

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY MEETING  
Wednesday, October 17, 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 (excused)

COMMISSIONER LONNIE C. TALBERT, Member

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, ladies and  
2 gentlemen. Let's call this October 17th meeting to  
3 order. Let's start with a moment of silence and the  
4 Pledge of Allegiance. Councilor Pena, would you lead  
5 us.

6           (Moment of Silence/Pledge of Allegiance)

7           CHAIRWOMAN JONES: Thank you, all. We do  
8 have quorum, but I think there will still be a couple  
9 more coming in, Ms. Nair and Commissioner Quezada.  
10 Pablo Rael, Trustee Pablo Rael, has been excused for  
11 this evening. Mr. Talbert is here and Ms. Nair is  
12 here.

13           Let's begin with the Approval of the Minutes  
14 of the September 19th, 2018 meeting.

15           COMMISSIONER O'MALLEY: So moved.

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

18           MEMBERS: Yes.

19           CHAIRWOMAN JONES: Motion carries. Thank  
20 you. Proclamations and Awards. This is always the  
21 fun part for me and for those of you, to whom  
22 I apologize on the way in, thank you, and for those I  
23 haven't apologized to yet. Oh, that's not it yet.  
24 Right now it's Proclamations and Awards from  
25 associate -- Mr. Sanchez is going to talk, and then

1 we'll do the Quarterly Employee Incentive Awards,  
2 because they're great this time. Good evening,  
3 Mr. Sanchez.

4 EXECUTIVE DIRECTOR SANCHEZ: Good evening,  
5 Madam Chair, Members of the Authority. I wanted to  
6 update you on two noteworthy events since our last  
7 meeting. The first occurred this week. The  
8 Authority was recognized by the Association of  
9 Metropolitan Water Agencies with its Platinum Award  
10 for Utility Excellence. In that award it actually  
11 cited this Board and the policies you've adopted to  
12 guide the Utility as one of the bases for the award.

13 Also, the significance of this award is that  
14 it was peer-reviewed. So it wasn't just an  
15 association identifying the Authority. It was 21  
16 individual public utilities of similar size or larger  
17 who reviewed us over the period of several years and  
18 gave us this designation of excellence. That's  
19 something to be proud off. I just wanted to make  
20 sure you were aware of that.

21 Secondly, last week, we were upgraded by  
22 Standard and Poor's to a triple A. Again, not  
23 totally for our financial position, but also cited  
24 policies this Board has adopted and many of the  
25 programs and services we offer with excellence. So

1     those two things are noteworthy. I wanted to make  
2     sure you were aware of them and thank all of you for  
3     what you do.

4             CHAIRWOMAN JONES: Thank you. And I think  
5     we should give a big round of applause for all of the  
6     employees who help make this happen.

7             (Applause)

8             CHAIRWOMAN JONES: We had pictures taken  
9     already. So the very next one is the Quarterly  
10    Employee Incentive Awards. This is the big one.  
11    Everybody here, it's just like Dialing for Dollars.

12            So if the employees are here to receive the  
13    award, please come forward when your name is called,  
14    and then let us congratulate you afterwards. There  
15    are a bunch of you this time. You've been very busy  
16    this period.

17            First one is Martin Sierra, \$50. Come on  
18    down.

19            (Applause)

20            CHAIRWOMAN JONES: Martin is recognized for  
21    saving the Utility some \$2,000 by finding alternative  
22    sources for diesel engine batteries. Thank you,  
23    Martin.

24            (Applause)

25            CHAIRWOMAN JONES: Christopher Lucero and

1 Dennis Sanchez. They will each receive \$275, plus 4  
2 hours of leave each.

3 (Applause)

4 CHAIRWOMAN JONES: Christopher and Dennis  
5 are recognized for their persistence and innovation  
6 in troubleshooting and discovering the cause of a  
7 serious malfunction at the Miles Road Reservoir.

8 Christopher Gustafson.

9 (Applause)

10 CHAIRWOMAN JONES: Chris is recognized for  
11 his innovative use of SharePoint in streamlining the  
12 Development Review Board process. Chris will receive  
13 \$100.

14 (Applause)

15 CHAIRWOMAN JONES: Monica Sandoval. Monica  
16 will receive \$50 in recognition for going above and  
17 beyond her job description to lead morale-building  
18 efforts at the Utility's Plaza Del Sol offices.  
19 Thank you, Monica.

20 (Applause)

21 CHAIRWOMAN JONES: Ron Vigil, Ruben Cuellar,  
22 Juan Martinez, Jose Martinez-Medina and Alejandro  
23 Granados, \$150 each, plus 4 hours of paid vacation.  
24 These individuals are recognized for doing such an  
25 exemplary job on a service line repair that a

1 customer was moved to write a letter of thanks to the  
2 Utility for their persistence and professionalism in  
3 the face of equipment malfunctions. Thank you, you  
4 are good representatives for the Water Utility  
5 Authority.

6 (Applause)

7 CHAIRWOMAN JONES: Denise Rumley and Kerry  
8 Bishop will each receive \$50. Denise and Kerry are  
9 recognized for saving ratepayers some \$10,000 by  
10 handling an increased water waste enforcement  
11 workload while short one staff member without hiring  
12 temporary help. Thank you.

13 (Applause)

14 CHAIRWOMAN JONES: Laurel Hager, \$100.  
15 Laurel is recognized in a Health and Wellness  
16 category for her participation in the 2018 Senior  
17 Olympics. You're not old enough, Laurel. But, she  
18 competed in the 5K, the 50 meter dash, the 100 meter  
19 dash and javelin throw, earning a Bronze medal in the  
20 javelin and placing fourth in the 50 meter dash. Her  
21 exceptional performance qualified her to compete in  
22 both events at Nationals next year. Laurel is a  
23 truly inspiring Health and Wellness role model. Way  
24 to go, Laurel. Thank you.

25 (Applause)

1                   CHAIRWOMAN JONES: David Boyd and Eric  
2 Murray will each receive \$50. David and Eric are  
3 recognized for innovating noteworthy improvements in  
4 the business process for documenting returned mail in  
5 the Customer Care and Billing system. Thank you.

6                   (Applause)

7                   CHAIRWOMAN JONES: Ivan Cortez will receive  
8 \$150. Ivan is recognized for saving the Utility and  
9 its ratepayers some \$25,000 by undertaking the  
10 design, testing and verification of extensive SCADA  
11 system upgrades that typically would be sourced to an  
12 outside engineering firm. Ivan, thank you.

13                   (Applause)

14                   CHAIRWOMAN JONES: Jon Ebia, \$100. How bad  
15 was that, Jon?

16                   MR. EBIA: It's good.

17                   CHAIRWOMAN JONES: Okay. Jon is recognized  
18 for his implementation of needed improvements to  
19 SCADA and control systems operations. Thank you.

20                   (Applause)

21                   CHAIRWOMAN JONES: Jeremy Anderson, \$100.  
22 Jeremy is recognized for his exceptional work in  
23 troubleshooting and correcting chronic and expensive  
24 system malfunctions at the Arroyo Del Oso Non-Potable  
25 pump station and the Ridgecrest Well Field. Thank

1     you.

2                     (Applause)

3                     CHAIRWOMAN JONES:   Andrew Marquez, \$100.

4     Andrew is recognized for stopping while on duty to  
5     render first aid and obtain emergency medical  
6     assistance for the victim of a fall.  Thank you,  
7     Andrew.

8                     (Applause)

9                     CHAIRWOMAN JONES:   Monica Anaya, \$100.

10    Monica is recognized for her efforts in providing  
11    support above and beyond her job description for  
12    operations at both the Surface-Water Treatment Plant  
13    and Southside Water Reclamation Plant.

14                    (Applause)

15                    CHAIRWOMAN JONES:   Vincent Archibeque,  
16    Franciso Sandoval, Frank Mirabal and Jeremy Saenz,  
17    \$100 each.  These individuals are recognized for  
18    innovating new approaches to energy management that  
19    yielded a \$600,000 rebate from PNM via their Peak  
20    Saver Program.  This represents a 37 percent increase  
21    over our previous top rebate.  Wow, way to go, guys.  
22    Thank you.

