

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY

Wednesday, May 18, 2022, 5:09 p.m.
(Via Zoom)

A P P E A R A N C E S

COUNCILOR KLARISSA PENA, Chair,

COMMISSIONER DEBBIE O'MALLEY, Vice Chair

COMMISSIONER STEVEN MICHAEL QUEZADA, Member

COUNCILOR TAMMY FIEBELKORN, Member

COUNCILOR TRUDY JONES, Member

COMMISSIONER CHARLENE E. PYSKOTY, Member (Excused)

TRUSTEE GILBERT BENAVIDES, Ex-Officio Member (Excused)

MAYOR TIM KELLER, (Excused)

LAWRENCE RAEL, Alternate Member

BEFORE: PAUL BACA PROFESSIONAL COURT REPORTERS
500 4th Street, Northwest
Albuquerque, New Mexico 87102

1 TRANSCRIPT OF PROCEEDINGS

2 CHAIR PENA: STARTS AT 2:40 welcome
3 everyone. I call this May 18, 2022 meeting of the
4 Albuquerque Bernalillo County Water Utility
5 Authority to order. All members are present this
6 evening via video conference.

7 And I would like to welcome Lawrence
8 Rael, who is representing Mayor Keller.

9 And Commissioner Pyskoty is excused
10 this evening.

11 So welcome, Member Rael. Are you
12 there?

13 Well, with that we will go on to the
14 moment of silence and the Pledge of Allegiance led
15 by Commissioner Quezada.

16 COMMISSIONER QUEZADA: Okay. Repeat
17 after me or follow me.

18 (Whereupon, there was a moment of
19 silence.)

20 (Whereupon, the Pledge of Allegiance
21 was recited by Commissioner Quezada.)

22 CHAIR PENA: Thank you, Commissioner.
23 And I hope everybody -- I apologize for not saying
24 it earlier, just everybody during the moment of
25 silence, just to keep all our New Mexicans in your

1 thoughts and prayers that are, you know, with these
2 terrible fires that we're having. And then
3 obviously for the people of Buffalo and the people
4 that lost their lives so tragically. So thank you
5 all.

6 As posted on our website and noted on
7 our published water authority agenda this meeting
8 is being held via video conference. The water
9 authority accepted general public comment and
10 comment on the meeting specific agenda items in
11 written form through 4:00 p.m. today. And these
12 comments were distributed to all the board members.

13 So I'm sure you've had an opportunity
14 to review them, so thank you.

15 Next, we have approval of minutes. I
16 make a motion to approve the April 20, '22 minutes.
17 Is there a second?

18 COUNCILOR FIEBELKORN: Second.

19 CHAIR PENA: Commissioner Fiebelkorn.

20 And Ms. Carreon, can you call the
21 roll.

22 MS. CARREON: Councilor Fiebelkorn.

23 COUNCILOR FIEBELKORN: Yes.

24 MS. CARREON: Councilor Jones.

25 COUNCILOR JONES: Yes. Here.

1 MS. CARREON: Vice Chair O'Malley.

2 VICE CHAIR O'MALLEY: Yes.

3 MS. CARREON: Chair Pena.

4 CHAIR PENA: Yes.

5 MS. CARREON: Commissioner Quezada.

6 COMMISSIONER QUEZADA: Aye.

7 MS. CARREON: That passes unanimously.

8 CHAIR PENA: Thank you. And I apologize,
9 Commissioner O'Malley. I was going to call
10 you Commissioner Debbie.

11 So anyway, with that we will move on
12 to awards and -- proclamations and awards. There
13 are none this evening.

14 Next, we have public comment. And as
15 I stated previously, public comment was accepted
16 prior to the meeting and distributed to all the
17 members.

18 Item 6, announcements communication.
19 Our next -- our next scheduled meeting -- oh, I'm
20 sorry.

21 Councilor Fiebelkorn.

22 COUNCILOR FIEBELKORN: Thank you, Madam
23 Chair. To raise the issue about accepting public
24 comment.

25 As a governing body, I feel like we

1 should be accepting live public comment. I'm
2 wondering if there's any chance that we could do
3 that in the future.

4 CHAIR PENA: Oh, absolutely. I think
5 we're just transferring into that. I apologize. I
6 think commissioner had mentioned that, as well. So
7 yeah, probably by the next meeting, which would
8 be -- what is it?

9 MS. CARREON: May 29th.

10 CHAIR PENA: The 29th. Thank you. Thank
11 you, Ms. Carreon.

12 So next, we have -- our next
13 scheduled meeting will be -- I was actually going
14 to say that June -- 29th at 5:00 p.m. via video
15 conference.

16 Introduction and first reading of
17 legislation, there's none.

18 So now we're on to the consent
19 agenda. And I'd like to make a motion to approve
20 the consent agenda.

21 VICE CHAIR O'MALLEY: Second.

22 CHAIR PENA: There's a motion second by
23 Commissioner O'Malley and I think Fiebelkorn.

24 COUNCILOR FIEBELKORN: No, Madam Chair.
25 It was to pull from consent R-22-17, approvals.

1 CHAIR PENA: Approvals, I don't think we
2 need a vote on removing something from the consent
3 agenda, so we will remove that per your request.

4 So with that, with the rest of the
5 items on the consent agenda, I would move approval.

6 Was there a second?

7 VICE CHAIR O'MALLEY: Second.

8 CHAIR PENA: Okay. Second by
9 Commissioner O'Malley and Councillor Fiebelkorn.

10 Ms. Carreon, will you please call the
11 roll.

12 MS. CARREON: Yes. And just to verify,
13 that was R-22-17?

14 COUNCILOR FIEBELKORN: R-22-17.

15 MS. CARREON: Councilor Fiebelkorn.

16 COUNCILOR FIEBELKORN: Yes.

17 MS. CARREON: Councilor Jones.

18 COUNCILOR JONES: Yes.

19 MS. CARREON: Vice Chair O'Malley.

20 VICE CHAIR O'MALLEY: Yes.

21 MS. CARREON: Chair Pena.

22 CHAIR PENA: Yes.

23 MS. CARREON: Commissioner Quezada.

24 COMMISSIONER QUEZADA: Aye.

25 MS. CARREON: Member Rael.

1 MEMBER RAEL: Yes.

2 MS. CARREON: Passes unanimously.

3 CHAIR PENA: Thank you.

4 With that we will go on to R-22-17,
5 declaring that certain Albuquerque -- well, you
6 know what? I'll just send it over to Councilor
7 Fiebelkorn.

8 COUNCILOR FIEBELKORN: Thank you, Madam
9 Chair.

10 The Commission on R-22-17, just
11 declaring that certain Albuquerque Bernalillo
12 County Water Utility Authority property, located at
13 the southwest corner of 2nd Street and Rio Bravo
14 Boulevard is surplus and should be sold at fair
15 market value.

16 So I'll move the consideration of the
17 bill, but I do have some questions.

18 CHAIR PENA: Sorry about that. So I
19 would move a do pass on R-22-17. Is there a
20 second.

21 COMMISSIONER QUEZADA: Second.

22 CHAIR PENA: So there's a second. Now
23 discussion.

24 Councilor Fiebelkorn.

25 COUNCILOR FIEBELKORN: Thank you, Madam

1 Chairman. I was just curious. On the description
2 for this, I understand that this land is not land
3 needed by the water utility authority and that it's
4 going to be sold for fair market value. But I
5 wondered about the requirement -- if we couldn't
6 add a requirement that when it is sold, it
7 does contain some affordable housing units.

8 I know that Director Sanchez has
9 indicated that he would -- he was hoping that he'd
10 be able to work with a purchaser for making sure
11 that there's some affordable housing. But it's my
12 understanding that we can't actually put that as a
13 condition of sale. And so I just wanted to hear if
14 that was a possibility.

15 MR. SANCHEZ: Madam Chair, Councilor
16 Fiebelkorn, yes, it is. However, I would caution
17 the board not to specify how much affordable
18 housing, because that could change the valuation of
19 the property. But perhaps simply indicate that
20 there must be some component of affordable housing.
21 I think that'd be acceptable.

22 COUNCILOR FIEBELKORN: I would love to
23 see that in the requirement for the sale. I
24 understand your point about not changing the value
25 of the property, but, you know, leaving that up to

1 the discretion of the director to negotiate, but
2 just having some security that we know that this
3 land, which is in a really prime part of town and,
4 you know, we all know we're in an affordable
5 housing crisis, just to make sure that that's a
6 condition of sale, that there will be some
7 consideration for affordable housing.

8 MR. SANCHEZ: We will certainly do that.

9 COMMISSIONER QUEZADA: Madam Chair.

10 CHAIR PENA: Yes, Commissioner Quezada.

11 COMMISSIONER QUEZADA: I agree
12 wholeheartedly with that. But what I could
13 probably say with some certainty, that because of
14 the area, it probably will be affordable housing.
15 You know, it's not the best area, but it's an
16 up-and-coming part -- area, and I agree with you,
17 it's definitely the future of Bernalillo County and
18 the City of Albuquerque, is my district.

19 And, you know, definitely I will
20 stand next to you and definitely try to hopefully
21 talk with whoever decides to purchase this land
22 to make sure that definitely that there's got to be
23 a section of affordable housing.

24 My dream, and I don't know if it will
25 happen, but as also a mixed-use sort of, kind of

1 development, right, so there's more -- so we're
2 looking at housing and jobs and we're looking at
3 all of it I think in one kind of big fell swoop,
4 you know.

