

1 ALBUQUERQUE BERNALILLO COUNTY
2 WATER UTILITY AUTHORITY
3 WEDNESDAY, APRIL 23, 2014 5:01 P.M.

4 ALBUQUERQUE BERNALILLO COUNTY GOVERNMENT CENTER
5 ONE CIVIC PLAZA, NW
6 ALBUQUERQUE, NM 87102

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10 A P P E A R A N C E S

11 COUNCILLOR KLARISSA J. PENA, Chairwoman

12 COMMISSIONER MAGGIE HART STEBBINS, Vice Chairman

13 COUNCILLOR REY GARDUNO, Member

14 COMMISSIONER DEBBIE O'MALLEY, Member

15 COUNCILLOR TRUDY E. JONES, Member

16 COMMISSIONER ART DE LA CRUZ, Member

17 TRUSTEE PABLO RAEL, Ex-officio Member

18 MAYOR RICHARD BERRY, Member (Excused)

19 MR. ROB PERRY, Admin. Officer, Alternate Member
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1 CHAIRWOMAN PENA: I call this April 23rd, 2014,
2 meeting of the Albuquerque Bernalillo County Water
3 Utility Authority to order. Let the record reflect
4 that all members, with the exception of --
5 Commissioner Hart Stebbins is not here.

6 COMMISSIONER O'MALLEY: She's on her way.

7 CHAIRWOMAN PENA: We'll start with the
8 invocation and the Pledge of Allegiance. So we'll
9 have a moment of silence and Pledge of Allegiance led
10 by Commissioner O'Malley.

11 (Whereupon, there was a moment of silence.)

12 (Whereupon, the Pledge of Allegiance was led
13 by Commissioner O'Malley.)

14 CHAIRWOMAN PENA: Okay. Next item is he
15 approval of the minutes. I'll entertain a motion to
16 approve the --

17 COMMISSIONER DE LA CRUZ: So moved.

18 COUNCILLOR JONES: Second.

19 CHAIRWOMAN PENA: All in favor of approving the
20 March 19, 2014 minutes, signify by saying yes.

21 Opposed, no.

22 (6-0 vote. Agenda Item 3 approved.)

23 (Commissioner Hart Stebbins not present.)

24 CHAIRWOMAN PENA: Next item -- we're going to
25 move the agenda around a little bit. We're going to

1 move Item 10A, that will be heard after public
2 comment. Next item, we have proclamations and awards.
3 So what I'm going to do is I'm going to ask some of
4 these employees to come up.

5 Mr. Allen Barney, Edward Chavez, Ruben
6 Griego, Steve Lujan, Pearson Martin, Travis Peacock,
7 Arturo Ramirez, Nick Romero, Luis Sanchez, Nicholas
8 Sena, Adam Silva, Vincent Tuepell, Leon Torres, if you
9 guys can come up.

10 Do we have any of these folks here? So
11 they're graveyard. Okay. I'm sorry. So these
12 members of the operations work group at the Southside
13 Water Reclamation Plant are recognized for their hard
14 work and dedication in securing Peak Performance and
15 Silver Awards for the plant from the National
16 Association of Clean Water Agencies. This is the
17 first time in ten years that the plant has qualified
18 for the awards given only to facilities with five or
19 fewer permit violations in one year.

20 So congratulations to all these employees.
21 I apologize, I thought they were here this evening.
22 They'll be receiving an award of \$75.

23 So do we have any of the employees present?
24 So if you're here, Richard Ortiz, Amy Ashton, if you
25 can come down. No? Okay.

1 So Mr. Ortiz and Ms. Ashton are recognized
2 for taking the initiative above and beyond their
3 normal maintenance duties to review and improve the
4 operational efficiency of the digester mixers at the
5 Southside Water Reclamation Plant and they will be
6 receiving a \$100 award again congratulations to you.

7 Mr. Carlos Romero. Mr. Romero is recognized
8 for his outstanding response to sewer line break that
9 left a layer of mud and sludge on the sidewalk leading
10 to the San Jose Elementary School. Although it wasn't
11 part of his job, Carlos pulled out a shovel and
12 cleared the walkway so that no kids would have to
13 traverse the sludge on their way home.

14 Are you Mr. Romero? Congratulations,
15 Mr. Romero.

16 Next we have Porfilio Maestas and Steven
17 Medina. Are they here? Well, Mr. Maestas and
18 Mr. Medina are recognized for saving the water
19 authority time and resources in replacement of lift
20 station and dewatering pumps on their own, thereby
21 avoiding the costs and delays associated with
22 employing contractors to the work. So thank you
23 Mr. Maestas and Mr. Medina. They he will be receiving
24 a \$100 award each.

25 Mr. Ruben Ortega. Mr. Ortega is recognized

1 for helping to ensure the speed and efficiency of
2 water authority efforts to relocate and sewer lines
3 affected by the Paseo del Norte/I-25 interchange
4 project. His analysis of the work plans maximize cost
5 effectiveness of a difficult and fast-paced project.
6 He will be receiving a \$250 award.

7 Congratulations.

8 Mr. Robert Strong. Mr. Robert Strong, like
9 Mr. Ortiz, is recognized for his efforts in
10 coordinating relocation of water authority assets in
11 response to the Paseo Del Norte/I-25 construction
12 project. Because of his hard work, fire protection
13 was never lost for customers in the area, and there
14 were no water authority related delays to the project.

15 Are you Mr. Strong? Congratulations,
16 Mr. Strong.

17 He will be receiving a \$250 award.

18 Did you want to come up? Thank you. Good
19 job.

20 Mr. Rudy Apodaca, Isidro Padilla.

21 Mr. Apodaca and Mr. Padilla are recognized for actions
22 above and beyond the call of duty in braving the
23 sludge spill while diagnosing and fixing an electrical
24 problem with a critical piece of equipment at the
25 Southside Water Reclamation Plant and will be

1 receiving a \$250 award and eight hours of leave. Sp
2 congratulations to those gentleman as well.

3 Mr. Isaac Hidalgo. Mr. Hidalgo is
4 recognized for exceeding expectation and going above
5 and beyond his job description in learning the SCADA
6 system and plant process at the surface water
7 treatment plant. He will be receiving a \$250 award.

8 Congratulations.

9 Mr. Mark Kelly.

10 Hello, Mr. Kelly.

11 Mr. Kelly is recognized for overseeing
12 dramatic improvements in the water authority's
13 pretreatment program since he took over its leadership
14 in 2010 including creation of a pretreatment program
15 modification plan for the environmental protection
16 agency and a complete rewrite of the sewer use and
17 wastewater control ordinance. He will be receiving a
18 \$500 award plus eight hours of leave.

19 Congratulations.

20 Next we have Anissa Pennington-Pink. She's
21 not here?

22 Ms. Pink, cool name, by the way, is
23 recognized for successful planning and oversight of
24 water authority's takeover of cash handling duties
25 once performed by the City of Albuquerque, all while

1 continuing to perform her regular duties as a call
2 center supervisor. She will be receiving a \$500
3 award, plus eight hours leave.

4 Ms. Patricia Jenkins. I think I know who
5 that is. Ms. Jenkins is recognized for volunteering
6 to take on additional duties and job assignments
7 created when the water authority became responsible
8 for its own risk management functions; also for her
9 efforts on behalf of the human resources division on
10 those locations when its workload exceeded capacity.
11 And she will be receiving a \$500 award plus eight
12 hours of leave. And we all appreciate your hard work.

13 So next item is public comment. Due to the
14 large crowd that we have speaking this evening, we are
15 going to limit public comment to two minutes. So with
16 that, Mr. Jenkins how many people do we have signed up
17 to speak?

18 MS. JENKINS: Looks like about 30.

19 CHAIRWOMAN PENA: With that, will you call the
20 first speaker.

21 MS. JENKINS: John Shomaker, followed by Joseph
22 Luna.

23 MR. SHOMAKER: Good afternoon, Madam Chair and
24 Board Members. I'm John Shomaker, the current
25 chairman of your customer advisory committee. And I'd

1 like to report very briefly to you on the committee's
2 activity. We have a regular schedule during the year
3 of presentations, budgets and rate structures by
4 utility authority staff and your consultants. And we
5 routinely discuss the information with the presenters
6 and the staff.

7 In the past several months, we've dealt with
8 the capital planning and asset management programs
9 presented by Mr. Price. We've dealt with a review of
10 the rate structure and rate setting process by
11 Mr. Allred and by Carol Malesky of Red Oak Consulting.
12 And we've talked about the utility authority's goals
13 and objectives as presented by Mr. Roth. We have also
14 been presented with the operating and capital budgets
15 and the adjustments to the fixed charged part of the
16 rate structure, which I understand will be introduced
17 tonight. This was presented to us by Mr. Allred.

18 The committee has not seen the need to take
19 formal action on these topics, but they have been
20 presented and discussed carefully and public comments
21 have been received. Thank you very much for the
22 opportunity to speak tonight.

23 CHAIRWOMAN PENA: Thank you.

24 Mr. Perry.

25 MR. PERRY: I just want to say thank you for

1 serving on the committee.

2 MS. JENKINS: Joseph Luna, followed by Gerald
3 Chavez.

4 MR. LUNA: Hello. My name is Joseph Luna, and
5 seeing how it's cut short a little bit, I'm going to
6 defer my two-minute time to Mr. Gerald Chavez.

7 MR. CHAVEZ: Madam Chair and Board Members, my
8 name is Gerald Chavez. I'm the president of the
9 Retired Public Employees of New Mexico Retirees of the
10 Water Authority.

11 I want to start off by thanking the board
12 for restoring the promised life insurance benefit to
13 most of the retirees. But I'm very disappointed that
14 about 25 retirees from July 1, 2013 are being left
15 out. My reasons are, is I think there's an
16 administrative failure. And that failure is the
17 communication with their employees, failure to
18 communicate with retirees, clear failure to adopt the
19 policy rules and regs in a timely manner to reflect
20 the entire life insurance change.

21 Policy rules and reges were in effect and
22 not changed until November 1. Until November 1,
23 authority policy rules and regs said this benefit is
24 in place, basic \$25,000. And I also want to state
25 that a process for people when they retire and they go

1 and they sign a piece of paper, the water authority to
2 this day doesn't have that process. People retire and
3 they don't know what they're getting. I have this
4 example because we have a retiree up her in the
5 audience. He out-processed in June. He has this
6 promised \$25,000 life insurance, but he didn't retire
7 until September. Where does he fit in this July 1
8 date. We got crossovers.

9 And the other point I want to make is that
10 whether the facilitation of this policy or policies by
11 the administration was calculated or not, it's clear
12 that the process was confusing, deemed secretive and
13 fairly made a mess out of. When you have this retiree
14 that just confused, where does he fit?

15 And I'm just going to ask this board if they
16 can just reason to see that there's some issues with
17 this cutoff date as well. There some confusing things
18 going on. And the please take action to reinstate
19 this life insurance promise to all these 25 to 30
20 people left out.

21 I'm going to make a special mention. I have
22 a great friend, David Valles, grew up South, Valley
23 right next to you me, one of the best pitchers in Rio
24 Grande. He exited November 1. That policy wasn't
25 changed till November 1. He's suffering from a severe

1 cancer; in December he was diagnosed. His mom and dad
2 are taking care of him right now. So I challenge
3 anybody to call his mom and dad, Joe Valles, that gave
4 also a 30-year career to the water authority, and tell
5 them that we made a mistake and forgot to communicate
6 with him that he was going to get 5, not 25, because
7 he didn't sign nothing when he went out in November.

8 The water authority didn't having anything.
9 He assumed he was getting 25. This is a real-life
10 issue. And I'm not trying to do this to bring emotion
11 to the board. I'm just saying, there are people like
12 that, out there affected by this. 25, 30 people are
13 not going to break the bank; if it is, we have greater
14 problems with this authority.

15 Please hear that this date there's an issue.
16 Please vote to reinstate as of now and make it that
17 the administration, when they sign up -- do what the
18 city has done for 35, 40 years. You sign up and you
19 know what you're getting. These people don't. These
20 people don't. It's just -- not that somebody did
21 something maliciously. It just wasn't done right. So
22 I'm asking you to do the right thing. Thank you very
23 much.

24 CHAIRWOMAN PENA: Councillor Garduno.

25 COUNCILLOR GARDUNO: Thank you very much. Thank

1 you for bringing this up. I had occasion to talk to a
2 number of people that had the same concern. And I'd
3 like to now ask the staff how did that come through
4 where people were not either apprised of the change or
5 under that kind of operate decision.

6 MR. SANCHEZ: Madam Chair, Councillor Garduno,
7 this came up at the last meeting, and the board --
8 effective July 1, 2013, there were a number of changes
9 with post-retirement life insurance.

10 Currently employees receive up to \$50,000 of
11 employer paid life insurance while they're employed
12 once they retire, they historically were eligible to
13 receive up to one half of that amount paid by the
14 employer in perpetuity. Prior to contract
15 negotiations in 2013, it was negotiated with the M
16 series and across the organization that July 1, 2013,
17 would be the cutoff date, so any new employee would
18 not be eligible going forward.

19 Existing employees, that had not retired,
20 would be reduced to \$5,000 from 25. Retirees also
21 were up to \$5,000. From the last board meeting, the
22 board decided to reconsider that, asked me to meet
23 with Mr. Chavez, which I did. And we were attempting
24 to get the actuarial numbers from the city's actuary,
25 because we're part of that trust. We could not do

1 that, so we decided to simply restore the entire
2 amount for those who had retired prior to July 1,
3 2013. So that group has been entirely restored those
4 after that, we could not because we've entered
5 negotiations, so we have binding union contracts which
6 would simply be reopened if we were to provide that
7 benefit forward. So you would be in a situation where
8 the economic package would be reopened for AFSCME
9 3222, for one, going forward for a three-year period.
10 So we simply cannot do that.

11 COUNCILLOR GARDUNO: Madam Chair, either I'm not
12 understanding, or Mr. Chavez, I thought, said there
13 were 25 people who were in that interim that are not
14 being held.

15 MR. SANCHEZ: Madam Chair, Councillor Garduno,
16 there were 25 people who retired after July 1, 2013
17 for --

18 COUNCILLOR GARDUNO: And who signed --

19 MR. SANCHEZ: No one signed a document. But
20 regardless of what you signed, it's whether you have a
21 life insurance policy reflecting that amount. And
22 we've yet to issue the life insurance policies, even
23 for the ones that have been restore.

24 COUNCILLOR GARDUNO: What is the recommended
25 remedy for this. It sounds like there is an impasse

1 here.

2 MR. SANCHEZ: Well, if the board tells me you
3 want to fund life insurance, post-retirement life
4 insurance for those after July 2013 and you want me to
5 renegotiate union contracts, that's what I will do.

6 COUNCILLOR GARDUNO: That sounds like a threat.

7 MR. SANCHEZ: No, no, no. That is simply the
8 procedure that I would have to go through to do that.

9 COUNCILLOR GARDUNO: Well, I think that there
10 must be another procedure, which is to meet with the
11 folks that have been, or at least feel like they've
12 been injured, if you will, by this decision, and come
13 to some decision that it's not wholly either/or, but
14 rather something that would satisfy folks that are
15 literally saying, "Why are you doing this?"

16 MR. SANCHEZ: Madam Chair, Councillor Garduno,
17 when we discussed this at the board meeting last time,
18 when Mr. Chavez presented, appealing for the group,
19 prior to 2013 of July, there was some discussion that
20 regardless of when you set the date, this is always
21 going to be an issue. Many employees early retire and
22 they're on the payroll for a certain period of time.
23 So if you set it -- if we accommodate this group of
24 25, and that's your prerogative, the next group will
25 have the same argument.

1 COUNCILLOR GARDUNO: Well, there has to be
2 finite date, I understand that. But it seems to me
3 like there is a disagreement, a plain disagreement as
4 to what that date does. And I can't see why we can't
5 civilly discuss this without, as I said, kind of
6 veiled threats about having the world fall apart.

7 MR. SANCHEZ: Madam Chair, Councillor Garduno, I
8 apologize if you took that as threat; it was not. It
9 was simply a matter of fact that that was negotiated
10 in union contract. And all of these discussion and
11 all of these economic issues were rolled into the cost
12 going forward for the three-year contract, three years
13 in duration of 2 percent step increase, increased PERA
14 contributions, increased health care contributions.
15 It was simply a matter of what could we afford.

16 COUNCILLOR GARDUNO: And it sounded like you
17 could afford to satisfy those situations and now we
18 can't.

19 MR. SANCHEZ: No, no, no. There is about 125 to
20 150 that were in that group prior to July 1, 2013.
21 This board asked me to go figure out a way to fix
22 that. We agreed we would restore that to the full
23 amount. So the issue is those after July 1, 2013,
24 that are covered by binding union contracts.

25 COUNCILLOR GARDUNO: Madam Chair, if I could

1 have the board approve it, if you will, I would like
2 to meet with these folks and find out where we are on
3 it. Because it doesn't sound like I'm understanding
4 it, and I'd like to understand it. That doesn't say
5 the board is going to do anything until we have a
6 clear picture of what's being understood.

7 CHAIRWOMAN PENA: There's actually no
8 legislation right now, Councillor Garduno. And I
9 think that -- let me move to Mr. Perry first, and then
10 we'll have this dialogue. Because I do want to say,
11 and I think Mr. Chavez would agree, is that we really
12 want to congratulate Mr. Sanchez for making it work.
13 Because the whole idea was, initially, that there's
14 going to be a cutoff point for the employees in terms
15 of being able to provide this benefit.

16 And there was some retirees that there was
17 some miscommunication and I think Mr. Sanchez and his
18 staff did a great job working with Mr. Chavez to come
19 to some resolution and be able to get the 125 after,
20 he stated, July 13th to be able to get the benefit.

21 Now, what Mr. Chavez is saying is -- yes, I
22 feel really terribly about it, because there's, you
23 know, another 25. But, you know, there's some
24 question about opening up the union contract and what
25 ramifications that could have. But that would be at

1 the pleasure of the word if they decide to do that.

2 So with that, Mr. Perea.

3 MR. PERRY: I don't have any questions. I
4 appreciate your overview of that.

5 COUNCILLOR GARDUNO: Madam Chair, I'm still as
6 confused as ever. So what do we doing? Just saying,
7 "Sorry, folks. You don't get it"?

8 CHAIRWOMAN PENA: No, it's not saying I'm sorry.
9 I think we were able to -- you, as a board, were able
10 to get 125 people back the death benefit that they
11 had. And there's an issue. And like I said before,
12 it's at the pleasure of this board if they want to do
13 something addition to that with those 25 people.

14 But I think it does and I think Mr. Chavez
15 would agree that it creates kind of a gray line. And
16 for me, personally, like you Councillor Garduno, I
17 would love to be able to provide this benefit to all
18 employees. But there's -- Mr. Chavez can kind of
19 explain further about where we're at with that.

20 And maybe that's where Councillor Garduno
21 needs clarification, Mr. Sanchez, of how we got to
22 this point.

23 MR. SANCHEZ: Madam Chair, I'll be glad to meet
24 separately with Councillor Garduno and I'm sure
25 Mr. Chavez would as well. And as you said, there's

1 nothing on the agenda tonight, so that could be
2 entertained in the future.

3 CHAIRWOMAN PENA: Commissioner De La Cruz.

4 COMMISSIONER DE LA CRUZ: Thank you, Madam Chair
5 I just want to remind everybody that we don't have an
6 action item. So I appreciate that being clear.

7 At this point, we are under public comment.
8 Mr. Chavez and everybody else wants to have their
9 opportunity the speak. There is ample opportunity for
10 councillors, commissioners and staff to get together
11 and to work something out. And at some point, if it
12 comes back for a vote, it comes back for a vote. But
13 I don't think we want to discuss it right now under
14 public comment, because we're not in a position to do
15 anything way. Thank you very much.

