

**CITY OF RIO RANCHO
UTILITY FUNDS
BUDGET SUMMARY
FOR THE PERIOD 7/1/2007 TO 6/30/2008**

FUND NUMBER AND TITLE	FY 08				ENDING FUND BALANCE
	BEG FUND BALANCE	REVENUES	OPERATING TRANSFERS	EXPENDITURES	
501 Department of Utilities	\$ 2,648,226	\$ 27,357,037	\$ (12,586,987)	\$ 16,948,021	\$ 470,255
512 Equipment Replacement Fund	-	10,000	532,000	485,750	56,250
535 Utilities 99 Debt Service	3,740,071	200,000	6,441,710	6,439,210	3,942,571
536 Debt Service / NMED Loan	1,368,738	30,000	909,734	704,867	1,603,605
537 Utility 2004 Bond Debt	411,812	25,000	324,098	324,098	436,812
538 Utility 2005 Bond Debt	1,855,360	90,000	1,663,518	1,663,518	1,945,360
539 Utility 2007 Bond Debt	3,043,517	90,000	2,069,927	2,069,927	3,133,517
540 C.I.F. Water Operations	740,550	6,595,000	400,000	7,700,000	35,550
542 Water Rights Fund	443,006	30,000	1,000,000	1,400,000	73,006
545 Water Impact Fees	213,213	1,062,180	(754,000)	300,000	221,393
550 C.I.F. Wastewater Operations	290,674	60,000	200,000	420,000	130,674
552 Effluent Fund	6,030	20,000	150,000	-	176,030
555 Wastewater - Impact Fees	993,732	1,241,550	(350,000)	880,000	1,005,282
570 2004 Utility Bond Construction	41,052	4,000		45,052	-
571 2005 Utility Bond Construction	176,927	400,000		576,927	-
572 2007 Utility Bond Construction	298,903	-		298,903	-
UTILITY TOTAL	\$ 16,271,811	\$ 37,214,767	\$ -	\$ 40,256,273	\$ 13,230,305

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CITY OF RIO RANCHO

**Water and Wastewater Utility Fund Summary
7/1/07 TO 6/30/08**

	FY 2007 Revised Budget	FY 2008 Proposed Budget	Percentage Change
Beginning Fund Balance	\$ 42,632,690	\$ 16,271,811	-61.83%
Revenues			
Water	\$ 14,610,687	\$ 15,616,437	6.88%
Wastewater	\$ 10,424,100	\$ 11,440,600	9.75%
Impact Fees	\$ 2,412,080	\$ 2,083,730	-13.61%
State Appropriations & Grants	\$ 10,250,045	\$ 6,520,000	-36.39%
Interest	\$ 1,427,000	\$ 1,554,000	8.90%
Other Income	\$ -	\$ -	
Total Revenues	<u>\$ 39,123,912</u>	<u>\$ 37,214,767</u>	-4.88%
Other Financing Sources			
Loan Proceeds	\$ 32,750,078	\$ -	
Total Other	<u>\$ 32,750,078</u>	<u>\$ -</u>	
Total	<u><u>\$ 114,506,680</u></u>	<u><u>\$ 53,486,578</u></u>	-53.29%
Expenditures			
Personal Services	\$ 2,008,503	\$ 2,200,089	9.54%
Material and Services	\$ 13,207,922	\$ 12,975,232	-1.76%
Capital Outlay	\$ 77,156,967	\$ 13,882,832	-82.01%
Total Expenditures	<u>\$ 92,373,392</u>	<u>\$ 29,058,153</u>	-68.54%
Other Financing Uses			
Debt Service	\$ 9,120,444	\$ 11,198,120	22.78%
Total Other Financing Uses	<u>\$ 9,120,444</u>	<u>\$ 11,198,120</u>	22.78%
Ending Fund Balance - Unreserved	\$ 5,488,016	\$ 2,168,440	-60.49%
Ending Fund Balance - Debt Service	\$ 7,164,828	\$ 11,061,865	54.39%
Ending Fund Balance - Arsenic Reserve	\$ 360,000	\$ -	
Total EFB	<u>\$ 13,012,844</u>	<u>\$ 13,230,305</u>	1.67%
Total	<u><u>\$ 114,506,680</u></u>	<u><u>\$ 53,486,578</u></u>	-53.29%

Utility Funds

Revenues Detail

	FY 05	FY 06	FY 07	FY 08	Variance FY08 - FY07	% Change FY08 / FY07
	Actual	Actual	Actual	Adopted	Increase (Decrease)	Increase (Decrease)
Charge for Services						
Water	\$11,854,773	\$15,259,646	\$12,991,841	\$15,616,437	\$ 2,624,596	20%
Wastewater	9,070,086	10,215,275	11,387,130	11,440,600	53,470	0%
Total Charge for Services	20,924,859	25,474,921	24,378,971	27,057,037	2,678,066	11%
Intergovernmental						
Federal Grants	-	76,548	532,452	-	(532,452)	-100%
State Grants	720,871	79,130	53,534	6,520,000	6,466,466	12079%
Total Intergovernmental	720,871	155,678	585,986	6,520,000	5,934,014	1013%
Miscellaneous						
Interest Income	418,122	1,270,101	2,486,844	1,554,000	(932,844)	-38%
Other Miscellaneous	(197,714)	(707,753)	(19,622)	-	19,622	-100%
Total Miscellaneous	220,408	562,348	2,467,222	1,554,000	(913,222)	-37%
Special Assessment	3,629,855	2,989,118	1,987,056	2,083,730	96,674	5%
Other Sources						
Bond Proceeds	-	20,653,802	29,751,503	-	(29,751,503)	-100%
Total Other Sources	-	20,653,802	29,751,503	-	(29,751,503)	-100%
Total Utility Funds	\$25,495,993	\$49,835,867	\$59,170,738	\$37,214,767	(21,955,971)	-37%

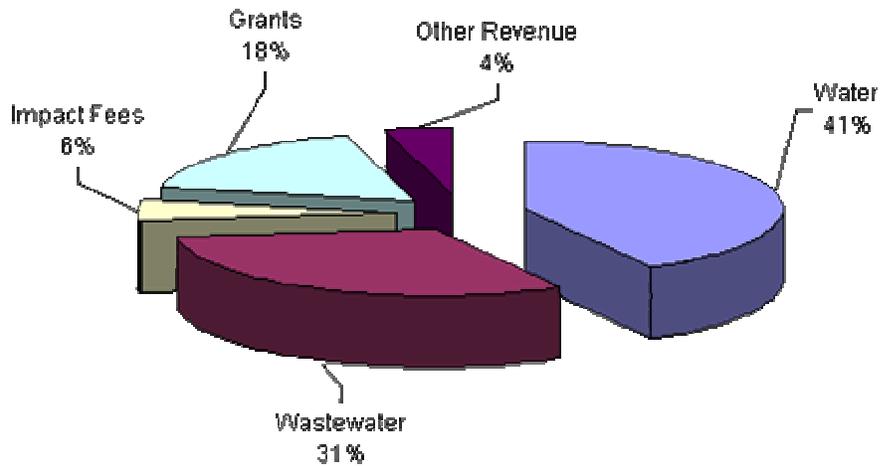
Utility Funds
Expenditures by Object

	FY 05 Actual	FY 06 Actual	FY 07 Actual	FY 08 Adopted	Variance FY08 - FY07 Increase (Decrease)	% Change FY08 / FY07 Increase (Decrease)
Operating Expenditures						
<i>Personal Services</i>						
Wages & Salaries	\$ 1,069,110	\$ 1,186,883	\$ 1,437,073	\$ 1,632,256	\$ 195,183	14%
Fringe Benefits	327,158	353,849	478,260	567,833	89,573	19%
Total Personal Services	1,396,268	1,540,732	1,915,333	2,200,089	\$ 284,756	15%
<i>Materials & Services</i>						
Professional Services	244,372	586,841	405,169	879,860	474,691	117%
Other Services	186,649	344,115	320,530	459,686	139,156	43%
Program Expenditures	69,730	81,888	97,435	-	(97,435)	-100%
Advertising	7,978	7,719	13,716	16,000	2,284	17%
Membership/Subscriptions	21,360	32,619	11,048	13,945	2,897	26%
Travel in State	10,026	7,737	11,075	34,929	23,854	215%
Training	8,190	12,190	11,273	25,155	13,882	123%
Printing	94,334	102,875	97,074	118,300	21,226	22%
Postage	118,552	134,380	180,472	199,425	18,953	11%
Leases and Rentals	95,096	99,943	124,691	111,916	(12,775)	-10%
Repair & Maintenance	480,367	497,294	924,228	1,349,327	425,099	46%
Fleet Maintenance	142,290	191,850	164,382	246,950	82,568	50%
Gas & Oil	90,836	139,999	159,290	172,375	13,085	8%
Utilities (1)	1,489,289	1,886,039	2,085,269	2,415,565	330,296	16%
Communications (2)	16,828	16,813	17,229	42,949	25,720	149%
Protective Clothing/Uniforms	9,830	13,723	16,653	23,325	6,672	40%
Supplies	133,849	181,616	540,051	825,978	285,927	53%
Minor Furniture & Equipment	93,643	151,723	118,668	136,545	17,877	15%
Other Costs	3,702,347	4,101,957	4,274,693	1,303,765	(2,970,928)	-70%
Contractor Payment	3,372,364	3,922,972	4,549,176	4,599,237	50,061	1%
Total Material & Services	10,387,930	12,514,293	14,122,122	12,975,232	(1,146,890)	-8%
Total Operating Expenditures	11,784,198	14,055,025	16,037,455	15,175,321	(862,134)	-5%
Capital Outlay						
Capital Projects	6,804,606	7,962,887	13,848,250	13,201,082	(647,168)	-5%
Vehicles & Heavy Equipment	553,552	465,658	500,246	485,750	(14,496)	-3%
Major Furniture & Equipment	371,482	28,084	195,397	196,000	603	0%
Total Capital Outlay	7,729,640	8,456,629	14,543,893	13,882,832	(661,061)	-5%
Debt Service	4,099,271	5,399,833	5,285,139	11,198,120	5,912,981	112%
Other Uses						
Balances & Reserves	8,974,061	9,885,424	10,035,266	13,230,305	3,195,039	32%
Total Expenditures	\$32,587,170	\$37,796,911	\$45,901,753	\$53,486,578	7,584,825	17%

(1) Includes: Local Telephone services, Water & Sewer and Gas & Electric services

(2) Includes: Long Distance Telephone, Cellular Phone services & Pagers

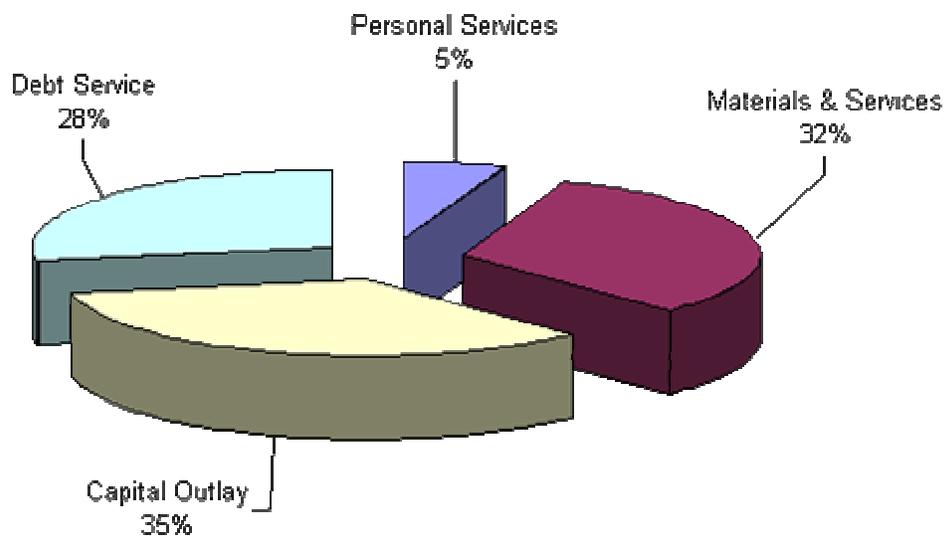
FISCAL YEAR 2008 UTILITY FUNDS Revenue Budget by Category



Water	\$ 15,616,437
Wastewater	11,440,600
Impact Fees	2,083,730
Grants	6,520,000
Other Revenue	1,554,000
Total Revenue	<u><u>\$ 37,214,767</u></u>

