



Succeeding at Sustainability

Water Authority programs garner national recognition

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FROM THE CHAIR

Sustaining a Resilient Utility and a Resilient Water Supply

This year's annual report focuses on the Water Authority's efforts to ensure a sustainable water future for our community. Specifically, it spotlights the utility's 2024 receipt of the coveted Sustainable Water Utility Management Award from the Association of Metropolitan Water Agencies. In tendering the award, AMWA cited not just the Water Authority's success in water resource management, but its overall approach to operations. This includes its increasing reliance on renewable energy; its implementation of a Comprehensive Asset Management Plan; its emphasis on workforce training and employee satisfaction; and its support for species recovery and watershed protection.

Given the growing risks of climate change, aridification and frequent drought, the Water Authority's sustainability efforts are far from just window dressing. They are integral to the long-term survival of the utility and the community it serves. The more time and resources we invest in sustainability now, the more success we'll have in the future—and the more we'll look back in gratitude to the leaders who made sustainable practices a priority.

Eric C. Olivas | Chair



FROM THE CHIEF EXECUTIVE

WATER 2120: The Key to Supply Sustainability

Adoption of *WATER 2120* – the Water Authority's long-term water planning strategy – was a landmark accomplishment for the Water Authority in 2016. This dynamic plan remains the centerpiece of our efforts to ensure a sustainable, long-term water supply for Albuquerque and Bernalillo County. And it is a big reason why the Association of Metropolitan Water Agencies in 2024 selected the Water Authority to receive AMWA's prestigious Sustainable Water Utility Management Award.

WATER 2120 focuses on the responsible and optimal use of existing supplies while placing continued emphasis on conservation, water reuse, and the wise management of the regional underground aquifer. The plan does not require the acquisition of additional agricultural water rights, or the costly importation of water from other jurisdictions. It's about taking the water we already have and using it more efficiently.

I hope you'll take a few moments to look through this annual report and learn more about the Water Authority—and the initiatives that are making it a leader on the sustainability front.

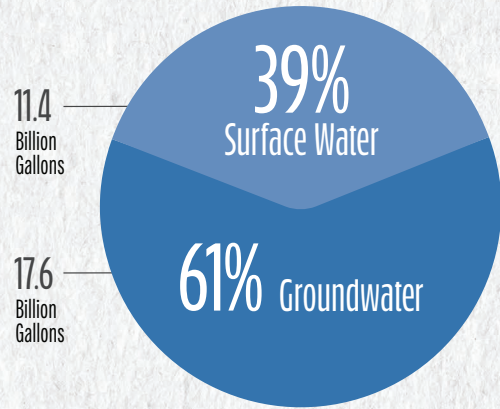
Mark S. Sanchez | Executive Director

Your Water Authority

The Albuquerque Bernalillo County Water Utility Authority, a political subdivision of the State of New Mexico, provides water and wastewater service to the greater Albuquerque/Bernalillo County metropolitan area. It is the largest water and wastewater utility in the state.

Utility Performance

ANNUAL WATER PRODUCTION
2024 Calendar Year (projected)



29.0 billion gallons total

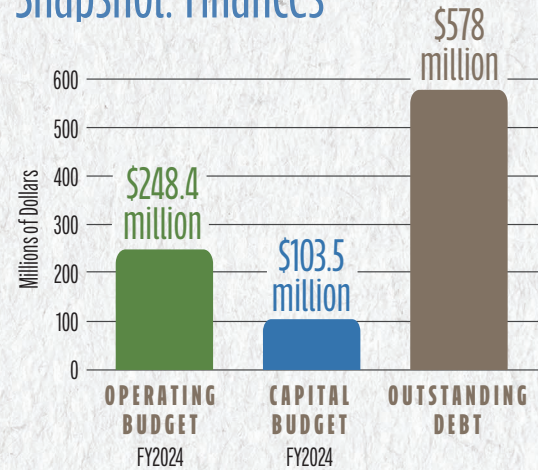
DISCHARGE TO THE RIO GRANDE
2024 (projected)

