

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY  
Wednesday, March 18, 2015 5:05 p.m.

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

Before: Paul Baca  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

COMMISSIONER MAGGIE HART STEBBINS, Chair

COUNCILLOR TRUDY JONES, Vice Chair

COUNCILLOR REY GARDUNO, Member (Excused)

COMMISSIONER DEBBIE O'MALLEY, Member

COMMISSIONER ART DE LA CRUZ, Member (Excused)

COUNCILLOR KEN SANCHEZ, Member

TRUSTEE PABLO RAEL, Ex-officio Member

MAYOR RICHARD BERRY, Member (Excused)

MR. ROB PERRY, Admin. Officer, Alternate Member

COUNCILLOR ISAAC BENTON, Alternate Member

1           CHAIRWOMAN HART STEBBINS: Good evening. I  
2 would like to call to order the meeting of the  
3 Bernalillo County Water Utility Authority for  
4 March 18, 2015.

5           Please let the record reflect that  
6 Councillor Rey Garduno and Trustee Pablo Rael are  
7 both excused. Councillor Benton will serve as  
8 Councillor Garduno's alternate. Otherwise, all  
9 members are present.

10           We will have a moment of silence, and  
11 then the Pledge of Allegiance, led by Councillor  
12 Benton.

13           (Whereupon, there was a moment of  
14 silence.)

15           (Whereupon, the Pledge of Allegiance was  
16 led by Councillor Isaac Benton.)

17           CHAIRWOMAN HART STEBBINS: All right. We  
18 are on approval of the minutes. I move we approve  
19 the February 25th, 2015, meeting minutes. Is  
20 there a second?

21           COUNCILLOR SANCHEZ: Second.

22           CHAIRWOMAN HART STEBBINS: All in favor, say  
23 aye.

24           ALL MEMBERS: Aye.

25           CHAIRWOMAN HART STEBBINS: Opposed?

1           That motion passes unanimously.

2           (6-0 vote. Agenda Item 3 approved.)

3           CHAIRWOMAN HART STEBBINS: We have no  
4   proclamations, no awards tonight. So we're on  
5   public comment.

6           Ms. Jenkins, how many people do we have  
7   signed up?

8           MS. JENKINS: We have two.

9           CHAIRWOMAN HART STEBBINS: All right. Just  
10   a reminder, each speaker will have three minutes  
11   to speak. A bell will sound when two minutes --  
12   two and a half minutes has lapsed, giving you  
13   30 seconds to wrap up.

14          So, Ms. Jenkins, could you call the  
15   first speaker.

16          MS. JENKINS: Elaine Hebbard, followed by  
17   David McCoy.

18          MR. MCCOY: Good evening. Dave McCoy at  
19   Citizen Action. You have a resolution tonight and  
20   it was discussed at the water protection advisory  
21   board to some degree. And I'd like to point out a  
22   few additional things, some things that I read on  
23   the resolution and the words that are important.

24          One of the things is that in the  
25   mixed-waste landfill, there was over 300,000

1 pounds of depleted uranium and uranium-235, which  
2 was dumped in the landfill. And this uranium has  
3 caught fire on two occasions in the past.

4 Now, if you have cannisters with  
5 metallic sodium and them in high level waste that  
6 come in contact with water, you can have an  
7 explosion, and that can ignite a fire. Such a  
8 fire would be surrounded by many other types of  
9 waste and could be a real problem for Albuquerque.  
10 We've all seen the kind of problems that result  
11 when waste is not cleaned up in a timely fashion.  
12 The Kirtland jet fuel spill being one such  
13 example, and the kind of cost and cleanup  
14 difficulties that result when things are not  
15 cleaned up appropriately.

16 The mixed-waste landfill never had an  
17 appropriate inventory done. I told you I had seen  
18 many inventory sheets. Those ran from the early  
19 '60s through 1985, but they did not provide  
20 inventory sheets from 1986 to '89, when the dump  
21 closed, and there was a lot of activity, as  
22 indicated by memoranda, during that period of  
23 things that went into the mixed-waste landfill  
24 that are simply unknown to us.

25 It's the unknowns that make sites so

1 dangerous to us. You know, kitty litter at WIPP,  
2 who would guess, an impossible situation, right?  
3 But it caused shutdown of a multi-billion-dollar  
4 waste facility. The same type of things, an  
5 explosion at the mixed-waste landfill were to  
6 occur, wouldn't be a very desirable situation.

7           Moreover, there's no reason why the  
8 department of energy should not clean that waste  
9 site up. Why it should be left in the middle of a  
10 growing urban city should not take place. Thank  
11 you.

12           CHAIRWOMAN HART STEBBINS: Councillor  
13 Benton.

14           COUNCILLOR BENTON: And I've been hearing  
15 about the mixed-waste landfill since I first ran  
16 for city council, and I know it obviously has been  
17 going on -- or it's been in place a lot longer  
18 than that, and the awareness about it has been  
19 going on long before that.

20           But in -- just like, briefly, help the  
21 board here understand. What have the Feds said  
22 about that most recently? What have been the  
23 responses to the concerns? Everything's okay?

24           MR. MCCOY: Well, the most recent thing was  
25 a poster show put on by Sandia National

1     Laboratories, and the poster show was most notable  
2     for what it left out. It did not discuss the fact  
3     that 270,000 gallon of reactor wastewater had been  
4     placed in the mixed-waste landfill. It didn't  
5     discuss the fact that berms that surrounded the  
6     landfill were washed away and there was pooling of  
7     water at the facility. It didn't discuss that the  
8     trenches and pits were left open for dates and  
9     water from powerful storms surged in there.

10                So these kind of things have completely  
11     been ignored. There have ignored the fact that  
12     there was a high level nuclear waste put in there  
13     from a nuclear meltdown experiments conducted in  
14     the reactor at Sandia.

15                They only represented to the public all  
16     along it was low-level mixed-waste landfill. And  
17     the disposal sheets of toxic and radioactive  
18     material simply are contrary to that assertion.  
19     And there's thousands of pages of that that show  
20     high-level fissionable waste that's been left in  
21     the mixed-waste landfill.

22                I could go on, but does that satisfy  
23     some of the need? Thank you.

24                MS. JENKINS: Elaine Hebbard.

25                MS. HEBBARD: Good afternoon. My name is

1 Elaine Hebbard and I would like to make some  
2 comments on today's agenda package and then end up  
3 with an invitation.

4           With regard to the first item is goals  
5 and objectives. I would hope that in addition to  
6 some of the ones that are listed there, that there  
7 would be a focus on what 95 percent of the  
8 customers have identified as a priority, and that  
9 is to ensure water for future generations. And I  
10 think you can do that by emphasizing reusing  
11 water.

12           Right now, it's .64 percent of the water  
13 progresses. So I would suggest having a goal,  
14 increasing that, reducing unbilled water and other  
15 such inclusions, such as the scarcity of water  
16 when you're disclosing what you have.

17           Also, linking land use and water by  
18 including the updated water budget model and  
19 having it operate hopefully with the update in the  
20 comprehensive plan.

21           And, finally, suggesting that there be a  
22 cost/benefit analysis for long projects such as  
23 the ASR. The board has asked for a cost on that  
24 and I don't think it has ever seen one, nor where  
25 water will come for current users of water that

1 will go into the ASR projects.

2 I would suggest that the item on the  
3 consent agenda for the water budget model be  
4 pulled off the agenda just so that you can talk  
5 about persons that are listed in that as experts  
6 who are with the scientific water budget task  
7 force. Because it would seem to me that that also  
8 fulfills the need for that professional CAC change  
9 that is being made. So maybe looking at it  
10 together.

11 And speaking of which, none of the  
12 suggestions that were made by the board were ever  
13 entered into the new or different resolution. The  
14 resolution is the same as it was presented last  
15 year, as far as I can -- last month, as far as I  
16 can tell.

17 Finally, when you have large proposals,  
18 such as the Santolina proposal, when there is a  
19 letter of capability of providing water to that, I  
20 would suggest that that also come before this  
21 board for approval or some sort of action before  
22 it's just provided to the developer, and that  
23 development agreements not only be concerned about  
24 pipes, et cetera, but also the impact that  
25 providing that water will have to the rest of the



1 region.

2           So then I'm going to wrap up and say  
3 that on Saturday, there is a free event, "Climate  
4 Disruption in Our Water Future: Mitigate, Adapt,  
5 or Suffer." And that's sort of a riff on the  
6 current science advisor to the president.

7           But we will be looking at a lot of  
8 different consequences to climate variations there  
9 and asking for a lot of input. It is March 21st,  
10 923 at Dane Smith Hall at UNM. More details,  
11 water assembly dot org.

12           CHAIRWOMAN HART STEBBINS: Thank you.

13           Commissioner De La Cruz.

14           COMMISSIONER DE LA CRUZ: Thank you, Madam  
15 Chair.

16           I disagree with at least some of what  
17 the last speaker talked about. The reality is  
18 that the water authority, as part of any  
19 development process or request, is often asked as  
20 a matter of fact as to whether what is available,  
21 what water. Water authority either owns a certain  
22 amount of water or it doesn't own a certain amount  
23 of water.

24           And so the idea that the board would  
25 hear it, a statement of fact that needs to be

1 provided as a matter of public interest and needed  
2 information, so what is this board to do? If  
3 there's some level of political will, we say, "We  
4 really don't have water"? We either have it or we  
5 don't have it. We either have a certain volume of  
6 water or we don't have it. It's as simple as  
7 that.

8 Thank you, Madam Chair.

9 CHAIRWOMAN HART STEBBINS: Thank you.

10 Any other questions, comments?

11 All right. Seeing none, now we're on  
12 announcements. Item 9C, which is R-15-7, will be  
13 postponed at the request of the sponsor,  
14 Councillor Garduno. That will be postponed to our  
15 next meeting.

16 Our next scheduled meeting will be  
17 April 22nd, 2015, 5:00 p.m., here in the Vincent  
18 E. Griego Chambers.

19 So we are now on introduction of  
20 legislation. The first is R-15-8. Mr. Roth.

21 MR. ROTH: Madam Chair, Members of the  
22 Board, in front you today is the FY16 goals and  
23 objectives for introduction.

24 The goals and objectives are part of the  
25 water authority's strategic planning budget

1 improvement process. As you can see, it starts  
2 with the goals and objectives, which are tied to  
3 the measures and performance plans, which measures  
4 our progress from year to year, as well as  
5 measuring our progress against your peers in the  
6 benchmarking performance indicator survey through  
7 the American Water Works Association.

8 In addition to all this quantitative  
9 data, we also have qualitative input from your  
10 customers through a customer opinion survey that  
11 we do every two years. This all helps guide our  
12 budget process, which will be introduced at the  
13 next meeting.