16 CHAIRWOMAN PENA: Thank you, Mr. Chavez.
17 Appreciate it.

18 So with that, Ms. Jenkins.

19 MS. JENKINS: Oliver Tapia followed by Chris
20 Sachs.

21 MR. TAPIA: Good morning Madam Chair and Board
22 members. My name Oliver Tapia. I was a blue collar
23 employee that worked with the City of Albuquerque and
24 the water authority for 26 years. I retired in
25 October 2013. I am very disappointed that you

1 reinstate the promise of retiree life insurance
2 benefits to only those that retired as of July 1st of
3 2013. As I just told you, I worked for 26 years
4 before I retired. This means that I would be retired
5 earlier if I had known that you were going to allow
6 these retirement benefits to be reduced in secret and
7 utilize a retroactive date back to July 1st, 2013. My
8 God, you kept your policy rules and regs, Section
9 403-1, insurance and retirement saying water authority
10 life insurance would be covered at no cost to the
11 employees and coverage would be at a half percent of
12 the coverage reflected for the most recent annual life
13 insurance adjustment reports immediately prior to the
14 retirement. This means they did not take this
15 language out of these rules and regulation till
16 November of 2013.

17 So you tell me, how are those that retired
18 between July and November supposed to know about these
19 changes. The policies, rules and regulation of the
20 water authority is the law by which all employees need
21 to follow. If they don't, there are consequences. If
22 you allow these administration to not follow its own
23 rules, you are sending a clear message of double
24 standards for the employees of this water authority.

25 You are the governing body. Please show the

1 employees of this company that responsibilities and
2 accountability is not only enforced on lower level
3 employees or those without power. The administration
4 did not handle this policy change responsibility. It
5 was deceptive, secret and very confusing and the
6 administration should be held accountable. Please
7 take to reinstate this back to 25,000 for those who
8 have retired on July 2013. It is the right thing to
9 do.

10 CHAIRWOMAN PENA: Thank you, sir.

11 MS. JENKINS: Chris Sachs, followed by Barbara
12 Pardo.

13 MR. SACHS: Hello everybody, my name is Chris
14 Sachs. I was a blue-collar worker for 25 years and I
15 just retired in December of 2013. And when I did
16 retire, I did not sign anything stating we're going
17 from \$25,000 to \$5,000. And in February, I got
18 something to the mail that I'm only getting a \$5,000
19 life insurance. And, personally, that was a surprise.
20 It didn't know what's going on. So I just don't this
21 is think right. I just want to say that. Thank you.

22 MS. JENKINS: Barbara Pardo, followed by
23 Margaret Hertel.

24 MS. PARDO: Good afternoon. My name is Barbara
25 Pardo and I was here at the last meeting. I am the

1 president of AFSCME retirees. All of you here on
2 board, once you retire, you can be eligible, and also
3 for the group that Gerald Chavez represents.

4 I'm here again to represent -- to discuss
5 this injustice for this life insurance thing that's
6 become pretty strange. Any changes that we do to the
7 retiree security can be perilous for the current
8 retirees. It's really interesting to have been here
9 earlier and to see how you are valuing the current
10 employees by honoring them with plaques or money or
11 whatever it is. But let's not forget the retirees.
12 You know, they've dedicated their life also to this
13 service. So doing this change without proper
14 notification or even negotiation is pretty bad.

15 I would like to give an example. My
16 97-year-old mother almost lost her complete health
17 insurance at the age of 90 because she is a survivor
18 of General Motors. Ever heard of them? General
19 Motors went bankrupt. So she lost her health
20 insurance, however, GM had a plan, and the plan was
21 they gave a stipend. So while GM does not cover my
22 mother's health insurance anymore, they at least give
23 her a stipend. In this situation, I do not see where
24 this change has been negotiated in good faith.

25 My name is up. I'm sorry it's only ten

1 minutes, but thank you very much -- two minutes, I
2 mean, not ten.

3 MS. JENKINS: That was a minute an a half.

4 MS. PARDO: Oh, I can continue. Oh, good. So
5 one of the changes that I would like to really
6 mention, that it's important to negotiate any changes
7 in good faith. When you do not try to get together
8 and negotiate in good faith, it really does not bode
9 well even for the people that are currently working,
10 because it shows that you are really not interested.

11 Now it's my two minutes. Thank you.

12 MS. JENKINS: Margaret Hertel, followed by Rich
13 Rose.

14 MS. HERTEL: Hi. Thank you for letting me
15 speak. I'm Margaret Hertel. I've lived in
16 Albuquerque for over 30 years. I want to talk to you
17 because you're going to be making a very important
18 vote tonight on fluoride in our water supply.
19 Fluoride is an element listed as a trace mineral
20 naturally occurring in our water. However, that is
21 not what you're talking about when you talk about
22 adding fluoride to our water. You're talking about
23 hydrofluoric acid, sodium fluoride. These are
24 chemical byproducts of aluminum, steel, cement,
25 phosphite and nuclear weapons manufacturing.

1 On April 12th, 2010, *Time Magazine* listed
2 fluoride as one of the top ten common household
3 toxins. They described fluoride as both neurotoxic
4 and potentially tumorigenic if swallowed. Sodium
5 fluoride or its derivatives are the first ingredient
6 in Sarin nerve gas and rat poison, and insect killer.
7 The picture on the bag is of skull and cross bones.
8 This is a chemical waste product, not to be confused
9 with minerals.

10 Current studies show that used topically, it
11 may prevent cavities. So why do you want us to ingest
12 it? Do you know who the first person was who put
13 fluoride in water supply? Do you know who it was? It
14 was Hitler. It was Hitler who put it in the water at
15 the concentration camps. I don't think he was trying
16 to prevent cavities. It's common knowledge today that
17 fluoride is toxic ingested, yet they continue to trot
18 out studies from 20 to 40 years ago. They told us
19 then that cigarettes were good for us, too. I did my
20 homework. I checked from the last meeting. I went to
21 stores, I looked at every single toothpaste. They all
22 have fluoride in it and they all say if you
23 accidentally swallow more than for brushing, seek
24 professional help or contact the poison control center
25 immediately.

1 CHAIRWOMAN PENA: Thank you.

2 MS. HERTEL: Thank you. My non-fluoride
3 toothpaste does not have those warnings on it. I have
4 to say that --

5 CHAIRWOMAN PENA: Thank you. Next.

6 MS. HERTEL: -- if you force a compulsive
7 medication into my drinking water, you are violating
8 my basic fundamental human rights.

9 CHAIRWOMAN PENA: Thank you, ma'am.

10 MS. JENKINS: Rich Rose, followed by Glen
11 followed by Glen Cummingford.

12 CHAIRWOMAN PENA: Rich Rose.

13 MS. JENKINS: Glen.

14 MR. CUMMINGFORD: Good morning, Councillors.
15 It's going to be hard to beat that last performance.
16 Thank you. But I'm here for a couple of points
17 tonight. I was watching the news last night and they
18 informed us that Albuquerque had done really well on
19 conserving water and has done really well, met their
20 goals and therefore we're going to be asked to put up
21 with an increase in our water bill.

22 To me, that that's fine, if that's for
23 taking care of pipes, doing whatever you need to do.
24 But at the last meeting, at the town hall, I learned
25 that the water board is -- some on the water board are

1 planning on spending \$400,000 to build a facility to
2 add, like this young woman said, basically a poison to
3 my water supply. And it's going to cost another
4 \$100,000 a year to keep that up. What right does the
5 city council or the water authority have to do that?
6 I'm just curious.

7 I can go to a dentist, he can strap me in a
8 chair, but there's no way in hell he can rub fluoride
9 on my gums without my consent. The people on this
10 board that want to get fluoride and put it in my
11 water, are doing it without my consent. Who gives you
12 the authority to do that? That's what I want to know.
13 Who? Can anybody answer that? Thank you. I rest my
14 point.

15 MS. JENKINS: Michael Jensen, followed by Don
16 Schrader.

17 MR. JENSEN: Hi. My name is Michael Jensen. A
18 little bit of history for those of you who weren't
19 here maybe. For a couple of years, Elaine Hebbard and
20 I tried to get a drought watch invoked because we were
21 in the drought. But the water utility authority's
22 response was to change the drought management plan in
23 a way that we pointed out would lead to it not being
24 invoked, and it was actually invoked last year, but it
25 had to be done by request to override the rules so it

1 could be invoked. And this year there isn't, one even
2 though we're in a pretty bad situation.

3 So just to remind you, in January you were
4 told that we're just about normal for precipitation,
5 and we were a couple days short of a record for number
6 of days without precipitation. And you were told that
7 we were just about normal for drought. And we are
8 obviously in a long term drought, and it was projected
9 to increase over the course of the year. This is a
10 precipitation summary report from earlier in the year.
11 34 percent of normal. That was the projection. At
12 the same time, we were today we were pretty much
13 normal. Stream flow in February was projected at
14 50 percent of normal.

15 Just today, the bureau of reclamation and
16 Army Corps of Engineers changed that to 32 percent of
17 normal. So we're heading in the wrong direction for
18 stream flow. And you all know stream flow in the Rio
19 Grande is what controls use in the San Juan Chama
20 water. Also, I just want to give a shout out to
21 Commissioner Stebbins for starting the dialogue on the
22 fluoride issue.

23 MS. JENKINS: Don Schrader, followed by Lee
24 Whistle.

25 MR. SCHRADER: Even if fluoride reduces

1 cavities, are you sure it has no dangerous side
2 effects? Often, educated people have sincerely
3 thought they were right. But history proves them
4 terribly wrong. Are you sure fluoridation has no
5 unintended consequences? Some drugs developed by
6 highly paid experts and drugs developed -- prescribed
7 by many doctors for years were later recalled and
8 banned because of severe side effects. Are you sure
9 water fluoridation causes no long range harm to
10 health. Decades ago, cigarettes were advertised in
11 the leading medical journal and recommended by some
12 doctors, but eventually we found out the deadly truth.
13 Some experts introduced non-native species in many
14 places but did not foresee the massive environmental
15 harm they were doing.

16 Are you sure that all the scientific
17 studies, all the articles, all the books the past 50
18 years damning water fluoridation are totally wrong?
19 Are you sure? Why is fluoridation not legal in
20 Sweden, Denmark and Holland? Why have France and
21 Norway never fluoridated? Why did Germany and Belgium
22 stop fluoridation? Are you sure fluoridated drinking
23 waters poses no health dangers? Are you sure? If you
24 vote to fluoridate, will you someday see how deluded
25 you were?

1 MS. JENKINS: Lee Whistle, followed by Bill
2 Wolfe.

3 MR. WHISTLE: Chair and County Commissioners, my
4 name is Lee Whistle. I'm the acting president of
5 Local 3022. Our negotiations do not allow us to
6 negotiate terms of benefits for anyone but our
7 members. We do not have the authority to negotiate
8 for retirees. The very idea the water authority
9 administration, utilizing our collective bargaining
10 process as a mechanism to diminish the benefits for
11 people who are retired is unbelievable. The water
12 authority administration never reached out to the
13 other union, bargaining units, such as clerical, blue
14 collar to discuss or inform that they are planning on
15 reducing benefits for current employees.

16 It is obvious that this administration
17 utilized our Local 3022 negotiation process as a green
18 light to historical retiree benefits for all the
19 employees. Their intents were kept secret and they
20 did not engage in discussion with any of the other
21 unions or nonunion employees involved, current or
22 retired. The fact that they kept this benefit on the
23 rules and regs and did not change it until November is
24 proof they did not do their jobs in communicating this
25 change to employees.

1 I understand up to this day people are
2 retiring from here and not being informed of any
3 amount of retired life insurance and not asking to
4 sign or acknowledge it. These actions by this
5 administration are very concerning. The are
6 deceptive, confusing. They reflect a lack of respect,
7 a value of its current and retired workforce.

8 I am asking this board to reinstate this
9 retiree life insurance policy as it was for all people
10 from this organization that are already retired. Make
11 this action as of today and make this administration
12 have people acknowledge and sign for what they are
13 getting. Also, I'd like to let you know with all the
14 workers of the water authority, blue collar, managers
15 and everybody else, we're hard workers, they're good
16 employees, we would never, ever negotiate anything
17 that would harm them in any way, especially when it
18 comes to retirement. Thank you.

19 MS. JENKINS: Bill Wolfe, followed by Troy
20 Gilchrist.

21 MR. WOLFE: I'm Bill Wolfe. I'm an Albuquerque
22 dentist. I want to speak about the fluoride issue for
23 just a moment from a different perspective.

24 I would encourage the board to request from
25 the manufacture of your proposed fluoride water

1 additive a certification of safety and effectiveness
2 for fluoride being added to drinking water for the
3 purpose of reducing dental decay. That won't happen.
4 The City of Albuquerque liability insurance will want
5 to know who is accountable. If you're fluoride
6 supplier will not be accountable, then who is the
7 accountable party? It's not the FDA. It's not the
8 EPA. It's not the CDC.

9 Water safety issues are local decisions. It
10 is the duty of the board to protect the public from
11 harm and to represent the will of the people. So
12 please do the right thing.

13 MS. JENKINS: Troy Gilchrist, followed by Elias
14 Sanchez.

15 MR. GILCHRIST: Good evening. My name is Troy
16 Gilchrist. I'm a Vietnamese interpreter for UNM
17 Hospital. I spend most of my day interrupting for
18 Vietnam patients who are going to go through certain
19 kind of medical procedures and translate consent
20 documents for them. I understand that the standard of
21 care requires an informed consent for any kind of
22 medical treatment, whether that be medicine or sort
23 invasive treatment, whatever. If you're putting
24 fluoride into the water and we're drinking it, it's
25 going into our skin, every time that happens, that's

1 technically a medical treatment and it should require
2 informed consent in writing.

3 So I would suggest what this whole process
4 should be stopped because it violates basic human
5 rights as previously mentioned. Thank you.

6 MS. JENKINS: Elias Sanchez, followed by Elaine
7 Hebbard.

8 MR. SANCHEZ: My name an Elias Sanchez. I was
9 here about a month ago for the last board meet about
10 the \$25,000 life insurance. And I want to thank
11 everyone who worked hard to get us that \$25,000 life
12 insurance back. But we still need work to do. We
13 still got 25 more people out there that didn't get
14 their -- that had their life insurance taken away.
15 I'm here in support of them.

16 And I just suggest that everybody follow the
17 rules and regulations the way we had to when we were
18 at work. So thank you very much.

19 MS. JENKINS: Elaine Hebbard followed by Maureen
20 Sutton.

21 MS. HEBBARD: Good afternoon. My name is Elaine
22 Hebbard. This is very different having all these
23 people show up. It's nice than just me and Michael
24 Jensen. The robust discussion I think was the quote
25 in the paper. I wanted to talk about two things. One

1 is the customer survey, which I'm happy is being
2 presented. It was not even seen by the customer
3 advisory committee, nor did they have any input into
4 it. But I wanted to show you something that I thought
5 was pretty interesting.

6 Overall satisfaction may have increased, as
7 Mr. Brian Sanderoff is going to tell you, but every
8 one of the very satisfied responses declined from two
9 years ago. That should not be cause for happiness.
10 And the importance of water-related programs and
11 services categories, customers again gave the highest
12 rating to providing a long material water supply for
13 future generations. That's not reflected in the goals
14 and objectives, it's not mentioned in the
15 presentation.

16 At this time, making water available to
17 attract and keep high tech industries that offer
18 good-paying jobs is way down the list. And yet,
19 keeping your prices low makes that happen, rather than
20 keeping water for future generations. Of note,
21 86 percent of customers wanted to reuse treated
22 wastewater to irrigate public spaces. While the
23 ABCWUA says that they reuse water, it's actually river
24 water that's pulled down through the river and
25 presented to the north I-25 project. So we actually

1 don't have a reuse production. I would say the goals
2 and objectives should have that as a goal.

3 My final point is, on the customer advisory
4 committee itself, you have a nominee tonight. I have
5 nothing against Ms. Ewing. She is a contractee of the
6 utility. She is the lead project leader of the
7 aquifer storage and recovery. So her firm is getting
8 more than a half a million dollars for that. Will she
9 actually be able to give you advise. Thank you.

10 CHAIRWOMAN PENA: Thank you.

11 MS. JENKINS: Maureen Sutton, followed by
12 Dominique Rorian.

13 MS. SUTTON: My name IS Maureen Sutton. I just
14 have a very simple message. All people are endowed
15 with inalienable rights, clean, untainted water being
16 one of those. Please vote no and protect the
17 community's drinking water.

18 MS. JENKINS: Dominique.

19 MS. RORIAN: Hello. My physician is not here
20 tonight, but this was an e-mail that he sent to me.

21 So scientific data shows that added fluoride
22 in the water supply inactives 62 enzymes in the body,
23 increases the aging process, increases incidents of
24 cancer and tumor growth, disrupts the immune system,
25 causes genetic damage, affects thyroid function,

1 decreases bone strength and decreases our IQ.

2 And a national dental expert on the dangers
3 fluoride, David Kennedy, DDS, has given a
4 presentation. And I strongly encourage you to Google
5 it online and understand the dangers of fluoride.
6 Thank you very much for voting no.

7 MS. JENKINS: Phillip Hern, followed by Brian
8 Backry.

9 MR. HERN: Hello, Madam Chair and Board members.
10 My name is Phillip Hern. I am the vice president of
11 Local 3022. I'm just up here to support what my
12 president said earlier for the retirees. We just want
13 to make it right for the ones that have retired. And
14 I just want to let the board know that the union is
15 open to negotiate or to resolve anything to solve this
16 issue with the retirees. But the union is really in
17 support of these retirees getting their \$25,000 life
18 insurance. Thank you.

19 MS. JENKINS: Brian Backry, followed by
20 Christine Roy.

21 MR. BACKRY: Hello. Recurring ripples of mind
22 control and brainwashing behavior modification, a
23 silent weapon for a silent war. Wave after wave of
24 toxic industrial sludge, fascistically force fed to
25 our children, accumulating in our food, our bodies,

1 our lives. Decades of documentation demonstrate that
2 fluoride has been effective killer of insects and is
3 also a component of rat poison. It's neurotoxic
4 benefits can also be used on humans as well. Fluoride
5 is the main ingredient in Sarin nerve gas and is the
6 active ingredient in 25 percent of all
7 antidepressants, including Xanax and Prozac.

8 Fluoride lowers our IQ. Not only does
9 fluoride make is dumb, but docile as well, which is a
10 benefit for the New World Order. A citizen population
11 that is stupid and lazy makes the genocide that much
12 easier. Studies have shown fluoride calcifies the
13 pineal gland, a vital part of our emotional system.
14 It is also a heavy thyroid disruptor. Fluoride has
15 also been implicated in arthritis, fluorosis, bone
16 cancer, dementia, infertility, and a vastly weakened
17 immune system. With all these concerns, I can see why
18 a lower IQ makes fluoride easier to swallow. Yet here
19 we are debating poisoning our drinking water.

20 Even in a country known for its lack of
21 industrial, environmental or human standards, China
22 has found enough evidence to prohibit water
23 fluoridation. Yet they have no problem selling it to
24 us, their largest customer. 30 percent of fluoride
25 tested in this country last year was found to be

1 contaminated other chemicals. Still, we'll hear about
2 what a miracle of dentistry it is, it's all about the
3 tooth, the whole tooth and nothing but the tooth. Yet
4 if it's so good, why has it never been approved by the
5 FDA. Maybe because its justification has more
6 cavities than the impoverished victims it claims to
7 help. Nail polish will harden your nails, but how
8 many of you here are willing to drink it for that
9 purpose.

10 MS. JENKINS: Christine Roy, followed by Jim
11 Brinkman.

12 MS. ROY: Good evening. My name is Christine
13 Roy, and I've been a licensed physical therapist or 23
14 years. I still am one of the few people who
15 independent and still accept Medicaid and Medicare.
16 And when I do a little research, you know, where I
17 come from, Massachusetts, I looked at statistics. In
18 2005 this issue got brought forward, and they found in
19 Massachusetts it wasn't fluoride that was the issue,
20 it was that 90 percent of the dentists did not accept
21 Medicaid.

22 We have shortage of providers who provide
23 forward-thinking dentistry, dentists that do not use
24 mercury, dentists that apply topically, not across the
25 board. The clients I see, they asked me, "Who do you

1 recommend that I can see that I can afford?" I
2 usually recommend mercury-free dentists in town, but
3 most of the people, they can't afford it. So they go
4 to their Medicaid provider dentist, and they come
5 back, and one client particularly who the
6 neurodevelopmental disease is on the waiver, she came
7 back, and they put a mercury filling in her mouth at
8 age 21. Six weeks later she had a grand mall seizure,
9 and she hasn't been able to speak since.

