

ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY  
WEDNESDAY, May 23, 2012 5:23 P.M.

ALBUQUERQUE BERNALILLO COUNTY GOVERNMENT CENTER  
ONE CIVIC PLAZA, NW  
ALBUQUERQUE, NM 87102

Before: Kelli A. Gallegos  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

COUNCILLOR KEN SANCHEZ, Chairman

COMMISSIONER WAYNE A. JOHNSON, Vice Chairman

MAYOR RICHARD BERRY, Member (Excused)

COUNCILLOR REY GARDUNO, Member

COMMISSIONER ART DE LA CRUZ, Member

COUNCILLOR TRUDY E. JONES, Member

COMMISSION MAGGIE HART STEBBINS, Member

TRUSTEE PABLO RAEL, Ex-officio Member

MR. ROB PERRY, Admin. Officer, Alternate Member

1           CHAIRMAN SANCHEZ: I call this meeting of May  
2   23rd, 2012 to order of the Albuquerque Bernalillo  
3   County Water Utility Authority. Let the record show  
4   that all members are present this evening. We will  
5   now have a silent invocation, followed by the Pledge  
6   of Allegiance. And we will have a moment of silence  
7   and then the Pledge will be led by Troop 228 and Sage  
8   Troop 335, led by troop leader Gerald Rozban, who is  
9   the scout leader.

10           And I would like all of you to come forward.  
11   We'll have a silent invocation first, and then the  
12   Pledge.

13           (Whereupon, there was a moment of silence.)

14           (Whereupon, the Pledge of Allegiance was led  
15           by Boy Scout Troops 228 and 335.)

16           CHAIRMAN SANCHEZ: We had a meeting, myself and  
17   Mark Sanchez, with Troop 228 and Troop 335.

18           And I want to thank you for visiting our  
19   offices.

20           And they're very, very astute and they asked  
21   some very, very good questions.

22           Thank you for joining us this evening.

23           The next item on the agenda is the approval  
24   of the minutes. I make a motion to approve the  
25   April 18th, 2012, minutes.

1 COMMISSIONER DE LA CRUZ: Second.

2 CHAIRMAN SANCHEZ: We have a motion and a second  
3 by Commissioner De La Cruz.

4 Any questions? Seeing none, all those in  
5 favor, signify by saying yes.

6 ALL MEMBERS: Yes.

7 CHAIRMAN SANCHEZ: Opposed, no?

8 That carries unanimously.

9 (7-0 vote. Agenda Item 3 approved.)

10 CHAIRMAN SANCHEZ: We have no proclamations and  
11 awards this evening. The next item on the agenda will  
12 be public comments.

13 Ms. Jenkins, how many individuals do we have  
14 signed up to speak this evening?

15 And there will be a two-minute time limit  
16 for those individuals coming up to speak. There will  
17 be a warning bell at a minute and a half.

18 And, Ms. Jenkins, if you would you please  
19 call the first speaker to the podium.

20 MS. JENKINS: Willard Hunter, followed by  
21 Veronica Cruz.

22 CHAIRMAN SANCHEZ: And once your name has been  
23 called, if you would please come to the front, there  
24 is seating available for you, and be prepared to  
25 speak.

1           Welcome.

2           MR. HUNTER: Good evening. Last month I  
3       commented that the Air Force is doing a dance about  
4       their fuel spill. Well, a month later, they're still  
5       dancing, doing a jig. Dancing is a euphemism I use to  
6       tell you they aren't cleaning up the mess. And I  
7       don't think they plan to. They say they will, but  
8       their actions suggest otherwise.

9           There is commercially available technology  
10      to clean up this mess and they aren't using it.  
11      Unless this board gets serious about forcing them to,  
12      you will be one of their dance partners. There are  
13      two examples of their dance.

14           This first one is from a May 9th summary in  
15      the Albuquerque Journal of comment of Kirtland  
16      Commander John Kubinec.

17           What he says is we're very concerned about  
18      what happens in the future, and he says: We just  
19      don't have the money in our budget, just like many of  
20      you are facing the same thing in your workplaces.

21           And then he talked about the base's efforts  
22      to clean up the spill. He says: The resolution won't  
23      take that long, but it will take time and we're  
24      continuing to work it.

25           And what he's telling me is that the Air

1 Force doesn't want to spend the money to clean up  
2 their mess; they're too poor. I suggest the next time  
3 you have a chance to talk to him, you ask him what he  
4 means by the resolution won't take that long.

5 Here's another dance. This came out today.  
6 The Kirtland spokeswoman, Marie Vanover, made this  
7 comment. She said there's no contamination detected  
8 in Albuquerque's water wells; then she says the water  
9 is safe. The water is safe. The water is safe. I  
10 mean, the people in Fukushima were safe until they had  
11 their tsunami. They didn't know it was coming, and we  
12 do.

13 So the board -- I know the job of this board  
14 isn't fun and it isn't easy. And I know some of you  
15 board members are really concerned about this leak,  
16 and some of could care less. So the question is, will  
17 this board dance with the Air Force, or will you  
18 protect Albuquerque's water supply in the city. And  
19 fundamentally, this is your choice, ladies and  
20 gentlemen. You can do something or you can do  
21 nothing.

22 CHAIRMAN SANCHEZ: Thank you.

23 Next speaker.

24 MS. JENKINS: Veronica Cruz, followed Dave  
25 McCoy.

1 CHAIRMAN SANCHEZ: Welcome, Ms. Cruz.

2 MS. CRUZ: Good evening. This is a message for  
3 the Hispanic community, because I am sure a lot of  
4 people don't speak English and they don't know enough  
5 about this problem of the water.

6 (Whereas, Ms. Cruz makes a statement  
7 in Spanish.)

8 CHAIRMAN SANCHEZ: Gracias. Thank you.

9 Will you announce the next two speakers,  
10 please.

11 MS. JENKINS: Dave McCoy, followed by Jim McKay.

12 MR. MCCOY: Good evening, members. I'm Dave  
13 McCoy of Citizen Action.

14 CHAIRMAN SANCHEZ: Mr. McCoy, do you want to  
15 move the microphone closer to you.

16 MR. MCCOY: I do. The approach of protecting  
17 Albuquerque's drinking water aquifer reminds me of a  
18 fellow who parks his car on the railroad track because  
19 he doesn't see the train coming and thinks it's safe.  
20 He knows the car is safe because it has air bags.  
21 Then he goes to look for the schedule of train  
22 arrivals.

23 Right now the team of Kirtland Air Force  
24 Base and the New Mexico Environment Department and the  
25 Water Utility Authority are waiting and watching for

1 an underground locomotive of deadly contamination to  
2 hit our precious city wells. The size of the toxic  
3 trainload to our wells may be three times larger than  
4 we were originally told. It's now placed at some 24  
5 million gallons.

6 Our team strategy and defenses: New Mexico  
7 monitoring wells to better know the schedule of when  
8 the toxic train will hit; soil vapor extraction and,  
9 we are told, immersible bugs are eating the plume.  
10 Well, the bugs better eat faster, because the plume  
11 has been expanding for decades. Three-quarters of the  
12 dissolve plume is already off base within the city and  
13 going the last green miles. It's a strategy for  
14 crisis and disaster to wait and watch for the plume to  
15 travel the last few thousand feet. It's playing  
16 Russian roulette with our future.

17 You know, they're telling us that they're  
18 going to vacuum this stuff off the water with soil  
19 extraction. It's total misinformation to everybody,  
20 to the public and to the regulatory bodies. And they  
21 need to stop that. All they can do is suck vapor out  
22 of the ground. That's aviation fuel. Okay? You've  
23 got millions and millions of liquid jet fuel floating  
24 on the aquifer and trapped beneath the water table  
25 that cannot be removed by soil vapor extraction. And

1 the EPA underground storage tank division has said  
2 that. So, you know, the arrogance of certain people  
3 in the environment department to now be saying, well,  
4 you know, it doesn't matter how big it is, we  
5 remediate it. Look, this spill is now placed at twice  
6 the size of Exxon Valdez, and they still haven't  
7 cleaned up that contamination, so --

8 CHAIRMAN SANCHEZ: Mr. McCoy, your time is  
9 expired --

10 MR. MCCOY: Okay. Thank you.

11 CHAIRMAN SANCHEZ: -- but Councillor Garduno has  
12 a question for you.

13 COUNCILLOR GARDUNO: Thanks, Mr. Chair.

14 And thank you, Mr. McCoy. I regrettably got  
15 your communication. I say regrettably because it had  
16 information that I didn't want to hear and it sounds  
17 now like we're talking about a lot more than the  
18 8 million. And at the time that we were talking about  
19 8 million, it seemed to me like we were talking about  
20 a million, and everybody was denying that 8 million.  
21 Finally we settled on 8 million, and now we've  
22 graduated, if you will, to 24 million

23 Do you have it on some kind of solid  
24 information, is this something that's just  
25 speculation, or do we now have to convince the Air



1 Force or the base that in fact there is more than 8  
2 million.

3 MR. MCCOY: Well, apparently, the environment  
4 department geologist, William Moats, confirmed to the  
5 Associated Press and also to reporter John Fleck, of  
6 the Albuquerque Journal, that, yes, they think it may  
7 be at 24 million gallons. Now Jim Davis has said  
8 that, "Well, nobody knows exactly."

9 But, I mean, that's a quantum leap. That's  
10 three times. And by the way, I didn't enjoy writing  
11 that memorandum to you. I mean, this is kind of scary  
12 stuff, especially given the fact that so little has  
13 been done to remediate the plume at the size of 8  
14 million gallons, which made it the largest underground  
15 contamination of any aquifer in the history of the  
16 nation at 8 million gallons. So to jump to 24 million  
17 gallons can only kind of take your breath away.

18 COUNCILLOR GARDUNO: Mr. Chair, if I could, just  
19 one other area of concern. My office contacted both  
20 NMED and Kirtland Air Force Base to be here tonight.  
21 They were not able to make it tonight, various  
22 reasons, but I continue to contact them. And I hope  
23 to have them and I'd like to make an official request  
24 of the administration, this board, to ask both NMED  
25 and Kirtland Air Force Base to be here at next month's

1 meeting to answer some of these questions. Because it  
2 sounds like there's been -- I don't know if there's  
3 avoidance, but there certainly has not been  
4 forthrightness in coming to the meeting. And at one  
5 point, I thought that this board had asked that we be  
6 kept apprised on a monthly basis as to what kind of  
7 remediation is occurring, what kind of new technology  
8 is being used, where we are on the whole situation.  
9 And instead, we snippets.

10 And I want to thank Mr. John Fleck for  
11 writing this information so that we all can see it at  
12 one time. But I want to also make sure that NMED and  
13 Kirtland Air Force Base are here to answer those  
14 questions. Because if not, then all I can presume is  
15 that there's a level of avoidance, a level of  
16 obfuscation, and I don't think that's the way to  
17 conduct this.

18 It also concerns me that one of the previous  
19 talked about the colonel, I believe, saying that we  
20 have 50 million, and, you know, I guess when the 50  
21 million is over, that's it. And then I had someone  
22 else tell me that no, the Air Force will -- if it  
23 takes a quadrillion dollars, then that's what they're  
24 going to do. So we're getting a lot of either  
25 misinformation or conflicted information, and I would

1     like to get to a point where I could feel comfortable.

2             And with that, I also would like to thank  
3     the lady who spoke earlier and communicated with the  
4     folks who speak Spanish.

5             So thank you very much, all of you, for  
6     being so diligent.

7             MR. MCCOY: You mentioned the --

8             CHAIRMAN SANCHEZ: Excuse me. We have a  
9     question by Mr. Perry.

10            MR. PERRY: Thank you, Mr. Chairman.

11            Mr. McCoy, have you seen any engineering  
12     that shows this plume and contamination increased to  
13     24 million gallons?

