1 ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY 2 Wednesday, April 19, 2017 5:01 p.m. 3 ALBUQUERQUE BERNALILLO COUNTY GOVERNMENT CENTER ONE CIVIC PLAZA, NW 4 ALBUQUERQUE, NM 87102 5 Before: Kim Shollenbarger б PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105 7 Albuquerque, New Mexico 87102 8 9 10 A P P E A R A N C E S 11 12 COUNCILLOR KLARISSA PENA, Chair COMMISSIONER DEBBIE O'MALLEY, Vice Chair (Excused) 13 14 COUNCILLOR PAT DAVIS, Member 15 COUNCILLOR TRUDY JONES, Member 16 COMMISSIONER WAYNE JOHNSON, Member 17 COMMISSIONER MAGGIE HART STEBBINS, 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

CHAIRWOMAN PENA: We're going to call -- I 1 2 call this April 19th, 2017, meeting of the 3 Albuquerque Bernalillo County Water Utility Authority to order. Let the record show that 4 5 Commissioner O'Malley is excused this evening. Are we missing someone else? б Just 7 Commissioner O'Malley? COUNCILLOR JONES: Hart Stebbins. 8 9 CHAIRWOMAN PENA: Oh, Maggie. I knew there was someone else. And she'll be here? 10 Okay. 11 COMMISSIONER DAVIS: And Rob. 12 CHAIRWOMAN PENA: And they will be here 13 shortly. Okay. Thank you. Next item, we'll have a moment of silence 14 15 and the Pledge of Allegiance led by Councillor 16 Davis. 17 (Whereupon, there was a moment of 18 silence.) (Whereupon, the Pledge of Allegiance was 19 20 led by Councillor Pat Davis.) 21 CHAIRWOMAN PENA: Next item is the approval 22 of the minutes. I make a motion to approve the March 22nd, 2017, minutes. There's a motion. 23 24 COUNCILLOR JONES: Second. 25 CHAIRWOMAN PENA: And a second. All those

in favor, say yes. 1 2 ALL MEMBERS: Yes. 3 CHAIRWOMAN PENA: Opposed, no. 4 Motion passes. (5-0 vote. Agenda Item 3 approved. 5 б Commissioner Hart Stebbins and Mr. Perry 7 not present for vote.) CHAIRWOMAN PENA: Next item we have is 8 proclamations and awards. Item A, quarterly 9 10 employee recognition awards. So I guess we will get started. And I will start with the first. 11 12 Do we have the certificates, or were 13 they -- okay. Great. 14 Okay. Kelly [sic] Bishop. Ms. Bishop 15 has saved the water authority approximately \$10,000 by adding aquifer shortage inspections to her 16 workload and eliminating the need to contract this 17 18 service. 19 So, yeah, congratulations, Kerry. 20 MS. BISHOP: Thank you. 21 CHAIRWOMAN PENA: Thanks for your -- thanks 22 for your work. 23 Next, we have Annette Encinas-Chavez, 24 John Richstone, Krisenda Lobato, Leah Gainer, Anna 25 Miller, Jessica Cormier.

1	I apologize if I'm pronouncing your names
2	incorrectly.
3	John Juan Steen, Deborah
4	Ulibarri-Oldham.
5	Can you guys please come up to the front?
6	These water authority these water
7	quality laboratory employees are recognized for
8	their excellent performance during recent
9	accreditation study. And each will be receiving a
10	\$200 gift certificate.
11	Next recipient we have is Lorraine Koike.
12	If you can come up.
13	She's not here?
14	She's going to be receiving a \$100 gift
15	certificate. A customer recommended Ms. Koike to
16	be recognized for an employee award for her efforts
17	in resolving a problem that affected the Rio Grande
18	High School and its water source.
19	Congratulations.
20	Mr. Robert Monjaras, and Justin Sample.
21	They will be receiving a \$200 gift certificate.
22	Robert and Juan [sic] are recognized for
23	accomplishing a major phone system upgrading after
24	business hours with absolutely no system outages
25	now, that's a task downtime or interruption to

the water authority operations. 1 2 Congratulations. 3 Next we have Jeremy Saenz, Dominic Martinez, Leroy Valdez, Moises [sic] Mondragon. 4 5 They will all be receiving \$100 gift certificate б each. The team is recognized for their excellent 7 work in completing the security sensitive replacement of 120-foot fence internally and saving 8 9 several thousand to hire a fence company. 10 So thank you guys. 11 Next, we have Timothy Jewell. He will be 12 receiving a \$200 gift certificate. Timothy is recognized for his leadership in establishing 13 14 troubleshooting guidelines and procedures for the 15 utility's preventive maintenance efforts. 16 Congratulations, Timothy. Next we have Trinidad Padilla and Larry 17 Lairson. 18 Are they here? They will be receiving 19 \$300 each and eight hours. Wow. 20 Trinidad and Larry are recognized for 21 taking on additional duties to maintain the 22 gas-powered pump engines for the water production 23 system, saving \$8000 in maintenance expenses. 24 Thanks, guys. 25 Finally, we have Chris Johnson, Aurora

[sic] Gonzalez-Aller, Aaron Vigil. They will also 1 2 be receiving \$300 each and eight hours. 3 This is the water authority's safety team, and they are recognized for maintaining 4 5 service at the highest levels and taking on extra б duties during the extended absence of a team 7 member. Congratulations, you guys. 8 9 I just kind of want to add that I think this is an excellent program. This is something 10 11 that we passed at city council, and I think this 12 past year, we're just really trying to form a committee to establish this to recognize people 13 14 that go above and beyond in terms of their work. 15 So congratulations you all. 16 And I don't know if anyone has anything else to add. But thank you. Appreciate your 17 service. 18 19 So next item we have is public comment. 20 Ms. Jenkins, how many people do we have 21 signed up to speak? 22 MS. JENKINS: We have two. 23 CHAIRWOMAN PENA: Two? Can you please call 24 them up. MS. JENKINS: Tad Niemyjski and Elaine 25

1 Hebbard.

2 MR. NIEMYJSKI: My name Tad Niemyjski. 3 Well, speak our water. I'd like to know who 4 supposed to receive -- or will receive award what I 5 got to say.

6 Well, over the years, I was wondering if 7 water utility authority had crew who know how to do 8 the concrete finish work on the meters. Such 9 sloppy way, always been.

10 Now, what's been going on at John Street, 11 and still to this day? Almost month and a half 12 there was big hole next to the meter, about 13 2 square feet and dig way down. So finally, crew 14 decide to -- well, hard to reach water. So 15 sometime they fix this hole. But instead using 16 straight two-by-four, they just use an expansion 17 joint that like sausage. Yeah, that's how straight 18 is it.

19 If that's not enough, barricade. To this 20 day's (unintelligible), it been over all these --21 all -- over four weeks. It's block sidewalk, tape 22 over gate and -- and tape around that nobody can 23 even walk through that sidewalk.

24 CHAIRWOMAN O'MALLEY: Mr. Niemyjski, can you25 please direct your comments to the board.

Appreciate it.

2	MR. NIEMYJSKI: Well, I tried. And you
3	guys, what do you know about concrete work, any
4	construction work? So why to talk to you?
5	So anyway, I'm speaking to administration
6	to bring it to attention. Yes, we are that
7	being this meeting being televised. Here is
8	issue, is waste of public money. Simple as that.
9	Maybe could be nice to hire a crew. It's work for
10	small crew, one finisher and one or two helpers.
11	Thank you.
12	MS. JENKINS: Elaine Hebbard.
13	MS. HEBBARD: Good afternoon. My name is
14	Elaine Hebbard. I've been coming here for about
15	ten years, trying to provide some thoughts an ideas
16	and suggestions.
17	I'm returning to an old question today.
18	And that is, what does the board want from its
19	technical advisory committee?
20	The directives address some of the issues
21	that were raised during the last legislative
22	session. But one that was talked about during that
23	session was the amount of time board members don't
24	really have. And it used to be when the utility
25	was under the city, that council services provided

some thoughts to the council members on the budget,
 on the priorities, et cetera, of the utility. That
 does not happen anymore.

The TCAC could fill that role. It is to provide, according to the resolution, advice to the governing board on the water utility's policies, programs and projects.

8 At the last TCAC meeting, the former 9 chair said, quote, our role is to support staff, 10 unquote. Well, of course, any advice is going to 11 support the staff. But the board is who the TCAC 12 should be reporting to.

Let me give you an example. At last month's meeting, Mr. Roth was asked whether there was any comment from the TCAC on the objectives, and he responded that there was a lot of public and TCAC support for planned maintenance.

Well, in reality, the presentation that the TCAC received was approximately the same as the one you received. Ours was nine and a half minutes, yours was eight minutes on the objectives. It was scheduled at the very end of the session for a ten-minute time period.

A lot of the discussion that the TCAC had was about how data could be used that was being collected from the automated meters. That's the
 only comments that were actually made. At the end
 of the presentation, Mr. Roth said: Now, that's
 the snapshot of the objectives.

That was 26 of the 56 objectives that 5 6 were actually provided to the board. The chair at 7 the time asked whether or not any action needed to be taken or if it was a presentation. It was just 8 a presentation, so he didn't ask for public 9 10 comment. There was none, and the meeting was 11 adjourned at 6:04. There was no discussion asked 12 for and, frankly, no advice given.

I ask because only 26 of the 56
objectives have been presented. I asked for the
April meeting to include all 56. That didn't
happen.

This is not a process which encourages 17 18 active public participation, which is what the budget ordinance calls for. So an advisory 19 20 committee actually reporting its advice to the 21 board and not just supporting what staff is doing I 22 think would be a huge improvement. And that would 23 be, I think, a recommendation from the board to the 24 TCAC.

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Thank you.

