

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY
WEDNESDAY, JUNE 18, 2014 5:09 P.M.

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

A P P E A R A N C E S

COUNCILLOR KLARISSA J. PENA, Chairwoman

COMMISSIONER MAGGIE HART STEBBINS, Vice Chairman

COUNCILLOR REY GARDUNO, Member

COMMISSIONER DEBBIE O'MALLEY, Member

COUNCILLOR TRUDY E. JONES, Member

COMMISSIONER ART DE LA CRUZ, Member

TRUSTEE PABLO RAEL, Ex-officio Member (Excused)

MAYOR RICHARD BERRY, Member (Excused)

MR. ROB PERRY, Admin. Officer, Alternate Member

1 CHAIRWOMAN PENA: I call this June 18, 2014,
2 meeting of the Albuquerque Bernalillo County Water
3 Utility to order. Let the record reflect that
4 Trustee Rael is excused. All other members are
5 present.

6 At this moment, we'll take a moment of
7 silence and Pledge of Allegiance that will be led
8 by Mr. Rob Perry.

9 (Whereupon, there was a moment of
10 silence.)

11 (Whereupon, the Pledge of Allegiance was
12 led by Mr. Rob Perry.)

13 CHAIRWOMAN PENA: We'll move on to Item 3,
14 approval of the minutes. I make a motion to
15 approve the May 21st, 2014, minutes. Is there a
16 second?

17 COMMISSIONER DE LA CRUZ: Second.

18 CHAIRWOMAN PENA: All those in favor, say
19 yes.

20 (7-0 vote. Agenda Item 3 approved.)

21 CHAIRWOMAN PENA: Seeing no proclamations
22 and awards, we'll move on to public comment.

23 Ms. Jenkins, how many people do we have
24 signed up to speak?

25 MS. JENKINS: Seven.

1 CHAIRWOMAN PENA: Will you call the first
2 speaker.

3 MS. JENKINS: Bob Wessely, followed by Dave
4 McCoy.

5 MR. WESSELY: Madam Chair, Members of the
6 Governing Body. My name is Bob Wessely.

7 Ah, there we go. Much better.

8 Madam Chair, Members of the Governing
9 Body, my name is Bob Wessely. I'm president of
10 the Middle Rio Grande Water Assembly. I wanted to
11 give you a little bit of a background.

12 We're an all-volunteer, nonprofit
13 organization, and dedicated to improving our water
14 future. We, in partnership with the Middle Rio
15 Grande Council of Governments, led the regional
16 water planning for the Middle Rio Grande region.
17 That's Sandoval, Bernalillo and Valencia Counties.
18 We're a diverse group, and our role is to bring
19 together multiple interests in the water
20 situation.

21 It's been several years since the water
22 assembly has come before this group, and I see
23 mostly new faces. Thank you. Welcome.

24 The reason I'm here today is to invite
25 you to our forum on June 28. Let me see if I can

1 make this thing show up on your screen. That
2 don't quite make it, so I'll tell you about it.

3 The forum on June 28 is entitled, "Our
4 Water Imbalance. Creating Adaptive Strategies
5 Together."

6 Some introductory words, we're going to
7 have Professor Bruce Thompson bring forward an
8 update of the water budget. The last water budget
9 for the region was put out in 1999. And he and a
10 group of technical folks have been working on an
11 update for the more or less 15 years since then.

12 Then Dagmar Llewellyn of the bureau of
13 reclamation will give us a talk on what the future
14 looks like. They've done a --

15 Am I three minutes already?

16 MS. JENKINS: Two and a half.

17 MR. WESSELY: Oh, okay.

18 -- on the future water. Then Howard
19 Purcell is going to give us some ideas of
20 strategies to go forward. And finally, an
21 audience discussion selecting some of the better
22 strategies.

23 And since you're water-interested folks,
24 I'd like to invite you all to the forum, Saturday
25 June 28, 9:00 to 12:30. 8:30 for a continental

1 breakfast. UNM, Dean Smith Hall, 120. And it's
2 free. Thank you.

3 CHAIRWOMAN PENA: Thank you for the
4 invitation.

5 The next speaker.

6 MR. WESSELY: Well, I have a flyer. Could
7 you maybe pass these out?

8 MS. JENKINS: Uh-huh.

9 Dave McCoy, followed by Kurt Krumperman.

10 MR. MCCOY: Good evening, Dave McCoy,
11 Citizen Action, New Mexico. I wanted to support
12 the R-14-11, declaring the water utility
13 authority's position that ethylene dibromide will
14 not be allowed to enter the potable drinking water
15 system. I think that's an excellent resolution
16 for the authority to adopt.

17 I'd like to address a second item, which
18 is not on the agenda, and that is, once again, the
19 mixed-waste landfill. And I want to approach it
20 this way. You've got WIPP, a \$6 billion facility,
21 half a mile down in the ground, in a salt mine,
22 highly engineered structure. We're told it's
23 going to protect the state for 10,000 years from
24 radiation, leaking.

25 Now let's take the mixed-waste landfill,

1 million and a half cubic feet of radioactive and
2 hazardous mixed waste in unlined open pits and
3 trenches, leaching 24 hours a day towards
4 Albuquerque's drinking water. There was supposed
5 to be a five-year review of excavation of that.
6 It's not been done. It was extended for another
7 five years, past the four years that it's already
8 been allowed to go by.

9 This is how accidents happen, is because
10 you think it's not going to happen here. This is
11 what happened with Kirtland Air Force Base jet
12 fuel spill. It's what happened with the BP spill.
13 It's what happened with Love Canal.

14 Now, you really need to start addressing
15 this, folks, and get on top of the New Mexico
16 Environment Department about ordering that
17 five-year review of excavation. That dump can be
18 dug up now, hopefully safely, like the chemical
19 waste landfill was. But if you wait on this,
20 those drums are going to deteriorate, you're going
21 to get more spread of tritium in the soil. You're
22 going to get more contamination of your
23 groundwater. You don't need it. You've already
24 got enough contamination here in the Albuquerque
25 aquifer.

1 Thank you.

2 CHAIRWOMAN PENA: Thank you.

3 Next speaker.

4 MS. JENKINS: Kurt Krumperman, followed by
5 Maureen May.

6 MR. KRUMPERMAN: Hello, Chair Pena, and the
7 rest of the authority board. I wanted to thank
8 you for the work you're doing on the issue of the
9 Kirtland oil spill, and particularly now with the
10 resolution of R-14-11, which I'm speaking in
11 support of.

12 I'm very much pleased with the more
13 assertive, more public aggressive stand that the
14 authority is taking now. I think it's really
15 important that you've done that. I want to
16 particularly thank Commissioner O'Malley,
17 Commissioner Hart Stebbins and Councillor Garduno
18 for your press conference on Monday, and all the
19 other public statements that you've made.

20 That kind of pressure on Kirtland has
21 been -- is really needed. Live in Nob Hill,
22 active in the Nob Hill association, written an
23 article about the spill in the newsletter, gone to
24 some of the Citizen Action -- or excuse me,
25 citizen advisory board meetings that Kirtland had.

