

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY MEETING  
WEDNESDAY, OCTOBER 20, 2021, 5:00 P.M.

VINCENT E. GRIEGO CHAMBERS  
ALBUQUERQUE-BERNALILLO COUNTY GOVERNMENT CENTER  
ALBUQUERQUE, NEW MEXICO 87102

A P P E A R A N C E S

COMMISSIONER STEVEN MICHAEL QUEZADA, Chair (remote)

COUNCILOR KLARISSA J. PENA, Vice Chair (remote)

COMMISSIONER WALT BENSON, Member (remote)

COUNCILOR PAT DAVIS, Member (remote)

COMMISSIONER CHARLENE PYSKOTY, Member (remote)

COUNCILOR TRUDY E. JONES, Member (excused)

MAYOR TIMOTHY M. KELLER, Member (excused)

PABLO RAEL, Trustee (remote)

SARITA NAIR, Alternate (remote)

BEFORE: KIM KAY SHOLLENBARGER, RPR  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 4TH STREET, NORTHWEST, SUITE 105  
ALBUQUERQUE, NEW MEXICO 87102

1           CHAIR QUEZADA: I call this October 20, 2021 meeting  
2 of the Albuquerque Bernalillo County Water Utility Authority  
3 to order. Councilor Jones is excused, and also Councilor  
4 Pena may be joining us late, all other members are present  
5 this evening via video conference.

6           We will now have a moment of silence, and then I  
7 will follow that with the Pledge of Allegiance.

8           (Silence/Pledge of Allegiance)

9           CHAIR QUEZADA: We will move on to Item 3, which is  
10 Approval of the Minutes. I move to approve the September 22,  
11 2021 Minutes. Is there a second?

12           COMMISSIONER PYSKOTY: Second.

13           CHAIR QUEZADA: I have a second by Commissioner  
14 Pyskoty. Thank you very much. Ms. Carreon, can I have a  
15 roll call vote, please.

16           MS. CARREON: Chair Quezada.

17           CHAIR QUEZADA: Aye.

18           MS. CARREON: Commissioner Benson.

19           COMMISSIONER BENSON: Aye.

20           MS. CARREON: Councilor Davis.

21           COUNCILOR DAVIS: Yes.

22           MS. CARREON: Member Nair.

23           CHIEF ADMINISTRATIVE OFFICER NAIR: Yes.

24           MS. CARREON: Commissioner Pyskoty.

25           COMMISSIONER PYSKOTY: Aye.

1 MS. CARREON: That passes unanimously.

2 CHAIR QUEZADA: Thank you. We don't have any  
3 Proclamations or Awards this week, but the next meeting we  
4 will, because I am signing them now. We're going to still be  
5 doing the great celebrations that we do.

6 As mentioned before, or let me mention it now, the  
7 Water Authority has accepted Public Comment, and that has  
8 been sent out prior to the meeting by email. So for  
9 everybody who wanted to look at public comment, it was sent  
10 to your email. Thank you to everybody who did send in public  
11 comment.

12 Announcements and Communications. The next  
13 scheduled meeting, our next scheduled meeting will be  
14 November 17th, 2021, at 5:00 p.m. via video conference.

15 We will move on to Item 7. This is the First  
16 Reading of Legislation. But I believe that what we want to  
17 do is move these items, Item 7A and 7B, to our Approvals, and  
18 I'm going to need a majority vote to make that happen.

19 I don't know if you've all had a chance to look at  
20 7A and 7B, but it is based on the ARPA money, and the reason  
21 why we want to move this to Approvals right away is because,  
22 as you all know, and I'm sure I don't have to let everybody  
23 know, we have to spend that money rather quickly and  
24 strategically.

25 If anyone saw the meetings we had at the Commission,

1 we approved this funding for water infrastructure that we are  
2 putting in through the money that we are getting through the  
3 County and we want to go ahead and hurry up and move this  
4 forward. So I would like to move Items 7A and 7B to  
5 Approvals, I make a motion for that to happen. Do I have a  
6 second.

7 COMMISSIONER BENSON: I'll second.

8 CHAIR QUEZADA: I have a second by everybody, but it  
9 was Commissioner Benson who jumped in. Ms. Carreon, can I  
10 have a roll call vote on that, please.

11 MS. CARREON: Yes, sir. Chair Quezada.

12 CHAIR QUEZADA: Yes.

13 MS. CARREON: Commissioner Benson.

14 COMMISSIONER BENSON: Yes.

15 MS. CARREON: Councilor Davis.

16 COUNCILOR DAVIS: Yes.

17 MS. CARREON: Member Nair.

18 CHIEF ADMINISTRATIVE OFFICER NAIR: Yes.

19 MS. CARREON: Commissioner Pyskoty.

20 COMMISSIONER PYSKOTY: Aye.

21 MS. CARREON: That passes unanimously.

22 CHAIR QUEZADA: Thank you all. Now we will move on  
23 it Item 7C, which is R-21- 29, which authorizes an Agreement  
24 for the Water and Sewer Service for Mark Otero property at  
25 10601 San Antonio Drive. Chris Cadena to update us on that.

1           MR. CADENA: Yes. Mr. Chair, Members of the Board,  
2 my name is Kristopher Cadena, I'm the Chief Engineer for  
3 Utility Development. I present to you a Development  
4 Agreement for a project which is really intended for an  
5 single family residential property located in the county just  
6 north of the city limits. It is outside the adopted service  
7 area and therefore needs Board approval. The property lies  
8 in what we call Pressure Zone 7E in the Alameda Trunk and  
9 developer will be extending some public water and sanitary  
10 sewer lines to serve that project. The developer will also  
11 be required to pay utility expansion charges and water  
12 resource charges. Thank you.

13           CHAIR QUEZADA: Do we have any discussion on that?  
14 No. So that's just our first reading, I believe. We will  
15 now move on to R-21-30, Item D, which is authorizing an  
16 Agreement for Water and Sewer Services for Volcano Mesa.  
17 Kris Cadena.