1 CHAIRWOMAN PENA: Thank you. That concludes 2 public comment. 3 Next we have announcements and communications. The next scheduled meeting is 4 5 May 17th at 5:00 p.m. in the Vincent E. Griego б Chambers. 7 There will be technical customer advisory committee openings, and interested customers should 8 9 apply online at www.abcwua.org. 10 Next item is Item 7, introduction of legislation, the first reading, Item A, 0-17-1, 11 12 amending the Albuquerque Bernalillo County Water Utility Authority's water and sewer rate ordinance 13 to adjust water and sewer rates by 5 percent, 14 15 revenue adjustment for FY18, update the utility 16 expansion charge, water supply charge, septic tank and chemical toilet charge by 3.45 percent based on 17 18 Engineering News report index. 19 Carol Malesky, welcome. 20 MS. MALESKY: Thank you, Madam Chair, and good evening, Members of the Board. As you know, 21 22 my name is Carol Malesky. Some of you have seen me 23 before. I'm a principal financial consultant for 24 Stantec Consulting. And I've been working with 25 Mr. Allred and members of your staff for about

12 years on your rates and fees. And today I'm
 2 going to talk about the cost of service study that
 3 is the background for the rate ordinance.

Today I'm going to cover the cost of 4 5 service study process, so we're going to be looking б at the costs and the revenues that you, as an 7 authority, need to recover from your water and sewer customers. We're going to be looking at rate 8 options, so rate design scenarios. And then we'll 9 talk about the bill impacts, so what are the 10 11 impacts to your customers of the recommended rate 12 structure. And finally, we'll look at some 13 comparative rates from your other neighboring 14 communities.

15 The basic utility rate-making process, the basic cost of service process, includes three 16 17 main steps that you see on this diagram. The first 18 step is the development of a financial plan. This 19 is that long term plan that Mr. Allred prepares, 20 and it contains all of the costs and all the types 21 of costs that your water and sewer rates need to 22 These include capital costs, which are recover. 23 debt service payments, your sewer infrastructure, 24 water infrastructure renewal expenses, and other 25 capital improvement items. They also include

1 operating and maintenance expenses.

2	We take as a consultant, when we take
3	those cost and we run them through the cost of
4	service analysis, we look at allocations of cost to
5	your customer classes and to the different rate
6	components in order to develop defensible and
7	equitable rates for your customers.
8	Finally, that rate design step is the way
9	that you actually recover your rates from your
10	in your cost from your customers, and I'll go into
11	that in a little bit.
12	You might be familiar with these
13	structures, but I thought I'd go over there.
14	The water rate structure that you've had
15	in place for a while is comprised of two main
16	pieces: A fixed monthly charge for all your
17	customers and commodity rates.
18	The fixed monthly charge is assessed to
19	your customers no matter how much water or sewer
20	they use. It is just a monthly charge. And you
21	have monthly charges that differ by customer type
22	and by meter size.
23	The commodity rates are then those volume
24	metric rates. So as customers use water or
25	

varies by the amount of volume that they use. This
 includes a low use discount for those customers
 that are conserving water, and it includes some
 other surcharge blocks for those that use more than
 a certain amount of water every month.

6 The commodity rates include some charges 7 that you need to pass on to other agencies, such as 8 the state water conservation board and water 9 resource management strategies, and also the 10 franchise fees.

11 The wastewater rate structure is very 12 similar. You have a fixed monthly charge that you 13 assess; again, independent of how much sewer is 14 used. And then the commodity rates themselves are 15 those volume metric portions.

Your wholesale rates are less than the retail rates because wholesale customers, such as Kirtland Air Force Base, uses a different level of service. So wholesale customers get a different level of service from the authority.

In the ordinance for Fiscal Year 2018, there's a 5 percent rate revenue increase that you had already incorporated into the ordinance. Our job was to take that 5 percent rate revenue increase and look at alternatives for how to recover that from your rate design.

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There were three options that we looked at. The simplest is Scenario A. That's just an across-the-board increase: 5 percent increase on your fixed charges, 5 percent increases on your commodity rates.

7 Scenario B is just to -- is to actually recover more of your costs through your fixed 8 9 charges. Right now, you recover about 48 percent 10 of your revenues that you need every year from 11 those fixed charges, so not the volume charges, 12 just the fixed piece. Scenario B would increase 13 that to 15 percent. So you're increasing your 14 revenue stability by increasing that fixed 15 component of a customer's bill. And so that would 16 be different than a 5 percent increase; it would be higher. 17

The commodity rates would be, then, making up the rest of the revenue that you need to recover, and that would be less than a 5 percent increase on the commodity side. So that's Scenario B.

23 Scenario C was a move toward that we call 24 cost of service, or COS. That's where we actually 25 look at the costs for your water and sewer utility

separately, and we look at what is really needed in 1 2 terms of the sewer system repairs and the sewer system operating costs and the water system 3 4 operating costs. 5 In Scenario C, more revenue, we found, should be recovered from your sewer rates. б So all 7 of this time, in the past few years, your water rates have been increasing, your sewer rates have 8 been increasing, but you've recovered 9 10 proportionately more revenue from the water side 11 and the sewer side. 12 And now, with a lot of sewer rehab needs, we're finding that the sewer revenues should be 13 14 greater than what they have been historically. So 15 this Scenario C would increase the sewer rates more 16 than 5 percent. And you would recover more of your revenue from the sewer rates. 17 18 Our process that we followed, including 19 meeting with your technical customer advisory 20 committee, we evaluated the scenarios with staff 21 and with our group, and we actually walked through 22 some pros and cons for each scenario. And you can see these on the table here. 23 24 Scenario C is our preferred scenario 25 because of the fact that it moves you more towards

cost of service, that those sewer rates should 1 2 actually be a little bit higher than they are, and 3 higher than what they would be under a 5 percent increase across the board. 4 Another benefit of Scenario C is that the 5 water rates, the water commodity rates would not 6 7 They'd stay at their current levels. The change. fixed charges on the water side, however, would 8 9 increase. 10 I meant to ask Mr. David Hill to come up 11 and talk a little bit about the TCAC review. 12 MR. HILL: Thank you, Carol. 13 So good morning, Board, Madam Chair and 14 Members of the Board. My name is Dave Hill. I'm 15 the chairman of the TCAC committee right now. 16 And Carol did present to us at three different meetings of what the process was, a more 17 18 detailed presentation than what you saw here, and what the process brings and how it affects the 19 20 customers. During those three meetings, she showed us all the scenarios, A, B and C. And we analyzed 21 22 how those scenarios would affect the customers and 23 how their bills would be turned out. 24 After the three meetings, we all 25 consolidated and agreed with Carol on the

recommendation of Scenario C. Again, the reason why we felt Scenario C was the best is, as Carol said, it, first of all, addressed the issue of the sewer commodity charge.

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5 It was our -- from the study, it looked 6 like that the sewer wasn't taking care of its own 7 rehab, and by increasing the cost in the sewer, 8 would help meet that issue. It also stabilized 9 water on the commodity charge for water, which we 10 thought was a good idea.

It still keeps in effect pricing on 11 water, so we maintained the -- the advocacy of 12 13 maintaining our water. you know, New Mexico is a 14 dry state, and we don't want people to run wild 15 with their water. And it balances that with stability, with the fixed charges. The stability 16 of the water rates was something that we thought 17 18 was very important.

And so overall, over the three meetings, the key selling point for us for the Scenario C was it was more appropriate sewer commodity rates, and it was the stable water commodity rates. And it's our recommendation that you accept Scenario C.

And one thing that came into thediscussion is, through Carol and through the team

working together, is that we found out that there 1 2 is a smart metering database that was being 3 developed. And we're recommending that in the next rate evaluation that the city should -- the 4 5 county -- the utility, excuse me, should look at б that, incorporate those smart meters to see how 7 we're actually using our water within the City of Albuquerque. 8 9 So with that, it's our recommendation to 10 accept Scenario C. Any questions? 11 CHAIRWOMAN PENA: Thank you. 12 Any questions? Counselor Jones. 13 14 COUNCILLOR JONES: Thank you, Madam Chair. 15 It's not really a question. I just want to you thank you, Mr. Hill, and all of the members 16 of the TCAC. I know it's a task sometimes. 17 We 18 appreciate all your various expertise and all the work that every member has put into it. Thank you. 19 20 MR. HILL: I can speak for myself. It's a pleasure, and I think all the TCAC members would 21 22 say the same thing. So thank you. 23 CHAIRWOMAN PENA: Thank you. 24 Mr. Perry. MR. PERRY: So thank you. I'd like to also 25

express my appreciation. And I've got a couple 1 2 questions real quick. 3 So your recommendation is Option C? MR. HILL: Certainly. 4 MR. PERRY: And I understand your rationale 5 б for it as far as outlining the -- the sewer issues 7 and placing the onus upgrade on the sewer cost for service. 8 9 Can you just elaborate? 10 MR. HILL: Sure. I'll give you the layman's 11 understanding. 12 MR. PERRY: Yes. I like the proposal. And I like it for a couple of different reasons. 13 One 14 of them is, we've struggled with conservation, 15 water conservation, itself, and as we've 16 attempted -- I'm sorry -- and as we've attempted to 17 incentivize conservation, at the same time, we've 18 saved -- we've saved use of water, but it's 19 affected our revenue --20 MR. HILL: Correct. 21 MR. PERRY: -- which is a problem. This 22 scenario seems to focus on the cost of service, 23 meaning putting the revenue -- getting the revenue 24 directly from something that probably has a 25 specific -- the financial need associated with the

capital redevelopment of the infrastructure, and it also doesn't affect the conservation efforts.

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3 MR. HILL: So -- I agree with you. The reason we chose Scenario C over the other scenarios 4 is, first of all, it was mandated to have a 5 б 5 percent rate increase. And from our meetings, we 7 also looked at other cities and how they had done the rate increases. Some put more on the commodity 8 charges of what water costs, and it doesn't 9 stabilize your revenue. Also, it was throwing it 10 11 out that in our last rate increase, that we weren't 12 taking care of the sewer rehab.

13 And that's why, through this study, this 14 rate increase, by increasing the sewer rehab 15 portion of it, got the actual cost for the sewer 16 where it belongs, so that's one of the things I 17 liked about it. It also did what you said, it 18 didn't muck around with -- we do -- with our water 19 rates, we have an ability to charge for how much 20 water you use, an ability to increase those costs. 21 And I like this scenario because it kept that in 22 play.

