

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY MEETING  
Wednesday, August 21, 2019, 5:06 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  
COUNCILOR KLARISSA J. PENA, Vice Chair  
COMMISSIONER MAGGIE HART STEBBINS, Member  
COUNCILOR TRUDY E. JONES, Member  
COMMISSIONER STEVEN MICHAEL QUEZADA, Member  
COUNCILOR KEN SANCHEZ, Member  
MAYOR TIMOTHY M. KELLER, Member (excused)  
TRUSTEE PABLO RAEL, Member  
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           CHAIR O'MALLEY: Good evening and welcome to  
2 the Water Utility Authority Board. I bring this  
3 meeting to order for Wednesday, August 21st.

4           First item of business is to call to order.  
5 It looks like we have everyone here. Well, I guess  
6 Councilor Davis is excused.

7           So the first thing is Invocation/Pledge of  
8 the Allegiance led by Councilor Jones.

9           (Invocation/Pledge of Allegiance)

10          CHAIR O'MALLEY: Thank you, Councilor Jones.

11          Next item, Item 3 is the Approval of Minutes  
12 for June 26, 2019. I move approval. Is there a  
13 second?

14          COUNCILOR SANCHEZ: Second.

15          CHAIR O'MALLEY: There's a motion and a  
16 second. And I don't know who second. A lot of  
17 people did. All in favor say aye.

18          MEMBERS: Aye.

19          CHAIR O'MALLEY: Motion carries.

20          Next is Proclamations and Awards. We will  
21 begin with the Quarterly Employee Incentive Awards.  
22 I know there are some employees that are here to  
23 receive their awards and others weren't able to make  
24 it. If the employee is here to receive the award,  
25 please come forward when your name is called.

1           So we're going to begin with the first  
2   person and then we will hand out the awards. Luz  
3   Carreon will be handing out the awards.

4           The first individual is Charles Trujillo,  
5   \$75. Mr. Trujillo, who is an electronics technician,  
6   is recognized for going above and beyond his job  
7   description in maintaining his Commercial Driver's  
8   License so he can help out in operating heavy  
9   equipment when the need arises, as it did last April  
10   during repairs to Vacuum Station 67.

11           The next folks -- and we can save the  
12   applause to the end, that would be fine too.

13           Estrellita Flores, Charlene Martel and Debra  
14   Korfe, \$100 each. These employees are recognized for  
15   providing multiple hours of overtime shift coverage  
16   as well as training new employees during a period of  
17   staff turnover in the Dispatch Section.

18           Erin Keck, \$150 plus 4 hours. Ms. Keck is  
19   recognized for creating a unique Water Authority  
20   internship program for at-risk students and for going  
21   above and beyond to mentor and prepare the  
22   participants for further education and future Water  
23   Authority-related careers.

24           Next, Deborah Garcia, \$150. Ms. Garcia is  
25   recognized for going above and beyond in providing

1 backup coverage at the Water Quality Lab to ensure  
2 that critical microbiological analyses were completed  
3 on time.

4 Nima Bahrami, \$150 plus 4 hours.

5 Mr. Bahrami is recognized for going beyond his normal  
6 duties and coming in on his off day to help on-call  
7 staff to address electronic issues during a recent  
8 flooding emergency.

9 Carlos Lopez, \$175 plus 4 hours. Mr. Lopez  
10 is recognized for volunteering for a temporary shift  
11 change so that he could provide 230 hours of  
12 line-spot training for new employees.

13 Andrea Chandler, Kent Degruyter and Naomi  
14 Gamboa, \$150 each, plus Andrea and Naomi 4 hours  
15 each. These individuals are recognized for their  
16 innovative efforts in developing an improved and  
17 streamlined process for ordering employee uniforms.

18 Candida Kelcourse, \$150 plus 4 hours.

19 Ms. Kelcourse is recognized for developing and  
20 implementing a new property disposition process for  
21 the Water Authority.

22 Next, Stephen Kyriakokos, \$125.

23 Mr. Kyriakokos is recognized for innovating a new,  
24 time-saving process for lock-out/tag-out of large  
25 equipment.

1                   Here's another very long list, Leon Torrez,  
2   Martin Ortiz, Edward Chavez, Arturo Ramirez, Vincent  
3   Teupell, William Ortiz, Joshua Ortiz, Reuben Griego,  
4   Richard Garcia, Francisco Martinez, Arlo Gonzales,  
5   Sr., Daniel Bogue, Brian Romero, Michael Leeds, Jacob  
6   Gabaldon, Daniel Perez, Jacob Chavez, Paul Smith,  
7   Canon Duby, Sammy Sena, Jesus Cordova, Nelson  
8   Gallegos, Josette Yonek, Robert Lucero and Vernon  
9   Velarde, \$75 each. This group is recognized for  
10   their effective response to an equipment malfunction  
11   that could have lead to a serious flooding emergency  
12   at the Southside Water Reclamation Plant if not  
13   addressed quickly.

14                   So we can just take this moment and thank  
15   folks.

16                   (Applause)

17                   CHAIR O'MALLEY: We're going to start the  
18   next list. We have Henry Ortega, Paul Smith, Daniel  
19   Perez, \$200 plus 4 hours each. These individuals are  
20   recognized for improvising, on the fly, an innovative  
21   hook assembly to remove rags and debris from a  
22   clogged sewer line that was threatening to overflow.

