

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY MEETING
Wednesday, May 22, 2019, 5:02 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

COMMISSIONER DEBBIE O'MALLEY, Chair (excused)
COUNCILOR KLARISSA J. PENA, Vice Chair
COMMISSIONER MAGGIE HART STEBBINS, Member
COUNCILOR TRUDY E. JONES, Member
COMMISSIONER STEVEN MICHAEL QUEZADA, Member (excused)
COUNCILOR KEN SANCHEZ, Member (excused)
MAYOR TIMOTHY M. KELLER, Member (excused)
TRUSTEE PABLO RAEL, Member
COUNCILOR PAT DAVIS, (alternate)
SARITA NAIR, (alternate)

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

1 VICE CHAIR PENA: Good evening, everyone. I
2 call this May 22nd, 2019 meeting of the Albuquerque
3 Bernalillo County Water Utility Authority to order.
4 Councilor Sanchez is excused and Commissioner
5 O'Malley is excused and Commissioner Quezada will
6 participate by telephone. All other members are
7 present.

8 Next we will have a moment of silence and
9 the Pledge of Allegiance led by Councilor Jones.

10 (Silence/Pledge of Allegiance)

11 VICE CHAIR PENA: Thank you, Councilor
12 Jones. Next item is Item 3, Approval of Minutes. I
13 make a motion to approve the April 17th, 2019
14 minutes. Is there a second?

15 COUNCILOR JONES: Second.

16 VICE CHAIR PENA: There's a motion and a
17 second for approval. All those in favor say yes.

18 MEMBERS: Yes.

19 VICE CHAIR PENA: Opposed? No. Motion
20 passes. Item 4, Proclamations and Awards, we have
21 none this evening. So we will move on to Item 5,
22 Public Comment. Ms. Carreon, how many people do we
23 have signed up to speak?

24 MS. CARREON: We have one.

25 VICE CHAIR PENA: One person this evening.

1 Okay, that person will have three minutes to speak.

2 MS. CARREON: Elaine Hebard.

3 MS. HEBARD: Good evening. My comments and
4 suggestions try to address items on today's agenda,
5 some of which are wrapped over from last month's. I
6 submitted comments to the Chair last month since I
7 was out of town. But since there's no process online
8 to do that, I have no idea what happens to those
9 things that get submitted. So my first suggestion is
10 to have a process to do that.

11 Even though the Annual Operating Plan, Item
12 10B, is prepared for the Fish and Wildlife Service
13 and it deals with river flows for managing the fish,
14 it's also used to set targets, their annual targets,
15 for groundwater use. My suggestion is, that you need
16 longer term targets for groundwater use, not just
17 annual targets. They should be in the Groundwater
18 Management Plan, which under the FY18 objective was
19 supposed to be done by now, as well as in the Fy19
20 objectives. But maybe it will be done by the end of
21 the year. This becomes important because a lot of
22 senior staff are going to be retiring, so you want to
23 make sure that these plans are in place already.

24 Since the -- it turns out that choosing
25 these aquifer levels is a bit difficult because you

1 want to choose evidently representative wells on both
2 sides. Why not just choose all wells, set objectives
3 and target for each one of those wells so that then
4 you can compile and show that there's been progress
5 according to the plan.

6 It's nearly impossible to utilize the
7 adaptive management approach, which is Policy A, if
8 you don't have such objectives. So you need
9 quantitative management objectives and desired
10 conditions. The Board could play a role in this as
11 well.

12 The Board receives a financial report on a
13 quarterly basis, but not a monthly Water Report
14 showing how much groundwater, surface water and other
15 sources of water has been used. Why not? Another
16 suggestion.

17 The Financial Plan, which is Item 7B,
18 reduces anticipated borrowing in the future. Is that
19 good news? The Financial Plan in the past, every
20 time for the last three cycles, has had to be updated
21 by borrowing an additional amount of \$39 million over
22 that time period. So the debt is still really high.
23 Why not look at trying to bring it down by perhaps
24 putting more of the cash, maybe 60 percent instead of
25 50 percent, toward CIP expenditures or raise the \$37

1 million that is the basic rate to use to a higher
2 amount so that more cash is being used rather than
3 the debt.

