ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY
THURSDAY, NOVEMBER 17, 2011

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
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A P P E A R A N C E S

COMMISSIONER ART DE LA CRUZ, Chair (Excused)
COUNCILLOR TRUDY E. JONES, Vice Chair
COMMISSIONER MAGGIE HART STEBBINS, Member (Excused)
MAYOR RICHARD J. BERRY (Excused)
COUNCILLOR REY GARDUNO, Member (Excused)
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
COUNCILLOR JONES: Good evening ladies and gentlemen. Let's call this meeting, the Thursday, November 17th meeting of the Albuquerque Bernalillo County Water Utility Authority to order. We are missing a few commission members, but I'm sure that they will show up so that we can have a quorum before we're finished.

Let's begin with a moment of silence and the Pledge of Allegiance, led by Commissioner Michelle Lujan Grisham.

(Whereupon, there was a moment of silence.)

(Whereupon, the Pledge of Allegiance was led by Commissioner Lujan Grisham.)

COUNCILLOR JONES: Thank you, Commissioner. The next item on the agenda is the approval of the minutes of the October 19th, 2011, meeting. I move approval.

MR. PERRY: Second.

COUNCILLOR JONES: All those in favor -- wait, we can't do that. Never mind. Take that back.

COMMISSIONER LUJAN GRISHAM: We were practicing.

COUNCILLOR JONES: There you go. Let's just let the record reflect that Members Chair De La Cruz, Councillor Garduno and
Commissioner Hart Stebbins and Trustee Pablo Rael are all excused. Because we are waiting for a quorum to get here, let's work -- there are no proclamations and awards. Let's go to public comment. I hope there are several people out there who would like to speak.

Ms. Jenkins, how many people do we have?

MS. JENKINS: We have four.

COUNCILLOR JONES: All right. Ms. Jenkins will call your name, at which point you can come to the front and you will have two minutes to speak. The bell will ring at a minute and a half, which gives you another 30 seconds. And we ask you to please be respectful of the time. Thank you.

Ms. Jenkins.

MS. JENKINS: Geraldine Amato, followed by Becky Gutierrez.

COUNCILLOR JONES: The next speaker.

MS. JENKINS: Becky Gutierrez, followed by Becky Dumond.

MS. GUTIERREZ: Board, ma'am, my name is Becky Gutierrez. I'm with the Carnuel Mutual Domestic. I'm here to speak on behalf of Memorial 1-11, which is dealing with the USDA and the problems that we've been having with the USDA. We've been trying to get funding
from them for years and years and it seems like every 
time we think we reach an agreement, another roadblock 
comes up and we have to start over again.

They recently just pulled our funding and so 
now we don't have any funding for our tank. And it's 
just been very difficult working with them. We haven't 
had any -- I guess any hope with them at all. And 
that's basically what I'm here for.

COUNCILLOR JONES: Thank you. Thank you very 
much.

MS. JENKINS: Becky Dumond, followed by 
Yolanda Garcia.

COUNCILLOR JONES: Good evening. You all 
might want to pull that down a little lit.

MS. DUMOND: My name is Rebecca Dumond, I'm 
also a board member of the Carnuel Mutual Domestic Water 

I'd like to give you a real specific example 
of our difficulties with USDA. For years we're gone to 
meetings where they say, do this and this and this, very 
precisely. We would do it, then they would say no, that 
wasn't right, or they wouldn't even tell us -- give us 
an answer on the things that we had prepared. And we 
would go back to them and say, "We, haven't heard from 
you, we haven't heard from you. Do we need more or is
that good enough or whatever?"

Well, what has happened, a really precise example is, I'm the treasurer and in one of their recent lists of many requests, they said, "We need you to have separate bank account set up so that the money that is sent to you and then you're being used as a flow-through and then getting it to the Water Utility Authority, so that it's not a commingling with other funds."

So we said okay. We have $4,000. I think that's interesting to know, the kind of money that we're dealing with, period. And so we set up a separate bank account. Well, then later, they didn't approve that, they didn't approve it. And so, you know, we've gone to all kinds of different specific things, some that cost us money, like that example of our 4,000 to have to buy checks, you know, that we have, you know, a thousand checks now or whatever you have set up to do that.