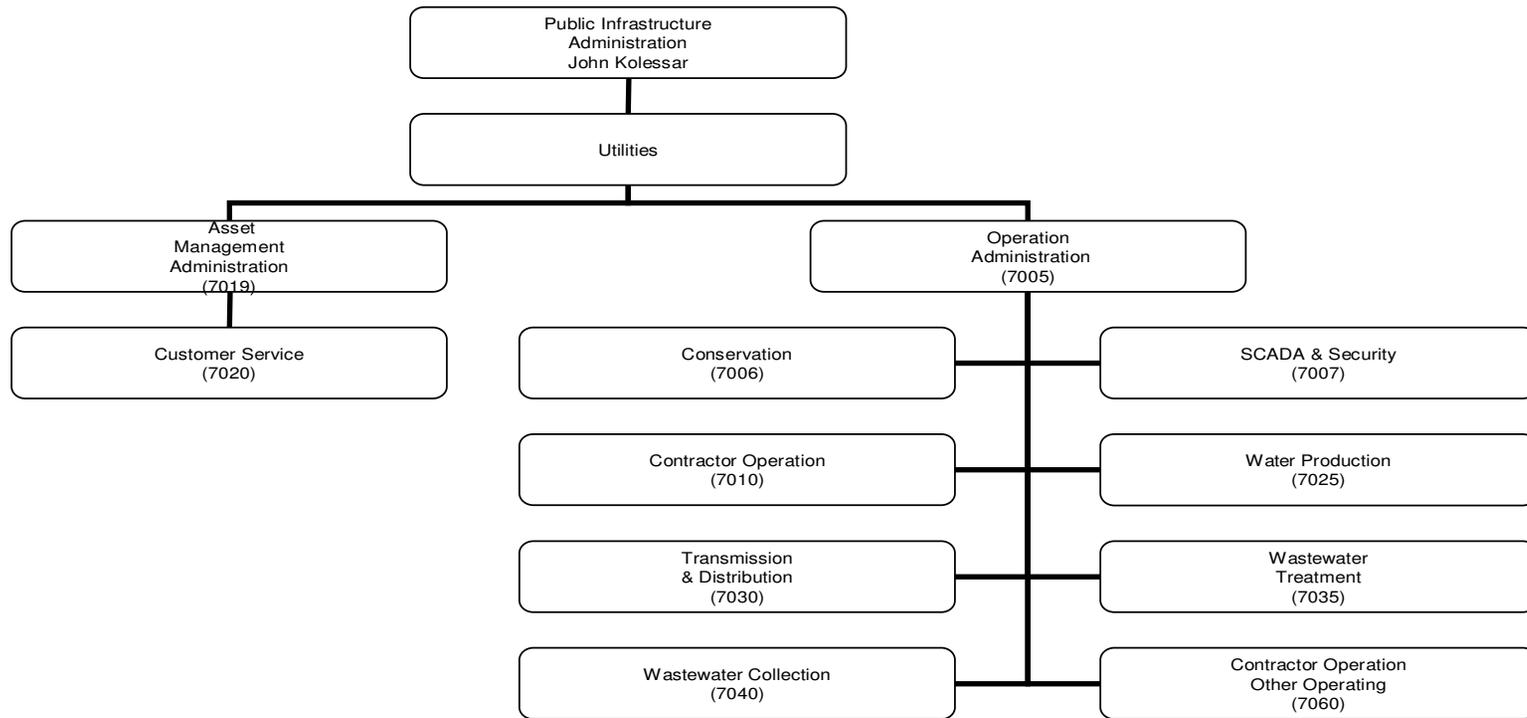
UTILITY FUNDS

Expenditure Budget by Category



Personal Services	\$ 2,200,089
Materials & Services	12,975,232
Capital Outlay	13,882,832
Debt Service	11,198,120
Total Expenditures	<u>\$ 40,256,273</u>

City of Rio Rancho Department Budget Structure



Public Infrastructure / Utilities Operations (7006, 7025, 7030 & 7035)

Program Description:

Utilities Operations, a division of Public Infrastructure Department, implements the policy directives of the Governing Body, Utilities Commission, and City Administrator as they relate to operations of the water and wastewater utility. The Division formulates and maintains design and construction standards for water and wastewater infrastructure. The Division plans the development of the City's water and wastewater infrastructure to support growth and improve the existing infrastructure system. The Division provides direct oversight of the contract operator who manages and maintains the water and wastewater facilities as well as the distribution and collection system for the City.

Goals and Objectives:

Environmental (7006)

ENVIRONMENTAL GOAL: Identify and protect the quality of the natural environment to improve the quality of life for Rio Rancho residents.

1. **OBJECTIVE:** Promote water conservation to reduce water consumption by 10% in 5 years (0.45 acre-foot per meter connection reduced to 0.41 acre-foot per meter connection).
 1. Increase consumer awareness for the need for water conservation.
 2. Increase the number of outreach programs, trainings and education on water conservation over FY07 to residents, businesses, schools and City departments.
 3. Produce and send 3 Utilities Department newsletters, one of which to include graphic, etc on % water conserved since program was put into place.
 4. Encourage use of water-saving appliances by continuing the Water Conservation Rebate Program.
 5. Continue to improve water meter accuracy by auditing a specified percentage of the water meters in FY08.
 6. Actively offer leak detections and water use audits to all customer classifications by running water demands in the database and contacting the higher water users.
 7. Educate plumbing businesses about water conservation equipment and practices.
 8. Hire a seasonal staff person to help with water waste complaints and reduce fugitive water.
2. **OBJECTIVE:** By implementing the Domestic Well Program, ensure that the City has better control of aquifer use.
 1. Implement the inspection process for the domestic wells.
 2. Create a complete inventory of the existing domestic wells drilled inside the city limits of Rio Rancho. The purpose for this accounting is to give the City the ability to protect and control the aquifer; the life-blood of the community.
3. **OBJECTIVE:** Ensure that the sewer system is protected from industrial contamination and pollution and reduce the operation and maintenance costs of sewer collection.
 1. Have the Industrial Pretreatment Program (IPP) up and running.
 2. Perform baseline monitoring of the industrial users.
 3. Perform inspections with pictures of the industrial users.

4. Permit the industrial users. (Date is by April 2007 dependent upon EPA comments.)
5. Educate and audit all 120 restaurants for Fats, Oils and Grease (FOG) compliance.
6. Educate apartment complexes, retirement homes and public schools on FOG.
7. Establish a Pollution Prevention Program and distribute literature on Best Management Practices.
8. Organize the fledgling New Mexico Road Runner Pretreatment Association.

QUALITY AND EXCELLENCE GOAL: Strive to improve overall effectiveness in all aspects of services and become a community of quality and excellence.

- **OBJECTIVE:** Provide excellent customer service.
 1. Commit to responding to customer calls within one business day or less.
 2. Track complaints of solid waste, water waste or comments of poor service and the resolutions.
 3. Provide timely inspection reports to commercial customers (Domestic Well, Backflow Prevention, and Fats, Oils and Grease programs).

PUBLIC SAFETY GOAL: Assure a safe, secure, and healthful community through the efficient delivery of Public Safety services designed to be preventative, protective, and responsive.

- **OBJECTIVE:** By implementing the Backflow Prevention Program, ensure that drinking water remains safe from contamination and pollution caused by cross connections.
 1. Catalogue and inventory the existing Backflow Prevention Assemblies within the City boundaries by January 2008.
 2. Educate commercial users and landscape irrigation contractors on prevention of backflow or back-siphon contamination.
 3. Establish and maintain a tester and repairman registry.
 4. Work with City plumbing inspectors and other City departments to implement an inspection flowchart.

SERVICES GOAL: Maintain and enhance quality of life facilities and services to the citizens by providing innovative and excellent facilities, programming, and outreach.

- **OBJECTIVE:** Develop a relationship with the solid waste contractor and citizens of the City of Rio Rancho.
 1. Interact and coordinate with the solid waste contractor to resolve customer issues and complaints.
 2. Place a solid waste customer service survey on the website.

OPERATIONS GOAL: Continue to define, improve, and enhance the delivery and efficiency of operations and services within city government and to the citizens of the community.

- **OBJECTIVE:** Develop a more relevant website for water conservation and include the other environmental programs.
 1. Outline and information added to the website for each of the environmental programs (Backflow, Domestic Well, IPP, Pollution Prevention, FOG, and Solid Waste). Include Best Management Practices and Business Recognition Applications.

Water Production (7025)

OPERATIONS GOAL: Continue to define, improve, and enhance the delivery and efficiency of operations and services within city government and to the citizens of the community.

- OBJECTIVE: Provide safe and adequate supply of drinking water
 1. Protect infrastructure through improved security
 2. Meeting operational requirements of new arsenic facilities
 3. Meet SDWA requirements
 4. Construct three Arsenic facilities at Wells 9, 12, and 13

SERVICES GOAL: Maintain and enhance quality of life facilities and services to the citizens by providing innovative and excellent facilities, programming, and outreach.

- OBJECTIVE: Maintain consistent high level of service as system grows
 1. Plan for development of centralized service center to house water and wastewater SCADA to include backup power

Transmission & Distribution (7030)

OPERATIONS GOAL: Continue to define, improve, and enhance the delivery and efficiency of operations and services within city government and to the citizens of the community.

- OBJECTIVE: Complete 100 service line replacements
 1. Prioritize line replacement by utilizing the five-year leak report.
 2. Replace service lines as leaks occur.
 3. Schedule replacements in target areas during winter when service leaks are down.
- OBJECTIVE: Fulfill the contractual number of meter change-outs provided by the city.
 1. Cooperate with city representatives to identify subdivision for change-outs.
 2. Identify problematic areas in which change-outs are necessary to ensure meter accuracy, reduce un-metered water consumption, and increase revenue.

PUBLIC SAFETY GOAL: Assure a safe, secure, and healthful community through the efficient delivery of Public Safety services designed to be preventative, protective, and responsive.

- OBJECTIVE: Complete fire hydrant operation and maintenance.
 1. Schedule operation and maintenance of fire hydrants by geographic grids offered by the city.
 2. Evaluate areas in need of fire protection to ensure continued fire safety throughout the distribution system.

Wastewater Treatment (7035)

OPERATIONS GOAL: Continue to define, improve, and enhance the delivery and efficiency of operations and services within city government and to the citizens of the community.

- OBJECTIVE: Maintain consistent high-level of service as system grows
 1. Increase amount of sewer lines cleaned, inspected and GPS annually

2. Reduce number of odor complaints

ENVIRONMENTAL GOAL: Identify and protect the quality of the natural environment to improve the quality of life for Rio Rancho residents

- To protect the environment by ensuring the health and safety of the community
 1. Meet compliance parameters
 2. Meet new EPA mandated permit requirements for ammonia and arsenic limits
 3. Reduce number of sanitary sewer overflows

Performance Indicators:

- Complete 90% of the water service line leak repairs within 5 days of notification.

Fiscal Year	Target	Actual # of Leaks	Actual % Completed	Comments
2006	90%	746	92%	
2007	90%	719	90%	
2008	90%			

- Increase Water Conservation outreach contacts by 5% annually.

Fiscal Year	Target	Actual Outreach Completed	Actual % Completed	Comments
2006	4.00	5	25%	No Program Manager
2007	5.25	32	500%	New Program Manager
2008	33.6			

- Calculate percentage of water usage conserved (residentially) compared to number of rebates awarded annually.

Fiscal Year	Target	Actual Amount of Rebates Awarded	Actual % Completed	Comments
2006	23.660	23.9	1.0%	
2007	24.139	24.4	2.1%	
2008	24.644			

- Reduce number of Sanitary Sewer Overflows (SSO) by 20% annually.

Fiscal Year	Target	Actual # of SSO's	Actual % Completed	Comments
2006	11.2%	16	14.0% Increase	
2007	12.8%	10	37.5% Decrease	
2008	08.0%			

Prior Year Accomplishments

Environmental Programs

- Implemented Industrial Pretreatment Ordinance
- Implemented Backflow Ordinance
- Implemented Domestic Well Ordinance
- Implemented Emergency Water Ordinance
- Mailed three newsletters to Rio Rancho residents
- Performed audit on large meter customers
- FOG presentation to restaurants
- Completed 2007 calendar
- Staff presentation at Children's Water Festival
- Voted secretary of NMWCA
- Public Outreach – attended Wal-Mart Safety Fair, Earth Festival, RRPS, etc.

Water Production

- Completed Booster 15
- Completed City Centre Tank
- Completed Well 10A
- Completed Arsenic Pilot at Well 21
- Painted Reservoir 4
- Installed Replacement Pump Motor and piping at Well 15
- Completed Mariposa Concrete Tank
- Installed New Miox System at Well 19
- Entered PM SCADA into CassWorks for Cabezon
- CCR delivered before July 1, 2006 as required

Waste Water

- Increased collection line cleaning from 1/5 to 1/3 per year
- Start-up of Cabezon Waste Water Treatment Plant
- Repair of pipelines damaged by 2006 floods
- Upgraded/remodeled lab to facilitate additional tests
- Remodeled belt press building to provide additional office space

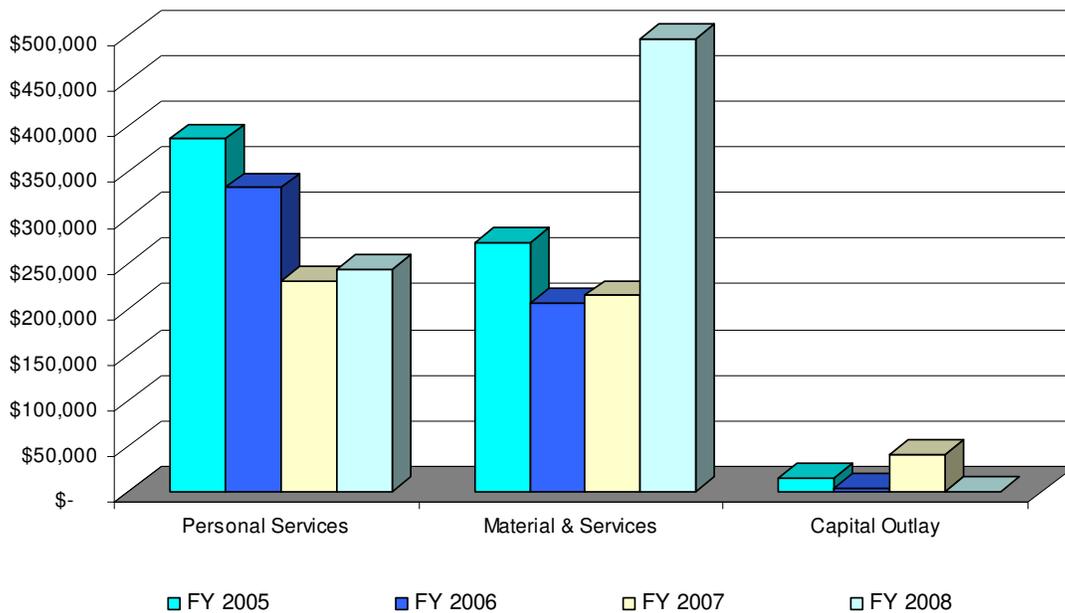
PUBLIC INFRASTRUCTURE - UTILITIES
Operation Administration - Expenditures
Cost Center 501-7005

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Personal Services	\$ 386,429	\$ 333,369	\$ 230,656	\$ 243,137	5%
Material & Services	273,479	206,507	214,882	496,195	131%
Capital Outlay	14,636	3,938	40,030	-	-100%
Fund Balance	1,071,791	1,022,126	2,013,028	470,255	-77%
Total	\$ 1,746,335	\$ 1,565,940	\$ 2,498,596	\$ 1,209,587	-52%

