

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY MEETING
Wednesday, February 28, 2018, 5:05 p.m.

VINCENT E. GRIEGO CHAMBERS
ALBUQUERQUE-BERNALILLO COUNTY GOVERNMENT CENTER
ALBUQUERQUE, NEW MEXICO 87102

A P P E A R A N C E S

COUNCILOR TRUDY JONES, Chair

COMMISSIONER DEBBIE O'MALLEY, Vice Chair

COUNCILOR PAT DAVIS, Member

COUNCILOR KLARISSA J. PENA, Member

COMMISSIONER STEVEN MICHAEL QUEZADA, Member (excused)

COMMISSIONER LONNIE C. TALBERT, Member (excused)

MAYOR TIMOTHY M. KELLER, Member (excused)

PABLO RAEL, Trustee

COMMISSIONER MAGGIE HART STEBBINS, Alternate

SARITA NAIR, Alternate

BEFORE: KIM KAY SHOLLENBARGER, RPR, CCR #236
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102

1 CHAIRWOMAN JONES: Good evening, ladies and
2 gentlemen. I call this February 28, 2018 meeting of
3 the Albuquerque Bernalillo County Water Utility
4 Authority to order. Commissioners Quezada and
5 Talbert are excused, and Commissioner Hart Stebbins
6 will be alternate. I would like to welcome Sarita
7 Nair, the Chief Administrative Officer for the City
8 of Albuquerque who will be representing Mayor Keller.
9 All other members are present.

10 Notice is hereby given that the Albuquerque
11 Bernalillo County Water Utility Authority met at
12 4 p.m. this afternoon for a closed meeting to discuss
13 pending litigation proceedings. The meeting was in
14 the County Manager's Conference Room B on the 10th
15 floor of the Albuquerque Bernalillo County Government
16 Center, One Civic Plaza, Northwest. The matters
17 discussed in the closed meeting were limited only to
18 those specified in the notice.

19 I need a motion and a second to approve the
20 statement to be included as part of the minutes.

21 COUNCILOR DAVIS: So move.

22 COMMISSIONER O'MALLEY: Second.

23 CHAIRWOMAN JONES: There's a motion and a
24 second for the minutes to be -- to approve the
25 statement to be included as part of the minutes. All

1 those in favor in say yes.

2 MEMBERS: Yes.

3 CHAIRWOMAN JONES: Opposed? Motion carries.

4 Now, please, we'll have a moment of silence and the

5 Pledge of Allegiance led by Commissioner O'Malley.

6 (NOTE: Silence/Pledge of Allegiance)

7 CHAIRWOMAN JONES: Thank you all. I think

8 we're going to have a reasonably short meeting

9 tonight, so welcome aboard and let's see what's going

10 on.

11 First is Item 10, which is OB-18-3, the

12 water report. Ms. Katherine Yuhas, Water Resources

13 Division Manager and Carlos Bustos, Water

14 Conservation Program Manager, will be presenting this

15 to us. Good evening.

16 MS. YUHAS: Good evening.

17 MR. BUSTOS: Good evening. Good evening,

18 Madam Chair, Members of the Board. I'm Carlos

19 Bustos, I'm the Water Conservation Program Manager.

20 MS. YUHAS: And I'm Katherine Yuhas, the

21 Water Resources Division Manager.

22 MR. BUSTOS: Tonight we will be presenting

23 the Water Conservation Plan Update and we've been

24 working on it the last eight months and finally we're

25 really happy to be sharing it with the Board.

1 The Water 2120, as you know, is the Water
2 Resource Management Strategy that the Water Authority
3 worked on for several years and it's the outlook for
4 the next hundred years and how we're going to be
5 managing the water supplies. So as part of that
6 Water 2120, we needed to update our Water
7 Conservation Plan, Policy D, to continue our progress
8 and managing our water resources by implementing
9 water conservation to extend our supply.

10 So our presentation will cover 2017 water
11 usage, the New Mexico drought response, the Water
12 Conservation Plan Update and those changes that we're
13 making, and also the Water Waste Ordinance changes.

14 So we want to invite the Board Members, that
15 if you have questions, if you have an interest in
16 some of the topics, please feel free to ask us as
17 we're talking so we can have more of a conversation.

18 So as you can see in this slide, this is our
19 success story. The Water Conservation Plan, the
20 initial stages when it was part of the City 20 years
21 ago, it has been really successful. This is the last
22 20 years. We reduced the water demand in our service
23 area by almost 50 percent or a hundred percent.

24 While establishing our goals we looked at how much is
25 that gallons per capita per day, which is currently

1 at 128. So when we started the program it was at
2 252. We feel like looking at this plan and looking
3 at our increasing population and also the climate
4 variability that we expect in this area, we can
5 successfully reach our goal of 110 GPCD by 2037.

6 So that water usage is a considerable drop
7 while population has increased by 53 percent. As you
8 can see in the purple line, accounts have increased
9 while water usage, in the green line, has decreased.
10 You can also see that the average rainfall for
11 Albuquerque really fluctuates, it's about eight
12 inches. Some years, like in 2015, which was a really
13 good year for rainfall, we had almost 12 inches.

