ALBUQUERQUE/BERNALILLO COUNTY GOVERNMENT CENTER
ONE CIVIC PLAZA, NW
ALBUQUERQUE, NEW MEXICO  87102

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

Appeances

COUNCILLOR KEN SANCHEZ, Chair
COMMISSIONER WAYNE JOHNSON, Vice Chair
COMMISSIONER ART DE LA CRUZ, Member
COUNCILLOR TRUDY E. JONES, Member
COMMISSIONER MAGGIE HART STEBBINS, Member
MAYOR RICHARD J. BERRY (Excused)
COUNCILLOR REY GARDUNO, Member
TRUSTEE PABLO RAEL, Ex-Officio Member
MARK SANCHEZ, Executive Director
ROB PERRY, Administrative Officer, Alternate Member
CHAIRMAN SANCHEZ: I'd like to call this meeting to order for February 22nd of 2012, the meeting of the Albuquerque Bernalillo County Water Utility Authority. Let the record show that all members are present, with the exception of Commissioner De La Cruz. He should be here shortly.

We will start with a silent invocation, followed by the Pledge of Allegiance, which will be led by Mark Sanchez.

(Whereupon, there was a moment of silence.)

(Whereupon, the Pledge of Allegiance was led by Mr. Mark Sanchez.)

CHAIRMAN SANCHEZ: The next item on the agenda is the approval of the minutes. I'd like to move approval of the January 25th, 2012, minutes.

COMMISSIONER JOHNSON: Second.

CHAIRMAN SANCHEZ: We have a motion and a second by our vice chairman.

Any questions?

Seeing none, all those in favor, signify by saying yes.

ALL MEMBERS: Yes.

CHAIRMAN SANCHEZ: Opposed?

That carries unanimously.

(7-0 vote. Agenda Item 3 approved.)
CHAIRMAN SANCHEZ: Next item on the agenda is proclamations and awards, and this will be a water conservation X2 awards. There was over 60 participants entered in the X2 double rebate program for removal of turf from steep slopes and small areas. Contestants were judged on design and potential water savings, with input from the customer advisory committee.

And the first place award is a $12,000 water bill credit. And the owner is the Tanoan Community Association, Inc. And the landscaper was Lee Company Grounds Management, Jeremy Humphrey.

Are those individuals here this evening? Would you please come forward. Would you like to say a few words and accept this $12,000 water bill credit? Congratulations.

And I can say we will drink to that; that is water, of course. Does somebody want to speak on behalf of... Just go ahead on come up to the microphone and state your name for the record and introduce the individuals that with you this evening.

MS. SHANEMAN: Hello. My name is Charlotte Shaneman. I was president of the Tanoan Community Association at the time that the landscaping work was done. And I'd like to introduce the people with me.
Jeremy Humphrey from LeeCo, who designed and installed our beautiful plantings. Paul Scojack, who is manager of the community association. And Patty Hinds, who was chair of the landscaping committee that put the project together.

CHAIRMAN SANCHEZ: Welcome and congratulations, and you can come up and receive your award. Thank you.

Okay. The second place credit is an $8,000 water bill credit. The owner is Transcor Amtech Technology. And Maryann Giagola is here to accept that award, I believe.

The landscaper The Hilltop Landscape Architects. And the contractor was Victor Rodriguez. Would you please come forward. Congratulations.

MS. GIAGOLA: Thank you, Mr. Chairman. I want to congratulate the board and the staff of the Albuquerque Bernalillo County Water Utility Authority for the creative approach it took to this xeriscape program. We are very pleased to be part of it, and we think it's wonderful to have won the second price. Thank you.

CHAIRMAN SANCHEZ: Congratulations. And you may come forward and receive the award.

And third place, it's a $5,000 water bill
credit, and the owner is Alameda West Shopping Center, CB Richard Ellis and Deborah Chavez. And the landscaper is Heads Up Landscape Contractors, Nick Mosher. Would you please come forward.

Congratulations.

State your name for the record, please.

MR. MOSHER: Nick Mosher, with Heads Up. This Deborah Chavez. I'm actually accepting on behalf of Gary Fears. He was the project manager.

CHAIRMAN SANCHEZ: Well, thank you. Come on up.

Okay. The next item on the agenda is public comments. Ms. Jenkins, how many individuals do we have signed up to you speak this evening?

MS. JENKINS: We have three.

CHAIRMAN SANCHEZ: Okay. Those individuals will have two minutes. The bell will ring once at the minute and a half and then a second bell will ring at two minutes.

And once your name has been called, if you would please up to the front. We have accommodations for you to sit to be prepared to speak.

Ms. Jenkins, who is our first speaker?

MS. JENKINS: Geraldine Amato, followed by Joseph Wechsler.