14 We've also been looking at the EPA's  
15 objective utility management program, which is a  
16 comprehensive self-assessment process to look at  
17 gaps of areas of improvement.

18 We also receive outside input from your  
19 customer advisory committee on a monthly basis on  
20 the water authority's plans, projects and policy.  
21 And then, more recently, in the last two years,  
22 customer conversations, which is done on a  
23 quarterly process. And we've received over 1400  
24 comments in the last two years on that process,  
25 which are focus groups that look at both long-term

1 and short-term issues facing the water authority.  
2 All this to fulfill the mission of the water  
3 authority.

4 In front of you are the objectives for  
5 tonight, which are sorted by the long-range goal  
6 areas. We have five goal areas and we have  
7 guiding goal statements for each goal area, which  
8 communicates the desired outcome in each goal  
9 area.

10 We also have 26 performance measures  
11 that help measure our progress in each of these  
12 goal areas, 26 in all. And we use these  
13 performance measures to identify gaps in  
14 operations, service delivery, and then we address  
15 those gaps through the objectives process, which  
16 allows you, as a board, to set policy directives  
17 to address these gaps.

18 The objectives for this fiscal year  
19 include implementation of plans and programs,  
20 incorporate areas of improvement identified  
21 through the benchmarking and effective utility  
22 management program. Many of these objectives are  
23 carried over from this fiscal year because we're  
24 inputting a new phase or continuing to work with  
25 some pilot programs. And these objectives are

1 tied to resources contained in the proposed  
2 budget, which will be at your next meeting.

3 Many of these objectives are related to  
4 levels of service. They may relate to regulatory  
5 levels of service that we're required to do.  
6 Customer levels of service that we identify  
7 through the customer opinion survey, or the  
8 customer conversations. And, of course,  
9 operations, where we want to be more official or  
10 effective in what we do in terms of providing  
11 service to our customers.

12 I'll identify some of the key objectives  
13 in each of these goal areas. Alluding to the  
14 water goal area, we have many in terms of  
15 operations, including improving our planned  
16 maintenance of those facilities; continuing your  
17 work in terms of leak detection and beginning a  
18 process to look at our large valves, and, of  
19 course, continual work with our asset management  
20 planning and specifically the groundwater  
21 facilities. Maintain our water use at 134 per  
22 capita, and begin the process of updating our  
23 water resource management strategy.

24 In the wastewater goal area, in terms of  
25 operations, we want to continue our work in

1 televising the sewer lines, begin -- continue our  
2 work with the pilot programs that we've done in  
3 terms of the sewer cleaning. At your wastewater  
4 treatment plant, make sure we have five or less  
5 discharge permit violations. And continue to work  
6 with our asset management plan, job rehabilitation  
7 of that facility. And continue our planned  
8 maintenance at that facility as well.

9           In the customer service goal area, we  
10 want to continue our work with our customer  
11 conversations in the next fiscal year, as well as  
12 conduct our customer opinion survey.

13           In operations, we want to maintain our  
14 call wait time, and also continue our work in the  
15 smart water use smart meter program, and begin to  
16 implement our web self-service program for our  
17 customers.

18           In the business planning and management  
19 area, we're going to be adding \$3 million more to  
20 our rehab program and continue our development of  
21 the comprehensive energy master plan, as well as  
22 implement our work order mobile solution.

23           And lastly, in the last goal area,  
24 maintain a 6 percent vacancy rate, maintain our  
25 low injury hours, and begin to continue our work

1 with updating our standard operating procedures,  
2 and continue our work with our training program.

3 With that, are there any questions?

4 CHAIRWOMAN HART STEBBINS: Members, any  
5 questions, comments?

6 Seeing none, thank you.

7 All right. We are now on approval of  
8 the consent agenda. I move we approve the items  
9 on the consent agenda.

10 COMMISSIONER DE LA CRUZ: Second.

11 CHAIRWOMAN HART STEBBINS: Second by  
12 Commissioner De La Cruz. All in favor, say aye.

13 ALL MEMBERS: Aye.

14 CHAIRWOMAN HART STEBBINS: Opposed?

15 That motion passes unanimously.

16 (6-0 vote. Agenda Item 8 approved.)

17 CHAIRWOMAN HART STEBBINS: We are now on  
18 approvals, starting with R-15-5. Mr. Roth.

19 MR. ROTH: Madam Chair, Members of the  
20 Board, this resolution was introduced at the  
21 January meeting. Before that, the customer  
22 advisory committee looked at the current  
23 provisions of the resolution and then looked at  
24 changes to the resolution and recommended -- you  
25 were unanimous in the recommendations at those two

1 meetings. So that was introduced at the January  
2 meeting. Some changes were made at that meeting,  
3 including clarification on what is considered a  
4 quorum, which is now the majority of filled  
5 positions, and also replacing the word "should"  
6 with "shall" in the conflict of interest section.

7 This resolution, some of the major  
8 changes is to add the term "technical" to the  
9 committee name to reflect the technical nature of  
10 reviewing and providing advice to the water  
11 authority's plans, projects and policies. The  
12 composition is a professional, technical group of  
13 volunteer individuals who represent the core  
14 functional areas of operating and water and  
15 wastewater utility and providing outside expertise  
16 and best practices for continuous business  
17 improvement.

18 With that, I'll stand for any questions.

19 CHAIRWOMAN HART STEBBINS: Thank you.

20 Members, any questions, comments?

21 All right. I move approval of R-15-5.

22 COMMISSIONER DE LA CRUZ: Second.

23 CHAIRWOMAN HART STEBBINS: Councillor  
24 Benton, do you have a question?

25 COUNCILLOR BENTON: Yes. And I'm just



1 sitting in as a substitute tonight.

2 The technical-end customer, how does  
3 that interact? You know, I understand, you know,  
4 who customers are and I understand what technical  
5 expertise is, but how are customers as  
6 representatives opposed to technical viewpoints?

7 MR. ROTH: Madam Chair, Councillor Benton,  
8 this was -- as in terms of clarification,  
9 originally, the customer -- the resolution  
10 established a customer advisory committee. So the  
11 purpose of this resolution is clarification that  
12 this is based on technical expertise that we wish  
13 to obtain from our customer advisory committee.

14 Customers in general, we obtain  
15 feedback. Of course the customer opinion survey  
16 every two years. And also about 200 customers a  
17 year, through our customer conversations. So we  
18 have three sources of outside input from our  
19 customers.

20 COUNCILLOR BENTON: So my understanding is  
21 that the committee presently reaches out on a  
22 periodic basis to customers kind of in general  
23 community as opposed to technical expertise  
24 community; is that right?

25 MR. ROTH: Yes, that's correct, four times a

1 year.

2 COUNCILLOR BENTON: So quarterly, they have  
3 public meetings. What's the attendance like at  
4 those meetings, do you know?

5 MR. ROTH: We have 50 customers per meeting,  
6 and we've actually counted about 50 members so  
7 that we can properly facilitate the meetings. We  
8 have roundtable discussions, focus groups that  
9 engage in discussion. We have activities to  
10 understand some of the priorities that are coming  
11 from our customers.

12 COUNCILLOR BENTON: Right. So you limit it  
13 in order to have a more robust discussion?

14 MR. ROTH: That's correct.

15 COUNCILLOR BENTON: It's first come, first  
16 served; is that how it works?

17 MR. ROTH: Correct. And you register online  
18 or by phone, and usually we do have a waiting  
19 list. So we reach out, so usually all the  
20 customers who sign up get to attend one of those  
21 meetings.

22 COUNCILLOR BENTON: Well, I guess I just  
23 sort of wonder how the -- I still wonder how to  
24 customer fits in. Shouldn't it just be called the  
25 technical advisory committee, I mean, or whatever

1    you want to call it, the external technical -- I  
2    know we have great technical people on the board  
3    within the organization already, but shouldn't it  
4    just be the technical advisory committee as  
5    opposed to -- it seems somewhat confusing in terms  
6    of the goal.

7           MR. ROTH:  Madam Chair and Councillor  
8    Benton, we have a lot of technical advisory  
9    committees.  Usually some of them are ad hoc.  So  
10   I wouldn't want to confuse this TAC with another  
11   TAC.  You can be more specific and call it  
12   "ratepayers," but customer is a more gentler term.

13           COUNCILLOR BENTON:  Right.  So each of these  
14   technical advisors will have to have an area of  
15   expertise and will have to be a ratepayer?

16           MR. ROTH:  The technical advisory  
17   committees, they're for specific purposes.  They  
18   can be for selecting a vendor for a project.  They  
19   can be looking at -- in the past, we had ATAC  
20   looking at the rate structure that was developed  
21   about ten years ago.

22           COUNCILLOR BENTON:  So with regard to this  
23   committee, the customer technical advisory  
24   committee, in order to qualify for nomination to  
25   that committee, you need to be both, right?  You

1 would need to be a customer of the utility and  
2 have an area of expertise?

3 MR. ROTH: Madam Chair, Councillor Benton,  
4 that is correct. You would have to be a customer  
5 of the water or wastewater system. In terms of  
6 technical expertise would be sorted by many of  
7 these categories that were established. For  
8 example, water resource planning, water system  
9 engineering, environmental planning, landscape  
10 architecture, financial, business resource,  
11 economics, customer service, a couple examples of  
12 those, technical, professional categories.

13 COUNCILLOR BENTON: Okay. And then on Page  
14 2, the category of environmental nonprofit water  
15 management advocacy/education -- that's a  
16 mouthful -- what is that?

17 MR. ROTH: Madam Chair, Councillor Benton,  
18 that's actually a typo. There should be a comma  
19 after environmental. Hopefully that's corrected,  
20 was updated on your iPads.

21 COUNCILLOR BENTON: Okay. Yeah. And I'm  
22 just getting used to the iPad system again. I  
23 have an older version.

24 So you've added a comma. And where's  
25 the comma?

1           MR. ROTH: On Page 2, first line,  
2 environmental comma.

3           COUNCILLOR BENTON: So environmental. And  
4 then the other one would be nonprofit water  
5 management advocacy and education?

6           MR. ROTH: That's correct.

7           COUNCILLOR BENTON: Okay. Thanks.

8           COUNCILLOR JONES: Thank you. Councillor  
9 Sanchez.

10          COUNCILLOR SANCHEZ: Thank you, Madam Vice  
11 Chairman.

12                 My question, and just basically  
13 clarification regarding a quorum, would that be  
14 four members or more for this amendment?

15          MR. ROTH: Madam Chair, Councillor Sanchez,  
16 that's correct, at least four.

17          COUNCILLOR SANCHEZ: At least four. Thank  
18 you.

19          CHAIRWOMAN HART STEBBINS: Thank you.

20                 Any other questions, comments?

21                 We have a motion and a second, and I  
22 would like to I think follow on Councillor  
23 Benton's question about the customer component of  
24 this title.