14 MS. YUHAS: As you all have probably
15 noticed, most of New Mexico is in a severe drought.
16 These conditions are expected to persist until
17 summer. Whenever the service area is in a severe
18 drought, or worse, we include drought messaging in
19 all of our advertising, and we report to the Board
20 each month on our water use.

21 On January 29th and February 16th we put out
22 press releases on the drought, and starting tomorrow,
23 March 1st, we will have T.V., radio, billboards and
24 bill inserts with drought messaging. You each have a
25 copy of the bill insert and the billboard, what's

1 that going to be looking like, and the T.V. and radio
2 tie in with this same idea.

3 This next chart is what we use to determine
4 the drought response needed in the service area.
5 Across the top is groundwater pumping and we
6 establish that goal every April when we get the snow
7 melt forecast. And down the left side is gallons per
8 capita per day, and you saw what that goal is on the
9 slide that Carlos showed earlier. So whenever we're
10 in the green area, which is where we are now and
11 that's where we expect to remain, we advertise about
12 drought awareness and tips on weathering the drought.
13 If that's not enough when we're in drought to keep us
14 on track with our water conservation goal, then we
15 come and ask you, the Board, to enact further
16 measures.

17 For example, in Stage 1, the yellow area,
18 Water Waste funds would double, but we would also
19 offer a \$20 rebate for customers to attend a class on
20 drought and how to get through the drought and how to
21 be efficient with their watering. And then we have
22 never needed to go beyond Stage 1, but at Stage 2
23 water surcharges actually increase. So the amount of
24 money you're paying on your water bill would
25 increase. And then, again, it would increase in

1 Stage 3. But as I said, we've never needed to go
2 beyond Stage 1, and in most droughts all it takes for
3 our customers to do a great job is just that
4 information, that we're in drought, a little increase
5 in advertising.

6 MR. BUSTOS: So how do we establish the
7 one-time GPCD goal. During the Water 2120 that was
8 established and was actually the choice provided by
9 our customer. And we looked at, when we were doing
10 the water 2120, we looked at population growth, we
11 looked at climate change and we looked at those
12 variables, and then we looked at our current GPCD,
13 which is around 128, but our goal at that point was
14 135, so we've achieved that goal. And then we looked
15 at the yellow line, then we looked at Alternative 1,
16 which is further reduction of 110 GPCD in 10 years
17 and then we looked at -- that's the green line. And
18 then we looked at the purple line, which is focusing
19 only on outdoor usage. And after the conversation
20 with our customers, the customers decided that it was
21 best to put our efforts not only in focusing on
22 outdoor reductions, but also maintaining the
23 substantial building codes and the new development
24 goals as being more efficient with new plumbing codes
25 and so on. So the chosen goal is 110 GPCD and that

1 will further increase our supply and the reduction
2 after the hundred year plan will be 50,000 acre feet
3 of water.

4 So as part of this update we looked at our
5 Water Conservation Program. We looked at all the
6 incentives we have. We looked at the education
7 program and we identified what were the effective
8 strategies and incentives that customers were
9 responding to. One of the main things that we
10 identified is that our customers respond to public
11 education efforts. So the bill insert that Katherine
12 just showed, billboards, social media. The other
13 program that's really a key is creating the future
14 generation. So we got the Fourth Grade Program where
15 all our school children in fourth grade from APS get
16 to go to the Rio Grande and learn about the water
17 resources, so that's key to building the future of
18 water conservation in the service area. We also
19 looked at our indoor and outdoor rebates and we
20 looked at our Water Waste enforcement activities and
21 also our Water Smart Workshops.

22 So in looking at our rebate expenditures we
23 identified a few things. One is that we put back
24 almost \$21 million back to our customers pockets via
25 credits in their bills. So that's really impressive.

1 It's almost like \$1 million every year for the last
2 20 years. So our customers have response almost --
3 we've given almost 190,000 rebates and out of all
4 those rebates 70 percent of them have been for indoor
5 rebates and \$14 million in indoor rebates, 10 million
6 have gone to toilet rebates. So the first phase-out
7 that we're going to do, the big change that we're
8 going to do is we're going to phase out out of the
9 toilet rebate because we feel that not only our
10 customers have responded, which has been key for
11 water savings, but also along the way our retail
12 stores in the Albuquerque area are also providing
13 high-efficiency toilets. So there's really no need
14 to keep incentivizing that program. In order to
15 transfer our efforts to outdoor we needed to also
16 transfer some of our funding, so we can emphasize
17 more, xeriscaping participation, more efficient
18 irrigation practices and technology.