THE COURT: Ms. Amato, welcome.
MS. AMATO: This morning on the university-run station there's a program that runs on Wednesdays called Living on Earth. And there was a scientist discussing the multitude of industrial chemicals plastics and other toxins in our environment that we're being assaulted by, and that the EPA, the Feds regulate very few of them and don't even mention most of them. And I think it's safe to say that's the situation we have with the river water that we are siphoning off as drinking water.

And then, typically, at these meetings, there's proposed -- very establishment-approved, safe solutions. No radical solution is even suggested. And that's what it's going to require if we are really to preserve the vitality of the public that live here and are going to be consuming this water.

And not only that, many of the filters that are sold do not even recognize, either, all these multitude of toxins, chemicals, plastics that are in that river, pharmaceuticals, et cetera.

We don't even test our own water. We got, you know, the experts doing it, and they're taught in the controlled university curriculas. And they're under the control, ultimately, of the same people that control the federal government. We're back to the
owners of the wealth of this nation who have taken control of it by fraud, treason, treachery, deception. And unless we challenge the people at the top of this pyramid, we will inherit disaster.

Not only do we drink this water that is not really fit to drink -- when you think of it, there's going to be more illnesses here in this society. Even those of us who can afford to put a filter in our homes so that we bathe in filtered water, et cetera, even those people are at risk.

But unless we do something radically different than what is being proposed during these meetings and elsewhere in the mainstream press media and the college curriculas and the scientists, we will inherit a very serious consequence. I foresee that this valley will be --

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

MS. AMATO: Yeah, you're so polite and you're so generous with public comments, aren't you?

CHAIRMAN SANCHEZ: Next speaker.

MS. JENKINS: Joseph Wechsler, followed by Elaine Hebbard.

CHAIRMAN SANCHEZ: Welcome.

MR. WECHSLER: Good evening. My name is Joe
Wechsler. I'm representing AVAT, Agua es Vida Action Team. I'm a professional engineer in New Mexico. I've got a few things to say about the system.

Number one, I was pleasantly surprised. I got on your website and found the water quality data. I thought it would be a tough job; it wasn't. It was easy. I got all the numbers I needed. It was easier than dealing with my stockbroker. That's no joke. It really is true.

Well, the one comment I have is about the radionuclides. The average is shown between 2004, 2010 for both gross alpha particles and uranium. Now, these are heavy duty poisons, and they should be reported on at least biennially, as most of the others are, or annually, that's number one.

Number two is, with the success of our meeting on December 3rd of last year, the public meeting, I have to repeat again, I did at that time, that the community of Aurora, Colorado, when they developed a new water supply system, they met with the public. There were a number of villages and towns and communities involved. They met over a hundred times in public meetings with a various people with that new water system. We have met once.

Number three, on the plans to injected water
into our aquifer under pressure, it has to be examined -- as an engineer, I know that has to be examined extremely carefully, and an economic, severely strong economic analysis has to be made before any steps are taken to the actual injection of that water.

Okay. Thank you.

CHAIRMAN SANCHEZ: Thank you, sir.

Next speaker.

MS. JENKINS: Elaine Hebbard.

CHAIRMAN SANCHEZ: Welcome, Elaine.

MS. HEBBARD: Hi. My name is Elaine Hebbard. I'm here to just sort of come back. Six months ago I was here and talked about the importance of goals and in particular with that drought management strategy.

The staff has been working on the drought management strategy. The original one was created with the idea that we would go onto the San Juan Chama diversion project, and it had a payback to the aquifer as the key linkage. Now that's going to be removed evidently and it's going to be onto a demand kind of management strategy. What's important about that is the goals that are going to then be addressed will be the GPCD goal, gallons were capita per day, and the operational goals. The gallons per capita per day is
found on the website, sort of. The last one that was
put up was for September. And so it's really hard, as
a member of the public, to keep up and say, "Gee,
we've been successful. We might be in drought,"
whatever it might be, when those things are not
maintained.

The other one is the operational goals. And
that would be how much are we expecting to pump, how
much divert, how much reuse. Those, I'm told, are not
actually available for the public. So those are the
two triggers, whether we've violated the operational
goals and the GPCD goals. One's not updated very
often; one's not available to the public. How are we
going to expect the public, then, to have buy-in?

I would recommend that both of those be
public. I think as Mr. Wechsler pointed out, we need
to have more public conversations. I'd also like to
include drought and climate change. And on March 6th,
there will be a climate change workshop put on by the
City of Santa Fe. So we can do it.

That's pretty much all I have to say.

Thanks.

CHAIRMAN SANCHEZ: Thank you for your time.

Councillor Garduno.

COUNCILLOR GARDUNO: Thank you, Ms. Hebbard.
And also Mr. Wechsler alluded to this.

Mr. Sanchez, public forums, do we hold those at all by the water authority? Not, you know, do we attend them.

