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ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY  
Wednesday, April 20, 2016 5:07 p.m.

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

Before: Debra Ann Frietze  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

- COUNCILLOR TRUDY JONES, Chair
- COMMISSIONER ART DE LA CRUZ, Vice Chair
- COMMISSIONER MAGGIE HART STEBBINS, Member (Excused)
- COMMISSIONER DEBBIE O'MALLEY, Member (Excused)
- COUNCILLOR KEN SANCHEZ, Member
- COUNCILLOR PAT DAVIS, Member
- TRUSTEE PABLO RAEL, Ex-officio Member
- MAYOR RICHARD BERRY, Member (Excused)
- MR. ROB PERRY, Admin. Officer, Alternate Member

1 CHAIRWOMAN JONES: Good evening, ladies and  
2 gentlemen. I call this April 20, 2016, meeting of  
3 the Albuquerque Bernalillo County Water Utility  
4 Authority to order.

5 Let the record reflect that Councillor  
6 [sic] Hart Stebbins will be late. Otherwise, we do  
7 have a quorum and we'll begin the meeting.

8 So let's start with the invocation and the  
9 Pledge of Allegiance, and with a moment of silence,  
10 led by Councillor Davis.

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

13 (Whereupon, the Pledge of Allegiance was  
14 led by Councillor Pat Davis.)

15 CHAIRWOMAN JONES: Thank you, Councillor.

16 I have a very loud microphone tonight.  
17 Either talk softly or move it away, or just yell at  
18 you. Whichever works better.

19 The next is the approval of the minutes.  
20 I make a motion to approve the March 23rd, 2016,  
21 minutes. Is there a second?

22 COUNCILLOR DAVIS: Second.

23 CHAIRWOMAN JONES: Yes, there's a second.  
24 There's been a motion and a second to approve the  
25 March 23rd, 2016, minutes. All in favor, say yes.

1 ALL MEMBERS: Yes.

2 CHAIRWOMAN JONES: Opposed?

3 Motion carries.

4 (4-0 vote. Agenda Item 3 approved.

5 Councillor Sanchez not present for  
6 vote.)

7 CHAIRWOMAN JONES: Next we have the fun part  
8 of our agenda always, and this is proclamations and  
9 awards. These are quarterly employee incentive  
10 awards. So we have a bunch of great employees here  
11 tonight, I believe.

12 So, Ms. Jenkins, I think we're just going  
13 to bring them up as we call their name. You will  
14 give them the certificate, and if they wait right  
15 there, when it's over, we'd like for you to all come  
16 up and let us shake your hands and congratulate you,  
17 if that works. Is that all right?

18 So I will read the names. Come up, and  
19 Ms. Jenkins I think is always -- is going to give  
20 every one of you some mean. Makes you want to may  
21 attention, right.

22 So the first is Oscar Rivera and Santiago  
23 Lopez. Mr. Rivera and Mr. Lopez are recognized for  
24 studying on their own to learn to repair a  
25 malfunctioning nitrate sensor, a repair that could

1 have cost thousands of dollars if outsourced.

2 And they will be receiving \$50 each.

3 And then Jeffrey Riley. Mr. Riley is  
4 recognized for his successful effort to source a  
5 local repair for a critical piece of criminal  
6 complaint that right otherwise have needed to be  
7 replaced, saving the utility several thousand  
8 dollars. Mr. Riley will receive \$300 plus eight  
9 hours of comp time.

10 And next is Mauricio Carreon, Amy Ashton  
11 and Marlon Luna. As I mangle your names, I  
12 apologize. But we're very pleased that you're here.

13 They will -- Mauricio, Amy and Marlon are  
14 recognized for saving the utility approximately  
15 \$10,000 by volunteering to install a critical piece  
16 of equipment at the water reclamation plant that  
17 would have otherwise had to be installed by an  
18 outside contractor. Each will receive \$200, plus  
19 four hours of comp time.

20 Thank you.

21 Beverly Archuleta Ortiz. Ms. Archuleta  
22 Ortiz is recognized for taking the initiative in  
23 development of software based improvements to  
24 quality control functions in the scanning of  
25 documents to the image repository for the customer

1 services division. Ms. Archuleta Ortiz will receive  
2 \$100.

3 Thank you.

4 Laurice Chappell. Ms. Chappell is  
5 recognized for her work in bringing the water  
6 authority reporting requirements into compliance  
7 with the Affordable Care Act. She saved the water  
8 authority thousands of dollars that might otherwise  
9 have been spent on attorneys and benefits  
10 contractors. Ms. Chappell will receive \$300.

11 Thank you.

12 Margie Ulibarri and Celeste Rael. This  
13 team is recognized for their successful efforts to  
14 streamline a labor intensive dispatch and clear call  
15 processes in the customer service division, allowing  
16 more employees to be assigned to the important task  
17 of replacing stopped meters. Each will receive  
18 \$150.

19 Thank you.

20 Timothy Chavez and Charles Fernandez.  
21 Mr. Chavez and Mr. Fernandez are recognized for  
22 their tireless efforts to convert IT systems to  
23 virtual servers, allowing vast savings and  
24 processing time, power usage and hardware  
25 maintenance contracts. Each will receive \$150.

1 Thank you.

2 Cody Pickard. Mr. Pickard is recognized  
3 for his leadership of the water authority's  
4 participation in the EPA unregulated contaminant  
5 monitoring rule program. Mr. Pickard will receive  
6 \$50.

7 Now, it was suggested at one time that if  
8 people don't show up, we should all get to split.  
9 That never worked, but we'll keep trying.

10 Hemma Patel. I know I didn't do that one  
11 right. Ms. Patel is recognized for updating and  
12 rearranging the layout and editorial content on the  
13 annual water quality report, although this lies  
14 outside her normal work duties. Ms. Patel will  
15 receive \$100.

16 Thank you.

17 Mason Lange. Mason is recognized for  
18 developing web applications to help the water  
19 quality lab manage control charts for laboratory  
20 analysis and simplify the uploading of data, among  
21 other process improvements. Mr. Lange will receive  
22 \$50.

23 Thank you.

24 Sean Hardeman. Mr. Hardeman is recognized  
25 for making improvements to the recording process at

1 water quality lab. The improvements allows to  
2 transfer of information with the lab's proficiency  
3 provider and helps to maintain the lab's  
4 accreditation with the American Association For  
5 Laboratory Accreditation. Mr. Hardeman receives  
6 \$50.

7 Thank you.

8 Next we have Melissa Cuellar, Kent  
9 Degrauder. I hope. I'm sure that's wrong. I  
10 apologize in advance. Anissa Pennington Peak.  
11 Melissa and Kent will each receive -- they are  
12 recognized for taking the initiative to redesign the  
13 customer rebate forms to make them more concise and  
14 easier to use and understand. The form are  
15 available on the website.

16 Melissa and Kent each receive \$100. And  
17 Anissa receives \$300 plus eight hours.

18 Congratulations. Good work.

19 Rebecca Baca. Ms. Baca is recognized for  
20 her leadership and dedication in the utility's  
21 transition to its own wide area network and Internet  
22 service provider, saving the water authority over  
23 \$200,000 annually. Wow. Ms. Baca receives \$300  
24 plus eight hours of comp time.