4 And finally, the Utility Management --
5 (Bell rings)

6 MS. HEBARD: Sorry. All right.

7 VICE CHAIR PENA: Thank you. Next item is
8 6, Announcements and Communications. The next
9 meeting is scheduled for June 19th, 2019 at 5:00 in
10 the Vincent E. Griego Chambers.

11 There is a vacancy on the Technical Customer
12 Advisory Committee. If Board members have any
13 nominations, please direct them to the online
14 application at the Water Authority's web site at
15 www.abcwua.org.

16 Item 7, Introductions. We have R-19-10, an
17 Amendment to the approval of the Operating Budget of
18 the Albuquerque Bernalillo County Water Utility
19 Authority for the fiscal year ending June 30th, 2019.
20 Mr. Stan Allred.

21 MR. ALLRED: Madam Vice Chair, Members of
22 the Board. We have before you a budget amendment for
23 FY19. It basically takes a half of \$500,000 for risk
24 to help pay for some extra worker comp claims and
25 other claims that have come up. There's sufficient

1 revenue and working capital balance to offset this
2 appropriation. I stand for any questions.

3 VICE CHAIR PENA: Any questions? No
4 questions. Thank you. Next we have the Consent
5 Agenda. There are several items. Do I read each of
6 them off, Mr. Sanchez? No, okay. So we have the
7 Consent Agenda. Is there any motion?

8 COUNCILOR JONES: I make a motion to approve
9 the Consent Agenda.

10 VICE CHAIR PENA: There's a motion --

11 COMMISSIONER HART STEBBINS: Second.

12 VICE CHAIR PENA: -- and a second for
13 approval of the Consent Agenda. All those in favor
14 say yes.

15 MEMBERS: Yes.

16 VICE CHAIR PENA: Opposed? No. Motion
17 passes. We are now on Item 9, Approvals. 0-19-2.
18 Do we want to do these together or should we do them
19 separately?

20 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair, I
21 believe Item B and C would be done together.

22 VICE CHAIR PENA: Oh, I'm sorry, you're
23 right. Yes, you're right.

24 EXECUTIVE DIRECTOR SANCHEZ: And I believe
25 there's one person signed up for public comment under

1 Item A.

2 VICE CHAIR PENA: Thank you. While you're
3 preparing, I'll go ahead and read Item A first, so
4 I'll give you a second. Amending the Albuquerque
5 Bernalillo County Water Utility Authority Water and
6 Sewer Rate Ordinance to update the Utility Financial
7 Policy to replace the water supply charge with the
8 water resource charge, establish a water assistance
9 fund and update terms, update the utility expansion
10 charge, septic tank, and chemical toilet charge by
11 3.1 percent based on the Engineering News Report
12 Indexes and update Appendix C Post Issuance
13 Compliance Policy.

14 MS. HEBARD: What I was going to show you is
15 in the Performance Plan for FY19. So the question
16 when updating the water resource charge and the
17 utility expansion charge is whether the charges
18 actually cover the cost, making growth pay for
19 itself.

20 As you can see from the performance plan
21 every year, right now the Utility does not -- let's
22 see, the red line at the bottom, the FY19 plan, shows
23 the Utility's replacement rate of assets compared to
24 other utilities. And this is a comparison that the
25 Utility does itself, this is from them.

1 So, again, the question is, and I can go
2 through a lot of this, but whether or not the costs
3 actually are going to cover the cost -- the charge is
4 going to cover the cost. Right now it looks like
5 it's not.

6 And then with the utility expansion charge,
7 the TCAC was told that currently the charges are \$288
8 below what should be charged for water service and
9 \$788 per connection for sewer service. And so the
10 request is to up them by a hundred dollars, but that
11 doesn't even bring them into line with what should be
12 charged. They hadn't been looked at since 2007
13 rather than having them annually updated. So I think
14 there's still more work to be done.