19 So to achieve this new conservation goal we
20 also looked at, what's our current water usage. So a
21 typical residential customer is going to use 62
22 percent of that water indoor. There's always going
23 to be some leaks, most of the time not, but there is
24 that possibility. And 38 percent of that water use
25 is used outdoor. So we want to emphasize outdoor

1 savings over indoors, because as the climate changes
2 the demand for outdoor use will likely increase. We
3 saw in this past last year where production was
4 higher than 2015 and that was a direct response to
5 weather patterns. There was more precipitation in
6 2015 versus 2017. So that's a perfect example. We
7 want to be able to provide tools, incentives and
8 education to our customers to respond to the climate
9 variables. And also, because indoor, there's an
10 opportunity to capture that water to our collection
11 system and put it back into reuse or get credits once
12 we --

13 CHAIRWOMAN JONES: Let me take just a second
14 there. We have a question.

15 MR. RAEL: Here you show, I believe it looks
16 like, eight percent for leaks. At what point do you
17 send a letter out to the customers saying, where
18 there's an unusual, I guess run of water, at what
19 point do you send it out?

20 MR. BUSTOS: Thank you, Pablo, for the
21 question. We send high-consumption letters on a
22 monthly basis and the way those are identified is
23 that we look at previous year water usage. And
24 there's an algorithm already installed into the water
25 billing code where it identifies that that water is

1 higher than the average use for that specific
2 customer. That customer is going to get a high water
3 use consumption. And that letter, what it says, is
4 that you may have a potential leak, you might want to
5 check your toilet, you might want to check your
6 irrigation system. You can call us and we can help
7 you on the phone to do a self-leak detection. We're
8 also updating our web site so customers can refer to
9 that web site and follow the process for identifying
10 that leak. So we do that on a monthly basis. The
11 goal is that once we get into having all our AMI
12 installed, is that customers will get signed up and
13 get those alerts more immediately.

14 MR. RAEL: All right.

15 CHAIRWOMAN JONES: Thank you.

16 MR. BUSTOS: So in looking at what we've
17 done, how to set the goal of the Conservation
18 Program, we want to focus on efficiency. And
19 efficiency for us, the way it looks is, if you look
20 at this picture there's something wrong with it.
21 We're not saying the turf is wrong, we're not saying
22 the trees, we definitely want to encourage healthy
23 trees, healthy landscapes. But if you look at this
24 picture, it's problematic. You're watering the
25 street, so that damages infrastructure and along the

1 way it's considered water waste. So we want to focus
2 on providing the tools where customers can -- if we
3 see this or customers identify or complains about
4 this, we amended the Water Waste Ordinance so we can
5 effectively respond by sending a warning notice to
6 the customer and letting them know, "hey, you may
7 have an issue with your irrigation system, give us a
8 call and we'll send somebody out there and help you
9 identify what is that issue, how to fix it," and then
10 set up some rebates, which you will see in your
11 handout, to help you effectively avoid this type of
12 water waste. So this is our main focus, outdoor
13 irrigation efficiency and building the culture. We
14 feel like already our customer base, Albuquerque and
15 the greater region, is really aware and has responded
16 to water conservation, as you saw in that second
17 graph that we showed. Now we feel like we need to
18 build the expertise of this customer. So now folks
19 are asking us, "hey, I'm conserving, but what else
20 can I do?" So we want to provide those tools.

21 MS. YUHAS: We'll give Carlos a little
22 break. So the Public Outreach Process around the
23 update to the Water Conservation Plan really started
24 with Water 2120. And we had customer conversations
25 where our customers were actually doing water

1 resources management right along with us. And as
2 Carlos said, they selected that new conservation
3 goal. We went and met with neighborhood coalitions
4 and we had a town meeting. And then when we hired
5 Carlos, he was tasked with updating the Water
6 Conservation Plan and he started working with the
7 TCAC. So he met with them on June 1st of 2017, and
8 then he met with them again just in January to go
9 over all of the changes that he had made from their
10 recommendations in June.

11 And then that wasn't enough, we thought we
12 should have some neighborhood coalition meetings and
13 so we did Customer Outreach Meetings in all four
14 quadrants of our service area at the beginning of
15 February and all of that was to inform our customers
16 about what's happening around the changes with the
17 Conversation Plan, because this has been a really
18 important part of our community and we've had so much
19 participation.

20 So, of course, now we're presenting the
21 updates to you in February and March and once we have
22 your approval, we will be reaching out to our
23 customers again. There will be a six-month campaign
24 to make sure that our customers know about all the
25 changes to the Water Conservation Program so that

1 they know when programs are being phased out, they
2 know what's being added. We'll have point of service
3 stuff, we'll have bill inserts, we'll have public
4 meetings and also with that we will be having an open
5 house and that's an outreach opportunity for all of
6 the property managers and our landscape managers to
7 come and have direct contact with us to ask
8 questions.

9 And I think that's everything. Oh, and
10 we'll also have point of service. So actually where
11 you go to purchase a toilet there will be a sign that
12 says, "this rebate program is ending, get your toilet
13 now." It will be more clever than that, but that's
14 the idea, yeah.

15 CHAIRWOMAN JONES: Thank you so very much
16 for the presentation.

17 MS. YUHAS: There's a tiny bit more.

18 CHAIRWOMAN JONES: That's okay. I just
19 wanted to make sure people -- if we have questions --
20 don't sit down until we ask questions.