Positions Approved*	8	3	3	3	0%
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*Full Time Equivalence

Expenditures



PUBLIC INFRASTRUCTURE - UTILITIES

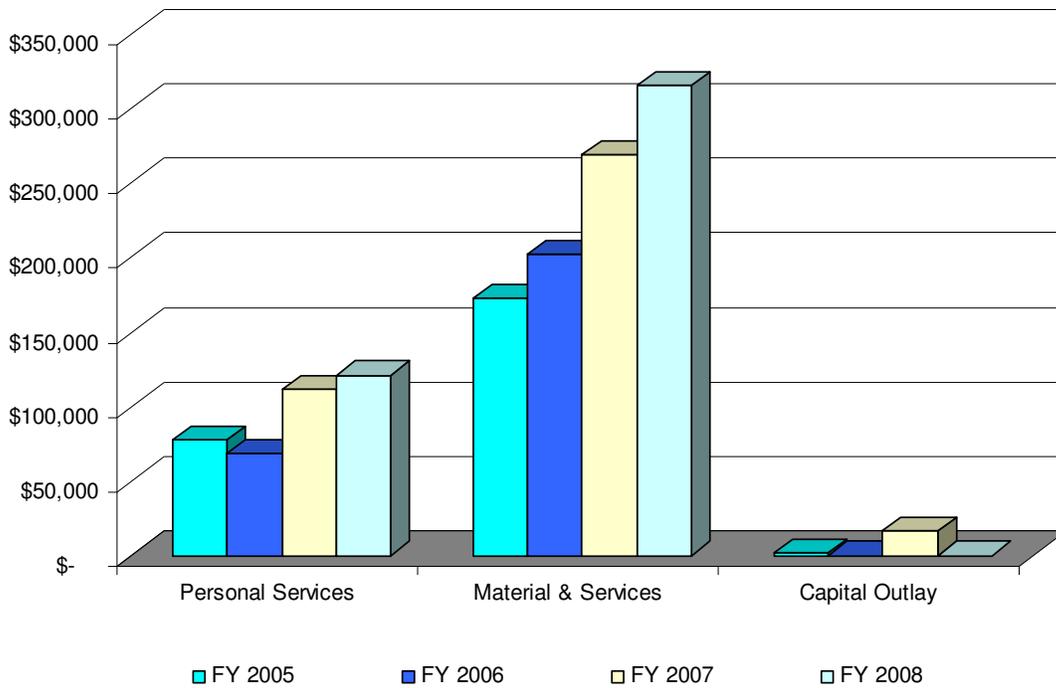
Conservation - Expenditures

Cost Center 501-7006

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted	% Change
Personal Services	\$ 77,526	\$ 68,380	\$ 111,634	\$ 121,354	9%
Material & Services	172,813	202,382	268,992	315,499	17%
Capital Outlay	1,847	-	16,695	-	-100%
Total	\$ 252,186	\$ 270,762	\$ 397,321	\$ 436,853	10%

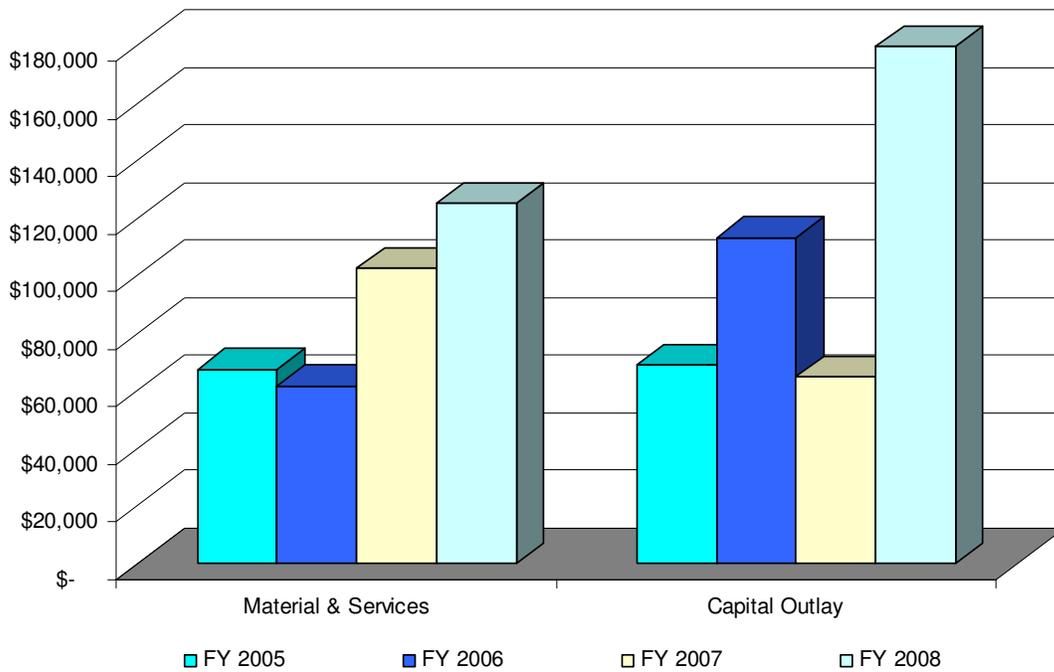
Positions Approved*	2	2	2	2	0%
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*Full Time Equivalence



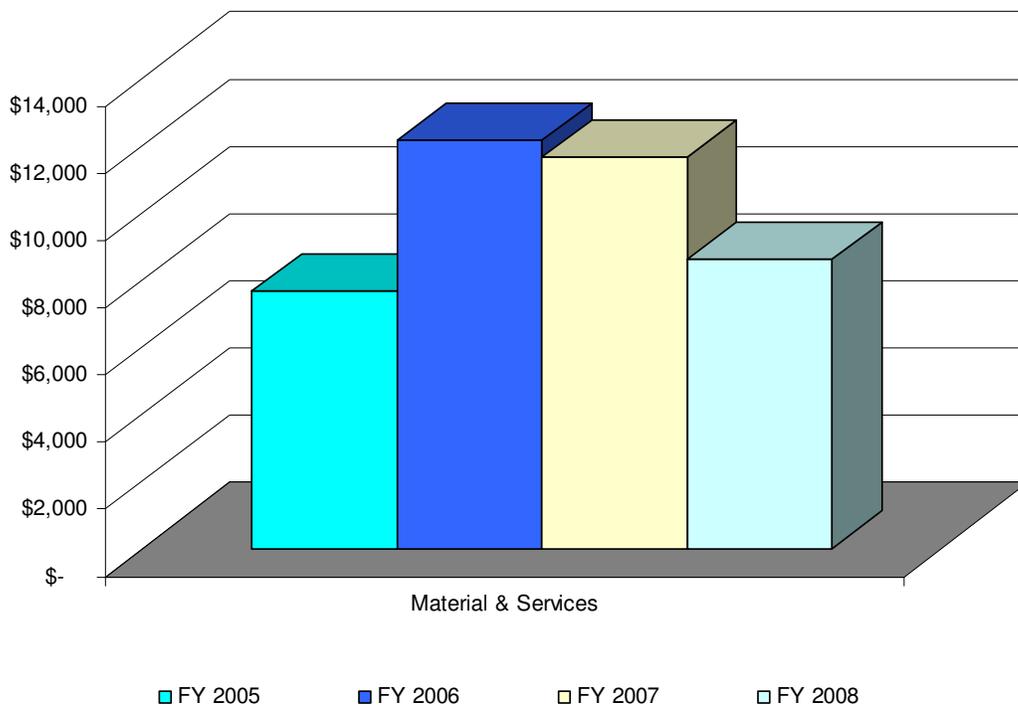
PUBLIC INFRASTRUCTURE - UTILITIES
SCADA & Security - Expenditures
Cost Center 501-7007

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 67,630	\$ 69,091	\$ 102,699	\$ 125,263	22%
Capital Outlay	61,781	113,552	65,083	180,000	177%
Total	\$ 129,411	\$ 182,643	\$ 167,782	\$ 305,263	82%



PUBLIC INFRASTRUCTURE - UTILITIES
Contractor Operation Administration - Expenditures
Cost Center 501-7010

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 7,641	\$ 12,122	\$ 11,639	\$ 8,600	-26%
Total	\$ 7,641	\$ 12,122	\$ 11,639	\$ 8,600	-26%



PUBLIC INFRASTRUCTURE - UTILITIES

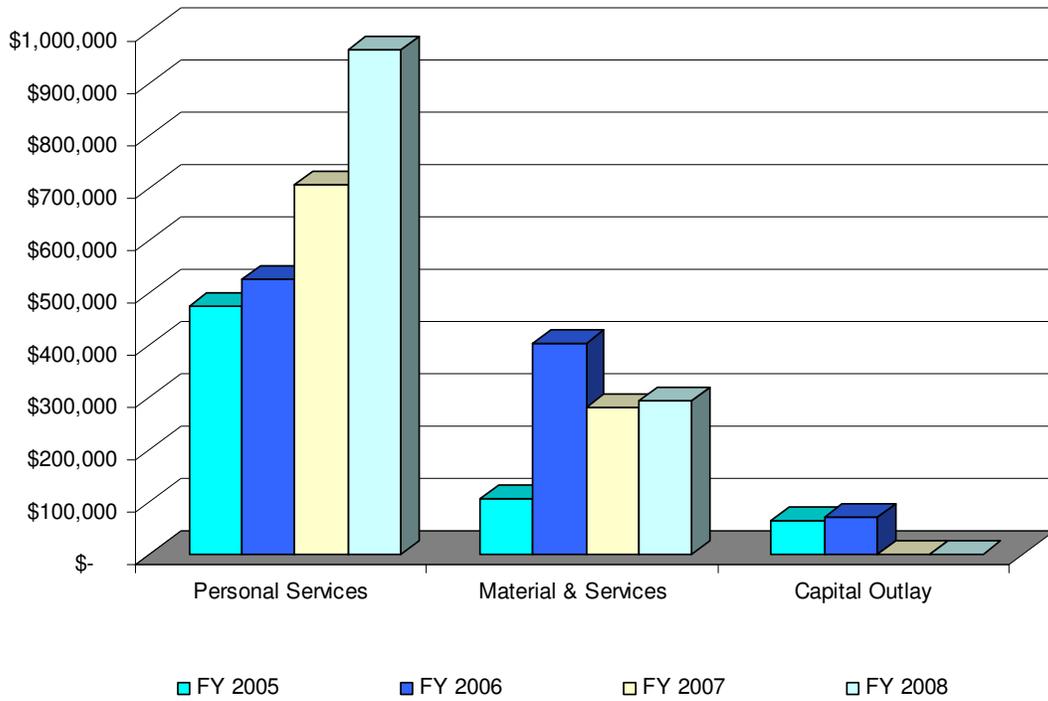
Engineering - Expenditures

Cost Center 501-7015

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Personal Services	\$ 474,039	\$ 525,488	\$ 705,254	\$ 964,986	37%
Material & Services	106,861	404,065	281,560	292,418	4%
Capital Outlay	65,610	71,208	-	-	-
Total	\$ 646,510	\$ 1,000,761	\$ 986,814	\$ 1,257,404	27%

Positions Approved*	8	12	13	17	31%
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*Full Time Equivalence



Public Infrastructure / Asset Management Administration (7019)

Program Description:

Asset Management Administration, a division of the Public Infrastructure Department, provides customer service for the City's Water and Wastewater Utilities as well as is responsible for the financial operations of the City's Public Infrastructure Department. The Division also implements the policy directives.

Goals and Objectives:

Asset Management Administration:

CAPITAL IMPROVEMENT GOAL: Enhance the overall quality of life through well planned and coordinated public and private capital improvements and facilities.

- **OBJECTIVE:** Produce an Infrastructure Capital Improvement Plan that reflects the City's five-year needs for capital improvements.
 1. Develop a list of capital projects, by departments that are needed over the next 5 years.
 2. Identify funding sources. Identify unfunded or under-funded projects.
 3. Submit the ICIP to the Governing Body for approval.
 4. Input the unfunded or under-funded ICIP projects with supporting documentation into the State's database. Identify the priority of the City's projects based on need and timing.
 5. Work with elected officials and staff on the annual Legislative Requests for the City, using the findings in the ICIP.

FINANCIAL GOAL: Financially plan for, support, audit and protect the programs and services of Rio Rancho to ensure the long term economic well being of the City.

- **OBJECTIVE:** The Utilities Enterprise Fund needs additional financial support to meet operational and mandated water quality standards.
 1. Evaluate the Water Utility Impact Fees and revise if necessary.
 2. Implement the planned water and wastewater rate increase.
 3. Evaluate the effluent rates and revise as needed.

Customer Services:

OPERATIONS GOAL: Continue to define, improve, and enhance the delivery and efficiency of operations and services within city government and to the citizens of the community.

- **OBJECTIVE:** Replace old water meters with new, automated meters and reading (AMR) equipment. Use the new AMR equipment on new water connections. The new AMR equipment will increase water-tracking accuracy, reduce unaccounted water, increase the number of meter readings per day and increase billing efficiency. The software allows the City to profile a customer's water use, helping to determine if there are leaks and when the customer is experiencing peak demand within their residence or business.

1. Continue with systematic replacement of old water meters.
 2. Continue with installation of the new AMR meters on new water connections.
 3. Continue with programming all the new meters to interface with the City's billing system.
 4. Provide water use profiling services for customers who have questionable readings.
- OBJECTIVE: Repair or replace malfunctioning water meters. Water meters occasionally malfunction and need repairs or must be replaced. Turn around time is critical to assure continued monitoring of the water consumed by a utility customer.
 1. Submit work order for repair or replacement of malfunctioning meter.
 2. Track work order and record repair. Field check if necessary.

Performance Indicators:

Asset Management Administration:

- Maintain the current bond rating with a combination of conservative fiscal management and prudent rate management.

