	2,062	2,232	126
	Operating	541	453	446	644	446	-
	Total	2,289	2,559	2,552	2,706	2,678	126
NPDES							
	Personnel	1,287	1,600	1,600	1,589	1,765	165
	Operating	165	301	301	336	221	(80)
	Total	1,452	1,901	1,901	1,925	1,986	85
Water Quality							
	Personnel	755	936	936	882	1,078	142
	Operating	631	524	524	593	524	-
	Total	1,386	1,460	1,460	1,474	1,602	142
Total Division		**5,127**	**5,920**	**5,913**	**6,106**	**6,266**	**353**



Program Description

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

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.

2023 Accomplishments

- Planning & Utility Development section, in coordination with the City of Albuquerque and Bernalillo County, continued its work to ensure that the water and wastewater infrastructure designed and constructed as part of new developments met Water Authority standards. A complete draft of the Guide To Development has been written. Staff migrated the Work Order process and Connection Permits to an online platform where customers can track the status of their projects and provided training to contractors on the new permit process. Staff developed processes for capturing information for asset management purposes, developed key performance indicators (KPIs) for primary deliverables and began the process of archiving historical documents.
- 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 FY23 are projected to be approximately $60 million. During the fiscal year, this section had to face many challenges including: extended material delivery timelines, contractor crew availability and consultant availability which extended times for scope/fee preparation and deliverables.

- Critical and priority rehab projects managed included: the Process Lab prefabricated buildings, primary clarifiers and the SCADA tower at SWRP; the raw water intake mechanical rake project 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, and interceptor rehabilitation projects.
- Critical and priority special projects managed during the fiscal year included: designs for the To'Hajiilee Waterline project, Intel Raw Water Transmission line construction, evaluation of options for the SWTP settling basins cleaning, completion of grading/drainage plans at the Vulcan site, and management of the various ARPA-funded projects in coordination with Bernalillo County.
- The Asset Management staff continued progress on updating the asset registry, completed the Comprehensive Asset Management Plan, developed a property asset report for Risk to update replacement costs for insurance purposes, developed framework in Maximo to load barricades and paving restoration costs, developed processes for optimizing preventive maintenance with various work groups, set up business processes for Fleet and Facility Maintenance, 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, funding for Emerging Contaminants and funding for the Lead Service Line Replacement programs.
- Water Resources reported 1.3 billion gallons of water was conserved in CY22 from CY21. Water savings was achieved in many ways: Drought Rebate classes, water waste compliance, Outreach to the top 5% residential water users, leak inspections, rebates, and programs with City of Albuquerque and Bernalillo County partners. As a result of these savings, the Water Authority achieved 127 gallons per capita per day (GPCD) in CY22, continuing the utility's move towards the goal of 110 GPCD by year 2037.
- Conservation staff completed the new "Irrigation Efficiency Guide" and lead the Customer Conversations forum sessions on Drought Planning.

- Water Resources Water Rights & Environmental Planning staff coordinated with Central Engineering and Groundwater staff to optimize the recharge at Bear Canyon and added 2,000 acre-feet of recoverable water through the Aquifer Storage Recovery (ASR) wells. The SWRP Outfall Restoration project continued to progress on the design package, submittal of the biological assessment and stakeholder meetings with local and federal agencies.
- 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Capital Rehabilitation & Replacement Programs Spending ($ millions)	Business Planning & Management	$49M	$72M	$64M
Leaks Located Through Leak Detection Program	Water Supply & Operations	52	82	75
Asset Mgmt. Activity (Create, Decommission, Update)	Business Planning & Management	12508	14779	6500
Maximo Asset Mgmt. Employee Training Hours	Business Planning & Management	224	109	500

2024 Objectives

- Expend $64 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4th Quarter of FY24. $2 million shall be dedicated and used for identifying and replacing high-risk water pipes in critical or poor condition by the end of the 4th Quarter of FY24.

- Prepare quarterly updates in FY24 on the status of the implementation of the Reclamation Rehabilitation Asset Management Plan (RRAMP) including activities completed and remaining work. Continue implementation of the RRAMP by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY24.
- Implement at least one planned Interceptor Rehabilitation project in FY24, and complete at least one interceptor design package by the 4th Quarter of FY24; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY24.
- Coordinate with Bernalillo County to design and initiate construction of a force main to convey wastewater from the Municipal Detention Center to the Water Authority collections system through the end of the 4th Quarter of FY24.
- Work with the Navajo Nation to design and construct water conveyance infrastructure to deliver water provided by the Navajo Nation to To'Hajiilee through the end of the 4th Quarter of FY24.
- 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 FY24. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester gas-fueled cogeneration by the end of the 4th Quarter of FY24 and report progress quarterly.
- Develop an annual asset workbook onboarding training program for On-Call contractors and consultants to improve understanding of asset onboarding workbooks (AOBWB) responsibilities. Perform on-going training sessions with project managers, consultants, and contractors by the end of the 4th Quarter of FY24.
- Create a Grant/Loan Funding Plan and annual Grant/Loan Funding Cycle Schedules to prioritize projects for State and Federal funding opportunities and update quarterly on the progress through the 4th Quarter of FY24.
- Finalize the Utility Development Guide to clarify the development process for users by the end of the 4th Quarter of FY24.
- Collaborate with local governments in an effort to develop more affordable housing through the end of the 4th Quarter of FY24.
- Finalize Operating Plans for Centralized Engineering and Utility Development to be used to inform/train new staff and for existing staff to use as a resource by the end of the 4th Quarter of FY24.

- Continue monitoring progress on Utility Development processes, with quarterly monitoring of the following metrics and associated target(s) through the end of the 4th Quarter of FY24.
    - Availability Statement / Serviceability Letter
        - Turn-around time (excludes time in holding when additional information is required from the requestor), target response time of less than 45 days
        - Hold time, seek ways to reduce hold time, monitor and report progress
    - Identify metrics and targets for other areas of Utility Development, such as turn-around times for connection permits and closeout packages. Currently deliverable status is reported through the Water Authority's Tracking Sites so customers can check on the status of their requests at:
        - https://availability.abcwua.org/
        - https://wa-workorders.abcwua.org/
        - https://connectionpermit.abcwua.org/
- Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated target(s) by the end of the 4th Quarter of FY24.
    - Assets Inventoried, Target greater than 50%
    - Asset Activity (Created, Decommissioned and Updated), Target greater than 6,500
    - Assets with Purchase & Replacement Cost populated, Target greater than 5,000
    - Work Orders without Assets, Target less than 25%
    - Assets missing Classifications & Attributes, Target less than 25%
    - Assets missing required data fields, Target less than 50%
    - Maximo Employee Training, Target greater than 500 hours
    - Preventative Maintenance Optimization, Target greater than 30%
- To improve decision making with available data transition existing Strategic Asset Management Plan (SAMP), Scorecard, Effective Utility Management

(EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY24. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).

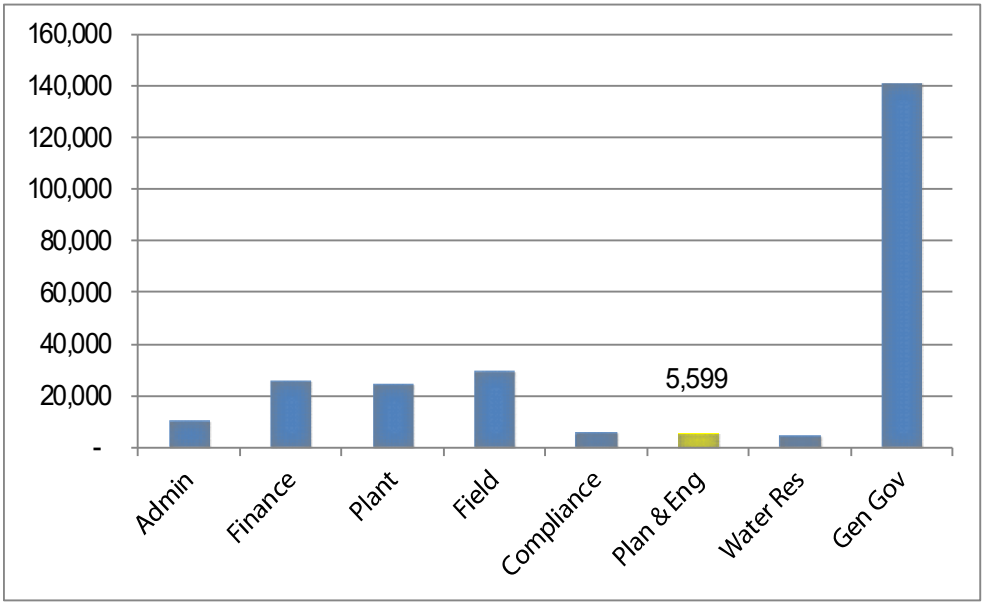
- Locate water leaks by surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY24; Track, evaluate, and report on existing ZoneScan and Echologics acoustic leak detection systems on a quarterly basis in FY24. Report on acoustic equipment "fleet" replacement on a quarterly basis in FY24.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Central Engineering	24	24	26
Asset Management	5	6	6
Planning & Utility Development	3	4	4

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Central Engineering							
	Personnel	3,046	3,364	3,364	3,283	3,731	366
	Operating	147	68	59	124	64	5
	Total	3,193	3,432	3,424	3,407	3,795	371
Asset Management							
	Personnel	566	726	726	738	768	42
	Operating	25	37	37	28	37	-
	Total	591	763	763	767	805	42
Planning & Util. Develop.							
	Personnel	513	730	730	640	911	181
	Operating	96	94	88	177	88	-
	Total	608	824	818	817	999	181
Total Division		**4,392**	**5,019**	**5,005**	**4,991**	**5,599**	**594**



Program Description

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

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

2023 Accomplishments

- Water Resources reported 1.3 billion gallons of water was conserved in CY22 from CY21. Water savings was achieved in many ways: Drought Rebate classes, water waste compliance, Outreach to the top 5% residential water users, leak inspections, rebates, and programs with City of Albuquerque and Bernalillo County partners. As a result of these savings, the Water Authority achieved 127 gallons per capita per day (GPCD) in CY22, continuing the utility's move towards the goal of 110 GPCD by year 2037.
- Conservation staff completed the new "Irrigation Efficiency Guide" and lead the Customer Conversations forum sessions on Drought Planning.
- Water Resources Water Rights & Environmental Planning staff coordinated with Central Engineering and Groundwater staff to optimize the recharge at Bear

Canyon and added 2,000 acre-feet of recoverable water through the Aquifer Storage Recovery (ASR) wells. The SWRP Outfall Restoration project continued to progress on the design package, submittal of the biological assessment and stakeholder meetings with local and federal agencies.

- 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.

Key Performance Indicators

INDICATOR	WATER AUTHORITY GOAL	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Education Programs Attendance	Water Supply & Operations	17535	11572	18000
Service area gallons per capita per day	Water Supply & Operations	128	127	127

2024 Objectives

- Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY24.
    - Promote basin-wide collaboration and advocacy for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association.
    - Plan for implementation of the Colorado River Water Users Memorandum of Understanding, 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.
- To prepare for increased climate variability, encourage the installation of desert-friendly xeriscapes, while working towards the Water 2120 conservation goal of

110 gallons per capita per day (GPCD) by 2037 by implementing the following activities by the end of the 4th Quarter of FY24:

- Perform 100 water use audits on high water users.
- Increase education and outreach on water conservation, xeriscape conversions, climate wise landscaping, and water waste.
- Develop a water use audit to identify leaks and develop a retrofit program for customers enrolled in the Water Authority's low-income credit program.

❖ Work with the New Mexico Environment Department and Office of the State Engineer to begin aquifer storage and recovery (ASR) permitting by the end of the 4th Quarter of FY24. Develop a project plan and cost estimate by the end of 2nd Quarter FY24.

❖ Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water use Efficiency Audits; 2) 400 Landscape Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY24.

❖ To better educate children on the importance of water resources planning, continue to collaborate with ¡Explora! to coordinate Water Authority staff for mentorships and facilitation of interactive water exhibits for the new Science Technology Engineering Mathematics (STEM) center through the 4th Quarter of FY24.

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

- Complete an update of locations and/or plume extent at known groundwater contamination sites within the Service Area by the 2nd Quarter of FY24; map the update to include updated data from sites in the 2018 groundwater contamination site map and newly established sites by the NMED. Additionally, update the groundwater contamination site summaries from the 2018 RAPP with current site regulatory status, contaminants of concern and regulatory oversight summary;
- Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY24;
- Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) and the Office of Natural

Resources Trustee (ONRT) through the end of the 4th Quarter of FY24; and

- Contract with the NM Bureau of Geology and Mineral Resources to provide an update to the Middle Rio Grande Basin Water Quality Study by the end of the 4th Quarter of FY24.

- Provide leadership and support of the Middle Rio Grande Endangered Species Collaborative Program (ESA Collaborative Program) through: 1) Participation in the Collaborative Program Executive Committee and 2) Participating in the development of adaptive management practices for the program through the 4th Quarter of FY24.

- To establish native water storage in Abiquiu Reservoir as approved by Congress, coordinate the update of the USACE Water Control Manual and storage contract updates through the 4th Quarter of FY24. Continue towards permitting and environmental approvals for Abiquiu Reservoir through the 4th Quarter of FY24.

- Conduct regular water quality monitoring and reporting of the Water Authority data gap well at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site through the end of FY24. Evaluate whether additional monitoring wells are needed by the end of the 1st Quarter of FY24 and seek funding, if applicable.

- Develop a strategy to convert existing irrigation accounts to non-potable accounts. Recommend actions based on the strategy by the 4th Quarter of FY24.

- To reduce water loss in the system work with the Non-Revenue Water Loss Control group to identify increases in AMI data management opportunities for enhancing the customer portal, reducing non-revenue water loss, improving conservation programs, optimizing distribution system operations, and facilitating capital planning decisions by the 4th Quarter of FY24.

- Develop a hydraulic modeling program that maintains centralized versions of the hydraulic models, provides routine user training, and develops Standard Operating Procedures (SOPs) by the end of the 4th Quarter of FY24.

- Continue to collaborate with the Office of the Natural Resources Trustee (ONRT) on projects that support environmental restoration, such as the SWRP Outfall Restoration Project. Report on identified opportunities and project progress through the 4th Quarter of FY24.

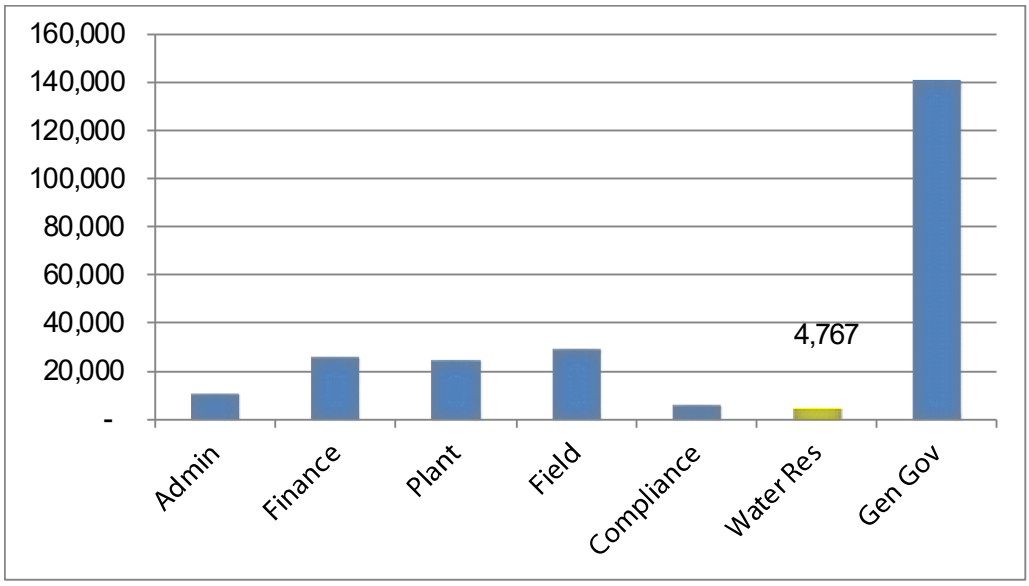
- In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required easements, permits, and environmental documents throughout FY24.

Staffing for 2024

POSITIONS (FTE)	FY22 ACTUAL	FY23 ACTUAL	FY24 BUDGET
Water Resources Planning	4	6	6
Water Conservation	7	7	7
Groundwater Protection	2	0	0

2024 Budgetary Comparisons

Expenses by Department ($000's)		Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Water Resources Planning							
	Personnel	481	731	731	643	753	22
	Operating	855	1,704	1,704	1,218	1,704	-
	Total	1,335	2,435	2,435	1,862	2,457	22
Conservation							
	Personnel	608	649	649	661	696	47
	Operating	1,148	1,568	1,564	1,366	1,614	-
	Total	1,756	2,217	2,213	2,026	2,310	47
Groundwater Protection							
	Personnel	63	-	-	-	-	-
	Operating	357	-	-	-	-	-
	Total	420	-	-	-	-	-
Arsenic Removal							
	Personnel	-	-	-	-	-	-
	Operating	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Total Division		**3,511**	**4,652**	**4,648**	**3,888**	**4,767**	**69**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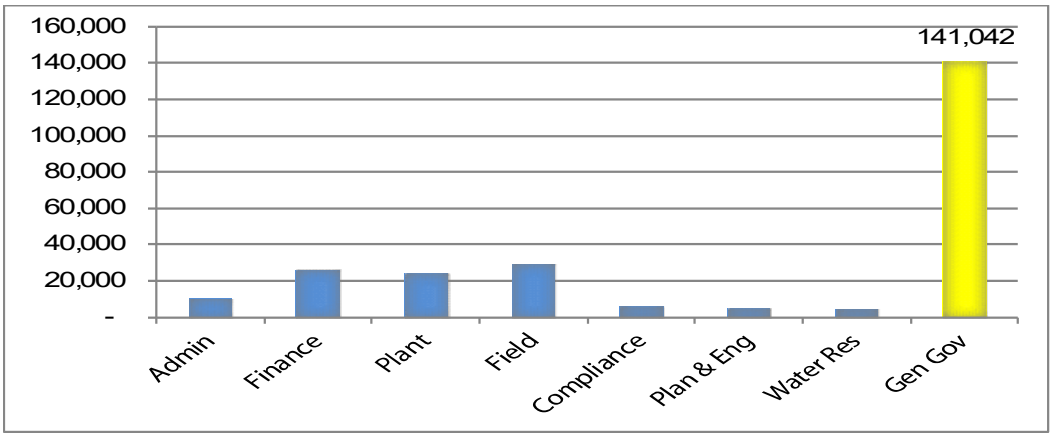
Program Description

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

2024 Budgetary Comparisons

Expenses by Department ($000's)	Audited Actual FY22	Original Budget FY23	Revised Budget FY23	Estimated Actual FY23	Approved Budget FY24	Appr 24/ Rev 23 Chg
Power & Chemicals						
Operating	23,091	21,051	24,051	27,451	21,256	(2,795)
Total	23,091	21,051	24,051	27,451	21,256	(2,795)
Taxes						
Operating	916	656	656	955	656	-
Total	916	656	656	955	656	-
Overhead						
Personnel	376	510	510	257	510	-
Operating	604	1,160	1,160	824	1,160	-
Total	980	1,670	1,670	1,081	1,670	-
Total Program	**24,986**	**23,377**	**26,377**	**29,486**	**23,582**	**(2,795)**
San Juan Chama						
Operating	2,546	2,747	2,747	2,955	1,440	(1,307)
Total	2,546	2,747	2,747	2,955	1,440	(1,307)
General Government						
Interfund Transfers	114,433	114,618	114,618	113,118	116,020	1,402
Total Division	**141,965**	**140,742**	**143,742**	**145,559**	**141,042**	**(2,700)**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1. 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.

2. How are Capital Improvements Funded?

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

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

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

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

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

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

What is the Capital Improvement Plan?

The Water Authority's mission is to provide a reliable, supply of high-quality water, at an affordable price, and sustainable water supply, wastewater collection

treatment, and reuse systems to our customers. To continue meeting the Water Authority's mission, the following goals need to be consistently achieved when implementing Capital Improvement Program (CIP) projects:

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

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

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

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

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

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

THE PLANNING PROCESS

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

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

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

The 2011 Utility-Wide Asset Management Plan (UWAMP), with various revised sections over the last several years, serves as a baseline to ensure that appropriate project-specific decisions are made over a 10-year specific planning period. UWAMP establish refined criteria for water production and groundwater, water

quality (as related to CIP projects), transmission mains, storage facilities and booster pump stations, reliability, wastewater collection treatment, reuse systems, and major replacements. The UWAMP is based upon detailed analyses and hydraulic modeling, current and projected customer demands, the current and projected state of water supply and wastewater infrastructure such as pipelines, pumping stations, and production facilities, and current and projected regulations and standards related to water quality, water storage, land uses, and other factors impacting water and wastewater service needs.

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

THE TEN-YEAR (DECADE) PLAN

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

The electronic version of the FY2024-2033 CIP Decade Plan can be found at the Water Authority's website:

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

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

Decade Plan FY 2024 - 2033: Summary of Projects

Category No.	Category Descriptions	Projected Fiscal Year Revenue by Category ($1000's) 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Priority Renewal Projects:												
100	Sanitary Sewer Pipelines	33,250	33,650	18,605	18,500	18,350	22,500	30,119	32,350	31,350	32,645	**271,319**
200	Drinking Water Pipelines	6,020	7,250	7,850	5,850	5,600	7,025	7,125	7,225	7,625	7,625	**69,195**
300	Southside Water Reclamation Plant	8,750	11,500	11,075	10,525	8,850	10,325	8,325	6,950	7,150	7,200	**90,650**
400	Soil Amendment Facility (SAF)	150	125	450	50	100	100	100	100	100	100	**1,375**
500	Lift Station and Vacuum Station	1,600	2,850	4,450	7,335	8,050	2,100	1,350	6,350	6,710	4,600	**45,395**
600	Odor Control Facilities	450	600	400	50	50	100	100	100	100	100	**2,050**
700	Drinking Water Plant: Groundwater	7,150	6,582	6,323	6,713	14,903	16,075	12,523	10,738	11,048	11,675	**103,730**
800	Drinking Water Plant: Treatment	19,125	17,150	4,850	8,175	3,800	3,550	4,300	7,375	5,375	4,625	**78,325**
900	Reuse Line and Plant	200	400	650	650	150	200	200	200	200	200	**3,050**
1000	Compliance	533	371	425	230	125	353	336	590	320	708	**3,991**
1100	Shared Renewal	5,040	5,040	5,040	5,190	5,140	5,190	5,040	290	40	540	**36,550**
1200	Franchise Agreement Compliance	4,000	3,750	3,750	3,750	3,750	3,750	3,750	4,000	4,250	4,250	**39,000**
1300	Vehicles and Heavy Equipment	2,500	2,500	2,500	2,000	2,500	3,000	4,000	4,000	3,000	3,000	**28,999**
	Total Priority Renewal Projects	**88,768**	**91,768**	**66,368**	**69,018**	**71,368**	**74,268**	**77,268**	**80,268**	**77,268**	**77,268**	**773,629**
Water 2120 Projects:												
8000	All Water 2120 Projects	2,402	2,402	2,402	13,402	13,402	15,402	81,402	11,402	11,402	11,402	**165,020**
	Total Water 2120 Projects	**2,402**	**2,402**	**2,402**	**13,402**	**13,402**	**15,402**	**81,402**	**11,402**	**11,402**	**11,402**	**165,020**
Special Projects:												
9400	All Special Projects	8,350	8,350	3,250	3,250	3,250	3,350	3,350	3,350	3,350	3,350	**43,200**
	Total Special Projects	**8,350**	**8,350**	**3,250**	**3,250**	**3,250**	**3,350**	**3,350**	**3,350**	**3,350**	**3,350**	**43,200**
Priority Growth Projects:												
2200	Sewer and Wastewater Fac Grwth	-	-	-	-	-	-	-	-	-	-	**-**
2300	Wtr Pipe and Wtr Facility Grth	-	-	-	1,990	2,000	210	-	-	-	-	**4,200**
2400	Land and Easement Acquisition	10	10	10	10	10	10	10	10	10	10	**100**
2700	Development Agreements	500	500	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	**10,750**
2800	MIS/GIS	3,490	3,490	2,740	500	490	2,280	2,490	2,490	2,490	2,490	**22,950**
3100	Master Plans	-	-	-	-	-	-	-	-	-	-	**-**
3200	Miscellaneous	-	-	250	250	250	250	250	250	250	250	**2,000**
	Total Priority Growth Projects	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**40,000**

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

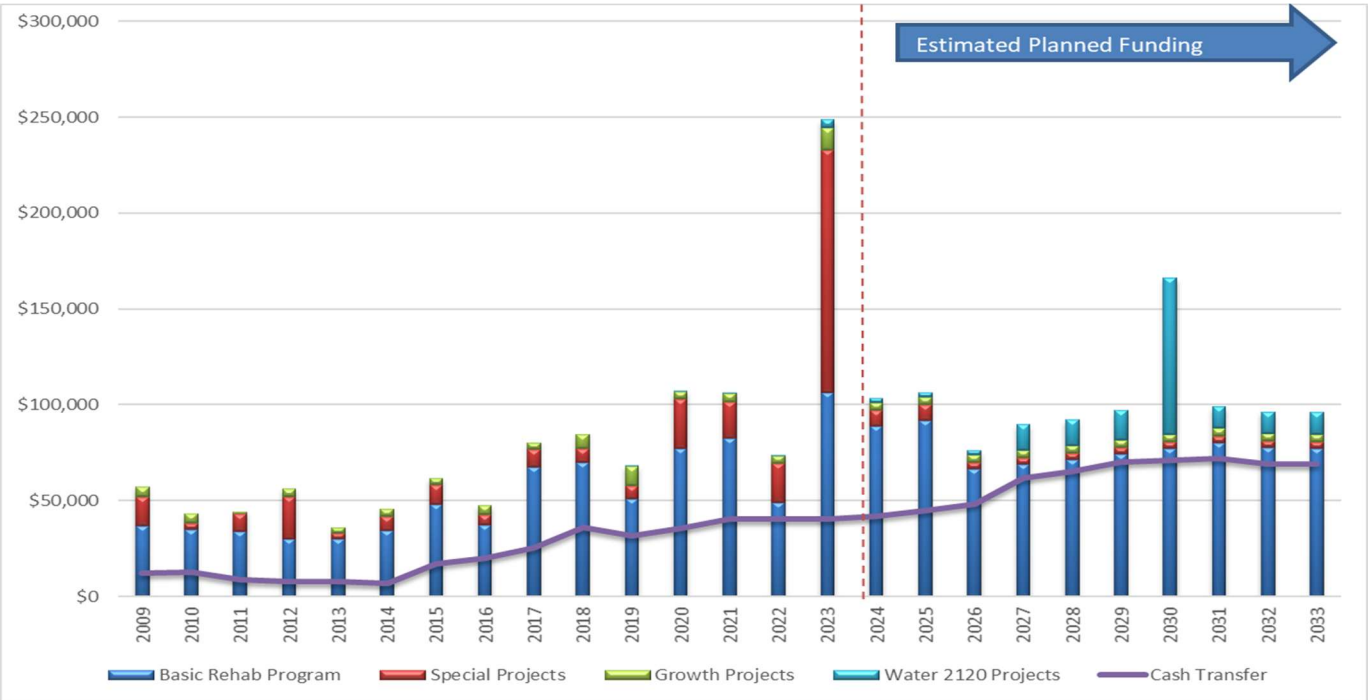
The Water Authority will continue to spend $250 million to upgrade its wastewater treatment plant and add an additional $36 million per year to Capital Improvement Program (CIP) funding to cover the costs of routine replacement of aging pipes, pumps

and other infrastructure as recommended in the most recent asset management study commissioned by the Water Authority.

The Water Authority intends to enhance the water and sewer infrastructure with several targeted projects included in the 2024-2033 Decade Plan. Some of the major projects are listed below:

- Inspection and Rehabilitation of Steel Waterlines
- Upgrade of Automatic Metering Infrastructure (AMI)
- Improvements to Information Technology to include Supervisory Control and Data Acquisition (SCADA) system replacement at Plant facilities
- 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 2033:



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 current year capital improvements are implemented through adoption of the annual budget. Policy requires no less than $30.0 million allocated for the Basic Program as specified in the current Rate Ordinance. Specific activities in the development process are:

- Establishing Timetables, Goals, and Objectives:

  At the onset of the budgeting process, the CIP update begins with formal budget planning decisions between management and department heads as described in the CIP Planning Process above. Timetables are set that extend through development and final adoption of the budget. Water Authority goals and objectives are reviewed to ensure that they are being met through the budget cycle.

- Taking Inventory and Developing Proposals:

  Staff gathers information about the Water Authority's capital facilities and equipment to assess the risk and condition of each. Staff carefully considers construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.

- Conducting Financial Analysis:

  Finance staff conducts financial analysis of historic and projected revenues and expenses to estimate the Water Authority's cash flow and long-term financial condition. Capital financing alternatives are identified, and recommendations are prepared to match the type of funding most appropriate for specific capital improvements. Administrative Policy also allows for rollovers of capital funds in excess and/or deficit from each previous fiscal year remaining budget. Unobligated funds remaining at the end of a budget year to the next budget year to cover allowable costs in that budget period. This carryover does not require Water Authority Board approval. Restricted funds, grants, bond and loan proceeds, and cash transfers that are recorded in capital funds are the only cumulative balances allowed under this policy.

FY24 CAPITAL IMPROVEMENT PROGRAM BUDGET

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

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

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

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

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

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

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget (000's)	FY23 * Budget (000's)	FY24 * Budget (000's)
Bernalillo County	American Rescue Plan Act (ARPA) Subaward –Bosque Non-potable Water Reclamation Plant and Reuse System	The planning and design of a new satellite Bosque Water Resource Recovery Facility (WRRF) to treat wastewater for non-potable reuse/irrigation, improve the capacity of the existing downstream Westside Interceptor, and discharge treated water to the Rio Grande to help maintain river flows through the Oxbow section.	$2,875	$ -	$ -
Bernalillo County	ARPA Subaward – Carnuel Sewage Collection System	The acquisition of easement/right-of-way, and construction and engineering services during construction of the Village of Carnuel Wastewater System Expansion Phase I project.	3,845	-	-
Bernalillo County	ARPA Subaward – Kirtland Air Force Base (KAFB) Tijeras Interceptor Rehabilitation	To rehabilitate aging interceptor sewer pipe within the KAFB Property. Funding will be used to for construction and engineering services during construction.	15,000	-	-
Bernalillo County	ARPA Subaward – Metro Detention Center (MDC) Water and Sewer Improvements	The design, easement/right-of-way acquisition, construction, and engineering during construction of a new lift station and force main that will pump sewage from MDC facility on the West Mesa to the existing gravity sewer system located at Atrisco Vista Blvd and I-40/US66.	4,200	-	-
Bernalillo County	ARPA Subaward – Mesa Del Sol Non-potable Reuse Booster Pump Station and Reservoir	The acquisition of land/easement, construction, and engineering services during construction of a new non-potable reuse Pump Station, Reservoir, and Disinfection facility near Mesa Del Sol.	4,896	-	-
Bernalillo County	ARPA Subaward – South Valley Drinking Water Project, Phase 8 and 9	The planning, design, easement/right-of-way acquisition, construction, and engineering services during construction of a portion of the Phase 8 and Phase 9 South Valley Drinking Water Project, which has expanded potable drinking water availability throughout the South Valley of Bernalillo County.	8,000	-	-

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget (000's)	FY23 * Budget (000's)	FY24 * Budget (000's)
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	$15,000	$ -	$ -
Bernalillo County	ARPA Subaward – Carnuel Water System	The design and construction of additional waterline extention to meximize opportunities for additional potable water service connections for the Village of Carnuel	-	1,000	-
Bernalillo County	ARPA Subaward – To'Hajilee Water Line Extension	The contruction of a 7.8-mile, 10-inch gravidy 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 – Departme nt of Environme nt (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
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
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	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	-	-

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget (000's)	FY23 * Budget (000's)	FY24 * Budget (000's)
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	$15,000	$ -	$ -
Bernalillo County	ARPA Subaward – Carnuel Water System	The design and construction of additional waterline extention to meximize opportunities for additional potable water service connections for the Village of Carnuel	-	1,000	-
Bernalillo County	ARPA Subaward – To'Hajilee Water Line Extension	The contruction of a 7.8-mile, 10-inch gravidy 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
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
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	Advanced Metering Infrastructure (AMI) Phase 6	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	-	-

Granting Agency	Grant Name	Purpose of Grant	FY22 Budget (000's)	FY23 * Budget (000's)	FY24 * Budget (000's)
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	-
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 On-site Resource Recovery Facility	To plan, design, construct and equip a wastewater reclamation plant to serve the Winrock site and public parks in the City of Albuquerque.	-	250	5,050
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	Southside Water Reclamation Plant (SWRP) Outfall Realignment Project	The SWRP Outfall Realignment Project will construct habitat for the Rio Grande Silvery Minnow and improve surface water quality through rivervank stabilization, restoration of native bosque habitat, an integrates public recreational access.	-	-	3,700
NMED	Water Authority - Aquifer Sotrage & Recovery Facility	To plan, permit, acquire right-of-way and easements, study, design, construct and equip an aquifer storage and recoverty (ASR).	-	-	140
NMED	Water Authority - Arsenic Treatment Plant (Thomas Well)	To plan, design, permit, construct, and equip a new arsenic treatment plant to treat high arsenic water from existing wells.	-	-	115
		Total Grant Funding:	**$83,840**	**$17,438**	**$11,895**

The Water Authority's Capital Improvement Program Expense Budget totals $103.5 million for FY24. The projects included in this budget are consistent with the Water Authority's UWAMP and Decade Plan, which identify projects as being required for the replacement of existing infrastructure or projects for expansion.

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

The FY24 Approved Budget includes the following capital projects, listed by category: Basic Program, Special Projects, and Growth Projects. $88.7 million is appropriated for the level one priority basic capital programs, $8.4 million for special projects, $4.0 million for growth related projects, and $2.4 million for Water 2120 projects. There are no appropriations in the proposed FY24 CIP budget for projects that will be funded with revenues from FY25 or later. Demonstrated in the table below and the chart on the following page, are planned improvements listing of all the priority renewal projects, special projects, and growth-related projects. ($000's).

CIP Rehab Project Descriptions for Basic Programs

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

300	o The Southside Water Reclamation Plant (SWRP) Renewal Program provides funding for the evaluation, planning, design, construction, and related activity necessary for the rehabilitation of replacement of facilities at the SWRP.
400	o The Soil Amendment Facility (SAF) Renewal Program is important element in the Water Authority's wastewater treatment systems. The SWRP generates approximately 60 tons of solids per day. These solids are land applied and composed at the SAF. The composed solids are sold and generate income for the utility. Without the SAF, the utility would have to pay to dispose of the solids in a landfill. o Funding allows for rehabilitation of the existing fixed equipment and facilities at the SAF which include buildings, pumping systems, and grounds.
500	o Lift Station Renewal Program provides funding for the planning, design, engineering services, contract and/ or in-house services related to general lift stations. o Vacuum Station Renewal Program provides funding for the rehabilitation and replacement of house pumps, tanks, and other equipment used to collect and convey the sanitary sewage.
600	o Odor Control Facilities Renewal Program provides funding for evaluation, planning, design, construction, and related activity necessary for odor control in the collection system. It will also be used to address collection system odors from all sources including small diameter pipes, pump stations and manholes.
700	o Drinking Water Groundwater Plant Renewal Program provides funding for 39 potable water booster stations that pump water to the upper zones of the water service area. If the booster pumps and auxiliary equipment are not maintained and repaired as needed, there is a significant risk of failure to get water to customers and/or maintain the expected levels of service. o The Water Authority must maintain a full capacity groundwater supply system even with the San Juan-Chama Drinking Water facility. At times, river water may not be available for diversion, so the Water Authority will have to rely fully on its wells. Also, the wells are needed to provide peak capacity during the high demand periods. Funding will be used for rehabilitation and replacement. o This program provides funding for the rehabilitation and replacement of each steel and concrete reservoir 20 years and 30 years, respectively. Failure to program funds on a continuing basis for this activity will shorten the life of these assets.

- The Water Authority has three arsenic removal treatment systems. Renewal and replacement of the granular ferric hydroxide media from the different pressure vessels are necessary to restore the ability of these systems to remove arsenic from the well water prior to distributing the water to the public.

800

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

900

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

1000

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

1100

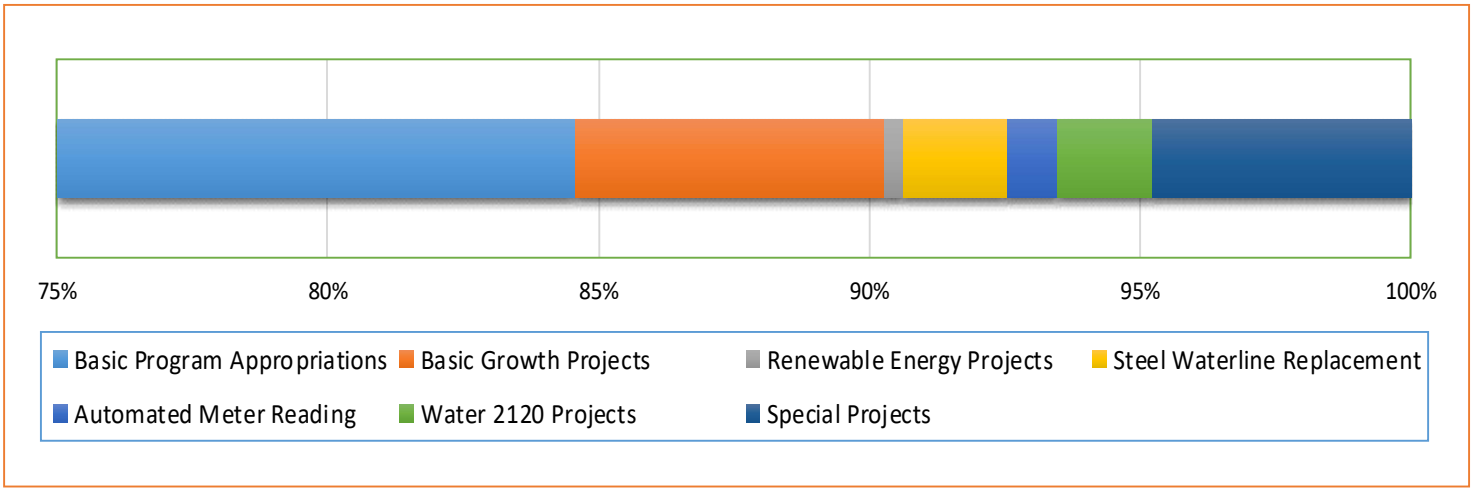
- Shared Renewal Program provides funding for:
    - The El Pueblo Ferrous/Ferric Transfer Station (Station 70) is shared by the Field and Plant Divisions.
    - Leak Detection staff to identify the location of leaks in the water distribution system.
    - The Scada Master Plan Project is to provide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

1200

- The Franchise Agreement Compliance Program provides funding for compliance with the ABCWUA Franchise Ordinance between the City of Albuquerque/Bernalillo County and the Water Authority within the municipal limits

	of the service area. This decade plan item is for relocating water and sanitary sewer pipelines. ○ This also provides reimbursement funding associated with adjusting the height of manholes and valve boxes as part of City Street resurfacing projects.
1300	○ Vehicles and Heavy Equipment Program provides funding for fleet vehicles and heavy equipment replacements. The Water Authority is dependent upon reliable transportation and heavy equipment to execute its mission and operational level of service to its ratepayers and the community.