25                 And I think what is -- what bothers me

1 about this CAC, that's now going to be the CTAC,  
2 is that the word "customer," it kind of gives the  
3 impression that this is a board that kind of  
4 reflects our average customer, when it really is a  
5 technical committee. They do happen to be  
6 customers of the water utility.

7 So I would like to propose an amendment  
8 that we actually strike the word "customer" from  
9 the customer technical advisory committee. So it  
10 becomes just the technical advisory committee.

11 And, Mr. Roth, if you say that there's  
12 already technical advisory committee of some other  
13 nature that already exists, we can find another  
14 name.

15 But, again, I think it becomes confusing  
16 to the public, it comes -- to this board. I think  
17 when you hear customer advisory committee, you  
18 think average rate paying customer. So I would  
19 just like to move that we strike "customer" from  
20 Line 9 and Line 13, and, in all cases, change CTAC  
21 to TAC.

22 COUNCILLOR BENTON: Second.

23 CHAIRWOMAN HART STEBBINS: There's a second  
24 from Councillor Benton.

25 Commissioner De La Cruz.

1           COMMISSIONER DE LA CRUZ: Thank you, Madam  
2 Chair.

3           I'd like to hear from staff what the  
4 rationale is behind the word "customer." Customer  
5 means different things to different people. I  
6 just want to make sure that I'm clear, and  
7 certainly the viewing public understanding as  
8 well. Because we can talk about customers in  
9 terms of ratepayers, we can talk about customers  
10 also as stakeholders. So I'd kind of like to know  
11 about that a little bit.

12          MR. ROTH: Madam Chair, Commissioner De La  
13 Cruz, on the resolution, looking at Section 1.B,  
14 it does clarify what does -- what a customer is,  
15 and it is a ratepayer who is part of the water,  
16 wastewater system. And if you want to be  
17 specific, it could be the ratepayer technical  
18 advisor committee. But here, as I mentioned  
19 earlier, "customer" is a more gentler term to use.  
20 It isn't so strict as ratepayer. And it kind of  
21 falls in line with what we're doing with the  
22 customer conversations, which is more of your  
23 average citizens who are engaged with the water  
24 authority on a regular basis and in our customer  
25 opinion survey, which is a survey of our

1 customers. And so it kind of falls in line with  
2 those other components of our process.

3 COMMISSIONER DE LA CRUZ: Thank you.

4 Madam Chair, I think it's important for  
5 our viewing public to hear that because not  
6 everyone has access or the time to sometimes, you  
7 know, go visit the website and find it. So I  
8 think that's very helpful. Thank you, Madam  
9 Chair.

10 CHAIRWOMAN HART STEBBINS: Any other  
11 questions, comments?

12 Commissioner O'Malley.

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

15 I guess it -- this is what gets a little  
16 confusing, too, is that if we pull out the term  
17 customer, the resolution still requires that the  
18 technical committee members be ratepayers,  
19 correct? So that doesn't change. We're just  
20 changing the title, as the way it's written now.

21 So I think it makes sense to me, and,  
22 you know, if someone wants to disagree, that this  
23 technical committee, that there is a -- that they  
24 do have a stakehold in this, in participating;  
25 that it's just not someone who has technical



1 expertise that could be from, you know, maybe  
2 within the region or within the state that doesn't  
3 have -- the stakeholder did -- I think it does  
4 need to be something that certainly needs to be  
5 part of the requirements. So I -- but at the same  
6 time, you know, I think there has been some --  
7 what we're trying to do, of course, is clarify  
8 this and saying that this is not -- there's a  
9 perception that is, you know, your regular  
10 customer who doesn't have any particular  
11 expertise. We're saying that they do, they do  
12 have technical expertise, but they're still the  
13 customer. So I'm not so sure I feel comfortable  
14 about getting rid of the customer because that's  
15 in the body of the resolution and it's a  
16 requirement.

17 Thank you.

18 CHAIRWOMAN HART STEBBINS: Commissioner De  
19 La Cruz.

20 COMMISSIONER DE LA CRUZ: Thank you, Madam  
21 Chair. I agree with Commissioner O'Malley. I  
22 believe that it is essential that the individuals  
23 who serve on this board, at least from this  
24 commissioner's opinion, that they be a customer.  
25 You can have a world of experience and still be a

1 customer. Because I agree with Commissioner  
2 O'Malley that unless we clarify this, and, of  
3 course, if we want to clarify it a little further,  
4 we can, but I say that you want those individuals  
5 that are going to serve on this or other boards to  
6 reside in this county and to be a customer.

7 Thank you, Madam Chair.

8 And I don't know if you want to make a  
9 substitute motion or whatever, Commissioner  
10 O'Malley, but I would support some language to  
11 that effect.

12 Thank you, Madam Chair.

13 CHAIRWOMAN HART STEBBINS: Thank you. And I  
14 would just like to clarify that I have not  
15 proposed changing the language that requires  
16 members of this board to be ratepayers, customers,  
17 whatever you want to call them. It just, to me,  
18 is an effort to clarify for the public what this  
19 board is. Because I think for a long time, people  
20 have looked at the customer advisory committee as  
21 a place where you go to talk about rates and, you  
22 know, whatever concerns you might have, that it's  
23 a standing board that actually represents most of  
24 the ratepayers, when, in fact, it's a technical  
25 advisory committee. The requirements are very

1 clear that people have to have technical expertise  
2 in one of these core functional areas. And so  
3 that's my intent of this, is just to -- and I  
4 think that at some point it might be followed up  
5 with consideration of whether we do have that  
6 other kind of committee, a standing committee that  
7 does hear not technical -- not make technical  
8 recommendations and not require technical  
9 expertise, but people who represent the broader  
10 community. So that's my intent here. I'm  
11 certainly open, if there are suggestions about how  
12 we change this language.

13 So Commissioner O'Malley.

14 COMMISSIONER O'MALLEY: Thank you, Madam  
15 Chair. Maybe -- not to try to wordsmith  
16 everything on the fly, but perhaps maybe  
17 "technical" needs to come before "customer" and  
18 that is very clear that it is a technical customer  
19 advisory committee.

20 CHAIRWOMAN HART STEBBINS: Councillor  
21 Benton.

22 COUNCILLOR BENTON: And I guess, you know,  
23 that's sort of the hilarity of that  
24 recommendation, I think that it's probably more  
25 accurate.

1           You know, I guess the thing that I find  
2   confusing about this is that, okay, we have these  
3   quarterly meetings where the regular customers  
4   speak and are heard by what will now be a  
5   technically oriented committee. So I guess  
6   there's some discomfort I have that, what about  
7   the average Joe or Jane? Are those people -- or  
8   Juan and Juanita. Are those people, you know,  
9   somehow of secondary importance, you know,  
10   because -- and how will these technical people who  
11   are oriented in that manner convey the interests  
12   of just the average consumer?

13           CHAIRWOMAN HART STEBBINS: Commissioner  
14   O'Malley.

15           COMMISSIONER O'MALLEY: Thank you. I think  
16   that we probably will have to get a little bit  
17   into the weeds on this issue, because I think  
18   there is this feeling or this perception that  
19   there is not a structure in place or an avenue in  
20   place for the regular customer other than coming  
21   to speak to us during public comment to engage and  
22   to feel as though somehow their opinions, their  
23   concerns really get addressed and are heard.

24           I think that's basically the genesis of  
25   looking at this in the first place, so maybe we

1     need to separate those two things. How do we make  
2     sure that occurs and not let's leave it up to this  
3     committee to do it, you know. Maybe we have to  
4     have some other avenue to do that.

5             Apparently, it's my understanding that a  
6     technical customer advisory committee performs an  
7     important -- has an important role in advising the  
8     water authority on these technical matters, but  
9     they are required to be customers. But maybe what  
10    we need to do is sort of look at other avenues or  
11    figure out a way or structure a way so that we do  
12    have this legitimate or what we feel is legitimate  
13    avenue for that communication to take place. And  
14    it shouldn't necessarily fall under this  
15    particular committee. That's what I was thinking.  
16    And I still think technical advisory committee is  
17    a good idea.

18            CHAIRWOMAN HART STEBBINS: Councillor Jones.

19            COUNCILLOR JONES: Thank you, Madam Chair,  
20    very interesting, however, the body of this  
21    resolution contains all of the information that we  
22    need on who is qualified to serve on this. So I  
23    really don't think it makes a difference what we  
24    name it. So I'm open to anything.

25            I think the real key is that this is a

1 technical group that is very useful to the water  
2 authority on advising them about how, once again,  
3 the ratepayers or the customers feel about the  
4 technical side of this. So I think that this  
5 resolution is very clear in what this particular  
6 advisory committee does. So I think we're -- at  
7 the risk of being very amusing, I think we're  
8 picking nits here. So let's just decide on which  
9 nit we want and go for it.

10 CHAIRWOMAN HART STEBBINS: Mr. Perry.

11 MR. PERRY: You know, I feel like I'm at a,  
12 I don't know, ancient history class and we're  
13 talking about the structure and branches of  
14 government in Rome, you know, we have the senate  
15 and they're aligned by lineage and family, with  
16 the wise people, and then we have the Plebans, and  
17 they're the common people, and the Patricians are  
18 the landowners.

19 I think the way it's been pointed out is  
20 that composition is what's important. And if  
21 there needs to be some modifications to the name,  
22 so be it. But, you know, I agree with the  
23 composition that's been laid out, that there be  
24 some technical expertise. I also agree with some  
25 of the comments regarding that there be a vehicle

1 and some sort of impanelment of basic ratepayers  
2 that see it only from their perspective and not  
3 have technical expertise. But I know this  
4 legislation has been before us for quite some time  
5 now, and I think it's time to move forward.

6 CHAIRWOMAN HART STEBBINS: All right. Any  
7 other questions, comments?

8 All right. I will revise my motion so  
9 that we -- instead of striking "customer" from  
10 Line 13, we would just transpose "technical" with  
11 "customer." So Line 13 would read, "A technical  
12 customer advisory committee," and then we would  
13 change CTAC to TCAC throughout the resolution.

14 Is that clear to everybody? So now this  
15 will be the technical customer advisory committee,  
16 TCAC for short.

17 Councillor Sanchez.

18 COUNCILLOR SANCHEZ: Thank you, Madam Chair.  
19 I will now support your amendment to this bill,  
20 and I want to thank Mr. Perry for his quick  
21 history lesson regarding this issue.

22 CHAIRWOMAN HART STEBBINS: All right. So we  
23 now are voting on the amendment. Do I have a  
24 second to the amendment?

25 COMMISSIONER DE LA CRUZ: Second.

1 CHAIRWOMAN HART STEBBINS: Second. All  
2 right. We're on the amendment. All in favor, say  
3 aye.

4 ALL MEMBERS: Aye.

5 CHAIRWOMAN HART STEBBINS: Opposed?

6 That motion passes unanimously.

7 (6-0 vote. Motion approved.)