14            MR. MCCOY: Engineering?

15            MR. PERRY: Yeah. Environmental.

16            MR. MCCOY: No. I was informed by geologist,  
17     Will Moats, who's been on this matter since the day I  
18     can remember NMED getting involved back in 2008. And  
19     I asked him what his basis for the 24 million was, and  
20     he said it was due to the levels of product that they  
21     were seeing concentrated in the soil. They've  
22     recently put in some 78 new wells, I believe, so  
23     they've gotten a lot of new data from that to look at.

24            MR. PERRY: And I assume that you would agree  
25     that there should be some engineering, some

1 quantitative, qualitative scientific analysis, and  
2 maybe even a report from the environmental department  
3 that substantiate this?

4 MR. MCCOY: Well --

5 MR. PERRY: Would you agree or not?

6 MR. MCCOY: I would agree that when a statement  
7 like that is made, that it needs to be responsible and  
8 it needs to address as closely as possible the  
9 scientific information upon which that statement is  
10 made.

11 MR. PERRY: And what was the context of the  
12 conversation that you had with Mr. Moats as a  
13 geologist for environmental health department for the  
14 State of New Mexico?

15 MR. MCCOY: The context was at the water  
16 protection advisory board, the last meeting in April.  
17 And he was asked by Vice Chairman Eric Webb if the  
18 environment department was still confident of the 8  
19 million gallons an in the jet fuel spill. And he  
20 replied that the -- they thought it was much larger  
21 now. And so I went up to him after the meeting and I  
22 said, "Will, what number are you placing on this now?  
23 What do you think is there?"

24 And he said, "Well, we think it's three  
25 times as large, at 24 million gallons, and my jaw just

1 about dropped to the floor, and I said, "You've got to  
2 be kidding. What do you base that on?"

3 And he said, "Well, the level of  
4 concentration we're seeing in soil."

5 And Dr. Jim Davis from the environment  
6 department was there, Rick Shean was there, and John  
7 Kieling, the head of the hazardous waste bureau was  
8 there. Neither of the other three disputed the  
9 comment and Dr. Davis said, "Well, that would still be  
10 within the range of contamination that could have --  
11 you know, the jet fuel could have been released.

12 MR. PERRY: Thank you, Mr. McCoy.

13 Mr. Chairman, would I ask Mr. Sanchez a  
14 question on this?

15 CHAIRMAN SANCHEZ: Go ahead.

16 MR. PERRY: Mr. Sanchez, have we received any  
17 notification regarding the updated environmental  
18 engineering as it relates to quantities or qualities  
19 of contamination from the state environmental  
20 department or any other engineering.

21 MR. SANCHEZ: Mr. Chairman, Mr. Perry, I am not  
22 aware of such, however, Rick Shean has been staying  
23 involved at the technical level and he may have more  
24 accurate information.

25 MR. SHEAN: Mr. Chair and Mr. Perry, we have not

1 received a report specific to the new estimate. How  
2 the data is being provided to the stakeholders is  
3 through the quarterly reports. NMED stated during its  
4 water protection advisory board meeting that the data  
5 that was available have been the executives summaries  
6 for the last couple of quarters to come up with the  
7 calculation, but it had not been done for the --  
8 within the report itself.

9 MR. PERRY: Mr. Sanchez, what about the Water  
10 Utility Authority's own engineering on this issue?

11 MR. SANCHEZ: Mr. Chair, Mr. Perry, the answer  
12 would be the same. We would not have anything current  
13 that would substantiate the increase here.

14 MR. PERRY: Thank you.

15 Thank you, Mr. Chairman.

16 CHAIRMAN SANCHEZ: Councillor Garduno, let's go  
17 ahead and proceed, because we still have seven more  
18 speakers. We can always go back and address those  
19 questions once we're done with public comments.

20 Next speaker, please.

21 MS. JENKINS: Jim McKay, followed by Steven  
22 Suttel.

23 MR. MCKAY: Hi. My name is Jim McKay.  
24 Listening to this, everything I want to say is  
25 changed. I'd like to introduce myself real quick,

1 given two minutes. I've been going to the meetings  
2 for a long time. I didn't believe what the Air Force  
3 said. I started looking into it. Long story short, I  
4 met Dave after one of these meetings. I have an  
5 extensive tech background. He's been fighting a  
6 battle of one for seven years against all this. He  
7 has banker boxes stacked to the ceiling all in his  
8 office.

9           He's the only one around here that seems to  
10 know what's going on, including the Air Force. And I  
11 made it my -- everything -- I dropped everything else  
12 I had to do in my life to go through these things  
13 along with I understand the science, which I'm very  
14 capable of doing, digitize this stuff so I can get it  
15 online as fast as possible so people can see for  
16 themselves what hasn't been said. That's a fact.

17           As far as to answer your question,  
18 Mr. Perry, about the engineering, the models that have  
19 existed for 20-plus years, there's several of them,  
20 I'd be happy to get you the information. They take a  
21 volume of soil between a top level and a bottom.  
22 Every well that's drilled into the water supply in the  
23 United States is, by law, required to file a series of  
24 reports that has to do with humidity, the consistency  
25 of soil, a whole bunch of things.

1           From that, with saturation levels of a  
2   certain contaminant, in this case jet fuel and I  
3   believe some variations on it, can with minimum  
4   maximum means, useable measurements, usable  
5   measurements, not the exact day the first drop hit the  
6   aquifer, they can determine useable minimum maximum  
7   workable amounts. For example --

8           CHAIRMAN SANCHEZ: Mr. McKay, your time is up.  
9   Thank you.

10          MS. JENKINS: Steve Suttel, followed by Sherman  
11   McCorkle.

12          MR. SUTTEL: Good evening, Mr. Chairman,  
13   members. This is more of a question than a comment.  
14   I was looking over your enabling legislation recently,  
15   72-1-10, and I would like to know if someone here can  
16   tell me, and I've left my e-mail address, where the  
17   water authority gets the authority to levy fines for  
18   things like fugitive water and sprinklers on after 11  
19   o'clock in the morning. And whether or not this board  
20   adopted that as one of their policies under Subsection  
21   2 of Subsection B, or if there's a special grant of  
22   power from either the county commission or the city  
23   council for this board to do that. And if that does  
24   exist, do you have some document that gives you that  
25   authority?



1           I would also like somebody to tell me why it  
2   is not repugnant to Article II, Section 18, of the New  
3   Mexico Constitution and the Fifth Amendment to the  
4   United States Constitution which prohibits the  
5   government from taking property without due process of  
6   law. Thank you.

7           CHAIRMAN SANCHEZ: Thank you.

8           MS. JENKINS: Sherman McCorkle, followed by  
9   Geraldine Amato.

10          MR. CHAIRMAN: Mr. Chair, Members, I'm a  
11   volunteer in and around Kirtland Air Force Base, and I  
12   have been attentive to the fuel plume over the last  
13   several years. I would urge elected officials and  
14   those in the media to continue the working group  
15   that's been established with NMED and Kirtland Air  
16   Force Base and the Water Authority and work with those  
17   responsible and competent individuals as they go about  
18   their tasks.

19          I would hope that the kind of disinformation  
20   and misinformation that was provided tonight about  
21   Colonel Kubinec -- and I urge you to find the quote  
22   that was stated here tonight. The quote had  
23   absolutely nothing to do with the fuel spill. The  
24   fuel spill does not come out of Kirtland Air Force  
25   Base budget. The quote had to do with a budget for

1 things like road maintenance and janitorial services.

2 So that information simply is inaccurate.

3 The deputy secretary for the Air Force for  
4 environment has met with many of you, with the mayor,  
5 with the governor and has repeatedly provided  
6 assurance that Air Force accepts full responsibility,  
7 that the initial tranche of money will be a minimum of  
8 \$50 million, and whatever money is necessary will be  
9 provided by the United States Air Force. Thank you  
10 very kindly.

11 CHAIRMAN SANCHEZ: Thank you, Mr. McCorkle.

12 Next speaker.

13 MS. JENKINS: Geraldine Amato, followed by Judy  
14 Cole.

15 CHAIRMAN SANCHEZ: Welcome, Ms. Amato.

16 MS. AMATO: Good evening. I agree with the  
17 seriousness of the problem we're about to encounter  
18 with the contamination of the underground water  
19 supply. I think that we have to realize that those in  
20 control of this nation do not really care about the  
21 vitality of the people in this nation because  
22 treasonous actors wish to weaken a nation from within.  
23 So the water quality is no concern to them if they're  
24 not drinking it. If it's just we over here drinking  
25 it, it's up to us to do something serious to thwart

1     their unlawful authority over us. This authority here  
2     has no authority, as you well know, because you're  
3     sitting on this board. The agenda is dictated to you.  
4     And unless we set the agendas that need to be set at  
5     the local level, nothing will change for the better.

6             There is deliberate and devious  
7     dissimulation on a regular basis about all issues.  
8     This morning on KUNM they did announce that it is  
9     determined that the underground jet fuel leak is  
10    larger than the Exxon Valdez spill, and one military  
11    guy, I didn't catch his name, did say, "Oh, don't  
12    worry about it." In so many words he said, "We can  
13    clean anything up, no matter how big it is."

14            I would say that's a big lie, that this  
15    problem is overwhelming. I can give an example. The  
16    other day I was at city council meeting and they had  
17    these group of people called animal welfare activists.  
18    If you listen to what they're really saying, they are  
19    not talking about animal welfare; they're talking  
20    about separating people from their livestock. And  
21    spaying and neutering breeds of animals that have  
22    developed over centuries into oblivion because they  
23    they don't make any distinction. And it's all in the  
24    guise of protecting animals and calling people  
25    responsible, and they're damned irresponsible.

1           CHAIRMAN SANCHEZ: Thank you Ms. Amato.

2           MS. AMATO: But you don't hear them talk about  
3 abusive police dogs when they sic dogs on unarmed  
4 people that are not resisting anything. They don't  
5 call that abusive of a dog.

6           CHAIRMAN SANCHEZ: Thanks, Ms. --

7           MS. AMATO: And they don't call it abusive  
8 domesticated birds, to say you should not feed pigeons  
9 and you shouldn't water them to be abusive towards  
10 them.

11          CHAIRMAN SANCHEZ: Ms. Amato, your time is up.  
12 Thank you.

13          MS. AMATO: My time is always up over here  
14 because this is just a ritual, this public comment  
15 period. That's why people need to get serious about  
16 doing something for themselves instead of begging  
17 people --

18          CHAIRMAN SANCHEZ: Next speaker, please.

19          MS. AMATO: -- that are irresponsible --

20          CHAIRMAN SANCHEZ: Ms. Amato, your time is up.  
21 Next speaker.

22          MS. COLE: Is it possible for me to yield my  
23 time to Dave McCoy.

24          CHAIRMAN SANCHEZ: How much time will he need,  
25 two more minutes?

1 MS. COLE: Yeah.

2 CHAIRMAN SANCHEZ: Normally, we don't, but in  
3 this particular case, we'll give him four minutes, if  
4 you'd like to yield your time.

5 MS. COLE: Thank you. And I finished extremely  
6 concerning.

7 CHAIRMAN SANCHEZ: That's fine. Thank you.

8 MS. JENKINS: Mr. McCoy has already spoke, so he  
9 will get two minutes.

10 CHAIRMAN SANCHEZ: Okay. We'll give him two  
11 additional minutes. When we're -- is there anybody  
12 else here to speak tonight? Okay.

13 MR. MCCOY: Thank you, Judy.

14 You know, now that the 24-million-gallon  
15 figure has been thrown out, we're going to see a lot  
16 of back peddling, we're going to see attempts to  
17 minimize it, but even at 8 million, it was a monster.

18 Now, there were inaccurate statements made  
19 to the Water Utility Authority at the last  
20 presentation by that Air Force base first. The  
21 movement of the LNAPL plume, which is a liquid jet  
22 fuel will not be stopped by the soil vapor extraction  
23 equipment because that is not volatile. Soil vapor  
24 extraction works on vapor. Okay?

