

1 ALBUQUERQUE BERNALILLO COUNTY  
2 WATER UTILITY AUTHORITY  
3 Wednesday, May 20, 2015 4:58 p.m.

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

7 Before: Kelli Gallegos  
8 PAUL BACA PROFESSIONAL COURT REPORTERS  
9 500 Fourth Street, NW, Suite 105  
10 Albuquerque, New Mexico 87102

11 A P P E A R A N C E S

12 COMMISSIONER MAGGIE HART STEBBINS, Chair (Excused)

13 COUNCILLOR TRUDY JONES, Vice Chair

14 COUNCILLOR REY GARDUNO, Member

15 COMMISSIONER DEBBIE O'MALLEY, Member

16 COMMISSIONER ART DE LA CRUZ, Member (Excused)

17 COUNCILLOR KEN SANCHEZ, Member

18 TRUSTEE PABLO RAEL, Ex-officio Member

19 MAYOR RICHARD BERRY, Member (Excused)

20 MR. ROB PERRY, Admin. Officer, Alternate Member  
21  
22  
23  
24  
25

1           VICE CHAIRWOMAN JONES: Ladies and  
2           Gentlemen, I call this May 20, 2015, meeting of  
3           the Albuquerque Bernalillo County Water Utility  
4           Authority to order. Let the record reflect that  
5           Chair Stebbins and Commissioner Del La Cruz are  
6           excused. All other members are present.

7                     Let's start the meeting with a moment of  
8           silence and the Pledge of Allegiance led by  
9           Councillor Garduno.

10          COUNCILLOR GARDUNO: Thank you, Madam Vice  
11          Chair.

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

14                     (Whereupon, the Pledge of Allegiance was  
15                     led by Councillor Rey Garduno.)

16          VICE CHAIRWOMAN JONES: Thank you, all. The  
17          first order of business is approval of the minutes  
18          of last meeting. I make a motion to approve the  
19          March 18, 2015, minutes. Is there a second?

20          COUNCILLOR SANCHEZ: Second.

21          VICE CHAIRWOMAN JONES: There's a motion and  
22          a second. All those in favor say yes.

23          ALL MEMBERS: Yes.

24          VICE CHAIRWOMAN JONES: Opposed?

25                     Motion carries.

1 (5-0 vote. Agenda Item 3 approved.)

2 VICE CHAIRWOMAN JONES: We're off to a good  
3 start aren't we. Here we go. Let's focus.

4 Next is proclamations and awards. And  
5 this the quarterly employee incentive awards.

6 Over the last two years, warehouse  
7 manager -- if you would come forward when we call  
8 your name. So over the last two years, warehouse  
9 manager Tammy Garcia and warehouse supervisors  
10 Michael Braniff and Marcus Hernandez have  
11 streamlined the water authority's warehouse  
12 processes by coordinating with the purchasing  
13 department to implement efficiencies and inventory  
14 tracking related to the warehouses. These changes  
15 have allowed the water authority to reduce its  
16 inventory costs and on annual basis by over  
17 \$1.5 million a year.

18 So the awards are to Tammy Garcia,  
19 manager, warehouse, \$600, plus eight hours  
20 vacation. Michael Braniff, supervisor, warehouse,  
21 \$600 plus 16 hours. And Marcus Hernandez,  
22 supervisor, warehouse, \$600 plus 16 hours.

23 Thank you so much for the work that you  
24 do for the people of Albuquerque and Bernalillo  
25 County.

1               Next on the agenda is public comment.

2       Mrs. Jenkins, how many do we have signed up?

3               You are not Mrs. Jenkins.

4               MS. HAGER:   Hi.   I'm Laurel Hager.

5               VICE CHAIRWOMAN JONES:   Hi, Laurel.

6               MS. HAGER:   There are 11 signed up for the  
7       comment.

8               VICE CHAIRWOMAN JONES:   All right.   So each  
9       speaker will have three minutes to speak with a  
10      warning at two and a half minutes.

11              Laurel, would you please call the first  
12      speaker.

13              MS. HAGER:   Yes.   Dr. Eric Natal, followed  
14      by Dave McCoy.

15              VICE CHAIRWOMAN JONES:   If you would come to  
16      the podium when your name is called, please, and  
17      be prepared -- since we give the name of the next  
18      speaker, be prepared to come down when the speaker  
19      before you is finished.

20              Good evening, sir.

21              DR. NUTTALL:   It's my pleasure to be here  
22      tonight.   And I want to thank the board for all of  
23      its great service and dedication to the important  
24      issue of water resources for the City of  
25      Albuquerque.   I don't think we have many more

1 important topics than that to be concerned about.  
2 So my purpose here tonight is to speak in support  
3 of the Resolution 15-7, submitted by the Citizens  
4 Action Committee.

5 I submitted my resume. I have 15 years  
6 of teaching at the University of New Mexico and  
7 university of Texas at Austin. I'm a chemical and  
8 nuclear engineer. I have consulted for all of the  
9 labs and many countries in the area of radioactive  
10 waste management.

11 And I'm speaking with regard to the  
12 content of the mixed-waste landfill and the  
13 experiments that Sandia conducted out there. I  
14 was also on the first DOE, Department of Energy,  
15 panel in 2000 that was appointed to review that  
16 waste disposal facility and to make decisions  
17 ultimately in 2005.

18 So I wanted to first start out by  
19 pointing out that there were two committees, one  
20 in 2000 and one in 2003, that DOE appointed. An  
21 important oversight that Sandia failed to mention  
22 was that they actually worked with radioactive  
23 fuel pins, the material that goes inside of a  
24 nuclear reactor. And they did this under a number  
25 of programs, which we believe probably continues

1 today. Our information and this information  
2 provided by Citizens Action is all from Freedom of  
3 Information documents that were obtained and  
4 public records through Sandia reports. So it's  
5 not something that was created in some closet. So  
6 it's all documented and that information will be  
7 submitted to you.

8 It's important to note that high level  
9 radioactive waste, which Sandia fails to recognize  
10 or admits to as being in the mixed-waste landfill,  
11 is defined by the U.S. Nuclear Regulatory  
12 Commission, and I have that information.

13 Is that two and a half minutes.

14 MS. JENKINS: Yes.

15 DR. NUTTALL: Okay. So very quickly, it's  
16 nuclear waste that has to be permanently isolated  
17 from the environment. And certainly the waste  
18 that they put out there and the experiments that  
19 they have done involve fuel pins they were doing  
20 melt down experiment to simulate Thre Mile Island  
21 and Chernobyl and the various reactors that have  
22 had accidents. And so that's where that waste has  
23 come from.

24 Is that my time?

25 COUNCILLOR GARDUNO: Madam Chair.

1           VICE CHAIRWOMAN JONES: Thank you, sir.

2           Yes, Councillor Garduno.

3           COUNCILLOR GARDUNO: Yes. Excuse me.

4   Excuse me. Let me just hear at least the part  
5   that you're talking about now, which I think is  
6   most important part. And that is the fact that  
7   this friable material is not being covered over --  
8   or not being dealt with, it's just being covered  
9   over. So could you talk about that specifically.

10          DR. NUTTALL: Yes. Very, very quickly,  
11   Sandia has a number of dumps that are out there  
12   that were unlined. All of them leaked, including  
13   the Kirtland fuel spill, which you know extremely  
14   well. They've all leaked through the vadose --  
15   what we call the 500 feet of vadose zone.

16          Sandia put large quantities of  
17   chlorinated solvents, that's why it's mixed waste,  
18   as well as radioactive waste into the mixed-waste  
19   landfill. The migration is without question.  
20   There's no example that they have or that we have  
21   anywhere in the country where the chlorinated  
22   solvents have not migrated down to groundwater.  
23   The radionuclides are migrating and there's  
24   already evidence that the chlorinated solvents are  
25   down past 400 feet into the vadose zone or less

1     than 100 feet from the groundwater.

2                 So it's on the move. We know they put  
3     in large quantities. Their chem waste landfill,  
4     which they did excavate, did leak all the way  
5     down. There was another landfill, a rad waste and  
6     leaked all the way down to groundwater, so we have  
7     no doubt which way gravity works and what happens  
8     with regard to transfer. A cap, per se, does not  
9     impact because there's water that has been put in  
10    and there's water from the sides that has come  
11    into the system, and chlorinated solvents are 1.5  
12    times heavier than water and they sink. So both  
13    rad waste and chlorinated solvents  
14    will contaminate your groundwater.

15               VICE CHAIRWOMAN JONES: Thank you, sir.  
16     Thank you very much.

17               DR. NUTTALL: The next speaker will be Dave  
18     McCoy from Citizens Action.

19               VICE CHAIRWOMAN JONES: Thank you.

20               Followed by?

21               MS. HAGER: Followed by Willard Hunter.

22               VICE CHAIRWOMAN JONES: Thank you.

23               MR. MCCOY: Good evening. Thank you for the  
24     opportunity to speak to this resolution. The  
25     documents that we have obtained through FOIA



1 failed to show many of the contents of disposals  
2 that went into both the classified area of the  
3 dump and the unclassified section. Management  
4 documents describe cannisters of high level waste  
5 being disposed of in pits and trenches.

6           These cannisters came from nuclear  
7 reactor meltdown experiments, and there was also  
8 atomic bomb waste from nuclear weapons testing.  
9 These high level nuclear mixed waste will require  
10 perpetual monitoring and the land can never again  
11 be put to any other purpose.

12           There's a risk of a major accident for  
13 the mixed-waste landfill. There's already been  
14 two uranium fires that have occurred there.  
15 There's a possibility of further fires or accidents  
16 at the mixed-waste landfill from smoldering or  
17 burning metallic sodium or an airplane or drone  
18 crash at the mixed-waste landfill with aviation  
19 gas involved. Long term monitoring doesn't mean a  
20 thing if there is an accident or fire. If you  
21 think that can't happen here, just think WIPP in  
22 Carlsbad or Chernobyl and Fukushima. WIPP was in  
23 the middle of nowhere.

24           There's no emergency plan for any  
25 accident at the mixed-waste landfill. Consider

1 the consequences of the fire and release of  
2 radiation in area in this densely populated area.  
3 The Sunport airport will have to be shut down,  
4 planes can't fly in or out. Houses and vehicles  
5 of all types will be contaminated with cesium 137  
6 a quarantined. Four Hills, Mesa del Sol, Isleta  
7 Pueblo and residents inhaling plutonium, cesium  
8 and uranium dioxide. Tourism will shut down,  
9 residents will leave with latent cancers, Realtors  
10 can't sell houses, businesses will not want to  
11 locate here, others will leave. There will be  
12 worker exposures and deaths. Sandia and Kirtland  
13 Air Force Base may indeed have to be shut down.

14           Clearly, the costs of excavation now are  
15 far outweighed by the tort and costs associated  
16 with such an accident. This water utility  
17 authority board would be liable for being informed  
18 of these possibilities and not having taken  
19 preventive action. Sandia and Kirtland  
20 collectively bring in nearly \$10 billion a year.  
21 The cost of a few hundred million for excavation  
22 are negligible. Robotic equipment and facilities  
23 necessary for long term storage and sending the  
24 waste to burial facilities exist now.

25           Sandia documents show that TCE and

1 carbon tetrachloride were disposed of in  
2 quantities up to 7.5 gallons per disposal. Each  
3 disposal of that size is sufficient to contaminate  
4 2.2 billion gallons of water. A Sandia documented  
5 employee interviews states, "We used a lot of TCE  
6 and carbon tet."

7 VICE CHAIRWOMAN JONES: Thank you. Thank,  
8 Mr. McCoy. Thank you very much.

9 COUNCILLOR GARDUNO: Madam Chair.

10 VICE CHAIRWOMAN JONES: I'm going to ask the  
11 future speakers please try to limit to three  
12 minutes. We do indeed have numerous speakers  
13 tonight and we have a very long agenda. So I  
14 understand you have a lot to say. Would you  
15 please try to condense it into three minutes.

16 Mr. McCoy.

17 Councillor Garduno.

18 COUNCILLOR GARDUNO: Thank you, Madam Chair.

19 I really have just a very simple  
20 question, Mr. McCoy. You've had the opportunity  
21 to address this -- can you hear this --

22 MR. MCCOY: No. It's very difficult.

23 COUNCILLOR GARDUNO: I hear tremendous  
24 feedback, but it's amazing that you can't hear me.

25 MR. MCCOY: I can now.

1           COUNCILLOR GARDUNO:   Okay.   We've had the  
2 town to hear some of your concerns and you've had  
3 the opportunity to address this board.   And I just  
4 wondered, and some people also have wondered, this  
5 citizens -- CNM, what is their expertise?   Why do  
6 you think we should listen to you folks?

7           MR. MCCOY:   Well, we've been looking at this  
8 site for approximately 15 years, since 2000, and  
9 collecting an enormous amount of data about it.  
10 We've worked with persons of Eric Nuttall's  
11 caliber, Robert Gilkeson, who is a former  
12 hydrogeologist and geologists at Los Alamos  
13 National Laboratory, who's looked at the defective  
14 monitoring that was at site.

15                 So we have an seen data, thousands of  
16 disposal sheets that have not been presented  
17 before to any of these boards or even the New  
18 Mexico Environment Department.   And we have great  
19 concern for what we have seen in these documents.

20           COUNCILLOR GARDUNO:   And I trust and I've  
21 had the opportunity to talk to yourself and many  
22 of the other people with Citizens Action  
23 New Mexico, but I think a lot of people, for some  
24 reason, think that it's just a group of folks who  
25 have nothing else to do.   And I wanted to set the

1 record straight that it's very intelligent people  
2 who have the expertise to make these comments and  
3 to question the DOE and the New Mexico Environment  
4 Department.

5 MR. MCCOY: Well, that's true. In 2007, we  
6 went to the EPA Region 6 and informed them that we  
7 believed that there was defective groundwater  
8 monitoring. And subsequently, a report came out  
9 that confirmed those concerns. We could only  
10 attain that several years after they had written  
11 the report.

12 But numerous of our concerns have been  
13 borne out by office of inspector general  
14 investigations. A document that we obtained was  
15 a TechLaw document from 2006 that talked about how  
16 the dirt cover, itself, would not be adequate to  
17 protect the wastes that were placed in the  
18 mixed-waste landfill.

19 So we've used both a strategy of legal  
20 efforts to obtain information and also to  
21 interpret a lot of that information to agencies  
22 and the public.

23 COUNCILLOR GARDUNO: Thank you. Thank you  
24 for your work.

25 MR. MCCOY: Thank you. I want to submit --

1           VICE CHAIRWOMAN JONES: Thank you,  
2 Mr. McCoy. The staff with hand those out. Thank  
3 you.

4           The next speaker is?

5           MS. HAGER: Willard Hunter, followed by Ken  
6 Shepherd.

7           VICE CHAIRWOMAN JONES: Thank you.

8           Good evening.

9           MR. HUNTER: It's very difficult for us to  
10 hear you. It's like you're whispering.

11          VICE CHAIRWOMAN JONES: All of us?

12          MR. HUNTER: Yes.

13          VICE CHAIRWOMAN JONES: Thank you.

14          MR. HUNTER: My name is Willard Hunter and  
15 I'm the chairman of the board of Citizen Action,  
16 and I'm speaking on the same issue tonight. What  
17 I wanted to talk about is externalities.

18                 An externality is a very fancy word for  
19 a cost that a company or organization incurs but  
20 does not pay and then shifts those costs to  
21 somebody else; primarily, the government. Some  
22 obvious examples of externality is Walmart  
23 underpays its employees and the U.S. Government  
24 has spent a billion dollars or more a year on  
25 social services to Walmart employees. They don't

1 pay them enough. It's an externality. Duke  
2 Energies has coal ash in ponds that leak and cause  
3 extreme environmental and human damage. Those are  
4 externalities. Midwest Power Plant spews noxious  
5 gases to the East Coast and cause extreme  
6 environmental damage on the East Coast.

7 But what I want to talk about is Sandia  
8 Labs. Sandia Labs has -- some people call this  
9 facility a mixed-waste landfill that we're talking  
10 about tonight. Some people call it a dump. It's  
11 more like a dump. What I want to call it is a  
12 nuclear cesspool. I want you to get the image of  
13 a cesspool because that is what's out there. This  
14 is unorganized waste that has been dumped in the  
15 ground over a period of years and years and years.  
16 And Sandia Labs has essentially ignored it.

17 Basically, they have literally and  
18 figuratively covered it up. All they want to do  
19 is put a fancy cover on the top and that's all  
20 they want to do. They want to do a little  
21 monitoring, but they don't want to really take  
22 responsibility for what's out there. In the past,  
23 what I've been concerned about is what goes into  
24 the aquifer. All of that stuff, as Dr. Nuttall  
25 and Dave McCoy have said, is going down into the

1 ground. But recently, with the work that Dave  
2 McCoy has done, we're finding out that there is  
3 high level radio nuclear waste out there. And  
4 that creates a whole other serious, serious  
5 problem. And Dave McCoy has identified it. And  
6 this is truly a nuclear cesspool.

7           So basically, Sandia Labs, Lockheed  
8 Martin want to pass whatever remediation costs are  
9 on to the city, the state and to the government.  
10 And it's going to cost billions of dollars if  
11 there's an accident. They can clean it up now if  
12 there's -- and it's going to cost this them  
13 several hundred million dollars but that's a small  
14 fraction of what the cost would be if there's an  
15 accident. So this nuclear cesspool must be  
16 cleaned up by Sandia Labs and Lockheed Martin.  
17 Thank you.

18           VICE CHAIRWOMAN JONES: Thank you, sir.

19           MS. HAGER: Ken Shepherd, followed by  
20 Veronica Cruz.

21           MR. SHEPHERD: Good evening, Board Members.

22           VICE CHAIRWOMAN JONES: Good evening.

23           MR. SHEPHERD: Ken Shepherd here,  
24 Albuquerque resident. I'm here just to express my  
25 opinion as in I'm in total support of



1 Resolution 15-7. My concerns are about the health  
2 and the environment of this city. Please  
3 understand this. This is long term risk. Thank  
4 you.

5 VICE CHAIRWOMAN JONES: Thank you.

6 MS. HAGER: Veronica Cruz, followed by  
7 Ernest Sturdevant.

8 MS. CRUZ: I want to leave this.

9 Good afternoon, everybody. I want to  
10 saying something in Spanish.

11 (The following spoken in Spanish.  
12 English translation provided by Ms. Cruz.)

13 I'm a Hispanic woman, teacher, pedagogue  
14 and mother. I want to make a comment with my  
15 concerns and worries, which are surely part of  
16 others' in this community.