18           MR. CADENA: Mr. Chair, Members of the Board, this  
19 is an Introduction for a Development Agreement for a proposed  
20 72-unit single family subdivision. It is near the  
21 intersection of Paseo del Norte and Universe. The project is  
22 in the city limits, but outside the adopted service area;  
23 therefore, needs Board approval. The property lies in  
24 Pressure Zone 4W of what we call the Corrales Trunk, and  
25 water and wastewater service is contingent upon the developer

1 constructing some water lines and sewer lines to serve that  
2 project. And lastly, the developer will be required to pay  
3 the utility expansion charges and water resource charges.

4 Thank you.

5 CHAIR QUEZADA: Do we have any questions on that?  
6 Any discussion? No. We will move on to Item E, R-21- 31,  
7 authorizing Execution and Delivery of the Water Project Fund  
8 Loan Grant Agreement by and between the New Mexico Water  
9 Trust Board, and the New Mexico Finance Authority, and the  
10 Albuquerque-Bernalillo County Water Utility Authority, the  
11 Water Authority, in the total amount of two million, 1.2  
12 million grant amount, and 800,000 loan amount. Stan Allred  
13 to present.

14 MR. ALLRED: Thank you, Mr. Chair and Members of the  
15 Board. This is for introduction. This is a Water Project  
16 Fund Loan. It is a grant/grant agreement. The grant amount  
17 is \$1.2 million with an \$800,000 loan. The only interest to  
18 the loan is a quarter of a percent administrative fee. So  
19 basically it is a loan with a quarter of a percent interest  
20 for the loan. This is to take care of Phase 6 of our EMI  
21 Project, which will add another 10,000 meters to AMI. Our  
22 division manager over field collections and distribution will  
23 be giving a presentation later in the board meeting in  
24 regards to our AMI Program. And I stand for any questions.

25 CHAIR QUEZADA: Any questions, any comments? All

1 right. All this will be coming back, so if you find you do  
2 have questions we can address them at our next meeting.

3 We will now move on to the Consent Agenda. I move  
4 for approval of the Consent Agenda. Can I get a second.

5 CHIEF ADMINISTRATIVE OFFICER NAIR: (gesturing)

6 CHAIR QUEZADA: I have a second by Member Nair.

7 Ms. Carreon, can I have a roll call vote, please.

8 MS. CARREON: Chair Quezada.

9 CHAIR QUEZADA: Yes.

10 MS. CARREON: Commissioner Benson.

11 COMMISSIONER BENSON: Yes.

12 MS. CARREON: Councilor Davis.

13 COUNCILOR DAVIS: Yes.

14 MS. CARREON: Member Nair.

15 CHIEF ADMINISTRATIVE OFFICER NAIR: Yes.

16 MS. CARREON: Commissioner Pyskoty.

17 COMMISSIONER PYSKOTY: Aye.

18 MS. CARREON: That passes unanimously.

19 CHAIR QUEZADA: Thank you all. We will move on to  
20 Approvals. I guess I didn't really put a spot for -- I'll do  
21 these at the end of the Approvals. We will move on to  
22 Approvals 9A, which is R-21- 27, amending the Approved  
23 Capital Implementation Program of the Albuquerque-Bernalillo  
24 County Water Utility Authority for fiscal year ending June,  
25 30, 2022, to include American Rescue Plan Act, ARPA, funds.

1 Marta Ortiz to present.

2 MS. ORTIZ: Thank you. Good evening, Mr. Chair and  
3 Board Members. My name is Marta Ortiz, I'm the Asset  
4 Management Program Manager in the Planning and Engineering  
5 Division here at the Water Utility Authority, and I'm  
6 presenting R-21- 27 for your consideration.

7 As you alluded to, Bernalillo County was awarded  
8 American Rescue Plan Recovery Act funds, also known as ARPA,  
9 specifically to improve the water and sewer initiatives,  
10 improve access to clean drinking water and support vital  
11 wastewater and structure. The County and the Water Authority  
12 agreed to sub-award this ARPA funding in the amount of \$53.8  
13 million, which includes seven projects. Those seven projects  
14 are:

15 The Carnuel Sewage Collection System in the amount  
16 of \$3.8 million. The MDC Water and Sewer Improvements  
17 totaling \$4.2 million. The Mesa Del Sol Non-potable Reuse  
18 Booster Pump and Reservoir Project in the amount of \$4.9  
19 million. The South Valley Drinking Water Project, Phase 8  
20 and 9, totaling \$8 million. The Kirtland Air Force Base  
21 Tijeras Interceptor Rehab Project totaling \$15 million.  
22 Volcano Cliffs and Corrales Trunk Reservoir and Transmission  
23 Line in the amount of \$15 million. And finally, the Bosque  
24 Non-potable Reclamation Reuse System totaling \$2.9 million.

25 The list of projects has been presented and approved



1 at the September 28th County Commission Meeting; therefore,  
2 staff recommends approval of this Resolution to amend the  
3 FY22 CIP budget that adds \$53.8 million of ARPA funding and  
4 also authorizes the executive director to enter into any  
5 subsequent agreements and amendments with the county  
6 regarding ARPA funding and to take any action necessary to  
7 carry out the directives of this Resolution. I stand for any  
8 questions you may have.

9 CHAIR QUEZADA: Thank you. Do we have any  
10 questions? No. Great. I'll move for approval. Do I have a  
11 second.

12 CHIEF ADMINISTRATIVE OFFICER NAIR: (gesturing)

13 CHAIR QUEZADA: Second by Member Nair. Ms. Carreon,  
14 can I have a roll call vote, please.

15 MS. CARREON: Chair Quezada.

16 CHAIR QUEZADA: Yes.

17 MS. CARREON: Commissioner Benson.

18 COMMISSIONER BENSON: Aye.

19 MS. CARREON: Councilor Davis.

20 COUNCILOR DAVIS: Yes.

21 MS. CARREON: Member Nair.

22 CHIEF ADMINISTRATIVE OFFICER NAIR: Yes.

23 MS. CARREON: Commissioner Pyskoty.

24 COMMISSIONER PYSKOTY: Aye.

25 MS. CARREON: That passes unanimously.

1           CHAIR QUEZADA: Thank you all. We will move on to  
2 Item B, R-21-28, authorizing the Approval of the Continued  
3 Support of the U.S. Bureau of Reclamation Supplemental Water  
4 Program and allowing said water to be stored in the Water  
5 Authority's space in Abiquiu Reservoir. Mark Kelly to  
6 present.