25 Second, there is no plan for the liquid

1 LNAPL containment. On April 2nd, 2010, the New Mexico  
2 Environment Department ordered and interim measures  
3 plan to be produced by Kirtland Air Force immediately.  
4 Three additional letters followed up that order. The  
5 April 2nd letter stated: The permittee must submit to  
6 the department for its review and approval and interim  
7 measures plan that describes what immediate actions it  
8 will take to remediate and stop the migration of the  
9 LNAPL plume. And it goes on. That condition was not  
10 met.

11 Three more letters issued and two years have  
12 gone by now and the environment department has not  
13 enforced its first letter. There is no approved  
14 interim measures plan, and there is no remediation of  
15 the liquid jet fuel. So citizens and the Water  
16 Utility Authority should ask when the first gallon of  
17 jet fuel, the liquid stuff, will be actually pumped  
18 out of the aquifer. Thank you.

19 CHAIRMAN SANCHEZ: Mr. McCoy, I think that  
20 Commissioner De La Cruz has a question for you, and  
21 then I think that also --

22 COMMISSIONER DE LA CRUZ: I don't have a  
23 question.

24 CHAIRMAN SANCHEZ: I think that Councillor  
25 Garduno also had a question for you.

1           COMMISSIONER DE LA CRUZ: I don't have a  
2 question for you.

3           CHAIRMAN SANCHEZ: Let's have Councillor Garduno  
4 and then Commissioner Maggie Hart Stebbins.

5           COUNCILLOR GARDUNO: Thank you, Mr. Chairman.

6           I wanted to go back to what was said a while  
7 ago about whether it was just speculation or hard  
8 science or whether we've had folks come in with, you  
9 know, bags full of information that clearly defines  
10 the 24 million gallons. I would love to have that,  
11 but short of having that, I think that just because we  
12 don't have that proof doesn't allow us or give the  
13 luxury of sitting back and saying, "Well, it's not 24  
14 million, it's only 8." Well, not too long ago we were  
15 talking about it's only a million.

16           I worry that one of these days we're going  
17 to find out that it is 24 million, and we will have  
18 sat on our hands doing absolutely nothing, hoping that  
19 this will go away. It will not go away. And as much  
20 as we need and want the Air Force base in our midst  
21 because it is an economic engine and it is needed and  
22 some very fine people serve this country at that site  
23 doesn't take away from the fact that we have a  
24 problem.

25           Would out agree, Mr. McCoy, that this has

1 nothing to do with denigrating the mission, the people  
2 or anyone at the Air Force, rather a mistake, an  
3 unfortunate occurrence, whatever it is, that it be  
4 remediated?

5 MR. MCCOY: The people that are in this room  
6 tonight, the people at the Air Force base, you know,  
7 this was decades of something occurring that they had  
8 no control over, and they -- granted they're an  
9 economic locomotive of \$3.2 billion a year, but we  
10 need to ask, what is the value of Albuquerque's  
11 aquifer to Albuquerque?

12 It's inevitable that the dissolved plume,  
13 whether it's at 8 million gallons or 24 or a hundred  
14 million gallons, that dissolve plume is going to hit  
15 the Ridgecrest wells. And if we're not prepared for  
16 that, you're going to wind up shutting down those  
17 wells and you're going to lose a very substantial  
18 resource for Albuquerque. So, you know, I keep  
19 saying, you need to start asking for a commitment from  
20 the Air Force for planning and construction for water  
21 treatment. This is really important.

22 And Mr. McCorkle brought up the idea that  
23 \$50 million has been dedicated. And the only amount  
24 that's been dedicated is \$23 million in the Shaw  
25 contract, which is a so-called performance contract



1 for only studies and planning, not remediation.

2 There's not 50 --

3 CHAIRMAN SANCHEZ: Mr. McCoy, I think you've  
4 already answered the question that Councillor Garduno  
5 had.

6 I think that Commissioner Maggie Hart  
7 Stebbins also has a question for you.

8 COMMISSIONER HART STEBBINS: Actually, my  
9 question is for Mr. Sanchez, so I'll defer to anyone  
10 who has a question for Mr. McCoy.

11 MR. MCCOY: Could I just --

12 CHAIRMAN SANCHEZ: Just go ahead and finish up  
13 your statement, please.

14 MR. MCCOY: Pardon?

15 CHAIRMAN SANCHEZ: Go ahead and finish.

16 MR. MCCOY: The contract is for 23 million, not  
17 50 million. But you're looking at a potential here of  
18 hundreds of millions that you might need for water  
19 treatment plant, for infrastructure. You've got a  
20 \$900 million debt already, credit rating lowered,  
21 agencies are going to be cut back on the amount of  
22 financing that's available to them, you know, through  
23 these automatic cutbacks. You need to get this  
24 commitment.

25 You know, it's not just enough for the Air

1 Force to say, "We're responsible, this is our problem,  
2 we own it." You've got to ask more. You know, that's  
3 what we're -- that's what we want you to do as a Water  
4 Utility Authority.

5 CHAIRMAN SANCHEZ: Thank you, Mr. McCoy.  
6 Mr. Sanchez.

7 Commissioner De La Cruz.

8 COMMISSIONER DE LA CRUZ: Thank you, Mr.  
9 Chairman.

10 Mark, we've heard from the public a number  
11 of times now about this issue and urging us,  
12 requesting that we take some sort of action. What  
13 jurisdiction do we have? I think we need to clarify  
14 that? Because, you know, I don't know that we have a  
15 lot of things that we can do. I guess as a board we,  
16 I guess we could file a lawsuit or something against  
17 them. I'm not sure. Is there something that's  
18 clarified in our bylaws, the rules?

19 MR. SANCHEZ: Mr. Chairman, Commissioner De La  
20 Cruz, in the extreme, the board could file a federal  
21 lawsuit. And I think that has been suggested by  
22 Mr. McCoy previously in some of his miscommunications.  
23 Our role to date has been to participate with Kirtland  
24 Air Force Base in environment department and others in  
25 consistently evaluating the technical data that's

1 coming out and attempting to agree on a containment  
2 plan and hopefully a remediation plan going forward.

3 Owe have not gotten to the point of looking  
4 at contingencies about shutting our wells down. We  
5 don't see that need today. We have not seen the data  
6 that would lead us there in the short term. Mr. Shean  
7 may have more information more current than that, but  
8 that's to the best of my knowledge today.

9 COMMISSIONER DE LA CRUZ: I think you've  
10 answered this before. You've got an amount of spill.  
11 It's not growing in the sense that there's not any  
12 more being added to it. What's there is there. Is  
13 that correct?

14 MR. SANCHEZ: Mr. Chairman, Commissioner De La  
15 Cruz, I think that's correct. However, I think  
16 there's still an ongoing debate from a technical  
17 standpoint about what the extent of the spill actually  
18 is and the pace by which it's moving towards the  
19 wells. I think that's still seems to be correct.

20 COMMISSIONER DE LA CRUZ: But I guess what I'm  
21 trying to get to, it's established that they aren't  
22 spilling more into the ground at this point. What's  
23 there has already been spilled, shut off, whatever is  
24 causing the initial spill?

25 MR. SANCHEZ: Mr. Chairman, Commissioner De La

1 Cruz, I could not answer that with certainty.

2 COMMISSIONER DE LA CRUZ: At some point is the  
3 study that is being currently undertaken, does it  
4 consider -- let's assume it spread throughout the  
5 entire area, aquifer. What would the parts per  
6 millions be at that point and what would that be in  
7 terms of health.

8 MR. SANCHEZ: Mr. Chair, Commissioner De La  
9 Cruz, essentially, we would have to treat the water  
10 supply at the wellhead, wherever this was occurring,  
11 or shut down wells and drill new wells for additional  
12 production.

13 COMMISSIONER DE LA CRUZ: And if you were to  
14 shut that well or the wells nearest to that, the spill  
15 that seems to be approaching, would you be able to  
16 provide water through another avenue.

17 MR. SANCHEZ: Mr. Chairman, Commissioner De La  
18 Cruz, yes. For the last year, our water supply is  
19 probably 50 percent surface water, 50 percent  
20 groundwater. The wells in this vicinity might  
21 represent seasonally, depending on average maybe about  
22 15 or 20 percent at the peak of our groundwater.

23 COMMISSIONER DE LA CRUZ: I don't believe this  
24 board has, but has anybody, the City of Albuquerque,  
25 anyone, maybe this board needs to ask the base for a

1 plan for the actual cleanup after the study.

2 MR. SANCHEZ: Mr. Chair, Commissioner De La  
3 Cruz, I think that's certainly called for. I think  
4 the colonel has come before the board. In fact, he  
5 was here last month. I think he indicated the base  
6 owned the problem and that they were going to do  
7 everything within their power certainly to contain it.  
8 And I think there's still some uncertainty about the  
9 level of remediation going forward, not only with the  
10 resources required, but the time that it would take to  
11 accomplish that goal.

12 COMMISSIONER DE LA CRUZ: So we don't know at  
13 this point the volume of the spill; in other words,  
14 how many gallons? Is that still a question mark?

15 DISPATCH: Mr. Chairman, Commissioner De La  
16 Cruz, I believe it is. As Mr. McCoy has mentioned  
17 there was some discussion by the environment  
18 department where they thought it could be 24 million  
19 gallons, but I'm not -- I know we have not seen  
20 technical data to support that, if it does exist.

21 COMMISSIONER DE LA CRUZ: Who controls -- you  
22 know, I apologize if these questions seem elementary,  
23 but I'm learning here just like I'm sure a lot of  
24 other people are. But who controls that aquifer? I  
25 mean, we have water rights. Is it our duty to insist

1     that the base clean it up? Is it the state's? Is it  
2     the state engineer? Is it Bernalillo County? I'm not  
3     clear about that.

4             MR. SANCHEZ: Mr. Chairman, Commissioner De La  
5     Cruz, there's certainly overlapping jurisdictions and  
6     regulatory authority. I mean, ultimately, I think it  
7     would be the state environment department and the  
8     environmental protection agency.

9             COMMISSIONER DE LA CRUZ: Perhaps it's time for  
10    the board to take some action to make a request of  
11    someone, whether it's the base or multiple agencies,  
12    environmental department, state environment  
13    department, someone.

14            Thank you, Mr. Chair.

15            CHAIRMAN SANCHEZ: Commissioner Hart Stebbins,  
16    followed by Councillor Garduno, followed by Mr. Perry.

17            COMMISSIONER HART STEBBINS: Thank you, Mr.  
18    Chairman. And I'd like to follow up on some of  
19    Commissioner De La Cruz's questions.

20            I think some of us, maybe Councillor Garduno  
21    and I, have followed this most closely because it does  
22    -- the fuel spill is in our districts, our respective  
23    districts. And I have to say that there actually -- I  
24    believe that there has been a lot of exchange of  
25    information from both the Air Force, the environment

1 department and our experts, both on staff and those  
2 who we've hired. So there has been a pretty good flow  
3 of information.

4 My question is, is there anything more that  
5 we can do. So we are working with the environment  
6 department, we're working with Kirtland Air Force  
7 Base. But, really, the decisions are being made by  
8 those two entities; isn't that correct?

9 MR. SANCHEZ: Mr. Chairman, Commissioner Hart  
10 Stebbins, that's correct.

11 COMMISSIONER HART STEBBINS: Is there anything  
12 that we can do to speed things along that we're not  
13 doing now?

14 MR. SANCHEZ: Mr. Chairman, Commissioner Hart  
15 Stebbins, I'm not sure there is, actually. I think  
16 the analysis and the data through this process  
17 continues to evolve. As it is released in final  
18 scientific form, it will certainly create new problems  
19 and new resource requirements. We're certainly  
20 interested from the standpoint or protectin the public  
21 health and the groundwater supply system. That's our  
22 role and we are involved in additional monitoring  
23 independent of Kirtland Air Force Base to ensure that  
24 we know with certainty what, if any, of these  
25 contaminants are reaching or moving at a quicker pace

1 to our groundwater supply. That's been our role.

