ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY
WEDNESDAY, SEPTEMBER 21, 2011, 5:09 P.M.

ALBUQUERQUE/BERNALILLO COUNTY GOVERNMENT CENTER
ONE CIVIC PLAZA, NW
ALBUQUERQUE, NEW MEXICO  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

COMMISSIONER ART DE LA CRUZ, Chair
COUNCILLOR TRUDY E. JONES, Vice Chair
COMMISSIONER MAGGIE HART STEBBINS, Member
MAYOR RICHARD J. BERRY (Excused)
COUNCILLOR REY GARDUNO, Member
COMMISSIONER MICHELLE LUJAN GRISHAM, Member
COUNCILLOR KEN SANCHEZ, Member
TRUSTEE PABLO RAEL, Ex-Officio Member
MARK SANCHEZ, Executive Director
ROB PERRY, Administrative Officer, Alternate Member
CHAIRMAN DE LA CRUZ: Welcome, everyone, this evening. I call this September 21st, 2011 meeting of Albuquerque Bernalillo County Water Utility Authority to order. Let the record reflect all members are present -- I believe everybody is present. Councillor Jones will be here in just a minute.

Also let the record show that pursuant to the New Mexico State Statute 1978, 10-15-1 H and J, the Water Authority board held a closed session today, September 21st, at 4:30 p.m. in the Bernalillo County committee room to discuss personnel issues, business and potential litigation. Let the minutes reflect that a quorum was present and that the matters discussed in the closed meeting were limited only to those specified in the notice of the separate closed meeting and no action was taken.

At this time, I'd like us to take a moment for a moment of silence and followed by the Pledge of Allegiance. If we could have Patty lead us in the pledge.

(Whereupon, there was a moment of silence.)

(Whereupon, the Pledge of Allegiance was led by Ms. Jenkins.)

CHAIRMAN DE LA CRUZ: We have a motion to approve the minutes of the August 17, 2011 meeting.
1  Can I have a second.
2       COMMISSIONER HART STEBBINS:  Second.
3       CHAIRMAN DE LA CRUZ:  We have a motion and a
4 second.  All in favor, say aye.
5       ALL MEMBERS:  Aye.
6       CHAIRMAN DE LA CRUZ:  Opposed.
7          Motion carries unanimously.
8          (7-0 vote.  Agenda Item 3 approved.)
9       CHAIRMAN DE LA CRUZ:  At this time, Ms. Jenkins,
10 do we have somebody signed up for public comments?
11       MS. JENKINS:  We do.  We have three people.
12       CHAIRMAN DE LA CRUZ:  Okay.  Who do we have
13 first?
14       MS. JENKINS:  Michael Jensen, followed by Elaine
15 Hebbard.
16       CHAIRMAN DE LA CRUZ:  If you would go ahead and
17 come down, work your way this way.
18          Just to let everybody know, you'll have
19 three minutes to speak, with a warning at two and a
20 half minutes.
21       MR. JENSEN:  My name is Michael Jensen.  I work
22 for Amigos Bravos, but I'm speaking tonight as a
23 21-year resident of Albuquerque, New Mexico.
24          The drought management strategy, as I hope
25 you know, has four levels of notification.  Each level
is triggered by successive multiple of 10,000 acre feet in the gap between annual goals for pumping the aquifer and projections of actual overpumping.

On May 18th, you approved or adopted a drought advisory that went into effect on the 1st of June. There's very little required under a drought advisory of the water utility authority except education. However, unfortunately, the drought notifications conflicted with the Water By the Numbers program so that in May, people watered two times a week, in June, they watered three times a week, and essentially, the message was we're in a drought, water more.

On September 1st, the authority announced that it was suspending diversion of Rio Grande water and would rely solely on pumping the aquifer until at least November 1st, so, therefore, two months of not using river water and just relying on the aquifer.

The problem with reverting to aquifer pumping is that the water utility authority is supposed to be moving away from pumping, which causes losses to the river that they have to offset.