7           MR. KELLY: Mr. Chair and Members of the Board, the  
8 Water Authority's partnering with the U.S. Bureau of  
9 Reclamation to keep water in the Rio Grande to help support  
10 endangered species, specifically, the Silvery Minnow. The  
11 Bureau of Reclamation is requesting to store up to 10,000  
12 acre feet of water per year in the Abiquiu Reservoir, in the  
13 Water Authority's storage space there, and this will be used  
14 to help support supplemental flows in the river.

15           In return, the Bureau of Reclamation will provide  
16 the Water Authority with a waiver to store the annual  
17 allotment of San Juan/Chama water in Heron Reservoir for an  
18 additional year. This Resolution allows the executive  
19 director to negotiate a storage agreement with the Bureau of  
20 Reclamation.

21           CHAIR QUEZADA: Thank you. Do we have any comments?  
22 Questions? No. Thank you, Mr. Kelly. I'll move for  
23 approval. Do I have a second.

24           COMMISSIONER BENSON: (gesturing)

25           CHAIR QUEZADA: Second by Commissioner Benson.

1 Ms. Carreon, can I have a roll call vote, please.

2 MS. CARREON: Chair Quezada.

3 CHAIR QUEZADA: Yes.

4 MS. CARREON: Commissioner Benson.

5 COMMISSIONER BENSON: Yes.

6 MS. CARREON: Councilor Davis.

7 COUNCILOR DAVIS: Yes.

8 MS. CARREON: Member Nair.

9 CHIEF ADMINISTRATIVE OFFICER NAIR: Yes.

10 MS. CARREON: Commissioner Pyskoty.

11 COMMISSIONER PYSKOTY: Aye.

12 MS. CARREON: That passes unanimously.

13 CHAIR QUEZADA: Thank you all. We will move on now  
14 to Other Business, Item 10, 10A, OB-21-18. The 2021 Bond  
15 Pricing Update. Erik Harrigan to present. We can see your  
16 display.

17 MR. HARRIGAN: Thank you. I'm having some issues  
18 with my camera, so apologies.

19 CHAIR QUEZADA: We can see it and we can hear you.

20 MR. HARRIGAN: Great. Good evening, Chairman and  
21 Members of the Water Utility. Erik Harrigan with RBC Capital  
22 Markets. I'm pleased to visit with you about a very  
23 successful sale that the Water Utility Authority had. We  
24 will kind of get into the details of the sale. But in all,  
25 the Authority received very strong interest from investors

1 and we were able to reduce the yield on the bonds. We went  
2 out to the market. I'd first like to talk about the  
3 bond rating update.

4           The Authority did meet with Standard and Poor's back  
5 in September. Standard and Poor's did revise the Water  
6 Authority's bond rating from AAA to AA-plus. This was cited  
7 due to the lack of rate increase over the last several years  
8 combined with increased expenditures had reduced service  
9 coverage, which was the primary driver of the rating change.

10           However, S and P did note several credit strengths,  
11 and that was the Authority's service areas, the state's  
12 primary economic center. The water and sewer rates remain  
13 very affordable. Robust liquidity and planning efforts,  
14 which include a long-term water supply and sustainability.  
15 Financial policies, which are a strong, such as pay-as-you-go  
16 funding. As I mentioned, long-term water supply and also a  
17 rapid roll off of existing debt.

18           The rating was a stable rating and it did note that  
19 it was stable in anticipation of sustained coverage and cash  
20 reserve levels; in part, supported by projected rate  
21 increases. The Authority's last rate increase was  
22 approximately four years ago. I want to note that the rating  
23 change had very little, if any, impact on the Authority's  
24 financing. The authority received \$402 million in total  
25 orders, which was essentially 547 percent more than the bonds

1 that were being issued and this allowed the underwriters to  
2 reduce the yields across the bond in all of the maturities  
3 because there was so much demand for the Authority's bonds  
4 and that demand was driven, in part, due to the Authority's  
5 high rating. Also the Authority has a very good name in the  
6 bond market. As you may recall last year, the Authority also  
7 received very strong interest from bond investors when it did  
8 its refunding in the summer of last year and the new money  
9 financing, which was done in January.

10 On the next page, the total, the all in true  
11 interest cost on the bonds was 2.1 percent. The bonds were  
12 sold on September 30th and they are scheduled to close on  
13 October 28th, and that's when the proceeds will be available  
14 for the Authority to expend on the projects.

15 On the next page, this is sort of a pricing  
16 progression. When the Authority went out initially it was  
17 looking at interest rates anywhere between .31 percent to  
18 2.21 percent on the long end, and because of the strong  
19 interest, as i mentioned, by investors, the underwriters were  
20 able to reduce the yield across the board anywhere between 2  
21 to 8 basis points due to the strong demand for the bonds.

22 On the next page, this is a breakdown of all of the  
23 various orders that you can see that investors had. There  
24 was about 2.6 million of New Mexico retail investors, 386  
25 million of orders, and those orders come from money managers,

1 come from insurance companies, and then there were stock  
2 orders in the amount of about 13 million, and that was  
3 underwriters taking bonds down into their own account, which  
4 did account for a total of 402 million in total orders. Just  
5 to kind of give you an example, for example, in 2031, the  
6 Authority had six million four hundred fifteen bonds. The  
7 Authority ended up receiving 58 million in orders for those  
8 6.1 million in bonds. So again, really terrific result, and  
9 investors were extremely interested in the Authority's bond  
10 offering.

11 On page 5 of the presentation we have provided the  
12 sources and uses of funds. One thing I did want to mention  
13 is that on the true interest cost, for the basic needs  
14 project, the TIC was 1.53. We were anticipating a 1.57, as  
15 we had talked about at the September Board Meeting. And then  
16 on the longer term projects, special needs projects, the TIC  
17 was 2.54 percent and we were expecting a 2.9 percent, so that  
18 rate came in well below what we were anticipating. Again,  
19 that is due in part to the strong investor interest that the  
20 Authority received. And with that, I would be happy to  
21 answer questions on the presentation and the pricing.

