

FISCAL IMPACT REPORT

General Information:

(Check) Bill:   x   Resolution:                   

Short Title(s): Wastewater Utility Rate Update

Sponsor(s): Mayor Alan Webber and Councilor Carol Romero-Wirth

Reviewing Department(s): Public Utilities

Staff Completing FIR: Jesse Roach, Interim Public Utilities Director Date: April 21, 2025

Phone: (505) 955- 4309

Reviewed by City Attorney: *Erin McSherry* Date: 04/24/2025  
Erin McSherry (Apr 24, 2025 22:14 MDT)

Reviewed by Finance Director: *Emily K. Oster* Date: 04/25/2025

Summary:

If this bill is adopted, the rates for wastewater utilities would increase 4% each year for ten years, beginning July 1, 2025.

Departments Affected:

Public Utilities Department

Consequences of Not Enacting Legislation:

If this legislation is not adopted, the wastewater rates will remain unchanged, and the ability of the wastewater utility to meet water quality standards in the long term will be severely compromised. The credit rating of the wastewater utility could drop, and the City will be unable to secure NMED loans.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

None at this time.

Performance and Administrative Implications:

Implementing the rate increases will require updates to utility billing software.

Fiscal Implications:

This rate increase is designed to generate revenue to support capital improvements at Paseo Real Water Reclamation Facility ("PRWRF").

Fiscal Impact

           Check here if no fiscal impact

**Expenditures**

<b>Expenditure Type</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>Require BAR (Y/N)</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>	<b>3-Year Total Cost</b>
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/ Professional Services</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Operating</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

**Expenditure Narrative:**

This bill would not automatically result in expenditures; however, the additional revenue from this rate increase will support a minimum of \$182 million in capital investment in the PRWRF over the next 5 years. The exact capital improvement solution has not been selected yet. Thus, the schedule of expenditure remains unknown. The first three years of a 5-year financial model for a rehabilitation project could include expenses of up to \$62 million in FY26, \$60 million in FY27, and another \$1 million in FY28.

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**Revenue**

<b>Revenue Type</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	<u>\$0.55M</u>	<u>\$1.12M</u>	<u>\$1.72M</u>	<u>R</u>	<u>500</u>
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

**Revenue Narrative:**

Revenues for FY 2026-2028 from financial model projections with 4% rate increase.

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**Signature:**

**Email:**