15 So my suggestion is, rather than passing the
16 suggested ordinance tonight, is to relook at those
17 charges for both the water service charge and the
18 expansion charge. I have more information in my
19 comments and I will be submitting them, although I
20 have no idea what happens to them once I submit them.
21 Thank you very much.

22 VICE CHAIR PENA: Thank you. Mr. Allred.

23 MR. ALLRED: Madam Vice Chair and Members of
24 the Board, real quick presentation just on the Rate
25 Ordinance for FY20. We conducted our biannual, or

1 every two year across the service rate principles
2 with Stantec, our rate consultant. We do that every
3 two years. Along with that we evaluated our utility
4 expansion charges and we looked at the water supply
5 charge to create, based on what we put in the
6 ordinance last year as the water resources charge
7 based on Water 2120 on the infrastructure projects
8 that was built into that project.

9 We made changes to the Water Assistance Fund
10 as well, and we updated UECs as required by the Rate
11 Ordinance by ENR index by 3.1 percent. So a
12 three-quarter inch water is \$100 increase. \$75 for
13 sewer. Again, this didn't really bring us back in
14 line with some of the numbers Ms. Hebard talked
15 about. However, it does get us closer to that number
16 and we believe for now, as we keep updating the UECs
17 by the ENR index, that we should be back in line
18 where we should be at without jumping the gun a
19 little bit and going full in on this cycle. Again,
20 we will re-evaluate this on an every two-year cycle,
21 along with our cost of service and the water
22 resources charge.

23 The Water Assistance Fund, right now it's
24 funded by donations from our ratepayers and it's also
25 funded by donations from the Water Authority staff.

1 We've add an appropriation this year of \$150,000 to
2 the Operating Budget to help fund this program. This
3 is a one-time assistance to help customers pay their
4 water bills. It will include assistance to renters
5 occupying a single family dwelling. It also helps,
6 and we've done it already, customers get current on
7 their bills so they can qualify for the low income
8 credit. And even some of our customers are on low
9 income credit, it looks like they might fall off of
10 low income credit because they got behind based on
11 maybe a turnoff fee or something like that, they've
12 gotten assistance from us one time to get that
13 current and stay on the low income credit program
14 that we help them pay their water bills. It also
15 helps customers in times of crises and reduces our
16 staff's time for doing unnecessary turnoffs.

17 Real quick, the summary of the water
18 resource charge. So again, this was taking the water
19 supply charge and creating a new water resource
20 charge that's based off the projects of Water 2120.
21 What we did is we looked at all the projects of Water
22 2120, and along with RBC Capital markets, we
23 developed a 45-year finance plan. We plugged the
24 projects for Water 2120 into that plan and determined
25 what those costs would be in the next 45 years for

1 Water 2120. Some of the assumptions we made was that
2 growth pays for growth. And that as we entered
3 development agreements as people connect to the
4 system it would pay for these projects. So this is
5 applicable to new customers outside the Authority's
6 existing service area. The intent with this is that
7 existing customers will not pay for growth. It was a
8 large increase, so we looked at phasing it in over an
9 eight-year period, which we have done. It's in the
10 ordinance to be phased in over eight years and every
11 two years, along with the cost of service, we will
12 re-evaluate this and make sure that the charges are
13 applicable and correct. And again, there's no net
14 expense utility customers for growth.

15 So real quick chart on the phase in. For a
16 three-quarter inch meter it will be about \$300
17 increase from what it is now and it's going to go
18 upwards to \$4,000, but we did that over an eight-year
19 time span to take some pressure off of the
20 development community. And I stand for any
21 questions.

22 VICE CHAIR PENA: Are there any questions?
23 No. With that, thank you. I think you're up on the
24 next items as well. I make a motion for approval of
25 O-19-2.