22 CHAIR QUEZADA: Thank you very much. Does anybody  
23 have any questions? Yes, Commissioner Benson.

24 COMMISSIONER BENSON: Thank you, Mr. Chair.  
25 Mr. Harrigan, thanks for the information. The rationale for

1 the lowering of the credit rating makes sense, and going from  
2 AAA to a AA-plus is not a big deal. Although, I would have  
3 loved to see us stay AAA. But then we got the results we  
4 needed, with the lower rates and everything. I have two  
5 questions. I'm curious, was the S and P looking at the debt  
6 pay-down that is anticipated over the next several years,  
7 which will free up a ton of cash flow, and if that had any  
8 impact or if they weren't looking at it. And the second is,  
9 we've got great rates. I'm just curious if things could have  
10 been better with the AAA or if those ratings are so close  
11 that they really had no bearing on the interest we were able  
12 to get.

13 MR. HARRIGAN: Chairman Quezada and Commissioner,  
14 great questions. I would say that Standard and Poor's did,  
15 they did note in their credit report that the credit strength  
16 was a rapid roll-off of the Authority's debt. Typically a  
17 rating is like a two-year view, and the Authority's debt  
18 really starts to fall off beginning in 2025. So there is a  
19 chance that at that point, when Standard and Poor's  
20 reevaluates the Authority, maybe that plays a bigger part, I  
21 couldn't say. But what it does do is it provides the  
22 Authority with a tremendous amount of financial flexibility  
23 that a lot of utilities, quite honestly, don't have.

24 And to your second question, going from AAA to  
25 AA-plus, there are very few AAA rated entities in New Mexico

1 and there's very few AA-plus rated entities in New Mexico.  
2 Based on our conversation with the underwriters, they were  
3 anticipating that that impact initially was going to be about  
4 five to six basis points, because there was so much demand  
5 for the bonds, the yields were reduced anywhere from 2 to 8  
6 basis points. I think the reality was that rating change had  
7 very little impact whether it was AAA or AA-plus. Maybe at  
8 AAA the Authority might have received maybe some other, you  
9 know, investors, but there were so many investors to begin  
10 with, I'm not sure that would have changed the ultimate price  
11 that much.

12 COMMISSIONER BENSON: Thank you so much. Thank you  
13 for the insight.

14 CHAIR QUEZADA: Any more questions? I have a quick  
15 one. So S and P, they wanted us to raise the rates and just  
16 sit on the cash to maintain the rating. Is that in the best  
17 interests of the ratepayers?

18 MR. HARRIGAN: Chairman Quezada, it's a really good  
19 question. I think that it is important to understand that  
20 the Water Authority needs to manage its policies and  
21 customers and not necessarily manage to a rating. The rating  
22 agencies always want issuers to have more cash. Does that  
23 really truly in the long term benefit the Authority? I would  
24 say, given the pricing that the Authority was able to  
25 achieve, that that rating change really had very little



1 impact.

2 CHAIR QUEZADA: Thank you for that. I guess we  
3 don't have any other questions on that. Thank you for that  
4 presentation. We appreciate it. We will live with AA-plus.  
5 We will see what the future holds for us.

6 We will move on to item 10B, which is OB-21-19,  
7 which is my favorite, the Drought Update. Mr. Bustos.

8 MR. KELLY: Mr. Chairman, Members of the Board,  
9 Carlos is not here tonight, so tonight I'll be giving the  
10 Drought Update in his place and I hope that I can do him  
11 justice, because he always does a really good job with it.

12 So we will start out with a little background.  
13 These are maps of New Mexico showing drought from the  
14 National Oceanic Atmospheric Administration. The map on the  
15 left is from March when the Water Authority declared a  
16 drought watch, and the map on the right is our most recent  
17 map. As you can see, the entire County of Bernalillo is  
18 still in severe or extreme drought. So we are getting  
19 better, but I don't think we are out of the woods yet. Our  
20 customers have responded, though, during the drought. We  
21 have cut our gallons per capita per day down to 125, down  
22 from 128 at the beginning of the drought.

23 Next slide. Looking forward to the next three  
24 months. The precipitation outlook is slated to be below  
25 normal for New Mexico and our temperature outlook is slated

1 to be above normal for what we usually get during November,  
2 December and January.

3 Next slide. The seasonal drought outlook shows the  
4 drought will continue to persist through the end of the year  
5 for our area.

6 As we look to the winter, this winter is shaping out  
7 to be a La Nina and La Nina is based on cold water in the  
8 Pacific pushing the jet treatment northward and this  
9 corresponds to lower precipitation for our area and much of  
10 the Southern U.S. So it's looking like we're going to get  
11 lower than average precipitation definitely for the winter.

12 Our conservation group is out pushing winterization.  
13 There is going to be some bill inserts coming out to advise  
14 customers to service their systems and prepare for freezing  
15 weather, because we don't want leaks that come from pipes  
16 breaking. And I just want to remind the Board that our time  
17 of day watering restrictions end on October 31st, so there  
18 will be watering allowed between 11:00 a.m. and 7:00 p.m.  
19 after Halloween. With that, I will stand for any questions.

20 CHAIR QUEZADA: Do we have any questions? No. So  
21 restrictions end on Halloween. Are we still watering twice a  
22 week?

23 MR. KELLY: Chair Quezada, you're correct. We are  
24 still watering according to the water by the numbers, twice a  
25 week in September and October, and that's going to be going

1 down to once per week in November.

2 CHAIR QUEZADA: When in November, do you  
3 know?

4 MR. KELLY: For the whole month of November we  
5 recommend once per week.

6 CHAIR QUEZADA: Once per week through November,  
7 which is pretty close. And then, will you still be enforcing  
8 -- will enforcement still be wastewater stop at the end of  
9 October as well?

10 MR. KELLY: Chair Quezada, we are still going to be  
11 performing our water waste enforcement. We are still looking  
12 out for people who are watering the sidewalk. This is very  
13 dangerous in the wintertime because that becomes an ice  
14 skating rink for folks. We'll continue to give out warnings  
15 and violations because of those.