We really feel that now that the Water Utility Authority is clearly behind us, both programatically, helping us figure out the ins and outs, explaining things, supporting us, even with legal counsel through your Water Utility Authority, we really feel that this is going to do it. And we went thank you enough for doing a memorial to help get Congress to look at this also, our congressional members.
Thank you very much.

COUNCILLOR JONES: Thank you for coming down.

MS. JENKINS: Yolanda Garcia.

MR. GARCIA: Good afternoon. My name is Yolanda Garcia, and I'm here today to address the need for memorial Number 11-1, 9C on your agenda, and to thank you for your support in requesting assistance from New Mexico's congressional delegation to secure funding for our water system.

I've been involved with the Carnuel Mutual Domestic for 11 years and as hard as it is for me to believe, here it is, 2011, I still live directly east of the great city of Albuquerque, in the very large County of Bernalillo, and I still have water coming from a private well. And I'm still surrounded by some families whose private wells do not meet the Safe Drinking Water Act. If this was happening in another country, I find of feel the that federal government would have already taken measures to rectify the situation.

In this case however, USDA refuses assistance based on some bureaucratic decision that states a project can be completely funded by commercial credit or from water authority's resources. We've had to work very hard for every penny we've gotten for this project, but I do believe this is the first time we had
money approved for the project and then had that money taken away.

Again, thank you for your support.

COUNCILLOR JONES: Thank you very much.

Ms. Jenkins, is that it?

MS. JENKINS: Unless Ms. Amato is here.

COUNCILLOR JONES: I don't see Ms. Amato.

Thank you. That's the end of public comment.

Thank you, all for coming down.

Announcements and communications. Our next scheduled meeting is December 21st, 2011, in the Vincent E. Griego Chambers and 5:00 p.m. And also, the water authority will be holding a public meeting regarding aquifer storage and recovery on Saturday December 3rd, 2011 at the main branch of the public library at 501 Copper, Northwest. This will be from 10:30 a.m. until 2:00 p.m.

And with that, I believe -- Mr. Sanchez.

MR. SANCHEZ: Madam Chair, Councillor Sanchez has called. He's minute away. He should be arriving very quickly.

While we're waiting for him, I might be able to shed some light on some of this Carnuel discussion that you just had under public comment.

If you recall, some time ago, the board
authorized the water authority to become the agent for Carnuel to help them get a public water supply for their jurisdiction. In that, we were stepping in place of the Carnuel Mutual Domestic. And USDA had approximately $2 million in funding that they determined was no longer eligible to be allocated for this project because of the water authority's involvement, indicating that we were not an eligible entity.

Anyway, there's a lot of bureaucratic obstacles that have been placed in front of us and them and that's the purpose for the memorial. And we can speak to that later in the agenda.

COUNCILLOR JONES: Thank you very much. And during that good explanation, Councillor Sanchez is here, so we now have a quorum.

Let's go back to the approval of the minutes. I make a motion to approve the October 19th, 2011, minutes. Is there a second?

MR. PERRY: Second.

COUNCILLOR JONES: There's a motion and a second to approve the October 19, 2011, minutes. All in favor, please say aye.

ALL MEMBERS: Aye.

COUNCILLOR JONES: Opposed?

Motion carries unanimously.
(4-0 vote. Agenda Item 3 approved.)

COUNCILLOR JONES: Next on the agenda is approvals and that would be WUA R-11-13, amending the water conservation rebate program for 2012.

I believe Ms. Yuhas is going to explain this to us this evening.

Good evening Ms. Yuhas.

MS. YUHAS: Thank you, Madam Chair, Members of the Board. We have a floor substitute for the resolution that was discussed at the last meeting. And while that's being handed out, I'll go over the items that are still the same as they were.

The first is that in -- beginning January 1st, 2012, we reduce the high efficiency toilet rebate from $200 per toilet to $150 per toilet. When we first introduced this rebate, the high efficiency toilets were a new product and they were very expensive. The price has since come down, and $150 will still be a very generous rebate and will encourage many of our customers to participate.