5 I've been traveling all over the
6 country. That's the new kind of development that's
7 going in in many of the larger cities, it's the
8 mixed use, you know, so it gives opportunity for
9 small businesses and combined with affordable
10 housing and those sorts of things. So I'm hoping
11 that that's also something that we look -- that
12 whoever decides to develop on this land does that
13 also. Thank you, Madam Chair.

14 CHAIR PENA: Thank you, Commissioner.

15 Councilor Fiebelkorn, did you want to
16 make a an amendment to R-22-17 saying that it
17 should have a component of affordable housing, or
18 did you want to leave it as it is.

19 COUNCILOR FIEBELKORN: I'll ask Director
20 Sanchez. I would like to see -- I would like to
21 hear what he thinks we should do.

22 MR. SANCHEZ: Madam Chair, Councilor
23 Fiebelkorn, I think if you wanted to amend the
24 resolution to include that, that's fine. Again, I
25 would not specify how much but simply that it have

1 a component of affordable housing.

2 COUNCILOR FIEBELKORN: Thank you, Madam
3 Chair. So I move an amendment that states that the
4 sale of this property will include a requirement
5 for the allowance of some affordable housing.

6 CHAIR PENA: Would you consider an
7 amendment to say just a component of?

8 CHAIR PENA: Yes, Madam Chair. That's
9 better than my words. Thank you.

10 CHAIR PENA: Okay. Thank you.

11 I will -- is there a second to that.

12 COMMISSIONER QUEZADA: Second.

13 CHAIR PENA: There's a motion and a
14 second.

15 Ms. Carreon, will you call the roll
16 on the amendment to R-22-17.

17 MR. RAEL: Madam chair.

18 CHAIR PENA: Mr. Rael.

19 MR. RAEL: If I might just ask
20 Mr. Sanchez a question.

21 Mark, with this amendment, we're
22 making the assumption that whoever buys it is going
23 to turn this property into housing. What if it's
24 not housing? What if it's someone wanting to
25 buy it for a manufacturing program or something

1 else?

2 I just want to make sure that
3 if we're trying to get the highest and best value
4 that we possibly can, we're sort of making an
5 assumption that housing is the only thing that's
6 going there. Or is that a decision we've made
7 already?

8 MR. SANCHEZ: Madam Chair, Mr. Rael, I
9 think the amendment would allow some discretion in
10 that it would only provide for a component of
11 affordable housing in the entire parcel. It
12 doesn't specify how much of the land.

13 So I think, generally, it should not
14 affect the valuation based on that.

15 MR. RAEL: All right.

16 CHAIR PENA: Thank you, Director Sanchez.

17 And, Mr. Rael, does that answer your
18 question? I know you were kind of coming in
19 and out. This was just actually posed by
20 Councillor Fiebelkorn during this meeting, so this
21 was not planned prior.

22 MR. RAEL: Right. Thank you, Madam Chair
23 for the conversation, so apologize.

24 I'm getting a really bad feedback
25 from the conversations. I don't know if that's

1 true for all of you, but it's -- I'm getting every
2 other word. But I'm good. Thank you, Madam Chair.

3 COMMISSIONER O'MALLEY: Madam Chair.

4 CHAIR PENA: Commissioner O'Malley.

5 VICE CHAIR O'MALLEY: Thank you. I think
6 just to sort of follow up where Lawrence Rael --
7 and I -- you know, obviously, and it's been very
8 clear that I'm a very strong proponent of
9 affordable housing, and, of course, it's a huge
10 need. It's really kind of weird. We don't -- we
11 would basically lose site control if we sold it.
12 And once you lose site control of a piece of
13 property, it's kind of like, you know, then it
14 becomes the property owner's, essentially, right to
15 develop it, of course, within the confines of
16 zoning, et cetera.

17 But I think that's a good question.
18 What if it was totally -- if somebody purchased it
19 for manufacturing or something else for business,
20 and had no intention of putting affordable housing
21 in, I could see where that could be a concern. If
22 there is going to be a multi-family housing project
23 there, then I could see how we would say, yeah, it
24 should have a component of affordability.

25 But if we really want to cite or make

1 sure that that's affordable in some way, shouldn't
2 the city acquire a portion of it so that they have
3 site control? Why is this -- why is this going out
4 to the -- I'm just asking these questions. Why is
5 it going out, you know, for whoever? Because
6 you've got a government agency that owns it now and
7 so you have some control over it. Why is this --
8 is the city -- would the city be interested in
9 acquiring it or somehow making some kind of an
10 exchange, government to government, to get site
11 control over that piece of property?

12 Those are just questions I have.

13 MR. SANCHEZ: Madam Chair, Commissioner
14 O'Malley, I think in the end, whoever purchases
15 this property will be coming to the city or the
16 county or both to assist with the affordability
17 component in the development. And we could
18 certainly put some covenants on the property as it
19 is sold and developed to ensure affordability.

20 I just think we should be cautious
21 about putting too many requirements on this before
22 we go to the market.

23 VICE CHAIR O'MALLEY: Okay. And I think
24 that Commissioner Quezada brought up a good point,
25 too. We really do want to see more mixed-income

1 housing and this sort of mixed-use housing with
2 other components in it that's a healthy mix. It's
3 important. And, you know, a good example, Sawmill.
4 While there is some others -- you know, most of the
5 housing is affordable there, it's affordable to
6 different, you know, income levels, and also
7 there's market housing involved, as well, the kind
8 of like so you don't have nothing but affordable
9 housing in one group, for example, but you have a
10 mix, which is reflective really of communities and
11 neighborhoods. So I just want to make that
12 statement. Thank you.

13 CHAIR PENA: Thank you.

14 With that, if there's no additional
15 discussion, I just want to say how much I
16 appreciate Commissioner -- I mean, Councilor
17 Fiebelkorn's amendment, just for the reasons
18 stated. I don't feel like I can support it. I
19 think that, you know, our job here is to make sure
20 that we get the best and highest price for the
21 property if it's the intention to sell it.

22 And I think that, obviously, it's
23 such a large parcel that it would make sense to
24 whoever purchased it to make sure to include some
25 component of whether it be affordable housing

1 or mixed-use housing or some type of use.

2 So thank you, Councilor Fiebelkorn,
3 but with that we will -- no, there's no -- I'll
4 close the floor.

5 Ms. Carreon, will you call the roll.

6 MS. CARREON: Councilor Fiebelkorn.

7 COUNCILOR FIEBELKORN: Yes.

8 MS. CARREON: Councilor Jones.

9 COUNCILOR JONES: No.

10 MS. CARREON: Vice Chair O'Malley.

11 VICE CHAIR O'MALLEY: Yes.

12 MS. CARREON: Chair Pena.

13 CHAIR PENA: No.

14 MS. CARREON: Commissioner Quezada.

15 COMMISSIONER QUEZADA: Aye.

16 MS. CARREON: Member Rael.

17 MEMBER RAEL: Yes.

18 MS. CARREON: That passes on a 4-2 vote.

19 MR. RAEL: Madam Chair, if I might make

20 a --

21 CHAIR PENA: Mr. Rael.

22 MR. RAEL: If I might make one point to
23 Commissioner O'Malley's point.

24 Now that we've put it up as surplus,
25 we certainly, as a city, or anyone, can't intervene

1 and purchase the property. So I think for me
2 voting yes was mostly to get to the point of having
3 the conversation as if the city is interested, and
4 I don't know what we are, having it now declared
5 surplus, we can obviously make an offer if we want
6 to do some affordable housing on that property. So
7 I don't think it closes the door for that
8 conversation.

9 Thank you, Madam Chair.

10 CHAIR PENA: Thank you, Member Rael. So
11 I think that amendment passed. Correct, Luz? I'm
12 hearing every other word, as well.

13 MR. CADENA: Madam Chair, that passed on
14 4-2 vote.

15 CHAIR PENA: Okay. So with that
16 amendment, I would make a motion for approval of
17 R-22-17, as amended.

18 COUNCILOR FIEBELKORN: Second.

19 COMMISSIONER QUEZADA: Second.

20 CHAIR PENA: I think that's Commissioner
21 Quezada.

22 Luz, can you call the roll.

23 MS. CARREON: Councilor Fiebelkorn.

24 COUNCILOR FIEBELKORN: Yes.

25 MS. CARREON: Councilor Jones.

1 COUNCILOR JONES: Yes.

2 MS. CARREON: Vice Chair O'Malley.

3 VICE CHAIR O'MALLEY: Yes.

4 MS. CARREON: Chair Pena.

5 CHAIR PENA: Yes.

6 MS. CARREON: Commissioner Quezada.

7 COMMISSIONER QUEZADA: Aye.

8 MS. CARREON: Member Rael.

9 MR. RAEL: Yes.

10 MR. CADENA: That passes unanimously.

11 CHAIR PENA: Thank you.

12 So before we move on to approvals, I
13 just want to say, is everyone getting the feedback
14 that I'm getting, or is it just my computer?

15 MR. RAEL: Madam Chair, I'm getting
16 really, really bad feedback and echo and missing
17 every other word.

18 VICE CHAIR O'MALLEY: Right now --

19 COUNCILOR JONES: I can't hear much of
20 anything, Madam Chair. It's just a word here, a
21 word there, and what is, is an echo.