Graphed below is the FY24 CIP Budget illustrated as a percentage by category:



Ref. No.	Project Description	FY21 Actual (000's)	FY22 Actual (000's)	FY23 Adjusted Budget (000's)	FY24 Approved Budget (000's)
Basic Program Appropriations:					
100	Sanitary Sewer Pipeline Renewal	$ 17,517	$ 6,914	$ 34,136	$ 33,250
200	Drinking Water Pipeline Renewal	6,678	5,377	7,248	6,020
300	Southside Water Reclamation Plant Renewal	31,754	15,291	31,371	8,750
400	Soil Amendment Facility (SAF) Renewal	497	287	350	150
500	Lift Station and Vacuum Station Renewal	4,856	2,301	3,456	1,600
600	Odor Control Facilities Renewal	53	11	50	450
700	Drinking Water Plant Groundwater System Renewal	9,063	7,807	7,818	7,150
800	Drinking Water Plant Treatment Systems Renewal	5,294	1,798	5,077	19,125
900	Reuse Line and Plant Renewal	407	845	814	200
1000	Compliance	130	79	651	533
1100	Shared Renewal	1,430	2,286	6,886	5,040
1200	Franchise Agreement Compliance	3,614	4,541	4,000	4,000
1300	Vehicles and Heavy Equipment	1,174	1,543	4,673	2,500
	Level 1 Priority Renewal Projects Total	**$ 82,467**	**$ 49,080**	**$ 106,530**	**$ 88,768**
Special Projects:					
9401	Steel Waterline Rehab	$ 680	$ 1,001	$ 2,024	$ 2,000
9403	Automated Meter Infrastructure (AMI)	1,988	872	5,625	1,000
9404	Renewable Energy Projects	115	117	618	350
9415	Issuance Costs	341	668	51	-
94*	Miscellanous	15,682	17,588	118,897	5,000
	Special Projects Total	**$ 18,806**	**$ 20,246**	**$ 127,215**	**$ 8,350**
	Combined Level 1 Priority Renewal and Special Projects	**$ 101,273**	**$ 69,326**	**$ 233,745**	**$ 97,118**
Growth:					
2000	Drinking Water Plant Facilities Growth	$ -	$ -	$ -	$ -
2400	Land & Easement Acquistion	39	10	810	10
2700	Development Agreements	1,499	1,284	3,009	500
2800	MIS/GIS	3,014	2,604	5,819	3,490
3100	Master Plans	165	181	277	-
3200	Miscellanous	31	3	757	-
	Level 1 Priority Growth Projects Total	**$ 4,748**	**$ 4,082**	**$ 10,672**	**$ 4,000**
	Water 2120 Plan	**$ 137**	**$ 73**	**$ 4,058**	**$ 2,402**
	Grand Total	**$ 106,158**	**$ 73,481**	**$ 248,475**	**$ 103,520**

* Various Special Projects

FY23 Adjusted Budget includes carryover amounts from FY22

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

The sanitary sewer interceptor system is the backbone of the Water Authority's current sewer collection system. It is designed to carry large flows from the collection line system for delivery to the plant for treatment. 46-percent (approximately 111 miles) of the current interceptors within the system are made of concrete and have suffered substantial hydrogen sulfide corrosion damage along the upper portions of the pipe. This ultimately results in complete pipe failure which could cause a sinkhole to form at any time within the public right-of-way. The FY24 budget reflects a budget of $33.2 million that will be used to continue to evaluate, plan, design, and construct for sanitary sewer interceptor rehabilitation or complete removal and replacement of severely deteriorated sewer interceptor lines that are beyond feasible rehabilitation.

- $8.0 million for the Westside Interceptor Rehab - I-40 to Western Trail - Design/Construction
    - The operational impact is that emergency repair/rehab is 2x to 3x more expensive than planned rehab. Proactive rehab will save CIP dollars, reduce maintenance requirements by Collections staff (reduced sediment, fewer odor complaints), and reduce SSO frequency.
- $3.0 million for the Griego's Interceptor from 24" Rio Grande to 12th St (4000 linear ft - appx 1 mi). Rehab design required based on CCTV footage showing hanging gaskets, crown corrosion, and/or soil visible.
    - The operational impact is that emergency repair/rehab is 2x to 3x more expensive than planned rehab. Proactive rehab will save CIP dollars, reduce maintenance requirements by Collections staff (reduced sediment, fewer odor complaints), and reduce SSO frequency.

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

The San Juan-Chama Water Treatment Plant (SJCWTP) Basin Improvements funding is required for emergency capital improvements to address unanticipated equipment or other asset failures at the facilities. This is a critical facility in the

Water Authority's drinking water system and any asset failures need to be addressed quickly to maintain the expected level of service.

- $28.0 million for Basin Dredging – Sediment, filter backwash, and organic matter buildup in the basins impacts available raw water storage volume and has negative WQ impacts to SJCWTP treatment processes. A dredging/mixing study followed by dredging operations needs to be implemented.
    - The operational impact of this project will Improve plant performance and water quality. Contracted dredging operation should not increase O&M labor/costs at SJCWTP.

The Vulcan's lease on the 50-acre parcel at the southwest corner of Chappell and Singer NE has ended. The Water Authority has developed a plan for the site with near-term and long-term improvements. Prior to constructing improvements, the site will need to be graded to establish developable property. Near-term improvements consist of a relocated dirt processing facility ("stockpile"), compost sales, landscape material storage for restoration of customer property, scale/weigh house, and several storage buildings for salt, chemicals, infrastructure repair materials and weather sensitive vehicles.

- $5.0 million will be used to plan, design and construct the site and facilities in multiple phases. The stockpile component will locate the dirt processing operations in a more industrial setting resulting in less concerns for adjacent neighbors. The vehicle storage will protect weather sensitive equipment (e.g., NO-DES, water truck, street sweeper) from freezing thereby extending the life of the equipment, the need to winterize and the associated maintenance costs. The various buildings will provide a secure and centralized location for storing materials for the operation of the water system. The compost sales will provide a more convenient location for the public to purchase compost. The scale/weigh house facilitates compost sales and also ensures that dump trucks are loaded to DOT specifications prior to entering public roadways.
    - The operational impact will include an advanced treatment component that aligns with Water 2120 goals, and
        - The stockpile component will locate the dirt processing operations in a more industrial setting resulting in less concerns for adjacent neighbors.
        - The vehicle storage will protect weather sensitive equipment (e.g., NO-DES, water truck, street sweeper) from freezing thereby extending maintenance costs.

- The various buildings will provide a secure and centralized location for storing materials for the operation of the water system.
- The compost sales will provide a more convenient location for the public to purchase compost. The scale/weigh house facilitates compost sales and also ensures that dump trucks are loaded to DOT specifications prior to entering public roadways.

The Information Technology/GIS funding allocations will be utilized to purchase new/upgrade all hardware and software applications and the databases that support those applications. Applications include Maximo, Finance Enterprise, Kronos, LIMS and GIS, among others. Funding will be used to address the mobile, security and telecommunications environments and to provide continual efficiencies to reduce costs and maintain backups of mission critical systems.

The remainder of the Basic rehabilitation program is primarily focused online contingency work and normal repair and maintenance work in the groundwater plant system with minimal.

Creation of the Water Authority and Transfer of Debt Portfolio

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

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

Current Bond Ratings

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

Total Outstanding Obligations

The total outstanding obligation indebtedness of the Water Authority, as of July 1, 2023, is $531.829 million shown in the table on the next page.

FY24 DEBT SERVICE PAYMENTS **Ratings: AA/Aa2/AA+**

	Basic Capital Bonds		New Mexico Finance Authority		
Issue	Principal	Interest	Principal	Interest	Total Issue
Bonds Series 2013A Basic	5,005,000.00	125,125.00			5,130,125.00
Bonds Series 2013B	2,790,000.00	190,750.00			2,980,750.00
Bonds Series 2014A	10,395,000.00	1,787,375.00			12,182,375.00
Bonds Series 2014B	8,505,000.00	1,072,875.00			9,577,875.00
Bonds Series 2015	16,595,000.00	5,492,722.50			22,087,722.50
Bonds Series 2017	4,910,000.00	3,115,443.76			8,025,443.76
Bonds Series 2018	6,120,000.00	2,768,250.00			8,888,250.00
Bonds Series 2020	6,000,000.00	3,022,000.00			9,022,000.00
Bonds Series 2020-A	5,730,000.00	550,389.53			6,280,389.53
Bonds Series 2021		3,124,050.00			3,124,050.00
NMFA Loan No. 04 1727-AD			566,835.00	84,293.02	651,128.02
NMFA Loan No. 07 2316-ADW			50,668.00	1,993.57	52,661.57
NMFA Loan DW4877			122,300.00	38,413.58	160,713.58
NMFA Loan DW5028			43,989.00	14,714.46	58,703.46
NMFA Loan WPF-5103			39,290.00	1,908.90	41,198.90
NMFA Loan WPF-5401			36,365.00	4,838.89	41,203.89
NMFA Loan WPF-5402			35,643.00	4,025.43	39,668.43
TOTAL	**$ 66,050,000.00**	**$ 21,248,980.79**	**$ 895,090.00**	**$ 150,187.85**	**$ 88,344,258.64**

SCHEDULE OF BONDS & OTHER DEBT OBLIGATIONS

SENIOR DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2013A	62,950,000	5,005,000	5,005,000	
Bonds Series 2013B	55,265,000	5,210,000	5,210,000	
Bonds Series 2014A	97,270,000	42,945,000	42,945,000	
Bonds Series 2015	211,940,000	138,715,000	138,715,000	
Bonds Series 2017	87,970,000	66,670,000	66,670,000	
Bonds Series 2018	75,085,000	58,425,000	58,425,000	
Bonds Series 2020	69,440,000	63,440,000	63,440,000	
Bonds Series 2020A	47,800,000	40,930,000	40,930,000	
Bonds Series 2021	73,255,000	73,255,000	73,255,000	
NMFA Loan No. 07 2316-ADW	1,000,000	224,691		224,691
NMFA Loan DW4877	2,724,282	2,368,591		2,368,591
NMFA Loan DW5028	1,515,000	1,471,447		1,471,447
SUBTOTAL WATER AUTHORITY SENIOR DEBT OBLIGATIONS	**$786,214,282**	**$ 498,659,729**	**$ 494,595,000**	**$ 4,064,729**

SUBORDINATE DEBT OBLIGATIONS	Original	Outstanding	Basic Needs	Special Projects
Bonds Series 2014B	87,005,000	25,710,000	25,710,000	
NMFA Loan No. 04 1727-AD	10,426,232	4,214,651		4,214,651
NMFA Loan WPF-5103	800,000	763,556		763,556
NMFA Loan WPF-5401	800,000	800,000		800,000
NMFA Loan WPF-5402	770,827	770,827		770,827
NMFA Loan WPF-5659	200,000	200,000		200,000
NMFA Loan WPF-5660	710,000	710,000		710,000
SUBTOTAL SUBORDINATE DEBT OBLIGATIONS	**$100,712,059**	**$ 33,169,034**	**$ 25,710,000**	**$ 7,459,034**
GRAND TOTAL - WATER AUTHORITY DEBT OBLIGATIONS	**$886,926,341**	**$ 531,828,763**	**$ 520,305,000**	**$11,523,763**

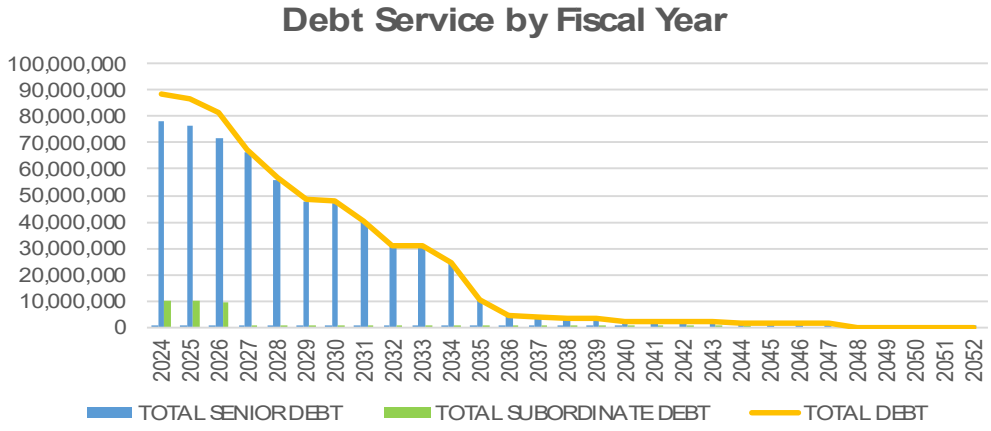
Albuquerque Bernalillo County Water Utility Authority - Senior Lien Debt (Principal and Interest)

Fiscal Year	Series 2013A Bonds	Series 2013B Refunding	Series 2014A Bonds	Series 2015 Bonds	Series 2017 Bonds	Series 2018 Bonds	Series 2020 Bonds
2024	5,130,125	2,980,750	12,182,375	22,087,723	8,025,444	8,888,250	9,022,000
2025		2,480,500	12,164,750	21,920,973	8,023,694	8,879,625	9,097,375
2026			12,082,375	19,336,348	8,014,319	8,870,375	8,778,125
2027			10,461,375	20,866,723	8,006,819	8,859,750	8,458,875
2028				21,042,446	8,000,444	8,851,875	8,139,625
2029				12,990,008	7,994,444	8,845,750	7,815,500
2030				12,981,050	7,988,069	8,835,500	7,496,500
2031				8,245,640	5,947,694	8,825,250	7,177,500
2032				8,181,775	5,940,194		6,858,500
2033				8,172,900	5,930,444		6,539,500
2034				8,195,700	5,927,694		
2035					5,963,972		
TOTAL	**5,130,125**	**5,461,250**	**46,890,875**	**164,021,284**	**85,763,228**	**70,856,375**	**79,383,500**

Fiscal Year	Series 2020A Bonds	Series 2021 Bonds	Loan No. 07 2316-ADW NMFA	Loan DW4877 NMFA	Loan DW5028 NMFA	TOTAL SENIOR DEBT
2024	6,280,390	3,124,050	52,662	160,714	58,703	77,993,184
2025	7,125,633	6,390,300	52,659	160,713	58,704	76,354,925
2026	7,117,649	7,105,175	52,657	160,712	58,703	71,576,438
2027	2,058,328	7,672,425	52,655	160,711	58,704	66,656,364
2028	2,061,839	7,668,300	19,052	160,710	58,703	56,002,994
2029	2,057,643	7,661,175		160,709	58,704	47,583,931
2030	2,055,680	7,655,425		160,707	58,703	47,231,634
2031	2,052,032	7,676,150		160,707	58,703	40,143,676
2032	2,051,168	7,675,350		160,705	58,704	30,926,396
2033	2,052,506	7,669,450		160,705	58,703	30,584,208
2034	2,051,365	7,663,150		160,704	58,703	24,057,316
2035	2,042,730	1,717,975		160,703	58,703	9,944,083
2036	2,135,913	1,718,700		160,702	58,704	4,074,018
2037	2,042,650	1,718,375		160,701	58,704	3,980,430
2038	1,166,153	1,717,000		160,699	58,703	3,102,556
2039	1,165,519	1,719,500		160,698	58,704	3,104,421
2040		1,715,875		160,697	58,703	1,935,275
2041		1,716,125			58,703	1,774,828
2042		1,715,175			58,703	1,773,878
2043		1,710,800			58,703	1,769,503
2044		1,707,500			58,704	1,766,204
2045		1,706,900			58,704	1,765,604
2046		1,703,900			58,704	1,762,604
2047		1,703,400			58,703	1,762,103
2048					58,703	58,703
2049					58,704	58,704
2050					58,703	58,703
2051					58,704	58,704
2052					58,703	58,703
TOTAL	**45,517,196**	**100,232,175**	**229,684**	**2,731,997**	**1,702,399**	**607,920,088**

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

Fiscal Year	Series 2014B Bonds	Loan No. 04 1727-AD NMFA	Loan No. WPF-5103 NMFA	Loan No. WPF-5401 NMFA	Loan No. WPF-5402 NMFA	Loan No. WPF-5659 NMFA	Loan No. WPF-5660 NMFA	TOTAL SUB. DEBT	TOTAL DEBT
2024	9,577,875	651,128	41,199	41,204	39,668			10,351,074	88,344,258
2025	9,216,000	651,156	41,200	41,204	39,668	10,300	36,565	10,036,093	86,391,018
2026	8,850,875	651,185	41,199	41,204	39,668	10,300	36,565	9,670,997	81,247,435
2027		651,215	41,199	41,203	39,669	10,300	36,565	820,152	67,476,516
2028		651,245	41,200	41,204	39,669	10,300	36,565	820,181	56,823,175
2029		651,276	41,199	41,204	39,668	10,300	36,565	820,213	48,404,144
2030		651,308	41,199	41,203	39,669	10,300	36,565	820,244	48,051,878
2031			41,199	41,204	39,669	10,300	36,565	168,937	40,312,613
2032			41,199	41,203	39,669	10,300	36,565	168,936	31,095,332
2033			41,199	41,203	39,669	10,300	36,565	168,936	30,753,144
2034			41,200	41,204	39,668	10,300	36,565	168,936	24,226,252
2035			41,200	41,204	39,668	10,300	36,565	168,937	10,113,020
2036			41,200	41,204	39,669	10,300	36,565	168,937	4,242,955
2037			41,200	41,204	39,668	10,300	36,565	168,937	4,149,367
2038			41,199	41,204	39,669	10,300	36,565	168,937	3,271,493
2039			41,199	41,203	39,668	10,300	36,565	168,936	3,273,357
2040			41,199	41,203	39,668	10,300	36,565	168,936	2,104,211
2041			41,199	41,203	39,668	10,300	36,565	168,936	1,943,764
2042			41,200	41,203	39,669	10,300	36,565	168,936	1,942,814
2043				41,204	39,669	10,300	36,565	127,738	1,897,241
2044						10,300	36,565	46,865	1,813,069
2045									1,765,604
2046									1,762,604
2047									1,762,103
2048									58,703
2049									58,704
2050									58,703
2051									58,704
2052									58,703
TOTAL	27,644,750	4,558,514	782,788	824,073	793,370	206,000	731,299	35,540,794	643,460,881



Debt Obligation Descriptions

- Bond Series 2013A - $62,950,000

  Joint Water and Sewer System Improvement Revenue Bonds. Provide funding for capital improvements to the Southside Water Reclamation Plant and regular System improvements, expansion, maintenance, and upgrades.

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

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

- Bond Series 2014A $97,270,000

  Joint Water and Sewer System Improvement Revenue Bonds

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

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

- Bond Series 2015 - $211,940,000

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

- Bond Series 2017 - $87,970,000

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

- Bond Series 2018 - $75,085,000

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

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

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

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

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

- Bond Series 2021 - $73,255,000

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

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

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

- NMFA Loan No. 07 2316-ADW - $1,000,000

  Drinking Water State Revolving Loan Fund. Provide funding for upgrades and improvements to the water system including construction of Phase II of a water line extension to the community of Carnuel.

- NMFA Loan DW4877 - $2,724,282

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

- NMFA Loan DW5028 - $1,515,000

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

- NMFA Loan WPF-5103 - $800,000

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

- NMFA Loan WPF-5401 - $800,000

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

- NMFA Loan WPF-5402 - $770,827

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

- NMFA Loan WPF-5659 - $200,000

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

- NMFA Loan WPF-5660 - $731,299

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

General Fund – 21 Resources, Appropriations, and Fund Balance

Last Ten Fiscal Years

(000's)	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14	ACTUAL FY13
RESOURCES:										
Miscellaneous Revenues	4,128	4,722	6,083	5,837	4,976	3,592	4,873	4,143	3,843	1,188
Enterprise Revenues	221,608	223,078	222,875	218,494	223,968	213,553	216,208	190,099	180,228	178,942
Transfers from Other Funds	-	-	-	-	943	793	792	748	593	1,710
Total Current Resources	225,736	227,800	228,958	224,331	229,887	217,938	221,873	194,990	184,664	181,840
Beginning Fund Balance	46,032	54,913	53,634	41,204	13,667	6,356	(8,722)	(10,676)	(10,921)	(10,869)
TOTAL RESOURCES	**271,768**	**282,713**	**282,592**	**265,535**	**243,554**	**224,294**	**213,151**	**184,314**	**173,743**	**170,971**
APPROPRIATIONS:										
Enterprise Operations	122,371	117,200	117,292	113,981	110,381	109,476	114,039	109,430	110,291	102,310
Transfers to Other Funds	114,433	118,233	111,029	98,856	101,158	91,628	87,842	81,160	76,094	82,177
TOTAL APPROPRIATIONS	**236,804**	**235,433**	**228,321**	**212,837**	**211,539**	**201,104**	**201,881**	**190,590**	**186,385**	**184,487**
ADJUSTMENTS TO FUND BALANCE	(2,186)	(1,248)	642	936	9,190	(9,523)	(4,912)	(2,445)	1,967	2,595
ENDING FUND BALANCE	**32,778**	**46,032**	**54,913**	**53,634**	**41,204**	**13,667**	**6,356**	**(8,722)**	**(10,676)**	**(10,921)**

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

Last Ten Fiscal Years

(000's)	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14	ACTUAL FY13
RESOURCES:										
Bond/Loan Proceeds	89,240	1,919	87,778	75,705	670	71,705	-	80,811	71,169	191
Miscellaneous Revenues	12,344	24	26	13,781	1,812	1,462	5,059	2,081	400	243
Enterprise Revenues	4,699	4,022	2,482	-	-	-	-	-	6,298	3,288
Transfers from Other Funds	40,618	40,418	35,645	31,589	36,250	25,474	20,000	17,000	7,000	11,000
Total Current Resources	146,901	46,383	125,931	121,075	38,732	98,641	25,059	99,892	84,868	14,722
Beginning Fund Balance	71,898	144,180	116,116	60,475	108,457	86,790	105,922	66,298	26,189	54,683
TOTAL RESOURCES	**218,799**	**190,563**	**242,047**	**181,550**	**147,188**	**185,430**	**130,981**	**166,190**	**111,057**	**69,405**
APPROPRIATIONS:										
Enterprise Operations	73,481	106,158	106,673	67,757	84,543	80,089	47,361	61,581	34,417	43,216
Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**73,481**	**106,158**	**106,673**	**67,757**	**84,543**	**80,089**	**47,361**	**61,581**	**34,417**	**43,216**
ADJUSTMENTS TO FUND BALA	991	(12,507)	8,805	2,324	(2,170)	3,116	3,170	1,312	(10,341)	-
ENDING FUND BALANCE	**146,309**	**71,898**	**144,180**	**116,116**	**60,475**	**108,457**	**86,790**	**105,922**	**66,298**	**26,189**

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

Last Ten Fiscal Years

(000's)	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14	ACTUAL FY13
RESOURCES:										
Miscellaneous Revenues	8,855	57,324	9,323	7,270	10,398	8,546	9,257	7,565	7,872	8,282
Transfers from Other Funds	77,815	81,815	79,421	72,267	70,908	70,628	72,842	69,160	72,094	66,362
Total Current Resources	86,670	139,139	88,744	79,537	81,306	79,174	82,099	76,725	79,966	74,644
Beginning Fund Balance	52,432	49,731	49,939	56,420	52,819	54,576	48,798	515	(2,476)	(2,392)
TOTAL RESOURCES	**139,102**	**188,870**	**138,683**	**135,957**	**134,125**	**133,750**	**130,897**	**77,240**	**77,490**	**72,252**
APPROPRIATIONS:										
Debt Service	82,042	83,792	83,888	82,176	70,189	75,747	71,906	35,203	75,245	72,670
Transfers to Other Funds	4,000	4,000	4,000	5,000	6,000	4,474	5,000	5,000	3,000	3,000
TOTAL APPROPRIATIONS	**86,042**	**87,792**	**87,888**	**87,176**	**76,189**	**80,221**	**76,906**	**40,203**	**78,245**	**75,670**
ADJUSTMENTS TO FUND BALANCE	107	(48,646)	(1,063)	1,159	(1,516)	(710)	586	11,760	1,269	942
ENDING FUND BALANCE	**53,167**	**52,432**	**49,731**	**49,939**	**56,420**	**52,819**	**54,576**	**48,798**	**515**	**(2,476)**

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

Last Ten Fiscal Years

(000's)	ACTUAL FY22	ACTUAL FY21	ACTUAL FY20	ACTUAL FY19	ACTUAL FY18	ACTUAL FY17	ACTUAL FY16	ACTUAL FY15	ACTUAL FY14	ACTUAL FY13
RESOURCES:										
Admin Fees/Special Assessments	164	-	-	-	-	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-	-	-	-	-	-
Total Current Resources	164	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-	-	-	-	-	-
TOTAL RESOURCES	**164**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
APPROPRIATIONS:										
General Government	149	-	-	-	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
TOTAL APPROPRIATIONS	**149**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ADJUSTMENTS TO FUND BALANCE	12	-	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	**27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Water Users by Class and Meter Size

Last Ten Fiscal Years

History of Water Users by Class:

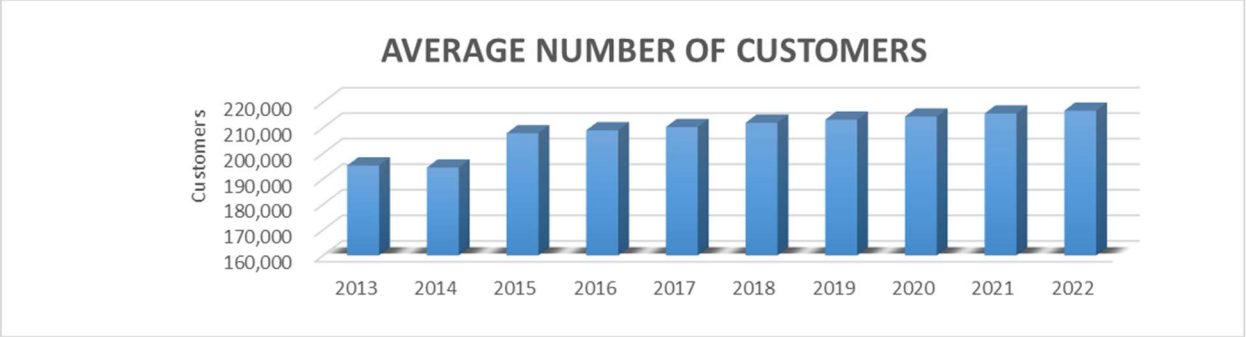
	Number of Customers by Fiscal Year									
Class	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Residential	186,730	185,889	184,919	183,942	183,018	181,814	187,479	186,461	174,193	174,909
Multi-Family	7,943	7,925	7,907	7,876	7,851	7,801	7,268	7,115	6,569	6,430
Commercial	12,314	12,242	12,159	12,100	12,023	11,913	11,901	11,923	11,303	11,321
Institutional	3,829	3,807	3,766	3,701	3,680	3,650	2,187	2,150	2,196	2,391
Industrial	128	123	119	121	122	119	110	113	99	99
Other metered	1,099	996	909	824	720	616				
Subtotal	212,043	210,982	209,779	208,564	207,414	205,913	208,945	207,762	194,360	195,150
SW	1,418	1,410	1,402	1,392	1,365	1,362				
Other non-metered	3,176	3,150	3,139	3,135	3,120	2,940				
Total	216,637	215,542	214,320	213,091	211,899	210,215				

History of Water Users by Meter Sizes:

Meter Size	Number of Customers by Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
¾"	187,847	186,802	185,668	184,464	183,398	182,232	185,894	184,743	171,395	171,874
1" and 1 ¼ "	17,831	17,815	17,847	17,843	17,975	17,796	17,392	17,447	17,474	17,645
1 ½ "	2,567	2,549	2,522	2,522	2,467	2,381	2,300	2,269	2,238	2,249
2"	2,796	2,811	2,737	2,713	2,575	2,509	2,386	2,349	2,303	2,352
3"	603	606	609	626	606	603	590	575	578	634
4"	288	286	286	287	284	282	278	276	270	286
6"	68	69	66	66	66	68	64	63	60	63
8" and over	44	44	44	43	43	42	41	40	42	47
Subtotal	212,044	210,982	209,779	208,564	207,414	205,913	208,945	207,762	194,360	195,150
Other Non-metered	4,593	4,560	4,541	4,527	4,485	4,302				
Total	216,637	215,542	214,320	213,091	211,899	210,215				

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

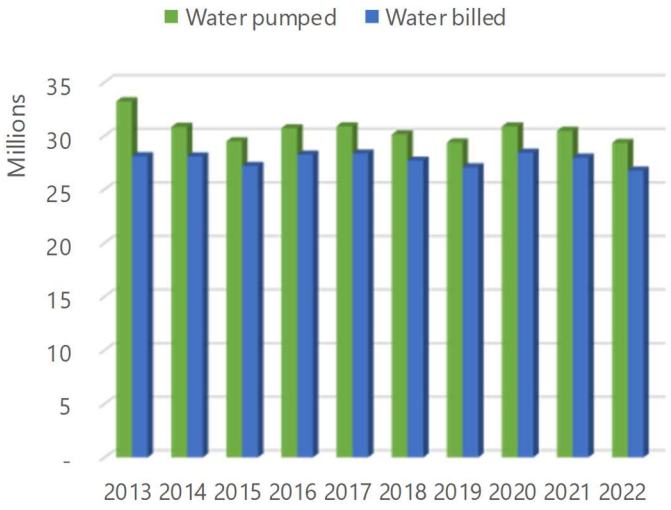
Source: Water Authority Financial/Business Services Division

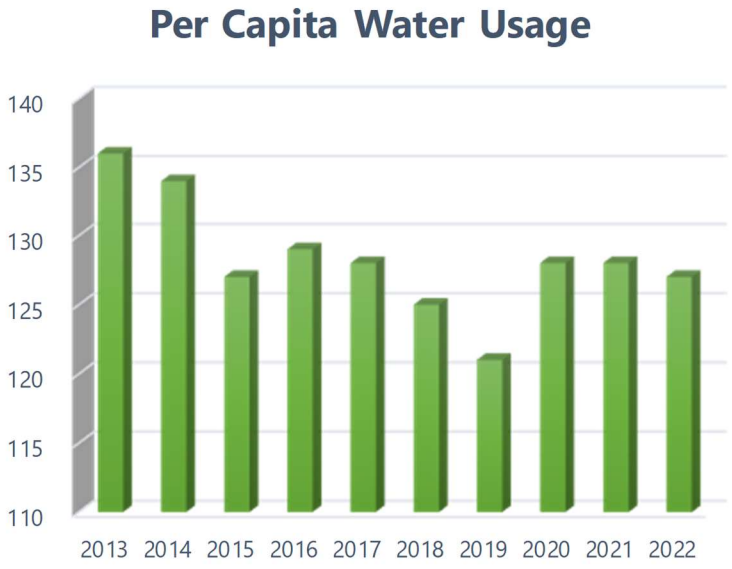


Water Consumption

Last Ten Fiscal Years

	Water Pumped	Water Billed	% Billed
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%
2013	33,222,000	28,113,371	84.62%





	Per Capita Water Usage
2022	127
2021	128
2020	128
2019	121
2018	125
2017	128
2016	129
2015	127
2014	134
2013	136

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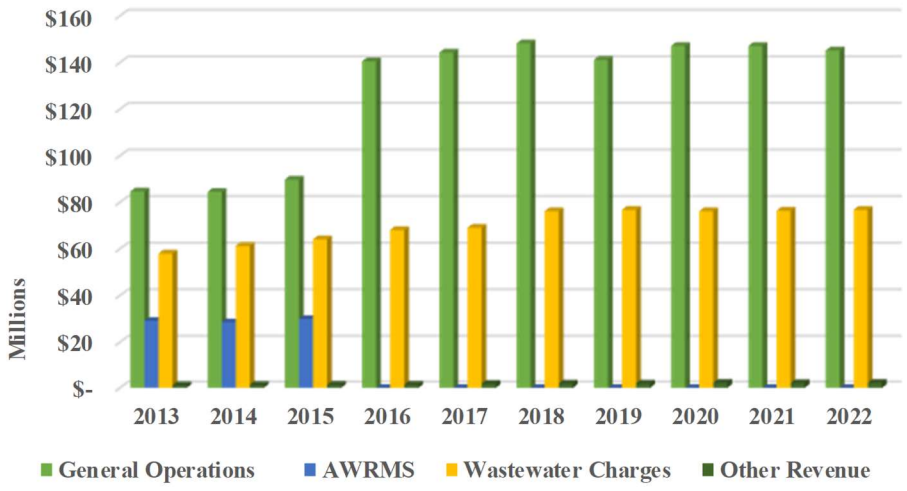
Source: ABCWUA Financial/Business Services Division

Revenue from Water and Wastewater Charges and Other Operating Revenue

Last Ten Fiscal Years

Fiscal Year	Revenue from Water		Wastewater Charges	Other Revenue	Total Operating Revenue
	General Operations	AWRMS (1)			
2022	145,215,374	-	76,845,065	2,134,395	224,194,834
2021	147,199,054	-	76,441,792	2,022,568	225,663,414
2020	147,244,774	-	76,231,345	2,133,000	225,609,119
2019	141,267,719	-	76,848,592	1,868,000	219,984,311
2018	148,315,450	-	76,253,042	1,828,000	226,396,492
2017	144,342,932	-	69,101,050	1,750,000	215,193,982
2016	140,551,140	-	68,166,636	1,339,000	210,056,776
2015	89,768,328	29,939,349	64,171,110	1,323,000	185,201,787
2014	84,500,221	28,561,586	61,327,115	1,232,000	175,620,922
2013	84,713,861	29,161,139	58,031,483	1,142,000	173,048,483

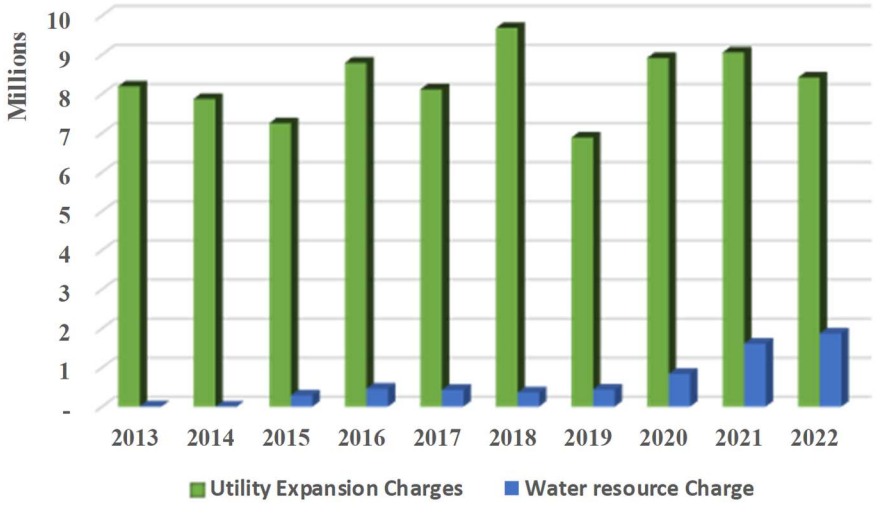


Source: ABCWUA Financial/Business Services Division
Note: In Fiscal Year 2016 the Albuquerque Water Resource Management Strategy (AWRMS) revenues were combined with General Operations revenue as part of the new rate ordinance structure.

Revenue from Utility Expansion and Water Resource Charges

Last Ten Fiscal Years

Fiscal Year	Utility Expansion Charges	Water Resource Charge
2022	8,421,390	1,873,759
2021	9,060,038	1,612,875
2020	8,916,871	838,525
2019	6,884,954	437,646
2018	9,685,634	363,963
2017	8,116,695	429,283
2016	8,795,436	461,502
2015	7,250,838	290,363
2014	7,872,237	0
2013	8,189,953	7,063



Source: ABCWUA Financial/Business Services Division

Principal Revenue Payers

Current Fiscal Year and Nine Years Ago

	2022				2013			
Water Customer Name	Water Revenue	Rank	Total Revenue	Consumption	Water Revenue	Rank	% of Total Revenue	Consumption
City of Albuquerque	$ 8,652,685	1	5.96%	2,680,909	$ 6,714,624	1	5.90%	2,752,293
Albuquerque Public Schools	2,850,179	2	1.96%	554,451	2,331,362	2	2.05%	709,846
University of New Mexico	1,367,733	3	0.94%	303,565	1,066,700	3	0.94%	302,787
Kirtland Air Force Base	661,475	4	0.46%	135,938	553,306	5	0.49%	174,674
Bernalillo County	633,197	5	0.44%	164,743	625,254	4	0.55%	224,123
Sumitomo	299,841	6	0.21%	123,605	209,185	10	0.18%	112,453
Central NM Community College	282,441	7	0.19%	60,242	257,138	8	0.23%	79,460
Water Authority	269,330	8	0.19%	42,114	339,866	6	0.30%	125,383
Lovelace Health	266,959	9	0.18%	81,082	265,555	7	0.23%	117,962
Albuquerque Academy	213,690	10	0.15%	93,628	211,199	9	0.19%	114,110
Total	$ 15,497,529		10.67%	4,240,277	$ 12,574,189		11.04%	4,713,091
Total Water System Revenue	$ 145,215,374				$113,875,000			

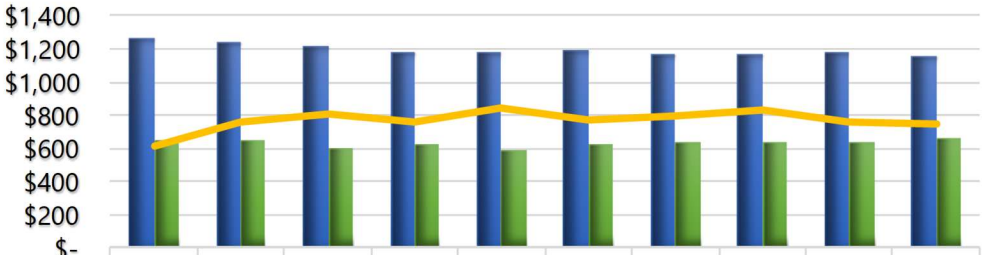
	2022				2013			
Wastewater Customer Name	Wastewater Revenue	Rank	Total Revenue	Consumption	Wastewater Revenue	Rank	% of Total Revenue	Consumption
Kirtland Air Force Base	$ 1,419,668	1	1.85%	744,147	$ 1,150,505	1	1.98%	688,730
University of New Mexico	1,128,833	2	1.47%	849,535	806,373	2	1.39%	537,000
Albuquerque Public Schools	698,685	3	0.91%	69,188	680,831	3	1.17%	167,799
City of Albuquerque	696,034	4	0.91%	99,175	480,441	4	0.83%	161,725
Creamland Dairies	502,826	5	0.65%	48,902	448,602	5	0.77%	53,845
Lovelace Health	158,867	6	0.21%	57,483	145,383	6	0.25%	83,563
Bernalillo County	146,005	7	0.19%	32,665	145,082	7	0.25%	54,142
Central NM Community College	116,475	8	0.15%	25,643	110,357	8	0.19%	36,158
Sandia Peak Services	96,997	9	0.13%	81,297	96,422	9	0.17%	84,394
Four Hills Mobile Home Park	87,358	10	0.11%	35,162	65,688	10	0.11%	36,763
			0.00%		-			-
			0.00%		-			-
Total	$ 5,051,748		6.57%	2,043,197	$ 4,129,684		7.12%	1,904,119
Total Wastewater System Reve	$ 76,845,065				$ 58,031,483			

Source: ABCWUA Financial/Business Services Division

Trend Analysis

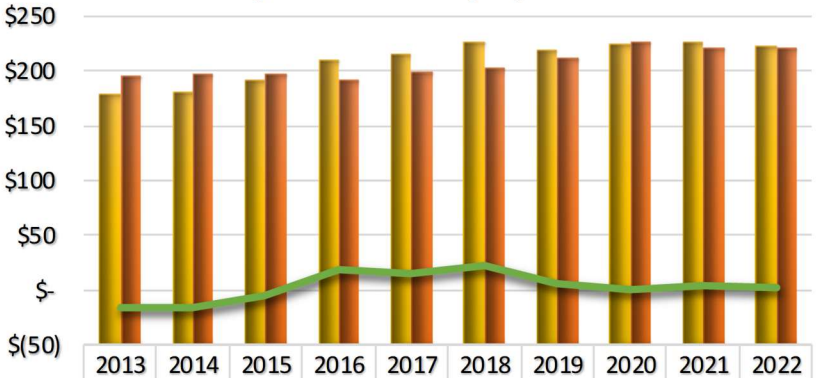
Last Ten Fiscal Years

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



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Capital Assets	$1,271	$1,246	$1,220	$1,187	$1,182	$1,188	$1,168	$1,175	$1,178	$1,154
Net Position	653	646	600	622	591	623	634	633	641	660
Total Obligations	616	754	807	763	843	771	801	827	763	753

Trend Analysis of Authority Operations



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	$180	$182	$192	$210	$215	$226	$220	$225	$226	$224
Total operating expenses	196	198	197	192	199	203	213	226	221	221
Operating income (loss)	(16)	(16)	(5)	18	16	23	7	-0.1	4	3

Outstanding Debt Ratio

Last Ten Fiscal Years

(In thousands of dollars)

Fiscal Year	Revenue Bonds	Notes from direct borrowings	Water Rights Contract	Unamortized Premium	Leases	Total	Per Capita	Per Customer
2022	$ 583,800	$ 10,512	$ 1,360	$ 42,582	$ 240	$ 638,494	947	2,947
2021	$ 567,270	$ 8,565	$ 2,679	$ 39,671	$ 559	$ 618,744	917	2,871
2020	595,930	31,560	3,960	52,874	964	685,288	1,009	3,198
2019	577,825	35,873	5,203	46,119	-	665,020	979	3,121
2018	551,950	39,938	6,409	48,088	-	646,385	955	3,050
2017	589,880	44,013	7,579	60,241	-	701,713	1,286	3,338
2016	566,455	54,819	8,715	58,712	-	688,701	1,232	3,296
2015	601,985	63,627	9,817	71,578	-	747,007	1,294	3,595
2014	515,450	131,515	10,887	23,864	-	681,716	1,204	3,507
2013	420,780	210,805	11,925	13,334	-	656,844	1,172	3,366

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. This schedule was restated for the prior years due to adding un-amortized premium to the schedule

Source: ABCWUA Financial/Business Services Division

Senior Lien Debt Coverage

Last Ten Fiscal Years

(In thousands of dollars)

SENIOR LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal[4]	Interest	Amortized Premium		
2022	$ 251,310	$ 116,861	$ 134,449	$48,540	$22,912	$ (9,747)	2.18	1.33
2021	241,235	$ 112,883	128,352	49,354	23,410	(10,488)	2.06	1.33
2020	240,436	$ 120,498	119,938	48,054	23,876	(9,233)	1.91	1.33
2019	235,645	115,118	120,527	45,093	25,534	(10,074)	1.99	1.33
2018	241,177	112,698	128,479	31,018	23,948	(10,447)	2.89	1.33
2017	227,044	111,326	115,718	37,497	23,899	(10,247)	2.26	1.33
2016	226,774	106,897	119,877	43,031	23,794	(10,477)	2.13	1.33
2015	203,834	107,597	96,237	33,819	22,579	(7,205)	1.96	1.33
2014	199,234	108,177	91,057	41,151	31,502	(4,684)	1.34	1.33
2013	184,338	96,611	87,727	39,732	23,773	-	1.38	1.33

SENIOR AND SUBORDINATE LIEN

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	Coverage Required
				Principal[4]	Interest	Amortized Premium		
2022	$ 251,310	$ 116,861	$ 134,449	$57,319	$24,722	$ (10,533)	1.88	1.20
2021	241,235	112,883	128,352	58,168	25,624	(11,512)	1.78	1.20
2020	240,436	120,498	119,938	56,782	26,476	(10,455)	1.65	1.20
2019	235,645	115,118	120,527	53,691	28,485	(11,525)	1.71	1.20
2018	241,177	112,698	128,479	42,216	27,303	(12,153)	2.24	1.20
2017	227,044	111,326	115,718	46,901	27,673	(12,407)	1.86	1.20
2016	226,774	106,897	119,877	43,964	27,865	(12,866)	2.03	1.20
2015	203,834	107,597	96,237	34,491	25,746	(9,046)	1.88	1.20
2014	199,234	108,177	91,057	42,081	31,889	(4,684)	1.31	1.20
2013	184,338	96,611	87,727	41,265	24,197		1.34	1.20

Note:

1. Gross revenues include operating, non-operating, and miscellaneous revenues.
2. Operating expenses exclude depreciation, bad debt, and non-capitalized major repair.
3. Interest debt service is net of any premium and/or discounts.
4. Fiscal year 2006-2013 principal and interest are combined. Starting in fiscal year 2014, they are recognized separately.
5. Beginning in fiscal year 2014, revenues and expenses include franchise fees in accordance with the updated bond ordinance. In years prior, both franchise revenues and expenses and amortization were backed out of the calculation.