23 So those users that aren't being 24 conservative, we have a way to get a revenue and 25 still -- and the third component was the water

commodity charge that keeps us stable. You know, 1 2 as running a utility, you want to incentivize your customers to save on water, but you've got to also 3 4 make sure you have the revenues to cover cost. And 5 that's why I really liked Scenario C out of the б three scenarios. 7 MR. PERRY: Thank you, sir. MR. HILL: And I think the whole committee. 8 When I say "I," it was the committee. 9 10 CHAIRWOMAN PENA: Thank you. Councillor Davis. 11 COUNCILLOR DAVIS: Thank you, Madam Chair. 12 13 And, Mr. Sanchez, perhaps, or maybe 14 somebody else. 15 Can you just remind us what sort of 16 our -- our sewer back- -- or sewer capital backlog is right now? What do we estimate the need is, and 17 18 how quickly is that going to cause -- I know 19 particularly in the Southeast Heights and some of 20 the older sections of town and in the valley, we're already seeing some places where we have collapse. 21 22 I know your office has been doing, your 23 staff has been doing sort of camera and piping through the different sewers to give us a better 24 25 sense.

Like what is the capital need for sewer 1 2 right now, say in the next year or so? 3 MR. SANCHEZ: Mr. Chair, Councillor Davis, I think with regard to our wastewater treatment plan, 4 it's about a quarter of a billion dollars, and 5 we're about halfway there. б 7 With regard to our wastewater collection system, Dave Price, later on the agenda, will 8 9 address that and the decade plan. 10 COUNCILLOR DAVIS: Great. 11 CHAIRWOMAN PENA: Thank you. 12 Thank you, again. 13 MR. HILL: Thank you, Madam Chair. 14 MS. MALESKY: Mr. Hill was paying attention 15 during our meetings. 16 For Scenario C, I'd like to talk a little bit about the bill impacts for your typical 17 18 customers. When we talk about typical customers, we looked at your billing data and we looked at 19 20 your what customers, residential customers, multi-family, et cetera, what the most commonly 21 22 used amount was. 23 And so we have two types of residential 24 customers here for a bill example. We have 25 residential customers that use eight units of water

1 a month. They're five-eighths-inch meter size 2 designates what their fixed charge will be. And 3 we've determined that with Scenario C, compared to 4 what they're paying now in the summer, their bill 5 would change by \$2.72.

I also went to reiterate that these rates here, these summer bill changes, do not include the New Mexico governmental gross receipts tax or the franchise fees. So those would be an additional amount.

11 The residential customer that uses 30 12 units, so a larger user, would see, of course, a larger increase on their bill. That would be about 13 14 \$3.21 per month. So that the changes in the winter 15 would be a little bit different. When you could 16 read the rest of the customer types and what we expect their bill would be, the change in their 17 18 bill would be if they use the same amount of water.

You might be interested in how much water your classes of customers are using. We received this information thanks to Katherine Yuhas. And we have the different customer types displayed here and the percentage of the total water used in 2016. We'll see that the majority of your water is used by residential customers.

The other category includes things such 1 2 as fire hydrants, turf customers, fire lines, 3 et cetera. But that residential customers that make 4 up the majority of your accounts use the most of 5 б your water. 7 Another factor that we like to consider when we are looking at rate increases is the 8 9 affordability of these rates and the affordability 10 of a customer's water and sewer bills. The USEPA 11 posts information on what is considered an 12 affordability threshold. So for sewer bills, it happens to be 13 14 2 percent of the median household income of the service area. It's not of an individual customer's 15 16 median -- excuse me, income, it's the median for the service area. So they say 2 percent, above 17 18 2 percent, a sewer bill would be considered unaffordable. And for water, it's a little bit 19 20 higher; it's 2.5 percent. 21 So considering a water and sewer bill for 22 the year for a customer, if that bill is under 23 4.5 percent of the median household income, that bill -- that service is considered affordable. 24 25 We ran the affordability percentages for

your typical customer that has a five-eighths-inch meter and uses eight units of water in the summer a month. And the existing percentage of median household income of that annual bill would be 1.22 percent. With this increase, it would just go up to 1.2 eight percent.

Now, we understand that there are customers, there will always be customers that have difficulty affording their bills. And we know that you have a discount or a credit with those low income users. But in general, for a typical customer, your rates are determined to be affordable.

In comparison to some other communities, we have two types of graphs. The first graph shows and average use, so at eight units a month, we show a water and sewer total bill per month for some various communities. And this is an order, of course, from left to right, of the highest bill to the lowest bill.

21 Rio Rancho, right now, for an eight-unit 22 user would have the largest monthly bill. If you 23 go left to right, you'll see that the proposed 24 Scenario C is just third from the right. So it's 25 near the lower end of all the comparisons.

It's important to note that some of these 1 2 communities have a fixed charge that includes a 3 minimum amount of water usage. So these aren't comparable rate structures to what you have; they 4 5 are different. If you want more information on how б these communities assess their water and sewer 7 rates, I can provide that to you. We're showing the same graph, but for a 8 large user, a 30-unit user. And you'll see now, 9 10 and I think you're probably all familiar with 11 Santa Fe and their inclining block rate structure, their top block is very high for large water users. 12 13 So that's why they moved up to that top position. 14 And a large user, under the proposed 15 Scenario C, would be -- for your authority's 16 customers would be way at the end. Finally for this proposed rate ordinance, 17 18 we understand that there's always a question about 19 a rate increase. For this particular proposed 20 5 percent rate revenue increase, it's approximately 21 \$10.3 million. And you may want to know where is 22 it going to go. 23 Primarily infrastructure renewal, as 24 we've discussed, sewer renewal, and some water 25 infrastructure renewal. That's the top funding

1 need.

2 There's also a need to increase your 3 reserves, your rate reserve, with a rate stabilization fund. And also to make sure that you 4 5 find your insurance cost, your power costs and б chemical cost, a lot of these costs -- in fact, we 7 calculated 95 percent of your costs every year are fixed. In other words, it doesn't matter how much 8 9 water or sewer usage there is, you still -- the authority still needs to pay for these expenses. 10 11 And so that's why the higher fixed charge is 12 important.

And finally, the need for this rate 13 14 increase, part of it is to make sure you're in 15 compliance with your bond rating agencies. You 16 have an excellent bond rating from the agencies. 17 And to maintain that, they have a list of factors 18 that they review when they're rating and giving you an interest rate for any future borrowings. And 19 20 you want to make sure that you maintain those 21 metrics in order to maintain the favorable bond 22 ratings and lower interest rates for your future 23 borrowings.

24 That's all I have. I'd be happy to25 entertain your questions.

1 CHAIRWOMAN PENA: Thank you. 2 Does anyone have any questions? Commissioner Stebbins. 3 4 COMMISSIONER HART STEBBINS: Thank you, Madam Chair. 5 б Just one quick question. You mentioned 7 Kirtland Air Force Base is a wholesale user. Who are the other wholesale users on our system? 8 9 MS. MALESKY: Madam Chair, Councillor Stebbins, we have just a few smaller contract 10 11 customers. On the -- on the sewer side, Kirtland 12 Air Force Base is the primary wholesale user. COMMISSIONER HART STEBBINS: And their use 13 14 is primarily wastewater? 15 MS. MALESKY: Correct. 16 COMMISSIONER HART STEBBINS: Thank you. Thank you, Madam Chair. 17 18 CHAIRWOMAN PENA: Thank you. It doesn't 19 look like there's any other questions. I just kind 20 of wanted to say that I really appreciate -- myself 21 and the commissioner had an overview the other day 22 with Mark, and I had some questions in terms of 23 transferrings. You know, the increase, obviously no one ever wants an increase, but, you know, when 24 25 we have our -- our system is falling apart and we

don't have the -- the dollars, we definitely have 1 2 to do something. 3 But my question at that point, and just for -- for the record, is we talked a little bit 4 5 about, you know, transferring some of the б operating -- and this is probably more for Mark --7 transferring some of the operating to capital, and I asked the question about staff and where we are 8 9 in terms of pay. And I felt really comfortable 10 with the answer. 11 And I don't know if you want to add to that, Mark, or -- Mr. Sanchez. Sorry. 12 MR. SANCHEZ: Madam Chair, I think of the 13 14 total amount, \$6 million is being transferred from 15 cash to capital to continue the ramp-up of 16 infrastructure renewal and replacement. I think that tracks with what we discussed. 17 18 And we are certainly bound to our union contracts that are in place, which would include a 19 20 2 percent salary adjustment. 21 CHAIRWOMAN PENA: Thank you. I appreciate 22 that. 23 Thank you. 24 MS. MALESKY: Thank you very much. 25 CHAIRWOMAN PENA: Next item we have is Items

1	B and C, R-17-9 and R-17-10, appropriating funds
2	for operating the Albuquerque Bernalillo County
3	Water Utility Authority for fiscal year beginning
4	July 1, 2017, and ending June 30th, 2018.
5	Mr. Stan Allred will be presenting on
6	both.
7	And R-10 is appropriating funds for the
8	capital implementation of Albuquerque Bernalillo
9	County Water Utility Authority for the fiscal year
10	beginning July 1, 2017, and ending June 30th, 2018.
11	Thank you, Mr. Allred.
12	MR. ALLRED: Madam Chair and Members of the
13	Board, just real quickly for Commissioner Stebbins,
14	yeah, so the wholesale, some of the other ones
15	would be like Sandia Heights. They discharge
16	they use they pump their own water, but they
17	discharge to our system for sewer. Sumitomo would
18	be another example. There's like about eight of
19	them. So these are actually entities that pump
20	their own water but discharge sewer to our rate, to
21	we charge them a wholesale rate.
22	So what I have before you is our FY18
23	proposed budget for our operating and for our CIP.
24	There is a rate revenue adjustment in this budget,
25	as per the rate ordinance.