That's where the drought management strategy comes in. The board, unfortunately, wasn't informed at the August 17th meeting that the suspension was at
least a strong possibility and that more overpumping of the aquifer would require high levels of drought notification. Whatever the reason for not talking about it in August, I am kind of baffled as to why it's not on tonight's agenda. There is nothing about drought on tonight's agenda.

So based on historic usage in September and October and current percentage of water coming from the river, a fair estimate would be another 15,0000 acre feet of overpumping, or 25,000 for the year. Therefore, suspending diversion ought to have gone past the next level, which is the Stage 1 drought watch, 20,000 acre feet, to a Stage 2 drought warning, which is 30,000 acre feet. Both of these have mandatory water conversion and surcharge increases as part of their requirements. Just dropping back down to September and October Water By the Numbers levels won't matter because they're already built into the projections.

Now, I don't know where staff is expecting to save 25,000 acre feet now when we only have three more months in the year and the heavy water season is over. Nor do I know what they're going to do if the projected La Nina, the dry winter, comes and they have to make up not just 25,000 acre feet now but more next
1 year, let alone the overpumping that's occurred in the
last year or two which hasn't been dealt with.

Questions?

CHAIRMAN DE LA CRUZ: Thank you. Mark, if you
could have a presentation prepared that will address
these questions at the next meeting.

Councillor Jones.

Councillor Garduno.

COUNCILLOR GARDUNO: Thank you, Mr. Jenkins
(sic). The numbers you've given are really
astonishing. And I don't know that they can be
achieved. Has Amigos Bravos or anyone else, Aqua Es
Vida or anyone else, looked at what are possible
scenarios that would help?

MR. JENSEN: Well, the drought management
strategy, which, by the way, is a City of Albuquerque
document from 2003 that was just adopted in whole by
the water utility authority, has a long list of
options that either have to be done as part of a
specific drought notification level, or that could be
implemented outside of that sort of mandated
framework. So, for example, it's mentioned in the
drought management strategy that if -- and this is
just the city -- if the city stopped watering one day
a week, they could save the city alone, not the entire
service area, 27,000 acre feet a year. That's the gap
that we're looking at right now. But that's not being
done.

I mean, I mentioned this at the May meeting.
One, the disconnect between the messaging, we're in a
drought, but you can water more, and this figure of
27,000 acre feet. So, I mean, I understand that using
less water means less revenue for the authority, but
that's the job of the authority and you all to kind of
deal with. You know, you can raise rates, you can
restructure them to -- you know, there's a lot of
things that could be done.

COUNCILLOR GARDUNO: Just for clarification,
when you say "the city," you're talking about the
city --

MR. JENSEN: In 2003 the drought management
strategy was put together by the City of Albuquerque
before the water utility authority was existence, and
then it was adopted by the water utility authority.
So it was originally a city document. So a lot of
that number of 27,000 of acre feet applied to the
city.

COUNCILLOR GARDUNO: But I don't know what
document you're referring to.

MR. JENSEN: The drought management strategy.
COUNCILLOR GARDUNO: Well, what it's referring to? Is it referring to everyone in the city of the city government itself?

MR. JENSEN: No. If users in the city's water service area back at that time in 2003 watered one day a week less, they could save 27,000 acre feet of water. Presumably, if everybody in the service area of the water utility authority did that, you could save more.

COUNCILLOR GARDUNO: Okay. Thank you.

MR. JENSEN: But even if it wasn't quite that much, I mean, we're basically talking about -- if this had been done at the beginning of the year, we would not have this gap.

CHAIRMAN DE LA CRUZ: Councillor, why don't we wait to have a full presentation. That way staff can address the issues.

If you could be here, I'd appreciate it.

MR. JENSEN: Yeah. I'm --

COUNCILLOR GARDUNO: I'm fine with that.

MR. JENSEN: There's other things that conflict, but I -- this is important and I'll be here.

COUNCILLOR GARDUNO: Thank you, Mr. Chair.