Bond Rating			
Issue Date	Description	Original Amount	Rating
1/15/1999	Water & Wastewater System Refunding Bond, Series 1999	\$72,155,000	S&P A Fitch A-
3/16/2004	Water & Wastewater System Revenue Bond, Series 2004	\$4,395,000	S&P A Fitch A-
7/13/2005	Water & Wastewater System Revenue Bond, Series 2005	\$21,225,000	S&P A Fitch A
2/28/2007	Water & Wastewater System Revenue Bond, Series 2007	\$32,975,000	S&P A Fitch A+

Customer Service:

- Complete work orders for installation of new water service account within 12 work days.

Fiscal Year	Target Average	Actual Average
2006	12	12
2007	12	11
2008	12	

Prior Year Accomplishments:

Asset Management Administration:

- Executed a \$ 7+ million U.S. Army Corps of Engineers grant for Arsenic Removal for Wells 10A, 21, and 22.
- Executed a \$33M Utilities Bond to support needed water and wastewater infrastructure.
- Executed a \$34M State Revolving Fund loan to support effluent infrastructure.
- Participated in the preparation of the FY2006 Comprehensive Annual Financial Report.
- Received the FY2006 Utility Enterprise Fund audit, showing no findings.
- Completed the City's Infrastructure Capital Improvement Plan for the City of Rio Rancho. Encoded information into the State's database in preparation of the annual legislative requests.
- Implemented new water and wastewater rates effective July 1, 2007.

Customer Services:

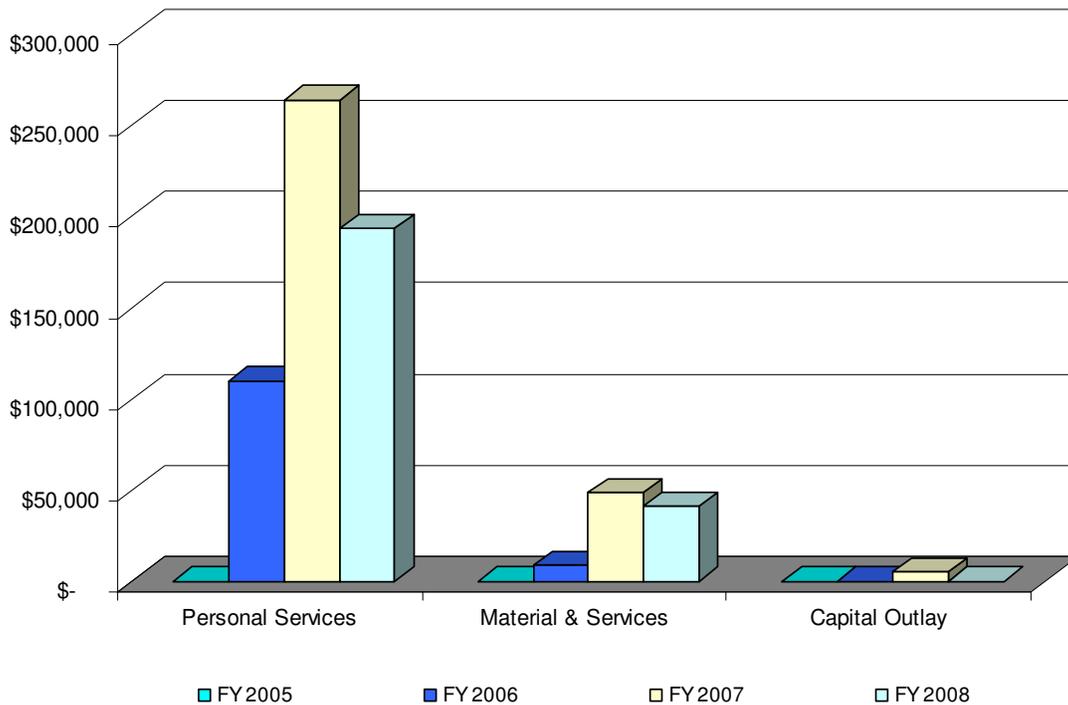
- Set up approximately 2,500 new water service accounts, processed work orders and inspected new installations.
- Trained and coordinated City and OMI Staff for installations of new AMR equipment.
- Installed and implemented new AMR software and billing processes.
- Replaced approximately 2,500 old meters in 5 service routes.
- Replaced 25% of the old commercial meters.

PUBLIC INFRASTRUCTURE - UTILITIES
Assets Management & Administration - Expenditures
Cost Center 501-7019

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Personal Services	\$ -	\$ 109,891	\$ 264,008	\$ 193,269	-27%
Material & Services	-	8,708	48,620	41,217	-15%
Capital Outlay	-	-	5,000	-	0%
Total	\$ -	\$ 118,599	\$ 317,628	\$ 234,486	-26%

Positions Approved*	0	5	5	3	-40%
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*Full Time Equivalence

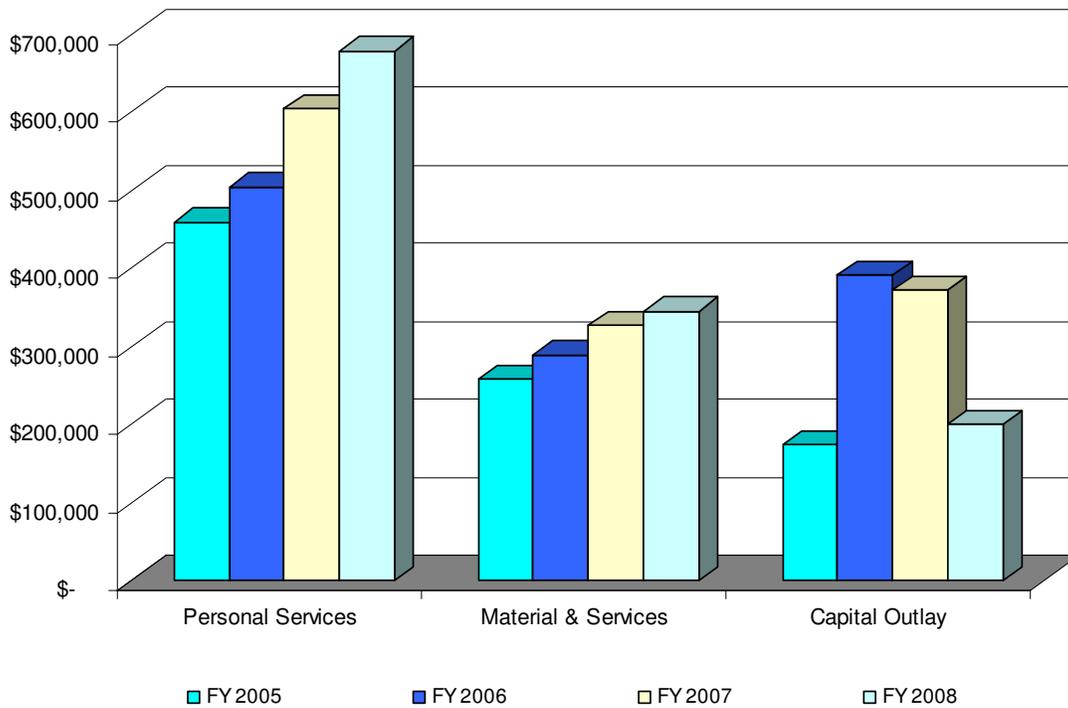


PUBLIC INFRASTRUCTURE - UTILITIES
Customer Services - Expenditures
Cost Center 501-7020

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Personal Services	\$ 458,274	\$ 503,604	\$ 603,781	\$ 677,343	12%
Material & Services	257,777	288,266	325,959	345,172	6%
Capital Outlay	174,040	390,700	371,423	200,000	-46%
Total	\$ 890,091	\$ 1,182,570	\$ 1,301,163	\$ 1,222,515	-6%

Positions Approved*	14	18	18	17	-6%
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*Full Time Equivalence

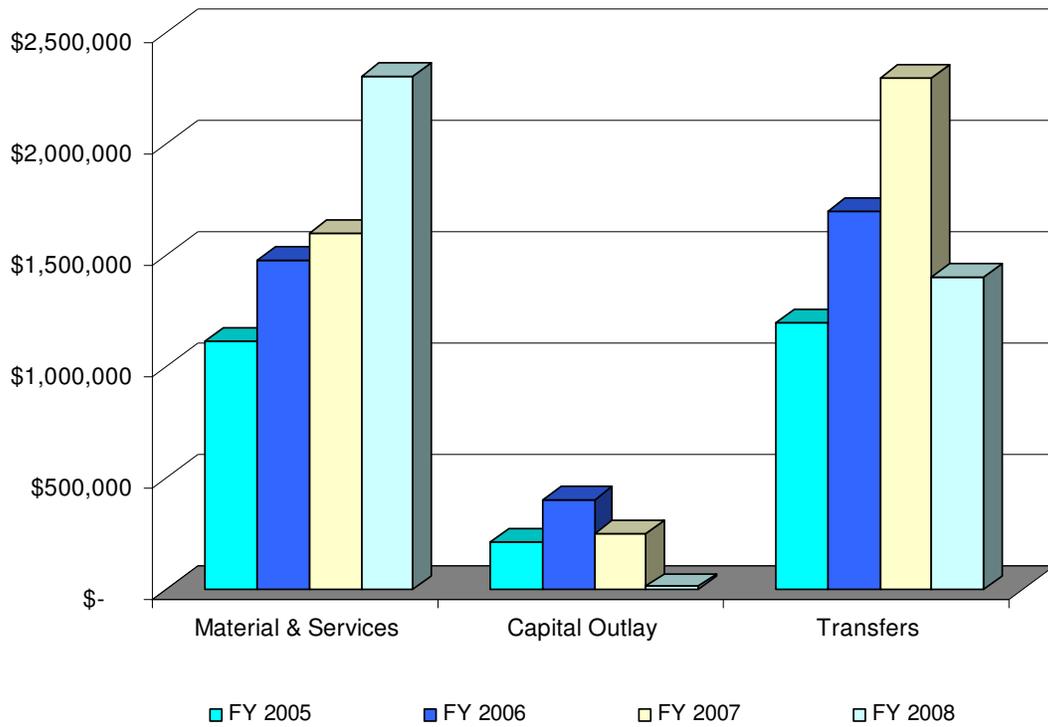


PUBLIC INFRASTRUCTURE - UTILITIES

Water Production - Expenditures

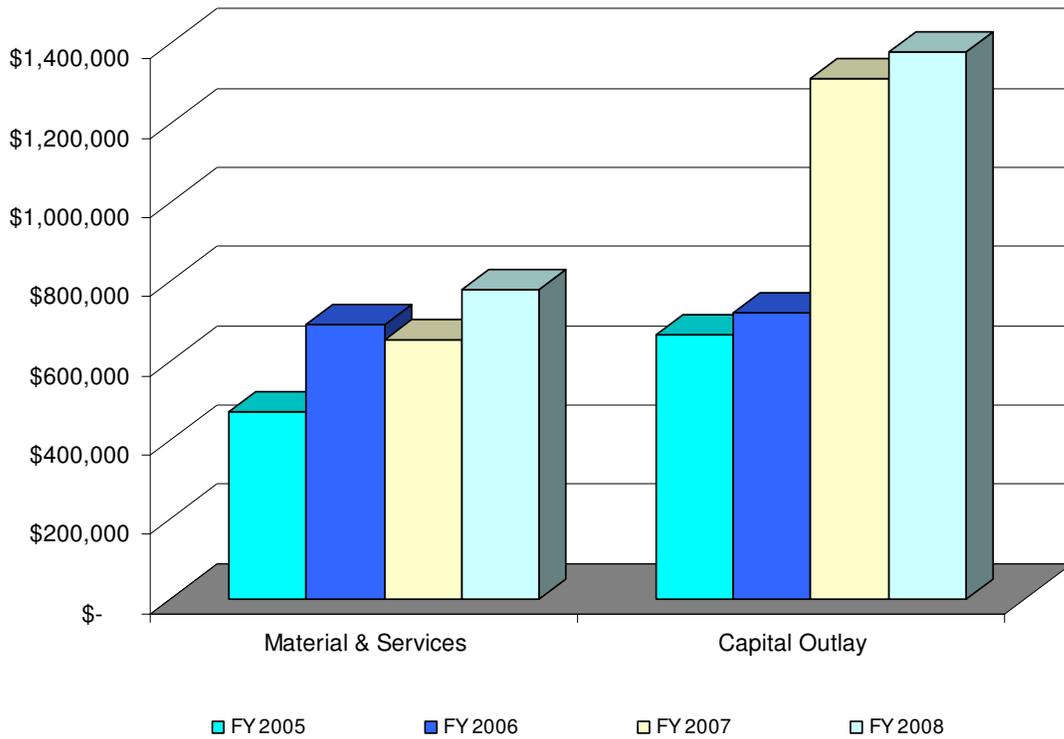
Cost Center 501 - 7025

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 1,113,653	\$ 1,475,122	\$ 1,602,253	\$ 2,303,996	44%
Capital Outlay	208,203	398,781	249,128	9,000	-96%
Transfers	1,200,000	1,700,000	2,300,000	1,400,000	-39%
Total	\$ 2,521,856	\$ 3,573,903	\$ 4,151,381	\$ 3,712,996	-11%