16.9 billion gallons

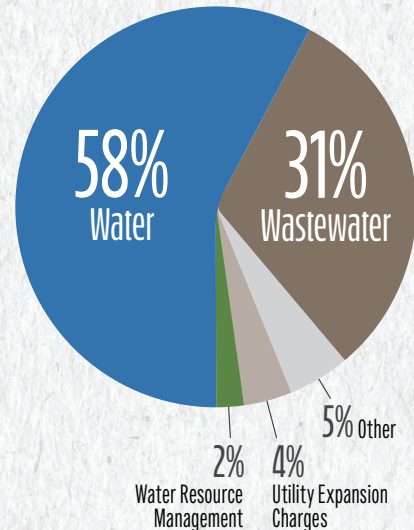
CUSTOMER ACCOUNTS
as of October 2024

211,212

Snapshot: Finances



REVENUE SOURCES



BOND RATINGS

S&P **AA+** | Moody's **Aa2** | Fitch **AA**

Leadership Team

GOVERNING BOARD as of December 2024

The Water Authority is accountable to its ratepayers through a governing Board consisting of seven elected officials: Three Albuquerque City Councilors, three Bernalillo County Commissioners, and the Mayor of Albuquerque or his designee. Also serving is a non-voting member from the Village of Los Ranchos.



Eric C. Olivas | Chair
Bernalillo County Commission



Louie Sanchez | Vice Chair
Albuquerque City Council



Barbara Baca
Bernalillo County Commission



Joaquín Baca
Albuquerque City Council



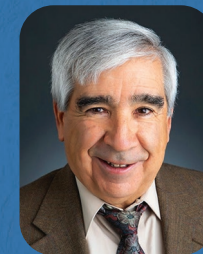
Adriann Barboa
Bernalillo County Commission



Timothy M. Keller | Mayor
City of Albuquerque



Klarissa Peña
Albuquerque City Council



Gilbert Benavides (non-voting)
Village of Los Ranchos

SENIOR STAFF

Mark S. Sanchez
Executive Director

Stan Allred
Chief Operating Officer

Marta Ortiz
Chief Financial Officer

Chris Melendrez
General Counsel

Joel Berman
Plant Operations

Mark Kelly
Water Resources

David Laughlin
Planning and Engineering

Henrietta Mendez
Customer Service

David Morris
Communications

Andres Santiago
Risk Management

Danielle Shurny
Regulatory Compliance

Cody Stinson
Information Technology

Robert "H" Warren
Field Operations

FULL TIME EMPLOYEES
(budgeted)

652



Key elements of the Water Authority's sustainability initiatives include:

GROUNDWATER MANAGEMENT AND PRESERVATION

CONSERVATION

ENVIRONMENTAL AND CULTURAL RESPONSIBILITY

REUSE AND AQUIFER STORAGE

Lasting Success

Association of Metropolitan Water Agencies recognizes Water Authority sustainability initiatives with 2024 Utility Management Award

The Water Authority's utility-wide emphasis on long-term planning and success was recognized in 2024 when it was among seven public drinking water systems honored for sustainability programs by the Association of Metropolitan Water Agencies (AMWA).

"We are pleased but in no way surprised by this award," said Water Authority Board Chair Eric C. Olivas. "Building a forward-looking, resilient utility has been a priority for the Water Authority since its inception in the early 2000s, and AMWA's Sustainable Water Utility Management Award is just further evidence of the utility's commitment to success in this area."

In selecting the Water Authority for the sustainability award, AMWA cited the utility's "remarkable efforts to compete in a highly challenging and constantly changing environment...[and] commitment to achieving a balance of innovative and successful efforts in economic, social and environmental areas."

AMWA specifically recognized the Water Authority for "prioritizing sustainability in response to water scarcity

in the desert Southwest" through development of *WATER 2120*, the utility's 100-year water management plan. AMWA judges praised *WATER 2120* for "outlining essential investments for a resilient water supply, focusing on aquifer storage and indirect potable reuse while addressing climate change and drought." They also pointed to the Water Authority's "increasing reliance on renewable energy for operations, implementation of a Comprehensive Asset Management Plan...and supporting species recovery and watershed protection."