25 Thank you.

1           Jose Trevino. Mr. Trevino is recognized  
2 for training himself on his own initiative in the  
3 expert operation, maintenance, troubleshooting and  
4 repair of wastewater disinfection systems, resulting  
5 in significant cost savings on maintenance and  
6 repairs. Mr. Trevino is receiving \$100.

7           Thank you, sir.

8           Cliff Tafoya. Mr. Tafoya FOIA is  
9 recognized for developing a innovative and simple  
10 modification to a critical venting system,  
11 preventing wind from setting off a system alarm and  
12 causing unwanted and unnecessary system  
13 interruptions. Mr. Tafoya is receiving \$150.

14          Thank you.

15          Javier Baca. Mr. Baca is recognized for  
16 taking the initiative to obtain a specialized high  
17 voltages electrician's license, allowing him to work  
18 on systems that would otherwise require the hiring  
19 of an outside contractor. So far his ability to do  
20 this work in-house has saved the utility at least  
21 \$25,000 in contractor costs. Mr. Baca will receive  
22 \$450 plus eight hours.

23          Thank you.

24          Obviously most of you got the word that  
25 we're going to pass out what was want picked up,



1 didn't you. This is amazing how many people we have  
2 here. Thank you, all.

3           Next is Mark Brown. Mr. Brown is  
4 recognized in the health and wellness category for  
5 losing 165 pounds through a conscience dieting and  
6 exercise program that has been an example to his  
7 fellow water plant employees. Mr. Brown would have  
8 received \$150. We will get Mr. Brown \$150.

9           Thank you.

10           We have a team here of Louie Sanchez,  
11 Jimmy Vigil, Vincent Archibeque, Martin Luisana,  
12 Javier Aquia, and Ruben Martinez. This team is  
13 recognized for fine-tuning and adjusting well, pump  
14 station and reservoir operations during the summer  
15 of 2015 in a manner that maximized the water  
16 authority's revenue received from PNM's Peak Saver  
17 program. \$393.81 for the summer of 2015. Wow.  
18 They'll will receive \$100.

19           Dan Eaton. Mr. Eaton, also known as Tuck,  
20 is recognized for his leadership and completion of  
21 emergency repairs in a corrals trunk, where natural  
22 gas engines suffered a variety of critical failures  
23 during time of high water system demand. Truck  
24 [sic] will receive \$50.

25           David Martinez. Mr. Martinez is

1 recognized for his leadership and the adoption of  
2 important safety programs and the implementation of  
3 performance expectation initiatives with his staff.  
4 Mr. Martinez will receive \$50.

5 Thank you, all. Commissioner De La Cruz  
6 would like to say something and then after everyone  
7 has spoken, if they'd like, we'd like to ask you to  
8 come up and allow us to shake your hands and  
9 congratulate you. Thank you so much.

10 Commissioner De La Cruz.

11 COMMISSIONER DE LA CRUZ: Thank you,  
12 Madam Chair. I just wanted to thank these employees  
13 for their resourcefulness or I know general newt and  
14 their leadership. Congratulations to all of you.  
15 We appreciate what you've done. And I know the  
16 public does as well.

17 But I also want to share that Celeste was  
18 one of my students when I taught at CNM. She got an  
19 A, by the way.

20 CHAIRWOMAN JONES: Of course she did.

21 COMMISSIONER DE LA CRUZ: Thank you.

22 CHAIRWOMAN JONES: Thank you, all. I didn't  
23 take the time to add up how much you have saved for  
24 the citizens of this city and the water customers,  
25 but obviously a lot of money. So thank you, thank

1     you.  You are exemplary.  Please come let us talk to  
2     you.

3                 We'd like to thank everyone who came here  
4     tonight.  Thank you for all the work you've put in.  
5     And thank you for the water utility department.  The  
6     employees are the best.  And this certainly proves  
7     it.

8                 So with that, we're going to move on the  
9     public comment.  Let's just given it just a minute  
10    to kind of slow down a little bit.

11                Ms. Jenkins, how many do we have signed up  
12    tonight?

13                MS. JENKINS:  We have three.

14                CHAIRWOMAN JONES:  Okay.  Lead go ahead.  
15    Each speaker will have three minutes, and there will  
16    be a warning at two and a half minutes.

17                Ms. Jenkins, would you please call the  
18    first speaker.

19                MS. JENKINS:  Elaine Hebbard, followed by  
20    Bill Wolfe.

21                CHAIRWOMAN JONES:  Thank you.

22                Good evening, Ms. Hebbard.

23                MS. HEBBARD:  Good evening.

24                Good evening.  My name is Elaine Hebbard.  
25    I'd like to address Item 9A, goals and objectives.

1 And in so doing, I may also discuss some underlying  
2 rationale for updating the policies of the water  
3 resources strategy.

4 As you all know, we are updating the WRMS.  
5 It is being driven by the water budget and model  
6 calculation gap between supply and demand. In  
7 particular, it's supply being defined as paper water  
8 permits, in addition to wet water rights. The  
9 drought reserve is being redefined to be a working  
10 reserve.

11 But these are major changes and should be  
12 carefully discussed with more than just the  
13 presentation by staff; in other words, having some  
14 give and take from other people with other  
15 perspectives.

16 What does this mean to the regional water  
17 budget, for instance? What will it mean for future  
18 generations, specifically given the hundred year  
19 planning horizon? Moreover, what is the process?  
20 What is the mission of the ABCWUA? Where are the  
21 goals and objectives in.

22 Tonight you will be approving the goals  
23 and objectives. And I've put up a little schematic  
24 from a paper called integrated resource planning and  
25 strategic planning for water utilities, because I

1 think it sets out a nice framework, showing the  
2 relationship, of the goals and objectives as well as  
3 the strategies of.

4           You can see, in accordance also with the  
5 budget ordinance, that goals and objectives sort of  
6 drive everything. And that's exactly what your  
7 ordinance says.

8           Right now, the utility uses benchmarking  
9 performance indicators, which include five different  
10 categories, business operations, customer service,  
11 water operations, water operations and  
12 organizational development. Are those sufficient?

13           Recent in this year, a lot of the large  
14 water works, such as AWA, AWWA, identified key areas  
15 of changes, which hadn't been seen since 2007,  
16 including growing climate variabilities and extreme  
17 enhanced customer expectations and public awareness,  
18 increased focus on resource recovery and greater  
19 consideration of storm water and watershed  
20 management. But there are no changes in the goals  
21 and objectives that have been made in the number of  
22 years.

23           EPA's planning for sustainability, a  
24 handbook for water and water utility suggests that  
25 planning includes goal setting, which is reflective

1 of the utility and the community priorities. So I  
2 would suggest that given this need for making sure  
3 that we go forward with robust goals and objectives,  
4 that a town hall this summer be really focused on  
5 making sure that the mission, goals and objectives  
6 reflect the meanings of these priorities, especially  
7 in terms of the climate change variability that  
8 we've seen.

9 I just want to announce that there will be  
10 a talk at the law school this Monday on climate  
11 change, and it's a report from the Union of  
12 Concerned Scientists, "How Will New Mexico Forge a  
13 New Path to Resilient Future," from 6:00 to 7:30  
14 p.m.