17 I have about nine years living in this  
18 city. Since the first week I came, I started to  
19 hear about the problem of pollution in water, air  
20 and also the risk to many people from the exposure  
21 to toxic materials from Sandia Laboratories and  
22 Kirtland AFB, even entire communities such as Mesa  
23 del Sol. This information I obtained from people  
24 with specialized scientific knowledge, as the  
25 geologist Robert Gilkeson, who worked at Los

1 Alamos Laboratory, and Dr. Eric Nuttall, David  
2 McCoy, experienced in toxic and nuclear waste.

3           This is a great country, promoting human  
4 rights in its Constitution, including the duty and  
5 obligation of the government to serve and protect  
6 the citizenry. And I wonder where and when you  
7 will accomplish this. I see only corruption in  
8 the system and indifference by the authorities,  
9 because we are still standing at the same starting  
10 point over nine years later.

11           I believe 50 percent of the population  
12 living in this territory is Hispanic and Latino,  
13 which has the right to be informed in their own  
14 language (Spanish), even when the authorities are  
15 not interested because they have no representation  
16 in votes. That is called racial discrimination  
17 and segregation. All the people of this state  
18 have the right to have water free of pollutants  
19 because it is a universal law declared by the  
20 law --

21           VICE CHAIRWOMAN JONES: Thank you, Ms. Cruz.  
22 Thank you very much.

23           COUNCILLOR GARDUNO: Madam Chair.

24           VICE CHAIRWOMAN JONES: Councillor Garduno.

25           COUNCILLOR GARDUNO: Point of information.

1 VICE CHAIRWOMAN JONES: Yes, sir.

2 COUNCILLOR GARDUNO: Is there a possibility  
3 when it's translated -- or when it's transcribed  
4 that it be translated into English? Okay.  
5 Because I think there needs to be a full record.  
6 Thank you.

7 VICE CHAIRWOMAN JONES: Next speaker.

8 MS. HAGER: Ernest Sturdevant, followed by  
9 Sylviana -- next speaker is Ernest Sturdevant.  
10 Followed by Sylviana Diaz Deville.

11 MR. STURDEVANT: Hi, Ernest Sturdevant.  
12 Thank you. Taxpayer. I'm here this evening in  
13 support of the work of Dave McCoy and to reiterate  
14 and act in support of his work, and also to  
15 further impress the body that this is hard science  
16 from independent sources. This is not rabble  
17 rousing by community members who don't have enough  
18 to do. It's especially important for the water  
19 authority to hear seriously independent sources,  
20 especially now that the NMED, via political  
21 appointment, is essentially no longer an arm of  
22 the public but belongs to the Air Force. It's  
23 more important than ever for the water authority  
24 to listen to the independent scientific voices in  
25 the community that are working on behalf of the

1 public to protect our water. Kirtland has a long,  
2 long history of acting in denial of any  
3 remediation that protects the public in  
4 Albuquerque.

5           Once again, please listen to Mr. McCoy  
6 seriously. We fully support that effort. And if  
7 I may just briefly, on a personal note, given the  
8 light of the public discourse this week, thank Rey  
9 Garduno for all his years of service to this  
10 community and to tell him that he's already  
11 missed. Thank you.

12           VICE CHAIRWOMAN JONES: Thank you,  
13 Mr. Sturdevant.

14           MS. HAGER: Sylviana Diaz Deville, followed  
15 by Tad Niemyjski.

16           MS. DEVILLE: I'm a member of CARD. I'm a  
17 long time -- my family has been here for  
18 generations, centuries perhaps. And it's not just  
19 about jobs that Sandia Labs represents. It's more  
20 than that. It represents the water, the earth  
21 underneath it and the generations that will follow  
22 that perhaps will have to be the survivors of  
23 whatever transpires.

24           Sandia Labs is chockful of engineers and  
25 doctors and all kinds of smart people. Why in the

1 world -- and it's overseen by the federal  
2 government. This is a national lab and it's in  
3 the state of Mexico, the county of Bernalillo,  
4 city of Albuquerque. There are environmental  
5 agencies that could bring them to bear, to put a  
6 leash on these, make them clean it up. I mean,  
7 that Kindergarten; you make a mess, you clean it  
8 up. They aren't doing it, and it's really, really  
9 toxic out there.

10           It is terrifying to think that they can  
11 have open burning of tremendously toxic material  
12 and bury a devil's brew of all kinds of horrible  
13 things, even combustible things, and cover it,  
14 think it's okay to cover it with a dirt layer. My  
15 cat in her litter box does a better job than that.

16           This is not acceptable. New Mexico  
17 True, that's our slogan. It's going to be truly  
18 radiated. It is time for us to take care and to  
19 see that our officials not be so terrified of  
20 losing the labs to make them come into line. Come  
21 on, clean it up. You're welcome here. We need  
22 you here. But we don't need you destroying our  
23 environment. Thank you very much.

24           VICE CHAIRWOMAN JONES: Thank you, ma'am.

25           MS. HAGER: Tad Niemyjski, followed by Robin

1 Falcov.

2 VICE CHAIRWOMAN JONES: Good evening,  
3 Mr. Niemyjski.

4 MR. NIEMYJSKI: My name Tad Niemyjski, and  
5 just for the record. Everybody know me I'm sure.  
6 Anyway, I'm a little bit from the subject, but  
7 let's me -- it is on the subject. It's been a  
8 couple years I try to find out about water,  
9 Albuquerque Bernalillo County Water Utility  
10 Authority. What kind of organization is it? It  
11 is government, private. Spoke to corporation,  
12 state corporation commission. They won't tell me.  
13 I spoke to many executives from water utilities,  
14 same thing, "No, we're not government. We're not  
15 private either."

16 So anyway, doesn't matter. That's why  
17 right here somebody gave me and that's everything  
18 about Bernie 2016 for president. Well, here it  
19 says about what caught my attention, corporate  
20 rule. Yes, Albuquerque Bernalillo County Water  
21 Utility, it is corporation.

22 So what town looking right now -- well,  
23 let me read it. Bernie supports the United States  
24 Constitution, wants to break up the big banks.  
25 I'm not too sure that's what happened, when that's

1 happened. Wants to invest in America.

2 Absolutely. Social Security increases, yes.

3 Better Medicare, well, I'm satisfied. Fair trade  
4 for America, not corporate rule.

5 That's exactly. We got government,  
6 corporate government. We got corporate private.  
7 It's all together. They're all big monopoly.  
8 They supporting each other. What about committee,  
9 board and so on together? Thank you.

10 VICE CHAIRWOMAN JONES: Thank you,  
11 Mr. Niemyjski.

12 MS. HAGER: Robin Falcov, followed by Elaine  
13 Hebbard.

14 VICE CHAIRWOMAN JONES: Would you call the  
15 name again, please.

16 MS. HAGER: Robin Falcov, followed by Elaine  
17 Hebbard.

18 VICE CHAIRWOMAN JONES: Robin Falcov.

19 Ms. Hebbard. Good evening.

20 MS. HEBBARD: Good evening.

21 Good evening. My name is Elaine  
22 Hebbard. Given that it's been two months since I  
23 last saw you, you might have thought I might be  
24 mentioning some things that are on the agenda  
25 tonight, such as Item 9B, the goals and

1 objectives, which are supposed to be reviewed and  
2 revised annually, prior to the development of the  
3 budget, and which should be more than just a  
4 mechanistic aspect of operations and finance.  
5 They should be interim steps to completing the  
6 water resources management strategy. Do they? I  
7 don't think so.

8           But you might have also thought I might  
9 comment on the annual operating plan, which is  
10 Item 10, which projects that pumping is going to  
11 fluctuate once again with regard to surface water  
12 supplies. Water Resource Management Strategy B,  
13 the authority shall limit the use of groundwater  
14 except during peak demands or during times of  
15 drought. The first four months of this year alone  
16 we've seen more pumping than we had the four  
17 months in 2011. Are we satisfying that goal or is  
18 it harder to meet those goals when you fluctuate  
19 with an annual operating plan such as we have.

20           You might have thought I might have  
21 talked about the lack of an agenda item on the  
22 appointments of the TCAC. Last year you were told  
23 that you needed to fill those positions because  
24 they were going to undertake the reformation of  
25 the water resources management strategy. The slot



1 has remained unfilled since last year, three  
2 others are over their time limit, and one more has  
3 only managed to hit about 50 percent of the  
4 meetings this year. I would suggest that until  
5 those positions are full that the water resource  
6 management strategy not be updated.

7           You might have thought I would talk  
8 about the lack of a water resource update. Yes,  
9 it's really important. We had a great  
10 presentation back in January. Since then, there  
11 has been a new discovery that we no longer have  
12 any credit water down at the Butt, in Elephant  
13 Butte, so we must deliver this year all of the  
14 resources. That's not in front of the agenda.  
15 How can you make an operating plan without having  
16 such information?

17           And finally, Mr. Maestas left me with  
18 this chart, which I will give to the board, and  
19 what it says that there are a lot of promises that  
20 have been made by this utility already to a lot of  
21 places, such as other development agreements. 10-  
22 to 12,000 acre feet are represented right here.  
23 Last year the water utility did not have  
24 sufficient resources and water rights and  
25 return-flow credits to even meet last year's

1 budget. So hopefully before more promises are  
2 made, additional effort will be made by this board  
3 to discuss that like the neighborhood coalitions  
4 have requested, that the water budget and all of  
5 the impacts of what is needed to be provided is in  
6 front of the public. Thank you.

7 VICE CHAIRWOMAN JONES: Thank you,  
8 Ms. Hebbard.

9 MS. HAGER: Stephen Verchinski.

10 MR. VERCHINSKI: Who's the chairman today?  
11 Madam Chairman and Members of the Committee, my  
12 name is Stephen Verchinski. I'd just like to  
13 speak a few minutes with regard to glyphosate,  
14 which is a strong herbicide/pesticide, and  
15 Monsanto has even patented it as an antibiotic in  
16 2000.

17 In 2013, and MIT study found that it had  
18 negative impact on human health and inhibits  
19 enzymes for detoxification and inhibits Vitamin D  
20 synthesis, and drastically alters gut microbiota,  
21 and it likely contributed to bowel inflammation,  
22 obesity, neurological diseases and possibly,  
23 according to the World Health Organization, a  
24 probable cancer agent.

25 In 2013, food residue was up from 20

1 parts better million to 40 parts per million.  
2 Animal fee in the United States with GM alfalfa,  
3 which I understand is now being grown in the  
4 Rio Grande valley can be up to 400 parts per  
5 million.

6 In Albuquerque, level of concern for  
7 water is set at 6 parts per million. The Clean  
8 Water Act, as far as I know, doubled this from  
9 just a decade ago, from three parts to million to  
10 six as allowable concern. We do not currently  
11 show it up, according to the data sheet that I  
12 saw, that we're reaching at the level of concern  
13 of 6 parts per million.

14 But I just want to go on to say that  
15 this is a cumulative effect on the human body,  
16 whether it's coming from food and/or water. So it  
17 is a level of concern because today 185 million  
18 pounds are being applied versus 90 million pounds  
19 in 2001. Half of it is applied to nonfarming use,  
20 such as commercial government and residential  
21 landscaping. And if it reaches our water  
22 supplies, for example, it's not just an impact on  
23 us, but these types if pesticides/herbicides can  
24 contribute up to about 42 percent of an  
25 invertebrate kill. So, to me, when they find that

1 the Institute of Environmental Assessment and  
2 Water Research in Barcelona, Spain, in 2011 and  
3 the Annals of Bio-Analytical Chemistry found that  
4 this is coming in at levels in groundwater in  
5 their area of up to 2.5 parts per billion, I  
6 started asking myself, how long will it take  
7 before it reaches our groundwater supplies here in  
8 our area.

9 And from that standpoint, then, I think  
10 your policy to err on the part of caution would be  
11 that annual tests be taken at the north and south  
12 diversion channels, water intakes into the river,  
13 which we use the river as a groundwater recharge  
14 in the area, and a warning to users for proper  
15 application throughout the entire area and maybe  
16 even banning the substance here in our city just  
17 for the long term concern. Thank you.

18 VICE CHAIRWOMAN JONES: Thank you.

19 MR. VERCHINSKI: I'll leave with you two  
20 articles here: One on glyphosate and celiac  
21 disease; the other one is a generic one on  
22 toxicity. Thank you.

23 VICE CHAIRWOMAN JONES: Thank you. That's  
24 our last speaker?

25 MS. HAGER: Yes, it is.

1           VICE CHAIRWOMAN JONES: Thank you.

2           With that, let's move to announcements.  
3           The first announcement is that the next scheduled  
4           meeting is June 17, 2015, at 5:00 p.m. in the  
5           Vincent E. Griego Chambers.

6           And also, as was mentioned earlier,  
7           there are vacancies on the technical customer  
8           advisory committee. Members wishing to submit  
9           names for consideration should do so by June 5th,  
10          2015. The public can visit our website at  
11          wwwabcwua dot org to submit their information.

12          And now we'll move to introductions --  
13          or the first reading of legislation. Just to let  
14          everyone know, Items 7A through D will be covered  
15          in one presentation after public comment.

16          Ms. Jenkins, are there any speakers  
17          signed up tonight for this?

18          MS. HAGER: Yes, there are two.

19          VICE CHAIRWOMAN JONES: Thank you. And they  
20          are?

21          MS. HAGER: Tad Niemyjski.

22          VICE CHAIRWOMAN JONES: Mr. Niemyjski.

23          MS. HAGER: Followed by Elaine Hebbard.

24          VICE CHAIRWOMAN JONES: Followed by Elaine  
25          Hebbard.

1           MR. NIEMYJSKI: Thank you. This is quick.  
2 I want to show you I'm ready. But anyway yes, I'm  
3 ready.

4           Well, let's go back three years back,  
5 some history of water utility. Three years ago  
6 customers of Albuquerque were using too much  
7 water. Well, so water utility impose funds  
8 through the raising of rates, besides other funds.  
9 So following year, well, customer not using  
10 enough, saving -- just not using water. Well, we  
11 in trouble. We can't meet our paying our bills.  
12 So they have to raise it again. That now coming  
13 up third raise, according to Albuquerque Journal.  
14 And that's something don't add to me.

15           During the winter, \$53 average bill,  
16 water bill. But during the summer, 43 or  
17 something like that and change average water bill.  
18 But over -- if I look at winter, increase by \$5  
19 something, plus. During the summer, \$4 plus and  
20 change. Which that doesn't matter how you look at  
21 it. That's 10 percent.

22           Well, my social security check increase.  
23 I get 1.7 percent, so all people under Social  
24 Security. Well, looks to me like water utility  
25 competing with PNM, because PNM asking for 12, but

1 they not get it. But here, looking such not --  
2 such liberal board, I know they going to approve  
3 it. That's not democratic board. Thank you.

4 MS. HAGER: Elaine Hebbard.

5 MS. HEBBARD: Good afternoon again. My name  
6 is Elaine Hebbard and I'm here to talk about  
7 rates, budgets, the decade plan. And rate  
8 increases for wish all four TCAC members voted to  
9 support the staff's recommendation are estimated  
10 to bring in about \$10 million this next year.  
11 Will that be sufficient?

12 The third quarter financials, which are  
13 Item 9f -- 9E, shows revenue is up about \$9  
14 million. But if you look at what it has to be --  
15 because there's going to be a three and a half  
16 million dollar shortfall from what it was in 2014,  
17 you need about \$19 million. In other words, you  
18 have to almost double in the next three months  
19 what the increase was for the last nine months.

20 Revenue needs to increase yet again to  
21 make the F '16 budget. And it starts off with  
22 using that high number, not the real number. So  
23 will it make it. Are we setting ourselves up for  
24 another revenue is less than expenses yet again  
25 since 2009?

1           And expenditures, themselves, it's  
2 really hard to track. There's been some  
3 carryovers in the budget. It shows 19 million  
4 carried over this year and 24 million two years  
5 ago. How are they spent? How does anyone know?  
6 I think that there needs to be probably a working  
7 meeting for the board to be able to sit down and  
8 really look at these line items rather than just  
9 having them presented very quickly at a meeting,  
10 and have the public engaged and involved in being  
11 able to understand what's been budgeted, what's  
12 been kept going, et cetera, so that we can have a  
13 better understanding as we go forward. Thank you.

14           VICE CHAIRWOMAN JONES: Thank you,  
15 Ms. Hebbard.

16           Is that the last speaker?

17           Mr. Sanchez would you tell us what we're  
18 going to do next and in what order.

19           MR. SANCHEZ: Certainly, Madam Chair,  
20 Members of the Authority. We've organized a  
21 presentation to look at the operating capital  
22 budgets, the customer conversations, the decade  
23 plan, the rate structure and the technical  
24 advisory committee deliberations and  
25 recommendations. So we have six speakers if



1 you'll indulge us, and we'll begin with Stan  
2 Allred.

3 VICE CHAIRWOMAN JONES: Thank you, Mr.  
4 Sanchez.

5 I think he said there will be six  
6 presenters and the first will be Stan Allred. I'm  
7 sorry, ladies and gentlemen, we're obviously  
8 having a little problem with the audio tonight.  
9 We'll try to shout into the microphone for you.  
10 Just raise your hand if it doesn't work. I have a  
11 very loud voice if you want me to, so I can do  
12 that. Thank you.

13 MR. ALLRED: Madam Chairman, Members of the  
14 Board. I'll just start with the FY16 operating  
15 budget and the CIP budget.

16 In the budgets this year, we have a  
17 5 percent rate revenue adjustment as proposed, and  
18 we'll talk about that with the rate ordinance. We  
19 have Carol Malesky here, with Montgomery Watson,  
20 who's our rate consultant, to kind of go through  
21 the process and how we came up with the rate  
22 structures. And our goal still is to get the  
23 operating working capital balance to one-twelfth  
24 the operating expenditures as required by the  
25 ordinance.

1           We'll add \$2 million to the rate reserve  
2 fund. There is \$4 million in that fund as of the  
3 end of this fiscal year, and we'll add another 2  
4 million to Fiscal Year 2016, bringing that balance  
5 to 6 million. And we are will transfer -- we  
6 won't transfer, but we will appropriate \$59.3  
7 million for capital projects in Fiscal Year '16.

8           Assumptions in FY16, nominal growth in  
9 the service area. We'll talk about it with the  
10 rate presentation. We based the rates on the  
11 consumption levels from FY14, which is has been  
12 the lowest levels we have experienced in the last  
13 ten years. And the projection was to get to the  
14 revenue level as per the finance plan used in this  
15 budget.

16           Growth in the operating expenses are  
17 only essential items. It's very minimal, and it's  
18 approximately about \$500,000 for Fiscal Year 2016.  
19 And we'll continue to increase capital spending  
20 for rehab work at the southside Reclamation Plant.

