

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY MEETING  
Wednesday, April 18, 2018, 5:03 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  
COMMISSIONER LONNIE C. TALBERT, Member (telephonic)  
MAYOR TIMOTHY M. KELLER, Member (excused)  
PABLO RAEL, Trustee (excused)  
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, everyone.  
2   Thanks for joining us. I call this April 18, 2018  
3   meeting of the Albuquerque Bernalillo County Water  
4   Utility Authority to order. Commissioner Talbert and  
5   Trustee Rael are excused. All other members are  
6   present. Now I would like to ask you to join me in a  
7   moment of silence and then the Pledge of Allegiance.  
8   And please, during the moment of silence let's think  
9   of the Riordan family. I think so many of us know  
10   the family. And, of course, Michael Riordan is a  
11   member of our City family. And what a great tragic  
12   lost, so if you would please join me in a moment of  
13   silence.

14           (Moment of Silence/Pledge of Allegiance)

15           CHAIRWOMAN JONES: Thank you all. Let's get  
16   started with other business. This is a water report,  
17   the 2017 Consumer Confident Report. Mr. Kelly, are  
18   you here and ready?

19           MR. KELLY: Yes.

20           CHAIRWOMAN JONES: Good evening, Mr. Kelly.

21           MR. KELLY: Good evening. I didn't realize  
22   I was up first, but okay. I'm Mark Kelly, I'm the  
23   Compliance Division Manager and tonight I'm here to  
24   talk to you about the 2017 Consumer Confidence  
25   Report, which is the report that gets sent to all the

1 customers homes, which tells them about all the  
2 monitoring that we have done for the year of 2017,  
3 and I will be calling it the CCR throughout.

4 We have a CCR because the Federal Safe  
5 Drinking Water Act requires it. We also want to have  
6 a CCR to notify the public what was detected during  
7 required monitoring for our contaminants and it lets  
8 the public know how our drinking water quality  
9 compares to the Safe Drinking Water Act and it shows  
10 our customers that our drinking water is in  
11 compliance with the Safe Drinking Water Act.

12 There is certain required information to be  
13 in every Consumer Confidence Report. We'll delve  
14 into these individually, but things like water system  
15 information, our sources, certain definitions are  
16 required to be in there, the contaminants that are  
17 detected showing compliance with other drinking water  
18 regulations, as well as educational information.

19 So in terms of the general information, the  
20 report shows the Board members, yourselves, how the  
21 Water Authority is structured. It has phone numbers  
22 to let customers call us and there's also web sites  
23 included in the report so customers can get  
24 additional information.

25 We show our sources of water, our

1 groundwater and our surface water. We have different  
2 sampling regimens based on some of the sources and it  
3 includes definitions. And some of the most important  
4 definitions are MCL, maximum contaminant level.  
5 These are the levels set by EPA of constituents in  
6 water that if it's over a level it's a violation.  
7 These are things like ten parts per billion for  
8 arsenic, and so on. And when we're looking at MCLs  
9 in all of our testing we're looking at very small  
10 concentrations, things in the parts per million and  
11 parts per billion range.

12           And to give you kind of an analogy of how  
13 small that is, an M&M weighs about a gram. So if you  
14 cut an M&M into a thousand pieces and put that  
15 one-thousandth of an M&M into your drinking water  
16 bottles there, which are approximately a liter, you  
17 have one milligram per liter. If you cut that M&M  
18 into a million pieces and you put that millionth of  
19 M&M into your drinking water bottle you will have one  
20 microgram per liter. So we're testing very small  
21 amounts of contaminants in our water.

22           Like I said, we show everything that is  
23 detected. We sample at the entry points of the  
24 distribution system. These are places like  
25 reservoirs where, multiple wells are filling a single

1 reservoir, we sample that reservoir. We sample our  
2 direct inject wells and we also sample the Surface  
3 Water Treatment Plant. So we're sampling for things  
4 like metals, nutrients, organics, radionuclides and  
5 disinfectants.

6 We also do special sampling at the San Juan  
7 Chama Drinking Water Plant as required by EPA. There  
8 we focus on things like turbidity, which is a  
9 measurement of the cloudiness of the water. Also  
10 minerals and nutrients, as well as disinfectants.

11 We do sampling in the distribution system.  
12 Many of our distribution sites, our customer taps,  
13 that we go out and sample for microbiological or  
14 bacteria. My staff samples 242 different sites every  
15 single month for bacteria and then we report the  
16 results in this section of the CCR. We are also  
17 sampling for disinfectants to make sure that our  
18 water is carrying a disinfectant at all times  
19 throughout the system, and we're also looking for  
20 disinfectant byproducts, which could be an issue if  
21 there's too much of that disinfectant, as well as  
22 looking at our lead and copper is showing in the  
23 distribution system as well.

24 We have to show that we are in compliance  
25 with not just the Safe Drinking Water Act, but other

1 drinking water regulations like the Unregulated  
2 Contaminant Monitoring Rules. These are requirements  
3 by EPA to test for things that aren't necessarily  
4 regulated at this time, but the EPA wants to gather  
5 data to see about proposed regulations in the future.  
6 So if we get a detect of anything that they've asked  
7 us to look into we publish it in the CCR.

8           There's certain health effects language that  
9 is required in every CCR and this is based on the EPA  
10 requirements. Things like, if consuming this amount  
11 over a certain amount of time may lead to this issue  
12 or that issue. We also have in there places where  
13 folks can get more information, and there's an EPA  
14 hot line to call as well for more information.

15           The CCR does allow us to give a little bit  
16 of optional info to the customers. This year we've  
17 highlighted Water 2120. Some of the optional things  
18 include process schematics of the Drinking Water  
19 Plant, as well as we talk about our groundwater  
20 monitoring around Kirtland Air Force Base,  
21 conservation, and then issues in the news, like lead  
22 testing.

23           For the last several years we have done  
24 voluntary lead testing where customers can call up  
25 and we will test their homes for lead. We publish

1     those results in the CCR. This last year in 2017, 53  
2     customers called and all of their samples were well  
3     below the action level for both lead and copper.

4             There's also links in the CCR to go to get  
5     additional information. We publish water data online  
6     and you can click on the "Know Your Zone" part of our  
7     water quality map and you can even put your address  
8     in. The little address on the slide is where we're  
9     standing right now, City Hall, and you can see what  
10    the exact water quality is for both our compliance  
11    monitoring and the voluntary monitoring in your zone  
12    at your house, because it does vary slightly across  
13    the service area.

14            As I said before, we are going to continue  
15    doing voluntary testing for requested customers.  
16    They can sign up online or call us and we'll go out  
17    and take a test. This year we're required to do our  
18    lead and copper testing and that testing is done in  
19    the customer's home. And it has to be in houses  
20    built between 1982 and 1987 that haven't done major  
21    repairs on their interior plumbing. Those houses are  
22    becoming harder and harder for us to find because  
23    people do repairs or they just knock them down and  
24    build something else. So we're offering a rebate  
25    that is advertised in the CCR that qualifying

1 customers can sign up online and get a rebate on  
2 their water bill of \$20 if they're willing to sign up  
3 for our lead and copper monitoring program. And  
4 everyone, when we take those tests as required by  
5 EPA, they get the results of what is happening in  
6 their own home as well. They don't have to look it  
7 up online or anything. We provide the data directly  
8 to the customer.

9 I'm also here to talk about our --

10 CHAIRWOMAN JONES: Mark, excuse me, if I can  
11 interrupt you for just a second. Commissioner  
12 O'Malley has a question.

13 COMMISSIONER O'MALLEY: Thank you very much.  
14 What years did you say that the houses --

15 MR. KELLY: 1982 to 1987. And those years  
16 are selected because that was the last years that  
17 lead solder was commercially available for use on  
18 soldering pipes together. So those are basically the  
19 newest homes that may have lead solder on their  
20 interior plumbing pipes, so that's why they are  
21 selected as the years.