1 I've been very disappointed and frustrated with
2 those meetings. So the public pressure that
3 you're beginning to put on Kirtland and raising
4 the awareness of the citizens of Central
5 New Mexico on this issue is incredibly important,
6 and I just want to express my appreciation for
7 that.

8 It's key to the future of our community,
9 it's key to jobs, it's key to our health. So your
10 actions and your pending action are really, really
11 important, and I want to thank you for that.

12 MS. JENKINS: Maureen May, followed by
13 Michael Jensen.

14 MS. MAY: Maureen May. I also want to thank
15 the water authority for what -- I've been
16 following this very carefully in the newspapers,
17 and I've been going to all the CAB meetings, and I
18 would like to echo what Kurt Krumperman said. The
19 frustration the people in the community have felt
20 over this issue is just -- you can -- I can hardly
21 put it into words. This is an issue -- a public
22 health issue of enormity. It's an issue -- an
23 economic issue.

24 And I will sum up by saying we've lived
25 here for only four years. When we moved here, my

1 husband had several job offers. And we very
2 carefully considered which job he was going to
3 take. I will be very honest with you. If I had
4 known about this four years ago, he would not have
5 moved here. And that's just a personal note.
6 It's the type -- it's the kind of thing on an
7 individual level that Albuquerque is going to have
8 to face. If this is not dealt with, we are
9 looking at a severe contraction of our community.

10 So thank you for your time.

11 CHAIRWOMAN PENA: Thank you.

12 The next speaker.

13 MS. JENKINS: Michael Jensen, followed by
14 Lewis Nichols [sic].

15 MR. JENSEN: Michael Jensen. Good evening.
16 I have a couple of really short things, and then a
17 little longer comment.

18 I noticed on -- in the consumer
19 conversations report that among the things that
20 people felt comfortable having water reviews put
21 to, that direct reviews actually got 49 percent
22 approval. And direct reviews is wastewater to
23 drinking water. I was actually astounded. So if
24 Katherine is -- whoever gives the report could
25 expound on that, I mean, what they heard from

1 residents, that would be awesome.

2 Then I notice that in the water use
3 report, the water use is still going down. And,
4 you know, what that might have for budget I ever
5 indication.

6 The third thing is, I am happy to
7 R-14-11 on the agenda. I think it's a good sign
8 to tell Kirtland Air Force Base that you all are
9 serious. I just want to provide a reminder,
10 because I think you've heard this before, but not
11 for a while, that Kirtland Air Force Base, even
12 though they said they discovered this in 1999,
13 there are documents from the Air Force between Air
14 Force -- Kirtland Air Force Base command and the
15 Air Force command going back to the early '80s, at
16 least, where the base is asking for a waiver of
17 conducting stress tests on their fuel system, the
18 pipes, the underground pipes, the pumps
19 everything. And the Air Force granted them
20 waivers twice on condition that they conduct
21 inspections of the system to find out where it
22 might need to be repaired, make needed repairs so
23 that it would be in a position to actually conduct
24 a test without the fear of components failing.

25 So maybe they didn't nope, but they had

1 a really good basis for knowing that something was
2 wrong with their system if they were asking for
3 waivers of these tests. And they violated their
4 own chain of commands rules by not conducting the
5 inspections they were ordered to inspect, to carry
6 out.

7 And we have Dave McCoy to thank for all
8 of that documents, because he fought, and fought,
9 and fought through IPRA requests to get these
10 documents. So I for one, think that Dave ought to
11 get award at some point for keeping up on this and
12 bringing it to everybody's attention, because he
13 gets a lot of heat for doing what he does. Thank
14 you.

15 MS. JENKINS: Lewis Nichols, followed by
16 Elaine Hebbard.

17 MR. NICHOLAS: Hello, Madam Chair and the
18 other Board Members. My name is Lewis Nicholas.
19 I support Resolution 14-11 and I urge you all to
20 vote for it, and it's a good start. However, I
21 really think that it's time to look at filing a
22 lawsuit. If NMED is not going to have the
23 backbone to do it, I don't know what power you all
24 have to file a lawsuit against the Air Force, but
25 it's time not to be nice with them.

1 I am retired Air Force. I retired as a
2 captain. I've worked with POL pipelines,
3 petroleum, oil, lubricant pipelines in Germany.
4 And the Germans, in the 1980s, on our air bases,
5 were pushing for replacements of the pipelines
6 with stainless steel for various reasons. And it
7 was good they did, because probably their lines
8 were corroding also. Be what I have learned was
9 the Germans were not going to let the U.S. Air
10 Force destroy their communities, like our Air
11 Force is going to Albuquerque.

12 They're playing games with you. They
13 don't care about cleaning this up. They're going
14 to stall. They're just interested in buying their
15 weapons and using them. That's it. And you need
16 to get tough with them. And just waiting for them
17 to come with something new, as it gets closer and
18 closer to our drinking wells, the most important
19 wells, is crazy. It's time to get tough with
20 them. I know the Air Force. All right? Thank
21 you.

22 MS. JENKINS: Elaine Hebbard.

23 MS. HEBBARD: Wow. I, too, want to support
24 R-14-11. And I hope that you realize that the
25 comments that I make in front of this board are my

1 attempts, anyway, to add some positive thinking
2 and some constructive feedback.

3 By addressing the consumer conversation
4 report, which is Item 10A, in reality, I'm urging
5 a change in the way the customer advisory
6 committee is chosen, operates and reports.

7 Last year, staff came to the CAC and
8 showed them one of the three games that was going
9 to be played at the consumer conversations, and
10 then said you'll have to come to them to see the
11 other games that we're going to play. So they
12 did. They didn't have meetings for October and
13 November. And now you have a report that says the
14 CAC hosted them. Well, that's a funny way of
15 saying, CAC hosted. But the idea is, what value
16 does the CAC have for you. Is it giving you and
17 staff insights and advice when they are receiving
18 all of their information from the staff itself.

19 There are two objectives that I think
20 are very important from FY15. One is Goal 4,
21 Objective 8, which the -- is to develop a customer
22 outreach strategy to educate customers on the
23 value of water and infrastructure rehabilitation
24 needs. And the other one is Goal 1, Objective 13,
25 which is to update the water resource, management

1 strategy. Both of those take, I think, a very
2 engaged CAC, one that's diverse. And right now,
3 given the future and near future rate increases,
4 having an advisory committee that represents the
5 diversity of this region is I think also critical.

6 If you are making \$50,000 a year or
7 \$705,000 a year, rate increases may not bother
8 you. But if you're making 10,000, 15,000, and
9 you've got gas, water, groceries and everything
10 else, property taxes I think I saw, also going up,
11 then those things start piling up. And having
12 somebody who is either affected like that or who
13 at least represents an advocacy group that does
14 represent folks with those kind of struggles I
15 think is really important when we talk about
16 rates.

17 So I would recommend nominating -- there
18 are three positions that are going to come up this
19 summer. Nominating people with diverse interests
20 from various segments of the community, request
21 that the group and not to staff prepare a work
22 plan, suggest outside speakers be brought in to
23 talk to the CAC, consider making the CAC actually
24 a semi independent group. There are some other
25 CACs like that. And also, host the forum,

1 especially this upcoming rate forum with other
2 people, not just staff. For example, that does
3 advice on rates and utility infrastructure.