21           FY16 projected revenues is \$214 million.  
22 Of that, 10,000 -- or 10,000 -- I'm sorry  
23 \$10 million -- 100,000 is for interest -- or  
24 10,000, sorry. Miscellaneous is 4.1 million. I'm  
25 sorry. Water revenue is \$115 million. Water

1 resource management strategy is 4.5. Wastewater a  
2 is 79 million. We have a transfer from our CIP  
3 employees of 940,000. And then we transfer to  
4 solid waste or we get a payment from solid waste,  
5 from City of Albuquerque, to do their billing for  
6 them, of about 1.3 million. And then the  
7 franchise fee which we pay the City of  
8 Albuquerque, Bernalillo County, the Village of Los  
9 Ranchos and the City of Rio Rancho.

10 FY16 budget expenditures is 202 million.  
11 Of that, 72 million is for debt service; we have  
12 wages of 54.1 million; operating expenses of  
13 48.7 million; transfer to other funds, which is  
14 the transfer to CIP, of 15 million; the franchise  
15 fee, which we saw the offsetting revenue of  
16 7.9 million; risk, 2.5, that's to pay for our tort  
17 and our claims; other capital, 638,000, primarily  
18 that's for vehicles; and Workers' Compensation of  
19 352,000.

20 The summary of the finance plan,  
21 revenues for '16, about 213 million, which  
22 includes the working capital balance from 2015.  
23 We have expenditures of 204 million, and projected  
24 to end up with a working capital balance of 9.3.

25 We have no rate increase in FY 2017, per

1 the plan. 2018, per the -- the rate ordinance was  
2 preapproved, a 5 percent rate increase in '18.

3 You could see it would take our revenue to  
4 236 million, which would include \$11.7 million in  
5 working capital balance from the prior year. And  
6 our goal is then to continue to increase to  
7 transfer to capital to pay for our infrastructure  
8 and continue to work on and build a strong working  
9 capital balance moving forward.

10 FY16 CIP appropriations authorizes 59.3  
11 million. 46 million of that will be Level 1 basic  
12 priority capital programs. So that's basically  
13 just our rehab program. 4 million is for  
14 growth-related projects, so those will pay for  
15 utilities -- or for payments to developers for  
16 development with utility expansion charge revenue,  
17 and it also pays for IT-related items.

18 We'll have \$9.3 million for special  
19 projects, of which \$6 million will be comprised  
20 for odor control along Yucca and Central. You  
21 remember in our financing April, we borrowed  
22 \$6 million to take care of that issue. So we  
23 create the appropriation for that. We will  
24 continue to do \$2 million for our automated meter  
25 infrastructure, our AMI, and we have about

1     \$300,000 for various renewable energy projects.

2             And just a note: The rate ordinance  
3     requires no less than 30 million for basic rehab  
4     programs, and 2 million annually required for AMI.  
5     And we meet both of the those.

6             So there's a quick pie chart or FY '16  
7     CIP planned spending. 77 percent will be for the  
8     basic program, and over time, as we continue to  
9     take our rate structure, that piece of the pie  
10    will continue to grow.

11            Increase CIP spending. So in FY 2015,  
12    we had \$43 million for basic rehab. You can see  
13    that we've increased that by three million for  
14    2016. And we increased that by \$3 million a year  
15    going through 2024. We'll continue to spend a  
16    million dollars a year on top of that for steel  
17    line replacement, 2 million for AMI per the rate  
18    ordinance, and then other projects. And a lot of  
19    that 350,000 is for, as we said before, for  
20    energy-type projects, and leave \$4 million for  
21    growth.

22            Planned CIP spending. So this basically  
23    just took what I just talked about and kind of  
24    graphically shows how we're going to continue to  
25    increase spending for our CIP program through

1 2024. And by the lines, most of them will be for  
2 basic rehab. And then the black line is you can  
3 see the transfer from operating to pay for the  
4 capital, and that kind of grows at the same rate  
5 as our spending in the CIP program.

6 And I stand for any questions.

7 VICE CHAIRWOMAN JONES: Thank you,  
8 Mr. Allred.

9 Are there any questions?

10 Good job, Mr. Allred. Thank you very  
11 much.

12 Good evening, Mr. Roth.

13 MR. ROTH: Good evening. I'll be covering  
14 the customer conversations program. It will be  
15 into two different parts, but I'll be presenting  
16 different stages of this presentation. And the  
17 reason why we're talking about our work on the  
18 customer conversations is because in this fiscal  
19 year's budget, there was a budget directive to  
20 have customer discussion on rates, conservation  
21 and infrastructure. And so we did this, we  
22 facilitated that discussion through our customer  
23 conversation programs, which is actually in year  
24 two, to generate ongoing customer input on major  
25 water authority topics.

1           In these customer conversations, we had  
2   four meeting. 200 customers attended and we  
3   received over 800 comments. The objectives for  
4   the first part, infrastructure renewal, was to  
5   explore our customers' perceptions of the  
6   infrastructure needs, what are their concerns and  
7   priorities around infrastructure needs. It also  
8   gave us an opportunity to educate our customers  
9   and what we're going with these infrastructure  
10  challenges, with our asset management planning  
11  program, and how we prioritize projects in the  
12  next ten years through our decade plan.

13           We also were able to explore the  
14  differences of our customers' priorities compared  
15  to the water authority's priorities, through our  
16  asset management planning process. And then we  
17  learned through this process how -- actually, our  
18  customers educated us on how to close this  
19  information gap on ideas that need to be done in  
20  terms of infrastructure.

21           The discussions centered around four  
22  major asset groups: The waterlines; sewer lines;  
23  drinking water facilities, both groundwater and  
24  surface water; and our wastewater treatment plant.  
25  The first question we asked them was: What

1 infrastructure priorities are you most concerned  
2 about? And so the process we used is roundtable  
3 discussions, where we have facilitators and  
4 recorders at each table. And so they talked about  
5 these questions, their infrastructure priorities,  
6 and that led to an exercise in terms of  
7 understanding what the priorities are from our  
8 customers. And so we put four cups in the center  
9 of the table. Each cup was labeled with one of  
10 these four major asset groups, and they would put  
11 their priorities in these cups.

12           Each customer had 15 tokens, and each  
13 token was worth \$5 million. And so each customer  
14 had \$75 million, and the whole table had \$525  
15 million to apply towards infrastructure  
16 priorities. And over a ten-year process  
17 \$525 million is what we applied towards these four  
18 major asset groups.

19           After this exercise, the water authority  
20 presented information on we're handling our  
21 infrastructure challenges; through our asset  
22 management plan how we inventoried over 200,000 of  
23 our assets; and how we applied risk ranking to all  
24 our assets, the criticality factor; and how we  
25 learned of an infrastructure funding gap and how



1 we had to close that funding gap over time; and  
2 then through our decade plan, our ten-year CIP,  
3 what projects are we going to prioritize over the  
4 next ten years.

5           With that information, the facilitators  
6 brought a second set of cups, with a red line and  
7 they slid underneath, and that identified the  
8 water authority's priorities in terms of spending,  
9 that ten-year CIP. And so the customers would  
10 engage in conversation about the gaps between  
11 their priorities and the water authority's  
12 priorities.

13           Here are some photos of some of the  
14 customers talking about those gaps or  
15 discrepancies between what they're concerned about  
16 and what we're doing through our asset management  
17 planning. And after that discussion, they were  
18 asked to identify the largest gap of those four  
19 major asset groups, and also to come up with some  
20 ideas of how to close that information gap, what  
21 advice do you have to the water authority on how  
22 we can educate other customers on what we're  
23 going. And David Morris is going to go in more  
24 detail with some of those ideas.

25           This first pie chart shows the ten-year

1 planning cycle of how we -- where we apply our  
2 funding. So you can see about 50 percent of our  
3 funding goes towards water waste facilities.  
4 Another 29 percent to the sewer pipe. So about  
5 three-quarters of our funding goes towards  
6 wastewater assets. And through the four meetings  
7 we had, the second pie chart is a summary of those  
8 four meetings, and you can see that our customers  
9 have -- in terms of the four asset groups, they're  
10 all equally important to them, with maybe just a  
11 slight advantage to the water assets by 4 percent.

12           This next chart shows some of the gaps  
13 between water authority priorities and our  
14 customer priorities. You can see the largest gap  
15 is the sewer plant. And some of the discussion  
16 that came out of that is it's an invisible asset  
17 to many customers, they don't see the treatment  
18 plant. There is an awareness of it. And we have  
19 discovered, through our customer opinion surveys  
20 that turning high quality water back to the river  
21 is very important to them. And through this  
22 process, they learned that the wastewater  
23 treatment plant is not just a place where sewage  
24 goes, but it's a renewable resource recovery  
25 facility.

1           With that, I'm going to turn it over to  
2 Dave Price and he's going to go in more detail  
3 over the decade plan. This is our ten-year CIP.  
4 And then he's going to return it back to me and  
5 I'm going to cover the other two topics from the  
6 customer conversations.

7           VICE CHAIRWOMAN JONES: Thank you, Mr. Roth.

8           MR. PRICE: Good evening. I'm David Price.  
9 I'm the manager of the water resources planning  
10 and engineering division for the water utility.  
11 And as Frank mentioned, I'm going to talk about  
12 the decade plan. This is our ten-year CIP  
13 program.

14           This slide has been presented before to  
15 the board. It's based on a utility-wide asset  
16 management plan that was completed in 2011. And  
17 we used asset management principles in order to  
18 estimate what our infrastructure or asset renewal  
19 needs are. And this chart just shows a  
20 hundred-year span of what our renewal needs are.  
21 And you can see for each year, there's a vertical  
22 bar or column that shows what our spending should  
23 be in that particular year, starting in 2011 and  
24 extending out to 2111.

25           And there's also a red horizontal line

1 that goes across the chart, and that's just the  
2 average of the hundred years. And our consultant  
3 estimated that for renewing all of our different  
4 asset, our pipelines, our wells, our treatment  
5 plants, our reservoirs, we should be spending  
6 about \$76 million on average each year renewing  
7 assets.

8           Until recently we've been spending about  
9 \$40 million a year, and as was mentioned by Mr.  
10 Allred, we're ramping up the CIP program at about  
11 \$3 million per year. And that started this  
12 current fiscal year, fiscal year '15. And it will  
13 be ramped up to that \$76 million level; in about  
14 2026 we actually reach that. And I want to remind  
15 you that's in 2010 dollars. So as we get further  
16 into the future, adjusting to inflation, that  
17 number will actually ruse.

18           One of the other aspects I wanted to  
19 show from this is the white columns that are --  
20 that extend beyond the yellow line. That portion  
21 of that line are assets that we should be spending  
22 to renew, but, actually, we don't have the funds  
23 at this point to renew. So that just adds to the  
24 backlog of assets that are due to be renewed or  
25 past due for being renewed. And currently, we

1 estimate that the total amount of assets that are  
2 backlogged, about \$400 million. So we do need to  
3 increase our CIP spending on an annual basis so we  
4 can address that backlog. Otherwise, we're going  
5 to have many more emergency failures of our  
6 interceptors with sinkholes, catastrophic water  
7 leaks and other types of failures.

8           This table just shows the breakdown of  
9 spending on infrastructure renewal for the next  
10 two years, Fiscal Year '16 and '17; then also for  
11 the next ten years, Fiscal Year '16 through '25.  
12 And it's broken down into 13 different categories,  
13 starting with category 100, which is sanitary  
14 sewers, followed by our portable water lines. And  
15 then Category 300 is the southside water  
16 reclamation plant.

17           I won't go through all the different  
18 numbers, but as you was mentioned by Mr. Roth,  
19 lately, and for the next two years, most of our  
20 spending, a goodly portion of our spending is  
21 going to the southside water reclamation plant to  
22 bring that plant back up to where it should be.

23           Going forward, in the latter part of the  
24 decade, though, that ramp-up, the yellow line that  
25 I showed previously, that ramp-up is going to be

1 targeted primarily towards Categories 100 and 200,  
2 which are our sewer lines and our potable water  
3 lines. We've got a lot of aging waterlines out  
4 there that result in interceptors that collapse.  
5 We have these really dramatic waterline breaks.

6           There's a chart that came from Mr.  
7 Roth's customer conversations. It just breaks up  
8 the spending into four categories, plus a fifth  
9 category, which is this others, other  
10 miscellaneous things. But the four primary  
11 categories are sewer pipes, water pipes, sewer  
12 plant and water plant. And as he has mentioned,  
13 during the next two fiscal years, '16 and '17,  
14 about 60 percent of our CIP renewal funds are  
15 going towards the southside water reclamation  
16 plant. But as I mentioned, going out and further  
17 into the decade, you'll see that the pieces of the  
18 pie, the red and the blue portions are growing.  
19 And, again, those are the pipelines, those are the  
20 sewer and water pipelines and the potable water  
21 pipelines.

22           One of the major projects that's going  
23 under -- that's currently under construction right  
24 now, it's been under construction for the last 18  
25 months down at the southside plant, is the new

1 preliminary treatment facility. This is the PTF.  
2 This is the head works of the plant. It's about a  
3 \$32 million project. It's due to be completed and  
4 started up by the end of next month. And this is  
5 a very important project for the plant because  
6 it's the head works, it's where all the grit, the  
7 sand and other debris that comes in with the  
8 sewage is taken out before the sewage goes on into  
9 plant. Right now, we don't do a good job of this  
10 and the grit and the sand goes throughout the  
11 plant prematurely, wears out our pumps, our  
12 centrifuges and other equipment. And once this  
13 PTF is in service, we're really expecting to see a  
14 real reduction in the rate of wear on these  
15 things. And that should bring down the operation  
16 and maintenance cost of the plant.

17           Some of the other things that are going  
18 on, highlighted projects at the southside plant  
19 are replacement of the aeration base and  
20 diffusers. We have 14 aeration bases. Each basin  
21 has thousands of diffusers. This is the core of  
22 the treatment process, is to blow air through the  
23 sewage, which transfers oxygen into the sewage and  
24 grows the bacteria that eat the sewage, the bad  
25 things in the sewage, and cleans up the water.

1 And we've been able to replace the fuses in ten  
2 out of the 12 basins so far. And we're seeing a  
3 really significant increase in the efficiency of  
4 our oxygen transfer, so much so that we've been  
5 able to actually turn off a couple of our blowers.  
6 We normally used to operate about eight blowers.  
7 Now we're down to like seven blowers of six  
8 blowers. That saves a great deal on energy costs.

9 Another project was to replace the  
10 aeration -- or rehab the existing aeration basin  
11 blower capacity. Previously, we only had eight  
12 blowers that were serviceable. Currently, we're  
13 up to 11 of the 12 that are in service, available  
14 for service. And by the end of the summer, we'll  
15 have all 12 fixed.

16 We're making improvements to our  
17 digesters, and first phase is to improve all the  
18 mechanical equipment, the mixers and the safety  
19 valves. And then Phase 2 will be to actually make  
20 some structural rehab of the digesters.

21 We're going to be -- currently under  
22 design is a supplemental digester shortage  
23 capacity. Having additional storage capacity will  
24 allow us to smooth out the operation of the solids  
25 dewatering facility, and we'll make improvements



1 in the efficiency of the plant. And also under  
2 design at this point is a new solids dewatering  
3 facility. This is the next big project out at the  
4 plant. It will take about a year to design and  
5 construction is anticipated to be done by the end  
6 of Calendar Year 2017.

7 Another project that's currently under  
8 design are two storm water and spill retention  
9 basins. You're aware that we had a major spill  
10 down at the plant a couple months ago. The intent  
11 of these basins will to provide about 20 gallons  
12 of storage capacity so if we did have another  
13 major spill, we have someplace to store that so it  
14 doesn't get into the Rio Grande.

15 Groundwater well capacity renewal is  
16 another important program that we have under way.  
17 We have a couple charts here that show the age  
18 distribution of our wells. We've got 60 wells  
19 that we currently use to provide potable water,  
20 and about half, actually 30 of those 60 wells are  
21 50 years or older. And we typically get about 60  
22 years out of our wells. So we've got half of our  
23 wells that coming due for renewal to the end of  
24 their useful life, and that represents about  
25 46 percent of our capacity. And it's important

1     that we maintain our well water capacity, even  
2     though we do have the surface water plant, because  
3     there are times past couple years during the  
4     summer our high peak period that we've had to shut  
5     down the surface water plant because there wasn't  
6     enough water in the river to divert, so we're  
7     relying upon our groundwater. So it's vitally  
8     important that we maintain our groundwater well  
9     capacity.

10           And I've got some numbers there that  
11     show that our peak-day capacity -- or  
12     requirements, 2011 was 182 MGD, and that's gone  
13     down over the past four years due to water  
14     conservation. Last year was 143. But our current  
15     well capacity and what we call our low arsenic  
16     wells are those 60 wells that we concurrently  
17     operate because they're in compliance with the  
18     arsenic rule. We have a current capacity of 177  
19     MGD. Back in 2011, that wouldn't have been enough  
20     to serve our peak-day demand. So it's vitally  
21     important that we increase or renew our well  
22     capacity. We do have about 92 MGD of useable  
23     wells, or functioning wells, but we can't use them  
24     because they're too high in arsenic.

25           Some of the approaches that we're using

1 to replace that well capacity is to drill  
2 replacements wells. Wells that failed, we still  
3 have the mechanical and electrical infrastructure  
4 there. The pipes are still there, if we can just  
5 sink another well. That costs about \$2 million  
6 per well for like a 3 MGD well.

7 Another pilot program we have right now  
8 is to modify the well screen such that -- we have  
9 our high arsenic wells and one of them is the  
10 Thomas 5 well. It's a three MGD well. It has  
11 just over the 10 parts per billion arsenic  
12 standard. And we're hoping that we can block off  
13 certain portions of the well screen such that it  
14 will bring that arsenic level down to below ten so  
15 we can turn that well back on.

16 Another project is our aquifer storage  
17 and recovery wells. We have a program that we've  
18 designed wells out at our surface water plant.  
19 The idea here would be to inject surplus water  
20 during the winter months, when we have surplus  
21 capacity at the surface water plant, inject that  
22 into the ground, and then during the summer  
23 months, when we need the extra well capacity for  
24 peaking, pull that water back out.

25 And then another project is the Alameda

1 trunk arsenic pipeline. We've got about nine  
2 wells in the Alameda trunk, which basically runs  
3 along Paseo del Norte on the east side of the  
4 town. These wells are too high in arsenic right  
5 now to be able to sort of use, and we don't have a  
6 way of treating it. The purpose of this project  
7 or the intent of the project would be to take that  
8 water, construct a pipeline down to the raw water  
9 pipeline for the surface water plant, and send the  
10 water down there for treatment. And this would be  
11 particularly useful during a drought period when  
12 we don't have water enough in the river to divert  
13 and treat, and we could actually treat the  
14 groundwater. And this is would add bout 30 MGD of  
15 capacity.

16           And here, a special project that was  
17 mentioned by Mr. Allred was the Yucca/Central  
18 interceptor realignment project. There's been a  
19 longstanding odor issue out at Yucca and Central;  
20 it's gone on for decades. And this project will  
21 spend about 5- to \$6 million to realign the  
22 interceptor out there. The red line shows the  
23 current alignment that shows it going down Yucca  
24 Drive and crossing Central. The new alignment  
25 will go at a much more gradual grade, help reduce

1 the amount of off-gassing that comes out of the  
2 interceptor and regularly reduce the odors;  
3 hopefully, completely correct the odor problem at  
4 that site.