23                    (Applause)

24                    CHAIRWOMAN JONES:   Donald Harrison.  Donald  
25    will receive \$150.  He's recognized for going out of



1 his way while on duty to assist a bicyclist who was  
2 struggling to carry her bike home on an injured knee  
3 after experiencing a flat tire. Donald, thank you.

4 (Applause)

5 CHAIRWOMAN JONES: Jerry Sanchez, Ernesto  
6 Unale, Adrian Martinez, Wally Gurule and Rene Garcia,  
7 each will receive \$100. These individuals are  
8 recognized for going above and beyond their job  
9 descriptions to complete restoration work on a Water  
10 Authority training facility that experienced flood  
11 damage, saving the Utility some \$14,000 in outside  
12 repair costs. Thank you.

13 (Applause)

14 CHAIRWOMAN JONES: Mark Eleam, \$50. Mark is  
15 recognized for his efforts in optimizing his team's  
16 implementation of the Maximo 7.6 work order  
17 management system. Mark, thank you.

18 (Applause)

19 CHAIRWOMAN JONES: Cody Elwell, \$50. Cody  
20 is recognized for his above and beyond efforts to  
21 address security and grounds maintenance issues at a  
22 Utility well site. Thank you, Cody.

23 (Applause)

24 CHAIRWOMAN JONES: Trevor Currier, Gerald  
25 Duran, John Lovato and Javier Baca, each will receive

1     \$100. These individuals are recognized for  
2     completing in two weeks a job that usually takes six  
3     weeks, in bringing a critical pump station back  
4     online after its motor controlled system was damaged  
5     by a lightning strike. Thank you, all. Great job.

6             (Applause)

7             CHAIRWOMAN JONES: Stormy Molina, \$50.  
8     Stormy is recognized for his exemplary work in  
9     initiating improvements to groundwater system mapping  
10    and documentation capabilities and Standard Operating  
11    Procedures. Thank you.

12            (Applause)

13            CHAIRWOMAN JONES: Wow, I bet Jane's here.  
14    Jane Rael, \$500 plus 8 hours. Where's Jane? Oh,  
15    Jane thought she was going to have to take us all to  
16    lunch if she came, I think. Jane is recognized for  
17    innovating a solution to an engineering problem  
18    involving the expensive relocation of a 30-inch  
19    waterline. Her design solution eliminated the need  
20    to move the line, potentially saving the Utility  
21    \$800,000. Thanks, Jane.

22            (Applause)

23            CHAIRWOMAN JONES: Cathy Leonard, \$150 plus  
24    4 hours. Kathy is recognized for her excellent  
25    efforts in organizing the Utility's Annual Health and

1 Safety event for employees and her success in  
2 involving staff, recruiting volunteers and vendors  
3 and making the event a well-attended success. Thank  
4 you, Kathy.

5 (Applause)

6 CHAIRWOMAN JONES: I don't know who's  
7 working, you guys are all here, but thank you. Thank  
8 you for everything you do for the City, for the Water  
9 Authority and our customers. Come on down and let us  
10 shake your hands. Thank you.

11 (Applause)

12 CHAIRWOMAN JONES: I must say, this is the  
13 best part of all of our meetings. We appreciate the  
14 employees so very much. You are what makes the Water  
15 Authority what it is. And we are award winning  
16 because of all of you. So thank you. Thank you.  
17 Thank you.

18 The fifth thing on the agenda this evening  
19 is Public Comment. How many speakers? We have four  
20 speakers. So each speaker will have three minutes.  
21 Would you please call the first speaker.

22 MS. CARREON: Michael Jensen, followed by  
23 Santiago Maestas.

24 CHAIRWOMAN JONES: Good evening.

25 MR. JENSEN: Good evening. It's been a

1     little while since I've been to one of these, but  
2     I've been to enough in the last decade, I think. My  
3     name is Michael Jensen. I currently work for the New  
4     Mexico Environmental Law Center, so I'm not here to  
5     talk about to anything Santolina-related on the  
6     agenda. But I wanted to just point out something  
7     that I've noticed in the last few agendas and that  
8     is, there are substantive discussion items buried in  
9     the term Water Report, which I, who have been to  
10    these meetings a lot, recognize is something that  
11    generally has a couple of slides on it, like the  
12    introductory slides tonight. You know, an update on  
13    drought management and an update on the precipitation  
14    forecast. So somebody mentioned to me that there was  
15    going to be a discussion on the water and sewer  
16    service availability for Santolina. And I said,  
17    "that's not on the agenda. I looked at the agenda."  
18    And it is on the agenda. It's under Water Report.  
19    And so, I believe that you're kind of skirting on the  
20    edge of, or maybe crossed over into an Open Meetings  
21    Act issue, because you're not providing the public  
22    with an accurate specific list of items that are  
23    called for by the Open Meetings Act. And I just wish  
24    that you would do that. You could have the water  
25    report listed and then you could list, as a second

1 item under other business, whatever else you have.  
2 You had earlier -- this seems to have started in  
3 August, as far as I can tell, you know. You had a  
4 groundwater management discussion and something else.  
5 So it would just be nice if you would make that clear  
6 to everybody. Because if somebody hadn't pointed it  
7 out to me I wouldn't have come down today. And I  
8 alerted some other people who weren't aware of it  
9 either. So I just hope that that would get fixed.  
10 That's all. Thanks.

11 CHAIRWOMAN JONES: Thank you, Mr. Jensen.

12 MS. CARREON: Santiago Maestas, followed by  
13 Martin Sierra.

14 MR. MAESTAS: Madam Chairman, Santiago  
15 Maestas. 5734 Evans Road, Southwest. President of  
16 the South Valley Regional Association of Acequias. I  
17 guess our worse concerns have been confirmed with the  
18 water availability statement that you'll be reviewing  
19 tonight for the Santolina development. We have been  
20 claiming from the beginning that there wasn't enough  
21 water to supply the Santolina development, and this  
22 water availability statement indicates that is the  
23 case. Without you putting in the Bosque Water  
24 Reclamation Plant for \$270 million, and ultimately in  
25 Phase 3, diverting water from the Rio Grande surface

1 water in order to provide water to a water treatment  
2 plant. These are the things that we were concerned  
3 about, that they are threats to our acequias, threats  
4 to agriculture in the Middle Rio Grande Valley and  
5 South Valley of Albuquerque. So with that, once  
6 again, we are asking the members of this Board to  
7 take this into consideration and to maintain the  
8 Santolina development and reserve until, in fact,  
9 when it's actually needed. I believe at this time  
10 it's not needed. There is sufficient already legally  
11 committed development projects. For example, the  
12 Westland Upper Project that's going online that can  
13 meet the needs of housing for our community without  
14 taking away the water that we need to maintain the  
15 valley green and to maintain the culture and  
16 traditions that we have in the South Valley with our  
17 acequias. So with that, I'm open to any questions.

18 CHAIRWOMAN JONES: Thank you, sir.

19 MS. CARREON: Martin Sierra, followed by  
20 Nancy Bearce.

21 MR. SIERRA: Hello. Hey, I'm here to -- I'm  
22 very honored to be here and accept this award. Also  
23 I'd like to let all of the Board members know that  
24 Mark Sanchez is doing a wonderful job, and I'd like  
25 to thank Mark Sanchez personally for everything he's

1 done for me. And I appreciate that.