15 CHAIRWOMAN JONES: Thank you, Ms. Hebbard.

16 Dr. Bill Wolfe, followed by Geraldine  
17 Amato.

18 DR. WOLFE: Does this microphone work?

19 CHAIRWOMAN JONES: Yes, it does.

20 DR. WOLFE: Bill Wolfe. I'm a dentist here  
21 in New Mexico; have been since 1978. I'd like to  
22 talk briefly about the water fluoridation issue.

23 When I spoke before the board before back  
24 in 2014, I advised you to obtain a certificate of  
25 safety and effectiveness from your fluoride

1 supplier. Without such certification, the water  
2 board is the responsible party.

3 So can you tell me, who is it, what  
4 company is the supplier, the manufacturer of your  
5 proposed fluoride additive?

6 CHAIRWOMAN JONES: Dr. Wolfe, if you'd like  
7 to talk with staff afterwards. This is not a  
8 question and answer session. It's a public comment.  
9 So please continue with your comments.

10 DR. WOLFE: I'll go away if you have that  
11 information.

12 CHAIRWOMAN JONES: No, sir. We'll give it to  
13 you -- staff will give it to you later if you'd like  
14 to continue talking. Thank you.

15 DR. WOLFE: The other is a question. Why is  
16 the water authority making such controversial  
17 decision for the community? Why isn't the community  
18 allowed to vote on this issue themselves?

19 Again, maybe you're not supposed to  
20 answer, but I'd like you to think about that. Like  
21 I said, I'll wait around.

22 CHAIRWOMAN JONES: Thank you, sir.

23 Commissioner De La Cruz.

24 COMMISSIONER DE LA CRUZ: Thank you,  
25 Madam Chair. I just want to make a public record

1     that I do not support fluoridization, nor will I  
2     vote for it. Thank you.

3             MS. JENKINS: Geraldine Amato.

4             MS. AMATO: I don't know why the agenda is on  
5     most of the screens and there's only one covering  
6     the speaker and your -- your dialogue. Sometime  
7     microphone is not adequately projecting to hear what  
8     people are saying.

9             Is my time running or am I starting now?

10            CHAIRWOMAN JONES: Yes, your time is running.

11            MS. AMATO: Can I have it started again?

12            CHAIRWOMAN JONES: It just started. She just  
13     started.

14            MS. AMATO: Okay.

15            CHAIRWOMAN JONES: Thank you, Ms. Amato.

16            MS. AMATO: We have numerous problems with  
17     the water. We have what was mentioned earlier, and  
18     then we have the infrastructure, the a scarcity of  
19     water in this area, the pollution of water and we're  
20     doing nothing really significant as a people to  
21     protect the watershed and protect the scarcity.

22            Development of remaining land and scarce  
23     water resources continues unabated because we are  
24     not under the law, we are under the USUCC. It's a  
25     private commercial jurisdiction.



1           The flag that's worshipped at the  
2   beginning of this meeting is pledged as a lie,  
3   because it has nothing to do with the republic or  
4   liberty or justice. We're under federal  
5   reservation, and the absentee of overlords are  
6   weakening us on purpose because their aim is to  
7   deprive us of life and liberty for ulterior  
8   purposes.

9           Why do the masterminds, overlords want to  
10   ruin us? Because without vital resources, we have  
11   not the strength or the power to resist them. If we  
12   do not act in time, we will have no strength or  
13   resources to work with to resist a malevolent  
14   establishment.

15           These absentee over ladders are steadily  
16   plotting and planning to bring this nation down.  
17   They have taken control through the monetary system  
18   of the entire economy, and only permit boards like  
19   this to act under certain parameters. If any of you  
20   get out of line or say anything that the masterminds  
21   don't want said, your positions on these boards  
22   would be lost for yourself.

23           They target people and malign them and  
24   remove them through their control of the press and  
25   the media. The people control nothing in this

1 nation today. We are subjects on the reservation.  
2 And if we don't resist the status, we will inherit  
3 totalitarian disaster.

4 The absentee overlords and the masterminds  
5 of the ruin of this nation reward people short term  
6 with business dollars. But long term, their plan is  
7 to ruin us and to control us. If we don't forfeit  
8 some of our short-term bennies for the long term  
9 goal of maintaining some liberty and some prosperity  
10 for us, we will lose everything we're trying to  
11 preserve by doing nothing.

12 CHAIRWOMAN JONES: Thank you, Ms. Amato. We  
13 appreciate your coming in tonight.

14 MS. AMATO: I'm sure you do, Ms. Trudy.

15 CHAIRWOMAN JONES: The next scheduled meeting  
16 will be May 18th, 2016, at 5:00 p.m. in the Vincent  
17 E. Griego Chambers.

18 Next we've move to first introductions of  
19 legislation. Our first item is O-16-1, amending the  
20 Albuquerque Bernalillo County Water Utility  
21 Authority. This is introduction and reading only  
22 and there will be no vote on this this evening.  
23 Stan Allred will be give us the information on this.

24 Good evening, Mr. Allred.

25 MR. ALLRED: Good evening. Madam Chair,

1 Members of the Board, the item before you is the  
2 rate ordinance. The only thing we've done per the  
3 rate ordinance is, every year we update the water  
4 supply charge and the utility expansion charges by  
5 the NR index.

6 This year it's 2.9 percent. So what we  
7 have is just the increase to the slight expansion  
8 charges and the water supply charge by that amount.  
9 And then we made some minor changes to the  
10 application process to kind of get it back in line  
11 to what we actually do for the meters.

12 I stand for any questions. I'm sorry.

13 CHAIRWOMAN JONES: Councillor Sanchez.

14 COUNCILLOR SANCHEZ: Thank you, Madam  
15 Chairman.

16 The question I have is you're talking in  
17 percentages, 2.9 percent, what does that equate to  
18 per resident for that increase, on the average?

19 MR. ALLRED: Councillor Sanchez and Madam  
20 Chairman, it's only two, the water supply charge and  
21 the utility expansion charges. So those are for  
22 connections to the system, to buy new connections.

23 So right now, it's approximately -- a  
24 water supply for the -- utility expansion for water  
25 is about 2. -- or it's like \$2,800. Since it's 2.9

1     percent, it just increases it. It's not per  
2     resident. It's per new connection based on the size  
3     of the meter.

4             MR. SANCHEZ: Madam Chair, Councillor  
5     Sanchez, the UEC for water amounts to \$86; for  
6     sewer, \$64; and for the water supply charge, \$44.

7             COUNCILLOR SANCHEZ: Okay. Thank you.

8             CHAIRWOMAN JONES: Thank you.

9             Counselor Davis.

10            COUNCILLOR DAVIS: Thank you, sir. I just  
11     wanted to clarify. And I appreciate this very much.  
12     I do commend the director and all the staff for  
13     working in a way that doesn't raise rates this year.  
14     I think that's commendable considering the place  
15     that we've been in and trying to find a balance  
16     between preserving operations, as we've seen a  
17     decrease in water usage. And that's, you know, not  
18     something we're seeing a lot of folks around the  
19     country doing. So commendable in this year's  
20     budget.