CHAIRMAN DE LA CRUZ: Thank you.

Who do we have next, Ms. Jenkins?
MS. JENKINS: Elaine Hebbard, followed by Geraldine Amato.

MS. HEBBARD: Hi. My name is Elaine Hebbard and I'm actually going to say a lot of the same things that I think Michael just talked about. I'd like to comment on the fiscal items that are on the agenda, but given the time frame, I feel that it's more important to talk about what's not on the agenda, the water conservation and drought management strategy update. We are in a drought, as everybody knows probably. We've received less than two inches of rain this year, when our normal is more than seven. The National Oceanic and Atmospheric Administration has determined that La Nina is heading back for us. We are looking at another dry year.

Through August our usage has been a little bit up, which is isn't really surprising. But, given the drought, how are we doing with our goals? And let me give you two examples. And one is gallons per capita per day, and that's an important one. The board has established us getting down to 150 by 2014.

Back in 2009, when the state engineer, which administers our water, made its final determination of how much water we used. They determined that we had actually done more than 1.8 billion gallons more than
what we reported. So our gallons per capita per day
instead of 159, would be 168. That's not going in the
right direction.

The other example is with your five-year
goals and objectives. We said we want to be pumping
50 percent in 2009 and 75 percent in 2010. Instead,
that was more like 23 percent and 45 percent. This
year, before we determined not to divert any water, it
was another 42 percent. Each one of those years is
about 20,000 or more acre feet. What good are our
goals if we're not going to meet them? If we're going
to meet them and if we're going to deal with the
drought and if we're going to adhere to the drought
management strategy, my suggestions are that we reduce
our gallons per capita per day by an additional 14, so
we go down to 142. That is achievable. El Paso is at
135 right now.

We can do it with using the elements that
are in the back of the drought management strategy, as
Michael talked about. You can do a double surcharge
for 6900 acre feet, you can reduce watering, you can
target those high-end users. It's probably going to
reduce revenue. That's going to be a problem,
especially if you're going to get another loan for 65
million, which is on your agenda now.
So what I would suggest is, like the Chair suggested, that you focus on this, but really look at the list that staff prepared back under the drought management in May. And think of how you're going to adhere to the goals which you have established.

Thank you. Any questions?

CHAIRMAN DE LA CRUZ: Councillor Garduno.

COUNCILLOR GARDUNO: Thank you, Mr. Chair. And I know that staff is fully capable of doing the presentation, but I'd like to have staff reach out to folks who are interested, Ms. Hebbard, Mr. Jensen, who is still here, I think, and whoever else would like to.

And, Mr. Sanchez, I would hope that that would be something that could be accommodated for the presentation.

CHAIRMAN DE LA CRUZ: Ms. Jenkins, would you please make sure you get contact information.

Thank you.

Ms. Amato.

MS. AMATO: I noted on the agenda, every item is referencing finance and financing. And they mention the New Mexico Water Trust Board, as well as the New Mexico Finance Authority. And inherent in that is the fact that the purse strings with which all local...
boards and agencies work off of are controlled by
other than the locals. Again, a vital resource like
water should be in the hands of the good people of the
locale here, and it is not. And whatever plans are
made and whatever strategic papers are written up,
ultimately the policies are made by the overlords who
control the wealth of this nation by intrigue, treason
and fraud.

And I mention again that the federal reserve
banker cartel, which also is the mother of
international monetary fund and the world bank -- and
you'll hear American organizations criticize the work
of those organizations and other economies, but they
dare not mention the same devastation that is being
done here by the federal reserve banker cartel's
projects, programs and financing. Anything that gets
financed today at the local level is permitted by
those who control the wealth of this nation by
unlawful design.

And unless we radically change our approach
to the numerous problems that face us -- and the two
individuals that spoke before me seem very concerned
and knowledgeable about some of these problems and yet
they aren't in charge to take the reins and direct
this project of this so-called authority. Because the
agendas are set from other than the local folks. And
we will find that whatever they decide not to finance,
we will inherit the devastation of that.

