



Technical Customer Advisory Committee

AGENDA

Members

David Brookshire	Wayne Frye
Cassandra D'Antonio	Moises Gonzales
Amy Ewing	Will Gleason
Laurie Firor	David Ritchey

Thursday, April 9, 2015	4:00 PM	City Hall – 3rd Floor Conference Room 304
1.	Call to Order – Note presence of quorum	4:00-4:05
2.	Approval of Agenda	4:00-4:05
3.	Approval of March 11, 2015 Action Summary	4:00-4:05
4.	FY16 Budget Presentation	4:05-4:25
5.	Review & Recommendation of Rate Structure Scenario	4:25-5:45
6.	Public Comment	5:45-5:55
7.	Final Comments or Questions	5:55-6:00
8.	Adjournment	6:00

Next Meeting: May 7, 2015

NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in this meeting, please contact the Water Utility Authority Office, Suite 5012, Albuquerque/Bernalillo County Government Center, phone 768-2500 or by the TTY 1-800-659-8331, as soon as possible prior to the meeting date.



Customer Advisory Committee

ACTION SUMMARY

March 11, 2015

Members Present:

David Brookshire
Amy Ewing
Laurie Firor
Wayne Frye
Will Gleason
Moises Gonzales
David Ritchey

Members Excused:

Cassandra D'Antonio

Water Authority Staff / Others Present:

Frank Roth, Senior Policy Manager
Stan Allred, Chief Financial Officer
David Morris, Public Affairs Manager
Mark Kelly, Compliance Manager
Karen Cunningham, Risk Manager
Carol Malesky, MWH Global-Hawksley Consulting
Jonathan Albertsen, MWH Global-Hawksley Consulting

Item 1 – Call to Order - Note presence of quorum

The meeting was called to order at 4:03 pm by Chair Amy Ewing.

Item 2 – Approval of Agenda

Moises Gonzales made a motion to approve the agenda. Laurie Firor seconded the motion. The motion passed on a 5-0 vote.

For: 5	Brookshire, Ewing, Firor, Gonzales, Ritchey
Against: 0	
Excused: 3	D'Antonio, Gleason, Frye

Item 3 – Approval of February 5, 2015 Action Summary

David Brookshire made a motion to approve the action summary. David Ritchey seconded the motion. The motion passed on a 5-0 vote.

For: 5 Brookshire, Ewing, Firor, Gonzales, Ritchey
Against: 0
Excused: 3 D’Antonio, Gleason, Frye

Will Gleason and Wayne Frye entered the meeting at this time.

Item 4 – Review FY16 Goals & Objectives

Frank Roth provided an overview of the Water Authority’s strategic planning process. He reviewed key objectives by goal area for Fiscal Year 2016. The CAC provided input using interactive polling devices to indicate which objectives they felt were most important. The polling results will be used to identify topics of interest for meetings in the second half of 2015.

Item 5 – Review Summary Results from Customer Conversation meetings

Frank Roth reviewed the summary results from the four Customer Conversation meetings. He showed a comparison of Water Authority and Customer infrastructure renewal priorities. He also showed a comparison of the four rate alternatives in terms of the percentage of support and non-support.

Item 6 – Review and Refine Rate Structure Scenarios

Carol Malesky showed the ten rate structure options identified from the February 2015 meeting. She reviewed the six options that were analyzed. For each option she discussed the major impacts and showed the rate impact based compared to the existing rate structure. Based on the analysis, she reviewed three scenarios for CAC input. Based on input from the CAC, Ms. Malesky stated that she will provide additional information at the next meeting on the cost per unit for the electricity pass through and the modified low use discount. She will also present the base versus commodity percentages of the three scenarios.