16 CHAIR QUEZADA: And then what's the status of the  
17 Drought Smart Classes.

18 MR. KELLY: Because the drought has been extended  
19 and we are currently in there, we are having Drought  
20 Smart Classes during the wintertime. We have added a  
21 winterization component to the Drought Smart Classes and  
22 customers can sign up for those. They are all done online  
23 and they can sign up for them on the Water Authority's  
24 website.

25 CHAIR QUEZADA: Thank you so much for filling in,

1 you did a great job. We appreciate it.

2 We will go on to Item C, OB-21-20, Advanced Metering  
3 Infrastructure. Hobart Warren.

4 MR. WARREN: Good evening, Mr. Chair and Members of  
5 the Board. Thank you for this opportunity. Earlier on the  
6 Agenda we asked for approval for loan and grant funding for  
7 this Advanced Metering Infrastructure Project.

8 Next slide. And really, Advanced Metering  
9 Infrastructure, AMI, is basically all of the components that  
10 we have to really give good, accurate meter readings into the  
11 system. It is the basic part of this program. The great  
12 thing is, we are able to actually back off our existing  
13 network and have hundreds of other benefits.

14 Next slide. If you look right here is kind of a  
15 simple diagram of the way it sets up. You have meters, AMI  
16 devices in the ground, smart gateways, they use this for gas  
17 infrastructure, for electric infrastructure. It goes over a  
18 FCC-protected frequency. It goes through the tower gateway  
19 base station and then it goes into our servers, which provide  
20 all the hourly data and everything else that we need for the  
21 billing, plus to go ahead and do a lot of our other projects  
22 we've got going.

23 Go to the next slide. So our current development  
24 is, we have 120,000 automated meters that are in the ground,  
25 which is 61 percent of all the accounts. We have nine base

1 stations that cover the entire Bernalillo County/Albuquerque  
2 area. We do not need any additional infrastructure to read  
3 any of the meters that we have, and we are currently  
4 installing about 20,000 meters annually. This program  
5 started in 2011 and really kicked off in 2012 with us going  
6 after the large meters. So we have really been able to  
7 advance this program quite a bit in the last couple of years.

8           Next slide. So why do we really look at AMI? We  
9 talk about just getting good, clean, accurate meter readings.  
10 A quick example is, it takes roughly six hours through the  
11 AMI process to read 120,000 accounts. Whenever we go out and  
12 read them in the field, we read about 80,000 accounts on  
13 1,500 labor hours. We have a lot of exposure. We can reduce  
14 other carbon footprint. We don't have the vehicle driving  
15 time. Crews are driving roughly 400 miles a day. So 2,000  
16 miles every month we can really go and lower our risk for  
17 having people out there driving in the area, and it also  
18 reduces a lot of our injuries and our risk, because now we  
19 are not having a lot of repetitive motion out there, we're  
20 not walking curves. You have snakes, spiders, dogs,  
21 everything else whenever you're going and actually reading  
22 meters. And it also really helped with our review, because  
23 30 percent of all of our revenue comes from large meters.

24           Next slide. Another benefit is, now that we have  
25 hourly information on all these meters, we have residential

1 leak detection. Whenever we see customers who have an AMI  
2 meeting installed, if they have so many cubic feet of water  
3 that passes through their meter every hour, we will actually  
4 send certain interns and certain crews to go out there and  
5 notify customers that they have a meter leak before they even  
6 know that they have a meter leak. It's also lead on the  
7 exact same infrastructure for us to do pressure monitoring.  
8 We're now starting to dabble into some actual sewer  
9 applications where we can look at our vacuum stations down in  
10 the South Valley, we can work on our odor control, being able  
11 to get actual realtime information on that, where we never  
12 had it, and actually some SSO detection. Again, we talked  
13 about the large meters, we have a faster response to meter  
14 failure, and that will come up in this next slide.

15           So if you look at the chart on the right-hand part  
16 of your slide, a quick look at the industrial customers that  
17 are a size 7 meter, which is an actual 6-inch meter, from the  
18 year 2017 to 2018 to April 2018 to '19, we actually see an  
19 increase of 1,775 units per month by being able to go and  
20 tackle the meters that were starting to slow down. So now we  
21 have more accurate meters, and in terms of revenue, that's  
22 about \$6,500 additional revenue for every one of those meters  
23 that was slowing down. So as part of the AMI program we are  
24 really leveraging being smarter, faster response to do these,  
25 and it's led us to be able to go and test every large meter

1 every two years, and the top 25 uses are done annually  
2 because of this. And it also has that compounding affect  
3 because not only are we losing revenue or water, but we're  
4 also capturing it on the wastewater side also. So it's a  
5 dual effect on each one of those units.

6 Next slide. And we have talked about, we are also  
7 using it for pressure monitoring. So as you can imagine, as  
8 you go to the doctor you have your blood pressure checked,  
9 you know what your healthy blood pressure range should be, we  
10 also have that for our water system. We know what our  
11 pressure zones and stuff should be. And a recent example  
12 from two months ago was, we had a pressure-sustaining valve  
13 that got stuck open with a little bit of debris, and we were  
14 able to get an automated alert to one of our foremen's  
15 cellphones, we were able to go out there, identify, get that  
16 fixed and get the customer back in acceptable service range.

17 The customer was at about 20 PSI for roughly about two  
18 hours. The customer didn't even know it. We were actually  
19 able to go out there and identify the problem and show them,  
20 and you can see that on this chart, this is where it fell,  
21 where we were able to go and make that repair.

22 Next slide. Being able to see, kind of like that  
23 blood pressure, it indicated a potential redundancy issue  
24 that we had with our system. So we were able to go out there  
25 and work with internal engineers and come up with adding an

1 additional six-inch water line where we actually provided  
2 better service to our customers, we added redundancy. So if  
3 we have a drought again this year, and we have to move water  
4 between trunks, we now have additional redundancy on the  
5 Alameda Trunk to use this without affecting customers in a  
6 negative way. And all the work and all the rehab work was  
7 done with all Water Authority crews, no outside contractors.  
8 So we were able to save additional capital of being able to  
9 do it in-house.