2 COMMISSIONER HART STEBBINS: And let me just  
3 give you an example. So recently there was a  
4 question that was raised whether Shaw Environmental  
5 had met its one-year goals, its one-year performance  
6 goals. And there seemed to be a difference of opinion  
7 or, you know, Kirtland had proposed, Shaw had proposed  
8 something, the environment department hadn't approved  
9 it, so we're still not there.

10 Again, is there any place where we entry  
11 into this discussion where we can try and, you know,  
12 help this along?

13 MR. SANCHEZ: Mr. Chairman, Commissioner Hart  
14 Stebbins, I think part of the dilemma is that some of  
15 this is a procurement function between the base and  
16 the contractor Shaw, as you named, and then there's a  
17 regulatory function between the state environment  
18 department and Kirtland Air Force Base in terms of  
19 compliance. And to my knowledge, there still seems to  
20 be some debate about what those requirements are. And  
21 as long as those requirements are not certain, it's  
22 very difficult for Kirtland, through its contractor,  
23 to determine what that performance outcome might be.  
24 I think that's part of the dilemma.

25 COMMISSIONER HART STEBBINS: Thank you. And I



1 want to say that I really do appreciate the  
2 environment department, I appreciate Kirtland giving  
3 us a seat at the table through the technical  
4 committees and the stakeholder meetings and sharing  
5 the information on a regular basis with us. And I'm  
6 not sure that I'm yet at a point where I feel we need  
7 to move beyond that. I really do feel all have the  
8 same goal here and the best way to reach that is to be  
9 collaborative.

10 Do you feel we're at the point where we need  
11 to be looking at the what-if scenario, you know, the  
12 idea that it is inevitable that this contamination is  
13 going to reach our wells? Or are we not there yet?

14 MR. SANCHEZ: Mr. Chairman, Commissioner Hart  
15 Stebbins, I think the nature of our business is we  
16 always look at the what if, and we'd be remiss if we  
17 did not, in just about everything we do, because we're  
18 forced to do that by those who regulate us.

19 The only uncertainty for was would be how do  
20 we pay for that remediation or replacements of the  
21 wells. I can only assume that when the commander  
22 says, "We own the problem and we are good for it," and  
23 the Assistant secretary Yonkers has also made the same  
24 remarks, that if that eventuality reared its head in  
25 the near term, that they would step forward and

1     reassure us that they would pay for those remediations  
2     or the new wells.

3             COMMISSIONER HART STEBBINS: Thank you, Mr.  
4     Sanchez.

5             Thank you, Mr. Chair.

6             CHAIRMAN SANCHEZ: Councillor Garduno and then  
7     CAO Perry.

8             COUNCILLOR GARDUNO: Thank you, Mr. Chair.

9             Mr. Sanchez, since you're up there, I'll  
10    continue. Let me ask you, a question was posed a  
11    while ago about jurisdiction and whether or not we  
12    have the standing in this whole discussion about  
13    water. I thought we were called the water authority,  
14    and therefore we would have standing on anything  
15    water. If somebody pollutes it, if somebody destroys  
16    it in whatever way it would be destroyed, we would  
17    weigh in. But to say, you know, we can only take care  
18    of what comes out of the spigot is really silly,  
19    because if Intel were to spill some kind of chemical,  
20    we would be able to go back to Intel and say, you  
21    know, "You've got to stop it, you've got to remediate  
22    and you've got to take care of this." Same thing with  
23    anything that comes into, whether it's effluent or  
24    anything else, we would have jurisdiction over that.  
25    That is no different than what's happened here.

1           So for anyone to say, you know, we have no  
2   jurisdiction over a federal agency is really a way to  
3   say, you know, they can do whatever they want and we  
4   can just stand by and say it's all right by us. Is  
5   that true?

6           MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
7   I'm not sure I said that. I think what I said was  
8   that we are regulated by the state and by EPA, and  
9   hypothetically, if this situation were to occur, where  
10  these contaminants found a way into the groundwater,  
11  our regulators would enforce their permits with us  
12  indicating something had to be done.

13           As I mentioned also, if this board chose to,  
14  you could say we will file a lawsuit against Kirtland  
15  Air Force Base in an attempt to have standing legally  
16  through the federal courts. I don't think I suggested  
17  we have no role in this.

18           COUNCILLOR GARDUNO: No. I think it was  
19  intimated, at least the way I heard the question a  
20  while ago, that we had no jurisdiction over a federal  
21  agency. That's the way I heard it. That being the  
22  case, I think we do. Notwithstanding what you just  
23  said, which is a federal lawsuit.

24           In the spirit of collaboration, in the  
25  spirit or cooperation with other agencies, be they

1 federal, state, or local, I think we do need to start  
2 talking to each other but not outside of the realm of,  
3 you know, what we think we control. Because that  
4 contaminant that has gotten out of a secluded area,  
5 which was the base, is now affecting the city and it's  
6 affecting a part of the city that heretofore I think  
7 didn't know that was happening. Now they do and  
8 they're very concerned. I hear about it on a daily  
9 basis, what is happening, what kind of fumes are  
10 coming out of the ground, when is this going to be  
11 taken care of. And no one has given a good answer.

12 In fact, I think the answers that have been  
13 foisted are answers that are nonanswers and in fact  
14 they're obfuscations of the facts. And the facts are  
15 that there's a lot of contaminant under the ground,  
16 ready to -- and then I think, I've been told, and I've  
17 talked to other people besides folks on staff and  
18 folks at Kirtland Air Force Base and Shaw and NMED,  
19 people outside. Mr. Patterson from Design Tech  
20 Instruments in Houston has an opinion about that. I  
21 have talked to other folks who have also information  
22 and knowledge and expertise. I know there's been some  
23 doubt cast about who's been bringing these issues  
24 forward as if they their laypeople who don't know  
25 anything. And I counter that. I've talked to many

1 people who know a lot about this information that's  
2 been out there. And now when we're talking about 24  
3 million, we're pretty soon going to be swimming in  
4 this stuff. And the fact that it's -- whatever the  
5 amount is, it's a known amount and it's not going to  
6 -- no more is being added to it is ludicrous. That is  
7 a traveling, as someone already said, tsunami. That  
8 is liquid that is going to go wherever it wants to go  
9 and contaminant more and more so as the time goes by.  
10 And I've been told that we probably are beyond the  
11 tipping point, the tipping point being there's very  
12 little we can do about it.

13 So if we don't act quickly and keep this  
14 discussion around the he said, they said, we said and  
15 no one doing anything, we're never going to get this  
16 done. And I just am appalled that we would be stuck  
17 at that place of trying to blame each other.

18 MR. SANCHEZ: Mr. Chairman, just to address  
19 Councillor Garduno's comment. This board and this  
20 board have actually not been sitting on it while this  
21 has occurred. We've been monitoring this situation  
22 through our own monitoring wells. Through an  
23 agreement, Kirtland Air Force Base has reimbursed us  
24 those costs. In addition, about a year and a half  
25 ago, the board actually requested that we hire an

1 independent consultant to advise us on the situation.  
2 We have done that. Enterra has been advising us and  
3 been involved in this process, so we continue to be  
4 involved in the monitoring.

5 The other thing I would tell you is, there  
6 is no disagreement this is not a good situation. I  
7 think what --

8 MR. GARDUNO: When's the last time we got  
9 information from Enterra? Do you know?

10 MR. SHEAN: Mr. Chairman, Councillor Garduno,  
11 probably within the last week we've been working with  
12 Enterra.

13 COUNCILLOR GARDUNO: And from that information,  
14 were you able to decipher anything about what's being  
15 discussed presently.

16 MR. SHEAN: The volume of the plume, well, we  
17 are talking about the nature of the soil vapor  
18 extraction, cleanup, you know, different velocities  
19 which the dissolved phase plume could reach the  
20 production wells. So that's been the latest  
21 conversations.

22 COUNCILLOR GARDUNO: But, Mr. Chair, Mr. Shean,  
23 at no time has Enterra looked at volume as a function  
24 of what this discussion is all about?

25 MR. SHEAN: As I mentioned earlier, Councillor

1 Garduno, actually, the information available to make a  
2 determine it wasn't available since about the  
3 beginning of this year. Enterra's tasks have been  
4 more to evaluate the technology.

5 COUNCILLOR GARDUNO: So it begs the question, so  
6 that you sum up what was used a while ago as far as  
7 expertise. Expertise is great if they're looking at  
8 what we're wondering about. If they're not looking  
9 there, they'll never find it; is that right? If  
10 they're not looking for volume and they're telling you  
11 the technology is correct, the reports are in order,  
12 Page 3 follows Page 2, that's great. But they're not  
13 doing any kind of investigative engineering  
14 calculations as to where we are.

15 MR. SHEAN: You know, currently, we didn't task  
16 Enterra with determining those volumes.

17 COUNCILLOR GARDUNO: So to say that we've been  
18 doing that is not true. We're not asking anyone to  
19 look for volume.

20 MR. SHEAN: Sort of the receiving end of what  
21 this plume would be, we've been tasked, we've been  
22 doing other activities in looking at this  
23 investigation. There's a lot of data. I know not  
24 directly has it been, but the signatures of whatever  
25 is in the ground, you know, is present within the

1 data. I mean, we see what we see. Whether you call  
2 it 3 million or 24 million, you can see what's there.  
3 But it's hard to get a good number. Anyone's guess at  
4 this point.

5 COUNCILLOR GARDUNO: To, Mr. Chair, I think to  
6 say that 24 million doesn't exist because we don't see  
7 it or we haven't found it or we haven't looked for it,  
8 is just a ruse. I mean, it's just not a way to  
9 conduct this. If we want to know whether or not we  
10 have 24 million underground, we should go looking for  
11 it and disprove it or prove it, but not to say since  
12 we don't know, maybe it doesn't exist. And, you know,  
13 I reserve the right to ask more questions later, but  
14 Mr. Perry I'm sure has some.

15 CHAIRMAN SANCHEZ: CAO Perry and then  
16 Commissioner Johnson.

17 MR. PERRY: Mr. Sanchez, I want to thank you and  
18 your staff for actively becoming engaged in issue, and  
19 I don't agree with the notion and suggestion that you  
20 haven't been diligent in doing that. The way I see  
21 this is that the environmental testing has been  
22 undertaken by and at the cost of the United States Air  
23 Force, the federal government. The Water Utility  
24 board has contracted with Enterra. Enterra, as well  
25 the state environmental department, which is the chief



1 regulatory agency of this, looks at the samples that  
2 are taken from the test wells, and they've looked at  
3 the quantitative, qualitative scientific analysis and  
4 they conduct some of their own conclusions about that.  
5 But that basically we're not redundantly drilling one  
6 test well that Mark Sanchez and the Water Utility  
7 Authority dug out next to the same one that the Air  
8 Force's engineers did. Is that fairly correct.

9 MR. SANCHEZ: Mr. Chairman, Mr. Perry, that's  
10 correct.

11 MR. PERRY: Okay. And have you had the  
12 opportunity to look at other contamination sites  
13 around the country and looked at how they've been  
14 handled and how long they've taken?

15 MR. SANCHEZ: Mr. Chairman, Mr. Perry, yes. In  
16 fact, if there's a silver cloud, if you will, in this  
17 situation, as bad as it may be, there is someone we  
18 can point to who owns it and accepts responsibility  
19 for it.

20 Typically, with these kinds of situations,  
21 there is no one who owns, no one who has resources,  
22 and it sits idle, in fact, we are sitting on a  
23 Superfund site that has no remediation, there is no  
24 plans for remediation and no one with resources to do  
25 anything about it. And this is not the only one in

1     Albuquerque.  So there are thousands across the  
2     country.

3             MR. PERRY:  So the good news in this is that  
4     Uncle Sam owns this site, not some defunct railroad  
5     from the 1950s that has no assets, no financial  
6     ability to engage in meaningful remediation; is that  
7     correct?