1 COUNCILOR JONES: Second.

2 VICE CHAIR PENA: There's a motion and a
3 second. All those in favor say yes.

4 MEMBERS: Yes.

5 VICE CHAIR PENA: Opposed? No. Motion
6 passes. We are now on R-19-8 and R-19-9.
7 Appropriating funds for operating the Albuquerque
8 Bernalillo County Water Utility Authority for fiscal
9 year beginning July 1, 2019 and ending June 30, 2020.
10 And R-19-9 is appropriating funds for the capital
11 implementation of the Albuquerque Bernalillo County
12 Water Utility Authority for the fiscal year beginning
13 July 1, 2019 and ending June 30, 2020.

14 MR. ALLRED: Madam Vice Chair, Members of
15 the Board, this is for both the Operating and the CIP
16 Budget. This year's budget for FY20 does not include
17 a rate revenue increase. There is no new FTEs in
18 this budget.

19 Expenses grew at approximately two percent
20 from last year. Again, we assume nominal growth in
21 our service area for revenue. We also assumed the
22 consumption level at about 125 gallons per person per
23 day. Capital spending increased by \$3 million and
24 that was from a cash transfer from operating.

25 So every year, as mandated by this Board, we

1 increase capital spending for our basic program by
2 three million, and we have done that with cash and
3 not with debt borrowing. So how much we have been
4 increasing capital by has been directly only done
5 with cash.

6 The Rate Reserve is fully funded at \$9
7 million. That is set aside in case there's
8 fluctuations based on consumption or what and it has
9 direct effect on our revenue. So if revenue
10 unexpectedly declines we have this reserve to draw off
11 of without having to go out and do an emergency rate
12 increase. And our fund balance at a minimum is
13 1/12th our operating expenditures, as mandated by the
14 ordinance.

15 So real quick, this revenue is about \$231
16 million for next year. We're going to use about \$4.7
17 million of working capital balance to pay for some of
18 the revenue. We have a pretty substantial working
19 capital balance right now, so we're going to use that
20 to offset the need for a rate increase. \$127 million
21 for water. 92 million for wastewater and
22 miscellaneous expenses. Revenue about 6.2 million.
23 And those are things like selling compost and other
24 things that we may generate. Debt service, \$79
25 million in expenses next year. This is our peak

1 year, so 2020 will be our high debt service year and
2 it will begin dropping off after that. Wage and
3 benefits is about 59 million. Operating expenses, 57
4 million. The transfer of other funds of 31 million,
5 which is primarily transfer to capital to pay for
6 CIP. Risk is 2.7. It stayed fairly flat over the
7 last three years. And worker's comp at about
8 700,000.

9 This is a quick graphic about where we were
10 last year in our budget versus where we are next year
11 for next year's budget. You can see at most all
12 operating levels it's fairly flat. The decrease in
13 finance is due to us moving a group out of finance
14 into the field side, so you'll see the increase on
15 the field side. If we didn't do that it would have
16 been fairly flat as well. The only increase really
17 is for transfers and that was to pay for debt service
18 and increase the transfer to pay for capital. We
19 have really maintained our operating expenditures
20 through a lot of efficiencies over the last several
21 years. So our workforce is working a lot smarter and
22 more efficient and in doing so we've really
23 controlled our operating expenditures over the last
24 several years.

25 Our FY20 Capital Improvement Plan includes

1 \$68.5 million of appropriations. Some of those are
2 appropriations moved over from FY19 to FY20 on
3 projects we have not yet finished. We have \$58
4 million appropriated for the basic rehab program.
5 And then just real quickly, we have some of the
6 initiatives of that 58 million. 23 million for the
7 Southside Water Reclamation Plant. About \$10 million
8 for Sanitary Sewer Pipeline Renewal. 2.6 million for
9 New Mexico Legislative Capital Outlay Awards Projects
10 that we got from the state legislature in the last
11 session. \$4.4 million to continue to rehab our fleet
12 and our vehicles. And as mandated by the Rate
13 Ordinance, \$2 million for our AMI projects and \$1
14 million for steel line replacement.

