



Technical Customer Advisory Committee

AGENDA

Members

Andrew Bernard	Elaine Hebard
Janie Chermak	Laura McCarthy
Amy Ewing	Ege Richardson
Mike Hightower	Scott Verhines
Dave Hill	

Thursday, March 2, 2017	4:00 PM	ABCGC – 7th Floor Conference Room 7096
1. Call to Order		4:00-4:05
2. Approval of Agenda		4:00-4:05
3. Approval of February 2, 2017 Action Summary		4:00-4:05
4. Rate Structure Recommendation		4:05-5:15
5. Education Program Update		5:15-5:40
6. FY18 Goals and Objectives		5:40-5:50
7. Public Comment		5:50-5:55
8. Final Comments or Questions		5:55-6:00
9. Adjournment		6:00

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 289-3100, as soon as possible prior to the meeting date.



Technical Customer Advisory Committee

ACTION SUMMARY

February 2, 2017

Members Present:

Andrew Bernard
Janie Chermak
Amy Ewing
Elaine Hebard
Mike Hightower
Dave Hill
Laura McCarthy
Ege Richardson
Scott Verhines

Members Excused:

Water Authority Staff Present:

Frank Roth, Senior Policy Manager
Stan Allred, Chief Operations Officer
Carlos Bustos, Water Conservation Officer

Others Present:

Carol Malesky, Stantec

Item 1 – Call to Order - Note presence of quorum

The meeting was called to order at 4:00 pm by Chair Dave Hill.

Item 2 – Approval of Agenda

Janie Chermak made a motion to approve the agenda. Amy Ewing seconded the motion. The motion passed on an 8-0 vote.

For: 8	Bernard, Chermak, Ewing, Hightower, Hill, McCarthy, Richardson, Verhines
Against: 0	
Excused: 1	Hebard

Item 3 – Approval of January 5, 2017 Action Summary

Scott Verhines made a motion to approve the action summary as amended. Amy Ewing seconded the motion. The motion passed on an 8-1 vote.

For: 8	Bernard, Chermak, Ewing, Hightower, Hill, McCarthy, Richardson, Verhines
Against: 0	
Abstain 1	Hebard
Excused: 0	

Item 4 – Rate Structure Evaluation Discussion

Carol Malesky provided an overview of general cost of service and the Water Authority's current rate structure for water and wastewater. She reviewed three scenarios for discussion and input. She will provide a bill impact analysis for the March meeting. The TCAC will recommend a preferred scenario to the governing board.

Item 5 – Public Comment

None.

Item 6 – Final Comments and Questions

None.

Item 7 – Adjournment

The meeting concluded at 5:40 pm.



Cost-of-Service Rate Study for FY2018 – Rate Scenario Impacts

ABCWUA Technical Customer Advisory Committee

..... March 2, 2017

Agenda

- 1. Review rate scenarios**
- 2. Bill impacts of rate scenarios**
- 3. Rate survey**

Cost of Service

- Guidelines set by AWWA, WEF, EPA
- Core philosophy is that utilities should be self-sustaining enterprises adequately financed with rates based on sound engineering and economic principals
- Proportionality is Key: Rates are proportionate to the cost of providing service
 - Equitable
 - Reasonable
 - Defensible

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5% Rate Revenue Increase in Ordinance for FY2018

A: Across the board increase

- Across-the-board increase for fixed charges and commodity rates

B: Recover 50% of revenue from fixed charges

- Fixed monthly charges adjusted differently than 5%
- Commodity rates adjusted differently than 5%

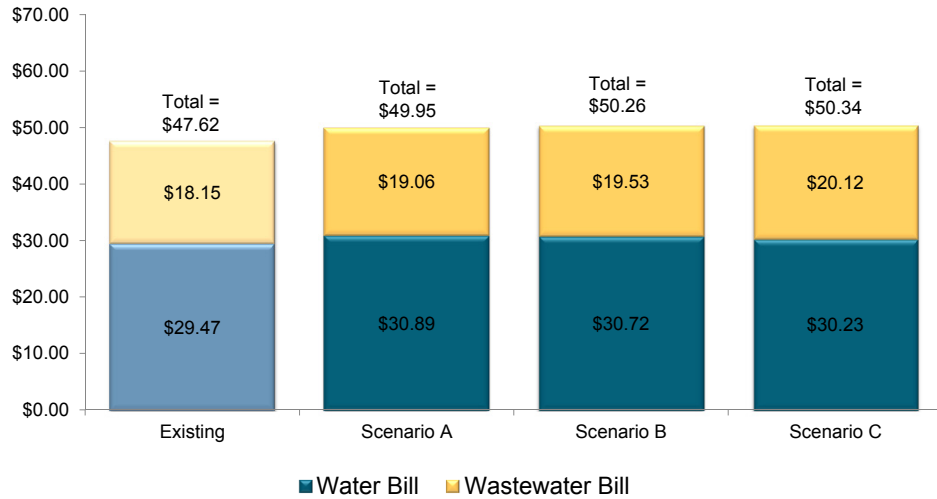
C: Move towards COS

- More revenue recovered from wastewater rates
- Recovers 49% of revenue from fixed charges