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
2022	674,393	36,624,935	54.308	4.8%
2021	676,444	31,499,968	46.567	6.9%
2020	679,121	28,264,337	41.619	8.7%
2019	679,096	27,484,373	40.472	4.8%
2018	676,953	26,162,880	38.648	4.5%
2017	545,852	20,689,428	37.903	6.0%
2016	559,121	20,650,016	36.933	6.1%
2015	557,169	20,035,240	35.959	5.7%
2014	566,059	19,385,257	34.246	6.4%
2013	560,454	18,359,913	32.759	6.8%

Note:

1. **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

	2021			2013		
Employer	Number of Employees	Rank	% of Albuquerque MSA Employment	Number of Employees	Rank	% of Albuquerque MSA Employment
Kirtland Air Force Base	20,300	1	5.40%	-	-	0.00%
Sandia National Laboratories	14,500	2	3.86%	7,310	4	1.83%
Presbyterian Health System	11,178	3	2.97%	14,810	3	3.71%
Albuquerque Public Schools	10,297	4	2.74%	25,584	1	6.41%
University of New Mexico Hospit	6,772	5	1.80%	15,360	2	3.85%
City of Albuquerque	5,800	6	1.54%	5,960	5	1.49%
State of New Mexico	4,950	7	1.32%	5,500	6	1.38%
University of New Mexico	4,210	8	1.12%	4,950	7	1.24%
Lovelace Health System	3,589	9	0.95%	4,000	8	1.00%
Bernalillo County	2,494	10	0.66%	-	-	0.00%
Central NM Community College	-	-	0.00%	3,500	9	0.88%
Intel Corporation	-	-	0.00%	2,648	10	0.66%
Total	84,090		22.37%	89,622		22.47%
Total Employment			375,846			398,867

Source: New Mexico Partnership and listed employers

ANALYSIS METHODOLOGY FOR COMPUTING LINE-ITEM ADJUSTMENTS

Numerical Rounding

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

Salaries

- The wage and salary base were established for each filled or authorized-to-be-filled position.
- This base is increased or decreased for all wage adjustments for FY24 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 – 26.45% for blue and white collar and management/professional, and 7.00% for temporary employees and some seasonal employees. Other employee benefits (group life, health insurance including retiree health insurance) – budgeted at family plan levels.
- A vacancy savings rate of 0.5% for the Water Authority is calculated into employee salaries.

Operating Expenses

Division managers were required to provide detailed information supporting FY24 budget requests. Other FY24 operating expenses were equal to FY23 appropriated amounts. One-time appropriations for FY23 were deleted.

- Inflationary adjustments were not granted as automatic across-the-board adjustments.
- For FY24, 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 FY24. These costs are identified by the Risk Management department, based on the historical experience and exposure factors relative to each specific program.
- Vehicle maintenance charges are estimated for FY24 according to the class of vehicle and historical cost of maintaining that class. These charges are designed to recover the costs of normal maintenance including a preventive maintenance program which schedules vehicles for periodic checks and needed repairs as determined by those checks.

Capital Expenses

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

ACRONYMS

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

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

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

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

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

- WW – Wastewater
- YR - Year

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

- CAPITAL EXPENSES: Expenses to acquire or construct capital assets

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

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

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

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

- FINANCIAL PLAN: See Operating Budget

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

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

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

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

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

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

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

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

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

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

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

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

- NON-RECURRING REVENUES: Revenues generated only once

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

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

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

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

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

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

- RECURRING REVENUES: Revenues generated each and every year

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

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

- REVENUES: Amounts received from user fees, taxes and other sources during the fiscal year

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

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

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

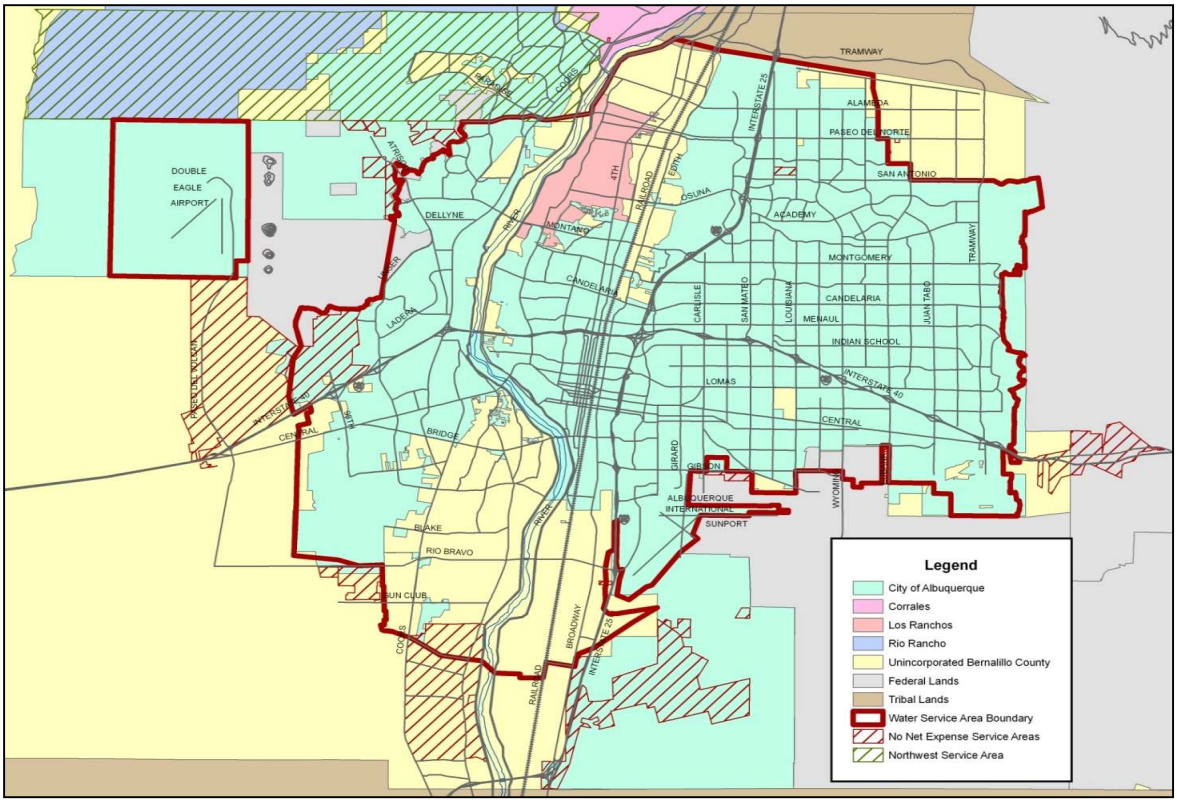
- UTILITY EXPANSION CHARGES: Assessed by the Water Authority to compensate for additional costs associated with the type and location of new development

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

WATER SERVICE AREA MAP

Major Assets:

- 92 MGD San Juan-Chama Surface Water Treatment Plant
- Adjustable diversion dam, intake structure and raw water pump station on the Rio Grande
- 60 ground water supply wells (255 MGD)
- 61 water supply reservoirs providing both mixed surface and groundwater including non-potable reservoirs (245 MGD)
- 45 pump stations including non-potable facilities (748 MGD)
- 130 booster pumps
- 3,103 miles of water supply pipeline
- 5 arsenic removal treatment facilities (15 MGD)



The Water System provides water services to approximately 654,067 residents comprising approximately 95% of the residents of the County. About one-third of unincorporated County residents are customers of the Water System. As of January 1, 2023, service is provided to approximately 216,856 customer accounts, including 186,886 residential and 29,970 multi-family, commercial, institutional and industrial accounts. Approximately 76.4 %of the water sales are for residential uses.

Surface water from the San Juan-Chama Drinking Water Project that is utilized through the San Juan-Chama Drinking Water Project is the primary source of potable water supply for the Water Authority. Groundwater is used to supplement surface water supplies to meet peak demands and to provide supply during drought periods or other times when surface water is not available. The Water Authority also owns and operates two (2) non-potable water systems to provide irrigation and industrial water in the service area. In calendar year 2022, the Water Authority's potable water resources use consisted of 55% from groundwater and 45% from San Juan-Chama surface water. The non-potable water supply is derived from 4% of reuse of treated effluent and non-potable for irrigation. The groundwater supply is produced from 60 wells grouped in 17 well fields located throughout the metropolitan area and the San Juan-Chama surface water is diverted from the Rio Grande. Total well production capacity is approximately 255 million gallons per day ("MGD"). Eliminating high arsenic wells (those greater than ten (10) parts per billion arsenic) results in available production capacity of 179 MGD. Peak day demand for 2022 was 146 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.

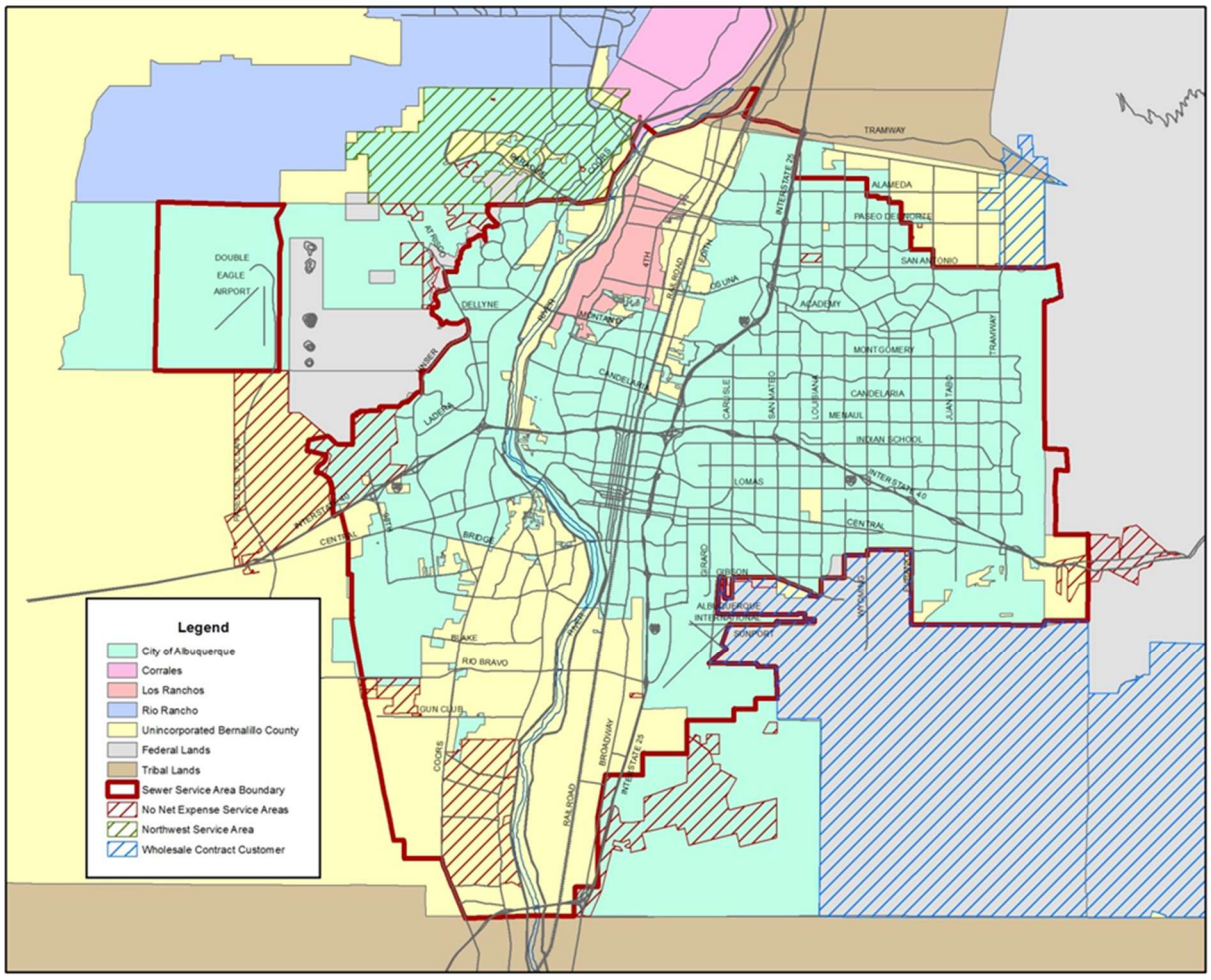
Water storage reservoirs provide for fire, peak hour and uphill transfer to storage. Water is distributed from higher to lower elevations through a 115-foot vertical height pressure zone to provide minimum static pressures of 50 pounds per square inch ("psi") for consumers. 61 reservoirs are located throughout the service area, with a total reservoir storage capacity of 245,000,000 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 3,059 miles of pipelines, consisting of active distribution mains, transmission mains, well collector and hydrant legs, and are situated at various locations east and west of the service area to provide multiple sources of supply to customers and for operating economies. The Water System takes advantage of the unique topography of the Water Authority's service area which allows ground level

storage while simultaneously providing system pressure by gravity. Control of the Water System is provided by remote telemetry units distributed throughout the Water System for control from a central control facility.

WASTEWATER SERVICE AREA MAP

Major Assets:

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



The System's wastewater component consists of small diameter collector sewers, sewage lift stations, and large diameter interceptor sewers conveying wastewater flows by gravity to the Southside Water Reclamation Plant. The 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 45.5 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 Southside Water Reclamation Plant. The Water Authority has an operational industrial pretreatment program approved by the EPA. The EPA recognized that the Water Authority's pollution prevention efforts have been largely responsible for the Water Authority maintaining compliance with strict standards contained in NPDES Permit #NM0022250, with the most recent renewal of such permit effective December 1, 2019 (as renewed, the "NPDES Permit"). The Water Authority's wastewater effluent discharge consistently meets all requirements contained in the NPDES Permit.

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

Since January 2003, the wastewater treatment plant has had a 6.6 mega-watt cogeneration facility to provide most of its power needs. The cogeneration facilities are complemented by a 1 mega-watt ground mounted solar energy array and a 6.3 mega-watt covered parking mounted solar energy array. These on-site power generating facilities normally supply 100% of the wastewater treatment plant's present electrical needs, along with providing heating of various buildings and sludge digesters. The engines are fueled by methane produced in the digesters and by natural gas purchased through a contract carrier. The SWRP currently generates electricity from the biogas produced in the digesters. In accordance with the State's Energy Transition Act, the Water Authority permanently retired the Renewable Energy Certificates ("REC") associated with digester gas. Over the past three (3) years, they had no marketable value.

The Water Authority currently manages wastewater sludge using two (2) methods: surface disposal and production of compost. The Water Authority sells the compost, primarily to the State Department of Transportation. A 660-acre dedicated surface disposal site is used when seasonal market conditions are not favorable for sale of compost product. During Fiscal Year 2022, 23% of all sludge produced at the treatment plant was beneficially recycled into compost and sold. The Water Authority's Compliance Division operates a water quality laboratory, providing analytical support for process control and regulatory compliance for wastewater, drinking water, groundwater, storm water, surface water, the zoological park, residuals management and environmental health programs. The laboratory is internationally accredited under International Standards Organization Standard 17025 for inorganic chemistry and microbiology testing. The entire laboratory is also accredited by the American Association for Laboratory Accreditation. The Water Authority reduces expenses by analyzing a majority of the bacteriological samples at the Water Authority's internal water quality lab.

PASSED AND ADOPTED THIS 17th DAY OF May , 2023

BY A VOTE OF: 6 FOR 0 AGAINST.

Yes: Olivas, Fiebelkorn, Baca, Barboa, Davis, Rael

No:

Excused: Jones

Eric C. Olivas, Chair

ATTEST:

Mark S. Sanchez, Executive Director

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-23-10

RESOLUTION

APPROPRIATING FUNDS FOR OPERATING THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024

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

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

WHEREAS, the Budget Ordinance requires the Executive Director to submit a performance plan for the fiscal year commencing on July 1 of the year in which the budget proposal is submitted, and the performance plan shall be connected to the five-year goals and contain performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources; and

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

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

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

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

BE IT RESOLVED BY THE WATER AUTHORITY:

Section 1. That the following amounts are hereby appropriated to the following funds for operating The Albuquerque Bernalillo County Water Utility Authority during Fiscal Year 2024:

GENERAL FUND – 21 248,439,000

This appropriation is allocated to the following programs:

Administration		1,826,000
Risk		6,187,000
Legal		823,000
Human Resources		1,919,000
Finance		4,392,000
Fleet & Facility Maintenance		5,730,000
Customer Services		5,409,000
Information Technology		10,530,000
Wastewater Plant		12,213,000
San Juan-Chama Water Treatment Plant		4,899,000
Groundwater Operations		7,298,000
Wastewater Collections		8,031,000
Water Field Operations		21,508,000
Compliance		6,266,000
Central Engineering		3,795,000
Asset Management		805,000
Planning & Utility Development		999,000
Water Resources		4,767,000
Power & Chemicals		21,256,000
Taxes		656,000
Authority Overhead		1,670,000
San Juan-Chama		1,440,000
Transfers to Other Funds:		
Rehab Fund (28)		36,618,000
Water 2120 Fund (27)		1,402,000
Debt Service Fund (31)		78,000,000
DEBT SERVICE FUND – 31		92,346,000
This appropriation is allocated to the following programs:		
Debt Service		88,346,000
Transfer to Other Funds:		
Growth Fund (29)		4,000,000
SAN JUAN CHAMA PROFESSIONAL CONTRACTORS ASSOCIATION FUND – 41		64,043

This appropriation is allocated to the following programs:

General Government	64,043

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

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

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

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

PASSED AND ADOPTED THIS 17th DAY OF May, 2023

BY A VOTE OF: 6 FOR 0 AGAINST.

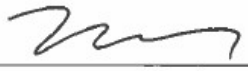
Yes: Olivas, Fiebelkorn, Baca, Barboa, Davis, Rael

No:

Excused: Jones

Eric C. Olivas, Chair

ATTEST:



Mark S. Sanchez, Executive Director

R-23-11

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-23-11

RESOLUTION

APPROPRIATING FUNDS FOR THE CAPITAL IMPLEMENTATION PROGRAM FOR THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024 AND 2024-2033 DECADE PLAN

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

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

WHEREAS, the Budget Ordinance, requires the Executive Director to formulate an annual Capital Implementation Program budget for the Water Authority; and

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

WHEREAS, the Board has received the Capital Implementation Program Budget formulated by the Executive Director and has deliberated on it and provided public notice and input; and

WHEREAS, appropriations for the Capital Implementation Program of the Water Authority must be approved by the Board; and

WHEREAS, the 2024-2033 Decade Plan of the Water Authority must be approved by the Board; and

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

BE IT RESOLVED BY THE WATER AUTHORITY:

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

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

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

1	Basic Program Appropriations:	
2	Sanitary Sewer Pipeline Renewal	33,250,000
3	Drinking Water Pipeline Renewal	6,020,000
4	Southside Water Reclamation Plant Renewal	8,750,000
5	Soil Amendment Facility (SAF) Renewal	150,000
6	Lift Station and Vacuum Station Renewal	1,600,000
7	Odor Control Facilities Renewal	450,000
8	Drinking Water Plant Groundwater System Renewal	7,150,000
9	Drinking Water Plant Treatment Systems Renewal	19,125,000
10	Reuse Line and Plant Rehab	200,000
11	Compliance	533,000
12	Shared Renewal	5,040,000
13	Franchise Agreement Compliance	
14	4,000,000	
15	Vehicles and Heavy Equipment	2,500,000
16	Special Projects:	
17	Steel Waterline Rehab	2,000,000
18	Automated Meter Infrastructure (AMI)	1,000,000
19	Renewable Energy Projects	350,000
20	Miscellaneous	5,000,000
21	Growth:	
22	Development Agreements	500,000
23	Land & Easement Acquisition	10,000
24	MIS/GIS	3,490,000
25	Other:	
26	Water 2120 Project Fund	2,402,000

APPENDIX – PERFORMANCE PLAN

Fiscal Year 2024
Performance Plan

Albuquerque Bernalillo County
Water Utility Authority

Table of Contents

Executive Summary

The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources. The FY24 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 Five-Year Goal areas. The following table summarizes the Water Authority's performance compared to it targets and tracks the Water Authority's progress of baseline, current, and target performance.

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

Performance Key

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

Introduction

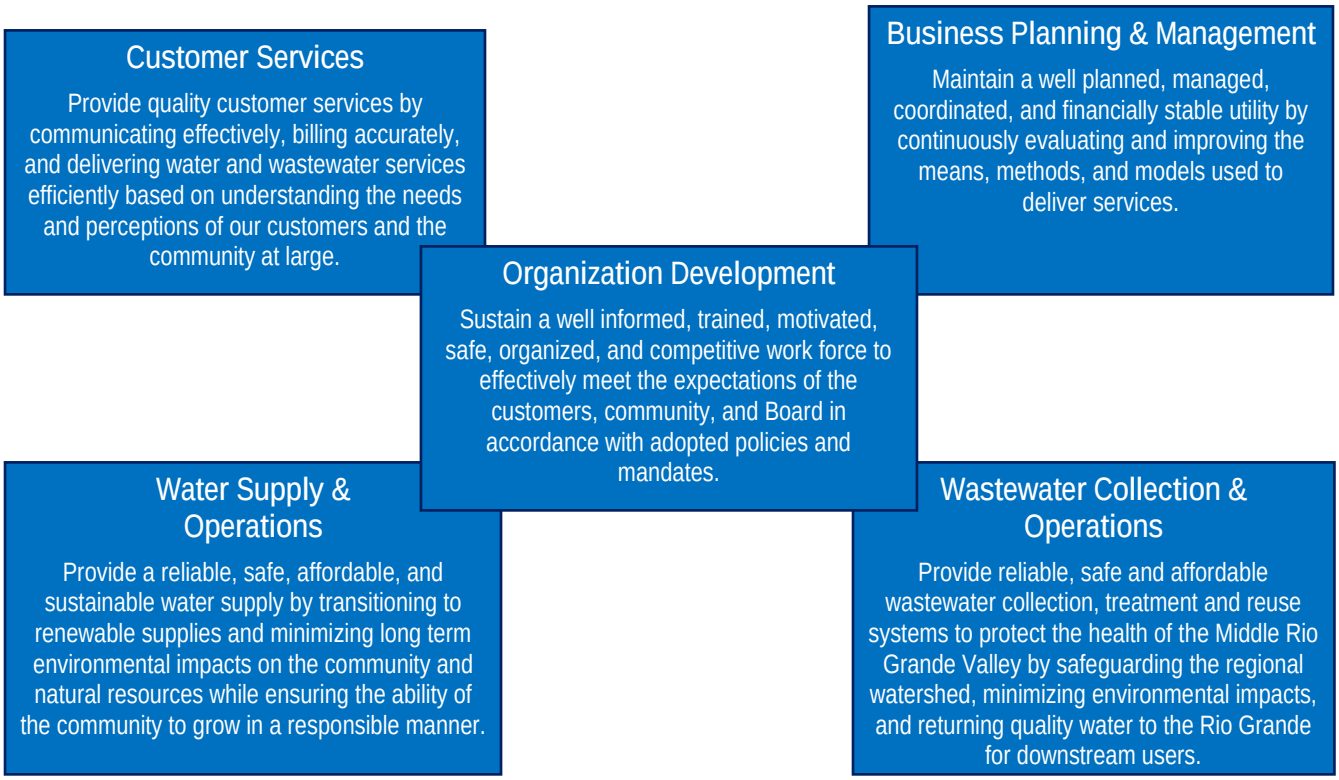
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's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

The Water Authority utilizes the *American Water Works Association's (AWWA) Benchmarking Performance Indicators Survey* (Survey) in developing its Performance Plan. The Survey provides utilities an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was compiled in 2022 (FY21 data) by AWWA from 168 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.

Five-Year Goals

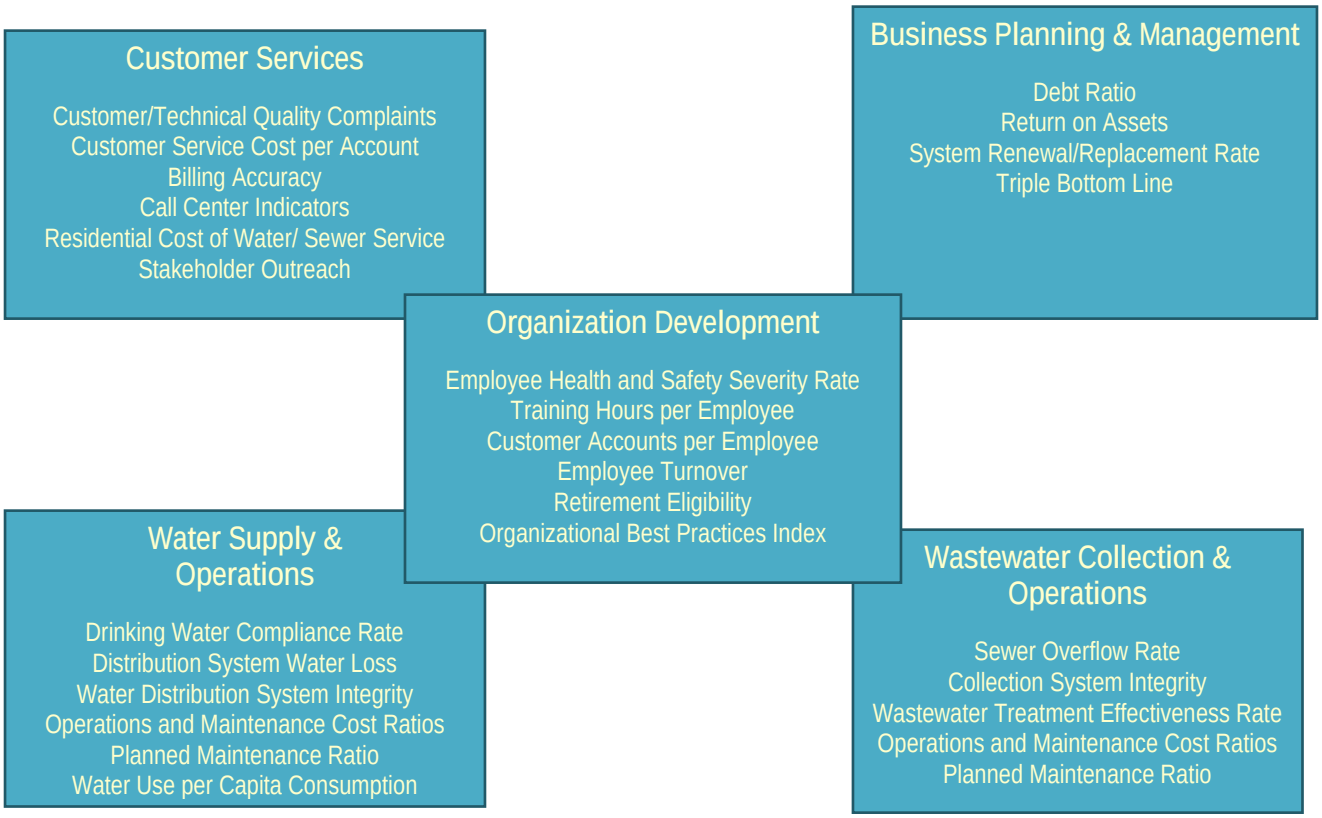
The Water Authority's Performance Plan is organized by the Water Authority's Five-Year Goal areas which are modeled after AWWA's business model. This model is based on fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming Award, and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

Figure 1: Water Authority's Five-Year Goals & Guiding Goal Statements



The Performance Plan contains 27 key performance measures. The performance measures are organized by the Water Authority's Five-Year 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.

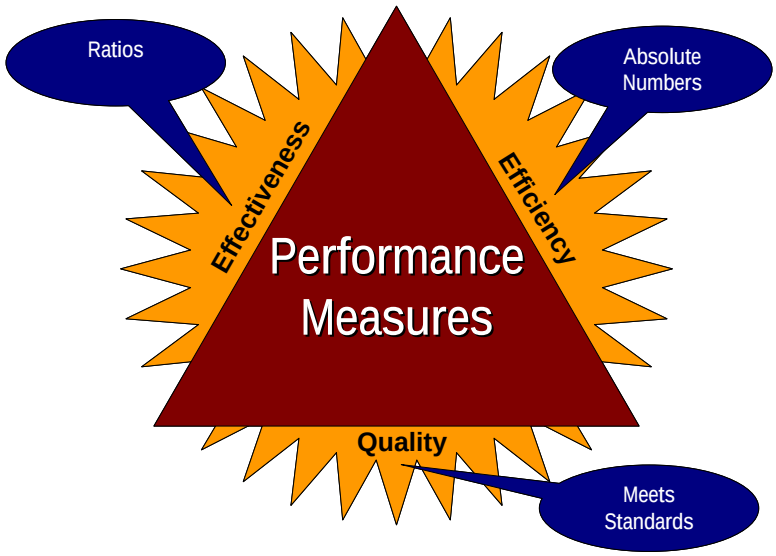
Figure 2: Performance Measures by Goal Area



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



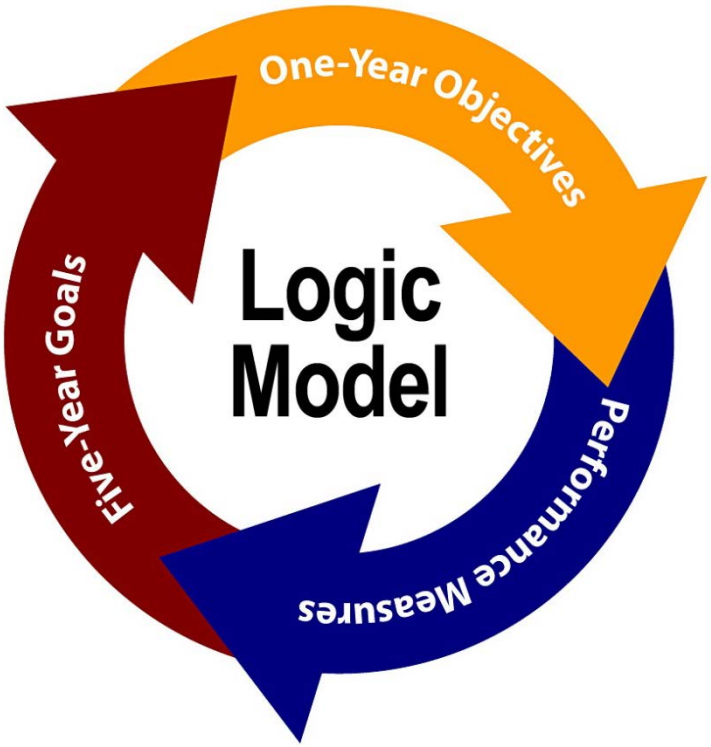
Performance Plan Logic Model

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 Five-Year 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 (FY20 through FY22) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY23) as well as projected performance in the proposed budget year (FY24). The Plan allows the Water Authority to benchmark its performance from year to year and to determine how its current and projected performance compares to baseline past performance. Overall, the Performance Plan's logic model incorporates five years of data in determining its performance, evaluating trends, and determining projected performance.

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

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

Strategic Planning, Budgeting and Improvement Process

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

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

Figure 4: Performance Relationship Diagram of Goals and EUM Attributes

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

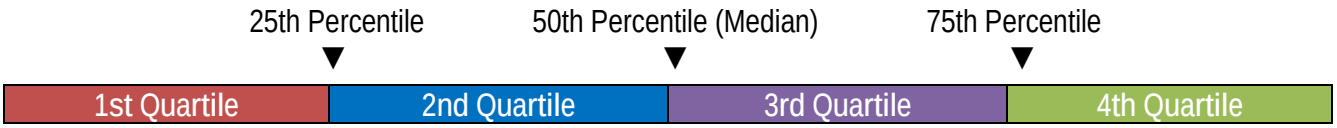
Communicating Performance Measurement

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

Presentation of Data

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

Figure 5: Percentile/Quartile Illustration



Layout of Performance Plan

The performance measures are categorized by the Water Authority's Five-Year Goal areas.