15 And one of the projects we just talked about
16 was Southside. So this is the Southside Water
17 Reclamation Plant. We're covering the clarifiers.
18 Two of them have been covered. The rest will be
19 covered in this next fiscal year. And so that's
20 where some of the money will be spent.

21 In the CIP spending based on the Decade
22 Plan, you can see the yellow line is our cash
23 transfers. So we are increasing our cash transfer to
24 pay for capital. And you can see that our capital
25 spending is increased at the same level. In the FY19

1 budget 57 percent of the funds paid out of capital
2 are transferred from cash from the Operating Budget
3 and has been increasing by \$3 million a year. So I
4 would say probably within the next year or the year
5 after we'll be well above 60 percent of our capital
6 expenditures funded by cash. And that has been
7 policy set by this Board that we have followed over
8 the last five or six years. And I stand for any
9 questions.

10 VICE CHAIR PENA: Are there any questions?
11 No questions. So with that, I just want to say, you
12 guys just do an outstanding job year after year. You
13 should really be commended for the work you do. And
14 then, if you don't mind, Stan, just real quickly, you
15 know, talk about some of the awards that you've
16 received this year.

17 MR. ALLRED: I'll let Mark do that.

18 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,
19 over the last couple of years we've had numerous
20 awards. One was our Surface Water Quality Award. We
21 received a Platinum Award for Excellence in
22 Management. We received the Utility of the Future
23 Award. I could go on and on, but we've had about
24 half a dozen national level peer reviewed type awards
25 for policies, for management, et cetera. But thank

1 you.

2 VICE CHAIR PENA: Well, thank you again.
3 Thank you for the work you do and what you've done
4 with reuse. I think you guys are going to be an
5 example for the rest of the country moving forward.
6 So thank you. I move approval of R-19-8.

7 COUNCILOR JONES: Second.

8 VICE CHAIR PENA: There's a motion and a
9 second. All those in favor say yes.

10 MEMBERS: Yes.

11 VICE CHAIR PENA: Opposed? No. Motion
12 passes. I move approval of R-19-9.

13 COUNCILOR JONES: Second.

14 VICE CHAIR PENA: There's a motion and a
15 second. All those in favor say yes.

16 MEMBERS: Yes.

17 VICE CHAIR PENA: Opposed? No. Motion
18 passes. We are now on Other Business --

19 COMMISSIONER HART STEBBINS: Madam Chair.

20 VICE CHAIR PENA: Yes, Commissioner.

21 COMMISSIONER HART STEBBINS: Thank you. And
22 I apologize, I hope it's okay if I go back and ask
23 one question. First of all, I want to say thank you
24 to the staff for the expansion of the Water
25 Assistance Fund. I think for those of us who

1 represent low income families, that is a really
2 significant change. Now families that rent their
3 homes are eligible. I think that's a big deal.
4 Where can people go for information about this? Do
5 you have a page on the web site or a pamphlet or
6 something that we can share?

7 MR. ALLRED: Commissioner Stebbins, Madam
8 Vice Chair, it is on our web site. There's also help
9 at the Storehouse and they have all that information
10 there as well, as well as the Rio Grande Food
11 Project. So any customer service rep you can call at
12 842-water, can assist you on that. It is on our web
13 site. And those two other agencies are actually
14 looking for customers that come in for help in those
15 agencies. They offer advice and assistance to pay
16 for those as well. And we will do a flyer, one or
17 two, in our bills in the future as well.

18 COMMISSIONER HART STEBBINS: That would be
19 great. Thank you. Thank you, Madam Chair.

20 VICE CHAIR PENA: Thank you. We are on
21 OB-19-10, Consumer Confidence Report. Mr. Mark
22 Kelly. And I notice we don't have Katherine Yuhas
23 doing the Water Report, thank God, because we've been
24 having so much water.

