

Council Meeting Staff Report

January 5, 2021

Agenda No.:	A.
Indexes (Council Goals):	* 2020 Council Goal - Investing in Infrastructure
Presenters:	James Alarid
Legislative File:	OR0879-20

Title

Incorporated County of Los Alamos Ordinance No. 703; Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement with the New Mexico Finance Authority for the Construction of a New One Million Gallon Effluent Water Storage Tank

Recommended Action

I introduce, without prejudice, Incorporated County of Los Alamos Ordinance No. 703; Authorizing The Execution And Delivery Of A Water Project Fund Loan/Grant Agreement By And Between The New Mexico Finance Authority ("Finance Authority") And The Incorporated County Of Los Alamos, New Mexico (The "Borrower/Grantee"), In The Total Amount Of \$900,000, Evidencing An Obligation Of The Borrower/Grantee To Utilize The Loan/Grant Amount Solely For The Purpose Of Financing The Costs Of Construction Of A New One Million Gallon Effluent Water Storage Tank And Paying An Administrative Fee, And Solely In The Manner Described In The Loan/Grant Agreement; Providing For The Pledge And Payment Of The Loan Amount Solely From Net Revenues Of The Water Utility Fund; Certifying That The Loan/Grant Amount, Together With Other Funds Available To The Borrower/Grantee, Is Sufficient To Complete The Project; Approving The Form Of And Other Details Concerning The Loan/Grant Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Ordinance; And Authorizing The Taking Of Other Actions In Connection With The Execution And Delivery Of The Loan/Grant Agreement, and ask staff to assure that it is published as provided in the County Charter.

Utilities Manager Recommendation

The Utilities Manager recommends that Council introduce Ordinance No. 703 as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council introduce Ordinance No. 703 as presented.

Body

The project is to construct a new effluent water storage tank. The tank will be located next to the existing Bayo booster station which is in Pueblo Canyon adjacent to the composting facility. The Los Alamos effluent conveyance system which pumps effluent water from the Los Alamos wastewater plant to irrigate the golf course and North Mesa ballparks is limited by the amount of existing storage. This additional million gallons of storage will alleviate supply limitations to the Golf Course and ballparks and allow for expansion of effluent use in Los Alamos. The storage tank will also provide a robust supply of water available for wildland fire fighting in the remote Pueblo and Bayo canyons which are vulnerable to fire from lightning strikes and trees falling on power lines. The project is being designed in-house, which adds value to the project and allows us to present shovel ready projects to the Water Trust Board, increasing our chances in securing the funds.

The award is for a grant in the amount of \$540,000 and a 0.25% interest loan of \$360,000 totaling \$900,000. DPU will be required to contribute an additional \$135,000 as a match to complete the project. A public hearing is scheduled for the Ordinance in the January 26, 2021 County Council meeting. The Loan/Grant Agreement are scheduled to close on March 12, 2021. The project will be

bid soon after the closing and the new tank will be in service for the 2022 irrigation season.

Alternatives

If the Ordinance is not approved by County Council, the funding will be lost.

Fiscal and Staff Impact/Planned Item

The project has been budgeted in fiscal year 2021 in the amount of \$1,080,000.

Attachments

A - Incorporated County of Los Alamos Ordinance No. 703

B - Loan Grant Agreement No. WPF-5081

C - Project Vicinity Map