1	We assume nominal growth in our service
2	area. When we did the rates when we did look at
3	the rates in the budget, we looked at a consumption
4	level of 129 gallons per person per day.
5	The capital spending increases by
6	\$6 million a year, so you'll see here in a little
7	bit, we took our transfer to capital from
8	\$21 million a year to \$27 million to continue the
9	ramp-up for our capital and our to take care of
10	our assets.
11	We'll continue to reserve \$2 million for
12	the rate reserve. This will bring the balance to
13	\$10 million. This reserve is to be used in years
14	where we may have declines in consumption, and we
15	can use the reserve instead of going back to the
16	board and trying to get a rate increase to make up
17	for that difference.
18	And then this budget will also bring us
19	to a one-twelfth fund balance in our from our
20	operating expenses. That is mandated by policy
21	through the rate ordinance as a target. And then
22	we will hit that target in this fiscal year.
23	Accomplishments in FY17, the current
24	fiscal year, we adopted the Water 2120 plan. That
25	was a huge accomplishment, and that's why it's at

the top. We are -- constructed a 1.5 megawatt solar facility at our water treatment plant. It is done -- we'll probably have a groundbreaking for that within a month or so. And a lot of -- some of the power for the water treatment plant will come from that solar array and get us off the grid a little bit from PNM.

8 Last year, we produced -- 66 percent of 9 the water we produced for our service area came 10 from the surface water treatment plant. We've 11 exceeded our conservation goals, and we're 12 basically, in '17 at 129 gallons per person per 13 day.

14 We implemented an enhanced automated 15 customer care portal. This has done a couple 16 things, allowed us -- one of the things that Commissioner Stebbins had asked us for was to be 17 18 able to take the living river fund via the -- a web payment. We can do that now. It allows a lot of 19 20 our real estate companies to go on and make 21 multiple payments to accounts in one site, instead 22 of doing them individually. Developers can go and 23 apply for new services online without having to 24 come downtown to do that. And we've also created 25 apps for an iPhone and for android phones so our

customers can access our sites via those tools. 1 2 And we also received eight national 3 awards this year. The biggest one was Utility of the Future. If you remember, a few months ago, we 4 5 had the flag and whatnot. So we've been recognized б nationally for achieving a lot of great things. 7 FY18 selected priorities, part of what's in this budget is we'll have an enhanced community 8 9 outreach and communication program. We've budgeted 10 so we can go out and meet with legislators and the 11 community and -- and just improve our outreach. 12 Improve efficiencies by upgrading our 13 work order and our billing system. Our billing 14 system was implemented ten years ago. It's at a 15 point where it's not going to be supported anymore, 16 so we're going to start the process of doing some work on the billing system. They're bringing it 17 18 back up to the levels it needs to be at. And we're 19 in the process of doing the same thing with your 20 work order plan. 21 We'll begin the implementation of Water 22 2120. One of the big things is the large scale 23 aquifer storage and recovery project that we're 24 doing. We're going to increase groundwater 25 reserves by injecting purified as part of that --

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part of that plan.

2 Continued alternative energy 3 developments. We talked about the solar array. We're going to continue to look at doing more and 4 more of that with all our facilities. 5 б And we're going to continue to invest in 7 our aging infrastructure. And we talked a lot about that as the transfer per capital and our 8 asset management plan. 9 10 And then we're going to look at doing a 11 customer round-up program, where we're going to allow our customers to round up their bills, and in 12 that difference, we would use to help customers 13 14 exercise the Good Neighbor Fund with like PNM to help them with their bills and those such things 15 16 when they're in need.

17 So quick pie chart of our projected 18 revenues for 2018. It's \$229.9 million. The bulk 19 of it will come from the water rates. The blue on 20 the left, it will come from the wastewater rates. 21 We'll generate about \$8.8 million in franchise fees 22 that we pay for right-of-way in the infrastructure.

And then we have about \$5 million in miscellaneous expenses, which is primarily just revenue we generate to pay for like connections and 1

those types of things.

2 Just a real quick synopsis of the trend, 3 what we've done with our rate increases, with our working capital bonds. As you can see in FY16, we 4 5 actually had a negative working capital balance. б That working capital balance we turned positive in 7 We've increased that balance in FY17. And FY16. by the eight of FY18, we'll have that balance at 8 9 one-twelfth of our operating expenditures. 10 So the last two years -- or three years, 11 we've made a big turn and put ourselves in a 12 positive position financially. 13 FY18 budget expenditures is 14 \$222.9 million. As you can see by the pie chart, a big chunk of it is for debt service. Then we have 15 16 58 million for wages and benefits for our employees. Our operating expenditure is about 17 18 \$53 million. Then you go through there. Risk cost, which is basically Workers' Comp cost and 19 20 insurance claims we pay, is just at about 21 \$2.7 million. We were upwards of three and a half 22 with Workers' Comp. 23 And our transfer through the big thing, 24 again, is transfer to other funds, which is a 25 transfer to capital of \$27 million. And that's
where the bulk of the rate increase is going to, to
 pay for our aging infrastructure.

A quick synopsis of our finance plan graphically. It takes us from FY17, this current year, to FY18. You can kind of see expenditures increasing. And you see revenues increasing at the same level as the expenditures.

The red line is the beginning working 8 capital balance from the particular fiscal year. 9 10 And the yellow line is the ending working capital 11 balance, what we want to achieve. And you can see 12 through this plan, we're not going to raise rates 13 to do anything more than to cover our expenditures 14 and still pain taken a sufficient working capital balance level. 15

16 Moving into our capital budget, we have an appropriation of \$64.1 million. Fifty-two 17 18 million of that will go to our basic rehab program. Some of the major projects we're going to work on 19 20 is \$6 million for the completion of the solids 21 dewatering facility at our sewer treatment plant; 22 \$4 million for vehicle heavy equipment replacement. 23 There's a project for \$3 million for an EPA 24 compliance reuse pipeline project. Per ordinance, 25 we're required to spend to \$2 million a year for

1 our automatic meter infrastructure. Fifty percent 2 of our service area will be built out by the end of 3 FY18. And then we're dedicated by ordinance also 4 to spend a million dollars on steel line 5 replacements.

And then we have \$350,000 for renewable energy projects. That was mandated with -- by the State with PNM. It allows us, instead of paying for some of the rates to PNM to allow us to use those for renewable projects and use that money internally.

12 Quick synopsis of our CIP spending in our decade plan, and Dave Price will talk a lot about 13 14 more of this in detail in the next presentation. 15 But you can see how the ramp-up is working. It's 16 going up to \$3 million a year from FY18 to through FY27. By FY27, we'll be at about \$76 million a 17 18 year, which is, based on the asset management plan, the level we need to get that. The red line is 19 20 basically the increase in the cash transfer from 21 operating to pay for that.

22 So the theory is that this will be funded 23 primarily and only from cash transfers from the 24 operating. And we would not borrow -- extend our 25 borrowing to pay for the ramp-up.

1	Some of the efficiencies we've had since
2	we started the ramp-up with the asset management
3	plan. This is just an example of an FY13. You
4	look at the greenish line, that's for the
5	wastewater treatment plant. About 33 percent of
6	the work that was done there was on a corrective
7	maintenance, or on a planned maintenance level. So
8	the remaining 60 percent was on a corrective
9	maintenance. So basically, things were breaking
10	down. We were just doing a lot of work trying to
11	fix that infrastructure as it was breaking.
12	You can see by FY16, we're upwards to
13	almost 85 percent. So 85 percent of our work now
14	is planned, and 15 percent is on a corrective. So
15	we've actually turned our attention to maintain our
16	facilities, and we're not working on trying to fix
17	them on a continuous basis.
18	Another example of efficiency through
19	CIP, in 2012, all those little red dots was all the
20	inoperable meters we had around in our service
21	area. That was about 10,000 meters. Those 10,000
22	meters were being estimated to our customers. In
23	2017, you can see there's very little red dots. We
24	average about 30 inoperable meters a month. So
25	we've taken a proactive approach through our

capital projects to take care of that and fix those
 needs.

And I stand for any questions. CHAIRWOMAN PENA: Any questions?

Mr. Perry.

6 MR. PERRY: Just briefly, Mr. Allred. You 7 mentioned that the last couple, three years we've 8 tried to minimize the copper levels related to the 9 reserves. Can you just elaborate on that a little 10 bit? Is that because of the instability in revenue 11 related to conservations efforts and the like?

12 MR. ALLRED: Madam Chair, Mr. Perry, that 13 would be correct. It really started off about 2015 when we had the massive drop in consumption, it was 14 15 about two billion gallons that year. We had a 16 \$9 million shortfall in revenue. We used our rate reserves, what we had in the rate reserve, to pay 17 18 for that. Our fund balance has dropped. We put a rate increase in '15 to try to make up that 19 20 difference, and we have continued to work at that. 21 So we basically, by the end of FY15, had

22 a negative \$18 million fund balance. And by the 23 end of FY18, we're going to have a positive 16- to 24 \$17 million fund balance.

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MR. PERRY: I appreciate the candor and the

1 explanation. I thought that might be the case. I
2 noticed the transfer of \$7 million basically of 223
3 in revenue, 229 in expenditures, and I saw the
4 dedication the balance.
5 I think that is important to maintain

that balance. б Particularly, that's related to your 7 balance sheets and financial statements. Rating agencies and the like look at that stuff. 8 They 9 don't like to see we're in capital balance deficits 10 and shortages, which means we're moving in the 11 wrong direction. So I think that will probably 12 hold you in good stead with some of those rating 13 and financial agencies.

14 CHAIRWOMAN PENA: Any other questions? No?
15 Well, thank you, Stan. And I think my
16 comment to Mark earlier was premature, but I know
17 it was all related to kind of the same thing. But
18 thank you.

So next item we have is Item D, R-17-11, authorizing an agreement for the water and sewer service with Eagle Vista, LLC, for Eagle Ranch Plaza.

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Chris Cadena.