4 Thank you.

5 CHAIRWOMAN PENA: Thank you.

6 Is that it with the speakers?

7 Well, I just want to add to what some of
8 the speakers are talking about, is I really
9 appreciate the two commissioners and the
10 councillor for really putting pressure on Kirtland
11 to better respond to the Kirtland spill. I think
12 it's an important issue that needs to be
13 distressed.

14 You know, they give us an arbitrary
15 number of anywhere -- from getting to our
16 groundwater, anywhere from five to 40 years. I
17 mean, that's really kind of tough. Because if
18 it's five, we're in lots of trouble.

19 So thank you, guys. Appreciate it.

20 Next item on the agenda, we have
21 announcements and communication. Item A, next
22 scheduled meeting is August 20, 2014, at 5:00 p.m.
23 in the Vincent E. Griego Chambers.

24 Next item, introduction of legislation.

25 Ms. Jenkins, is anyone signed up to

1 speak on the ordinance?

2 MS. JENKINS: Yes, one person.

3 CHAIRWOMAN PENA: One person. Okay. Thank
4 you.

5 MS. JENKINS: Elaine Hebbard.

6 MS. HEBBARD: Thanks again.

7 In looking at the ordinance, my thoughts
8 have to do with both the actual mechanism as well
9 as the amounts that are being sought. First of
10 all, the budgets that were being -- were approved
11 last month suggest that we're going to have a
12 shortfall for FY14. Well, it's not the first
13 time. In fact, we have had short false since
14 FY09.

15 And so when we're talking about
16 mechanisms to balance the income and the outgo, is
17 this going to be sufficient since we know we had a
18 shortfall in FY13 of about 15 million, we're going
19 to have another one at least of about 9:00
20 physical for FY14. What about FY15. If things
21 are going to have to be delayed or deferred, what
22 is going to be deferred this year?

23 So, again, I would suggest that we
24 have -- I'm trying to find my notes, and I'm sorry
25 to be flipping around. So I would suggest that

1 the CAC work on budget issue for this year. I
2 mentioned that they needed to have a work plan.
3 And I think looking at the various pieces of the
4 budget, or form another group to work with the
5 finance committee here.

6 We need to be proactive. Because if we
7 only are supplying 50 percent of the water needs
8 through the drinking water prong, we may have to
9 be looking elsewhere for other water sources.

10 Statement, the surface water supplies look to be
11 that they are going to be reduced in terms of
12 climate change, hotter weather, whatever you want
13 to call it.

14 So if we don't get our ducks in a row --
15 and you can see our borrowing has also gone up
16 over the same time period. That's 2004 to 2010,
17 '13, and those Y axis are millions of dollars. If
18 we don't get our ducks in a row and really start
19 bringing down both the infrastructure backlog, the
20 difference between revenue and income and that
21 borrowing, how are we going to deal with meeting
22 to get new future water applies and the other
23 issues that I think climate change gives to us in
24 terms of not being -- having the choices that we
25 had even ten years ago. Thank you.

1 CHAIRWOMAN PENA: Councillor Garduno.

2 COUNCILLOR GARDUNO: Thank you, Madam Chair.

3 Ms. Hebbard, I don't know if this goes
4 to you, but you mentioned something about the CAC
5 being one of the places that this could be
6 studied, and I don't know how staff feels about
7 that. I object that at one point I belonged to a
8 can you be committee of three, I guess it was, and
9 a finance committee. And I don't know if that
10 continues to meet. And if they do, if that could
11 be part of what they -- where they gather some of
12 that information.

13 I don't know, Mr. Sanchez, if you want
14 to respond to that or...

15 MR. SANCHEZ: Madam Chair, Councillor
16 Garduno, yes, in fact the audit committee dozen
17 gauge if the budget and in all financial reports
18 that come to this board, so they will in the
19 future.

20 COUNCILLOR GARDUNO: And I think it's a good
21 idea, I don't know if anyone else, if there was
22 some level of involvement of the CAC in those
23 areas of finance, budgetary, planning.

24 MR. SANCHEZ: Madam Chair, Councillor
25 Garduno, part of the work plan for next year is to

1 actually get engaged in part of that process.

2 COUNCILLOR GARDUNO: Good. Thank you.

3 Thank you, Madam Chair.

4 CHAIRWOMAN PENA: Thank you, Councillor.

5 Now we'll move on to Item A and B, I
6 think, Mark, Mr. Sanchez, we can do those at the
7 same time, you said. 0-14-2, authorizing the
8 issuance of the sale of the Albuquerque Bernalillo
9 County Water Utility Authority subordinate lien
10 joint water and sewer system refunding revenue
11 bond series 2014 in the principal amount of
12 183,425,000. Katherine Creagan and Paul Cassidy.

13 And then R-10. Can I read them both
14 right away.

15 MR. SANCHEZ: Sure.

16 CHAIRWOMAN PENA: So R-14-10, approving the
17 sale of the Albuquerque Bernalillo County Water
18 Utility Authority's subordinate lien joint water
19 and sewer system refunding revenue bonds.

20 MR. SANCHEZ: Madam Chair, before Katherine
21 and Paul begin, what we're doing essentially is
22 refunding existing debt. We're not extending the
23 term. The market is such that we can realize some
24 savings, about 15 million present value savings,
25 and about a million a year going forward, in terms

1 of recurring costs. So potentially, as
2 conservation perhaps goes beyond what we planned,
3 between that savings and our rate reserve funding,
4 which is 2 million, we feel we're adequately
5 covered.

6 MS. CREAGAN: Good evening, Madam Chair and
7 Members of the Board. I'm Katherine Creagan. I'm
8 with the Modrall Sperling law firm, and we serve
9 as your bond counsel.

10 Tonight you have before you the
11 ordinance and the confirming resolution
12 authorizing these refunding revenue bonds. It
13 will be, as Mark mentioned, a refunding only. No
14 new projections will be funded out of this. And
15 really, the purpose is to achieve debt service
16 savings and to restructure some of the outstanding
17 debt that the authority has.

18 To accomplish the refunding will
19 establish an escrow for the refunded portions of
20 three outstanding obligations of the authority.
21 And the principal and interest for those
22 obligations will be paid out of the escrow until
23 their first optional call date. And then for the
24 outstanding New Mexico Environment Department
25 loan, we will be able to prepay that upon the

1 closing of the bonds.

2 The draft ordinance in your packet
3 contemplates that the bond will be issued on a
4 subordinate lien. But as the financing strategy
5 has evolved, a good portion, approximately half
6 the bonds will be issued on a senior lien basis
7 and the remains amount will be issued on a
8 subordinate lien basis.

9 We'll continue to work with the
10 financing team to optimize the best financing
11 strategy for the authority. And your -- the
12 current timetable, the -- we'll have a meeting
13 with the rating agencies in late July, and then
14 the preliminary official statement, which is the
15 disclosure document for the offering of the bond,
16 will be posted early August, with the pricing of
17 the bonds in approximately August 18 and 19, and
18 will come back to the board then on August 20,
19 with the final terms of the bond. We anticipate
20 then closing the bonds in September, late
21 September.