MR. SANCHEZ: Mr. Chairman, Mr. Wechsler was incorrect with regard to public forums with regard to the water treatment process for the San Juan Chama water. For those of you that have been around for a while, this goes back to the 1990s in terms of the public process. The city council first adopted the water resources management strategy in 2007 -- 1995, actually. And then in 2007, the water authority, in turn, re-adopted that after a series of public meetings on that topic. And it was broadly participated in, advertised, facilitators were available. And back when the city did it, it was a very intense, robust opportunity for the citizens to be engaged in this process, and they were. So we do.

And if you recall, recently, with regard to aquifer storage and recovery, Mr. Wechsler and others were concerned about the injection of water into the aquifer. And at the time, Commissioner De La Cruz, who served as chair, suggested and requested that we have a public forum, which we did. And it was facilitated, comments were recorded. So, I mean,
nothing is happening with regard to ASR anytime soon. That's a long term endeavor in terms of large sale. But do we have public forums? Yes.

COUNCILLOR GARDUNO: And when was the last one, if I may ask, Mr. Chair?

MR. SANCHEZ: Mr. Chairman, Councillor Garduno, the last public forum on ASR was -- I'm thinking it was back in December, December 3rd.

COUNCILLOR GARDUNO: Okay. And so -- thank you.

Ms. Hebbard, then you were asking for what that would be different?

MS. HEBBARD: That was a forum specifically on the aquifer storage and recovery. And that has been the one forum on that. I'm talking about the drought management strategy specifically and the changes that we are -- that are being proposed from that payback the aquifer to a more demand management strategy. That is a pretty major shift in focus. But, moreover, when we're talking about drought in general and we're talking about water management, having an ongoing public forum is in concert with Policy M or the water management strategy, which talks about: An informed public contributes to the successful implementation of water resource management solutions. It is the public that defines the values of the region upon which the
policies are based.

And so actually engaging the public in a better, a longer, more extensive conversation about some of these specific things, drought, aquifer shortage, climate change, for example, or even breaking pipes, as we have one today, you know, those kinds of issues, I think, mandate for the 600,000 customers that you have.

COUNCILLOR GARDUNO: Thank you, Ms. Hebbard.

And if I may continue.

Mr. Sanchez, then, for instance, we have an appointment today to the water protection advisory board. Are these issues that that board deals with?

Should they be looking at that?

MR. SANCHEZ: Mr. Chairman, Councillor Garduno, certainly, and they do. And they have recently issued their annual report, which they will present to this body as your March meeting. And their scope was expanded, if you recall, from just groundwater to surface water. So they now evaluate both and constantly monitor that.

COUNCILLOR GARDUNO: And they have public forums in the shape and form that have been suggested?

MR. SANCHEZ: Well, I'm not sure to the extent that has been suggested, but they are certainly a
public body that's appointed by the water authority,
Bernalillo County and the City of Albuquerque.

COUNCILLOR GARDUNO: But their outreach doesn't
extend to that level, that we have of?

MR. SANCHEZ: I can't speak to that. Rick
Sheen, who's here, he is the staff person to the water
protection advisory board. He might better answer the
question.

COUNCILLOR GARDUNO: Okay. Thank you.

Thank you, Mr. Chair.

CHAIRMAN SANCHEZ: Go ahead and state your name
for the record, please.

MR. SHEEN: My name is Rick Sheen. I'm a water
quality hydrologist with the water authority and
staffer for the water protection advisory board.

Mr. Chairman and Councillor Garduno, we do
have public meetings on a monthly basis. They're not
held in typical forum format. There has not been a
call for one recently, however, we do have the ability
to do that.

We do advertise our meetings following the
Open Meetings Act requirements. But we have
participated in sort of educational outreach such as
we went to the South San Pedro Neighborhood
Association board meeting to speak on water quality
standards when we were asked to sort of educate and
give a general information presentation on what a
standard was in reference to the Kirtland Air Force
jet fuel plume.

COUNCILLOR GARDUNO: Right. And my suggestion,
and I don't know how we'd do this, that somehow the
advisory board be able to do that, if they could, open
it up in a more generous way than just hoping that
people would attend. But, rather, be more proactive
and outreach to the public.

MR. SANCHEZ: And, Mr. Chairman, Councillor
Garduno, what I'd suggest is the Chair of the board
will be here at your March meeting to present the
annual report. And that might be a good discussion to
have with him as the Chair and perhaps make that
request of that backward.

COUNCILLOR GARDUNO: I'd love to do that.

Thank you, Mr. Chair.

CHAIRMAN DE LA CRUZ: Thank you, Councillor.

Commissioner Hart Stebbins.

COMMISSIONER HART STEBBINS: Thank you, Mr.
Chairman.