10 I can't recommend a dentist to somebody if
11 they still use backward thinking in terms of
12 dentistry, especially to our vulnerable clients who
13 don't have the genes to detox. They already have a
14 compromise with their nervous systems. We need more
15 practitioners. My recommendation -- I've spoken
16 before, but my recommendation that I haven't spoken is
17 that why don't we look at forward-thinking dentistry
18 like having -- like with our PCPs. We don't have
19 enough primary care physicians. So why don't we get
20 the hygienists to learn how to use laser? Two-minute
21 treatments that could be provided in schools to the
22 kids that actually show that the fluoride topically
23 given when you use laser treatments actually absorbs
24 better. So you don't have to put it in our water to
25 get it to absorb better. There are ideas out there.

1 Thank you.

2 MS. JENKINS: Jim Brinkman, followed by Dave
3 McCoy.

4 MR. BRINKMAN: My name Jim Brinkman. I'm a
5 hydrologist and a resident of Bernalillo County, a
6 customer of the water utility. If I worked for the
7 water utility, I would be relieved, very relieved for
8 a no vote of fluoridation. Why is that? Source of
9 fluoride is hydrofluorosilicic acid. It's an
10 industrial waste. The source for fluoride would
11 contain traces of arsenic, lead and radionuclides.
12 It's difficult and hazardous to handle. The alternate
13 sources are much more expensive. Adding fluoride to
14 the water supply will likely add arsenic to the water
15 supply, which we're actively and expensively treating.
16 Have additional costs for this sampling and
17 treatment been included in your cost estimates and
18 your budgets. The acid will be added at one place,
19 the surface water treatment facility, and then needs
20 to be distributed throughout the city along the
21 distribution lines. How accurately will that be
22 distributed. If one sector only gets one-sixth, does
23 it mean it's useless for fluoridation and protecting
24 against cavities. If another sector gets more than
25 .7, how is that going to affect people who are

1 sensitive to fluoride. Has the policy and plan for
2 distributing fluoride been budgeted, and is it in the
3 cost estimate?

4 Can I go over a little bit?

5 When a utility is asking for a price hike
6 and the police department is under siege with
7 lawsuits, is the very likely cost of defending against
8 lawsuits by civil rights and environmental justice and
9 health and medical liability been considered in the
10 cost estimates and your budgeting. You're asking for
11 more money and you want to spend more money on
12 something that's very controversial.

13 And given that the source of fluoride is
14 dangerous, the true cost of the fluoridation program
15 has not been estimated truly and presented. And the
16 CDC and EPA have not updated their fluoride
17 discussions and standards. A vote for fluoridation at
18 this time must be considered rash at best.

19 CHAIRWOMAN PENA: Thank you, sir.

20 MS. JENKINS: Dave McCoy, followed by Bill
21 Miller.

22 MR. MCCOY: Good evening. I'm Dave McCoy. I'm
23 the executive director for Citizen Action New Mexico.
24 I want to shift gear for a minute as regarding the
25 toxicity of our water. The ethylene dibromide

1 contamination, which is headed for our municipal
2 wells, is toxic at any level, liver, kidney disease
3 and cancer, down in the parts per trillion level.

4 Now, I have a resolution that I'd like to
5 present for somebody on this board to take up. One,
6 that contaminant reduction of EDB through blending of
7 water is not permitted in Bernalillo County. Two,
8 that the water utility authority seek lowering the
9 state standard for ethylene dibromide contamination
10 and drinking water to zero. Currently, California,
11 Florida and Massachusetts have EDB contamination
12 limits that are at ten parts per trillion. Another
13 item is that the EDB contaminated water from pump and
14 treat operations suggested by Kirtland Air Force Base
15 be treated to a level of no more than 10 parts per
16 trillion and be disposed of in a manner that it cannot
17 reenter and aquifer or accumulate in any ecosystem.

18 Second concern that Citizen Action has is
19 that Kirtland Air Force Base soil vapor extractor
20 operations are unacceptable, especially along the open
21 burn -- open detonation operations planned by Sandia
22 labs for 10,000 pounds a year. The Kirtland operation
23 would release 29 tons of EOCs and has hazardous air
24 pollutants. The radioactive emissions from Sandia
25 Labs include plutonium-241, strontium-90, Argon-41,

1 cesium-137, and tritium. These air emissions lack
2 adequate control technology and should be required for
3 all air emissions at those two facilities. Thank you.

4 MS. JENKINS: Bill Miller by a Brian Flamm.

5 MR. MILLER: Good evening. My name is William
6 Miller. On November 20, 2010, the CDC and the ADA
7 advised to avoid using fluorides. The Kennedy
8 Foundation dropped fluoride support in June of 2009.

9 Now, at the last meeting that I attended,
10 Rudy Blea, from New Mexico Health, and there was a
11 representative of the ADA, both had concerns about
12 children and cavities and that the fluoridation would
13 help them. Whereas, the CDC and the ADA says that's
14 not the case. It very bad for children.

15 I have two siblings that when they got their
16 second teeth in, they had their teeth sealed. And one
17 is 32 and one is 35. And between the two of them,
18 they had one cavity because they had their teeth
19 sealed. Now, I would think you should take this
20 million dollars and go through all the children in
21 Albuquerque and seal their teeth when they get their
22 second set in. So I'm in support. I think it's good
23 alternate plan and it will make everybody happy.
24 Thank you.

25 MS. JENKINS: Brian Flamm, followed by Rudy

1 Blea.

2 DR. FLAMM: Good evening. I'm Dr. Brian Flamm.
3 My wife and I have been watching a television show on
4 Sunday evenings. It's called Cosmos. It a redo of
5 the Carl Sagan episode from a couple decades back.
6 And we were surprised on Sunday evening when the host,
7 Dr. Neil DeGrassi, a astrophysicist, actually dealt
8 with an environment toxin for that episode. And he
9 talked about the geophysicists, that Dr. Patterson, in
10 1966, who accidentally discovered that there was a
11 huge and recent increase in the background levels of
12 lead in the environment and in people at the time.

13 I'm going to get to the point shortly, but I
14 have to do this lead-in.

15 So he realized that most of it was coming
16 from paint and gasoline in the environment back in the
17 '60s. And in subsequent senate investigation
18 committees and hearings, he was opposed by industry
19 vested interest. Dr. Patterson said at the time it's
20 irresponsible to mine millions of tons of toxic
21 material and disperse it into the environment. An
22 industry scientist, the self-proclaimed expert
23 responded, "If there was any proof of harm, we would
24 have found it already."

25 And Dr. Patterson responded -- his response

1 was, "Not if your purpose was to sell lead." Which
2 obviously pointed out industry conflict of interest.

3 Well, it took 20 years from those hearings
4 before lead was removed from paint and gasoline. And
5 within a few short years, the lead levels dropped
6 significantly in children and the diseases it caused.

7 The U.S. Government now states there's no
8 such thing as a safe level of lead in humans, no
9 matter how small. And the doctor's final comments on
10 the show were that today's scientists are sounding the
11 alarm on other environmental dangers. But vested
12 interests are still hired and they hire their own
13 scientists just to confuse the issues. But in the
14 end, nature won't be fooled.

15 Mark Twain said: History may repeat itself,
16 but it does rhyme.

17 And I sincerely hope that the board gets on
18 the right side of history tonight and votes no on
19 fluorosilicic acid addition to the water. It's a
20 toxic waste product of the phosphate and fertilizer
21 industry. And there's no safe level of fluoride.
22 It's not present in our biochemistry, and I've had a
23 lot of biochemistry background. It's an enzyme and a
24 protein poison. There's no safe level of it. The
25 material should be placed only where it belongs, and

1 that's in an appropriate toxic waste facility, not in
2 a water system. Thank you for letting me go over.

3 MS. JENKINS: Rudy Blea, followed by Ron Romero.

4 MR. BLEA: Good evening, Members of the Water
5 Authority. As you know, my name is Rudy Blea. I am
6 the program director of the Office of Oral Health of
7 the State of New Mexico. I am here once again before
8 you to ask for your vote to support fluoridation. I
9 ask your vote based on sound scientific research on
10 the safety and effectiveness of fluoridation and its
11 role in preventing tooth decay among all populations.

12 I also come before you as an individual who
13 believes in sound public health policy. Working for
14 over 30 years in public health, I find water
15 fluoridation to be sound. Rejecting water fluoride at
16 the recommended CDC levels is not sound civic policy.

17 As I mentioned, I work for the department of
18 health and I am here representing the State of New
19 Mexico. You have received already letters from
20 Secretary Ward in which she was expressed our support
21 for water fluoridation. You have already received
22 copies of the Centers for Disease Control report on he
23 effectiveness and safety of water fluoridation.

24 Why are the national experts and the State
25 of New Mexico supporting water fluoridation? Because

1 it is sound public health policy that benefits all
2 citizens of New Mexico.

3 On a personal note, I also come before you
4 as an individual who has drunk fluoridated water for
5 the past 63 years in Santa Fe, and I do not have any
6 of the side effects that have been described here and
7 other times before this group.

8 This morning at my office, I watched a video
9 that's being communicated through the community here
10 in Albuquerque, and it's video that has been created
11 by the opponents. The opening statement in the video
12 is, "There's a conspiracy to reduce the population in
13 the United States. Fluoridation is one of the ways to
14 do so." I don't think you believe in that theory or
15 that type of science. You believe in sound public
16 health policy, and I ask you for our support for
17 fluoridation. Thank you.

18 MS. JENKINS: Ron Romero, followed by Elizabeth
19 Thompson.

20 CHAIRWOMAN PENA: Please respect the speaker.
21 Thank you.

22 MR. ROMERO: Madam Chair, Members of the Water
23 Authority Board, I thank you for this opportunity to
24 come before you. I have spoken to you before at the
25 other town hall meeting, as well as the other meetings

1 on this topic.

2 I am in favor of community water
3 fluoridation. I also want to tell you that I'm a
4 dentist. I have worked in almost every community in
5 New Mexico. And through my work as a dentist, I have
6 been through every county in New Mexico providing
7 preventive dental care to children all over the state
8 Albuquerque and surrounding area included.

9 What I'd like to say is that primary
10 prevention is the key, and fluoride and sealants are
11 the primary -- the biggest tools that we have in
12 dental public health to fight tooth decay. Community
13 water fluoridation serves the greater good, and as
14 policymakers, we are called upon to make good decision
15 based on evidence, based on science. I think we've
16 heard a lot of the opposition one way or another. And
17 some of these -- you know, one of the editorials in
18 the *Santa Fe New Mexican* called for the opposition in
19 terms of junk science, and I think that's a lot of
20 what we're hearing here. Some of the letters that
21 appeared in the *New Mexican* and the *Albuquerque*
22 *Journal*, this is one of the titles, *Fluoride Critics*
23 *Don't Get Science*. The *Albuquerque Journal* had an
24 editorial, *Keep Fluoride in City Water*. And I ask you
25 to do that as well. Thank you.

1 MS. JENKINS: Elizabeth Thompson, followed by
2 Ronnell Cline, the Third.

3 MS. THOMPSON: Hi. My name is Elizabeth
4 Thompson. I'm a citizen of Albuquerque and customer
5 of the water authority, and I'm also a lawyer here in
6 town. And I spoke at the other meeting at the
7 fairgrounds on the fluoride. And I would just say
8 that, you know, it was more than two to one of the
9 people that turned out, it was huge turnout, as I'm
10 sure you know, that are against this fluoridation.
11 And the people are against it. And they have a right
12 not to be medicated against their will or without
13 their consent or to have these things added.

14 And since I spoke at the last one, I don't
15 know how people got my name, somewhere, but I've been
16 already contacted by two attorneys who do class action
17 lawsuits and they have both indicated to me that
18 they're primed to file a class-action lawsuit. As Mr.
19 Garduno had said before about being -- I'm not trying
20 to threaten anything of course, I'm just saying this
21 is what's being communicated to me. So people don't
22 want it. And I would just urge that you all are
23 actually servants of the people and not an isolated
24 body.

25 The second thing that I would say also is we

1 do not have the opportunity to ask the members of the
2 board how this profits the water board, because I
3 don't think you all are planning to do it if it was
4 not going to profit you. As you can see that you're
5 going to raise the rates because we've been conserving
6 water, which I also would state, I think that's
7 counterintuitive. You ought to be more creative in
8 raising revenue than to punish people for their water
9 conservation. And that is another issue that I would
10 bring up and I would just urge you to vote no. Thank
11 you.

12 MS. JENKINS: Ronnell Cline, the Third.

13 MS. CLINE: It's Ronnell Cline, and William
14 Cline, the Third, is my son.

15 Good evening, everyone. It could be said
16 that fluoride adversely affects every organ in the
17 body, primarily the thyroid gland, and that it's one
18 of the most toxic chemicals in the world. This may be
19 true or not. Maybe fluoride, and aluminum byproduct
20 is responsible for depression, Alzheimer's, low
21 metabolism, and all types of physical problems.
22 Fluoride could be a cause or maybe not. It could also
23 be said that fluoride is a dangerous neurotoxin that
24 could potentially poison the masses if forced on the
25 population.

1 My name is Ronnell and I'm a very healthy
2 54-year-old mother, wife, daughter and grandmother
3 but, but this was not always the case. About 13 years
4 ago, I knew that I was dying. I went to many doctors,
5 specialists, and an allergist who never came up with a
6 diagnosis, but continually put me on many doses of
7 many different drugs that only hastened my symptoms.

8 At some point, I said enough and I fired
9 them all. I had to save my own life. So I took my
10 life, what was left of it, into my own hands. After
11 doing much reading and extensive research, I made a
12 decision to practice an all-natural holistic, organic
13 herbal lifestyle. I no longer take any prescriptions
14 or over-the-counter drugs.

15 Testing revealed that I had mercury
16 poisoning, which was the result of me having had 16
17 silver fillings when a child, which the dentist said
18 then, and some are still saying today, that mercury is
19 safe. I beg to differ. Also as a child, the doctors
20 that my mom trusted with my health and my very life
21 had me antibiotics for most of my childhood, which
22 have also wreaked havoc on my adult life. I had a
23 laundry list of issues, diseases, symptoms, et cetera,
24 which, by the way, are all gone now.

25 So you see, believing and trusting the

1 doctors and experts to make decisions for my life was
2 not beneficial to me. As a more health educated wife
3 and mother, I made a decision for my family and for
4 myself to be drug and chemical-free. We have not used
5 toothpaste containing fluoride for many, many years.
6 That's our personal choice.

7 You say that fluoridating the water will
8 balance the benefits of preventing tooth decay. Well,
9 here we go again with the so-called professionals
10 making another health decision for me. I am not an
11 innocent child anymore, raised by my mom, who did not
12 know any better than to trust the doctors and allow
13 them to make many pertinent health decision for me,
14 her child. She did not realize that those very
15 professional decisions would later risk my very life.

16 Why is there any debate on this topic? What
17 about what I want? What about what people want or
18 don't want? What about our consent? Whether fluoride
19 is good for you or bad for you, harmful or not, is not
20 the real issue. The bottom line is having my freedom
21 of choice taken away. This issue is simple. If there
22 are people who want to add fluoride to their water,
23 they should do so, that's their choice. But please
24 don't take that choice away from those of use who
25 don't want to incorporate fluoride into our lives or

1 most importantly, or bodies.

2 CHAIRWOMAN PENA: Thank you.

3 MS. JENKINS: William Cline, the Third, followed
4 by William Cline, Junior.

5 MR. CLINE, III: Good evening. My name is
6 William Cline, the Third, and I am 13 years old. This
7 issue about putting fluoride in the water has haunted
8 me since yesterday when my mother told me about it.
9 Your decision will be whether or not to dump fluoride
10 into our valuable drinking water. Why would you do
11 this to your own kind? New Mexico is in a drought
12 enough, so why would you intentionally pulverize the
13 entire natural ecosystem and the very refuge that we
14 deeply depend on.

15 Food for thought, just imagine that your
16 favorite best friend, neighbor or loved one suffered a
17 gargantuan torment because of a toxic chemical called
18 fluoride that, by the way, is used to make rat poison.
19 Different studies have linked fluoride to as many as
20 10,000 cancer deaths per year. I feel that fluoride
21 can only bring us diabolic harm. Please don't allow
22 this unnecessary contamination of our water supply.
23 There's no such thing as a second earth. This is the
24 only world that we have to dwell on and cherish. So
25 that is why we should all make an effort by denying

1 the option of ruining Mother Nature itself.

2 I think that pouring fluoride into our
3 precious drinking water is no different than dumping
4 radioactive waste into our landfills. Please give me
5 a voice and a chance to decide what goes my body.
6 Please give yourself that chance. I say no to
7 fluoride. Thank you very much for your consideration.
8 I really appreciate it.

9 CHAIRWOMAN PENA: William, can you come up for
10 one second. I just really want to thank you and let
11 you know that we really appreciate your comments.
12 Coming up here as a young man, it's really important
13 to have your voice heard. So thank you again.

14 MR. CLINE, III: You're welcome.

15 MS. JENKINS: William Cline, Junior, followed by
16 Carl Logan.

17 MR. CLINE: Good evening, Madam Chair, Members
18 of the Council. We've heard about the effects of
19 fluoride on the pineal gland, the thyroid gland.
20 We've heard about the dental effects of overexposure
21 to fluoride. We've heard about the different cases
22 where fluoride was used as pesticides, so I'm going to
23 come to you from a different angle, a different
24 approach.

25 I'm an educator in the Albuquerque Public

1 Schools system. I work at Sunset View Elementary
2 School. The Albuquerque Public Schools system has
3 90,000 students enrolled. That's 90,000 students
4 going to the water fountain their schools to get a
5 drink of water. So if you put fluoride in the water,
6 that's 90,000 students, 90,000 of our sons and
7 daughters, our grandchildren, our nieces and nephews
8 who are being overexposed to fluoride. 90,000
9 students who go home after school, reach into the
10 refrigerator to pour a glass of lemonade made with
11 fluoridated water or iced tea or fluoridated water, or
12 Kool-Aid, made with the same. Or what's for dinner
13 tonight? Grandma made her homemade soup, made with
14 fluoridated water.

15 So the point I'm making is, parents should
16 be made aware that fluoride is an active chemical when
17 ingested. It affects our infants. Going back to the
18 pineal, the thyroid gland, the pineal gland and the
19 thyroid gland are important for brain development.
20 Okay? There's already high levels of fluoride in baby
21 formula. Baby formula, for most of them, water is
22 used to mix it -- to prepare it before drinking. Our
23 elderly suffer from bone disease. Hip replacements
24 are probably number one of the top five of treatments
25 that are considered for our elderly.

1 CHAIRWOMAN PENA: Thank you for your comments.

2 MR. CLINE: Thank you very much.

3 CHAIRWOMAN PENA: Before we go on, Mark, there's
4 some feedback, some audio feedback here. I don't know
5 if there's anything that can be done.

6 MS. JENKINS: Charles Logan.

7 MR. LOGAN: Madam Chair, Board Members, thank
8 you for hearing me out today. I'm a resident of
9 Albuquerque and a consumer of the water from the water
10 authority here. I'm also a parent of a disabled child
11 with Down's Syndrome. And I'm very concerned about
12 fluoridation of the water.

13 Basically, fluoridation has been proven to
14 have a negative impact on the neurological system.
15 It's proven. Since my son is already vulnerable, I'm
16 very concerned that from the fluoride in his
17 toothpaste, from the fluoride in the water, and the
18 fluoride of the sodas and such like that, it's just
19 compounding to compromise his health.

20 Research has indicated that fluoride binds
21 with lead. My concern is that, you know, it's going
22 to combine with other heavy metals, such as arsenic,
23 which remains in the human body for a long amount of
24 time.