23                   Andrew DeMarcus, \$125. Mr. DeMarcus is  
24   recognized for taking the initiative and time to  
25   train his staff on software applications they might

1 not otherwise have learned, greatly improving his  
2 group's efficiency.

3 And finally, Bryan Haikins, \$125. Bryan is  
4 recognized for his innovation in rolling out the  
5 Water Authority's new ABL software application.

6 Thank you all very, very much for your  
7 service. We really appreciate it.

8 (Applause)

9 CHAIR O'MALLEY: Next we have a number of  
10 awards. Mr. Sanchez, did you want to speak to these  
11 awards.

12 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair, I  
13 think Elizabeth Anderson is going to introduce it and  
14 can start.

15 CHAIR O'MALLEY: Thank you.

16 MS. ANDERSON: Good afternoon, Chairwoman  
17 O'Malley, Members of the Board. My name is Elizabeth  
18 Anderson, I'm the Chief Innovation and Performance  
19 Manager for the Water Authority. And tonight we're  
20 going to be presenting six recognition awards given  
21 to the Water Authority by different professional  
22 organizations. These are peer-reviewed awards  
23 recently received.

24 The first award we are presenting is an  
25 award from the National Association of Clean Water

1 Agencies. It's the NACWA Gold Award for Excellence  
2 in Management. This award recognizes the Water  
3 Authority's significant achievement in utility  
4 management. And it is a tribute to outstanding  
5 leadership and corroboration across the utility to  
6 implement successful management practices, such as  
7 the Best Management Practices, included in the  
8 industry's effective Utility Management Program.

9 And Charlie is going to present the next  
10 one.

11 MR. LEDER: Madam Chair, I'm Charlie Leder  
12 and I manage the Plant Operations Division for the  
13 Water Authority and we have a bunch of awards to run  
14 through.

15 The first being a Peak Performance Award.  
16 This is awarded by the National Association of Clean  
17 Water Agencies. Again, it's recognizing us for  
18 having five or fewer exceedances of our  
19 federally-issued discharge permit for wastewater  
20 operations. If it sounds like, gee, haven't we heard  
21 this before? Yes, you have. This is the third  
22 consecutive year we have received one of these and  
23 we're able to get even more. We'd really like to  
24 target a gold award, which is no permit exceedances,  
25 and we think that's on the horizon.

1           The next group of awards all relate to the  
2 Partnership Programs that are run by the American  
3 Waterworks Association. The first one being the  
4 Director's Award. This is for treatment operations  
5 at the San Juan Chama Drinking Water Plant. We  
6 completed a rigorous self-assessment of our  
7 operations over 2018/2019 and we're recognized for  
8 having completed that self-assessment and our  
9 contribution towards safe drinking water, a community  
10 that is above and beyond what EPA requires. Just a  
11 note of point, there was 146 criteria which we were  
12 evaluated on in detail and we scored, as optimized  
13 and documented, 134 of those criteria. That's an A  
14 minus on any teacher's grading curve. So a job well  
15 done at the San Juan Chama Water Treatment Plant.

16           The next award, again is a Director's Award.  
17 This is for completing a Phase III Self-Assessment  
18 for operations at the Southside Water Reclamation  
19 Plant. This is a new program that the American  
20 Waterworks Association started. It focuses on making  
21 clean water that we return to the environment. The  
22 thought being that some day somebody might pick up  
23 that water and turn it into drinking water, so let's  
24 make it as clean as we can. We completed a rigorous  
25 183 question self-assessment. Our utility was the

1 first in the nation to have self-assessment graded  
2 and we graded the Director's Award for our  
3 accomplishments, something all to be proud of.

4 The last award is Director's Award for  
5 Distribution. This is a program we have been  
6 involved in for several years with the American  
7 Waterworks Association. Again, the focus is on water  
8 quality, the distribution system. Doesn't make a lot  
9 of sense to make good quality water at the treatment  
10 plant if we're not focused on optimizing the  
11 distribution system. Again, this recognizes our  
12 accomplishments. Kind of a joint contribution by  
13 field operations, plant operations, and also  
14 compliance. We've all got a goal in making the best  
15 quality water this utility can. And this award is a  
16 testament to that.

17 Thanks.

18 (Applause)

19 MR. MORRIS: Madam Chair, Members of the  
20 Board, the next award is the Award for Outstanding  
21 Achievement in Popular Annual Financial Reporting.  
22 We are, for the fourth consecutive year, the  
23 recipient of the GFOA Award for Excellence in Popular  
24 Annual Financial Reporting. This is the annual  
25 report that's being recognized, you may remember it.

1 Every year an updated version of this, highlighting a  
2 different area our work, is distributed to key  
3 stakeholders and community leaders in printed form  
4 and made available on our website for the general  
5 public.

6 The PAFR Awards Program recognizes  
7 successful government efforts to make financial  
8 communications more accessible to the layreader. I  
9 would like to thank Stan Allred and Marta Ortiz for  
10 their help every year in organizing the financials  
11 and the PAFR publication.

12 And, of course, I stand for any questions.

13 CHAIR O'MALLEY: Well, congratulations.  
14 This is great. We're not surprised though, because  
15 you guys do an excellent job. I'm not surprised by  
16 all the pile of awards you got. Thank you all very  
17 much and congratulations.