And just a quick question, Mark. What is
the process for drafting and then adopting a drought
management strategy?
MR. SANCHEZ: Mr. Chairman, Commissioner Hart Stebbins, if you recall, we've had some discussion about this in the past. And the old drought management strategy was initially adopted by the City of Albuquerque, and it was at a time when we were solely reliant on groundwater.

Fast forward, we now have surface water as Ms. Hebbard has mentioned, and the request was made and we were in the process of revising that. Staff has been working on that. We plan to bring a draft forward for introduction at your March meeting. And it has been reviewed with the customer advisory committee for input as well.

So you will have, you know, a 60-day time frame to review it, evaluate it, probe, ask questions, make revisions.

COMMISSIONER HART STEBBINS: Thank you very much.

Thank you, Mr. Chairman.

CHAIRMAN DE LA CRUZ: Thank you, Commissioner.

The next item on the agenda is announcement and communications. The next scheduled meeting is March 21st at 5:00 p.m. in the Vincent E. Griego Chambers.

The next item is Item Number 7,
introductions, the first reading of legislations. And this is WUA R-12-5. I move that the rules be suspended for the purpose of placing WUA R-12-5 for final action this evening.

And WUA R-12-5 is authorizing an agreement with Flash Resources, LLC, for the Boulders subdivision for water and sewer services.

Do we have a second?

COMMISSIONER JOHNSON: Second.

CHAIRMAN SANCHEZ: We have a motion and a second.

Any questions?

Councillor Garduno.

COUNCILLOR GARDUNO: Thank you. I know this is coming at us pretty fast. I had a chance to read through it and also look at the exhibits. And one of the exhibits that I looked at was the map.

CHAIRMAN SANCHEZ: Excuse me, Councillor Garduno. Do you want to let us get this on the agenda first for discussion?

COUNCILLOR GARDUNO: I'm sorry. Yes.

CHAIRMAN SANCHEZ: Okay. We have a motion and a second on the floor.

All those in favor, signify by saying yes.

ALL MEMBERS: Yes.
CHAIRMAN SANCHEZ: Opposed?

That carries unanimously.

(7-0 vote. Motion to suspend rules approved.)

CHAIRMAN SANCHEZ: Next item on the agenda, there are no consent agenda items this evening. So we are now on approvals.

The first item is WUA R-12-5, authorizing an agreement with Flash Resources, LLC, for the Boulder subdivision for water and sewer services.

I move a do-pass.

COMMISSIONER JOHNSON: Second.

CHAIRMAN SANCHEZ: We have a motion and a second.

COMMISSIONER JOHNSON: Second.

COMMISSIONER SANCHEZ: Mr. Sanchez, and then we'll go to Councillor Garduno.

MR. SANCHEZ: Mr. Chairman, this item is before you with a request for immediate action because there were some delays between our office and the developer with regard to the process and the final development agreement.

We basically have no issues with the terms or conditions of the development agreement. There are no issues with the infrastructure. The constraint is
that the developer has literally built these homes, at
least the first phase, and needs meters ASAP to keep
the homes rolling, to make the sales, to keep the
construction jobs going. That's why we initiated the
request for immediate action.

The developer's represent, Ron Bohannan, is
here and can answer any detailed questions about the
development. But with regard to the development
agreement, they would be subject to all of our
policies and procedures, no net expense. They would
pay UECs, water supply charge, et cetera. There would
be no deviations from that whatsoever.

CHAIRMAN SANCHEZ: Councillor Garduno.

COUNCILLOR GARDUNO: Can we just play back the
question I asked earlier?

The question I had was, looking at the
exhibit, especially the map where it is and the number
of -- the number of units that is being spoken of,
it's sounds like the agreement is between the
developer and the water authority; is that correct?

MR. SANCHEZ: That's correct.

COUNCILLOR GARDUNO: So when does it become a
function of the owner of the unit to start paying the
water authority?

MR. SANCHEZ: Mr. Chairman, Councillor Garduno,
typically when a development takes place, once the home is sold to an individual homeowner, they then become a customer of the water authority. But the infrastructure cost and charges, if you will, are passed on through the price of that home.

COUNCILLOR GARDUNO: And I guess the question is, for me, if we're charging X dollars to the developer and that passes to the new owner of the unit, is that the same amount, or is there a differential, where the developer might charge more.

MR. SANCHEZ: Mr. Chairman, Councillor Garduno, I could speculate on that, but I couldn't respond with certainty. Mr. Bohannan may want to address that. I would assume it's a direct pass-through.

COUNCILLOR GARDUNO: That's what I'm trying to establish.

MR. SANCHEZ: Mr. Bohannan.

MR. BOHANNAN: Thank you, Mr. Chair. Ron Bohannan. 5571 Midway Park Place. And I promise to tell the truth.