8 CHAIRWOMAN HART STEBBINS: We are now on

9 R-15-5.

10 Commissioner De La Cruz.

11 COMMISSIONER DE LA CRUZ: Thank you, Madam

12 Chair.

13 Before we move on to the next item, it  
14 dawned on me as we were sitting here that we might  
15 need to have something done, Mr. Sanchez, through  
16 your IT department where individuals who want to  
17 communicate with us, with this body, have a venue  
18 and an avenue to do that.

19 And right now, at Bernalillo County, if  
20 constituents or the public wants to communicate  
21 with us, they can go on the county website, we can  
22 provide their comments there, and then from that  
23 point, it goes to what ever commissioner is  
24 involved, or sometimes they may send it to the  
25 entire commission.



1           And I think sometimes that that may be  
2   the better way to do it versus -- most people's --  
3   I guess if somebody wants to communicate with me  
4   about an issue related to the water, they can find  
5   me at Bernalillo County, or if there is someone  
6   that wants to talk to a councillor, they can do  
7   that at CABQ.

8           But I think we ought to have a venue and  
9   an avenue for being able to do that at the water  
10  authority. And I'm just asking that staff explore  
11  that.

12           Thank you, Madam Chair.

13           CHAIRWOMAN HART STEBBINS: Thank you.

14           And I just want to clarify, we did not  
15  take a final vote on R-15-5 as amended. So I  
16  would like to move R-15-5 as amended.

17           COMMISSIONER DE LA CRUZ: Second.

18           CHAIRWOMAN HART STEBBINS: Seconded by  
19  Commissioner De La Cruz. All in favor, say aye.

20           ALL MEMBERS: Aye.

21           CHAIRWOMAN HART STEBBINS: Opposed?

22           That motion passes unanimously.

23           (6-0 vote. Agenda Item 9A approved.)

24           CHAIRWOMAN HART STEBBINS: All right. We're  
25  now on R-15-6. Ms. Cassidy.

1           MR. CASSIDY: Good evening, Madam Chair,  
2 Members of the Governing Body. I have a team here  
3 that represents the authority to report on the  
4 bond transaction that this authority board has  
5 approved the last two months. Katherine Creagan  
6 is with the Modrall law firm, and she'll present  
7 on the legal side. Eric Harrigan is with our firm  
8 and will assist as well.

9           The transaction participants included  
10 the Modrall law firm as your bond counsel and  
11 disclosure capital. We served RBC capital markets  
12 as your independent financial advisor. Bank of  
13 Albuquerque will be the escrow agent on the  
14 refunded portion of the bond, hold the money until  
15 we can pay off the bondholders that we're  
16 refinancing. We have a verification agent,  
17 Causey, Demgen & Moore. Then we have a group of  
18 underwriters, led by JP Morgan Securities, that  
19 senior manage the transaction, RW Baird, Stifel  
20 Nicholas and Piper Jaffray, so co-managers and in  
21 the transaction.

22           These firms are selected through an RFP  
23 process by the board and the staff, the board.

24           The refunding transaction resulted in a  
25 recommendation to issue \$211.94 million of bonds,

1 of which \$78 million of that bond issuance process  
2 would be available for new projects pursuant to  
3 the capital master plan of the authority, and the  
4 balance would be used to refinance portions of  
5 three different bond issues that the board had  
6 issued in the past from 2007, 2008 and 2009.

7 We're not refinancing everything. We're only  
8 refinancing the bonds that met the debt management  
9 policy of the board that you've previously  
10 adopted.

11 I want to take you through the next  
12 line. By the way, I think you have hard copies of  
13 these. If you don't, Patty certainly has it. The  
14 all-inclusive interest cost on the transaction,  
15 which was in the market today, which is the reason  
16 you haven't seen anything until this evening, was  
17 a 2.69 percent interest rate. And that is a fixed  
18 rate. It doesn't change. The bonds mature  
19 between now and 2033. And what we have on this  
20 slide here, Slide Number 3, is the detailed  
21 sources and uses of funds. And I just want, for  
22 full transparency, to show you what the uses of  
23 funds will be. And that's on the bottom  
24 right-hand side of the bond issuance process.  
25 \$78 million will be for new construction, 163

1 million to refinance the debt that I've designed.  
2 The underwriter's fee was about 513,000. Cost of  
3 issuance in addition to that, about \$700,000. So  
4 sources and uses total about \$242,000. The  
5 closing date would be April 27th.

6 The savings on the refinancing, I think  
7 we achieved exactly what we had wanted to achieve.  
8 The annual savings on the first six years will be  
9 in excess -- close to a million dollars or in  
10 excess of a million dollars, the first five years.  
11 And then after that, it's almost 800. It's a  
12 little over 700,000 to 800,000 a year, and then it  
13 declines over time as the principal pays off on  
14 the refinancing.

15 When you add up the interest rate  
16 savings, and this is after all the cost of  
17 issuance, the nominal savings is \$13,352,000, and  
18 the present value savings, when you equate it to  
19 today's dollars, which is the way we evaluate  
20 refinancings, it's \$11,866,000. So 8.33 percent  
21 savings. And generally speaking, if you're above  
22 3 percent, it makes sense. But this really worked  
23 well. And the reason it worked well is the  
24 interest rates have remained down.

25 And we did a large refinancing

1 transaction in the last six months, a little over  
2 six months ago, and we had substantial present  
3 value savings then, but some of those bonds  
4 weren't callable and they didn't really work as  
5 well six months ago as they do today because we're  
6 six months closer to the option call date on  
7 bonds. So we're able to pick off some more, and  
8 we'll continue to do this as rates stay down or  
9 are below, remain below what the interest rate is  
10 on the old bonds.

11 The average rate on the old bonds is  
12 5.15 percent, and we're replacing that. The  
13 borrowing cost on the refinancing side of this is  
14 2.83 percent. So we're substantially saving in  
15 materials of interest cost.

16 In the market today -- and I'll talk  
17 about bond ratings in just a moment. But when the  
18 underwriting team went out, we sat and agreed on  
19 interest rates that they ought to go out with, and  
20 in the first 15 to 20 minutes of the offering  
21 period, which lasts about an hour and a half, we  
22 received orders for about \$525 million of bonds.  
23 We had 45 different investors participating. And  
24 a list of the top 20 investors by size is included  
25 on Page 5 of your presentation. And they are

1     Susquehanna International Group, Liberty Mutual  
2     Insurance, Allstate, State Farm, Kemper, you know,  
3     Levine, American Family Funds, PMC Advisors,  
4     Goldman Sachs, Black Rock. So a lot of the large  
5     investors recognizing the high quality credit and  
6     the high ratings of the organization participated  
7     and submitted orders. And I'll talk about the  
8     ratings in just a moment and expand this a little  
9     bit.

10           The next page, on Page 6, like we always  
11     try to do, we want to lay out what the debt  
12     service requirements is of all the debt that is  
13     currently outstanding and will remain outstanding  
14     of this transaction. Our costs will be in the  
15     next five years about \$74 million a year on a  
16     level basis. Your rates and charges are  
17     sufficient to pay that and the adopted rate  
18     increases that are in place.

19           And then the debt service rapidly  
20     declines, and that's how that has been structured  
21     pursuant to your debt policy. So we have rapid  
22     declining debt service so you can issue future  
23     bonds without substantial rate increases and  
24     hopefully and eventually borrow less than you're  
25     borrowing and do more pay-as-you-go financing.

1 And that's what your management has had in place  
2 for quite a number of years.

3 And I want to point out the coverages on  
4 this page as you look forward. Our coverages  
5 approach one and a half times, which is what we  
6 need to be on the senior lien debt, and over 1.2  
7 times coverage on your subordinate lien debt. We  
8 have a two-tier debt structure now, and so we have  
9 no issue there at all.

10 We did go back to the rating agencies.  
11 Your staff conducted calls with the rating  
12 agencies and had full conversations and a full  
13 presentation, and what -- the result of that was  
14 Standard & Poor's assigned a Double A plus rating  
15 to the authority's long-term senior lien debt.  
16 And they also reassigned the Double A category  
17 rating to the subordinate lien debt.

18 I think some of their comments are  
19 really nice to see, reflecting all of the good  
20 things that you're doing. First of all, the  
21 service area includes -- it's the state's primary  
22 economic center. That's the employment base for  
23 the state, and it's been very resilient through  
24 the recession. They recognize the robust planning  
25 efforts that ensures the operational and financial

1 requirements are well aligned, including resource  
2 management and sustainability, financial policies  
3 and establishing aggressive levels of  
4 pay-as-you-go funding, and operations that reflect  
5 the long-term water supply from a mix of surface  
6 and groundwater.

7           And they also comment that based upon  
8 their review, and they review a lot of water sewer  
9 credits across the country of a similar size, that  
10 the combined water and sewer rates remain very  
11 affordable, even with the approved and planned  
12 upcoming rate adjustments. So that was nice to  
13 see.

14           Moody's also assigned their Double A2  
15 rating, with a stable outlook. And they commented  
16 on stabilized debt service cash coverage levels  
17 and the substantial and diverse customer base of  
18 the authority. And, again, they commented and  
19 their rating was on a stable outlook basis.

20           And Fitch also reaffirmed their Double A  
21 senior and subordinate lien debt rating with a  
22 stable outlook. And they commented on rate  
23 flexible. Again, commented that rates are  
24 affordable. They commented on the improved  
25 financial reporting capability and what that



1 means. And the ample water supply, that we have  
2 50 to 55 years of water availability. And that's  
3 really high for a large utility like this. I know  
4 you're always working on that to improve that for  
5 the future.

6           Lastly, on Page 10, we've included a  
7 history of municipal bond rates for highly rated  
8 credits, like the water authority, and show you,  
9 you know, really why refundings work right now,  
10 refinancings of your outstanding debt, but also  
11 borrowing at these levels is really very, very  
12 helpful. We can see where we've been. In 1980,  
13 '81, we had rates above 13 and a half percent on  
14 30-year municipal debt. And we're currently at  
15 4.31 percent on 30-year type debt. Your debt is  
16 relatively short compared to this.

17           All your new money borrowing for basic  
18 needs is done on a 12-year basis. This  
19 refinancing is a little long because we're  
20 refinancing some of your special needs projects,  
21 like some of the remaining San Juan Chama, South  
22 Valley improvements that were issued originally as  
23 25-year-type debt, so we're refinancing that.

24           So, you know, if you look back over this  
25 26-year period, rates have only been lower

1 2 percent of the time. So we're still in a very  
2 favorable interest rate environment. The federal  
3 reserve today did come out and they removed  
4 language that the financial markets -- kind of a  
5 little uncertain when they would move the word  
6 "patient" in terms of when the Fed reserve might  
7 start shifting its policy and raising short-term  
8 interest rates. And they did remove the word  
9 "patient" today. The financial markets responded  
10 favorably.