5 MR. ROTH: So Part 2 of the customer  
6 conversations dealt with conservation and rates.  
7 The objectives of Part 2 were to educate our  
8 customers on the relationship between  
9 conservation, promotion and revenue stability, and  
10 the impacts of both planned and unplanned  
11 reductions in revenues.

12 We showed a quick video by the  
13 environmental protection agency and the Water  
14 Research Foundation of University of North  
15 Carolina called "Water Clipse," and this really  
16 talked about the challenges that utilities are  
17 facing, not just in the Southwest but all across  
18 the country in what the industry calls the  
19 conservation conundrum of how these planned and  
20 unplanned reductions are impacting revenue, and  
21 how rate increases are need to continue to fund  
22 operations and infrastructure renewal.

23 We provided some information on our  
24 customers with the components of the rate  
25 structure, what criteria goes into evaluating a

1 rate structure. And with that, we presented four  
2 alternatives for them to evaluate. There was no  
3 rate increase, increasing the base rate,  
4 increasing the commodity rate, or a combination of  
5 the two, increasing both the base and the  
6 commodity at the same time, but more at a slower  
7 level in order to reach the objectives of both  
8 conservation and bringing in revenue.

9           These alternatives had a list of pros  
10 and cons to look at and some indicators, how these  
11 alternatives impact conservation or revenue. And  
12 so the process we used, we had these large  
13 diagrams or charts that we put at the center of  
14 the table, and the facilitator would lead a  
15 discussion going through these pros and cons. The  
16 customers could add pros and cons themselves, and  
17 then they would discuss about what pros and cons  
18 they supported or didn't support. And then they  
19 would choose which alternative they liked the most  
20 and then what alternative they liked the least.

21           And then at the end of the meeting, they  
22 would report out from each table on those results.  
23 And through the four meetings we had, the outcome  
24 is that they supported the combination of  
25 increasing the base and the commodity; about

1 52 percent supported that. About 23 percent  
2 supported just the base or commodity. But what's  
3 interesting is that 67 percent said they do not  
4 support not having a rate increase.

5           Some of the discussions that came out of  
6 this meeting was that the combination was more  
7 fair and practical and that they didn't want to  
8 burden the next generation on higher rates. And  
9 they felt it was fair because it allowed for the  
10 continuation of the progress we've made in  
11 conservation, but it also allowed revenue  
12 stability, to bring in sufficient revenue in order  
13 to meet operation costs, maintain those levels of  
14 service, and also to take care of those  
15 infrastructure needs, what they learned in Part 1.

16           Now I'm going to turn it over to David  
17 Morris and he's going to talk about some of the  
18 outcomes of what the customer said and what we're  
19 putting together from that input.

20           MR. MORRIS: Thank you, Frank.

21           David Morris, public affairs management.  
22 One takeaway from the customer conversations  
23 meetings was that customers value public outreach  
24 when it comes to issues like rates and  
25 infrastructure. They want more, basically. They

1 want more plant tours, they want more bill  
2 inserts, they want more advertising, they want  
3 more education on rates and infrastructure. And  
4 the more they get, the better.

5           So we're reaching out to them with a  
6 campaign, should the rate increase be approved,  
7 that will hopefully address some of the concerns  
8 that they've raised during the customer  
9 conversations meetings.

10           As Frank said, something that came up  
11 repeatedly among customer conversations  
12 participants was the desire to address problems  
13 now rather than waiting until they get worse and  
14 become even more expensive, kicking the can down  
15 the road for future generations. So that led us  
16 to the development of the theme line for our  
17 campaign, "If we don't pay for it now, we'll pay  
18 for it later." The visual elements, as you can  
19 see, juxtapose images of new equipment against  
20 pictures of decay, and the message system failures  
21 and higher costs are the price we'll pay if we  
22 wait until later to address our infrastructure  
23 needs.

24           So the campaign will include bill  
25 inserts. There will be a number of different



1 iterations of this, addressing various aspects of  
2 our infrastructure needs, plant, sewer and water.  
3 This particular insert says, "Like many  
4 communities, we've got a lot of work to do where  
5 infrastructure is concerned. Some 24 percent of  
6 Albuquerque's water pipelines are more than 50  
7 years old, and parts of our sewage treatment plant  
8 have been on the job even longer than that. We  
9 must invest more in fixing and updating our water  
10 and sewer systems, and the water authority has a  
11 plan to make it happen. The longer we wait, the  
12 more fixes we'll face and the more problems we'll  
13 be passing on to future generations. So if we  
14 don't pay for it now, we'll pay for it later." So  
15 we're going to also include outdoor advertising,  
16 newspaper advertising, and radio advertising.

17 And now here's where it gets technical.  
18 I'm going to try to actually play you one of the  
19 radio spots.

20 (Whereupon, a audio recording  
21 was played.)

22 MR. MORRIS: I don't know how well you can  
23 hear that, but that's one of the radio spots.  
24 Then we will also invite customers to learn more  
25 about our infrastructure needs and asset

1 management program on our website. And we're  
2 hoping the campaign will go a long way in the  
3 educating our customers about why we're asking for  
4 the rate increase that we're asking for.

5 So that's public outreach we have  
6 planned, and I'll stand for any questions about  
7 that.

8 VICE CHAIRWOMAN JONES: Does the board have  
9 any questions?

10 Councillor Garduno.

11 COUNCILLOR GARDUNO: Thank you, Madam Chair.

12 And I don't know who this would go to,  
13 maybe Mr. Roth, maybe yourself. But how were  
14 these customers, the cadre that you talked to, how  
15 were they generated, how were they invited, what  
16 was the outreach?

17 MR. MORRIS: We reached out to customers via  
18 bill inserts, where we advertised the customer  
19 conversations meetings and invited them to sign up  
20 in advance. So we did that initially through --  
21 they could phone in, and then we also added an  
22 online component to the sign-up process.

23 COUNCILLOR GARDUNO: So there was no number  
24 that you were looking for or no cutoff?

25 MR. MORRIS: Well, we did have a capacity

1 limitation as far as the venue where we were  
2 holding the meetings. So that was 200 -- was it  
3 about it -- oh, it was about 50 per meeting.

4 COUNCILLOR GARDUNO: How many meetings?

5 MR. MORRIS: And we had four meetings.

6 COUNCILLOR GARDUNO: So we had 200 folks?

7 MR. MORRIS: Yes, sir.

8 COUNCILLOR GARDUNO: And was there any  
9 matrix to see what kind of representation they  
10 brought?

11 MR. MORRIS: I think Frank can talk about  
12 that.

13 COUNCILLOR GARDUNO: Okay.

14 MR. ROTH: Madam Chair and Councillor  
15 Garduno, we didn't collect any social demographic  
16 information on them, but we do know when they do  
17 register we have their account information so we  
18 geo code that on a map and so in terms of  
19 distribution around the service area, that we have  
20 equitable distribution from all areas of the  
21 community, and about 20 percent are coming from  
22 disadvantaged communities.

23 COUNCILLOR GARDUNO: So you did follow it to  
24 that extent? You were able to see who was  
25 attending?

1           MR. ROTH:   Yes.

2           COUNCILLOR GARDUNO:   And was there an effort  
3   to make sure that if there was an area that wasn't  
4   represented that you made an effort to go to that  
5   area and say, "We'd like for have you weigh in on  
6   this"?

7           MR. ROTH:   Madam Chair, Councillor Garduno,  
8   we would only know the results after the four  
9   meetings.   From that, I don't see any gaps in  
10   terms of the distribution.   But one thing that we  
11   are going to be doing in the next -- year three of  
12   the customer conversations is going back to having  
13   meetings at different areas of the community  
14   rather than just one central place.

15          COUNCILLOR GARDUNO:   With the same or invite  
16   the folks from the area?

17          MR. ROTH:   Customers can only sign up once  
18   for one of the four meetings, but they can come  
19   back every year.   In fact, we like return  
20   customers for customer conversations because they  
21   become our ambassadors.   I notice in year two that  
22   some of the customers who came in year one were  
23   teaching other customers about what they learned  
24   in the first year.   So we want return customers,  
25   but only to attend one of the meetings per year.

1 COUNCILLOR GARDUNO: Okay. I think other  
2 folks have questions. Go ahead.

3 VICE CHAIRWOMAN JONES: Councillor Sanchez.

4 COUNCILLOR SANCHEZ: Thank you, Madam Vice  
5 Chairman. My question is for Stan.

6 And I am looking at the operating fund,  
7 and I just want some clarification. The projected  
8 budget for 2016 is going to be 213,720,000 the  
9 expenditures will be 204,355,000, and an  
10 accumulation increase from 2004 to 2016, a rate  
11 increase is 21 percent over that time period; is  
12 that correct, and 5 percent last year and  
13 5 percent this year.

14 MR. ALLRED: Madam Chairman and Councillor  
15 Sanchez, that is correct. So we had a rate  
16 increase in 2007. This is since the inception of  
17 the water authority. And it was about 5 percent.  
18 It was 4 percent passed for the franchise fee, and  
19 then we did a 1 percent increase for the water  
20 resource strategy. Then we five per cent rate  
21 increases in Fiscal Years 2012, '14 and then  
22 preapproved for '16 and '18. And then we did one  
23 in between '14 and '16 in FY15 due to 2.5 billion  
24 reduction in consumption that happened in FY 2014.

25 COUNCILLOR SANCHEZ: So there was not an

1 anticipation of an increase this year; is that  
2 correct? Because I know that we had discussed,  
3 this board, for several years that we would try to  
4 predict the rate increases over the next ten  
5 years. But because we've done such a great job in  
6 water conservation, it looks like we're having to  
7 increase the rates and all of the capital work  
8 that's needing to be done.

9 MR. ALLRED: Madam Chairman and Councillor  
10 Sanchez, in FY14, when we did the 5 percent rate  
11 increase that was approved in Fiscal Year 2012,  
12 this board also preapproved rate increases that  
13 are in the rate ordinance for Fiscal Year 2016,  
14 which is this year's budget we're discussing  
15 today, and also for Fiscal Year 2018. So those  
16 would take effect on July 1 of 2015 and July 1 of  
17 2017.

18 COUNCILLOR SANCHEZ: So looking at the chart  
19 from 2017, there would not be an increase to the  
20 ratepayers; is that correct?

21 MR. ALLRED: That is correct.

22 VICE CHAIRWOMAN JONES: Thank you. Are  
23 there any other questions?

24 Thank you, Mr. Allred.

25 COUNCILLOR GARDUNO: I don't have a

1 question, Mr. Allred, but I do want to have -- or  
2 having a questions of -- why this thing is not  
3 working, I don't know. I'm going to have to pay  
4 for the microphone because I think I'm going to  
5 end up biting it.

6 Mr. Allred, I don't know if you're the  
7 one to answer this, but there was a discussion  
8 about wells and productivity and health, if you  
9 will, of those wells. So I think probably it will  
10 be someone else.

11 MR. ALLRED: Mr. Price.

12 VICE CHAIRWOMAN JONES: Are there any other  
13 questions of Mr. Allred before he sits down?

14 Thank you.

15 Mr. Price, thank you.

16 MR. PRICE: Madam Chairman, Councillor.

17 COUNCILLOR GARDUNO: A lot of discussion  
18 about arsenic and the fact that we have a number  
19 of wells, and it sounded like it was quite a  
20 number of wells that are arsenic laden and we  
21 can't use them.

22 MR. PRICE: Correct.

23 COUNCILLOR GARDUNO: And I guess the  
24 question I have and the question I almost hate to  
25 ask is, if EDBs and other contaminants reach the

1 Ridgecrest production wells, which are really the  
2 more pristine water wells that we have, what  
3 happens then, if we can't use the ones that are  
4 now non-commissioned because of the arsenic and  
5 then we have EDB and a terrible presence of other  
6 contaminants in Ridgecrest wells? What does the  
7 future look like?

8 MR. PRICE: Madam Chairman, Councillor  
9 Garduno, first off, my understanding now is that  
10 they don't anticipate the contamination of the  
11 Ridgecrest wells anytime soon or if ever. The  
12 latest information indicates that the plume is  
13 heading in a slightly different direction away  
14 from the wells. But even if we do lose wells, and  
15 we do lose wells every year because some of these  
16 wells are over 50 years, over 60 years old, so we  
17 do lose wells each year.

18 So we do absolutely have to replace  
19 these wells or take some of the existing wells  
20 that have high arsenic and provide treatment for  
21 that. So that's why our -- our plan is to  
22 actually replace wells.

23 We have an ongoing project right now  
24 over in the Corrales trunk, the old New Mexico  
25 Utilities system, where they have a well, it's



1 Corrales Well 2. It's a good production well, but  
2 it has arsenic levels about -- I think it's about  
3 18, so it's about double what the standard is.

4 But they also have a treatment system up at the  
5 Well 3 site, so we're in the process now -- we  
6 have about 60 percent, along with the design, of a  
7 pipeline that will take the water from Well 2 up  
8 to the treatment plant at Well 3. And Well 3 is  
9 out of commission, it's failed. And we'll treat  
10 that water there, and that will bring about 4 -- a  
11 little over 4 MGD production capacity back online.  
12 And that will certainly add to our ability to  
13 serve the customers throughout.

14 But then we have these other things. We  
15 have a study undergoing now to look at our  
16 different well sites and identify where would we  
17 but in replacement wells. We've got a lot of  
18 wells that have failed that are in high production  
19 areas that are fairly low in arsenic levels. So  
20 we've got to think about developing new wells  
21 there. And like I said, it's about \$2 million per  
22 well, and a typical well is about 3 MGD.

23 COUNCILLOR GARDUNO: Madam Chair.

24 Mr. Price, I guess the concern I have is  
25 that we haven't -- in the budget we haven't looked

1 at the possibility that we might -- we talk a lot  
2 about infrastructure but the real infrastructure,  
3 which is production wells, we haven't talked about  
4 that.

5 MR. PRICE: Well, it is actually -- we do  
6 have funding in the decade plan or constructing  
7 for putting in replacement wells.

8 COUNCILLOR GARDUNO: I don't think to the  
9 extent that it would take, \$2 million per well if  
10 we have to repurpose one or if we have to close  
11 one and then dig another, I guess.

12 MR. PRICE: Madam Chairman, Councillor  
13 Garduno, we do have that kind of funding in there  
14 now. We could certainly spend more to bring back  
15 more of our capacity, but we do need to address  
16 it. I guess what I'm saying, we do need the rate  
17 increase to be able to move forward in putting in  
18 replacement wells or some of these other projects  
19 that will bring more groundwater capacity back  
20 online.

21 COUNCILLOR GARDUNO: Well, I think that's  
22 the last thing people want to hear. But I want us  
23 to be honest with ourselves that we are facing a  
24 critical mass, we are going to be looking at  
25 things that are going to come up that we haven't,

1 I don't think, planned for it.

2 MR. PRICE: Madam Chairman, Councillor  
3 Garduno, we are definitely behind in our cop  
4 capital improvement program. Like I mentioned  
5 previously, we have about \$400 million in backlog  
6 projects, and this is throughout the utility in  
7 the different areas, from wastewater water,  
8 pipelines, plants, pumping stations, reservoirs.  
9 We've got a tremendous backlog of assets that have  
10 been let go over the last several decades. So we  
11 definitely do need to get on spending more on a  
12 more annual basis.

13 And this charts just shows the fact that  
14 we should be spending about \$76 million per year.  
15 In the past decade, we've been spending half that.  
16 So we've been -- and got this backlog of assets  
17 that are about ready to fail, and we see these  
18 catastrophic failures of our interceptors  
19 collapse. And we've got interceptors out there  
20 that actually have no -- these are pipelines  
21 underneath our major streets that have no tops to  
22 the pipeline. We actually sent cameras through  
23 there, we look up and we see dirt, and it's only  
24 another 4 feet till you get to the pavement, and  
25 that's a serious situation.

1           VICE CHAIRWOMAN JONES:   If I may.

2           COUNCILLOR GARDUNO:   If I may follow-up.

3           VICE CHAIRWOMAN JONES:   If I may.

4   Councillor Garduno, please, if I may.

5                   Board Members, I know that you have many  
6   questions.   I think it's only fair, and,  
7   Councillor Garduno, I'll let you ask your last  
8   question, and Commissioner O'Malley wants to ask a  
9   question, but let's let the water authority, the  
10   administration, complete their presentations.  
11   We're not finished with the presentations.   Then  
12   we'll open up it up for questions for everyone so  
13   they can continue this.

14                  But, Councillor Garduno, if you would  
15   like to finish this last question, and then  
16   Commissioner O'Malley.

17           COUNCILLOR GARDUNO:   Well, interesting  
18   topic.   I was at a meeting with Kirtland and they  
19   brought in a consultant that they paid a lot of  
20   money to, and the question was asked, the very  
21   question I'm asking, "What happens if these things  
22   happen, wells become nonproductive, become  
23   contaminated?" and the very expensive consultant  
24   said, "Albuquerque will have to look for an  
25   alternative source of water."   There's no such

1 thing.

2 MR. PRICE: Madam Chair, Councillor Garduno,  
3 if they mean another source of water, additional  
4 wells --

5 COUNCILLOR GARDUNO: No, that's what he  
6 meant.

7 MR. PRICE: He means entirely different  
8 supply. Well, I don't think we're in that  
9 situation, I think that's an invalid statement.

10 COUNCILLOR GARDUNO: Well, we need to be  
11 thinking about it.

12 VICE CHAIRWOMAN JONES: Thank you.

13 Commissioner O'Malley.

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

16 Just real quick, you mentioned a backlog  
17 of almost 400 million, et cetera. I know that  
18 you're trying to keep up with all the  
19 infrastructure needs. Is our reclamation plant  
20 running at full capacity right now?

21 MR. PRICE: Madam Chairman, Commissioner  
22 O'Malley -- Commissioner O'Malley, it's -- the  
23 actual capacity of the plant is 76 MGD, and that's  
24 on a maximum month basis. That's basically each  
25 day the average flow, in a given day, right now is

1 about 58 MGD. So it's not at capacity.

2 As far as its ability to treat the  
3 sewage adequately, it's functioning properly.  
4 It's got a lot of equipment and facilities that  
5 are long overdue for renewal. They're very  
6 maintenance prone -- or require a lot of  
7 maintenance to keep them operating properly.  
8 They're not as reliable.

9 We have the spill recently. It  
10 illustrated where some of our electrical systems  
11 just failed, and we ended up not being able to  
12 pump the sewage through the treatment process and  
13 it went on the ground.