With the savings from the toilet rebate program, we would like to make permanent the pilot program that we have been testing this year, in 2012, and that is a xeriscape pilot program that offers $1.50 per square foot for turf that is removed from steep
slopes and small areas. Those are areas that are
typically very difficult to water, and the savings to be
achieved from those areas is very great. We've had a
lot of participation, a lot of interest from our
customers, and I know there will be many people happy if
this becomes a permanent part of our program.

The second thing we would do with the
savings is we could like to increase the standard
xeriscape rebate. That's just for removal of grass from
any area, from 75 cents per square foot to $1 per square
feet. The savings outdoors is even for us than savings
indoors because we don't get that water back to reuse
it. So if we can transfer the bulk of our savings, you
know, rebate dollars from indoor to outdoor, that will
be beneficial to us.

And finally, the item we are adding as the
floor substitute is a new pilot program for 2012 which
we are tentatively calling the Save the Tree Rebate.
And it would offer money back to our customers for
installing irrigation equipment for trees, fertilizing
trees, professional tree care, or enhancing rainwater
harvesting for a tree specifically.

And the reason we'd like to do this is the
trees in our community are suffering due to the drought,
due to freezing temperatures we had last winter, due to
stress when re-landscaping is done and tree watering
isn't provided for properly. We're seeing a lot of tree
die-off. And trees are very important. They provide
cooling, they provide shape. They're a beautiful part
of the community and we'd like to see that continue.

And what we'd like to do is set aside
$50,000 of the rebate program to test this out and see
how it could work for us.

COUNCILLOR JONES: Thank you, Ms. Yuhas.
Are there any questions?
Yes.

COUNCILLOR SANCHEZ: Thank you, Madam Chair.
Ms. Yuhas, I had one question regarding
the -- we're going from two $200 to $150. How much
savings will the water authority see with that
reduction?

MS. YUHAS: Madam Chair, I believe that the
savings should be about $250,000, and the savings from
that will be used to offset the cost of making the pilot
program a permanent one and increasing the xeriscape
rebate. So this there's no net change in the amount
needed for rebate programs.

COUNCILLOR SANCHEZ: Okay. Thank you.
COUNCILLOR JONES: Thank you.
Commissioner Lujan.
COMMISSIONER LUJAN GRISHAM: No. I was just pointing auto--

MR. PERRY: Madam Chair, I move for approval, final approval of the floor substitute for resolution R-11-13, amending the Water Conversation Rebate Program for the Albuquerque Bernalillo County water utility Authority.

COUNCILLOR JONES: I'll second that. All in favor, please say aye?

ALL MEMBERS: Aye.

COUNCILLOR JONES: That motion carries unanimously.

Thank you, Ms. Yuhas.

MS. YUHAS: Thank you.

COUNCILLOR JONES: Next on the agenda is WUA R-11-17, which in fact will be a floor substitute. And I believe that's Mr. Sanchez and Paul Cassidy who would like to speak to this.

MR. SANCHEZ: Madam Chair, Members of the Authority, if you recall, we had begun the process of borrowing from the New Mexico Finance Authority an amount around $61 million. What's before you have today is essentially the sales resolution. The finance authority sold the bonds this morning, and that's the reason for meeting today, to have a meeting on the same
dame. And the interest rate was about 2.92 percent, which is very good.

I think Paul Cassidy and Duane Brown would like to make a few quick remarks before you consider approving this.

COUNCILLOR JONES: Great. Thank you.

Good evening, Mr. Cassidy, Mr. Brown. Nice to see you.

MR. CASSIDY: Madam Vice Chair, Members of the Board.

Thank you Mr. Sanchez.

To follow up on what Mr. Sanchez said, the issue size that we're requesting the board to approve tonight is an amount equal to 53.4 million. And this is in your board packet, by the way. $53.4 million. That bond size will provide for $44 million for basic needs projects and 17 million for special purpose projects. The final maturity on the basic need bonds complying with board policies 2023, or 13 years, and the special needs projects, 2036, which is 25 years.