25 There have been suggestions that the

1 proposed fluoride additive is similar to the chlorine
2 additive, and it's to protect our health. Chlorine is
3 used entirely for a different reason. It is to kill
4 bacteria, and it's dangerous because of its harmful
5 byproducts. For this reason, the water authority is
6 getting rid of chlorine and considering UV. So we've
7 already found that the chlorine additive is bad.
8 Evidence regarding a safe level of fluoride is still
9 under investigation. So I think we should err on the
10 side of safety. If it's still under investigation,
11 let's verify that it's safe before we poison the
12 entire society or put it in our water.

13 In the last meeting at the American
14 Performing Arts Center, two out of every three people
15 were against fluoridation. So as a constituent, I
16 would hope that you vote for your constituency.

17 CHAIRWOMAN PENA: Thank you.

18 With that, we will move on to Item 10A,
19 OB-7, Mr. Frank Roth and Mr. Brian Sanderoff.

20 MR. ROTH: Madam Chair, Members of the Board,
21 Brian Sanderoff, president of Research & Polling, will
22 be presenting the 2014 customer opinion survey. This
23 is actually the fifth survey that the water authority
24 has conducted since its inception. He will be
25 presenting the results of this recent survey, and so

1 I'm just going to turn it over to him.

2 MR. SANDEROFF: Thanks, Frank.

3 Good morning, Madam Chair, Board Members,
4 I'm Brian Sanderoff. I know most of you. And it's a
5 pleasure to be here tonight. As Frank said, we
6 conducted a customer satisfaction survey for the water
7 authority, and it was done in February. We conducted
8 telephone interviews with a random sample of yours
9 customers and we included a large proportion of cell
10 phones as well. Cell phones are becoming the best way
11 now for us to reach Albuquerque residents, Bernalillo
12 County residents, because we have find so many people
13 have disconnected from their land lines. So we use
14 both a customer list and cell phones to get a
15 representative sample of your customers.

16 The objectives, as I said, were customer
17 satisfaction, and also to measure the importance of
18 various services that you provide. Besides
19 residential, we also surveyed 100 business customers.
20 Tonight, I'll focus on residential. But let me just
21 say, the results of the business surveys were very
22 similar to the residential. In fact, in most cases,
23 business customers were slightly more satisfied than
24 residential customers on most of the questions.

25 You see the poles that we do for the

1 *Albuquerque Journal* on who's going to win the
2 elections or whether people prefer green or red chile,
3 how many people prefer green or red, but we have a
4 track record of 96 percent of the time having the
5 right winner, and the *Journal* polls -- and that's also
6 off of similar sample sizes. So we can speak to these
7 results in such a way. Had we interviewed all of your
8 household customers, we would have received the same
9 results, plus or minus the maximum sampling error,
10 about 4.4 percent.

11 As Frank said, we've done these surveys a
12 number of times, but we added an overall satisfaction
13 question this time. We hadn't had it before. Before
14 we always asked about specific services. So we asked
15 overall: How satisfied are you with the services
16 provided by the water authority? Are you very
17 satisfied? Are you somewhat satisfied? Are you
18 somewhat dissatisfied, or very dissatisfied?

19 And here you can see the results. If you
20 add up the very and the somewhat satisfied with the
21 services you provide, we find than 94 percent of
22 customers are satisfied. If we add up the very and
23 the some dissatisfied, it's 4 percent.

24 I conduct surveys for lots of different
25 utilities, electric, gas, water, throughout the state

1 and nation. And to have dissatisfaction levels at
2 4 percent is very good. It's hard to maintain. you
3 know, a lot of the people are dissatisfied with
4 anything that's big, whether it be big utilities, big
5 companies, big unions, what have you. But we found
6 here that dissatisfaction levels overall are low.
7 That doesn't mean that people are dissatisfied with
8 certain specific things, but we'll talk about that.

9 We tested eight items where we specifically
10 read these items and asked people how satisfied they
11 were with them. And you can see in the columns it's
12 very satisfied, somewhat satisfied. Here we combined
13 the someone and the very dissatisfied into one column.
14 We ranked them by the very satisfied column, the
15 bolded numbers. The analytical point to make here is,
16 among the eight items tested for specific attributes,
17 the perceived strength that you have as it relates to
18 satisfaction with your customers pertains to
19 reliability issues. Sort of like when you're
20 surveying the electric company and people expect when
21 they turn on the light to get electricity or they take
22 for granted what it might take to do it. Well, your
23 strength is also reliability. The reliability and
24 availability of water to the home, and the reliable
25 drainage of water from the home to the sewer line.

1 That's reliability. If you add up the verys and the
2 somewhats, it's 99 percent and 94 percent.

3 You heard a speaker earlier say that many
4 attributes the very satisfied have gone down. That
5 was correct. In many of these items, the very
6 satisfied went down 2 percent, 3 percent, 4 percent.
7 In most circumstances, it went to the somewhat
8 satisfied. In a few cases, the dissatisfied went up a
9 little. But this shows you what they're most
10 satisfied with, and it comes to reliability.

11 Quality of drinking water, okay, you see a
12 big decline there on the verys. The somewhat and the
13 verys add up to 78 percent. They're satisfied with
14 the quality of drinking water, however, 18 percent are
15 dissatisfied. It might be interesting in future
16 surveys to ask a follow-up question among the people
17 who are satisfied or dissatisfied why they feel that
18 way, what is it about the quality of the water that
19 makes you satisfied or dissatisfied?

20 What about on the bottom of the list, what
21 are the items that people are least satisfied with?
22 Notice the bottom two? Condition of the sewer lines
23 throughout the city, and condition of the waterlines
24 throughout the city. And I've been reading the
25 newspaper and I've been seeing that there's been a lot

1 of discussion on this. But when it does come to
2 satisfaction, the least satisfaction comes to
3 condition of the waterlines and the sewer lines. In
4 fact, among condition of the waterlines, you see
5 29 percent are somewhat dissatisfied with that.

6 This is from the preceding slide. It takes
7 three of the items. It shows you where there's been a
8 decline on the very satisfied levels. Quality of
9 drinking water, condition of the sewer lines,
10 condition of the waterlines are the three areas that
11 have declined the most when it comes to very satisfied
12 over the last three studies.

13 Means of communication with the water
14 authority. People, when they contact you, still
15 78 percent through the phone, 21 percent in person,
16 e-mail and website is getting some hits, but still the
17 primary way of reaching your office is through the
18 personal contact of telephone or in person. What
19 about your customer service reps? Among those who
20 have contacted the water authority on the telephone or
21 in person, how would you rate the service of the
22 customer service reps, you see there that the
23 excellent and goods add up to 79 percent. The poors
24 are actually the sum of the poors and the very poors,
25 and they're 8 percent. Those are good numbers.

1 But one thing that you'll be pleased about,
2 in the study that we did for you two years ago, there
3 was a dip in satisfaction for the customer service
4 representatives. The people who are contacting or in
5 contact with your customers. In fact, you can see on
6 the excellent bar the 19 percent were the numbers two
7 years ago. Among those who contacted the water
8 authority by telephone or in person, how would you
9 rate your satisfaction level, and it was only
10 19 percent excellent. Your folks worked on that
11 issue. That was one of the ah-has from the study of
12 two years ago. And now, satisfies level among that
13 group has gone to 40 percent excellent from 19. The
14 goods went up a couple of points. The very poors went
15 from six to zero. So your folks have done good job on
16 improving overall satisfaction with customer service.

17 The three areas that have risen nicely since
18 the dip in 2012 with customer service reps are
19 courtesy, knowledge, and ability to answer questions
20 and the length of the wait time. Those are areas
21 where the CSRs have improved since the dip that we saw
22 two years ago.

23 We read your customers 13 different items
24 and we asked them how important each one is. In terms
25 of priorities and what of the kinds of things you

1 should be working on, I'm just going to touch on the
2 top three. The highest -- these are the percentage of
3 people -- I'm color-blind, tell me. I think it's blue
4 -- we see that the blue, the 85 percent is very
5 important, and then the lighter color is somewhat
6 important. So we're looking at the percent. On a
7 five-point, these things are important or somewhat
8 important, providing a long term water supply for
9 future generations, that's what your customers are
10 saying is most important, 95 percent. Investing in
11 the repair and replacement of old water and sewer
12 lines, you saw a few slides ago that the area where
13 very satisfaction levels are dropping is in the
14 condition of water and sewer lines. Here you're
15 seeing that people think it's important to invest in
16 them. Then reusing treated waste water to irrigate
17 public spaces, people still find this very or somewhat
18 important. So these are the three items on the top.
19 We have 13 of them, we're not going to go through them
20 all, but the one on the bottom are most important to
21 us, providing more bill paying options. I guess
22 that's supposed to be, but most people feel you have
23 enough.

24 We asked people to agree were disagree with
25 certain statements. I would like to touch on the top

1 four. Agree or disagree, and you're seeing the
2 strongly and the somewhat columns, as well as the
3 agree column. I follow to water by numbers program
4 when setting my irrigation schedule. Well, we find
5 that 60 percent of your customers, your residential
6 customers are strongly agreeing with that and
7 17 percent are somewhat agreeing. Well, somewhat
8 agrees with maybe a little soft. But even if that
9 60 percent were saying strongly agree before, I think
10 that could be contributing to the reduced water
11 utilization, that people are listening. Your
12 marketing folks and conservation folks with are
13 getting the message, and we see 60 percent strongly
14 agreeing.

15 We read this statement: Households would
16 conserve more water if they had an easier way to
17 monitor their water use. Well, half the people
18 strongly agree with that.

19 And then here's is interesting one: The
20 cost of water is important factor for me when decide
21 how much water to use the 44 percent, strongly agree,
22 32 percent somewhat agree, that's three-quarters of
23 the folks.

24 So people are recognizing, you know, if I
25 pay more for something, I'm going to be a little more

1 careful. The price of water is a factor. But is it a
2 good value, and that's the next question. Water and
3 sewer services are a good value for the amount of
4 money I pay. Do you strongly agree with that,
5 somewhat agree, somewhat disagree or strongly
6 disagree. And we found that 87 percent strongly or
7 somewhat agree that the value for what they pay for
8 what they get, they agree with that statement.
9 10 percent disagree. Those are pretty good numbers.
10 When you look at value of certain utility companies in
11 certain parts of the nation, where electric rates
12 particularly are very high, you see very, very
13 different numbers.

14 But what's at the bottom of this list in
15 terms of perceived importance and in terms of
16 agreement? Whether you should -- water rates should
17 be increased to encourage water conservation. Well,
18 people don't buy that. 61 percent disagree. They say
19 if you have to raise rates, don't do it to encourage
20 me to save water. If you're going to raise the rates,
21 do it to invest in things that need to be repaired.
22 Do it for things for the future. And we saw before
23 how important reliability is. So I don't think the
24 public would be behind the notion of raising rates
25 just to get them to reduce water use. But you can see

1 on some of the items above it, when it comes to water
2 rates should be increased to cover the cost of
3 providing a reliable water supply or future
4 generations, there, 67 percent agree and 31 percent
5 disagree. So if you raise water rates, I think the
6 people are saying there are certain areas where they
7 would support that, there are certain rationales. And
8 they are for investments and they are for reliability
9 and they are for fixing things, not for getting people
10 to use less.

11 80 percent of the households in your market
12 area now have Internet access at home, work or on
13 their mobile phone. And we asked that 80 percent how
14 interested they would be in accessing information on
15 water use on the Internet, we found a third were very
16 interested and a third were somewhat interested.

17 To summarize, your greatest strength is your
18 reliability. People are most satisfied with the fact
19 that they get the water, it's available, it's to their
20 home, and that the water, the drainage for the sewer
21 gets out of their home. That's your strength,
22 reliability.

23 Overall satisfaction with services is high.
24 Value of services is high. Quality of the drinking
25 water, well, I only call that moderately high.

1 There's still work to be done on the issue of quality
2 of drinking water as it relates to the perceptions of
3 your customers.

4 Educational efforts on conservation programs
5 is moderately high. When it comes to cost, as I said
6 on the recap, cost is an important factor people feel
7 in deciding how much water they will use. People do
8 agree there should be strong penalties for those who
9 use too much water. However, rates should not be
10 increased for the sheer notion of encouraging ^ Water
11 Utility ^ water conservation. And rates -- more
12 people agree that rates could be increased to cover
13 the costs of providing reliable water supply.

14 Satisfaction levels are declining on
15 condition of the water likes and condition of the
16 sewer lines. A satisfaction levels with your customer
17 service reps are improving, especially since 2012,
18 where you had a dip. The.

19 Overall priorities that people are most
20 likely to think are most important are investing in
21 the repair or placement of water and sewer lines,
22 reusing treated wastewater to irrigate public spaces,
23 improving regional water quality, and the quality of
24 treated water returned back to the river.

25 With that I'll stand for any questions, if

1 you have any.

2 CHAIRWOMAN PENA: Any questions.

3 Councillor Garduno.

4 COUNCILLOR GARDUNO: Thank you, Madam Chair.

5 Mr. Sanderoff, 501 is what kind of
6 percentage compared to the number of customers that we
7 have.

8 MR. SANDEROFF: It would be a tiny percentage on
9 the customers.

10 COUNCILLOR GARDUNO: But you say that's kind of
11 a pro forma number that you use.

12 MR. SANDEROFF: 500 sample when conducted
13 properly. Had we interviewed all of the households in
14 the service area, we would have received the same
15 results, plus or minus a maximum sampling error of 4.4
16 percent. The key is a random and representative
17 sample.

18 COUNCILLOR GARDUNO: And, Madam Chair, if I may.

19 You also mentioned that most of the contacts
20 were phone, and a lot of those contacts were cell
21 phone.

22 MR. SANDEROFF: Correct.

23 COUNCILLOR GARDUNO: Now, not everybody can
24 afford a cell phone. Sympathy or prejudice how do we
25 reconcile?

1 MR. SANDEROFF: We do about half cell phones and
2 half land lines to reconcile that. Over time, the day
3 will come soon when there are more people with cell
4 phones than land lines. And a lot of low income folks
5 are discarded their land lines entirely and we
6 actually have more luck reaching young people, lower
7 income and Hispanics now on cell phones than we do on
8 land lines.

9 COUNCILLOR GARDUNO: Great. And then another
10 thing was, Madam Chair, customer service contacts.

11 You said there were 97 in 2014, and 125 in
12 2012?

13 MR. SANDEROFF: Actual number of surveys, that's
14 correct.

15 COUNCILLOR GARDUNO: So that falls off of the
16 501?

17 MR. SANDEROFF: Correct. As we looking at some
18 items such as among those who contacted the water
19 authority, you will be dealing with a smaller sample
20 size and a larger margin of error.

21 COUNCILLOR GARDUNO: And what is the margin of
22 error when you drop down?

23 MR. SANDEROFF: Off the top of my head --

24 COUNCILLOR GARDUNO: Am I bothering you guys.

25 MR. SANDEROFF: -- it's about plus or minus

1 9 percent.

2 COUNCILLOR GARDUNO: Okay. And then on Page 13,
3 you have the three columns don't add up to
4 100 percent.

5 MR. SANDEROFF: On Page 13. That's because we
6 excluded the don't know column, because that's just to
7 keep the page less cluttered.

8 COUNCILLOR GARDUNO: Okay.

9 MR. SANDEROFF: In the full report, you'll see
10 the don't nope column.

11 COUNCILLOR GARDUNO: Thank you.

12 Thank you, Madam Chair.

13 CHAIRWOMAN PENA: No other questions?

14 Thank you, Mr. Sanderoff. Thank you
15 forgiving us some understanding of where our customers
16 are, so thank you.

17 MR. SANDEROFF: Thank you very much.

18 CHAIRWOMAN PENA: So next item, I'm going to
19 move an item up on the agenda. We have a lot of
20 people here speaking on the fluoridation, and I think
21 it's probably important that, you know, they get home
22 to their families. So with that, I'll move on to R-6,
23 requiring a supplemental fluoridation of water for the
24 Albuquerque Bernalillo County Water Utility Authority.

25 So with that, we will have Barbara Gastian

1 come up and speak.

2 MS. GASTIAN: Good evening, Madam Chair, Members
3 of the Board. I'd like to do a very brief status
4 report and fluoridation to hit on the very salient
5 points of the issue from my perspective and that of my
6 colleagues. So let's go -- move right along here.

7 Fluoridation in Albuquerque's drinking water
8 in the early '70s, the city began fluoridation of the
9 municipal water supply. In 2005, the water authority
10 continued the practice as we became the water
11 authority from the public works department.

12 COUNCILLOR JONES: I'm sorry, but I think it
13 would be very important if you explain your
14 credentials and what you do at the water authority,
15 since you're not just another pretty face up here.
16 Thank you, ma'am.

17 MS. GASTIAN: Well, I've been thinking about it
18 a lot today. Today is the start of my 27th year with
19 the water authority. And I actually started in the
20 water authority as a paraprofessional engineering
21 technician. So today, I'm the compliance manager, and
22 I'm very pleased with the opportunities that came to
23 me. But my job is to take all that I know from the
24 operating side of the water utility and the wastewater
25 utility and the regulatory processes that affect us

1 within that, as well as the laboratory testing and all
2 of these requirements, and make sense of it to make
3 sure we meet the regulations for our drinking water
4 supply or the water that goes to the river, or storm
5 water or the compost facility or whatever else it may
6 be.

7 So just as an adjunct to that, the other
8 thing I've been thinking about, I'm the fifth
9 generation of my family to live in Albuquerque. And
10 of that, I'm also very proud. So thank you for asking
11 that question.

12 Okay. Early fluoride, 1970s, 2005, we
13 became the water authority from public works. We
14 continued to fluoridate. The level at that time was
15 .9 to 1.2 parts per million. In about 2006, the
16 National Academies of Science did a very special study
17 that EPA asked them to undertake. And that was to
18 review all of the data on fluoride. And that resulted
19 in the recommendation that EPA update the health and
20 exposure assessments to take into account the bone and
21 dental effects from fluoride and consider all of the
22 sources of fluoride available in our diet and water,
23 et cetera.

24 In January of 2011, the department -- the
25 United States Department of Health and Human Services

1 Centers For Disease Control proposed a new recommended
2 optimal fluoride level of .7 parts were million. And
3 that is indeed an optimal level. It is not a
4 regulatory mandate. Reduced from .7 to 1.2, so in
5 essence, they said our levels are a little bit higher
6 than we'd like and we're recommending this new
7 proposed level.

8 The final optimal level recommendation was
9 expected in the spring of 2011. We stopped adding
10 fluoride in March of 2011 pending that final
11 recommendation that had been promised in that spring,
12 and we are still waiting for that recommendation three
13 years later.

14 On the other side of the coin, there is a
15 maximum level that EPA allows in drinking water, and
16 that is call the maximum contaminant level. Fluoride
17 has a primary maximum contaminant level of 4.0 parts
18 per billion. Fluoride is also unique in the fact that
19 it has a secondary standard at 2.0 parts per million.
20 What that means, should we exceed 2.0 parts were
21 million of fluoride or any water system exceed that
22 level, public notification must be made. And the
23 public notification will advise all customers that
24 there are may be some risks to ingesting fluoride at
25 that level, particularly to children. And that is

1 very prescriptive language. Word by word, we would
2 have to issue that language to the public.

3 The current drinking water fluoride that we
4 have in our service area, the naturally occurring
5 levels in our production wells is 0.7. So we take all
6 92 wells, we take a 25-year average of those wells,
7 and it's .7. The surface water treatment plant, we
8 know that the average of fluoride that's produced by
9 that plant from our San Juan-Chama diversion water is
10 an average after 0.4 parts were million. Blended
11 water supply, groundwater and surface water, the
12 quarterly distribution system monitoring in 2012, the
13 average was 0.5 parts per million. In 2013, the
14 average was 0.4 parts were million. We began to use a
15 little bit more surface water.

16 Last slide, the proposal before the board
17 tonight is that we had supplemental fluoride to bring
18 the entire service area to the CDC optimal 0.7 part
19 per million level. And that is a proposed level. It
20 has not yet been finalized. For maximum operational
21 efficiency, fluoride would be added to a Central
22 location, the surface water treatment plant. The
23 estimated cast for infrastructure, it is a one-time
24 cost of \$400,000, and there is an estimated \$100,000 a
25 year operations and O and M costs.