AMWA's 2024 award for achievements in sustainability went to the Water Authority and six other systems nationwide

AMWA's Sustainable Water Utility Management Award

recognizes utilities that have made a commitment to sustainable management. Winners will have achieved a balance of innovative and successful efforts in areas of economic, social, and environmental endeavors, such as responsible management of resources, protection of public health, meeting responsibilities to the community, and providing cost-effective services to ratepayers.

In selecting the Water Authority for a sustainability award, AMWA judges noted the utility's—

- A** ... increasing reliance on renewable energy sources, such as the solar-covered parking structure shown under construction here
- B** ... support for endangered species, including the endangered Rio Grande Silvery Minnow, shown being collected here by Water Authority employees and field workers from the U.S. Fish and Wildlife Service
- C** ... commitment to its *WATER 2120* management plan, which depends heavily on expansion of reuse infrastructure like that shown here

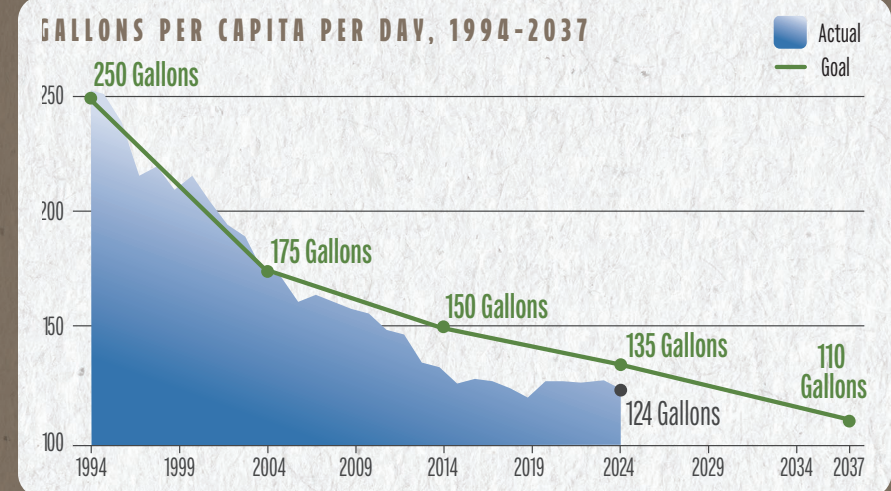


What is *WATER 2120*?

Underpinning many of the Water Authority's sustainability efforts is the utility's long-term resource management strategy, *WATER 2120*. Key elements of this unique 100-year water plan include:

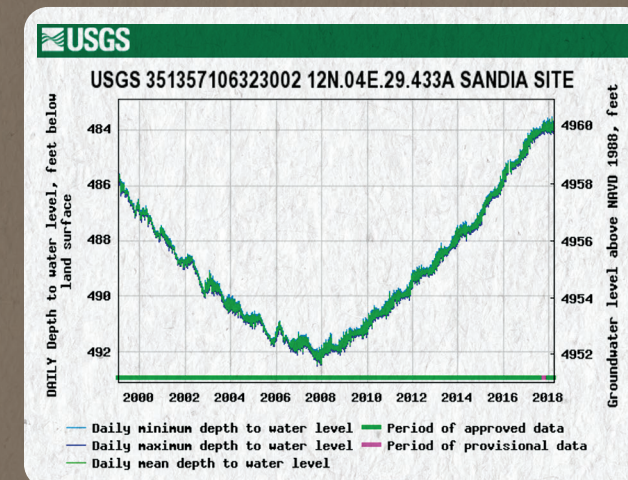
Conservation

Over the past 20+ years, overall demand for water has dropped significantly even while population has increased. Per capita daily usage, at 252 gallons in the mid-1990s, is now at about 124 gallons (see chart).



Groundwater Management and Preservation

As shown in this graph from the U.S. Geological Survey from one monitoring site in Albuquerque, groundwater levels in the regional aquifer have risen significantly, thanks mainly to the addition of surface water from the San Juan-Chama Project to the local supply.