Item 7 – Public Comment

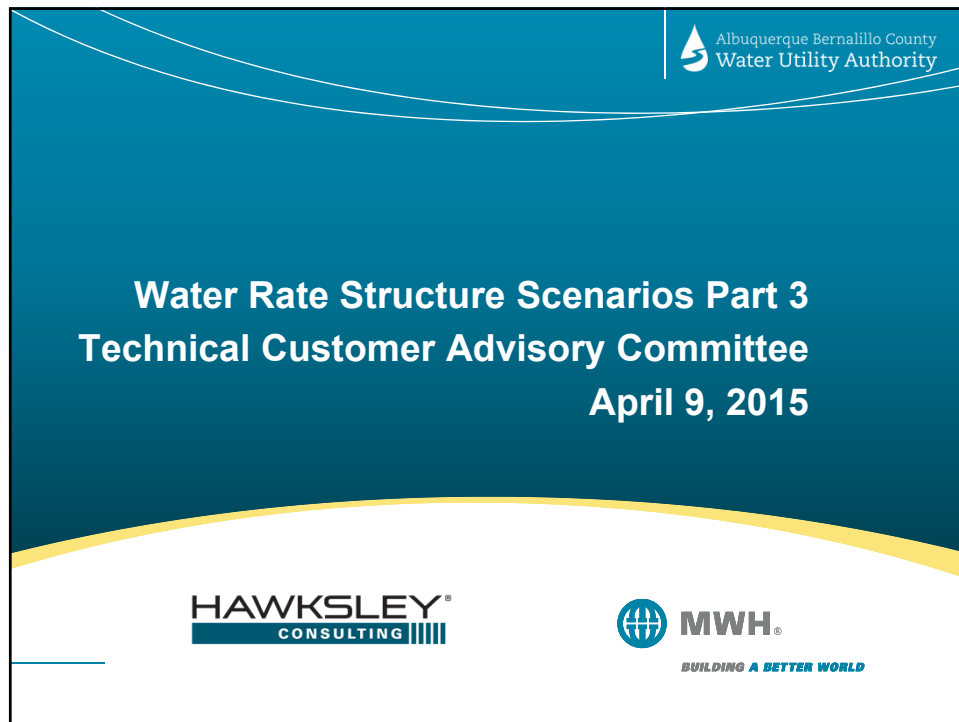
Elaine Hebard was present and provided comments on the agenda items.

Item 8 – Final Comments or Questions

None.

Item 9 – Adjournment


The meeting concluded at 5:49 pm.

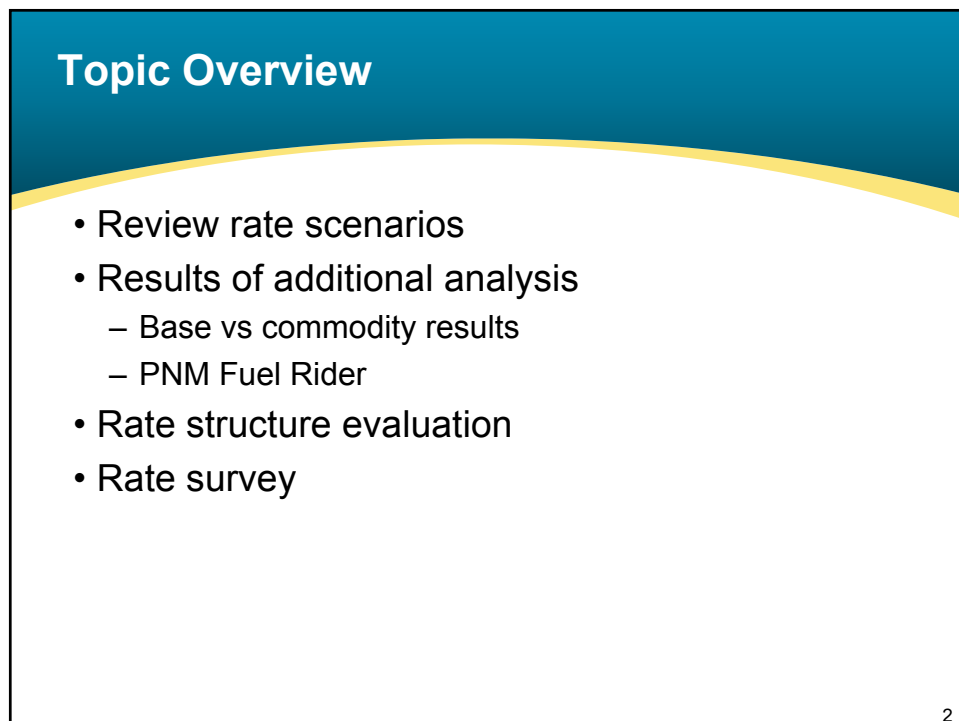


Albuquerque Bernalillo County
Water Utility Authority

Water Rate Structure Scenarios Part 3
Technical Customer Advisory Committee
April 9, 2015