And also we have to understand that the
secret brotherhood dynamic prevails in this county, as
well as in this state, and nobody in the lower
hierarchy dare question the upper hierarchy's
authority over them, because they're threatened. You
do as you're told in your particular position if you
want to keep it. If you want to keep your standard of
living, if you want to keep all of your material
possessions, if you want to keep your job, just shut
up and do as you're told.

Well, this dynamic is going to destroy this
nation as a free people. And unless there are enough
people willing to defect from this dynamic and assert
their authority as a free people, with inalienable
natural human rights given to us by your creator, we
are going to be devastated by who takes control of all
our resources, particularly this vital resource of
potable water, its availability, its quality and its
quantity to most of us.

CHAIRMAN DE LA CRUZ: Thank you, Ms. Amato.

MS. AMATO: Any questions?

CHAIRMAN DE LA CRUZ: Ms. Jenkins, do we have
one more speaker?

MS. JENKINS: Yes, we do. Leslie Weinstock.

MS. WEINSTOCK: Hi. My name is Leslie Weinstock. I'm a physician assistant and a member of Aqua Es Vida Action Team, or otherwise called AVAT. AVAT's goal is to help protect the quality of our tap water. And since we learned that Rio Rancho has been permitted to inject treated sewage water, also called toilet to tap, and Albuquerque permitted to inject treated river water into our shared aquifer, we are very concerned.

We do not approve of the plan to inject these two water sources into the deep aquifer for storage. There are alternative methods, such as infiltration, which we believe is more natural.

Though the river and wastewater is treated and complies with the Safe Drinking Act standards, the problem is that less than one percent of the industrial chemicals that could be in our water are unregulated. And that means that over 90,000 possible chemicals are unregulated, and this includes pharmaceuticals. Also, there are regulations for many chemicals that are out of date.

We continue to ask for well-publicized public meetings with your experts and our experts in a
timely manner to discuss the aquifer injection. We also continue to ask for more transparency to provide detailed chemistry reports which are not on your website and not yet available to the public.

AVAT meets on the second Friday of the month at the Center for Peace and Justice at 1:30 p.m. at Harvard and Silver, Southeast. All are welcome. And for the television public, you can call that Peace center for details.

Thank you. Are there any questions?

CHAIRMAN DE LA CRUZ: Thank you.

COUNCILLOR GARDUNO: I would also ask, if in fact this is happening with upstream discharge or injection, that we would be made aware of that. And I don't know how we can get that from other jurisdictions. But it doesn't seem right that we, just like Isleta, shouldn't be taking our, what was it, toilet-to-tap water, we shouldn't be taking toilet-to-tap water from any other jurisdiction upstream.

So if we could also have a study about that so that we can get into a conversation with those folks. Thank you.

MS. WEINSTOCK: And if we could have public
hearings, I think it would be very helpful. Thank you.

CHAIRMAN DE LA CRUZ: Thank you.

Let me announce, before we go any further, that our next scheduled meeting is October 19th, 2011, here in the Vincent E. Griego Chambers at 5 o’clock p.m.

Also, based on scheduling conflicts, the two presentations scheduled for this evening, Items 10A and 10B, will be postponed until the October 19th meeting.

At this time, Item Number 7, introduction of legislation. Mr. Sanchez.

MR. SANCHEZ: Mr. Chair, Members of the Authority, the first seven items are actually related to each other. These are items that the board had previously authorized submission for funding. And these funds have been applied for and appropriated.

Item 7A simply authorizes the execution of an agreement with the state water trust board in the amount of $2.2 million, 20 percent of which is a loan at 25 basis points, which is literally no interest at all, for the Carnuel project.

This project has been presented to the board simply moving forward with each funding, with this
funding to carry out the project. And, again, it's
not new funding; it's simply authorizing the execution
of the agreement to enter into the grant loan. And
it's for introduction only tonight.