22 And I'm happy to answer any questions
23 related to the ordinance. And I know Paul will
24 get into more of the numbers with you.

25 CHAIRWOMAN PENA: Councillor Garduno.

1 COUNCILLOR GARDUNO: Thank you, Madam Chair.

2 So what you're saying is, in the
3 refunding, we're going oh realize a savings, I get
4 that. But if our rate amounts go down because
5 people are using less water, are we not going to
6 have an excess where those two numbers are going
7 to, you know, not jibe?

8 If we're not taking as much money in,
9 and you're planning on X amount of money coming
10 in, how are we going to make that up going
11 forward.

12 MS. CREAGAN: Well, it should benefit --
13 Madam Chair, and something, it should benefit the
14 authority no matter what rate structure is in
15 place. Because right now, you have certain
16 obligations that are outstanding, with principal
17 and interest payments due at certain rates that
18 are established at this point.

19 By refinancing them and restructuring
20 them, you're actually reducing your payments on
21 those obligations, so --

22 COUNCILLOR GARDUNO: I get that.

23 MS. CREAGAN: Okay.

24 COUNCILLOR GARDUNO: But I'm just wondering,
25 whether going forward, if we're going to be able

1 to then take into account the refund amount if we
2 don't bring in as much money as we had hoped to.
3 Is that making sense?

4 I don't know. Mr. Sanchez.

5 MS. CREAGAN: Okay.

6 MR. SANCHEZ: Madam Chair, Councillor
7 Garduno, there is for relationship between the
8 two. However, if you recall, the rate adjustment
9 that took place effective July 1st of 2014 is on
10 the fixed portion of the bill, not on the
11 commodity. So there will be no variation.

12 COUNCILLOR GARDUNO: Okay. And I get that.
13 But I guess my question is, if we're going to safe
14 that much money, 15 million is that what you said?

15 MR. SANCHEZ: Present value over the term of
16 the --

17 COUNCILLOR GARDUNO: Right.

18 MR. SANCHEZ: It will be about a million
19 annually.

20 COUNCILLOR GARDUNO: Right. So that money
21 is going to be used how?

22 MR. SANCHEZ: Madam Chair, Councillor
23 Garduno, if you recall, during the budget
24 presentation, we made reference to refunding this
25 debt.

1 COUNCILLOR GARDUNO: Right.

2 MR. SANCHEZ: So that's part of our
3 financial plan going forward. That's been assumed
4 in the budget.

5 COUNCILLOR GARDUNO: Okay. So it's subsumed
6 /TKPWAR.

7 MR. SANCHEZ: Yes.

8 COUNCILLOR GARDUNO: Okay. Now I'd like to
9 hear from Mr. Cassidy.

10 MR. CASSIDY: Madam Chair and members of the
11 authority board, good evening.

12 If I could, for Councillor Garduno's
13 benefit, not address it right away, but go through
14 the whole presentation and show you the cash flow
15 savings, and then I'll directly address your
16 question. And I think the bottom line is that the
17 interest on the bonds is fixed. If revenues fall,
18 the payment is still the same no matter what. And
19 authority board would need to take that into
20 account in your budget process from year to year.

21 So let's see how we do this. I know
22 there's a way to -- oh, just by -- hey, how about
23 that. Okay.

24 First of all, I'd like to share with the
25 authority board the outstanding debt, and I know

1 these are numbers that are kind of hard to read,
2 and I apologize for that. There are approximately
3 20 different bond issues and loan agreements that
4 the authority board has entered into over time.
5 And the loans and bonds outstanding date back to
6 as early as about 2001, and currently go forward.
7 Some of the debt prior to that has been refinanced
8 or a majority of it paid off.

9 The current amount outstanding is about
10 \$653 Million, of which about 410 to 420 million is
11 callable at one point in time or another. So what
12 we do, we analyze this at least annually and
13 sometimes more often, and we've identified four
14 different bond issues of the authority that are
15 highlighted in yellow that are refinanceable in --
16 if you look at your debt policy that the board
17 approved a year ago, the criteria within that say
18 how we're going to refinance it, under what terms
19 and what minute economic thresholds we will do
20 that, and so these all meet your economic
21 thresholds of your debt management policy. And
22 they have various interest rates, and I'll cover
23 that in a moment.

24 We will replace this debt with debt at a
25 lower interest rate. We wouldn't do the

1 refinancing if in August interest rates have
2 spiked up and it didn't make sense to do it. I
3 want to let you know we'll follow the authority
4 board's policy. So no new money is being issued.
5 It's just refinancing of existing debt.

6 If four issues that we've identified are
7 the serious 2005 bonds. There's \$110 million
8 outstanding currently, with a final maturity of
9 2025. And they mature, not all, in 2025, but a
10 little bit every year through that year. The
11 interest rate the 4.67 percent. And 2015 is when
12 we can call them in. So we'll issue bonds now,
13 we'll fund an escrow to pay off the bonds maturing
14 after 2015 on 2015.

15 There's a 2005 New Mexico Finance
16 Authority loan outstanding in the amount of 16
17 million. The interest rate is a little over
18 4 percent, 4.05. It's callable October of 2015
19 without any prepayment penalty as well. There's a
20 2006 A bond issue currently outstanding in the
21 amount of 109.7 million. The interest rate on it
22 is 4.79 percent. It's callable in 2016, July 1,
23 2016. We'll do the same there, we'll issue bonds
24 now, escrow the funds, pay those off, replace
25 those with a new bond issue. And then there's a

1 loan agreement, with the New Mexico Environment
2 Department, with a 3 percent interest rate. It's
3 smaller, a little over 6 million outstanding that
4 can be called at any time by the authority.

5 So we would issue bonds to replace these
6 bonds. Some of the debt will be issued on a
7 senior lien basis, which is the way we've issued
8 all of outstanding debt historically. And we're
9 going to create a rated sub lien structure to help
10 with the pressure on the rate covenant duty
11 revenue volatility because of conservation. We
12 want to be able to raise the coverage on your
13 senior lien debt, move it to some of the debt, the
14 subordinate lien, so we're not hitting that 133
15 rate covenant and challenging our senior lien
16 rating as we have done in the past.

17 And we're going to create another
18 coverage covenant on the subordinate lien debt at
19 1.2 percent. And I think this will alleviate some
20 of the management issues that we've had going
21 forward.

22 We're only going to move enough of the
23 debt to make sense to create that -- that
24 breathing room, if you will, in your coverage.
25 Subordinate lien debt costs a little more than

1 senior lien debt, about 10 to 15 basis points
2 more. And will apply for a rating on that and
3 just like your Moody's Double A two, Standard &
4 Poor's, Double A plus, Fitch Double A ratings,
5 we've have a rating like that for the subordinate
6 lien debt that will be one notch below that, is
7 what we anticipate. We'll talk to the ratings
8 agencies in July and early August and report back
9 to you.