The true interest cost was 2.884. And the all inclusive interest cost, which is all costs of issuance amortized is 2.92 percent. We were expecting two or three days ago a rate a little below 3.07 percent. So we came in a little better as a result of
market conditions. Treasury rates traded down as a result of problems in Europe again.

The blended interest rate on all of the authority's debt is 4.50 percent. The method of sale is a private placement. That is a loan. It's being placed with the New Mexico Finance Authority for the purpose of saving cost of issuance. Had we sold the bonds in the market, we probably would have traded at very similar levels to the finance authority's debt. So they wrapped our credit, but we did provide savings, cost of issuance of probably $300,000 as a result of that.

We served as your independent financial adviser. The Modrall law firm is your bond counsel. Closing subject to approval tonight is December 15th. Debt being issued through this loan agreement can be called in the future beginning in 2021 at par.

I'd be happy to address any questions the board members might have before turning it over to Duane Brown.

COUNCILLOR JONES: Thank you.

Are there any questions? Thank you.

Mr. Brown.

Thank you, Mr. Cassidy.

MR. BROWN: Thank you. I'm Duane Brown with the Modrall Sperling law firm serving as your bond
counsel in connection with this loan from the New Mexico Finance Authority.

And what you have in front you tonight in the floor substitute resolution is the details of the interest rates achieved in the market place that Paul described as translated into the loan agreement. We'll continue over the next three weeks to prepare the closing documents and negotiate the final details of the loan agreement with the finance authority.

This resolution is really a very simple carry-forward of what you did last -- last month when you adopted the ordinance authorizing the initial steps and continuing on with that, Madam Chair.

That's really all I have to add. I'm happy to stand for questions.

COUNCILLOR JONES: Thank you, Mr. Brown.

Are there any questions?

Mr. Brown, thank you very much.

With that, I would move approval of floor substitute R-11-17.

COUNCILLOR SANCHEZ: Second.

COUNCILLOR JONES: I have a motion and a second. All those in favor?

ALL MEMBERS: Aye.

COUNCILLOR JONES: Motion carries unanimously.
Thank you.

(4-0 vote. Agenda Item 9B approved, as substituted.)

COUNCILLOR JONES: Next on the agenda is WUA M-11-11. This is the memorial that we spoke about earlier.

Mr. Roth, would you like to give us a little more information.

MR. ROTH: Madam Chair, Members of the Board, at the October meeting there was a request from the board to have staff draft legislation to the New Mexico congressional delegation requesting their assistance in resolving these funding issues that were spoken about during public comment and what Mr. Sanchez also reported about.

This legislation requests that the congressional delegation, advocating on behalf of the Carnuel Mutual Domestic in resolving the administrative and policy issues, regarding the funding and regarding the water authority's role in assisting Carnuel with the funding in order to provide safe and reliable drinking water to Carnuel. It also requests that the funding package be financially feasible for both the water authority and the Carnuel residents.

Simply stated, Carnuel is a working class
historic community. They have severe quarter quality programs. The USDA has a program to help communities like Carnuel and to address these situations with infrastructure funding, and simply they're not providing that assistance.

COUNCILLOR JONES: Thank you, Mr. Roth. Are there any questions?

Thank you very much. This is a good thing. I move motion -- I make a motion to approve Floor Substitute M-11-1.

COUNCILLOR SANCHEZ: Second.

COUNCILLOR JONES: There is a motion and a second. All those in favor.

ALL MEMBERS: Aye.

COUNCILLOR JONES: All those opposed?

Motion passes unanimously.

(4-0 vote. Agenda Item 9C approved.)

COUNCILLOR JONES: Next on the agenda is WUA C-11-23, selection advisory committee recommendation for on-call engineering services for utility projects.

Mr. Sanchez.

MR. SANCHEZ: Madam Chair, very quickly, it simply selects a list of engineering firms that we would use on an on-call basis for projects in the future. If you notice, we don't select one or two, we've selected
eight. And we tend to rotate the projects and identify firms that have specific expertise that we need for given projects for on-call services.