22 CHAIR PENA: Thank you all. So I think
23 maybe before the next meeting, Luz, because I know
24 I'm on the other platform and I haven't really had
25 this problem, so I don't know if it's -- I don't

1 know what the issue is. I keep looking at my
2 internet and it seems to be connected, so just want
3 to make sure because I think we keep experiencing
4 this.

5 And I heard Commissioner O'Malley a
6 second ago saying, "I don't like this."

7 So anyway, with that, we'll move on
8 to approvals, presentation for items O-22-1; B,
9 R-22-13; and C, R-22-14.

10 Mr. Stan Allred, they all relate to
11 each other, so we'll hear them all together. So
12 thank you.

13 MR. ALLRED: Madam Chairman and Members
14 of the Board, I'm creating an echo now, too,
15 so hopefully it will stop.

16 Next slide, please.

17 Just assumptions we made in the
18 budget. This is just kind of a follow-up from the
19 introduction from the last board meeting. We're
20 proposing a 5 percent rate revenue adjustment. We
21 have not had a rate increase for over the last four
22 years. We have created many, many efficiencies and
23 done things to alleviate needs for the rate
24 increase. However, we've come to a point where
25 one is needed.

1 This also includes a 5 percent
2 increase to the UECs and the water resources
3 charge. We normally increase that charge by the
4 ENR index, as per the rate ordinance. We deferred
5 that last year completely, and this year, we
6 decided to go with 5 percent, along with the rate
7 revenue adjustment. If we had went with the ENR
8 index, it would have been upwards to almost 15
9 percent, so we just capped it at 5.

10 We budgeted with nominal growth in
11 our service area. We based the consumption levels
12 on 120 gallons per capita. We added six FTEs to
13 this year's budget. We budgeted a 7.9 percent
14 increase in health insurance premiums, 5 percent
15 increase in PERA pension contributions, and
16 5 percent increase in wages.

17 The 7.9 percent, we pick up a very
18 large portion of any increase for health premiums
19 for our employees; therefore, we budgeted that. We
20 don't -- that does not get passed on to the
21 employees. We, as the employer, pick up a large
22 share of that increase.

23 We also have been having substantial
24 increases in our operating costs, specifically with
25 fuel costs, our chemical costs. And a lot of this

1 is due to supply chain issues and inflation. And
2 we make sure we maintain a one-twelfth fund balance
3 as mandated by the rate ordinance and by this
4 board.

5 Just a quick picture of the revenues.
6 135 million will be from water; from waster will be
7 \$98 million. Revenue for miscellaneous things is
8 10.6 million. And we're going to use a million
9 dollars from our working capital balance, which
10 currently resides at about \$35 million. We're
11 going to use a million of that to help fund the
12 operating budget.

13 Next slide.

14 Our budget -- just a quick snapshot
15 of our expenses that we budgeted. Our debt service
16 payments is \$78 million. Wages and benefits is
17 68.1 million. Our operating expenses to operate,
18 our operating groups, 59.4 million. We transferred
19 to CIP to pay for CIP projects 36.6 million. Our
20 risk for self-funding is 7 -- or 2.8 million, I'm
21 sorry. And Workers' Comp is \$700,000.

22 Next slide.

23 Proposed budget, so a breakdown of
24 where all that different buckets go.
25 Administration is 10.1 million. Financial services

1 is 24.6 million. As I said last time, it sounds
2 like a large number, but it also consists of
3 customer services or banking fees, those type of
4 things. And also our fleet, our warehouses and our
5 IT group, as well.

6 And the plant group, which is water
7 and the wastewater plants, 23.7 million. On the
8 fuel group, which is our distribution of water
9 lines and collections of our sewer lines, 28.9
10 million. Our compliance group, that makes sure
11 that we're in compliance with all EPA and NMED
12 regulations, 5.9 million. Planning and engineering
13 group is 5 million. The water resources group,
14 4.6 million. \$21 million for power and chemicals.
15 General government, this is the transfers to other
16 governments, 5 million. And inner-fund transfer,
17 which includes the transfer to CIP into debt
18 service, of 114 million.

19 Next slide.

20 This is our finance plan. It shows
21 the need of that 5 percent rate increase this year.
22 No rate increase identified for next year. And,
23 again, this is just an estimate, so it was always
24 subject change. As we create efficiencies and
25 revenue streams, it may change. And, again, there

1 as -- we get into the rates a little bit, there's
2 also -- start charging a little bit more to Intel.
3 We take a look at their revenue stream that may
4 mitigate the need for additional increases in the
5 future. But we did put one in for FY 2025 and
6 another one in FY 2027.

7 Our debt service begins to drop
8 dramatically into FY 2027. Those monies, say, from
9 debt services, will start being funneled into the
10 CIP programs. Also into Water 2120 CIP projects to
11 build up those balances, and, again, not to have
12 a need for rate increases. But, again, this is
13 just an estimate, a plan of what we look at for the
14 next 10 years.

15 Next slide.

16 For our CIP budget, we're going to
17 appropriate an additional 79.2 million. This
18 includes about \$12.5 million for sewer
19 interceptors, rehab and sewer line replacement;
20 \$9.2 million to continue to work at the reclamation
21 plant, Southside Water Reclamation Plant, work on
22 some smaller clarifiers to mitigate odor control,
23 work on the digesters and some security and
24 landscaping. The facility is looking much nicer
25 than it has in the past, and we want to continue to

1 enhance the way it looks for the community there.

2 And we continue to do lots of work on

3 controlling -- odor control for the community

4 there.

5 \$3 million for vehicle and heavy

6 equipment replacement. A million dollars to

7 continue to change our meter system to AMI. We've

8 had many conversations about that in the last few

9 meetings with targets to add additional 30,000

10 meters to AMI. That will probably encompass about

11 65 percent, 70 percent of our total service area

12 with AMI meters.

13 At a minimum, \$2 million for steel

14 lane replacements for leaky water lines. \$350

15 million for renewable energy projects, and that's

16 also due to a agreement with PNM and \$300,000 for

17 the Water 2120 fund. And, again, as I said before,

18 by FY 2027, that amount will increase dramatically.

19 So we're on track with our decade

20 plan spending.

21 Next slide.

22 So this is a real quick graphic of

23 our CIP spending based on the decade plan. The

24 little purple line is the amount of cash we

25 transfer from the operating fund to pay for capital

1 as you can see, that continues to increase, it has
2 continued to increase since 2014. At 2026 and
3 2027, you'll see a much larger increase, which we
4 discussed with Water 2120. And then you see the
5 need for borrowing money began to diminish, as
6 well. And as you can also see that the amount we
7 spend for CIP every year has been increasing and
8 will continue to increase.

9 That large spike in 2030 is to begin
10 to work on the reuse plant on Montano, to start
11 treating and taking solids and moving solids to
12 this reclamation plant and be able to treat water
13 and use water on the west side of Albuquerque for
14 reuse. So that's also a planned project that
15 starts in 2030.

16 Next slide.

17 Also, we received funding from the
18 county as part of their ARPA funding. They were --
19 they work really nicely with us, allow us to have
20 some money to do some projects with the funding.
21 And what we're going to use the money for,
22 basically, is \$3.8 million for Carnuel sewage
23 collection system; \$4.2 million for the UPC water
24 and sewer improvements; \$4.9 million for Mesa Del
25 Sol non-probable reuse pumper booster pump and

1 reservoir. That's like a tongue twister. Sorry.
2 8 million for the South Valley Drinking Water
3 Project. So that's Phases 8 and 9. We've pretty
4 much (unintelligible) Phases 1 through 7.

5 \$15 million for Kirtland Air Force
6 Base Tijeras interceptor rehab. \$15 million for
7 Volcano Cliffs and Corrales trunk reservoir and
8 transmission line. And \$2.9 million for the Bosque
9 Non-Potable Water Reclamation Plant and Reuse
10 System. And that was basically what I was talking
11 about a little bit on the previous slide.

12 Next slide, please.

13 Rate ordinance highlights. We
14 adjusted water and sewer rates by 5 percent, a
15 5 percent rate revenue adjustment. And we added a
16 wholesale water rate for Tohajiilee Chapter of the
17 Navajo Nation based on cost of service. We also
18 did that for Intel. We brought in our rate
19 consultant, Stantec, Carol Moleski. She did -- she
20 used -- you see her every two years. You'll see
21 her at the end of this year, when she does a --
22 completes a study of our cost of service on our
23 rates. She came in and applied and created rates
24 for Tohajiilee and for Intel based on our
25 cost-of-service model and determined the

1 appropriate cost of charging both entities what it
2 cost them for us to provide them water. And then
3 we updated all UECs by 5 percent.

4 The rate adjustment impact for FY23,
5 the rate adjustment applies across the board for
6 all classes of customers. The impact for a typical
7 residential bill will be \$2.49. It will be \$1.40
8 for water and \$1.09 for sewer. We went into a lot
9 of details about this, too. We will continue the
10 customer assistance programs we have in place. We
11 will continue to provide the low income credit that
12 we provide. We will continue to fund the Water
13 Assistance Fund.

14 I would say one thing about the Water
15 Assistance Fund that we talked about before. There
16 is funding that's been budgeted and approved by
17 this board. Also, our employees, when they
18 actually donate money to the United Way Fund, those
19 monies also go to the Water Assistance Fund. So
20 our employees, through United Way, help fund the
21 Water Assistance Fund to help customers with their
22 water bills.

23 And then, as you heard from our
24 customer service manager, we're still also
25 providing the emergency rental assistance that's

1 provided by the State of New Mexico.