Councillor Garduno, yes, the water UEC fees, typically what we have in the development is, we pay for all the waterlines, sewer lines, which in this case have actually been built, have been approved and accepted by the water authority. So that's all built
to the water authority's standards. Then the -- we bill that for the developer in this case, who is Pulte Development. They buy the lots with all those in there. And then they will buy the meters for each of those houses. And then at that point, they will change the water meter over to the person that buys that. So it's a direct expense.

COUNCILLOR GARDUNO: But what I guess what I'm saying is that there's no opportunity for the developer to make money on something that the water authority is supplying or selling to begin with?

MR. BOHANNAN: We are paying for everything, so there's not any net expense to the water authority. So we are trying to keep all of our costs as low as we can. So we're not passing on any -- we're not marking up the costs --

COUNCILLOR GARDUNO: That's the question.

MR. BOHANNAN: -- to the owner.

COUNCILLOR GARDUNO: Okay. And that is -- you know, somebody can look at that, and if I'm buying a unit there, I can see that I'm not being charged for a UEC twice what the water would have sold it to me for?

MR. BOHANNAN: You get a house complete, so with that, you come up with a meter that's already been bought and purchased for that house. So it's all in
there. It's not in a line item on -- you don't have a
line item purchase in a house.

COUNCILLOR GARDUNO: And that's one of the
crunches I have, that some of things, you know, get
bundled in a way that it's going to be hard for any
consumer to know what they're paying for anything.

I don't know that we can do anything about
it now, but I think for the future we ought to start
looking at that. Because if there's going to be a
markup, then the consumer should know that.

Thank you.

CHAIRMAN SANCHEZ: Council President Jones.

COUNCILLOR JONES: Thank you, Mr. Chair. I
think, Councillor Garduno, Mr. Bohannan, one of the
things we seem to be a little confused about is the
cost to develop a lot and to build a home is the cost,
to include the water hookup and the sewer and
everything that goes into it.

MR. BOHANNAN: That is correct.

COUNCILLOR JONES: So it's just like any other
free enterprise capitalistic system, the builder, or
the person who makes the widgets has the right to
charge whatever they can get for it. So obviously if
the builder or the widget maker charges too much, they
won't sell their product. So I guess that's my first
question.

MR. BOHANNAN: That is correct.

COUNCILLOR JONES: And then I say to us, the council, I don't believe that it is our job or our -- or not the council, but the commission, it is not our job to set the prices for homes. I believe that's the developer's opportunity. And I think that for us to interfere in the pricing of homes, we have a fair price for all of our hookups, for everything we do with residential, commercial. All development that we do, we follow our policies. And I believe that this is something that doesn't need to be coming up on piecemeal basis, because is it a part of a capitalistic society. Thank you.

COUNCILLOR GARDUNO: Mr. Chair.

CHAIRMAN SANCHEZ: First let's go to Mr. Perry, then Vice Chair Johnson, then Councillor Garduno.

MR. PERRY: Mr. Bohannan, this is basically a resolution that allows the water utility authority to enter into an agreement with the developer for line extensions; is that right?

MR. BOHANNAN: That is correct.

MR. PERRY: And the infrastructure, as far as the mains, are already in place; is that correct?

MR. BOHANNAN: For the first phase, this is a
three-phase development. The first phase is already in the ground and operational.

MR. PERRY: Okay. And the line extension would be basically from the roadway main, or whatever the access point would be, into the lot itself, is that right, water and sewer?

MR. BOHANNAN: That's correct. It's everything that goes into the development, any off-sites that are necessary for that, which there was a few on this one. There was a 12-inch waterline that we brought across Unser Boulevard to service that site, as well as some downstream sewer improvements that were off site, plus all the work in the road, and then the line into the lot.

MR. PERRY: And the developer pays for each and every lot as far as the cost for the engineering, for the permitting, for the construction and the overall installation of the line extension right up to the house, right?

MR. BOHANNAN: That is correct.

MR. PERRY: Okay. So the water utility authority, the city, no other government entity has that cost?

MR. BOHANNAN: That is correct.

MR. PERRY: Okay. And then, actually, the
1 developer has to convey over to the water utility 
2 authority the whole line extension itself, to include 
3 any type off unencumbered easements as well? 
4       MR. BOHANNAN: That is also correct. 
5       MR. PERRY: Okay. And this also have to be done 
6 in compliance with the particular systems expansion 
7 ordinance that the water utility authority has, right? 
8       MR. BOHANNAN: That's correct. All of our plans 
9 are approved by the water authority and then we go 
10 through a final inspection period, and then the water 
11 authority does accept all of our improvements. 
12       MR. PERRY: Okay. Does anybody make the owners 
13 of these homes purchase them? 
14       MR. BOHANNAN: Purchase the -- 
15       MR. PERRY: The home. Is there think compulsion 
16 on the purchaser? 
17       MR. BOHANNAN: No. 
18       MR. PERRY: So if you charge too much, would you 
19 expect, in your experience, the buyers to walk away? 
20       MR. BOHANNAN: Yes. 
21       MR. PERRY: Okay. I have nothing further. 
22 Thank you, sir. 
23       CHAIRMAN SANCHEZ: Thank you. 
24       Vice Chairman Johnson. 
25       COMMISSIONER JOHNSON: Thank you. Mr. Chair,
it's always difficult to follow an attorney. He usually grabs all your questions and lays them out there very quickly.