24 MR. CADENA: Hello, Madam Chair, Members of 25 the Board. I'm introducing a development agreement

for a development -- retail development entitled 1 2 Eagle Ranch Plaza. It's a retail development 3 located south of the Calabacillas Arroyo, just north of the intersection of Irving and Eagle Ranch 4 5 It lies in the pressure zone 1-W on the west Road. б side. And once the development takes place, 7 they'll be responsible installing their public waterline, public sanitary sewer, as well as paying 8 the associated utility expansion charges and water 9 10 supply charges. 11 CHAIRWOMAN PENA: Thank you. 12 Any questions? No? Okay. Next item, E, E-17-8, 2018-2027 13 14 decade plan for capital improvements. 15 Dave Price. MR. PRICE: Good evening, Madam Chairman and 16 My name is David Price. I'm the manager of 17 Board. 18 the planning and engineering division here at the water authority, and I am going to be talking about 19 20 the decade plan update. 21 We update the decade plan every two 22 It's -- the decade plan is a planning years. 23 document that just lays out our capital projects 24 for the coming ten years, with an emphasize on the 25 first two years.

I'm going to talk primarily about our 1 2 basic renewal program, which is the bulk of the 3 decade plan. As Mr. Allred was talking about the -- the decade plan is tied directly with the 4 5 financial plan, and the financial -- and the б revenues. And it also incorporates data analysis 7 from an asset management plan. We use asset management principles for prioritizing our capital 8 9 improvement projects.

One of the asset we're talking about on the drinking water side, we're talking about the San Juan Chama Drinking Water Project water treatment plant. It's a 92 MGD surface water treatment, where supplies, as Mr. Allred said, last year provided about 76 percent of our drinking water.

We also have wells. We have about 95 wells. We have booster pumping stations. We have about 50 or 60 reservoirs, the stored water out in the system. And we have about 2 -- 2500 miles of drinking water pipelines for distributing water throughout the city and the metropolitan area.

Base water assets include the Southside
Water Reclamation Plant, all our sewage collection
pipelines. Again, we have about 3,000 miles of

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sewage collection pipelines. We have sewage lift stations, vacuum stations, and the soil amendment facility, where we lay and apply your solids from the wastewater treatment plant.

5 We also have two nonpotable water 6 systems, one on the north side, the northeast 7 quadrant of the city, and one on the Southside. And then the compliance division. We have a 8 9 building down at the wastewater treatment plant 10 that houses our analytical laboratory, and we 11 process a lot of the samples that come from the 12 wastewater plant, but also from our water system.

13 Asset management program, back in 2011 we 14 completed a utility-wide asset management plan for 15 the water authority. And you can see at the lower 16 left-hand side, overall at that time, they had estimated the total asset replacement costs for our 17 18 system, including our water on the wastewater side, 19 it was approximately \$5 billion. And that's in 20 2010 dollars.

21 Most of that, the bulk of that, and it's 22 shown by the pie chart, is involved with our pipes, 23 both on our water side and our wastewater side. 24 And then the remainder of that is our plants.

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This is the chart that came out of the

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2011 asset management plan. It shows our -- a 100-year infrastructure renewal need. And you can see at the bottom, it starts in the year 2011 and extends for 100 years to 2111. 4

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5 For each of those years, there's a б vertical bar that shows what we should be spending 7 in that given year on renewing our assets. And this is based on the consultant looking at over 8 30,000 individual assets and estimating when each 9 10 one of those assets should be renewed, and the cost 11 of renewing it. And then they estimated for each 12 one of those years what we should be spending.

And you can see a red bar, horizontal 13 14 bar, that goes across the chart there. And that's 15 at \$76 million. And that is basically the average 16 of all those vertical columns. So over this hundred-year period, we should be spending about 17 18 \$76 million every year to renew our assets.

19 And the yellow line you can see there, it 20 shows the ramp-up in our spending on renewal. See, 21 we started out about \$40 million per year. So 22 we're way -- approximately half of what we should 23 have been spending on our asset renewal.

24 And in 2015, we started ramping up at \$3 million a year. And then about 2026, we should 25

reach that \$76-million mark and have the necessary 1 2 revenues to start spending what we should be spending each and every year. And, again, that's 3 2010 dollars, so in today's dollars, that's more in 4 the neighborhood of 85 to \$100 million. 5 6 I'll talk about the backlog. The last 7 time I estimated backlog was about \$400 million and rising. I would estimate today it's probably in 8 9 the neighborhood of \$450 million. 10 And how does the -- how does the backlog occur. Well, if you look at the yellow line rising 11 there and then you look at the vertical bar or 12 13 vertical columns, you can see that portions of 14 those columns are above that yellow line. So 15 each -- that portion of the -- that column is the 16 amount of renewal needs to that particular year that we should be spending, but we don't have the 17 18 money to do it. So basically, it gets deferred. 19 So you can see the number of years in a 20 row there the vertical bars exceed the level of 21 spending. So every year, we're actually adding to 22 our backlog. 23 If we were to look backwards, before 2011, we were spending actually less on our capital 24 needs, or renewal needs. And so we were developing 25

1 a backlog moving forward. And we estimated about 2 200 million, \$250 million in about 2010, is what 3 the backlog was. And we just -- we keep adding to 4 it until -- we will keep adding to it until we 5 reach the \$76-million mark.

And at that point, you'll see that going forward there are -- there's certain years when the vertical bars don't reach that horizontal line. So in those years, we're going to be able to catch up on some of our backlog.

11 This chart just shows what we're planning 12 to spend -- proposing to spend on capital infrastructure renewal needs. And it's -- our 13 14 program is divided up into 13 different categories. 15 Starting at the top, it's sanitary sewers, and at 16 the bottom is the vehicles and heavy equipment. And we just show the Fiscal Year '18 '19 where 17 18 we're going to be spending 52 and \$55 million in 19 those years respectively.

This chart deals with the Southside Water Reclamation Plant. Several years ago, the board made a commitment to spend \$250 million updating the plant. They're doing the -- renewing a lot of the assets at the plant. And you can see the green horizontal line shows that \$250 million goal. And 1 then I'm showing there on the column charts for 2 each of the years, starting in 2010, where we've 3 actually spent and are proposing to spend going 4 forward. And then you can see the dashed blue line 5 that goes -- rises. That just shows the 6 accumulated spending down there.

7 And at the current time, 2017, we're about halfway spent, about \$125 million have been 8 9 spent towards the \$250 million program to upgrade 10 the wastewater treatment plant. We should be 11 done -- or reach that goal in about 2021, 2022. But we'll actually continue to be spending money 12 13 down there, something on the order of \$14 million a 14 year moving forward, just to make sure that the 15 plant doesn't fall back into the -- the bad, the 16 decrepit state it was in several years ago.

Some of the project we spent money on down there, we're doing the plant ultraviolet disinfection system; eliminated the chlorine gas system and also the sulfur dioxide dechlorination system, both very toxic gases. And so the UV is a much safer system to operate.

Last year we completed the preliminary treatment facility, which is the headworks of the plant. This was a very important project, because 1 it eliminates the grit, the sand from passing on 2 into the -- further into the plant, where it wears 3 out the different machinery, the valves, the pumps, 4 the centrifuges.

We renewed the aeration basins and 5 blowers. We spent about \$8 million doing that. б 7 And that was primarily spent replacing thousands and thousands of aeration disks that distribute 8 oxygen into the sewage. And we used to have to use 9 seven or eight blowers, with like 400 horsepower 10 11 motors in order to provide this air. We've almost been able to cut the number of blowers that we need 12 down there in half just because of installing the 13 14 more efficient diffusers. So we've saved a lot on 15 the operating costs by doing the capital renewal.

16 Final clarifier, just spent \$8 million renewing those. We saw the new potable --17 18 nonpotable water system that supplies the southeast 19 quadrant of the city. We've upgraded the 20 electrical systems. And currently, we're finishing 21 up the solids dewatering facility. We just 22 completed the construction of a new storage 23 building. And also a new digested sludge tank is 24 almost complete.

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Some of the projects that we have coming

up, we want to focus on renewing our primary clarifiers. The plant there, you can see on the upper photo there, it shows an aerial view. It shows the circular clarifiers. We have eight of them. Four large one at the top and four smaller ones at the bottom.

7 One of the issues that we have at the plant is odors. And for years, it's been a problem 8 9 down at the plant. And one of the main sources of 10 these odors are these large open basins of sewage. The larger basins are 150 feet across, and so they 11 12 have a tremendous surface area, and so the odors 13 can escape into the atmosphere and be a nuisance to 14 our neighbors.

15 That photo there shows some domed covers 16 that go over the filters. This is actually from 17 Scottsdale, Arizona, where they installed these to 18 cover up the clarifiers. That way you can contain 19 the odors, treat them and they'll help a great 20 deal. We hope to have the first one of these 21 completed by early 2018. And then the following 22 year, we'll finish up and have all four of the 23 larger clarifiers covered. And then we haven't 24 decided whether we need to actually cover the 25 smaller ones, because we don't normally use those.

1 They're more of a backup system for us.

2 Yucca-Central interceptor realignment 3 project. Here's a project that's been hoped for for many decades. It's created problems at Central 4 5 and Yucca, odors, for the neighbors there. And б we're spending about 6-and-a-half-million dollars 7 constructing a new alignment of the interceptor It's currently under construction. 8 there. Ιt should be done by the end of this summer. 9

10 Collection system cleaning trucks and 11 construction equipment. You probably have seen 12 these large trucks with the water authority's label 13 on them running around the city. These are used to 14 clean the sewers. The Vactors are the brand of 15 truck that we use. And we've been replacing them. 16 We've have a fleet of those, and we use about 11 of them. And we have a fleet that dates back to the 17 18 1990s that have been very problematic and spend a lot of time fixing. So we've actually bought six 19 20 new ones, and we'll buy another six or seven 21 additional new ones to bring that fleet up to 22 service.

And we're also reinvesting in our construction equipment, backhoes and other construction equipment that our crews need to go out and repair pipelines and other things.