8             MR. SANCHEZ:  That's correct.

9             MR. PERRY:  And Uncle Same and the United States  
10    Air Force by virtue of the command, former commander  
11    Duval, current commander Kubinec, as well as the  
12    secretary of the Air Force, Yonkers, have basically  
13    stepped up and basically said that they own this by  
14    virtue of their responsibility and liability and that  
15    they would engage in a cleanup; is that right?

16            MR. SANCHEZ:  Mr. Chair, Mr. Perry; that's  
17    correct.

18            MR. PERRY:  We're talking about potentially  
19    millions and maybe hundreds of million dollars in  
20    cleanup.  I'm not asking you to project the solvency  
21    of the United States government because some may argue  
22    with that, but would you agree they'd probably be the  
23    largest entity in the United States that could  
24    undertake that financial challenge.

25            MR. SANCHEZ:  Mr. Chairman, short of Apple, yes.

1           MR. PERRY: I just want to point out that I know  
2   you've been actively involved in this and the mayor  
3   has, too. The mayor traveled to Washington, he went  
4   to the Pentagon, met with Secretary Yonkers, has  
5   personally met with Commander Kubinec and former base  
6   commander Duval, and it seems that there has to be  
7   something of a critical past here. This didn't going  
8   to be solved in a matter of a year or two; that what  
9   took many years to create is probably going to take  
10  many years and many millions of dollars to correct.  
11  Would you see that as the path to making this water  
12  clean drinking water, usable water?

13           MR. SANCHEZ: Mr. Chair, Mr. Perry, certainly.  
14  The only thing I would point out is the water  
15  protection advisory board, which is the city, the  
16  county and the Water Authority jointly, engaged in  
17  this process are very involved and have highly skilled  
18  individuals involved in this process.

19           But clearly this is a multi-decade kind of  
20  endeavor. And the \$50 million commitment that has  
21  been touted is probably an installment in this  
22  process, and I think everyone realizes that.

23           MR. PERRY: And are you satisfied with the  
24  collaborative efforts of the major principals  
25  involved, particularly that of the United States Air

1 Force, Kirtland Air Force Base, the state  
2 environmental department? I think it was last month  
3 that there was some delays in some of the permits to  
4 actually go in and begin some of the preliminary,  
5 preliminary remediation, but that ultimately permits  
6 were issued. I think more than the permits, that the  
7 environmental department agreed that that was the best  
8 approach. Are you satisfied that the state is taking  
9 an active role and meaningfully trying to address this  
10 issue, both from the perspective of assessment, as  
11 well as from the perspective about short and long  
12 range proper remediation?

13 MR. SANCHEZ: Mr. Chairman, Mr. Perry, I think  
14 everyone is engaged. No one is sitting idle watching  
15 this problem grow without attention. If you would see  
16 the technical detail and memoranda that are sent  
17 daily, weekly, this is probably more of a contact  
18 sport than collaboration, but certainly everyone is  
19 engaged in this process.

20 MR. PERRY: Thank you, Mr. Sanchez, for your  
21 calm head and thoughtful analysis of this.

22 CHAIRMAN SANCHEZ: Commissioner Johnson and then  
23 Commissioner De La Cruz.

24 COMMISSIONER JOHNSON: Thank you, Mr. Chair.  
25 And I hear you mention earlier that you couldn't say

1 for sure that the Air Force -- or that the spill has  
2 been stopped, the leak has been stopped. And I wanted  
3 to say that a little bit over a year ago, I took a  
4 tour of the affected area and the fuel site where the  
5 original spill took place. And Air Force at that  
6 point assured me that that facility had been repaired  
7 and in fact they removed all underground storage on  
8 the Air Force base and everything is above ground,  
9 which seems like a pretty good idea, because you're  
10 going to see -- if something is going to leak, you can  
11 see it coming out.

12 I believe that time is really on our side, a  
13 certain extent. The efforts of the Air Force have  
14 been, I think, pretty good. Now, do they bear  
15 watching? Certainly, because we're an interested  
16 party. But I also want to make sure that people  
17 understand the authority of this board does not extend  
18 to regulatory matters as far as water quality is  
19 concerned and outside of our system. We have water  
20 quality regulations that we must abide by, but we  
21 don't get to set them here. That's members of our  
22 bodies -- or individual bodies have some authority to  
23 make those regulations. But we cannot, at this board,  
24 create water law that is enforceable. The only policy  
25 within -- and, please, correct me if I'm wrong -- the

1 policy within this department.

2 MR. SANCHEZ: Mr. Chairman, Commissioner  
3 Johnson, you can, you do have the authority to set the  
4 water quality standards.

5 COMMISSIONER JOHNSON: Within the system.

6 MR. SANCHEZ: Yes.

7 COMMISSIONER JOHNSON: But not externally?

8 MR. SANCHEZ: Correct.

9 COMMISSIONER JOHNSON: There we have to rely on  
10 the existing law, state law, federal law, the EPA,  
11 NMED for to those to do it. So I don't want people  
12 think that we have the ability to impose our will on  
13 any entity outside of this one, whether that's the  
14 City of Albuquerque or Bernalillo County or the United  
15 States Air Force, for that matter.

16 I understand everybody's frustration,  
17 because what we want to do is get going and it seems  
18 like nothing is happening. But I can assure you that  
19 that isn't the case, and I would encourage all the  
20 parties to continue their contact sport and to  
21 continue working well together in threshing out these  
22 ideas. But it's not just as easy as saying we're  
23 going to remediate and we're going to do it now. It's  
24 not that simple, because the science doesn't allow you  
25 to do that.

1           And what's going on in the aquifer and  
2   what's going on five feet below ground is almost  
3   impossible to tell with a hundred percent accuracy.  
4   And anybody that tells you that they know it's a  
5   hundred percent is feeding you false information,  
6   because as you get deeper and as you go deeper into  
7   the aquifer, you're going to find that our information  
8   is less and less accurate. We have an idea, but we're  
9   not absolutely sure. At one point we thought we had  
10   an aquifer the size of Lake Michigan; later we found  
11   that that wasn't the case.

12           And we have to remember that science is  
13   limited to its ability to gather data, and same thing  
14   that was here. So it's a frustration for all of us.  
15   We'd like to be able to just grab the problem and  
16   solve it, but we don't know exactly what the problem  
17   is. And I think the Air Force's presentation last  
18   month had really brought that to the fore. They're  
19   still trying to characterize exactly what the plume  
20   looks like in part of the area. Got some good ideas,  
21   but even that work isn't quite done.

22           So thank you, Mr. Chairman.

23           CHAIRMAN SANCHEZ: Thank you, Commissioner.

24           Commissioner De La Cruz.

25           MS. CRUZ: Thank you, Mr. Chairman.

1           Mark, how long ago did this spill occur?  
2   Remind us. I know we've heard it, but for the benefit  
3   of the public that may be just tuning in to this  
4   situation now.

5           MR. SANCHEZ: Mr. Chairman, Commissioner De La  
6   Cruz, I believe it was officially recognized in 1997.

7           COMMISSIONER DE LA CRUZ: So it was officially  
8   recognized in 1997, having occurred over what period  
9   of time? Any idea?

10          MR. SANCHEZ: Several decades.

11          COMMISSIONER DE LA CRUZ: It seems to me that  
12   this is a relatively slow-moving Tsunami, as it was  
13   described earlier. And not to diminish the importance  
14   of this matter or the potential for its effects on  
15   drinking water, but it's unfortunate that some folks  
16   want to characterize it as an emergency or that  
17   they're alarming the public I think unduly. It's  
18   unfortunate.

19                 Last year, under Commissioner Hart Stebbins'  
20   leadership, and I cosponsored that independent review  
21   of what the Air Force was doing so that we would have  
22   a handle on that, I think that outside of the rhetoric  
23   and hot air, I think it's important for board members  
24   to submit legislation, submit action items, rather  
25   than belabor verbally an item or an issue.



1           And, Mr. Chair, I would request that we  
2 follow our rules of order. I think that we are  
3 allowed ten minutes on an item. I think that it  
4 serves no one any good to extend that unlimited time.  
5 I think we have unlimited time. As we require of the  
6 public, the public gets two minutes, three minutes or  
7 whatever that is, I think we need to be held to the  
8 same standard based on our rules. Because we can sit  
9 up here and opionate all day long.

10           Thank you, Mr. Chairman.

11           CHAIRMAN SANCHEZ: Thank you, Commissioner De La  
12 Cruz.

13           I have a couple of comments on this issue.  
14 One of the concerns that I have is the federal  
15 government is saying that they own this, but every two  
16 years we seem to change commanders and now we're  
17 looking at a 24-million-gallon spill when in the past  
18 we were talking eight million. This could cost the  
19 federal government up to \$500 million, I believe.  
20 But, again, I think this is maybe a Tsunami that's  
21 coming slowly, but I think we need to stay on top of  
22 this. I think it's a very, very critical and  
23 important issue.

24           And I'm glad for the work of Commissioner  
25 Hart Stebbins. She has been on top of this and

1 working with us, but I think it's going to take a  
2 collaborative effort. It's going to take the City of  
3 Albuquerque, the Albuquerque Bernalillo County Water  
4 Utility Authority, the State of New Mexico and the  
5 federal government working in collaboration to deal  
6 with this serious problem and I think the public needs  
7 to be aware of what's going on.

8 I think this is alarming. This has been  
9 going on now for some time, and we've got to find a  
10 solution to this problem. One of the concerns I had  
11 that the commander made is he said that they could  
12 contain it but that they couldn't remediate the  
13 problem. And that was a real concern for me. I think  
14 it's gone on for so long that now they're looking at  
15 only containing and not resolving the problem. That's  
16 a very big concern for myself.

17 Councillor Garduno.

18 COUNCILLOR GARDUNO: Mr. Chair, I think I  
19 30 seconds left. And let me just mention the fact  
20 that I'm glad that the storage is above ground. I  
21 just hope that the information we're getting is  
22 aboveboard.

23 Now, as to the fact that this is not a  
24 Tsunami or it's a slow-moving Tsunami or that people  
25 are unduly concerning the public, the public has their

1 own mind and they read things and they understand  
2 things much better than I guess some of these board  
3 members do. I think that just sitting back and hoping  
4 that something gets done and hoping that it goes away,  
5 that no one will have to be alarmed and if we don't  
6 tell them anything, they'll never know about it, isn't  
7 that a great way to take care of things? I would hope  
8 that we would be better than that.

9 CHAIRMAN SANCHEZ: Commissioner De La Cruz.

10 COMMISSIONER DE LA CRUZ: Thank you, Mr.  
11 Chairman.

12 CHAIRMAN SANCHEZ: Your two minutes.

13 COMMISSIONER DE LA CRUZ: I haven't taken 20  
14 minutes like others have, so I do once again  
15 respectfully request that we maintain our time limits.  
16 But I'm waiting for legislation rather than verbiage,  
17 I'm waiting for an action item to be brought before  
18 this board rather than again just words in the air.

19 Thank you, Mr. Chair.

20 CHAIRMAN SANCHEZ: I have one for question, Mr.  
21 Sanchez. If we were to file a lawsuit, what would be  
22 the purpose of a lawsuit and how soon should we do it.  
23 Because has been brought before this authority.

24 MR. SANCHEZ: Mr. Chairman, there's certain  
25 regulatory aspects of these kinds of situations, and

1 we can move from one category to another and basically  
2 we could seek intervention by the federal courts based  
3 on a certain scenario that we envision and we would  
4 have to scientifically document is going to occur.  
5 That would be the basis for the litigation.

6 But let me also say that we are not sitting  
7 idly by. We are very engaged in this process and we  
8 would never knowingly allow our groundwater to be  
9 contaminated from any source without some  
10 intervention. If we start to believe and have a  
11 reason to believe that produced by engineering and  
12 scientific reports that our groundwater supply is in  
13 jeopardy, we will certainly come to this body and say  
14 we must do something, we must start the planning and  
15 the design for this eventuality and find a way to  
16 finance that. We are not there yet, the data  
17 continues to evolve, and we are certainly in the  
18 middle of this discussion in this contact sport that  
19 is described between the state, the federal government  
20 and the base.