2 COMMISSIONER O'MALLEY: Madam Chair.

3 CHAIR PENA: Commissioner O'Malley.

4 VICE CHAIR O'MALLEY: Thank you. I just
5 wanted to interrupt on the issue of the
6 assistance programs for folks who are having
7 difficulty paying their utility bill.

8 For the water, so you've got low
9 income credit in the Water Assistance Fund. What
10 are those -- could you explain a little more about
11 those two and how and who they help in terms of is
12 it income based, what is it?

13 MR. ALLRED: Madam Chairman and
14 Commissioner O'Malley, so the Water Assistance Fund
15 is a one-time assistance. If someone's in need and
16 they can't pay their bill, maybe somebody in the
17 family got sick or they lost a job or something,
18 they can come to us and ask for assistance, a
19 one-time shot, to help them pay for their water
20 bill for a month.

21 And I'll get back -- there's another
22 caveat to that as well, but I'll talk about that
23 after I talk about the low income credit.

24 The low income credit is basically we
25 pay for part of the water and sewer commodity

1 rates. That is the Roadrunner Food Bank and
2 there's another food bank service. I'm sorry, I
3 can't think of it off the top of my head. They
4 help us evaluate customers that can come in, they
5 apply for aid. It's based on HUD guidelines as far
6 as their income levels. The City of Albuquerque
7 also helps us with that through to their programs
8 they offer. It's also offered through PNM. We
9 work with PNM.

10 So we do offer customer -- and it
11 lasts for a year. So if you qualify for that,
12 we help you pay portions of your water and your
13 sewer bill. You can only join that program if
14 you're current on your bills. So what we have done
15 is, if we have customers that come to us and are
16 not current on their bills, we do provide
17 assistance through the Water Assistance Fund. We
18 get them current on their bills and that would then
19 allow them to apply for the low income credit to
20 get the discount on their bills, as well.

21 So that -- I hope that answers your
22 question. But that's kind of the difference
23 between the two and how we use them.

24 VICE CHAIR O'MALLEY: Okay. I appreciate
25 that explanation. I mean, it's not -- I mean,

1 we're raising the rates, and you're saying it's
2 typical of 2.49, but it's cumulative. So people --
3 all the utilities are going up, and so that can add
4 up. And for people who are struggling to make
5 those payments, you know, it's hard. Right?

6 And so it's more than 2.49. It's
7 the gas and the PNM, you know, electric and
8 everything going up. And so I just wanted to make
9 sure that we had, you know, very well-funded
10 programs in place to help people so that they don't
11 default on their water bill.

12 MR. ALLRED: And, Commissioner O'Malley
13 and Madam Chairman, what I would also say is, we
14 do this in conjunction with PNM, and we do get
15 assistance also from the City of Albuquerque, from
16 family and community services. They help us a lot
17 with this, too. So there is a lot of outreach with
18 this.

19 And we really do want to help those
20 customers that really need -- that have the need
21 for assistance in paying their water and sewer
22 bills.

23 VICE CHAIR O'MALLEY: All right. Thank
24 you, Stan.

25 MR. ALLRED: Next slide.

1 Just real quick, this is the last
2 slide. This is a rate comparison. So the lowest
3 rate is the one on the right-hand side, which is
4 our water and sewer rates currently. With the
5 increase, we move forward two slots. So the City
6 of El Paso becomes a little bit cheaper than us,
7 but we're extremely -- much cheaper than the rest
8 of communities in the Southwest portion of the
9 United States. And we're still well over half
10 lower than our neighbor to the north of us,
11 of Rio Rancho, New Mexico.

12 And that concludes my presentation.
13 I stand for any questions, and I recommend
14 approval.

15 CHAIR PENA: Thank you, Mr. Allred.

16 Are there any questions?
17 Commissioner O'Malley.

18 VICE CHAIR O'MALLEY: Thank you, Madam
19 Chair.

20 I did want to go back to the debt
21 service. And so a couple of things. I'm assuming
22 that that's interest and principal payments towards
23 debt service. And then what -- so what is the
24 interest payment for debt service for every -- for
25 the year, just alone, by itself.

1 MR. ALLRED: Madam Chairman and
2 Commissioner O'Malley, I would say of that amount,
3 probably 75 -- probably 50/50, 50 principal, 50
4 percent -- I don't know. It's different from every
5 year. It's different for the way our debt
6 schedules are structured.

7 I would say that in the outer years,
8 the ones we just -- the borrows we just did, is
9 that we got so low interest rates. The last borrow
10 we had, we had about an interest rate of 1.2
11 percent. The one before that was just a
12 little under 2 percent. Our credit is so popular,
13 a lot of people order our credit when we sell our
14 bonds. It drives interest rates down. We have a
15 very good credit rating. Our paper is very popular
16 with the community.

17 So, you know, we were paying upwards
18 of 5 percent when we borrowed the San Juan-Chama
19 debt. That debt also basically gets expired by
20 2026, 2027. But our newer debt, especially in the
21 last two we did, the interest rate, it's just --
22 it's minimal. I mean, basically, we got free
23 money, theoretically, from the market.

24 So I would say in the outer years,
25 you're probably talking eighty percent, 90 percent

1 principal and a minimal amount of interest.

2 So industry people think of us very
3 well and that we're doing very well with what we're
4 doing and with our debt service.

5 VICE CHAIR O'MALLEY: I appreciate you
6 explaining that, because sometimes there has been
7 criticism about that particular thing, our debt
8 service and the fact that we borrow. But as you
9 said, you know, it's a very low rate, especially
10 the new debt. Good to hear that that other debt is
11 going to retire in a few years. That won't take
12 very long; that's big.

13 So I appreciate your explanation,
14 Stan. Thank you.

15 Thank you, Madam Chair.

16 CHAIR PENA: Thank you, Commissioner
17 O'Malley.

18 Councilor Fiebelkorn, followed by
19 Mr. Rael.

20 COUNCILOR FIEBELKORN: Madam Chair, I
21 didn't have hand raised.

22 CHAIR PENA: Okay. Mr. Rael.

23 MR. RAEL: Thank you, Madam Chair. I
24 wanted to ask Mark a question.

25 Section 3 of R-22-13 has a -- I'd

1 like to know, what is the qualified project under
2 the Section 3, just for my education? And if that
3 relates to non-profits, development projects, what
4 are those about?

5 MR. SANCHEZ: Madam Chair, Mr. Rael,
6 historically, the board has set aside policy
7 language for us to participate in affordable
8 housing projects sponsored by the city or the
9 county so what we typically do is attach a second
10 lien to affordable housing projects instead of
11 charging the UECs for a project.

12 This language would expand that to
13 other projects sponsored by the city or the county
14 for low income residents. An example might
15 be unemployment and training program geared towards
16 low income individuals, sponsored by the city or
17 the county, or the city has recently discussed
18 homeless encampments operated by non-profits, to
19 the extent they needed water or sewer the UEC could
20 be attached separately and not assessed to
21 the non-profit developer or the city or the county
22 basically.

23 MR. RAEL: And, Madam Chair and Mark, I
24 think that's a great idea, and I appreciate
25 the ingenuity of that statement.

1 It says that it's -- that you are
2 authorized to do that. How does the local
3 governments or how does the city or the county
4 present this to you? Is it by a resolution to the
5 board or just I just -- do I just call you and say,
6 "Hey, I've got a project"? I just want to know how
7 the mechanics work, that's all.

8 MR. SANCHEZ: Madam Chair, Mr. Rael,
9 historically, it's been done through the non-profit
10 developers that the city or the county engage in
11 for a particular project. An example might be
12 the Silver project downtown recently. Instead of
13 passing through the UEC, we attached a second lien,
14 and as long as there's affordability, that UEC is
15 not due. So that's an example.

16 And certainly, we can call and say,
17 "We have this project. Can we use this mechanism?"
18 And if it met the criteria, of course we'd do it.

19 MR. RAEL: Okay. Thanks. That's really
20 helpful. I wasn't quite sure what the mechanism to
21 get that done. I suspected that, I just had to
22 call you. But thank you very much.

23 Thank you, Madam Chair.

24 CHAIR PENA: Thank you, Mr. Rael.

25 Seeing no additional questions, I

1 think what we will do is we will vote on these
2 three -- the ordinance first, the O-22-1. I
3 would move approval.

4 VICE CHAIR O'MALLEY: Second.

5 CHAIR PENA: Seconded by Commissioner
6 O'Malley.

7 Ms. Carreon, will you call the roll.

8 MS. CARREON: Councilor Fiebelkorn.

9 COUNCILOR FIEBELKORN: Yes.

10 MS. CARREON: Councilor Jones.

11 COUNCILOR JONES: Yes.

12 MS. CARREON: Vice Chair O'Malley.

13 VICE CHAIR O'MALLEY: Yes.

14 MS. CARREON: Chair Pena.

15 CHAIR PENA: Yes.

16 MS. CARREON: Commissioner Quezada.

17 COMMISSIONER QUEZADA: Aye.

18 MS. CARREON: Member Rael.

19 MR. RAEL: Yes.

20 MR. CADENA: That passes unanimously.

21 CHAIR PENA: Thank you, Ms. Carreon.

22 And as I mentioned earlier, we
23 discussed all these three within that presentation,
24 so we'll move on to B, which is R-22-12. I move
25 approval.