11 And we actually got into the market for  
12 the 12:00 noon comment, and we did get into a  
13 market that was improving as we got into it, so we  
14 were able to take advantage of it. During the  
15 pricing process, we're able to lower the rate 3 to  
16 4 basis points, so it went well.

17 And, you know, with that said, we're  
18 happy to stand for questions, Eric and I, before  
19 we turn it over to Katherine Creagan to summarize  
20 the resolution.

21 CHAIRWOMAN HART STEBBINS: Mr. Perry.

22 MR. PERRY: Just a couple quick questions.  
23 When I look at the durations of these, is there a  
24 blended duration, where the refunding bonds for 15  
25 years and the money that covers the 67 million was

1 for ten, the duration we're going to?

2 MR. CASSIDY: Madam Chair, Mr. Perry, that  
3 is correct. Your policy calls for your basic --  
4 you know, the replacement money that you're doing  
5 every two years, it's generally about 56 million  
6 every two years, that is structured with your  
7 rates and charges to be repaid over 12 years.

8 MR. PERRY: And what were the durations on  
9 the '07s, '08s and '09s?

10 MR. CASSIDY: That's a big question to even  
11 comment on. We are not extending the maturity on  
12 that debt. Your policy doesn't allow you to  
13 refinance and extend the maturity. So this is  
14 what we would call, you know, debt service that's  
15 solved to match the existing debt. And so we're  
16 not doing any extensions whatsoever.

17 MR. PERRY: And they're redeemable in 2025?

18 MR. CASSIDY: And the option call date is  
19 2025, yes.

20 MR. PERRY: And then they're callable after?

21 MR. CASSIDY: After ten years.

22 And we did look at that, Madam Chair and  
23 Mr. Perry. I think one of your board members had  
24 asked questions. Maybe it was Mr. Sanchez. If we  
25 had shortened the call date by one year, it would

1 have cost us on the refinancing, which is where  
2 the cost would have been, about \$700,000 in  
3 present value savings, which is a 4- to 5-basis  
4 point increase in the interest cost. And if we  
5 were to shorten it by two years, that would have  
6 cost us, on a present value basis, about a  
7 million-six.

8 And given the fact that we do expect  
9 interest rates to rise long term, it seemed it  
10 would be better to take the interest rate savings.  
11 We need the cash flow to, you know, hopefully deal  
12 with capital on a pay-as-you-go basis, sort of  
13 avoid future rate increases.

14 MR. PERRY: And as -- as credit is due and,  
15 Mr. Sanchez, is -- I had looked at the coverage  
16 ratios when I came on the board in 2010, and they  
17 weren't particularly comforting. I think what  
18 you've done technically to ensure the adequacy of  
19 those ratios is very significant towards the  
20 protection of the long-term credit worthiness and  
21 ability to pay for the water utility program.

22 So say 1.5 on the senior and 1.2 on  
23 subordinate, right?

24 MR. CASSIDY: Right. And I wish I could  
25 take credit, but I can't. That's Mr. Sanchez and

1 his capable staff.

2 CHAIRWOMAN HART STEBBINS: Councillor  
3 Sanchez.

4 COUNCILLOR SANCHEZ: Thank you,  
5 Madam Chairman.

6 I'm looking at the total combined debt  
7 services and coverage ratios, and looking at 2015,  
8 the settlement agreement of debt service is  
9 70,382,975. And then the net revenues are  
10 90,999,984. And looking down to 2038, the net  
11 revenues are identical. What is the rationale for  
12 the identical net revenue?

13 MR. CASSIDY: Madam Chair and Councillor  
14 Sanchez, thank you for the question. We've -- the  
15 \$90,990,000 is the actual calculation of net  
16 available for debt service for last fiscal year.  
17 So we test this, we leave it the same to make sure  
18 that the debt is structured appropriately.

19 It so happens your net revenues for this  
20 next year will increase by about 8 million. So  
21 your coverage levels are even going to be much  
22 better than these next year.

23 COUNCILLOR SANCHEZ: So the calculation that  
24 were used here are very conservative?

25 MR. CASSIDY: They are very conservative.

1 COUNCILLOR SANCHEZ: Thank you.

2 MR. CASSIDY: Yes.

3 CHAIRWOMAN HART STEBBINS: Thank you.

4 Any other questions, comments?

5 MR. PERRY: Move final passage of R-15-6.

6 COUNCILLOR SANCHEZ: Second.

7 CHAIRWOMAN HART STEBBINS: All right. We  
8 have a motion and a second to pass R-15-6. All in  
9 favor, say aye.

10 ALL MEMBERS: Aye.

11 CHAIRWOMAN HART STEBBINS: Opposed?

12 That motion passes unanimously.

13 (6-0 vote. Agenda Item 9B approved.)

14 MR. CASSIDY: Thank you, Madam Chair. We  
15 appreciate it. Thank you.

16 CHAIRWOMAN HART STEBBINS: All right. At  
17 Councillor Garduno's request, we have deferred  
18 R-15-7.

19 We are now on to other business, a  
20 presentation on the water authority's wastewater  
21 system.

22 MR. STOMP: Good evening, Madam Chair, and  
23 Members of the Board. Tonight, just following up  
24 on the last month's presentation on the water  
25 system, we're going to be making a presentation

1 this evening on the wastewater system. That's  
2 going to include the Southside Water Reclamation  
3 Plant, our collection system, and then our CIP  
4 needs associated with interceptors.

5 Tonight with me is Mark Kelly. He's the  
6 compliance division manager. He was here last  
7 month. Charlie Leder, who's the plant division  
8 manager. He was also here last month. Mark  
9 Holstead, who is our chief engineer in the  
10 collection section. And Bob Strong, who is one of  
11 our principal engineers in the water resources  
12 planning and engineering.

13 We really actually have two parts of the  
14 presentation tonight. One is to talk about the  
15 thing that we do in the system. And the other one  
16 is to address this spill that occurred on  
17 February 27th. There was an e-mail that was sent  
18 out by Mr. Sanchez to the board members to address  
19 this issue, and we're going to address this  
20 historically to you, to the board, to talk to you  
21 about what actually happened and then what our  
22 plans are to mitigate this from ever happening  
23 again.

24 I will say that Mr. Sanchez and myself,  
25 Charlie Leder and Jeff Romanowski went to the

1 Pueblo of Isleta and we met with the governor of  
2 the Pueblo of Isleta and his staff. We met with  
3 him for about an hour and a half and we discussed  
4 with him the issues that occurred. And we made a  
5 commitment to them that we would not allow this to  
6 happen again. Charlie Leder actually went to the  
7 tribal council meeting the next day and addressed  
8 the tribal council on the same issue. So we're  
9 going to talk about that this evening.

10 Even though we have a lot of really good  
11 things that we're proud of, the improvements that  
12 have been made at the Southside plant, and  
13 particularly addressing some of our compliance  
14 issues in the past, this is one of those moments  
15 that I share with you that's a very embarrassing  
16 moment and something that we're not proud of and  
17 we do need to make improvements so this won't  
18 happen again.

19 Wastewater in 2015, I kind of addressed  
20 the water system last month about where it was  
21 looked at 20 years. 20 years, wastewater was not  
22 a resource. Wastewater was something nobody liked  
23 and how fast can you get it out of your system and  
24 get it away from you, because nobody really wanted  
25 to deal with it.



1           Now utilities are looking at wastewater  
2   as a significant resource that could be used not  
3   just for reuse or for drinking water purposes and  
4   other purposes, because it is a resource that the  
5   utility owns, it can reduce our obligation in the  
6   future to buy new water rights.

7           We do have a very stringent permit at  
8   the Southside plant. Charlie and Mark are both  
9   going to address that. And we have a significant  
10   collection system, which includes the largest  
11   vacuum system in the United States, maybe the  
12   world. Don't know, we have small lift stations  
13   throughout the valley, and we have a large  
14   diameter and small diameter concrete systems.

15          Mark is also going to address our odor  
16   control, which has always been very important to  
17   this board, both at the plant and in our  
18   collection system.

19          So I'm going to talk about a little bit  
20   about the resource itself. This is a graph that  
21   I've showed you before, which shows our total  
22   amount of water that we divert from the system.  
23   The red line shows how much we return to the  
24   system, which is through the Southside plant. And  
25   then the green line is the difference between the

1 two, which is the amount that we consumptively  
2 use. That's the part that we need to offset with  
3 authority rights. We use our return flows to  
4 offset a portion of those.

5 But you can see from this graphic, and I  
6 can show you for 20 years, our return flows have  
7 not really changed that much. So even though  
8 we've grown, our return flows haven't changed that  
9 much. So that's, in large part, due to  
10 conservation. And the actual percentage of our  
11 use, that is the amount that we actually use, has  
12 gone significantly down, which means that our  
13 water rights need for the future are less, which  
14 reduces the amount of water rights we'll be  
15 purchasing in the future.

16 We actually have reduced our depletions  
17 on the Rio Grande; that is, the amount we actually  
18 owe back to the river, which we pay back with our  
19 return flows and our other water rights. Over the  
20 last ten years -- I'm sorry, over the last six  
21 years, since the drinking water project has been  
22 online, we've reduced our impact to the river more  
23 than 10,000 acre feet, and it's going to continue  
24 to go down as we continue to reduce our pumping.

25 I talked a little bit about that. Our

1 return flows can be used for other issues. The  
2 New Mexico Environment Department actually has  
3 convened a group to develop regulations on direct  
4 and indirect pueblo reuse for the future of New  
5 Mexico and what barriers and what regulations need  
6 to be implemented which will allow people to drink  
7 sewage, the issues that are happening all over the  
8 rest of the country.

9 This is just the picture of our return  
10 flows as a percentage of what we would need to  
11 discharge to the river. It's a graphical  
12 depiction of a future hydrology, which we know  
13 isn't going to actually happen. The point here is  
14 to show the difference between the amount of  
15 return flows we actually owe to the river versus  
16 how many we'll have available.

17 And the picture shows pretty clearly  
18 with the blue that we will have an amount of  
19 return flows that we will not owe to the river  
20 anymore which we need to find a use for. And that  
21 use could be to store, it could be to treat, it  
22 could be to drink directly. There's a lot of  
23 issues that we can do, and it is a water rights  
24 portfolio.

25 In your goals and objectives that was

1 presented to you tonight, an update of the water  
2 resources management strategy is one of the goals.  
3 This is exactly the kind of issue that we  
4 presented to the customer advisory committee, or  
5 the technical customer advisory committee,  
6 whatever the name was that we ended up with, and  
7 we'll be going through these series of  
8 alternatives, including reuse.