1 Are there any other questions for me? Thank
2 you very much.

3 CHAIRWOMAN PENA: Commissioner De La Cruz.

4 COMMISSIONER DE LA CRUZ: Thank you, Madam
5 Chair.

6 I appreciate all of the interest from the
7 public regarding this matter, although I think I
8 personally would have preferred that we let a sleeping
9 dog lay. But that being said, I have been very up
10 front and open about the fact that I cannot support
11 adding fluoride. There are too many questions. I
12 don't think that it is bogus signs. I think
13 there's -- I've read a number of studies, many that
14 were forwarded to me by the public, which I deeply
15 appreciate.

16 But it's clear to me that we cannot go
17 forward with the questions that hang in the air
18 regarding consumption of fluoride. And I'm
19 particularly concerned for children and infants
20 especially, whose very small bodies would have a more
21 difficult time with absorbing and processing this --
22 it's not a chemical. I said that one time. This
23 mineral. And so we want to make sure -- I want to
24 make sure that we don't add to anyone's physicalness
25 by adding this mineral into their bodies.

1 I am also a consumer of the water authority.
2 I don't want it in my body any more than I need to
3 have it. And I don't want it in my family's body any
4 more than they need to have it. So I just want to
5 start out immediately by saying that I hope that my
6 colleagues and councillors, commissioners, do not move
7 forward with introducing this into our municipal water
8 system.

9 Thank you, Madam Chair.

10 CHAIRWOMAN PENA: Well -- Councillor Garduno.

11 COUNCILLOR GARDUNO: Thank you, Madam Chair.

12 I, too, am very concerned about introducing
13 anything that's foreign, whether it's chloride or
14 anything else, but I know that there's science that
15 will allow us to do certain things very judiciously and
16 hopefully correctly. I'm also very appreciative of
17 the fact that both Commissioner O'Malley and
18 Commissioner Hart Stebbins were very up front about
19 bringing this forward. And I think they wanted --
20 and, again, I'll use, say more robust discussion about
21 all this. And I want to again say that I was
22 heartened by the fact that they attended a place with
23 a public forum was held. And I think it was just the
24 three of us that went there to avail ourselves of the
25 information that was imparted, plus the sentiment in

1 the community. And I think that's good
2 representation. I also saw both of them at a water
3 symposium that was held about a week and a half ago or
4 even less, where again, a lot of information about
5 water was shared. And I think that's the duty of the
6 water board. And I'm glad to know that there are some
7 who are very interested, and some who I guess think
8 that a lot of this information is going to get to them
9 through osmosis.

10 But anyway, I'm concerned also about
11 introducing chemicals and minerals and other things
12 that are harmful. So I wait for the vote, and I'll
13 vote accordingly.

14 CHAIRWOMAN PENA: With that, I think we need to
15 entertain a motion, correct, Mr. Sanchez.

16 COMMISSIONER HART STEBBINS: Madam Chair, I'd
17 like to make a comment, since I was the one who did
18 ask that this be put on the agenda.

19 CHAIRWOMAN PENA: Commissioner Stebbins.

20 COMMISSIONER HART STEBBINS: Thank you, Madam
21 Chair.

22 I first want to thank the water utility
23 authority for its work in making sure that we had the
24 opportunity to have a really thorough discussion about
25 this. I want to thank everyone from the public, both

1 who contacted all of us, either through the public
2 meeting that was held a couple weeks ago, via e-mail,
3 phone calls. I respect opinions on both sides of this
4 issue.

5 I want to just remind everybody that the
6 reason that I asked that this issue come before the
7 water utility board is because the decision made in
8 2011 was not made by the board. It was made by staff.
9 And after that decision, I was contacted bid a number
10 of health care providers, dentists, doctors, public
11 health doctors, who railroad very concerned about
12 this, who said that they were already beginning to see
13 the impact of the lower fluoride levels on the
14 population that they serve, specifically, there are
15 people who reached out to my from the very low income
16 communities, both in my district and other parts of
17 Bernalillo County where they serve very low income
18 population with very poor access to dental care. And
19 in some cases, poor access even to simple things like
20 a toothbrush and toothpaste. So I know that many of
21 those providers reached out to the water utility staff
22 to discuss this. And it did certainly seem to be
23 something that needed to be a broader discussion.

24 And, again, I think there is certainly
25 opinion on both side of this issue, there are studies

1 on both sides of these issues -- or of this issue. I
2 think that, you know, in essence, it really comes down
3 to each of us here on the board that's going to have
4 to decide who he or she respects and trusts on these
5 issues of the safety of fluoride.

6 I feel, in my district, in District 3, we
7 have three very significant pockets of poverty. We
8 have many families who, again, because of their income
9 levels, don't have access to good dental health care.
10 I think we have to recognize that, that there is -- we
11 have high poverty rates here in the -- if we want to
12 just limit it to the water utility service area, we do
13 have high poverty rates and a persistent lack of
14 access.

15 You know, somebody who spoke tonight said it
16 would be really great if we had more dentists, if we
17 had more health care providers in the state. I
18 totally agree. I think that has been a concern for
19 people in government, in New Mexico government for a
20 long time. And I know there are efforts to increase
21 the number of dental health care providers in the
22 state. But I don't see that happening really anytime
23 soon. You know, whatever efforts are being made by
24 the health sciences center, but other education
25 facilities, health care or dental training programs, I

1 don't see a huge increase in the number of providers
2 in the state anytime soon.

3 So when I look at this, I look at what does
4 it mean or children, for adults, for seniors in this
5 community, who don't have good dental health care
6 access? What can we do the address that? And I think
7 it has been pretty well established that supplemental
8 fluoride at the recommended rate of .7 has been a
9 pretty well established level for providing a
10 significant level of protection, lower the level of
11 cavities and dental problems. You know, I think it
12 would be great if we could provide great health care,
13 a toothbrush and toothpaste to every child in this
14 community. I don't see that happening. You know, I
15 think it would be great if we could have a real
16 groundswell of public effort in that direction. I
17 would certainly support that.

18 In the absence of that, I think this is a
19 really important public health intervention. And,
20 again, when we talk about -- I think we each on this
21 board are going to have to think about who we trust.
22 You know, it's been pointed out that the World Health
23 Organization, the Centers For Disease Control, the
24 surgeon general, we had a number of pediatricians and
25 health care providers who came to our first meeting,

1 and this including, you know, an individual from the
2 public health department at University Hospital, the
3 American Public Health Association, and the American
4 Medical Association, National Research Council. I
5 think that those are pretty sound, respected
6 scientific research institutions and any that is -- I
7 have tried to read everything that's been provided by
8 e-mail and paper, listen to hours of people speak on
9 that, on this issue, about their concerns. And I
10 still have to come down on the side of, you know,
11 those -- the institutions that I just listed.

12 And I think it's important to point out, I
13 was just looking at the Center for Disease Control and
14 they reference a report from the National Academy of
15 Sciences on this issue. So the most recent one there,
16 five studies in the last six decades about this. The
17 most recent one concludes that fluoride is considered
18 to be an essential element of human life based on its
19 roll in cellular functions, involving metabolic and
20 biochemical processes.

21 So there have been some people that have
22 stated tonight that it is not part of our metabolism,
23 it is not part of our natural state. You know, I
24 think this report argues to the contrary. The report
25 further stated that fluoride in drinking water has two

1 beneficial effect is, preventing tooth decay and
2 contributed to bone mineralization and bone matrix
3 integrity.

4 So I think the uncertainty about the safety
5 of fluoride, of supplemental fluoride at the .7 rate
6 has been somewhat overstated. You know, I think
7 again, we have a number of institutions that the
8 public looks to for advice on our health that are all
9 saying at .7, this is the recommendation. Again, the
10 World Health Organization has said that this is one of
11 the ten greatest public health interventions of the
12 last century.

13 So, again, I absolutely respect people's
14 concerns. I appreciate the individuals who have taken
15 the time to bring those to our attention. And I think
16 that yes, this is an appropriate role for this board
17 to make this decision. That is certainly the case
18 across this country, that drinking water providers do
19 this as a service to the community.

20 You know, and I'll saying, there was a
21 couple comments about the fact that we here represent
22 the public. And I'm absolutely aware of that. You
23 know, that I am a servant of individuals who put me
24 here. But I feel I represent all of the residents of
25 my district, not just the ones who have come here, not

1 just the ones who have the time to come here and give
2 us their opinion. I have heard from many, many people
3 throughout this debate who are not here tonight, have
4 not had the time to come to these who have asked me to
5 take this position in favor of supplemental
6 fluoridation.

7 So I think with that, I just wanted to make
8 my position on this clear. And I -- with that, I
9 would like to move approval of R-14-6.

10 COUNCILLOR GARDUNO: Second.

11 CHAIRWOMAN PENA: There's a -- Councillor
12 Garduno. So do we have any discussion on to floor on
13 that?

14 Commissioner O'Malley.

15 COMMISSIONER O'MALLEY: Thank you, Madam Chair.

16 As I also -- I agree with the comment that
17 Councillor Garduno made, that appreciative of the fact
18 that Commissioner Stebbins brought this forward for
19 discussion. I am really frustrated a little bit and
20 some what disappointed, to say the least, that in
21 1970, that the idea to fluoridate the water came
22 before the voters and the voters did approve it. Of
23 course, this is a different time. But it was approved
24 and then it never came before any kind of board or it
25 never was up for public discussion. It was a decision

1 that was made internally by the board, and I believe
2 that they did so with the best information they had.
3 But there probably should have been a public
4 discussion to be fair, after all, it was approved by
5 the voters. But there's been -- of course, you know,
6 the switch to surface water changed the amount of
7 fluoride, and so they took all those things into
8 consideration.

9 So this has been a very informative debate.
10 And I appreciate all the people who did make time to
11 also come here and to weigh in on this issue.
12 Ultimately, my concern has been that we are doing
13 something, we are adding a component to the water that
14 is not a naturally occurring. This is, as someone
15 pointed out, this is very different -- the compound
16 that is naturally occurring is very different from
17 what was being proposed to be added, which is, my
18 understanding, is a certain byproduct from
19 manufacturing of fertilizer.

20 I don't know how you can put a pretty face
21 on that, no matter how you explain it. It's
22 distressing when people hear that. And most people
23 are getting their information from the Internet, and
24 whether that's a place to go that where you're going
25 to get the current, absolute clean science or --

1 you're going to hear a lot about the negative effects
2 of fluoride. And more and more, people are very
3 concerned about what their taking into their bodies
4 because of all the pollutants that we have to deal
5 with. And so they see this as compounding a problem.

6 And so we have many products now on the
7 shelf where fluoride has been removed. You go to
8 Whole Foods, you go to Sprouts and those places, and
9 there's -- most of the toothpaste on the shelves
10 doesn't have fluoride in it because people are
11 concerned about the negative effects of fluoride.

12 And in this case, you know, if we decided to
13 add fluoride I think we got more people trying to
14 figure out how to take it out of their water and to
15 consume less of it. So I'm not so sure if's the
16 direction we want to go.

17 I do want to recognize and thank the people
18 who are on the ground working with children every day,
19 the providers who are sincere. There is -- you know,
20 I -- there is no way, and the accusations that somehow
21 they are financially benefiting from this or that we
22 are, that's just ridiculous. These are people who
23 work with children every day and they see what the
24 problems are. And there are problems. I think we
25 have to recognize that.

1 I have was also getting the same e-mails
2 from dental providers, especially in these communities
3 where there's, as mentioned, pockets of poverty; that
4 there were increased levels of dental decays among
5 children. That's a real problem that I think we have
6 to address.

7 That said, I have a proposal, I have a floor
8 substitute that I would like everyone to consider.
9 And if that's okay, I'll just go ahead and read it so
10 that people know what it says. It's a floor
11 substitute that says -- well, we -- there's a motion
12 and a second, so if that's okay.

13 So it says: Whereas -- it's the resolution
14 regarding the supplemental fluoridation of municipal
15 water supply.

16 Whereas the U.S. Department of Health and
17 Human Services Center for Disease Control in 2001
18 issued a new proposed recommendation for the optimal
19 level of fluoridation in drinking water, and indicated
20 that a final recommendation would be forthcoming in
21 that year, and

22 Whereas, the CDC's proposed recommended
23 optimal fluoridation level was 0.7 parts per million,
24 pending the final recommendation, and

25 Whereas, the previous recommended optimal

1 levels of fluoride was .7 to 1.2 matters per million,
2 and

3 Whereas, the water authority seized adding
4 supplemental fluoride to do municipal water supply in
5 2011 pending issuance of the final CDC recommendation
6 and

7 Whereas, the average fluoridation level
8 naturally occurring in the water authority
9 distribution system of point part per million provides
10 some dental benefit without exceeding the interim
11 recommendation, and

12 Whereas, the final recommendation from the
13 HHS CDC, that would be the health and Human Services
14 and CDC regarding optimal fluoridation levels has not
15 in fact been forthcoming, and

16 Whereas, additional information and guidance
17 from these agencies is necessary before the water
18 authority makes a final decision regarding assumption
19 of supplemental fluoridation of the municipal water
20 supply.

21 Be it resolved by the water authority that
22 Section 1, the water authority shall petition the New
23 Mexico congressional delegation to request expedited
24 action on the part of these agencies to issue the
25 final optimal recommendation recommended fluoride

1 level, and two, Section 2, pending issuance of the
2 final optimal recommended fluoride level by these
3 agencies, the water authority shall continue the
4 practice of not adding supplemental fluoride to the
5 municipal water supply. And, Section 3, upon issuance
6 of the final optimal recommended fluoride level by
7 these agencies, the water authority staff shall rent
8 that recommendation to the water authority board for
9 consideration, and Section 4 in the interest of public
10 oral health, the water authority shall enter into the
11 discussions with the Albuquerque Public Schools, the
12 City of Albuquerque, Bernalillo County, the New Mexico
13 Department of Health, and the dental association to
14 collaborate with these entities on public awareness
15 activities regarding dental health, possibly to
16 include distribution of fluoride dental hygiene
17 products for children and low income residents.

18 Thank you.

19 CHAIRWOMAN PENA: So --

20 COMMISSIONER O'MALLEY: I move floor amendment
21 R-14-6.

22 COMMISSIONER DE LA CRUZ: Second.

23 CHAIRWOMAN PENA: So there's a motion on the
24 floor from Commissioner O'Malley, and a second from
25 Commissioner De La Cruz.

1 Councillor Garduno -- I'm sorry,
2 Commissioner Stebbins.

3 COMMISSIONER HART STEBBINS: Thank you. So I --
4 there are some aspects of this that I think are very
5 positive. I think my concern about doing this as a
6 floor amendment is that this has a very different --
7 very clearly, in fact, the opposite impact of the
8 original resolution that we're considering tonight. I
9 would just like to ask staff whether this would be an
10 appropriate floor amendment or whether it would be
11 appropriate to vote on the original ordinance -- or
12 resolution and then consider this as a separate
13 resolution? That was a question I think for legal
14 staff, whether it is appropriate to do a floor
15 substitute that has the opposite impact of the
16 original resolution.

17 MR. KOLBERG: Thank you, Chairman Pena and
18 Commissioner Hart Stebbins. I think the question is
19 whether -- what would be an amendment or a floor
20 substitute is germane to the bill that is actually
21 before the board at this moment.

22 The question procedurally of whether
23 something is germane is actually a decision for the
24 chair, although the chair of course can defer to a
25 vote of the board of whether it's germane or not.

1 Generally, germane is considered that it's related in
2 some way to the topic which was originally introduced.

3 I think the original introduction, the
4 original topic is fluoride, yes, fluoride, no. That
5 would be the result of your vote. And I think this is
6 germane to some degree on that same question. It does
7 say there would not be fluoride added as a supplement
8 to the water. So it has the result of answering the
9 question that was germane on first one. But
10 ultimately from a procedural standpoint, that's the
11 call of the chair.

12 Does that help?

13 COMMISSIONER HART STEBBINS: Yes, that does
14 help.

15 So I guess with that, my comment would be
16 that I think it would be important for us to have a
17 very clear vote on the original proposal, whether or
18 not this board supports supplemental fluoridation at
19 .7, I think to -- to have this floor substitute I
20 think would -- I would just prefer that we have a
21 clear vote up or down on .7, and then a clear vote on
22 the proposed -- what is proposed in this floor
23 amendment.

24 Thank you, Madam Chair.

25 CHAIRWOMAN PENA: Thank you.

1 Any other discussion?

2 Commissioner O'Malley.

3 COMMISSIONER O'MALLEY: Thank you, Madam Chair.

4 I did ask about -- because whenever you do a
5 floor substitute, you want to make sure that it is
6 germane. In other words, that you don't put a
7 substitute in that has really very little to do with
8 the original bill.

9 I think that the same thing results in that
10 you end up with, you know, people who either support
11 the floor substitute, which you're saying we do not
12 support fluoridating the water. And then if you don't
13 support the floor substitute, you're saying that you
14 do. So I think you're still ending up with the same
15 decision.

16 So I respect Commissioner Stebbins' opinion
17 about this, but I disagree with that.

18 CHAIRWOMAN PENA: Okay. Well, with that, before
19 we end, you know, I just wanted to add a few of own
20 comments, is that, you know, again, I appreciate
21 Commissioner Stebbins for bringing this issue to the
22 forefront.

23 But one of the things that it's important I
24 think to know is that we also have naturally -- in our
25 water, we have at .7 parts per million of -- I mean,

1 .5 parts per million already naturally that's
2 occurring in our water. And I think that the CDC, you
3 know, introduced or recommended that the optimal level
4 of .7, but they are haven't given us a definitive
5 answer. So I think with that, it kind of creates a
6 little bit of risk for us, because what if they come
7 back and say that it's not, and then people would come
8 back to us and say, "Well, you know, here, you're put
9 this water and you're poisoning us."

10 So I think this floor substitute is very
11 appropriate because it does address that issue. And
12 we are asking for what is the appropriate level so
13 that we have a very informed answer as to what it
14 would be.

15 And then there was a young lady who speak
16 earlier and she did talk about, you know, poor folks,
17 she said poor people. And I find that very
18 interesting, because I think, you know, her comments
19 about access to health care were very relevant. You
20 know, I think that's really one of the number issues
21 that we have, is that we really need to be able to
22 provide better access to health care for people who
23 don't have the resources to be able to do it.

24 So with that, I would move a -- I will move
25 floor substitute R-6.

1 COMMISSIONER O'MALLEY: So I guess I'm
2 seconding.

3 CHAIRWOMAN PENA: There was a second.

4 COMMISSIONER O'MALLEY: Okay. Where was there a
5 second? Did we already move to floor substitute. We
6 already moved it.

7 CHAIRWOMAN PENA: So all in favor of floor
8 substitute R-6 signify --

9 COUNCILLOR GARDUNO: Madam Chair.

10 CHAIRWOMAN PENA: Yes.

11 COUNCILLOR GARDUNO: Is there discussion on the
12 floor substitute.

13 CHAIRWOMAN PENA: Well, I had asked tore
14 discussion. There was none, so I ended it.

15 COUNCILLOR GARDUNO: I'm sorry, I didn't hear
16 it, I guess.

17 CHAIRWOMAN PENA: Yes.

18 COUNCILLOR GARDUNO: Well, I just wanted to make
19 my position known on the floor substitute, if I may.

20 CHAIRWOMAN PENA: Sure.

21 COUNCILLOR GARDUNO: Thank you, Madam Chair.

22 And I will support this floor substitute.

23 And I think the main -- or the key element to my
24 supporting this is the fact that it gives the water
25 authority the opportunity to research, search and

1 receive pertinent information going forward.

2 I don't think we can go wrong with seeking
3 more information, and that's why I lauded the two
4 commissioners for attending a lot of these public
5 forums, I think that's where you get a lot of the good
6 information. Both personal, anecdotal, scientific,
7 other ways. But it is informative. So that's a real
8 good reason for me to support that.