21 MR. BUSTOS: A few more slides. So one of
22 the things in our outreach process is that we had a
23 lot of conversations in the last eight months with
24 city, parks and recs, county recreational department
25 and also with the Clean City folks and also with

1 Albuquerque Public School. We feel like that's the
2 direction we want to take in this next five years.
3 Continue building those relationships with those
4 partners. And by doing that we feel like not only
5 are we going to have health landscapes for our
6 community, which I love using, our parks and our
7 common areas, but also we're going to have landscapes
8 that are efficient in their water usage.

9 At the end of the five years this is how the
10 rebates are going to look. So we can see even though
11 we're phasing out from a lot of indoor rebates, we're
12 going to have a whole gamut of irrigation efficiency
13 rebates and educational opportunities not only for
14 our residential customers, but also for our
15 commercial, institutional, industrial customers.

16 So the last change that we needed to do,
17 which was -- for me is key, is the Water Waste
18 Ordinance. So the Water Waste Ordinance has been in
19 place since 1995. Since previously in the city when
20 the Water Conservation Program was part of that,
21 developed a water conservation strategy for the city.
22 The Water Waste Ordinance was one of the first things
23 that was enacted. So it serve not only as a
24 regulatory tool to establish the importance of
25 conserving water, but also to create that stewardship

1 of water rights in our community. So we feel that
2 it's key that we continue having this ordinance in
3 place, but we feel like we needed to modify because
4 our customers have contributed so much and have
5 participated so much and have bought into an idea of
6 conserving water and extending our supply. So in
7 order to do that we looked at the Water Waste
8 Ordinance and we looked at a couple of things that we
9 had tested out. 2015 was the last resolution or
10 pilot project that we passed and it was a warning
11 system for our customers, residential customers. In
12 lieu of receiving a fine after the first complaint we
13 send them out a warning and we saw that almost 70
14 percent of our customers responded to that warning
15 notice by fixing their irrigation waterways. So we
16 feel like the first change is to extend that warning
17 system to all our customers. So now it's going to be
18 across the board. The most important thing with this
19 change is that this ordinance -- we're presenting it
20 today in March for approval, but it's not going to be
21 effective until 2019. That's going to give us a
22 whole year to make sure that not only our residential
23 customers, but our biggest high water users, parks,
24 city, APS, and Clean Cities are aware of this new
25 ordinance and how it's going to affect them. Which,

1 in our eyes, is going to be a positive effect. The
2 fines are being decrease. Right now we got a
3 structure that is \$20 all the way to \$2,000, that fee
4 structure is going to change. It's going to be
5 between twenty and a thousand dollars. And every
6 year they're going to have a new year to start out.

7 A big effort with the Water Use Compliance
8 Team is that we establish a really good relationship
9 with parks and recs. And, of course, I keep
10 referring to parks and recs because that's usually
11 most where the complaints that we get. Not because
12 they are doing things wrong, but because folks like
13 to complain about city parks and waterways. So with
14 that, we've responded not by issuing fines to them,
15 but by building a good relationship with the
16 superintendent, with the director, with the folks who
17 are managing the irrigation system, because we know
18 it's hard. So instead of issuing a fine or a
19 violation, we give them a call. And it turns out
20 that by the end of the day usually they fix the
21 situation. So that's part of the approach that we
22 want to work. We feel like with this there's going
23 to be a decrease in enforcement and increase in
24 irritation.

25 So this is our last slide. The benefits

1 that we see with the water waste is that, it's going
2 to be -- we're going to be emphasizing less
3 enforcement and emphasizing more education. We're
4 going to create the opportunities for more positive
5 interaction with the public. So rather than, "hey,
6 you got a \$20 fine." You're going to get, "hey, give
7 us a call, we'll visit you and we'll teach you how to
8 manage and avoid water waste in your irrigation."
9 We'll increase participation in efficient irrigation
10 visits, which is key, because that's the culture we
11 want to go. Hopefully in the next ten years or at
12 the end of the planning phase we'll have a community
13 that's experts in irrigation. We'll lessen staff
14 tracking efforts, so that's a savings. Staff driving
15 around and resources. And we're also going to
16 increase staff response by developing those
17 relationships with customers.

18 We stand for questions.

19 CHAIRWOMAN JONES: Thank you. May I assume
20 that we skipped around a little bit and we moved
21 right up to the introduction of the legislation
22 amending the Water Waste Ordinance or are we going to
23 do that again? Did that take care of that?

24 MS. YUHAS: Yes, it does.

25 MR. BUSTOS: Yes, it does.

1 CHAIRWOMAN JONES: Thank you. So for those
2 of you who are trying to follow the agenda, we kind
3 of moved a little bit, but it's on the agenda. So do
4 we have any questions? Commissioner Hart Stebbins.