21 CHAIRMAN SANCHEZ: Thank you, Mr. Sanchez.

22 Let's go ahead and move on to the next order  
23 of business. That's announcements and communications.  
24 The next scheduled meeting is June 20th of 2012 at  
25 5:00 p.m. in the Vincent E. Griego Chambers.

1           The next item on the agenda is  
2     introductions. The first reading of legislation is  
3     Item 8, WUA O-12-1.

4           Mr. Sanchez.

5           MR. SANCHEZ: Mr. Chairman, during our last  
6     meeting we had a fairly lengthy presentation on next  
7     year's budget, and during that discussion, I outlined  
8     our finance plan and some of the problems we see into  
9     the future. And the discussion was that in order to  
10    get to where we need to be with our rate reserve, our  
11    capital spending to eliminate a backlog, our  
12    infrastructure, we project a need for a rate increase  
13    of 5 percent in 2016 and 2018, fiscal years '16 and  
14    '18. The ordinance before you would essentially adopt  
15    a rate adjustment in 2016 to 2018 of 5 percent.

16           It also adjusts the utility expansion  
17    charges by the Engineering Review's index inflationary  
18    figure, which is required by ordinance, and that's  
19    2.7 percent for FY13. It's also makes some  
20    consistency amendments. Irrigation budget surcharges  
21    were not consistent with the residential category. It  
22    brings that consistency into the document. It also  
23    brings forward the establish of irrigation budgets  
24    from the city ordinance into this ordinance, which  
25    should have been done some years ago but was not. It

1     also adjusts days and definitions as necessary.

2             Just to take you back to the budget  
3     discussion, if you recall in our finance plan, if you  
4     look at resources over expenditures, by 2016,  
5     certainly to 2017, our reserve dips far below the  
6     one-twelfth requirement that the board has set and we  
7     need to be at. And the signal that the rating  
8     agencies have sent to us that 8 percent is not  
9     sufficient, that's where we've been historically.  
10    They've basically said, if you're not going to be at  
11    one-twelfth, you can expect further rating pressure or  
12    downgrades in the future.

13            The other thing we presented at the last  
14    meeting was we went through an extensive asset  
15    management plan process. It took us two years to  
16    literally touch every asset below ground, above  
17    ground, 200,000 plus assets, and we evaluated them  
18    based on age, risk, vulnerability, et cetera. And  
19    what we found was a backlog of \$355 million of  
20    improvements that had not been made for several  
21    decades. And the challenge before is, do we allow  
22    that backlog to continue and grow exponentially in the  
23    future or do we commit resources to begin chipping  
24    away at that.

25            So if we did nothing, this is what the

1 picture would look like, and that backlog would  
2 literally never go away. So we're currently spending  
3 about \$42 million a year on our capital spending, and  
4 this is the picture going forward with that level of  
5 spending.

6 The finance plan with the 5 percent rate  
7 adjusting in FY16 and FY18 would look like this. You  
8 would see a rate reserve at one-twelfth going forward.  
9 Beginning in 2015, you would also see the \$3 million a  
10 year increase in a capital spending as an attempt to  
11 eliminate this backlog over the next 12 to 15 years.  
12 And this is what that picture would look like with  
13 that level of spending. By 2027, the backlog of \$355  
14 million would be eliminated and by then we'd have a  
15 CIP spending level of about \$76 million going forward.

16 What helps us sustain that beyond that point  
17 is -- this chart was presented by Paul Cassidy at our  
18 last meeting, and this shows our debt service levels  
19 going down. About the same time, if you look at 2027,  
20 2028, our debt requirements are dropping  
21 significantly, and that's what's going to allow us to  
22 go forward with that level of spending adjusted for  
23 inflation beyond 2021. And at this point, I think O  
24 can predict with relative certainty that with the  
25 5 percent increase in 2018, we can get through 2021

1 without another rate adjustment.

2           If you look at how we compare -- before I  
3 get to that, what we're talking about, the Water  
4 Authority has \$5 billion in assets that we currently  
5 manage essentially, and that does not include water  
6 rights. If you added the value of waters rights,  
7 that's about another \$1.2 billion. How do we compare  
8 to other utilities historically. If you look over the  
9 last 12 years, our rates have gone up about 19 and a  
10 half percent. The rest of the utilities industry has  
11 gone up by 80 percent. If you annualize that, the  
12 average utility has gone up about 6.6 percent roughly  
13 and ours has gone up about 1.6 percent over the last  
14 12 years. And you'll notice that our last rate  
15 increase was if FY07 to FY12. So what we've really  
16 tried to do is spread out these rate increases to the  
17 extent we can and only go to the ratepayers when we  
18 actually need additional resources in the system. And  
19 unfortunately we're at that time when we can predict  
20 into the future when we're going to need those  
21 additional two rates adjustments.

22           If you look again at how we compare locally  
23 and regionally, we're about in the middle. A low use  
24 water consumer would find themselves in Santa Fe  
25 paying twice as much, in Rio Rancho paying about



1 75 percent more, Colorado Springs about that level.  
2 El Paso, Denver and Phoenix would be slightly lower  
3 than where we are today, and today we're at about \$45.  
4 If you look at a high water user, we're in about the  
5 same position. It's just the jurisdictions have  
6 changed, or based on how they charge for excess use.

7 In terms of impact to the average customer,  
8 currently, as I mentioned, we're about \$45. In fiscal  
9 year 2014 is the projected rate increase, so it's  
10 already adopted. That would increase by about \$3. So  
11 the average bill would go from 45 to 48. If this  
12 ordinance were adopted in 2016, that \$48 bill would go  
13 to \$51. And in fiscal year '18, that \$51 bill would  
14 go to \$54. And I would point out this only includes  
15 water and wastewater. It does not include the solid  
16 waste charges that we bill on behalf of the city. So  
17 you would add about \$14 roughly to that bill.

18 I'd be happy to answer any questions at this  
19 point.

20 CHAIRMAN SANCHEZ: Commissioner De La Cruz.

21 COMMISSIONER DE LA CRUZ: Thank you, Mr.  
22 Chairman.

23 Mark, if I understand -- no, I don't think I  
24 do understand. So let me start again. So in FY16, it  
25 will increase by 5 percent; is that correct? What

1 happens in '17. There would be no rate --

2 COMMISSIONER DE LA CRUZ: '18 would be another 5  
3 percent, so 10 percent for roughly three years?

4 MR. SANCHEZ: Right.

5 COMMISSIONER DE LA CRUZ: And I'm not sure what  
6 it means when I read establish irrigation budget  
7 surcharges. What does that mean?

8 MR. SANCHEZ: Mr. Chair, Commissioner De La  
9 Cruz, for residential customers, it's based on your  
10 winter average, so our tier surcharges structure. For  
11 irrigation accounts, we have set a number of inches of  
12 water that we've calculated are necessary to maintain  
13 that turf those surcharges have not been consistent  
14 with the other surcharges. So this agreement assists  
15 in the ordinance.

16 The other thing I would say is, we're  
17 currently engaged in conversations and will be engaged  
18 in additional conversations with the city, the county  
19 and APS, which are the largest turf users in our  
20 customer base, about how we can aggregate these  
21 accounts so that those surcharges are not onerous. We  
22 would rather the revenues that go towards paying  
23 surcharges get revested in improving those facilities  
24 to consume less water. And that's where we're headed  
25 with those jurisdictions.

1           COMMISSIONER DE LA CRUZ: Mark, I can understand  
2 a surcharge when you're using water. You use water to  
3 some volume and then if you use more, you get a  
4 surcharges. But the I'm not sure that I still  
5 understand what it means with wastewater to establish  
6 the irrigation budget surcharges for4 wastewater.

7           MR. SANCHEZ: Mr. Chairman, Commissioner De La  
8 Cruz, that is not wastewater. There are certain  
9 accounts that don't have the traditional residential  
10 meter, they have an irrigation meter. So it's not for  
11 domestic use, it's only for turf.

12           COMMISSIONER DE LA CRUZ: Thank you, Mr.  
13 Chairman.

14           CHAIRMAN SANCHEZ: CAO Perry.

15           MR. PERRY: Mr. Sanchez, just briefly.

16                     On that point Mr. Chairman.

17                     Golf course, I remember we had the issue  
18 with the west side golf course large water user. And  
19 I guess the theory behind this concept is to realize  
20 that if they recycle their water and put it back into  
21 the irrigation, then their surcharge would be abated  
22 and ultimately they would use less water. Is that the  
23 concept at play here?

24           MR. SANCHEZ: Correct.

25           CHAIRMAN SANCHEZ: Any other questions?

1                   Councillor Garduno.

2                   COUNCILLOR GARDUNO: Thank you, Mr. Chair.

3                   Mr. Sanchez, I know that Water Authority has  
4     done a great job as far as reclamation of gray water  
5     and, you know, all this water. When are we going to  
6     continue for the whole city. I'm lucky that my area  
7     does have a system right now in place, but I'd like to  
8     seen it happen all over. Is this going to help?

9                   MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
10    if you recall, when we talked about our decade plan,  
11    we indicated that we see the need and demand for two  
12    additional reuse kinds of facilities. One is planned  
13    for Mesa del Sol adjacent to Kirtland Air Force Base,  
14    and we are in discussions with the base about securing  
15    a parcel of land that would allow us to site this  
16    facility there. It would provide a significant amount  
17    of recycled water to that area of Mesa del Sol as it  
18    builds out into the future decades.

19                  It would also help us provide Kirtland Air  
20    Force Base a third source of water in the event they  
21    need that. They could be one of the only base  
22    installations in the country that could actually take  
23    wastewater and we could treat it for drinking water.  
24    So we view that as a benefit for Kirtland into the  
25    future. I realize that's not too appealing, but it's

1 actually technologically possible and not that  
2 expensive.

3           The other facility would be on the west  
4 side. If you recall, we purchased a four-acre parcel  
5 from Bosque Prep School and the plan would be to  
6 construct a reuse facility at that location to capture  
7 a lot of the flows from the west side. And that  
8 facility would be unique in that it will have a  
9 science lab that Bosque Prep and the high schools can  
10 use as a biology facility when that's built out.  
11 These two facilities are probably at least a decade  
12 away.

13           COUNCILLOR GARDUNO: Mr. Chair.

14           CHAIRMAN SANCHEZ: Go ahead.

15           COUNCILLOR GARDUNO: Mr. Sanchez, correct me if  
16 I'm wrong, but I think that all of our fire hydrants  
17 are potable water; is that right?

18           MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
19 that's correct.

20           COUNCILLOR GARDUNO: It seems to me like even  
21 the firemen wouldn't mind using polished water rather  
22 than potable water to put out fires. Have we thought  
23 about...

24           MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
25 yes. I think we've had this conversation that

1 incrementally, we would -- or possible to do that.

2 But if you think replumbing 16,000 fire hydrants, it's  
3 cost prohibitive.

4 COUNCILLOR GARDUNO: Couldn't we just have one  
5 big one?

6 MR. SANCHEZ: If you can find a location for one  
7 big fire hydrant, we'd be interesting in siting that.

8 CHAIRMAN SANCHEZ: Commissioner Johnson.

9 COMMISSIONER JOHNSON: Thank you, Mr. Chair. I  
10 would just warn, having the unincorporated area, you  
11 don't want one fire hydrant. They want one on every  
12 corner. So trust me on this one.

13 CHAIRMAN SANCHEZ: Any other questions?

14 Mr. Sanchez, I have one question, and this  
15 is in regard to the increase in FY16 and the increase  
16 in FY18. If we don't incorporate those items and  
17 increases in FY16 and FY18, what would happen to the  
18 Water Authority.

19 MR. SANCHEZ: Mr. Chairman, I think the impact  
20 is simply that the infrastructure backlog would simply  
21 never go away. And what that really means in a  
22 practical sense is, all of our employees in the field  
23 would spend most of their time, as they do today,  
24 responding to emergencies, and it disrupts the  
25 roadway, it drains our current capital program from

1 preventing the work in replacement to emergency  
2 repairs. So what we're really hoping to do is get  
3 ahead of this curve so that decades into the future,  
4 most of our efforts are about preventive maintenance  
5 instead of emergency repair.

