



Council Meeting Staff Report

December 4, 2024

Agenda No.:	5.a.
Indexes (Council Goals):	Quality Excellence - Effective, Efficient, and Reliable Services, Quality Governance - Fiscal Stewardship, DPU FY26 - 1.0 Provide Safe and Reliable Utility Services, DPU FY26 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters:	James Alarid
Legislative File:	RE0624-24a

Title

Incorporated County of Los Alamos Resolution No. 24-30; a Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Denver Steels Waterline Replacement Project Phase II and III

Recommended Action

I move that the Board of Public Utilities Recommend Incorporated County of Los Alamos Resolution No. 24-30; a Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Denver Steels Waterline Replacement Project Phase II and III and forward to Council for adoption.

Utility Manager's Recommendation

The Utility Manager recommends that the Board recommend Incorporated County of Los Alamos Resolution No. 24-30 as presented and forward to Council for adoption.

Body

The Department of Public Utilities coordinates capital improvement projects with the Public Works Department each year as part of the budget preparation. The Denver Steels neighborhood has been a planned project due to the deteriorating condition of the roads. The existing waterlines are approximately 75 years old and are cast iron with lead joints. The water mains and service lines experience regular leaks and are in need of replacement. Existing sewer mains beneath the new roadway will also be replaced to eliminate the risk of having to excavate the new road to repair the sewer. Phase I of the project was completed in 2018, and replaced the road and waterlines closest to Diamond Drive. Phase II and Phase III are planned for fiscal years 2026 and 2027. These projects have been planned in the CIP budget to be funded by a low interest Drinking Water State Revolving Loan (DWSRL), administered through the New Mexico Finance Authority (NMFA). A resolution approved by the governing body is a required submittal with the application for the DWSRL. Applications are due by January 10, 2025. Phase II is scheduled to begin construction in the summer of 2025 and Phase III in the spring of 2026.

Alternatives

If the resolution is not approved, then alternative funding will be explored or the project will be deferred if funding is unavailable.

Fiscal and Staff Impact/Unplanned Item

The Denver Steels Project has been budgeted in FY2025 and FY2026 as follows:

Phase II FY2025 Water Distribution	\$ 1,398,495 plus applicable GRT
Phase III FY2026 Water Distribution	\$ 1,138,103 plus applicable GRT

The loan application will be for \$2.7 million.

Additional costs for the sewer work is \$300,000 that will be budgeted separately in FY 26 and FY 27.

Attachments

A - Resolution No. 24-30 NMFA_Denver Steels

B - Vicinity Map