5 COMMISSIONER HART STEBBINS: Thank you,
6 Madam Chair. One of your early slides mentioned the
7 groundwater pumping goal. Can you talk a little bit
8 about how that was established and whether that gets
9 updated on a regular basis.

10 MS. YUHAS: Madam Chair, Commissioner
11 Stebbins, the groundwater pumping goal is established
12 each year as part of the annual operating plan. And
13 we establish that and we create the annual operating
14 plan, usually late March of each year when we know
15 what the snow melt runoff is going to be looking
16 like. And we do that in consultation with all the
17 other water users on the river, and we know what
18 everybody is planning for the year. And so we will
19 be presenting to you in April what the annual
20 operating plan is for the coming year.

21 COMMISSIONER HART STEBBINS: So it's tied.
22 So in a drought year the groundwater pumping goal
23 would go up?

24 MS. YUHAS: It may, uh-huh.

25 COMMISSIONER HART STEBBINS: That's a

1 possibility?

2 MS. YUHAS: Absolutely. But we have planned
3 for that. I mean, one of the things that I wanted to
4 talk about is, we are ready for this drought. Water
5 2120 is all about being ready for these drought
6 cycles. We have been conserving for 20 years. We
7 have been using surface water. Water levels have
8 risen in the aquifer as much as 40 feet in some
9 areas. And so this is what conjunctive management is
10 for, is to be ready for a drought year like this.

11 COMMISSIONER HART STEBBINS: Thank you.
12 Thank you, Madam Chair.

13 CHAIRWOMAN JONES: Thank you. Are there any
14 other questions? Thank you. Great presentation. We
15 appreciate it.

16 MS. YUHAS: Thank you.

17 MR. BUSTOS: Thank you, Madam Chair, Members
18 of the Board.

19 CHAIRWOMAN JONES: I think we're going to
20 try to get back on script now and go for approval of
21 the minutes. I make a motion to approve the January
22 24, 2018 minutes.

23 COUNCILOR DAVIS: Second.

24 CHAIRWOMAN JONES: There's a motion and a
25 second. All those in favor say yes.

1 MEMBERS: Yes.

2 CHAIRWOMAN JONES: Opposed? Motion carries.
3 Next is proclamations and awards. Mr. Sanchez, who
4 will be handling that?

5 MR. SANCHEZ: I believe it's Merat Zarreii.

6 CHAIRWOMAN JONES: All right. Good evening.

7 MR. ZARREII: Thank you, Madam Chair,
8 Members of the Board. The Water Authority
9 Pretreatment Program issues discharge permits to 59
10 industries throughout the service area. This year's
11 recipient of the Award of Excellence is El Encanto,
12 Inc., doing business as Bueno Foods.

13 During the 2016,/2017 pretreatment year
14 Bueno Foods was in full compliance with their
15 wastewater discharge permit and worked to improve
16 their pretreatment system. Through the installation
17 of a fine screen in the past year Bueno Foods was
18 able to remove 1,173 tons of organic material and
19 they were able to take that organic material and
20 convert it into commercial compost. I would like to
21 present this Award of Excellence to Mr. Ray Alderete,
22 the plant engineer for Bueno Foods and congratulate
23 them on commitment to beneficial environmental
24 stewardship.

25 (NOTE: Applause)

1 CHAIRWOMAN JONES: Welcome, sir, and thank
2 you. Would you like to say a few words. You are on
3 television.

4 MR. ALDERETE: I just want to say thank you
5 for the award. We always try to become better
6 stewards. Thank you.

7 CHAIRWOMAN JONES: Thank you. And thank you
8 for keeping your company in Albuquerque, we
9 appreciate it.

10 MR. ALDERETE: Thank you.

11 CHAIRWOMAN JONES: Thank you.

12 MR. ZARREII: Thank you, Madam Chair.

13 (NOTE: Applause)

14 CHAIRWOMAN JONES: I believe that puts us on
15 public comment. How many speakers do we have,
16 please?

17 MS. CARREON: We have three.

18 CHAIRWOMAN JONES: All right. Each speaker
19 will be given three minutes to speak with a warning
20 at two-and-a-half minutes. Would you call the first
21 speaker, please.

22 MS. CARREON: The first speaker is Michael
23 Neas followed by Santiago Maestas.

24 MR. NEAS: Thank you, Madam Chair, Board
25 Members. My name is Mike Neas. I'm here to talk

1 about water. Three years ago New Mexico was fifth in
2 the United States with regard to oil and gas
3 development and production. Today we are number
4 three. And the New Mexico Oil and Gas Association
5 says that within the next few years we can expect to
6 be number one.

7 Tonight you're discussing water savings from
8 low flow toilets and efficient washing machines. I
9 hope that soon you will begin the discussion of the
10 fact that the average horizontal fracking well uses
11 4.6 million gallons of water. There's never only one
12 well. And these wells turn that clean water into a
13 toxic waste dump two miles deep beneath the surface,
14 never to be rejoined to the natural water cycle.