But one of the things I want to ask you real quick, and maybe one of things you missed, but it's along the same line. Who assumes the risk for this development during purchase, during infrastructure, who assumes the risk for the property?

MR. BOHANNAN: The developer.

COMMISSIONER JOHNSON: Does the county, the city or the water utility authority assume any risk of failure if those lots were not to sell?

MR. BOHANNAN: No.

COMMISSIONER JOHNSON: So basically, you can sell those -- at what point do you decide we're not we're not going to develop a particular parcel, we're not going to enter into it, we're not going to put the money in? When do you decide that's going to happen?

MR. BOHANNAN: Long before this period.

It would be usually at the very on side of looking at the original costs and more of what we would call the preliminary plat stage, if it was not economical. But yes, you will actually own all of this in fee simple title, all of these improvements.

COMMISSIONER JOHNSON: So basically what's
1 you're saying is you're not in the habit of donating
2 your services, to risk capital to people who want to
3 buy homes?
4
5        MR. BOHANNAN: That's correct.
6
7        COMMISSIONER JOHNSON: I believe in that very
8 much; it's called a market. And I believe that people
9 that risk their capital should have a reward and the
10 return on that capital, as it is theirs to risk in the
11 first place.
12
13        So the cost is determined by the market. If
14 it's too expensive, as Mr. Perry indicated, people
15 won't buy the product. And that's where your price
16 control is. And it works far better than anything we
17 can do. That infrastructure is already purchased and
18 the risk associated with installing that
19 infrastructure has already been taken by the
20 developer. If they make some foolish decisions on
21 whether to go forward with a project that they cannot
22 sell, then they're the ones that take the financial
23 downfall.
24
25        MR. BOHANNAN: Right. And for those of you who
26 get to go through the impact fee at city council
27 tonight, which I know you won't, but if you tune into
28 that, we are actually going to show where the City of
29 Albuquerque, through the impact fee moratorium, has
actually made us more are marketable than the
surrounding communities, like Rio Rancho and Los
Lunas. And so that's where that free market comes in,
with all of these factors factored into the cost of
the house.

COMMISSIONER JOHNSON: Thank you, Mr. Chair.

CHAIRMAN DE LA CRUZ: Councillor Garduno.

COUNCILLOR GARDUNO: Thank you, Mr. Chair
notwithstanding the Capitalism 101 lessons than we
just had, I would ask, are the UEC paid for by the
developer? Do they make them? Do they sit there at
the corner of their lot and put together that UEC and
then install it, Mr. Sanchez, or anybody that might
have that answer?

MR. SANCHEZ: Mr. Chair, Councillor Garduno, if
you recall, we have a rate consultant that every two
years comes and analyzes all of our costs and ensures
there's no cross-subsidy or any service we provide.
The UEC fee is derived based on the capacity of the
system that that one connection is going to use, and
that fee is based on that.

COUNCILLOR GARDUNO: That UEC, though, is the
property of the water authority?

MR. SANCHEZ: The UEC is essentially the cost
for connecting to the water authority. It is not
something anyone owns. It's the incremental cost to
add the system to treat or convey either water or
sewer.

COUNCILLOR GARDUNO: And, again, notwithstanding
with what we just heard a second ago and the accolades
for capitalism, and I know a lot of capitalists hate
government until they can use it for their own
benefit, in this case, isn't it true that some of
those benefits, like impact fees, the moratoriums on
impact fees, are gifts to developers and whomever else
is going to be using that forgiveness; isn't that
true?

MR. SANCHEZ: Mr. Chairman, Councillor Garduno,
I'm not here to discuss impact fees. In terms of the
utility expansion charges --

COUNCILLOR GARDUNO: Well, I thought somebody
had brought that up.

MR. SANCHEZ: We have nothing to do with impact
fees.

COUNCILLOR GARDUNO: I realize that.

MR. SANCHEZ: UECs are simply the cost of us
operating a water and wastewater utility. And
everyone who connects to the system must pay into that
cost.

COUNCILLOR GARDUNO: And that meter that goes in
there.

MR. SANCHEZ: Correct. If it's a water.

COUNCILLOR GARDUNO: If it's water.