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2 This chart just shows the -- some of the 3 effects or the improvements in our collection system, our sanitary sewer overflows that have been 4 5 implemented that are, in part, in small part, due б to them having new Vactors to use. But primarily, 7 this is due to our closed camera -- our closed caption camera TV of our sewers. We basically send 8 9 video cameras down our sewers and look for problems 10 where there's breaks in the line or theirs roots or 11 there's other grease and oils that are accumulating 12 that result in backups.

And you can see, since 2012, we went from just over 100 SSOs to the last couple years it's been about 40. And the goal is to get it down to zero. Whether or not we'll actually be able to reach that goal is questionable.

18 Vactor Station 63 and sewage collection 19 system renewal project. This is a project down in 20 the Los Padillas Neighborhood. It's at the extreme 21 south end of our collection system on the west side 22 of the river. And this -- the system is served by 23 a vacuum sewer system. It's a little different. 24 Most of our sewage collection just operates by 25 gravity, where you, you know, flush the toilet or

1 open up the drain and it goes into -- it goes down
2 your drain, it goes out into a pipeline, and the
3 pipeline flows by gravity to the Southside
4 reclamation plant.

5 This one is a little different. Here, 6 you flush the toilet, it goes out into a pit that's 7 located out on the edge of your property near the 8 street, and from there, it actually sucks -- once 9 the pit fills up, it's sucked by the sewer to a 10 central location, where from, there, it's actually 11 pumped to the sewer system.

And the Vactor Station 63 is one of our oldest ones. It was built in 1995. And we're currently spending \$1.7 million to upgrade not only the station but the collection system and also the discharge pipeline.

17 San Jose Reservoir and Pumping Station 18 site restoration. This is a little different project. It's not -- the San Jose wells have been 19 out of service since the 1980s. And we haven't had 20 21 a need for the reservoir that collected the water 22 from the wells or the booster pumping station that 23 used to be used to boost the pump -- boost the 24 water up to the next pressure zone. This facility 25 have basically been out of service since the 1980s.

And we'd like to propose that we 1 2 basically demolish the existing facilities out 3 there and leave the -- restore the site to a vacant 4 lot. And that perhaps the board would be 5 interested in turning the site over to the city, б because it's right adjacent to the existing South 7 San Jose Park and the Jack Candelaria Community Center. 8

9 And finally, we propose to update the 10 utility-wide asset management plan. Again, as we 11 mentioned, this was a plan that was produced back 12 in with 2011. Looked at all of our assets and 13 developed our hundred-year planning horizon and 14 what our renewal spending should be. But it's been 15 six years. We've made a lot of improvements to our 16 system. We've incorporated the old New Mexico 17 Utilities system into our -- into our main system. 18 And we'd also like to be able to bring up to cost to 2018 dollars to give a better understanding of 19 20 what we actually need to spend going forward.

21And with that, I'll entertain any22questions.

23 CHAIRWOMAN HART STEBBINS: Thank you.
24 Does anyone have any questions? No
25 questions?

I just want to say that, you know, 1 2 Central and Yucca, you know it's taken such a long 3 time to get that accomplished. You know, ideally, the community wanted a whole diversion that was 4 going to cost like \$40 million. And this is really 5 б a great way to help alleviate the problem there at 7 Yucca and Central. The 6-and-a-half-million dollars is well worth it. 8

9 And I just want to say you know --10 Mr. Sanchez asked me earlier if there's a lot of 11 complaints from some of residents. And I said it 12 was a good time to do this project because 13 everything is ART's fault. So all I've been 14 hearing is that. So, you know, I'm just really 15 appreciative of that.

16 And then, you know, the Los Padillas project, as well, you know, I just want to say 17 18 that, you know, I know we've had some conversations 19 with some of our representatives in Santa Fe. And 20 I know this is something that has been on our 21 priority list here at the water authority for many, 22 many years. And, you know, these things just take 23 time. And I'm just really glad to see that it's 24 going to start to come to fruition, just like the 25 Central and Yucca. I mean, it was on the water

1	authority's radar, it just, again, takes time. And
2	now I look forward once this is completed, I
3	look forward to the Los Padillas project being
4	completed.
5	So thank you. Appreciate it.
6	Commissioner Stebbins.
7	COMMISSIONER HART STEBBINS: Thank you,
8	Madam Chair.
9	Just a quick question. I want to make
10	sure I understand these numbers. So you said
11	estimated cost of asset renewal, it's an annual
12	cost of \$76 million?
13	MR. PRICE: On average for the the
14	hundred-year period from 2011 to 2111, basically.
15	That was what based on their estimated, what we
16	should be spending on each year, so
17	COMMISSIONER HART STEBBINS: And those were
18	2010 dollars?
19	MR. PRICE: That's right.
20	COMMISSIONER HART STEBBINS: Does that
21	address the \$450 million backlog?
22	MR. PRICE: Yes. I mean, it will it I
23	don't know if they the consultant fully
24	incorporated the backlog into their numbers, but
25	it's you can see from that chart that there

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are years going forward that the vertical lines 1 don't reach that red horizontal line. So in those 2 3 years, we don't need to be spending \$76 million to address that. So that should allow us to catch up 4 5 on the -- on the backlog. б But I think updating that plan will be 7 useful, because it will incorporate a lot of the -like New Mexico Utilities and also be able to bring 8 9 everything up to current dollars. And we've 10 learned a lot. The technologies for making 11 improvements to our system are less expensive than 12 older technology, so I think we should be able to address the backlog. 13 14 COMMISSIONER HART STEBBINS: All right. 15 Thank you. I just wasn't sure if that \$76 million 16 were new capital costs every year, so... MR. PRICE: No. It's the renewal -- both 17 18 rehabbing and also replacing certain items. 19 COMMISSIONER HART STEBBINS: All right. 20 Thank you. 21 Thank you, Madam Chair. 22 CHAIRWOMAN PENA: Thank you. If there's no other questions, we will move on to the --23 MR. PRICE: Mr. Sanchez reminded me that I 24 25 may not have fully addressed Councillor Davis'

question about the sewer backlog. 1 2 And, again, I don't have a -- I haven't 3 broken out the backlog by the wastewater collection system, but it's a large portion of the -- the \$450 4 million backlog would, in fact, be the collection 5 б system. Our interceptors, you know, we have a lot 7 of collapses, a lot of sinkholes and whatnot, and 8 9 so it's -- but there's plenty of other -- all of 10 the systems throughout the utility, the water 11 pipelines, the water reservoirs, the wells, everything needs to be addressed. 12 13 CHAIRWOMAN PENA: Thank you. Appreciate 14 that. 15 Next item is Number 8, consent agenda. Is there a motion to approve the consent agenda? 16 There's two items on there. A --17 18 COMMISSIONER HART STEBBINS: I move 19 approval. 20 CHAIRWOMAN PENA: -- A and B, without having to read them I think. 21 22 COMMISSIONER JOHNSON: Second. 23 CHAIRWOMAN PENA: There's a motion and a 24 second. All those in favor, say yes. 25 ALL MEMBERS: Yes.

1 CHAIRWOMAN PENA: Opposed, no. 2 Motion passes. 3 (6-0 vote. Agenda Item 8 approved.) Next item we have is 4 CHATRWOMAN PENA: 5 Item 9, approvals, R-17-5, establishing one-year б objectives for the water authority in fiscal year 7 2008 [sic] to meet the five-year goals. Mr. Frank Roth, welcome. 8 MR. ROTH: Thank you, Madam Chair, Members 9 10 of the Board. The goals and objectives resolution 11 was introduced at the March meeting, with a full presentation. You can see from the budget 12 13 presentations, the goals and objectives are used to 14 guide capital and operating budgets. And as 15 presented by Mr. Allred, you saw the alignment 16 between the budget and the goals and objectives. Just a few of the priorities that he 17 18 showed to you was the Water 2120 implementation, 19 the planned maintenance targets, the customer care 20 program, enhanced customer outreach, and upgrades 21 to the work order and billing systems. 22 And you saw from Dave Price the 23 implementation of the asset management program and

25 examples between alignment, between the goals and

updating those plans. So those are some of the

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objectives and the budget. 1 2 MR. PERRY: Move approval of R-17-5. 3 COUNCILLOR JONES: Second. 4 CHAIRWOMAN PENA: All those in favor, say 5 yes. б ALL MEMBERS: Members. 7 CHAIRWOMAN PENA: Opposed, no. Motion passes. 8 9 (6-0 vote. Agenda Item 9A approved.) 10 CHAIRWOMAN PENA: Next item we have is B, 11 R-17-7, approving an amendment to the adopted 12 operating budget of the water authority for fiscal 13 year ending June 30, 2017. 14 Mr. Stan Allred. 15 MR. ALLRED: Madam Chairman, Members of the 16 Board, this is an amendment to the operating budget 17 of \$1.5 million. It allocates appropriation of 18 \$900,000 for chemicals for odor control throughout our system; an additional \$600,000 for chemicals 19 20 for the water treatment plant. 21 As we began ramping up on treatment of 22 that water, there was more of a need for chemicals. 23 And there is sufficient revenues to cover those 24 appropriations. 25 I stand for any questions.

CHAIRWOMAN PENA: Thank you. I think we all 1 2 had this in our packet. If anybody has any 3 questions, if not, is there a motion? COUNCILLOR JONES: I make the motion to 4 5 approve. CHAIRWOMAN PENA: A second? б 7 COUNCILLOR DAVIS: Second. CHAIRWOMAN PENA: All those in favor, say 8 9 yes. 10 ALL MEMBERS: Yes. 11 CHAIRWOMAN PENA: Opposed, no. 12 Motion passes. 13 (6-0 vote. Agenda Item 9B approved.) 14 CHAIRWOMAN PENA: Next, Item C, R-17-8, 15 approving an amendment to the approved capital 16 implementation program of the water authority for fiscal year ending June 30th, 2017. 17 18 Mr. Allred. MR. ALLRED: Madam Chairman, Members of the 19 20 Board, this is an amendment to the capital budget 21 for FY17. It's appropriates an additional 22 \$5 million, primarily for aquifer storage and 23 recovery on the large scale project, some IT 24 projects with our work order system, and then some 25 other upgrades at the Southside Water Reclamation

1 Plant.

2	Funding from this came from a grant and a
3	loan from the water trust board, along with bond
4	proceeds from our January borrowing.
5	COUNCILLOR JONES: Move approval.
6	COUNCILLOR DAVIS: Second.
7	CHAIRWOMAN PENA: There's a motion and a
8	second to approve R-17-8. No questions? All those
9	in favor, say yes.
10	ALL MEMBERS: Yes.
11	CHAIRWOMAN PENA: Opposed, no.
12	Motion passes. Thank you.
13	(6-0 vote. Agenda Item 9C approved.)
14	CHAIRWOMAN PENA: Now we go on to other
15	business. We have Item A, OB-17-4, water
16	conservation update, Mr. Carlos Bustos.
17	MR. BUSTOS: Good afternoon, Madam Chairman
18	and Members of the Board. My name is Carlos
19	Bustos. I'm the water conservation program
20	manager.
21	My presentation today let me bring it
22	up. Sorry. There you go.
23	My presentation today will cover water
24	usage for 2016, results from residential pilot
25	project, and new initiatives.