15 Last month Counselor Davis brought up the
16 subject of the source water assessment and I was
17 lucky enough to be at the Water Protection Advisory
18 Board meeting when that was discussed by Daniel B.
19 Stephens and Associates. They are doing this source
20 water assessment. On this source water assessment
21 they talk about only discussing a one-half mile
22 radius around the 80-some wells that the Water
23 Utility Authority has and only going 15 miles
24 upstream. That's not anywhere near good enough. The
25 City of Albuquerque, Bernalillo County do not own the

1 mineral rights within one-half mile radius of all the
2 wells. They don't own the mineral rights under most
3 of their schools and their open spaces. They don't
4 even know what mineral rights they own. So when oil
5 and gas comes to town, and it's coming to town, then
6 we need to be ready. Every policy and every plan
7 needs to discuss the possibility of oil and gas
8 coming our way. And I don't hear any discussion
9 about oil and gas in conservation plans and policies.

10 Another thing that I would tell you is,
11 upstream right now there is -- you may have heard
12 about the BOM Chaco oil and gas lease. Well, that
13 lease happens on May 8th, and there are seven large
14 parcels just three miles up from the Chama River. I
15 know this because I own a large portion of land on
16 the Chama River. These pieces, if there's a spill on
17 the Rio Gallina, just three miles up from the
18 monastery, you may know where that monastery is, that
19 will affect the water that we drink here. And 66
20 percent of the water that we drink --

21 CHAIRWOMAN JONES: Thank you, sir. Thank
22 you. I do have a question. I do have a question.
23 You said that each oil well uses -- the fracking uses
24 4.6 million gallons. In what length of time? The
25 life of the well?

1 MR. NEAS: The life of the well.

2 CHAIRWOMAN JONES: Thank you.

3 MR. NEAS: And that's oil and gas --

4 CHAIRWOMAN JONES: Thank you. Thank you.

5 MR. NEAS: -- industry.

6 CHAIRWOMAN JONES: Thank you.

7 MS. CARREON: Santiago Maestas, followed by
8 Elaine Hebard.

9 MR. MAESTAS: Santiago Maestas. 5734 Evans
10 Road, Southwest. I provided a copy of my analysis of
11 the water supply chart. Did you all receive a copy,
12 Madam Chair?

13 CHAIRWOMAN JONES: Thank you.

14 MR. MAESTAS: Yes. The water supply charge
15 is the fixed monthly fee for the water supply that
16 shall run against the property and be the
17 responsibility of any subsequent owner until paid in
18 full. All monies collected through the imposition of
19 the water service supply charge shall be placed in a
20 separate account to be used for financing the
21 development of additional long-term water supplies to
22 serve expansions of the Water Authority's service
23 area subsequent to June 15, 2017.

24 My understanding is that the auditor for the
25 Water Authority has looked at the water supply charge

1 and has found that it's insufficient to cover future
2 purchases. I ran some numbers regarding what's of
3 interest to us in the South Valley. The Santolina,
4 that would be one plan, which will have some 9,444
5 residential units, as well as mixed units. The water
6 supply charges for the smallest water meter is
7 \$1,627. And so our calculation is that the total
8 water supply charge then would be like \$17,423
9 million. The level B population will be some 23,000
10 residents. And at the current use of 127 gallons per
11 day, that's some 3,358 acre feet per year.

12 Water rights on the current market, and this
13 is the lowest, are approximately \$10,000 an acre
14 foot. So the value of the water rights necessary for
15 the population of the Santolina level plan we
16 estimate at \$33,500 million, leaving a net expense
17 deficit of some \$16 million. And we believe this is
18 a violation of the known net expense provisions and
19 policy of the Albuquerque Water Authority.

20 And I would like to ask the Water Authority
21 is doing to increase the water supply charges in
22 order to cover what your auditor believes would be
23 the appropriate amount.

24 CHAIRWOMAN JONES: Thank you, sir. We
25 appreciate you coming here tonight, thank you.

1 MS. CARREON: Elaine Hebard is our last
2 speaker.

3 MR. MAESTAS: I left with a question.

4 CHAIRWOMAN JONES: I'm sorry, sir.
5 Commissioner O'Malley.

6 COMMISSIONER O'MALLEY: Thank you. I think
7 that our manager would be happy to answer that
8 question.

9 MR. MAESTAS: Thank you, Madam Chair.

10 MR. SANCHEZ: Madam Chair, Commissioner
11 O'Malley. First of all, Water 2120, if you recall,
12 approved a policy which said we would no longer
13 acquire water rights. So the water supply charge
14 basis in the future would be based on bringing on
15 line reused water for future development. So we're
16 in the process currently working with our rate
17 consultant to develop a cost basis for converting
18 from water rights acquisition to reuse production.
19 That will be coming to you in the next year. I can't
20 respond to Santolina because there's nothing before
21 us about Santolina. There was no audit or auditor
22 finding that we're in violation of no expense clause
23 that I am aware.