Environmental and Cultural Responsibility

The *WATER 2120* plan calls for no additional acquisition of pre-1907 water rights from farmers, leaving more water available for agriculture. It also emphasizes the management and preservation of the environmentally sensitive watersheds where the community's surface-water supply originates.

Reuse

Using water multiple times via a robust reclamation and recycling system will help extend the local water supply.

Year in Review 2024



Pipeline installation in Los Padillas

South Valley Drinking Water Project Nets EPA Aquarius Award

In April, the U.S. Environmental Protection Agency honored the Water Authority with an AQUARIUS Award for public health for a project to bring clean drinking water to the South Valley neighborhood of Los Padillas.

The award was one of just six given this year to utilities participating in EPA-supported state revolving loan funds for water and wastewater projects.

The Los Padillas project, which got underway in 2017 and finished in 2020, saw the installation of more than five miles of new waterlines in the neighborhood.

“The aim was to provide safe drinking water in an area mostly served by shallow private wells that are prone to contamination from agricultural runoff and leaking underground fuel tanks,” said Water Authority Board Chair Eric C. Olivas. “Through this project, clean municipal drinking water is now available to about 200 households in the Los Padillas area who didn’t have it before.”



Breaking ground on the new pipeline project

Construction of To'Hajiilee Pipeline Begins

In May, a long-awaited pipeline project to bring safe drinking water to the Navajo community of To'hajiilee got underway at a ceremony attended by officials from the Navajo Nation, the State of New Mexico, Bernalillo County, the Federal government and the Water Authority.

The \$20 million, 7.5-mile pipeline, to be funded by the Navajo Nation with support from the New Mexico Finance Authority's Water Trust Board and the New Mexico Indian Affairs Department, will carry water leased by the Navajo Nation

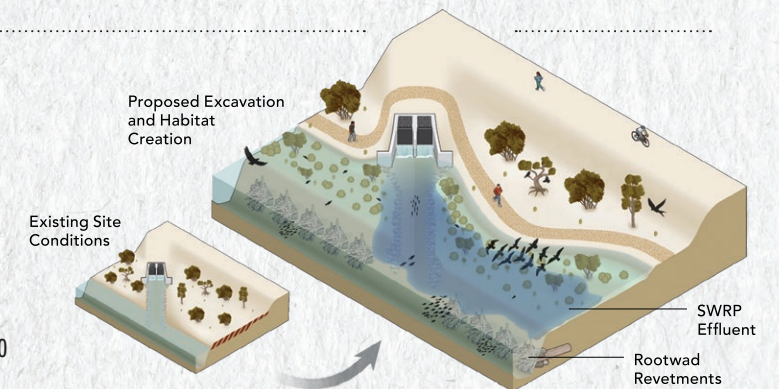
from the Jicarilla Apache Nation. The Water Authority, which has no role in financing the project, is managing construction. Project completion is expected in the fall of 2025.

A community of about 1,600 residents west of Albuquerque, To'Hajiilee has for many years been plagued by well failures and poor water quality. Of its six drinking water wells, five have become inoperable and the sixth cannot produce enough water to meet all of the community's needs.

Outfall Restoration Project Gets Underway in Albuquerque's Bosque

In August, officials broke ground on a restoration project to return 14.5 acres of bosque along the Rio Grande to its natural condition, aiming to improve habitats for endangered species while providing better access for hikers and bicyclists.

The \$8.6 million Water Authority project is funded with grants from the State of New Mexico, including the Office of Natural Resources Trustee, and the U.S. Bureau of Reclamation. It is centered around the outfall channel from the community's wastewater treatment plant.



Planned outfall improvements include habitat restoration and new hike-and-bike paths.

“The water this outfall returns to the environment is vital to the fish and wildlife that call the bosque and the river home,” said Water Authority Board Chair Eric C. Olivas. “We are very excited to restore this area to a more natural state.”

Abiquiu Agreement Adds Storage Capacity

In June, the Water Authority and the U.S. Army Corps of Engineers signed a new agreement allowing storage of native Rio Grande water in Abiquiu Reservoir for the first time—and functionally increasing its storage capacity from 200,000 acre feet to approximately 230,000 acre feet.