9 The other thing is that the last section,
10 Section 4, is almost as important as anything else
11 that's said in the whole of the floor absolute, and
12 that is that it structures, if you will, the water
13 authority to engage in robust, again, discussions with
14 public schools, who are a very important part of the
15 community. But it also puts an onus, and I don't know
16 that that's what you intended, Commissioner, but I
17 think it does tell the other entities, including the
18 dental association and other folks who are for
19 fluoride or who are supporters of good dental hygiene
20 that it tells us all that the community is a lot more
21 important than any of these other arguments that we
22 had or discussions or side -- Mr. Perry, you would
23 know -- the side bars, you know, whether or not you
24 are right or wrong or any of that stuff. I think it
25 engages the folks who are on the ground looking at

1 especially children and I think you're right,
2 Commissioner De La Cruz, especially young, young,
3 children, preschoolers, who may be affected bid some
4 of these by fluoridating.

5 And if we know that at one point or another,
6 then we know we've done the right thing. But if we
7 know just the opposite, then we know which way to go.
8 But I think if we fluoride without having definite
9 information, we may be, if not a mistake, we maybe
10 introducing something that we'd be sorry about later
11 on.

12 But, again, I want to make sure that these
13 folks that are in Section 4 don't walk away with, you
14 know, free from this whole thing. This is something
15 that includes them. And I'll read it again: The
16 water authority to work with the Albuquerque Public
17 Schools, the City of Albuquerque, Bernalillo County,
18 New Mexico Department of Health, the dental
19 association, and all of those folks who are adamant
20 about all of these things, that they get together, we
21 get together and make sure that we're doing the right
22 thing.

23 And I think it was Commissioner O'Malley who
24 said it at one point that first do no harm, that is
25 the Hippocratic oath that a lot of medical doctors

1 take. Maybe we should abide by that, too. Thank you.

2 CHAIRWOMAN PENA: Thank you, Councillor?

3 Any further discussion?

4 With that, we'll take a vote on floor
5 substitute R-6.

6 All those in favor, signify by saying yes.

7 SIX MEMBERS: Yes.

8 CHAIRWOMAN PENA: Opposed, say no.

9 ONE MEMBER: No.

10 CHAIRWOMAN PENA: Motion passes.

11 (6-1 vote. Motion to accept Floor

12 Substitute approved, with Commissioner

13 Hart Stebbins voting no.)

14 MR. SANCHEZ: Madam Chair, procedurally, the
15 vote was to substitute with the floor substitute,
16 which is the vote you just had.

17 Now you must vote on the floor substitute.

18 CHAIRWOMAN PENA: Okay. So now we're voting on
19 the floor substitute, R-6, correct?

20 MR. SANCHEZ: Correct.

21 CHAIRWOMAN PENA: Okay. All those in favor,
22 signify by saying yes.

23 SIX MEMBERS: Yes.

24 CHAIRWOMAN PENA: Opposed, say no.

25 ONE MEMBER: No.

1 CHAIRWOMAN PENA: Passes.

2 (6-1 vote. Floor Substitute approved,
3 with Commissioner Hart Stebbins voting
4 no.)

5 CHAIRWOMAN PENA: So with that, we'll get back
6 on the agenda. Next item we have on the agenda, is
7 announcements and communication, Item A, we have our
8 next scheduled meeting, May 21st, 2014, 5:00 p.m. in
9 the Vincent E. Griego Chambers.

10 Next, Item 7, introduction, first reading of
11 legislation. Ms. Jenkins, is there anyone signed up
12 to speak for the rate ordinance.

13 MS. JENKINS: Yes, we have two people.

14 CHAIRWOMAN PENA: Two people. Can you call them
15 up?

16 MS. JENKINS: Mike Jensen, followed by Elizabeth
17 Hunts.

18 MR. JENSEN: Hi. My name is Michael Jensen.
19 I've been here a number of times arguing for rate
20 increases, so I'm not here to say no. But I am, as a
21 customer, pretty annoyed that as a customer, the onus
22 for the rate increase is put on me for being too good
23 for conserving water.

24 You've seen this before. I've showed this
25 before. This red curve is the inflation index for the

1 cost of providing water and wastewater services in the
2 U.S. This blue curve is what the city and the then the
3 water utility authority did to keep track of that.
4 And the city kept track with inflation. The water
5 utility authority didn't, and cumulatively, we've
6 developed this big gap in revenue. In addition to the
7 fact that we were also conserving.

8 So last year -- or earlier this year, we
9 were also told that they were caught off guard because
10 we conserved too much water. And yet, in February,
11 Katherine Yuhas told you that you would save two and a
12 half billion gallons with the drought watch. So
13 everybody knew that. This is long before the budget
14 was put together. There's even more information out
15 there. It was clear that use was steady going down, a
16 few hundred million gallons a year. You would have
17 predicted something like this. Katherine Yuhas
18 proposed a goal that goes all the way back to what the
19 2010 goal was, so I don't know where that came from.

20 That then with what customers were using the
21 first quarter of last year, if you extended that
22 through subsequent quarters, you would have predicted
23 something like this as the outcome. With Katherine
24 Yuhas' drought watch goal, it would have been even
25 lower. And actual use was kind of in the middle.

1 I'm not a genius, but I could tell that
2 there was going to be a substantial loss of production
3 and loss of revenue. So I don't know why there was a
4 big surprise there. And here again, earlier this
5 year, I mean, Ms. Yuhas said that they were going to
6 be optimistic and assumed that use would go back to
7 normal, whatever that meant, and had a goal that was
8 higher than last year's goal.

9 And the customers, who seem to get the fact
10 that we're in a drought, not only didn't use as much
11 as her goal, they used less than they did last year
12 for the same time period.

13 So I'm really sorry, but it's not my fault
14 as a customer. We as customers are incredibly
15 predictable about how we're responding to this. It's
16 the staff who can't seem to put together a budget that
17 deals with the reality of declining use and the cost
18 of the -- the inflation cost of providing services.
19 Thanks.

20 CHAIRWOMAN PENA: Councillor Garduno.

21 COUNCILLOR GARDUNO: Thank you, Madam Chair.

22 Mr. Jensen, don't mean to have you do the
23 work that should have been done before, but what would
24 you suggest should have been done?

25 MR. JENSEN: Well, I mean, if you just look at

1 that one chart, and it's not just me who looks at that
2 chart and thinks that there's a problem, the rating
3 companies the bond rating companies dinged you guys a
4 couple years ago, just for exactly this, that you
5 weren't keeping up with the costs. So if there had
6 been steady increases, like there had been when the
7 city was doing this, this would have kept track and
8 you would have avoided having to do big increases, and
9 you also would be laying the -- you wouldn't have this
10 shortfall of infrastructure maintenance and repair
11 that isn't being dealt with. You probably wouldn't
12 have the had to go to the bond markets as much. And
13 you could have engaged the customers a long time ago
14 in the relationship between the costs of providing
15 services and what happens when conservation cuts into
16 the revenue and just explain how you operate. You
17 make money by selling water and wastewater services.
18 And when people don't buy enough of your product, you
19 don't make as much money. I think people would get
20 that.

21 So it kind of boggles my mind why there was
22 this sudden like reticence to put in rate increases.
23 You know, I brought this up back the 2008 or 2009, and
24 the response from you all when you asked Mr. Sanchez
25 to respond, he told you all that the water utility

1 authority is not allowed to make a profit. Well,
2 nobody was talking about making a profit. We were
3 talking about just keeping up with the cost of doing
4 business.

5 So, you know, it's kind of too late now
6 because there's a big hole that's been did you go in
7 interest payment on bonds on all of this deferred
8 maintenance. You know, the customers get it. They've
9 told you the thing that bugs them the most is that
10 pipes break, you know. Drinking lines break, sewer
11 lines break. They know it. And I've seen on the news
12 interviews the last day or so, this is all to the
13 news, we're all being blamed on all of the news
14 stories, it's all the customers' fault, but they've
15 gone out and talked to people on street, nobody that
16 I've seen interviewed is upset too much about the
17 rates going up. They understand that -- they
18 understand this. They know that stuff needs to be
19 repaired.

20 So I don't think you should be reticent
21 about raising the rates, but I think you should use
22 this as a teachable moment and really go out there and
23 have the same kind of robust conversation that has
24 taken place with a fluoridation and just be honest
25 with everybody and explain, you know, the hundreds and

1 hundreds of millions of dollars of maintenance and
2 stuff that need to be done, the pipes that need to be
3 repaired, that ten-year project to completely replace
4 all the major facility out at the wastewater treatment
5 plant. I mean, it goes on and on. People will get
6 it. And you will actually probably find out that you
7 can do these rate increases with a lot less annoyance
8 by people and have a healthier relationship with your
9 customers, who according to the organizational chart
10 on the westbound are actually at the top of the
11 pyramid. So thanks.

12 CHAIRWOMAN PENA: So we're on Item A, O-1.
13 Mr. Warren, Albuquerque Bernalillo County Water
14 Utility Authority water and sewer rate ordinance.

15 MR. WARREN: Good evening, Madam Chair, Members
16 of the Board. My name is H. Warren. I'm the customer
17 service manager for the water utility authority. Just
18 a little bit of my background. I have 17 years of
19 experience in the water and wastewater industry. I
20 have worked in the operations field distribution and
21 collections side. I've also ran plant maintenance.
22 And I've got six years in experience with doing rate
23 studies before. Private water companies, with the
24 PRC, plus with public entities such as the water
25 authority.

1 So as I get -- I'll introduce -- as I do
2 some of the introduction, I'm going to go over some of
3 this beginning stuff for the chair. Because I don't
4 know if you've ever seen how a rate structure is based
5 on a cost of service model. So I'll do a little
6 introductory stuff on that. I'll hit some of the
7 comparisons that Commissioner O'Malley was asking for
8 last time so we can have it. And I'll leave time for
9 some discussion there at the very end.

10 CHAIRWOMAN PENA: Thank you.

11 MR. WARREN: So, again, the overview of the
12 presentation is to, again, to pose the rate revenue
13 adjustment for -- I'm going to go over the rate study
14 process, or process server model. We're also going to
15 hit on the low income credit that we have as a utility
16 to serve some of our needy people out there, and then
17 also the staff's recommendation.

18 So, again, the purpose of the rate revenue
19 that's being discussed over here is the need for
20 infrastructure improvement. We've heard from our
21 customer service survey that we had out there that the
22 number one dissatisfaction is broken lines. At any
23 time out through the city, on any given day, there's
24 greater than a 90 percent probability of a broken
25 line. That could be as small as a three-quarter inch

1 service line, to a 24-inch transmission main.

2 We're also here to continue with asset
3 management plan that was approved by the board last
4 year to ramp up the spending by three million on our
5 CFP projects to meet the reclamation goals, to meet
6 the remodeling at the reclamation plant, and to
7 maintain rate equity, is the main reason this is being
8 proposed for the base rate itself.

9 We're going to do a quick data review, cost
10 of service model, a little bit of scenario analysis
11 and our recommendations.

12 So overview of the cost of service model, if
13 you've never seen one, the reason the water authority
14 has a cost of service model is because it's defensible
15 in court. We can promote rate equity
16 ^ intra ^ intra<Delete Space> class, inter-class, and
17 inter-generational equity through the water model that
18 we do. What we do is we assign equivalent units to
19 each meter, whether you're a commercial user, whether
20 you're APS or a standard residential user. And it's
21 based on three-quarter each meter equivalents for each
22 of those customers. The way we get to that is we take
23 our finance plan, which gives us as revenue
24 requirements. From the revenue requirements, we set
25 up the cost allocations for a cost of service model.

1 Our current allocations are based on 49 percent water,
2 33 percent sewer, and 18 percent strategy
3 implementation. The bigger -- the reason we have a
4 little more on the actual water side is we just did
5 the San Juan-Chama plant. So the rate revenue
6 structure is to pay off that.

7 Going forward, we're move a little away from
8 water to put more of that cost structure on that rate
9 of service to the reclamation plant as we continue the
10 rehab on it.

11 So the summary of it is users pay their
12 proportionate cost of the system. Rate equity about
13 achieved by the cost allocation to rate designs. The
14 rates are based on the American water work
15 associations M-1 rate module, which is completed by
16 Carol Malesky, of Red Oak Consulting, who puts that
17 together for us. And we review that as staff. It's
18 legally and fiscally required by our bond covenants,
19 and it's defensible in court. We had a hearing over
20 the sewer rates with Kirtland Air Force Base, it was
21 defensible in court. And that -- and we were able to
22 come out with a victory on that. It was also one of
23 the reasons for the successful take over of the New
24 Mexico utility service area, because again, the rate
25 structure was defensible in court because of -- again,

1 because of the cost model that we have.

2 Here's a quick view of where we currently
3 are existing in 2014. The total base rates that we
4 have are \$20.83. Our proposed are \$23.55. And it's a
5 272 change in the base rates itself. Along with the
6 change in the base rate, we're going to -- again, the
7 proposal is to leave the commodity rates the same, so
8 it will continue to be \$1.67 per unit of water, which
9 is 100 cubic feet. So 748 gallons is \$1.67. And the
10 sewer commodity charge is \$1.30.04.

11 The way our water commodity rates are set up
12 is it's based on a tiered rate structure. If you have
13 a quick thing for that 150 percent of the average
14 water consumption, right now our current average water
15 consumption is six units. So anybody that uses nine
16 units or less, because nine is 150 percent of the base
17 units, anybody that uses nine units of water or less
18 during the summer months, whenever the conservation is
19 your charges are in effect, only pay 85 cents per
20 unit. Anybody that uses over that pays our base rate
21 of \$1.67. After they go over 200 percent, so let's
22 say six, anything over 12 units is now at \$2.50.
23 Anything over three 18 units is \$3.30. And anything
24 over 24 units is \$4.15. That's the way that structure
25 is there. And that's put in there to send price

1 signals, again, to help with conservation, but to
2 provide that price signal that you are using a lot of
3 water out there in the system.

4 The average bill comparison by class, if on
5 the one side you look at the existing and proposed,
6 you'll see a residential customer that uses eight
7 units. You'll see -- it's going to be \$2.97 increase.
8 If you look at somebody proposed who using 20 cubic
9 feet, you'll see a 298 increase. The difference is
10 the 5 percent tax and the 4 percent franchise fees on
11 there. We also have a commercial account on here for
12 your reference, industrial account will see a \$17.38
13 sent increase for a 1 inch industrial user that uses
14 60 units a month. And institutional, for 2-inch,
15 you'll see a \$42 increase. Multi family, you'll see a
16 \$4.06 increase.

17 Here's where we're going to get into some of
18 our local and regional comparisons. If you look at
19 some of the local use comparison, this is for the
20 small user that uses 8 cubic feet during the summer.
21 You're looking at our rates. Rio Rancho you're
22 looking at somewhere \$85. Santa Fe is about \$82.
23 We're somewhere about 45 for those.

24 The way the EPA determines whether or not
25 your water rates are affordable for the public is two

1 and a half percent of the median income, median income
2 in Albuquerque is 47-4 as of 2012, so they would
3 consider a reasonable water rate \$100 a month, because
4 it would be \$1200 a year. So as you can see, we're
5 right about half of what they would consider. That
6 was one of the reasons that we did get a forward view
7 on some of our bonds whenever we went out there,
8 because we do maintain an affordable water rate,
9 considering to the EPA standard of two and a half
10 percent of the median income of Albuquerque.

11 Our local high use comparison, if you look
12 at Santa Fe's bills, Rio Rancho's, and ours, again,
13 even with our high use customers, we're below that
14 hundred dollar threshold, which is considered and
15 affordable water rate for the community. Rio Rancho
16 and Santa Fe are both over. Rio Rancho is going for a
17 10 percent increase over the next three years. I've
18 got a quick -- some quick numbers on what Rio Rancho's
19 water rates are going to be, and some contrast with
20 Santa Fe.

21 So currently, for every unit, for every
22 thousand gallons in Rio Rancho, it's \$4.25 a unit,
23 just for the commodity charge, compared to Santa Fe,
24 which is \$6.06 for every thousand. If we convert ours
25 from cubic feet to thousand gallons, we are \$2.32 per

1 thousand gallons on our commodity rate. As far as the
2 base rates go, currently Rio Rancho is \$9.20. They
3 will jump all the way up to \$11.97 by FY 17, which
4 from now is 30 percent increase in overall on the base
5 rate, plus 30 percent overall, the commodity, which
6 will be \$5.54 in 2017, where is the water authority,
7 we continue to have a little bit of conservative model
8 to keep that affordability for our customers and to
9 bring industry into the area.

10 Regionally, how do we stack up? You have
11 Colorado Springs, who's around \$70 for, again, that
12 low use customer. We're right, again, in there.
13 We're about \$42 for that customer. Denver, if you
14 look at the Denver water rates, there's two different
15 water rates we could look at for Denver. I took the
16 in-city, because it's the most conservative approach.
17 If you're outside the city limits of Denver, then the
18 water rates are actually higher than ours for that low
19 user. One of the reasons, as John Stomp talked about
20 last week, Phoenix is so low is they have a lot of --
21 they have one of the earliest reclamation projects,
22 with the salt water diversion that they had. It was
23 in 1903, which is actually ten years before Arizona
24 became a state. They secured the water and the power
25 rights for Arizona, which basically subsidized their

1 water rates. And that's why they can continue to be
2 so low.

3 Again, with that regional high use bill
4 comparison, again, Colorado Springs is about \$140.
5 Denver now surpasses us at about 85, \$86. But, again,
6 we're still in that \$80 range for the affordability
7 for some of our higher use customers. And, again,
8 some of those higher use customers, and some of them
9 at the public meetings I've been at, a lot of them
10 have small gardens in their yards. Again, we don't
11 want to do that. I mean, there's a lot of salsa
12 gardens out there. And whenever we go out there, we
13 here, "By you keep raising the commodity rates, we can
14 no longer afford to grow our own vegetables." And,
15 again, that's a little bit with our conservative
16 approach that we have.

17 Again, how do we look out for customers? We
18 have a low income credit program that is funded by the
19 water authority and no other outside entities. And
20 what it does is it creates a credit on their water
21 charge operate \$10.31, \$9.62 for wastewater, and with
22 us as the billing agent for the City of Albuquerque,
23 we give a \$2 credit on their solid waste account, for
24 a total of 21.93.

25 Some of the Good Neighbor Funds, as PNM has,

1 is a one-time thing. The way that ours is set up is
2 it applied every month to their bills. And they
3 qualify for it's once. The qualifications for it is
4 they must be the -- if aren't or applicant must be the
5 owner of record with BernCo. The property must be is
6 single-family residence, so that way no apartment
7 complexes or anything qualify. You must be current on
8 your water bill, and you must meet 130 percent of the
9 current federal poverty guidelines.

10 We just reached an agreement now. We have
11 the Storehouse is actually administering this program
12 for us. They're located at 106 Broadway. They
13 keep -- our customers can go in from 9:00 to noon, and
14 1:00 to 3:00. One of the reasons I think it's
15 important for us to partner with the Storehouse is
16 currently New Mexico ranks Number 1 the childhood
17 hunger. We're Number 2 in adult hunger. Last year,
18 the Storehouse served 2.9 million meals to families
19 out there. So not only does this help our people who
20 are struggling with their water bills, it also puts
21 them in touch with a place to get substance, eat and
22 clothing. There will be an announcement in our bills
23 starting May 2014, and we hope to have quarterly out
24 reaches to support the program throughout the
25 community to provide --

1 COMMISSIONER O'MALLEY: Madam Chair, I hate to
2 interrupt, but I do have a question about the low
3 income application program.

4 What does that mean, to say -- let's say
5 someone gets a bill for \$40, a low income family, and
6 they go to the -- they submit an application for
7 credit program. What does that mean in terms of their
8 bill.

9 MR. WARREN: So what that means for their bill,
10 if they qualify -- so a resident that has a \$40 bill,
11 it will give them a credit of \$23 and their bill, so
12 their currently bill will now be \$17 a month for the
13 remaining of that calendar year.

14 COMMISSIONER O'MALLEY: Okay. Thank you.

15 MR. WARREN: And then they will have the
16 opportunity to reapply the following year.

17 COMMISSIONER O'MALLEY: Okay. Thank you.

18 MR. WARREN: So the staff recommendation is to,
19 again, to do an increase of 5 percent to the revenue
20 requirements, with no increase on commodity rate, and
21 to adjust our utility expansion charge by 2.4 percent,
22 based on the 2014 ENR building and construction costs
23 and index.