21            I had one quick question that I wanted to  
22     clarify. There's a clause here about increasing  
23     water commodity charge. It doesn't change over any  
24     other year, but it gives the director the ability to  
25     make an adjustment of a penny or so up and down,

1 depending on our electric fuel cost adjustments.

2 Can you give us a sense of where those  
3 electric fuel costs are now and where you think  
4 they're going to be over the next year or so.

5 MR. ALLRED: Counselor Davis and Madam  
6 Chairman, right now, we're not charging any of that  
7 to our customers. We had a benchmark. I believe it  
8 was about -- the fuel rider for PNM, I think we set  
9 it at about 70 five cents per kilowatt hour.

10 Based on PNM's rate case with the PRC,  
11 they've actually reduced that rate from January, and  
12 I believe it's going to happen all the way through  
13 December. So it's dropped below the level that we  
14 had basically set the benchmark at. So all of --  
15 since January, we have not passed that charge on to  
16 our customers, and it's been at zero. And I  
17 anticipate that to be the case all the way through  
18 the end of the calendar year.

19 And that was savings to the utility at  
20 about half million dollars per fiscal year. So I  
21 believe it was a half million dollars in actual  
22 savings for this fiscal year and half million dollar  
23 to this utility next fiscal year.

24 COUNCILLOR DAVIS: Thank you, sir.

25 And one more, Madam Chair, if I may.

1 CHAIRWOMAN JONES: Yes, Councillor Davis.

2 COUNCILLOR DAVIS: Next part, if I recall  
3 from a previous discussion, it's the part due to  
4 count the staff's work to get credit for some work  
5 that had been done, both at the plant and also for  
6 some other credits that were available for the staff  
7 to certify that we were producing enough renewable  
8 and other on our own for our side of the meter,  
9 right, in order to keep our fuel charge down.

10 MR. ALLRED: Councillor Davis and Madam  
11 Chair, you'll see in the budget this yeah, as well  
12 for CIP, we have 350,000, when the agreement with  
13 PNM was that we would spend \$350,000 for renewable  
14 energy projects.

15 The big project that we're doing right now  
16 is, we've used 350,000 for consulting work and some  
17 land stuff, ten acres of land at the water treatment  
18 plant. We're going to put solar arrays. They  
19 should come online on January 1 of next year.

20 Annual savings to the utility for power  
21 would be anywhere between 350,000 to \$500,000 a year  
22 going forward.

23 COUNCILLOR DAVIS: And thank you.

24 And to close, I just want to say, I think  
25 it's commendable to staff and everybody who has

1 worked often this project to look for ways outside  
2 of raising rates every year to help save taxpayers  
3 dollars and our utility users dollars while we're  
4 still achieving our conservation goals. That's  
5 commendable. And if we look around, and as we've  
6 seen in other presentations, that's pretty unique  
7 around the country, especially for a water system in  
8 the west, in the Southwest. So a great job in  
9 looking for those alternative strategies and that  
10 planning. So thank you very much. Our ratepayers  
11 owe you a debt of gratitude. Thank you.

12 CHAIRWOMAN JONES: Thank you, Mr. Allred.  
13 And as we said before, this will be voted on at the  
14 next meeting.

15 So we have two items next that are -- I  
16 think you're going to address at the same time,  
17 Mr. Allred. One is R-16-4, appropriating funds for  
18 operating the Albuquerque Bernalillo County Water  
19 Utility Authority for the fiscal year beginning  
20 July 1, 2016, and ending June 30th, 2016. And the  
21 other is R-16-5, appropriating funds for the capital  
22 implementation program for the Bernalillo County  
23 Water Utility Authority for the fiscal year  
24 beginning July 1, 2016, and ending June 30th, 2017.

25 Mr. Allred.

1           MR. ALLRED: Madam Chair, Members of the  
2 Board, I'll just run through a quick presentation.

3           This will start off as some -- what we've  
4 accomplished in FY16, this year. We received the  
5 Award For Excellence in Management from the National  
6 Association of Clean Water Agencies. That was quite  
7 an honor.

8           Also from the same agency we received the  
9 award for public information education award. And  
10 it was based on the grease campaign that we did with  
11 the elephant in the sewer line.

12           We've also received awards for our CAFR  
13 and our budget from the government financial  
14 officers association. For this next fiscal year,  
15 too, we also submitted the annual statement to the  
16 same organization for excellence in reporting for  
17 our annual statement. And we have not heard back,  
18 but I do anticipate that we would get that award as  
19 well.

20           And we also received an award from the  
21 Commercial Real Estate Development Association for  
22 their vision award.

23           Just real quick highlights for FY 17  
24 budget. There is no rate increase. There is  
25 nominal growth in the service area. We based it



1 upon a consumption level of 130 gallons per person  
2 per day. There's about 5 percent growth in our  
3 operating expenses. That's primarily due to the  
4 increase in the transfer of capital to pay for our  
5 infrastructure. We do have a 2 percent step  
6 adjustment built into the budget for our employees,  
7 and we increased our budget by about 1 percent for  
8 benefits provided to our employees.

9           We're going to increase the rate reserve  
10 by \$2 million, as required by the rate ordinance.  
11 We do that every year. The balance in that rate  
12 reserve for FY17 will be \$8 million. And that rate  
13 reserve is used in case revenues are low. We can  
14 use that rate reserve instead of raising rates to  
15 try to offset periods where we may have revenue  
16 shortfalls based on declining consumption and those  
17 types of things. And we plan on bringing the fund  
18 balance to one-twelfth of operating expenditures in  
19 FY17.

20           Some upper -- some budget highlights in  
21 FY17. We put a line item for fluoride, so we added  
22 \$250,000 for the operating -- to pay for the  
23 operations of fluoride. And then there's a \$250,000  
24 transfer from operating to CIP so we can spend  
25 250,000 to build the facilities to be able to

1 implement the fluoride. And those are line items on  
2 the budget, they're separate that you guys can act  
3 on at any time.

4 CHAIRWOMAN JONES: Mr. Allred, just a second.  
5 Commissioner De La Cruz.

6 COMMISSIONER DE LA CRUZ: Thank you,  
7 Madam Chair.

8 And I don't know if this question is for  
9 you, Mr. Allred, or for the executive director. But  
10 if this board is line item out certain things, such  
11 fluoride, if we elect to, that would be next week --  
12 I mean, next meeting?

13 MR. ALLRED: Commissioner De La Cruz and  
14 Madam Chairman, that is correct. I actually put  
15 that in as a line item in the budget resolution so  
16 that can be stricken, or left in, at the discretion  
17 of this board.

18 COMMISSIONER DE LA CRUZ: Thank you.

19 Thank you, Madam Chair.

20 CHAIRWOMAN JONES: Thank you, Commissioner.

21 Mr. Allred.

22 MR. ALLRED: As far as asset management  
23 implementation goes, we're going to do construction  
24 and major renovation improvements at the wastewater  
25 treatment plant. We're going to do work for the

1 solids dewatering facility, work with the digesters,  
2 the clarifies. So a lot of the CIP rehab next year  
3 will be done at the water reclamation plant.