MR. SANCHEZ: If it's sewer, there is no meter.

COUNCILLOR GARDUNO: Right. That meter belongs to whom?

MR. SANCHEZ: It is the water authority.

COUNCILLOR GARDUNO: Okay. So the cost of putting that in is X.

MR. SANCHEZ: Correct.

COUNCILLOR GARDUNO: But when it gets bundled into a unit, we don't know what that cost to the consumer is. And if that's the case, then we are participating, essentially, in allowing the great enterprise called capitalism to use something that is public since the water authority is, to essentially cost it at whatever they want.

MR. SANCHEZ: Mr. Chairman, Councillor Garduno, all we can do is collect what our cost basis is legally to provide service. We cannot control, whether we wish to or not, the cost beyond that. As a utility, we cannot do that.

COUNCILLOR GARDUNO: Thank you, Mr. Chair.

CHAIRMAN SANCHEZ: Commissioner De La Cruz.

COMMISSIONER DE LA CRUZ: Thank you, Mr.
Mark, who gets out of UEC charges? Who can avoid utility expansion charges?

MR. SANCHEZ: Mr. Chairman, Commissioner De La Cruz, no one. Under the ordinance --

COMMISSIONER DE LA CRUZ: Can the city get out of it?

MR. SANCHEZ: No.

COMMISSIONER DE LA CRUZ: Can the county?

MR. SANCHEZ: No.

COMMISSIONER DE LA CRUZ: And I can tell you, being the former director or parks and recreation with the county, there were many times that we wished we could have gotten out of it, because it does add some cost to doing business.

And as part of doing business, you automatically assume that liability, that financial liability, and you move forward. So it's something that everybody has to deal with if you're going to need water authority water. Is that correct?

MR. SANCHEZ: That's correct.

COMMISSIONER DE LA CRUZ: I know it sounds a little rhetorical, and it is rhetorical.

Mr. Bohannan, when are you going to break ground?
MR. BOHANNAN: We've actually already broken ground. Our models are up and actually, with a successful passing of the resolution, we're actually going to service models next week with water.

We have four models going up for spec homes, going up, and we're trying to grand open the entire project in March. So we hope to start hitting about a 10- to 15-unit per month building portion.

So this is the first sign that we're actually seeing brand-new lots and new homes, so it's hopefully a good sign that good things are on that horizon.

COMMISSIONER DE LA CRUZ: How many builders are involved?

MR. BOHANNAN: Right now, it's just Pulte Homes is -- they've contracted for the first 130 lots in Phase 1, and they've got options on Phases 2 and 3. So they've made a significant investment in the city of Albuquerque.

They've actually made a corporate change to come back into the city, too, because they think it's in the best interests of the community.

COMMISSIONER DE LA CRUZ: Do you have any idea what the average cost of homes is going to be?

MR. BOHANNAN: They're going to range starting
my recollection is about 180 to 190, going up to
about a little under $300,000.

COMMISSIONER DE LA CRUZ: And what was the total
number of lots available? Any idea?

MR. BOHANNAN: The first phase is 130 lots. And
the entire project, there's 347.

COMMISSIONER DE LA CRUZ: Well, I'm anxious to
see the construction happening, only because of these
jobs and with the housing market going where it's
gone, it's been tough out there. And so I look
forward to seeing some folks working.

MR. BOHANNAN: If you drive out there, you can
actually see them framed.

COMMISSIONER DE LA CRUZ: I might take you up on
that.

Thank you, Mr. Chairman.

CHAIRMAN SANCHEZ: And I have one question for
you, Mr. Bohannan. How many employees will this job
-- how many jobs will there be?

MR. BOHANNAN: I don't have that number off the
top of my head. But we have employed, for the past
nine months, approximately, in all the various trades,
approximately 120 -- probably 120 people. I would
guess that on a per house basis. With all the trades,
it's probably anywhere -- it's 40 to 45 per house, Mr.
Chair.

CHAIRMAN SANCHEZ: Thank you.

CHAIRMAN GARDUNO: Thank you, Mr. Chair.

Mr. Bohannan, and these jobs are for life, or they just for the --

MR. BOHANNAN: No. They're the duration of the construction of the homes.

CHAIRMAN GARDUNO: Thank you.

CHAIRMAN SANCHEZ: Thank you.

We have a motion and a second on the floor to adopt WUA R-12-5.

All those in favor, signify by saying yes.

SIX MEMBERS: Yes.

CHAIRMAN SANCHEZ: Opposed, no.

ONE MEMBERS: No.

CHAIRMAN SANCHEZ: That carries on a 5 to 1 vote.

(6-10 vote. Agenda Item 9A approved, with Councillor Garduno voting no.)

CHAIRMAN SANCHEZ: Next item is Item B, WUA or 6 to 1, excuse me. -- is Item B, WUA R-12-6.