14 COMMISSIONER O'MALLEY: So if it were fully  
15 functioning, it would certainly have the capacity  
16 that you talked about. But because we still have  
17 issues in terms of infrastructure and failing  
18 parts, that is an issue. This is part of our rate  
19 increase or this is your argument for basically  
20 saying that the water authority, that we need to  
21 have a rate increase.

22 MR. PRICE: Madam Chairman, Board Member  
23 O'Malley, correct. We have infrastructure need  
24 throughout the system, water, wastewater,  
25 pipelines, plants, pump stations, wells,

1     reservoirs. We've got reservoirs that are out of  
2     service now because they've got leaks and we don't  
3     have money to replace them.

4             COMMISSIONER O'MALLEY: Thank you.

5             VICE CHAIRWOMAN JONES: Thank you.

6             Councillor Sanchez, you had your hand up  
7     before. And then we'll move on with the  
8     presentation.

9             COUNCILLOR SANCHEZ: Thank you.

10            Real quickly, you talked briefly about  
11     the realignment of the lines on Yucca, and I'm  
12     very pleased to see that that work is finally  
13     going to get done. The residents of that  
14     community have probably waited close to 30 years.

15            When you talk about the realignment,  
16     will it still go down through Yucca, or is it  
17     going to be moved to a different location?

18            MR. PRICE: Chairman Jones, Councillor  
19     Sanchez, I'll bring up that graphic that shows the  
20     alignment. It won't -- The main interceptor will  
21     not go down Yucca anymore. Now, that existing  
22     line will still have some amount of flow in it  
23     because there are connections in that area, but it  
24     will be greatly reduced and you have the problem  
25     with the off-gassing, which is the problem that

1 they have now.

2           So it's taking a different alignment  
3 down 58th Street, and it's using a series of these  
4 vortex manholes which allows the sewage to drop in  
5 elevation at key locations that keeps it going at  
6 a basically constant rate and you don't develop  
7 this back pressure that forces the gases out of  
8 the sewer.

9           Right now the way it's set up that you  
10 have a hill there. At the top of the photograph  
11 there, it's higher and it drops down a fairly  
12 steep hill. In doing that, you create pressure  
13 inside the sewer that forces it out of the  
14 manholes and out people's vent lines and  
15 everything else. So it's not only just at a  
16 realignment, but also we adjusting the grades so  
17 you don't have that problem anymore. So it should  
18 correct the problem.

19           We'll continue to be feeding water  
20 control chemicals upstream of stop this. And I  
21 think until we've proven that the new alignment  
22 has completely solved the odor problem, we'll  
23 maintain that odor control station for treating  
24 the off-gas, but that should be able to be  
25 deconditions right after this alignment gets



1 constructed. And right now it's scheduled to be  
2 completed by the end of next year.

3 COUNCILLOR SANCHEZ: Have you had meetings  
4 with the residents to notify those that are on  
5 58th Street that that will be going through their  
6 street.

7 MR. PRICE: I don't believe so at this  
8 point. I think we're definitely going to be  
9 having conversations out there as the project  
10 progresses.

11 COUNCILLOR SANCHEZ: Public trust is so  
12 critical, so if we can have some meetings, I would  
13 truly appreciate that.

14 MR. PRICE: Right. Thank you.

15 VICE CHAIRWOMAN JONES: Thank you, everyone.  
16 And thanks for your indulgence on this.

17 If we would please ask that the  
18 administration pick up the presentation wherever  
19 we left off.

20 And, Board Members, if you could please,  
21 let's hold the questions until the presentation is  
22 completed and then we can go back and ask anybody  
23 the questions that we have. Thank you.

24 MR. ALLRED: Madam Chair, Members of the  
25 Board, we'll now go to the rate structure and the

1 rate ordinance. I'm going just going to real  
2 briefly talk about some of the changes. And then  
3 we'll bring up Carol Malesky with Hawksley  
4 Consulting and she'll discuss how we came up with  
5 the rates and kind of go into a little bit more  
6 detail about what I'm talking about.

7           And then we'll have a real quick  
8 presentation right at the end, a couple slides  
9 with Amy Ewing, with -- is president of the TCAC  
10 to discuss what we did with the TCAC and their  
11 recommendations.

12           So changes in rate structure, we're  
13 going to make a change to the 150 percent low use  
14 block. We ran that by the TCAC, as well, and that  
15 is going to be one of the recommendations. And  
16 Carol will go into some detail about what we're  
17 going to do there.

18           We also have an electric fuel cost  
19 adjustment that's in this. PNM charges us a fuel  
20 rider on our bills, and of that fuel rider, as of  
21 today, it costs us about \$2 million a year to pay  
22 for the fuel rider. And that fuel rider is  
23 adjusted every quarter. Currently, in the  
24 existing rate structure, we give approximately,  
25 estimated, about \$700,000 a year for -- to pay for

1 those fuel adjustments. Those adjustments change  
2 every quarter. So, for instance, in January, it  
3 was \$1.16 per kilowatt hour. On April 1st, it  
4 went to about \$1.33, and it's anticipated it's  
5 going to go about \$1.51 on July 1st. So that has  
6 no impact on us as us trying to run power on off  
7 peak, on off-peak hours. We get charged that rate  
8 off of every kilowatt that we use.

9 In the ordinance, it does allow us to  
10 pass through and collect that differential on the  
11 rates. And Carol will go into a little more  
12 detail about how we came up with the charge and  
13 what the charge would be. We did make changes to  
14 the investment policy. Those changes were  
15 recommended by our investment advisor. They're  
16 based upon recommendations -- or requirements from  
17 the state treasurer's office.

18 We made4 changes to the debt policy to  
19 kind of go back in align with the bond ordinance  
20 that we just did in April with the last bond  
21 issuance. And we also have a change on the post  
22 issuance policy, and that's to kind of make sure  
23 we conform with -- on changes required by the  
24 Securities Exchange Commission as far as reporting  
25 on the moneys that we received on bond proceeds.

1           And as I discussed before, we'll have  
2     some relations from the TCAC. And then I will go  
3     ahead and I'll turn that over to Ms. Malesky to  
4     talk about the rate structure.

5           VICE CHAIRWOMAN JONES: Thank you.

6           Good evening, Ms. Malesky.

7           MS. MALESKY: Good evening, Madam Chair and  
8     Members of the Board. I'm glad to be back before  
9     you again talking about rates. I know rates are  
10    difficult, but it's one of your important  
11    responsibilities to adopt rates that help you  
12    continue providing the levels of service your  
13    customers -- and also as we've heard tonight, make  
14    sure that your infrastructure is still in good  
15    condition to continue serving your customers.

16           I'd like to go over -- this is a little  
17    preview of what we're going to discuss in the next  
18    few slides. We've looked at a number of rate  
19    structures, but before we even get there, I'd like  
20    to talk about why we had to review different  
21    structures and the process that we followed.

22           VICE CHAIRWOMAN JONES: Excuse me. If I may  
23    interrupt for just a moment, would you tell yours  
24    qualifications and who you are, for the people at  
25    home who haven't seen you. Thank you.

1 MS. MALESKY: Madam Chair and Members of the  
2 Board, my name is Carol Malesky. I work for  
3 Hawksley Consulting. We're a division of MWH.  
4 I'm a utility economist, and I've had over 18  
5 years of experience working with water and  
6 wastewater and storm water utilities on financial  
7 items like rates and other financial planning  
8 studies.

9 VICE CHAIRWOMAN JONES: Thank you. Please  
10 continue.

11 MS. MALESKY: As we heard earlier, to close  
12 this infrastructure needs gap, it is important to  
13 raise rates. And this is a graph that  
14 demonstrates how we can actually get a jump on  
15 fixing the infrastructure with rate increases and  
16 revenues generated from rate increases. This  
17 particular graph demonstrates more frequent rate  
18 increases. And you'll hear about that  
19 recommendation a little bit later.

20 For the next topic, though, for looking  
21 at Fiscal Year 2016 and the rate structure update  
22 that we've been completing over the last few  
23 months, we follow an industry standard process.  
24 The American Water Works Association and the Water  
25 Environment Federation specifies some guidelines

1 as to how you conduct a rate study.

2 We started with allocating revenue  
3 requirements, which are the annual needs of the  
4 authority for water and wastewater service. We  
5 then analyzed customer usage. And, again, that's  
6 very important, particularly concerning water  
7 conservation and the patterns of customers in the  
8 Albuquerque area recently.

9 We then calculate rates based on the  
10 annual requirements and the annual projection of  
11 water use. We evaluate different rate structures  
12 that will recover the revenue requirements each  
13 year, and then we compare the results against  
14 each -- your current rate structure and the  
15 results of these proposed rate structures.

16 I think this slide is little out of  
17 place, but I'm going to talk to it anyway. We  
18 have the rate revenue increase that is adopted,  
19 that you've preapproved in the rate ordinance.  
20 It's expected to generate an additional  
21 \$10 million in funding. That \$10 million is going  
22 to go for specific purposes. It's for \$3 million  
23 to infrastructure renewal, so that you've seen the  
24 asset management plan and the graphs to keep up  
25 with the repair and replacement of your assets.

1 And then \$7 million will increase the cash  
2 reserves that were reduced when, in Fiscal  
3 Year 2014, water consumption dropped and revenues  
4 dropped. So that's the purpose of those rate  
5 revenue increases.

6 The basic rate-making process can be  
7 boiled down to three steps. First step is looking  
8 at a financial plan. And we take Mr. Allred's  
9 financial plan that starts historically. It looks  
10 at historical patterns, budgets for Fiscal  
11 Year 2016, and then actually projects out in to  
12 the future. So we look at Fiscal Year 2016, we  
13 look at the projections of needs, so operations  
14 and maintenance expenses, capital improvements,  
15 reserves, and then we look at the funding sources.  
16 Primarily, funding comes from rates for your  
17 capital needs and your ONM needs.

18 The second step is to go through that  
19 cost allocation process in the cost of service  
20 study, and that's where we assign cost  
21 responsibility; so which customer classes have the  
22 biggest impact of use on our system and which  
23 should pay more than the other classes. This  
24 promotes equity, or some people call it fairness,  
25 in rates that are charged to different customers.

1           And then finally, we have that rate  
2 design process, or the rate structure evaluation  
3 process. Over the last few months, we've been  
4 working with the TCAC members and staff members to  
5 develop a number of rate structures. We looked at  
6 multiple rate structures and condensed it down to  
7 find the rate structures to propose to you that  
8 are most appropriate for the utility.

9           Whenever we're talking about rate  
10 structures, it's important to look at what does  
11 rate structure mean. It's actually the rate  
12 components or the charge components that you  
13 assess to your customers, customers see this on  
14 their bills, that generate the revenues you need  
15 to operate your system. And essentially, you have  
16 two pieces, two components to your rate structure,  
17 fixed monthly charges and commodity rates.

18           There's only so much that you can do  
19 with rates. You can vary your fixed monthly  
20 charges, you can vary your commodity rates. So  
21 those the two components that we varied when we  
22 worked through the rate structure process.

23           For Fiscal Year 2016, we talked about  
24 the customer conversations outputs, as Mr. Roth  
25 was talking about, all the different



1 recommendations for ways to change rates, and we  
2 incorporated that into those different rate  
3 structure alternatives. So here we're showing  
4 four different ways we can change the rates. The  
5 first way would be to just increase the base  
6 charges, or the fixed monthly charges, and leave  
7 the commodity charges alone. With this type of  
8 rate structure, increasing your base charges is  
9 really great for revenue stability, because it  
10 doesn't matter how much customers use, water-wise  
11 or wastewater-wise, you will get that guaranteed  
12 revenue per account per month. So it's very  
13 revenue stable. However, it doesn't give a good  
14 price incentive for water conservation. We still  
15 consider water conservation very important. So  
16 this type of approach doesn't address all of your  
17 requirements.

18           The second approach is to just increase  
19 the commodity rate. It's the exact of that first  
20 one. If we put all of the rate increase on the  
21 commodity rates, yes, we give a good price signal  
22 that water conservation is important, but it is  
23 very risky and not very stable revenue-wise, as we  
24 saw in Fiscal Year 2014 when even -- you know,  
25 you'd had a lot of rain lately and customers will

1 use less water, then you're not recovering each  
2 revenue each month to pay for your basic expenses  
3 and to also pay back your debt service for all the  
4 improvements that had been made to date. So it's  
5 very important to balance water conservation with  
6 revenue stability. And that's what we have in  
7 these last two types of operations.

8           The cost of service, that's what COS  
9 stands for, cost of service increases or  
10 adjustments is actually adjusting the charges to  
11 your different customer classes a little bit more  
12 granularly, if that's a word, so we look at  
13 different meter sizes or service sizes, and we  
14 adjust the rates more finely.

15           But we didn't feel that that was a good  
16 approach either. We looked at the last approach,  
17 a combination to achieve both revenue stability  
18 and water conservation. And as more revenues are  
19 collected from your base charges, your fixed  
20 charges, you increase your revenue stability, but  
21 as you increase your commodity rates, you're still  
22 encouraging customers to be responsible users of  
23 water.

24           So that's the approach that we followed  
25 when we were looking to develop rate alternatives.

1           As I mentioned, this was a long process.  
2   And we started out with more than ten rate  
3   structure alternatives that were variations on  
4   those approaches that I just mentioned. We  
5   narrowed those down to basically six scenarios.  
6   And then we narrowed them down even more to three  
7   scenarios, and those are the ones I'd like to talk  
8   to you about.

9           We labeled these very creatively.  
10   Scenario A, D and E are the ones I'd like to talk  
11   to you about. Scenario A is similar to that rate  
12   increase only on your base charges, so we only --  
13   we adjusted the base charge. Then we realized  
14   that that's not going to meet your goals, so we  
15   decided to increase the commodity rate on the  
16   water side. So this scenario has a combination of  
17   water and wastewater fixed monthly charges and  
18   then just a water commodity rate increase.

19           Scenario D was just that commodity rate  
20   increase, so we adjusted the water and wastewater  
21   commodity rates to meet your revenue requirements.

22           And then finally Scenario E was another  
23   combination where we changed base charges both on  
24   the water and sewer side, and we changed commodity  
25   rates on the water and sewer side.

1           As you might get an idea about this  
2 process, it's an iterative process. And we rent  
3 through these iterations and actually calculated  
4 rates to make sure the impact on your average  
5 residential customer was minimum, minimal impact.

6           On all of these scenarios, Mr. Allred  
7 mentioned that one change we're proposing is to  
8 your low use discount. Currently, your low use  
9 discount is applied to customers, residential  
10 customers, who use less than 150 percent of the  
11 average winter consumption of the entire class.  
12 So all your residential Size 1 customers, we  
13 average out their average winter consumption. It  
14 works out to be six units. A customer -- if a  
15 customer uses 150 percent of that, they only pay  
16 50 percent of the base commodity rate. So they  
17 pay half of the commodity rate for all of that  
18 usage in the summer. So it encourages customers  
19 to use less water in the summer. But as we were  
20 thinking about it, we realized that it actually  
21 could result in lower bills in the summer than in  
22 the winter. Because in the winter, the same  
23 customer who's using six units of water will be  
24 paying the 100 percent of the commodity rate for  
25 all six units of winter water use.

1           Fast forward to the summer and for those  
2 same six units, they're only paying 50 percent of  
3 commodity rate. We wanted to balance that out.  
4 We wanted to eliminate that subsidy of those  
5 customers in the summer who were getting charged  
6 less in the summer than in the winter. That was  
7 not the -- we believe that was not the intent of a  
8 low use discount. We want to encourage customers  
9 to use less water in the summer.

10           So what we're proposing is that for  
11 customers in the summer who use 150 percent or  
12 less of the class average winter consumption, that  
13 they still pay the full price for those first six  
14 units for whatever their average winter  
15 consumption is, same as what that would pay in the  
16 winter, but for anything over that, they would get  
17 the discount, the 50 percent discount.

18           It's a little bit difficult to explain  
19 that concept. Here's an example at the bottom of  
20 this slide, that a customer with an average winter  
21 consumption of four units, who uses eight units in  
22 the summer, pays 100 percent of the commodity rate  
23 for the first four units of use, and then gets a  
24 50 percent discount for the second four units of  
25 use. Down at the bottom. These customers still

1 receive an incentive to conserve, but it balances  
2 out their average winter consumption.

3 I'm going to move to the electric fuel  
4 adjustment. Mr. Allred explained the cost  
5 increases from PNM and the variable fuel cost. To  
6 recover these costs that are. We anticipate, a  
7 certain amount, but we're not always going to know  
8 what those cost changes will be in order to budget  
9 it for the full year, so this is going to be a  
10 variable -- we propose it to be a variable  
11 addition to a customer's bill that for every unit  
12 of water use, this fuel rider, this electrical  
13 fuel cost adjustment, will be applied to those  
14 units of use and applied on the bill to recover  
15 these variable costs for fuel.

16 We've done a little calculation here on  
17 this slide at the bottom. The fuel rider is the  
18 charge per kilowatt hour that PNM is assessing  
19 each quarter. We will subtract out 50 cents from  
20 that fuel rider, because, as Mr. Allred mentioned,  
21 already about \$700,000 of that fuel cost is  
22 already included in the current rates. That works  
23 out to be about 50 cents. So we subtract out the  
24 50 cents, and whatever is remaining, we multiply  
25 it by the average annual kilowatt hour use for the

1 water utility authority. Recently, that was about  
2 1.5 million kilowatt hours.

3 We take that cost, so comes up with a  
4 cost. In order to get how much to charge  
5 customers, we divide it by the total water  
6 consumption for the utility. And in Fiscal Year  
7 2014, the consumption year that we're using for  
8 the rates, that was about 32.7 million units of  
9 water. So it's a lot of units of water. That  
10 calculation, given the latest cost that we've been  
11 anticipating, 1.5 million of variable cost, turns  
12 out to be roughly 5 cents per unit that would be  
13 added to a customer's bill.

14 What does all of -- what do all of these  
15 changes do to a typical customer's bill, and how  
16 do we know that it would be even affordable. The  
17 USEPA publishes affordability guidelines. For  
18 wastewater service, the threshold of affordability  
19 is calculated by taking an annual bill, so an  
20 annual wastewater bill, and dividing it by the  
21 median household income. EPA uses median  
22 household income as a measure for the entire  
23 service area. So we're looking at the median  
24 household income for the City of Albuquerque to be  
25 \$48,357. So for that median household income, and

1 the bill that we're proposing, compared to the  
2 existing bill, we're looking at a percentage  
3 between 1.1 percent and 1.2 percent of median  
4 household income. So it is well below the  
5 2 percent threshold. Now, I have to mention that  
6 that 2 percent is just for wastewater. We need to  
7 add in a two and a half percent threshold that EPA  
8 assigns for water use. So the total threshold,  
9 where a bill is considered affordable and not  
10 affordable, is four and a half percent.