HAWKSLEY
CONSULTING

 **MWH**
BUILDING A BETTER WORLD



Topic Overview

- Review rate scenarios
- Results of additional analysis
 - Base vs commodity results
 - PNM Fuel Rider
- Rate structure evaluation
- Rate survey

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Scenario Overview

Scenario A

Minimal base charge increase with water commodity increase

- Increase water and wastewater base charges
- \$0.270 increase in water commodity rate to recover remaining revenue required

Scenario D

Commodity rate increase

- No increase in base charges
- \$0.136 increase in wastewater commodity rate for retail customers
- \$0.491 increase in water commodity rate to recover remaining revenue required

Scenario E

Combination base charge and commodity rate increases

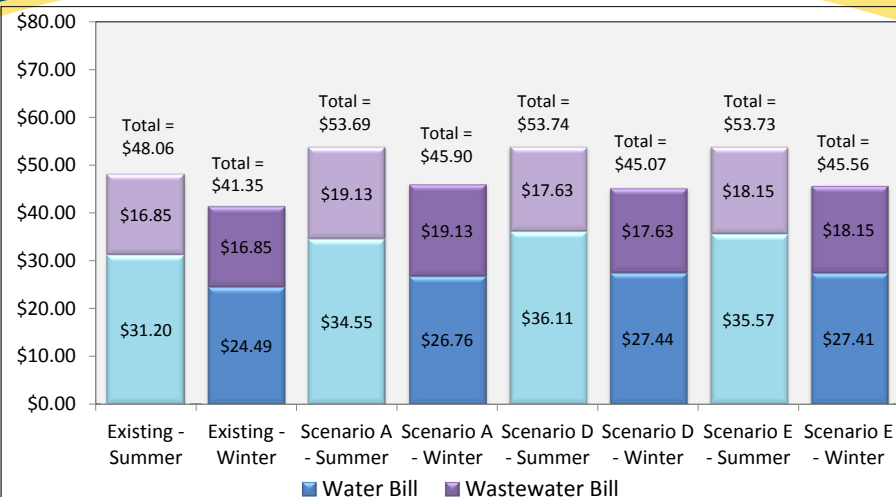
- Increases in water and wastewater base charges
- \$0.068 per unit increase in commodity rate for wastewater retail customers
- \$0.365 per unit increase in water commodity rate to recover remaining revenue required

All scenarios redefine the low use discount

A customer with an AWC of 4 who uses 8 units will receive a discount on 4 units

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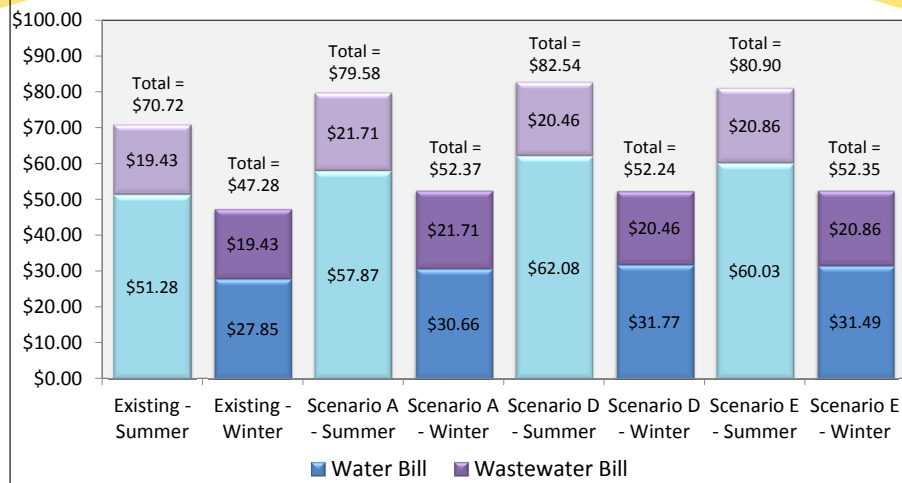
Bill Impact Comparison – Average User 10 Units, AWC 6 Units