10 So we anticipate, as a result of this
11 transaction and conservatively in today's interest
12 rate market, to generate, on a present /SRAPL
13 basis, savings of about \$15 million to the
14 authority, which is about 7 percent, 7.7 percent
15 of the amount of bond that we'll be refinancing.
16 And that general late on a cash flow basis, and if
17 I go to the next page, between now and 2025, cash
18 flow of 17 million, which translates into today's
19 dollars a little over 15 million. And on an
20 annual basis, savings of about a million dollar in
21 2015, fiscal year, 1.3 to 1.6 million a year
22 thereafter. And then in 2020 six, actually, about
23 745,000 in savings. So this makes sense. It
24 reduces four expenses and it, you know be
25 hopefully will help with the revenue volatility

1 issue that we've been experiencing.

2 The savings per bond issue is
3 demonstrated on this next slide. The 2005 bond
4 issue, the interest rates on that are in blue.
5 You can see the rates up there, you know, on --
6 between four and 5 percent, closer to 5 percent.
7 We would replace with interest rates the red line
8 as the yield on the bonds, and same for the other
9 two. So that -- the 2005 bonds, at 7.5 million of
10 the savings number, and New Mexico Finance
11 Authority loan would be about 911,000 of present
12 value savings. The 2006 bonds, about 6.9 million.
13 And the NMED loan has the lowest savings of
14 \$232,000. Because of creating the new subordinate
15 lien structure, we would also like to refinance
16 that NMED loan to remove it so we do not have to
17 negotiate it, and it just happens to work.

18 So actually, in today's market, the
19 interest rate would be about just a little under
20 two and a half percent that we're replacing on a
21 higher cost debt with. And in today's market,
22 it's -- the rates would be probably closer to 2.3
23 percent, and that would generate savings, if we
24 were able to do it today, of about 18 million. So
25 they they're showing in numbers that we feel are

1 really conservative.

2 Now, with Stan Allred and his good
3 offices, we've generated this analysis from a
4 coverage standpoint, the result of the transaction
5 using your 2015 budget and proforma numbers that
6 staff have put together. And this is where you
7 take and compute the coverage, first of all, to
8 reach the covenant levels that we've talked about,
9 which is highlighted in the black area. Your
10 coverage covenant on your senior lien debt will be
11 133. And on the subordinate lien debt, at the
12 very bottom, Line 17, it would be 1.2. So we're
13 generating really good margins over those
14 coverages with this refinancing and debt
15 restructuring.

16 Your annual dealt service expense and
17 aggregate goes down. We anticipate that in 2014,
18 your debt service -- 2015, rather, your debt
19 service will be about \$74 million. In 2016, about
20 73 million, and in about 76 million in 2017. And
21 it looks like the proformas as done by staff will
22 easily cover that and we'll meet our thresholds.
23 And we all know that the -- the challenge will be,
24 you know, what happens with conservation, will
25 people continue to buy the product you're

1 producing.

2 And Katherine Creagan from Modrall has
3 already talked about the time schedule. And with
4 that, I'll pause and address any questions.

5 CHAIRWOMAN PENA: Are there any questions?

6 Councillor Garduno.

7 COUNCILLOR GARDUNO: Thank you.

8 So let's go back. I know that there's
9 no direct relationship, but what is the after knew
10 of revenue for the water authority.

11 MR. CASSIDY: It's -- Madam Chair, and
12 Councillor Garduno, it's water charges to your
13 constituents within that authority.

14 COUNCILLOR GARDUNO: Right. A so we pay all
15 bonds, we pay all expenses from that?

16 MR. CASSIDY: Correct, yes, sir.

17 COUNCILLOR GARDUNO: If that goes down, as
18 far as collection, our ability to pay goes down.
19 We have no other place --

20 MR. CASSIDY: I very much agree.

21 COUNCILLOR GARDUNO: There's no other place
22 for us to go and get some other money.

23 MR. CASSIDY: We can't tax. We can't do
24 anything other than levy rates and charges
25 sufficient to meet your ONM expenses, and your

1 debt service obligation and your rate covenant of
2 133 and 120.

3 COUNCILLOR GARDUNO: So it's -- although
4 some people like to cackle, it's not true that
5 there's no relationship between debt and the
6 inability to pay that debt if there is no revenue
7 coming in, or at least not as much has had been
8 planned for, expected, desired; is that correct?

9 MR. CASSIDY: Madam Chair, Councillor
10 Garduno, that is correct. We need to levy rates
11 and charges sufficient to pay your obligations to
12 the debt.

13 COUNCILLOR GARDUNO: That was the point --

14 MR. CASSIDY: Yes. Agreed.

15 COUNCILLOR GARDUNO: -- that I brought up.
16 So for us to think that we can then go somewhere
17 else and sell widgets and make up the difference,
18 it's just not true. Or we can tax the ratepayers
19 in a separate situation, it's not true. We can
20 raise the rates, but we can't squeeze that turnip
21 anymore.

22 MR. CASSIDY: And, in fact, Madam Chair, and
23 Councillor Garduno, the ordinance that Katherine
24 Creagan summarized for you, and it's before you
25 and it's in a form that we've adopted many times

1 going back historically, back into the '80s at
2 least, there's a covenant in there that the board
3 will annually levy rates and charges sufficient to
4 pay operation and maintenance expenses and the
5 debt service obligations for debt incurred by the
6 board.

7 So every year you're going to need to
8 look at your ONM, your revenue coming in, to see
9 if they match up, and then to pay your debt
10 service.

11 COUNCILLOR GARDUNO: Right.

12 MR. CASSIDY: So there's no other source,
13 other than that. No other taxing sources are
14 available.

15 COUNCILLOR GARDUNO: And the attempt or
16 the -- actually, the -- what the ratepayers have
17 done is helped us out by not using as much water.
18 Well, there was a story about how there were some
19 that used a lot of water. But that's the reverse
20 effect, because we're not able to gain as much
21 revenue as if people were using more water. So
22 we're in a conundrum.

23 But beyond that, we also, I think, have
24 to be careful that we don't put our plan after the
25 fact. And one of the reasons I think that some

1 folks in the public have said we ought to have
2 these discussions prior to budgets being formed
3 and then backing up this board in a way that they
4 have to vote for a rate hike when maybe there was
5 something else that could have been done, I don't
6 know. But we certainly haven't done that,
7 necessarily. Would you agree with that?

8 MR. CASSIDY: Madam Chair and Councillor
9 Garduno, planning is essential, and forward
10 looking planning is essential. I know the water
11 authority has decade plans and they have a lot of
12 other planning documents that they -- that they
13 operate from and constantly review.

14 The rate ordinance that you adopted last
15 month contains a lot of really good information on
16 how they look at it and do that. And those are
17 items that share -- review and share with the
18 rating agencies and the investors that buy your
19 bonds. And they're summarized in a preliminary
20 official statements that describes it.

21 So forward looking planning, good
22 budgeting, good capital planning is essential to
23 make the whole process work.

24 COUNCILLOR GARDUNO: And effects capacity.

25 MR. CASSIDY: Effects capacity, sure.

1 COUNCILLOR GARDUNO: Thank you.

2 Thank you, Madam Chair.

3 CHAIRWOMAN PENA: No other questions?

4 Well, with that, I just want to say that
5 I think you guys have done a phenomenal I don't
6 know. Councillor Garduno, you know, talking about
7 these issues and talking about planning for the
8 future, I think this was a great step in saving
9 the constituency dollars by refinancing these
10 dollars, so thank you.