22 COMMISSIONER O'MALLEY: Interior of the  
23 copper pipes typically?

24 MR. KELLY: Well, it's the solder that goes  
25 -- that connects to like an elbow. So it's usually



1 on the outside, but it does have some contact, very  
2 minor contact, with the water. Usually a film of  
3 calcium is created around that on the interior of the  
4 pipe, which protects the consumer from having the  
5 lead directly to the water. But, yeah, those are the  
6 pipes that we're looking for.

7 COMMISSIONER O'MALLEY: But there could be  
8 some migration of the lead into the water?

9 MR. KELLY: Yeah, they're the most  
10 vulnerable.

11 COMMISSIONER O'MALLEY: Okay.

12 MR. KELLY: So far from our testing we have  
13 not had issues, because we do have good corrosion  
14 control where we do have that film that builds up  
15 very slightly on the inside of people's pipes.

16 COMMISSIONER O'MALLEY: Thank you.

17 CHAIRWOMAN JONES: Thank you. Go ahead.

18 MR. KELLY: I was also asked to talk about  
19 our pharmaceutical and personal care product sampling  
20 that is going to be going on. In 2011 we did a  
21 report that looked at sampling from 2009 through '11  
22 of different pharmaceuticals and personal care  
23 products that are found throughout our water and  
24 wastewater system. Back then we sampled at five  
25 locations and we had very low levels of detection of

1 a few of these contaminants. We are revamping that  
2 report again and have started that monitoring again.

3 This slide shows that 92 percent of the time  
4 nothing was detected in our finished drinking water.  
5 And times that things were detected, they were very  
6 small. So we're talking about nanograms per liter.  
7 Earlier I talked about milligrams and micrograms, and  
8 nanograms is another thousandth smaller than  
9 micrograms. So think about our M&M, it's a billionth  
10 of an M&M, is one nanogram per liter. Things were  
11 found in the water in very small amounts. And we're  
12 going to be looking at what is going to be, what do  
13 we have now?

14 These are our 2011 results. And we're  
15 redoing the study to see what is going on right now.  
16 We sampled before in the river the produced water  
17 from the Surface Water Treatment Plant. We sampled  
18 at the beginning of the Wastewater Treatment Plant  
19 and at the end of the Wastewater Treatment Plant.  
20 And now we're also going to be adding several points  
21 in the collection system, as well as our Northside  
22 reuse and the Southside reuse to determine if there  
23 are any pharmaceutical or personal care products in  
24 those.

25 Our scheduling, first event has happened

1 already in January. We're looking at four events in  
2 total. And then, during each sampling we're trying  
3 to match the water as it goes through the system. So  
4 starting in the Rio Grande and then proceeding  
5 through the Water Treatment Plant, to the collection  
6 system, to the beginning of the Wastewater Treatment  
7 Plant and then the end of the Wastewater Treatment  
8 Plant.

9 After all the sampling we will create a  
10 report that's similar to the 2011 report and compare  
11 the results from today to then and present the  
12 findings to this Board sometime. We're looking at  
13 spring of 2019, if all goes well.

14 Are there any questions?

15 CHAIRWOMAN JONES: Commissioner O'Malley.

16 COMMISSIONER O'MALLEY: Thank you. So you  
17 talk about pharmaceuticals and personal care  
18 products. What do you mean by personal care  
19 products?

20 MR. KELLY: Those can be anything from  
21 things that are found in like makeup or shampoo or,  
22 you know, like colognes. There's a section of  
23 contaminants that are not necessarily drugs that you  
24 might ingest, but also it's basically a catchall of  
25 emerging contaminants that might be from like beauty

1 products and things like that that get into the  
2 wastewater.

3 COMMISSIONER O'MALLEY: And those are  
4 difficult to remove?

5 MR. KELLY: They are. None of the  
6 pharmaceuticals or personal care products are  
7 regulated by EPA right now, so they are removed  
8 incidentally in many ways. Our Water Treatment Plant  
9 does a really good job of removing them through our  
10 granular activated carbon process. But in terms of  
11 the Wastewater Treatment Plant there's not much --  
12 the plant has not been designed to remove them.  
13 We're just kind of seeing how they move through the  
14 system.

15 COMMISSIONER O'MALLEY: Thank you.

16 CHAIRWOMAN JONES: Are there any other  
17 questions? Thank you, Mr. Kelly.

18 MR. KELLY: Thank you.

19 CHAIRWOMAN JONES: Next we're going to have  
20 a drought report from Ms. Yuhas. Good evening.

21 MS. YUHAS. Madam Chair, Members of the  
22 Board. The drought continues to increase in severity  
23 and it appears likely that our service area will soon  
24 enter extreme drought. Predictions from the National  
25 Weather Service though are still saying that these

1 conditions will ease in July and August, which may  
2 allow us to get some monsoon moisture. So that's the  
3 good news there. And more positive side, our  
4 customers are responding very well to our drought  
5 messaging. They're actually doing an even better job  
6 at conserving water, than the graph on the right  
7 shows you. As of April 16th, one week after I  
8 created this graph, our customers have used 12  
9 million gallons less than they did last year for this  
10 same time period. And that is despite receiving an  
11 inch less rainfall than they had during that same  
12 time period. So our customers are very responsive to  
13 the drought and they're doing the right thing.

14 And so at this point our plan is to continue  
15 with our drought messaging and reminding our  
16 customers to keep up the good work.

17 And I'd be happy to answer any more  
18 questions if you have them.

19 CHAIRWOMAN JONES: Thank you. Are there any  
20 questions? Thank you, Ms. Yuhas. Thank you very  
21 much. Let's move along to our regular agenda now.

22 I make a motion to approve the March 21,  
23 2018 minutes. Is there a second?

24 COUNCILOR DAVIS: Second.

25 CHAIRWOMAN JONES: There's a motion and a

1 second. All those in favor say yes.

2 MEMBERS: Yes.

3 CHAIRWOMAN JONES: Opposed? The motion  
4 carries. Then we move to proclamations and awards.  
5 This is the Quarterly Employee Recognition Awards, so  
6 I will read the names and the award and I will ask  
7 you all to come up and line up behind staff here and  
8 then we would like for you to get your money, I  
9 believe, and then we would like to have you come by  
10 so we can tell you thank you. So when I read your  
11 name and tell how much you're going to get, come on  
12 down.

13 The first is Christella Sanchez.

14 Ms. Sanchez is recognized for her efforts to  
15 communicate with an elderly customer who called for  
16 assistance, but who could not be understood.

17 Ms. Sanchez overcame this by using GIS data to track  
18 down a neighbor of the customer, whom she enlisted as  
19 a translator. As a result, Ms. Sanchez was able to  
20 address the customer's issue and get him signed up  
21 for the Water Authority's low-income assistance  
22 program. Ms. Sanchez will receive \$300 and 8 hours  
23 of vacation time.

24 (Applause)

25 CHAIRWOMAN JONES: Next is Tami Garcia,

1 Michael Braniff, Jose Garcia, David Conkle, Matthew  
2 Duran, Adan Flores, James Minard, Joseph Cave, Joshua  
3 Sena-Tami, they will each receive \$150. And it says,  
4 "all the rest, \$100 each," so I'm not sure what that  
5 means. These members of the warehouse group are  
6 recognized for their role in a complex and ultimately  
7 successful upgrade of the Water Authority's work  
8 order tracking and inventory management system. Oh,  
9 now I know what it means. Tami Garcia is especially  
10 recognized for her leadership in this endeavor.  
11 That's why Tami gets \$50 more. Thank you all.

12 (Applause)

13 CHAIRWOMAN JONES: Charles Lee will receive  
14 \$250 plus 8 hours of time. Mr. Lee is recognized for  
15 his ingenuity and initiative in finding a solution to  
16 a vexing voltage problem in the electrical system at  
17 the new Preliminary Treatment Facility at the  
18 Southside Water Reclamation Plant. Thank you.