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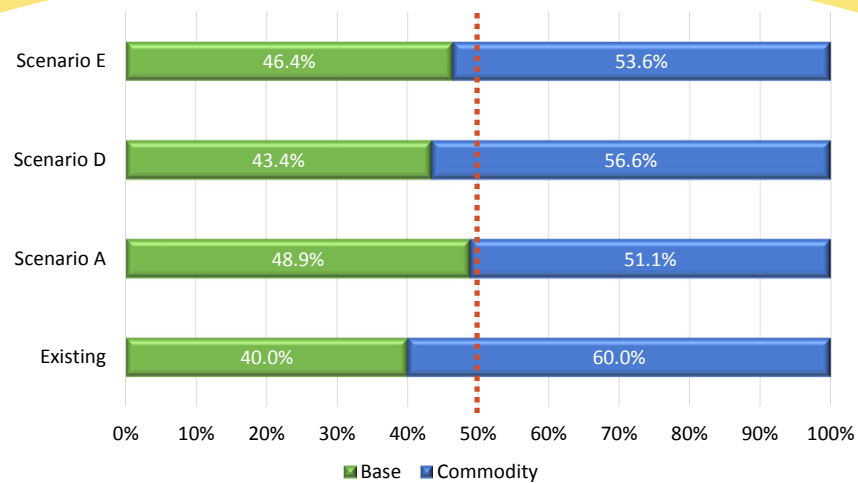
Bill Impact Comparison – Large User

20 Units, AWC 8 Units



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Revenue Recovery Components



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Energy Cost Pass-Through

- Examples of utilities:
 - Padre Dam Municipal Water District, CA
 - Santa Clarita, CA
 - Dublin San Ramon Services District, CA
 - Tennessee American Water



Energy costs are recommended to be a pass-through item in rate structures as a strategy for increases in energy costs

The Business of Water: A Concise Overview of Challenges and Opportunities in the Water Market by Steve Maxwell, AWWA

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PNM Fuel Rider

- \$1 Million of variable costs
- All costs will be allocated to water
- Rider will be a separate line item added to existing bill

	Incremental electricity costs
÷	Water consumption (adjusted for growth and conservation)
=	\$0.031 / CCF

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Rate Structure Evaluation

Implementation	<ul style="list-style-type: none"> Customer service requirements Public understanding Public acceptance Legal defensibility
Equity	<ul style="list-style-type: none"> Interclass equity Intraclass equity
Customer Impact	<ul style="list-style-type: none"> Average change in residential bill Economic development Rate shock
Conservation	<ul style="list-style-type: none"> Average-day savings Peak-season savings
Financial	<ul style="list-style-type: none"> Bond rating impact Revenue sufficiency Rate stability

Evaluation Criteria		
1	Low	Requires more effort, poor performance
2	Medium	Moderate impact, moderate performance
3	High	High impact, high performance

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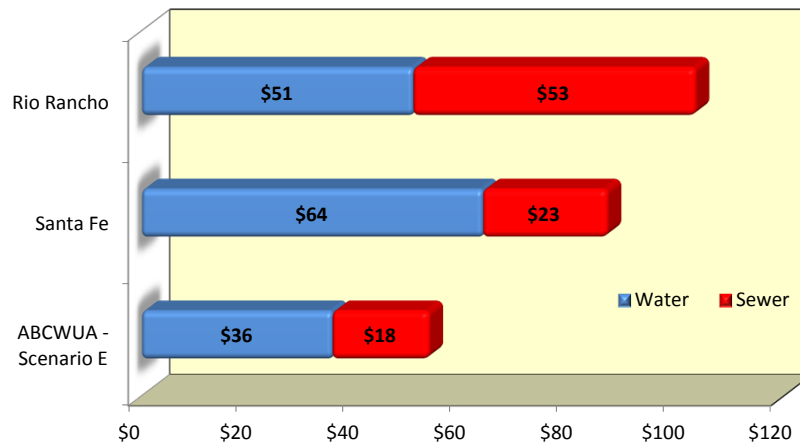
Rate Structure Evaluation

	Scenario A	Scenario D	Scenario E
Implementation	2.3 / Medium	2.0 / Medium	2.5 / High
Equity	2.0 / Medium	3.0 / High	3.0 / High
Customer Impact	1.7 / Medium	2.3 / Medium	2.3 / Medium
Conservation	2.0 / Medium	2.0 / Medium	2.0 / Medium
Financial	3.0 / High	1.3 / Low	2.7 / High
Total	2.2 / Medium	2.1 / Medium	2.5 / High

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Bill Comparison – Local Average Use