CHAIRMAN DE LA CRUZ: Mr. Sanchez, do we need to
move each item, or can we move them in total?

MR. SANCHEZ: Actually, you don't have to move
them. They're simply introduced for the first
reading. They'll be approved in October. If there's
no questions, I'll move on to 7B.

CHAIRMAN DE LA CRUZ: Go ahead and continue.

MR. SANCHEZ: 7B is related to Carnuel's well.

It's in the amount of $1.6 million. This is a
40 percent loan, 60 percent grant. The rationale
behind that is the criteria for the project from one
year to the next changed. The amount of the loan has
increased going forward.

Item -- if there's no questions, Item C,
going forward, is a $158,000 loan grant for the
aquifer storage and recovery planning and design.

Contrary to what has been discussed and
presented to you, we are not injecting anything into
the aquifer. We have yet to begin any project related
to that. We had an infiltration project, which is a
pilot, at the Bear Canyon on aquifer storage and
recovery. We have not done any large-scale aquifer storage and recovery, and we certainly will reach out to the public when that begins to take shape. Any questions on 7C?

CHAIRMAN DE LA CRUZ: Go ahead just move through all of them. If somebody wants to speak, they'll let the Chair know.

MR. SANCHEZ: 7D through F are related to the first three items that I just discussed. And they're documents that the water trust board requires for funding. It's simply a resolution from the board ratifying that it was presented these projects, you've appropriated the funds, you understand the documents that we will enter into.

And Chris Muirhead from the Modrall law firm is here and he can answer any legal or technical questions, if you have any, related to these documents. But they're in the form that the water trust board requires.

Moving on, 7G is an introduction item authorizing the issuance and sale of a loan agreement between the water authority and New Mexico Finance Authority in the amount of 65 million. There was a typo on the agenda. It's not 65,000, it's 65 million. This is in place of the bond sale we typically do in
the public market for our every-other-year capital improvements program. This is simply a reinvestment into our system. Forty-five million would be to reinvest in rehab and replacement. Eleven million, approximately, would be finish the Southside reuse project. And five million would be for bosque mitigation that was required for the San Juan Chama Project. This, again, is introduction only tonight.

Any questions?

CHAIRMAN DE LA CRUZ: Councillor Garduno.

COUNCILLOR GARDUNO: Mr. Sanchez, you'll be able to show us -- if you just give us some areas that are going to be helped by those dollars. So could we have some kind of a matrix that also will give us an interest rate for each of those?

MR. SANCHEZ: Sure. Mr. Chairman, Councillor Garduno, in fact, you've already seen the matrix, but we'll reproduce it for the next meeting. And it's basically our decade plan where we list out all the needs and the infrastructure improvements that would take place. This simply is carrying out the next two-year cycle of that decade plan, but we'll provide those projects to you.

COUNCILLOR GARDUNO: And that would be an update.
MR. SANCHEZ: Sure, sure. In terms of the interest rate, when we determined to go to the state finance authority instead of the public bond market, we determined that it was about six to ten basis points in our interest to go through the state finance authority. So we anticipate all interests costs to 2.83 percent.

COUNCILLOR GARDUNO: Mr. Chair.

Mr. Sanchez, I'm glad you explained the typo, because when I saw 65,000 I was going to just go ahead and loan you that. But once it got to be 65 million, I thought, well, I better pull back.

MR. SANCHEZ: Mr. Chairman, if there's no further questions, Item H is an amendment to an agreement with the Del Rey Investments for water and sewer service. In 2008, the water authority approved a development agreement to serve what was then known as the Del Rey Mobile Home Park. Since then, it's been authorized for development. The development agreement that was approved back then authorized 411 individual connections. It's was intended to be single-family residences.

Since then, there's been a change in the development plan and it allows for mixed-use housing. Given that the develop agreement didn't quite conform
to that, we wanted to make sure that the board amended 
the development agreement. So, really, the service 
doesn't change. The type of usage within the 
development can change. There, again, this is 
introduction only, as well.