1 VICE CHAIR O'MALLEY: Second.

2 CHAIR PENA: There's a motion and a
3 second.

4 Ms. Carreon, will you please call the
5 roll.

6 MS. CARREON: Councilor Fiebelkorn.

7 COUNCILOR FIEBELKORN: Yes.

8 MS. CARREON: Councilor Jones.

9 COUNCILOR JONES: Yes.

10 MS. CARREON: Vice Chair O'Malley.

11 VICE CHAIR O'MALLEY: Yes.

12 MS. CARREON: Chair Pena.

13 CHAIR PENA: Yes.

14 MS. CARREON: Commissioner Quezada.

15 COMMISSIONER QUEZADA: Aye.

16 MS. CARREON: Member Rael.

17 MR. RAEL: Yes.

18 MR. CADENA: That passes unanimously.

19 CHAIR PENA: Thank you.

20 And the final resolution related to
21 the bills are R-22-14. I would move approval.

22 VICE CHAIR O'MALLEY: Second.

23 CHAIR PENA: There's a motion, and a
24 second by Commissioner O'Malley.

25 Ms. Carreon, will you please call the

1 roll.

2 MS. CARREON: Councilor Fiebelkorn.

3 COUNCILOR FIEBELKORN: Yes.

4 MS. CARREON: Councilor Jones. Councilor
5 Jones?

6 COUNCILOR JONES: Yes.

7 MS. CARREON: Vice Chair O'Malley.

8 VICE CHAIR O'MALLEY: Yes.

9 MS. CARREON: Chair Pena.

10 CHAIR PENA: Yes.

11 MS. CARREON: Commissioner Quezada.

12 COMMISSIONER QUEZADA: Aye.

13 MS. CARREON: Member Rael.

14 MR. RAEL: Yes.

15 MR. CADENA: That passes unanimously.

16 CHAIR PENA: Thank you, Ms. Carreon.

17 Now we're on Item D, R-22-15,
18 authorizing the removal of certain uncollectible
19 debt from the Albuquerque Bernalillo County Water
20 Utility Authority accounts receivable records FY
21 2018 and prior.

22 Mr. Stan Allred.

23 MR. ALLRED: Madam Chairman, Members of
24 Board, this is our quarterly write-off. It's
25 \$48,400. This debt is primarily wastewater only

1 accounts. We have made an attempt to collect
2 these over the last four years. They are all over
3 four years in arrears, and we recommend writing
4 these off.

5 And I stand for any questions and
6 recommend approval.

7 CHAIR PENA: Are there any questions? I
8 think we have Councilor Fiebelkorn.

9 COUNCILOR FIEBELKORN: Thank you, Madam
10 Chair.

11 I just had a question on, are all of
12 these accounts that have been disconnected?

13 MR. ALLRED: Madam Chairman, Councilor
14 Fiebelkorn, not necessarily. A lot of these are
15 wastewater only accounts, and you cannot -- you
16 can't turn off wastewater to a hour; you can turn
17 off the water. So there is no means to really
18 attack a premise that only has wastewater, because
19 from the EPA standards, we can't just shut off
20 their wastewater.

21 And a lot of these are vacated
22 properties, like in the city, a business may vacate
23 and they just -- nobody's in that business, or
24 they're dilapidated homes. So these are homes that
25 we haven't had the ability to shut off their water.

1 Most customers, if you don't pay, we
2 shut your water off and we don't turn your water
3 back on until you pay. And we also -- I mean, so
4 you have water attached and you were like in
5 arrears for your wastewater bill, we could turn off
6 the water on behalf of the City of Albuquerque and
7 say, "Pay up and we'll turn your water back on."

8 But these are premises that nobody's
9 there, they've been vacated, or they're for sewer
10 accounts that basically don't have water service
11 and we have no means to collect from.

12 Because I think the other thing, and
13 we talked about this with our customer service
14 manager, we are a premise-based utility, so we only
15 bill the premise. We don't bill people. So
16 whoever moves in and out of a house, they come and
17 go, but we continue to bill the premise. So we
18 always attack the premise. And at some point in
19 time, when we can't get any money from the premise,
20 we have to write it off.

21 I mean, we generate, probably, in the
22 summer, July, maybe \$32 million in rate revenue.
23 \$48,000 is not a very big amount. We did, at one
24 point in time, have to book somewhere's up to,
25 like, a \$1.3 million allowance for doubtful

1 accounts, for these kind of accounts. So we're
2 pretty much current now. We were allowed to take
3 that off the books on our last audit, so we're
4 pretty current.

5 So these amounts that we bring every
6 quarter are very -- I mean they look -- they sound
7 large, but they're a very small amount comparably
8 that -- we've spent a lot of time cleaning this up
9 over the last five years or so.

10 COUNCILOR FIEBELKORN: Thank you, Madam
11 Chair. I was just -- I was unaware that we had a
12 lot of residential customers that only were
13 wastewater. And so my question was around, do we
14 have a lot of folks in residential homes that have
15 had their water disconnected that are living
16 without water service. And it sounds like it's not
17 necessarily that case; it's a different case for
18 this.

19 So thank you for the explanation,
20 Madam Chair.

21 CHAIR PENA: Thank you, Councilor
22 Fiebelkorn. Excellent question.

23 Mr. Rael.

24 MR. RAEL: Stan or Mark, are any of these
25 my relatives. Don't answer that.

1 MR. ALLRED: I can't answer.

2 VICE CHAIR O'MALLEY: That's funny.

3 CHAIR PENA: And, Commissioner O'Malley,
4 I see that you were trying to say something. Did
5 you have anything to add?

6 VICE CHAIR O'MALLEY: I did not. Thank
7 you.

8 CHAIR PENA: Thank you.

9 Okay. So with that, I would move
10 approval of R-22-15. Is there a second?

11 COUNCILOR FIEBELKORN: Second.

12 COMMISSIONER QUEZADA: Second.

13 CHAIR PENA: There's two seconds.

14 Ms. Carreon, would you please call
15 the roll.

16 MS. CARREON: Councilor Fiebelkorn.

17 COUNCILOR FIEBELKORN: Yes.

18 MS. CARREON: Councilor Jones.

19 COUNCILOR JONES: Yes.

20 MS. CARREON: Vice Chair O'Malley.

21 VICE CHAIR O'MALLEY: Yes.

22 MS. CARREON: Chair Pena.

23 CHAIR PENA: Yes.

24 MS. CARREON: Commissioner Quezada.

25 COMMISSIONER QUEZADA: Aye.

1 MS. CARREON: Member Rael.

2 MR. RAEL: Yes.

3 MR. CADENA: That passes unanimously.

4 CHAIR PENA: Thank you, Ms. Carreon.

5 So now we are on Item E, R-22-16,
6 authorizing the executive director to enter into a
7 memorandum of agreement with the Nature
8 Conservancy. Mr. Mark Kelly.

9 MR. KELLY: Good evening, Madam Chair and
10 Members of the Board. My name is Mark Kelly. I am
11 the water resources manager, and tonight I'm going
12 to talk about the Rio Grande Water Fund and
13 our partnership with the Nature Conservancy and --
14 our ongoing partnership with the Nature
15 Conservancy.

16 So the Nature Conservancy is a
17 non-profit organization that manages the Rio Grande
18 Water Fund. And the water authority is a member of
19 the Rio Grande Water Fund; we have been since 2015.
20 And we've been providing funding to the Rio Grande
21 Water Fund since 2017.

22 And the fund exists to help maintain
23 healthy forests and watersheds. And these are
24 really important to help provide a good supply of
25 high quality water. And the water authority has

1 been investing in our watershed through the
2 Rio Grande Water Fund to help the watersheds in
3 southern Colorado for our San Juan-Chama water.

4 The fund goals are to restore
5 600,000 acres of forest over 20 years. It exists
6 to help do things like prevent wildfires and
7 to protect our source water.

8 As you can see from this slide, if
9 the source water is not protected and wildfires do
10 happen, we do get issues with lots of debris flow
11 in the river, which we would not be able to use
12 our San Juan-Chama Drinking Water Plant if that
13 happened.

14 This goes along with supporting the
15 Rio Grande Water Fund as part of one of our
16 policies from Water 2120 to work collaboratively in
17 funding to protect and restore watersheds in the
18 San Juan-Chama area and the Rio Grande.

19 The critical watersheds that we've
20 focused our funding on so far have been our
21 San Juan-Chama watersheds in southern Colorado.
22 These are diversions that we have up there on the
23 Navajo, the Blanco and the Little Navajo River.
24 The water fund has analyzed these areas and
25 taking into account areas that are going to have

1 high fire hazards and flood hazards. And
2 they focus their work and investment in places up
3 there that have the greatest risk. And analysis
4 has shown that the San Juan-Chama watershed area is
5 a very high priority not just for the water
6 authority but for the entire state of New Mexico.

7 This is an example of what type of
8 forest treatments are done by the Rio Grande Water
9 Fund up there. You can see in the top picture,
10 that big ponderosa pine tree, and also in the
11 bottom picture where, in the top, the forest is
12 overgrown. If a fire were to occur there, there
13 would be devastating effects. And the Rio Grande
14 Water Fund goes in and does thinning and mulching
15 where they thin out the forest so that if a
16 fire did occur, it wouldn't be as catastrophic to
17 the watershed and also to the water quality coming
18 out of that watershed.

19 In the future, the Rio Grande Water
20 Fund is looking to mitigate wildfire risk and build
21 resilience. They are looking to continue the work
22 that they've done on private lands, but also to
23 expand onto providing mitigation on state or public
24 lands. And previously, they've only been working
25 on private land up there, but there is a lot of

1 public land that they can -- that they're going to
2 start being able to do treatments on. And they're
3 also working a lot with us on doing some
4 comprehensive fire planning.