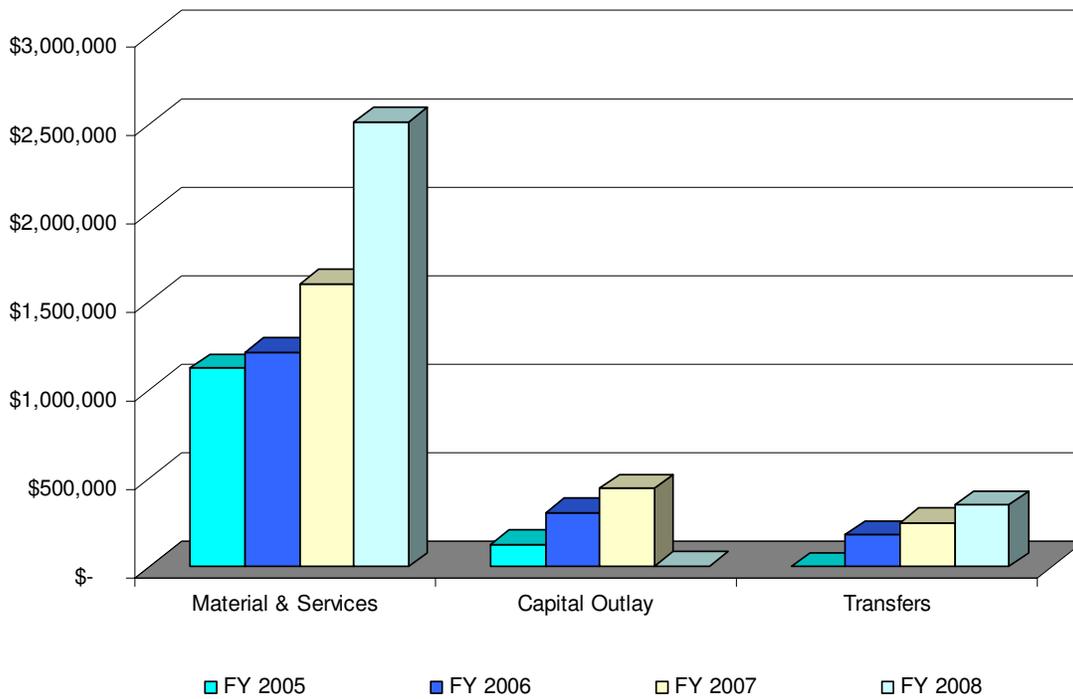
PUBLIC INFRASTRUCTURE - UTILITIES
Transmission & Distribution - Expenditures
Cost Center 501 - 7030

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 469,695	\$ 666,320	\$ 651,936	\$ 779,850	20%
Capital Outlay	691,729	722,957	1,314,618	1,380,200	5%
Total	\$ 1,161,424	\$ 1,389,277	\$ 1,966,554	\$ 2,160,050	10%



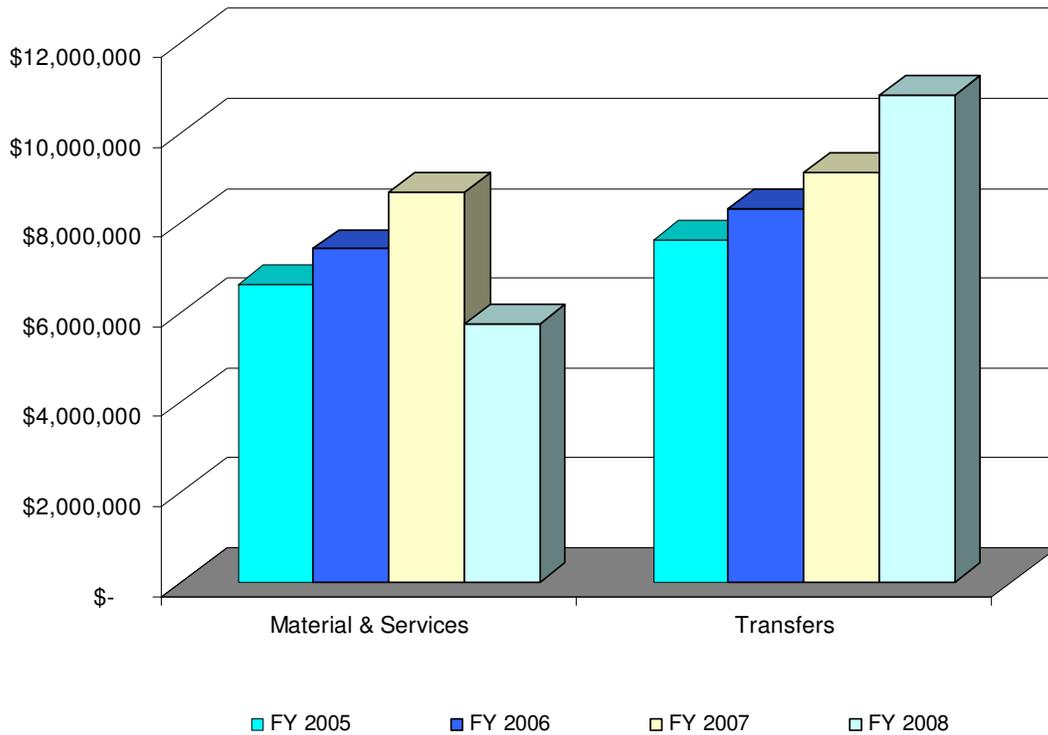
PUBLIC INFRASTRUCTURE - UTILITIES
Control Operation Wastewater Treatment - Expenditures
Cost Center 501 - 7035

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 1,122,102	\$ 1,210,159	\$ 1,599,893	\$ 2,512,558	57%
Capital Outlay	127,029	305,145	441,275	7,000	-98%
Transfers	-	180,000	250,000	350,000	40%
Total	\$ 1,249,131	\$ 1,695,304	\$ 2,291,168	\$ 2,869,558	25%



PUBLIC INFRASTRUCTURE - UTILITIES
Contractor Operation Other Operating - Expenditures
Cost Center 501 - 7060

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Material & Services	\$ 6,612,703	\$ 7,600,335	\$ 8,684,634	\$ 5,750,964	-34%
Transfers	7,411,212	8,304,662	9,110,487	10,836,987	19%
Total	\$ 14,023,915	\$ 15,904,997	\$ 17,795,121	\$ 16,587,951	-7%



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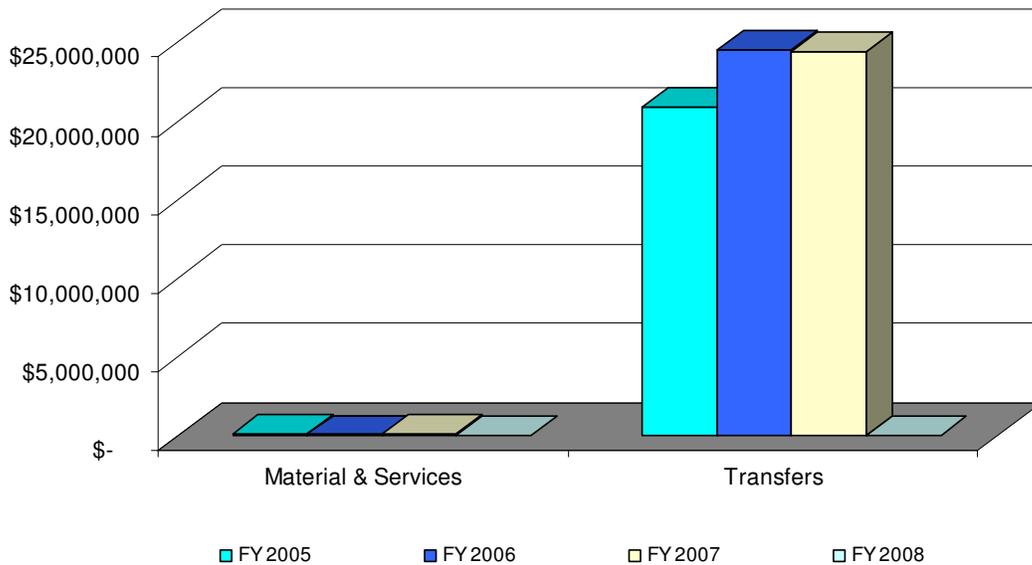


UTILITY REVENUE FUND 502

To account for accounts receivable and revenues generated from the operation of the Utility.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 681,018	\$ 341,370	\$ (786,737)	\$ -	-100%
Water Revenue	11,854,773	15,259,646	12,987,441	-	-100%
Wastewater Revenue	8,737,224	9,825,367	11,387,130	-	-100%
Total Revenue	\$ 21,273,015	\$ 25,426,383	\$ 23,587,834	\$ -	-100%
Expenditures					
Material & Services	\$ 92,568	\$ 73,556	\$ 102,330	\$ -	-100%
Transfers	20,885,000	24,595,000	24,455,000	-	-100%
Fund Balance	341,370	-	-	-	0%
Total Expenditure	\$ 21,318,938	\$ 24,668,556	\$ 24,557,330	\$ -	-100%

Expenditures

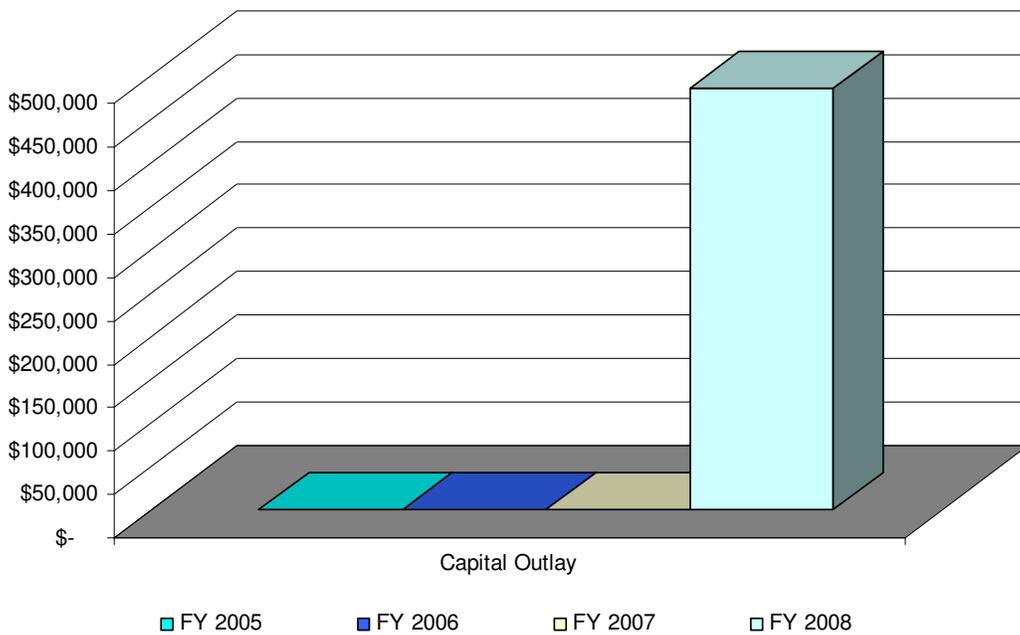


UTILITIES EQUIPMENT REPLACEMENT FUND 512

To account for funds transferred from the fund 501 (Utilities Revenues charge for services), recognizing the depreciation of assets and to provide a recurring source of funds for replacing those assets.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	-
Miscellaneous Revenue	-	-	-	10,000	-
Other Financing Sources	-	-	-	532,000	-
Total Revenue	\$ -	\$ -	\$ -	\$ 542,000	-
Expenditures					
Capital Outlay	\$ -	\$ -	\$ -	\$ 485,750	-
Fund Balance	-	-	-	56,250	-
Total Expenditure	\$ -	\$ -	\$ -	\$ 542,000	-

Expenditures

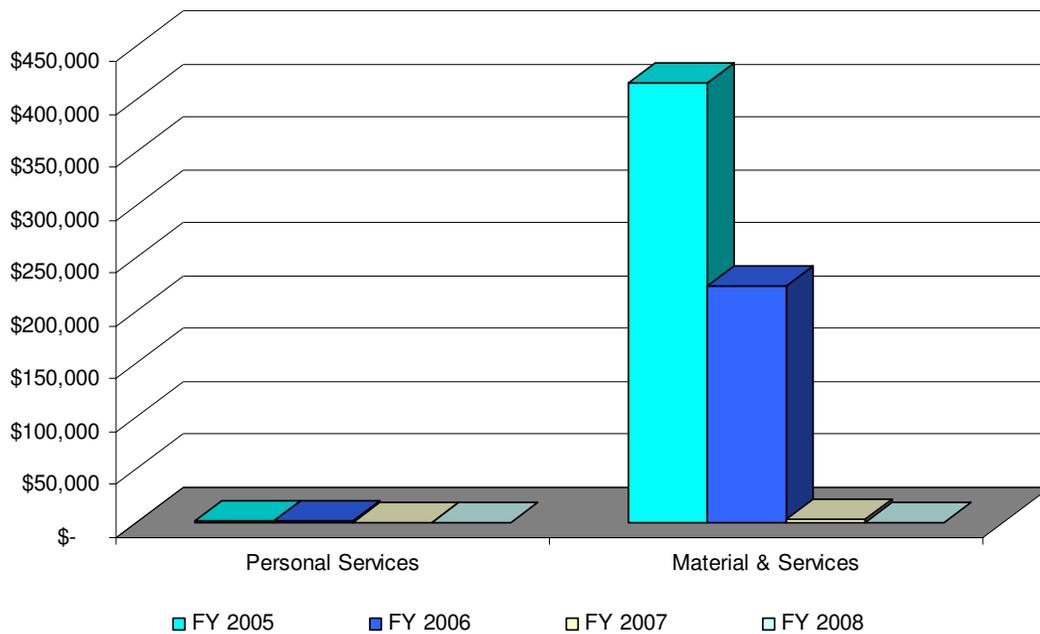


UTILITIES 95 DEBT SERVICE FUND 530

To account for debt services resulting from the Utilities Bonds, series 1995.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 455,663	\$ 539,601	\$ 3,050	\$ -	-100%
Miscellaneous Revenue	94,965	100,388	6	-	-
Other Financing Sources	2,665,700	2,029,277	-	-	-
Total Revenue	\$ 3,216,328	\$ 2,669,266	\$ 3,056	\$ -	-100%
Expenditures					
Personal Services	\$ 745	\$ 1,235	\$ -	\$ -	-
Material & Services	415,782	223,632	3,056	-	-100%
Fund Balance	474,863	347,401	3,050	-	-100%
Total Expenditure	\$ 891,390	\$ 572,268	\$ 6,106	\$ -	-100%