CHAIRMAN DE LA CRUZ: Councillor Garduno.

COUNCILLOR GARDUNO: Thank you.

Although, it's just introduction and we'll 
be able to discuss it further, are you saying that the 
numbers have changed from 411 single to that many more 
connections?

MR. SANCHEZ: No. Actually, what could occur in 
this development, and it's a function of what the EPC 
has approved, and the developers are here, if you 
would like to ask them as well, but in addition to 
single-family housing, they can build multi-family or 
mixed-use housing in this 58-acre development.

COUNCILLOR GARDUNO: But I guess the question 
still remains, is it going to augment the number, 411, 
or is it going to stay at that?

MR. SANCHEZ: Mr. Chairman, Councillor Garduno, 
it will not exceed that number.

COUNCILLOR GARDUNO: Okay. Thank you.

CHAIRMAN DE LA CRUZ: Thank you, Mr. Sanchez.

Moving on to Item 9A, WUA R-11-12,
authorizing and approving submission of a completed
application for financial assistance and project
approval to the New Mexico Finance Authority.

Mr. Sanchez.

MR. SANCHEZ: Mr. Chair, Members of the
Authority, the state finance authority requires a
resolution authorizing the application for funds.
It's the item we just discussed, the $65 million loan
ordinance, which will be considered in October. At
this meeting they request that we submit to the board
a resolution authorizing us to submit the application
for the $65 million loan.

MR. PERRY: Mr. Chair, I'm going to make a
motion for final passage and approval of Resolution
11-12.

CHAIRMAN DE LA CRUZ: We have a motion.

COUNCILLOR JONES: Second.

CHAIRMAN DE LA CRUZ: We have a motion and a
second. All in favor, say aye.

ALL MEMBERS: Aye.

CHAIRMAN DE LA CRUZ: Opposed?

Motion carries unanimously.

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

CHAIRMAN DE LA CRUZ: Moving on to Item 9B, WUA
C-11-20, approval of agreement with Government Finance
Officers Association.

MR. SANCHEZ: Mr. Chairman, this item would authorize us to enter into an agreement with the Government Finance Officers Association to assist us in the planning and development of creating the water authority's financial reporting system. We currently contract with the City of Albuquerque under an MOU to use their financial system and compensate the city for that.

This would begin the process of the water authority developing and maintaining its own financial accounts receivable/accounts payable capital and reporting system. We anticipate this being about an 18-month to two-year process. In looking around at others that have gone through similar efforts, including Bernalillo County, by the way, which did a pretty remarkable job, everyone has recommended using GFOA as a consultant to guide us along that path, and that's the reason we're making this recommendation.

CHAIRMAN DE LA CRUZ: Can I have a motion, please.

COUNCILLOR GARDUNO: So move.

CHAIRMAN DE LA CRUZ: We have a motion. Second?

COUNCILLOR JONES: Second.
CHAIRMAN DE LA CRUZ: We have a motion and a second. All in favor, say aye.

ALL MEMBERS: Aye.

CHAIRMAN DE LA CRUZ: Opposed?

Motion carries unanimously.

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

CHAIRMAN DE LA CRUZ: Moving on to Item 9C, WUA C-11-21, approval of agreement with Sun Edison to provide solar power.

MR. SANCHEZ: Mr. Chair, we're quite proud of this item. This would basically allow us to participate in additional renewable energy at our Southside Reclamation facility. We have a very short window to use the PNM renewable fund to help us construct what would be a one-mega-watt solar energy plant.

Sun Edison has government contracts elsewhere. We're piggybacking on those contracts. So we would enter into a power purchase agreement with Sun Edison to purchase all the power this solar facility will produce. In essence, it will save us between 700,000 and a million over the life, which is 20 years. But more importantly what it will do for us is hold our power costs down for at least one mega watt going forward for 20 years, and it will make the
reclamation facility a hundred percent renewable energy. Between our cogeneration facility and this solar facility, we will not require any electric power at all from PNM as a provider.