2 CHAIRWOMAN JONES: Thank you, sir, we  
3 appreciate you being here. And now Mark is going to  
4 give you more money.

5 (Laughter)

6 CHAIRWOMAN JONES: Thank you very much.  
7 That's good to hear from your employees, isn't it?

8 MS. CARREON: Our last speaker, Nancy  
9 Bearce.

10 CHAIRWOMAN JONES: Good evening.

11 MS. BEARCE: Good evening, Madam Chair,  
12 Members of the Authority. I'm a resident of the  
13 Southeast Heights. I just wanted to remind you that  
14 there is an upcoming November meeting, public  
15 meeting, a quarterly meeting of the Kirtland Jet Fuel  
16 Spill Cleanup. I forgot the flyer, so I just printed  
17 it off their website, which came out really small.  
18 So that is going to be Thursday, November 15th. And  
19 there's two parts to that. The first part is the  
20 poster session. And it's really a great time, that  
21 first hour, to be able to look at something very big  
22 and have an expert standing next to you, next to  
23 whatever the information is on the poster board, and  
24 be able to kind of ask questions and look at it.  
25 Sometimes a lot of us are visual learners and need

1     those visual graphs and pictures to see it and make  
2     sense of it and then have somebody there explaining  
3     it to us, walking us through it as we look at it.  
4     And then the second half is where we go into the  
5     auditorium and then we do have PowerPoint  
6     presentations by a lot of different folks, whether  
7     that be the Kirtland Air Force Base, or whether that  
8     be New Mexico Environment Department. And there is a  
9     time to ask questions, you know, in case you see all  
10    this stuff and your brain kind of, you know, gets all  
11    discombobulated and you have to ask questions. So  
12    they're there to help you out on that. Of course,  
13    we'd love to see any and all of you there any time.  
14    So I bring this to your attention as well as the  
15    public's. And I can't remember, maybe Councilor  
16    Davis can remember and help me out, isn't there a  
17    technical, a public science session the Saturday  
18    after this one? I couldn't find it on my calendar,  
19    so I was like, oh-oh. Yeah, we'll find out and I'll  
20    bring that back to you all. Because that's a great  
21    time to ask dumb science questions. But thank you  
22    very much for your time.

23               CHAIRWOMAN JONES: Thank you, ma'am. I  
24    believe Commissioner O'Malley has a question or a  
25    statement.



1           COMMISSIONER O'MALLEY: Thank you very much  
2     for your presentation. I just want to comment when  
3     the comment period is over. Is it over?

4           CHAIRWOMAN JONES: Yes.

5           COMMISSIONER O'MALLEY: Thank you. I  
6     apologize.

7           MS. BEARCE: That's all right. Thank you.

8           CHAIRWOMAN JONES: Thank you for being here.

9           COMMISSIONER O'MALLEY: I just wanted to  
10    address the issue of the item agenda, Water Report.  
11    I think that we're going to need to, I believe,  
12    either have another presentation in the future so  
13    people can respond. I mean, it would be nice if  
14    there were people present during the water  
15    presentation. I think it was confusing about this,  
16    that we didn't list that as an item. I think there  
17    would be a lot of interest in that item. So I'm not  
18    sure what we need to do, but I think we're going to  
19    need to probably either do another presentation for  
20    the public, because they didn't know.

21          EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
22    Commissioner O'Malley. Certainly there was no intent  
23    to confuse the public or mislead or violate the Open  
24    Meetings Act, which it does not do. However, your  
25    point is well taken. We can certainly have a

1 follow-up presentation and have it listed  
2 specifically as an agenda item at the November  
3 meeting.

4 COMMISSIONER O'MALLEY: Thank you.

5 CHAIRWOMAN JONES: Thank you. Are there any  
6 other questions or comments? I think that's the end  
7 of Public Comment then.

8 The next scheduled meeting is November 21st,  
9 2018 at 5:00 p.m. in the Vincent E. Griego Chambers.

10 Let's change the agenda a little bit and  
11 move to Item 10A, which is Other Business. And the  
12 first is a Water Report by Ms. Yuhas. Good evening.

13 MS. YUHAS: Good evening. Thank you. Madam  
14 Chair, Members of the Board, I have good news for you  
15 tonight. The drought status for much of our service  
16 area has improved. We are now only in moderate  
17 drought. Our drought plan calls for increased  
18 advertising and these presentations only when we're  
19 in severe drought or worse. So if all goes well, I  
20 won't see you for a while.

21 As of October 7th, this year's water use is  
22 422 million gallons less than last year. That's  
23 about a 1.75 GPCD reduction despite that fact that we  
24 have received about one inch less rainfall than last  
25 year.

1           This next map shows an increased chance for  
2   precipitation in October, November and December. And  
3   the maps for early 2019 look just as good as this  
4   one.

5           And so with that, I will stand for any  
6   questions.

7           CHAIRWOMAN JONES: Thank you, Ms. Yuhas.  
8   Are there any questions? Yes, Councilor Pena.

9           COUNCILOR PENA: Thank you, Madam Chair. I  
10   know that you're only supposed to do the water  
11   reports during the time of drought, Ms. Yuhas, but  
12   every time you leave we go into a drought. So I  
13   think if you just continue -- I think you're good  
14   luck for the rain. Thank you.

15          MS. YUHAS: Thank you. I appreciate that.

16          CHAIRWOMAN JONES: Thank you, Councilor  
17   Pena. Any other questions or comments? Thank you,  
18   Ms. Yuhas, thank you for being here.

19          Mr. Harrigan is going to discuss the bond  
20   sale update. Good evening, Mr. Harrigan.

21          MR. HARRIGAN: Good evening. Madam Chair,  
22   Members of the Authority, I just wanted to, before I  
23   go into my presentation, want to congratulate the  
24   Authority on your triple A upgrade for Standard and  
25   Poor's. And it really goes to show, you know, that

1 making decisions based upon data, benchmarking, you  
2 know, best practices, really pays off. Your staff  
3 did an exemplary job during the presentation to  
4 Standard and Poor's and Moody's. And you have a  
5 fantastic staff and I really commend you guys. There  
6 are really not a lot of triple A rated utilities in  
7 the country. Standard and Poor's rates 1,600  
8 utilities and only 7 percent of them have a triple A.  
9 So you guys are in rare company. So congratulations.

10 I'd like to start off by previewing the  
11 rating reports. The full reports can be available.  
12 And if you have a chance you should read through  
13 them. But just to kind of highlight a couple of  
14 things that Standard and Poor's mentioned is that the  
15 robust planning efforts and your operational  
16 management assessment is one, which is the strongest  
17 that S&P provides. And they indicate that it  
18 provides a strong alignment of operations and  
19 organizational goals with ample long-term water  
20 supply, conservation, reuse, comprehensive strategic  
21 vision that includes benchmarking and high  
22 expectations across all operations. This, also  
23 combined with water and sewer rates that remain  
24 affordable.

25 From a financial standpoint the Authority's

1 financial management assessment is also ranked 1 by  
2 S&P, which is the highest. And they mention that the  
3 Authority maintains most of the best practices that  
4 we deem critical to supporting credit quality and  
5 these are well embedded in its daily operations and  
6 practices and formal policies support many of these  
7 activities. They go on to say that the outlook is  
8 stable and can expect the strong results that the  
9 Authority has had to continue.

10           Moody's maintained their bond rating of a  
11 double A2. Credit strengths that they mentioned were  
12 the large system size, service area and long-term  
13 water supply. The stable customer base anchored by  
14 government and higher education institutions and  
15 improving debt service coverage. Credit challenges  
16 that they did mention are aging assets that require  
17 significant future investment, and their outlook is  
18 also stable.

19           Just to kind of provide sort of a high level  
20 overview of the pricing is, we went into the market  
21 yesterday and of the roughly 75 million of total par  
22 amount that was sold, the Authority ended up received  
23 over 600 million in orders. And we'll kind of talk  
24 about what that did to the pricing. It was obviously  
25 positive. And that is attributable, in large part,

1 due to the very high bond ratings that the  
2 Authority has. J.P. Morgan and R.W. Baird were the  
3 Authority's underwriters in the transaction.

4 As mentioned in our September meeting on the  
5 maturity structure, the bonds mature within 12 years,  
6 which is consistent with the Authority's policy. The  
7 bonds are also optionally redeemed in 2026, which is  
8 an eight-year call, which gives the Authority the  
9 flexibility to be able to redeem the bonds. And if,  
10 possible, lower the interest rates in the future.