11 With that, we'll move on to Item C,
12 R-14-11, declaring the Albuquerque Bernalillo
13 County Water Utility Authority's position that
14 ethylene dibromide at any detectible level will
15 and be allowed to enter the potable drinking water
16 system.

17 Is there a position to move this item to
18 7 C, R-14-11, to approvals for action during the
19 meeting tonight?

20 COMMISSIONER O'MALLEY: Madam Chair, move
21 approval to move it to the -- for the action item.

22 CHAIRWOMAN PENA: All in favor of the
23 motion, please say aye.

24 ALL MEMBERS: Aye.

25 CHAIRWOMAN PENA: Opposed, same sign.

1 Motion passes, so that will be moved.

2 (7-0 vote. Motion approve.)

3 CHAIRWOMAN PENA: Next item, approval of the
4 consent agenda, seeing no items, we will be moving
5 on to Item 9, which is approvals.

6 So R-14-11 is now moved to approvals,
7 and guess what, we will now be on Item A, R-14-11,
8 declaring the Albuquerque Bernalillo County --
9 Mr. Rick Shean.

10 MR. SHEAN: Madam Chair, Members of to
11 Board, thank you very much, Rick Shean, water
12 quality hydrologist with the water utility
13 authority.

14 Resolution R-14-11 does three things:
15 Makes two requests of the Air Force, Kirtland Air
16 Force Base and its contractors, and a policy
17 statement for the water authority.

18 The first request is the water
19 authority -- that the Air Force and Kirtland Air
20 Force Base and contracts immediately develop an
21 implement an appropriate remediation plan prevents
22 the further migration of the ethylene dibromide
23 plume, the downgradient dissolved phased plume
24 from the jet fuel spill.

25 We also request that the U.S. Air Force

1 and Kirtland and contractors continue to month to
2 the location of the plume and to install
3 additional monitoring wells that could track the
4 movement of the plume if it continues to move
5 toward to production wells, those acting at
6 sentinel wells or warning wells for the water
7 authority.

8 And also, water authority will make it a
9 policy not to allow EDB contaminated water in any
10 level to enter the possible drinking water system.

11 I'll pause for questions.

12 CHAIRWOMAN PENA: Commissioner O'Malley.

13 COMMISSIONER O'MALLEY: Thank you, Madam
14 Chair.

15 I want to thank the staff for working
16 with me and the other members of the board who
17 represent this area where the spill is, who have
18 been working diligently with the agencies, have
19 been in conversations with the community about
20 this problem.

21 As was stated by the speakers earlier,
22 the resolution before us is really about the
23 future of the community, it's about the economy,
24 our health, the health of our grandchildren, our
25 children. Because when our water supply is

1 threatened, of course, all those things we hold
2 dear are threatened.

3 This contaminant or chemical, receipt
4 lien dibromide, is now move are toward water
5 authority production wells, and it is a suspected
6 carcinogen. The acceptable level in our water is
7 zero. And we ask that this be put forward because
8 we want to see a plan from the Air Force that
9 yields this result, no detectible levels of EDB.

10 This resolution -- and, you know, I and
11 others asked that we -- I think it was important
12 that the water authority make as strong a
13 statement as possible. As elected officials, we
14 respond to our constituency. And they wanted
15 to -- they kept -- you know, we've had meetings
16 after meeting where people have come and said,
17 "This is a serious problem." There is an urgency
18 here that we're not hearing. And I think that
19 given what our authority is and our response to
20 the community, our customers, the public, that
21 it's important that we did make a statement, as
22 strong a statement as possible regarding this
23 issue. So it does do that.

24 And so I just want to say that I
25 appreciate the work that was done on this and

1 appreciate the support and would really appreciate
2 the support of every one on this board to pass
3 this resolution.

4 Thank you very much.

5 CHAIRWOMAN PENA: Councillor Garduno, do you
6 want to...

7 COUNCILLOR GARDUNO: Commissioner Hart
8 Stebbins, did you want to say anything.

9 COMMISSIONER HART STEBBINS: No.

10 COUNCILLOR GARDUNO: Well, let me just
11 touch -- just like I did at the press conference,
12 I wanted to make sure that people understood that,
13 from my viewpoint, and I talked to a lot of folks
14 and you heard tonight from some of the folks from
15 the area that I represent, and the frustration is
16 at a high level.

17 And the reason is that not very much has
18 happened. And for that, I say enough is enough.
19 I think we need to start talking in very strong
20 terms about how we're going to take care of this
21 as a community. Kirtland Air Force Base happens
22 to be part of the community. I would never CAFR
23 them out one way or another. They have taken
24 responsibility and they have committed to clean it
25 up. Now we just need to make sure that the rest

1 of us are behind them in a very strong sense.

2 So, you know, as a major stakeholder,
3 the water authority has a unique position. Our
4 charge is to make sure that the water is clean,
5 that we have potable water for the service area
6 that we are in charge of. For my part, I
7 represent District 6, which is, in this spill, is
8 almost epicenter, almost in the middle of my
9 district, so I hear about it a lot. And I hear a
10 lot about it because people are very concerned.

11 But I also hear from people who have
12 been following this for many, many years, like
13 Mr. McCoy, Dave McCoy, who I thank for having the
14 fortitude and I think Mr. Jensen mentioned that he
15 has been in some cases if not vilified certainly
16 called chicken little, you know, those kinds of
17 terms. But thank goodness we have people like
18 that, that take seriously an issue and don't let
19 go of it.

20 So I think that the solution needs to
21 happen as soon as possible. The idea of guessing
22 where it is and trying to characterize it in so
23 many other ways that we are at a point where I
24 think we have characterized this thing in a
25 thousand ways and haven't removed a single gallon

1 of fuel.

2 So for that -- and I realize that the
3 problem is complex. I realize that we need to,
4 you know, make sure that we don't make it worse.
5 Because I think one of the plans that was moved
6 forward by Kirtland Air Force Base -- thank
7 goodness for NMED, New Mexico Environmental
8 Department, they put a stop to it because they
9 felt like the way they were going to do it might
10 have jeopardized other clean water by drawing the
11 fuel, the constituents towards the clean water.
12 So I'm glad that those things are happen. But we
13 still need to move quickly. This community cannot
14 afford to lose 20 percent of it's water, or its
15 fields, the well fields, because we haven't acted
16 in due time.

17 I will continue working with everyone
18 involved. I will make sure that when I'm asked
19 the question by my constituents they have the best
20 for them, and I will continue asking the questions
21 because I think they deserve to have an answer.
22 But even more than that, they deserve to have
23 clean water.

24 Thank you, Madam Chair.

25 CHAIRWOMAN PENA: Commissioner O'Malley.

1 COMMISSIONER O'MALLEY: Move approval.

2 COMMISSIONER HART STEBBINS: Second.

3 CHAIRWOMAN PENA: With that, we have a
4 motion and a second to move approval of R-14-11.
5 All those in favor, signify by saying yes.