18 (Applause)

19 CHAIR O'MALLEY: Councilor Sanchez.

20 COUNCILOR SANCHEZ: Thank you, Madam Chair.  
21 I would like to personally thank the staff,  
22 administrative staff, and all the employees that work  
23 for the Albuquerque Bernalillo County Water Utility  
24 Authority. You have done some incredible work over  
25 the years. With all these awards that you have

1 received, it's just an example of what each and every  
2 one of you do as a team. This doesn't happen alone.  
3 This happens as a team. Councilor O'Malley and  
4 myself just met with REDW regarding the audit they  
5 are doing, and I think our team has done a tremendous  
6 job in keeping in compliance with what is going on.  
7 I can recall three or four years ago when the City  
8 was basically handling a lot of the accounting work  
9 and reporting, we were way behind schedule and there  
10 were several findings that came out against the Water  
11 Authority. But today I don't see that at all. I  
12 want to say thank you to Stan and his team also for  
13 their work and their efficiency in what they have  
14 done as an accounting team in making sure that we are  
15 conforming and complying with the state regulations  
16 and the state auditor.

17 CHAIR O'MALLEY: Thank you.

18 We're going to go to Item 10, Other  
19 Business. 10A, Kirtland Air Force Base presentation.  
20 John Keiling, New Mexico Environment Department.  
21 Welcome.

22 MR. KEILING: Hello. Thank you, Madam Chair  
23 and Board Members. I'm John Keiling, I'm with the  
24 New Mexico Environment Department's Hazardous Waste  
25 Bureau. And I'm here on behalf of Director Stephanie

1 Stringer, who's our Resource Production Division  
2 Director who works for Secretary Kenney, who is our  
3 new secretary this past January.

4 I want to go to the first slide here.  
5 Secretary Kenney has these four guiding principles  
6 that he's developed for generally our department.  
7 And it's science, innovation, collaboration and  
8 compliance.

9 Science, using the best available science  
10 and data to inform our decision-making and protecting  
11 the public health and environment.

12 Innovation, employing creative engineering  
13 and technology solutions to address environmental  
14 problems.

15 Collaboration, engaging communities and  
16 interested stakeholders in environmental  
17 decision-making.

18 And compliance, ensuring meaningful  
19 compliance with state regulations and those permits  
20 that we issue to those facilities.

21 So on to slide three here. Talking about  
22 the 2019 activities with regards to the Kirtland Fuel  
23 Spill at Kirtland Air Force Base. There's four  
24 topics I'm going to cover here briefly.

25 Implementing effective site

1 monitoring/wellhead protection program. Updating the  
2 conceptual site model for the fuel spill. And then  
3 deploying appropriate engineering technologies  
4 regarding the fuel spill. And then continue to  
5 provide information to and collaborate with the  
6 public.

7           Slide four, site monitoring and wellhead  
8 protection. We have been monitoring wells. There's  
9 numerous wells at the site that have been installed  
10 to fill data gaps caused by the rising water table  
11 and we're still evaluating those new wells. And if  
12 we need additional wells to fill in additional data  
13 gaps, the new data will be evaluated for its  
14 adequacy.

15           Soil vapor monitoring. This is with regards  
16 to risk of vapor intrusion just off of the Air Force  
17 base in the Ridgecrest area near the VA well, and so  
18 forth. And I'll talk a little bit more about that in  
19 a minute too.

20           LNAPL, which is light non-aqueous phase  
21 liquid, that's the fuel that sits on top of the water  
22 or it's within the vadose zone, that's the area  
23 between the water table and the surface. So there's  
24 been coring being conducted and we're going to be  
25 receiving a document from the Air Force later this

1 calendar year to consider what their evaluation and  
2 investigation was on that coring.

3 No detections of EDB in drinking water wells  
4 or sentinel wells have been detected, so we're happy  
5 that's still continuing.

6 So the update of the site conceptual model.  
7 The Air Force updates the model based on new  
8 information as necessary to describe the subsurface  
9 and the contamination in the subsurface. I just  
10 wanted to add too, we also are working with the US  
11 Environmental Protection Agency too, with one of  
12 their modelers as well, and they have their own model  
13 designated for the site and it's actually fairly  
14 comparable with the Air Force's, which is a good  
15 check against the Air Force's.

16 The conceptual site model is used as a tool  
17 to predict behavior of the groundwater and the plume.  
18 And so we use that as a tool, not solely as a tool,  
19 but we actually do fieldwork too to help supplement  
20 the model to direct our work. Or direct the Air  
21 Force's work.

22 And then to deploy and evaluate innovative  
23 technologies. The Air Force is continuing to extract  
24 EDB from the northern area. This is, again, kind of  
25 north of Ridgecrest, north of off of the base of the

1 area, by operating a groundwater pump-and-treat  
2 system. And I believe several of you have already  
3 visited that location, and so forth. So that's  
4 ongoing, and EDB is continuing to be removed.

5 And then also continuing in-situ groundwater  
6 EDB biodegradation pilot test. That's an ongoing  
7 pilot test. We're hoping to get a report later this  
8 year again too on that to see what the results are  
9 and continue efforts potentially in that area to  
10 utilize that as a potential remedy option.

11 And then we're continuing to hold public  
12 meetings, poster sessions, field trips. And then the  
13 department also has a public involvement plan that  
14 we're working on to help encourage more involvement  
15 and community input, as well as all the stakeholders,  
16 including the Water Utility Authority staff.