11 On this page I'd like to highlight that, as  
12 I mentioned, there was 645 million of total orders,  
13 which means that your bond issue was oversubscribed  
14 by about 8.6 times. In going out in the original  
15 yields into the market due to the oversubscription  
16 and the high demand, the Authority was able to see  
17 their yields reduced anywhere between 4 to 9 basis  
18 points across the board. In particular, just to kind  
19 of highlight a couple of maturities. In 2029 the  
20 Authority has about 8.2 million in par amount and  
21 received 107 million of orders for that maturity,  
22 just to kind of give you a highlight, the strong  
23 demand that was for the Authority's bonds.

24 We also compared how the Authority priced to  
25 its last issuance back in 2017. We compare to the

1 triple AMD market, moves based upon what's going on  
2 in the current interest rate environment. We base  
3 that on what the current triple AMD is. From 2017  
4 the Authority priced anywhere between 2 to 17 basis  
5 points tighter than it did back in 2017. And again,  
6 that's attributable, in part, to the upgrade to  
7 triple A.

8 From a timing schedule, we plan to close  
9 this transaction on the 31st and that is when funds  
10 will be available for the Authority to expend on the  
11 projects. We do have some information on the market,  
12 which I won't go through, but you can look through at  
13 your leisure.

14 And with that, I will turn it over to  
15 Katherine McKinney with the Modrall law firm to go  
16 over the pricing certificate. But before that, I'll  
17 stand for any questions.

18 CHAIRWOMAN JONES: Are there any questions?  
19 Thank you, Mr. Harrigan.

20 MR. HARRIGAN: Thank you very much.

21 MS. MCKINNEY: Good evening, Madam Chair,  
22 Members of the Board. What I passed out is the sales  
23 certificate related to the bonds and it reflects the  
24 pricing that Eric just went over with you.

25 When you adopted the ordinance and

1 confirming resolution back in September, we employed  
2 the delegation, and permitted Mark Sanchez as  
3 Executive Director, to approve the final terms of the  
4 bond within the parameters outlined in that  
5 ordinance. All the sales certificate does is present  
6 that all of those parameters were met, the sale came  
7 within the confines of the parameter and was very  
8 successful. So that's just an informational item to  
9 close the loop on the delegation.

10 CHAIRWOMAN JONES: Thank you. Are there any  
11 questions? Thank you, ma'am. Thanks for being here  
12 this evening.

13 MS. MCKINNEY: Thank you.

14 CHAIRWOMAN JONES: Next we have, Mr. Stomp  
15 is going to his presentation on the Santolina  
16 project. Good Evening, Mr. Stomp.

17 MR. STOMP: Good evening, Madam Chair,  
18 Members of the Board. I'm going to step through the  
19 Water and Sewer Serviceability Statement tonight.  
20 I'll be back in the November meeting to not just redo  
21 this presentation, but answer any additional  
22 questions you have and try to address some of the  
23 questions that were brought up this evening in the  
24 public comment.

25 So just to put together the timeline for



1     you. Bernalillo County approved the Level A and  
2     Level B1 land use plans. Following that the  
3     developer requested a water and sewer serviceability  
4     on January 11th, and they provided additional  
5     information in February to address the difference  
6     between our adopted conservation goals and what they  
7     had originally submitted in terms of demand.

8             There was a water use and serviceability  
9     issued on October 1st. And I think we need to make  
10    sure that everybody understands that that is not a  
11    commitment to service. It's an outline of the  
12    infrastructure that would be required, that would be  
13    outlined in a development agreement that must be  
14    approved by this Board. So without an approved  
15    development agreement by this Board there is no  
16    commitment for service.

17            What this serviceability does do is outline  
18    the specific infrastructure and the reason why that  
19    infrastructure is to follow the Water Authority  
20    policies on no-net expense, following Water 2120, our  
21    line extension policy and our other policies.

22            In terms of the overview, Santolina itself  
23    in the Level B1 is proposed to be about 22,000 people  
24    and ultimately 95,000 people in full build-out.  
25    That's equivalent to about the population of Rio

1 Rancho or Las Cruces. So if you think about the  
2 level of infrastructure that is required to service  
3 those communities you start to get a picture of what  
4 that's going to look like in Albuquerque. And in  
5 addition to that, because of our Water 2120 goals  
6 we're focused on sustainability, renewable supplies  
7 and reuse.

8 So the way we build infrastructure and the  
9 way we are doing it is based on the Water 2120 plan,  
10 which is a little bit different than the pumping  
11 groundwater like Rio Rancho and Las Cruces do.

12 We also took their demands that they gave to  
13 us and we broke those potable demands out to potable  
14 and non-potable. They did not propose any reuse  
15 systems in their original request, so we broke those  
16 out. The ultimate demands that they're requesting  
17 are 2,700 acre feet in the Level B1 and 11,700 acre  
18 feet in the Level A full build-out.

19 In terms of population projections, this is  
20 the low growth scenario that was provided in the  
21 Water 2120 plan and the idea here is just to show how  
22 that population increase would fit into that plan.  
23 We do have the capability to serve them and it would  
24 fall within the population projections that were  
25 provided in the low growth and medium growth

1 scenarios in the water 2120 plan. And I'll talk a  
2 little bit more about that in the next slides.

3 So to put it in context, for the low growth  
4 scenario, Santolina represents, or the proposed  
5 population represents 15 percent of the future growth  
6 in the low growth scenario. So it's a significant  
7 increase in terms of the projected total growth as it  
8 relates to our hundred year plan in the low growth  
9 scenario.

10 In the medium growth scenario, on the  
11 following slide, you see that it's about 11 percent.  
12 So we have the three different population  
13 projections, low growth, medium growth, and high  
14 growth, and this represented more than ten percent in  
15 either the low or the medium growth projections.

16 In terms of demands, as this development  
17 grows over time you're going to see demands  
18 increasing over time and as those demands increase  
19 over time the infrastructure that will be required  
20 will be phased in to meet those demands. So we'll  
21 talk about how we're going to meet those demands,  
22 potentially meet demands with the infrastructure,  
23 starting with, basically, no population and working  
24 up to full build-out.

25 So they're proposing growth starting in

1 2020, we're showing, and then increase demand with  
2 potable, non-potable, up to the Level B1 in about  
3 2035 or so, and projected full build-out at about  
4 2065 with a maximum demand of about 15 million  
5 gallons per day.

6 In terms of our total system projected  
7 demands over time, this is the three growth scenarios  
8 actually related to demands in the Water 2120 plan  
9 and you can see we're projecting increase growth and  
10 increase demand over time, and the three different  
11 lines are the low growth, medium growth, and high  
12 growth. These are based on 110 gallons per capita  
13 per day, which is the policy that was set by this  
14 Board and the plan includes expanded reuse, as we've  
15 talked about before, and the different population  
16 projections fit within those ranges.

17 In terms of Santolina, what's their  
18 contribution to the future demands? So in the low  
19 growth scenario, you can see that Santolina  
20 represents about nine percent of the future projected  
21 demand. But if you look at the little square there,  
22 you can see that Santolina represents a much larger  
23 percentage of the future demand projected on the west  
24 side of Albuquerque. So the west side has a smaller  
25 population, projected to grow more in the future.

1 You can see the impact on the total demand existing  
2 on the west side now and then that would be committed  
3 for Santolina in the future.

4 So the stepwise approach that we had to take  
5 was to evaluate what our existing legal commitments  
6 that we have right now and what available capacity  
7 that we have once we've looked at those dedicated  
8 commitments.

9 So there's three major commitments that  
10 we've made. One is the service area that we have  
11 that was adopted when this Board was formed, and  
12 that's the purple area in this drawing. We have said  
13 that we will provide water and sewer service and  
14 perpetuity to that service area. So we calculated  
15 that percent of demand, especially on the west side.  
16 We separated out the east and the west side.