5 The resolution calls for us to
6 continue our support of the Rio Grande Water Fund
7 at the same levels that we are currently for
8 another 10 years.

9 With that, I will stand for
10 questions.

11 CHAIR PENA: Thank you, Mr. Kelly.

12 Are there any questions for
13 Mr. Kelly? I'm seeing none. We'll move on, but
14 just it's -- obviously this work is much needed and
15 it's going to be needed way into the future.

16 So with that, I'll make a motion for
17 approval of R-22-16.

18 VICE CHAIR O'MALLEY: Second.

19 COMMISSIONER QUEZADA: Second.

20 CHAIR PENA: There's a second by
21 Commissioner O'Malley and I think it was Quezada.

22 So, Ms. Carrion, would you please
23 call the roll.

24 MS. CARREON: Councilor Fiebelkorn.

25 COUNCILOR FIEBELKORN: Yes.

1 MS. CARREON: Councilor Jones.
2 COUNCILOR JONES: Yes.
3 MS. CARREON: Vice Chair O'Malley.
4 VICE CHAIR O'MALLEY: Yes.
5 MS. CARREON: Chair Pena.
6 CHAIR PENA: Yes.
7 MS. CARREON: Commissioner Quezada.
8 COMMISSIONER QUEZADA: Aye.
9 MS. CARREON: Member Rael.
10 MEMBER RAEL: Yes.
11 MS. CARREON: Passes unanimously.
12 CHAIR PENA: Thank you.
13 So we are in other business, OB-22-9,
14 the drought update. Mr. Bustos.
15 MR. BUSTOS: Thank you very much. Good
16 evening, Madam Chair, Members of the Board.
17 Hey, I'm Carlos Bustos and I'm going
18 to be presenting a drought update.
19 Next slide, please.
20 So we -- a classic La Nina continues
21 to persist in our region, and as you've seen in the
22 news, that much of the Southwest is experiencing
23 extreme drought conditions. Some areas are being
24 affected more than others, inclusive here in
25 New Mexico.

1 In Southern California, the
2 Metropolitan Water District recently announced that
3 one-third of its users are going to be going into
4 one day per week watering restrictions. So not the
5 entire metro area is being affected, even within a
6 given district, if you will.

7 In Colorado, the river basin and Lake
8 Powell are at 24 percent capacity, and Lake Mead is
9 at 31 percent capacity, according to the USBR, the
10 Bureau of Reclamation. And the Rio Grande Basin,
11 the New Mexico Elephant Butte Reservoir is 13
12 percent full.

13 Dry, windy weather, with low humidity
14 is affecting New Mexico as we continue to go
15 through this drought conditions. And from just a
16 month ago, hey, you can see how the map of -- the
17 drought polymers map has intensified and joined.
18 And some of our areas is already showing
19 exceptional drought conditions, as we experienced
20 last year going into the summer.

21 There's dozens of wildfires across
22 the Southwest, and our country's largest fire is
23 currently happening and affecting many of the
24 communities in Northern New Mexico in the Pecos and
25 Mora area. And, you know, firefighters are

1 currently battling the largest wildfire in history.
2 And these drought conditions are being felt in our
3 forests and in many communities. And here in the
4 county, we've reached 100 percent extreme
5 conditions.

6 We went from having a relatively cool
7 spring season to what looks to be the start of
8 another record-breaking summer in regards to
9 temperature. We continue to be in drought watch in
10 our service area, but customers are responding
11 well. Water demand compared to last year at this
12 same time is 320 million gallons less than what we
13 were using last year at the same time. And our
14 GPCD is 126. And so that's really good, because we
15 started the year at 128. And that means customers
16 are paying attention and responding to our drought
17 measures.

18 Our annual operational goals for
19 groundwater, because we've been able to use surface
20 water, are at 105 percent from our goal, so that's
21 where we want to be in both GPCD and in regard to
22 our other operational goals as we move into the
23 summer season.

24 Next slide.

25 As we move into peak demand for June

1 July and August, and you can see that the outlook
2 is still gloomy, it's looking like here in
3 New Mexico and most of the region, we're still
4 going to be faced by drought conditions. It's
5 starting to improve, maybe some drought removal
6 likely in some states that were experiencing
7 drought conditions last year.

8 So, you know, as some areas continue
9 to recover, some areas continue to get worse.
10 We're hoping that we get a good monsoon season so
11 we can hopefully get out of this drought that we're
12 facing.

13 Next slide.

14 Because of the drought and because
15 we're in the drought watch, we've instituted our
16 measures and we're doing those measures that we
17 continue from last year when this board approved a
18 drought watch. Our fees for water waste are
19 doubled. We've also added four compliance staff,
20 so that's given us the capacity to chase more water
21 waste and follow up with complaints.

22 Right now we got over 80 cases that
23 are open and we are sending about 20 warning
24 letters every day. And so, you know, already we're
25 seeing the impact of having more people on the

1 ground, chasing water waste and following up with
2 those.

3 And we had recently a class on three
4 steps to landscape success, which is our drought
5 class for this current drought. And we had, so
6 far, almost 1800 participants. And the last class
7 had 167 people, which was incredible. So people
8 are still interested, and we're seeing savings from
9 people that are participating.

10 And this year, we increased our
11 public information, focusing on the xeriscape
12 rebate increase, which went from \$1 to \$2 per
13 square foot. And right now, we've converted,
14 today, this fiscal year, almost at 420,000 square
15 feet. Our goal is to be converting 600,000 square
16 feet per year, so we're pretty close to that goal.
17 We think we may achieve it before the end of
18 June and the start of the next fiscal year.

19 Other programs that we've launched
20 and we're working on is the Low Income Conservation
21 Support program. We've done already 42 audits and
22 to the low income customers, providing retrofits to
23 help them conserve water, and also align them with
24 some of the other programs that are available for
25 low income folks.

1 And we're also working with HOAs. We
2 feel like HOAs are instrumental in the future
3 savings and present savings, as well. And helping
4 them develop long-term landscape plans so we
5 can start moving away from a high water use turf in
6 areas that are non-functional to low water use
7 xeriscapes. Our goal is to work with 10 HOAs this
8 year. We've already got five lined up that we're
9 working on.

10 Next slide.

11 And before I jump into the
12 celebration of the Tree-Bate, the other thing that
13 we're doing is that we're reviewing our current
14 drought plan so we can evaluate against the
15 projections for supply and demand that we did when
16 we evaluated and implemented Water 2120. We're
17 currently reviewing and we'll be updating our plan
18 and presenting an updated version to this board
19 once we finalize that review process. That process
20 is going to take at least a six months, so we can
21 fully comprehend and see if we're following the
22 best management practices when it comes to drought
23 and managing drought here in our service area.

24 No, the same slide, that one.

25 This year, we celebrate 10 years of

1 our Tree-Bate anniversary. So we're pretty excited
2 to keep supporting Tree-Bate and keep
3 supporting the health of trees here in Albuquerque.
4 The Tree-Bate was launched in our latest drought,
5 in 2012, and the emphasis and the reason for
6 launching that Tree-Bate was to take care of our
7 existing trees and tree canopy.

8 A couple years after, we added that
9 customers can plant low- and medium-use water
10 trees. And now, because of that, we've
11 incentivized almost \$450,000 in the form of rebates
12 to care for trees and to plant new trees. And
13 that's affected -- we have about 5,000 customers
14 that have participated in this program and we're
15 pretty excited to continue it.

16 And next slide.

17 And as part of that, we're part of
18 the alliance for Let's Plant Albuquerque, which
19 seeks to plant 100,000 trees in the next 10 years.
20 We're active participants of this alliance. You
21 will see a campaign that's running for Let's Plant
22 Albuquerque all around our city, where people are
23 encouraged to take the pledge to plant new trees.
24 This alliance includes the Nature Conservancy, the
25 City of Albuquerque Parks and Recreation

1 Department, the New Mexico State University, the
2 New Mexico Forestry Division, Tree New Mexico and
3 the Dakota Tree Project.

4 This map that you're seeing here was
5 produced by the Nature Conservancy, and it looks at
6 the existing tree canopy for Albuquerque as of
7 2020. Obviously, if you think about Albuquerque,
8 you know, many, many years ago, the diversity and
9 types of trees that are found today in our urban
10 area is a lot more diverse than what we would have
11 found in the past. You know, the bosque, of
12 course, would have cottonwoods and ground covers
13 and types of plants that would grow in the sort of
14 like meadow areas. And then most of the foothills
15 it was mainly pinon and juniper and grass. So as
16 our city has diversified over the years, our tree
17 canopy has also diversified.

18 It's important to recognize that many
19 of these trees are getting old, and that's why we
20 want to continue supporting the role of trees for
21 our community via our Tree-Bate.

22 Next slide.

23 And of course for us, our goal
24 continues to be the same as when the Tree-Bate was
25 launched, is to make sure that existing trees are

1 well taken care of and that they're watered the
2 right way and that they're watered efficiently and
3 that we can allow for that tree to grow to five
4 years or ten years, because that's when we really
5 start seeing the benefits of many of the trees that
6 are being planted.