17 Record and maintain on their website. We  
18 have a robust recordkeeping effort on our website and  
19 if there's any questions on that we can make sure  
20 everyone is aware of that. We also engage students  
21 from the local community colleges, high schools and  
22 universities to engage in helping them to understand  
23 the problems and utilize them in collaborating and so  
24 forth and also encouraging them to get into the field  
25 of environment.

1           So milestones. This is the soil vapor I was  
2     mentioning a few minutes ago. There was a work plan  
3     that was due May 30th, which was submitted by the Air  
4     Force base in May. The NMED issued a Notice of  
5     Rejection in July on that work plan and a revision is  
6     due October 30th of this year. The work plan was  
7     actually fairly deficient in a number of areas and  
8     I'm not aware of -- I can answer questions on that,  
9     but it primarily was lacking a lot of justification  
10    and decision-making by the Air Force.

11           There's an ongoing LNAPL study, as I  
12    mentioned to you, that's due later this year. And  
13    bioventing pilot test, those results are due early  
14    next year.

15           Evidence of plume extraction north of  
16    Ridgecrest. You can see here in two figures the  
17    capture zone in Quarter 2 of 2015 to Quarter 4 of  
18    2018. And these are based on results from the  
19    monitoring wells and so we're seeing a reduced area  
20    of the EDB plume in those areas over that period of  
21    time.

22           The drinking water standard is 0.5  
23    micrograms per liter. And so that's what the outline  
24    of those figures identify. So we can see a great  
25    reduction in those areas.

1           Just wanted to point out too, we have a  
2   revision of kind of the team members with Secretary  
3   Kenney starting. He's reverted this over to  
4   Hazardous Waste Bureau under the Resource  
5   Conservation and Recovery Act Permit that Kirtland  
6   holds with the department and that's out of my  
7   bureau. And so we believe we have a more robust  
8   compliance and enforcement authority over that permit  
9   with regards to the fuel spill. And so, if there's  
10   anything that gets diverted away from complying, we  
11   have a pretty strong authority under that statutory  
12   and regulatory requirements.

13           So these are the names, I won't go through  
14   this, but essentially from the governor's office all  
15   the way down through all the different bureaus and so  
16   forth within the Environment Department. And we also  
17   identify our contractor as well that's involved.

18           So I kind of talked about this already, the  
19   Hazardous Waste Bureau, HWB, that's the transitioning  
20   lead in implementing to the Resource Conservation and  
21   Recovery Act requirements. And then we're evaluating  
22   the needs for additional interim corrective measures,  
23   and that's the LNAPL results and the soil vapor  
24   monitoring and bioventing activities. We're tracking  
25   and monitoring progress and expediting activities

1 whenever we can.

2 And I'll open it up for questions. Thank  
3 you.

4 CHAIR O'MALLEY: Thank you very much,  
5 Mr. Keiling. I don't know if anyone has any  
6 questions? Councilor Sanchez.

7 COUNCILOR SANCHEZ: Thank you, Madam Chair.  
8 I'm not sure if you know, because I know there were  
9 some legislators that had filed or were looking at  
10 filing a lawsuit against the Air Force. Did those  
11 legislators meet with the Air Force regarding this  
12 issue? Because I know we had been working on this  
13 issue for a long time.

14 MR. KEILING: Yes, I know that you had been  
15 working on this for a long time. And the New Mexico  
16 Environmental Law Center in conjunction with, and I'm  
17 not quite familiar with this completely. But my  
18 understanding is, there was three legislators from  
19 the Albuquerque area that represent the constituency  
20 in the neighborhood of the fuel spill, in addition to  
21 three individuals in the New Mexico Environmental Law  
22 Center, that filed a suit. Or I should say, a  
23 notice. That one was filed back, I believe in 2015  
24 originally, and then there was an amended one that  
25 was filed here in -- I think it was June or May of

1     this year. And that's setting up the process to go  
2     through the procedures with the courts. And I am not  
3     sure if they have met with the Air Force or not yet.

4             COUNCILOR SANCHEZ: I would like to see that  
5     these legislators, these three, meet even with the  
6     Water Authority, but also meet with the Air Force to  
7     see what progress has been made. But I can  
8     understand the frustration on their end because of  
9     the amount of time this has taken.

10            MR. KEILING: Yes.

11            CHAIR O'MALLEY: Commissioner Stebbins.

12            COMMISSIONER HART STEBBINS: Thank you,  
13     Madam Chair. So I have a couple of questions. At  
14     this point in time we have interim measures and the  
15     corrective measures evaluation, right, those are sort  
16     of the two activities that are taking place now. It  
17     seems you've mentioned the possibility of additional  
18     interim measures. What would those look like?

19            MR. KEILING: Those are from those pilot  
20     studies that I mentioned earlier, the bioventing and  
21     then also from the LNAPL coring and so forth, to  
22     understand the coring back on the base. So from  
23     understanding those studies, those might be in  
24     addition to the pump-and-treat that's already going  
25     on as an interim measure.

1           COMMISSIONER HART STEBBINS: So that might  
2   drive additional interim measures as opposed to the  
3   final --

4           MR. KEILING: They potentially could all  
5   turn out to be or some subset of those could all turn  
6   out to be a final remedy.

7           COMMISSIONER HART STEBBINS: When would the  
8   Environment Department expect completion of the CME?

9           MR. KEILING: That one is difficult to know  
10   yet, because we have additional wells that are going  
11   in and so forth, and the soil vapor monitoring and  
12   all these other studies yet. But we're hoping that  
13   will happen soon.