17 So we projected both existing growth that's  
18 there and future growth for the undeveloped areas in  
19 the service area, then we looked at the development  
20 agreements that had been approved by this Board and  
21 we added the development agreements on top of that.

22 So we started with the service area, we  
23 worked with the development agreements, and the last  
24 thing was our legal obligations that we have with  
25 existing contract customers. Like Intel, for

1     example, and the Village of Corrales. We have  
2     committed sewage, allowed for discharge of sewage  
3     into our system from Intel and Corrales, totaling  
4     about 7.5 million gallons a day in terms of our legal  
5     obligations. So we compared the legal obligations to  
6     our actual infrastructure to try to figure out  
7     whether there was any existing capacity available.

8             We have the water sewer and reuse systems,  
9     and then we show the existing systems both on the  
10    west side and the east side. On the west side, we'll  
11    talk a little bit about the capacity limitations both  
12    from the sewer side and from the water side, but  
13    there is no existing reuse that's occurring on the  
14    west side today.

15            If you go to the next slide, this identifies  
16    what our existing capacity limitations are. So on  
17    the water side we have legally committed all of our  
18    available supply on the west side. We have not used  
19    all of the groundwater supply that we have available  
20    on the west side because it has high arsenic and we  
21    have not built the facilities to do that. We are  
22    transferring east side groundwater over to the west  
23    side in order to do this.

24            But if you look at our legal obligations  
25    that I talked about before, those three legal

1 obligations, we're legally committed to the existing  
2 supply that we have on the west side.

3 In addition -- oh, I'm sorry.

4 CHAIRWOMAN JONES: Mr. Stomp.

5 COUNCILOR DAVIS: I'm sorry, Mr. Stomp, if I  
6 could, just to clarify that point. The available  
7 groundwater is that black dot in the middle there,  
8 but our legal obligations exceed that. I assume that  
9 means systemwide we're compensating for that. But  
10 you're talking about the existing unavailable  
11 groundwater that's there, but we can't use it. So  
12 right now does the west side have a deficit,  
13 essentially, of groundwater to use? Is that what I  
14 understood?

15 MR. STOMP: Madam Chair and Councilor Davis,  
16 exactly. There's an existing deficit. We have the  
17 available resources there, but they're costly to  
18 build the arsenic treatments, so we're transferring  
19 that across. So we're feeding that deficit from the  
20 east side.

21 COUNCILOR DAVIS: And so anyone that wanted  
22 to count that groundwater would have to build the  
23 capacity or the infrastructure to treat it and make  
24 it usable in order for us to make it available for  
25 new west side development?

1           MR. STOMP: Madam Chair and Councilor Davis,  
2   there's two choices with that. Anybody that would  
3   need new capacity would maybe have to drill new wells  
4   or to put arsenic treatment on the existing wells.  
5   But the existing wells are already legally committed.  
6   So we're talking about, in this serviceability,  
7   additional groundwater capacity that would be needed.

8           So continuing in terms of the west side  
9   infrastructure, we also looked at the interceptor  
10   capacity and we looked at the treatment capacity at  
11   the South Side Water Reclamation Plant.

12           The South Side Water Reclamation Plant has  
13   the capacity of 76 million gallons a day. We're  
14   legally obligated up to about 71 million gallons a  
15   day. And this Board has made a policy statement that  
16   that plant will not be expanded.

17           So in that detail there we show the existing  
18   capacity -- I'm sorry, the existing system demand,  
19   which is 51 million gallons a day, the projected  
20   demand of 70, then we also show the future Bosque  
21   plant and the future Tijeras plant. So that's just  
22   showing the two plants that are identified in Water  
23   2120, what that capacity addition would be if those  
24   plants were built. They are planned to be built as  
25   part of our long-term plan.



1           So in terms of the additional requirements  
2   for Santolina, there's really three systems that need  
3   to be built. There's a water system, a reuse  
4   system, and a wastewater system. The wastewater  
5   system itself is a series of interceptors that would  
6   serve the Santolina development that would discharge  
7   to new water reclamation facilities that are built  
8   specifically for Santolina, starting with a one  
9   million gallon a day plant to meet their non-potable  
10   needs and then ultimately to a seven million gallon a  
11   day plant.

12           And then on the water infrastructure side we  
13   would start with the tanks and reservoirs that would  
14   be necessary to build them, and ultimately we would  
15   have a surface water diversion that would be blended  
16   with reuse water to provide for their drinking water.  
17   But the first thing that needs to get done is to free  
18   up additional capacity on the west side by building  
19   the Bosque reuse system.

20           Yes, Madam Chair.

21           CHAIRWOMAN JONES: Mr. Stomp, if I may.  
22   When you say, "we will have to build," you mean we  
23   will have to build, but someone else will have to pay  
24   for it; is that correct?

25           MR. STOMP: Madam Chair, I apologize. When

1 I say, "we," I don't mean we. I mean the developer  
2 will have to build. Thank you for that  
3 clarification.

4 CHAIRWOMAN JONES: Thank you.

5 MR. STOMP: I get rolling here and I just  
6 keep saying, "we." So I apologize. Everything  
7 that's outlined in this presentation is for the  
8 developer to construct.

9 CHAIRWOMAN JONES: So we is they?

10 MR. STOMP: We is they.

11 CHAIRWOMAN JONES: Thank you.

12 MR. STOMP: If that makes sense. Thank you  
13 for that clarification.

14 This is the list of infrastructure that  
15 would be required. And as I talked about, as demand  
16 started at zero and then increased over time, that  
17 infrastructure would be built in phases.

18 In the first phase of that, on the next  
19 slide, is really -- the idea is to free up existing  
20 capacity -- or free up capacity on the west side by  
21 building the Bosque reuse plant.

22 So the Bosque reuse plant would take  
23 effluent, treat it, serve it to existing sites that  
24 are being currently fed by potable water, that would  
25 free up the potable water for them to use and it

1 would relieve the existing interceptors that the  
2 wastewater is being taken down to, to about four  
3 million gallons a day. So it frees up capacity both  
4 on the interceptor side and on the drinking water  
5 side for them.

6 And then ultimately, over time, as they  
7 grow, they will ultimately build a surface water  
8 treatment plant and a reuse plant that would be  
9 capable of treating wastewater in combination with  
10 the surface water and blended for drinking water  
11 source.

12 CHAIRWOMAN JONES: Excuse me, Mr. Stomp.

13 MR. STOMP: Yes, ma'am.

14 COMMISSIONER O'MALLEY: Thank you,  
15 Mr. Stomp. I just have a quick question. So  
16 treating the effluent water frees up potable water.  
17 Potable water ends up where?

18 MR. STOMP: The potable water would end  
19 up -- I'm sorry. Madam Chair and Commissioner  
20 O'Malley. The potable water would end up freeing up  
21 capacity for them to use. So it would be building  
22 infrastructure to free up capacity for them to use.

23 COMMISSIONER O'MALLEY: So the potable water  
24 then gets cleaned or does it just become used for  
25 irrigation and et cetera?

1           MR. STOMP: Madam Chair, Commissioner  
2 O'Malley, the potable water that's being served on  
3 irrigation sites would no longer be served, and that  
4 water would be available for the Santolina  
5 development. That site that was served with potable  
6 water would be served with non-potable water. So  
7 that's where the Bosque reuse plant would come in.

8           COMMISSIONER O'MALLEY: So at some point  
9 though, we're talking about water that gets cleaned  
10 up for drinking water, but this isn't it. This is  
11 for potable water that's being used for irrigation?

12          MR. STOMP: Yes, ma'am. The first phase of  
13 the reuse system frees up the capacity.

14          COMMISSIONER O'MALLEY: Okay. Got it.

15          MR. STOMP: I apologize, this is complex,  
16 and I'm trying to do it in a way that people  
17 understand, but I may not do a very good job of that  
18 tonight, but I'll do my best.