6 The other thing I would say is the ratings  
7 agencies have basically told us historically we've  
8 maintained an 8 percent reserve. They've basically  
9 said one-twelfth is something we really need to  
10 maintain. So I think we would see the capital,  
11 backlog we'd see continued emergency repairs and we'd  
12 see our bond rating deteriorate further.

13 CHAIRMAN SANCHEZ: So right now we are at a  
14 Double A plus. We were downgraded from a Triple A.  
15 And because we had 10 million in reserves before, we  
16 should have had \$15 million in reserves. Will the  
17 bond rating companies look at the projected increases  
18 and the rates, you believe that would help to get us  
19 back to the Triple A rating?

20 MR. SANCHEZ: Mr. Chairman, I think it would  
21 probably take a couple of years, because they're very  
22 conservative and they're very cautious, so they want  
23 to see a track record. But I think -- we are in the  
24 top 5 percent of utilities in the country. With this  
25 level of investment in our infrastructure, the fact

1 that we've secured our water supply well beyond 2050  
 2 and our conservative financial policies, we'd be in  
 3 the top 1 percent of utilities. I can't imagine why  
 4 they would not place us back in the Triple A category.

5 CHAIRMAN SANCHEZ: Any other questions?

6 Thank you, Mr. Sanchez.

7 Let's move on.

8 COUNCILLOR GARDUNO: Mr. Chair.

9 CHAIRMAN SANCHEZ: Councillor Garduno.

10 COUNCILLOR GARDUNO: Have you -- for the CIP, I  
 11 think we were doing stainless steel resleeving or  
 12 something like that. Is that continuing to happen?

13 MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
 14 if you're referring to replacing steel line pipes,  
 15 yes.

16 COUNCILLOR GARDUNO: Okay. So that's part of  
 17 it?

18 MR. SANCHEZ: Yes. That is the biggest culprit  
 19 for water --

20 COUNCILLOR GARDUNO: Breaks.

21 MR. SANCHEZ: -- breaks, yes.

22 CHAIRMAN SANCHEZ: Okay. Let's move on. There  
 23 are no items on the consent agenda. The next item on  
 24 the agenda is approvals. The first item is WUA  
 25 R-12-9, establishing one-year objectives for the



1 Water Utility Authority in fiscal year 2013 to meet  
2 the five-year goals. And Mr. Roth will be making that  
3 presentation. And I think that your comments can be  
4 brief because you've already discussed this during the  
5 introduction.

6 MR. ROTH: That's correct, Mr. Chair. At the  
7 last meeting I gave a more detailed overview of the  
8 Water Authority's strategic planning, budgeting,  
9 improvement process, which includes the five-year  
10 goals, one-year objectives. They're integrated with  
11 the performance measures that help guide our budget  
12 process. I gave a couple of examples of how those  
13 objectives are used to -- or our performance measures  
14 are used to identify performance gaps, and we use  
15 these objectives to try to close those performance  
16 gaps with set targets. And these objectives are the  
17 second reading and recommended for approval.

18 CHAIRMAN SANCHEZ: Are there any questions?

19 COMMISSIONER DE LA CRUZ: Thank you, Mr.  
20 Chairman. I like move approval.

21 CHAIRMAN SANCHEZ: We have a motion and a second  
22 of WUA R-12-9. Any questions? Seeing none, all those  
23 in favor, signify by saying yes.

24 ALL MEMBERS: Yes.

25 CHAIRMAN SANCHEZ: Opposed, no?

1           That carries unanimously.

2           (7-0 vote. Agenda Item 9A approved.)

3           CHAIRMAN SANCHEZ: Next item is Item B, WUA  
4 R-12-10, that's incorporating funds for the operating  
5 of the Water Authority for fiscal year beginning  
6 July 1st of 2012 and ending June 30th of 2013.

7           Mr. Sanchez.

8           MR. SANCHEZ: Mr. Chairman, in the interest of  
9 being brief, I made a fairly long presentation at the  
10 last meeting. Let me just get to the net impact of  
11 what the budget is.

12           In terms of increased expenditures, there's  
13 about \$452,000, with a 2 percent step adjustment that  
14 required by collective bargaining agreements; \$645,000  
15 to annualize some positions; increase in barricade and  
16 paving costs of \$2.1 million. There's \$700,000 to  
17 true up our costs for postage. The county increased  
18 the cost for filing liens. Training and unemployment  
19 compensation costs have just exceeded what's been in  
20 our budget. Additionally, our debt service costs  
21 increased by 5 million, and our UEC transfer of CIP to  
22 3 million.

23           That's essentially the main changes to the  
24 budget. There are many details that I'd be happy to  
25 explain, if you requested that, or answer any

1 questions.

2 CHAIRMAN SANCHEZ: Are there any questions?

3 I have one question. I know that there is  
4 money in there for containment regarding the sewer  
5 problem at Yucca and Central. I know that  
6 Commissioner De La Cruz and myself are continuing to  
7 deal with this issue and phone calls that we're  
8 receiving. The West Side Coalition, the Southwest  
9 Alliances of Neighbors of the West Mesa Neighborhood  
10 Association, I mean, they're still very concerned over  
11 this issue. Do we have any long term solutions for  
12 this problem?

13 MR. SANCHEZ: Mr. Chairman, I think what we've  
14 evolved to is, as you're well aware, we have a  
15 biofilter installed there, not unlike others we have  
16 throughout the community. This biofilter, we've  
17 certainly upgraded to a carbon filtration technology.  
18 We believe it's working very well. Last summer we had  
19 one complaint. We've had concerns that they don't  
20 view this as a complete solution. We believe it is.

21 Historically, you may recall, there was some  
22 discussion about realigning the Coors interceptor line  
23 to eliminate and bypass flows at Central and Yucca.  
24 That would simply move the problem somewhere else.  
25 The fact remains, we're moving sewer flow throughout

1 the community. Depending on certain conditions, there  
2 can be spikes in odors.

3 We believe we have solved the problem at  
4 Central and Yucca. We have recently met -- in fact,  
5 Councillor Jones convened a meeting in her office  
6 recently and we discussed this. Our chemical budget  
7 is substantial and we treat all the flows to make sure  
8 there is as close to zero odor in our system as  
9 possible. Mark Halsted is extremely competent, does a  
10 very good job, has a hotline to call, and immediately,  
11 someone is dispatched to evaluate and remediate the  
12 situation if one does occur.

13 CHAIRMAN SANCHEZ: Thank you.

14 Any other questions?

15 Councillor Garduno.

16 COUNCILLOR GARDUNO: Just a quick question.

17 On the Media Arts Collaborative Charter  
18 School, there was a mishap there. How is that  
19 progressing? I think most people are now happy with  
20 what's happened, but have we been able to take care of  
21 that?

22 MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
23 yes. Certainly the risk fund essentially will  
24 compensate them for any damages they incurred as a  
25 result of that. I think the perception was that we

1 did not respond in time, and that's not true. What  
2 our crews were doing is -- you cannot solve the  
3 problem where the leak is occurring, you have to  
4 identify where the valves are to shut the supply off  
5 with minimum disruption to the surrounding area. So  
6 our crews were simply trying to locate a valve that  
7 would shut the water supply off there without having  
8 thousands of people without water until that supply  
9 line is repaired.

10 COUNCILLOR GARDUNO: And I have to tell you that  
11 the folks that are connected to MACCS, which is the  
12 Media Arts school, I think were satisfied that the  
13 Water Authority responded quickly and that they did  
14 what they needed to do. I wonder whether that's been  
15 taken care of.

16 MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
17 to my knowledge, we are on top of that and in constant  
18 communication.

19 COUNCILLOR GARDUNO: Thank you.

20 CHAIRMAN SANCHEZ: Okay. I'd like to move  
21 approval of WUA R-12-10.

22 COMMISSIONER DE LA CRUZ: Second.

23 CHAIRMAN SANCHEZ: We have a motion and a  
24 second. Any questions? Seeing none, all those in  
25 favor, signify by saying yes.

1 ALL MEMBERS: Yes.

2 CHAIRMAN SANCHEZ: Opposed?

3 That carries unanimously.

4 (7-0 vote. Agenda Item 9B approved.)

5 CHAIRMAN SANCHEZ: Next item is Item 9C, WUA  
6 R-12-11, appropriating funds for the capital  
7 implementation program for the Water Authority fiscal  
8 year beginning July 1 of 2012 and ending June 30th of  
9 2013.

10 Mr. Sanchez.

11 MR. SANCHEZ: Mr. Chairman, again, I went  
12 through a fairly detailed presentation at the last  
13 meeting, so I won't bore you with that again.

14 Quickly, there's \$42 million that are going  
15 to our capital program; 33 million is for basic water  
16 and sewer; 2 million is for Enterprise Resources,  
17 which is on your agenda later; 3 million for special  
18 projects, two of which would go to continuing to  
19 install automated meter technology to our system; a  
20 million dollars dedicated for steel line replacement;  
21 \$4 million to finish up our water resource management  
22 strategy, which includes the water treatment plant and  
23 bosque remediation efforts.

24 I'd stand for any questions.

25 CHAIRMAN SANCHEZ: Any questions? Seeing none,

1 move approval of WUA R-12-11.

2 COMMISSIONER DE LA CRUZ: Second.

3 CHAIRMAN SANCHEZ: We have a motion and a  
4 second. All those in favor, signify by saying yes.

5 ALL MEMBERS: Yes.

6 CHAIRMAN SANCHEZ: Opposed, no?

7 That carries unanimously.

8 (7-0 vote. Agenda Item 9C approved.)

9 CHAIRMAN SANCHEZ: Next item is Item D, WUA  
10 C-12-8, that's a recommendation of award, software and  
11 implementation services for an Enterprise Resource  
12 Planning System, ERP.

13 I move approval.

14 COMMISSIONER DE LA CRUZ: Second.

15 CHAIRMAN SANCHEZ: We have a motion and a  
16 second.

17 Mr. Framel.

18 MR. FRAMEL: Mr. Chairman, Members of the Board,  
19 this a recommendation of award to SunGard for an  
20 Enterprise Resource Planning System.

21 Just briefly, the Water Authority issued an  
22 RFP in February and we evaluated six responses. We  
23 narrowed that to two, brought them in for demos and  
24 detailed lab sessions with our committee. From that,  
25 we rescored them and offered it to SunGard. They deal

1 primarily with public sector organizations,  
2 approximately 1500. They've been in business for 30  
3 year, several water and sewer organizations and  
4 different organizations here in New Mexico. I'm up  
5 for any questions you might have.

6 CHAIRMAN SANCHEZ: Are there any questions?  
7 Councillor Garduno.

8 COUNCILLOR GARDUNO: Thank you, Mr. Chair.

9 ERP, we had that with the city at one point.

10 MR. FRAMEL: Yes. The city currently runs the  
11 EPP system for us, on our behalf.

12 COUNCILLOR GARDUNO: And the reason to change  
13 was I read multiple reasons, but the main thing was  
14 probably the CAFR?

15 MR. FRAMEL: Mr. Chair, Councillor Garduno, part  
16 of it is the CAFR, but for the most part, the city  
17 what -- this will put the Water Authority on our own  
18 system and allow us to kind shape our direction on how  
19 to use the financial system, the HR systems, our  
20 business processes as they best benefit the Water  
21 Authority.

22 COUNCILLOR GARDUNO: And, Mr. Chair, if I may.  
23 There was also -- here it talked about there  
24 were six folks who responded who clearly were highest.  
25 But in doing some calculations, it looked like SunGard



1     came in at 4466, which is less than 4623 for Cyber in  
2     the first iteration, I guess.

3             MR. FRAMEL: That's correct.

4             COUNCILLOR GARDUNO: And then I guess after  
5     rescoring, it flipped to swing amount of 1,087 votes  
6     -- or not votes, but points.