11 We thought it would be useful to compare  
12 the water and wastewater bills against what other  
13 customers are paying monthly. This is often  
14 called a wallet analysis. I don't know if you've  
15 ever heard of that term. Before this wallet  
16 analysis, we looked at the Comcast cable bill,  
17 AT&T cell phone bill, a PNM electric bill and the  
18 gas bill, plus the water and sewer bill. So those  
19 monthly recurring bills that a typical customer  
20 would pay. And you can see the comparison. These  
21 are the rate -- we pulled these rates from about  
22 two weeks ago. So they're fairly current for  
23 typical usage. Now, a lot of customers have  
24 various services, so these are just average.

25 The next series of graphs some of you



1 may have seen before. They are comparisons of  
2 total water and sewer bills from both close to  
3 Albuquerque and a little more regionally. We  
4 consider an average user in Albuquerque to use in  
5 the summer ten units or ten ccf hundred cubic  
6 feet. So that ten units of use, with an average  
7 winter consumption that I mentioned before of six  
8 units, is an average customer. And that average  
9 customer, whether you live in -- if you lived in  
10 Rio Rancho, your bill would be over \$100 a month  
11 for water and wastewater. Santa Fe, in the summer  
12 if you had that use, would be a little less, and  
13 then Albuquerque, it would be the bottom. And  
14 this -- sorry, I should mention that this is for a  
15 proposed scenario for rates that personally as the  
16 consultant that I prefer, which is Scenario E, and  
17 in discussions with staff and TCAC, you'll see  
18 that that -- we feel that Scenario E, for the rate  
19 structure, that's a combination of increases to  
20 the base charge and commodity charges, promotes  
21 both revenue stability and water conservation.  
22 And it also ensures that on the sewer side, you're  
23 able to collect enough revenue to keep making more  
24 improvements to the system.

25           So the current total bill for an average

1 user is \$48. This bar for Albuquerque is -- for  
2 the utility is \$54, so this is the proposed, so  
3 it's an increase of \$6 a month that we're  
4 proposing in the summer rounded.

5 We have the same graph for a high user.  
6 So a typical higher user in your system is about  
7 20 units in the summer. And they also have a high  
8 corresponding average winter consumption of eight.  
9 If they were in Santa Fe and Rio Rancho, you see  
10 that they would have higher bills. And, again,  
11 for Scenario E, this total bill is \$81, which is  
12 \$10 higher than the current bill of \$71 for this  
13 larger user.

14 We put the same type of users against  
15 Austin, Colorado Springs, Aurora, Colorado,  
16 Tucson, San Antonio and El Paso. We tried to get  
17 a good handful of different utilities. And each  
18 utility -- we have to keep in mind that each  
19 utility has a different rate structure, so they  
20 may collect revenue a little differently. But  
21 you'll see, even with this proposed increase on  
22 the average user, the authority's bill would be  
23 near the lower end. We have the same graph for  
24 the high user. And here, the higher user would  
25 have it a little bit better position compared to

1 the other cities.

2 I have one final slide, and this, I  
3 believe, is important to discuss. And this is a  
4 direct result of the proposed changing of that low  
5 use discount. The low use user would still get  
6 the 50 percent on the amount of water used above  
7 their average winter consumption, up to 150  
8 percent of the class average. But their bills in  
9 the winter would still increase by about \$4. And  
10 that is a direct result of making that change to  
11 equity and also to be able to fund the operations  
12 during the winter.

13 So this is a graph that compares  
14 different water bills for different types of  
15 customers. We have -- at the lower end, we have  
16 the two residential customers we've been  
17 mentioning, the low user and the -- or the average  
18 user, and then the higher use. And then we're  
19 also show so you some commercial customers  
20 industrial customers, institutional and  
21 multi-family. So we did look at the impacts of  
22 bills on all of your customers, not just  
23 residential.

24 That concludes my section of the  
25 presentation.

1           VICE CHAIRWOMAN JONES:   Thank you.

2                   Mr. Sanchez, is there more presentation  
3 to go?   Okay.   Thank you.

4           MS. EWING:   Thank you.   My name is Amy Ewing  
5 and I'm the chair of the TCAC.   Our committee  
6 members attended the customer conversations that  
7 Frank and David spoke about.   And public comment  
8 was solicited at those customer conversations on  
9 the potential rate increases.   It was very clear  
10 from those customer conversations that people  
11 really wanted to see a combination of both a base  
12 rate and a commodity rate increase.

13                   At four of our meetings, we evaluated  
14 the current rates and looked at revenue  
15 projections and the future options.   So this a  
16 photograph from one of our meetings.

17                   As Carol mentioned, ten options were  
18 created.   Actually, she had looked at even more,  
19 but ten were shown to us.   He we discussed those  
20 and evaluated them in detail.   And then we refined  
21 the number of options based on the evaluation.   We  
22 were looking at the bill impact to specific  
23 customers, revenue recovery, and the impact of  
24 conservation.   We also evaluated the 150 percent  
25 low water use discount and also the fuel rider

1 pass-through.

2 Our committee recommends the rate  
3 structure Scenario E. We feel that this scenario  
4 will provide more revenue stability, which will  
5 allow the water authority to make progress on the  
6 asset management plan. We also like this rate  
7 scenario because it continues to promote  
8 conservation and we feel that that's really  
9 important.

10 Our committee supports the redefined  
11 150 percent low water use discount. We encourage  
12 annual rate adjustments, so actually, we are  
13 recommending that you split the 5 percent Fiscal  
14 Year '18 rate increase and actually apply that  
15 half in Fiscal Year '17 and half in Fiscal Year  
16 '18. And we also are supporting the fuel rider  
17 pass-through.

18 And that's all that I have.

19 VICE CHAIRWOMAN JONES: Thank you. And  
20 concludes the presentations.

21 So, Board Members, are there any  
22 questions?

23 Yes, Commissioner O'Malley.

24 COMMISSIONER O'MALLEY: Thank you, Madam  
25 Chair. Now I don't know who to address this

1 question to. It's on the water rates. I guess  
2 that would be our consultant.

3 How many classes of residential  
4 customers are there?

5 MS. MALESKY: Madam Chair and Commissioner  
6 O'Malley, there are, I believe, there eight.

7 COMMISSIONER O'MALLEY: So they're  
8 classified by water use?

9 MS. MALESKY: By meter size.

10 COMMISSIONER O'MALLEY: By meter size.  
11 Okay. Because you had mentioned you have low  
12 residential users, and I assume that you were  
13 doing classifications like that, but no, it's  
14 meter size. So, for example, why don't you  
15 explain a little bit about meter size and who has  
16 what size meters.

17 MS. MALESKY: Certainly. Each meter size  
18 has a wide profile of usage. The customers that  
19 we were focusing on have the smallest meter side  
20 of five-eighths inch water meter.

21 COMMISSIONER O'MALLEY: Are those R-1? Are  
22 those single-family housing, or what is that?

23 MS. MALESKY: It varies. You have that  
24 meter size for all of your classes, single-family  
25 multi-family, commercial. So every customer who

1 has a five-eighths inch meter pays a specific  
2 fixed monthly charge. And then according to their  
3 usage profile, they pay the commodity rates.

4 COMMISSIONER O'MALLEY: So beyond that  
5 five-eighths, what other size meters are we  
6 talking about?

7 MS. MALESKY: We're talking -- I'm probably  
8 going to skip some. Five-eighths inch, one inch,  
9 two inch, four inch.

10 COMMISSIONER O'MALLEY: So is this about  
11 flow?

12 MS. MALESKY: It relates to capacity of  
13 flow. So the ability -- I'm going to call on my  
14 lifeline, Mr. Warren.

15 MR. WARREN: Hi. My name is H. Warren. I'm  
16 the customer service division manager. And what  
17 we have is we have a five-eighths -- most  
18 residential houses, the largest residential  
19 service size we really have is an inch and a half.  
20 We have about 160,000 residential customers. Of  
21 those 160,000 customers, about 140,000 actually  
22 have that five-eighths to three-quarter inch size.

23 And whenever we're calculating the rate  
24 calculations, that the equivalent unit we place on  
25 every meter size all the way to eight inch. So

1     that way, we can get that equity in those rates.

2     So we have about 150,000 people with a

3     three-quarter inch meter in the service area.

4             COMMISSIONER O'MALLEY:   Okay.   And I just am  
5     curious.   That relates to the capacity or the flow  
6     to that -- to the residential unit, that's why you  
7     would have a bigger pipe?

8             MR. WARREN:   Yeah, the bigger meter, the  
9     more flow you can actually get.   So a  
10    three-quarter inch -- that is the inside diameter  
11    of the pipe size.   A standard three-quarter inch  
12    meter in our service area can get about 15 gallons  
13    a minute for the house.   Apartment complexes, they  
14    actually do a fixed engineer estimate fixture  
15    count, so that way we know what size of meter we  
16    need.

17            COMMISSIONER O'MALLEY:   Okay.   You know, I  
18    didn't get a chance to really look at the rate  
19    structure for -- because I am concerned about the  
20    issue of conservation, and it has to make a  
21    difference.   It can't be a very small amount to  
22    encourage people to conserve.   I didn't really --  
23    I couldn't read the slide there, so -- of course  
24    we won't be making a decision about the rates, but  
25    I will be looking into that.



1                   Okay. I don't have any questions.

2                   Thank you. I don't have any more questions.

3                   VICE CHAIRWOMAN JONES: Thank you.

4                   Mr. Perry.

5                   MR. PERRY: I have a question for

6                   Ms. Malesky.

7                   And I'm trying to figure out a little  
8                   bit about what this 5 percent is, and I guess my  
9                   problem is, we program and preapproved incremental  
10                  5 percent increases. And I see the need to do it,  
11                  I understand the infrastructure needs of the  
12                  authority and replacement and improvements and the  
13                  like, but when you look at 5 percent of a \$48 bill  
14                  per month, that's the average bill, it that right?  
15                  And then I suppose it will go to 56.

16                  MS. MALESKY: 54.

17                  MR. PERRY: 54. That's actually like a  
18                  12 percent increase, 48 to 54. And so I look at  
19                  the terminology that's used and I see the rate  
20                  increase at 5 percent, but then I see terminology  
21                  about a rate revenue increase. Is that where  
22                  we're kind of doing the fuzzy math bit, or what?

23                  MS. MALESKY: Madam Chair, Members of the  
24                  Board, it is not fuzzy math. The rate revenue is  
25                  really what we're focused on, so in the ordinance,

1   it's a 5 percent rate revenue increase.  When we  
2   run the cost of service analysis, it doesn't  
3   always necessarily mean it's a 5 percent increase  
4   on a bill.  Particularly, when we're adjusting  
5   water and sewer rates differently, we could apply  
6   a 5 percent across the board increase and bills  
7   would go up by 5 percent, but that is not the most  
8   equitable approach.

9           MR. PERRY:  Right.  And I don't have a  
10   problem with it.  I'm just kind of one of those  
11   truth in advertising guys.  And I think quite  
12   honestly that when we look at this, we have to  
13   consider the impact on the ratepayers and the  
14   customers in the community.  And I don't think  
15   anybody likes raising rates, but we all recognize  
16   the need for infrastructure improvements.  But at  
17   the same time, we have to balance that with our  
18   community's ability to pay those rates.  And you  
19   provided graphics for other communities.  You  
20   know, I think it is a reasonable water and sewer  
21   bill that we get in Albuquerque.

22           But when I hear 5 percent and then I  
23   really look at it going from 48 to 54, and then 54  
24   to 61, and then 61 to 67, this isn't 5 percent  
25   increments.  This is going to be closer to

1     probably 12 to 13 percent each time we put our  
2     5 percent increase in place. And over the  
3     aggregate of all these increases through 2020,  
4     that's a significant increase. That's going to be  
5     on the order of, according to my math, about  
6     40 percent. Would you agree with that?

7             MS. MALESKY: I would agree with you. And I  
8     would say that not every customer will see a  
9     12 percent increase in their bill. So that's one  
10    of the things that we can't say, that that's it.  
11    But it is true that the revenue increase is what  
12    we're focused on. And we tried to minimize the  
13    actual increase on the bill.

14            MR. PERRY: Thank you.

15            VICE CHAIRWOMAN JONES: Thank you.

16                    Any other questions?

17                    Councillor Garduno.

18            COUNCILLOR GARDUNO: Thank you, Madam Chair.

19                    It makes me mad that I'm this close to  
20    microphone and nobody can hear me, and Mr. Perry  
21    is a mile away from the microphone and everybody  
22    can hear him.

23            MR. PERRY: Mine's not even on.

24            COUNCILLOR GARDUNO: Is that better. I'll  
25    continue using it.

1           Following that train of thought about  
2 saying we going to -- it's only going to be  
3 5 percent, but it turns out to be 12 percent, and  
4 I have a feeling that the averaging is going to  
5 affect a lot of folks. I know that some folks  
6 will be obviously affected more than others. But  
7 there are some folks who are going to be affected  
8 tremendously because they can't afford even  
9 5 percent, if that was the number we were using.  
10 But if it turns out to be seven or nine, that is  
11 starting to really affect -- I realize that the  
12 authority is realizing only 5 percent over the  
13 spectrum. But when I'm at home and I open up that  
14 bill, I'm not thinking about the water authority,  
15 I'm thinking about myself.

16           And I don't know what we need to do, but  
17 I think we need to either be real on this and say  
18 this may be 12 percent or 9 percent so that we  
19 don't have a deluge of people, especially some of  
20 these folks who are going to be here next year.  
21 And they're going to have to answer that question.  
22 So I don't know what we need to do. Do you have  
23 any thoughts?

24           MS. MALESKY: Madam Chair, Councillor  
25 Garduno, I understand what you're saying, and I

1 agree that the message needs to be clear that just  
2 because we are adopting a 5 percent increase in  
3 rate revenue, that doesn't necessarily mean your  
4 bill will be limited to 5 percent.

5 COUNCILLOR GARDUNO: Right. And either we  
6 need to say it that way, or be honest and say, you  
7 know -- stop using these euphemisms that mislead  
8 people, I think. I don't have an answer except to  
9 be honest and say, you know, we will be going for  
10 X amount of revenue over the next period of time  
11 and this may interpolate to 8 or 9 or 10 percent.  
12 I don't know how you message that, but I think  
13 that's a better message than saying 5 percent and  
14 finding out that it's a lot more than that.

15 VICE CHAIRWOMAN JONES: Thank you,  
16 Councillor.

17 And I believe that that concludes the  
18 presentations on these. Of course, this is a  
19 first reading and this will be addressed again at  
20 the next water authority meeting. So thank you,  
21 all. We appreciate your presentations.

22 Let's move on to the 2016-2025 decade  
23 plan for capital improvements. Do you have a  
24 presentation on that, Mr. Sanchez.

25 MR. SANCHEZ: Madam Chair, I think we've

1 covered that.

2 VICE CHAIRWOMAN JONES: You've covered it  
3 all. All right, then. Then all of these will be  
4 heard at the next council meeting.

5 We also then have Item E, R-15-13,  
6 authorizing an agreement with RCS-Trails Tract 8.  
7 This has been asked to be moved for immediate  
8 action. I would make that motion to move to  
9 approvals for immediate action, and we'll hear  
10 this when it comes before us.

11 MR. PERRY: Second.

12 VICE CHAIRWOMAN JONES: All those in favor  
13 say yes.

14 THREE MEMBERS: Yes.

15 VICE CHAIRWOMAN JONES: Opposed?

16 TWO MEMBERS: No.

17 VICE CHAIRWOMAN JONES: Motion carries on a  
18 three to two, so this will be heard under  
19 approvals.

20 (3-2 vote. Motion approved,  
21 with Councillor Garduno and  
22 Commissioner O'Malley voting no.)

23 VICE CHAIRWOMAN JONES: Moving on to the  
24 consent agenda. Do I hear any questions on the  
25 consent agenda? I move --

1 COUNCILLOR GARDUNO: Madam Chair.

2 VICE CHAIRWOMAN JONES: Councillor Garduno.

3 COUNCILLOR GARDUNO: Could we pull C-15-10  
4 for discussion.

5 VICE CHAIRWOMAN JONES: Yes, sir. It's been  
6 asked that we move C-15-10 for discussion. I move  
7 approval of the consent agenda, which is C-15-11.  
8 All those in favor say yes.

9 ALL MEMBERS: Yes.

10 VICE CHAIRWOMAN JONES: Opposed.

11 Motion carries.

12 (5-0 vote. Agenda Item 8 approved.)

13 Councillor Garduno would you like to discuss  
14 C-15-10?

15 COUNCILLOR GARDUNO: I wanted to make sure  
16 that at least I understand the agreement with  
17 THR --

18 UNIDENTIFIED AUDIENCE MEMBER: The audience  
19 can't hear you.

20 UNIDENTIFIED AUDIENCE MEMBER: The speakers  
21 are down.

22 COUNCILLOR GARDUNO: You know, we've been  
23 having trouble with these, and we just paid a lot  
24 of money for these microphones. And why, I don't  
25 know. And I don't know if you hear us out there,

1 but turn it up.

2 I just want to make sure that we all  
3 understand that THR Properties at Eagle Ranch  
4 Road. And maybe staff can tell us more about what  
5 that means exactly and whether that that is  
6 bringing service from outside the area or whether  
7 it's allowing people to essentially connect to  
8 existing service.

9 MR. CADENA: Madam Chair, Members of the  
10 Board, the property is located on the west side,  
11 outside of the adopted service area. But it's in  
12 land contiguous to already existing development.  
13 So existing water and sanitary sewer  
14 infrastructure exists a long the area. It's just  
15 merely simply connections for water and sewer  
16 service.

17 COUNCILLOR GARDUNO: If I may, Madam Chair.

18 VICE CHAIRWOMAN JONES: Yes, Councillor  
19 Garduno.

20 COUNCILLOR GARDUNO: Why were these folks  
21 leapfrogged, or whatever? How were they able to  
22 not be forced, if you will, to be in sewer  
23 connections and water connections until now.

24 MR. CADENA: Madam Chair, Councillor  
25 Garduno, I wouldn't say the property was



1 necessarily leapfrogged. There is adjacent  
2 development that is contiguous to the already  
3 existing undeveloped land, and infrastructure  
4 exists along the corridor. This land is just  
5 undeveloped in this particular property, which is  
6 a smaller piece of the already existing developed  
7 land surrounding it.

8 COUNCILLOR GARDUNO: So UPCs [sic] are what  
9 are being put in, the meter?

10 MR. CADENA: Correct. They're just simply  
11 asking for a water service and a sewer service.  
12 And they would pay the applicable UECs and water  
13 service charges.

14 COUNCILLOR GARDUNO: Okay. Thank you.

15 Thank you, Madam Chair.

16 VICE CHAIRWOMAN JONES: Thank you,  
17 Councillor Garduno.

18 I would move approval then on the  
19 consent agenda of C-15-10.

20 COUNCILLOR SANCHEZ: Second. All those in  
21 favor say yes.

22 ALL MEMBERS: Yes.

23 VICE CHAIRWOMAN JONES: All opposed, say no.

24 Motion carries.

25 (5-0 vote. Agenda Item 8A approved.)