19 (Applause)

20 CHAIRWOMAN JONES: Victor Sanchez, Nikhil  
21 Lucas Kamat, Donald Benavidez, Carlos Sena, Jacob  
22 Gonzales, Michael Brown. Victor, Nikhil and Donald  
23 each receive \$50 and Carlos, Jacob and Michael  
24 receive \$150 each. These individuals are recognized  
25 for line-spotting work that avoided a claim against

1 the utility for about \$4,000. Thank you all.

2 (Applause)

3 CHAIRWOMAN JONES: Arlo Gonzales, Sr.

4 Mr. Gonzales is recognized for taking the initiative,  
5 over a holiday weekend, to modify work plans for a  
6 sewer blockage in order to mitigate severe traffic  
7 problems on Central Avenue related to an accident on  
8 Interstate 40. Mr. Gonzales will receive \$250 plus 8  
9 hours of vacation time. Thank you.

10 (Applause)

11 CHAIRWOMAN JONES: Erica Jaramillo.

12 Ms. Jaramillo is recognized, in her role as hearing  
13 organizer, for saving the Water Authority more than  
14 \$40,000 in unwarranted claims against the utility  
15 over the past several years. Ms. Jaramillo will  
16 receive \$200 plus 8 hours of vacation time.

17 (Applause)

18 CHAIRWOMAN JONES: Leon Torrez. Mr. Torrez  
19 is recognized for going beyond the normal  
20 requirements of his job description to ensue the  
21 smooth start-up and operation of the new de-watering  
22 facility at the Southside Water Reclamation Plant.  
23 Mr. Torrez will receive \$150.

24 (Applause)

25 CHAIRWOMAN JONES: Lyman Waller. Mr. Waller



1 is recognized for the innovative engineering  
2 solutions he employed to ensure a successful  
3 completion of the de-watering facility project at the  
4 Southside Water Reclamation Plant. Mr. Waller  
5 receives \$200 plus 4 hours of vacation time. Thank  
6 you.

7 (Applause)

8 CHAIRWOMAN JONES: Robert Monjaras and  
9 Justin Sample. These individuals are recognized for  
10 work on the utility's fiber-optic network that has  
11 resulted in a vastly improved system that will save  
12 the utility \$48,000 annually. For this they will  
13 receive \$150 each.

14 (Applause)

15 CHAIRWOMAN JONES: Armida Magallanes.  
16 Ms. Magallanes is recognized for going above and  
17 beyond her regular job duties in Customer Service to  
18 assist other work teams, improve processes, and train  
19 fellow employees. She will receive \$200 plus 4 hours  
20 of vacation.

21 (Applause)

22 CHAIRWOMAN JONES: Bryan Nguyen. Mr. Nguyen  
23 is recognized for his excellent problem-solving in  
24 retrieving critical lost data from the utility's  
25 Image Repository Database and for creating custom

1 computer programs and innovative processes to improve  
2 utility efficiency. Mr. Nguyen will receive \$150.

3 (Applause)

4 CHAIRWOMAN JONES: Michael Garcia, Steve  
5 Maldonado, Elias Ortiz, Leo Vialpando, Teodoro Mayer  
6 will each receive \$100. These individuals are  
7 recognized for saving the utility more than \$12,000  
8 by undertaking a complex pump maintenance operation  
9 themselves rather than contracting out. Thank you  
10 all.

11 (Applause)

12 CHAIRWOMAN JONES: Nick Romero.

13 AUDIENCE SPEAKER: He's at the plant  
14 working.

15 CHAIRWOMAN JONES: Good for him. Mr. Romero  
16 is recognized for the part he played in successfully  
17 bringing online the new de-watering facility at the  
18 Southside Water Reclamation Plant. Mr. Romero  
19 receives \$50.

20 (Applause)

21 CHAIRWOMAN JONES: Joseph Jaramillo.  
22 Mr. Jaramillo is also recognized for his role in  
23 successfully bringing online the new de-watering  
24 facility at the Southside Water Reclamation Plant.  
25 He will receive \$100.

1 (Applause)

2 CHAIRWOMAN JONES: Andrew DeMarcus.

3 Mr. DeMarcus is recognized for going above job  
4 requirements to assist fellow employees with  
5 fleet-related issues. He will receive \$150.

6 (Applause)

7 CHAIRWOMAN JONES: Bryan Haikin. He's  
8 recognized for taking on additional responsibilities  
9 to ensure successful implementation of a new module  
10 in the utility's work order and inventory management  
11 system. He will receive \$150.

12 (Applause)

13 CHAIRWOMAN JONES: Linda Quintanilla.

14 Ms. Quintanilla is recognized for taking the  
15 initiative to work with coworkers and vendors to  
16 redesign and upgrade processes related to the  
17 purchasing and processing of chemicals. She will  
18 receive \$150.

19 (Applause)

20 CHAIRWOMAN JONES: Thank you. I hope you  
21 enjoy this employee recognition as much as we do. We  
22 appreciate seeing you and knowing what you do. So  
23 thank you. Come on up, we would like to shake your  
24 hands.

25 (Shaking hands)

1           CHAIRWOMAN JONES: This is one of the best  
2 parts of the meetings. We really appreciate it and  
3 thank you all again for everything you do to make the  
4 Water Authority great. Thank you.

5           (Applause)

6           CHAIRWOMAN JONES: Next agenda item is  
7 announcements and communications. The next scheduled  
8 meeting is May 23, 2018. Oh, I missed public  
9 comment. I'll do these first. 2018 at 5 p.m. in the  
10 Vincent E. Griego Chambers. And customers wishing to  
11 participate in this year's Customer Conversations on  
12 Source Water Protection can visit our website at  
13 [www.abcwua.org](http://www.abcwua.org) to register. All meetings are at  
14 6 p.m. on the following dates and locations: Are you  
15 writing down, taking notes? May 1st at the South  
16 Valley Senior Center. May 8th is already full at the  
17 Manzano Mesa Multi-Generational Center. May 16th at  
18 the Don Newton Taylor Ranch Community Center, and May  
19 30th at North Domingo Baca Multi-Generational Center.  
20 And now we'll get back in order.

21           Public comment. How many do we have signed  
22 up this evening? Three. So each speaker will have  
23 three minutes to speak, with a warning at  
24 two-and-a-half minutes. Would you call the first  
25 speaker.

1 MS. CARREON: Yes, ma'am. Dave McCoy  
2 followed by Harold Gill.

3 MR. MCCOY: Good evening. Dave McCoy,  
4 Citizen Action. The Consumer Confidence Report ought  
5 to make some mention of the Kirtland Jet Fuel Spill  
6 and aviation gas spill. I know that's perspective,  
7 but it needs to be in there. On April 12th I  
8 received a response to a New Mexico Environment  
9 Department records request. There were dozens of  
10 records, many of which you folks probably haven't  
11 seen. Two major items were received that both  
12 rejected the 2014 RCRA facility investigation and the  
13 2017 RCRA facility investigation. These documents  
14 were never seen by the public and they haven't been  
15 seen by you either probably, unless you tell me  
16 otherwise. The August 14th, 2014 review comments  
17 listed many deficiencies. The RFI was withdrawn, but  
18 the NMED never released its review of why it was  
19 withdrawn. I think Ryan Flynn probably buried that.  
20 On January 19th, 2018 a draft notice of disapproval  
21 was completed. It totaled 95 different concerns.  
22 The notice of disapproval never saw the light of day.  
23 It was not on the NMED website. It talks about  
24 extensive data gaps and how incomplete the RFI is. I  
25 sent these public records to Rick Shean, in total

1     there were many, other than just these two. And one  
2     of the things that is going on now is they're turning  
3     towards monitored natural attenuation. That means  
4     the Air Force has discovered just how costly this is  
5     going to be to deal with this problem and so they go  
6     to the minimum that they think they can get away  
7     with. On page 3, item 4 of this January 19th, 2018  
8     draft notice of disapproval it discusses the lack of  
9     a functional sentinel well for the Veterans  
10    Administration production well. And quote, great  
11    concerns about the westward migration of contaminants  
12    towards the VA Hospital well. So that's a real  
13    concern here. You know, these kinds of things need  
14    to be laid out, brought forward. So, you know, I'm  
15    asking, who is responsible at the NMED for burying  
16    this kind of information? Other matters that I've  
17    been concerned about for some time, there's no  
18    organization chart between the Air Force and all the  
19    entities that are at work and at play in this. No  
20    contact list, you know, other than Kate Lynnes, you  
21    know. So really, the public is not informed on this.  
22    There aren't minutes kept of technical group  
23    meetings. There aren't videotapes or anything else  
24    kept for public meetings or the Air Force. You got a  
25    mess on your hands, folks. Thank you.