9 I'm going to turn it over to Mark Kelly,  
10 and then we're going to turn it over to Charlie,  
11 and so on as we go on. We can answer questions as  
12 we go along, Madam Chair, or we can wait till the  
13 end, whatever your preference is.

14 CHAIRWOMAN HART STEBBINS: Any questions,  
15 comments?

16 Please proceed.

17 MR. KELLY: Thanks, John.

18 And, Madam Chair, Members of the Board,  
19 I am Mark Kelly. I am in charge of the compliance  
20 division. Last time I talked to you guys about  
21 the Safe Drinking Water Act compliance, and now  
22 we're going to be talking about the Clean Water  
23 Act compliance.

24 The Clean Water Act is -- governs what  
25 we discharge into the river, into the water of the

1 United States. And it does that through our  
2 national pollutant discharge elimination system  
3 permits. We have a permit for our plant  
4 discharge, and we also have an industrial storm  
5 water permit for our plant site. And the plant  
6 discharge permit covers both of our effluent that  
7 is directed into the river, as well as the sludge  
8 that gets disposed of on the West Mesa. The last  
9 has things in there about reporting that I'll get  
10 into as well as our pretreatment program.

11 Our effluent we're monitoring every day.  
12 We do 24-hour composites. We're monitoring for  
13 ammonia, total suspended solids. We also are  
14 doing grab samples every day during our peak flows  
15 for our pH, or dissolved oxygen, for bacteria as  
16 well, E. Coli. On a weekly basis, we measure very  
17 low levels of mercury. We can actually measure  
18 down to the nanogram level for mercury, and on a  
19 monthly basis, we're measuring metals, like  
20 cadmium, you know, selenium, other metals like  
21 that.

22 We do a whole effluent toxicity test  
23 every quarter, and that consists of taking our  
24 wastewater effluent and doing different dilutions  
25 and have little fathead minnows swim around in it

1 and see how well they reproduce. There's also a  
2 part where they have little water fleas to see how  
3 well they reproduce and if it's toxic to the biota  
4 in the river. And we also are measuring organic  
5 compounds on a semi-annual basis.

6 We do a monthly discharge monitoring  
7 report. And also we do monitoring whenever there  
8 is an exceedance of any of the permitted limits.  
9 We have 24-hour notifications that are required,  
10 as well as five-day reports that go out.

11 I talked a little bit about the west  
12 side, and that's where biosolids go. We have a  
13 couple of ways that we can dispose of them, either  
14 by rangeland application, composting, or just  
15 disking into the soil, which is called surface  
16 disposal. We also have to monitor the biosolids  
17 from fecal density, as well as metals, to make  
18 sure that we are not putting too many pollutants  
19 into the soil and then maybe getting the  
20 groundwater. And we do reporting for any  
21 exceedances, as well as we have an annual  
22 discharge monitoring report for biosolids.

23 Our NPDES permit also requires that we  
24 have a pretreatment program. The pretreatment is  
25 governed by our wastewater control ordinance. It

1 covers about 70 industrial permittees, where we  
2 have staff that are doing inspections of these  
3 permittees and testing the wastewater that's  
4 coming out of their discharge. Individual permits  
5 are given to the permittees that say that they can  
6 only discharge up to certain levels. If they  
7 discharge above that and we monitor for it, they  
8 get violations, and they have to correct those  
9 violations and come back into compliance.

10 We have a fats, oils and grease program  
11 in the pretreatment program, where we are making  
12 sure that restaurants and food service  
13 establishments have grease traps and they are  
14 pumping their grease traps out. That can lead to  
15 sanitary sewer overflows, which I'll talk to in a  
16 minute, and issues with your collection system.

17 The pretreatment program also covers  
18 dental offices. We have a mercury limit in your  
19 NPDES permit which is very low, and a way to try  
20 and stay in compliance with that is to have dental  
21 offices install amalgam separators, which we  
22 monitor and make sure that those aren't overfilled  
23 and that everyone has one that needs one.

24 Another part of the NPDES program is  
25 having notification reporting of sanitary sewer

1 overflows. That's when the sewer clogs and the  
2 wastewater can't go down the pipe, so it backs up  
3 and goes into the -- usually into the street.  
4 This is a large overflow we had at Broadway and  
5 Pacific. We also do reports on them and tell the  
6 EPA and the state and whatnot about any  
7 remediation that we do after an overflow.

8           And the last part is our compliance with  
9 our industrial storm water permit. We do  
10 inspections to ensure that at our wastewater  
11 treatment plant that our storm water is as clear  
12 as it can be. We do visual assessments where we  
13 take storm water and see if there's any floatable  
14 solids or anything like that. And we do an annual  
15 E. Coli monitoring. It's actually pretty tough,  
16 as you know that it's very dry, to actually get a  
17 storm water sample to get enough flow to actually  
18 get a discharge is difficult.

19           That sums it up for me. Any questions?

20           CHAIRWOMAN HART STEBBINS: Commissioner  
21 O'Malley.

22           COMMISSIONER O'MALLEY: Thank you, Madam  
23 Chair.

24           I just have a quick question on the  
25 composting. You used biosolids to basically talk



1 about the waste that you haul off to the landfill.  
2 Is that the term that you're using?

3 MR. KELLY: It's not going into the  
4 landfill.

5 COMMISSIONER O'MALLEY: I mean, it's going  
6 out on the surface. I know that it gets placed on  
7 the surface to dry or something like that. What's  
8 your process?

9 MR. KELLY: The biosolids are put generally  
10 into the ground and they're disked in. We have to  
11 do that because there's different what's called  
12 vector -- vector traction that we can have. They  
13 have to be covered at least every day so that,  
14 say, contamination doesn't go places from like  
15 mice, rats, people, anybody else. It's disked in  
16 every day.

17 And the composting is -- that is put  
18 into large windrows, they're called, and mixed  
19 with other organic matter. And the actual heating  
20 of all the bacteria that's in there produce a  
21 sterile product at the end, because it has to get  
22 a certain heat for a certain amount of time.

23 COMMISSIONER O'MALLEY: At one time I think  
24 you were bagging and selling this product. Is  
25 that still going on?

1 MR. KELLY: That is still going on, yes.

2 COMMISSIONER O'MALLEY: Okay. So is that  
3 product available for -- you know, people start  
4 thinking about their gardens and thinking of  
5 compost and things. Where is that? Where does  
6 that end up? Is it in retail? Do you sell it?

7 MR. KELLY: No, it does not go to any retail  
8 facilities. But it is available by contacting our  
9 soil amendment facility staff. It also is used  
10 for a lot of city parks and things like that.

11 COMMISSIONER O'MALLEY: Oh, is it?

12 MR. KELLY: Yes.

13 COMMISSIONER O'MALLEY: Okay. And then I  
14 know that you had a campaign of sorts to discharge  
15 people from throwing fats into the -- down the  
16 drain, essentially. How is that going? Do you  
17 feel like there's been a reduction?

18 MR. KELLY: I don't have the numbers in  
19 front of me. But I do feel that our sanitary  
20 sewer overflows that are caused primarily from  
21 grease are being reduced.

22 Mr. Holstead might have a better answer  
23 for that. But I do feel that that is being  
24 effective. And I think just you knowing about it  
25 I think the public is getting the message.

1           COMMISSIONER O'MALLEY: Well, I think it's  
2 really important. Because my understanding is it  
3 was one of the biggest problems.

4           MR. KELLY: Oh, yeah, definitely.

5           COMMISSIONER O'MALLEY: And education was  
6 going to be very important as to why that was so  
7 important, that people put it in a can, they put  
8 the oils or lard or whatever in a can, throw it  
9 away, versus sending it down the drain, which I  
10 think probably still a lot of people don't know  
11 why we want them to do that. So I know that it  
12 was some educational piece for a while or  
13 outreach. And so that's why I was wondering how  
14 this thing -- how it went. Okay.

15          MR. KELLY: That is ongoing as well.

16          COMMISSIONER O'MALLEY: Okay. Thank you.

17          CHAIRWOMAN HART STEBBINS: Any other  
18 questions, comments?

19                 Thank you, sir.

20          MR. KELLY: All right.

21          MR. LEDER: Good evening, Madam Chair,  
22 Members of the Board. Once again, I'm Charlie  
23 Leder, manager of plant operations division. I'd  
24 like bring you all up to speed on what goes on at  
25 the Southside Water Reclamation Plant.

1           This mosaic kind of explains it all. We  
2   have raw material and through our processing we  
3   produce clean effluent power from biogas. And, as  
4   Mark mentioned earlier, compost that we can  
5   distribute to the public. Primarily, we're  
6   distributing it to large landscape contractors.  
7   It's selling it in bulk. It's used on DOT  
8   projects for their landscaping efforts and  
9   wherever we see compost in biosolids. About  
10   37 percent of what we generate in the way of  
11   biosolids from the treatment plant is converted  
12   into compost that we can beneficially recycle.

13           We used to do some rangeland  
14   reclamation. We may resume that in the future  
15   pending resolution of the agreement with adjacent  
16   landowner. The beauty part of that rangeland  
17   reclamation is, you're taking kind of what we  
18   would call distressed rangeland that's been  
19   overgrazed, we apply one dose of biosolids and let  
20   it sit for a while, but that does -- the  
21   biosolids, it does discourage noxious weeds  
22   development, and it does improve the growth of  
23   desirable forage. So it's something that perhaps  
24   we'll be able to resume in the future.

25           Let's focus for a minute on the raw

1 material. Normally, it's out of sight, out of  
2 mind. Here we have a picture southeast of the  
3 intersection of Coors and Barcelona from a couple  
4 years back where, unfortunately, it was not out of  
5 sight, out of mind, in response to a collection  
6 line collapse. And Mark and Bob will be talking a  
7 little bit about the plan to avoid those in the  
8 future. But anyway, that is our raw material.

9           Normally, we do a very good job of  
10 converting that into clean effluent. If you look  
11 at the picture of the river, the brownish tinge is  
12 what the river looks like. The dark blue-green is  
13 our effluent going out. And gee, it looks to me  
14 like the effluent is a lot cleaner than what's in  
15 the river, and that is true. We do a good job  
16 with that, and we've been recognized as such by  
17 the National Association of Clean Water Agencies.

18           Last year, we -- rather, calendar year  
19 2013, we got a silver award for having fewer than  
20 five violations of our NPDES permit, and for  
21 calendar 2014, we accomplished the same  
22 achievement. So it's coming at us 24/7, and we do  
23 a pretty good job of converting that into clean  
24 effluent that we can return to the river.

25           However, as John alluded to earlier, on

1 the night of February 27, in the early hours of  
2 the morning, during a snowstorm, we did not do  
3 such a good job, and we had a spill. There was a  
4 power failure. PNM had some issues with their  
5 power supply. It impacted Station 20, which is  
6 the main lift station for the west side across the  
7 river. It also impacted our plant. Despite our  
8 best efforts to plan for power disruptions and  
9 power quirks, whatever, our equipment did not  
10 protect us at this time. There were fuses in our  
11 primary power system that got blown, consequently,  
12 the critical lift station that we have on the  
13 treatment plant site was not able to function.