19          CHAIRWOMAN JONES: Thank you for letting us  
20 interrupt you.

21          MR. STOMP: No, it's not problem.

22          CHAIRWOMAN JONES: Go ahead, Mr. Stomp.

23          MR. STOMP: The last slide is the projected  
24 phasing and this phasing is based on the demand  
25 projections that we used from the information that

1 was provided by the developer.

2 The initial onset requires the Bosque  
3 treatment plant enable to free up the capacity for  
4 them to use the supply that would be available and  
5 also free up capacity in the interceptors, that's the  
6 purple, that's called the Bosque reuse plant.

7 The blue would be the transmission lines,  
8 and the other blue would be the additional  
9 groundwater supply, as Councilor Davis pointed out,  
10 that would be additional supplies or if, from a  
11 policy perspective, we wanted to allow them to build  
12 arsenic treatment systems, that's something we could  
13 do, but they would have to reimburse us for the value  
14 of those existing assets. We wouldn't allow them to  
15 just use our assets without paying for them.

16 The second phase of the project would be a  
17 new reuse plant along with additional groundwater  
18 supply, and that would take place in about 2035 or  
19 so, and that would be phase two and that would be at  
20 the end of Level B.

21 And then finally, the last phase would be  
22 2040, which would include drinking the wastewater  
23 from the wastewater plant in combination with surface  
24 water as a drinking water source in 2045. That would  
25 be the infrastructure that would provide for

1 Santolina on the west side starting in about 2020 and  
2 going out to 2065 to full build-out.

3 And that was a lot to take in in 25 minutes.  
4 I apologize, Madam Chair. But I'll be back again in  
5 November to clean it up a little bit.

6 CHAIRWOMAN JONES: Thank you, Mr. Stomp.  
7 Are there any questions? Ms. Nair.

8 MS. NAIR: Thank you, Madam Chair.  
9 Mr. Stomp, can you talk us through the next steps in  
10 terms of what this Board will be hearing and what our  
11 decision points are, please.

12 MR. STOMP: Madam Chair, the next step is a  
13 development agreement. If, and only if, number one,  
14 the developer agrees that this is the infrastructure  
15 that they're going to build. And then that  
16 development agreement would be developed over some  
17 period of time. So it could take months or it could  
18 take much longer than that. I'm not really sure how  
19 long that could take.

20 I want to remind you and let everybody know  
21 that this serviceability statement is only good for  
22 one year. So we issued it on October 1st, so if  
23 we're not able to negotiate a development agreement  
24 by October 1st next year, then it is possible for us  
25 to reissue a water serviceability statement again, or

1 the existing one could be extended if we were in  
2 negotiations.

3 So the process is, we will negotiate a  
4 potential development agreement and if we're able to  
5 do that, then that would come before this Board for  
6 approval and then it's all up to you to decide  
7 whether or not you believe that that development  
8 agreement is in the best interests of our ratepayers  
9 and the Water Authority as a whole.

10 CHAIRWOMAN JONES: Thank you. Any other  
11 questions? Yes, Councilor Pena.

12 COUNCILOR PENA: Thank you, Mr. Stomp. Go  
13 back to the slide when you were talking about the  
14 population growth. I think you had one or two on  
15 there. I think the first one.

16 MR. STOMP: This one?

17 COUNCILOR PENA: Yes. So when you're  
18 talking about the growth, and this is in our 20-what  
19 plan?

20 MR. STOMP: 2120.

21 COUNCILOR PENA: 2120 plan. When you talk  
22 about the growth, does that include Santolina or is  
23 that just growth that we're going to have no matter  
24 what?

25 MR. STOMP: Madam Chair and Councilor Pena,

1     this is the projected growth that we would anticipate  
2     in the service area. We didn't identify in Water  
3     2120 where that growth would occur. So definitely it  
4     could be the Santolina development or it could be  
5     other areas. It could be Mesa Del Sol, it could be  
6     the service area, so we didn't specifically identify.  
7     But that is the future growth population starting  
8     from today's population to this projection at end,  
9     which is, I believe, in the low growth scenario is  
10    about 1.3 million.

11           COUNCILOR PENA: Thank you.

12           CHAIRWOMAN JONES: Councilor Davis.

13           COUNCILOR DAVIS: Thank you, Madam Chair.

14    Mr. Stomp, thank you for this, I appreciate it. It  
15    is technical, but you do a great job of translating  
16    it into English for me and I appreciate that. I want  
17    to go back to that point that you made earlier and  
18    make it particularly clear as we do this. If any  
19    developer comes forward, whether it's a small  
20    subdivision or a big one, in this case a big  
21    development, and part of their process has to be  
22    asking the Water Authority to tell us, or tell them,  
23    it's they, what it would take in order to get water  
24    and sewer, and that's really what this is, right?  
25    This is not a commitment by the Water Authority, but



1 it is a, here's what it would take in order for you  
2 to hook onto our system; is that right?

3 MR. STOMP: Madam Chair and Councilor Davis,  
4 I do want to make one distinction there. Inside the  
5 service area, adopted service area, we've already  
6 committed service in that area. So if a development  
7 comes forward in that existing adopted service area,  
8 we will grant them service and we will tell them what  
9 that is. If it's outside of that service area, then  
10 our policy state that you, the Water Authority Board,  
11 will make that decision in terms of a development  
12 agreement.

13 COUNCILOR DAVIS: That's important, thank  
14 you, and I appreciate it, and that's why we're doing  
15 this. And thank you. I heard two things, I think we  
16 touched on it a minute ago. One, this assumes that,  
17 or requires that they will have to come up with  
18 additional groundwater capacity at some point, and we  
19 talked through, they would have to clean up some of  
20 the wells that we've already compensation that might  
21 free up supply and some other things. But I also  
22 heard you say that at some point they would also be  
23 triggering some additional surface water diversion.  
24 Does our current San Juan/Chama plan in 2120, do we  
25 have the capacity to do that? We're planning for

1 climate change and we're planning for lower water  
2 capacity. Do we have the capacity for additional  
3 diversion down the road?

4 MR. STOMP: Madam Chair and Councilor Davis,  
5 the short answer is yes. But I do want to make sure  
6 that you understand what this plan proposes is that  
7 the Bosque reuse plant would serve non-potable water  
8 in the summer months. In the winter months it would  
9 be discharging wastewater to the river. That water  
10 is part of the water that we're talking about  
11 diverting as part of this. So it becomes the  
12 ultimate reuse situation where they're discharging  
13 just upstream, we're diverting it right down stream.  
14 So I don't know that it will necessarily require any  
15 additional San Juan/Chama use. Maybe in the original  
16 short term, but ultimately that discharge at the  
17 Bosque will offset the diversions there. So the net  
18 difference will be zero.

19 COUNCILOR DAVIS: So essentially we're  
20 sticking it back in the river and they're just taking  
21 it back out and reusing it and putting it back and  
22 however we do that. So it's using the water.

23 MR. STOMP: Madam Chair, Councilor Davis,  
24 ultimately that will be the case. Initially, of  
25 course, as it's growing it won't be. But that would

1 ultimately be the case. And just to put this out  
2 there for November, I'll be glad to talk a little bit  
3 more about the percentages of water and how the  
4 potable and non-potable meet the entire demand in  
5 terms of how it meets the Water 2120 policies, so I  
6 can show you how that works a little bit better, I  
7 hope.

8 COUNCILOR DAVIS: Thank you, Mr. Stomp.  
9 Madam Chair, if I could have one more follow-up.

10 CHAIRWOMAN JONES: Of course.

11 COUNCILOR DAVIS: Thank you, Madam Chair.

12 Mr. Stomp, as we look at the projections that  
13 Councilor Pena brought up. As you mentioned, this is  
14 our population projection. This is what everybody  
15 sort of agrees our regional population is going to  
16 get to, depending on where they end up living is a  
17 different question. Whether they infill on the east  
18 side, whether we expand something like Mesa Del Sol  
19 or expand on the west side, is really a confluence of  
20 all these sort of policy decisions about, what do we  
21 do with that 9, 11, basically 10 percent of that  
22 growth that could be Santolina or could be in a  
23 different location. Is that essentially what the  
24 Board here is saying? We've planned, as the Board  
25 and as the Utility, has planned for population growth

1 to meet this. We just haven't designated sort of  
2 where that growth would go in terms of water  
3 capacity; is that correct?