1 CHAIRWOMAN JONES: And the next speaker?

2 MS. CARREON: Harold Gill followed by Elaine  
3 Hebard.

4 CHAIRWOMAN JONES: Thank you. Good evening.

5 MR. GILL: Hi, ladies and gentlemen. My  
6 name is Harold Gill. I just got a water meter that  
7 shocked me when I got the price of 7,400 and some  
8 dollars for a water meter to be installed by the  
9 City. I couldn't believe it. I would like a  
10 response from somebody up there to tell me why I paid  
11 \$1,700 more for my water meter than other people  
12 have. I live up off 81st Street, it's a SAD227.  
13 There's two water towers probably half a mile from  
14 me. I believe that's where we're getting our water.  
15 I would still like to know why I am paying \$1,700  
16 more than anybody else in the City. I am a citizen  
17 of Albuquerque. I pay \$8,600 a year in taxes in an  
18 area that nobody -- you never see a cop. You see a  
19 lot of Water Authority, because I seen seven trucks  
20 up there yesterday. Seven trucks at those towers  
21 yesterday. It's just disgusting to me. I mean,  
22 because I'm the guy paying, that I have to pay more  
23 than somebody else, \$1,700 more. I'm a retired man,  
24 you know. And I would like an answer. They told me  
25 I'm not in the right area or something, but I live in

1     Albuquerque and I pay my taxes in Albuquerque and I  
2     pay my water bills on time. This is for a piece of  
3     property that's next to me that I bought. Vacant  
4     piece of property.

5             CHAIRWOMAN JONES: Thank you, sir. If you  
6     would like, if you will give your name --

7             MR. GILL: I did. This lady took care of  
8     that for me.

9             CHAIRWOMAN JONES: Okay, thank you. They  
10    will contact you and talk with you and see what's  
11    going on.

12            MR. GILL: I hope you guys all got to pay  
13    that 1,700 too and you'll see how it feels.

14            COMMISSIONER QUEZADA: Madam Chair.

15            CHAIRWOMAN JONES: Commissioner Quezada.

16            CHAIRMAN QUEZADA: Thank you, Madam Chair.  
17    And I would like to know why.

18            MR. GILL: Not in an area.

19            CHAIRMAN QUEZADA: That's the area where I  
20    live and I would like to know why you are paying  
21    that. So when you give them that information, my  
22    office would also like to know why.

23            MR. GILL: Could I say one more thing?

24            CHAIRWOMAN JONES: Yes, sir.

25            MR. GILL: When I bought that piece of



1 property it cost me \$4,500 -- \$45,000. I had to pay  
2 \$38,000 over that \$45,000 to put the water in, to put  
3 the sewers in, to put the roads in, to put the  
4 electric in. I think I should be saving \$1,700 after  
5 I paid. And everybody up in that area paid that  
6 \$38,000 over and above what they paid for their lots  
7 in one of the highest taxed areas in the City.

8 CHAIRWOMAN JONES: Thank you, sir. And that  
9 is a standard development. When someone develops a  
10 lot they pay individually for all those services. So  
11 thank you, sir. I appreciate that.

12 MR. GILL: You're welcome.

13 MS. CARREON: Elaine Hebard.

14 CHAIRWOMAN JONES: Thank you, Ms. Hebard.

15 MS. HEBARD: Good afternoon. Saturday is  
16 earth day, so my recommendation would be to celebrate  
17 it by entering into and developing a resiliency plan  
18 with the City and the County. This suggestion, while  
19 not new, surely resonates with the graphic that's  
20 still up on the computer screens from the drought  
21 report. As you can see drought is bearing down on  
22 Bernalillo County. And while the drought only  
23 uses -- or the drought advisory is only issued when  
24 it affects Bernalillo County, my recommendation would  
25 be to look at the entire water shed because that's

1 where we derive our surface water and that's really  
2 what impacts the drought.

3 I forgot to have Luz turn on the overhead.  
4 I wanted to show what the utility uses for the  
5 Drought Management Strategy, is the hydrographic  
6 average between 1971 and 1998. And so I looked at  
7 that figure, and then 1999 to 2017, to see whether or  
8 not there was any change in what goes across  
9 OtewiGage and they're substantially different. If we  
10 get a picture I can show it to you how much  
11 different. But those are the kinds of things that I  
12 think need to be relooked at.

13 So you can see the blue line is the earlier  
14 1971 to '98 and the red line shows how much reduce  
15 that has been for river flows on an annual basis past  
16 OtewiGage. So there are a number of metrics other  
17 than just how much you pump in a given year and that  
18 was not on the water report today, was how much  
19 water, less water we had used. But the metric is  
20 groundwater pumped and that's an important metric  
21 because the more we pump the more we have to pay back  
22 to the river flows. The less we pump, the less  
23 depletions. Last year the state engineer found that  
24 the utility's pumping, there was a depth of over  
25 15,000 acre feet that had to be paid back from the

1 Abiquiu Reservoir over and above what had been poured  
2 into the river from the Wastewater Treatment Plant  
3 and the water rights. So again, looking at the  
4 metrics, when you hopefully have enough time, with  
5 the next year's objectives and goals, that will be  
6 looked at as well as when the groundwater plan is  
7 developed so that we look at more metrics than just  
8 GPCD and the amount of pumping. Thank you.

9 CHAIRWOMAN JONES: Thank you, ma'am. I  
10 believe that concludes our speakers for this evening.  
11 Next on the agenda is the introduction, first reading  
12 of legislation. So we're going to begin with both  
13 Items A and G. A is repealing Section 6, the  
14 Albuquerque Bernalillo County Water Utility Authority  
15 Selection Advisory Committee ordinance to coincide  
16 with the adoption of the County of Bernalillo  
17 Procurement ordinance. And G is adopting the County  
18 of Bernalillo purchasing ordinance for the  
19 Albuquerque Bernalillo County Water Utility  
20 Authority. And Mr. Jon Daniels will explain this to  
21 us, please. Good evening.

22 MR. DANIELS: Good evening, Madam Chair,  
23 Members of the Water Authority Board. My name is Jon  
24 Daniels. I am the Chief Purchasing Officer for the  
25 Water Authority. This evening I will be presenting

1 to you two items related to procurement for your  
2 consideration. The first item is an ordinance  
3 repealing a section of the Water Authority code  
4 regarding rules related to selection of engineers and  
5 architects. And the second is a resolution, which is  
6 actually three things.

7 First thing it does is it rescinds the  
8 previous resolution making all Water Authority  
9 purchases subject to City of Albuquerque Procurement  
10 Code, and that would be effective July 1st. The  
11 second thing it does is it adopts a newly enacted  
12 ordinance that was enacted by Bernalillo County for  
13 procurement and that would govern the legal framework  
14 for procurement for the Water Authority. And then  
15 finally, what that resolution will do is it will set  
16 forth contract approval requirements as it pertains  
17 to contracts executed by the Water Authority as well.

18 Just to give you a little bit of background  
19 about where this has come from. State statute  
20 creating the Water Authority provides that the Water  
21 Authority can adopt either city, county or state  
22 procurement processes. Water Authority procurement  
23 staff has been taking a serious look at the legal  
24 authority presented by using any of those procurement  
25 options. While doing that, and coincidentally, the

1 County procurement group, having just adopted a home  
2 rule charter, had begun the process of drafting an  
3 entirely new procurement ordinance. They actually at  
4 that time approached the Water Authority to see if  
5 there was any interest on our side to partner in that  
6 endeavor. We saw the benefits of that opportunity  
7 and we worked alongside with the County to develop  
8 their ordinance.