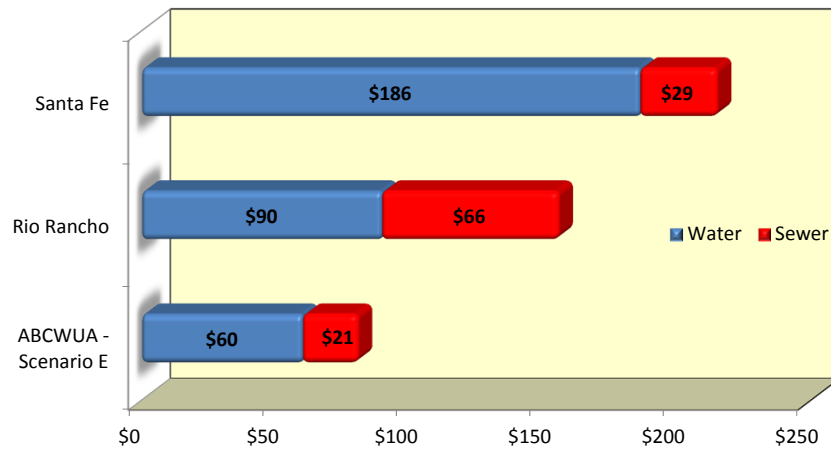
Total Single Family Residential Bill, 10 CCF (6 CCF AWC)



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Bill Comparison – Local High Use

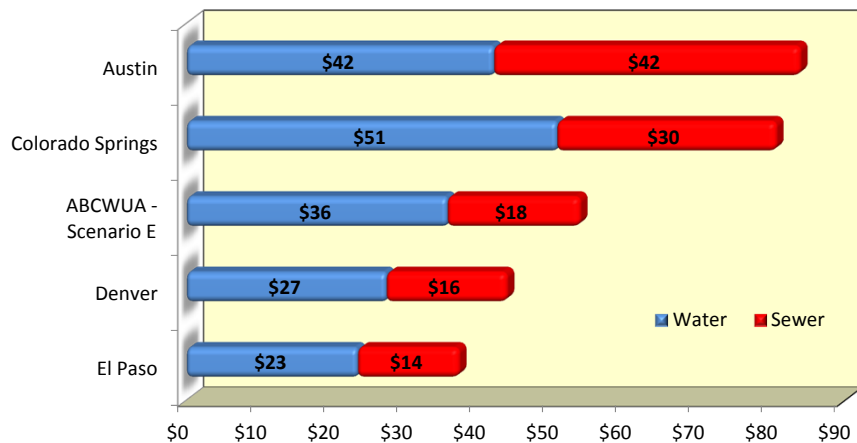
Total Single Family Residential Bill, 20 CCF (8 CCF AWC)



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Bill Comparison – Regional Average Use

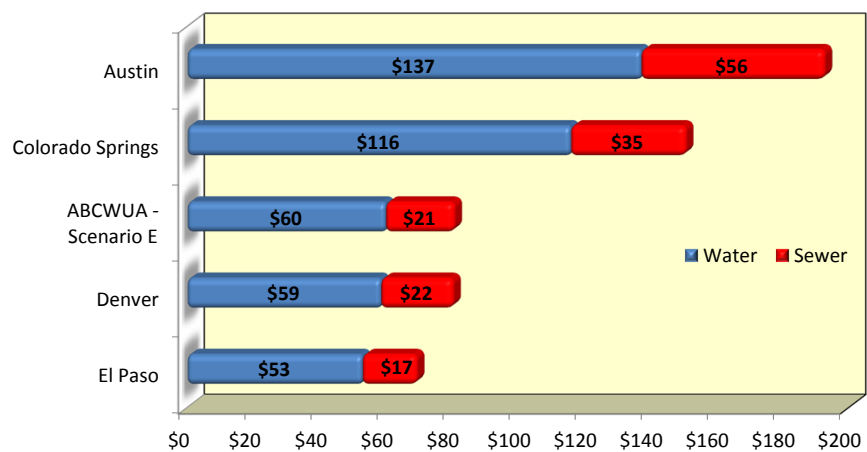
Total Single Family Residential Bill, 10 CCF (6 CCF AWC)



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Bill Comparison – Regional High Use

Total Single Family Residential Bill, 20 CCF (8 CCF AWC)



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Next Steps

- Recommendation of Scenario
- Presentation to ABCWUA Board – May 20, 2015
- Final adoption of Rate Ordinance – June 17, 2015

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Questions/Discussion



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