24 COMMISSIONER O'MALLEY: Thank you.

25 CHAIRWOMAN JONES: Thank you, sir.

1 MS. HEBARD: Good after. My name is Elaine
2 Hebard. And, as usual, there's not enough time for
3 me to cover all the things that I would like to.
4 However, for years I have been attending these
5 meetings. I've also attended the customer
6 conversation meetings, read many reports and tried to
7 keep up-to-date in what's the current state of the
8 art.

9 Naturally I've observed several changes and
10 some of them have been quite good. However, the
11 ABCWAU faces several challenges in the near future,
12 which require careful attention, time and oversight
13 by this Board. Consider that the customer base is
14 larger than the City of Albuquerque. According to
15 the Utility, only 6,000 people in the county are not
16 even served by the Utility. Its budget is more than
17 200 million. Its debit is more than 800 million. It
18 has 450 million in the critical infrastructure
19 backlogs, which are planned to grow until 2026.

20 There are checks and balances in the system
21 but they are not necessarily being followed.
22 Consider that the goals and objectives are to be
23 adopted prior to a budget being prepared and those
24 goals and objectives then sort of govern those
25 budgets. However, there's nothing on today's agenda,

1 so goals and objectives might be in March. The
2 budget has to come before you in April. So how will
3 the goals and objectives guide the process. Also
4 they're supposed to be coordinated with the city and
5 the county and the public, and that, again, isn't
6 probably going to happen.

7 Furthermore, we've heard about the 2120
8 drought strategy criteria. Well, it's based on the
9 groundwater pumping goal, which isn't actually known
10 until early May when the AOP is issued, but those are
11 so late in the game that they may not make all that
12 much difference by the time you get the word out to
13 everybody. There should be other triggers as well.
14 What's the source of the water? Is it groundwater,
15 surface water, reused water. Does it bother the
16 Compact, those kinds of things. The latter, the
17 Texas versus New Mexico litigation is going to impact
18 all of us. For that reason and many others, I think
19 the City, the County and the Water Utility Authority
20 must up their game and be more proactive.

21 Let me give you an example. MRGC, which has
22 a \$22 million budget, 200 people working for it, has
23 met since November about 14 hours versus the 2-plus
24 hours that this Board has met, and they have nine
25 committees in addition to that.

1 Suffice it to say, I think our water use
2 needs to be better. It's why I stood in support of
3 the Memorial 102, which passed the house unanimously.
4 All it asks is that the interim committee take and
5 receive information on governments in helping it to
6 improve.

7 And in that spirit, I hope you will join me
8 just to make sure that we have the checks and
9 balances needed with the Water Utility.

10 CHAIRWOMAN JONES: Thank you. Is that the
11 last speaker?

12 MS. CARREON: That's the last speaker.

13 CHAIRWOMAN JONES: Thank you. All right,
14 let's try to get back on the agenda then.

15 Announcements and communication. The next
16 scheduled meeting is March 21, 2018 at 5 p.m.

17 We'll move on to introductions of
18 legislation. The first is 0-18-2. Mr. Sanchez.

19 MR. SANCHEZ: Madam Chair, this is an
20 ordinance which would authorize the execution and
21 delivery of a loan agreement and subsidiary agreement
22 with the New Mexico Finance Authority. Sometime ago
23 the Board authorized us to submit an application. We
24 were awarded this million ten thousand to add an
25 additional 20,000 automated meters in our system,

1 which we had planned for in our capital program.
2 However, this will allow us to receive a half million
3 dollar grant if we accept a half million dollar loan
4 at 25 cents, or 25 basis points over 20 years. So
5 this ordinance simply authorizes us. It's the first
6 reading only.

7 In addition to this, the next item is
8 confirming the resolution, which is required by the
9 New Mexico Finance Authority and they're both
10 companion documents.

11 I'd be happy to answer any questions.

12 (Councilor Davis leaves)

13 COMMISSIONER HART STEBBINS: Madam Chair, I
14 move approval.

15 MR. SANCHEZ: Madam Chair, it's introduction
16 only.

17 COMMISSIONER HART STEBBINS: Oh, so we don't
18 even need to --

19 MR. SANCHEZ: Correct.

20 CHAIRWOMAN JONES: Thank you. So that took
21 care of B and C?

22 MR. SANCHEZ: Correct.

23 CHAIRWOMAN JONES: The next is D, R-18-8.

24 And, Mr. Bustos, I believe -- or was that a part of
25 the other presentation also? Approving the Update to

1 the Water Conservation Plan, was that offered
2 already? Thank you. I thought it was A and D
3 combined, so we got all of that.

4 The next would be E, which is authorizing
5 the amendment to the 2007 Agreement with Western
6 Albuquerque Land Holdings for the Antelope Site.
7 Mr. Cadena.

8 MR. CADENA: Hello. Madam Chair, Members of
9 the Board, I present to you a proposed amendment to a
10 development agreement that was previously approved by
11 the Water Authority back in 2007 with Western
12 Albuquerque Land Holdings. The proposed development
13 is for a property that's 464 acres located west of
14 Atrisco Vista just north of I-40. The property is
15 zoned for industrial uses and the developer's intent
16 is to have the development or the property
17 development ready for future use.

