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August 3, 2012

Commissioner Art De La Cruz  
Chairman  
Bernalillo County Board of Commissioners  
One Civic Plaza  
Albuquerque, New Mexico 87102

Dear Commission Chair De La Cruz:

The following is a report on the status of Bernalillo County's federal program as of August 1, 2012. The report looks back on project developments with the seven projects listed in the County's federal FY 13 funding requests dated March 2012.

## **Overview**

Bernalillo County has seven priority projects listed in its FY 2013 federal program. The priorities include four transportation projects, a water project and one flood control project.

The County added the I-25/Paseo Interchange improvements and two Bus Rapid Transit (BRT) projects to the 2012 program because of the significant benefits each project would have for regional and local mobility and economic development.

## **Paseo del Norte, Central Avenue and UNM/CNM/Sunport Bus Rapid Transit (BRT) Studies**

There are three Albuquerque region BRT studies in various stages of development. Bernalillo County included the Paseo del Norte (PDN) and Central Avenue BRTs in its list of 2012 federal priorities.

The Central Avenue BRT study is entering the Federal Transit Administration's Alternatives Analysis (AA). The new surface transportation legislation (MAP 21) eliminates the Alternatives Analysis process in order to streamline the planning phase of New Starts projects; however, the elements of the AA are included here because they provide an indication of the type of information needed to develop a BRT project. The objective of the AA program was to assist in the evaluation of all reasonable modal and multimodal alternatives and general alignment options for identified transportation needs in a particular, broadly defined travel corridor. The transportation planning process includes:

alternatives and general alignment options for identified transportation needs in a particular, broadly defined travel corridor. The transportation planning process includes:

- An assessment of a wide range of public transportation or multimodal alternatives, which will address transportation problems within a corridor or subarea.
- Provides ample information to enable FTA to make the findings of project justification and local financial commitment.
- Supports the selection of a locally preferred alternative.
- Enables the local Metropolitan Planning Organization to adopt the locally preferred alternative as part of the long-range transportation plan.

ABQ Ride continues to make progress with BRT. A contract was signed with a consultant in May/June to initiate the Federal Transit Administration's Alternative Analysis (AA) phase of the project. The AA should be submitted to FTA by September 2013. After the FTA accepts the AA, ABQ Ride can enter into preliminary design and complete the environmental planning for the project. ABQ Ride expects to enter final design and project development in late 2013 or early 2014. The County's Washington office has been working with the FTA Administrator's Office to expedite the early steps in qualifying the Central Avenue BRT for FTA's Small Starts program.

The Regional Transit District (RTD) is in the early stages of doing a ridership study along the Paseo del Norte BRT Corridor. The Paseo del Norte study will identify how public transit can meet some of the demand for trips from the northwestern area of the metro region to employment and activity centers in Albuquerque and north central Bernalillo County.

The UNM/CNM BRT study received \$400,000 in FY 11 FTA funds in June 2011 to initiate an Alternatives Analysis. A meeting was held June 25, 2012 to discuss the study and receive community input.

We have had discussions over the past six months with RTD and ABQ Ride about the regional BRT interests and connectivity. In the long term, the three BRT opportunities could be part of a regional BRT system.

The continuing growth west of the Rio Grande, transit ridership on the Central Avenue corridor and the employment and student traffic between the UNM medical center and Albuquerque International Sunport have created interest in expanded and efficient transit service.

Bernalillo County should continue to be active in the development of planning of the three BRT studies because of the mobility, air quality and economic development benefits of the enhanced transit services.

### **I-25/Paseo Interchange**

The County's support for the I-25 Paseo Interchange was important to the 2012 TIGER application. The City of Albuquerque and its partners requested \$10 million in TIGER grant funding to match county (10), City (30), and State (50) funding. The County's Washington

office met with Victor Mendez, the Federal Highway Administrator, in January to discuss a regional TIGER application for improving the I-25/Paseo Interchange. Mr. Menendez pointed out that the strong local government and state financial contributions to the interchange improvements would greatly strengthen the competitiveness of the region's TIGER application. Administrator Menendez stated that the \$10 million TIGER request would be viewed very favorably by DOT because it represented "gap fund." He added that many TIGER applications ask for 90% of project funding and have only 10% in local/regional funding.

The I-25/Paseo Interchange application was withdrawn in May. The recently enacted surface transportation bill, MAP-21 authorizes \$500 million from the General Fund (subject to appropriation) in FY 2013 only, to fund critical high-cost surface transportation capital projects that will accomplish national goals, such as generating national/regional economic benefits and improving safety, and that are difficult to complete with existing Federal, State, local, and private funds. States, tribes, transit agencies, and multi-State or multi-jurisdictional groups of these entities are eligible to apply for competitive grant funding. Bernalillo County and the City of Albuquerque will have to work with New Mexico Department of Transportation on an application for FY 13 money.

#### **Sunport Boulevard Extension and Isleta Boulevard Rehabilitation**

These two road projects would be natural candidates for earmarked funds in the surface transportation authorization legislation, MAP-21, or the annual transportation appropriations bill; however, the earmark moratorium eliminates those funding opportunities. The Sunport Boulevard project might qualify for projects of regional and national significance as defined in MAP-21.