CHAIRMAN DE LA CRUZ: I move approval.

COUNCILLOR SANCHEZ: Second.

CHAIRMAN DE LA CRUZ: We have a motion and a second. All in favor, say aye.

ALL MEMBERS: Aye.

CHAIRMAN DE LA CRUZ: Opposed?

Motion carries.

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

CHAIRMAN DE LA CRUZ: Other business, Councillor Rael.

MR. RAEL: Thank you, Mr. Chairman.

Mr. Sanchez, I have a question regarding the Living River fund. I wonder if you could tell me how it works and how is it -- is it getting enough funds to make it viable?

MR. SANCHEZ: Mr. Chairman, Trustee Rael, the Living River fund was established during the litigation and discussion and mediation surrounding the San Juan Chama Project. The fund essentially is intended to provide funding for water to be stored at Abiquiu Reservoir. Forest Guardians essentially is
the lead on that. We were charged with providing the
initial funding for them to acquire water rights to be
stored at Abiquiu. And on every customer's bill,
there's the option of donating to the Living River
fund.

My knowledge is about 37 to $38,000 has been
contributed thus far by customers. That combined with
our investment brings the fund to probably somewhere
under $300,000. Is that enough to acquire significant
water rights to be stored at Abiquiu? No. It's
intended to be a long-term effort, and this is just
the beginning.

MS. RAEL: What I noticed, you know, I made a
couple of donations to it, and it appears that -- on
my statement that it's giving me a credit back. So
I'm not sure that it's working the way it should be as
far as --

MR. SANCHEZ: Let me have Stan Allred come up
and address that. But it might just be a billing
discrepancy.

MR. ALLRED: Mr. Chairman, Members of the Board,
Trustee Rael, it's set up when you check it -- we had
some issues because -- just recently because we were
using a lockbox with First Community Bank, First
Community Bank had been taken over by the FDIC, by
U.S. Bank. We've had some major issues with a lockbox with U.S. Bank. We're in the process with the City of Albuquerque of moving our lockbox services to Bank of Albuquerque.

So we've had some issues with U.S. Bank as far as trying to track when they go through the lockbox, those funds. So when the money comes in and we don't know where to apply it to, it's being applied to our customer's account against their water bill. So I believe that's the issue. That issue is -- we're aware of and we're working on that. And I believe we should be going live with Bank of Albuquerque sometime in October or November. And we can rectify that problem.

But it's basically set up just if it comes through that if you check the box, what we've told our customers on the website, we'll take $2 out of your account. So if you've actually paid more than $2, the additional amount gets applied to your account. Because we have no way of knowing how much somebody wants to apply do the Living River fund if you do in excess of $2.

We are trying to be able to put that on the website so you can make a donation via a web payment and do some things with Bank of America with that. We
are going out with an RFP to look at other vendors to do -- accept payments via the web because of some limitations that we're having with Bank of America. So that is one of the things we want to try to do. As well with web payments, to be able to give people the option on the web to decide how much they want to donate as well when they make a payment.

MS. RAEL: Could you give us an update sometime in the future when you have this corrected.

MR. ALLRED: Yes, sir.

MR. RAEL: All right. Thank you.

Thank you, Mr. Chair.

CHAIRMAN DE LA CRUZ: Thank you, Trustee.

Mark, I'd like us to actually go a little bit further in the presentation, not only to cover what Trustee Rael was talking about, but maybe a brief presentation on what the lockbox is. Actually, most people don't know what that means, and I think it's important for customers to understand. Maybe do a schematic of how to process work for the locks.

Thanks to everyone. Meeting adjourned.

(Proceedings adjourned.)
STATE OF NEW MEXICO
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I, Kelli Gallegos, New Mexico Provisional Reporter, No. P-409, working under the direct supervision of Paul Baca, NM CCR #112, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and the pages are a true and correct transcript of those proceedings and were reduced to printed form under my direct supervision.

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

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KELLI GALLEGOS
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