9 At this time I would like to introduce a few  
10 of the people who worked on that ordinance. Lisa  
11 Sedillo-White, the Deputy County Manager for General  
12 Services for Bernalillo County. Dan Esquivel, the  
13 Procurement and Business Services Director for the  
14 County, actually have come here tonight in support of  
15 this. We also worked with an attorney on their  
16 staff, Eric Schuler. Peter Auh, our general counsel,  
17 was part of that committee reviewing that ordinance.  
18 And Kathy Sanchez is a retired state purchasing  
19 office expert, also worked on that procurement  
20 ordinance.

21 So just to talk about that ordinance in  
22 general, I'll do that when the resolution comes up  
23 later on in the agenda. But as far as the repeal of  
24 the Selection Advisory Committee ordinance, which is  
25 the item before you at this moment, that ordinance

1 needs to be repealed because it's already covered by  
2 a portion of the Bernalillo County ordinance. So by  
3 adopting the Bernalillo County Procurement ordinance,  
4 the Water Authority has determined it no longer is  
5 necessary to establish a separate ordinance governing  
6 selection of engineers, architects and other related  
7 professional services. County of Bernalillo's  
8 ordinance establishes its own legal requirements  
9 regarding composition of the Selection Advisory  
10 Committee and for selection of firms for engineering,  
11 architectural and other related professional  
12 services.

13 So with that, on this item, I'll stand for  
14 any questions.

15 CHAIRWOMAN JONES: I don't see any  
16 questions.

17 MR. DANIELS: So in addition to that, if  
18 we'll vote on the other item as well. I can't say it  
19 any better than what Lisa and Dina said in adoption  
20 of the Bernalillo County ordinance. Just want to  
21 confirm with everybody or express to everybody the  
22 procurement ordinance was drafted using New Mexico  
23 State Procurement Code as its foundation and it  
24 provides for fair and equitable treatment of all  
25 persons involved in public procurement. To maximize

1 the purchasing value of public funds, provides  
2 transparency and accountability and safeguards for  
3 maintaining procurement system and quality.

4 Therefore, the Water Authority has determined  
5 operationally and functionally beneficial to adopt  
6 the Bernalillo County Procurement Ordinance.

7 CHAIRWOMAN JONES: Thank you, Mr. Daniels,  
8 we appreciate that. Any questions? Commissioner  
9 O'Malley.

10 COMMISSIONER O'MALLEY: Thank you, Madam  
11 Chair. I want to thank our folks, Lisa and Dina, for  
12 the work that you have done. It was a big task to  
13 undertake, but you just kept it at and we appreciate  
14 it and I'm glad we got a partner in this as well.  
15 Thank you.

16 CHAIRWOMAN JONES: Thank you. And I believe  
17 this will be voted on at the next meeting. Thank  
18 you, sir, for the explanations.

19 MR. DANIELS: Thank you.

20 CHAIRWOMAN JONES: Next is O-18-4, amending  
21 the Albuquerque Bernalillo County Water Utility  
22 Authority Water and Sewer Rate Ordinance to update  
23 the Utility Financial Policy to establish a Water  
24 2120 Fund, update the minimum committed expenditures  
25 to 40 million in the Water and Sewer Rehabilitation

1 Fund, et cetera, et cetera. Mr. Sanchez, are you  
2 going to discuss this?

3 MS. CARREON: We have a speaker.

4 CHAIRWOMAN JONES: Oh, I'm sorry. I thought  
5 we only had three.

6 MS. CARREON: For this item. Elaine Hebard.

7 CHAIRWOMAN JONES: I apologize. My  
8 apologies, Ms. Hebard, I didn't realize that.

9 MS. HEBARD: Thank you, Chair, Board  
10 Members. I just want to say that I think it's great  
11 that the base amount is being raised 40 million.  
12 That will be the new base rate. In the financial  
13 plan, in the budget for this year, it's still 37. So  
14 when the document says that it's consistent with the  
15 financial plan, what I would suggest is the financial  
16 plans needs to be moved up to incorporate that 40  
17 million. Also there is some confusion between the  
18 financial plan and the resolution for spending. The  
19 financial plan for this year calls for 78.5 million  
20 to be spent. The resolution calls for 84.3. So  
21 there's a discrepancy of several million dollars in  
22 that and I think it would behoove the Utility to  
23 straighten out that discrepancy. Thank you.

24 CHAIRWOMAN JONES: Thank you, ma'am. Any  
25 questions? Yes.



1 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
2 very quickly, the summary of this ordinance. By  
3 ordinance we're required to adjust the utility  
4 expansion charges, the water supply charge, and the  
5 septic charge and chemical toilet rates by what's  
6 known as the engineering news index, and this year  
7 that's 2.6 percent. So those fees would go up by  
8 that amount. The history of that is, we review these  
9 charges every other year with our rate consultant.  
10 And some time ago the development community came to  
11 this Board and said, "we prefer that you do these  
12 incremental adjustments than these wide-ranging  
13 adjustments," so that's the reason for these annual  
14 adjustments to these charges.

15 Additionally, as Ms. Hebard mentioned, we're  
16 raising the minimum amount for basic rehab from 30  
17 million to 40 million. Even though we anticipate  
18 spending 55 million next year. We never know what  
19 emergencies might occur, so we can't really list the  
20 entire amount because then that would restrict our  
21 spending for emergencies.

22 Additionally, we're planning to create or  
23 proposing to create a Water 2120 Fund, which will  
24 contribute \$2 million a year towards, beginning in  
25 FY2020. As you may recall, we contribute 2 million a

1 year currently to an extraordinary rate reserve in  
2 the event of revenue swings due to conservation.  
3 That fund would be at about 9 million now. So we  
4 feel we can start moving that 2 million annually into  
5 2120, because we have some very expensive reuse  
6 projects we're going to have to start building. So  
7 we would like to start building that fund.

8           Additionally, the only other change is  
9 there's a post-issuance compliance policy attached to  
10 the rate ordinance, which typically is required to  
11 comply with change in federal laws and outside  
12 bonding issues, so that is amended to conform with  
13 that.

14           And I stand for any questions.

15           CHAIRWOMAN JONES: Thank you, Mr. Sanchez.  
16 Any questions? Thank you, sir, we appreciate it.  
17 Moving right along to O-18-5, authorizing the  
18 execution and delivery of a loan and subsidy  
19 agreement by and between the Albuquerque Bernalillo  
20 County Water Utility Authority and the New Mexico  
21 Finance Authority for the Carnuel Phase 2B Project.  
22 Mr. Roth.

23           MR. ROTH: Madam Chair, Members of the  
24 Board. Item 7C and D are related to each other.  
25 This ordinance and resolution authorizes a loan

1     subsidy agreement between the Water Authority and the  
2     New Mexico Finance Authority. This is to fund Phase  
3     2B of the Carnuel Water Systems Improvement Project  
4     in the amount \$1 million, 75 percent of that will be  
5     subsidy. This project will install about 5,000 feet  
6     of linear waterlines in the high priority area.

7             CHAIRWOMAN JONES: Thank you. Any  
8     questions? Thank you, Mr. Roth, I appreciate it. I  
9     believe we're going to address the next two items as  
10    one, that would be E and F, appropriating funds for  
11    operating the Albuquerque Bernalillo County Water  
12    Utility Authority for the fiscal year beginning July  
13    1, 2018 and ending June 30, 2019 and appropriating  
14    funds for the capital implementation of the  
15    Albuquerque Bernalillo County Water Utility Authority  
16    for the fiscal year. Mr. Sanchez.