25 MR. KELLY: Madam Chair and Members of the

1 Board, tonight I'm going to talk about our Consumer
2 Confidence Report. This is our annual report about
3 water quality that goes out to every customer. Many
4 customers have received them already in the mail and
5 they should be all sent out by the end of this week.

6 Why we have a Water Quality Report or a
7 Consumer Confidence Report is, it's required by the
8 Safe Drinking Water Act. It lets the public know
9 what we have detected in the water. And it also
10 compares things that have been detected with the
11 standards in the Safe Drinking Water Act.

12 In the last customer opinion survey in 2018,
13 we asked the question about readership of our Water
14 Quality Report. And about 53 percent of those
15 surveyed said they never or rarely read our Water
16 Quality Report. So this year, if you notice all the
17 Board Members have copies of the report, as well as
18 copies of last year's report, it looks much
19 different. We've totally revamped it.

20 Another thing that came out of our opinion
21 survey was, between 2016 and 2018 our satisfaction in
22 the quality of the drinking water went down by about
23 eight percent. And I think one of the reasons that
24 that happened, maybe that folks don't actually know
25 the quality of their drinking water. So we're trying

1 to improve the report to educate the customers.

2 To help improve the report we had customer
3 conversations last October and November, we had four
4 of them throughout the service area. This was a time
5 where we talked about water quality with the
6 customers, as well as got their opinions on the
7 report and sought out their feedback in ways that we
8 can make the report better.

9 One of the things that came across was to
10 have the report stand out in their mailbox. And a
11 lot of folks said that because of the kind of
12 newspaper-lookingness of the old report, they were
13 less likely to read it because it kind of looked like
14 junk mail that they get all the time. So this new
15 report looks a lot sleeker, a lot better. More like
16 a brochure that you'd like to pick up somewhere.

17 Our customers also told us about using more
18 infographics. They wanted to be able to skim the
19 report to be able to get the main messages quickly,
20 and we did that here with our sources of drinking
21 water and our schematic for the San Juan Chama
22 Drinking Water Plant.

23 Our customers also told us that less is
24 more. They felt overwhelmed by the amount of
25 information and they found that it was kind of hard

1 to pick out the main points from the report, and they
2 wanted to be able to read it and know that their
3 water is safe, easily. So we've kind of paired down
4 the total square inches of the report.

5 And customers also wanted to brag a little,
6 like you mentioned with all the awards that the Water
7 Authority has got, and we noted in our customer
8 conversations about some of these awards and nobody
9 knew anything about any of them. And that was one
10 thing that folks said that they would like to see.
11 So in the new Water Quality Report they're
12 highlighted in there.

13 And they also wanted to be able to get
14 involved, to tell -- see what they can do to help.
15 So we've included ways that they can help with source
16 water protection in the report and also told them
17 about various board meetings and whatnot.

18 The Consumer Confidence Report has required
19 information like the contact information for the
20 system, sources of water. We have to include
21 definitions of all the terms that we use in there.
22 We have to talk about the detected contaminants. We
23 have to talk about compliance with various other
24 drinking water regulations, like the unregulated
25 contaminate monitoring Rule Number 4, UCMR4. And we

1 also provide some educational information.

2 In the definition section the main ones to
3 take away are the MCL, the maximum contaminant level,
4 and those are the levels that EPA set that above
5 which they do not consider that water safe. So we
6 included that in the definitions. And also we
7 included definitions about the very small amounts of
8 contaminants that are detected. Things that are in
9 the parts per million range, which is about four
10 drops of water in a 55-gallon drum. We can also
11 detect things in the parts per billion range, which
12 is one drop of water in an olympic-size swimming
13 pool. And so we included those definitions in there
14 as well to help those reading the report. We report
15 on every contaminant that is detected. And we have,
16 instead of three separate graphs for this, or tables
17 in the report, we consolidated it all into one place
18 that people can see all the information at once. And
19 that is the results of all of the over 5,500 samples
20 that we take every year.