14 We did our best to contain some of the  
15 spill on-site in drainage ditches, in empty  
16 clarifier vessels and aeration basins, but we were  
17 not successful in retaining our estimate of about  
18 6 million gallons, which flowed off-site into the  
19 riverside drain.

20 Our concern with this is, other than the  
21 fact that that's really not an acceptable way to  
22 operate our system, the river side drain flows  
23 into tribal water for the Pueblo of Isleta. And  
24 our permit that Mark talked about earlier for  
25 discharge, specifically factors into

1     considerations for tribal water quality standards.  
2     And what went into the drain that night while we  
3     were attempting to restore power did not meet  
4     tribal water quality standards.

5             We did follow protocols for notifying  
6     them. There are set procedures that we follow.  
7     Unfortunately, at 4 o'clock in the morning you  
8     wouldn't expect them to be on their phones  
9     answering them, so we did leave a message.

10            We met with tribal officials later. We  
11     met with the governor. I believe it was on --  
12     yes, it was Tuesday afternoon. And at their  
13     request, we gave a briefing to tribal council.  
14     What I heard loud and clear from four tribal  
15     council members, "You could really do a better job  
16     of notifying us when things go wrong besides  
17     leaving us a message on our answering machine."  
18     Point well taken.

19            Besides working hard to find ways to  
20     make certain this doesn't happen again, we have  
21     agreed to start a dialogue with tribal staff to  
22     figure out what is the better way of notifying the  
23     tribe. What can we do better besides what we're  
24     now doing. I mean, if there's a phone tree we  
25     could call, we're more than willing to do that.

1           It's not just a matter of tribal water  
2   quality standards that were violated. They're our  
3   neighbors, and we think about them as our  
4   neighbors, you know, and they deserve more than  
5   just a call on the answering machine. So we're  
6   working to iron that out together with tribal  
7   staff. And hopefully we'll come up with a  
8   resolution that meets our needs and the tribal  
9   governor can present to his council for  
10   consideration.

11           For certain, we conducting an in-depth  
12   evaluation of all of our electrical systems at the  
13   Southside Water Reclamation Plant. We want to  
14   find out what we can do to improve the way we  
15   maintain the equipment, what inventories we keep  
16   on-site if things break, and what can we do --  
17   what are the weaknesses and how can we have a  
18   better system so that it's reliable.

19           We're in the process of looking at ways  
20   to move wastewater around the treatment plant site  
21   a little better so that when we do have a lift  
22   station go out, we have another option, another  
23   way of moving it through the plant. Those  
24   facilities are now in the process of being  
25   designed.



1           And then lastly, we're planning to  
2   construct some storage ponds on-site, so if all  
3   else fails we have a place to park this water  
4   while we're in the process restoring power to  
5   critical systems so that it doesn't go into the  
6   riverside drain again.

7           That's the bad news from February 27th.  
8   I hope I haven't dwelled on it too deeply, but  
9   perhaps you were curious. And I did want to  
10  admit -- tell you a little bit more about what  
11  happened that night.

12           Again, here we have the clean effluent,  
13  we have power from biogas, compost from biosolids.  
14  Let's speak a little bit about how we're  
15  generating that, some quick facts about the site.

16           We've been at the Southside Water  
17  Reclamation Plant site since 1962, and some of the  
18  little dots you see in that picture there, the  
19  four lined up north to south, those are the  
20  original clarifiers from that time. So here we  
21  are 50 years later, getting good life, good  
22  mileage out of those assets, and productive use.

23           We can treat up to 76 million gallons  
24  per day from the service area. We have 15 liquid  
25  stream processes, and ten solid stream/power

1 generation processes at this site. We have a 5.6  
2 megawatt cogeneration system. We generate power  
3 there. And we also take the heat and use that  
4 beneficially on-site. And last, but not least, we  
5 have a 1 megawatt solar power array. That didn't  
6 help us much the night of February 27th.

7 Lit talk a little bit about the  
8 recycling that we perform each day at the  
9 Southside Water Reclamation Plant. We convert  
10 50 million gallons, that's 153 acre feet of raw  
11 sewage into clean effluent for discharge. And  
12 that's really what it looks like if you go to our  
13 west siphon tower. We reclaimed 1 million gallons  
14 of effluent for on-site industrial cooling and  
15 irrigation that's used at the plant. And there's  
16 1 million gallons of effluent that's available for  
17 off-site park and landscape irrigation. And we  
18 have the capacity to provide lots more. If there  
19 are interested customers for our reuse water,  
20 we've got plenty of capacity to make more.

21 We also process about 78 tons per day of  
22 waste solids in the treatment process and the  
23 stable biosolids. I talked a little bit about the  
24 rangeland reclamation that we used to do, but  
25 also, we're processing those biosolids into

1     compost for parks or gardens. This is kind of a  
2     win/win for solid waste management, because for  
3     every cubic yard of bio solids that we process and  
4     the compost, we're also taking a yard and a half  
5     of horse bedding, food waste, yard waste and some  
6     water treatment plant solids as well that gets  
7     mixed in and converted into stable compost that  
8     people can put in their gardens and we can use in  
9     the park landscaping.

10           I said clean effluent for river  
11     discharge or reuse. How clean is clean? The  
12     standard for clean is set by EPA, state and the  
13     Pueblo of Isleta. In this case, the discharge  
14     standards for the Rio Grande says, okay, it's got  
15     to be good enough for livestock watering, warm  
16     water fishery, irrigation, public water supply,  
17     wildlife habitat and primary contact recreation,  
18     or as the Congress in 1972 imagined, fishable and  
19     swimmable.

20           Discharge to the river means ammonia  
21     less than what you see here. Total nitrogen, less  
22     than 14 milligrams per liter. E. Coli, less than  
23     88 colonies. Total suspended solids, less than  
24     30 milligrams per liter. And at least  
25     5 milligrams per liter of dissolved oxygen. And

1 we do that fairly consistently.

2           For landscape and park irrigation, clean  
3 means it has a turbidity of less than three  
4 turbidity units. The fecal coliforms, less than  
5 five colonies per 100 milliliters. And there's  
6 also a measurable chlorine residual. The picture  
7 that you see there is actually one of our disk  
8 filters that takes our effluent and purifies it  
9 further.

10           Some other interesting green things we  
11 do, recycling activities we engage in daily at the  
12 Southside Water Reclamation Plant, our digesters  
13 produce the process of stabilizing of biosolids,  
14 produce over 800,000 cubic feet per day of methane  
15 rich biogas. And we convert that biogas into 2.2  
16 megawatts of power and hot water for heating.

17           If we look at this diagram, we see a  
18 little red rectangle, that's our cogeneration  
19 facility, where we burn biogas. And we have a big  
20 red rectangle, which represents the space taken up  
21 by our 1 megawatt solar array. Kind of  
22 interesting. 1 megawatt of solar power, look at  
23 the space needed, and then that little red box,  
24 that's good for 2.2 megawatts of power.

25           The point is that we can generate

1 27 percent of the energy that we need through our  
2 own green power resources on-site, which is kind  
3 of neat.

4           On that note, let's talk about  
5 wastewater collections operations, or how the raw  
6 material comes to the Southside Water Reclamation  
7 Plant, unless there are any questions you might  
8 have, despite the dwindling audience.

9           MR. HOLSTEAD: Thanks. So my goal is to go  
10 over how the wastewater is collected and routed to  
11 the treatment plant. This map shows the large  
12 basins within the system in our service area, and  
13 the various colors show the -- how it's collected  
14 and drained by various interceptors. Now, this  
15 graphic on the right here shows that we're  
16 bringing all the wastewater to the treatment plant  
17 through a series of interceptors. On the left,  
18 there are some lines that you can kind of see that  
19 show the interceptors on the map.

20           And the interceptors system drains  
21 follow gravity lines, of course, and then a  
22 portion of the system is brought in by lift  
23 stations and packing stations. And then we have  
24 odor control for all of it.

25           We run quite a bit of pipe. The bulk of

1 our value in our system is in the pipe system.  
2 Something a little bit less than 2400 miles total.  
3 It's about 30 years old on average, about nearly  
4 half of it's plastic, and then a mixed bag of  
5 concrete, clay and other materials.

6 We like to look at the three kind of  
7 components that we deal with primarily. On the  
8 left is the gravity system. Upper left is our sub  
9 basin program. We clean all of our sewer system.  
10 This meets EPA like this. When they audited us a  
11 few years ago, it is -- this cleaning program that  
12 we're using matches up with the recommendations of  
13 well-managed systems, which is a document that we  
14 reference. And lower left would be the example of  
15 an vactor cleaning a line.

16 Now, what we do in those sub basins is  
17 we go to the top of the system. We've been doing  
18 this since about the mid '90s, and we clean from  
19 the top all the way down and get every foot of it.  
20 And those on -- and we've committed to the EPA  
21 that we'll do that no less than every ten years.  
22 And we are meeting that easily.

23 In addition to that, we have another  
24 program that's called a short interval program in  
25 which we have identified problem lines and we

1 clean those frequently, more frequently, less than  
2 once a year about.

3           On the right are the stations, a couple  
4 different stations. We have ten vacuum stations,  
5 one of which is shown in the upper right. Lower  
6 right is a sample of a pump being pulled out of  
7 Lift Station 20. We run 40 -- let me see. 35  
8 lift stations. The number keeps changing. So we  
9 have a total of 45 stations that we run that  
10 handle sewage.

11           In the middle are examples of odor  
12 control. The lower one is a biofilter at the  
13 treatment plant, a very effective means of  
14 treating odor. And one of the things that we do  
15 to make -- one of the ways that biofilters don't  
16 work well is when they become short circuited. So  
17 we periodically will put a smoke bomb into the air  
18 and make sure it's not going out too quickly and  
19 it's mostly distributed. That's a sample of one  
20 of the tests.

21           The top middle and middle middle are  
22 sample of an odor control station we have at 2nd  
23 and Griegos. It pumps an iron salt that then  
24 binds up with the sulfur and prevents hydrogen  
25 sulfide.

1           So with that, that's my presentation.

2           COMMISSIONER O'MALLEY:   Madam Chair.

3           CHAIRWOMAN HART STEBBINS:   Commissioner  
4   O'Malley.

5           COMMISSIONER O'MALLEY:   Thank you.   It just  
6   wanted to thank staff and thank the director as  
7   well for just really admitting and dealing with  
8   this issue.   This happened; there was no trying to  
9   cover it up.   It is what it is.   And the fact that  
10   staff went to the pueblo, the tribal council there  
11   and met with the governor as soon as possible to  
12   let them know about what happened, that was very  
13   responsible.   And I just want to say that I  
14   appreciate that.