Expenditures

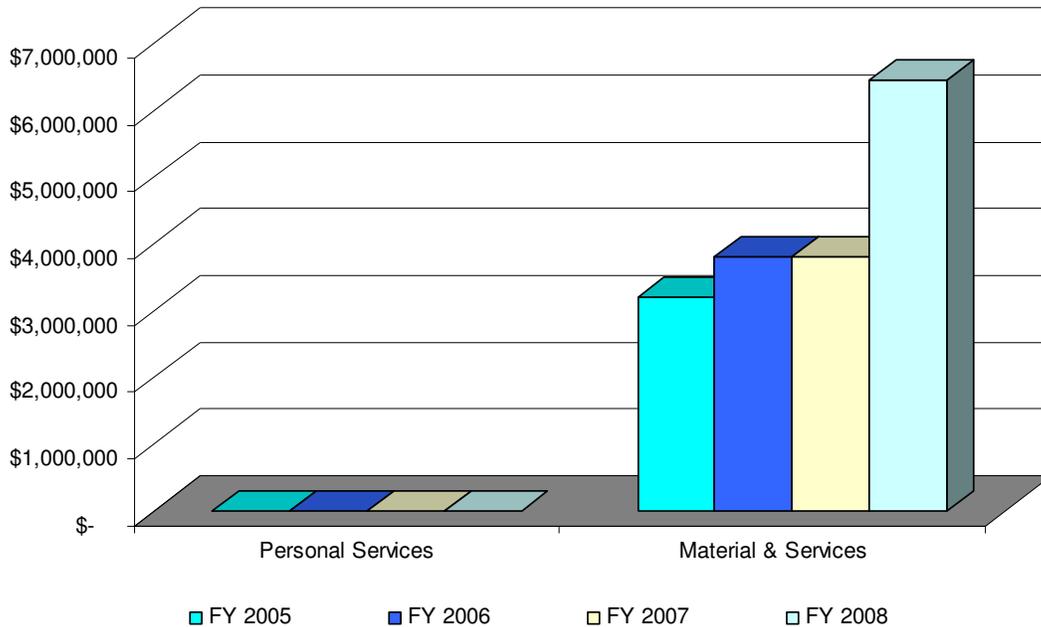


UTILITIES 99 DEBT SERVICE FUND 535

To account for debt services resulting from the Utilities Bonds, series 1999. This issue refinanced a large portion of the 1995 Utility Bonds.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 3,159,793	\$ 3,184,102	\$ 3,459,954	\$ 3,740,071	8%
Miscellaneous Revenue	44,205	69,151	296,543	200,000	-33%
Other Financing Sources	3,769,000	3,989,500	6,420,500	6,441,710	0%
Total Revenue	\$ 6,972,998	\$ 7,242,753	\$ 10,176,997	\$ 10,381,781	2%
Expenditures					
Personal Services	\$ 1,213	\$ 776	\$ -	\$ -	-
Material & Services	3,207,676	3,811,883	3,801,011	6,439,210	69%
Fund Balance	3,199,940	3,445,079	3,502,954	3,942,571	13%
Total Expenditure	\$ 6,408,829	\$ 7,257,738	\$ 7,303,965	\$ 10,381,781	42%

Expenditures

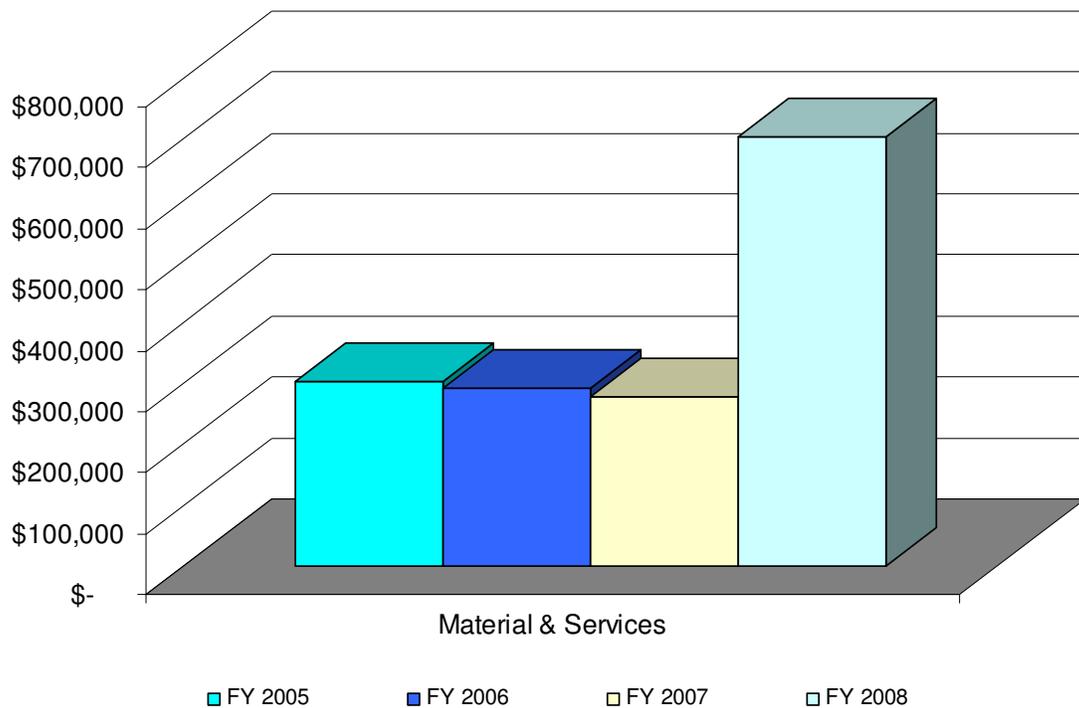


DEBT SERVICE / NMED LOAN FUND 536

To account for repayment of the loan from the New Mexico Finance Authority. Loan proceeds were used to refurbish and increase the size of Wastewater Treatment Plant # 2.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 661,690	\$ 876,229	\$ 1,113,005	\$ 1,368,738	23%
Miscellaneous Revenue	9,671	31,908	50,865	30,000	-41%
Other Financing Sources	909,734	909,734	909,734	909,734	0%
Total Revenue	\$ 1,581,095	\$ 1,817,871	\$ 2,073,604	\$ 2,308,472	11%
Expenditures					
Material & Services	\$ 302,891	\$ 290,832	\$ 278,411	\$ 704,867	153%
Fund Balance	516,167	1,085,096	1,347,871	1,603,605	19%
Total Expenditure	\$ 819,058	\$ 1,375,928	\$ 1,626,282	\$ 2,308,472	42%

Expenditures

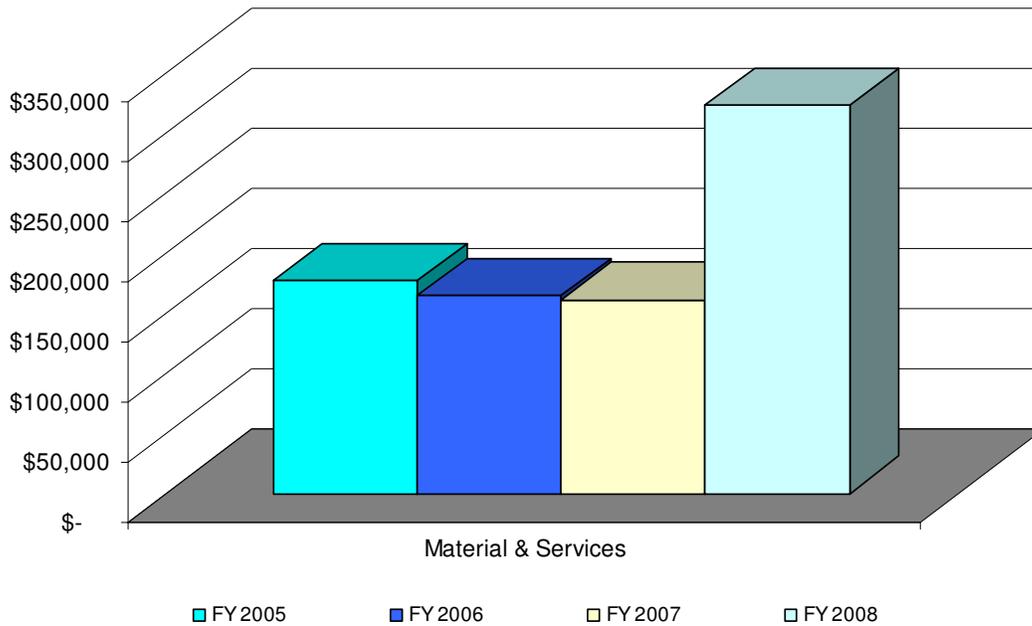


2004 BOND DEBT SERVICE FUND 537

To account for the debt service resulting from the Utility Bonds, Series 2004

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 360,977	\$ 368,577	\$ 385,110	\$ 411,812	7%
Miscellaneous Revenue	7,200	16,531	26,702	25,000	-6%
Other Financing Sources	321,924	322,056	323,135	324,098	0%
Total Revenue	\$ 690,101	\$ 707,164	\$ 734,947	\$ 760,910	4%
Expenditures					
Material & Services	\$ 178,080	\$ 165,499	\$ 161,580	\$ 324,098	101%
Fund Balance	360,981	374,579	393,110	436,812	11%
Total Expenditure	\$ 539,061	\$ 540,078	\$ 554,690	\$ 760,910	37%

Expenditures

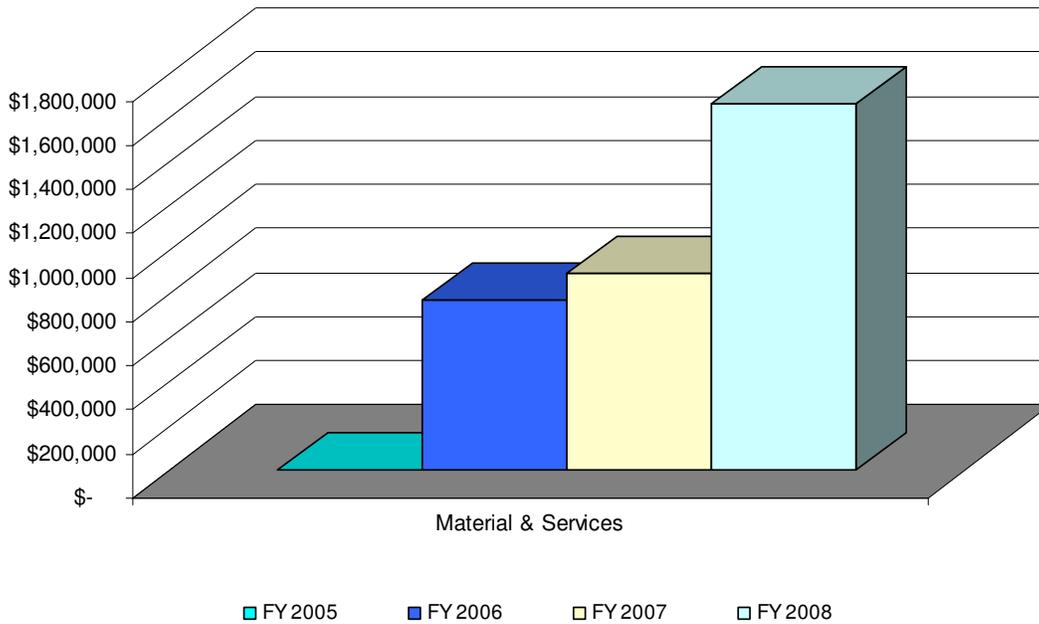


2005 DEBT SERVICE FUND 538

To account for the debt service resulting from the Utility Bond, Series 2005.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ -	\$ -	\$ 1,723,893	\$ 1,855,360	8%
Miscellaneous Revenue	-	44,225	131,466	90,000	-32%
Other Financing Sources	-	1,658,519	1,657,118	1,663,518	0%
Total Revenue	\$ -	\$ 1,702,744	\$ 3,512,477	\$ 3,608,878	3%
Expenditures					
Material & Services	\$ -	\$ 770,596	\$ 894,195	\$ 1,663,518	86%
Fund Balance	-	5,000	1,735,893	1,945,360	12%
Total Expenditure	\$ -	\$ 775,596	\$ 2,630,088	\$ 3,608,878	37%

Expenditures

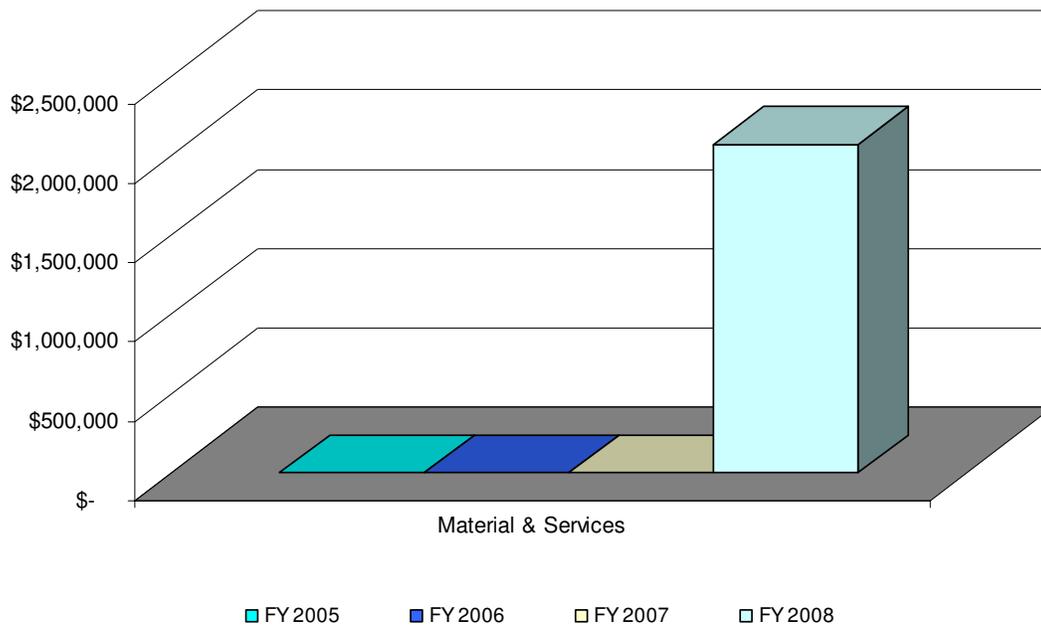


2007 DEBT SERVICE FUND 539

To account for the debt service resulting from the Utility Bond, Series 2007.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ 3,043,517	-
Miscellaneous Revenue	-	-	-	90,000	-
Other Financing Sources	-	-	-	2,069,927	-
Total Revenue	\$ -	\$ -	\$ -	\$ 5,203,444	-
Expenditures					
Material & Services	\$ -	\$ -	\$ -	\$ 2,069,927	-
Fund Balance	-	-	-	3,133,517	-
Total Expenditure	\$ -	\$ -	\$ -	\$ 5,203,444	-