10 Next slide. So I know that was kind of a quick,  
11 brief overview of the whole system, but any questions?

12 CHAIR QUEZADA: Anybody else have any questions?  
13 No, okay. Who installs the meters?

14 MR. WARREN: I was going to say, we use all of our  
15 own internal crews. What we did is, we converted all of the  
16 meter readers and gave them different career opportunities.  
17 So instead of a meter reader, they're a utility technician  
18 and we have been able to do it all in-house. And not only  
19 that, but improve their job.

20 CHAIR QUEZADA: And you have seen decrease in  
21 injuries and all that? You have actually have data on that?

22 MR. WARREN: Yes. This year, most of our issues  
23 that we have are a lot of ergonomic issues, so about 40  
24 percent of our issues are ergonomic. And this year we are  
25 down to four ergonomic injuries in meter reading. We're



1 hoping to get to zero as we continue to move with this  
2 program.

3 CHAIR QUEZADA: Can I monitor my own place if I  
4 wanted to check to see if I have leaks and stuff? Is there a  
5 way for me as a customer to check that out?

6 MR. WARREN: Yes, if you have an AMI meter  
7 installed, all you have to do is go to our website, click on  
8 the customer service link, and then you'll go to understand  
9 my bill, and then click understand my meter, and you can  
10 automatically do a single sign-on, you can get hourly  
11 information on it, you can actually set alerts. So if you're  
12 on vacation, on a cruise ship doing a comedy show, you can  
13 get a text showing you have a meter leak and get somebody out  
14 there to fix that.

15 CHAIR QUEZADA: Wow, that's amazing. I have one and  
16 I didn't even notice, but they put it in without me knowing  
17 that they put it in. But I have the new little black thing  
18 on the top of my water meter thing so I know it's there. I  
19 think it's a good idea that at times I could check.  
20 Something I didn't want to say publicly, but last year I  
21 accidentally left my hose on, which was very bad of me and I  
22 feel really bad about it, and I paid a very large water bill,  
23 by the way, because of it, but I think that could have  
24 stopped -- I think that could have saved me if you guys would  
25 have detected that quicker than me finding it the next day.

1 I just got distracted and I know that happens to people. I  
2 think this is a great program. I think this would have  
3 helped me from not only wasting water, which I hate to do  
4 very much, but also a large bill. So I think it's a great  
5 system. I think we are definitely on the right track of  
6 being very customer friendly, so I appreciate it. Thank you  
7 so much.

8 We will move on to Item 10D, which is the Water  
9 Authority OB-21-21, which is the Water Authority  
10 Collaboration with the Bureau of Reclamation, and that is  
11 Jennifer Faler.

12 MS. FALER: Thank you, Chairman, for the invitation  
13 to present. Good, there are the slides. Just want to let  
14 you know a little bit more about the Bureau of Reclamation  
15 and highlight the areas where our agencies work together,  
16 Water Authority and Reclamation. Whenever I get the  
17 opportunity I like to shed light on the Bureau of  
18 Reclamation, because very few people really understand who we  
19 are. Most people think we are the Bureau of Land Management.  
20 When it's bad news we don't mind being called the Bureau of  
21 Land Management, but when it's good news, we'd rather get the  
22 credit ourselves.

23 Just a little bit about who we are. We operate in  
24 17 western states. The Agency that brought water to farmers  
25 and brought folks out west, made it a friendly place because

1 of the availability of the water. Most folks don't know, we  
2 provide water to over 31 million people as well. As you  
3 know, we have a municipal and industrial program, along with  
4 our agricultural programs, tribal programs, and I'll show you  
5 a little bit more about that. About one in five farmers  
6 irrigate with reclamation water and they produce 60 percent  
7 of the nation's vegetables and 25 percent of all the fruits  
8 and nuts are grown with reclamation water. We also are the  
9 second largest producer of hydropower behind the Corps of  
10 Engineers, and there is our mission.

11           Next slide. The Bureau of Reclamation regions and  
12 area offices are organized by watershed, as you can see.  
13 This is a picture of the Albuquerque area office, geographic  
14 extent, and the reason it's shaped like that is because of  
15 the Rio Grande. We have the mission on the Rio Grande and  
16 its tributaries, so Rio Chama, the Pecos is actually a  
17 tributary to the Rio Grande, but we do stop short of where  
18 the Rio Grande falls out into the Gulf. We hand off to our  
19 Austin office about a hundred miles south of El Paso.

20           So what do we do inside those areas? We have five  
21 major water projects along the Rio Grande, starting out with  
22 the San Juan/Chama, a project you're very familiar with. We  
23 have a project at the Alamosa Basin in Colorado. The Middle  
24 Rio Grande is one of those. Our Rio Grande Project you're  
25 familiar with, because it is in Supreme Court litigation

1 right now. We also operate over on the Pecos. Along with  
2 those five major water projects we have several smaller water  
3 projects with irrigation districts. So that's our main  
4 mission.

5           Next slide shows the depth and breadth of  
6 reclamation and all the different areas that Congress gives  
7 us funding for. These are the areas that reclamation tried  
8 to expand out into, it's areas that Congress funds us to do.  
9 We are very well liked by Congress, and we are known as the  
10 get it done agency, so that's why they asked us to implement  
11 many Indian Water Right Settlements in the United States.  
12 Specifically to my office here in Albuquerque, technically on  
13 negotiation teams. The infrastructure is put on here because  
14 it's close. I think it's the reconciliation bill would  
15 include a couple hundred million dollars for us to help them  
16 be more efficient in their irrigation, lining ditches,  
17 leveling, working on the efficiency of the irrigation on the  
18 pueblos. We fund the Eastern New Mexico Water System, it's  
19 \$800 million project, to provide water to the aging aquifer  
20 -- well, not aging, but it's declining. My office has over  
21 45 water smart projects and I will share more about that with  
22 in the end.

23           Title 16, we funded a portion of your reuse project  
24 down south, your wastewater treatment plant basically and we  
25 completed two basin studies, just completed the Pecos Basin

1 study. We finished the Santa Fe Basin study, working in  
2 partnership with local collaborations and we're just kicking  
3 off the Rio Grande Basin study, small one down there, U.S.  
4 Mexico border issues down south.