4 MR. STOMP: Absolutely. Madam Chair and  
5 Councilor Davis. I think the key issue is that we  
6 are not in the land use business. We do not make  
7 land use decisions. So land use decisions are  
8 afforded by other entities like Bernalillo County and  
9 the City of Albuquerque. Those decisions ultimately  
10 drive where the population goes. And so we did not  
11 make that distinction, because we don't make those  
12 decisions. We're just telling you and the public  
13 that we have the availability to serve this  
14 population in the future if that population actually  
15 occurs.

16 COUNCILOR DAVIS: Thank you, Mr. Stomp.  
17 Thank you, Madam Chair.

18 CHAIRWOMAN JONES: Thank you. Commissioner  
19 O'Malley.

20 COMMISSIONER O'MALLEY: Thank you. And  
21 additionally, you're talking about infrastructure.  
22 Does the infrastructure exist to carry water  
23 wherever? In this case you're saying that in some  
24 areas it doesn't exist, and therefore whoever is  
25 developing that will have to provide that

1 infrastructure. So that makes sense. I think also  
2 the presentation, it would be important to address  
3 the issue of irrigation and the system. Recently we  
4 had a situation, or this last summer, where the water  
5 coming down the river into the system, the irrigation  
6 system, the acequia system, they had fewer watering  
7 days and it didn't make it far enough. In our case,  
8 because we're irrigators, we actually just let the  
9 water go because we knew the downstream people really  
10 needed it. So I think that's really going to be  
11 important, because we are talking about that water  
12 coming from that system. I mean, it's coming down --  
13 some people say, this is different water. No, it's  
14 the same water. So if we could address that, I think  
15 that'd be real important, especially for folks who  
16 are irrigators and want to make sure that they have  
17 that asset. So if we could address that in the next  
18 presentation, that would be important.

19 MR. STOMP: Sure. Madam Chair and  
20 Commissioner O'Malley, I'd be glad to address that.  
21 I would say that our plan is based on not purchasing  
22 additional water rights and not transferring and  
23 drying up irrigated ag in the future. Our plan in  
24 the past was to do that, and clearly we've changed  
25 that direction, so I could show you exactly how

1     that's going to be done within the context of this  
2     development, but also in Water 2120. Our plan  
3     is not to dry up the acequias. In fact, I think this  
4     year this Board made an excellent decision in keeping  
5     the water in the river this year and I hope that the  
6     south valley irrigators benefited from that, along  
7     with a lot of other irrigators and the environment in  
8     terms of what it looked like in the Albuquerque  
9     stretch. So you guys should be commended for that.  
10    And I hope, as Mr. Maestas said earlier, and as he  
11    said a couple of months ago, thank you for that and I  
12    hope that made a difference for them this year too.  
13    But I will address that in November.

14               CHAIRWOMAN JONES: Thank you. Commissioner  
15    Talbert.

16               COMMISSIONER TALBERT: Thank you, Madam  
17    Chair. Mr. Stomp, thank you for clarifying Councilor  
18    Davis' question around not being in the land use  
19    business. If our population grows we have to serve  
20    that population. I think what we get hung up on is,  
21    people using terms in places where they don't want  
22    growth to occur. So using a term like if it's the  
23    Santolina development or if it's the X, Y, Z  
24    development, it's irrelevant. If there's growth in  
25    our city through population increasing, we serve

1     them. We're able to serve them, which is what I'm  
2     hearing, correct?

3                 MR. STOMP: Madam Chair and Commissioner  
4     Talbert, the answer is yes. But as Commissioner  
5     O'Malley stated, there is a big difference between  
6     inside of the service area where infrastructure  
7     exists, although it does not exist everywhere in the  
8     service area. And this area out here where  
9     infrastructure doesn't exist, so what you're seeing  
10    with this water sewer serviceability is the fact that  
11    there is not infrastructure. So in order to meet the  
12    Water 2120 goals there's a significant amount of  
13    infrastructure that has to be built. So we didn't  
14    say we didn't have availability to serve, because we  
15    do. The issue is, how do we get the water to them  
16    and how do they meet the policy objectives that are  
17    set by this Board. And I think that's what we tried  
18    to do here.

19                COMMISSIONER TALBERT: Fair. And then I  
20    think the issue of looking at this as a holistic  
21    approach, meaning if the usage isn't occurring in the  
22    east and can go to the west, that's fine, right? And  
23    vice versa, if it ever goes back to the east, you go  
24    back to the other side. So I think it's taking that  
25    approach, saying, hey, we have so much water, if it's

1 more needed over here, because that's where the  
2 growth is, the population growth, send it there. I  
3 don't know that that's happening every day. All I  
4 know is I go and I turn on the faucet and I have  
5 water and that's what everyone does, right? They  
6 don't know where it's coming from. They just know  
7 they get water. So anyway, thanks for that  
8 clarification.

9 MR. STOMP: Well, I do want to address that  
10 issue, Madam Chair and Commissioner Talbert. When we  
11 transfer water from the east side to the west side,  
12 we're relying on infrastructure that crosses the  
13 river and we're relying on a single source of supply  
14 to do that. So in the event that a Comcast cable  
15 company or somebody comes and drills a hole in our  
16 line and that line is out of service, then we need to  
17 have the redundant capacity to serve that near the  
18 site or somewhere on the west side. So we can  
19 transfer water and we can transfer a lot of water  
20 from the east side to the west side and we do do  
21 that, but there are some risks and some  
22 vulnerabilities associated with that, with the  
23 potential for somebody to do some damage to our lines  
24 and then they're out of service.

25 COMMISSIONER TALBERT: So that's another



1 discussion for this Board then, to make sure we have  
2 the capable redundancy, regardless of growth or now,  
3 we're pumping water across the river already, whether  
4 we have 50 million people join us, 40 million,  
5 whatever, 40,000, so we need to address that if  
6 that's a concern and a true risk to you, then we need  
7 to figure that out, because that's a whole other  
8 story. If you're not comfortable with our current  
9 system being able to transfer back and forth between  
10 the two systems.

11 MR. STOMP: Madam Chair, Commissioner  
12 Talbert. I'm very comfortable with our system. It  
13 works every day. This plan does provide for the  
14 redundant capacity on the west side, that's what that  
15 six million gallons a day is, three times, or 18  
16 million gallons, so that is to provide that water  
17 availability. And again, when we're talking  
18 groundwater I want to make sure we're clear we're  
19 talking about peak demands and we're talking about  
20 when surface water is not available. We're not  
21 talking about increasing our groundwater use as a  
22 result of this development or any other development,  
23 because in Water 2120, as you know, we've set a  
24 management level in the aquifer and we're managing  
25 around that aquifer and we're going to build the

1 infrastructure to protect the aquifer for the future.  
2 And so groundwater is for peak demands and when  
3 surface water supplies aren't available.

4 COMMISSIONER TALBERT: To clarify, I  
5 did not mean to say 50 million people. That is  
6 unreasonable in the city or anywhere else right now.  
7 Thank you.

8 CHAIRWOMAN JONES: Thank you. Councilor  
9 Davis.

10 COUNCILOR DAVIS: Thank you, Mr. Stomp.  
11 Thank you, Madam Chair. Mr. Stomp, you brought up a  
12 point. And thank you, Commissioner, for bringing  
13 that up. We're not in the land use business, at this  
14 Board anyway. But if this Water Authority enters  
15 into a development agreement with, say, Santolina, we  
16 are effectively limiting options of available water  
17 for future developments that may or may not be here  
18 yet; is that right?