14          COMMISSIONER HART STEBBINS: That would be  
15   nice.

16          MR. KEILING: And I'm talking soon, in  
17   months.

18          COMMISSIONER HART STEBBINS: Oh, that would  
19   be great. So the actual evaluation could be complete  
20   and --

21          MR. KEILING: Actually, the evaluation by  
22   the Air Force would be submitted in that time frame,  
23   and then the department would have to review all  
24   those options.

25          COMMISSIONER HART STEBBINS: And that is

1     what would inform the final --

2                 MR. KEILING:   Final remedy.

3                 COMMISSIONER HART STEBBINS:   Determines the  
4     final remedy.

5                 MR. KEILING:   Yes, that's right.

6                 COMMISSIONER HART STEBBINS:   Great.   There  
7     have been some questions about the status of the  
8     Phase I R-5, and I think it has been -- some of us  
9     have been told that the NMED still needs to approve  
10    that before the Air Force can submit the Phase II R-5  
11    report.   What's the status of that?

12                MR. KEILING:   Actually, no.   They can submit  
13    the Phase II while that's ongoing, and that's  
14    actually in review right now with the department.  
15    It's actually a fairly substantial document.   It's an  
16    evaluation of all of the activities that have gone on  
17    for quite a few years.   And then the Phase II is  
18    additional work since that Phase I came in.

19                COMMISSIONER HART STEBBINS:   Because I know  
20    there was an RFI, the Phase I, that was submitted  
21    several years ago when Secretary Flynn was --

22                MR. KEILING:   Yes, that one -- there was  
23    actually two RFI reports that were submitted.   One  
24    was for the groundwater aspect and the other one was  
25    for the vadose zone, and those had significant

1 deficiencies in them. We had met with the Air Force  
2 at that time when Secretary Flynn was in the office  
3 and discussed those with the Air Force. And those  
4 are supposedly to be remedied in these more current  
5 documents.

6 COMMISSIONER HART STEBBINS: I look forward  
7 to hearing if that has been done. On page 6 you show  
8 the pump-and-treat, the success of the pump-and-treat  
9 on the EDB plume that is north of Ridgecrest. Is  
10 there any conversation going on about perhaps doing  
11 interim measures south of Ridgecrest before we get to  
12 the final remedy?

13 MR. KEILING: That's something that we're  
14 going to be discussing with the Air Force soon.

15 COMMISSIONER HART STEBBINS: Great. I think  
16 those are all my questions. Thank you, Madam Chair.

17 CHAIR O'MALLEY: Any other questions? Thank  
18 you very much for the presentation.

19 MR. KEILING: Thank you.

20 CHAIR O'MALLEY: That takes us to 10B, the  
21 Drought and Precipitation Probability Report. Carlos  
22 Bustos, welcome.

23 MR. BUSTOS: Good afternoon, Madam Chair,  
24 Members of the Board. I'm Carlos Bustos and I manage  
25 the Conservation Program. So I got two slides to

1 share and it's good news in conservation.

2 Our customers have conserved almost 1.2  
3 billion gallons this year compared to 2018. And I  
4 want to give a shout out to the City of Albuquerque  
5 and the Parks and Recreation Department, that can  
6 account for almost a third of the savings with the  
7 work they're doing in the city parks, so that's  
8 great.

9 Rainfall to date is 5.8 inches compared to  
10 4.7 inches at the same time this year. And the next  
11 three months it's looking like precipitation is going  
12 to remain good and continue to receive precipitation  
13 for September, October, November. Nevertheless, we  
14 are anticipating temperature to stay high for the  
15 remainder of August and probably September as well.

16 We shouldn't see any changes in regards to  
17 the water usage or anticipate any drought  
18 restrictions for the remainder of the year.

19 CHAIR O'MALLEY: I do have a question. When  
20 it started to rain everybody got pretty excited about  
21 it and then it seems to have stopped. When are we  
22 expecting another downpour?

23 MR. BUSTOS: That happens to me also.

24 CHAIR O'MALLEY: Are we still in the monsoon  
25 season?

1           MR. BUSTOS: So the monsoon season has been  
2 kind of tricky this year, particularly with the heat.  
3 There seems to be some heat effect going on in the  
4 Midwest that's affecting the monsoon season here in  
5 the Southwest. For some reason the heat is holding  
6 the actual monsoon from actually coming in.

7           We have received normal precipitation for  
8 the month of July. August is looking a bit tricky,  
9 particularly in some areas. I was surprised to see  
10 actually some rain in the Northeast Heights, but  
11 there was a bunch of clouds in the valley, and never  
12 saw a drop. So it's kind of tricky here in  
13 Albuquerque.

14          CHAIR O'MALLEY: Well, I know you're not a  
15 predictor. I just put you on the spot, I know.

16          MR. BUSTOS: But I'm predicting it's going  
17 to be good.

18          CHAIR O'MALLEY: So once this heat --

19          MR. BUSTOS: I'm optimistic.

20          CHAIR O'MALLEY: The heat, you're saying in  
21 the Midwest is basically holding back the season a  
22 little bit. So then probably next month, and the  
23 next we'll see right around balloon season we'll see  
24 all the rain coming in.

25          MR. BUSTOS: Yes. And hopefully holds on

1     into the winter.

2                 CHAIR O'MALLEY: Does anyone have any  
3     questions about the report? Thank you very much,  
4     Mr. Bustos.