5           Next slide. My staff gets pulled in all kinds of  
6 directions and they work very hard so they're always asking,  
7 "what's the priority, I can't get it all done, what's the  
8 priority," so I finally put down some area office priorities  
9 here, just operating, maintaining our facilities, moving  
10 water around as efficiently as possible, is our number one  
11 priority. We do the accounting for all the compacts, from  
12 Colorado to New Mexico to Texas, the deliveries to Mexico  
13 reclamation is the official accounting for those. Implement  
14 all of our biological opinions, but we have a focus on the  
15 2016 Middle Rio Grande Biological Opinion, because it affects  
16 so many people along the Middle Rio Grande here. And  
17 finally, implement the water rights project and support water  
18 planning. We look to the future. A lot of our water  
19 projects were developed back in the '20s, '30s, '40s, when  
20 there was a lot more water around, so we have to get smarter  
21 about how we operate our projects.

22           Next. Specifically to highlight the collaboration  
23 between the agencies is maintaining ESA compliance, that's  
24 where our interest most align and there we have a  
25 supplemental water program, which the Water Authority

1 participants in, and environmental conservation storage,  
2 which Mark Kelly talked about earlier, a variation of that.

3           Next slide. The highlights of our water program.  
4 It began in 1996, which was shortly after the Rio Grande  
5 Silvery Minnow was listed. We started looking for ways to  
6 provide water to the minnow. It was not well understood in  
7 the beginning, we've learned a lot since then, and that will  
8 be a continuing theme as we get more into the water volumes  
9 that we purchase each year. The program has a variety of  
10 components to it. I won't get into all of those, unless  
11 there are questions, we can circle back to these at the end,  
12 and you're welcome to interrupt me now, but the water comes  
13 from a variety of sources. Most notably, the San Juan/Chama  
14 Project, and that's how we interact with you all, the Water  
15 Authority.

16           Next slide. As you can see, the Water Authority  
17 has, in the early years, been very helpful, helping the  
18 Bureau of Reclamation meet our commitments in our biological  
19 projects. These were the years when we were fighting off  
20 litigation. We were being sued left and right. We were  
21 working with the Fish and Wildlife Service to get a  
22 biological opinion that would not go down to litigation,  
23 because it was all pretty new, the silvery minnow, and how to  
24 work collectively with different water management agencies to  
25 manage for the minnow and in the absence of information

1 largely, but this slide shows the large purchases from the  
2 Water Authority in the very beginning. We didn't know as  
3 much and now we kind of walk through the evolution and the  
4 history of that.

5           So to the next slide. This is just a snapshot of  
6 our early years of purchasing water, how much did we buy,  
7 what did it cost. I mentioned from 2000 -- late '90s into  
8 the early 2000s we were trying to get a biological opinion  
9 with the Fish and Wildlife Service. Litigation was  
10 happening. Large volumes of water was being purchased. The  
11 biological opinion we ended up getting in 2003, it broke the  
12 water years up into three, wet year, dry years, and average  
13 years, and depending on the number, it dictated how much  
14 water we would release in those years, so didn't have a lot  
15 of control and there wasn't a lot of room for innovation in  
16 that biological opinion. So that's '96 to 2012.

17           The next slide breaks it up differently. These were  
18 slides that we had around that we thought would be useful to  
19 present to you. From 2006, this brings us up to the present,  
20 to 2021. This is total volume San Juan/Chama Water released  
21 from storage. I didn't highlight the LFCC Water Project,  
22 that's another aspect of our supplemental water programs,  
23 pumps we have in the channel that reclamation constructed  
24 down south. But to give you a feel for how much water we are  
25 talking about each year, we already covered the early years,

1 so 2006. What I wanted to highlight here in  
2 2013, you can see the water released after 2013 starting at  
3 '14, '15, is generally less than the years before. Starting  
4 in 2013, that was the first year we did not have a full  
5 allocation on the San Juan/Chama Project. The first year we  
6 didn't have the full allocation, and the supply has been a  
7 diminishing supply ever since then, whether it's due to not  
8 getting a full allocation of the San Juan/Chama Project or  
9 the San Juan/Chama contractors being able to put their water  
10 to their own uses versus leasing it to us. The Water  
11 Authority is an example of that. You didn't have an ability  
12 to use all of your San Juan/Chama water until you built your  
13 surface diversion, so that's a good example of how a  
14 reclamation leases to be able to support the minnow and the  
15 ESA efforts in the Middle Valley are getting harder and  
16 harder because contractors like yourself are able to put  
17 their water to use as intended by the state and by all the  
18 different entities, the growth and economic development, so  
19 it is a diminishing supply from our perspective.

20 The next slide highlights the Water Authority  
21 releases, why you've become such an important partner in  
22 times of real dire need. We don't come to you every year.  
23 When we're leasing water that they don't need, that's our  
24 preferred approach. When it comes to leasing water  
25 that would otherwise be put to beneficial use, we are much



1 more cautious about leasing that water because we don't want  
2 to put ourselves in competition with the local economies and  
3 things. So just focusing on the Authority leases, from 2011  
4 to 2021, that first column shows how much Authority Water has  
5 been leased over time. Those are all purchases that we  
6 entered into with the Water Authority, including this year.  
7 We expect to lease a thousand. We leased 6,000, I thought,  
8 from you, so we are just using a little bit of the current  
9 lease we just entered into with you. I think that's all on  
10 the detailed numbers.

11           Again, we can go back if there are any questions.  
12 I'll keep moving. As I mentioned, we learned a lot over the  
13 years. We know there is this diminishing supply that hasn't  
14 been -- it's been concerning, but not overly concerning.  
15 What it has forced us to do is be more innovative in working  
16 with our partners. We got smarter on how we use the water.  
17 We use the water for multiple purposes in a lot of different  
18 cases. One example is when we do release our supplemental  
19 water, it floats on top of the MRGCD releases, and so we  
20 don't encourage leases until we get to the Middle Valley is  
21 when we will start incurring leases and that's just a  
22 cooperative effort that we have with MRGCD to optimize the  
23 efficiency of the supplemental water program. Another  
24 example, which we will get to, is the ability to store at  
25 Abiquiu. The agreement that the board just approved, the

1 director, to negotiated with us on, storing water in Abiquiu  
2 is a water saving. Yes, there is more evaporation down  
3 there, but having water closer to the locality to where it is  
4 needed, if there is a monsoon event, we can shut off those  
5 releases sooner and save that water, which we can be more  
6 responsive in using every drop wisely the closer it is to the  
7 Middle Valley where the species need that water, so that's  
8 another example of how we've gotten a lot more efficient in  
9 the use of the supplemental water program.