15           I have another question.   We don't have  
16   any control of happens in the river unless, you  
17   know -- we have control over, of course, what we  
18   do, but we don't have any control.   Is there a  
19   point, sort of a -- where we take responsibility?  
20   Is it at the county line?   Where do we take  
21   responsibility for what happens for what gets put  
22   in the river?   Because, as I said, we don't have  
23   any control over what happens upstream, so is  
24   there some -- there's an understanding there?

25           MR. STOMP:   Madam Chair, Commissioner



1 O'Malley, our point of discharge is where we're  
2 responsible for meeting those water statute  
3 standards. So that stream that Charlie showed  
4 you, where we discharge to the river, that is our  
5 point of compliance. There are other points of  
6 compliance, obviously, as we sample through the  
7 collection system, but with respect to the river,  
8 that's it.

9 Now, there are discussions of mixing  
10 zone and how things mix in the river, as it makes  
11 its way downstream, and at what point can you say  
12 that certain parts of our discharge are  
13 dissipated. So there's a lot of debate over that,  
14 and it's called the mixing zone. But the truth  
15 is, our compliance is right at the river.  
16 Otherwise, we really have zero control over what  
17 happens either upstream or downstream of the water  
18 authority.

19 COMMISSIONER O'MALLEY: Okay. So what may  
20 happen, for example, Isleta Pueblo and having  
21 these requirements, but -- but, again, while you  
22 acknowledge that there was this discharge and we  
23 contacted the pueblo, there's other upstream  
24 discharges that we don't have any control over.  
25 And do we necessarily -- how does that work? I

1 mean, do we get blamed for those things?

2 MR. STOMP: Madam Chair, Commissioner  
3 O'Malley, no, we don't typically get blamed for  
4 that. We are very heavily regulated, being a  
5 point source.

6 Agriculture industry, for example, is  
7 not regulated. The Clean Water Act is not applied  
8 to irrigated discharge. So they can essentially  
9 dump whatever they want and there's no water  
10 quality standards for which they're responsible.  
11 They were exempted from the Clean Water Act when  
12 the Clean Water Act was -- in 1974.

13 So we have no control over what happens  
14 upstream of us. Rio Rancho and other point source  
15 discharges do. There is a new storm water permit  
16 that's been issued that has a bunch of entities,  
17 including the City of Albuquerque and the County  
18 of Bernalillo, where there are point source  
19 requirements for storm water discharges, numeric  
20 standards now, actually, as a matter of fact.

21 So the Clean Water Act addresses storm  
22 water discharges, it addresses wastewater  
23 discharges, but it does not address agricultural  
24 discharges. So there's a large portion of the  
25 river that is heavily regulated, and then there's

1 a portion that is not regulated at all.

2 COMMISSIONER O'MALLEY: When you talk the  
3 agricultural discharges, for example, if  
4 agricultural users are using any pesticides or  
5 anything like that, there is -- they're not --  
6 they don't have to comply with any regulations?

7 MR. STOMP: Madam Chair, Commissioner  
8 O'Malley, no, they do not. And when they irrigate  
9 and they take water into their field and they  
10 flood irrigate, they usually have return flows  
11 that lead back to the drain, so they are covering.  
12 Not everybody is using pesticides, not everybody  
13 is using fertilizers, so it would be unfair for me  
14 to say that everybody who irrigates discharges  
15 something bad.

16 The point I was trying to make is there  
17 are other entities that impact the river that are  
18 not regulated.

19 COMMISSIONER O'MALLEY: Thank you.

20 MR. STRONG: I'm Bob Strong. I am one of  
21 the principal engineers for the water authority.  
22 I mainly deal with some of the collapses that we  
23 have with some of the contractors that we have  
24 hired.

25 This is one of the examples of a

1 collapse near Grape. This particular location is  
2 just to the east of the plant, itself. That pipe  
3 started out at about 6 inches and it had steel  
4 reinforcing in it. As a small chemistry, the  
5 chemistry of sulfuric acid matching up with the  
6 concrete, ate it up. When they pushed through  
7 here, all of the steel was apparently gone. And  
8 so we have rebuilt that pipe. And that was just  
9 completed last month.

10 This is another location out at Kirtland  
11 Air Force Base. This is also a concrete pipe.  
12 And although I hate to show you sewer videos, it  
13 is just dirt ahead of the pipe. That's because  
14 the pipe is completely gone and all you have left  
15 is dirt. So it will tend to cave in.

16 This one out at Kirtland was out in a  
17 remote area, so nobody was hurt in that one. It  
18 also has some damage to the steel. These are  
19 chunks of metal that was covered with sort of  
20 corrugated metal pipe that had asphaltic coating  
21 on it. This pipe was under the railroad. We have  
22 also rebuilt that pipe. But these chunks of metal  
23 are another example of sulfuric acid eating up our  
24 pipe.

25 So what we propose is that we try to

1    remove or rehabilitate some of the concrete pipe  
2    and try to expand that program so that we can move  
3    through this a little bit faster. We look at 296  
4    miles of concrete; we need to get after that a  
5    little bit faster. It has already reached the  
6    state where it is forming holes in the top, and  
7    once again, dirt. That was an example of some of  
8    the small diameter pipe that had collapsed there  
9    at Indian School Road and Carlisle. That 240-foot  
10   piece of pipe cost us \$100,000 to fix.

11            We'd like to also increase the amount of  
12   money that we have for interceptor sewer line  
13   replacement called the 254 miles of large diameter  
14   sewer pipe. Those were large pipes that you had  
15   seen that failed. We'd like to increase that  
16   amount so that we can hit some of the high risk  
17   items. They've just about reached their effective  
18   life. If we can add about 5 million or increase  
19   it from 5 million to about 18 million, we can then  
20   start replacing some of the concrete pipe with  
21   rehabilitated pipe.

22            The bird that you see here didn't die.  
23   We recovered him from the pipe itself. And the  
24   gentleman that you see there in the manhole,  
25   that's Mike Holstead's great grandfather. So it's

1 in the history that he's going to help us for  
2 years.

3 Thank you. Any more questions?

4 CHAIRWOMAN HART STEBBINS: Any questions,  
5 comments?

6 Sir, I have one question. So what is  
7 the most durable material? What's the material of  
8 choice for wastewater pipe in 2015?

9 MR. STRONG: In most of the residential  
10 areas, we have been using PVC. It really isn't  
11 affected by any of the sewer. On the larger  
12 lines, we use what is called a HOBAS pipe. It's a  
13 brand name. But it's basically a fiberglass pipe.

14 CHAIRWOMAN HART STEBBINS: And what is the  
15 expected life of that material if you were to  
16 install it today?

17 MR. STRONG: For the HOBAS or for the PVC,  
18 it could probably go 100 years.

19 CHAIRWOMAN HART STEBBINS: Great. And  
20 what's the least durable of all the materials that  
21 have been used throughout the service area?

22 MR. STRONG: Well, because of the chemistry,  
23 it's the concrete pipe.

24 CHAIRWOMAN HART STEBBINS: And what  
25 percentage of existing pipe is concrete?

1 MR. STRONG: I believe that's somewhere  
2 around 14 percent.

3 CHAIRWOMAN HART STEBBINS: All right.  
4 Councillor Sanchez.

5 COUNCILLOR SANCHEZ: Thank you, Madam Chair.

6 Based on your asset management plan, the  
7 sewer line spending needs to increase from  
8 5 million to 18.5 million, which would be a  
9 \$13.5 million increase per year. That rehab needs  
10 to increase from 6.6 miles to 20 miles per year.  
11 Where are we going to come up with the  
12 \$13.5 million to meet these needs? Because the  
13 longer we wait the more costly it's going to get.  
14 So basically, that 5 million to 18.5 million could  
15 have been increased more with inflation.

16 So how long do we wait now? How quickly  
17 should we react on this?

18 MR. STRONG: I think we should react on this  
19 as quickly as possible, since many of these have  
20 about 40 to 50 years of the concrete pipe. Many  
21 of them were put in in the 1950s.

22 COUNCILLOR SANCHEZ: I know that's some of  
23 the areas that we've had rate increases to deal  
24 with some of these issues. But the rate increase,  
25 apparently, is not going to be enough to cover

1 some of these expenditures; is that correct?

2 MR. STRONG: The current rate increase will  
3 probably not cover that.

4 COUNCILLOR SANCHEZ: Thank you.

5 CHAIRWOMAN HART STEBBINS: All right. Any  
6 other questions, comments?

7 Commissioner De La Cruz.

8 COMMISSIONER DE LA CRUZ: Madam Chair, I  
9 didn't have any -- I wasn't calling for --  
10 however, if the presentation is over, I do have a  
11 comment. But if it's not, I'll hold.

12 CHAIRWOMAN HART STEBBINS: Any other  
13 questions on the presentation?

14 Mr. Stomp, to conclude?

15 MR. STOMP: No.

16 CHAIRWOMAN HART STEBBINS: All right. I  
17 think the presentation is over.

18 COMMISSIONER DE LA CRUZ: Thank you, Madam  
19 Chair.

20 I want to thank the gentlemen that were  
21 here this afternoon. I appreciate, along with  
22 what Commissioner O'Malley said, that they admit  
23 and are doing everything they can to rectify and  
24 prevent future spills.

25 But I also want to commend their passion



1 for what they do. I know that -- and I've talked  
2 to these gentlemen off and on over the years, and  
3 they're truly dedicated professionals. It would  
4 be nice if we lived in a perfect world, but we  
5 don't, and sometimes things happen. The question  
6 is, did we do what we could to avoid it? Were  
7 things out of our control that there was nothing  
8 we could have done? And I think the answer is  
9 that this is a little bit out of our control.

10 Once we were aware of what was happening, we did  
11 everything we could to mitigate the situation.

12 And I appreciate the fact that you went  
13 to the Pueblo of Isleta. I serve the district  
14 that the reclamation plant is in and I serve half  
15 of Isleta Pueblo. And I can tell you that I work  
16 very often with the tribal council, as well as the  
17 governor. And they are as passionate and as  
18 dedicated to serving their community as we are to  
19 serving our community. And so I can understand  
20 that they would be concerned and they would  
21 probably continue to be concerned. But I  
22 appreciate that staff reached out to them  
23 immediately. And at the first occasion that I  
24 have to visit the council and the governor, I will  
25 also apologize and assure them that we are doing

1 everything we can to ensure that that does not  
2 occur again.

3 Thank you, Madam Chair.

4 CHAIRWOMAN HART STEBBINS: All right. Thank  
5 you.

6 Seeing no further business, this meeting  
7 is adjourned.

8 (Proceedings adjourned at 6:45 p.m.)

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STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

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