5                 MR. BUSTOS: Thank you.

6                 CHAIR O'MALLEY: We go next to Public  
7     Comment. Ms. Carreon, we have how many folks signed  
8     up?

9                 MS. CARREON: We have two speakers.

10                CHAIR O'MALLEY: You will have three minutes  
11     and we'll give a little warning bell at  
12     two-and-a-half minutes.

13                MS. CARREON: Elaine Hebard followed by Tad  
14     Niemyjski.

15                CHAIR O'MALLEY: Thank you. Welcome.

16                MS. HEBARD: Good afternoon. My name is  
17     Elaine Hebard. And while there are many activities  
18     which have merited a lot of awards, I would like to  
19     do my usual, showing a different perspective that's  
20     not otherwise brought forward.

21                The shock of water levels declining 40 feet  
22     in three years between 1989 and 1992 and 140 feet  
23     between 1960 and 1992, those lessons cannot be  
24     forgotten. We need to keep our laser focused on  
25     groundwater levels.

1           While water production has stayed about the  
2 same, it's about the same as 2017, 2015. What's  
3 different is the amount that's pumped and the amount  
4 that is diverted from the river. The amount that's  
5 pumped is in this first graphic and you'll notice  
6 that the brown bars are much higher than what was  
7 predicted, which is the blue. What was diverted is  
8 the second graphic, and that's pink versus the higher  
9 amount that was projected. And the final graphic is  
10 what the depletions to the river flows do to that  
11 higher pumping have been. So the green is actual  
12 depletion of river flows, these are what was  
13 predicted.

14           You'll notice that there's some lighter  
15 shade columns for the projections and those take into  
16 account the changes that were made in 2016 for the  
17 Water 2120. One of the big changes was that the  
18 depletions were raised by 20,000 acre feet. And yet,  
19 we're still not making them, as you can see from the  
20 2018 chart. So those depletions are paid for with  
21 Water Rights, water that comes out of the Wastewater  
22 Treatment facility called return flow credits and  
23 extra water we keep up in Abiquiu. It's taken all of  
24 those resources to cover the depletions for the past  
25 several years. But Water 2120 is projecting that

1 those depletions will be used for ASR purposes and  
2 reuse purposes. They can't be if depletions stay  
3 high, because there won't be any reuse amounts left.

4 So for that reason and because a lot of  
5 senior members are retiring soon, I have set out a  
6 number of recommendations. One of them is that the  
7 Board be given a status report on the aquifer updates  
8 that are called for in the plan every five, I would  
9 suggest every year. And I've listed, and I don't  
10 know if you can read it, but I've listed a lot of  
11 those are those kinds of things that would help, I  
12 think, the Board understand what I'm talking about.  
13 And then set up some objectives to be able to keep  
14 that development -- those development levels where  
15 they should be in Water 2120. Thank you.

16 CHAIR O'MALLEY: Ms. Hebard, you've emailed  
17 those recommendations in?

18 MS. HEBARD: I will.

19 CHAIR O'MALLEY: Thank you. Next is...

20 MS. CARREON: Tad Niemyjski.

21 CHAIR O'MALLEY: Welcome.

22 MR. NIEMYJSKI: My name Tad Niemyjski. I  
23 just want to make clear and we understand, this is  
24 Public Comment, right? We can speak on anything we  
25 want, right?

1                   CHAIR O'MALLEY: I don't think we can stop  
2   you.

3                   MR. NIEMYJSKI: I'm sorry?

4                   CHAIR O'MALLEY: It's Public Comment, you  
5   have three minutes.

6                   MR. NIEMYJSKI: Right. Anything?

7                   CHAIR O'MALLEY: Pretty much.

8                   MR. NIEMYJSKI: Thank you. My name Tad  
9   Niemyjski and I like to state what's going on. Two  
10   things on the burner here in the City of Albuquerque  
11   and County lately. Sheriff deputies on the spree  
12   killing citizens. Most recently -- also, I was for a  
13   long time for the lapel cameras. So anyway, and  
14   after latest killing, and young lady who they  
15   responded to misdemeanor, Sheriff Gonzales make  
16   comments. We are here to enforce. Well, what kind  
17   of force? Court order for misdemeanor. Mental  
18   health problem. Young woman killed to death. I'm  
19   sorry, time to wake up for the County Commissioners  
20   and everyone in the County.

21                   Now another. Take the guns away. Last  
22   Monday City Council pass the law. Let me just give  
23   you example. Let's say Steven wife call him and  
24   says, "well, will you send, because my husband acting  
25   crazy, I'm afraid he may kill me." Well, Klarissa

1     Pena brother or husband, Maggie Stebbins husband or  
2     any family member, well, how would you feel if the  
3     cop come over and went after you. That's all I got  
4     to say. Thank you.

5             CHAIR O'MALLEY: Thank you. We go next to  
6     Announcements and Communication. The next scheduled  
7     meeting of the Water Authority is September 25th at  
8     5 p.m. in these chambers.

9             The next item is 7, which is the  
10    Introduction or First Reading of Legislation.  
11    Development Agreement for Pueblo Los Cerros  
12    Homeowners Association. Kris Cadena.

13            MR. CADENA: Hello, Madam Chair, Members of  
14    the Board. I'm introducing a Development Agreement  
15    for an existing 100-unit community. It's an existing  
16    condominium complex in the Village of Corrales, which  
17    is outside the adopted service area. It's called  
18    Pueblo Los Cerros.