“Until now Abiquiu was only authorized to store water that was imported by the San Juan-Chama project,” explained Water Authority Board Chair Eric C. Olivas. “The new agreement truly is a big deal for water managers across the region, made possible literally through an act of Congress. That’s how complicated this was to get done.”

Abiquiu Dam became operational in 1963 with the primary purpose of flood control. It is located in Rio Arriba County, about 60 miles northwest of Santa Fe.



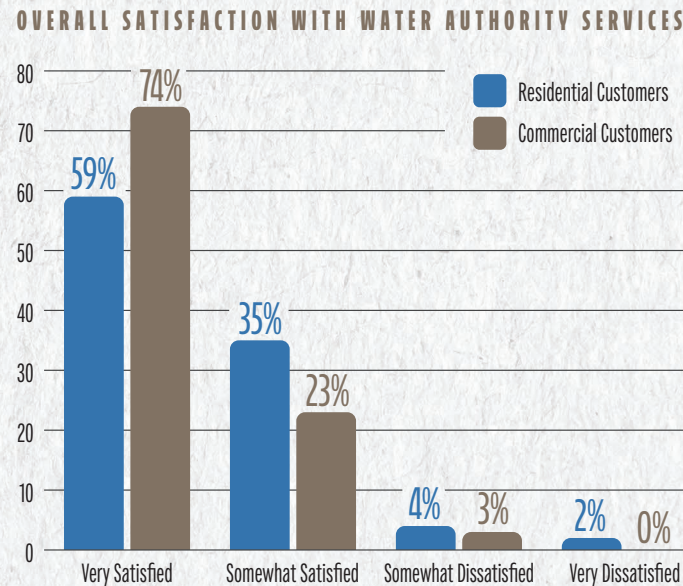
Lt. Col. Jerre Hansbrough, left, and Water Authority Executive Director Mark S. Sanchez sign the new storage agreement.

Water Authority Earns High Marks in Customer Survey

Respondents to the Water Authority’s latest customer survey, completed in the spring of 2024, had an overall positive view of the utility and the services it provides. The vast majority (94 percent) of residential customers expressed satisfaction with Water Authority services, and 85 percent agreed that water and sewer services in Albuquerque and Bernalillo County are a “good value.”

94% of residential customers say they are “very” or “somewhat” satisfied with the Water Authority’s services.

97% of commercial customers also express satisfaction with the services they receive.



Financials

ECONOMIC CONTEXT

The Water Authority is the largest water and sewer utility in New Mexico, serving some 650,000 people in Albuquerque and certain unincorporated areas of Bernalillo County. Albuquerque is New Mexico’s largest city and is the state’s major commercial, trade, service, transportation and financial center. The local economy has recently shown signs of growth, with small employment gains in both the public and private sectors. The local unemployment rate of about 4 percent is in line with the national figure. According to the University of New Mexico’s Bureau of Business and Economic Research, Albuquerque’s largest private sector employment gains over the next few years are expected to come in the areas of healthcare and social assistance, followed by construction and professional and technical services. Total non-farm employment in Albuquerque increased by 2.1 percent in the 12-month period between September 2023 and September 2024, according to the U.S. Bureau of Labor Statistics.

Condensed Statement of Net Position in thousands of dollars

The Statement of Net Position, also known as a balance sheet, is a financial statement that summarizes what the Water Authority owns and owes at the end of the fiscal year (June 30), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the Water Authority’s financial position is improving or weakening.

	FY2024	FY2023	FY2022	FY2024/FY2023	FY2023/FY2022
ASSETS					
Current and other assets	\$275,630	\$200,831	\$270,921	\$74,799	\$(70,090)
Capital assets	1,189,314	1,185,282	1,155,670	4,032	29,612
Total Assets	1,464,944	1,386,113	1,426,591	78,831	(40,478)
Deferred outflow of resources	26,397	23,684	21,993	2,713	1,691
LIABILITIES					
Long-term liabilities	635,805	584,118	643,497	51,687	(59,379)
Other liabilities	109,604	115,093	110,331	(5,489)	4,762
Total liabilities	745,409	699,211	753,828	46,198	(54,617)
Deferred inflow of resources	17,605	19,704	33,716	(2,099)	(14,012)
NET POSITION					
Net investment in capital assets	662,356	629,850	579,356	32,506	50,494
Unrestricted	65,970	61,033	81,685	4,937	(20,652)
Total Net Position	\$728,326	\$690,883	\$661,041	\$37,443	\$29,842