Expenditures

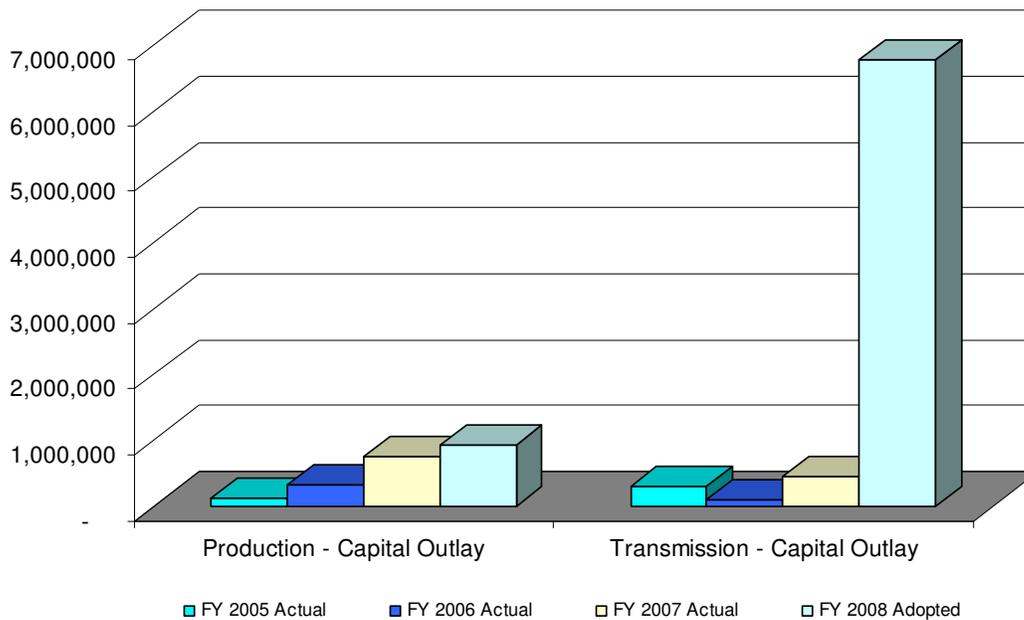


C.I.F. WATER OPERATION FUND 540

To account for capital improvements to the water system.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 345,067	\$ 453,452	\$ 634,349	\$ 740,550	17%
Governmental Revenue	-	76,548	303,444	6,520,000	2049%
Miscellaneous Revenue	13,846	45,898	110,294	75,000	-32%
Other Financing Sources	700,000	1,200,000	1,100,000	400,000	-64%
Total Revenue	\$1,058,913	\$ 1,775,898	\$ 2,148,087	\$ 7,735,550	260%
Expenditures					
Production - Capital Outlay	\$ 114,187	\$ 327,315	\$ 748,188	\$ 930,000	24%
Transmission - Capital Outlay	295,178	99,898	455,023	6,770,000	1388%
Fund Balance	467,040	449,510	384,349	35,550	-91%
Total Expenditure	\$ 876,405	\$ 876,723	\$ 1,587,560	\$ 7,735,550	387%

Expenditures

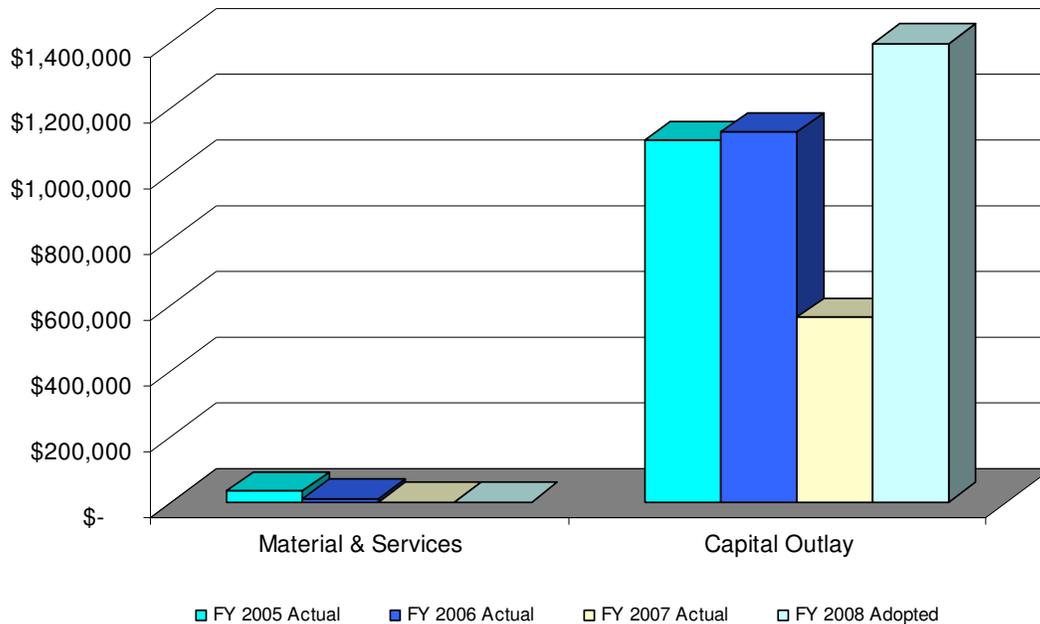


WATER RIGHTS ACQUISITION FUND 542

To set aside funding for the purpose of purchasing water rights.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 1,049,254	\$ 488,936	\$ 623,582	\$ 443,006	-29%
Miscellaneous Revenue	54,558	206,997	61,284	30,000	-51%
Other Financing Sources	500,000	1,000,000	1,200,000	1,000,000	-17%
Total Revenue	\$ 1,603,812	\$ 1,695,933	\$ 1,884,866	\$ 1,473,006	-22%
Expenditures					
Material & Services	\$ 34,845	\$ 10,989	\$ -	\$ -	-100%
Capital Outlay	1,103,749	1,129,392	563,911	1,400,000	24%
Fund Balance	414,254	463,936	279,582	73,006	-84%
Total Expenditure	\$ 1,552,848	\$ 1,604,317	\$ 843,493	\$ 1,473,006	-8%

Expenditures

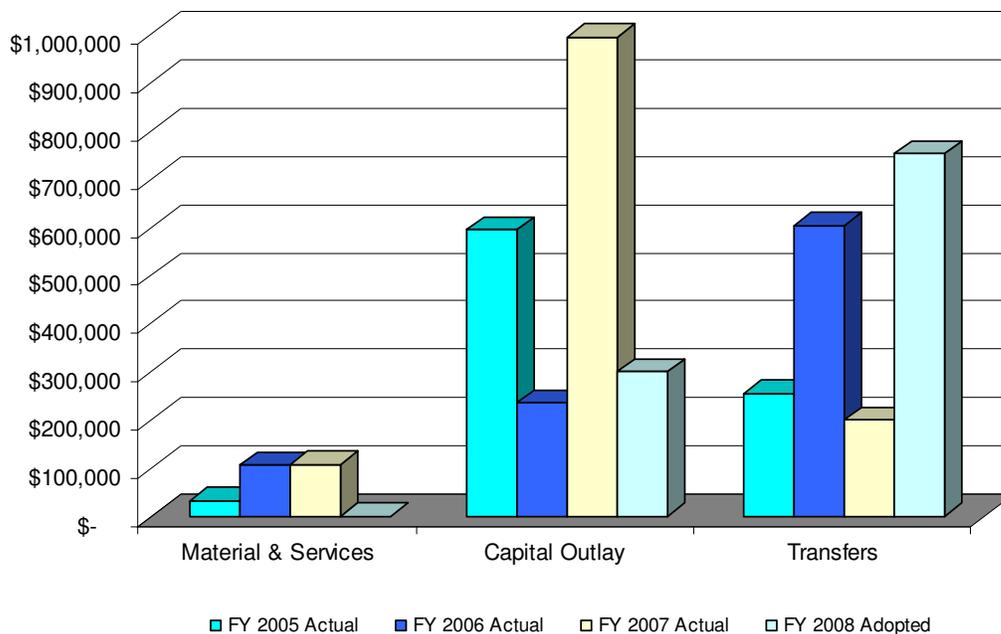


WATER - IMPACT FEE FUND 545

To account for impact fees under Sections 5 - 8 - 1 through 5 - 8 - 42 NMSA 1978 (The Development Fees Act) for the purpose of providing water system infrastructure.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 1,209,367	\$ 1,358,545	\$ 78,852	\$ 213,213	170%
Miscellaneous Revenue	1,395,065	1,004,297	893,015	1,062,180	19%
Total Revenue	\$ 2,604,432	\$ 2,362,842	\$ 971,867	\$ 1,275,393	31%
Expenditures					
Material & Services	\$ 32,270	\$ 107,625	\$ 108,595	\$ -	-100%
Capital Outlay	595,839	236,370	995,953	300,000	-70%
Transfers	255,146	604,424	200,000	754,000	277%
Fund Balance	580,555	399,928	73,310	221,393	202%
Total Expenditure	\$ 1,463,810	\$ 1,348,347	\$ 1,377,858	\$ 1,275,393	-7%

Expenditures

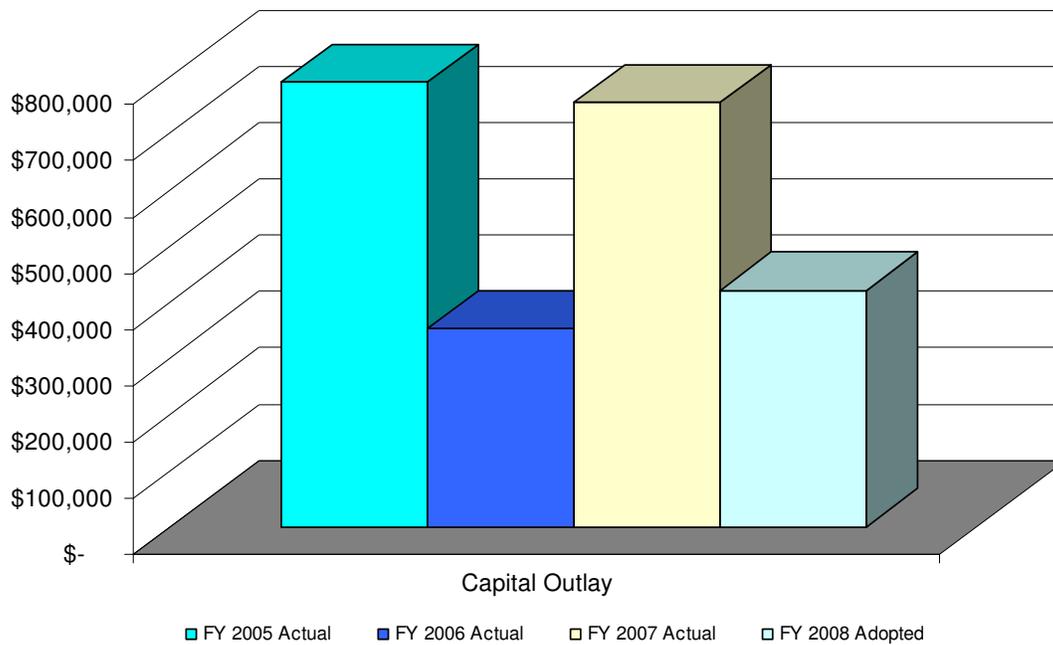


C. I. F. WASTEWATER TREATMENT FUND 550

To account for capital improvements to the wastewater system.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 2,255,363	\$ 1,531,029	\$ 279,008	\$ 290,674	4%
Miscellaneous Revenue	47,500	77,525	68,039	60,000	-12%
Operating Utility Revenue	332,862	-	-	-	0%
Other Financing Sources	-	-	100,000	200,000	100%
Total Revenue	\$ 2,635,725	\$ 1,608,554	\$ 447,047	\$ 550,674	23%
Expenditures					
Capital Outlay	\$ 789,886	\$ 352,227	\$ 752,217	\$ 420,000	-44%
Fund Balance	1,124,738	162,032	226,008	130,674	-42%
Total Expenditure	\$ 1,914,624	\$ 514,259	\$ 978,225	\$ 550,674	-44%