19 MR. STOMP: Madam Chair and Councilor Davis.

20 COUNCILOR DAVIS: Outside of the service  
21 area.

22 MR. STOMP: It's a first come, first  
23 serve basis in the sense of our availability of  
24 supply. Now, we have the hundred years where we're  
25 projecting various population growth. And again,

1     there's a lot more. As you can see, Santolina  
2     represents 9 percent or 10 percent or 11 percent,  
3     depending on which -- medium growth or low growth  
4     scenarios. So we are limiting in the sense that  
5     you're obligating capacity for 9 percent or 10  
6     percent that would be available for populations in  
7     other parts of the city. But once you make that  
8     commitment, we're legally obligated, as you know.

9             COUNCILOR DAVIS: Thank you.

10            CHAIRWOMAN JONES: Thank you. Are there any  
11     questions? Mr. Stomp, thank you very much.

12            MR. STOMP: Thank you very much.

13            CHAIRWOMAN JONES: We appreciate it. That  
14     is our last Other Business. We'll go on to 7, which  
15     is Introduction of Legislation, there are new no  
16     items. Consent Agenda, there are no items.

17            Therefore, we go to Approvals. R-18-25.  
18     Mr. Roth.

19            MR. ROTH: Madam Chair, Members of the  
20     Board. This resolution authorizes the Water  
21     Authority to submit an application to the Los  
22     Padillas Project. This is also called Phase 7 of the  
23     South Valley Drinking Water Project. This project  
24     includes the construction of five-and-a-half miles of  
25     waterlines connecting several hundred households.

1 The funding request is for \$3.4 million. We  
2 anticipate that 75 percent of that will be through  
3 subsidy, because the area does qualify for  
4 disadvantaged community status. The terms and the  
5 conditions of this financing will be determined after  
6 we submit the application. But the loan and grant  
7 agreement will come back to this Board for your  
8 approval. So this resolution simply authorizes us to  
9 submit the application.

10 CHAIRWOMAN JONES: Thank you, Mr. Roth. Are  
11 there any questions?

12 COMMISSIONER O'MALLEY: Madam Chair, I just  
13 have a quick question. This is for a grant. So this  
14 is not for a loan or anything like that, it's for  
15 grant assistance?

16 MR. ROTH: Madam Chair, Commissioner  
17 O'Malley, it's a combination of grant and loan. We  
18 anticipate that it's 75 percent grant. 25 percent  
19 loan.

20 COMMISSIONER O'MALLEY: I was just wondering  
21 what the financial boom at the state level, if we  
22 have to get a loan or if we can just get all the  
23 money. Thank you.

24 CHAIRWOMAN JONES: Any other questions? I  
25 move for approval of R-18-25.

1 COMMISSIONER TALBERT: Second.

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

4 MEMBERS: Yes.

5 CHAIRWOMAN JONES: Opposed? Motion carries.  
6 Next is Item B, which is C-18-33. Mr. Bustos.

7 MR. BUSTOS: Good evening, Madam Chair,  
8 Members of the Board. A year ago I stand here and we  
9 talked about donating trees, purchasing and donating  
10 trees for the City. Those City trees have been  
11 planted. 23 parks in the southern quadrant of the  
12 City received 150 new trees. Our tree rebate has  
13 contributed thanks to our customers and through the  
14 tree rebate we planted another 800 trees so far this  
15 year and close to 1,200 last year.

16 So I stand here to present an agreement that  
17 we're extending to Bernalillo County. And with me is  
18 Ed Martinez, he's the land manager, section manager  
19 for open space, recreation and parks for  
20 Bernalillo County. And Megan Marsee, she's water  
21 conservation and resource manager. This agreement  
22 will be \$20,000. And Ed has something to share on  
23 how it's going to help the County goals. And also  
24 Megan.

25 CHAIRWOMAN JONES: Thank you. Good

1 evening.

2 MR. MARTINEZ: Madam Chair and Members of  
3 the Board. The coming planting season, September  
4 2018 through June 2019, will be focused in Districts  
5 2 and 4, which consists of district areas located  
6 southwest and northwest of Albuquerque Metropolitan  
7 areas. These areas consist of some of Bernalillo  
8 County's most underserved rural areas, communities  
9 and parks in all. There are about 45 County parks in  
10 District 2 and 4. It's really great to work in  
11 partnership with the Water Authority. Our goal is to  
12 go through all our districts and put trees in. The  
13 canopy is very important. Not only does it add to  
14 aesthetics and property values, it brings us oxygen.  
15 Everybody loves them. I love trees. So I'm hoping  
16 to go and plant, plant, plant.

17 CHAIRWOMAN JONES: Thank you, sir. Good  
18 evening.

19 MS. MARSEE: Good evening. I just wanted to  
20 thank the Board as well for considering this MOU to  
21 donate trees to the County and increase tree canopy  
22 coverage in the County and in the Middle Rio Grande.  
23 As the County's Water Conservation Program Manager I  
24 just wanted to speak to water conservation benefits  
25 of this MOU. Planting more trees will mitigate the

1 urban heat effect in Albuquerque and will ultimately  
2 conserve water by reducing water use for energy  
3 production. So we sincerely appreciate the Water  
4 Authority partnering with us through this MOU, as  
5 well as some other water conservation efforts you all  
6 offer us, free facility audits. And there's another  
7 MOU to return irrigation surcharges and wastewater  
8 fees to us for outdoor water efficiency projects. So  
9 we feel like these projects are going to have  
10 long-term effects that are going to benefit both of  
11 our organizations and our community and we appreciate  
12 your consideration.

13 CHAIRWOMAN JONES: Thank you. Are there any  
14 questions? Commissioner O'Malley.

15 COMMISSIONER O'MALLEY: Thank you, Madam  
16 Chair. And I think this is a great project and I'm  
17 really happy, even though I don't get any trees. No,  
18 I really support the other districts.

19 CHAIRWOMAN JONES: Thank you. I make a  
20 motion to approve C-18-33.

21 MS. NAIR: Second.

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

24 MEMBERS: Yes.

25 CHAIRWOMAN JONES: Motion carries.

1 MR. BUSTOS: Thank you very much.

2 CHAIRWOMAN JONES: Thank you. Next is  
3 C-18-34. Mr. Cadena.

4 MR. CADENA: Madam Chair, Members of the  
5 Board, I present to you a Service Connection  
6 Agreement for a proposed car wash located near the  
7 intersection of McMahon and Unser. It's outside the  
8 adopted service area, therefore it needs Board  
9 approval. There's existing infrastructure adjacent  
10 to the property, so all that's required are just  
11 routine connections. The property will be required  
12 to pay the water supply charges and utility expansion  
13 charges.

14 CHAIRWOMAN JONES: Thank you. Are there any  
15 questions? I move approval of C-18-34.

16 COUNCILOR DAVIS: 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-18-35, which is approved change order three for the  
22 Albuquerque Bernalillo County Water Utility Authority  
23 billing system upgrade. Mr. Stinson.

24 COMMISSIONER O'MALLEY: So move.

25 CHAIRWOMAN JONES: You don't have to come up



1 if you want. There's a motion to approve. Motion  
2 and a second to approve. Are there any questions?  
3 All those in favor say yes.

4 MEMBERS: Yes.

5 CHAIRWOMAN JONES: Motion carries. Next is  
6 C-18-36, approval of the contract with Affordable  
7 Solar Installation to finance, construct, own, and  
8 operate to sell electricity to the Authority from a  
9 solar energy facility at the San Juan/Chama Drinking  
10 Water Treatment Plant. Move approval.

11 COUNCILOR DAVIS: Second.

12 CHAIRWOMAN JONES: There's a motion and a  
13 second. Mr. Stomp, do you want to speak or do you  
14 want us to vote?

15 MR. STOMP: Whatever you would like, Madam  
16 Chair.

17 CHAIRWOMAN JONES: All those in favor say  
18 yes.

19 MEMBERS: Yes.

20 CHAIRWOMAN JONES: Motion carries. Thank  
21 you. With that, the meeting is adjourned. Thank  
22 you, all.

23 (Meeting adjourned at 6:13 p.m.)

24

25

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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