19            Pueblo Los Cerros is coming to the Water  
20    Authority to seek sanitary sewer service. The reason  
21    for them asking for sewer service is, their existing  
22    wastewater treatment plant that is on site is  
23    deteriorating and the New Mexico Environmental  
24    Department has indicated that they will not renew the  
25    permit.

1               Pueblos Los Cerros is not seeking water.  
2   They're receiving water via an existing onsite  
3   private well. They're only seeking sewer. And to  
4   get sewer they would be responsible for paying the  
5   applicable utility expansion charges for sewer, as  
6   well as installing a private sanitary sewer line to  
7   be owned, operated and maintained by Pueblo Los  
8   Cerros that would venture off through Corrales and  
9   into the City of Albuquerque right-of-way and it  
10   would connect to an existing manhole in our water  
11   authority system.

12              And this is the introduction, so I stand for  
13   any questions.

14              CHAIR O'MALLEY: Thank you very much.

15              Next is the Consent Agenda and there are  
16   three items. I move approval.

17              VICE CHAIR PENA: Second.

18              CHAIR O'MALLEY: We have a motion and a  
19   second. All in favor say aye.

20              MEMBERS: Aye.

21              CHAIR O'MALLEY: Motion carries.

22              I apologize. So we're looking at right now  
23   Item 9A, the Approvals for the Results of the Fourth  
24   Quarter Operating Financial Condition, unaudited and  
25   excluding closing entries. Welcome, Mr. Allred.

1                   MR. ALLRED: Madam Chair and Members of  
2 Board. Real quick. The Fourth Quarter Fiscal  
3 dashboard for 2019. The first slide here is just our  
4 revenue. Again, a lot of this data was done before  
5 we have done any of our adjustments to our  
6 financials. So we end up doing an accrual for  
7 revenue. FY19 is probably going to be about \$209  
8 million in revenue versus the 210. After the accrual  
9 there's about a \$5 million difference between FY18  
10 and FY19. That, again, was due to about the 1.2  
11 billion gallons reduction in consumption. Over the  
12 last fiscal year we made up another million dollars  
13 based off of interest income on our investments. We  
14 finished the year about \$2 million under what we  
15 thought we would do based on the budget and \$5  
16 million less than the prior fiscal year. Again, we  
17 did have sufficient fund balance to cover that  
18 difference and we still carry sufficient fund balance  
19 that this point in time.

20                   Expenditures, same thing. We're about \$2.2  
21 million under what we spent last year. Again, this  
22 does not include the accruals, but I do expect that  
23 we will be about \$500,000 under the level of FY18 and  
24 half a million dollars under what we appropriated.

25                   Operating expenditures by month. Again, you

1 can kind of see when we start ramping up the water  
2 treatment plant, those are those spikes in August and  
3 in March. But we've held our expenditures pretty  
4 flat based off of just doing 1/12th of each month  
5 throughout the year.

6 Days cash on hand, we're about 499 days cash  
7 on hand. So, again, we have sufficient cash. We're  
8 beginning to draw that down because we did not have a  
9 rate increase this year, so we'll draw down the days  
10 cash on hand and we're using a lot of that cash also  
11 for our capital program.

12 Year-to-day capital expenditures. We spent  
13 a lot in FY18 versus FY19. I think we talked about  
14 this some today at our audit committee meeting, but  
15 if you look at FY16 to '17, we appropriated a lot for  
16 those projects, but we did not get those things up  
17 and running and we didn't spend the cash for those  
18 projects. We caught up those projects in FY18. Take  
19 about two or three years to do a project and we're  
20 staying more consistent in the FY19.

21 Our debt coverage ratio. FY15 it was about  
22 2.0 for all debt. This year we're at about 1.98.  
23 FY18 was our highest level. Why this is dropping is,  
24 not that we don't have sufficient cash, is that as  
25 our revenues drop compared to what our debt payments

1     need to be, that margin is starting to decrease and  
2     that was due to the decrease in revenue we had this  
3     year. So that \$5 million decrease had an affect on  
4     our coverage. And even though we use that cash, we  
5     cannot use that cash as part of our coverage  
6     calculation. So again, we'll look at this strongly  
7     in FY20 and ensure that we maintain our coverage  
8     levels going forward.

9             Just real quick, this was done by staff, but  
10    this is also the same document that was in S&P's  
11    review, in Moody's, of our debt service this year.  
12    And again, you can see by 2025 and beyond our debt  
13    service, we pay off the San Juan Chama Project and  
14    our debt service will drop off dramatically. The  
15    difference in what we're going to pay for debt  
16    service at that point in time we'll start moving --  
17    what we're planning on doing is moving that to  
18    capital to pay for capital projects and borrow less  
19    and have more money and keep increasing our capital  
20    expenditures and we'll use that while using cash and  
21    not have to have rate increases to generate that  
22    level of cash.

23            Water production. You can kind of see the  
24    red line, it dropped well below the prior years  
25    dramatically. It's the 1.2 billions gallons in loss

1 of production and it does have an impact. And this  
2 graphic basically shows you the same thing based on  
3 consumption. You can kind of see, as we get a lot of  
4 precipitation, like in April, our consumption levels  
5 dropped. June precipitation dropped dramatically and  
6 you can kind of see the spike with our production  
7 levels during that time frame. So there's a  
8 correlation with wet weather and the amount of  
9 revenue we generate.