6 ALL MEMBERS: Yes.

7 CHAIRWOMAN PENA: Opposed, same sign.

8 Motion passes.

9 (7-0 vote. Agenda Item 9A approved.)

10 CHAIRWOMAN PENA: Next item we have on the
11 agenda is Item B, C-14-17, authorizing an
12 agreement with Steve D. Gallegos for legislative
13 representation at the State of New Mexico
14 legislature.

15 Mr. Sanchez.

16 MR. SANCHEZ: Madam Chair, Members of the
17 Authority, this would simply authorize a two-year
18 extension to an existing agreement with
19 Mr. Gallegos. He's part of our lobbying team with
20 Shoats and Weak's. Their contract is on a
21 different time schedule, and that's why this issue
22 is before you.

23 I'd answer any questions.

24 CHAIRWOMAN PENA: Any questions?

25 Councillor Garduno.

1 COUNCILLOR GARDUNO: Thank you.

2 Is Mr. Gallegos here today?

3 MR. SANCHEZ: Madam Chair, Councillor
4 Garduno, no, he's not. He's traveling.

5 COUNCILLOR GARDUNO: And it's already for us
6 to do a two-year contract?

7 MR. SANCHEZ: Madam Chair, Councillor
8 Garduno, this would be a two-year term, renewable
9 annually.

10 COUNCILLOR GARDUNO: Annually?

11 MR. SANCHEZ: Correct.

12 COUNCILLOR GARDUNO: Okay. After that, so
13 in 2016.

14 MR. SANCHEZ: Correct.

15 COUNCILLOR GARDUNO: Thank you.

16 Thank you, Madam Chair.

17 CHAIRWOMAN O'MALLEY: Thank you.

18 Seeing no other questions, is there a
19 motion?

20 COUNCILLOR GARDUNO: So moved.

21 CHAIRWOMAN PENA: Second?

22 COMMISSIONER HART STEBBINS: Second.

23 CHAIRWOMAN PENA: Second, we already did
24 that, didn't we? Sorry.

25 All in favor, signature by saying yes.

1 ALL MEMBERS: Yes.

2 CHAIRWOMAN PENA: Opposed, same sign.

3 Motion passes.

4 (7-0 vote. Agenda Item 9B approved.)

5 CHAIRWOMAN O'MALLEY: With that, we'll move
6 on to other business, Item A, OB-14-10, consumer
7 conversations report. Mr. Frank Roth.

8 MR. ROTH: Madam Chair, Members of the
9 Board, before I get started, I just want to
10 recognize to contributions of staff on this
11 project, the steering committee, John Stomp,
12 Katherine Yuhas, David Morris, and many of the
13 staff who were involved in developing,
14 implementing, testing and also anticipating some
15 of the meetings.

16 So I'm going to first have David Morris
17 start it out, and then Katherine Yuhas is gag to
18 describe a couple activities. And then I'll close
19 with the last activity.

20 MR. MORRIS: Members of the Board, Madam
21 Chair, I'm David Morris, public affairs manager
22 for the water authority. What you're about to see
23 is the presentation on the outcome of a public
24 engagement program undertaken by the authority
25 over the last 12 months called customer

1 conversations.

2 As you know, this board instructed the
3 authority, by way of the 2013 goals and objectives
4 to obtain input from the community on agency
5 activities. We do this in a number of ways,
6 through our customer opinion survey, for example,
7 and through public meetings, like the recent one
8 on fluoridation. But customer conversations was
9 conceived as an innovative way to solicit input
10 that would allow maximum engagement interaction by
11 the participants.

12 So we had some 203 customers who parted
13 attending the four customer conversation meetings
14 that were held in the past fiscal year. And we
15 generated some 624 comments, which were received
16 and recorded during the meetings. The gatherings
17 were hosted by the customer advisory committee,
18 whose members were, by their presence, given the
19 opportunity to hear participants' views firsthand.

20 So three topics were covered. The first
21 one long term water supply priorities. In other
22 words, how do we want to use our water once basic
23 needs are met. Do we want to grow more urban
24 gardens, build water parks, plant more Therese.
25 So Katherine will go into more about the results,

1 of course, in a minute.

2 But the second topic was our water waste
3 enforcement program, which is due for an upgrade
4 and for which we wanted to hear some ideas on
5 improvement.

6 And finally, there was a topic of water
7 reuse, using recycled water for drinking.
8 Probably still a ways off for this community, but
9 the time to start engaging customers, we feel, is
10 now.

11 So we'll go more detail at this point.
12 And doing that will be Katherine Yuhas.

13 MS. YUHAS: Before I get into this too far,
14 I just want to tell you that our customers had a
15 lot of fun add these meetings. We had games for
16 them to play and so they were engaged the whole
17 time. They were in the evening, people were not
18 falling asleep. And I was really humbled to see
19 how many of customers are so well informed and so
20 concerned about our water resources. So that's
21 just my little op-ed on this.

22 The first activity was to talk about
23 long term water supply priorities. And, again, as
24 David said, you know, once our basic needs are
25 met, where do we want to use our water. And

1 really, with the idea that the water authority
2 will develop policy and promote some of these
3 ideas that customers want. So you'll see the nine
4 items listed here and then appoint value
5 associated with them. And those points are to
6 give the customers idea of the relative amount of
7 water needed for these activities.

8 So a whole lot more water is needed for
9 the bosque ecosystem than for a water park. And
10 they're not perfect numbers, but they're giving
11 the customers a ball mark idea. And I would just
12 comment that the bosque should really be about a
13 hundred on this scale, because, of course, you
14 know, an enormous amount of water is needed for
15 that ecosystem. But our customers only had ten
16 water drops to play with, so -- we capped it at
17 ten.

18 So here's a picture of our customers
19 having the conversation with a facilitator at
20 their table. That's the top left. They discussed
21 these ideas, and each individual customer had ten
22 little water drops to allocate themselves to
23 whichever area they wanted. But the caveat was
24 that they had to buy in at the point value of that
25 item. So if they wanted to pick parks, they had

1 to put in five water drops. And that was to force
2 them to make choices. Obviously we'd like to have
3 all those things, but we may not be able to the
4 them all. So which were the items they valid
5 most. And then when they had worked at their
6 tables, we then had graduated cylinders and they
7 took all their beads from all the tables and put
8 them in the graduated cylinders, so we could get a
9 picture of everyone's priorities.

10 So these are the number of water drops
11 allocated to each of call categories. And you can
12 see pretty quickly, you know, where priorities
13 fell out, the bosque, parks, urban Therese and
14 then urban farms. And we did some further
15 analysis of this using -- and we're going to use
16 both these graphs together. We divided these --
17 this graph you're looking at by the number of
18 water drops people had to put in to figure out how
19 many people voted for each of these items. So
20 you've got the number of drops and then you've
21 also got the number of people.