#### **Southwest Valley Flood Reduction Project**

Bernalillo County was successful in authorizing the Southwest Valley Flood Reduction Project in the Water Resources Development Act of 2007 (Section 433) at a total cost of \$24.8 million with an estimated cost of \$16.1 million federal share and \$8.6 million non-federal share. To date, the project has received almost \$16 million in federal funding. The House and Senate FY '13 Energy and Water Development appropriations bills include more than \$5.2 million in funding to complete the project<sup>1</sup>. The County should continue to work closely with the Corps Albuquerque District office on funding. If Congress does not approve a FY 13 appropriations bill and funds the government through a continuing resolution for the balance of FY 13, the Corps could use the House and Senate funding figure for the SW Valley project as an indication of Administration and Congressional support for the project and provide funding in the Corps FY 13 work program.

We met with Corps officials in headquarters and Albuquerque District offices last November and January to press for the FY 13 money. We also met with Corps of Engineers officials in March 2012 to encourage them to include the SW Valley Flood Reduction project in the Corps FY '13 work program. The County's Public Works staff follow-up with the Corps has been key to obtaining FY 13 money.

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<sup>1</sup> Energy and Water Development and Related Agencies Appropriations Act, 2013 H.Rept 112-462, S.Rept 112-164

### **Carnuel Water Supply**

The Bernalillo Commission has been interested in addressing the water supply issues for the Carnuel community, a census-designated place (CDP), in Bernalillo County. MMO, working County officials, brought the drinking water and septic tank issues to the attention of the Department of Agriculture's Rural Development Service in 2007. The County's Washington advocates have worked for more than two years with the Department of Agriculture's Rural Development Service (RDS), the Albuquerque Bernalillo County Water Utility Authority (WUA) and Bernalillo County to address the safe drinking water issues in Carnuel.

Carnuel obtains water from private wells and conducts disposal methods through septic systems. The community is in need of a central public water system. Carnuel community's private wells are shallow and often co-exist in the same areas with poorly functioning, aging septic systems, which have led to nitrate contamination in many of the wells. In some areas of Carnuel, water quality does not meet the mandates of the Safe Drinking Water Act.

The Carnuel water supply project was designed to extend and construct water infrastructure from existing water reservoirs owned and operated by the WUA to the Carnuel community. The extension of the water system to Carnuel would address water quality and fire protection issues by providing a reliable public water system to serve existing developed properties.

In October 2008, the WUA and the Carnuel Mutual Domestic Water and Waste Water Consumer Association CMD&MDW entered into an agreement to extend water infrastructure improvements and provide water service to the Carnuel community. This agreement also called for the WUA to serve as the fiscal agent for the Carnuel MDW on all state and federal grant and/or loan agreements.

The WUA served as the fiscal agent in 2010 for the American Recovery and Reinvestment Act (ARRA) funds the State of New Mexico directed to Carnuel for water system improvements.

In early 2011, the WUA joined with the MDW to seek funding from RDS. WUA and MDW spent most of last year trying to work out an agreement that would allow WUA to manage grant funding from RDS to make connections between a WUA water line and Carnuel residents.

Commissioner Wayne Johnson met with the Director of the Rural Development Service in March to discuss how RDS could work with Bernalillo County and WUA to provide assistance to Carnuel residents for hooking up to WUA's water line. Commissioner Johnson determined after his RDS meeting that it might be useful to continue to work with RDS to seek project assistance and for the County to create a loan program to help Carnuel residents hook up to the WUA pipeline. A County loan program was approved by the Bernalillo County Commission on June 12, 2012.

The loan program called "CONNECT" was approved by the County Commission. The MOU between the County and the WUA will not be approved until August and not effective until September or October because the WUA has to adapt its billing system to accommodate the new loan program. CONNECT is for all unincorporated residential

properties (not just Carnuel) to public water services where poor water quality exists and where public water services infrastructure is readily available for connection. Therefore, it is a countywide program, but WUA will be targeting Carnuel and the South Valley in promoting this new program.

The County's Washington advocates recommend that Bernalillo County and the WUA prepare a recommendation for the RDS to revise its regulations to authorize an entity like the WUA to act as a fiscal agent for an entity like CMD. We make this recommendation because Ms. Jackie Ponti told us in February that she planned to initiate a review of RDS regulations that should be revised to address situations like the disconnect between current RDS regulations and the cooperative relationship between CMD and the WUA.

### **Payment in Lieu of Taxes (PILT)**

We worked with the New Mexico Congressional delegation this past year to reauthorize the PILT program. In FY 12, Bernalillo County received over \$195,000 in PILT funds. This program is always a budget trimming target for eastern Members of Congress. Congress included a one year extension of the PILT program in the surface transportation authorization bill, MAP-21.

### **3% Withholding**

As part of our monitoring proposed legislation, rule changes, and work with local government associations, we learned about the impact on local governments of the 3% withholding provision that was part of the 2005 budget reconciliation package. We worked with the New Mexico Congressional delegation, US Chamber of Commerce and the National Association of Counties (NACo) to repeal the provision from law. Our outreach on this issue included discussions with the New Mexico Municipal League and New Mexico Association of Counties to request that the organizations notify the New Mexico Congressional delegation of their support for a repeal of the provision.

We informed the County of the potential impact of the 3% withholding in 2011. The provision required state and local governments to withhold three percent of the value of a service contract and provide the money to the federal treasury. The House and Senate acted to repeal the provision in November 2011.

Finally, we keep the County aware of federal grant opportunities by sending a weekly summary of federal grant opportunities.

This report is intended to provide you with a description of our Washington work to protect Bernalillo County's federal interests, obtain federal funding for the County, and prevent the imposition of unfunded federal mandates.

We look forward to continuing our work on behalf of Bernalillo County to obtain federal funding and legislation favorable to the County's interests.

Sincerely,



John R. O'Donnell