17            EXECUTIVE DIRECTOR SANCHEZ: Thank you,  
18    Madam Chair, Members of the Board. Pleased to  
19    present the proposed FY19 operating and capital  
20    budgets. If you may recall, Mr. Roth, in his  
21    presentation last month, gave you a brief description  
22    of what we call our strategic planning, budgeting and  
23    improvement process, which is a mouthful, but it's  
24    quite unique in government and it's very unique in  
25    the utility sector. We go through five-year goals,

1 one-year objectives. We actually do a performance  
2 plan. Quarterly Mr. Roth gives you some indicators  
3 about how we're doing against that plan. We actually  
4 translate that into employee expectations and that's  
5 how every employee in the Water Authority gets  
6 evaluated each year, to make sure we're carrying out  
7 these priorities.

8 We do benchmarking against other utilities  
9 that are similar in size and configuration. We've  
10 embarked on something called effective utility  
11 management, which is the best practice in the utility  
12 sector. We do our annual budget. We survey our  
13 customers biannually. And as you know, we have a  
14 Technical Advisory Committee that meets monthly,  
15 provides input and advice. We have four customer  
16 conversations each year by quadrant where we actually  
17 engage customers in our operations, soliciting their  
18 input and evaluation. And this process helps us  
19 become a better utility. And hopefully during this  
20 presentation I'll give you a few examples of how that  
21 occurred.

22 In terms of budget assumptions for FY19  
23 there is no rate increase proposed, that's good news.  
24 We don't plan to have any growth in new positions.  
25 We're currently at 633 FTEs, we plan to continue

1     that. We don't anticipate much growth in the service  
2     area. We're assuming, given the drought, our  
3     consumption level will be at about 128 gallons per  
4     day per capita. Our capital spending will increase  
5     by 3 million. If you recall, the Board approved a  
6     ramp up of capital spending, we plan to continue  
7     that. The rate reserve will increase by 2 million.  
8     Currently it sits at 7 million. That will go to 9  
9     million. Again, that's an extraordinary rate reserve  
10    to deal with rate fluctuations due to conservation to  
11    not require a rate increase as an emergency measure.  
12    Our fund balance will meet the one-twelfth of  
13    operating expenses as a target.

14               In terms of the FY18 selected  
15    accomplishments, we complied with all EPA  
16    requirements that were imposed as a result of the  
17    Southside Reclamation Plan. We will receive what's  
18    known as the Silver Peak Performance Award from the  
19    National Association of Clean Water Agencies. We met  
20    the conservation goal of 128 gallons per capita. We  
21    received the American Waterworks Association  
22    Exemplary Source Water Protection Award. We began  
23    the Los Padillas Project in the far South Valley.  
24    And what's unique about that is the actual  
25    construction is being done by our crews as opposed to

1 contracting out. And what that's doing is allowing  
2 that limited money to be spread further, if you will,  
3 in terms of the project. We contributed an  
4 additional \$3 million from reserve fund to capital  
5 needs. About three years ago Commissioner O'Malley  
6 amended our operating budget which said if we  
7 exceeded -- if we met our budget and exceeded it with  
8 revenue and met our target of operating reserves, any  
9 additional amount would have to be spent by capital,  
10 not absorbed into operating expenses. So that  
11 actually happened this last fiscal year. So we're  
12 spending more in capital spending than we had  
13 planned. And lastly, and most importantly, our  
14 Surface Water Plant produced 70 percent of our water  
15 supply.

16 CHAIRWOMAN JONES: Thank you, Mr. Sanchez.  
17 Councilor Pena has a question.

18 COUNCILOR PENA: I'm sorry, Mr. Sanchez, for  
19 interrupting your presentation, but you were talking  
20 about the Los Padillas and I know there's still  
21 another phase that has to be done, so I really  
22 appreciate this Board in really getting it done. As  
23 you know, the water and the sewer and everything that  
24 was needed over there, that's a community that's been  
25 in dire need for a long time. I apologize, but I

1 haven't kept up. I know that because of this next  
2 phase there's additional funding that we're going to  
3 have to seek. I think you have some of that in this  
4 budget. I had remembered that there were two  
5 representatives who said that they were going to try  
6 to secure some additional dollars to partner on this.  
7 Were they able to secure any money during this  
8 legislative session?

9 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
10 Councilor Pena, we did not receive any capital outlay  
11 directly for this project. We have submitted an  
12 application for funding from what's called the Water  
13 Trust Board, in the amount of \$1.4 million. They  
14 meet May 9th, so the jury is out on whether we'll  
15 receive additional funding. Optimistic that some of  
16 that will be allocated to it, but we'll see.

17 COUNCILOR PENA: Absolutely. Thank you.

18 CHAIRWOMAN JONES: Thank you, Councilor.  
19 Thank you, Mr. Sanchez.

20 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
21 continuing one. As you can see by this graph we're  
22 decreasing demand and increasing our resiliency. You  
23 can see that our customer accounts have literally  
24 doubled over time. Our consumption has dropped  
25 significantly. And most importantly, if you look at

1     our supply from the '90s to current, again, 70  
2     percent of our water is surface water. So we're  
3     rebuilding the aquifer, if you will. We're  
4     maximizing our plant capacity. To the extent by  
5     permit we can divert and treat and supply that, we do  
6     that. So that is certainly preserving our  
7     groundwater as a drought supply. And as you know, we  
8     plan on getting into aquifer storage and recovery to  
9     further that, if you will.

10                 So our effectiveness is improving in terms  
11     of discharge permit violations, estimated meters and  
12     leak detection. As example, in FY12 we have 17  
13     violations. This last fiscal year, 0. Some of that  
14     is related to the improvements in the Water  
15     Reclamation facility and a lot of it is based on our  
16     employees and productivity and managing a reclamation  
17     facility that's undergoing a quarter of a billion  
18     dollars in new infrastructure and managing it on a  
19     day-to-day basis, treating and delivering 55 million  
20     gallons of treated wastewater back to the river and  
21     meeting permit.

22                 COUNCILOR DAVIS: Madam Chair.

23                 CHAIRWOMAN JONES: Yes, Councilor Davis.

24                 COUNCILOR DAVIS: Mr. Sanchez, I just want  
25     to interrupt and just call that out. That's a pretty



1 significant accomplishment and one that bears not  
2 only on our employees, but it's a great management  
3 plan as well. As we all know, these violations not  
4 only hit us with a lot of workload that comes with  
5 them, but it's also some big impacts to our  
6 ratepayers down the road for things that are being  
7 done. Really well done over time to bring those down  
8 to zero last year, and that's to everybody working on  
9 this project should be called out as a real  
10 accomplishment for the Water Utility Authority, we  
11 don't see that hardly anywhere ever and I think  
12 that's to be called out. Thank you.

13 EXECUTIVE DIRECTOR SANCHEZ: Thank you. And  
14 as Mr. Kelly mentioned earlier, the thing we do is  
15 second to none. And the compliance we have to  
16 produce is probably one of the most stringent  
17 compliance orders in the country. Thank you.

18 Estimated meters is another measure of  
19 effectiveness. Six years ago we had over 4,500  
20 meters that were not operating properly. The result  
21 is, those that were not accurate, customers being  
22 overcharged. Today they're in the hundreds. So  
23 that's another significant accomplishment. And I  
24 would say this is a result of benchmarking.  
25 Comparing ourselves to other utilities and what best

1 practice was there.

2 Water system inspection. As we ask our  
3 customers to conserve we try to do the same thing to  
4 our distribution system. So annually we inspect  
5 about a third of our entire water supply system, our  
6 distribution system. And the result is, over the  
7 last two years we have saved over 200 million gallons  
8 of water through leak detection and being proactive.  
9 And you can see the US median is literally  
10 inconsequential. Most utilities do not worry about  
11 water loss. Here we're very concerned about it. As  
12 we're asking our customers to do more, we're trying  
13 to step up and do as much as we can.

14 Our operating costs are decreasing. Our  
15 days away from work, insurance claims, our water  
16 operations and cost per account, wastewater  
17 operations and maintenance costs per account and days  
18 cash on hand.

