



Council Meeting Staff Report

May 7, 2024

Agenda No.:	F.
Indexes (Council Goals):	Quality Excellence - Effective, Efficient, and Reliable Services, Quality Governance - Fiscal Stewardship, DPU FY2022 - 1.0 Provide Safe and Reliable Utility Services, DPU FY2022 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters:	James Alarid
Legislative File:	OR1018-24

Title

Introduction of Incorporated County of Los Alamos Ordinance No. 733 An Ordinance Authorizing the Incorporated County of Los Alamos (County) to Submit an Amendment No. 2, to the New Mexico Environment Department (NMED) Clean Water State Revolving Fund (CWSRF) for the Purpose of Increasing the Funding of Loan Number CWSRF 110 by \$1,200,000 for the Bayo Lift Station Elimination Project

Recommended Action

I introduce, without prejudice, Incorporated County of Los Alamos Ordinance No. 733 An Ordinance Authorizing the Incorporated County of Los Alamos (County) to Submit an Amendment No. 2, to the New Mexico Environment Department (NMED) Clean Water State Revolving Fund (CWSRF), for the Purpose of Increasing the Funding of Loan Number CWSRF 110 and ask staff to assure that it is published as provided in the County Charter.

Utilities Manager's Recommendation

The Utilities Manager recommends that Council introduce Ordinance No. 733

Board, Commission or Committee Recommendation

The Board of Public Utilities approved recommending this ordinance at their regular session on April 17, 2024 and recommends that Council introduce Ordinance No. 733.

Body

The Bayo Lift Station pumps sewage from all of Barranca Mesa to the Los Alamos Wastewater Treatment Plant. This represents approximately 20% of the sewage treated at the Los Alamos Wastewater Treatment Plant. The lift station is due for some major upgrades and rather than reinvest in the lift station, a gravity sewer line will be constructed to replace the lift station. The gravity sewer line will eliminate the cost of pumping the sewage and eliminate the risk of a significant sewage spill if the lift station failed. The project was bid in June 2023 and the bids were extremely high. After value engineering the project, the scope was reduced and the project was bid again in October and the bids came in \$763,000 lower.

The project was awarded in December 2023 funded by \$1,500,000 from CWSRL 110, and an additional \$1,200,000 funded from FY2024 capital funds reallocated from another project. DPU began working with the New Mexico Environment Department to increase CWSRL 110 by \$1,200,000 to fully fund the project with the same low interest loan. This Amendment No. 2 to CWSRL 110 will increase the loan by the additional \$1,200,000, fully funding the Bayo Lift Station Elimination Project with the loan.

Proposed Public Hearing Schedule: May 28, 2024

Alternatives

If Amendment No. 2 is not approved the project will remain funded in part by the capital improvement funds reallocated from another project.

Fiscal and Staff Impact/Planned Item

CWSRL 110 is funding the following projects:

Bayo Lift Station Elimination Project	\$ 2,700,000
White Rock Water Reclamation Facility	<u>\$23,500,000</u>
Total	\$26,200,000

Attachments

- A - LAC Ordinance No. 733
- B - Amended Promissory Note
- C - Interim Loan Agreement Amendment No. 2