24 So I'll stand for questions.

25 CHAIRWOMAN PENA: Councillor Garduno.

1 COUNCILLOR GARDUNO: Commissioner O'Malley knew
2 I probably was going to ask questions, and thought I
3 want to get in there first.

4 COMMISSIONER O'MALLEY: That's right.

5 COUNCILLOR GARDUNO: I want to go back to some
6 of the Bar graphs that you had, bill comparison, and a
7 lot of the local high and local low.

8 Some of the places like Santa Fe doesn't
9 have what is put down here as water resources cost.
10 Why is that?

11 MR. WARREN: Because they have not -- Madam
12 Chair, Councillor Garduno, because they have not
13 acquired a sustainable water supply as we have with
14 the San Juan-Chama. The water authority and the
15 Albuquerque utility before has always been very
16 progressive with securing the San Juan-Chama water
17 rights. Again, looking at asset management program
18 and most of the utility in the country don't have it,
19 it's just something that was very progressive.

20 So now they've behind the eight ball and
21 they have to really, really ramp up the rates to get
22 some of that sustainable program.

23 Rio Rancho, you will now see, has a \$6
24 sustainable. A few years ago, they did not. They had
25 a mandate from the state engineer that they had to

1 acquire water rights somewhere in the realm of
2 \$2 million a year annually to provide the water rights
3 going forward.

4 COUNCILLOR GARDUNO: Okay. And then, Madam
5 Chair, if I may.

6 The bond folks are here, so I don't want to
7 give too much information out, but what do we do to
8 get back to some of the I guess concerns that were
9 shared by the public, by Mr. Jensen, where we didn't
10 keep up and unfortunately, the costs ramped up and the
11 revenue did not.

12 MR. WARREN: Madam Chair, Councillor Garduno, I
13 believe some of that was touched on whenever we
14 approved the asset management program, by ramping up
15 spending, by ramping up CIP spending by three million
16 annually going forward. So some of that has been
17 addressed.

18 The other way of addressing, somewhat, is
19 just, again, if our costal location be directly on the
20 base rate, where we could still take care of our
21 customers who are low user by providing them a
22 50 percent commodity rate of 85 cents. But, again,
23 with cost of service, I mean, it is on the base rate,
24 and it does effect everybody proportionately
25 different. But by putting it on the base rate, we

1 stick true to the cost of service model, plus we also
2 provide that incentive of half commodity rate at
3 85 cents for those low users.

4 The other thing I could speak to, looking --
5 whenever some of the forward looking statement were on
6 some of the water consumption and what we can expect
7 from 2006 to 2011, we dropped about two and a half
8 gallons per person, per capita per day. Going
9 forward, we had a conservative model on our price
10 elasticity. In our demand model that we created,
11 water is very inelastic, because you have to have a
12 certain amount of the water to live. Sympathy or
13 prejudice we were conservative on that. Where we were
14 expecting to see about a 2 percent decrease in usage,
15 and, again, going forward, looking back now, hindsight
16 is always 20/20.

17 If I had some money, I could place some
18 money on the super bowl bet right now. They had
19 Denver at a two and a half favorite. So I mean, on
20 some -- so, you know what I mean? So hindsight,
21 looking back a year later, hindsight is always 20/20.
22 But going through there, if you can look at it, what
23 had happened the year before in 2012, before we
24 actually did -- whenever we were using that data for
25 the rate model, we seen it drop from 150 gallons per

1 capita per day to 148 gallons per person, per capita,
2 per day. With the applies elasticity, with water not
3 being very elastic, because you have to have it, we
4 kept a conservative model, expecting, again, about
5 that 2 percent, expecting to see one and a half to two
6 and a half gallons per capita, per day to drop owe the
7 next ten years.

8 COUNCILLOR GARDUNO: And, Madam Chair, I know
9 that right now we need to have a rate increase just to
10 stay within distance, if you will.

11 But I think it's true that we're
12 de-incentivizing the consumption of water -- or the
13 nonconsumption of water by charging more because
14 you're using less. And what is the thinking? What
15 are you going to do? How are we going to tell people,
16 "Thank you for conserving. And this is the reward you
17 get?"

18 MR. WARREN: Well, Madam Chair, Councillor
19 Garduno, that's the biggest issue facing the water
20 utilities all across the country. We have aging
21 infrastructure. And, again, I mean, with the price --
22 with the scarcity of water, we couldn't truly charge
23 on the scarcity of water. If we were to charge on the
24 scarcity of water, nobody could afford it. So what we
25 have to do is be good stewards of it and protect it

1 and there is -- and with the cost of service model,
2 it's going to have to be a little bit on the base
3 rate, and we've got to have that incentivized. We've
4 got to incentivize the actual commodity costs, which
5 we were, at 85 cents a unit, for those low use users.

6 But it's a fine line. We're -- again, we're
7 going to be on the fence until we finally hit what is
8 truly sustainable for household in Albuquerque. We've
9 seen -- we've been able to drop from over 250 gallons
10 per capita per day in '95, to currently, we're at
11 about 135 gallons per capita, per day. Where does --
12 where's the floor in this? It could be a hundred
13 gallons per capita, per day. That's something -- but
14 I would rather be -- take a little more of a
15 conservative approach on it than be overbilling our
16 consumers and halting growth.

17 COUNCILLOR GARDUNO: And across the board rate
18 increases, isn't that aggressive, just like taxes?
19 Doesn't it affect folks who can less afford it, than
20 folks who can? And I'm not saying -- somehow that has
21 to be inverted, but I don't know what that is.

22 MR. WARREN: Councillor Garduno, as a
23 municipality, we cannot subsidize any other class of
24 customers. And it is getting away from the cost of
25 service model, where if we continue to put so much

1 emphasis and a discount on a certain class, then we
2 have other people who are truly subsidizing that other
3 class of customer, and we have to continue -- again,
4 that's where our balance of -- you mean -- of taking a
5 little more of that conservative approach. If we
6 would have went and expected okay, we're going to have
7 a 10 percent, 20 percent decrease in consumption,
8 we're going to drop two billion gallons, that would
9 have -- I mean, if we would have put that into effect,
10 our commodity rate right now for those low use users
11 would probably be up \$3.50 to \$4 a gallon. But
12 instead, by keeping it on the base rate, we have the
13 equitability of keeping all classes intra, and inner
14 equity, plus intergenerational equity to use it for
15 our customers now plus going forward.

16 COUNCILLOR GARDUNO: But if I make 20,000 a year
17 and I pay \$10, and I make 100,000 a year, and I pay
18 \$10, what's the fairness in that?

19 MR. WARREN: Well, Councillor Garduno, life
20 isn't fair on certain thing.

21 COUNCILLOR GARDUNO: But --

22 MR. WARREN: But we do have something in place.
23 If you make \$20,000 a year, we're subsidizing your
24 water -- we are providing that subsidy to those water
25 there, so you'll be paying \$17 for that water, where

1 somebody else, same demographic will be paying 40. So
2 we do have that in place. If you look at with our low
3 use discount -- so if you make \$20,000 a year, you
4 would qualify for the low use income for the low
5 income credit so you would -- again, you would be
6 paying \$18, or somebody who makes \$100,000 a year
7 would be paying 40. So you'd be paying less than half
8 of what they're paying. And that's how we have it
9 built into the system. So that's how we're trying to
10 get some of that fairness in there. There's no
11 perfect system. If not, we'd have to have rate -- a
12 separate rate for 200,000 customers.

13 COUNCILLOR GARDUNO: And thank you for pointing
14 out that life is not fair. People that make 20,000
15 don't think it's fair that they make 20,000.

16 CHAIRWOMAN PENA: Thank you Councillor Garduno.

17 We have Commissioner Stebbins.

18 COMMISSIONER HART STEBBINS: Just one question
19 about the low income credit. So you're working with
20 the Storehouse. Can individuals come to the water
21 utility directly to make those transactions, to get
22 signed up for that program?

23 MR. WARREN: Madam Chair, Commissioner Hart
24 Stebbins, we have a third party with an independent
25 board that goes through that whole procedure, and

1 that's why we use to Storehouse, so that way there
2 could be -- so nothing could be seen as any -- any
3 unfairness in it. So we have a nonprofit with a
4 governing board that are administer the program. They
5 turn in applications to us ones a month. So we go
6 through and we upload them into our billing system, we
7 verify them for accuracy. But the Storehouse does the
8 initial process of actually qualifying all of our
9 applicants. So we can point them in the right
10 direction, get them an application, but it must be
11 filed and processed at the Storehouse.

12 COMMISSIONER HART STEBBINS: Okay. And that is
13 clearly -- that information is available on the
14 website, easy to find.

15 MR. WARREN: Yeah, that information is out
16 there. And, again, we're having a billing insert in
17 May and then we'll continue to do it quarterly. The
18 Storehouse has that information out that they do
19 whenever they have -- again, they have 80,000
20 customers that go through their doors a month and that
21 information is being provided to those customers at
22 the same time. They have four out reaches a year to
23 senior citizens in our community, so they touch about
24 5,000 seniors in this demographic.

25 COMMISSIONER HART STEBBINS: That's great. All

1 right. Thank you very much.

2 Thank you, Madam Chair.

3 CHAIRWOMAN PENA: So no other questions?

4 Commissioner O'Malley.

5 COMMISSIONER O'MALLEY: To follow up on that
6 issue, I'm assuming that we have budgeted for that. I
7 mean, that means that there's less revenue, of course,
8 coming into the city and coming into the water
9 authority. We have a lot of programs where they
10 actually end up on the expense side of things, for
11 example, the rebate program. My understanding, with
12 all those combined, that represents about \$2 million.
13 I think people are -- feel very positive about these
14 programs and they support them.

15 So I just want to make sure that, you know,
16 we have anticipated that the need is probably greater,
17 more so now, than it was last year in terms of people
18 asking for help. So I'm assuming that we have taken
19 that into account.

20 MR. WARREN: Yeah, Madam Chair, Commissioner
21 O'Malley. That is a budgeted item for the water
22 authority, for the low income credit and for the
23 administration on that.

24 CHAIRWOMAN PENA: Okay. One more time. Any
25 other questions? No.

1 With that, thank you, Mr. Warren.

2 Appreciate it.

3 MR. WARREN: Thank you.

4 CHAIRWOMAN PENA: Ms. Jenkins, is there anyone
5 here to speak on the operating capital budget?

6 MS. JENKINS: Yes. Elaine Hebbard.

7 MS. HEBBARD: Thanks. I know it's getting late
8 and I don't want to take up too much of your time.

9 I'm concerned about the fact that the FY14
10 revenues that you're being told were 2007 million,
11 last year's approved budget were 199,474. So the --
12 now the revenue is going to come in projected to like
13 201, which is higher than last years projected
14 revenues.

15 So I don't know when they changed, but one
16 would have to say, where's the problem? The problem
17 may be that in FY13, the revenue was really down and
18 so we've been playing catch-up. But it may not be so
19 much that conservation. That was anticipated, as
20 Michael and others have talked about. The -- the CIP
21 spending was deferred. How much? 8 million? Which
22 once? Was it also deferred in FY13? How much?

23 So when you're talking about the FY15 budget
24 being 51 million, how much of that represents deferred
25 spending? Because remember, we have this big backlog.

1 In the 2011 decade plan, it was 355 million. To the
2 2013 one, that had grown to 300 -- from 355 to 382
3 million. So the rates may not be keeping up, the
4 budget may not be keeping up with that backlog. And
5 that may be the bigger issue.

6 We also have a capital reserve fund that at
7 the end of this year was supposed to \$10 million in
8 it. It's actually supposed to have one-twelfth of the
9 expenditures by now, by your own ordinance. It's
10 going to have 1 million in it. Where's all this money
11 going. It really goes to the CAC had not really
12 discussed this, contrary to what's been presented.

13 There hasn't been an external audit. And I
14 think, A, there should be an external audit, B, there
15 should be a forum to discuss the budgets and the rates
16 with the public, as the board has suggested earlier,
17 and C, I think you need to have a CAC that has the
18 ability to get into and discuss these, not just have
19 presentations by the board.

20 Thank you. Any questions?

21 CHAIRWOMAN PENA: Is that it with that item?
22 Are we doing both at the same time, or are we going to
23 do them individually? Well, Stan.

24 MR. ALLRED: Madam Chair, Members of the Board,
25 I'm going to do a presentation for both statement.

1 CHAIRWOMAN PENA: Okay. Perfect.

2 MR. ALLRED: And I think I can answer
3 Ms. Hebbard's questions, as well, as we go through it.

4 I'll just start with the first slide she
5 showed you, and I will accept fault for that slide.
6 When we did the 2014 budget, we had used a new system,
7 and the tables we used didn't -- well, what it ended
8 up doing basically is it took city revenue and
9 subtracted out county revenue of 5 million, and it
10 took city sewer and subtracted it out county revenue
11 of 4 million, which was \$9 million. Some in the
12 finance plan and what we projected to generate in
13 revenue for 2014 was 208,474,000. That's the \$9
14 million difference. The tables, for whatever reason,
15 subtracted out, I did not catch that. I did my
16 analysis off of those tables from staff, and so I
17 accept that responsibility.

18 In the quarterly reports and in the finance
19 plan, to project where we're going to the future, it
20 was the \$208 million number. But on the tables that
21 was in the budget report and on staff report was 199,
22 and the difference, again, was it backed county
23 revenue out of city revenue.

24 And why we tracked that differently is that
25 there was different programs in place where we did

1 different things for the city versus the county. At
2 one point in time the county didn't pay a franchise
3 fee. They pay a franchise fee now. So the revenue
4 was separated. And in building the tables, that error
5 was made.

6 And then I'll get to some of the other items
7 as we get there.

8 Again, this year's budgeting includes a
9 5 percent rate revenue adjustment. Continue to fund
10 the rate reserve fund at \$2 million a year. Move
11 third million for CIP for the basic rehab program, as
12 we have in the past and do 5 million for the none
13 basic capital program. And that basically is for
14 growth related items. And that's paid by utility
15 expansion charge revenue.

16 The assumptions made in this year's budget
17 is nominal growth, basically no growth in our service
18 area. I'm basing it on a 18 percent increase in
19 consumption, using actual FY14 numbers. And I think
20 maybe we can answer some of Councillor Garduno's
21 questions.

22 We've basically shoulder through the first
23 nine months, about 2.4 billion gallons less water than
24 we did the year before. The commodity rate for water
25 alone is \$1.67 a gallon. That's equates to about

1 \$6 million in revenue based on the difference between
2 the revenue that was pumped the year before and the
3 water that was pumped this year. So that's a big
4 reduction in consumption. And as we are moving our
5 rates forward, we made an adjustment to the commodity
6 rate. But we also set these rate increases till the
7 next three, which was the one happened this year, and
8 for the next two was to pay for our infrastructure.
9 And to do that, we have to make sure that we set the
10 revenue at a place where we can be guaranteed that we
11 would get that revenue. And that's one reason why it
12 kind of went to the base rate. We can talk about that
13 a little bit more as I go through this.

14 Growth in our operating expenditures only
15 included essential items. Basically, in our operating
16 costs, there is really no increases except for
17 personnel costs and increase to pay for debt service.

18 We continue to increase capital spending for
19 rehab work at the south side reclamation plant. 2015
20 is the first year where we begin the ramp up of our
21 CIP program. FY15 expenditures, we've added a couple
22 positions. As we separated from the City of
23 Albuquerque, we've added a risk manager. We have a
24 system support specialist, which we've created a help
25 desk with your IT group to track all of our IT issues

1 through that so we can better prioritize that type of
2 work. We provide our own fleet now, so we have a
3 fleet coordinator, a heavy equipment mechanic, and the
4 City of Albuquerque had provided us treasury services,
5 and as part of separation, we've included a new
6 treasury manager to help with our banking needs.

7 Personnel expenditures, we have a two and a
8 half percent increase in our employee benefits. Much
9 of that is the increase of two and a half percent in
10 health benefits, and much of that is due to the
11 Affordable Health Care Act that went into effect. We
12 are also now picking up the four-tenths of a percent
13 increase to the contribution to PERA, per state
14 legislation. And if you remember, when we had to
15 increase the employees' portion of PERA, which was 1.5
16 percent, which picked up half of that. So this year's
17 budget also includes the .75 percent to cover the
18 employees' increase to PERA.

19 Again, our other operating expenditures are
20 at FY14 levels, so there is no increases there.
21 Internal service and transfers, that's basically our
22 debt service fund that pays for our debt service, and
23 it's where our utility expansion charge revenue flows
24 into. Our debt service payments increased by 5.4
25 million. I had said earlier that the increase for the

1 operating is an additional \$1 million. The remaining
2 \$4 million will be -- the increase will be paid from
3 utility expansion charge revenue generated. The
4 remaining 5 million of that 9 million, we believe will
5 be a transfer to CIP to pay for growth related items
6 such as IT projects, and our developmental agreement
7 reimbursements.

8 And what this is is to kind of clarify, we
9 have the policy where there's no-net expense to the
10 authority to build development. So as developers
11 begin to develop an area such as Westland or those
12 types of things, as people start connecting to the
13 system, we reimburse the developer for adding the
14 infrastructure to our system.

15 Revenue for FY15, I know expense is going to
16 be about 10,000. We had been projecting about
17 750,000. We're not going to generate \$750,000 in
18 revenue, so I reduced that to 10,000 this year. And
19 then our biggest revenue items is our water revenue.
20 And then coming in in second place would be our
21 wastewater. And we have San Juan-Chama and the
22 franchise fees. And then we have a transfer from
23 solid waste, the City of Albuquerque pays us a
24 transfer and we provide billing services and
25 collection services for solid waste.

1 Expenditures, our biggest expenditure,
2 37 percent, is our debt service. Much of that was to
3 build the San Juan-Chama Project. Our next highest
4 pocket would be for wages and benefits for our
5 employees. And then we have our operating expenses,
6 transfers to other funds, such as we talked about to
7 pay for CIP and other things as that. Our risk costs
8 are at 2.4 million, and Workers' Comp at 688,00.

9 So our plan still is, and what we have
10 promoted is to increase revenue and increase our -- as
11 expenditures increase, primary the increase in
12 expenditures will be based upon the transfer to CIP
13 for the ramp up of taking care of our aging
14 infrastructure. CIP appropriations -- and I'll talk a
15 little bit about CIP and how that works a little bit.
16 We appropriate \$51 million in this year's budget to
17 CIP. 48 is for the basic water and sewer program,
18 with a minimum of 30 million of that for rehab and
19 replacement. 10 million will be for the south side
20 reclamation plant. We will continue to move \$3
21 million for the automatic meter infrastructure, which
22 is our meters where we can read electronically.
23 Continue to invest at least at a minimum of \$1 million
24 a year to waterline replacement, and then again, as I
25 said above, we have the 10 million for the PTF and

1 dewatering facilities.

2 So what this allows us to do, it gives us
3 the authority to spend on CIP projects. And the
4 spending is a little different than actually paying
5 the cash flow. So this is a real quick break down.
6 I'll kind of get into what I just said here in just a
7 second. But this is a little bit of a breakdown of
8 our CIP plan spending of the 51 million for next year.

9 So to kind of get back to what I was talking
10 about, and I know I'm kind of rambling a little bit,
11 so I apologize, is that I have -- we have the
12 authority to spend \$51 million worth of work in FY15,
13 but we may not cash flow and may for that until FY16.
14 So we did have a shortfall of this where we say we
15 deferred \$8 million in CIP spending. And we reduced
16 spending for next year by 7 million. So in the
17 finance plan, we're going to borrow, when we go back
18 out and borrow, an additional \$15 million. The debt
19 service for that is about \$1.5 million. We are also
20 here planning in the next month or two to go and
21 refinance our 2005 and 2006 bond issues. The net
22 present value savings of those two issues is \$1.3
23 million. So basically, we're going to refinance two
24 of our bond issues and then borrow the 15 million to
25 make up the difference of what we deferred.