10           Next slide. So here we are. Two things going on.  
11 We are negotiating a lease with you for 10,000 acre feet.  
12 We've had that year in and year out for I don't know how  
13 long, but quite a while that's been in place and we really  
14 appreciate that management flexibility that we have there.  
15 But on top of that, we are really collaborating, working  
16 closely with the Water Authority, the Corps of Engineers, the  
17 state, on environmental conservation storage as another tool  
18 in the tool box for ESA compliance. As you all know, you had  
19 a settlement agreement with the NGO, environmental groups, on  
20 a 30,000-acre foot storage pool, and we haven't really used  
21 that much. It does exist, it is in our -- like I said, we do  
22 the accounting, we have a model set up, and that storage  
23 exists in that model. We haven't really put that much San  
24 Juan/Chama water in there, because we have our own storage  
25 pool there and we have been using that, but we are very

1 optimistic that -- and I was just on the phone with Water  
2 Guardians who is threatening to sue us in the Middle Valley,  
3 and I just said these words, "that we are very optimistic  
4 that if we build it, they will come." If we are able to set  
5 up this environmental storage account, we think there's a lot  
6 of groups on the Colorado River spending large amounts of  
7 money on behalf of their constituents who want to do good  
8 things for the environment and they just haven't found room  
9 to play over here on the Rio Grande. If they brought their  
10 resources and money over here, they didn't know that it would  
11 be put to good use for environmental purposes. We think  
12 that's changed a lot on the Rio Grande. An environmental  
13 conservation storage account we think will push those groups  
14 across the line to start bringing their resources here to the  
15 Rio Grande. We're talking the Coca-Colas of the world, the  
16 Wal-Marts of the world that have big dollars to spend because  
17 they want to reduce their carbon footprints and things.  
18 We're hoping to get those folks here, and we're starting to  
19 see some movement and this would be a key place to move that  
20 initiative forward. So we are all working together with the  
21 Corps of Engineers on their water control plan to allow that  
22 native storage and a variety of other aspects and a big part  
23 of that is you all, the Water Authority, owns all the storage  
24 space in Abiquiu, and so everybody will need agreements with  
25 you to bring that to fruition. Again, we are all working

1 closely to try to get that across the finish line. So  
2 basically, let us know how we can help. We sent a letter of  
3 support recently for your efforts to acquire all the leases  
4 necessary, all the rights for your storage, and however we  
5 can help, we are happy to do that. Thank you, Chairman.  
6 Happy to take any questions.

7 CHAIR QUEZADA: Thank you, Jennifer. Do we have any  
8 questions for Jennifer? No. So by leasing water to the BOR,  
9 is the Water Authority giving up any water rights.

10 MS. FALER: No. And your staff, I'm sure, can jump  
11 in as well. The Water Authority has a policy to always have  
12 three years of -- out three years in storage. You're always  
13 looking out three years and make sure you have the water  
14 available. If you are in a position to lease water to us, it  
15 would be above and beyond that need three years out. Sorry,  
16 forgot the total gist of the question.

17 CHAIR QUEZADA: The question is, are we giving up  
18 any of our water rights?

19 MS. FALER: No. This is San Juan/Chama. You get  
20 that water allocated to you. We actually allocate it, but it  
21 is not reclamation's decision who gets that water. It was  
22 the State of New Mexico allocated all the San Juan/Chama  
23 water to the 20 different contracts. We have contracts with  
24 all of those contractors, because you had to repay the United  
25 States for that project, and because you repaid us for that

1 project your water rights are secure. The state would have  
2 to go through a process to alter those allocations. So, no,  
3 you're not giving up any water rights. You're just like  
4 everybody else, leasing water that you don't have a current  
5 need for. Obviously looking out, water is scarce. So it's  
6 hard to say there's --

7 CHAIR QUEZADA: As you know, I think you can only  
8 store it for so long.

9 MS. FALER: It evaporates.

10 CHAIR QUEZADA: Or it will sink in, one of the two.

11 MS. FALER: That's right.

12 CHAIR QUEZADA: We forget it goes the other way.  
13 How will the native water store in Abiquiu?

14 MS. FALER: Right now Abiquiu can only store San  
15 Juan/Chama water. So all the native water has to pass  
16 through. It is debatable how much native water there is out  
17 there to store. Some folks will say it's hardly worth it,  
18 there's not a lot of native water. I'm not familiar with the  
19 Water Authority, pre-1907 portfolio, but I do know that you  
20 have a pre-1907, you own pre-1907 water rights, as does  
21 reclamation. So we will be negotiating with the state on the  
22 ability to store our pre-1907 water rights. But when it  
23 rains, it snows, and the water flows down the Rio Chama,  
24 because we have a reservoir right above you, we capture all  
25 that in El Vado for pueblos and for the farmers. So the

1 native storage is a limited opportunity, other than these  
2 pre-1907 water rights. Hopefully that answers that. The  
3 water here in New Mexico is pretty complex.

4 CHAIR QUEZADA: It is, and it is very precious, and  
5 that's why it is very complex. I'm sure there are plenty of  
6 lawsuits happening every day, all day long, for all of us,  
7 because water is life. I appreciate your presentation.  
8 Thank you so much. I don't think we have any more  
9 questions.

10 So with that, this meeting is adjourned. Thank you  
11 so much for your time, as always, and we will see you all  
12 very soon.

13 (Meeting adjourned at 6:00 p.m.)

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REPORTER'S CERTIFICATE

I, Kim Kay Shollenbarger, Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in stenographic shorthand via Zoom and that the foregoing pages are a transcript of those proceedings taken to the best of my ability.

\_\_\_\_\_  
Kim Kay Shollenbarger, RPR