Please note that this is a summary popular report intended for general readership and as such does not contain all the information available in the utility’s Annual Comprehensive Financial Report (ACFR). To view the FY 2024 ACFR, which is prepared in accordance with generally accepted accounting principles (GAAP), please visit the Water Authority’s website at www.abcwua.org and click on “Finances” under “Your Water Authority.”

Condensed Statement of Changes in Net Position in thousands of dollars

	FY2024	FY2023	FY2022	FY2024/FY2023	FY2023/FY2022
REVENUES					
Water system	\$157,598	\$148,092	\$145,215	\$9,506	\$2,877
Wastewater system	82,414	80,746	76,845	1,668	3,901
Miscellaneous	2,365	2,141	2,134	224	7
Non-operating revenue	24,507	17,385	12,295	7,122	5,090
Total Revenues	266,884	248,364	236,489	18,520	11,875
EXPENSES					
Operating	238,797	237,717	220,635	1,080	17,082
Non-operating	18,610	16,504	18,020	2,106	(1,516)
Total Expenses	257,407	254,221	238,655	3,186	15,566
Income (loss) before capital contributions	9,477	(5,857)	(2,165)	15,334	(3,691)
Capital contributions	27,966	35,699	21,270	(7,733)	14,431
Change in net position	37,443	29,842	19,105	7,601	10,740
Net position, beginning of year	690,883	661,041	641,936	29,842	19,105
Net position, end of year	\$728,326	\$690,883	\$661,041	\$37,443	\$29,845

Top Ten Water Authority Customers 2024

	Water Revenue	% of Total Revenue	Consumption
1 – City of Albuquerque	\$9,917,151	6.29%	2,852,841
2 – Albuquerque Public Schools	2,938,528	1.86%	569,263
3 – University of New Mexico	1,370,327	0.87%	265,488
4 – Bernalillo County	778,959	0.49%	187,984
5 – Kirtland Air Force Base	711,930	0.45%	132,459
6 – Lovelace Health	325,524	0.21%	98,224
7 – Central New Mexico Community College	317,189	0.20%	69,876
8 – Sumitomo	313,460	0.20%	123,079
9 – Water Authority	283,303	0.18%	49,853
10 – Albuquerque Academy	233,231	0.15%	102,955
Total	\$17,189,603	10.91%	4,452,022

**2024 TOTAL
WATER SYSTEM
REVENUE**

\$157,597,966

EXPLANATION OF TERMS

Current Assets are cash and items expected to be converted into cash within one year. **Other Assets** are accounts, notes and leases receivable, prepaid items, and due from other governments. **Capital Assets** include land, treatment plants, facilities, pipelines, buildings and equipment, net of depreciation. **Deferred Outflows of Resources** includes the use of resources that will be applied to future accounting periods, including deferred employer pension and OPEB (other post-employment benefits) contributions. **Long-term Liabilities** are debt or other obligations that are due more than 12 months in the future. **Other Liabilities** includes accounts and claims payable, accrued payroll, accrued compensated absences, deposits and lease liabilities. **Deferred Inflows of Resources** are the purchase of resources that will be applied to future accounting periods, including pension and OPEB. **Net Investment in Capital Assets** are amounts invested in capital assets less accumulated depreciation. **Unrestricted Net Position** is the amount of total assets and total liabilities, not included in the net investment on capital assets.



The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Albuquerque Bernalillo County Water Utility Authority (Water Authority) for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

A Certificate of Achievement is valid for a period of one year only. This was the Water Authority's fifth year receiving this award. Staff believes the report continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.



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Bernalillo County
Water Utility Authority
New Mexico

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Administrative Office

City/County
Government Center
One Civic Plaza NW
Albuquerque, NM 87102

Customer Service Center

1441 Mission Ave. NE
Albuquerque, NM 87113

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