I move approval.

COMMISSIONER DE LA CRUZ: Second.

CHAIRMAN SANCHEZ: We have a motion and a second by Commissioner De La Cruz. That is authorizing the
water authority to submit an application for WaterSMART grant financial assistance for the bosque and Tijeras reuse projects.

Mr. Sanchez, go ahead and proceed.

MR. SANCHEZ: Mr. Chairman, again, this simply authorizes us to submit a grant for two reuse projects. These are long term projects, but we're just beginning the process and trying to assemble some of the preliminary funding to do the environmental review. These are probably a decade or more into the future. But if we don't start now, we'll never see these.

These would add to our reuse portfolio into the future on the West Side and in the Southeast area, adjacent to Kirtland Air Force Base.

CHAIRMAN SANCHEZ: Are there any questions?

Seeing none, we have a motion and a second on the floor. All those in favor, signify by saying yes.

ALL MEMBERS: Yes.

CHAIRMAN SANCHEZ: Opposed, no.

That carries unanimously.

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

CHAIRMAN SANCHEZ: Our next item is Item C, WUA C-12-7. That is appointment to the water protection
advisory board.
I move a do-pass.

COMMISSIONER JOHNSON: Second.

CHAIRMAN SANCHEZ: We have a motion and second by Vice Chairman Johnson.

Mr. Sanchez.

MR. SANCHEZ: Mr. Chairman, I'd be happy to answer any questions.

Susan Kelly resigned. Ms. Thatcher served on the customer advisory committee. She's extremely well qualified. We're fortunate that she's interested in continuing to serve. And we'd certainly recommend her approval.

CHAIRMAN SANCHEZ: Are there any questions?

Seeing none, we have a motion and a second on the floor. All those in favor, signify by saying yes.

ALL MEMBERS: Yes.

CHAIRMAN SANCHEZ: Opposed, no.

That carries unanimously.

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

CHAIRMAN SANCHEZ: Our next item is other business. It's a water conservation update.

Ms. Yuhas, welcome.

MS. YUHAS: Mr. Chair, Members of the Board,
thank you. I've been told to be very quick, so in a nutshell, we are in much better shape than we were this year -- last year at this same time.

Just quickly, this first slide shows us rainfall data for the water year. The water year starts in October. That's because that's when we're done really using water in the irrigation and we start building up for the next year.

And what we see is the green map is 2012. We have had 3.21 inches of rainfall in the Albuquerque area as opposed to 1.42 in 2011. So things are looking better that way.

This next map you saw many times last year. It is the drought status map. If you look at Bernalillo County, what you see is that all of Bernalillo County is either in just D-0, which is abnormally dry conditions, or D-1, which is moderate drought. We have made huge, huge strides from where we were. I will be back next month, of course, to update you on this.

The next two slides are graphs of the predictive models. Really fast, what you want to see is the colored lines on that graph going upward. That means ocean temperatures are warming and we're moving out of the La Nina conditions that cause us to have
the really dry weather. Most of the models are predicting that we will be trending up to the warmer ocean conditions and we'll see an easing of the drought. That's another slide. That's the same information, just a different way. We'll skip it.

And finally, this is our water usage this year. And it's a comparison to last year. The blue bar is last year. The orange bar is this year. And what we see is we have had a 10.8 percent decrease from our water usage last year as of this same time period. That's as of February 20th.

Now, if we could keep up a 10.8 percent decrease, that would be amazing. I don't think that's going to happen, but it does mean that we are very well positioned going into the irrigation season for a good year.

Thank you.

CHAIRMAN SANCHEZ: Commissioner Hart Stebbins.

COMMISSIONER HART STEBBINS: Thank you, Mr. Chair.

And I understand we are under time constraints, but these slides were not in the packet that I received, and I'm just wondering if you could e-mail them to us. Because they're not on the screen either and I'd love to look at them at some point.
They're just not on the big screen where we can see them.

MS. YUHAS: I'm so sorry. The reason that they weren't in your packet is because I try and provide the very most up-to-date information for you and the packet gets assembled.

COMMISSIONER HART STEBBINS: And I appreciate that. It's just a simple request. If you could e-mail those to us, I think that would be helpful.

MS. YUHAS: Sure. I'd be happy to do so.

CHAIRMAN SANCHEZ: Are there any other questions?

Seeing none, thank you, Ms. Yuhas.

Did you have any questions, Mr. Sanchez?

MR. SANCHEZ: Mr. Chairman, just to address Commissioner Hart Stebbins' request.

They were sent to the dropbox, so you can find that presentation in there. But if you cannot, we can sent it out again.

CHAIRMAN SANCHEZ: Are there any other comments or questions? Seeing none, this water authority meeting is adjourned.

(Proceedings adjourned.)
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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