4 In customer services, on July 1st, we're  
5 going to implement a new online payment system for  
6 our customer. It's a little more streamline. It's  
7 going to allow our customers to pay the Living River  
8 Fund via online, and they can select any amount that  
9 they choose to pay for the Living River Fund.  
10 That's been something that we'd promised we would  
11 do. And that will happen on July 1st.

12 We're also going to work with Bank of  
13 Albuquerque that does all of our paper bills, the  
14 payables, see if we can do that and take any amount  
15 a customer would like to give in the Living River  
16 Fund on the paper bill.

17 Another thing we built into this online  
18 system is a tab. So we want to have something like  
19 a Good Neighbor Fund or something like that to help  
20 our customers. We can add that in very easily with  
21 all our customers to pay into things like that.

22 And then we're going to implement Face  
23 Forward, our AMI project, which is our automatic  
24 meter infrastructure. And we hope to reach  
25 50 percent saturation of our meters. So 50 percent

1 of our meters will be on AMI by the end of FY17.  
2 And all our large meters will be on AMI. So all the  
3 City of Albuquerque is on AMI now. We're working  
4 with APS, Bernalillo County and the University of  
5 New Mexico as well.

6 Just some applications. We're in the  
7 middle of an upgrade of our work order system and  
8 our asset management system, which is Maximo. We  
9 started that project about three weeks ago. That is  
10 suspected to go live June 30th of 2017.

11 Next year we need to also upgrade our  
12 customer care and billing system, as our billing  
13 system for our customers, we have started work on  
14 that a gun that project in FY18.

15 And then we have been working on this for  
16 about four years, an implementation of Lab-vantage  
17 that's with the compliance crew that allows us to  
18 take our samples and report on them properly and  
19 then that type of work. That is expected to go live  
20 in the middle of September of this calendar year.  
21 So that will go live in FY17 as well.

22 Answer as far as employee development, we  
23 continue updating certification training programs to  
24 develop our employees' knowledge and skill and  
25 operational and customer service within their

1 positions. So we just continue to invest in our  
2 employees. We continue to train them and allow them  
3 opportunities for advancement.

4 Just real quick, a pie chart. And these  
5 are the projected revenues for FY17, some  
6 \$216 million. It's about \$3 million above the left  
7 of FY16. Revenues are expected to come in or be  
8 above that level this fiscal year. So we built that  
9 in. That's based on a consumption level of 130  
10 gallons per person per day.

11 Just a real quick depiction [sic] of a  
12 working capital balance. We start off this fiscal  
13 year with a negative \$8.7 million working capital  
14 balance. We're projected to be about \$4.6 million  
15 in the positive this year. That was as of February.  
16 I believe that number will probably be a little bit  
17 better by the end of the fiscal year. And then that  
18 basically goes over to FY17. It's the beginning  
19 fund balance. And then we're expected to get  
20 upwards to \$10 million working capital balance  
21 toward the end of FY17.

22 CHAIRWOMAN JONES: Mr. Perry.

23 MR. PERRY: Mr. Allred, just briefly on that  
24 point, what's the major component that contributes  
25 to that working balance at the city?

1           MR. ALLRED: Mr. Perry and Madam Chairman,  
2 just revenues exceeding expenditures. So it's the  
3 excess of revenue over expenditures becomes your  
4 working capital balance. And then it's -- and then  
5 you add in the working capital balance from the  
6 prior year.

7           So the change in the working capital  
8 balance this fiscal year is upwards to I believe  
9 about 12 to \$13 million. It's the increase and the  
10 revenue generated for the rate increases and holding  
11 expenditures under budget.

12           So that's basically the difference between  
13 the revenue we had been generating versus what we've  
14 been spending.

15           MR. PERRY: The financial projections are to  
16 eliminate deficiency and actually increase it to  
17 have a surplus in out years? And I'm sure the bond  
18 rating companies are glad to see that.

19           MR. ALLRED: Mr. Perry and Madam Chairman,  
20 that is correct. And we've already went to the  
21 positive as of -- today, we're already in the  
22 positive. We've shared our capital with the three  
23 rating agencies for FY15. They're very pleased with  
24 our progress.

25           Our days of cash on hand at the end of

1 FY15 was I believe about 70 days of cash on hand.  
2 As of today, it's about 245 days of cash on hand.  
3 So our financial position has improved dramatically.

4 MR. PERRY: Thank you, Madam Chair,  
5 Mr. Allred.

6 CHAIRWOMAN JONES: Mr. Allred.

7 MR. ALLRED: To continue, FY17 budget  
8 expenditure is about 212. The increase from FY16 to  
9 '17 is about 10 million. The biggest chunk of that  
10 is the transfer to other funds, which is 21.2  
11 million dollars. That is the increase in the  
12 transfer from the prior year for capital, capital  
13 prongs.

14 Debt services is basically holding about  
15 stable. And then again, we built in a 2 percent  
16 increase for our employees and a 1 percent.

17 And then we actually had some room to add  
18 and do some things on the operating to kind of help  
19 the operating departments kind of get more aligned  
20 with their budgets as well, such as things as  
21 chemical power and those types of things.

22 The financial plan, we kind of just  
23 touched upon that a little bit. Kind of going out,  
24 basically the projection when I did this was a  
25 little bit higher. The ending working capital

1 balance for 2016, I have about 6.2 million. That  
2 carried through '17. And I'm looking at we might  
3 have about a \$12.4 balance at the end of '17. And  
4 then the plant is built out to maintain a  
5 one-twelfth operating level of our expenditures  
6 going out from 2018 to 2025.

7 I've also built in trying to ramp up the  
8 transferred -- the capital from the operating as  
9 well to try to accelerate some of our infrastructure  
10 needs around the capital side.

11 So we built in some rate increases on the  
12 out years. Again, that's just a projection, and  
13 we'll continue to look at that in the future and  
14 make adjustments as necessary.

15 FY17 CIP highlight, going with the CIP  
16 budget, we have a total of \$67 million for CIP  
17 projects. 59 million of that is for the basic rehab  
18 program. We'll continue to do \$2 million a year for  
19 the AMI project. We will do at a minute of  
20 \$1 million for steel line replacement.

21 We talked about this a little earlier.  
22 350,000 has been transferred for renewal energy  
23 projects. We will do \$4 million for growth  
24 projects. That's usually to the expansion charge  
25 revenue to pay for those.



1           We generated \$474,000 last fiscal year for  
2   the water supply charge, and we've transferred that  
3   for water rights enhancement. And then again,  
4   there's a line item in there for \$250,000 for  
5   supplements for fluoride, and that can, at the  
6   board's discretion, be adjusted.

7           Our rate ordinance requires that we do no  
8   less than \$30 million for basic rehab. Obviously  
9   we're doing 59 million. And as we open up the rate  
10  ordinances next year, I think we'll change that and  
11  make that number higher to kind of fall in line with  
12  our ramp up for our infrastructure needs.

13          So just a quick pie chart of what we're  
14  spending. This is the graphics, you can see that.  
15  And then a little more detail on the CIP spending.  
16  You kind of get to the gist of it is this is your  
17  decade plan spending. You can continue to see the  
18  ramp up for our capital needs. This is the line at  
19  the top. The black line is the transfer from the  
20  operating to pay for that.