7 And so as we continue to be part of
8 this alliance and continue to encourage new trees
9 for our urban area, we want to make sure, also,
10 that customers and people are taking care of
11 existing trees because every three counts, the one
12 in your yard, the one in medians, the one in parks.
13 All the trees brings some form of benefit. And
14 that can be localized in your own home, but when we
15 think about a community, every tree counts, every
16 tree benefits. And we want to make sure that folks
17 are taking care of their trees.

18 And with that, if you have questions.

19 CHAIR PENA: Are there any questions?

20 I don't see any hands raised, but,
21 Mr. Bustos, always great presentation. And I'm so
22 glad that the water authority, you know, has these
23 additional programs out there to just, you know, be
24 good stewards of our city.

25 So with that we will move on --

1 MR. BUSTOS: Thank you, Madam Chair.

2 CHAIR PENA: -- to OB-22-10, which is the
3 2021 consumer confidence report. And it's Danielle
4 Shuryn.

5 MS. SHURYN: Thank you, Madam Chair,
6 Members of the Board. My name is Danielle Shuryn.
7 I'm the compliance division manager and
8 I'm presenting on the 2021 Consumer Confidence
9 Report today.

10 The water quality program and the
11 compliance division produces the water quality
12 report each year in response to all customer water
13 quality concerns. The main goal of this report is
14 to convey water quality information from the year
15 in a way that everybody can understand.

16 The report for this year is being
17 mailed out this May, so they're starting to go out
18 already. And just as an example of customer
19 interaction, we received a call last week from a
20 customer that read the report and lives near
21 Kirtland Air Force Base and understood that
22 ethylene dibromide was an environmental concern
23 near the base and was wondering why that wasn't in
24 our water quality report. So, you know, this
25 report provides important information on what is

1 detected and also what is not detected.

2 So, you know, so we explained to the
3 customer that ethylene dibromide was not found in
4 our water supply. We monitor regularly and
5 routinely to make sure, but it's not in the water
6 supply and that's why it's not in the Water Quality
7 Report.

8 So this is a really important report
9 that we put out that creates engagement with our
10 customers each year on water quality.

11 And it's required. So why do we
12 publish it? It's required by the Federal Safe
13 Drinking Water Act. It's a public notice of what
14 was detected during the year, and we're required to
15 compare it to the water quality standards in the
16 act and make that clear and apparent to our
17 customers. And then also educate and inform them
18 about source water and any problems that are with
19 our source water and water quality topics that are
20 coming up throughout the year.

21 Next slide.

22 A lot of this report is required
23 information from the EPA. For example, water
24 system information, we have to provide the ability
25 for our customers to reach us for different issues

1 and water quality concerns.

2 Where does the water come from,
3 explaining that to our customers is important. So
4 we do have in-depth infographic about where our
5 water comes from in groundwater and surface water.

6 And then there's some standard
7 definitions that EPA requires to make sure that
8 everyone's understanding the technical information
9 in the same way.

10 Next slide.

11 The detected contaminants from the
12 year are in the report, and that's required in the
13 main table. And that data is collected from our
14 entry points which are where new sources of water
15 enter the distribution. So we have, actually,
16 27 entry points in 2021. And these samples are
17 collected after water treatment but before the
18 first customer so we understand exactly what
19 quality of water our first customers are getting.

20 We collect samples throughout
21 distribution, and these can be collected anywhere
22 throughout the service area, at homes, businesses,
23 or hydrants.

24 And also, there's specific
25 requirements for the surface water plant.

1 Monitoring is required more frequently at that
2 treatment plant and so that specifically is
3 included, as well, in the main table.

4 There's a table on other drinking
5 water regulations, and I'll explain that a little
6 bit more in detail. But an example is the
7 unregulated contaminant monitoring rule. And we'll
8 see another slide on that later.

9 And then also educational information
10 in terms of potential health impact, along with
11 those definitions. EPA wants clear and consistent
12 information as to health impact nationwide.

13 Next slide. All right to give an
14 example of definitions, I'm not going to go through
15 them, but I just wanted to show, for example, in
16 this parts per billion definition, we also add the
17 standard definition in an example so it's a little
18 bit more of a relatable technical definition. So
19 parts per billion, we put the example of one drop
20 of water in an olympic-sized swimming pool. So
21 it's to make some of this technical information
22 more relatable for everybody.

23 Next slide.

24 All right. In the main table, you'll
25 see everything that was detected in 2021, so for

1 compliance requirements. And then, also, anything
2 that wasn't collected in 2021, the most recent
3 detection of it is last five years. So you'll see
4 some sample years in here are not 2021, and that's
5 why, because nothing from the analyte was collected
6 in 2021, so that we show the most recent results.

7 We also show -- as I mentioned, the
8 surface water treatment plant has its own column
9 here because it has more stringent requirements.
10 And then the standards that we're comparing it to,
11 it is also listed, and verifying visually that
12 everything in here meets requirements and is safe
13 to drink per the EPA.

14 The unregulated contaminants that are
15 required this is called the unregulated contaminant
16 monitoring rule in the Safe Drinking Water Act.
17 And this is not used for compliance determination
18 but this data is used to determine what sort of
19 contaminants will be regulated in the future. So
20 it's a cycle of every five years, so we're still
21 posting 2020 information because UCMR 5, the next
22 round, starts in 2023. So once we have data from
23 that 2023 collection, we'll update this table. But
24 we're required to maintain the most recent
25 collection in the report until that new data comes

1 up.

2 All right. This section is pretty
3 standard language. This is some of the required
4 health information. You know, some customers have
5 different health conditions that make them more
6 concerned about things like sodium or something
7 that may impact their health. So it's specific
8 information to certain health impacts that people
9 may face and I'll go into detail a little bit more
10 on the lead on the next slide otherwise this is
11 standard information on impact, with specific
12 results from the year in the text that we've had.

13 We have optional information in
14 there. We like to brag about the most recent
15 awards that we've gotten, explain in detail the
16 surface water treatment process because it's
17 complicated and technical, provide information on
18 ways that people can get involved in their
19 watershed and protecting the source water, and then
20 some common concerns, such as the voluntary lead
21 testing. And we also have some links to more
22 information on CDC and COVID virus.

23 And lastly, I just want to go through
24 the voluntary lead sampling results. This year we
25 had 22 samples from customers requested. And you

1 can see here we had one result that was surprising
2 this year. Maximum is 20 parts per billion, and
3 that's over our action level. So I just wanted to
4 go through and explain what happens when we do get
5 a high result here.

6 So this was a customer, and we -- as
7 soon as we get the results, we call them and
8 explain in detail what happens. This particular
9 sample, the sampling supervisor was a little
10 concerned with, because before we turned it into
11 the lab, it was discolored and a little bit brown.
12 So they asked a lot of questions about how the
13 sample was collected.

14 And for lead, the sample is called a
15 first-draw sample. So the customer has to let the
16 water sit in their pipes overnight and then collect
17 the sample the first time the faucet is turned on
18 in the morning. So that requires the customer to
19 collect a sample in most cases and us to provide
20 education and assistance on how to do that.

21 So in going through that with this
22 customer, they thought maybe there was an issue
23 with the sample collection. We collected multiple
24 times throughout the house, the same faucet, other
25 faucets. We collected from the casita in the back,

1 and we could not get another detection for lead.
2 So after weeks of working with this customer, just
3 to verify that we could not have a repeated high
4 lead result, we confirmed that there was a problem
5 with that one maximum sample with a 20 parts per
6 billion.

7 We do still report it because it was
8 a real sample and it was a valid result, but the
9 sample collection had a little bit of trouble. So
10 with this customer, we could not verify any actual
11 problem with their house or plumbing, so it turned
12 out to be okay. And we're just increasing our
13 education on sample selection and how to do that
14 properly.

15 That's all I have on the summary of
16 the Water Quality Report. Is there -- I'll stand
17 for any questions.

18 CHAIR PENA: Thank you.

19 Are there any questions? Seeing
20 none, we'll move to the final item this evening,
21 which is C, OB-22-11, 2022 annual operating plan.
22 Ms. Diane Agnew.

23 MS. AGNEW: Good evening, Madam Chair,
24 Members of the Board. Thank you for the
25 opportunity to speak tonight. I appreciate you

1 hanging on towards the end.

2 I will be presenting tonight our 2022
3 Annual Operating Plan. Every year the water
4 authority develops an operation plan for
5 groundwater and surface water diversions. And this
6 is actually the effort that comes out of
7 collaboration with our regional partners.

8 So before we develop this plan, we're
9 attending monthly, if not, you know,
10 bi-monthly meetings, with reclamation, the Army
11 Corps of Engineers, MRGCD and other water users in
12 the middle Rio Grande to look at what we think is
13 going to happen in the year as far as spring
14 runoff, timing of that runoff and then the
15 resulting flows in the river so that we can
16 anticipate what we need to do on our side and
17 make -- and then coordinate internally with
18 groundwater operations in the treatment plant,
19 surface water treatment plant, to make sure that we
20 are all working together.

21 Next slide.

22 This is a map that you've seen
23 many times, including a version tonight. But it
24 puts the context for our annual operating plan this
25 year. And you can see -- I know you all are --

1 I've heard it many times, so I won't belabor the
2 point, but the lower precipitation and the higher
3 temperature does have an effect on our watershed.

4 This year, while our snowpack was
5 actually right around 90 to 100 percent of the
6 median, what was important was the timing of that
7 runoff and then also how much of that melt made it
8 into runoff; so how much of that actually ended up
9 into the rivers. So the precipitation and
10 temperature outlook are really important, and so
11 this is looking at May to July, and you can see we
12 have lower precipitation.