In 2013, the water conservation program 1 2 set a goal to reduce gallons per capita per day 3 from 150 to 135. As we can appreciate from the graph, water use is on track to maintain GPCD well 4 5 below 135. In 2015, GPCD was 127, and 2016, it was б 129. 7 As you know, Albuquerque has an average precipitation of 9.5 inches per year. Outdoor 8 9 water usage varies year to year, depending on how 10 much precipitation, and also by daylight and 11 average temperature. Our time of the day 12 restrictions and Water by Numbers are in place to 13 create an irrigation period that follows those same 14 weather patterns. 15 A hotter year with less rain typically spurs more outdoor water usage. On the left side 16 17 of the graph, you'll see a total supplied in the 18 use of gallons, and on the right side, you'll see total precipitation in inches. The bars represent 19 20 water supplied and the line represents 21 precipitation. The green represents 2015, and the orange, 2016. 22 23 As you can see, 2015, the average 24 precipitation was 11.5 inches. And water usage for a year was lower than 2016, when we only got 6.6

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inches for a year.

2 As a result, we used approximately one 3 billion gallons more in 2016. Because of the work that the water utility water conservation program 4 5 has been doing with our customers, they're б responding to weather conditions. A good example 7 is, in the month of July in 2015, we got 3 inches of rain, and water usage was considerably lower 8 9 than 2016, when we only got .6 inches of rain.

10 Residential customers have done great in 11 lowering water usage. And because of that, we 12 began a education warning system to reduce water waste enforcement in 2015. This initiative led to 13 14 less violations, from an average of 131 to 20 15 violations per year. This approach proved to be 16 successful, and we will continue with more 17 education and less enforcement for our residential 18 customers.

This year, we continue to grow on our success by increasing education efforts, reaching out to the industry and working with our partners, City of Albuquerque, Bernalillo County and Albuquerque Public Schools system. Specifically, we will be hosting xeriscape and irrigation events at Home Depot and Lowe's. Please look at your 1 packet. We've got more information, and hopefully 2 you can join us in upcoming events and also 3 workshops.

We're also having 20 workshops with seven different topics at Desert Oasis Garden. In March, we hosted two open house events. We invited multi-family property managers and also the landscape professionals that take care of the grounds to learn about our generous outdoor rebates and other programs.

Additionally, we're excited to be helping in the efforts of planting more trees in our city. By partnering up with the city forester, we hope to be planting 100 trees per year every year for the next ten years.

Finally, by giving special emphasis and working with our partners by offering a water management tool, this tool is helping our partners track water usage on a monthly basis and helps manage water efficiently and respond to potential leaks quicker. Because of this tool, APS saved \$200,000 last year.

Additionally, we entered into an agreement with the city to better manage the water budget and surcharges for parks and recreation

facilities, because of this agreement, the city has 1 2 an extra \$250,000 for fiscal year 2018 to be used 3 for water conservation initiatives. This payment would have gone to the water utility authority in 4 5 the past. б We are working with our partners to 7 continue beautifying our parks and to help our schools with much needed savings by implementing 8 9 initiatives to better manage water resources. 10 I stand for questions. 11 CHAIRWOMAN PENA: Thank you. Does anyone 12 have any questions? Councillor Davis. 13 14 COUNCILLOR DAVIS: Very briefly. And thank 15 you for that. Can you tell us, just sort of around 16 the track, where do you think -- where are we so 17 far in the first quarter of, say, 2017, as it 18 relates to water use? Are we on track of where we 19 need to be, as best we know? 20 MR. BUSTOS: Madam Chairman, Mr. Davis, in regard to gallons, I'm not sure. I could defer 21 22 that question to Katherine Yuhas. I know compared 23 to 2015 and 2016 and 2017, we're closer to 2015 24 numbers for the first four months, so that's pretty 25 good. If you want to know specific numbers, I can

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defer that question.

2 COUNCILLOR DAVIS: That's okay. The chair 3 reminded me that's next up on our agenda anyway, so I think Ms. Yuhas will come up and do that for us. 4 5 Thank you. б CHAIRWOMAN PENA: Thank you, appreciate it. 7 MR. BUSTOS: Okay. Thank you very much. Have a good night. 8 9 CHAIRWOMAN PENA: Thank you. 10 Ms. Yuhas, you can go ahead and come up 11 real quick and just address that. I know we have a 12 different speaker who is going to talk about the water, but --13 14 MS. YUHAS: Madam Chair, Councillor Davis, 15 my projection right now is that if we continue to 16 use the same amount of water that we've used in 17 previous years, given what we've done for the past 18 four months, that we'd be on track to be at about 19 128 gallons per person per day this year. Which is 20 actually one gallon under our goal. Our goal for 21 this year is to be at 129 again, so... 22 CHAIRWOMAN PENA: Thank you, Ms. Yuhas. 23 Next item we have is Item B, OB-17-5, the 24 April water report, Mr. John Fleck, director of UNM 25 Water Resources Program, is here.

1	Thank you, Mr. Fleck. And I just want to
2	say, you know, we're just doing a great job in
3	terms of conservation. You know, the struggle is,
4	is that we're conserving so much water, but yet our
5	needs are still where they're at and we have aging
6	infrastructure. So, you know, it's kind of you're
7	darned if you do and you're darned if you don't.
8	Welcome, Mr. Fleck.
9	MR. FLECK: Thanks so much for having me
10	here. I will have to tell you that it's
11	particularly weird to be standing up here and
12	talking instead of sitting in there frantically
13	writing on deadline a story about your budget and
14	rate actions that you have just done.
15	I will say it's pleasant to be standing
16	here talking and not on deadline with an editor
17	barking at me over a cell phone because I'm 26
18	minutes past deadline. So great pleasure to be
19	here.
20	I would like to talk a little bit about a
21	few things. First of all, I would like to provide
22	a little bit of context for the work that I've been
23	doing more broadly, help you all think about where
24	Albuquerque fits into broader water management
25	issues that I've been working on and the work that

I've been doing over the last few years across the 1 2 western United States to get a sense of where 3 Albuquerque -- we tend to think about we're here in Albuquerque, we think about this. I think it's 4 important to think about where we fit into this 5 б broader picture, and in that regard, talk a little 7 bit about Water 2120, which is a really interesting effort for us here in Albuquerque and as it relates 8 9 to the broader water management in the western 10 United States.

11 I'm going to talk a little bit about the 12 water resources program, where I'm now in my new life as a college professor and director of the 13 14 water resources program, which is doing some 15 interesting work, which has an interesting 16 relationship with the water utility authority which 17 I think is really productive for all of us. And I 18 want to start this with a story and confession.

19 The story is that this new life that I 20 entered as a writer and an academic kind of begins 21 here, where back in 2008 we switched over to 22 San Juan Chama water for your drinking water supply 23 directly. And I was interested, as a journalist, 24 in finding what that meant for Albuquerque that we 25 were now so directly linked to the Colorado River

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Basin as a whole, which has its large set of
 problems and how those problems there related to
 us.

That led me to some newspaper work in 4 5 that area, and eventually leaving the newspaper to б write a book about the subject. And it gave me a 7 chance to travel all around the western United States and to look not just at Albuquerque, but to 8 9 take what I've learned here and look at, in 10 context, at how water management is done and what's 11 going on in Phoenix and in Los Angeles and in 12 Las Vegas and Tucson and Salt Lake City, and also 13 some of the big agricultural regions and how this 14 all fits together. Because ultimately, we have 15 this large shared water system and we need to 16 understand how what we do fits into this broader 17 system.

18 And I have to actually offer a 19 confession, because when I was working at the 20 newspaper, we started doing the San Juan Chama 21 Project water use. When I was on the water beat, I 22 was, as a good journalist, looking for the bad news 23 and the failures to write about. And I so I would 24 get the monthly pumping reports from Katherine and 25 watch the U.S. Geological Survey groundwater

meters, and, you know, the aquifer kept kind of 1 2 creeping up and our water use kept kind of creeping down. And I thought, well, we haven't failed yet, 3 4 so it's not a story. 5 And it took me a long time to realize, 6 well, wait, in fact, Albuquerque is succeeding. 7 That's kind of interesting. How do we do this? What does this mean for Albuquerque, and then more 8 broadly for water management in the municipalities 9 10 in the western United States? 11 In Albuquerque, you know, you just heard 12 from Carlos some gallons per capita per day numbers. We hear these all the time here. I want 13 14 to impress on you how impressive these numbers are, 15 how impressive Albuquerque's water conservation is 16 in the broader context of municipalities in the western United States. 17 18 First of all, there's a phenomenon 19 happening in all major western cities. Everybody's 20 GPCD is coming down. Most of everybody's total 21 water use is coming down, which is to say, conservation is decreasing water use faster than 22 23 population pressure is increasing it in pretty much 24 every major urban area in the western United 25 States. The economists call this decoupling.