18 In September 2016 the Bernalillo County
19 Commission approved the amendment or approved this
20 property to be amended in the Westland Master Plan,
21 so that is included in that overall master plan with
22 the County. The property lies within Pressure Zone
23 7W in the College trunk in which there is existing
24 water and sanitary sewer master plan infrastructure
25 ready to serve the site. So the site really just

1 needs extensions of public waterline and sanitary
2 sewer needed to serve the site itself.

3 All services within the development will be
4 obviously required to provide the utility expansion
5 charges, as well as water supply charges.

6 CHAIRWOMAN JONES: Thank you. Are there any
7 questions? Thank you. Thank you for being here this
8 evening. That is the end of our introductions of the
9 first readings of legislation.

10 We'll be moving to the consent agenda. I
11 would like to have a motion to approve.

12 COMMISSIONER HART STEBBINS: Move approval.

13 CHAIRWOMAN JONES: Are there any questions
14 anyone would like to -- all right, there's a motion
15 and a second for approval of the consent agenda. All
16 those in favor say yes.

17 MEMBERS: Yes.

18 CHAIRWOMAN JONES: Opposed? Motion carries.

19 Next are the approvals. First is R-18-6.

20 Mr. Sanchez.

21 MR. SANCHEZ: Madam Chair, Members of the
22 Authority, at the February meeting this item was
23 introduced. It would decrease \$8.6 million in
24 franchise fees. Our auditors have indicated it's not
25 a revenue source. It's a pass-through, so it would

1 begin to recognize that as a pass-through. It would
2 increase by \$3 million a transfer to begin covering
3 the clarifiers at the reclamation facility in our
4 attempt and commitment to further reduce odors. It
5 would increase the Los Padillas Water Project for
6 1.45 million to recognize the County's contribution
7 for that project, so we're receiving those funds.
8 And it would increase by half a million dollars, the
9 repayment from Kirtland Air Force Base for the
10 expenditures we made for a monitoring well and that
11 would be dedicated to our ASR project, our Aquifer
12 Storage and Recovery.

13 CHAIRWOMAN JONES: Thank you, Mr. Sanchez.
14 Are there any questions? I make a motion to approve
15 R-18-6.

16 COUNCILOR PENA: Second.

17 CHAIRWOMAN JONES: There's a motion and a
18 second. All those in favor say yes.

19 MEMBERS: Yes.

20 CHAIRWOMAN JONES: Motion carries. Next is
21 C-18-9, approving the Service Connection Agreement
22 for water and sewer service with JBC2, LLC, at 4509
23 Paradise Boulevard, Northwest.

24 MR. CADENA: Hello. Madam Chair, Members of
25 the Board, I present to you a Service Connection

1 Agreement for a proposed project that consists of a
2 assisted living facility to be located on the corner
3 of Eagle Ranch and Paseo del Norte. There is really
4 no need for infrastructure for this project, other
5 than connecting to already existing infrastructure.
6 So the Service Connection Agreement is needed because
7 it's outside the adopted service area, but still
8 within the City of Albuquerque. So the development
9 will be required to pay utility expansion charges, as
10 well as water supply charges.

11 COMMISSIONER O'MALLEY: Second.

12 CHAIRWOMAN JONES: Thank you. There's a
13 motion and a second. Are there any questions? Thank
14 you. There's a motion and a second to approve. All
15 those in favor say yes.

16 MEMBERS: Yes.

17 CHAIRWOMAN JONES: Opposed? Motion carries.
18 And our last approval for the evening is C-18-10,
19 which is FY2018 2nd Quarter Operating Financial
20 Report. Mr. Sanchez.

21 MR. SANCHEZ: Madam Chair, Members of the
22 Authority, this report has been reviewed by the Water
23 Authority's internal auditor, Mr. Porch. It's been
24 reviewed and approved by the State Department of
25 Finance and Administration. Basically indicates that

1 all revenue and expenditures through midyear are
2 aligned with the original projections. It meets our
3 debt service coverage requirement by policy and it
4 meets our fund balance target of one-twelfth of
5 operating funds. And it also continues our, what we
6 call our rate stabilization fund, it's current at \$7
7 million. And the idea is that if we have any rate
8 fluctuations or revenue fluctuations, there's a fund
9 we can go to before we go to our ratepayers for a
10 rate adjustment to offset revenue.

11 I stand for any questions.

12 CHAIRWOMAN JONES: Thank you, Mr. Sanchez.
13 Are there questions?

14 COUNCILOR PENA: I so move.

15 CHAIRWOMAN JONES: There's a motion and a
16 second for approval. All those in favor say yes.

17 MEMBERS: Opposed? Motion carries. And
18 with that, the meeting is adjourned.

19 (Meeting adjourned at 5:48 p.m.)
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1 REPORTER'S CERTIFICATE

2 I, Kim Kay Shollenbarger, New Mexico Certified
3 Court Reporter, No. 236, do hereby certify that I
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