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

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

Goal 1
Water Supply and Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY24 Objectives	Measure Reference
Implement the Rivers and Aquifers Protection Plan (RAPP), the Water Authority's source water protection plan, through the following actions: ❖ Complete an update of locations and/or plum extent at known groundwater contamination sites within the Service Area by the 2nd Quarter of FY24; map the update to include updated data from sites in the 2018 groundwater contamination site map and newly established sites by the NMED. Additionally, update the groundwater contamination site summaries from the 2018 RAPP with current site regulatory status, contaminants of concern and regulatory oversight summary; ❖ Track and review site data and documents for priority groundwater contamination sites through the end of the 4th Quarter of FY24; ❖ Collaborate and coordinate with other agencies, including support of the Water Protection Advisory Board (WPAB) and the Office of Natural Resources Trustee (ONRT) through the end of the 4th Quarter of FY24; and ❖ Contract with the NM Bureau of Geology and Mineral Resources to provide an update to the Middle Rio Grande Basin Water Quality Study by the end of the 4th Quarter of FY24.	**1-1**
Develop a long-term strategy for utilizing existing wells that are currently out of service within the water system and identify priority Arsenic Treatment plant projects for design and construction by the end of the 4th Quarter of FY24.	**1-1**
Complete the assessment that began in FY23 of the impact of widescale power outages upon water system production and pumping facilities by the end of the 4th Quarter of FY24. Work directly with the Public Service Company of New Mexico (PNM) and the Water Authority's Geographical Information System (GIS) group to determine potential impact areas. Subsequently, engage the services of a hydraulic modeling consultant to perform strategic hydraulic modeling to assess resulting water supply capacity limitations and water outage timelines.	**1-1**
Assess arsenic treatment media adsorption capacity at groundwater treatment plants to determine if the nominal 40,000 bed-volume metric marketed by the media manufacturer can be increased and optimized to reduce the frequency of media replacement by the end of the 4th Quarter of FY24. Collect and analyze data captured from the existing four treatment plants to support this objective.	**1-1**
Develop and execute a program of regular inspections of the inventory of drinking water reservoirs at a frequency consistent with good practices for steel and concrete reservoir assets and AWWA Partnership for Safe Water-Distribution goals by the end of the 4th Quarter of FY24.	**1-1**
As part of the water distribution system preventative maintenance program, continue the flushing program that uses a systematic approach to flush water lines, filtering the water using the NO-DES system before returning it to distribution by the end of the 4th Quarter of FY24. Monitor monthly and report the occurrence of complaints before and after flushing to evaluate whether the flushing program improved water quality in the pilot area. Identify metrics to be used for measuring the effectiveness of this process moving forward.	**1-1**
Implement the following in the Maximo asset management system: ❖ Checklist for Groundwater Swing Shift Operators to complete the Swing Shift standard operating procedure (SOP) requirements for each site on an iPad tablet by the end of the 4th Quarter of FY24. ❖ Checklist for Groundwater Weekly Disinfection for operators to complete the ClorTec/PSI chlorine generation equipment weekly data gathering in Maximo by the end of the 4th Quarter of FY24.	**1-1**

FY24 Objectives	Measure Reference
❖ Annual Groundwater Reservoir Exterior Inspection Program to annually document the condition of each reservoir. Report progress at the end of each quarter by the end of the 4th Quarter of FY24.	
To improve the validated water audit inputs for apparent water loss, test a minimum of 300 small meters and half of all large meters to include the top 25 consumers to support the water audit and strategic water loss plan by the end of the 4th Quarter of FY24. Test meters in accordance with the recommendations of the water audit conducted by the Southwest Environmental Finance Center in calendar year 2021.	**1-2**
Locate water leaks by surveying 650 miles of small diameter water lines through conventional leak detection methods and 2,200 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY24; Track, evaluate, and report on existing ZoneScan and Echologics acoustic leak detection systems on a quarterly basis in FY24. Report on acoustic equipment "fleet" replacement on a quarterly basis in FY24.	**1-2** **1-3**
Provide timely response to utility locate requests and achieve a damage ratio of less than two Water Authority-caused damages per 1,000 utility locate requests by the end of the 4th Quarter of FY24. Continue exploring utility locating equipment and mapping technologies to improve locate accuracy, provide documentation, and reduce costly damages to buried water and wastewater infrastructure and report on results.	**1-3**
To improve reliability and reduce interrupted water service, inspect at least 4,000 isolation valves by the end of the 4th Quarter of FY24.	**1-3**
Work with the New Mexico Environment Department and Office of the State Engineer to begin aquifer storage and recovery (ASR) permitting by the end of the 4th Quarter of FY24. Develop a project plan and cost estimate by the end of 2nd Quarter FY24.	**1-3**
Conduct regular water quality monitoring and reporting of the Water Authority data gap well at the Kirtland Air Force Base (KAFB) Bulk Fuels Facility jet fuel leak site through the end of FY24. Evaluate whether additional monitoring wells are needed by the end of the 1st Quarter of FY24 and seek funding, if applicable.	**1-3**
Develop a hydraulic modeling program that maintains centralized versions of the hydraulic models, provides routine user training, and develops Standard Operating Procedures (SOPs) by the end of the 4th Quarter of FY24.	**1-3**
Submit annual treatment data to the Partnership for Safe Water - Treatment program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY24. ❖ Maintain turbidities for each individual filter cell and for combined filter effluent at less than 0.1 nephelometric turbidity unit (NTU) more than 95% of time in operation. ❖ Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to American Water Works Association (AWWA). ❖ Continue working towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water -Treatment.	**1-4**
Submit annual distribution data to the Partnership for Safe Water - Distribution program for inclusion in the program's annual report of aggregated system water quality data by the end of the 4th Quarter of FY24. ❖ Continue work on items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.	**1-4**
Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.	**1-5**
Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 65% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.	**1-5**
Support and advocate for the Water Authority's interests on the Colorado River through the end of the 4th Quarter of FY24. ❖ Promote basin-wide collaboration and advocacy for sustainable water resources through continued leadership and support for the San Juan Chama Contractor's Association.	**1-6**

FY24 Objectives	Measure Reference
❖ Plan for implementation of the Colorado River Water Users Memorandum of Understanding, 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.	
To prepare for increased climate variability, encourage the installation of desert-friendly xeriscapes, while working towards the *Water 2120* conservation goal of 110 gallons per capita per day (GPCD) by 2037 by implementing the following activities by the end of the 4th Quarter of FY24: ❖ Perform 100 water use audits on high water users. ❖ Increase education and outreach on water conservation, xeriscape conversions, climate wise landscaping, and water waste. ❖ Develop a water use audit to identify leaks and develop a retrofit program for customers enrolled in the Water Authority's low-income credit program.	**1-6**
Track and report conservation education outreach to service area customers and meet the following targets: 1) 100 Water Use Efficiency Audits; 2) 400 Landscape Professionals trained; and 3) 24 newsletter articles by the end of the 4th Quarter of FY24.	**1-6**
To better educate children on the importance of water and resource planning, continue to collaborate with ¡Explora! to coordinate Water Authority staff for mentorships and facilitation of interactive water exhibits for the new Science Technology Engineering Mathematics (STEM) center through the 4th Quarter of FY24.	**1-6**
Provide leadership and support of the Middle Rio Grande Endangered Species Collaborative Program (ESA Collaborative Program) through 1) participation in the Collaborative Program Executive Committee and 2) participating in the development of adaptive management practices for the program through the 4th Quarter of FY24.	**1-6**
To establish native water storage in Abiquiu Reservoir as approved by Congress, coordinate the update of the USACE Water Control Manual and storage contract updates through the end of the 4th Quarter of FY24. Continue towards permitting and environmental approvals for Abiquiu Reservoir through the 4th Quarter of FY24.	**1-6**
Develop a strategy to convert existing irrigation accounts to non-potable accounts. Recommend actions based on the strategy by the 4th Quarter of FY24.	**1-6**
To reduce water loss in the system, work with the Non-Revenue Water Loss Control group to identify increases in AMI data management opportunities for enhancing the customer portal, reducing non-revenue water loss, improving conservation programs, optimizing distribution system operations, and facilitating capital planning decisions by the 4th Quarter of FY24.	**1-6**

Performance Measure Division Responsibility

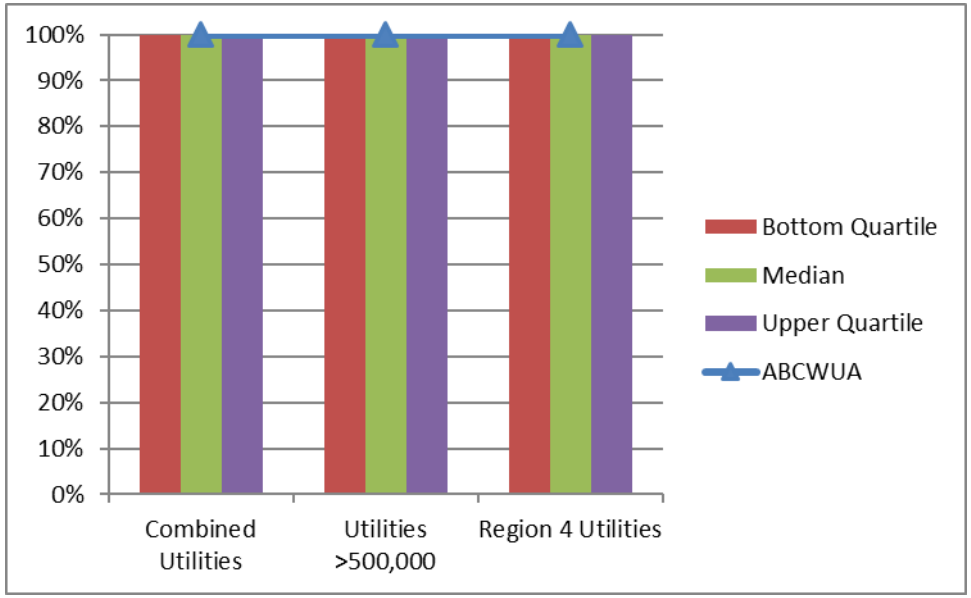
Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance	Operations Water Resources, Engineering & Planning
1-1	Drinking Water Compliance Rate	✓		✓	
1-2	Distribution System Water Loss		✓		✓
1-3	Water Distribution System Integrity		✓		✓
1-4	O&M Cost Ratios: O&M Cost per account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

1-1 Drinking Water Compliance Rate

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Quality	Quantify the percentage of time each year that the Water Authority meets all of the health-related drinking water standards in the US National Primary Drinking Water Regulations	Number of days in full compliance	100%	100%	100%	100%	100%	100%	Provide safe and reliable drinking water to our customers 100% of the time

Industry Benchmark



Results Narrative

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

Measurement Status

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

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

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

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

In FY24, the Water Authority will work towards the application for the Phase IV Excellence in Water Treatment Award in the Partnership for Safe Water-Treatment program.

2022 Customer Opinion Survey

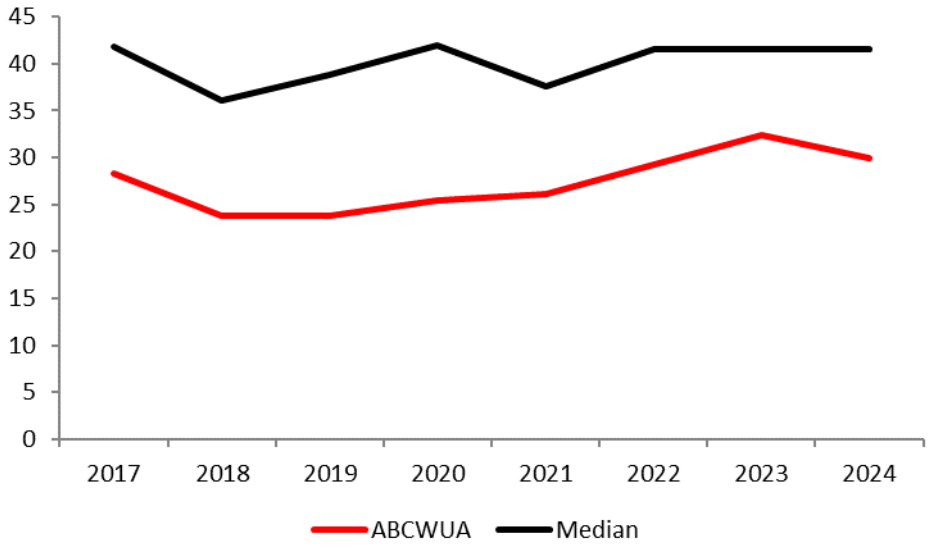
- 97% of customers are either very or somewhat satisfied with the reliability/availability of water
- 81% of customers are either very or somewhat satisfied with the safety and purity of drinking water
- 77% of customers are either very or somewhat satisfied with the quality (taste, smell, appearance)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

1-2 Distribution System Water Loss

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

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2020	2021	2022	2023	2024	
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	26.90	25.40	26.09	29.20	32.4	30.0	Improve water use efficiency and recover lost revenue

Industry Benchmarks



Lower Values Desirable

Results Narrative

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

Measurement Status

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

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

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

2022 Customer Opinion Survey

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

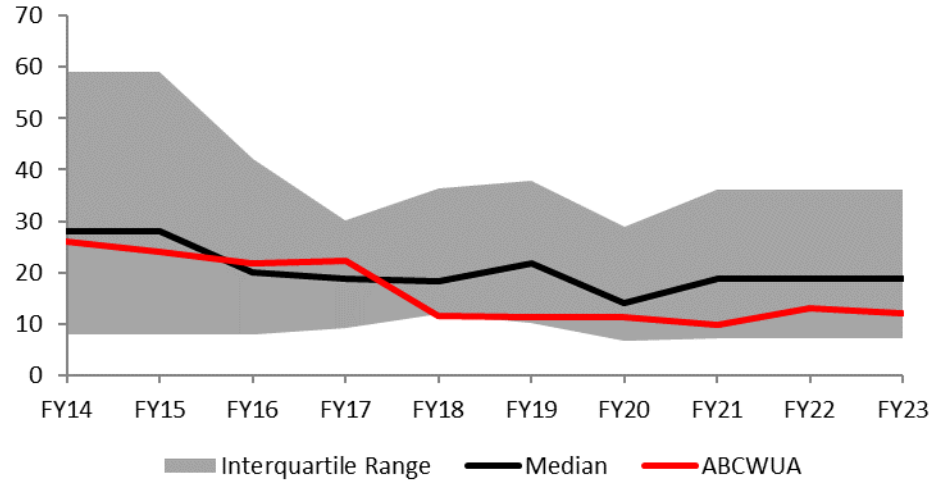
1-3 Water Distribution System Integrity

Performance Results

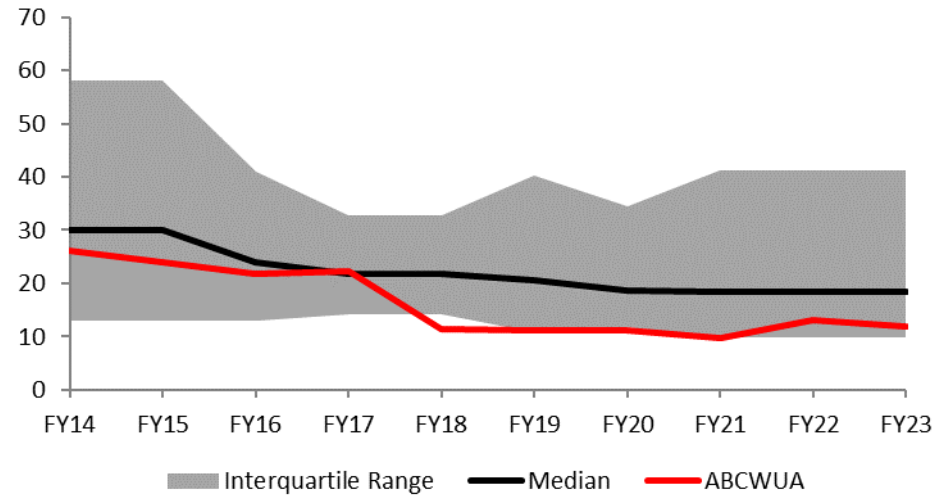
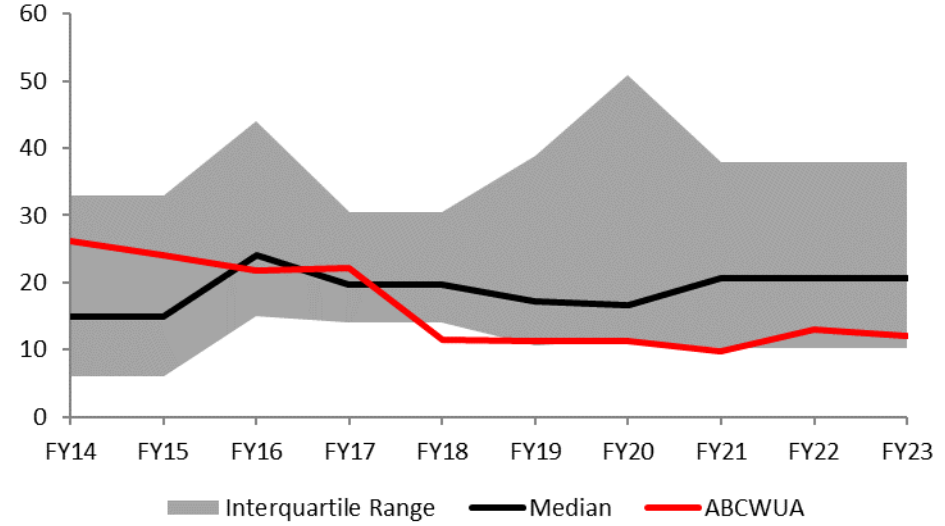
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	11.4	11.2	9.8	13.1	12.0	11.4	Improve the condition and reliability of the water distribution system and reduce emergency repairs and water supply interruptions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median for the past three fiscal years. The Water Authority has adopted policy objectives to increase spending on water line rehabilitation which will help reduce emergency repairs and water supply interruptions. Since FY08, the Water Authority has invested $1 million 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 has been appropriated for steel water line rehabilitation.

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

2022 Customer Opinion Survey

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

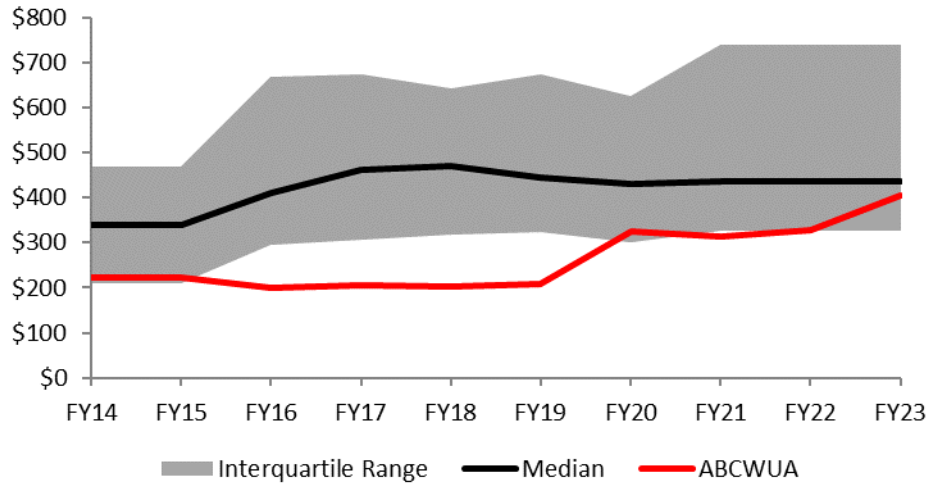
1-4 Operations and Maintenance Cost Ratio

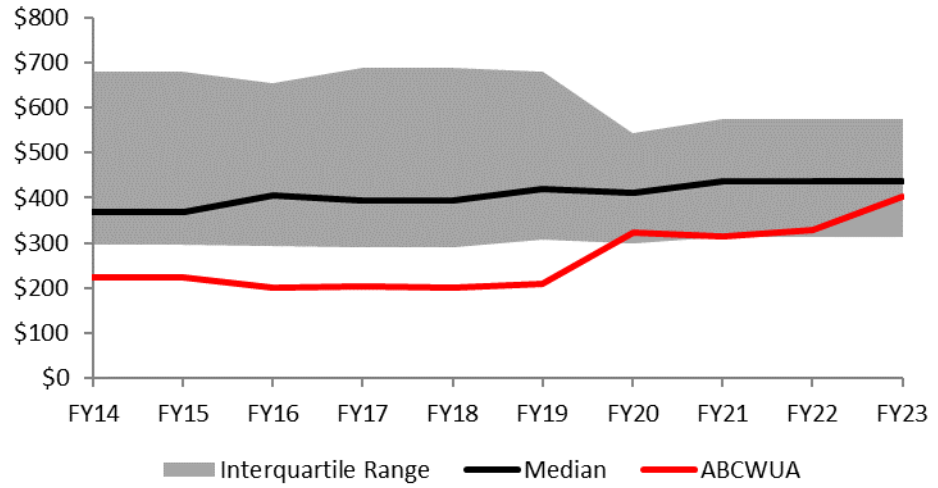
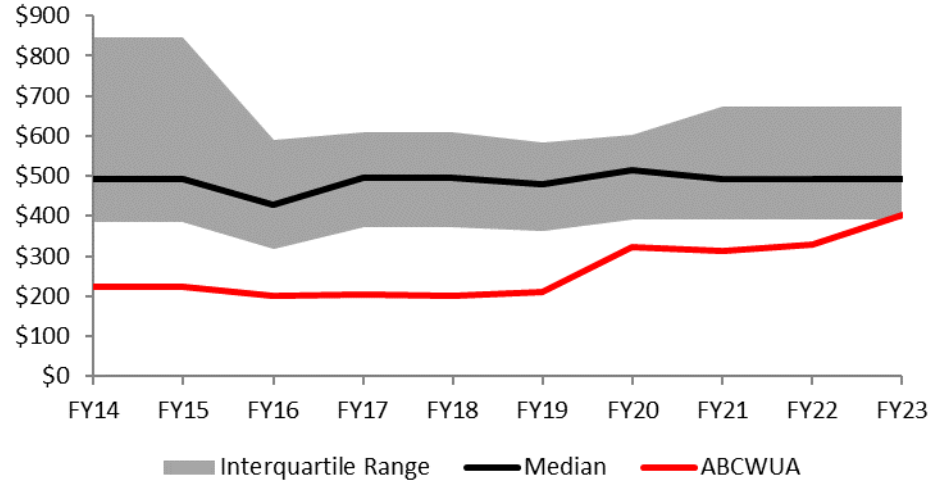
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$322	$324	$314	$328	$404	$404	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/ Wastewater Utilities



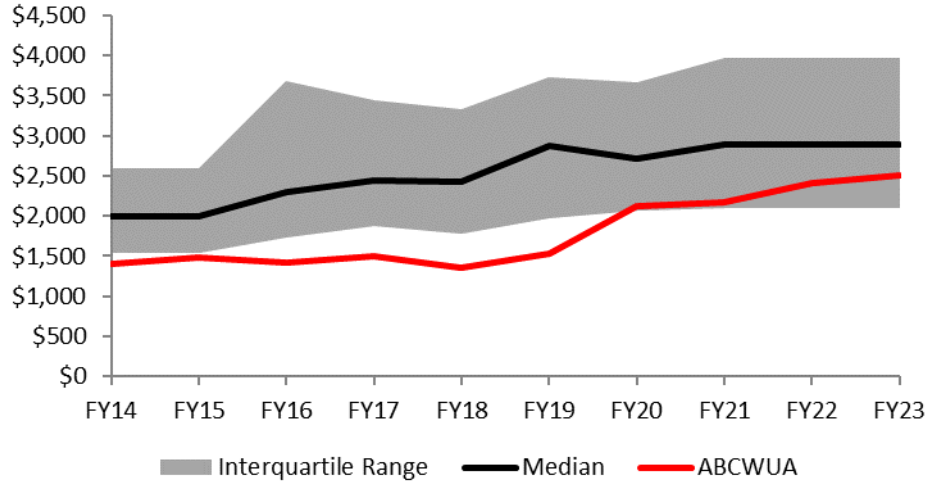
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Distributed

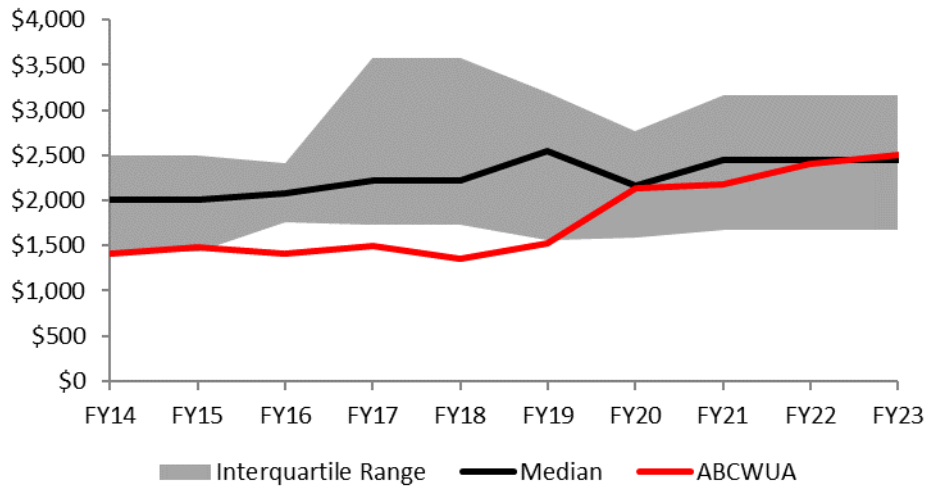
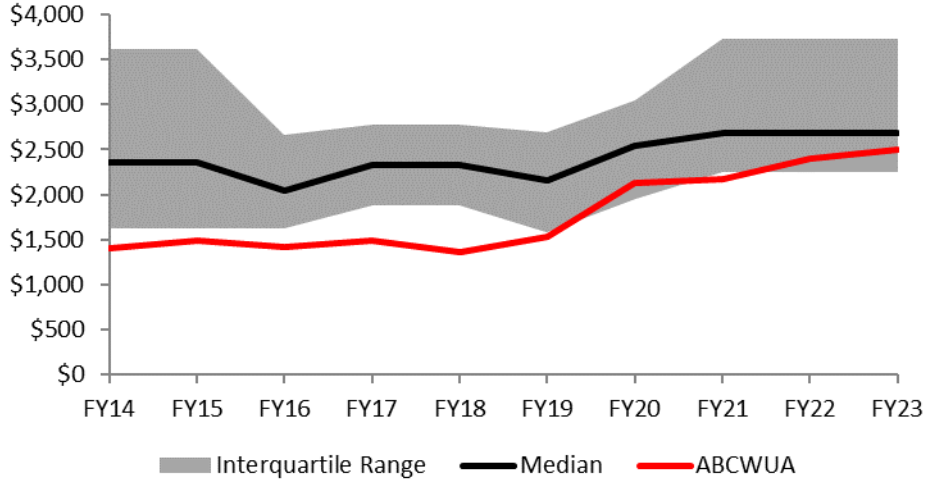
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total volume of water distributed	$2,236	$2,130	$2,177	$2,403	$2,500	$2,500	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Distributed

Combined Water/ Wastewater Utilities



Lower Values Desirable

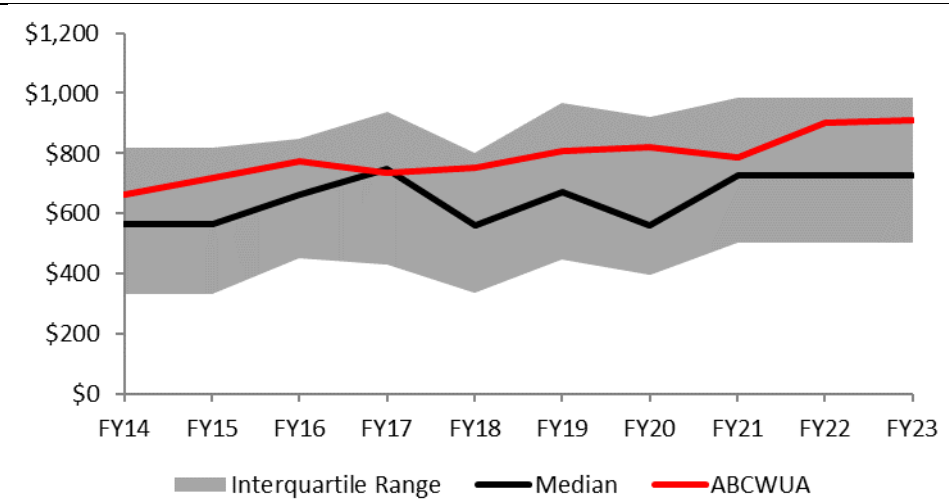
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

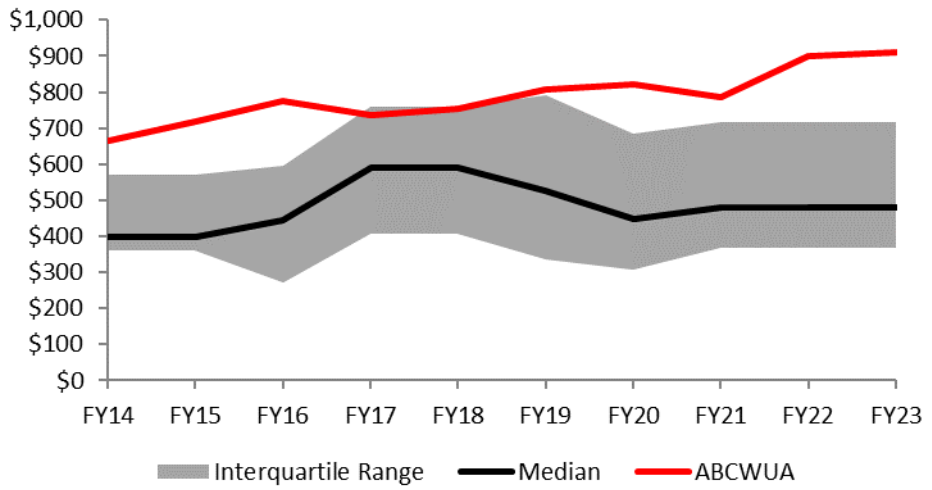
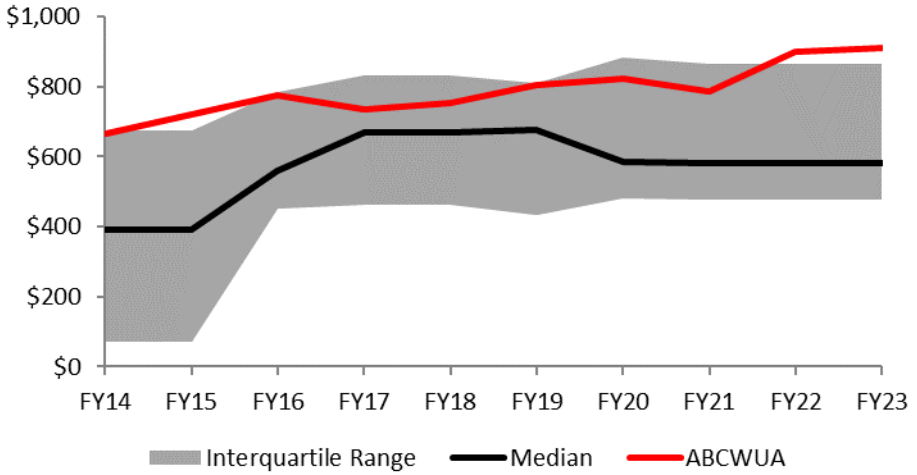
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	$836	$822	$787	$901	$910	$910	Maintain lower O&M costs without reducing customer level of service

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years except for Treatment O&M. 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. 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 about $2 million annually. For FY24, the Water Authority will continue to work on the Partnership for Safe Water program to optimize its system operations and performance.

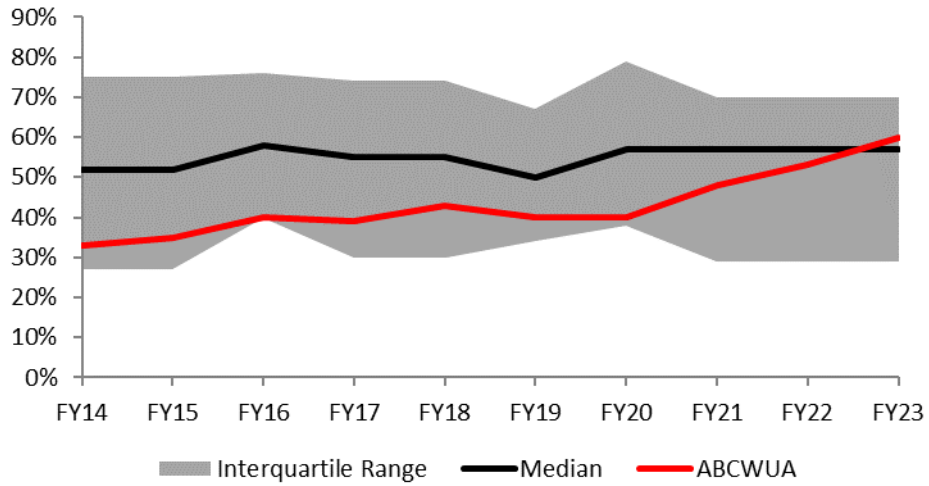
1-5 Planned Maintenance Ratio

Performance Results

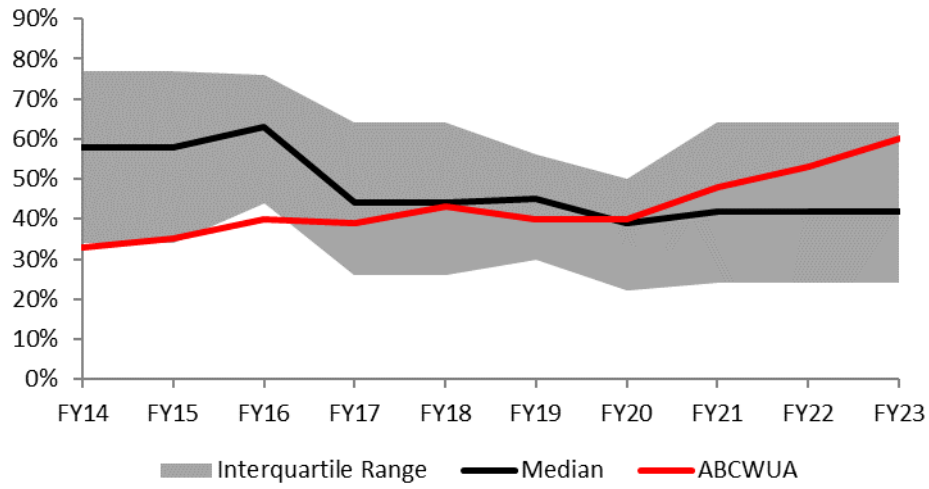
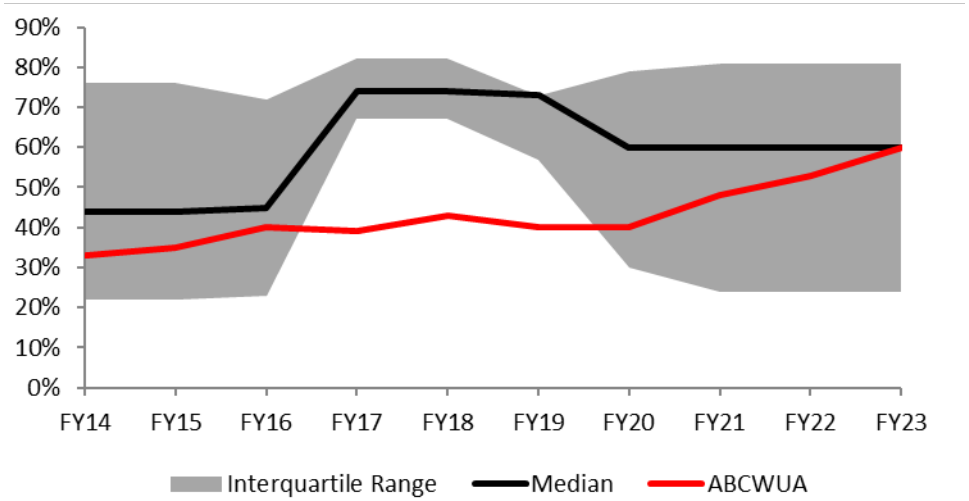
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	47%	40%	48%	53%	60%	62%	Reduce emergency maintenance from system malfunctions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

Measurement Status

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

For FY24, there are two policy objectives with planned maintenance targets for both the ground and surface water facilities and the water distribution system.

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

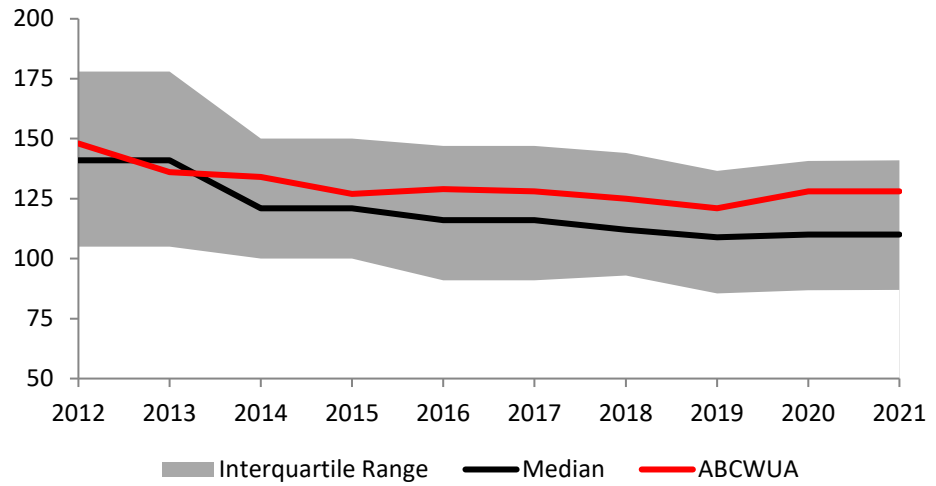
1-6 Water Use per Capita Consumption

Performance Results

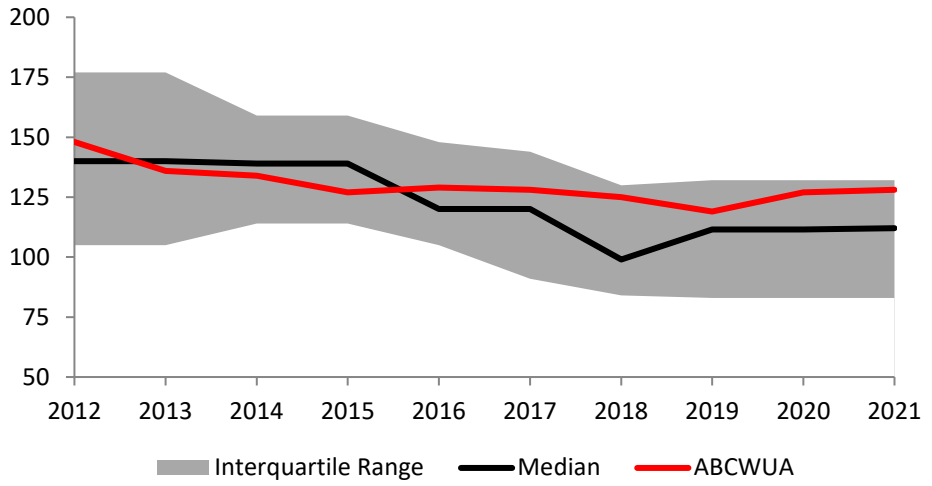
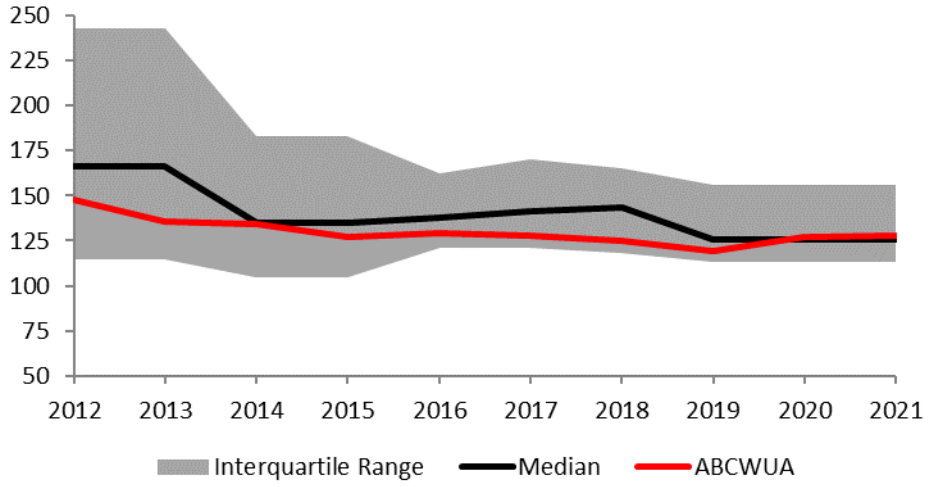
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2019	2020	2021	2022	2023	
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class and system-wide per capita usage	Gallons per person per day (GPCD)	125	121	128	128	127	126	Reduce water consumption to extend water resources and minimize environment impacts

Industry Benchmarks

Combined Water/ Wastewater Utilities

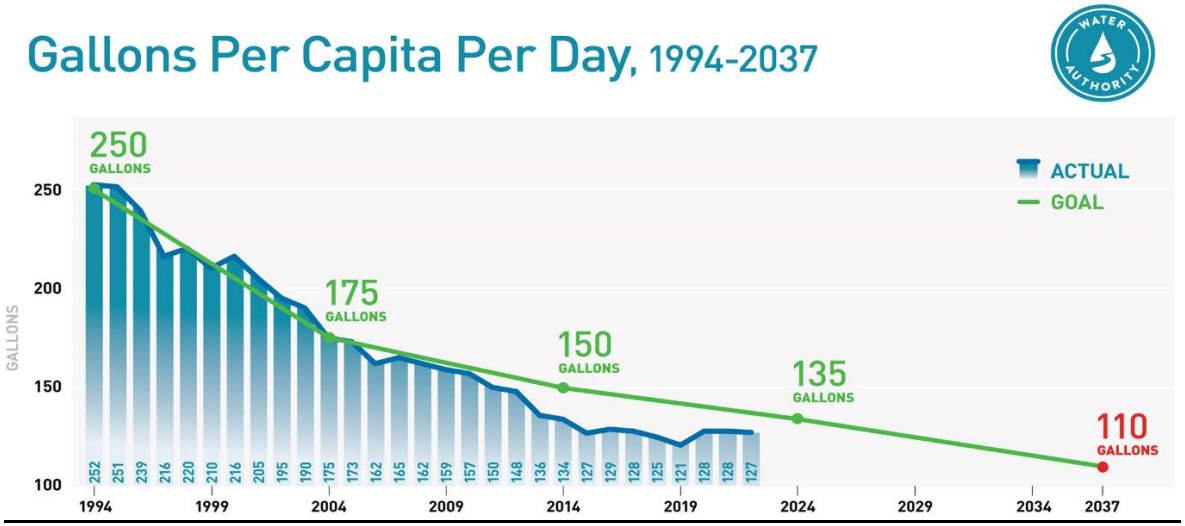


Lower Values Desirable

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

Results Narrative

In 2022, despite high temperatures and the ongoing drought, customer demand was 1 billion gallons less than in 2021. 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.



One reason for the success in water reduction is from the 1-2-3-2-1 "Water by the Numbers" program, which asks Water Authority customers to voluntarily limit their outdoor water usage to one day per week in March, two days a week in April and May and three days a week in the summer before ramping down in the fall. To the right is the diagram used to educate customers on the program.