21          So as we continue to ramp up and pay more  
22  for our capital infrastructure needs, we're in the  
23  going to borrow more. We're going to transfer more  
24  from the operating to pay for that. And you can  
25  kind of see that in conjunction.

1 CHAIRWOMAN JONES: Thank you. What have what  
2 have Commissioner De La Cruz.

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

5 Mr. Allred, there is significant work that  
6 will be done at the water reclamation plant, and is  
7 that reflected in that growth chart.

8 MR. ALLRED: Commissioner De La Cruz and  
9 Madam Chairman, that is correct. The bulk operate  
10 the work done in this next fiscal year is at the  
11 reclamation plant. Of the 59 million, almost 30  
12 million of that is for reclamation. So there's a  
13 lot of work being done there.

14 COMMISSIONER DE LA CRUZ: Do you know offhand  
15 how much has already been spent at the plant today,  
16 that project budget?

17 MR. ALLRED: Commissioner De La Cruz, Madam  
18 Chair, it's upwards to \$100 million at this point.

19 COMMISSIONER DE LA CRUZ: And do you know  
20 when the balance -- because I understood it to be  
21 about \$200 million that will be spent there to  
22 overhaul the plant. Do you know at what point, what  
23 year the sunset or the work will be done?

24 MR. ALLRED: Commissioner De La Cruz and  
25 Madam Chairman, I -- so I would say about within the

1 next five years.

2 COMMISSIONER DE LA CRUZ: Thank you,  
3 Madam Chair, Mr. Allred.

4 CHAIRWOMAN JONES: Thank you.

5 COUNCILLOR DAVIS: Madam Chair.

6 CHAIRWOMAN JONES: Yes. Councillor Davis.

7 COUNCILLOR DAVIS: Mr. Allred, briefly, just  
8 to cover that, to follow Commissioner De La Cruz's  
9 question, back in the operating funds, the only --  
10 the larger sort of increases, another extra  
11 \$2 million for FY17 over this year for repairs and  
12 maintenance, and I know that's not counting the  
13 capital work we're doing, is that the well  
14 replacements that we're going? Or what accounts for  
15 that \$2 million increase this year other last?

16 MR. ALLRED: Councillor Davis, the biggest  
17 chunk really is for the maintenance fees for a lot  
18 of our PT software. A lot of that was getting paid  
19 out of CIP, and we finally had some room to get that  
20 money out of CIP and put it back in the operating  
21 budget, where it really actually belongs so we can  
22 spend CIP dollars on CIP projects. So that's where  
23 the biggest chunk.

24 The other parts would just be going to the  
25 plant to help the operation, such as the water

1 treatment plant or wastewater, to do some things  
2 internally, but not use the CIP dollars.

3 CHAIRWOMAN JONES: Go ahead, Mr. Allred.

4 MR. ALLRED: And, Madam Chairman, that would  
5 conclude by presentation, so I would stand for any  
6 more questions.

7 CHAIRWOMAN JONES: Thank you.

8 Councillor Sanchez.

9 COUNCILLOR SANCHEZ: Item. Let's go back to  
10 general fund 21, the total rate revenues. So we are  
11 going to increase from 200,140,000 to 203,140,000,  
12 is that correct, which one an increase of  
13 \$3 million?

14 MR. ALLRED: That is correct.

15 COUNCILLOR SANCHEZ: And you're basing that  
16 on consumption of 130 gallons?

17 MR. ALLRED: Councillor Sanchez and Madam  
18 Chairman, I'm basing that upon the level of revenue  
19 we're generating this year, which is based upon the  
20 130 gallons per person per day. It's actually  
21 really probably based on 127.

22 Our revenues right now, I would project,  
23 before we even do the third quarter, is at least at  
24 four, if not \$6 million above the level. We  
25 anticipate to generate this fiscal year. So I

1 basically just increased next year's to kind of  
2 compensate for some of that.

3 COUNCILLOR SANCHEZ: And I'm looking down at  
4 that total capital resources and the ends working  
5 capital balances. How much money was put back in  
6 reversions into the 2017 budget from 2016?

7 MR. ALLRED: Ask the question again, please.

8 COUNCILLOR SANCHEZ: Basically, at the end of  
9 the budget cycle, you have reversions. You have  
10 money in the budget that goes into the next budget  
11 cycle. What was that dollar amount.

12 MR. ALLRED: That went into -- we had as  
13 negative working capital balance of 8.7 million.  
14 We've actually -- we've already switched that over  
15 12 million. And I believe it will be about 14  
16 million, not more than that.

17 COUNCILLOR SANCHEZ: Okay. So we're looking  
18 at total resources of 15.862 million, and that was  
19 based on the total current resources?

20 MR. ALLRED: Correct.

21 COUNCILLOR SANCHEZ: And also the beginning  
22 working capital balance is correct?

23 MR. ALLRED: Correct.

24 COUNCILLOR SANCHEZ: So are we going to --  
25 say that people are doing an extremely good job in

1 water conservation and not using as much water --  
2 that's one of the dilemmas that we face as an  
3 enterprise fund as we go out and encourage people to  
4 save water, yet, at the same time, we have fixed  
5 expenditures as an enterprise fund and obligations  
6 that we need to meet and trying not to increase the  
7 rates. Do you think that can be done for this  
8 coming fiscal year?

9 MR. ALLRED: Councillor Sanchez, Madam Chair,  
10 that's correct. When we redid the rates last year,  
11 we actually shifted more of the rates to base rate,  
12 away from the commodity. Probably in the Southwest,  
13 probably our rate structure, there's -- we've kind  
14 of moved away a little bit from the commodity more  
15 than the base. We actually -- 45 percent of what we  
16 generate in revenue is off the base rate, 55 percent  
17 is off the commodity, which is pretty high,  
18 considering a lot of other utilities in this area.

19 So we were trying to -- when we did the  
20 rate increase to try to get a level of confidence of  
21 what we could generate in our rates. I think we  
22 finally got that right on this last rate study we  
23 did. We had held the TCAC from the community and we  
24 kind of worked through a lot of those issues. We  
25 made some adjustments at the low use discount as

1 well. So we basically brought the rates back in  
2 line to generate what we thought they would  
3 generate.

4 So I think moving forward, we've -- I  
5 think we're going to be fine.

6 COUNCILLOR SANCHEZ: And one last question  
7 regarding the revenue increase -- or rate increase.  
8 How do we look with our bond rating? Are we stable  
9 to continue on with a Double A plus rating?

10 MR. ALLRED: Madam Chairman and Councillor  
11 Sanchez, I've actually talked with all three rating  
12 agencies after we finished the FY15 financials.  
13 They're very, very pleased where we're at. Where  
14 we're at currently is even better.

15 We finished Fiscal Year 2015 with your  
16 senior debt service ratio at 2.03. Our covenants is  
17 a 1.33. Right now we're about 1.85 for our senior.  
18 I don't -- we haven't been at that level for years.  
19 Our days of cash on hand has increased dramatically,  
20 which they're very pleased with as well.