Expenditures

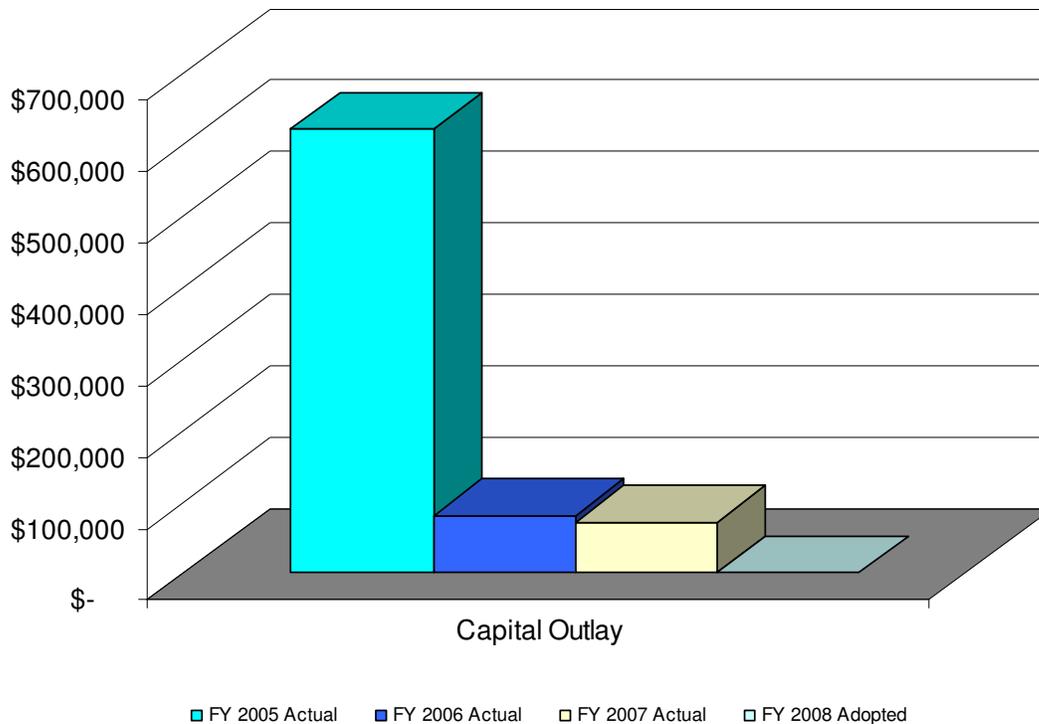


EFFLUENT FUND 552

To set aside funding for the purpose of water reuse.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ (709,724)	\$ 241,599	\$ 403,206	\$ 6,030	-99%
Governmental Revenue	720,871	79,130	-	-	-
Miscellaneous Revenue	452	13,348	22,824	20,000	-12%
Other Financing Sources	180,000	180,000	150,000	150,000	0%
Total Revenue	\$ 191,599	\$ 514,077	\$ 576,030	\$ 176,030	-69%
Expenditures					
Capital Outlay	\$ 621,141	\$ 80,000	\$ 70,286	\$ -	-100%
Fund Balance	180,276	191,599	3,206	176,030	5391%
Total Expenditure	\$ 801,417	\$ 271,599	\$ 73,492	\$ 176,030	140%

Expenditures

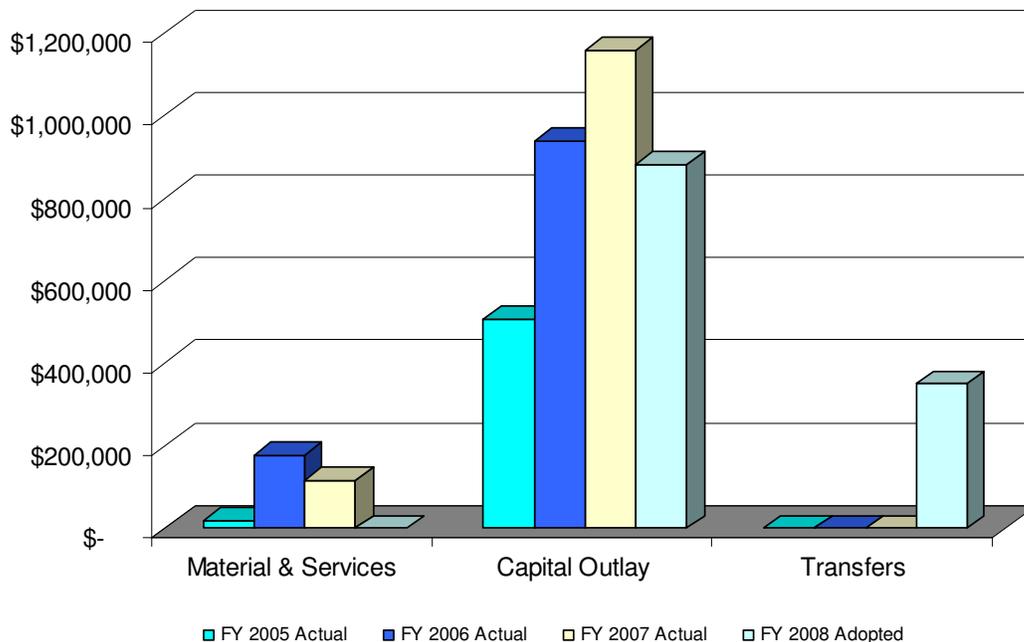


WASTEWATER - IMPACT FEE FUND 555

To account for impact fees under Sections 5 - 8 - 1 through 5 - 8 - 42 NMSA 918 (The Development Fees Act) for the purpose of providing wastewater system infrastructure.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 1,991,498	\$ 3,441,959	\$ 2,164,367	\$ 993,732	-54%
Miscellaneous Revenue	2,307,322	2,168,791	1,456,672	1,241,550	-15%
Operating Utility Revenue	-	389,908	-	-	-
Total Revenue	\$ 4,298,820	\$ 6,000,658	\$ 3,621,039	\$ 2,235,282	-38%
Expenditures					
Material & Services	\$ 18,735	\$ 175,846	\$ 117,630	\$ -	-100%
Capital Outlay	507,841	937,533	1,156,804	880,000	-24%
Transfers	-	-	-	350,000	-
Fund Balance	1,820,292	1,537,192	37,367	1,005,282	2590%
Total Expenditure	\$ 2,346,868	\$ 2,650,571	\$ 1,311,801	\$ 2,235,282	70%

Expenditures

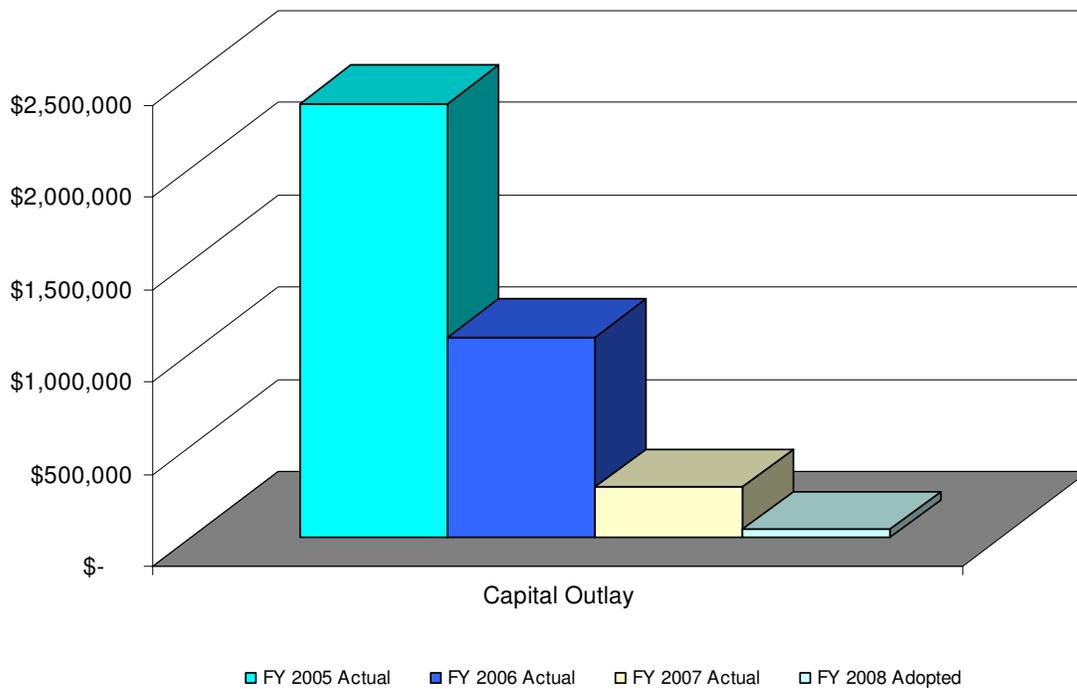


2004 BOND ACQUISITION FUND 570

To account for bond proceeds for construction of utility infrastructure projects.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ 3,741,054	\$ 489,319	\$ 119,369	\$ 41,052	-66%
Miscellaneous Revenue	36,355	23,114	28,505	4,000	-86%
Total Revenue	\$ 3,777,409	\$ 512,433	\$ 147,874	\$ 45,052	-70%
Expenditures					
Capital Outlay	\$ 2,356,944	\$ 1,088,880	\$ 276,451	\$ 45,052	-84%
Fund Balance	26,900	96,254	3,115	-	-100%
Total Expenditure	\$ 2,383,844	\$ 1,185,134	\$ 279,566	\$ 45,052	-84%

Expenditures

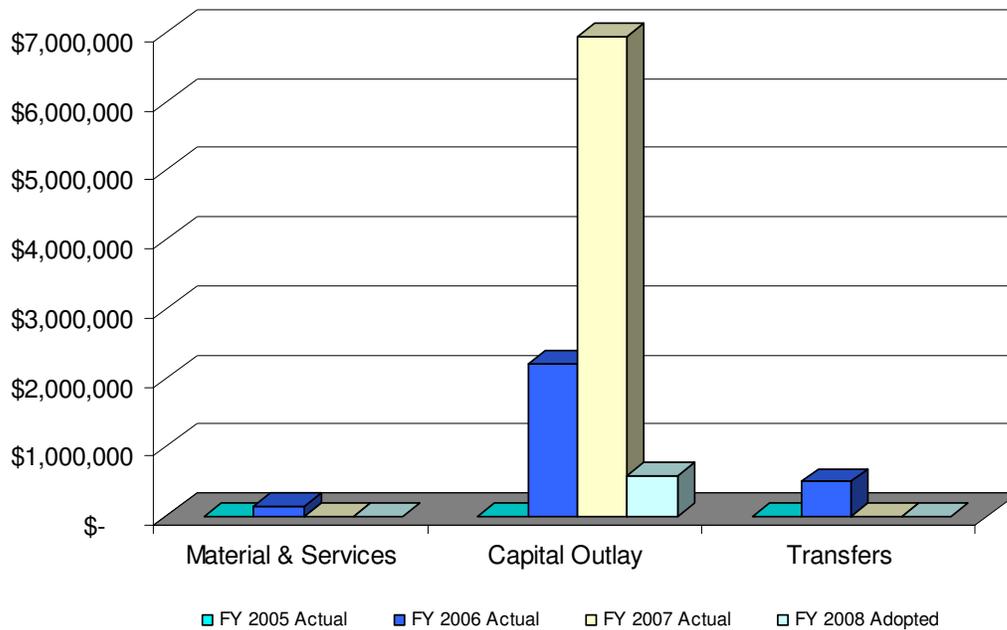


2005 UT CONSTRUCTION FUND 571

To account for bond proceeds for construction of utility infrastructure projects.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ -	\$ -	\$ 132,422	\$ 176,927	34%
Miscellaneous Revenue	-	523,786	869,221	400,000	-54%
Other Financing Sources	-	20,653,802	-	-	-
Total Revenue	\$ -	\$ 21,177,588	\$ 1,001,643	\$ 576,927	-42%
Expenditures					
Material & Services	\$ -	\$ 141,367	\$ -	\$ -	-
Capital Outlay	-	2,198,733	6,930,519	576,927	-92%
Transfers	-	500,000	-	-	-
Fund Balance	-	80,000	32,422	-	-100%
Total Expenditure	\$ -	\$ 2,920,100	\$ 6,962,941	\$ 576,927	-92%

Expenditures

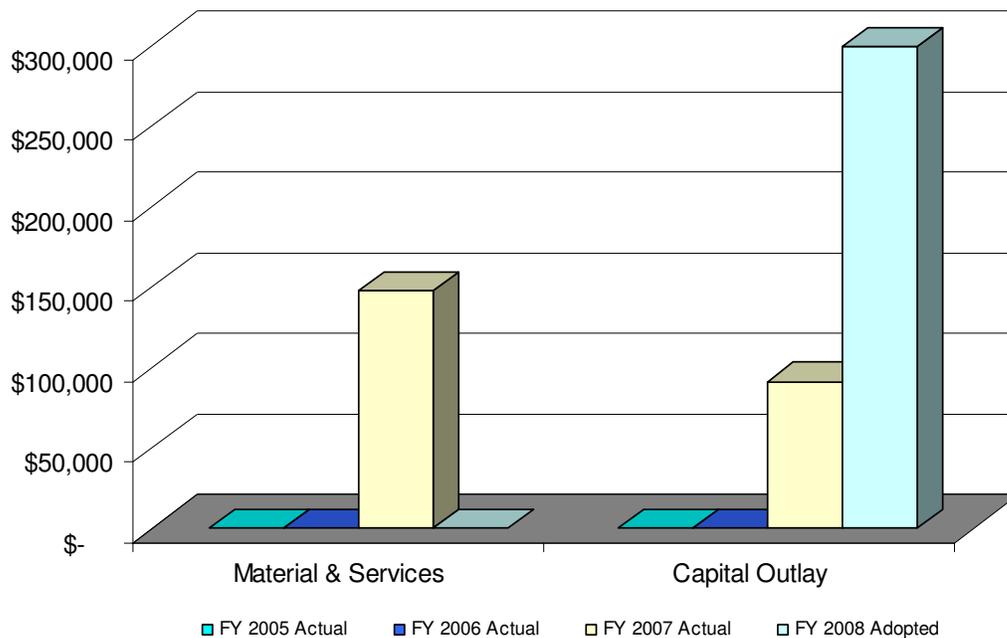


2007 UT BOND CONSTRUCTION FUND 572

To account for bond proceeds for construction of utility infrastructure projects.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	% Change
Revenue					
Beginning Fund Balance	\$ -	\$ -	\$ 132,422	\$ 298,903	126%
Miscellaneous Revenue	-	-	196,289	-	-100%
Other Financing Sources	-	-	29,751,503	-	-100%
Total Revenue	\$ -	\$ -	\$ 30,080,214	\$ 298,903	-99%
Expenditures					
Material & Services	\$ -	\$ -	\$ 147,386	\$ -	-100%
Capital Outlay	-	-	91,289	298,903	227%
Fund Balance	-	-	32,422	-	-100%
Total Expenditure	\$ -	\$ -	\$ 271,097	\$ 298,903	10%

Expenditures



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