2022 Customer Opinion Survey

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

Goal 2
Wastewater Collection & Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY24 Objectives	Measure Reference
To continuously reduce sanitary sewer overflows (SSOs) in accordance with the 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 FY24.	**2-1**
In accordance with the Capacity, Management, Operations and Management (CMOM) Plan, televise and assess the condition of approximately 5% of the small diameter sanitary sewer system by the end of the 4th Quarter of FY24. Evaluate and prioritize unlined concrete large diameter lines (15-inch diameter and larger) for rehabilitation based on the condition from the FY23 CCTV data by the end of the 4th Quarter of FY24.	**2-1** **2-2**
Manage chemical usage and residual iron sludge from the Water Treatment Plant to maintain collection system corrosion and odor control, with a goal of zero odors, while considering impacts on wastewater treatment operations and effluent quality. Monitor and report metrics through the end of the 4th Quarter of FY24, including progress on Odor Control Station construction. Identify additional odor control stations, as needed.	**2-2**
As part of the CMOM Program, continue to evaluate pilot modifications to the Sub-Basin cleaning program. Look at possible changes such as sub-basin cleaning frequency to optimize effectiveness of preventative maintenance cleaning to the lines most likely to spill. Provide final recommendations for modifications to the cleaning program by the end of the 4th Quarter of FY24.	**2-2**
Install AMI devices in three additional vacuum station service areas to gather system performance data and respond quickly to low-vacuum conditions by the end of the 4th Quarter of FY24.	**2-2**
National Pollutant Discharge Elimination System (NPDES) Pretreatment Program monitors compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance: ❖ Monitor continuous discharge permitted industries 16 days per year or 4 days per quarter; ❖ Complete 16 industrial permit inspections each quarter; ❖ Complete 175 Food Service Establishment inspections each quarter; and ❖ Complete 52 dental office inspections each quarter. Report on performance and percent of Sewer Users in compliance for each category each quarter during FY24.	**2-2** **2-3**
Monitor compliance with the Water Authority's Cross Connection Prevention and Control Ordinance. Obtain a compliance rate goal of 75% through the end of the 4th Quarter of FY24.	**2-2** **2-3**

Implement the Fats, Oils, and Grease and Solids (FOGS) Policy to reduce impacts on the sewer system by working with the Collections section with sanitary sewer overflow (SSO) investigations to coordinate efforts to reduce FOGS discharges. Track and report the number of SSOs due to FOGS compared with previous years through the end of the 4th Quarter of FY24.	**2-2** **2-3**
Seek recognition in the National Association of Clean Water Agencies (NACWA) Peak Performance award program for excellence in permit compliance through the end of the 4th Quarter of FY24.	**2-3**
Beneficially reuse biosolids by diverting at least 30% of the biosolids to compost through the end of the 4th Quarter of FY24.	**2-3**
Implement the Mercury Minimization Plan and report to the United States Environmental Protection Agency (EPA) by the end of the 2nd Quarter of FY24, as required in the permit.	**2-3**
Continue work on the Partnership for Clean Water program for the Southside Water Reclamation Plant (SWRP) to optimize system operations and performance by the end of the 4th Quarter of FY24. ❖ Continue work on outstanding items identified from the Phase 3 Self-Assessment that are not yet considered optimized and submit a progress report to AWWA.	**2-4**
To gain information for future re-use projects, establish appropriate key performance indicators (KPIs) for the chloramination process at SWRP used to disinfect effluent re-use water by the end of the 4th Quarter of FY24. Use these indicators to optimize chemical feed rates at SWRP and at the Puerto del Sol and Mesa del Sol closed loop pumping systems to maintain desired water quality for effluent re-use water.	**2-4**
Complete Wastewater Plant Preventive Maintenance to Corrective Maintenance ratio to at least 45% of all completed maintenance labor hours by the end of the 4th Quarter of FY24.	**2-5**
Continue to collaborate with the Office of the Natural Resources Trustee (ONRT) on projects that support environmental restoration, such as the SWRP Outfall Restoration Project. Report on identified opportunities and project progress through the 4th Quarter of FY24.	**N/A**
In support of the Bosque Water Reclamation Plant, work collaboratively to develop actions, workflow, and an updated timeline for completion of the required easements, permits, and environmental documents throughout FY24.	**N/A**

Performance Measure Division Responsibility

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

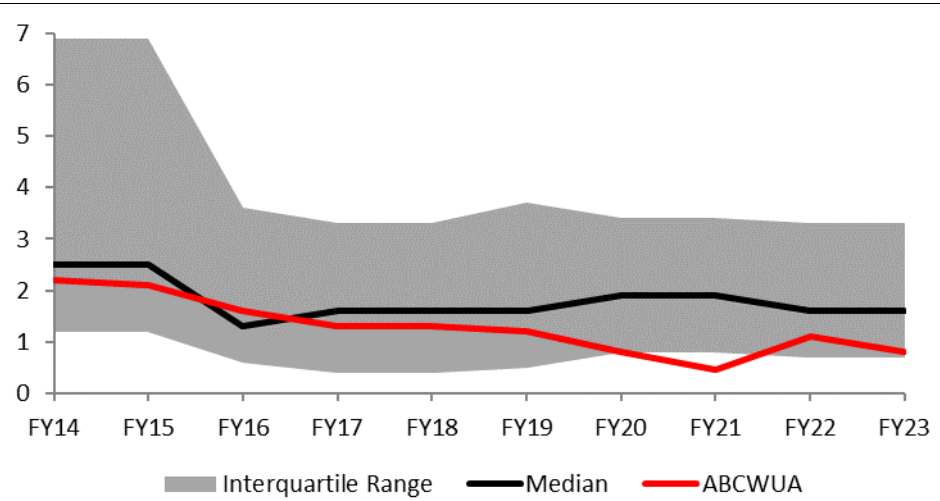
2-1 Sewer Overflow Rate

Performance Results

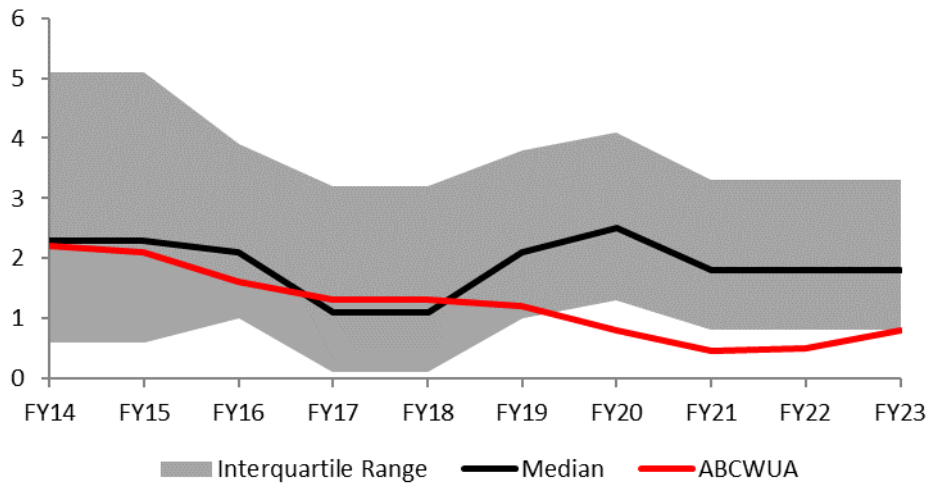
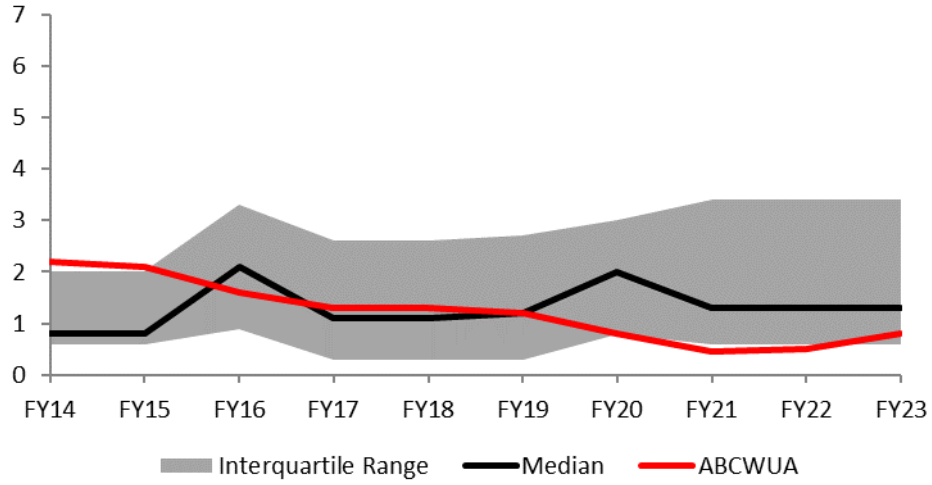
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	0.8	0.8	0.5	1.1	0.8	0.8	Improve the condition and reliability of the collection system and reduce customer complaints

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the past three fiscal years and is on-target to maintain a very low overflow rate for the next two fiscal years. The Water Authority has been using its GIS in connection with its upgraded work order system based on asset management principles to analyze sanitary sewer overflows. For FY14, the Collection Section implemented the CMOM activities from the CMOM report completed in FY13. The FY24 Objectives will help to improve the monitoring, cleaning, and response procedures related to sewer overflows.

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

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

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

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

2022 Customer Opinion Survey

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

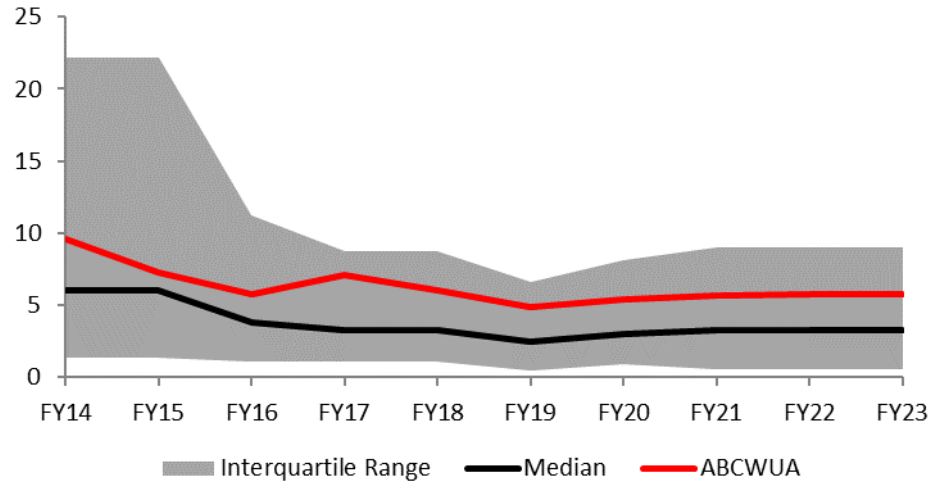
2-2 Collection System Integrity

Performance Results

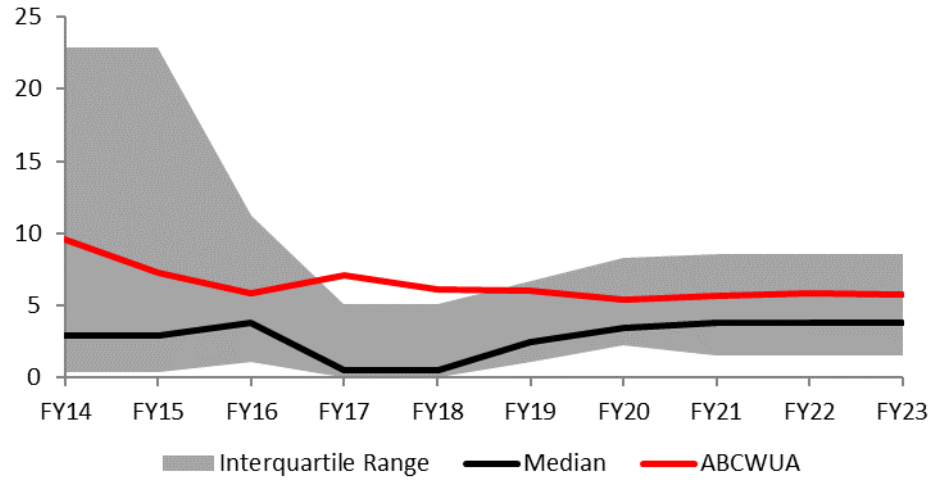
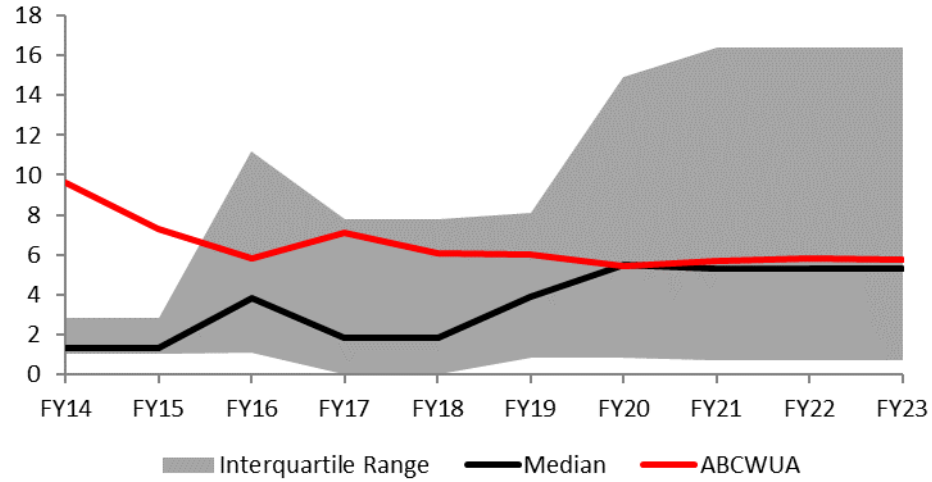
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	5.6	5.4	5.7	5.8	5.8	5.6	Improve the condition and capacity of the collection system and minimize catastrophic failures

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

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

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

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

For FY24, there is a policy objective to assess the condition of small diameter sanitary sewer lines as a part of the CMOM program. This objective includes evaluating and prioritizing unlined concrete large diameter lines for rehabilitation.

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

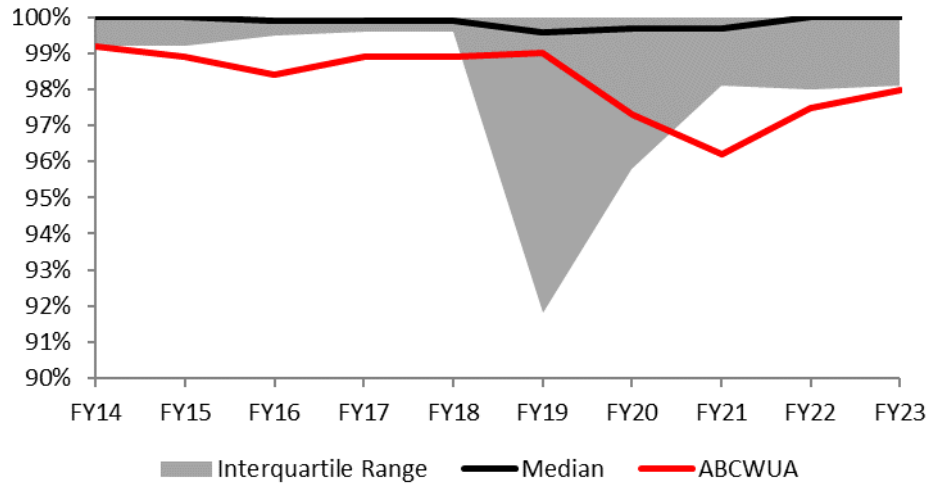
2-3 Wastewater Treatment Effectiveness Rate

Performance Results

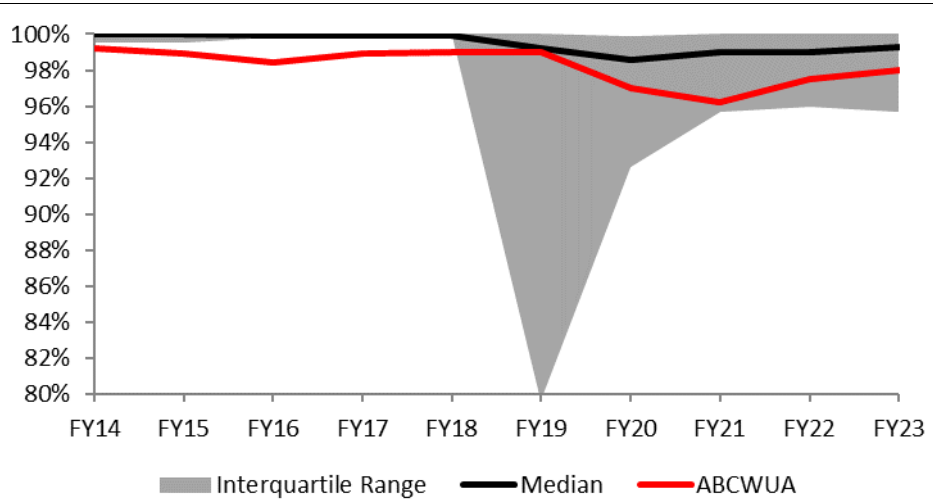
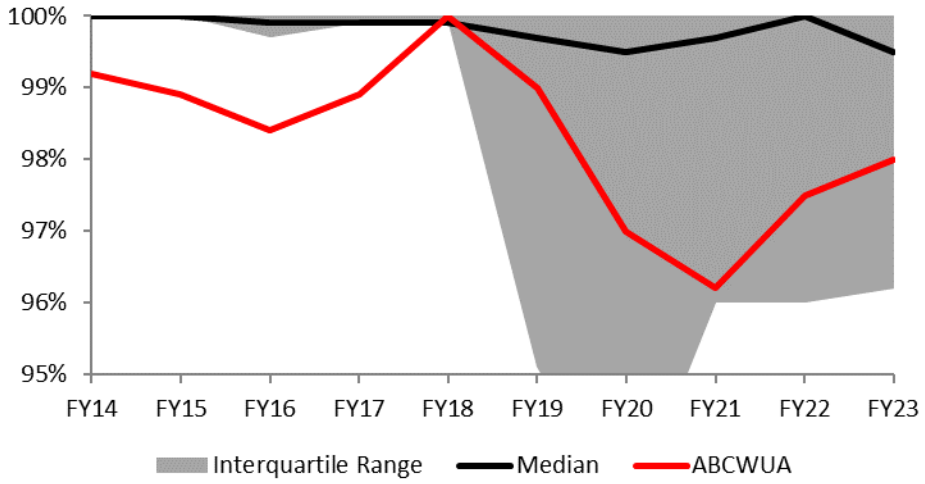
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	97.0%	97.3%	96.2%	97.5%	98.0%	98.0%	Minimize environmental impacts to the river by returning high quality water to the river

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been above the median range for last three fiscal years. The Water Authority's goal in for FY24 is to have no more than five non-compliance days.

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

Peak Performance AWARDS
NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES

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

2022 Customer Opinion Survey

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

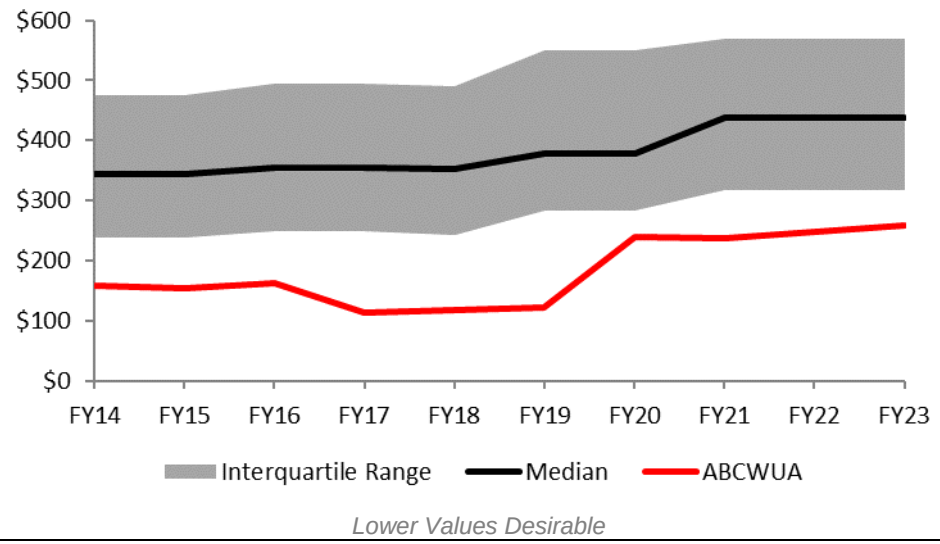
2-4 Operations and Maintenance Cost Ratio

Performance Results for O&M Cost per Account

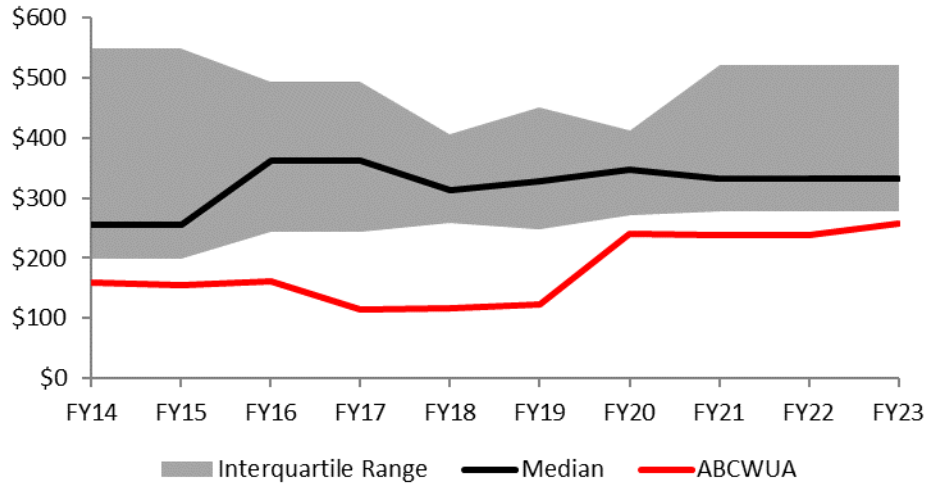
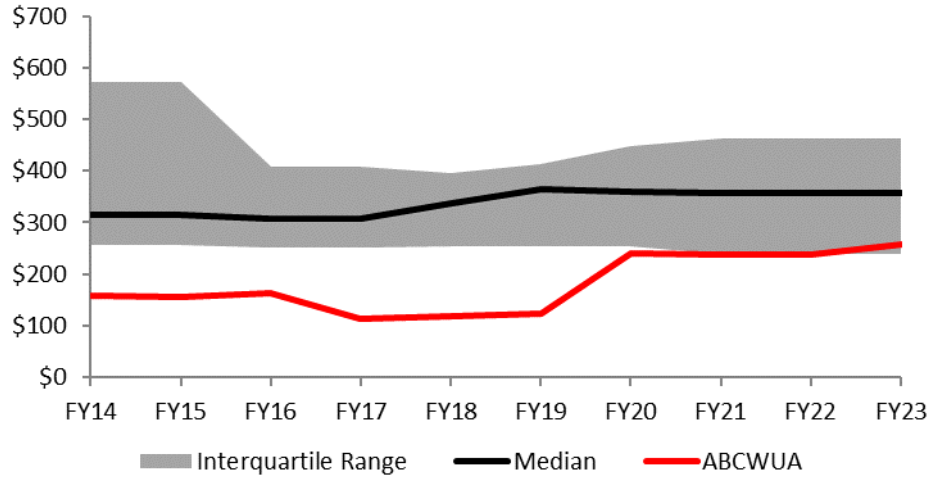
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$238	$240	$238	$248	$258	$258	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/ Wastewater Utilities



Lower Values Desirable

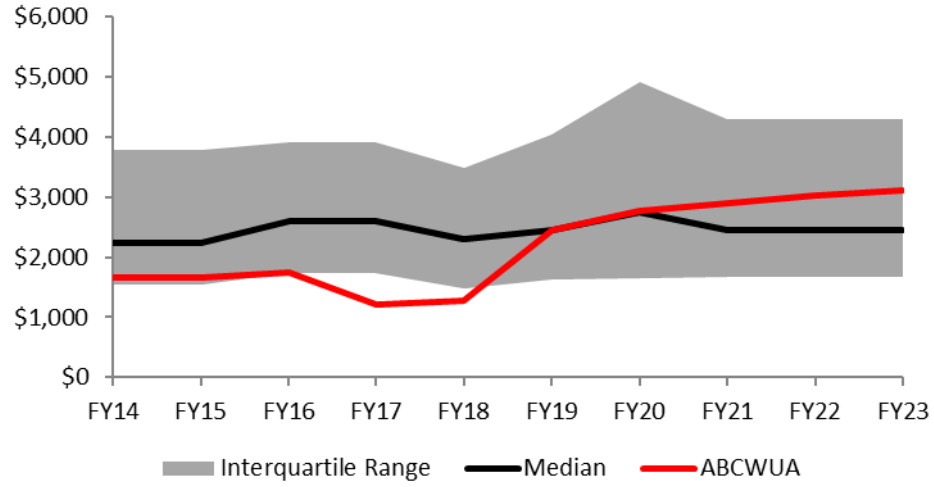
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost per MG Collected

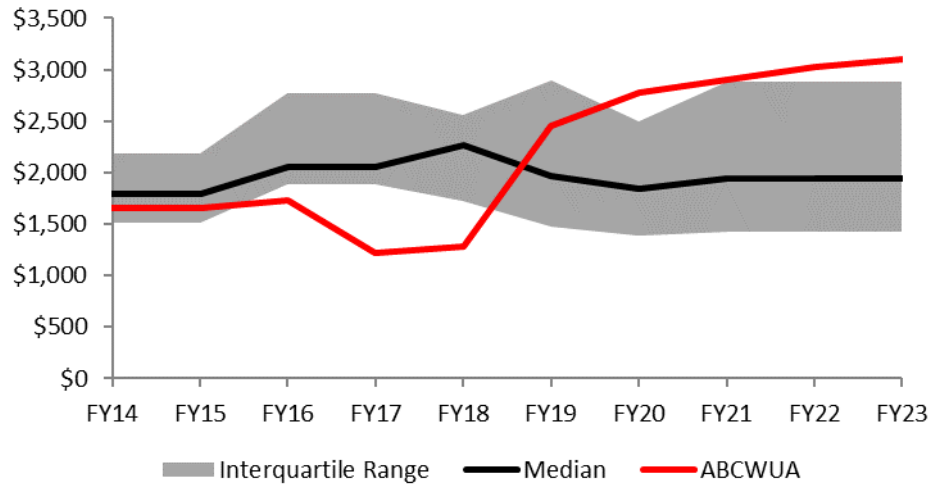
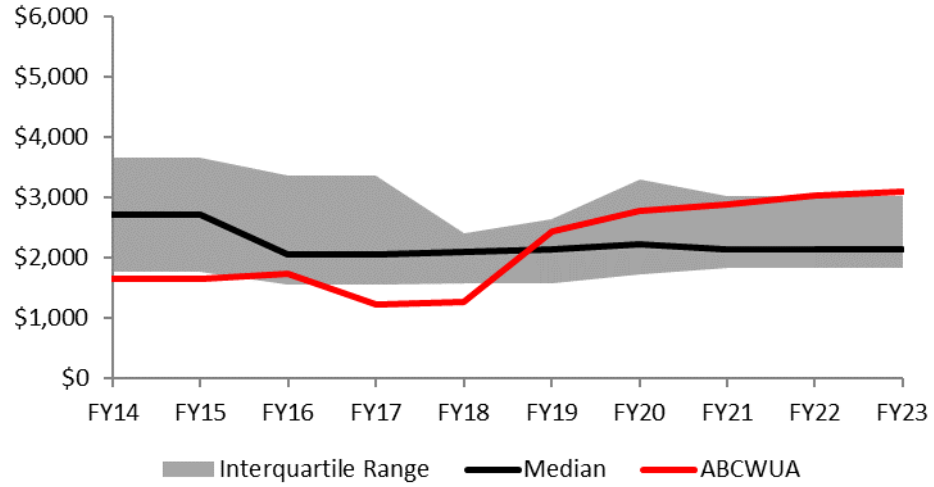
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total wastewater collected	$2,900	$2,777	$2,895	$3,029	$3,100	$3,100	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Collected

Combined Water/ Wastewater Utilities



Lower Values Desirable

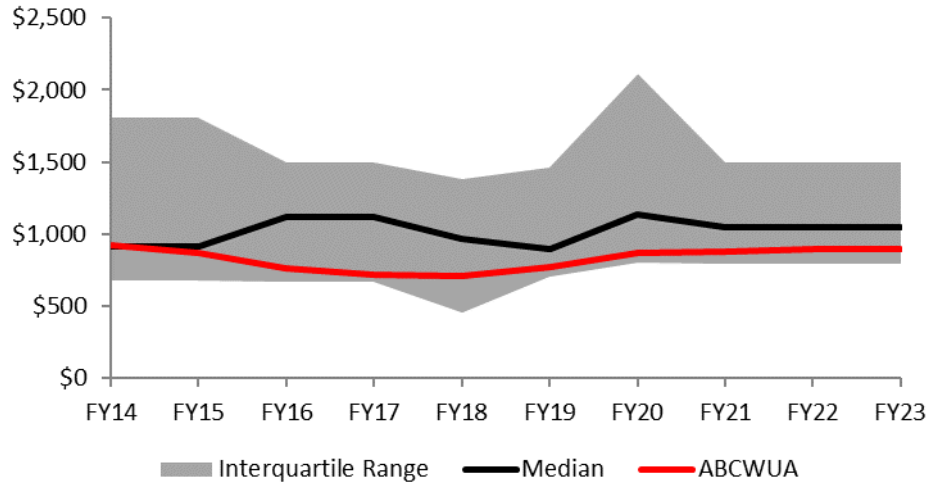
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results for O&M Cost of Treatment per MG

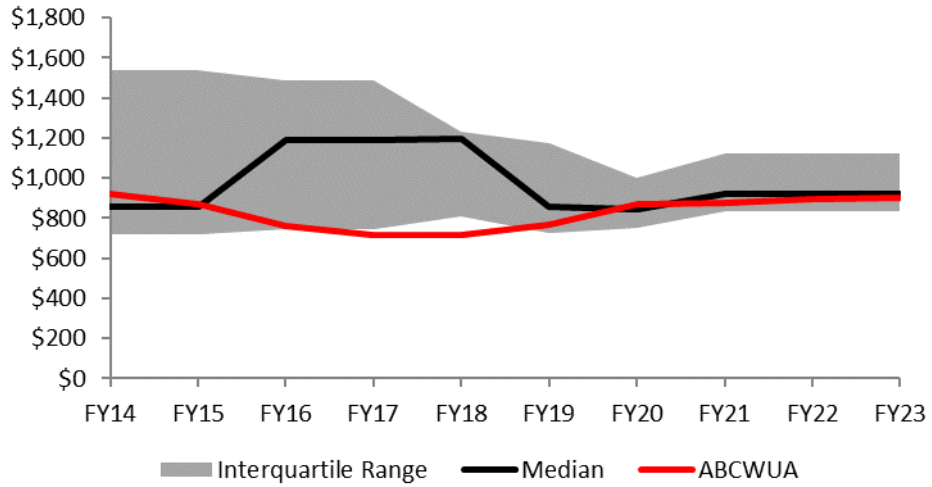
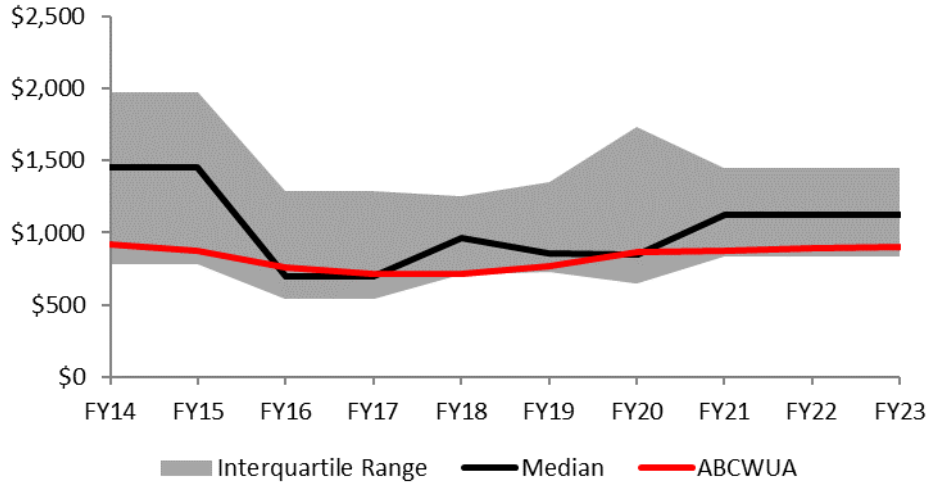
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	$879	$867	$877	$895	$900	$900	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost of Treatment per MG

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

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

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

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

For FY24, the Water Authority will continue to work on the Partnership for Clean Water program to optimize its system operations and performance.

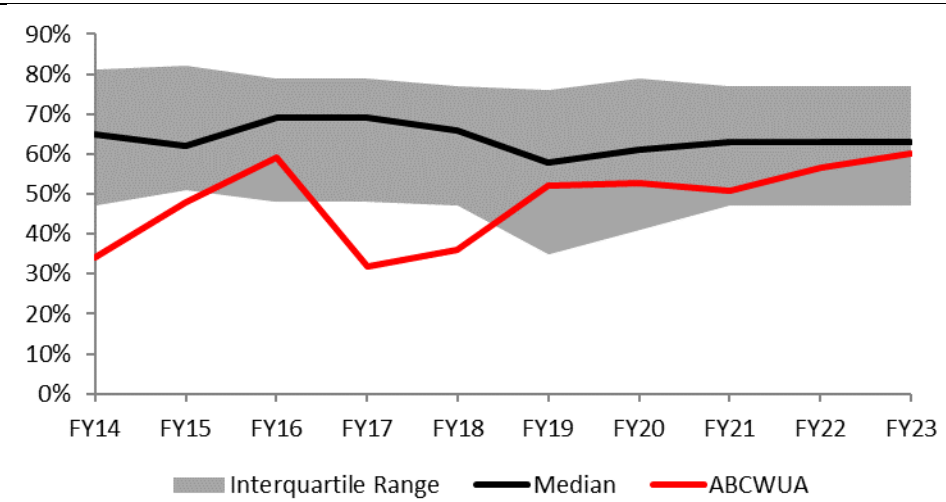
2-5 Planned Maintenance Ratio

Performance Results

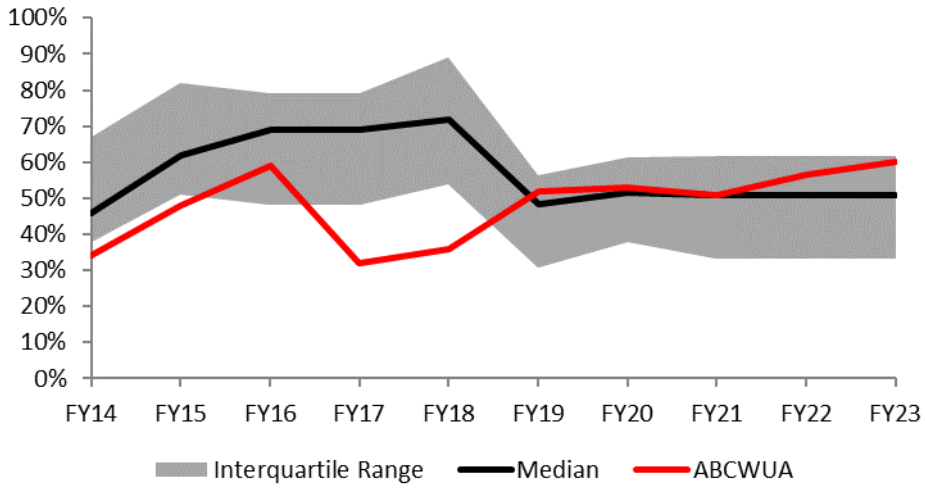
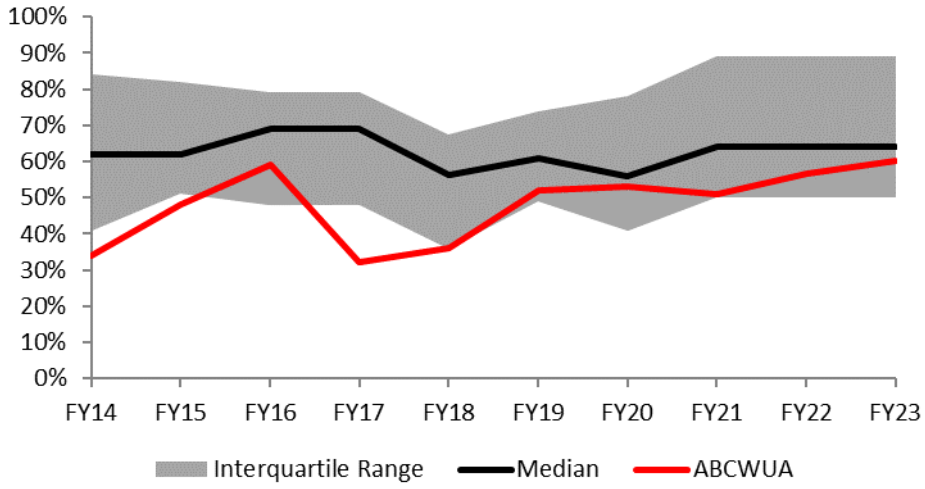
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	52%	53%	51%	57%	60%	62%	Reduce emergency maintenance from system malfunctions

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years, but there has been gradual improvement with the Plant Division increasing its planned maintenance work. For the past seven fiscal years, there have been objectives to increase planned maintenance work orders at the wastewater treatment plant. These objectives will also help the Water Authority meets its performance targets mentioned in Performance Measure 2-3, Wastewater Treatment Effectiveness Rate. For FY24, there is a policy objective with planned maintenance targets for the wastewater treatment plant.

