

## Council Meeting Staff Report

September 19, 2018

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| <b>Agenda No.:</b>              | 6.D          |
| <b>Indexes (Council Goals):</b> | BCC - N/A    |
| <b>Presenters:</b>              | James Alarid |
| <b>Legislative File:</b>        | RE0382-18    |

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### Title

Approval of Incorporated County of Los Alamos Resolution No. 18-21; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2019 Applications to the Water Trust Board for Funding Non-Potable Water Systems Projects

### Recommended Action

**I move that the Board of Public Utilities Approve Incorporated County of Los Alamos Resolution No. 18-21; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2019 Applications to the Water Trust Board for Funding Non-Potable Water Systems Projects, and forward to Council for approval.**

### Staff Recommendation

Staff recommends approval of Resolution 18-21 as presented.

### Body

Applications for the 2019 Water Trust Board (WTB) funding cycle are due on October 4, 2018. The DPU proposes to apply for funding to construct a new effluent water booster station at Overlook Park in White Rock. A requirement by the WTB is to submit a resolution by the governing body with the application. Resolution 18-21 is provided as Attachment A, which if approved, authorizes the DPU to apply for funding in the 2019 cycle.

The existing booster station at Overlook Park was built in 1982 and has served as the primary irrigation water source to all of Overlook Park since. The existing booster pumps are installed outdoors and are exposed to the elements and the electric gear is the original equipment which is antiquated. The major components of the booster station are at the end of their service life and in need of replacement. DPU is seeking approval to apply for \$800,000 to the WTB for construction of a new replacement booster station. The project qualifies for WTB funding since it is a treated effluent water infrastructure project and supports conservation of potable groundwater. The new booster station will be designed by DPU engineering staff and will be "shovel ready" if Los Alamos County is granted the funds.

Funding from the WTB is in the form of a grant and loan award. The County would also have to match 10% of the construction cost. Awards can vary from a 60% grant/40% loan to a 90% grant/10% loan, the WTB determines the split and we will not know until awarded. The cost to the county will be 10% of the construction cost which is \$88,000 plus the loan amount. The loan amount could vary from \$320,000 (40%) to \$80,000 (10%). Loans are typically for a 20 year term at 3% interest. A table of the range of possible loan amounts and the associated annual payments is provided in Attachment D

Loan payments would be made from the Water Production fund. To assist in evaluating the impact to the Water Production fund we have attached a summary of existing loans that represent the existing

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debt against the fund (Attachment B). In addition, we have provided a summary of the total annual loan payments for the ten loans that exist (Attachment C).

**Fiscal and Staff Impact**

None

**Attachments**

A - Resolution 18-21

B - List of Existing Water Production Loans

C - Summary of Annual Water Production Loan Payments

D - Range of Possible Loan Amounts and Associated Annual Payments