1           VICE CHAIRWOMAN JONES: We are now moving to  
2       approvals, R-15-7. Councillor Garduno and Rick  
3       Shean will give us a presentation.

4           COUNCILLOR GARDUNO: Thank you, Madam Chair.  
5       I'll take it to Mr. Shean, but I wanted to just  
6       make sure that -- we've heard from a lot of the  
7       audience today and members. I don't know if they  
8       were able to sign up for the legislation or not.  
9       Were they given an opportunity to do that?

10          UNIDENTIFIED AUDIENCE MEMBER: We can't hear  
11       you.

12          COUNCILLOR GARDUNO: Were you folks given an  
13       opportunity to sign up for this item? You do have  
14       that opportunity, so I'm not sure why.

15          VICE CHAIRWOMAN JONES: Councillor Garduno,  
16       I don't believe so per the water authority rules.  
17       I think that there's the -- Mr. Sanchez, would you  
18       explain it for us.

19          MR. SANCHEZ: Madam Chair, Councillor  
20       Garduno, I believe they spoke to this item under  
21       public comment. Our public comment rules are  
22       general public comment --

23          UNIDENTIFIED AUDIENCE MEMBER: We can't hear  
24       you.

25          MR. SANCHEZ: -- and public comment for

1 financial policy matters.

2 VICE CHAIRWOMAN JONES: I think what  
3 Mr. Sanchez is saying, you did have an opportunity  
4 to speak on this in public comment and you did  
5 speak on this in public comment.

6 Would you raise your hands, those of you  
7 who have spoken, that you spoke in public comment  
8 on this subject. Those of you who spoke on this  
9 in public comment, please raise your hands. Thank  
10 you.

11 COUNCILLOR GARDUNO: Madam Chair.

12 VICE CHAIRWOMAN JONES: Councillor Garduno.

13 COUNCILLOR GARDUNO: May I ask the -- my  
14 question?

15 Those who wanted to speak to this item  
16 but didn't have an opportunity, thinking that they  
17 might be able to ask it at this time, would you  
18 raise your hand.

19 So something is wrong. And we need to  
20 advertise these arcane rules a little bit better.  
21 Most people are used to being able to speak to an  
22 issue and legislation at the time that it's  
23 presented, not at some time that we conveniently  
24 carve out. And I'd like to have someone research  
25 that. I think we have -- actually, the staff

1 lawyer is not here tonight, but...

2 MR. PERRY: Madam Chairwoman, I move  
3 deferral of the bill.

4 VICE CHAIRWOMAN JONES: I'll second that.  
5 That will give everyone the opportunity to speak  
6 of this at the next meeting. There's a motion and  
7 a second for deferral. All those in favor say  
8 yes.

9 TWO MEMBERS: Yes.

10 VICE CHAIRWOMAN JONES: Opposed?

11 THREE MEMBERS: No.

12 (2-3 vote. Motion denied.  
13 with Councillor Garduno,  
14 Commissioner O'Malley and  
15 Mr. Perry voting no.)

16 UNIDENTIFIED AUDIENCE MEMBER: We don't know  
17 what you just voted on.

18 VICE CHAIRWOMAN JONES: We just voted to  
19 defer this so everyone would have an opportunity  
20 to speak who wanted to speak. There was two votes  
21 to defer, to give you that opportunity, three  
22 votes to not defer, so this will be heard tonight.

23 So moving forward. Councillor  
24 Garduno --

25 UNIDENTIFIED AUDIENCE MEMBER: If you have

1 to work till 5:00 someplace else, it's hard to get  
2 here in time.

3 UNIDENTIFIED AUDIENCE MEMBER: Democracy in  
4 action.

5 VICE CHAIRWOMAN JONES: All right. Let's  
6 ask for a motion to suspend the rules.

7 COMMISSIONER O'MALLEY: Madam Chair.

8 VICE CHAIRWOMAN JONES: Yes, Commissioner  
9 O'Malley.

10 COMMISSIONER O'MALLEY: I think we're  
11 talking about two people, which is probably a  
12 total of what?

13 VICE CHAIRWOMAN JONES: Six men's.

14 COUNCILLOR GARDUNO: Six minutes. And maybe  
15 what you could do is suspend the rule, and for  
16 would two minutes each, that's four minutes to  
17 allow the two people to speak. I move that we  
18 suspend the rules.

19 COUNCILLOR SANCHEZ: I'll second that.

20 VICE CHAIRWOMAN JONES: There's a motion and  
21 a second to suspend the rules for the two people  
22 who did not get to speak to have the opportunity  
23 to speak for two minutes each. That would be a  
24 total of two minutes each.

25 All those in favor say yes.

1           FOUR MEMBERS:   Yes.

2           VICE CHAIRWOMAN JONES:   Opposed?

3           ONE MEMBER:   No.

4           VICE CHAIRWOMAN JONES:   Motion carries.

5                   (4-1 vote.   Motion approved, with.

6                   Councillor Garduno voting no.)

7           COUNCILLOR GARDUNO:   I'm opposed because the  
8 numbers are wrong.   I saw four hands go up.

9           COMMISSIONER O'MALLEY:   I saw two.

10          VICE CHAIRWOMAN JONES:   Please hold up your  
11 hands, those of you who held your hands before.

12          COUNCILLOR GARDUNO:   Who wanted to speak but  
13 didn't get an opportunity.

14          VICE CHAIRWOMAN JONES:   There are two people  
15 out there.

16          COUNCILLOR GARDUNO:   There are three.

17          VICE CHAIRWOMAN JONES:   Okay.   Please give  
18 your names to the clerk up in front and let's give  
19 you each two minutes.

20          COUNCILLOR SANCHEZ:   Madam Chair, do we need  
21 to amend the motion to allow the three people to  
22 speak two minutes?

23          THE COURT:   If you'd like, yes.

24          COUNCILLOR SANCHEZ:   So moved.

25          VICE CHAIRWOMAN JONES:   There's a motion and

1 a second to amend that suspension of the rules to  
2 include three people. Thank you.

3 COUNCILLOR SANCHEZ: Vote.

4 VICE CHAIRWOMAN JONES: I'm sorry. All  
5 those in favor say yes.

6 ALL MEMBERS: Yes.

7 VICE CHAIRWOMAN JONES: Opposed?

8 Motion carries.

9 (5-0 vote. Motion approved.)

10 VICE CHAIRWOMAN JONES: Give us your name,  
11 please, for the record, since we don't have it in  
12 front of us.

13 MS. SKERNAND (phonetic): Sure. Can  
14 everybody hear me?

15 VICE CHAIRWOMAN JONES: Yes, ma'am.

16 MS. SKERNAND: My name is Susan Skernand,  
17 resident of Albuquerque for 23 years. Thank you  
18 for the opportunity to speak, thank you for  
19 spending the rules. Thank you, Councillor  
20 Garduno, for speaking up for the people that got  
21 here too late to sign up.

22 Very briefly, I just want to say that my  
23 understanding is that Sandia National Labs decades  
24 ago started storing radioactive waste in unlined  
25 pits and that they're threatening the aquifer and

1     that their solution is to throw dirt on it.

2                 And I urge you to not approve a plan  
3     like that; that doesn't make me feel safe for  
4     current residents or future generations. And I  
5     understand that people who know more about it than  
6     I do, like Citizen Action New Mexico, recommends  
7     we excavate. And so I urge you to do that. Thank  
8     you.

9                 VICE CHAIRWOMAN JONES: Thank you.

10                Next speaker is.

11                MS. PAINTER: Marla Painter.

12                VICE CHAIRWOMAN JONES: Thank you, ma'am.

13                MS. PAINTER: I've before working on  
14     radioactive waste disposal issues since 1986,  
15     mostly in Nevada. But I've been here for 18 years  
16     and I've followed this issue for all of those  
17     eight years.

18                And I understand how the DOE works and I  
19     understand that if local government does not step  
20     in and insist that they behave in responsible  
21     ways, they get away with some really irresponsible  
22     and sometimes devastating results. I know this  
23     from monitoring the defense waste disposal sites  
24     all over this country, and I know the lives that  
25     have been lost, the water that's been ruined. And



1 if you're not educated about it, I really hope  
2 that you all will educate yourselves. It's a long  
3 and sorry legacy.

4 This project has been controversial for  
5 many years, and much of the truth has been put  
6 under the ground and not revealed to the public.  
7 And it's only because of small, gritty, grassroots  
8 groups like Citizen Action that anybody in this  
9 county or in this state knows anything about this.

10 We can't afford to lose any more clean  
11 groundwater. And this, the loss of groundwater to  
12 radioactive waste, would really be a tragedy. So  
13 please look at this seriously. Don't take it as  
14 some fringe anti-nuke groups issue. It is a  
15 versus serious environmental issue in this county.  
16 Thank you.

17 VICE CHAIRWOMAN JONES: Thank you,  
18 Ms. Painter.

19 We have one more speaker?

20 MS. BLANCHARD: My name is Rosemary  
21 Blanchard and I am a resident of Albuquerque. And  
22 I would encourage you. I am a grandmother of two  
23 very little residents here in Albuquerque, and a  
24 mother and a mother-in-law of two others. And it  
25 matters tremendously whether we take care of our

1 water over the long haul and our ground over the  
2 long haul. And I would ask you to please, please  
3 do everything possible to protect our water from  
4 radioactive waste.

5 I worked in the Navajo Nation for a  
6 number of years, and I saw reports that shocked me  
7 because they were so callous at the federal level.  
8 I sat in a committee meeting where we were  
9 planning how to provide water to the Navajos who  
10 had been relocated to the New Lands Chapter, and  
11 they had to dig artesian wells because due to the  
12 spill out at Churchrock in the early '70s, the  
13 aquifer was radioactive. And when I, representing  
14 the division of education said, "Have you told  
15 Sanders School District?" I had officials from the  
16 federal government tell me that the law did not  
17 require them to tell the Sanders School District  
18 that the water was radioactive, it only required  
19 them to provide safe water to the houses.

20 I have seen reports from the Indian  
21 Health Service saying that the ranchers along that  
22 aquifer should be told that they can raise their  
23 sheep but they shouldn't eat them. This is the  
24 kind of protection that we get from the federal  
25 government when it comes to honesty about

1     radioactivity in our water supply. So we are  
2     reliant utterly on you, at our city and county  
3     level, to protect us from the federal dishonesty  
4     that could jeopardize our water and then the  
5     people who have been -- who have misinformed us  
6     will be retiring someplace else, not here.

7             VICE CHAIRWOMAN JONES: Thank you,  
8     Ms. Blanchard.

9             I think that Councillor Garduno we're  
10    ready to hear Mr. Shean.

11            COUNCILLOR GARDUNO: Yes, why don't we do  
12    that. Thank you, Madam Chair.

13            MS. SHEAN: Good evening, Madam Chair and  
14    Members of the Board. The resolution that's been  
15    in discussion tonight, requesting the U.S.  
16    Department of Energy to respond to claims  
17    regarding high level waste in the mixed-waste  
18    landfill at the Sandia National Laboratory.

19            This resolution, at the request of  
20    Councillor Garduno at the February meeting of this  
21    body, following public comment from Mr. Dave McCoy  
22    of Citizen Action New Mexico, who brought to the  
23    attention of this body and has brought to the  
24    attention of the water protection advisory board  
25    the potential for higher level waste at the

1 mixed-waste landfill and metallic sodium, which is  
2 a combustible material that exists within the  
3 mixed-waste landfill but has not previously been  
4 reported by the DOE. This resolution requests  
5 that the DOE speak to the water protection  
6 advisory board on the claims that Citizen Action  
7 has made and in a manner appropriate, have the  
8 water protection advisory board report to this  
9 body.

10 VICE CHAIRWOMAN JONES: Thank you,  
11 Mr. Shean.

12 Are there any questions?

13 Councillor Garduno.

14 COUNCILLOR GARDUNO: If someone else -- go  
15 ahead.

16 VICE CHAIRWOMAN JONES: Commissioner  
17 O'Malley.

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

20 And I'm assuming that -- as least I was  
21 told that the -- that you had some changes or you  
22 your edited portions of the original -- there was  
23 an original document.

24 MS. SHEAN: Madam Chair, Commissioner  
25 O'Malley, there was a document in a list, proposed

1 resolution from Citizen Action at the February  
2 meeting. We've received -- got some input from  
3 water protection advisory board asking to get the  
4 DOE side of the story for the claims because the  
5 action with the original proposed language was to  
6 have mixed-waste landfill excavated and have this  
7 board push for that.

8 COMMISSIONER O'MALLEY: Okay. And at this  
9 point, you're saying that the U.S. Department --  
10 or the DOE is saying that these assertions are not  
11 true, or they haven't said anything?

12 MR. SHEAN: At this point, they have not  
13 responded. The New Mexico Environment Department  
14 has presented to the water protection advisory  
15 board and has stated that only low level waste  
16 exists within the mixed-waste landfill. High  
17 level waste that came from the lab during research  
18 projects or may be there or from other places were  
19 put in other storage.

20 COMMISSIONER O'MALLEY: So you have the  
21 paragraph: Be it resolved that the U.S.  
22 Department respond to the assertion at a future  
23 meeting of the WPA and follow up as appropriate.

24 The only concern I have with this is  
25 future meeting. It doesn't really talk about any

1 sort of timeline. That's sort of very open, it's  
2 pretty vague, and that would be the concern that  
3 be I had, that maybe there needs to be a response  
4 within so many days or so many months or  
5 something, and so that a future meeting could be  
6 any meeting in the future. That would be the only  
7 concern I would have. I think it's too vague.

8 VICE CHAIRWOMAN JONES: Thank you.

9 Are there any other comments?

10 Councillor Garduno.

11 COUNCILLOR GARDUNO: Thank you, Madam Chair.

12 And I concur with Commissioner O'Malley  
13 and I would also add that the department of energy  
14 report to this body also. I have no problem with  
15 them reporting to the WPAB, but there's no reason  
16 why they shouldn't respond to this board also.  
17 And I would ask that a further resolution or  
18 resolve be added so that that would be reflected.

19 And I don't know if that has to be in  
20 the form of an amendment tonight or some other way  
21 to make sure that that happens. And I ask staff  
22 if that's what can happen.

23 MR. SANCHEZ: Madam Chair, Councillor  
24 Garduno, if that's your intent, we'd suggest an  
25 amendment to the bill.

1 COUNCILLOR GARDUNO: Okay.

2 VICE CHAIRWOMAN JONES: And along those  
3 lines, staff would suggest an amendment to the  
4 bill, Mr. Sanchez, would that be a floor amendment  
5 or would that be a deferral and a rewrite and do  
6 this.

7 MR. SANCHEZ: Madam Chair, Councillor  
8 Garduno, I think that's a fairly simple amendment,  
9 you can just do it.

10 COUNCILLOR GARDUNO: And I -- actually, I  
11 could ask that what Commissioner O'Malley  
12 mentioned that had some definite timeline, plus  
13 and the water authority.

14 MR. SANCHEZ: I think three months would be  
15 a reasonable time frame.

16 COUNCILLOR GARDUNO: Okay.

17 MR. SANCHEZ: If that's the intent of the  
18 sponsor, we can take that as an amendment and put  
19 that into the record.

20 VICE CHAIRWOMAN JONES: Did you all hear  
21 that? If that's the intent of the sponsor we  
22 would put that as an amendment and have it in the  
23 minutes and make that happen.

24 Councillor Garduno, would you like to  
25 make a motion to do that amendment?

1 COUNCILLOR GARDUNO: I move that we make  
2 that amendment to the present resolution.

3 COUNCILLOR SANCHEZ: Second.

4 VICE CHAIRWOMAN JONES: There a motion and a  
5 second. All those in favor say yes.

6 FOUR MEMBERS: Yes.

7 VICE CHAIRWOMAN JONES: Opposed?

8 ONE MEMBER: No.

9 VICE CHAIRWOMAN JONES: Motion carries.

10 (4-1 vote. Motion approved, with  
11 Mr. Perry voting.)

12 MR. PERRY: I don't understand. I'm reading  
13 the last line and it says: Direct the WPAB to  
14 request a presentation, a response from the U.S.  
15 Department of Energy to assertion at a future  
16 meetings.

17 I understand the timely response about  
18 putting the 90 days, I guess is what we're  
19 proposing, but doesn't it already have a request  
20 that DOE give the presentation? I don't know --

21 COUNCILLOR GARDUNO: To WPAB, but not to the  
22 water authority. And I want to make sure that  
23 they do it to the water authority also. We are  
24 ultimately the folks, you know, entrusted.

25 MR. PERRY: I understand. Yes, sir.



1           Thank you, Madam Chair and Councillor.

2           VICE CHAIRWOMAN JONES: All right. There's  
3       been a motion and a second on that amendment.

4           Councillor Garduno should we vote on  
5       this as amended.

6           COUNCILLOR GARDUNO: Well, I guess we need  
7       to vote on the amendment.

8           VICE CHAIRWOMAN JONES: We voted on the  
9       amendment.

10          COUNCILLOR GARDUNO: So we're back on the  
11       bill, I guess.

12          VICE CHAIRWOMAN JONES: There's a motion.

13          COUNCILLOR SANCHEZ: Second.

14          VICE CHAIRWOMAN JONES: And a second to --  
15       for the bill as amended. All those in favor say  
16       yes.

17          ALL MEMBERS: Yes.

18          VICE CHAIRWOMAN JONES: Opposed.

19                 Motion carries on a unanimous vote.

20                 (5-0 vote. Agenda Item 9A approved,  
21                 as amended.)

22          VICE CHAIRWOMAN JONES: We next are going to  
23       R-15-8. Mr. Roth, would you like to discuss this  
24       one.

25          MR. ROTH: Madam Chair, Members of the

1 Board, this was presented at the last meeting in  
2 full detail.

3 VICE CHAIRWOMAN JONES: You're going to have  
4 to yell into it, Mr. Roth. I'm sorry.

5 MR. ROTH: This resolution was presented at  
6 the last meeting. If you have any questions, I'd  
7 be happy to answer them.

8 VICE CHAIRWOMAN JONES: Thank you.

9 Are there any questions for Mr. Roth?

10 Therefore I move approval of R-15-8.  
11 All those in favor say yes.

12 MR. PERRY: Second.

13 VICE CHAIRWOMAN JONES: Oh, thanks.

14 All those in favor say yes.

15 ALL MEMBERS: Yes.

16 VICE CHAIRWOMAN JONES: Opposed?

17 Motion carries.

18 (5-0 vote. Agenda Item 9B approved.)