10 When we did the last rate increase that you  
11 approved two years ago we adjusted the base rate for  
12 water to collect about 48 percent of our revenue  
13 needs and the other 52 for -- so we try to make our  
14 rate structure more sustainable during times when we  
15 have depletions in water consumption, which kind of  
16 shows you this year 1.2 billion gallons is a lot of  
17 water and you really only had a \$5 million impact to  
18 our revenue this year. So I think we've done a  
19 really good job stabilizing our revenue stream with  
20 our rates over the last several years.

21 And I stand for any questions.

22 CHAIR O'MALLEY: Councilor Sanchez.

23 COUNCILOR SANCHEZ: Thank you, Madam Chair.

24 Stan, I have a question regarding the debt service by  
25 fiscal year. In 2020 it's a little bit over \$70

1 million, then it drops a little bit in 2021, but it  
 2 looks like it's spiking back in 2022. What would be  
 3 the reason for that increase, and then after it tends  
 4 to decrease and drop way down?

5 MR. ALLRED: At our last issue we financed  
 6 our deal to kind of drop it, drop what we paid  
 7 upfront a little bit so we didn't have to have a rate  
 8 increase. And as things paid off we set some of the  
 9 payments out so that 2022 is a year where we kind of  
 10 pay a lot -- a little more interest because we're not  
 11 paying the interest upfront in 2022, we're just  
 12 paying principal. So we'll pay more interest in 2022  
 13 and that's how we structured the deal to try to get  
 14 through without having a rate increase upfront.

15 COUNCILOR SANCHEZ: And you believe by 2040  
 16 that we will be debt free?

17 MR. ALLRED: Well, I'll be dead by then.  
 18 So, yes, I believe we will be debt free by 2040.

19 COUNCILOR SANCHEZ: Thank you.

20 CHAIR O'MALLEY: Any other questions for  
 21 Mr. Allred? Thank you very much for the  
 22 presentation.

23 We go next to Item 9B, Katherine Yuhas.

24 MS. YUHAS: Madam Chair, Members of the  
 25 Board, we are requesting approval tonight to apply

1 for a WaterSMART Grant from the Bureau of Reclamation  
2 for the design of our next aquifer storage and  
3 recovery project. Our cost share will be dependent  
4 on the amount of the award, but the maximum that it  
5 could be would be \$2,225,000.

6 CHAIR O'MALLEY: Move approval.

7 COUNCILOR JONES: Second.

8 CHAIR O'MALLEY: There's a motion and a  
9 second to approve the authorization for the Water  
10 Authority to apply for a grant. All those in favor  
11 say aye.

12 MEMBERS: Aye.

13 CHAIR O'MALLEY: All opposed say no. Motion  
14 carries.

15 EXECUTIVE DIRECTOR SANCHEZ: Madam Chair,  
16 Item A, there was not a motion to approve and a vote.

17 CHAIR O'MALLEY: I move approval.

18 COMMISSIONER HART STEBBINS: Second.

19 CHAIR O'MALLEY: Oh, there wasn't a second,  
20 okay.

21 COMMISSIONER HART STEBBINS: I second.

22 CHAIR O'MALLEY: All right. 9B, I move  
23 approval.

24 COUNCILOR SANCHEZ: Second.

25 COMMISSIONER O'MALLEY: It's like, just kind

1 of go out the door and start all over again. We  
2 didn't do anything for 9A is what you're saying.

3 There's a motion to approve 9A, which is the  
4 results of the Fourth Quarter Operating Financial  
5 Condition.

6 COUNCILOR SANCHEZ: Second.

7 CHAIR O'MALLEY: There's a motion and a  
8 second. All in favor say aye.

9 MEMBERS: Aye.

10 CHAIR O'MALLEY: All opposed say no.

11 Item B, didn't we go through that -- okay,  
12 we're good.

13 So 9C, approval of Contract for Fiscal Agent  
14 Merchant Services. Mr. Allred.

15 MR. ALLRED: Madam Chair, Members of the  
16 Board, we recommend approval for a contract for  
17 fiscal agent merchant services. We created an ad hoc  
18 committee made up of Jeff Lee, which is the Treasurer  
19 for the Water Authority; Adrian Candelaria, who is  
20 the Customer Service Manager for the Water Authority.  
21 We also had Kenneth Scott, the Bernalillo County  
22 Deputy Manager as a member; Ryan Travistad, who is  
23 our personal accountant for Bernalillo County; and we  
24 had Cecilia Aguilar, the Treasurer for the City of  
25 Albuquerque on that committee. That committee

1 recommended Wells Fargo, out of five different banks.

2 We recommend approval for Wells Fargo as our  
3 fiscal agent moving forward. And I stand for any  
4 questions.

5 COMMISSIONER O'MALLEY: Are there any  
6 questions for Mr. Allred? There's a motion to  
7 approve.

8 COUNCILOR SANCHEZ: Second.

9 CHAIR O'MALLEY: All those in favor say aye.

10 MEMBERS: Aye.

11 CHAIR O'MALLEY: All opposed say no. I  
12 believe that takes care of the items for tonight.

13 Thank you all for coming. And this meeting  
14 is adjourned.

15 (Meeting adjourned at 6:00 p.m.)

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## REPORTER'S CERTIFICATE

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

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

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Kim Kay Shollenbarger  
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