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

Goal 3
Customer Services

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

Linkage of Objectives to Performance Measures

FY24 Objectives	Measure Reference
Continue implementation of the Automated Meter Infrastructure (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 FY24.	**3-1** **3-4**
Improve customer satisfaction by achieving a billing accuracy ratio of less than 8 errors per 10,000 bills through the 4th Quarter of FY24.	**3-3**
Improve customer satisfaction and operational efficiency in achieving the call-center targets through the 4th Quarter of FY24: • Average Wait Time of less than 1:00 minute; • Average Contact Time of less than 4:00 minutes; • Abandoned Call Ratio of less than 3; • First Call Resolution of greater than 95%; • Average Call Quality of greater than 90% for Call Center and Communication Center	**3-4**
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 FY24.	**3-6**
Collaborate with Utility Development staff to review, improve and streamline the New Construction application processes by the end of the 4th Quarter of FY24.	**3-6**

Performance Measure Division Responsibility

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

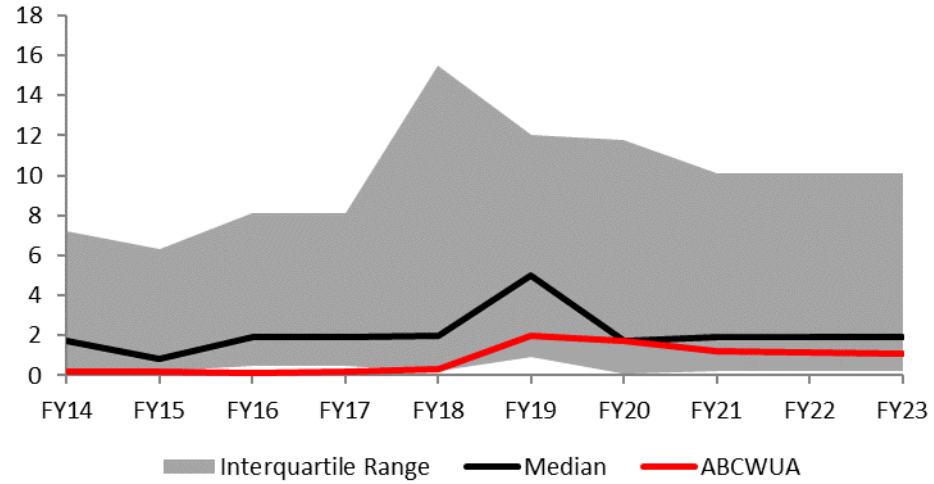
3-1 Customer Service Complaints and Technical Quality Complaints

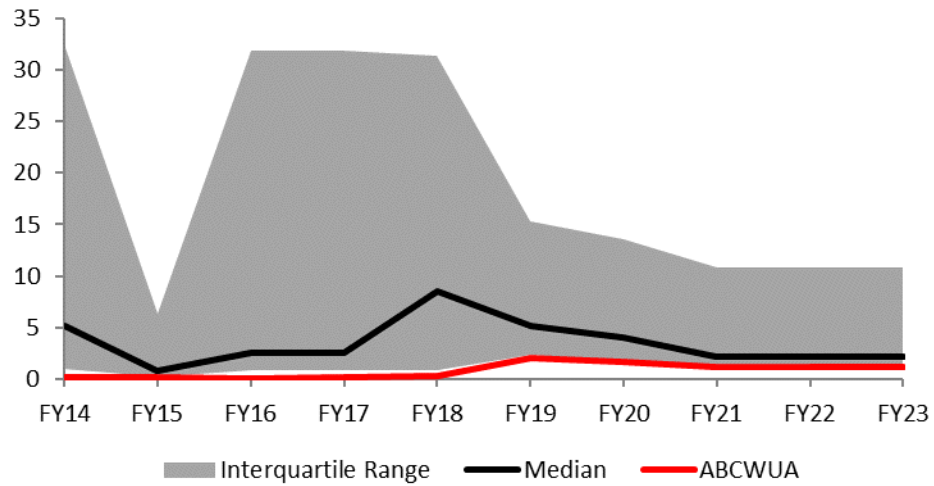
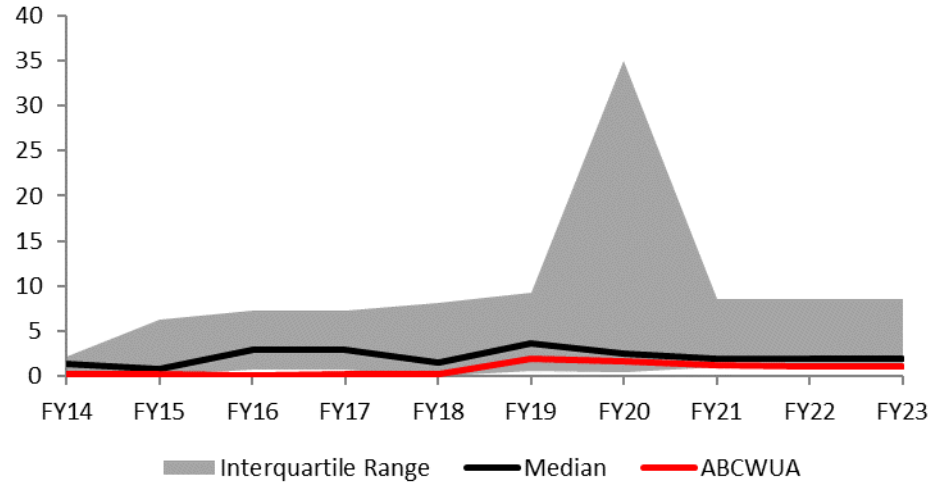
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of customer service complaints per 1,000 customer accounts	1.3	1.7	1.2	1.1	1.1	1.1	Improve customer satisfaction with service and product

Industry Benchmark (Service Associated Complaints)

Combined Water/ Wastewater Utilities



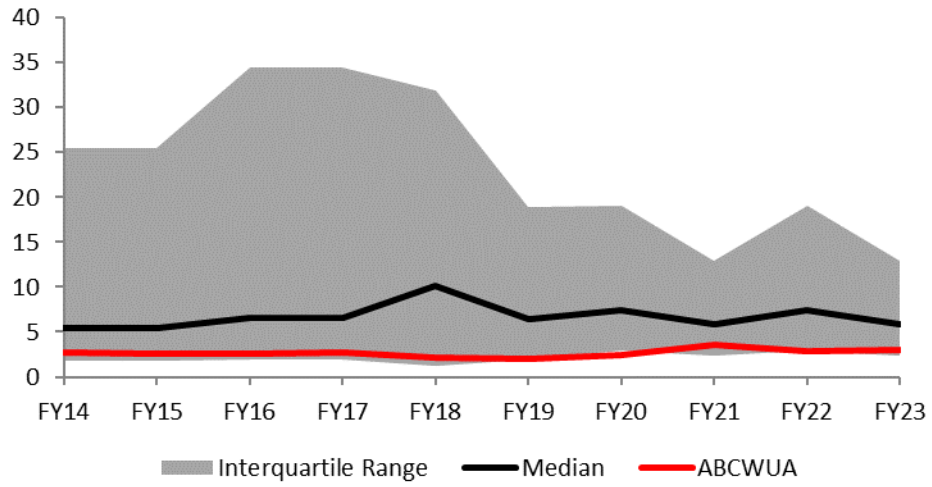
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Technical Quality Complaints)

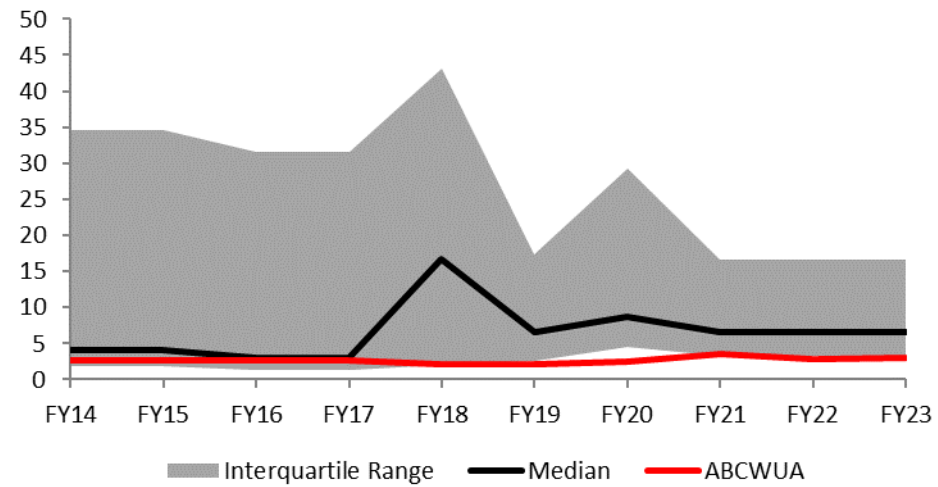
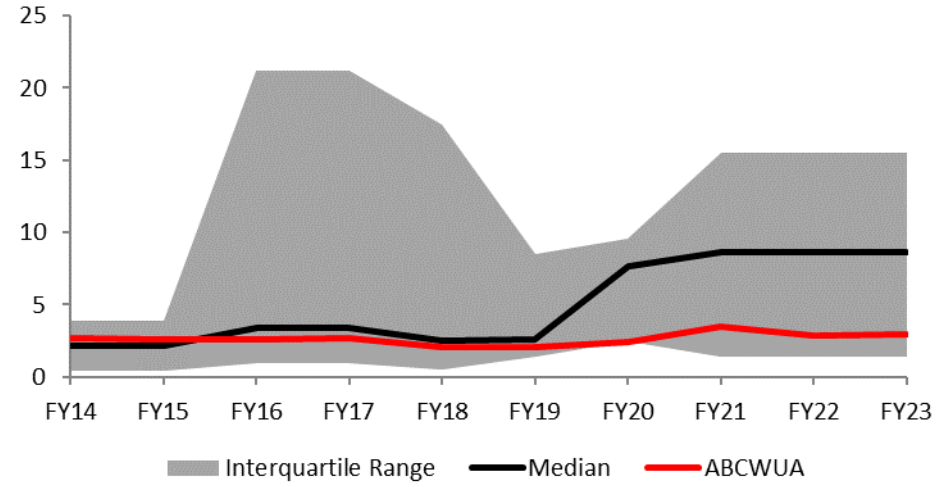
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of technical quality complaints per 1,000 customer accounts	2.9	2.4	3.5	2.9	3.0	2.9	Improve customer satisfaction with service and product

Industry Benchmarks (Technical Quality Complaints)

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

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

For FY24, the Water Authority will continue implementation of the Automated Meter Infrastructure (AMI) project by replacing 20,000 aging water meters with smart meters to increase revenue, support conservation efforts, and provide better customer service. Another objective is to continue a valve-exercising program to improve reliability and reduce interrupted water service, by exercising 4,000 isolation valves.

2022 Customer Opinion Survey

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

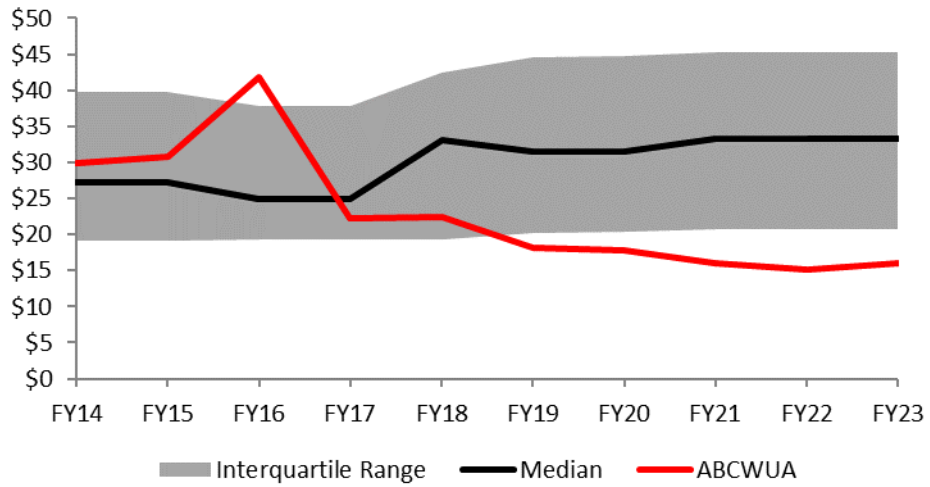
3-2 Customer Service Cost per Account

Performance Results

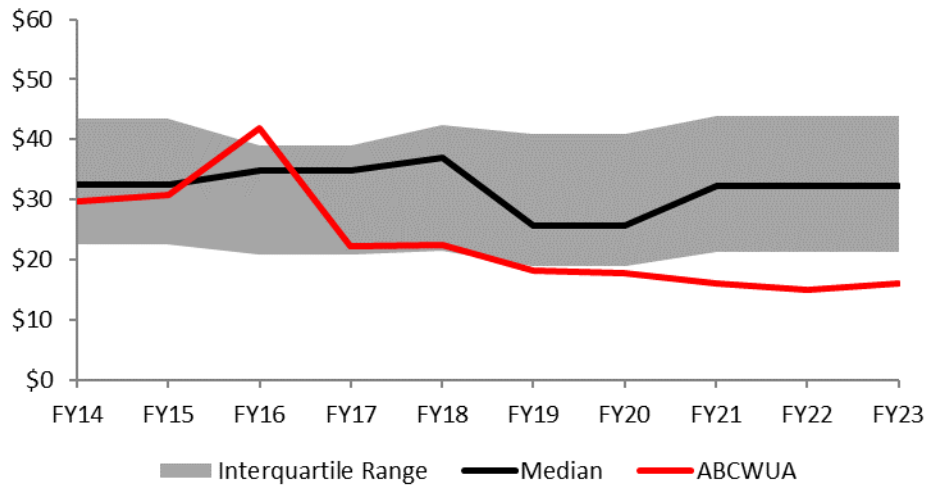
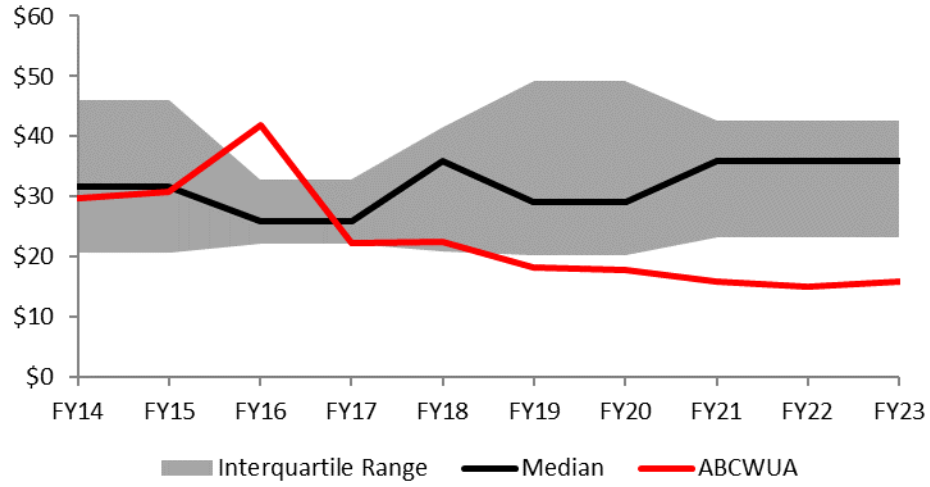
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$16.26	$17.77	$15.96	$15.06	$16.00	16.00	Improve efficiency by reducing customer service cost per account while meeting customer expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. Customer service costs have increased from the result of implementing its Automated Meter Infrastructure program which is about 75% complete. Costs will decrease over time as more meters are replaced with smart meters which will increase revenue, support conservation efforts, and provide better customer service.

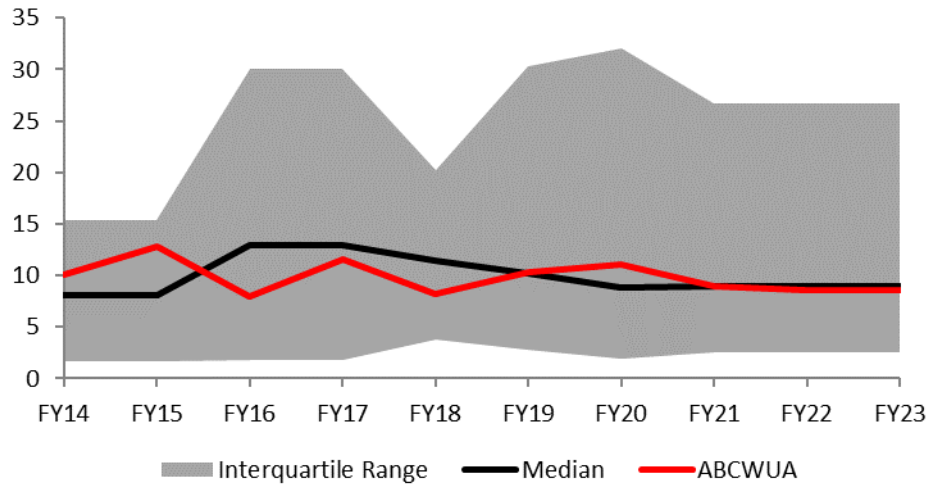
3-3 Billing Accuracy

Performance Results

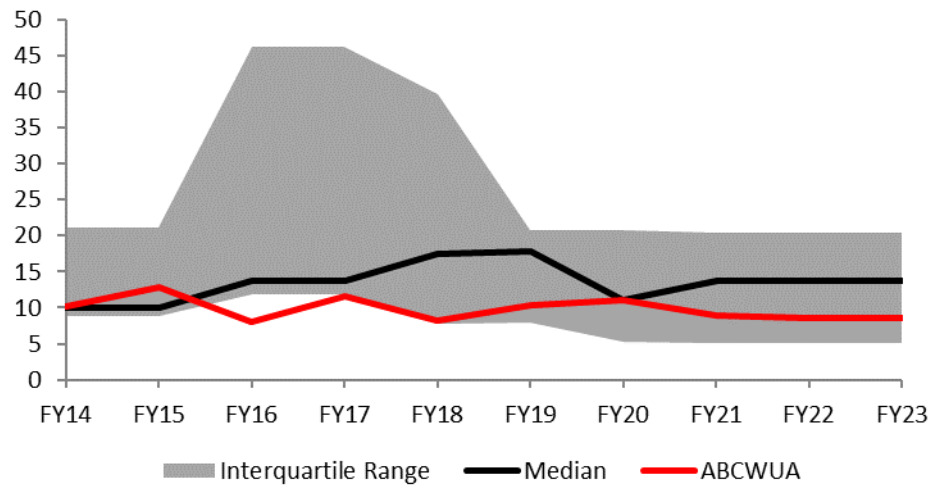
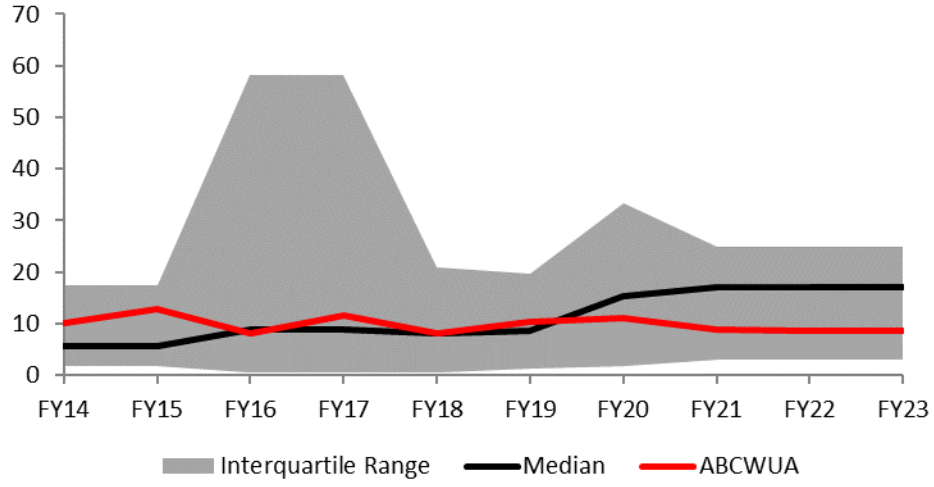
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	9.5	11.1	8.9	8.6	8.6	8.0	Improve billing accuracy to minimize customer complaints

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

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

2022 Customer Opinion Survey

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

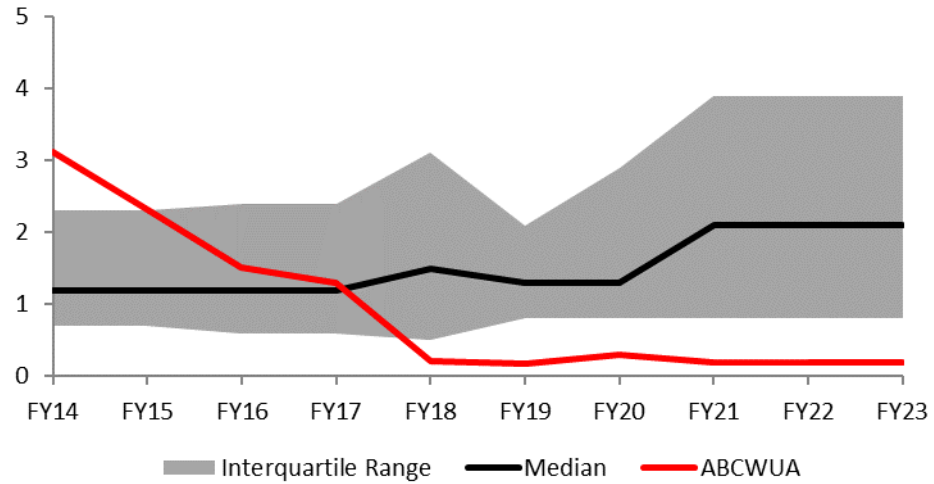
3-4 Call Center Indicators

Performance Results Average Wait Time (minutes)

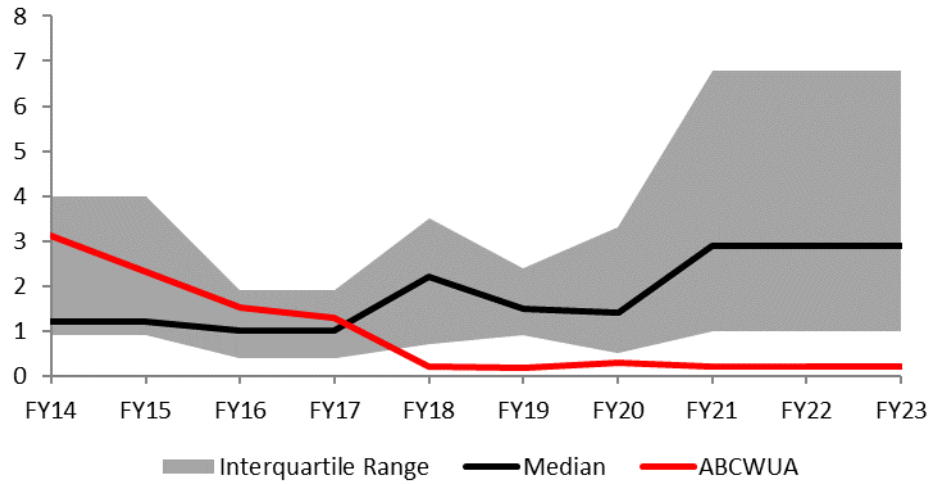
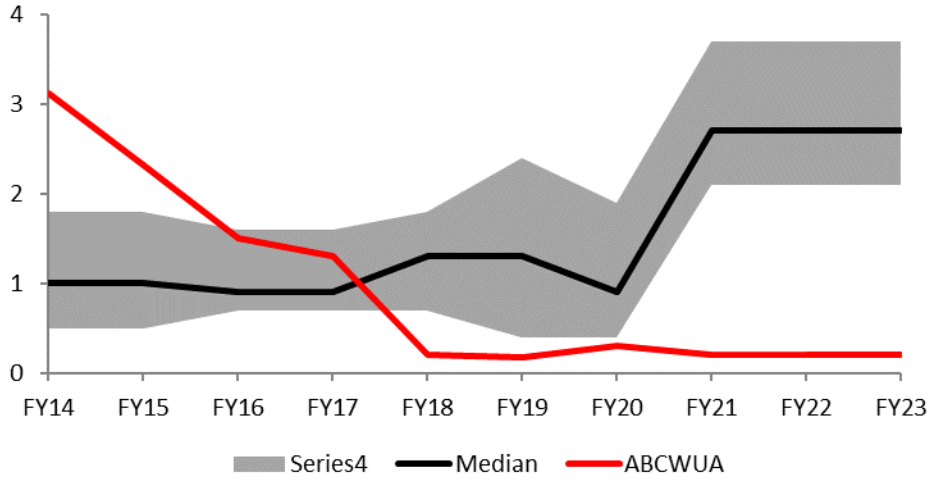
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the call wait time experienced by Water Authority customers	Average time a caller must wait on hold before they can speak to an agent or customer service representative, not including time spent navigating through computerized menu options	0:23	0:30	0:20	0:20	0:20	0:20	Reduce call wait time and avoid customers hanging up

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

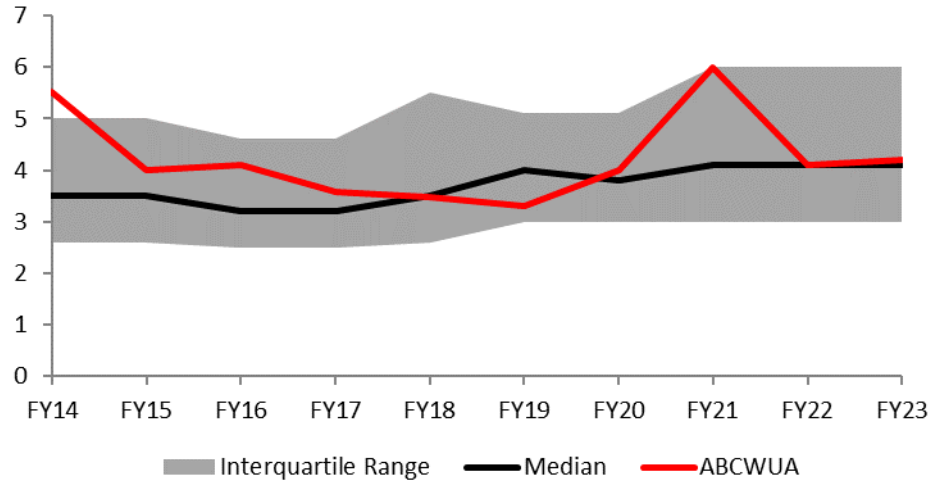
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Average Total Call Time (minutes)

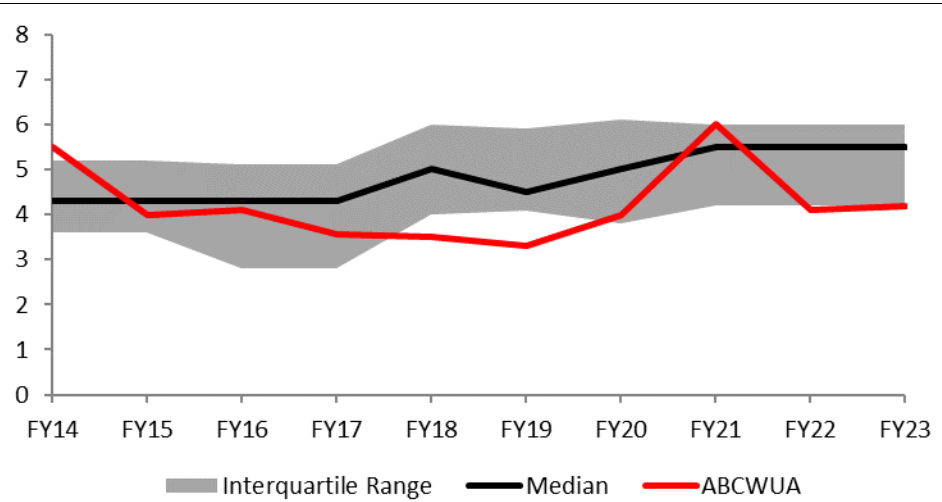
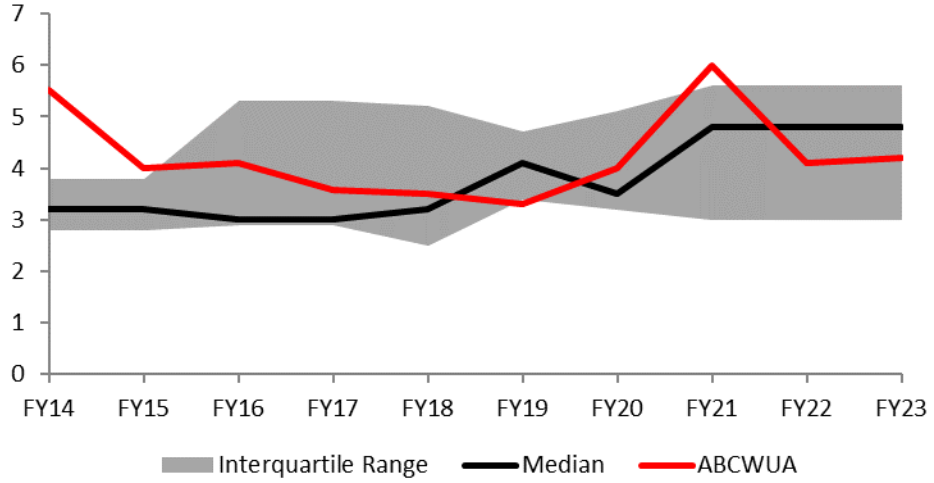
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the time spent to resolve the purpose of the phone call by Water Authority customers	Average time spent by a customer service representative on the phone with a customer	5:10	4:00	6:00	4:10	4:20	4:00	Reduce the average total call time to enable CSRs to handle more customer calls and reduce wait time

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

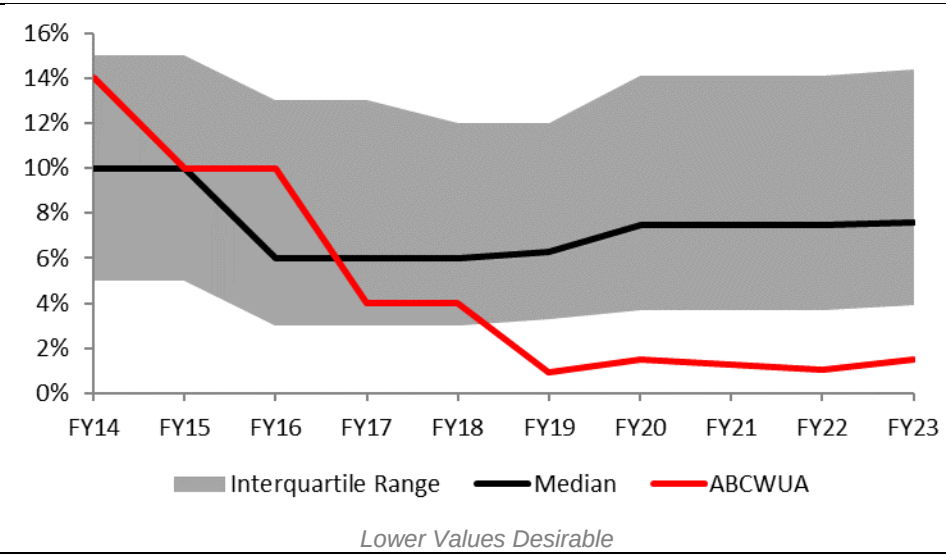
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results Abandoned Call Ratio

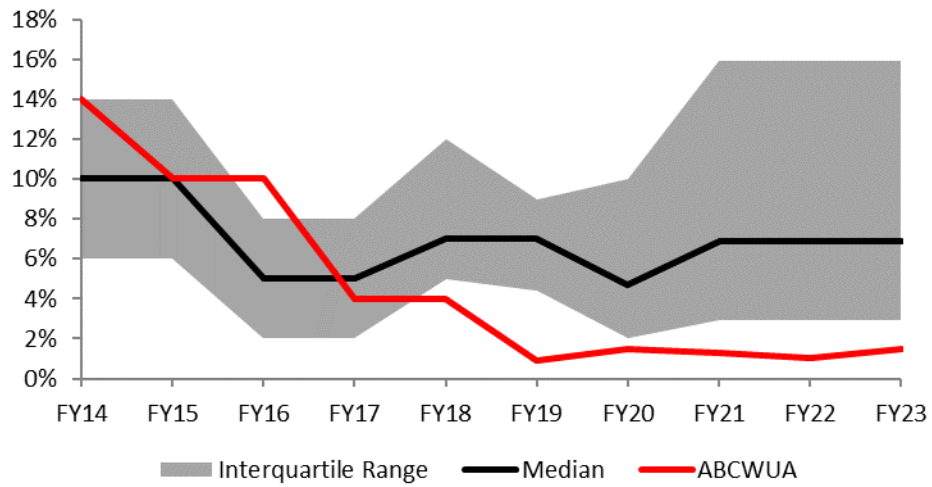
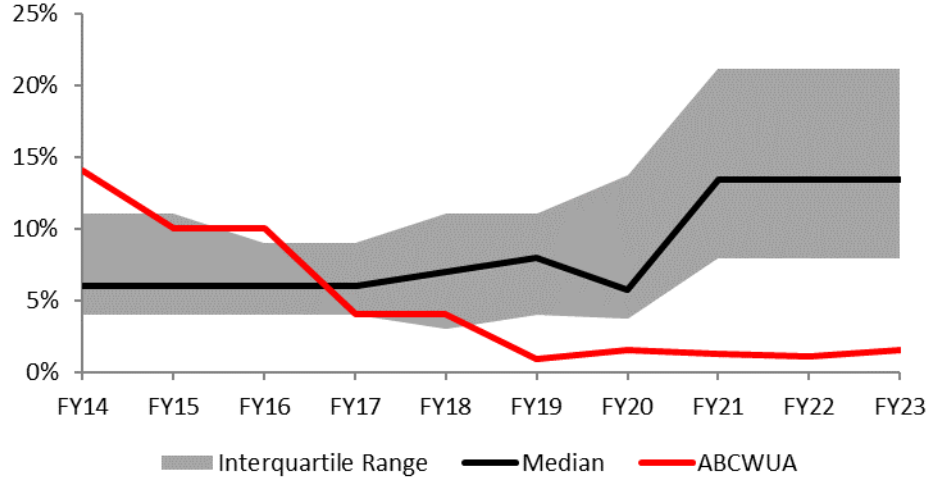
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the number calls abandoned from Water Authority customers	Total number of calls abandoned divided by the total number of calls received	1.3%	1.5%	1.3%	1.1%	1.5%	1.3%	Allow CSRs to effectively assist customers with their needs before they become impatient and hang up

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

The Water Authority has begun tracking and setting targets for four customer service metrics. To improve customer satisfaction and operational efficiency, the following targets were established for FY24 1) Average Wait Time of less than 1:00 minute; 2) Average Contact Time of less than 4:00 minutes; 3) Abandoned Call Ratio of less than 3; 4) First Call Resolution of greater than 95%; and 5) Average Call Quality of greater than 90% for Call Center and Communication Center.

2022 Customer Opinion Survey

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

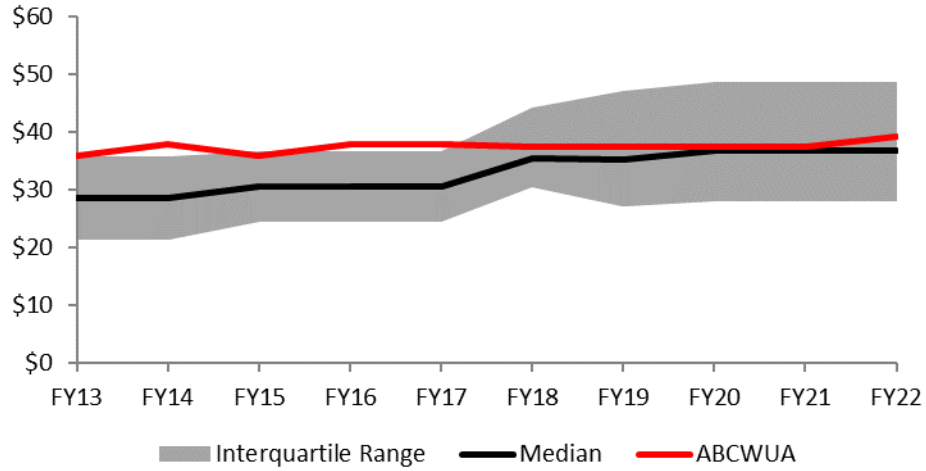
3-5 Residential Cost of Water and/or Sewer Service

Performance Results (Average Residential Water Service)

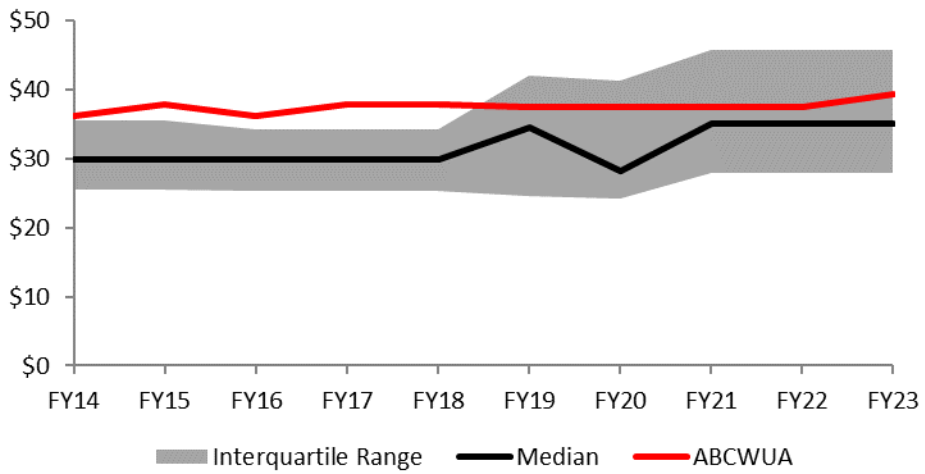
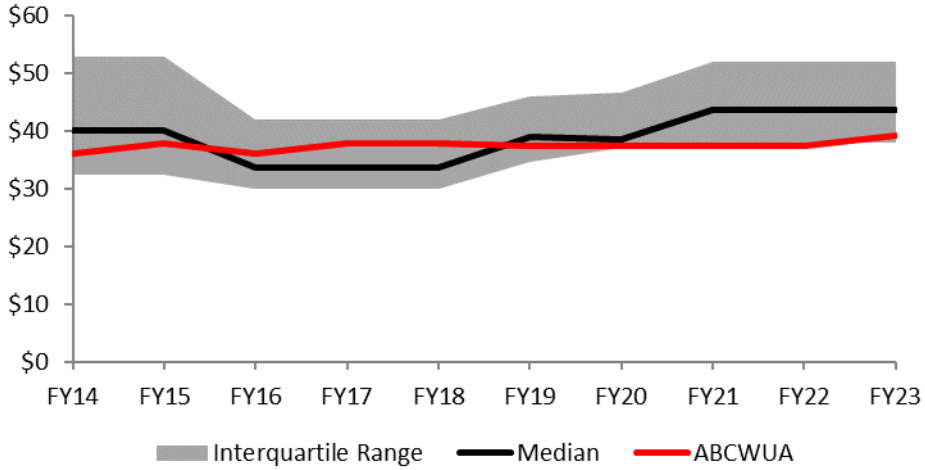
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$37.43	$37.43	$37.43	$37.43	$39.30	$41.26	Provide affordable water and legally justifiable rates to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

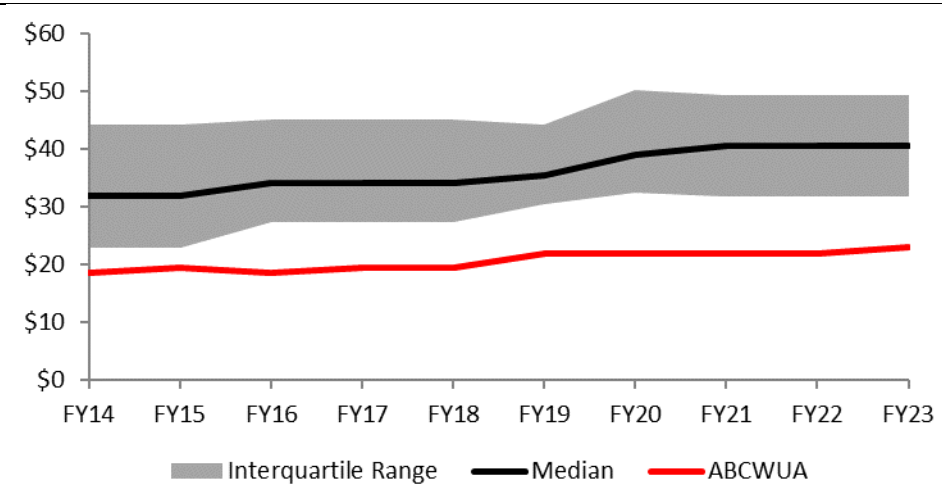
Utilities with populations greater than 500,000	 *Lower Values Desirable*
Utilities located in Region 4	 *Lower Values Desirable*

Performance Results (Average Residential Sewer Service)

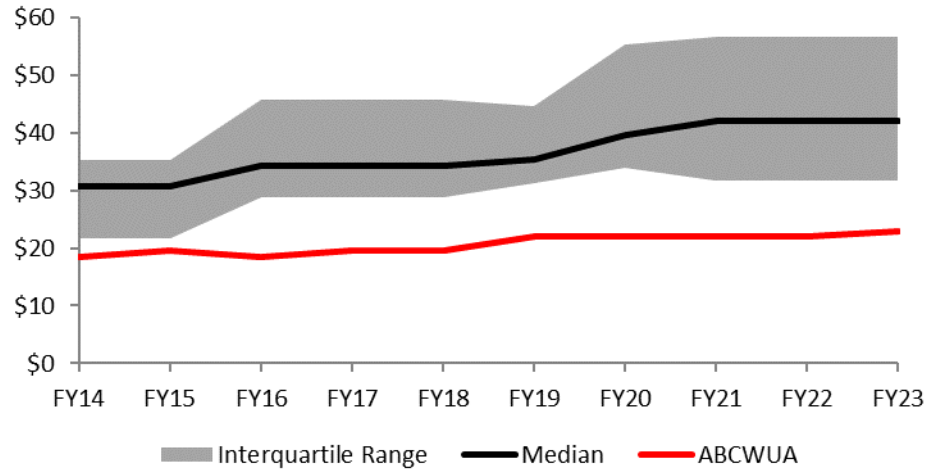
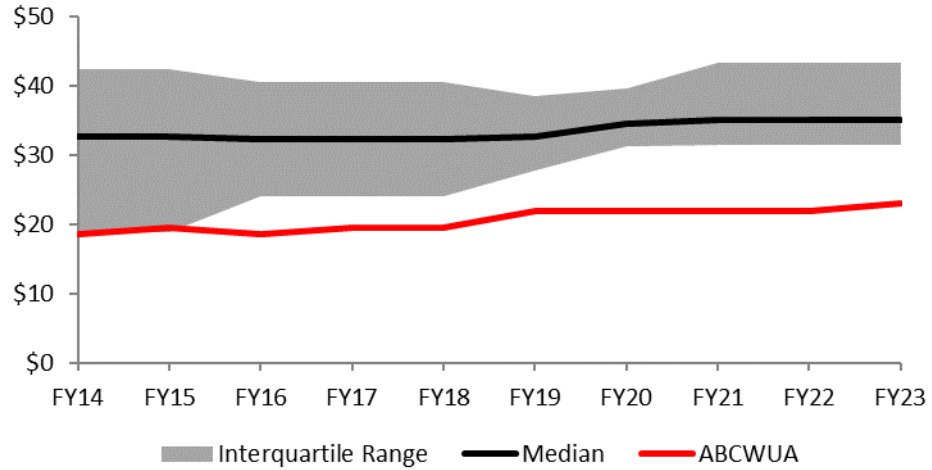
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$21.97	$21.97	$21.97	$21.97	$23.00	$24.00	Provide affordable water and legally justifiable rates to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years for average residential water service, and above the median range for the past three fiscal years for average residential sewer service. The Water Authority completed a comprehensive water and wastewater rate study in FY05 which had not been conducted since the early 1990s. The Water Authority adopted a policy objective for FY08 to update that rate study to include wholesale water rates. Another reason to update the rate study is to include a cost of services model for master planned communities so that these new, large developments pay 100% of the cost for building master planned facilities.