19 VICE CHAIRWOMAN JONES: Next is R-15-11.

20 Ms. Yuhas.

21 MS. YUHAS: Madam Chair, Members of the  
22 Board, this resolution proposes a change to be our  
23 current rebate for trees. Currently, customers  
24 can receive up to 25 percent off the cost of tree  
25 care, such as tree trimming, irrigation,

1 fertilization and disease treatment up to \$100  
2 annually for residential customer and up to \$500  
3 annually for nonresidential customers. This  
4 resolution proposes to include the purchase of new  
5 xeric trees listed in the xeriscape guide to the  
6 program.

7           Albuquerque is losing its tree canopy  
8 due to drought, landscaping changes, aging trees  
9 and the wrong type of trees having been planted.  
10 This rebate would give the water authority to  
11 opportunity to influence the type of tree canopy  
12 for decades to come. It does take water to plant  
13 new trees, but grown trees provide water  
14 conservation savings with their shad. This idea  
15 was highly supported at the customer conversation  
16 meetings and was unanimously approved at the  
17 technical customer advisory committee.

18           MR. PERRY: Move approval R-15-11.

19           COUNCILLOR SANCHEZ: Second.

20           VICE CHAIRWOMAN JONES: Thank you,  
21 Ms. Yuhas.

22           There's a motion and a second to  
23 approval R-15-11. All those in favor say yes.

24           FOUR MEMBERS: Yes.

25           VICE CHAIRWOMAN JONES: Opposed?

1           Motion carries.

2           Thank you, Ms. Yuhas. Would you like to  
3 just stay right there.

4           (4-0 vote. Agenda Item 9c approved.

5           Councillor Garduno not present for  
6 vote.)

7           VICE CHAIRWOMAN JONES: Next is R-15-12.

8           MS. YUHAS: Thank you, Madam Chair, Members  
9 of the Board. The water waste ordinance allow sus  
10 to fine customers for violations of the ordinance.  
11 Violations are watering at the wrong time of day  
12 or putting water into the street or onto another  
13 customer's property. Currently, fines are  
14 assessed for the first violation of the ordinance.

15           This resolution proposes to add a  
16 two-year pilot educational component to the water  
17 waste ordinance for our residential customers.  
18 This is for residential customers because they had  
19 the highest reduction in their water use at  
20 55 percent. Also, residential customers tend to  
21 address their water waste issues after the first  
22 violation.

23           Water waste enforcement is resource  
24 intensive. It takes staff, vehicles, fuel,  
25 equipment and postage to enforce a water waste

1 violation. Right now, whenever water waste is  
2 seen or reported, it is documented on videotape, a  
3 notice is placed on the customer's door, a  
4 certified letter is sent to the customer and they  
5 are given an opportunity to protest the violation.  
6 Videotaping at night is done using spotlights, so  
7 it can be very intrusive to our customers.

8           This new educational program would offer  
9 our customers the opportunity to make their waster  
10 waste without getting the fine. We would first  
11 send a postcard to the customers asking them to  
12 correct the problem. If a second violation was  
13 reported, they would get a second postcard  
14 offering our help to identify the source of the  
15 problem. Only at the third violation would we  
16 proceed with enforcement of the ordinance.

17           This change was highly recommended at  
18 the customer conversation meetings and was  
19 unanimously supported by the technical customer  
20 advisory committee. And I'll stand for any  
21 questions.

22           VICE CHAIRWOMAN JONES: Move approval of  
23 R-15-12.

24           Commissioner O'Malley.

25           COUNCILLOR SANCHEZ: Second.

1           COMMISSIONER O'MALLEY: Thank you, Madam  
2 Chair.

3           So in terms of the -- when you said that  
4 there is a notice of a violation, does this change  
5 the water authority's procedure in terms of  
6 looking for violations? Does that change? Or is  
7 it just that a customer will not be fined the  
8 first time?

9           MS. YUHAS: This just changes the fact that  
10 they would not be fined, that is correct. We  
11 would still be looking and we would still be  
12 enforcing the water waste ordinance with all of  
13 our other customer classes. This is just a pilot  
14 program at the residential level to see how it  
15 works.

16          COMMISSIONER O'MALLEY: So you still be  
17 considered intrusive, it just wouldn't be that you  
18 would fine them the first time?

19          MS. YUHAS: Well, no. Actually we wouldn't  
20 be videotaping until the third violation. The  
21 first and the second we would just send the  
22 postcard. So there wouldn't be that intrusion of  
23 the videotaping of the property.

24          COMMISSIONER O'MALLEY: So if there's  
25 something, a violation at night, you still got

1 your flashlights out and big 'ol spotlights? I'm  
2 just teasing. Well, I'm just saying that you  
3 mentioned that it was intrusive. It sounds like  
4 it's still intrusive, but the difference is that  
5 you're going to give these people a chance to  
6 correct the problem without fining them the first  
7 time.

8 MS. YUHAS: That is correct.

9 COMMISSIONER O'MALLEY: Okay. Well, that's  
10 important. Thank you.

11 VICE CHAIRWOMAN JONES: Thank you,  
12 Commissioner O'Malley. That was very interesting.

13 There's a motion and a second for  
14 approval of R-15-12. All those in favor say yes.

15 ALL MEMBERS: Yes.

16 VICE CHAIRWOMAN JONES: Opposed.

17 Motion carries unanimously.

18 (5-0 vote. Agenda Item 9D approved.)

19 VICE CHAIRWOMAN JONES: Next is C-15-12.

20 Mr. Allred and Mr. Roth.

21 MR. ALLRED: Madam Chair, Members of the  
22 Board, I have to take off my glasses so I can  
23 read. Just real quick, the third quarter  
24 financials, total rate revenue is up \$8.2 million  
25 as compared to Fiscal Year 2014. That was

1 primarily due to the rate increase that happened  
2 on July 1st. We've had a 1.6 percent increase in  
3 consumption from FY14 through FY15 as compared to  
4 the same period. We've actually also had above  
5 average precipitation during that time as compared  
6 to Fiscal Year 2014. And the Fiscal Year '15 rate  
7 reserve projection is projected to be \$3.2 million  
8 less than the estimated budget amount based upon  
9 fourth quarter consumption levels. So basically  
10 we reduced projected revenues based off of what  
11 was budgeted by 3.2 million.

12           And it's a real quick depiction [sic]  
13 of the difference between revenue at the same  
14 period of time from FY14 to FY15. Expenditures,  
15 at this point, we're expected to be \$6.2 million  
16 under budget; 4 million of that is due to the  
17 savings from the refinancing in September and  
18 April. And we moved all our risk and tort  
19 appropriations from the general government line to  
20 a separate risk line. And then real quick  
21 depiction of revenues comparing one fiscal year  
22 to the next.

23           Water use production, during the first  
24 12 -- or the first six months of fiscal year 2015,  
25 we actually used more water than we did in FY14.



1 You can see from December moving through March,  
2 the consumption levels begin to decline as  
3 compared to the same period. Fiscal impact of all  
4 this, we did generate an extra \$2 million in our  
5 debt service savings with the April financing,  
6 which we just did. The working capital balance is  
7 expected to be negative 874,000 as compared to  
8 \$10.6 million in FY14. And that's approximately a  
9 \$10 million improvement from one fiscal year to  
10 the next.

11 And we will be meet our rate covenant  
12 debt service coverage levels of 1.33 times. It  
13 will probably between 1.6 and 1.7 times, so that's  
14 a significant increase from where we were 2011  
15 moving toward. We had a lot of positive feedback  
16 in April from the rating agencies. They gave us a  
17 stable outlook. Standards and Poor is looking at  
18 some point in time maybe moving us to a positive  
19 outlook, and we continue to increase our cash  
20 reserves, which they're very happy about as well.  
21 And I stand for any questions.

22 VICE CHAIRWOMAN JONES: Thank you.

23 Are there any questions?

24 Seeing none, I move approval of C-15-12.

25 MR. PERRY: Second.

1           VICE CHAIRWOMAN JONES:   There's a motion and  
2 a second. All those in favor, say yes.

3           ALL MEMBERS:   Yes.

4           VICE CHAIRWOMAN JONES:   Opposed?

5                   Motion carries?

6                   (5-0 vote. Agenda Item 9E approved.)

7           VICE CHAIRWOMAN JONES:   R-15-13, I think we  
8 have information from Chris Cadena on this one.

9                   Good evening again.

10          MR. CADENA:   Madam Chair, Members of the  
11 Board, the Trails Unit 2 development is a 58-unit  
12 subdivision located in the southwest quadrant of  
13 Universe and Woodmont on the west side. It's  
14 located in pressure zone 4W, which is on the west  
15 side, and it's adjacent to contiguous existing  
16 development in the area.

17                   Highlights of the project include  
18 internal water and sanitary sewer infrastructure,  
19 as well as an extension of a sanitary sewer  
20 interceptor along Universe Boulevard.

21                   Also, the project includes the  
22 abandoning of an existing lift station and the  
23 associated forced main. The abandoning of the  
24 forced main lift station and the interceptor, they  
25 qualify for reimbursement from pro rata from

1 future development that will benefit from this.  
2 And we -- so the execution of this development  
3 agreement is all that this is needed and there's  
4 no fiscal impact to the water authority, and we  
5 recommend approval of the development agreement.

6 VICE CHAIRWOMAN JONES: Thank you.

7 Commissioner O'Malley, you have a  
8 question?

9 COMMISSIONER O'MALLEY: Thank you, Madam  
10 Chair. I'm looking at the map, where it shows the  
11 subdivision and the lots. Is this an existing and  
12 built-out subdivision?

13 MR. CADENA: The subdivision in question is  
14 not built out, but it is --

15 COMMISSIONER O'MALLEY: Well, I mean, the  
16 one that's being applied for, it shows the  
17 location next to Woodmont Avenue and there's all  
18 these -- there's already lot lines.

19 MR. CADENA: Correct.

20 COMMISSIONER O'MALLEY: So is that all built  
21 out?

22 MR. CADENA: Correct, it is in an area that  
23 is, like I mentioned prior, it's an adjacent that  
24 is contiguous to adjacent developments north as  
25 well as west. Essentially, it's just an infill

1 project located on this part of town.

2 COMMISSIONER O'MALLEY: Okay. So you're  
3 saying that, just to be clear, that the  
4 subdivision that is, looks like, your north -- not  
5 north, but west, along Woodmont, is a fully  
6 built-out subdivision.

7 MR. CADENA: The project west -- I have a  
8 map here that I'm looking at. Are you referring  
9 to the Exhibit B, which is the map --

10 COMMISSIONER O'MALLEY: I don't have a  
11 satellite view. I'm just looking -- I don't think  
12 I do.

13 MR. CADENA: I have a satellite image as  
14 well. The development that is existing is the  
15 north part of Woodmont. The area in question that  
16 we are moving forward with this project is located  
17 south in the area to its west is not developed.  
18 The area north of Woodmont on the aerial that I'm  
19 showing here. It's not included in the packet.

20 COMMISSIONER O'MALLEY: I just wanted to get  
21 a sense if it was just -- because I'm looking at  
22 the subdivision and I was just -- you know,  
23 because you can do a subdivision and have the lot  
24 lines and there couldn't be any development on  
25 there. So I wondering.

1           MR. CADENA:   Correct.   Our GIS mapping  
2 includes information provided by the City of  
3 Albuquerque and Bernalillo County for their  
4 parcels.   I'm not quite sure how that's  
5 incorporated or the timing of that.   In our GIS  
6 mapping, I did click on that layer to show it for  
7 mapping purposes.

8           COMMISSIONER O'MALLEY:   All right.   So this  
9 is a -- so there looks like there's a lot of  
10 lights.   That's the area that is requesting a  
11 service agreement.   And then to up or the -- well,  
12 we'll call that the north, because you have  
13 Woodmont.   And are all those houses -- do those --  
14 they're homes that exist in there?

15          MR. CADENA:   On this location, there's  
16 existing development.   Here toward the northern  
17 portion of this particular project, there's  
18 development.   This is an older aerial, 2012, so I  
19 don't know how many houses have been built in this  
20 area, but it is essentially approved.

21          COMMISSIONER O'MALLEY:   That's why I wanted  
22 to know the difference.   Is it fully built out and  
23 essentially developed?

24          MR. CADENA:   The answer is yes.   There's  
25 existing facilities in those internal streets.   So

1     that subdivision, the aerial just doesn't show  
2     existing homes in 2012.   2014, I would imagine  
3     that there would be many more homes shown on the  
4     aerial.

5             COMMISSIONER O'MALLEY:   Thank you.

6             VICE CHAIRWOMAN JONES:   Are there any other  
7     questions?

8             There's a motion -- make a motion to  
9     approve.

10            COUNCILLOR GARDUNO:   Second.

11            VICE CHAIRWOMAN JONES:   There's a motion and  
12     a second to approve.   All those in favor say yes.

13            ALL MEMBERS:   Yes.

14            VICE CHAIRWOMAN JONES:   Opposed?

15            Motion carries.

16            (5-0 vote.   Agenda Item 9F approved.)

17            COUNCILLOR SANCHEZ:   Madam Chair.

18            VICE CHAIRWOMAN JONES:   Yes.

19            COUNCILLOR SANCHEZ:   Before we adjourn, I  
20     would like to congratulate all the 2015 graduates.  
21     And I would also like to congratulate the St. Pius  
22     graduates, who grandfathered today, which included  
23     Mayor Berry's son, Commissioner Del La Cruz's  
24     daughter, my granddaughter, and also our city  
25     attorney for the water authority, Nan Winter's

1 daughter. Congratulations to the 2015 graduates.

2 VICE CHAIRWOMAN JONES: Thank you,  
3 Councillor Sanchez. We're not quite ready to the  
4 adjourn, though. We do have an item under Other  
5 Business that we'll have a presentation on.

6 Is this a voting -- Mr. Sanchez, it's  
7 just a presentation of the biz.

8 MR. LEWIN: Madam Chair, Members of the  
9 Board, my name an Andrew Lewin. I'm a program  
10 manager with the water resources planning and  
11 engineering division, and I'm going to make a  
12 brief presentation on the annual operating plan  
13 for the drinking water project, which, of course,  
14 is a surface water component of our water supply.  
15 And this is for the operating year April 2015  
16 through March 2016. And the reason we have that  
17 kind of operating year is because we don't get the  
18 forecasts, the runoff forecasts, until April. And  
19 so that lets us incorporate what is forecast for  
20 stream flows, which is very important for us to  
21 come up with this plan.

22 Now, this plan is a requirement of the  
23 2004 U.S. Fish and Wildlife Service biological  
24 opinion regarding the drinking water project.

25 So as the slide shows, it's a

1 requirement of the biological opinion that was put  
2 out in 2004, and that pertains to the effects of  
3 actions associated with what is known as the  
4 programmatic biological assessment for the  
5 drinking water project, which addressed  
6 specifically the effects of the drinking water  
7 project on the endangered Rio Grande silvery  
8 minnow and the southwestern willow flycatcher.  
9 Those are two endangered species.

10           Okay. And what this plan shows is the  
11 water authority's anticipated maximum service  
12 water diversions, primarily. It's also shows  
13 groundwater diversions. But it focuses on surface  
14 water diversions because that's what's important  
15 as far as the endangered species are concerned.  
16 And this is for the operating year. And as I  
17 mentioned, it's based on the forecasted surface  
18 water availability and also the forecasted water  
19 system demand.

20           And for this operating year, our  
21 projected water demand is about a 100,508 acre  
22 feet, which is roughly equivalent to 32.75 billion  
23 gallons. And what we hope to do, as we did last  
24 year, is meet over 55 percent of our demand with  
25 the drinking water project.



1           So here's a graphical depiction of water  
2 diversions. Our anticipated look like, but please  
3 keep in mind, you know, this isn't a perfect  
4 world. Any of these lines could fluctuate, and  
5 they always do, with the exception of the month of  
6 April. And April is pretty accurate because we  
7 have the data for April.

8           But the top yellow line there is the  
9 total demand. The blue line is the -- what the  
10 diversion is for the drinking water project. And  
11 the red is for the groundwater diversions. And  
12 the green, at the bottom, is for the nonpotable  
13 project, which is also surface water. And then we  
14 also have a purple line which you can't see there  
15 because it's such a small part of the whole water  
16 picture, which is wastewater reuse.

17           So basically, this shows how we  
18 anticipate it looking. Again, trying to maximize  
19 the use of surface water to the extent possible.  
20 So as you can see, it starts in April. The demand  
21 gradually ramps up from April to the highest level  
22 to about 12,000 acre feet in the month of July --  
23 or June, I'm sorry, and then it gradually -- as  
24 total demand gradually declines after the month of  
25 July -- after June, I mean, and then goes down

1 during the winter months.

2 But one noteworthy thing to see on this  
3 graph is that we anticipate shortage of surface  
4 water flows in late -- starting late September and  
5 into the month of October. So that's where the  
6 blue line takes a sharp dip down to zero, where we  
7 plan to shut down the drinking water project for  
8 about a month of a little more than a month, and  
9 then we'll ramp back up as the water becomes more  
10 available in the river. Because we're restricted  
11 by our permit. If there's not enough native flow  
12 in the river, we have to cease our diversions.

13 So of course at that time, during the  
14 month of October, we will be relying solely on  
15 groundwater. But then as we go later into the  
16 year, we gradually decrease groundwater use, or  
17 sharply increase groundwater use, and, again, use  
18 as much surface water as possible.

19 I'll stand for any questions.

20 VICE CHAIRWOMAN JONES: Thank you.

21 Any questions?

22 COMMISSIONER O'MALLEY: I have a quick  
23 question. So when you do the pumping, do you --  
24 when you start to reduce groundwater pumping, do  
25 you not use some of the wells, or do you shut down

1 some of the wells?

2 MR. LEWIN: Well, we try not to shut down  
3 any wells completely because we want to keep them  
4 exercised, so we just kind of minimize the  
5 pumping.

6 COMMISSIONER O'MALLEY: Because I had heard  
7 that to restart was problematic, to restart wells,  
8 and it actually had a negative --

9 MR. LEWIN: Right.

10 COMMISSIONER O'MALLEY: -- effect on the  
11 system. So okay.

12 MR. LEWIN: Absolutely.

13 COMMISSIONER O'MALLEY: Thank you.

14 VICE CHAIRWOMAN JONES: No other questions?

15 Thank you, Mr. Lewin.

16 MR. LEWIN: Thank you.

17 VICE CHAIRWOMAN JONES. Before we adjourn, I  
18 want to thank Kathryn Yuhas. We spoke at the last  
19 meeting about our green water meter frogs and we  
20 each got one. So everyone at home, call Catherine  
21 and see if you can get your water meter frog.

22 Seeing no other business, the meeting is  
23 adjourned.

24 (Proceedings adjourned at 7:56 p.m.)

25

1 STATE OF NEW MEXICO

2 COUNTY OF BERNALILLO

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REPORTER'S CERTIFICATE

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I, Kelli Gallegos, New Mexico Provisional

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