21 So I believe when we go to the market next  
22 year, and when we do our financing and do the  
23 refinance of 2009 bonds as well, I believe we'll be  
24 considered for maybe rating increases, or at least a  
25 positive outlook from the rating agencies. But

1 they're very pleased with what we've been doing.

2 COUNCILLOR SANCHEZ: Thank you. And thank  
3 you for your work.

4 CHAIRWOMAN JONES: Thank you, Mr. Allred.

5 Those three bills that we just heard will  
6 be heard at the next meeting and be ready for a  
7 vote.

8 So the next item on the agenda is the  
9 consent agenda, and there are no items on that, so  
10 we'll move in next to approvals.

11 R-16-3 is establishing one-year objectives  
12 for the Albuquerque Bernalillo County Water Utility  
13 Authority in fiscal year 2017 to meet five-year  
14 goals.

15 Mr. Roth, would you like to give us some  
16 information on that.

17 MR. ROTH: Madam Chair, Members of the Board,  
18 Stan Allred actually covered many of the objectives  
19 in his budget presentation. You can see many of the  
20 highlights that he spoke about in the operating  
21 budget, and some of the projects in that CIP are  
22 part of the objectives in front of you tonight. So  
23 they are integrated with our budget and our used to  
24 guide our performance budget.

25 COMMISSIONER DE LA CRUZ: Move approval.



1 CHAIRWOMAN JONES: Thank you.

2 There's a motion and a second for  
3 approval. All in favor, say yes.

4 ALL MEMBERS: Yes.

5 CHAIRWOMAN JONES: Opposed, no.

6 Motion carries unanimously.

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

8 CHAIRWOMAN JONES: Next is C-16-8,  
9 reappointment to the technical customer advisory  
10 committee. Gentlemen, are there any questions of  
11 Mr. Roth?

12 In that case, I would move approval.

13 COUNCILLOR SANCHEZ: Second.

14 CHAIRWOMAN JONES: There's a motion and a  
15 second. All in favor, say yes.

16 ALL MEMBERS: Yes.

17 CHAIRWOMAN JONES: Opposed?

18 Motion carries unanimously.

19 (5-0 vote. Agenda Item 9B approved.)

20 CHAIRWOMAN JONES: Next on the agenda is the  
21 consumer confidence report presentation by Mark  
22 Kelly.

23 Good evening, Mr. Kelly.

24 MR. KELLY: Good evening, Madam Chairman and  
25 Members of the Board.

1           We're here to talk about the consumer  
2 confidence report, or the CCR, as we like to call  
3 it. And I believe each of you have a copy of the  
4 CCR with you. And this is what gets sent out to all  
5 customers. Many of you might have already gotten  
6 it, and if not, it will be coming in the next few  
7 days.

8           2015 was another great year for the water  
9 authority's water quality. There's not actually  
10 much to talk about in terms of our drinking water  
11 quality because we are in full compliance, and we do  
12 have very good quality water.

13           The CCR is required by the Safe Drinking  
14 Water Act, and it's also a way for us to tell our  
15 customers about what we're all drinking. It's a way  
16 that we can show our customers that is drinking  
17 water is compliance with the Safe Drinking Water  
18 Act.

19           There's six parts that are required by the  
20 EPA to be gone over in the CCR. We'll get into  
21 those. The first part is information about the  
22 water system. This is where we tell customers about  
23 the board members of the water authority. We tell  
24 them how to contact the water authority, and we give  
25 them resources like our internal websites, as well

1 as some external websites that they can go to for  
2 more information.

3 We required to tell the customers about  
4 our sources of water. We have two sources. We have  
5 groundwater from our wells, as well as surface water  
6 from the San Juan-Chama and drinking water project.  
7 And we explain in the CCR about the San Juan-Chama  
8 drinking water project, as well as how to wells fit  
9 into that.

10 One of the most important parts of the CCR  
11 and confusing to the customer is our definition  
12 section. We have to define certain elements. Many  
13 of the most important parts are MCL, or maximum  
14 contaminant level. Those are the levels set by the  
15 EPA for good water quality. If we are under those  
16 levels, we are in compliance with the Safe Drinking  
17 Water Act.

18 Another important definition for you to be  
19 aware about is our concentration definitions. We  
20 report in the CCR in parts per million and parts per  
21 billion, our PPM and PPB and these concentrations,  
22 what we're work with, they're very small  
23 concentrations. And to get an idea of how small  
24 they are, if you think about an M&M, it weighs about  
25 a gram. And if you cut that M&M into a thousand

1 little tiny pieces and put it in 1 liter of drinking  
2 water, the concentration of that drinking water  
3 would be one PPM of M&M in that drinking water. If  
4 you would a cut that M&M into 1 million pieces and  
5 then put one of those single million pieces into a  
6 1 liter drinking water bottle, you would have a  
7 concentration of 1 part per million M&M in that  
8 drinking water bottle.

9           So we're talking about very small  
10 concentrations. And I find it amazing that we can  
11 even detect these concentrations in the water that  
12 they are.

13           We have to report all of our detected  
14 contaminants. We report several different ways.  
15 The first way is our entry point into the  
16 distribution system. This is where we report on our  
17 30 entry points. These are conglomerations of  
18 reservoirs and pump station, direct inject wells,  
19 where we test for naturally occurring contaminants.  
20 And these are -- everything that was measured is our  
21 averages in 2015.

22           We also monitor in the distribution  
23 system. This is where our staff will go out and  
24 take samples at customer taps as well as from sample  
25 hydrants that are located throughout the

1 distribution system. We test for lead and copper  
2 this way, as well as a few other microbiological  
3 testing is done this way.

4 When we're in the distribution system,  
5 we're also ensuring that the chlorine residual that  
6 we have to put in the water is maintained throughout  
7 the distribution system.

8 We do special testing at the surface water  
9 treatment plant. At the surface water treatment  
10 plant, it falls under a different rule, so we have  
11 to do a different testing to make sure that the  
12 plant is running well.

13 In addition to the over 5500 tests we do  
14 each year, only about 3700 of them are for  
15 compliance. We're testing a lot more to ensure that  
16 the system is running well, as well as everything is  
17 safe above and beyond what is required by the Safe  
18 Drinking Water Act.

19 Like I was saying, we do do a lot of  
20 voluntary monitoring. The monitoring is available  
21 to our customers online. You can go to this  
22 [abcwua.org/waterquality](http://abcwua.org/waterquality). You can put in your  
23 address and you can see what the water quality is  
24 like in your particular zone. Because it fluctuates  
25 across the system.

1                   And in addition to the voluntary  
2     monitoring that we're doing, we're also monitoring  
3     the wells nearest the Kirtland Air Force Base to  
4     protect wells from the well fuel spill on a monthly  
5     basis. And as an example, we are monitoring our  
6     entry points on a quarterly basis. But the EPA only  
7     requires us to do it once every three years. So  
8     we're doing above and beyond the required  
9     monitoring.

10                  We're required to report in the CCR our  
11     compliance with other drinking water regulations.  
12     The biggest drinking water regulation new thing that  
13     we did last year was the unregulated contaminated  
14     monitoring rule, Number 3, and this is a -- where we  
15     test it for nonregulated substances in the water.  
16     These results get sent out to EPA so they can decide  
17     if they want to create new regulations in the  
18     future. They will have data from all over the  
19     country to base those decisions on. In the CCR,  
20     we're required to put anything that was detected in  
21     this unregulated substances.