21 One of the things in the detected
22 contaminants that we got from the customers was, we
23 put out that information, but we didn't really have a
24 spot that said, "look at all this information, but
25 everything is still safe to drink." So we

1 highlighted in our report with big green check marks
2 that everything that was detected is under the MCLs
3 and everything is safe to drink. We have done, in
4 2018, some unregulated contaminant monitoring. And
5 this is monitoring that is for, like it says,
6 unregulated contaminants. These are things that are
7 coming up that the EPA requires us to take data on
8 that they go back, they crunch the numbers and they
9 decide if they want to create a maximum contaminant
10 level or set a standard for those contaminants. So
11 we've always participated in that.

12 This is the fourth round of the unregulated
13 contaminant monitoring, and we did that on some
14 disinfection by-products and it's continuing into
15 this year with things like cyanotoxins. We have to
16 put in the report some educational language about
17 arsenic, about sodium. There's a hot line that
18 customers can call the EPA, and this language is
19 standard from EPA and it's in everyone's Consumer
20 Confidence Report.

21 We also get a chance to put some optional
22 information. Like I said, some things that are
23 optional. Like we put in the awards that we got. We
24 put in source water protection to get involved. We
25 put in some process schematics that aren't

1 necessarily needed, but help the customers out. We
2 also talk about our voluntary lead testing program in
3 the optional information. For our voluntary lead
4 testing program we report the results that are done
5 by -- any customer can call in and we will deliver a
6 container to them and they will fill it up and we'll
7 go and test it for lead and copper and provide those
8 results to them. But we also provide the results, a
9 summary of the results, in the report. We had 41
10 customers take us up on this. None of the lead
11 sampling from the compliance samples or from the
12 customer requested samples was over the action level
13 of 15 parts per billion that is established by EPA.

14 APS is also doing right now a voluntary lead
15 testing and we're coordinating with them to take
16 samples in our distribution system near where they're
17 sampling at various schools.

18 So that's pretty much everything for this
19 year's report, but looking forward to next year's
20 report. We're working right now on our
21 pharmaceutical and personal care product study.
22 We're looking at all kinds of things that aren't
23 regulated. But we did this study in 2011 and
24 presented the results to the Board and to our
25 customers and we're revamping it to see if anything

1 is new. And the results of this report are likely to
2 be at least highlighted with a link to go elsewhere
3 to read it in next year's CCR.

4 So that is all I have on the Consumer
5 Confidence Report or Water Quality Report. And I'll
6 take any questions.

7 VICE CHAIR PENA: Thank you. Any questions?
8 No. Thank you, great job. We're now on OB-19-11,
9 Annual Operating Plan. Rick Shean.

10 MR. SHEAN: Good evening, Madam Chair,
11 Members of the Board. My name is Rick Shean, I'm the
12 Water Rights Program Manager for the Water Utility
13 and I will be providing you with an Annual Operating
14 Plan. But based on comments earlier, I know nothing
15 is really going to be a surprise on how well the
16 water situation is this year.

17 The AOP is presented each year, as
18 Ms. Hebard actually said, to satisfy conditions of
19 our biological opinion that was issued by the U.S.
20 Fish and Wildlife Service in 2004. That was for our
21 Drinking Water Project. Other Endangered Species Act
22 related activities that we do is provide funding for
23 aquatic conservation facility at the BioPark. We
24 participate in the Middle Rio Grande Endangered
25 Species Collaborative Program. We participate with

1 staff going out and we participate in fish monitoring
2 and habitat surveys.

3 We contribute to research and increasing
4 understanding of the species through our work and the
5 work with our contractors. I would like to note that
6 we learned last week from the Fish and Wildlife
7 Service that the lease agreement that this Board
8 approved last year is touted as being sort of helpful
9 in not only keeping the Middle Rio Grande wet through
10 the service area, but also for saving half of the
11 minnows that they found alive last year during last
12 year's 2018 dry season. That's something we should
13 be proud of.