COUNCILLOR JONES: Thank you, Mr. Sanchez.

Are there any questions?

Councillor Sanchez.

COUNCILLOR SANCHEZ: Thank you, Madam Chair.

Mr. Sanchez, how do you determine which firms are going to be on this list?

MR. SANCHEZ: Madam Chair, Councillor Sanchez, we allow firms to submit interest. So there's a selection process. In your packet you would have the selection committee, the ratings of all the firms. We had nine firms submit and eight were selected. The one that was not selected was a Colorado firm. And the committee determined it was cost prohibitive because they would have to pay their travel costs for all the work related that they would do for us. So they've identified a list of eight local firms that would work on projects for us over the next two years.

MR. SANCHEZ: Thank you.

COUNCILLOR JONES: Thank you, Mr. Sanchez.

Any other questions?

Therefore I make a motion to approve C-11-23.
MR. SANCHEZ: Second.

COUNCILLOR JONES: There's a motion and a second. All those in favor.

ALL MEMBERS: Aye.

COUNCILLOR JONES: That motion carries unanimously.

(4-0 vote. Agenda Item 9D approved.)

COUNCILLOR JONES: Next on the agenda is WUA C-11-24, a recommendation of award for payment services.

Mr. Allred, you're going to tell us all about this.

MR. ALLRED: Madam Chair, Members of the Board, currently we take payments for our customers via the website and phone payments. Over the last couple years we've had feedback from our customers that they were not very happy with the service being provided by the current provider of those services. It was in our customer surveys, they weren't happen with that.

So we did a request for proposal to look at other providers of that. We selected Western Union and Speed Pay. It will allow us to continue taking payments via the web. We'll take Visa, MasterCard, Discover and American Express, as well as debit card payments and check payments. And we'll take all these payments also via a phone payment. The service will be provided in
Spanish and English as well. Western Union will provide us with a 24-hour, seven-days-a-week customer service support for their applications. On the website we'll be set up as it appears that you're still on the authority's website.

Another good benefit with Western Union is that it will allow our customers to pay at any Western Union site across the City of Albuquerque. So there's sites, for instance, in all the Smith's, so our customers can go in there and pay that. Our customer service reps will be able to see the payments pop up on a screen. And those payments will post to our billing system every hour, so it's pretty much real time. So it will allow us to better serve and a better functionality for our customers to make payments in the future.

COUNCILLOR JONES: Thank you. That's excellent.

Are there any questions?

Yes, Commissioner.

COMMISSIONER LUJAN GRISHAM: Thank you, Madam Chair.

And I should know the answer to this. Is there a fee to consumers to use the online payment systems?

MR. ALLRED: Commissioner Lujan Grisham and
Madam Chairman, there is a fee. We absorb those fees. They vary depending on what type of credit card you use and where you may do that. Even the payments that will be taken at the Western Union sites, there's a fee. But the water authority absorbs those fees and it was -- is part of our budget and it's appropriate within our budget to pay for those fees.

COMMISSIONER LUJAN GRISHAM: And related to that, so that's -- I should have been clearer. I was looking for whether or not the consumer actually has to pay -- there's no convenience fee, so that's been addressed.

And then these two vendors are meeting last year's fee for us to actually use those online processes, or has that gone up?

MR. ALLRED: Madam Chairman and Commissioner Lujan Grisham, they're probably -- they're about this same. Actually, with this new vendor, it will be a little bit cheaper than what we're paying right now.

COMMISSIONER LUJAN GRISHAM: All right. Thank you.

COUNCILLOR JONES: Thank you. Good questions. Are there any other questions?

With that, I make a motion to approve C-11-24.
COUNCILLOR SANCHEZ: Second.

COUNCILLOR JONES: There's a motion and a second. All those in favor, say aye.

ALL MEMBERS: Aye.

COUNCILLOR JONES: Motion carries.

(4-0 vote. Agenda Item 9E approved.)

COUNCILLOR JONES: Seeing no other business, the meeting is adjourned. Thank you.

(Whereupon, the 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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