22                  We put educational information there.  
23     Part of what the EPA requires is this boilerplate  
24     about immunocompromised persons, as well as arsenic.  
25     Every CCR has the same boilerplate in there.

1 There's a toll free number that customers can call  
2 if they're concerned.

3 We do put a lot of optional info in there  
4 that we don't necessarily have to by regulations,  
5 but we want to reach out to our customers to tell  
6 them things about our new upcoming water resources  
7 management strategy. Things like conservation are  
8 not required, but we put in there. And this year  
9 especially, some issues in the news. We have our  
10 lead Q and A.

11 And speaking of lead, we've had  
12 historically good lead results. As you can see by  
13 this chart, we have never gone over the action level  
14 of 15 parts per billion. Our water is not in a  
15 situation like Flint, Michigan, where we actually  
16 have very low lead values.

17 The CCR announced that we will perform  
18 testing for residential customers in their home if  
19 they are concerned about lead. They can sign up  
20 online by going to this link, or they can call in  
21 our water quality information line. That line can  
22 be for any water quality interest. But they can all  
23 in and then we will put them into our queue and kind  
24 of triage them based on who is most likely to have  
25 lead. We're going to get to those people first,

1 based on other monitoring needs.

2 That is all I have. And I can take your  
3 questions, if you have any.

4 CHAIRWOMAN JONES: Thank you, Mr. Kelly.

5 Any questions?

6 Councillor Sanchez.

7 COUNCILLOR SANCHEZ: Thank you, Mr. Chairman.

8 My question would be regarding the lead  
9 testing. We saw the disaster in Flint, Michigan and  
10 the cover-up. And I'm just pleased to see that  
11 people have that opportunity to call a number.

12 And how long would it take for somebody to  
13 go out and do the testing?

14 MR. KELLY: We've committed to respond to the  
15 customer quickly, within ten days. And then it  
16 depends on how many are in the queue and how much  
17 other testing that we have to do based on  
18 regulation, based on how far we will get out there.  
19 We'd like to get out there as fast we can and then  
20 get the results back. It does take about 28 days to  
21 get the results back. So it's not a fast -- it's  
22 not immediate result, but we will be sharing the  
23 results as soon as they come in with the customers.

24 COUNCILLOR SANCHEZ: But looking at historic  
25 lead results here in this community, those numbers



1 have not been problematic like we're seeing in  
2 Flint, Michigan; is that correct?

3 MR. KELLY: That is correct. During our last  
4 round of testing in 2015, our 90th percentile level  
5 was 2 parts per billion, and our highest level  
6 detected was 4 parts per billion. So our highest  
7 was much lower than the actual level of 15 parts per  
8 billion. Flint was upwards of 30, 40 hundreds parts  
9 per billion.

10 COUNCILLOR SANCHEZ: And it looks like the  
11 historic contesting was done in 2012, 2015. We're  
12 not going to be doing this on an annual basis?

13 MR. KELLY: The Safe Drinking Water Act  
14 requires that we do the testing every three years.  
15 We are testing in the entry points for lead on a  
16 greater basis than every three years. But actually  
17 going into people's homes as required by the safety  
18 drinking water act and filling it up from their  
19 kitchen taps we only do every three years.

20 CHAIRWOMAN JONES: Thank you. Seeing -- yes,  
21 Mr. Rael.

22 TRUSTEE RAEL: Thank you, Madam Chair.

23 Can you tell me what type of pipe would be  
24 more potential for having lead? For instance, would  
25 copper pipes or galvanized pipe have more than

1 others, or what would have the highest potential for  
2 lead contamination?

3 MR. KELLY: Trustee Rael and Madam Chair, the  
4 highest potential, they actually used make pipes out  
5 of 100 percent lead, like the pipe itself was all  
6 lead. And those have the highest potential.

7 Any other potential comes from usually  
8 pipes that were connected using lead solder, which  
9 was phased out in 1987.

10 So when we do our lead sampling, we go to  
11 those houses that have the highest potential of  
12 having lead. So these are places that could have  
13 used lead solder most recent. So we go to houses  
14 that were built between 1982 and 1987, and we do all  
15 the sampling at those houses.

16 So I guess it's more if your house is  
17 really old and has a led pipe, or if you have a --  
18 or if your house used led solder. But usually with  
19 the older houses, a ring of scale develops on the  
20 interior wall of the pipe that protects us from  
21 anything leaching into the water.

22 And the issue with Flint, Michigan is when  
23 they changed their water chemistry, they kind of  
24 peeled off all that scale, and all the lead was able  
25 to go in that way.

1           So we don't have that issue because we  
2   take anti-corrosion into effect when we are treating  
3   the water at the surface water treatment plant, and  
4   we maintain that scale on the inside.

5           TRUSTEE RAEL: Thank you.

6           Thank you, Madam Chair.

7           CHAIRWOMAN JONES: Thank you.

8           Mr. Perry.

9           MR. PERRY: A point of interest. So like  
10   with Flint as you're talking about, presentation of  
11   led contamination in the water, it's typically  
12   through transmission sources, transmission lines, I  
13   think.

14          MR. KELLY: No. That is incorrect. It is  
15   usually from interior plumbing. So the surface line  
16   to -- from our main to the house would either be  
17   made of lead or used lead solder, or interior  
18   fixtures a lot of times in the old days were using  
19   led.

20          So our system was constructed without  
21   using lead. So from lead -- when we're sampling it,  
22   it is most likely an issue inside of the customer's  
23   home.

24          MR. PERRY: Okay. And in Flint, I don't  
25   understand like how it became such a problem. Was

1 it that they were using a lot of lead in their  
2 transmission and their interior residence  
3 composition piping, or...

4 MR. KELLY: Well, their main issue is they  
5 switched water sources, which switched up the water  
6 chemistry. So that interior scale that I was  
7 talking about had built up over years and years on  
8 their old lead pipes. And everybody was ohm because  
9 they were protected by that.

10 Then they switched water sources from  
11 being supplied to Detroit to actually going to a  
12 surface water source in fact Flint River. So this  
13 new source had different water chemistry, which  
14 pulled off the -- scoured off that interior coating,  
15 so then the lead was exposed to everyone and they no  
16 longer had that barrier.

17 When we switch sources between our  
18 groundwater only system to a mixed system of  
19 groundwater and surface water, this was taken into  
20 effect and we actually treat for anti corrosion at  
21 the surface water treatment plant to try and mimic  
22 the old water chemistry with what is being put out  
23 at the surface water treatment plant.

24 MR. PERRY: Wow. That's interesting.

25 And one last question. Is lead naturally

1 present in the water? Does it attenuate naturally?

2 MR. KELLY: I do not believe so, no.

3 CHAIRWOMAN JONES: Thank you,

4 Mr. Technically.

5 Are there any other questions?

6 The meeting is adjourned. Thank you.

7 (Proceedings adjourned at 6:15 p.m.)

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2 COUNTY OF BERNALILLO  
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