19 Days away from work. As you know we have an  
20 injury incentive program where we're actually telling  
21 our employees, if you meet targets, we'd rather give  
22 you a portion of that than pay temp work, doctors,  
23 lawyers, et cetera. You can see we went from  
24 850-plus days away from work to literally 30 days  
25 over this time horizon. And these are measures that

1 are contributing to efficiencies in helping us manage  
2 more with less. It represents a 98 percent decrease.

3 Insurance claims. The nature of our  
4 business is we have insurance claims, everything from  
5 auto accidents to sewer overflows. What we've  
6 realized is a 70 percent decrease in cost in the  
7 occurrence of claims.

8 Our operation and maintenance costs per  
9 account. You can see the median is in orange and the  
10 green is the Water Authority. We're about 40 percent  
11 better than the median across the country when we  
12 compare ourselves. The last customer opinion survey  
13 we did, 97 percent of our customers said they were  
14 satisfied with the reliability and availability of  
15 water to their home or business. On the wastewater  
16 side, we're about 50 percent better than the US  
17 median. And going back to the customer survey, 94  
18 percent of our customers said they were satisfied  
19 with reliability and availability of wastewater to  
20 their home or business.

21 Days cash on hand. Some of you will  
22 remember the days where we had 15 days of cash on  
23 hand. Our financial picture was very dim. Today  
24 it's over a year. So we've turned the corner with  
25 regard to days cash on hand.

1           Our customer service is improving. Our  
2   customer engagement, customer accounts per employee,  
3   and we have the highest customer approval rating in  
4   the last decade.

5           We talk often about customer conversations.  
6   Tonight you announced the May meetings. If you look  
7   at the mustard color, those are the most recent  
8   feedback ratings from those who attended. Most of  
9   them feel like it was time well spent. We wanted  
10   their input. They participated again, and the  
11   meetings allowed for their feedback. So this is also  
12   unique in the utility industry. Most utilities do  
13   not engage in customers. They're afraid of them,  
14   quite frankly. Frank has recently gone out and  
15   presented this customer engagement. Most utilities  
16   are in awe about it, where did you get the courage.  
17   And generally, this is becoming a best practice. So  
18   we're ahead of the curve in this regard.

19           CHAIRWOMAN JONES: Thank you. Councilor  
20   Davis has a question, Mr. Sanchez.

21           COUNCILOR DAVIS: Mr. Sanchez, remind me. I  
22   know we had a presentation on this previously. How  
23   many customers participated in this, say, in the last  
24   year?

25           EXECUTIVE DIRECTOR SANCHEZ: Typically

1     there's about 80 per engagement. About 200 a year.

2             COUNCILOR DAVIS: And out of curiosity, is  
3     there anything notably different we did this year to  
4     increase the feedback from customers and their  
5     satisfaction with that process? I mean, notably it's  
6     much better this year than previous, even though it  
7     wasn't bad really to start with.

8             EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
9     Councilor Davis, this last year it was about asset  
10    management, how are we doing to protect our assets  
11    and what feedback do you have for us to do better.  
12    So each year there's a different topic. This year  
13    will be about surface water protection. And  
14    depending on the topic, the engagement levels differ.  
15    And Frank may want to add to that.

16            MR. ROTH: Councilor Davis, we have talked  
17    about asset management in previous customer  
18    conversations, including last year. And we saw more  
19    satisfaction and engagement around, and  
20    understanding, around asset management. What we're  
21    doing to improve our operations, service, delivery  
22    and the overall conditions of our assets. So that  
23    shows just over time people understanding what we  
24    have to do with our assets.

25            COUNCILOR DAVIS: Thank you.

1                   CHAIRWOMAN JONES: And if I may make a  
2     comment. I've been to a few of these and it's  
3     amazing to me that each year you add new people.  
4     Sometimes in what we do we only see the same people  
5     over and over and over again, but there are new  
6     people who come out and they're always amazed at what  
7     the Water Authority does, because they think it's  
8     just a city -- normally city, sorry, county.  
9     Normally city water department and they don't know  
10    what all is done. So I think it's a great sharing of  
11    information. So thank you guys for doing this. It's  
12    a great project.

13                  EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
14    continuing on. With regard to customer accounts per  
15    employee. Here the higher values are more  
16    significant. You can see our employees are handling  
17    more accounts than the US median across the sector.  
18    And with regard to the customer opinion survey, 94  
19    percent of our customers were basically satisfied  
20    with the overall services by the Water Authority.

21                  Our customer opinions have gone up over the  
22    last ten years. 12 to 18 percentage points with  
23    regard to effectiveness of overflows, repair leaks,  
24    sewer line, waterlines. Obviously we want to get  
25    better, but we are improving, and customers, I think

1 generally are recognizing that.

2 With regard to fiscal '19 selected  
3 priorities. We plan to continue our community  
4 outreach and communication, we feel like that's very  
5 important. We're going to do Phase 2 of our Maximo  
6 Asset Management System. We're going to add the  
7 fleet management. We're going to go to full  
8 life-cycle accounting of assets, and preventive and  
9 condition monitoring of all of our assets. We plan  
10 to complete the clarifier odor control mitigation,  
11 which is essentially covering the exposed sludge at  
12 our reclamation facility, which is the last piece  
13 that generates odors. We've made that commitment and  
14 we plan to get that done. We're going to begin  
15 construction of what we're calling the Consolidated  
16 Customer Service and Field Operations facility.  
17 Currently our customers are telling us, coming  
18 downtown is very difficult. Parking is difficult, if  
19 it's available. It's expensive. We have field  
20 operations at Pino yards in conjunction with the City  
21 of Albuquerque, that's kind of overcrowded. We have  
22 a Westside facility that's kind of overcrowded and  
23 it's leased space. What we're hoping to do over time  
24 is consolidate these functions, bring all of that  
25 together so our employees are better equipped, have

1 better equipment, better facilities and are more  
2 productive in accommodating customers in a location  
3 where they can literally drive up and drive out.  
4 That's the long-term plan. As Mr. Kelly mentioned  
5 we're going to have the Source Water Protection Plan  
6 update to0 include pharmaceuticals and personal care  
7 products. We're hoping to extend the Los Padillas  
8 Project to Phase C in the other areas and get that  
9 completed if we get some additional funding. We've  
10 been engaged in something called a vulnerability  
11 assessment and cyber security evaluation. Many  
12 utilities across the country are being attacked by  
13 hackers and literally shutting down. So we've been  
14 in the process to evaluate our vulnerability and we  
15 plan to have a report and begin implementation of  
16 that. And last, but not least, we're going to  
17 increase our solar footprint. We currently have 2.5  
18 megawatts of solar. We're thinking big. We're  
19 planning an additional 5 megawatts and we think  
20 that's realistic. We're not sure how the financing  
21 would occur. Historically we've done that through  
22 power purchase agreements. In this case it may make  
23 sense to do it through PNM savings. So we'll know  
24 more as we go through the process and we'll certainly  
25 come back to the Board.



1                   With regard to Water 2120. We plan to  
2     complete the environmental plan, a draft of the  
3     groundwater management plan, begin development of a  
4     reuse plan. And as I mentioned earlier, create the  
5     2120 capital fund.

6                   So the General Fund is about \$225 million.  
7     The lion's share of it is water related in terms of  
8     revenues, wastewater and miscellaneous.  
9     Miscellaneous is fees for lab fees. We do lab  
10    testing for others. Compost sales and interest  
11    earnings.

12                  Our working capital balance has turned the  
13    corner as well. You can see from FY16 we started  
14    with a negative working capital balance and today  
15    we're about the one-twelfth requirement.

16                  With regard to expenses for FY19. Believe  
17    it or not, we're actually 3.7 million less than our  
18    current fiscal year budget with an additional 3  
19    million going to capital, an additional 2 percent in  
20    expenses. The lion's share goes to debt service.  
21    Wages and benefits. Operating expenses. Transfer to  
22    other funds is basically capital. Our risk and  
23    worker's comp.