We're seeing decoupling happening. 1 It's 2 a really important phenomenon as we engage in long 3 range planning, because it suggests that the old idea that increased population and economic growth 4 5 means a need for more water is no longer the case. We don't know how far down that curve can б 7 If you look at what has happened in qo. California, if you look at especially the sort of 8 9 extreme case of the great drought in Australia in 10 the first decade of the 21st century and also in 11 Israel, we could go a lot lower if we have to. And so I think that decoupling phenomenon is an 12 13 incredibly important thing, what I spend a lot of 14 time working on now in my new sort of academic book writer guy role. And I think it's really 15 16 important. But, you know, 127, we are at or among 17 18 the lowest in GPCD among cities in the western United States, you know, Las Vegas, I love my 19 20 friends in Las Vegas, they are 200. You know, 21 Phoenix, 180. The one interesting exception is Los 22 Angeles, southern California, very aggressive 23 conservation effort. Also kind of a different kind 24 of an urban form, so the city of Los Angeles is 25 down at 110. These are dangerous numbers. It's
very hard to compare GPCDs among cities. But
 Albuquerque is very good.

3 But more importantly, and this is, I think, a really interesting way of thinking about 4 5 it, the drop, the relative change in GPCD. We've б gone from 250 to 129. We've cut our GPCD in half. 7 Among the major cities where we can really look at long range numbers, that's the best, period, where 8 we have apples to apples comparison. We have done 9 10 that better than anyone else.

11 And, you know, that's why I think Water 2120 is an interesting planning exercise. I mean, 12 13 first of all, there is no one else in any city in 14 the last -- who has done what we've done, looked 15 out a hundred years. No one goes that far with the 16 typical planning horizon for these major municipal It's 40, 50 years. Very forward thinking 17 areas. 18 to think about -- it's hard to think about a hundred years, but we've tried. 19

But one of the important other characteristics of Water 2120 -- and, you know, I've spent a lot of time with the long range water resources management plans of these big cities. One of the other things is the tight integration between our water use planning and how we are 73

approaching the problem of managing the aguifer. 1 2 All these big cities sit on top of 3 aquifers and have issues related to managing the aquifer. Water 2120 really provides, I think, a 4 5 much more structured approach to how the aquifer is б now functioning, what we want to try to achieve, 7 and how we want to manage, as the aguifer rises and falls, in a much more sophisticated way that 8 9 provides a sort of view of the aquifer and the 10 relationship between our water use and our aquifer, 11 which you just kind of don't get when you look at 12 how Las Vegas is doing, when you look at Phoenix's. 13 You know, everybody is struggling with 14 how to manage their aquifer. Los Angeles, southern 15 California, the big water management districts 16 there. But nobody has quite done it the way we have, and I think that's really important. And 17 18 that creates a real opportunity, because one of the 19 really important things in the relationship between 20 these municipal authority systems and their 21 surrounding water users, right, we're all -- none 22 of us are using water in a vacuum. We all have a 23 relationship with water users around us, other 24 users of an aquifer, other uses of a river -- is 25 that it shows that Albuquerque kind of has its

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house in order.

2 Other people can look at us who are 3 sharing this system and say, "Okay. Here's what Albuquerque's plans is" -- "plans are," and here's 4 how it relates so that it provides us with the 5 б opportunity to then engage in some of these more 7 broad regional water planning -- you know, how does the broader Rio Grande water management system 8 work. What happens if we keep conserving and 9 10 Rio Rancho doesn't, which is I think an area that's 11 I think super interesting and going to be 12 challenging in the next few decades here in the Middle Rio Grande. 13

14 So it's -- you know, with -- you know 15 what got me started, I've had a lot of fun 16 traveling around the West and still do, and so it's 17 really nice to come back here and talk about the 18 context for what we're doing. I think we feel good about what we've achieved here as a community. You 19 20 know, we will always have water problems. This is 21 a very water-challenged region.

I want to switch now to talk a little bit about the water resources program at the University of New Mexico. I took over as director of the water resources program in August. It's a

1 program -- graduate program. We grant master's 2 degrees. We have about a dozen students a year, 10 3 to 15 to 20 students a year. And it's an interdisciplinary program, so what we're doing is 4 providing our students with education and training 5 б in both the hydrologic science part of water 7 management, and also law and policy. You know, we're sending our students over to law school to 8 9 take law classes and public administration, public 10 finance classes to try to give students this sort 11 of broad understanding. Because water management 12 has some technical elements and it has some 13 financial elements and management elements, but 14 it's really sort of an integrative thing. 15 The university has a longstanding 16 relationship within the water utility and more 17 generally with water management in the community, 18 sort of a long culture of service. You know, we've -- university faculty on the customer 19 20 advisory committee, now the TCAC, the water 21 protection advisory board that's part of the sort 22 of water faculty service, as well as a bunch of 23 other places in the community. Faculty on the 24 MRGCD forward, faculty on the flood control 25 authority board.

And then I think this is an important 1 2 part the sort of service piece of what the 3 university provides. You know, one of the things that we're working on in the water resources 4 5 program is trying to help educate and train sort of б the next generation, the cadre of future water 7 managers. So we've got Moe and Tom, a couple of my students who are working here with the water 8 utility. I think we have -- we have three students 9 10 right now working with the water utility authority. 11 Fabulously get real world experience to get way to 12 get away from the ivory tower eggheads at the 13 university and figure out what actually happens in 14 the real world of water management. 15 We've got students -- another one of my students is working with the U.S. Geological 16 Survey. He's working on the groundwater mapping 17 18 related to what the USGS and the water utility 19 authority do to measure the recovery in the aquifer 20 and answer sort of our questions about how that 21 aquifer is behaving. That's a really -- he's 22 curious. He couldn't be here tonight because he 23 had class. So Lucas couldn't make it tonight. But

he's working on a really neat project.

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So we have a lot of students -- we have

three students over at the U.S. Geological Survey 1 2 working on different projects related to water. So 3 what we're trying to do is get the students integrated into water management, which is kind of 4 5 why I took the job, because I think water б management is really important, quality of water 7 management. And sort of training this next generation of water managers is, I think, is really 8 sort of an important and valuable function that the 9 10 university can perform. 11 So I'm really excited about the opportunities that we have at the university to 12 work with the water utility and to work with water 13 14 agencies in general to try to -- these problems are 15 serious, they're challenging, they're not going 16 away, and it's really exciting to have a chance in this new role to contribute. 17 18 So with that, I'll stand for questions. 19 CHAIRWOMAN PENA: Any questions? 20 Commissioner Stebbins. 21 COMMISSIONER HART STEBBINS: Thank you, Madam Chair. 22 23 It's great to see you, John. 24 MR. FLECK: Fun to be here. 25 COMMISSIONER HART STEBBINS: I really have

to say, no offense to your successors, I really
 miss having you covering.

3 MR. FLECK: I was kind of disappointed
4 writing a story about what just happened. I was
5 kind of itching. It's like, I brought my laptop.

б COMMISSIONER HART STEBBINS: I'm not exactly 7 sure who has taken over for you covering this, but I have always felt that we have been incredibly 8 9 lucky on this board that you were here paying attention, that you have the background and the 10 11 history, particularly as we were going through the 12 Kirtland jet fuel problem and getting sort of 13 public interest generated in that.

You were just such a key part of that because you understood it, you cared about it, you wrote about it. I just don't think we would be where we are without your help.

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MR. FLECK: Thank you.

19 COMMISSIONER HART STEBBINS: So we miss you.
20 You know, if you ever want to come back and start
21 covering us again.

22 MR. FLECK: I love teaching. I love my
23 students. This is really -- it's pretty fun.

24 COMMISSIONER HART STEBBINS: Yeah, but I'm25 really glad that things are going well for you, and

1 great to see you. 2 Thank you, Madam Chair. 3 CHAIRWOMAN HART STEBBINS: Well, great. 4 Thank you. 5 Mr. Perry. MR. PERRY: Just briefly. б 7 It's great to have you. I've enjoyed reading your coverage of water issues in 8 9 New Mexico, as well as the water utility authority 10 board. You know, last year, I had the 11 opportunity to go to a couple of western state 12 water conferences, and I, too, was really impressed 13 14 with what's happening in New Mexico. And it really made me drill down a little bit on what the mid Rio 15 16 Grande Valley has been able to do with the water supply as it relates to river, aquifer and storage 17 18 and the San Juan Chama Project. 19 And so at one of those conferences, I 20 actually took the video for the 2120 program that 21 was put together. And it just received incredible 22 reviews from western state water managers that we 23 had actually look ahead 100 years and kind of 24 measured things out, had some additional source 25 plans, conservation efforts, and a spectrum, a

panoply of water planning related to it. 1 2 And it's interesting when you look 3 forward to that hundred years. But you also have to look back in the San Juan Chama Project. 4 Ι mean, they were looking at those upper Colorado 5 surveys back in the 1930s, in '33 and '34, б 7 congressional action I think in 1960, development of the trans-basin tunnel in 1964, and eventually 8 the build-up and reservation. 9 10 I mean, water is in a mushroom patch. 11 The problems and the solutions don't pop up overnight. And I think it takes people with 12 13 thoughtfulness both at the authority in policy 14 positions and academic and media to do that. And I 15 think you've made very valuable and positive 16 contributions. And I know you'll continue to do that. So good to have you come down. 17 18 MR. FLECK: Thank you very much. CHAIRWOMAN PENA: Well, thank you, 19 20 Mr. Fleck. And I'll just end with the same. Т 21 don't have a long history with you in terms of the 22 water authority, but, you know, I just do know that

a historical perspective is sometimes missed, you

24 know, when people like yourself move on and you

25 | have new people come in.

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1	So I appreciate what you're doing now and
2	I think service learning is to important to do work
3	hands-on. So thank you for being here.
4	MR. FLECK: Thank you. I appreciate it.
5	Thank you.
6	CHAIRWOMAN PENA: With that, we'll adjourn
7	this meeting. Thank you.
8	(Proceedings adjourned.)
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6	I, Kim Shollenbarger, New Mexico Certified
7	Court Reporter, No. 326, do hereby certify that I
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9	shorthand and the pages are a true and correct
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12	I FURTHER CERTIFY that I am neither
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