22 So this is looking at the number of
23 people. And you'll see that it's a little
24 different. The bosque of course was really big on
25 that other graph, because they had to put in ten

1 drops just to buy in. But the number of people
2 willing to sacrifice all ten of their water drops
3 was actually, you know, lower. So using these two
4 graphs together, we're looking at programs. We
5 already have one around urban Therese where we
6 offer a rebate for tree care and we're giving away
7 trees this year. And if you've seen our
8 commercials, they're all about tree care, so
9 that's already an area for us. We're also working
10 already and community gardens and urban farms, and
11 you're going to see more of that planning
12 happening. And that's the results of this one.
13 And this will continue to guide us and we'll be
14 talking about these same ideas with the update of
15 water resources management strategy.

16 Next we talked with our customers about
17 the water waste enforcement program. The water
18 waste enforcement program has been a part of
19 conservation program since we started in 1995, and
20 it's a very enforcement driven program. We have
21 water cops patrolling the city, customers who
22 violate the water use regulations, customers who
23 put water into the street or water in the middle
24 of the day get a fine on their water bill.

25 And what we were thinking about --

1 forgive me, allergies -- was looking at a more
2 educational program rather than strictly an
3 enforcement program. So customers looked at
4 things in terms of brackets, just like in
5 basketball and so here's a picture of the
6 customers -- excuse me.

7 Thank you, Patty.

8 Looking at the brackets, and then when
9 they were all done at their tables, again, we put
10 it up on the wall. And here's a pictures of
11 how -- how things fell out. Customers wanted to
12 link fees to meter size -- I'm very sorry.
13 Linking fees to meter size is looking at the size
14 of the customer and the amount of waste and
15 linking the fee to that.

16 No, I'm not feeling well. I'm really
17 sorry.

18 CHAIRWOMAN PENA: Do you need to --

19 MS. YUHAS: And then after the fourth
20 violation of a water waste ordinance, having to
21 have an audit, and then finally being allowed to
22 schedule an audit with our division, in lieu of
23 receiving that first fee.

24 Thank you.

25 CHAIRWOMAN PENA: Yeah, do you need --

1 MS. YUHAS: I'm sorry, I do. I'm going to
2 turn this over to Frank now. He was going to do
3 this anyway. So thank you.

4 CHAIRWOMAN PENA: Thank you, Katherine. You
5 do a great job.

6 MR. ROTH: For the third and final activity,
7 it dealt with the topic of water reuse, and
8 specifically using recycled, reclaimed water for
9 drinking water purposes. Participants were
10 provided these four scenarios, and the purpose of
11 this activity was to obtain their comfort level
12 around these four scenarios through multiple
13 choice questions.

14 Staff used interactive polling, where
15 customers used devices, as shown in the lower
16 picture, to indicate their comfort level. After
17 each question, the participants would be able to
18 review the results of the live poll on a projected
19 screen. And here is the results from the spined
20 four meetings. You can see that the aquifer
21 scenario received the highest comfort level of the
22 four, followed by the river scenario, at
23 66 percent. The third and fourth received
24 basically half and half support, the lake and
25 reservoir scenario received just a little bit more

1 support, and then the direct raw water pipeline
2 was almost evenly split as well.

3 As so this was a first step of engaging
4 our customers in learning about water reuse,
5 potable reuse, and --

6 CHAIRWOMAN PENA: We have a question from
7 Councillor Garduno.

8 MR. ROTH: If I -- I just have a few more
9 comments, and then --

10 COMMISSIONER DE LA CRUZ: I just want to
11 know what one of the alliance is. What's the
12 direct route water pipe.

13 Thank you, Madam Chair.

14 MR. ROTH: Madam Chair, Commissioner De La
15 Cruz, direct raw water pipe is when you use --
16 divert the recycled water, reclaimed water from
17 the treatment plant, and you divert it through a
18 pipeline, and it blends with the raw water from
19 the river.

20 Currently, we have a diversion structure
21 in the river that water is diverted through a raw
22 water pipeline to the treatment plant. So in this
23 scenario, the reclaimed water blends with the raw
24 water before it gets to the water plant. Of
25 the -- the first three that you see here are

1 considered indirect, where there's an intervening
2 step. And the last one, there's no intervening
3 step.

4 So we will continue to research and
5 study this and continue to engage our customers on
6 the next steps of what we planned on doing with
7 water reuse.

8 And lastly, at the end of the meeting,
9 we requested feedback on the meeting process from
10 your customers, and we /PROEUTed five statements
11 for them top provide comments on. And as you can
12 see, on a scale of 1 to 5, they scored 4.5 or
13 above on these five statements. And we received
14 several hundred comments just on the meeting
15 process, a very valuable comments.

16 And as Katherine said, they were very
17 engaged and activities were a different process in
18 terms of obtaining input.

19 Any questions?

20 CHAIRWOMAN PENA: Any questions?

21 No questions -- Councillor Garduno.

22 COUNCILLOR GARDUNO: Thank you, Madam Chair.

23 So this was, during the whole process,
24 360 people or so participated; is that right.

25 MR. ROTH: Councillor Garduno, 203

1 customers, 624 comments, I believe.

2 COUNCILLOR GARDUNO: Okay. But nonetheless,
3 and I think Ms. Yuhas mentioned that people were
4 forced to make choices because you only had so
5 much per person; is that correct?

6 MR. ROTH: That is correct. On the first
7 two activities --

8 COUNCILLOR GARDUNO: Right.

9 MR. ROTH: -- it was a ranking process to
10 help narrow down what really they're concerned
11 about or what their priorities were.

12 COUNCILLOR GARDUNO: Good. I think it's a
13 great way to find out this information. Because
14 I'm amazed at how it jibes with what people are
15 saying about water and where we are as a
16 community.

17 So thank you for this, and I didn't know
18 what was going on. I wish I had gone over there.
19 I would have put all my ten whatever drops in --
20 probably in river restoration.

21 Thank you.

22 CHAIRWOMAN O'MALLEY: Thank you, Councillor
23 Garduno.

24 So I want to thank you, too. I really
25 appreciate the report. Listening to you guys and

1 seeing all the participation, you actually made me
2 wish that I was there, as Councillor Garduno
3 stated. So really appreciate it.

4 And with no other questions, then we'll
5 move on to Item B. And with that, maybe I should
6 defer this, because I know we got one last time.
7 So would it be okay to defer.

8 COMMISSIONER DE LA CRUZ: Move deferral.

9 CHAIRWOMAN O'MALLEY: Okay. There was a
10 motion to move deferral.

11 COUNCILLOR JONES: Second.

12 CHAIRWOMAN PENA: A second.

13 All those in favor, say yes?

14 ALL MEMBERS: Eye.

15 CHAIRWOMAN PENA: Opposed?

16 Motion passes.

17 Seeing no further business, we are
18 adjourned.

19 (Proceedings adjourned at 6:23 p.m.)
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1 STATE OF NEW MEXICO

2 COUNTY OF BERNALILLO

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REPORTER'S CERTIFICATE

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I, Kelli Gallegos, New Mexico Provisional
Reporter, No. P-409, working under the direct
supervision of Paul Baca, NM CCR #112, do hereby
certify that I reported the foregoing proceedings
in stenographic shorthand and the pages are a true
and correct transcript of those proceedings and
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14

I FURTHER CERTIFY that I am neither
employed by nor related to any of the parties or
attorneys in this matter and that I have no
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