1 So we started work on the PTF dewatering
2 station, which starts in FY 2015. We \$20 million for
3 that in FY 2013. We will not be able to get any cash
4 flowing, the big portion of that, until FY 2016. So
5 that money is being used for other projects as we
6 speak, so we have not slowed down any CIP spending.
7 We continue to work on what we're working on. And
8 then the intention is at the end of FY 2015, we would
9 borrow 15 million, along with what we normally do
10 every two years, to borrow for our basic program,
11 which in the plan is if I have 6 million. And then
12 just keeping moving forward.

13 We are not stopping any CIP projects. We're
14 just -- made a little bit of a change to the cash to
15 pay for those projects. And then just looking at the
16 timing and when those things would be cash flowed. So
17 we're still going to increase CIP spending. We
18 borrowed an extra present million dollar last year in
19 2014 to start the PTF dewatering work, so that's the
20 50. Our baseline is 40 million. We've added 3
21 million to that in 2015, which is, you see it, 43, and
22 then we continue that ramp up every year about it will
23 go beyond 2023. But we have 46, 49, 52, 55, 58. So
24 that is our plan.

25 The one error on this slide is growth is

1 really at 5 million, not six, at the bottom of the
2 slide.

3 So as you can see in this slide, a depiction
4 of us increasing our CIP spending, and then you can
5 also see that the intention is not to borrow money to
6 pay for that, but to pay as a transfer from our
7 operating using cash to do that. That's going to be
8 done two ways. It's the two rate increases we've
9 talked about for 2016 and 2018. And it's also based
10 upon, as we start paying off debt service. That debt
11 service payments then will be moved and start being
12 transferred to pay for the CIP. So that will help
13 offset future rate increases, by using the savings we
14 will realize from bond issues as they retire.

15 Future financial challenges, again, your
16 biggest issue is conservation and decreased revenues.
17 When we built the finance plan, it basically was
18 assuming a 2 percent reduction in consumption. And I
19 wish I could have projected and 18 percent reduction
20 in consumption this year. It probably wouldn't change
21 the situation we're in right now, if even I could do
22 that. The goal really was to go from 148 GCPD, as you
23 adopted last year, and go in the next ten years to go
24 to 135. We just -- we achieved 135 in nine months.

25 So the rate increase of 2014 was to generate

1 between nine and a half to \$10 million, and it was to
2 go and start begin paying for the ramp up of CIP and
3 then bring our fund balance back into the line.
4 Because of the two and a half billion decrease in
5 consumption, which is about 18 percent reduction in
6 consumption, that revenue wasn't realized. So that is
7 why we're asking, proposing to do a 5 percent rate
8 revenue increase in this fiscal year.

9 We -- again, part of this is we have to make
10 improvements to our reclamation facility. The ramp up
11 is to finance the asset management plan and I know
12 crest in our infrastructure. We're going to continue
13 to look at ways of increasing operating efficiencies
14 and reduce our operating expenditures. And we're
15 still going to have to look at increasing costs of
16 power, fuel, and chemicals. And the increase of
17 reserves to one-twelfth, that needed to be done by the
18 end of fiscal year 2015 per the ordinance. And that
19 is still the plan.

20 So 2014, at the end of this year, we did a
21 lot of the things. We expect a \$1.4 million we serve.
22 2015 is going to be about 10.94, and then we go over
23 there -- we'll just go from there.

24 Just real quick, the revenue detail, just to
25 get a little more into the weeds. This is for our

1 revenue. So basically, revenue is set to be exactly
2 almost where it was in 2014. Then this is also
3 including the 5 percent rate revenue increase. Debt
4 service, I'm in the projecting any interest for
5 revenue in the debt service fund. We've increased
6 revenues for UEC and water estimated at a half a
7 million for both. And then the transfer, we talked
8 about from the operating to pay for debt service.

9 Personal expenditures, that's our biggest
10 increase in expenditures this fiscal year. It's
11 \$2.3 million. \$1.1 million is for other benefits,
12 which we talked about before. And then the 70028
13 thousand is a 2 percent step increase given to all
14 employees. Operating expenditures, we kind of shifted
15 some things around a little bit, but we basically are
16 projecting -- or I'm budgeting about \$380,000 less
17 than we had budgeted for FY14.

18 And then really nothing here for capital
19 expenditures. Basically, all we really have in here
20 is we pay for some vehicle replacements out of the
21 operating budget. And then we have a \$1 million
22 increase to our transfer to pay for debt service.

23 And I know that was long and brutal. And I
24 stand for any questions.

25 CHAIRWOMAN PENA: Thank you, Stan.

1 Does anyone have any questions?

2 Well, with that, thank you, Stan, appreciate
3 it again.

4 MR. PRICE: All right. I'll try and talk real
5 quickly. My name is David Price. I'm the manager of
6 the water authority's water resource, planning and
7 engineering division. And I'm going to give a status
8 report on the water others infrastructure program.
9 This is the program that takes care of rehabilitating
10 and replacing failed assets or assets that are at the
11 end of their life, things like pipelines, water,
12 wastewater pipelines, plants, pumping stations and the
13 like.

14 It's actually described in the decade plan,
15 which we updated and presented to the board about a
16 year or so ago. At that time you approved the renewal
17 budget for fiscal year '14, the current fiscal year,
18 and '15, the next fiscal year.

19 This chart just shows the status and
20 projected spending for the fiscal -- the renewal
21 program for fiscal year '14 and fiscal year '15.
22 Currently, we spent during this fiscal year, about \$23
23 million. We're projected to spend \$30 million by the
24 end operate fiscal year June 30th. The horizontal
25 lines at the top of the chart show the bums for the

1 fiscal year '14 and '15. The upper line, the red
2 line, is what our original budget was approved by the
3 board per the decade plan, and then the lower line,
4 the yellow line, showed a reduction based on what
5 Mr. Allred just spoke -- the reduction in our revenues
6 indicated that we're going to have to cut spending
7 bill \$8 million in fiscal year '14, and another \$7
8 million in fiscal year '15. As you can see, the
9 project by the end of fiscal year '15 shows that our
10 projected or planned spending on renewal actually
11 exceeds the reduced budget. And without -- if that
12 end up being the case, we're going to have to cut back
13 on some of projects and delay some.

14 Some of the spending that we've done so far
15 this year included \$10.4 million at the south side
16 reclamation plant, 4.9 million on water pipelines and
17 \$3.3 million on sanitary sewers. One of the project
18 highlights is the new \$31 million preliminary
19 treatment facility, the PTF, down at the reclamation
20 plant. This is a critical facility for the plant.
21 It's the facility that takes out the sand, the grit
22 and other debris that oftentimes going farther into
23 the plant and causes damage. It's about six months
24 along in a 18 month construction period, so it doesn't
25 look like much right now, but this is how it will

1 probably look in about another year.

2 The current PTF does a very poor job of
3 protecting downstream processes and equipment. The
4 picture here shows the mixer on the sludge blending
5 tank. And you can see the photograph on the left
6 shows the mixture on top of the tank, about you can
7 see it has a busted pedestal. And the picture on the
8 right shows -- it's actually taken from inside the
9 tank, after draining the sludge out of it. And you
10 can see the shaft for the mixer extending down from
11 the roof and the impaler at the bottom, and you can
12 see a accumulation of what they call rags or stringy
13 material on the impaler. And that put the impaler out
14 of balance and created the damage you see. So
15 hopefully the new PTF is going to solve those kind of
16 problems.

17 Another project we just finished up down
18 there is a \$1.4 million rehab in the south area,
19 Basins 7 and 8. The plant has 14 of these basins.
20 And these are the basins where we basically grow the
21 bacteria that eats the harmful materials that are in
22 the actual sewage before we discharge the water back
23 into the river. And a lot of the bacteria that we use
24 for eating the harmful material rely on oxygen, and so
25 there's a grid of oxygen diffusers at the bottom of

1 the -- each of the basins, and we had to replace
2 11,000 of these diffusers in the two basins.

3 Part of that prong was also to reconfigure
4 some of the piping. Some of the control valves are
5 actually prior to this project down inside the sewage
6 till we lifted that out, put it on the deck where it
7 can be more easily maintained. Related to that, we
8 installed two new blower us down there to bring the
9 number of blowers up to 12. It's the full complement
10 for the plant. .

11 Paseo del Norte and I-25 interchange
12 project, this is actually not a water authority
13 project, however, it's cost us \$6.5 million so far to
14 relocate our water and our wastewater lanes. Due to
15 that unplanned spending, we basically have tried to
16 shut down our planned pipeline renewal projects during
17 fiscal year '14 and '15, since we didn't have enough
18 budget to cover that.

19 Every year we have sewer interceptor
20 collapses. We had one in a 48-inch Tijeras
21 interceptor out of Kirtland Air Force Base. It cost
22 of us 1.1 million. And we're currently fixing one, a
23 30-inch, that goes underneath the BNSF railway down
24 along 2nd Street, just south of bridge. That so far
25 has cost us a quarter million dollars. And

1 oftentimes, when we have one of these interceptor
2 collapses, it creates sinkholes, and that's a real
3 hazard for motorists.

4 Water service connection breaks, we have
5 about 180,000 water service connections within the --
6 in the potable water system. Dozens of these things
7 break every year. We send out our crews or our on
8 call contractors to fix them. Usually it's 3 to
9 \$10,000 to fix. The pictures shown here is up on
10 Marquette in the Northeast Heights just either of
11 Tramway. Here a single 1 inch connection broke and
12 undermined the entire street for a whole block, and it
13 cost the authority \$220,000 to fix just one break.
14 And the problem with this particular instance was that
15 the connection was made to a transmission line instead
16 of a distribution line, and it was improperly made, it
17 blew and created a tremendous undermining of the
18 street. And we have these type of connections in
19 dozens of streets throughout the authority. And if we
20 had more money for renewal, we'd be able to
21 proactively go out there and fix these. But right
22 now, we just don't have the fund to address that.

23 Here's a charge that came out of our 2011
24 asset management plan. And it shows the annual
25 required renewal needs over the next 100 years. So

1 each one of the vertical lines is one year showing
2 what we should be spending on renewal for that
3 particular year, and over that 100-year period, we
4 should be spending about \$76 million per year, 2010
5 dollars. And we were planning to increase the
6 spending. Our current spending is about half of what
7 we should be spending. We're spending about
8 \$40 million a year now instead of the 76, and we're
9 planning to, as Mr. Allred had mentioned, to ramp up
10 the CIP spending in 2015. However, due to the current
11 revenue shortfall, we may have to delay that. Again,
12 I mentioned that \$15 million reduction in our CIP
13 renewal program. And you can see by the appendage to
14 the original line at the bottom shows a decrease in
15 our actual spending for this year and the next year,
16 unless we do find additional revenues.

17 And as far as the backlog, each one of those
18 vertical columns, a portion of that above that
19 original line represents backlog. That's renewal we
20 should be doing, but we just don't have the money to
21 do it at this point. So every year that we don't
22 address that, we just role that forward and weapon
23 increase the amount of backlog. And what was
24 identified in the decade plan last year was a
25 \$383 million backlog in real needs. And so it's very

1 important that we do ramp up and we get up to that
2 \$76 million level and start taking care of the
3 backlog.

4 And with that, any questions.

5 CHAIRWOMAN PENA: Any questions?

6 Thank you.

7 MR. PRICE: Thank you.

8 CHAIRWOMAN PENA: Next item we have is the
9 consent agenda.

10 COMMISSIONER DE LA CRUZ: Move approval.

11 COMMISSIONER O'MALLEY: Second.

12 CHAIRWOMAN PENA: All those in favor, say yes.

13 ALL MEMBERS: Aye.

14 CHAIRWOMAN PENA: Opposed, say no.

15 Motion passes.

16 (5-0 vote. Agenda Item 8 approved.)

17 (Councillors Garduno and Jones not present.)

18 CHAIRWOMAN PENA: Next we have is Item B under
19 approvals, we have Item B R-7, establishing one
20 objectives for the Albuquerque Bernalillo County Water
21 Utility Authority in fiscal year 2015 to meet the
22 five-year goals.

23 Mr. Frank Roth.

24 MR. ROTH: Madam Chair, Members of the Board,
25 the goals and objectives were presented to you at the

1 April meeting.

2 COMMISSIONER DE LA CRUZ: Move approval.

3 MR. PERRY: Second.

4 CHAIRWOMAN PENA: All those in favor, say yes.

5 ALL MEMBERS: Aye.

6 CHAIRWOMAN PENA: Opposed, no?

7 (5-0 vote. Agenda Item 9B approved.)

8 (Councillors Garduno and Jones not present.)

9 CHAIRWOMAN PENA: Item C, C-14, FY14, third
10 quarter operating financial report.

11 Stan Allred.

12 MR. ALLRED: Madam Chair, Members of the Board,
13 I'm back. I'm sorry. I'll make this fast.

14 Just to present to you our third quarter
15 financials. So through 3/31 of 2014, comparing
16 revenues from 2013 from 2014, total revenues are about
17 \$1.5 million above 2013 levels. The thing to remember
18 here is 2014, we had a rate increase. So, again, as
19 we had talked before, the rate increase really didn't
20 go into effect because of the decline in consumption
21 levels. Water sales are down about close to a
22 million. San Juan-Chama is off about half a million,
23 and our water sales are up 2.1 million. The things to
24 say about the water sales, it's based upon your winter
25 average. The class average in -- up through --

1 actually, up through March 31st was seven units, the
2 new winter average class average is six units. So it
3 actually has decreased. So we'll probably see some
4 reductions in wastewater in the second quarter.

5 Our water use, as you can see, the first
6 part of the fiscal year, water usage was down. As we
7 got into January, February, March, the levels came
8 back pretty close to those in prior years. It was
9 actually about 50 million gallons less this fiscal
10 year than the two previous fiscal years. Through the
11 first three weeks of April, we are off about 100
12 million gallons. And it's -- so my project really is
13 in the -- going into the third quarter that we'll be
14 less than FY12 and FY13, and we'll be at about the
15 18 percent reduction in consumption.

16 For this, and based upon that, my projected
17 revenue will be \$199 million versus 208 million.
18 That's about an 8.7, almost \$9 million reduction as
19 what we projected. And depending on what happens in
20 the next quarter, that could be a little bit more, a
21 little bit less.

22 Some of the things that happened is we had
23 above average precipitation in July and September. We
24 had about four inches more in September than
25 normal and about 2 inches in July than normal. I can

1 also say on the 200 percent block, that's -- that went
2 in about three years ago. Consumption levels began
3 really dropping once that block went in. If you kind
4 of spend some time downstairs in customer service with
5 the water rep open -- or customer service rep and
6 listen to some of this, a lot of customers believe
7 that that block is a penalty and they don't want to be
8 penalized, so they try to avoid having the pay at that
9 block. So it really did make is bigger impact than we
10 originally thought.

11 Again, we've talked about the \$8 million
12 transfer to CIP being postponed, and we talked about
13 how making up that difference. We're also probably
14 going to have to use the rate reserve fund to make
15 sure we make debt service levels in FY14.

16 We have worked diligently as managers in the
17 operations and have only done those necessary things
18 to run the operations. So we continue to make sure
19 that we have savings in our operating budgets. And if
20 current consumption trends continue, a combination of
21 reducing expenditures and increasing fixed rates will
22 need to be evaluated, which talked about in the
23 budget.

24 This fiscal impact water use policy for
25 meeting conservation goals, however utility costs are

1 fixed. We talked about this in the second quarter.

2 And I stand for any questions.

3 CHAIRWOMAN PENA: Thank you, Stan. Appreciate
4 it.

5 Does anyone have any questions?

6 MR. PERRY: Move approval of C-14-14.

7 CHAIRWOMAN PENA: All those in favor, say yes.

8 ALL MEMBERS: Yes.

9 CHAIRWOMAN PENA: Opposed, say no.

10 COUNCILLOR GARDUNO: Second.

11 CHAIRWOMAN PENA: Motion passes.

12 (6-0 vote. Agenda Item 9C approved.)

13 (Councillor Jones not present.)

14 CHAIRWOMAN PENA: Again, I want to thank you,
15 Stan. I appreciate it. We've just starving I think,
16 so thank you.

17 COUNCILLOR GARDUNO: Madam Chair.

18 CHAIRWOMAN PENA: Yes, Councillor Garduno.

19 COUNCILLOR GARDUNO: I'm totally confused. I'm
20 not sure where we are.

21 THE COURT: We are actually on the last item of
22 the evening, under other business, item number B,
23 0-B-8. And I was going to ask that we defer that to
24 the next meeting.

25 COUNCILLOR GARDUNO: Well, I was under the

1 impression, we were going to go, and I guess I missed
2 the consent, and I was going to pull off of consent
3 and item.

4 MR. PERRY: Consent has been passed.

5 CHAIRWOMAN PENA: It's been passed.

6 COUNCILLOR GARDUNO: Well, I would like to bring
7 something under other business.

8 CHAIRWOMAN PENA: Okay.

9 COMMISSIONER O'MALLEY: I'm sorry. Madam Chair,
10 may I have a -- there was a question, and, you know, I
11 guess I would like to support Councillor's concern
12 about one item on the consent agenda that he wanted to
13 discuss. And I guess -- how is the procedure to is to
14 do what?

15 CHAIRWOMAN PENA: Do we withdraw the motion?

16 MR. SANCHEZ: Madam Chair, I think the procedure
17 would be those that voted in the majority to ask for a
18 motion to reconsider.

19 COMMISSIONER O'MALLEY: Okay.

20 COUNCILLOR GARDUNO: Well, I move to reconsider.

21 COMMISSIONER O'MALLEY: Second.

22 CHAIRWOMAN PENA: All those in favor, signify by
23 saying yes.

24 TWO MEMBERS: Yes.

25 CHAIRWOMAN PENA: Opposed, say no.

1 FOUR MEMBERS: No.

2 (2-4 vote. Motion failed, with
3 Commissioners Hart Stebbins and
4 Del La Cruz, and Councillor Jones
5 and Mr. Perry voting no.)

6 COMMISSIONER O'MALLEY: Okay.

7 COUNCILLOR GARDUNO: I don't know, but what was
8 it. There's six of us, so I don't know whether it
9 was --

10 CHAIRWOMAN PENA: I said no.

11 COMMISSIONER O'MALLEY: It was 4 to 2.

12 COUNCILLOR GARDUNO: Okay. Fine, fine. Well,
13 if I may ask, what is the procedure for bringing up an
14 item at the next meeting?

15 MR. SANCHEZ: Madam Chair, Councillor Garduno,
16 gentlemen just talking to the chair and having placed
17 on the agenda.

18 CHAIRWOMAN PENA: Okay. We can definitely do
19 that for the next meeting.

20 COUNCILLOR GARDUNO: Okay.

21 CHAIRWOMAN PENA: Can you tell me what item it
22 is so that we with can have it on the record.

23 COUNCILLOR GARDUNO: Sure. Item 8D, the
24 appointment to the advisory committee, CAC.

25 CHAIRWOMAN PENA: Okay. Definitely.

1 So is this all we needed to do with that?

2 Yeah?

3 MR. SANCHEZ: That's it.

4 CHAIRWOMAN PENA: That's all we needed to do.

5 Okay. So with that, I wanted to defer Item
6 B, 0-B-8 to the next meeting.

7 COMMISSIONER O'MALLEY: Second.

8 CHAIRWOMAN PENA: All those in favor, say yes.

9 ALL MEMBERS: Yes.

10 CHAIRWOMAN PENA: Opposed, no.

11 Motion passes.

12 (6-0 vote. Motion approved.)

13 (Councillor Jones not present.)

14 CHAIRWOMAN PENA: Seeing no further business,
15 this meeting is adjourned.

16 (Proceedings adjourned at 7:49 p.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
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5 REPORTER'S CERTIFICATE

6 I, Kelli Gallegos, New Mexico Provisional
7 Reporter, No. P-409, working under the direct
8 supervision of Paul Baca, NM CCR #112, do hereby
9 certify that I reported the foregoing proceedings in
10 stenographic shorthand and the pages are a true and
11 correct transcript of those proceedings and were
12 reduced to printed form under my direct supervision.

13 I FURTHER CERTIFY that I am neither
14 employed by nor related to any of the parties or
15 attorneys in this matter and that I have no interest
16 in the final disposition of this matter.
17
18

19 -----
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