14 Something you may or may not be aware of, we
15 do have constraints on when we can divert. You're
16 looking at a screen shot of the daily meter readings
17 and flow data that is available to our customers on
18 the web site. I've highlighted two of the gages.
19 Those are locations just north and upstream of our
20 diversion at Alameda, and located at -- and then
21 another meter located at Central Avenue where Route
22 66 goes across the river. We're not able to divert
23 if the flows, native flows, that is Rio Grande water,
24 is below 195 cubic feet per second, or CFS. And
25 that's at Alameda. We also can't divert water from

1 the river if the native flows are below 122 CFS at
2 Central gage. Given the conditions of this year,
3 what you're seeing in the river now is almost 5,000
4 CFS and we don't actually -- the rest of the year
5 should be pretty good as well.

6 I'd like to remind you that we have lots of
7 coordination with water managers here in the Middle
8 Rio Grande. Last year in particular we had up to
9 three conference calls per week to discuss different
10 agencies releases and diversions of water. We
11 actually prepare each season a federal and state
12 agency meeting where we talk about the projections to
13 see how much water is going to be in the system that
14 year and that helps each of the water management
15 agencies develop their annual operating plans.

16 We also coordinate whether or not there are
17 going to be flood operations anticipated for the
18 year. Currently we're in what's called a flood
19 operation. You probably noticed a lot of water in
20 the river. But at this point in time we cannot
21 release any San Juan Chama water. However, in
22 anticipation of it and because of this coordination,
23 we released water before April 29th and have plenty
24 of water down in Elephant Butte to sort of transfer
25 the accounting. So we're able to divert water and

1 account for it on a daily basis from previously
2 released water.

3 As you probably already know from the press
4 and what we can see in the river is that we have well
5 overaverage spring runoff flows this year and we
6 expect a robust monsoon this summer. Flows at
7 Central gage are projected to get around 300 CFS,
8 that's significant due to the restrictions we have,
9 they must be above 122. We may be able to get and
10 probably get our full diversion this year from the
11 surface water.

12 We're expecting to at least have sort of 70
13 percent of our demand with surface water. And this
14 year's natural flows should be sufficient for minnow
15 spawning. Last year we had to actually supplement
16 flows a little bit and adjust our operations over our
17 diversion dam to enhance minnow spawning. We called
18 it a jiggle last year. And just to give you --
19 because a lot has always been made about the
20 difference between last year and this year. This is
21 a table of different river gages along the Rio Grande
22 and within the Chama River system. The percentages
23 you see are compared to what is an average flow. In
24 2018 those were actually the observed average flows.
25 So the Rio Grande near Del Norte is at 50 percent.

1 So it got about half of its normal average -- of its
2 average flow. For 2019, our projections for this
3 year, this are rather high. So the same gage that
4 got 50 percent of its normal flow can get close to
5 150 percent this year.

6 Finally, to our projected water month
7 diversions for this water year. This is a table
8 showing our demand. Please note that on the Y axis
9 that has acre feet per month that we plan to deliver
10 to our customers, ratepayers. The black line shows
11 you how much that demand is each of the months. The
12 bars underneath the black line show you how this --
13 how the demands can be met with the different water
14 in our portfolio. The blue bar shows you how much of
15 that water is going to be surface water. The green
16 bar shows you how much would be groundwater for that
17 month. And the other two bans are nonpotable system
18 services.

19 Starting in November and through March we're
20 going to try to put in up to 5,000 acre feet in the
21 ground with our new large-scale aquifer storage and
22 recovery project. Those bars are showing up above
23 demand because that is actually water that's going to
24 be stored this year and maybe used in a later year
25 when we need it the most.

1 And with that, thank you. And if you have
2 any questions, I'm open.

3 VICE CHAIR PENA: Are there any questions?
4 No. Great. Thank you, appreciate it. So with that,
5 we will adjourn. Thank you everyone for being here.

6 (Meeting adjourned at 5:42 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.

Kim Kay Shollenbarger
CCR No. 236, RPR
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