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. Even with the adopted and planned rate increases, the Water Authority anticipates that it will continue to be within the median range over the next five years compared to industry peers.

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.

2022 Customer Opinion Survey

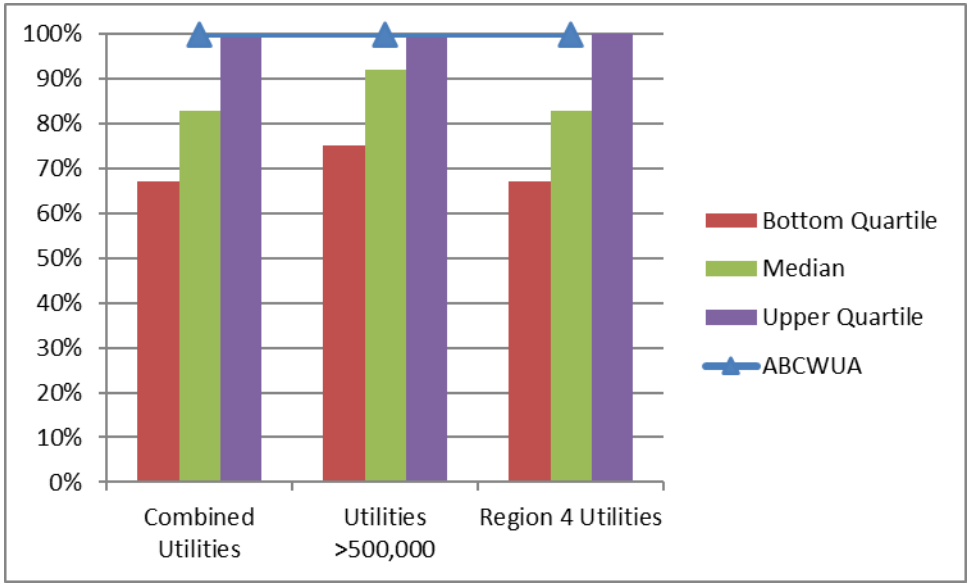
- 88% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid
- 77% of customers either strongly or somewhat agree that because water is a scarce resource, water rates should be designed to reflect the value of water in our daily lives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

3-6 Stakeholder Outreach Index

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the utility's stakeholder outreach activities	Self-assessment based on Stakeholder Outreach Checklist	100%	100%	100%	100%	100%	100%	Assess the utility's outreach efforts with its stakeholders

Industry Benchmarks



Generally, higher values are desirable

Results Narrative

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

Measurement Status

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

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

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

Goal 4
Business Planning & Management

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

Excellent | Good | Fair | Poor

Linkage of Objectives to Performance Measures

FY24 Objectives	Measure Reference
Expend $64 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4th Quarter of FY24. $2 million shall be dedicated and used for identifying and replacing high-risk water pipes in critical or poor condition by the end of the 4th Quarter of FY24.	**4-3**
Prepare quarterly updates on the status of the implementation of the Reclamation Rehabilitation Asset Management Plan (RRAMP) including activities completed and remaining work. Continue implementation of the RRAMP by planning, designing, and constructing reclamation facility improvements through the end of the 4th Quarter of FY24.	**4-3**
Finalize Operating Plans for Centralized Engineering and Utility Development to be used to inform/train new staff and for existing staff to use as a resource by the end of the 4th Quarter of FY24.	**4-3**
Coordinate with Bernalillo County to design and initiate construction of a force main to convey wastewater from the Municipal Detention Center to the Water Authority collections system through the end of the 4th Quarter of FY24.	**4-3**
Work with the Navajo Nation to design and construct water conveyance infrastructure to deliver water provided by the Navajo Nation to To'Hajiilee through the end of the 4th Quarter of FY24.	**4-3**
Implement at least one planned Interceptor Rehabilitation project in FY24, and complete at least one interceptor design package by the 4th Quarter of FY24; Implement at least one planned Small Diameter Sanitary Sewer Rehabilitation project in FY24.	**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 FY24. Generate at least 25% of total SWRP power needs from the on-site solar array and from digester gas-fueled cogeneration by the end of the 4th Quarter of FY24 and report progress quarterly.	**4-3**
Develop an annual asset workbook onboarding training program for On-Call contractors and consultants to improve understanding of asset onboarding workbooks (AOBWB) responsibilities. Perform on-going training sessions with project managers, consultants, and contractors by the end of the 4th Quarter of FY24.	**4-3**
Maintain the Compliance Division Regulatory Compliance Permit Matrix and the Regulatory Matrix Status Report to respectively maintain schedules for permit submittals and monitor and report emerging Safe Drinking Water Act and Clean Water Act regulations, New Mexico Water Quality Control Commission and Environmental Improvement Board regulations, local laws ordinances, and issues involving emerging contaminants to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY24.	**4-4**
Collect, monitor, and report weekly, monthly and quarterly key laboratory performance metrics to include: ❖ Water Quality Laboratory results approved and reported for each laboratory section (chemistry, microbiology, metals, and external labs). Maintain greater than 0.5 results reported per productive hour per quarter in each analytical section through end of the 4th Quarter of FY24. ❖ Laboratory Productivity (results reported per productive hour, results sent to subcontract laboratories in lieu of in-house testing). Maintain greater than 2,000 results per quarter in each analytical section through end of the 4th Quarter of FY24. ❖ Percentage of results reported late (turnaround time). Maintain less than 10 percent results reported late per quarter and provide quarterly results through end of the 4th Quarter of FY24.	**4-4**
Continue to develop LabVantage ("laboratory information management system") throughout FY24 to increase the automation of data entry to reduce data entry errors, reduce the amount	**4-4**

FY24 Objectives	Measure Reference
paper used at the laboratory and develop reports in LabVantage through the end of the 4th Quarter of FY24.	
Utilize the Environmental Monitoring Program to monitor the reliability and consistency of results from Compliance field instrumentation and sample collection techniques. Conduct at least one internal audit per year. Conduct and report on at least one internal audit per year. Issue corrective action response requests as needed and track and report on their progress. Ensure Compliance Division field instruments are calibrated as necessary and that personnel demonstrate capability in sample collection and measurement. Monitor and report on corrective action response report (CARR) closure duration quarterly through the end of the 4th Quarter of FY24.	**4-4**
Maintain accreditation with the American Association for Laboratory Accreditation by addressing any changes resulting from the on-site assessment of the Water Quality Laboratory. Conduct internal audits, Standard Operating Procedure (SOP) revisions, and identify actions to address risks and opportunities as required by ISO/IEC 17025:2017. Implement any changes resulting from the 2023 Methods Update Rule. Track and report on corrective actions and risk assessment responses. Maintain a closure duration of less than 60 days per CARR and an average completion of less than 30 days for all CARRs per fiscal year through the end of the 4th Quarter of FY24.	**4-4**
Prepare for the Revised Lead and Copper Rule to establish a system for a lead service line inventory. Identify and collect information from all schools and child-care centers in the service area that will require lead monitoring and develop sample plan templates for the facilities to use to track multiple faucets by the end of the 4th Quarter of FY24. Develop tools for monitoring, data requirements and expectations for corrosion control studies under the new rule.	**4-4**
Create a Grant/Loan Funding Plan and annual Grant/Loan Funding Cycle Schedules to prioritize projects for State and Federal funding opportunities and update quarterly on the progress through the 4th Quarter of FY24.	**NA**
Finalize the Utility Development Guide to clarify the development process for users by the end of the 4th Quarter of FY24.	**NA**
Continue monitoring progress on Utility Development processes, with quarterly monitoring of the following metrics and associated target(s) through the end of the 4th Quarter of FY24. ❖ Availability Statement/Serviceability Letter ➢ Turn-around time (excludes time in holding when additional information is required from the requestor), target response time of less than 45 days ➢ Hold time, seek ways to reduce hold time, monitor and report progress ❖ Identify metrics and targets for other areas of Utility Development, such as turn-around times for connection permits and closeout packages. Currently, deliverable status is reported through the Water Authority's Tracking Sites so customers can check on the status of their requests at: ➢ https://availability.abcwua.org/ ➢ https://wa-workorders.abcwua.org/ ➢ https://connectionpermit.abcwua.org/	**NA**
Continue monitoring progress on the strategic asset management program (SAMP), with quarterly monitoring of the following metrics and associated target(s) by the end of the 4th Quarter of FY24. ❖ Assets Inventoried, Target greater than 50% ❖ Asset Activity (Created, Decommissioned and Updated), Target greater than 6,500 ❖ Assets with Purchase & Replacement Cost populated, Target greater than 5,000 ❖ Work Orders without Assets, Target less than 25% ❖ Assets missing Classifications & Attributes, Target less than 25% ❖ Assets missing required data fields, Target less than 50%	**NA**

FY24 Objectives	Measure Reference
❖ Maximo Employee Training, Target greater than 500 hours ❖ Preventative Maintenance Optimization, Target greater than 30%	
To improve decision making with available data, transition existing SAMP, Scorecard, Effective Utility Management (EUM) and Operations dashboards to Microsoft Power BI by the end of the 4th Quarter of FY24. Utilizing Power BI dashboards, with the integration with Maximo and Finance Enterprise, will ease the time required to calculate key performance indicators (KPIs).	**NA**
Continue promoting a Culture of Security in accordance with the AWWA G430 standard within the Water Authority, develop policies and procedures that include strategies for internal communication and trainings on security-related topics. Track and measure metrics quarterly throughout FY24 that are directly related to the National Infrastructure Protection Plan Water Sector-Specific Plan and America's Infrastructure Act. Conduct at least 1 table-top exercise for security and cybersecurity that includes representatives from across the organization.	**NA**
Complete the annual update and review of the Comprehensive Information Technology Security Plan and related policies that are aligned with the standards, guidelines, and best practices of the National Institute of Standards and Technology (NIST) Cybersecurity Framework by the end of the 4th Quarter of FY24. Track and measure metrics that are directly related to NIST standards. Incorporate specific standards and policies that directly relate to the Water Authority's Supervisory Control and Data Acquisition (SCADA) systems. Complete Annual Penetration (PEN) test and remediate any critical items that pose an imminent threat. Automate and implement a secure zero-trust model to proactively detect and remediate indicators of compromise to minimize the impact to the Water Authority.	**NA**
Continue implementation of the SCADA Master Program. Implement both short-term and long-term goals directly tied to the sequencing of migrating to a single SCADA platform utilized including programmed projects by the end of the 4th Quarter of FY24.	**NA**
Complete Information Technology (IT) projects scheduled for FY24 and report progress quarterly.	**NA**
Continue efforts to build and grow the Project Management Office. Begin implementation of a Project Portfolio Management (PPM) system to provide a centralized location to manage the utility's entire collection of projects. Continue efforts to build foundational structure for the Service Management Office to standardize Information Technology (IT) policies and procedures within the division. Create a formal Service Catalog and a more stringent Change Control Process by the end of the 4th Quarter of FY24.	**NA**
Create a process to effectively update the Construction in Progress layer in GIS. Review and prioritize tasks needed to fulfill the requirements of the Data Readiness Assessment for the migration to the Utility Network. Complete and create standard editing procedures for the Service Lines layer data. Build schema for the new Connection Permits layer that replaces Tapping Permits and Mini Work Orders and place all existing Connection Permits into GIS. Continue to provide assistance with Revised Lead and Copper Rule (RLCR) compliance, the Utility Network upgrade, and the Water Model through the end of the 4th Quarter of FY24.	**NA**
Consolidate efforts to centralize a Data Warehouse/Data Hub for more effective reporting and data analytics. Work with all divisions to organize data in a fashion that provides usable data to positively impact business decisions by the end of the 4th Quarter of FY24.	**NA**

FY24 Objectives	Measure Reference
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 FY24. Projects include: ❖ Upgrade the Customer Care and Billing (CC&B) application. The upgrade will include issuing a request for proposals (RFP), selecting a vendor and beginning implementation by the end of the 4th Quarter of FY24. ❖ Utility Network upgrade to begin FY24, with completion targeted for FY25.	**NA**
Review and update the utility emergency communications plan by the end of the 4th Quarter of FY24.	**NA**
Collaborate with local governments in an effort to develop more affordable housing through the end of the 4th Quarter of FY24.	**NA**

Performance Measure Division Responsibility

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

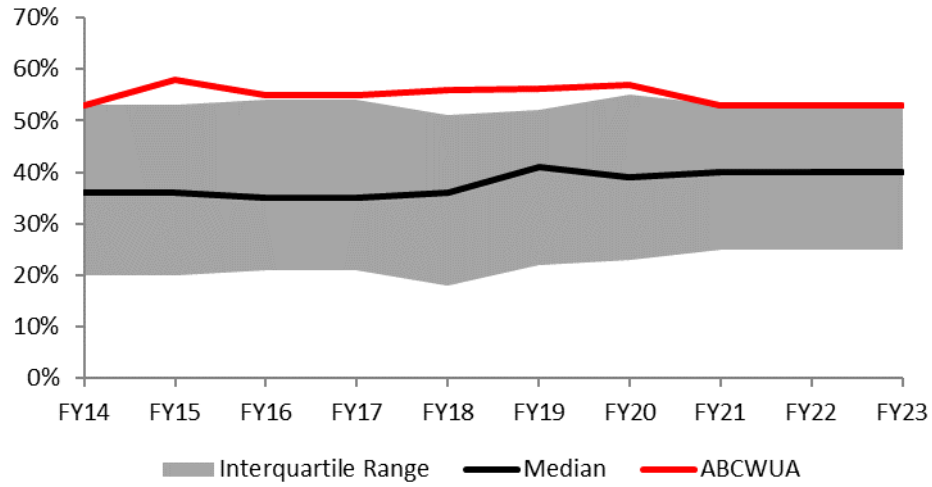
4-1 Debt Ratio

Performance Results

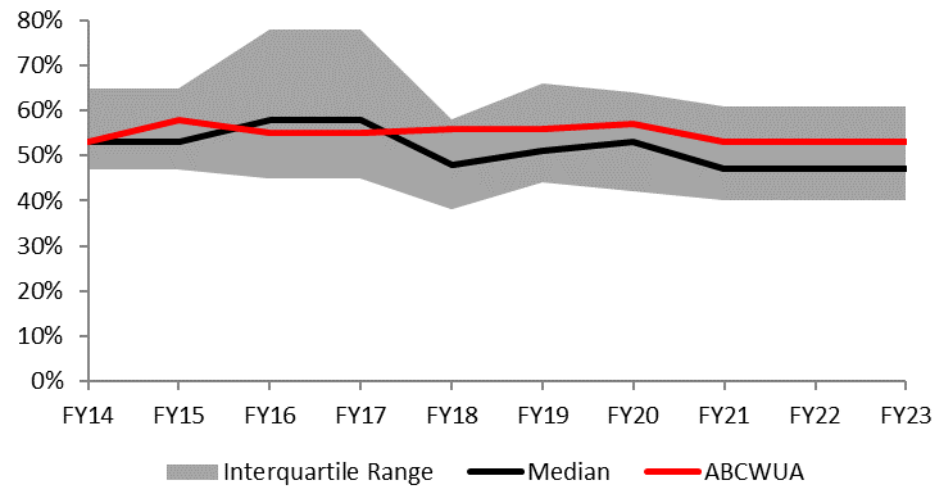
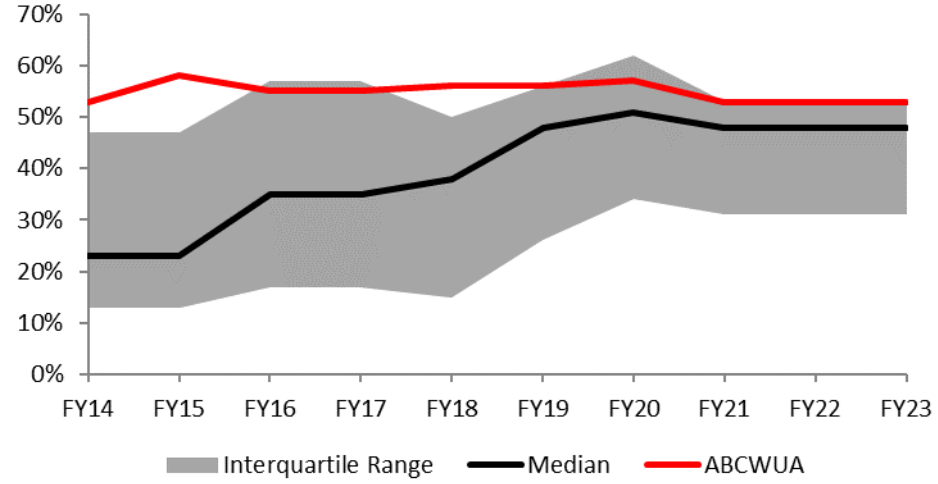
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	54%	57%	53%	53%	53%	54%	Maintain low debt burden and communicate fiscally responsible to our customers

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

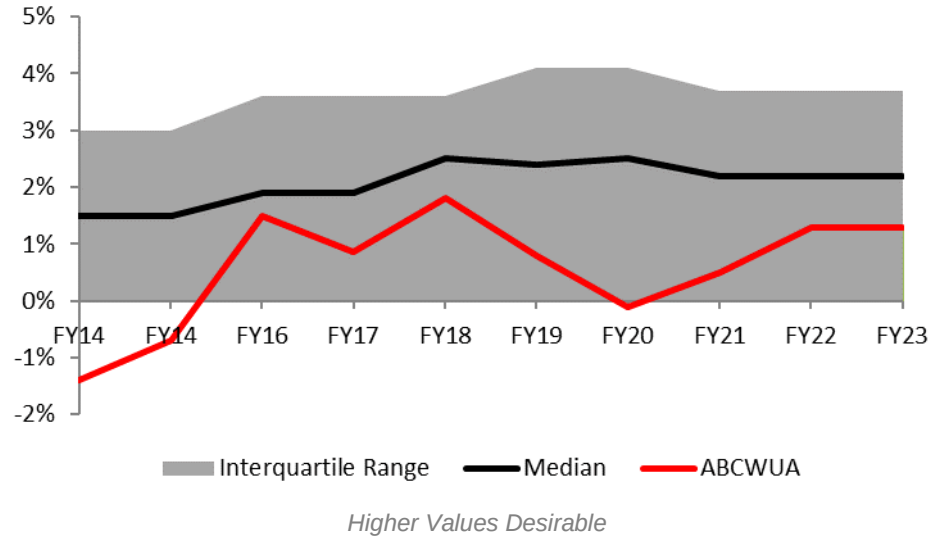
The Water Authority had borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $532.8 million in outstanding debt which is primarily attributed to carrying out the Water Resources Management Strategy projects, including the San Juan Chama Drinking Water Project. In addition, the Water Authority has secured its water supply for the long term compared to most utilities which must invest a significant amount of capital in securing a water supply. The Water Authority has never managed for a high rating from the three rating agencies. The cost of the new facilities, rehabilitation of existing facilities and asset management plan implementation will continue to require significant capital financing. The only way to improve this category would be to not invest in the required capital improvements and/or have significant rate increases to improve cash on hand. The long-term outlook for the Water Authority is above its peers given the capital investments which will be made and the rapid retirement of debt. The Water Authority has a bond rating of AA+ by Fitch, Aa2 by Moody's and AA+ by Standard and Poor's.

4-2 Return on Assets

Performance Results

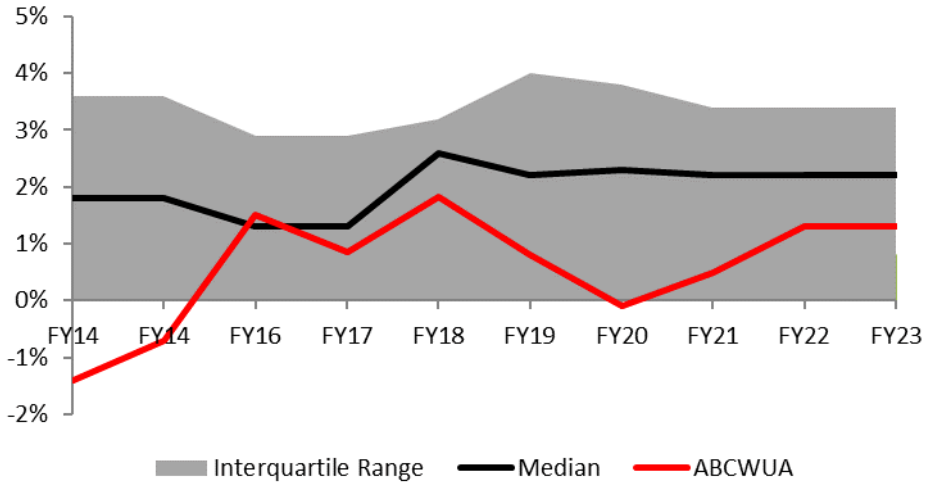
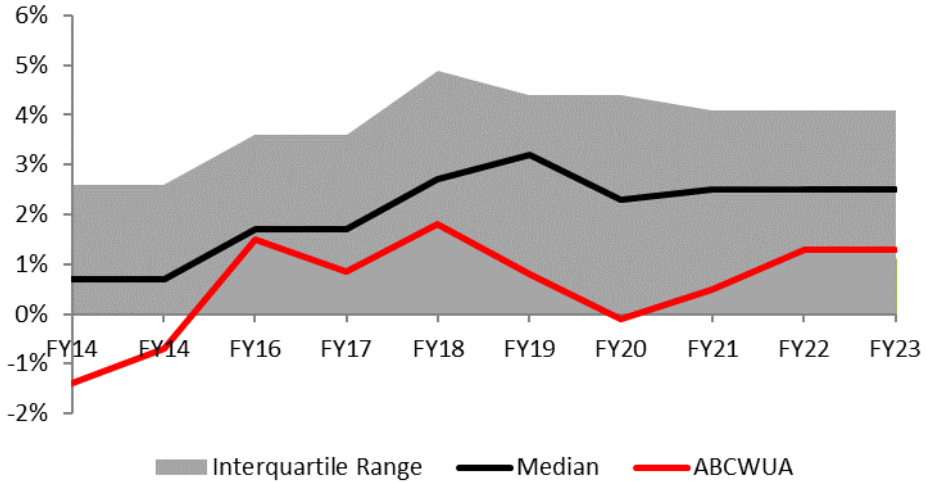
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	0.6%	-0.1%	0.5%	1.3%	1.3%	1.4%	Improve the financial health of the Water Authority

Combined Water/ Wastewater Utilities



Higher Values Desirable

Industry Benchmarks

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

Results Narrative

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

Measurement Status

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

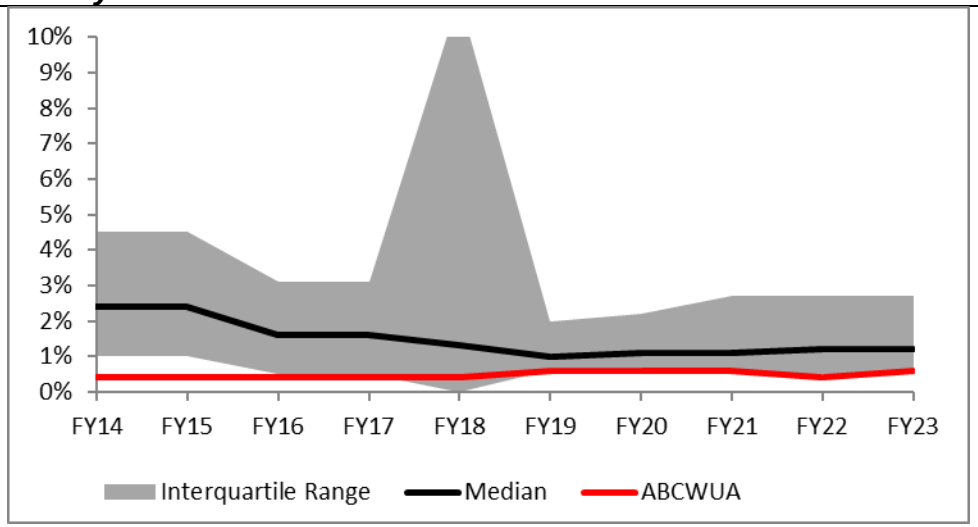
4-3 System Renewal / Replacement Rate

Performance Results (Water Pipeline & Distribution)

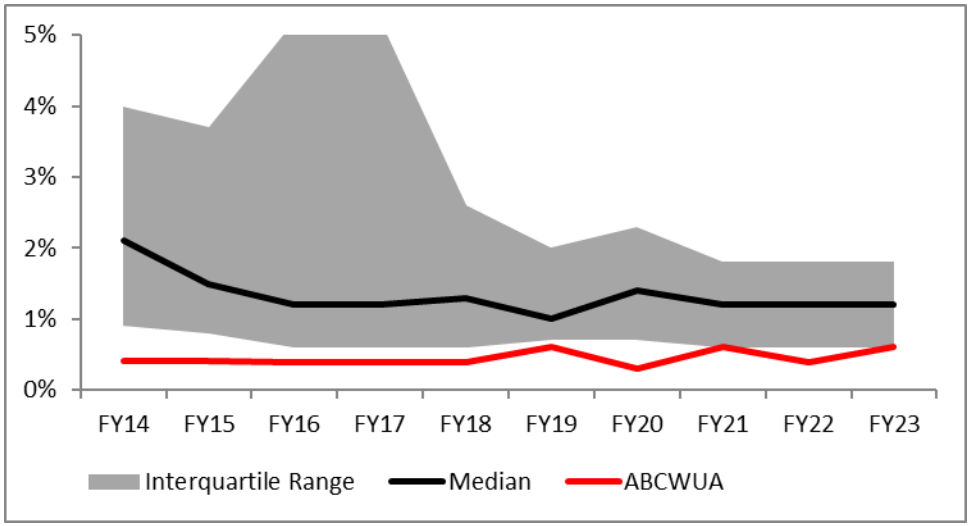
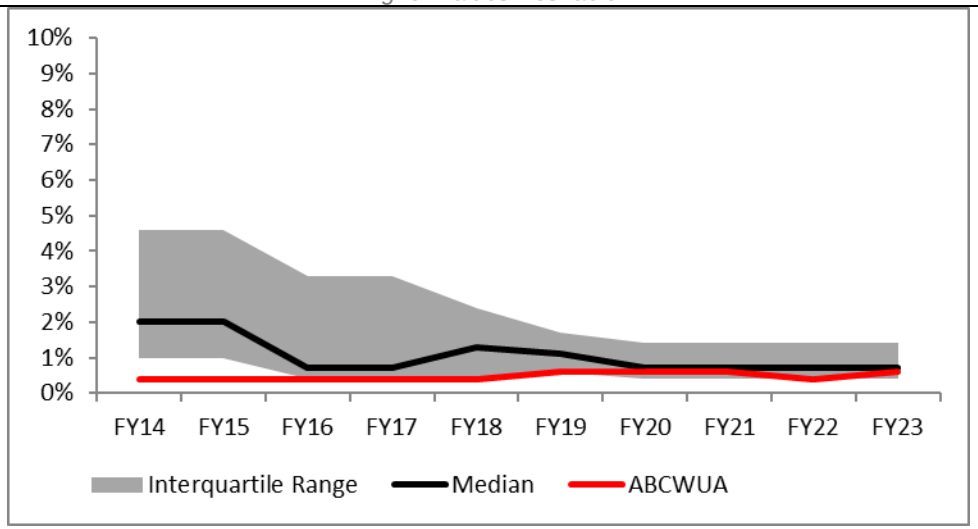
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.5%	0.6%	0.6%	0.4%	0.6%	0.6%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

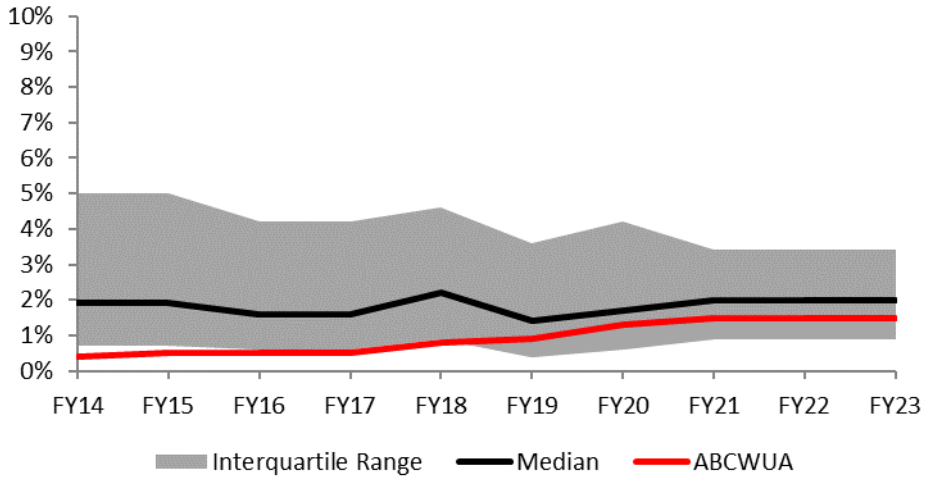
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Water Facility & Pumping)

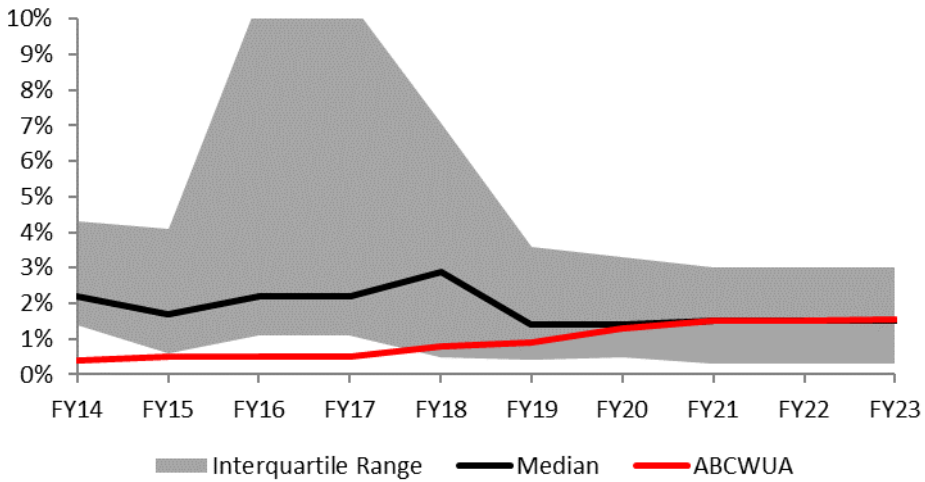
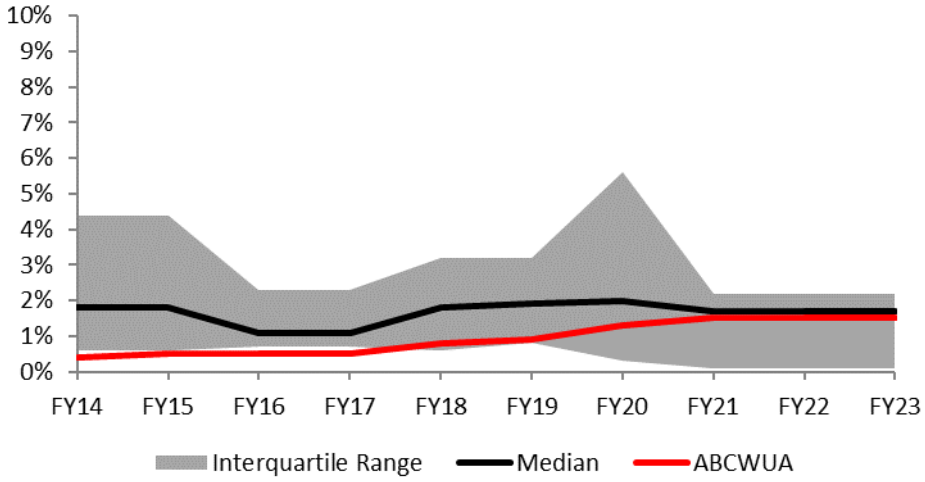
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.4%	1.3%	1.5%	1.5%	1.5%	1.5%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

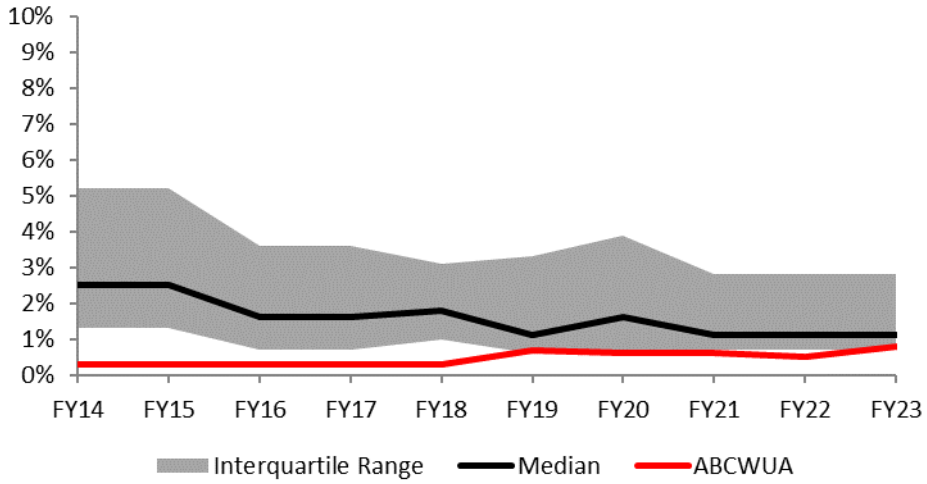
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Pipeline & Collection)

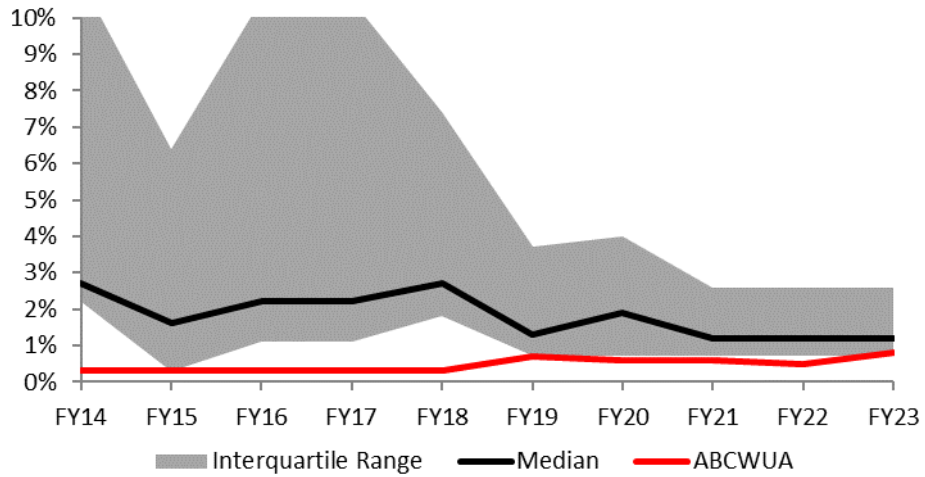
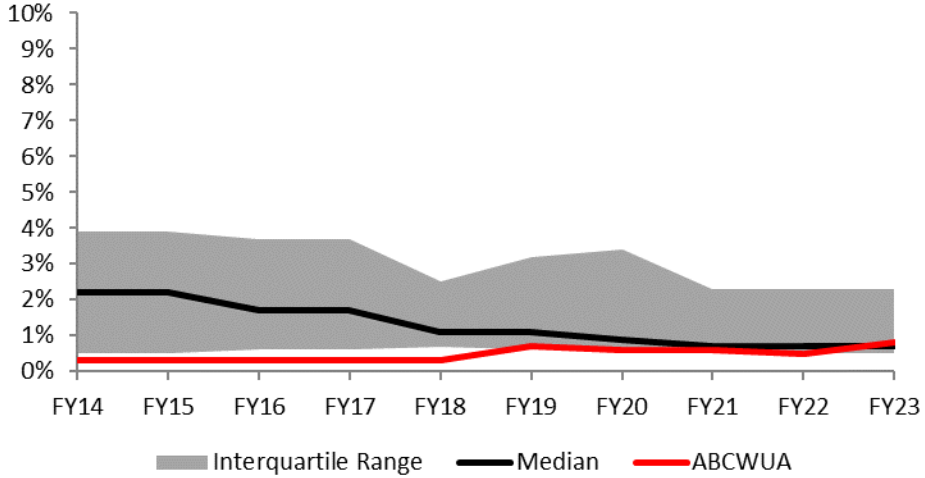
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.6%	0.6%	0.6%	0.5%	0.5%	0.8%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

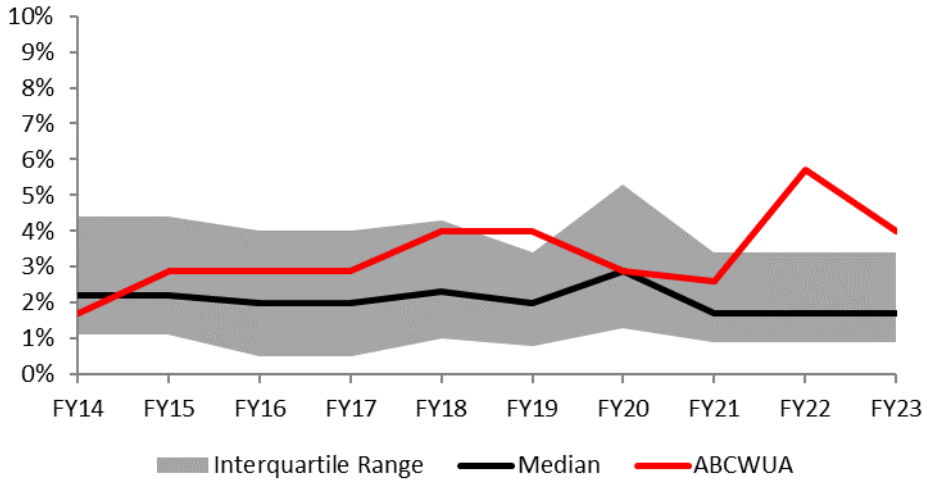
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Wastewater Facility & Pumping)

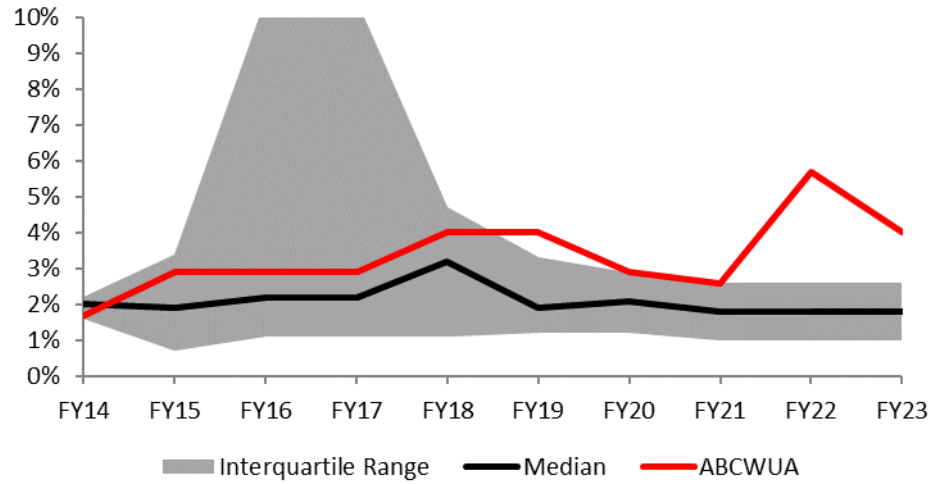
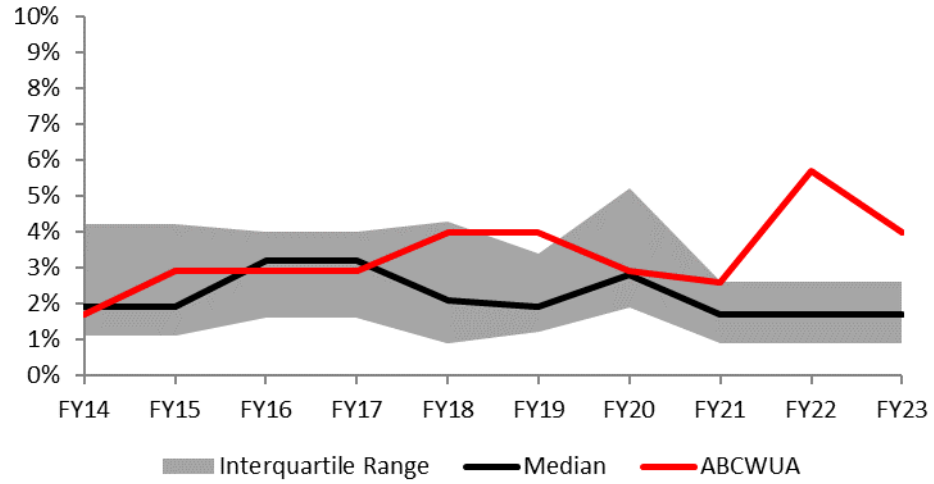
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	3.7%	2.9%	2.6%	5.7%	4.0%	3.0%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

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

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years in three of the four asset groups. The wastewater treatment performance is within or above the median range because of the significant replacement and rehabilitation program at the wastewater treatment plant. Since FY07, the Water Authority increased its capital program spending from $30 million per year to $70 million per year, including significant increases in planned rehabilitation spending from $22 million to $58 million. Since FY15, the utility has added $3 million each year cumulatively. In FY24, the proposed capital budget is $103.5 million.