13 And if you go to the next slide,
14 please, you can see that that's reflected in our
15 flows here. These two charts are from a model that
16 is developed by the Army Corps of Engineers and the
17 Bureau of Reclamation. We participate in the
18 meetings that really define what inputs are put
19 into these models and with the outcome of the
20 model. They incorporate the projected spring
21 runoff that we get from the National Data Center.
22 And then what the model does is it allows you to
23 adjust when you think the peak flow is going to
24 happen.

25 So you can see in these charts that

1 the peak was around end of April, beginning of May.
2 That was actually -- we shifted it two weeks sooner
3 in the year based on what we saw in 2020 and 2021.
4 And then, actually, we almost got this exactly
5 right. This was showing peak flow around April
6 29th, April 30th, and that is about when we
7 saw peak flows come through the Rio Chama and
8 the -- and Central Gauge.

9 The other thing it looks at is
10 it's looking at outflow of Abiquiu. And this is
11 important for the water authority because that's
12 where we store our San Juan-Chama water. And if
13 the flows coming into Abiquiu are high, that means
14 that the flows out of Abiquiu have to be high in
15 order to keep the reservoir in balance and to keep
16 native water moving down to Elephant Butte.

17 And if the flows out of Abiquiu start
18 to get too high, it goes into what's called flood
19 operations, and that's what this is highlighting in
20 the top left. When there's flood operations, the
21 Army Corps can only release native water, it cannot
22 release San Juan-Chama water. And so we did some
23 extra coordination with the Army Corps, the estate
24 engineer and the ISC to move water preemptively to
25 Elephant Butte so that we can maintain diversions

1 at our surface water diversion. So that worked out
2 really well this year. It was a really smooth
3 coordination effort and we were able to continue to
4 divert surface water and deliver that to our
5 customers even while Abiquiu was in flood
6 operations for about a week.

7 But you can see in the bottom chart,
8 flow forecast at Central, we are going to be below
9 average again. This year looks very similar to the
10 2021 most likely scenario, though flows are
11 slightly higher. You can see that beginning in
12 July, they start to hover now down to zero. They
13 don't quite get to zero, but they do get low.

14 And the reason why we are interested
15 in this area is that the water authority has permit
16 conditions with the state engineer office and also
17 with the Fish and Wildlife Service to maintain a
18 minimum flow at the Central Gauge. So we are not
19 allowed to, by our permit, continue to divert
20 surface water if flows at Central are going to go
21 below 122 cfs.

22 So if we go to the next slide, we're
23 going to zoom in a little bit further on Central
24 Gauge. And this red line is our threshold. We've
25 actually taken a couple conservative steps here.

1 So the red line is defined as 130 cfs. We did that
2 because that's the requirement at the Alameda
3 Gauge. If we meet that flow at Central, we'll both
4 meet the requirement we have for Central and we
5 know we'll meet the requirement at Alameda. So
6 that's one reason we did this. And it builds some
7 conservative approach into our operations plan.

8 And then this curve that we selected
9 is actually what's called the 70 percent exceedance
10 scenario. We've decided to use the curve from the
11 model where we have a 70 percent chance that the
12 flows will be better than that. So not quite
13 doomsday, worst case scenario, but a little bit
14 improved from there.

15 And, again, another reason why we do
16 that is because we don't want to come anywhere
17 close to violating those permit conditions. So
18 when I use -- when we use that 70 percent scenario,
19 we use this 130 cfs threshold, you can see here
20 that we do get flows below that threshold. And we
21 are looking at shutting down the surface water
22 treatment plant in mid-June. The exact date of
23 that shutdown will be based on the actual flows in
24 the river and through tight coordination with water
25 resources, groundwater operations and surface water

1 plant.

2 The river so far has been tracking
3 within 100 cfs of this curve, so it's a pretty good
4 tool. But we'll just be watching the actual flows
5 like a hawk.

6 And then you can see the flows show
7 that they rebound above that threshold in
8 mid-September. So we anticipate being able to
9 resume surface water plant in mid-September.

10 And then there are these peaks that
11 are in between those two arrows where the flows go
12 above the red bar, and those are going to be
13 monsoon. So if we get a monsoon season, there's
14 actually an opportunity to turn the plant on and
15 operate in the interim.

16 So, again, this is just going to have
17 to be real-time decision making and tight
18 coordination between the operations group and water
19 resources, something that we're already -- we've
20 been doing for months now and will continue to do.

21 Next slide.

22 So this is a, hopefully, pretty bar
23 chart to help break it down and what this actually
24 looks like for our meeting demand. So you'll see
25 that in April and May, we're showing it will be

1 predominantly surface water. We're there. We are
2 diverting as much surface water as our plant can at
3 the moment. And then in July and August, if we
4 will be exclusively on groundwater. This is
5 a reduced time period than we were predicting in
6 2021, and hopefully we can make that a shorter time
7 period. And then starting in September and moving
8 through the end of the water year, we'll be using
9 surface water to meet most of the demand.

10 Also on here you'll see that we will
11 continue to have ASR, aquifer storage and recovery.
12 That's a really important part of our water
13 management strategy. It works functionally like a
14 customer, so it's not any extra work for us to send
15 some of the water that we divert and treat at the
16 surface water plant and put it into the ground. So
17 that's what you're seeing in these bars.

18 And then you'll also see that the
19 dark blue bars get a little bit thicker in the
20 December through March time frame, and that's
21 because this year we'll actually be able to operate
22 Bear Canyon, so we'll have both projects operating.

23 And then we'll continue to use reuse
24 water in the non-potable system to meet irrigation
25 demand. And you'll see those colors in here, as

1 well.

2 And next slide.

3 And all of all of this really depends
4 on regional collaboration. And I think that's
5 something to really highlight that the water
6 authority does well. We are meeting many times a
7 week with our partners to talk about flow
8 conditions, to understand what others are going to
9 do with their operations, to figure out solutions
10 for native water.

11 The board, you all, approved the
12 ability for us to set an agreement with the
13 reclamation to store P and P, prior and paramount,
14 water in Abiquiu while El Vado is under
15 construction. That's a really critical step that
16 helps our regional partners and also benefits the
17 water authority in the long term.

18 We have agreed to continue supporting
19 Rio Chama recreational rafting flows. The forests
20 were closed down, so that's going to not happen
21 now, but we'll stay in touch. We know that if we
22 get monsoons, it's expected that rafting can
23 resume. So we will continue to support that part
24 of the recreational industry up in the Chama.

25 And we have in the past coordinated a

1 spring pulse release for the Rio Grande silvery
2 minnow. The flows are too low this year, so they
3 don't anticipate needing to do that. But, again,
4 we coordinate with our partners to make sure that
5 we can support this effort if it's determined that
6 it's needed.

7 And with that, we'll go to the last
8 slide and I'll stand for questions. Thank you.

9 CHAIR PENA: Thank you.

10 Are there any questions? No. Well,
11 always -- oh, Councilor Fiebelkorn.

12 COUNCILOR FIEBELKORN: Thank you, Madam
13 Chair.

14 Just had a quick question on the
15 silvery minnow release. I didn't quite understand
16 what we're doing on that topic. If you could just
17 restate it for somebody who's not as educated on
18 this as I should be.

19 MS. AGNEW: No, absolutely. And,
20 actually, I don't think we've talked we've
21 presented it before, so it is an opportunity for me
22 to use my favorite technical term, is a "jiggle."

23 What they do in higher flows is that
24 they will send a spring pulse release of water
25 into the river that increases flow to help inundate

1 floodplain habitat, where we know the silvery
2 minnow likes to spawn. And so it's a way for us to
3 promote Rio Grande silvery minnow propagation and
4 create better spawning conditions.

5 But for that to happen, we just have
6 to have the flows significantly higher and we're
7 just not there this year.

8 COUNCILOR FIEBELKORN: So there will be a
9 year of less than optimal silvery minnow release
10 into the downstream area?

11 MS. AGNEW: That's right. And it'll be
12 back to back. So 2021 was a year where there was
13 no spring pulse release, and 2022 will be that way,
14 as well.

15 In addition to that spring pulse
16 release, water authority and MRGCD and ISC and many
17 others, actually, we do monitor the Rio Grande
18 slippery minnow egg population this time of year.
19 We've had our contractor out in the river since the
20 1st of May and monitoring to see how well the
21 population is doing.

22 So that's just like one's part of a
23 larger collaboration in the middle Rio Grande.

24 COUNCILOR FIEBELKORN: Thank you, Ms.
25 Agnew.

1 Thank you, Madam Chair. Very sad to
2 hear that we're not doing all as much as we were
3 before for the silvery minnow release.

4 CHAIR PENA: Let's all keep our fingers
5 crossed for lots of rain for many reasons.

6 So thank you all very much. I
7 appreciate enjoying the evening with you, but enjoy
8 the rest of your evening. This meeting's adjourned
9 thank you.

10 (Proceedings adjourned at 6:38 p.m.)

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REPORTER'S CERTIFICATE

I, PAUL BACA, CCR #112, DO HEREBY CERTIFY
that I reported the foregoing proceedings in
stenographic shorthand and that the foregoing pages
are a transcript of those proceedings that were
reduced to printed form by me to the best of my
ability.

I FURTHER CERTIFY that I am neither employed
by nor related to any of the parties or attorneys in
this case that I have no interest in the final
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PAUL BACA
NEW MEXICO CCR #112
Commission Expires: 12/31/22