7             MR. FRAMEL: Yes, sir. The process we -- once  
8     we did the initial scoring, we took the top two  
9     vendors, brought them on site, and each of them spent  
10    a day and a half doing demonstrations for the ad hoc  
11    committees and other members of HR and finance. And  
12    during those demonstrations, the HR and finance group  
13    could also go in with the vendors into another room  
14    for lab sessions and ask more questions.

15            From those demonstrations, from those lab  
16    sessions, we got feedback, the committee got back  
17    together, rescored those in the same categories for  
18    just those two vendors and the resulting were those  
19    two scores for those vendors. And you're right, they  
20    changed a bit.

21            COUNCILLOR GARDUNO: And Mr. Chair.

22            What I found interesting, though, is it said  
23    it had been scored, and then a final rescore, but it  
24    sounded to me, in the write-up that I read, that all  
25    of the -- after completing the presentation, the

1 question and answer sessions and the ad hoc evaluation  
2 committee rescored their response, so they were  
3 brought -- I mean, they were looked at as far as our  
4 fee was concerned, they were scored and then they were  
5 brought in, the top two were brought in.

6 MR. FRAMEL: Yes, sir, that's correct.

7 COUNCILLOR GARDUNO: And then they went through  
8 a more interview level of --

9 MR. FRAMEL: That is correct. We actually got  
10 to look at the software and then ask them questions,  
11 had follow-up questions. And throughout the entire  
12 process, GFOA was with us, looking at our business  
13 process, our needs, helping us develop the RFP,  
14 helping us develop the analysis, the demonstration,  
15 the interview questions, the labs, and assisting us in  
16 our decision making. The final decision was at the  
17 ad hoc committees. During the rescore, after the  
18 demos, yes, that's what we scored.

19 COUNCILLOR GARDUNO: And I noticed a list of the  
20 folks that were on the committee that had some  
21 initials.

22 MR. FRAMEL: I can get that list for you.

23 COUNCILLOR GARDUNO: I'd like to look at that,  
24 if I could. And it's going to cost about 2 million.

25 MR. FRAMEL: Yes. We came in just a little bit

1 under what is in our CIP project plan.

2 COUNCILLOR GARDUNO: And, Mr. Chair, is there  
3 any way that you can share that with the city. Never  
4 mind. We're having a hard time.

5 CHAIRMAN SANCHEZ: I have one quick question.  
6 How much do you believe we will be saving and how much  
7 more efficient will this accounting software be for  
8 the Water Authority?

9 MR. FRAMEL: Savings in terms of what we're  
10 currently --

11 CHAIRMAN SANCHEZ: Annually.

12 MR. FRAMEL: The annual cost we've estimated out  
13 to be about \$170,000, including maintenance. I think  
14 the savings will come in doing our business processes  
15 differently. Once we get the software in and  
16 implementing work flow, which will just track the  
17 document electronically through the process, so  
18 instead of placing a requisition on a piece of paper  
19 and routing it, one of the goals is to do that  
20 electronically and route electronically.

21 So several years ago with the city I  
22 estimated it was \$21 per requisition to route by  
23 paper, so let's say we do a hundred every month. A  
24 lot of these are soft savings. I think we have a lot  
25 of areas in our business process that we can take

1 advantage of the software and what it provides to  
2 provide those intangible soft savings down the road.  
3 The hard dollar savings are there because of the way  
4 we're going to implement it. And there might be some  
5 other savings we'll save by doing this on our own now,  
6 but those would be more detailed down the road.

7 CHAIRMAN SANCHEZ: Thank you.

8 Any further questions? Seeing none, we have  
9 a motion and a second on the floor. All those in  
10 favor, signify by saying yes.

11 ALL MEMBERS: Yes.

12 CHAIRMAN SANCHEZ: Opposed, no?

13 That carries unanimously.

14 (7-0 vote. Agenda Item 9D approved.)

15 CHAIRMAN SANCHEZ: Next item is Item E, WUA  
16 R-12-12, that's authorizing an agreement with Eagle  
17 Vista, LLC, for the 9641 Eagle Ranch Road apartment  
18 complex for water and sewer services.

19 And Mr. Porter will be making that  
20 presentation.

21 MR. PORTER: Certainly this was heard last  
22 meeting. It's a 200-unit apartment complex just north  
23 of the Eagle Ranch/Irving Boulevard intersection. It  
24 is outside the service area. It's a routine service  
25 connection. There will be public waterlines interna

1 connecting to loop our system. There is no UEC  
2 reimbursement, as none of the improvements they're  
3 putting in can be considered master plans lines. All  
4 the connections in there will be subject to water  
5 service supply charges, as well as the UECs.

6 COMMISSIONER DE LA CRUZ: Are there any  
7 questions for Mr. Porter?

8 Councillor Garduno.

9 COUNCILLOR GARDUNO: The only quick question is,  
10 we decided to go outside the water service for what  
11 reason?

12 MR. PORTER: It lies outside the defined service  
13 area, the boundary that was established I think in,  
14 what, 2007.

15 COUNCILLOR GARDUNO: So they weren't onerously  
16 outside the system? We weren't going two miles or  
17 three miles?

18 MR. PORTER: No, no. They're right there  
19 adjacent to the system.

20 MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
21 just to refresh your memory. The policy of the Water  
22 Authority is that if there's complete, fully built-out  
23 service, all you have to pay is the utility expansion  
24 charge. If you're outside of a fully built-out area,  
25 the developer essentially has to pay any

1 infrastructure cost, the water supply charge and the  
2 utility expansion charges so that there's no net  
3 expense to the rate payer.

4 COUNCILLOR GARDUNO: And, Mr. Chair.

5 Based on what we talked about earlier, about  
6 reuse water and all those things and the replumbing  
7 how expensive that would be, are we looking at some  
8 way to Y off fire hydrants and other things so that if  
9 we ever -- it should go to a system that would  
10 reconnect those -- that plumbing to different service,  
11 that we would be able to do that instead of doing it  
12 the way we've been doing it all along and then having  
13 to change it?

14 MR. SANCHEZ: Mr. Chairman, Councillor Garduno,  
15 that's quite an undertaking. Typically, you have the  
16 facility and the infrastructure to produce that water,  
17 then you have what's known as purple pipe to  
18 distribute that. Then you have the additional  
19 connections where your irrigation meters are, in this  
20 case, fire hydrants. So it would be cost prohibitive  
21 to do it in that fashion. I wish that was not the  
22 case.

23 COUNCILLOR GARDUNO: I wish somebody would come  
24 up with an idea. I'll work on it.

25 CHAIRMAN SANCHEZ: Move approval of WUA R-12-12.

1 We have a motion, and a second by Commissioner De La  
2 Cruz. Any questions? Seeing none, all those in  
3 favor, signify by saying yes.

4 ALL MEMBERS: Yes.

5 CHAIRMAN SANCHEZ: Opposed, no?

6 That carries unanimously.

7 (7-0 vote. Agenda Item 9E approved.)

8 CHAIRMAN SANCHEZ: Next item is Item 10, other  
9 business. That is a water conservation update.

10 Ms. Yuhas, you're up.

11 MS. YUHAS: Thank you. Mr. Chair, Members of  
12 the Board, this is good news, so I can be brief.

13 Despite the fact that our governor has  
14 declared a statewide drought emergency, we're actually  
15 seeing alleviation of the drought through much of the  
16 state. You look on this first slide, what you'll see  
17 is that Bernalillo County is all in what is classified  
18 as D1, which is the moderate drought. That's kind of  
19 a tan color as opposed to the yellow or the more deep  
20 orange. At times during last summer, we were actually  
21 in D4, the exceptional drought, which is that really  
22 dark maroon color. So you can see we've had a lot of  
23 improvement.

24 This next slide is something we have not  
25 seen in a long time. If you look at New Mexico,

1     you'll see that there are green hash lines across New  
2     Mexico, which is actually showing some improvement in  
3     the drought. And this is a prediction for through the  
4     end of August.

5             This next slide just shows, again, this is  
6     it a precipitation prediction for the next three  
7     months and that big brown circle has moved off of the  
8     southeast for the first time in a long time, meaning  
9     that we'll probably have a more average rainfall  
10    season during the summer.

11            And last, for those of you who remember,  
12    last year we looked at this slide a whole lot. This  
13    is a graph showing predictions in ocean temperatures.  
14    All of the different colored lines are different model  
15    runs that are used throughout the world to predict  
16    ocean temperatures are doing. Across the bottom are  
17    the months of the year in groups of three. And what  
18    we want to see are temperatures that are above that  
19    black line that's running across the middle. Below  
20    that line, we get into the La Nina conditions, which  
21    can cause drought. Above that line, we have normal  
22    conditions or maybe even El Nino, which produces --  
23    can produce, I should say, extra moisture for us. And  
24    what you'll see is that most of those model runs are  
25    trending above that black line. That's good news for



1 us. And that is a prediction all the way through the  
2 end of the year into next year. So what we're seeing  
3 is hopefully an end to the drought.

4 CHAIRMAN SANCHEZ: That's good news.

5 Any questions for Ms. Yuhas?

6 MS. YUHAS: Oh, I'm sorry. There's just one  
7 more slide about our water use. I'm sorry. Really  
8 quick.

9 If you'll look at just the totals at the end  
10 of this slide, you'll see that compared to 2010,  
11 compared to 2011, we are using less water than both of  
12 those years. Just comparing to last year during the  
13 drought isn't necessarily the best comparison because  
14 of course we were used more. But we are 800 million  
15 gallons below our use last year, and about 150 million  
16 gallons below our use for 2010. So our customers are  
17 doing a great job. Thank you.

18 CHAIRMAN SANCHEZ: City Council President.

19 COUNCILLOR JONES: Thank you.

20 Ms. Yuhas, do you think this is  
21 exceptionally good more of the reasons because we have  
22 the incentive program to convert turf to xeriscape,  
23 that situation, and the fact that we're all such great  
24 people and we're sharing showers and everything?

25 MS. YUHAS: Mr. Chair, Councillor Jones, I can't

1 really speak to the showering issue, but we have had  
2 enormous participation in our xeriscape rebate  
3 program. And the increases that you all approved last  
4 year have really energized the progr4am, especially on  
5 our commercial customers.

6 COUNCILLOR JONES: Thank you.

7 CHAIRMAN SANCHEZ: Councillor Garduno.

8 COUNCILLOR GARDUNO: Thank you, Mr. Chair.

9 Ms. Yuhas, you right indeed, it's good news.  
10 Now production means what we're using, what we're  
11 having to supply folks; is that right.

12 MS. YUHAS: Mr. Chair, Councillor Garduno, no.  
13 This is -- production means what we are actually  
14 producing. So this is all of the water that we're  
15 pumping from the wells and taking from the river.

16 COUNCILLOR GARDUNO: So showering co- --  
17 co-showering, wouldn't have necessarily the effect of  
18 -- the reason I ask that is that my wife and I have  
19 stopped doing that because it was taking longer.

20 And I wondered if -- I wondered if you see a  
21 trend certainly from 2011 going to 2012, do you  
22 predict, especially if we have more precipitation,  
23 according to your other slides that that would also go  
24 down?

25 MS. YUHAS: Mr. Chair, Councillor Garduno, we

1 are heading into the really hottest, driest-type  
2 period of the year. You know, the end of May and June  
3 are typically very difficult for us to get through.  
4 But if we have a good monsoon season, this could be a  
5 fantastic year for us, yes.

6 COUNCILLOR GARDUNO: Great. Thank you. Thank  
7 you, Ms. Yuhas.

8 CHAIRMAN SANCHEZ: Any other questions?

9 Councillor Garduno, on that note, we're  
10 adjourned.

11 (Proceedings concluded at 6:54 p.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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5 REPORTER'S CERTIFICATE

6 I, Kelli Gallegos, New Mexico Provisional  
7 Reporter, No. P-409, working under the direct  
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13 I FURTHER CERTIFY that I am neither  
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