24                  And last, but not least, our operating ratio  
25    is another efficiency measure. When you compare this

1     against the US median you can tell we're  
2     substantially below that. So this is another measure  
3     of how efficient you are in operating the utility.

4             If there's no questions on the operating  
5     budget I'll move to the capital budget.

6             CHAIRWOMAN JONES: There is one question.  
7     Councilor Davis.

8             COUNCILOR DAVIS: Mr. Sanchez, we can get  
9     into this at the next meeting as well, but I did  
10    notice in the report that personnel expenses for the  
11    projected year included 2 percent step increase, a 15  
12    percent increase in health benefit costs, which all  
13    the municipalities are using now. But total  
14    personnel costs decreased by 1.2 million compared to  
15    last year. That's pretty impressive, but how would  
16    we make that math work?

17            EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
18    Councilor Davis, through retirements. High dollar  
19    employees are leaving, other employees are coming in  
20    not at quite that same level.

21            COUNCILOR DAVIS: Thank you.

22            CHAIRWOMAN JONES: Thank you. Go ahead.

23            EXECUTIVE DIRECTOR SANCHEZ: Moving on to  
24    the FY19 Capital Improvement Plan. It calls for \$84  
25    million. 55 million is planned for basic rehab.

1 Other major initiatives, 15 million for the  
2 clarifiers we talked about. 5 million for the first  
3 phase of the customer services and field operations  
4 facility. 4.8 million to replace aging vehicles. 2  
5 million for AMI, automated infrastructure meters.  
6 Our target is to be at 50 percent this next year,  
7 that's over a hundred thousand meters. We have  
8 210,000. A million for steel line replacement.  
9 350,000 for renewable energy projects. 300,000 for  
10 the 2120 fund.

11 This next graph shows you how staggering the  
12 increases have been. Not quite enough, but still  
13 staggering over time. Our contributions to our  
14 capital spending. And I point out that FY17 is  
15 higher than FY18 because of the additional 3 million  
16 that I talked about earlier, and a state grant of 1  
17 million for ASR. The yellow line shows the cash ramp  
18 up of spending that the Board authorized each year.  
19 So as we're going forward we plan to continue that  
20 ramp up. This graph shows it through 2028. But  
21 clearly our capital spending must go up. And I'd  
22 point out that sometimes we forget our capital  
23 spending creates jobs. Next year the 84 million  
24 would create almost 1,300 jobs in the community in  
25 addition to the 633 jobs internally.

1 I stand for any questions.

2 CHAIRWOMAN JONES: Commissioner O'Malley.

3 COMMISSIONER O'MALLEY: I don't have any  
4 questions, I just have a comment on the report. All  
5 these excesses I believe can really be attributed to  
6 your leadership, Mr. Manager, so thank you very much.

7 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
8 Commissioner O'Malley, I wish I could take credit for  
9 that, but we have a lot of talented employees that  
10 work for the Utility and you see a lot of them each  
11 meeting and a lot of them that get recognized every  
12 quarter.

13 COMMISSIONER O'MALLEY: But you're the boss.

14 EXECUTIVE DIRECTOR SANCHEZ: Thank you.

15 CHAIRWOMAN JONES: Thank you. Any more  
16 questions? Thank you, Mr. Sanchez. I think we have  
17 Item H with Mr. Warren. Authorizing the removal of  
18 certain uncollectible accounts from the Albuquerque  
19 Bernalillo County Water Utility Authority accounts  
20 receivable records FY2013 and prior. Mr. Warren.

21 MR. WARREN: Madam Chair, Members of the  
22 Board. We're seeking your approval for removal from  
23 our AR system of some doubtful accounts. Most of  
24 these accounts come from a legacy billing system that  
25 were transferred over in 2009 to CC&B. The last

1 payments we received on most of these accounts were  
2 anywhere from 2003 to 2008. Some of them are for  
3 UEC, some of them have been city abatement, where  
4 they have removed the actual houses on the property.  
5 We've had a concerted effort to really go through and  
6 clean up all of our accounts. Currently our  
7 outstanding are 30, 60, 90 is at 1.32 percent.  
8 Industry average is 11 percent. And the upper  
9 coretile is 6 percent and we're at 1.32 percent. So  
10 this is kind of that last, some of those legacy  
11 accounts that we've really been working through to  
12 clean up and get caught up. In addition, over this  
13 past year we've collected \$700,000 on some of these  
14 other accounts and these are some of those last  
15 stragglers that the probability of collecting on them  
16 is just not very likely.

17 And I'll stand for any questions.

18 CHAIRWOMAN JONES: Thank you. Any  
19 questions? Thank you.

20 MR. WARREN: Thank you.

21 CHAIRWOMAN JONES: And the last  
22 introductions is R-18-16, delegation of authority for  
23 declaration of surplus and the disposition of surplus  
24 from the Albuquerque Bernalillo County Water Utility  
25 Authority public property. Mr. Daniels.

1                   MR. DANIELS: Thank you, Madam Chair,  
2   Members of the Water Authority Board, again. The  
3   next item for your consideration this evening is a  
4   resolution requesting delegation of authority to  
5   create declarations for surplus property to a  
6   three-person standing committee. This proposal  
7   aligns with the Water Authority with the governing  
8   state statutes for property disposition, which are  
9   applicable to special districts like the Water  
10   Authority. Until now the Water Authority has  
11   followed the City of Albuquerque Procurement Code  
12   Guidelines for property disposition. However,  
13   municipalities are treated differently under state  
14   statute in special districts such as the Water  
15   Authority. This will align the Water Authority with  
16   those applicable statutes.

17                   With that I stand for any questions.

18                   CHAIRWOMAN JONES: Any questions? Thank you  
19   very much.

20                   MR. DANIELS: Thank you.

21                   CHAIRWOMAN JONES: There is no consent  
22   agenda this evening, so we'll move right along to  
23   approvals. First is R-18-10, establishing one-year  
24   objectives for the Albuquerque Bernalillo County  
25   Water Utility Authority for fiscal year 2019 to meet

1 five-year goals. Mr. Roth.

2 MR. ROTH: Madam Chair, Members of the  
3 Board. The goals and objectives for fiscal year '19  
4 were introduced at the March meeting. This is  
5 recommended for approval. Mr. Mark Sanchez did a  
6 wonderful job talking about how the goals and  
7 objectives are integrated with the budget, showing  
8 many examples of how we're closing gaps with the  
9 benchmarking process.

10 I'll stand for any questions.

11 CHAIRWOMAN JONES: Yes, Councilor Pena.

12 COUNCILOR PENA: I move approval.

13 COMMISSIONER O'MALLEY: Second.

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

16 MEMBERS: Yes.

17 CHAIRWOMAN JONES: Opposed? Motion  
18 carries. Thank you, Mr. Roth. And the next is  
19 reappointments to the Technical Customer Advisory  
20 Committee.

21 MR. ROTH: Madam Chair, Members of the  
22 Board, Dave Hill and Scott Verhines have completed  
23 their first term. We're recommending that they  
24 continue on the Technical Customer Advisory Committee  
25 for a second term. They've done a wonderful job

1 providing input and advice to the Water Authority.

2 CHAIRWOMAN JONES: Thank you, Mr. Roth. I  
3 make a motion to approve.

4 COUNCILOR PENA: Second.

5 CHAIRWOMAN JONES: There's a motion and a  
6 second to approve. All those in favor say yes.

7 MEMBERS: Yes.

8 CHAIRWOMAN JONES: Motion carries. Seeing  
9 no more business, this meeting is adjourned. Thank  
10 you.

11 (Meeting adjourned at 6:20 p.m.)

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REPORTER'S CERTIFICATE

I, Kim Kay Shollenbarger, New Mexico Certified Court Reporter, No. 236, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings taken to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this matter and that I have no interest in the final disposition of this matter.

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Kim Kay Shollenbarger  
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