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

2022 Customer Opinion Survey

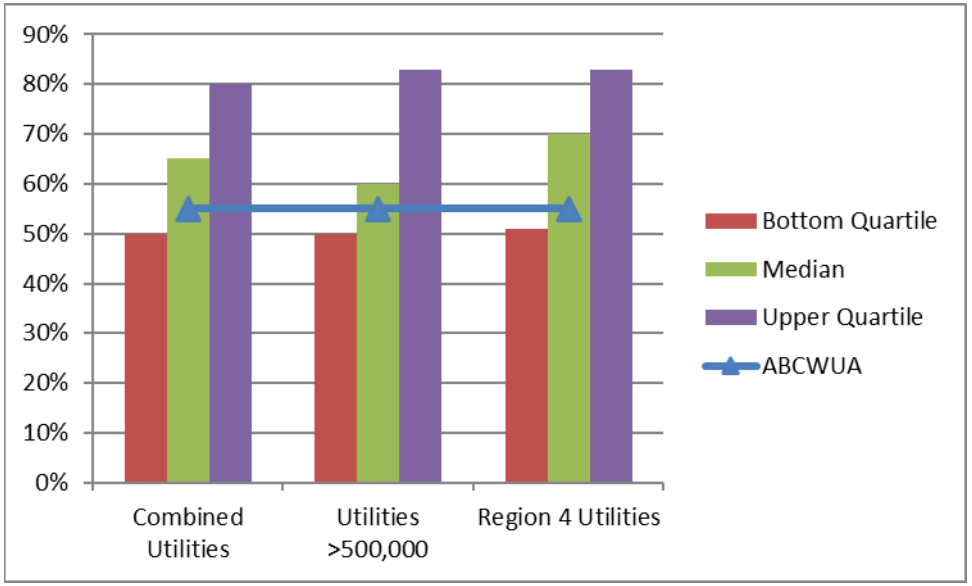
- 85% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

4-4 Triple Bottom Line Index

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Quantify the utility's sustainability efforts	Self-assessment based on Triple-Bottom-Line Checklist	55%	55%	55%	55%	55%	60%	Assess the utility's sustainability efforts

Industry Benchmarks



Generally, higher values are desirable

Results Narrative

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

Measurement Status

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

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

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

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

Goal 5
Organizational Development

Guiding Goal Statement

Sustain a well-informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

Linkage of Objectives to Performance Measures

FY24 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 FY24.	**5-1**
Complete two employee wellness challenges per fiscal quarter focusing on nutrition, physical activity and weight loss, and disease and injury prevention to employees with a 60% or greater overall completion rate by the end of the 4th Quarter of FY24. In collaboration with our Employee Assistance Program, increase mental health awareness through quarterly trainings and presentations. Incorporate more remote wellness options for employees to participate in, including video classes and instructional videos by the end of the 4th Quarter of FY24.	**5-1**
Provide employees with job-related training and monitor hours of training completed. Maintain an average of at least 25 hours of training per employee through the end of the 4th Quarter of FY24.	**5-2**
Maintain an average utility-wide vacancy rate of no greater than 7% through the 4th Quarter of FY24. Maintain an average number of days to fill positions of 40 days or less through the end of the 4th Quarter of FY24.	**5-4**
Recognize at least 15% of the work force through initiatives such as employee incentive awards, on-the-spot awards, and years of service awards through the 4th Quarter of FY24.	**5-6**
Consistent with the Water Research Foundation Utility Innovation Project, develop a Strategic Plan for the Water Authority's Innovation Program by the end of the 4th Quarter of FY24. The Innovation Program will help identify new ways to seek efficiencies throughout the organization.	**5-6**
Develop an awareness program to increase employee participation in annual physicals by 20% by the end of the 4th Quarter of FY24.	**5-6**
Implement a mentorship program to support staff as they progress in their careers and reduce silos between divisions. Conduct a pilot program by the end of the 2nd Quarter of FY24.	**5-6**

Performance Measure Division Responsibility

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

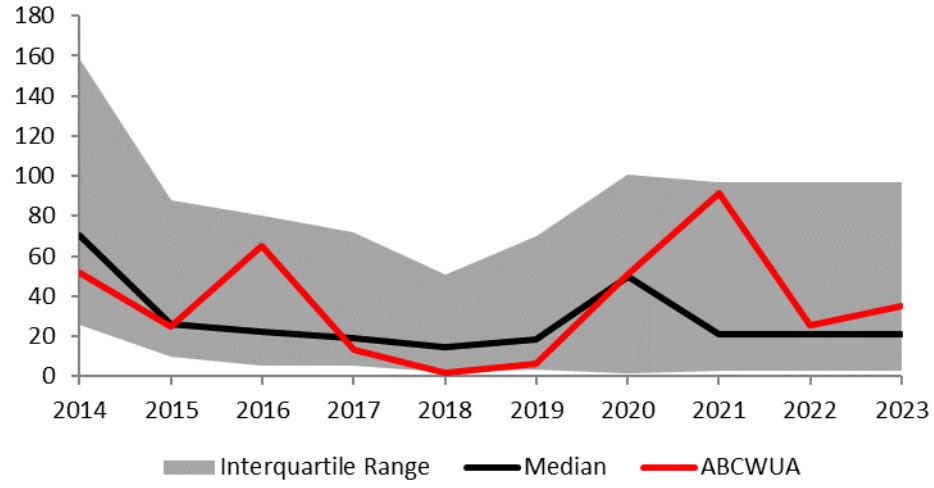
5-1 Employee Health and Safety Severity Rate

Performance Results

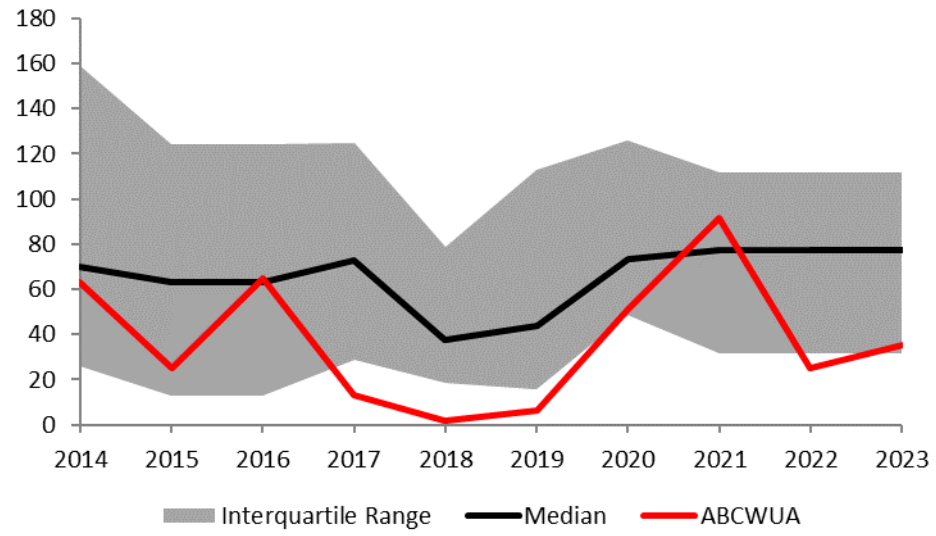
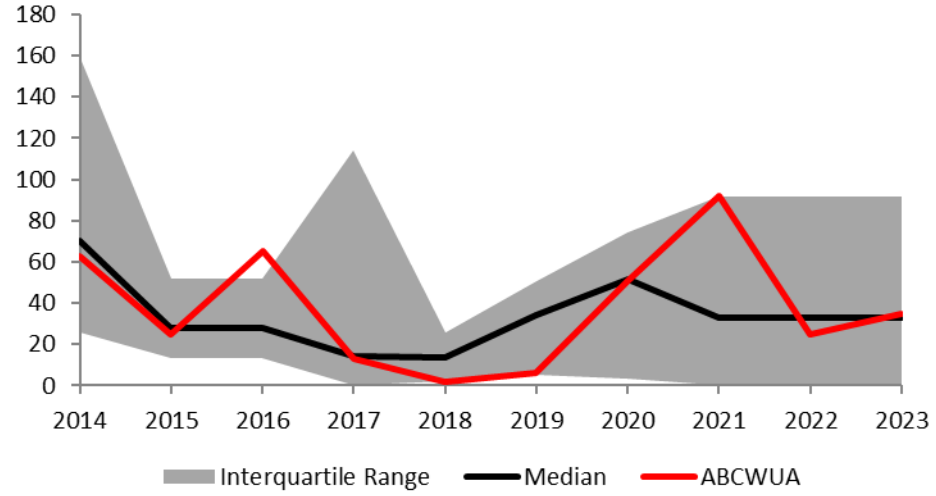
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2019	2020	2021	2022	2023	
Effectiveness	Quantify the rate of employee days lost from work due to illness or injury	Total workdays away from work and total hours worked by all employees	50	6	51	92	25	35	Improve employee health and safety to reduce total workdays from work

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

The 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 11 out of the 14 years.

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

A policy objective for FY24 is to maintain the goal of injury hours at 2,500 hours or less to improve productivity and reliability of services provided by employees; the goal relates to the $300 per employee safety incentive program. Another FY24 Objective is to assess 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.

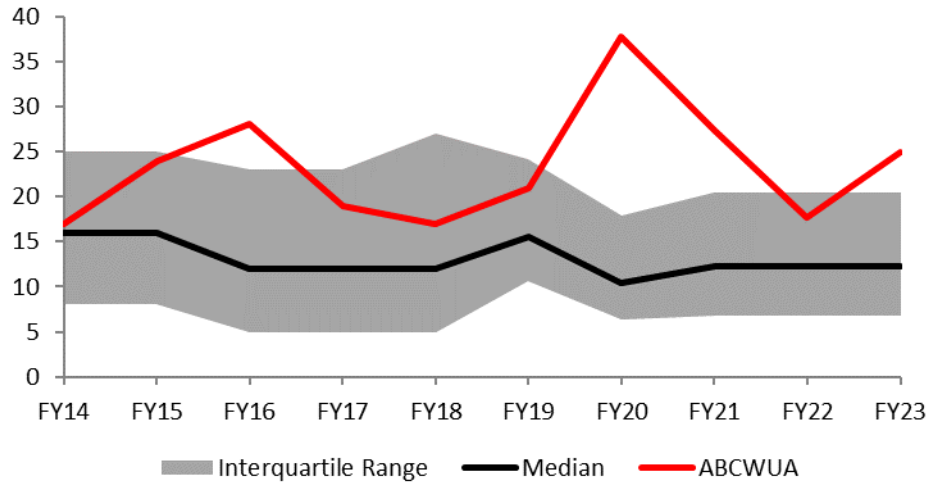
5-2 Training Hours per Employee

Performance Results

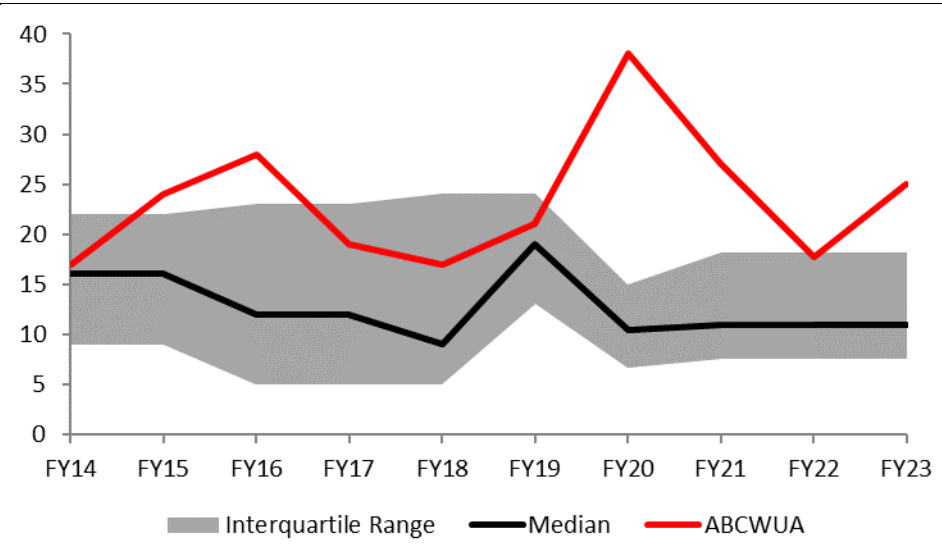
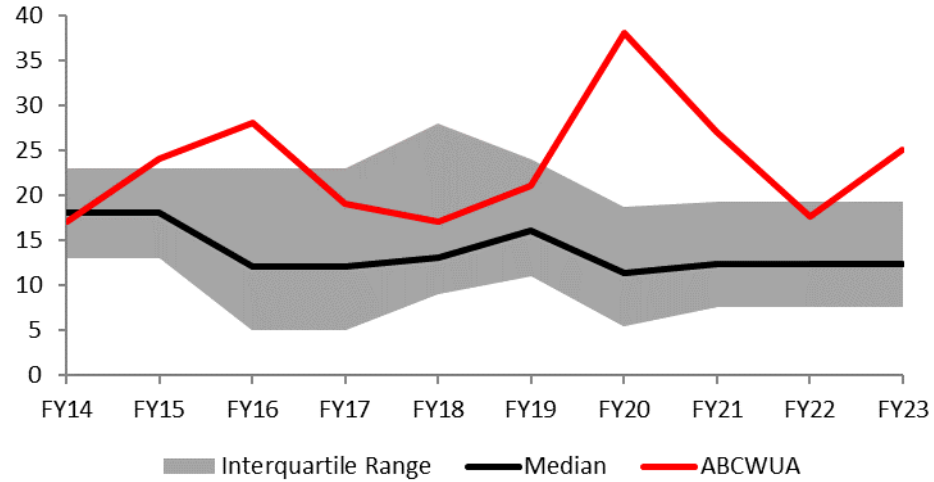
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Effectiveness	Measure the quantity of formal training completed by Water Authority employees	Number of formal training hours per employee per year	28	38	27	18	25	28	Improve employee knowledge and skills to maintain a motivated and effective works force

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

Measurement Status

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

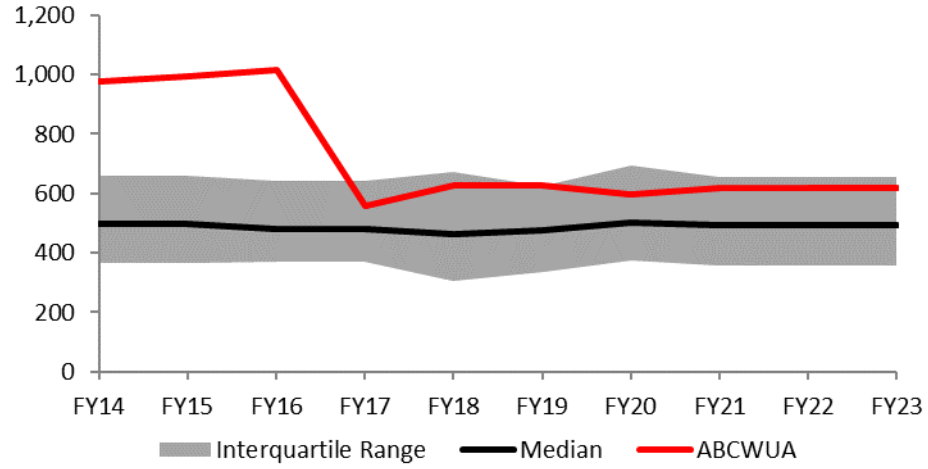
5-3 Customer Accounts per Employee

Performance Results (Customer Water Accounts per Employee)

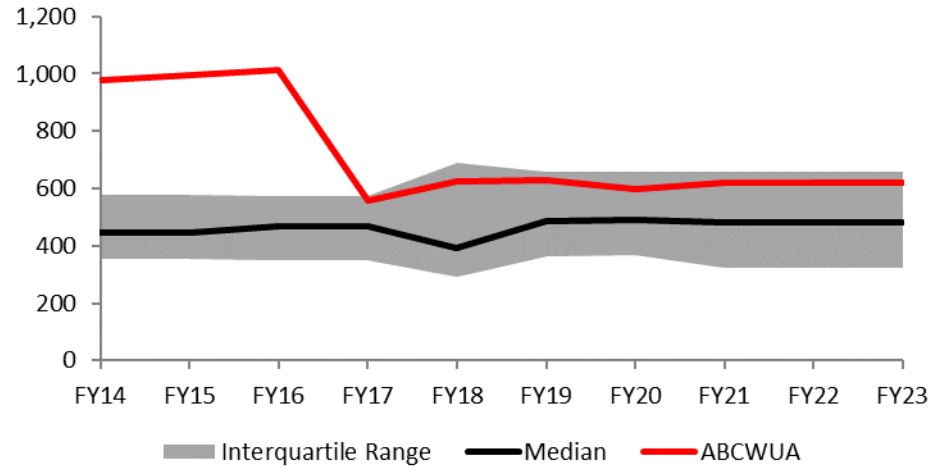
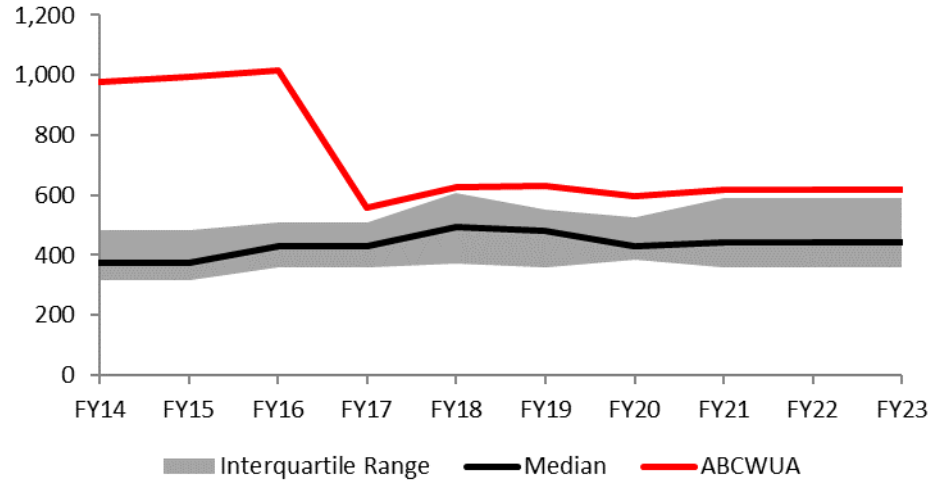
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	611	596	618	618	618	620	Provide efficient service to our customers to meet their expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

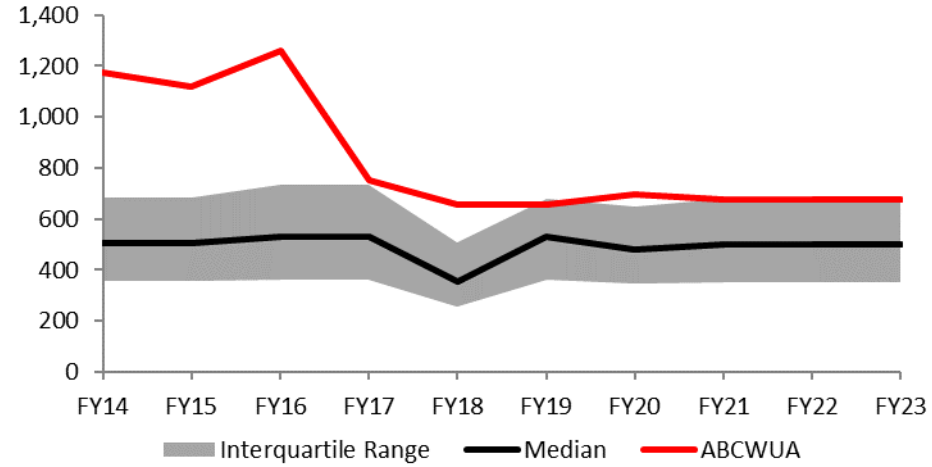
Utilities with populations greater than 500,000	 *Higher Values Desirable*
Utilities located in Region 4	 *Higher Values Desirable*

Performance Results (Customer Wastewater Accounts per Employee)

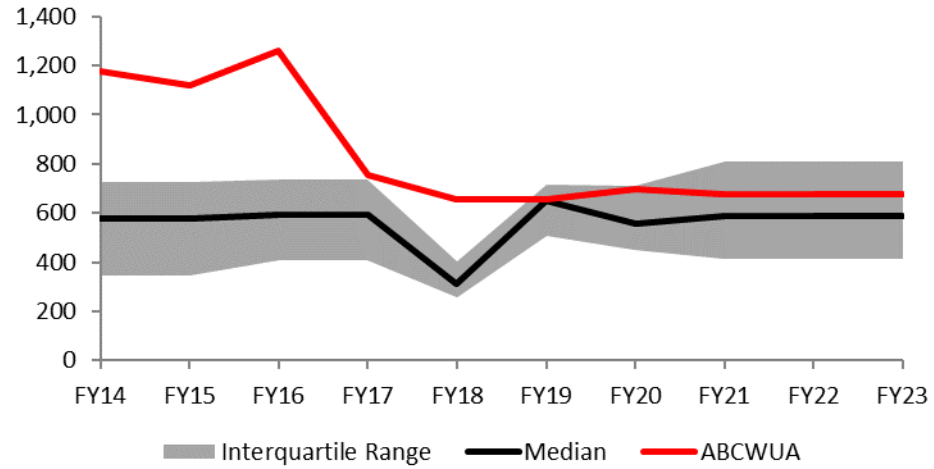
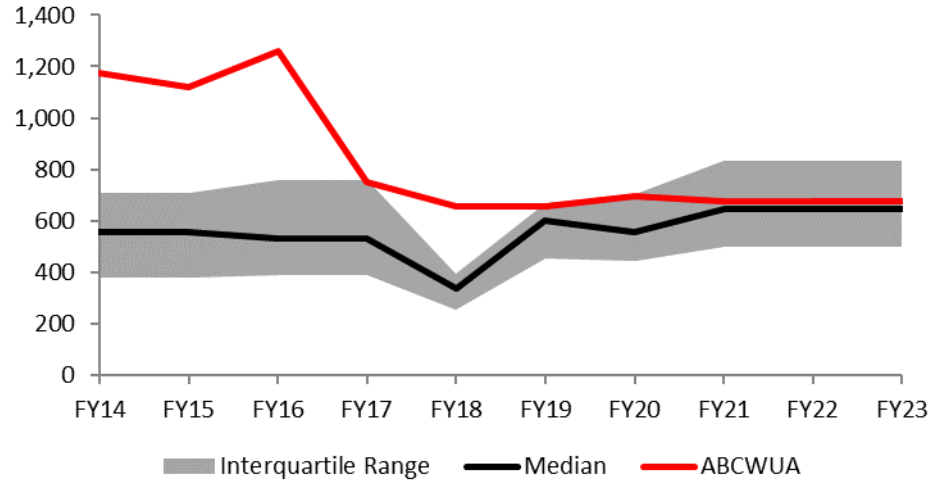
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	684	697	676	678	678	680	Provide efficient service to our customers to meet their expectations

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

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 FY24.

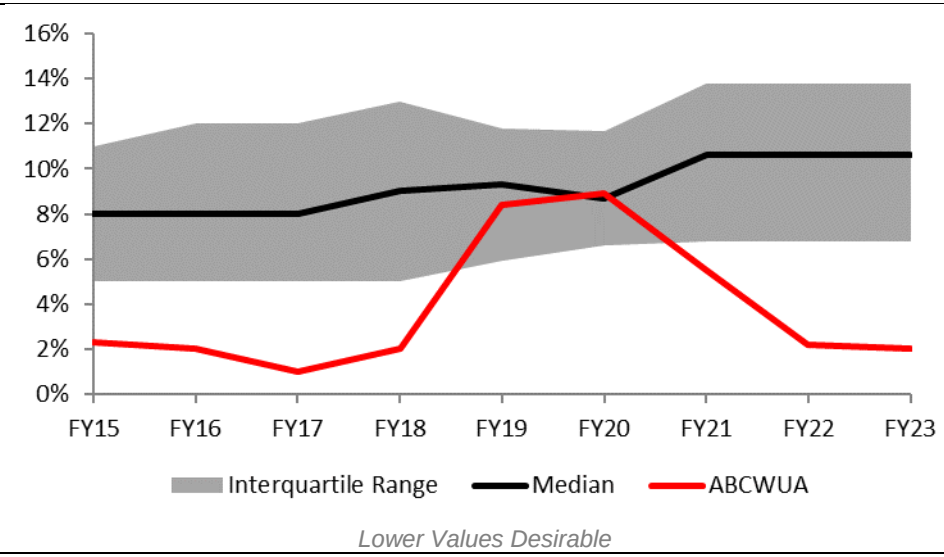
5-4 Employee Turnover

Performance Results

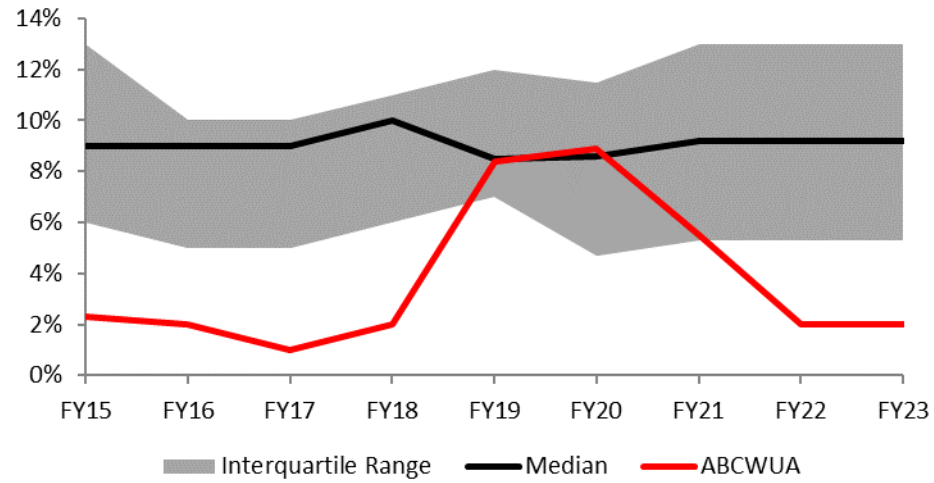
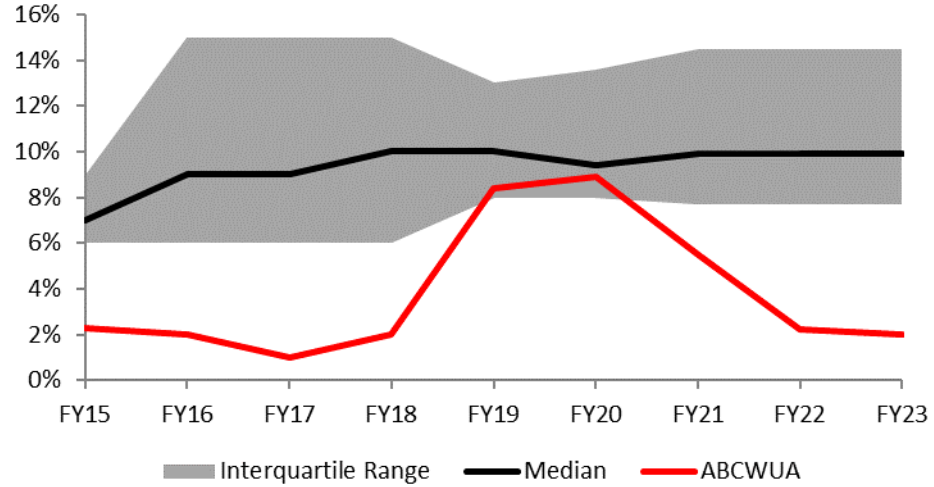
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Quantify the annual employee departures	Number of regular employee departures during the reporting period / Total number of FTEs	5.7%	9.0%	6.0%	2.0%	2.0%	3.0%	Determine staffing levels for operation needs and meeting service levels

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

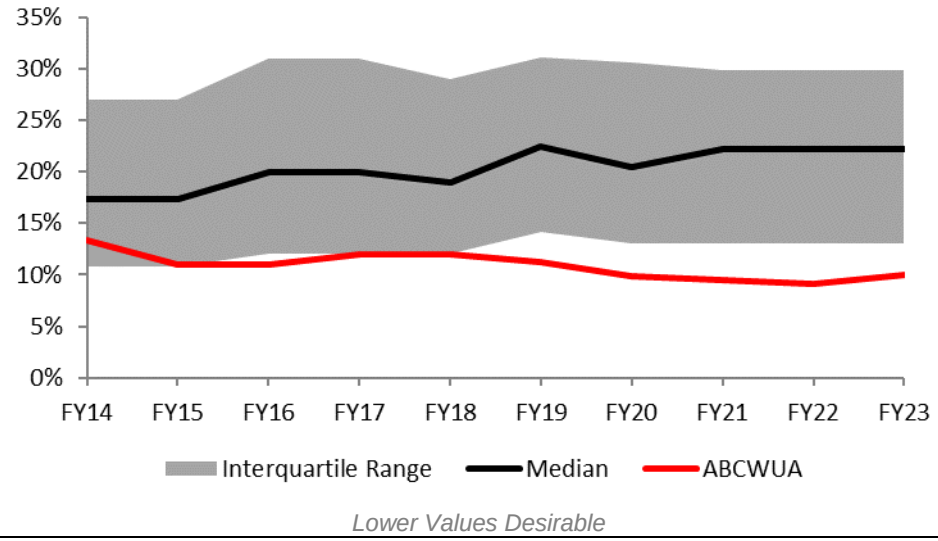
5-5 Retirement Eligibility

Performance Results

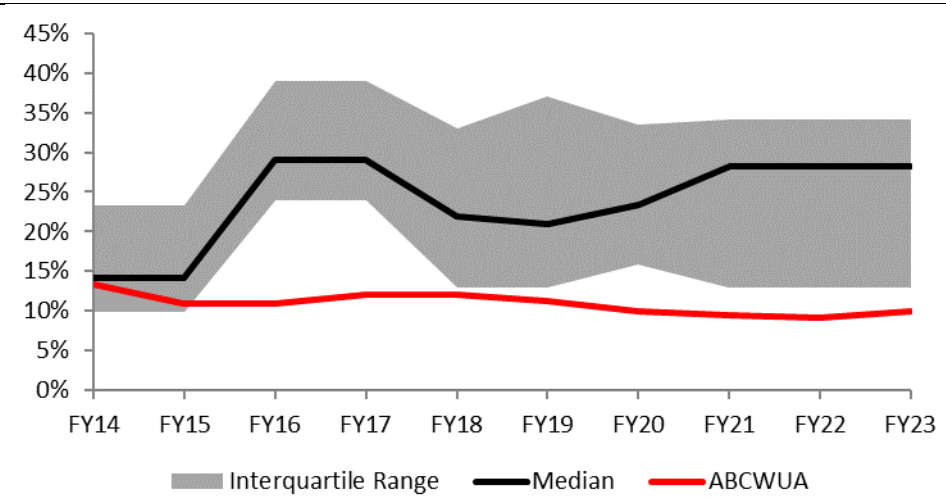
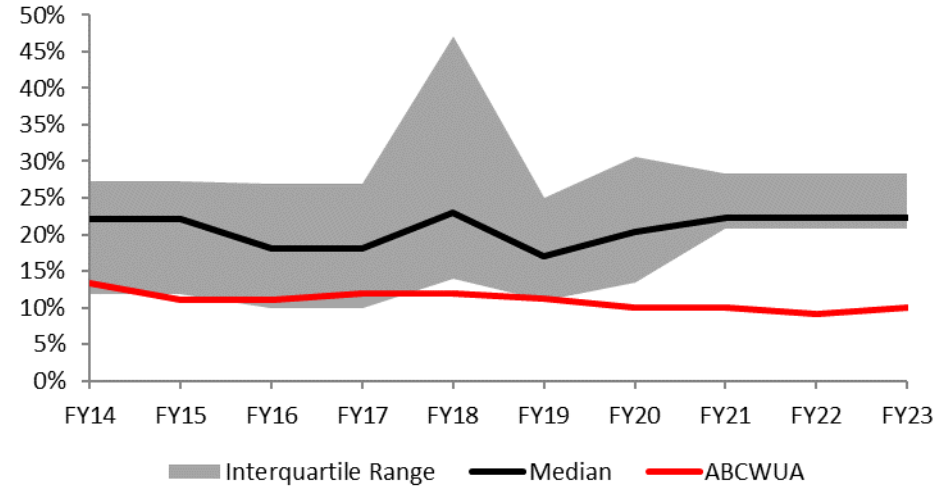
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Efficiency	Quantify the number employees who can retire	Number of regular employees eligible for retirement in the next 5 years / Total number of FTEs	9.7%	10.0	10.0%	9.0%	10%	10%	Determine staffing levels for operation needs and meeting service levels

Industry Benchmarks

Combined Water/ Wastewater Utilities



Lower Values Desirable

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

Results Narrative

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

Measurement Status

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

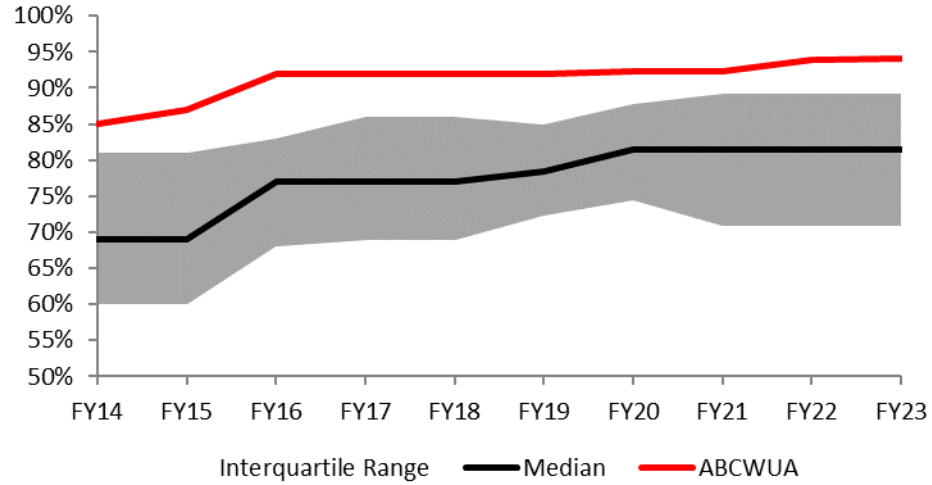
5-6 Organizational Best Practices Index

Performance Results

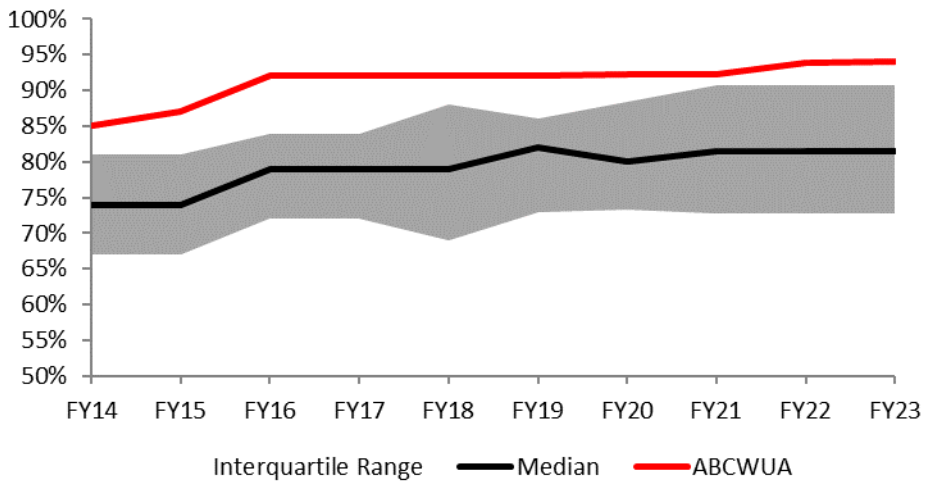
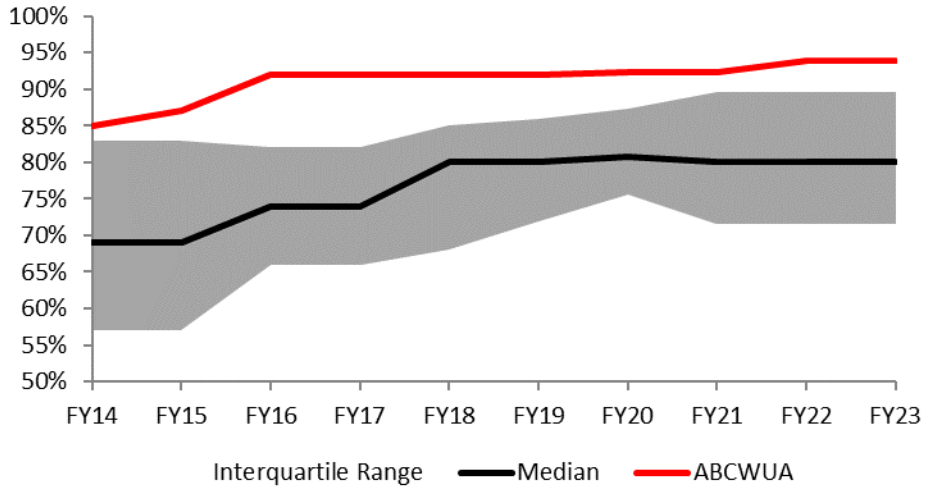
Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY20	FY21	FY22	FY23	FY24	
Quality	To summarize the Water Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree to which the Water Authority is implementing the seven organizational best practices	92%	92%	92%	94%	94%	95%	Implement best management practices to sustain a competitive work force

Industry Benchmarks

Combined Water/ Wastewater Utilities



Higher Values Desirable

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

Results Narrative

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

The practices included in the index are as follows:

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

Measurement Status

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

NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES
EXCELLENCE IN Management AWARD

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

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

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