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Bill Impact Comparison – Average Residential User

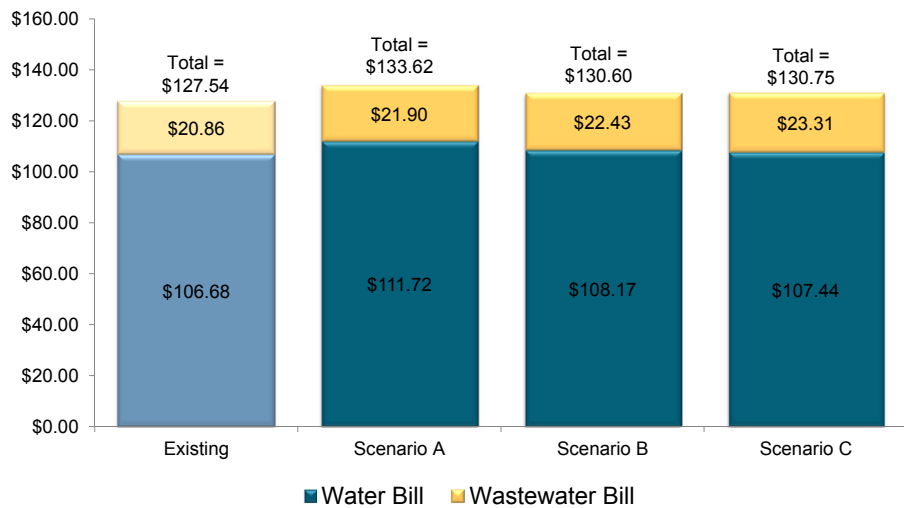
8 Units, AWC 6 Units



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Bill Impact Comparison – Large Residential User

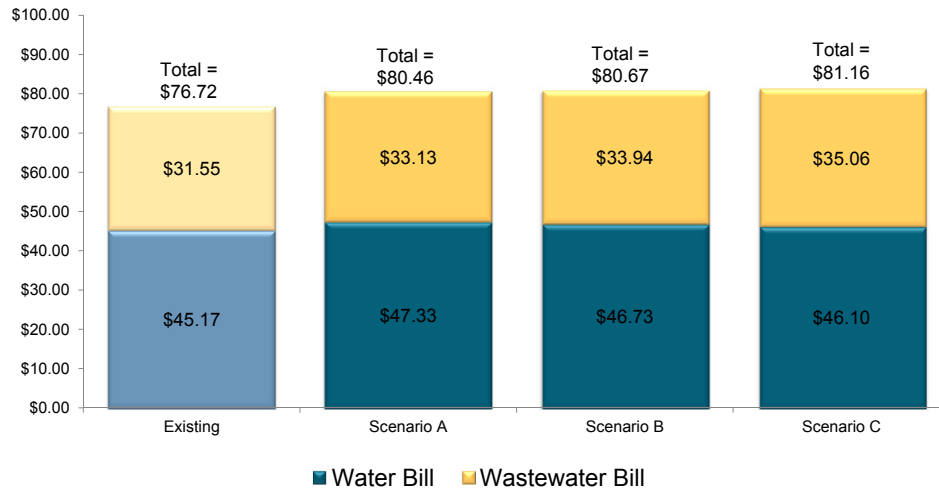
30 Units, AWC 8 Units



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Bill Impact Comparison – Multi-Family 5/8” User

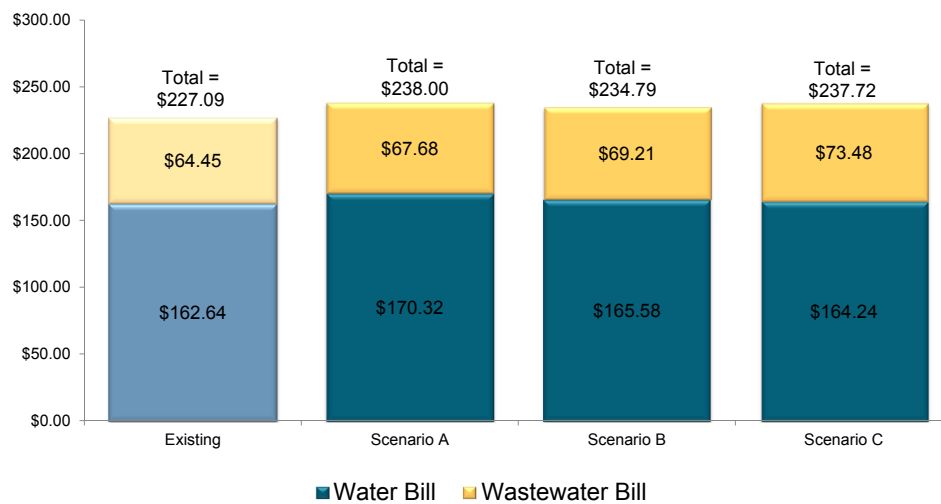
13 Units, AWC 11 Units



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Bill Impact Comparison – Commercial 1” User

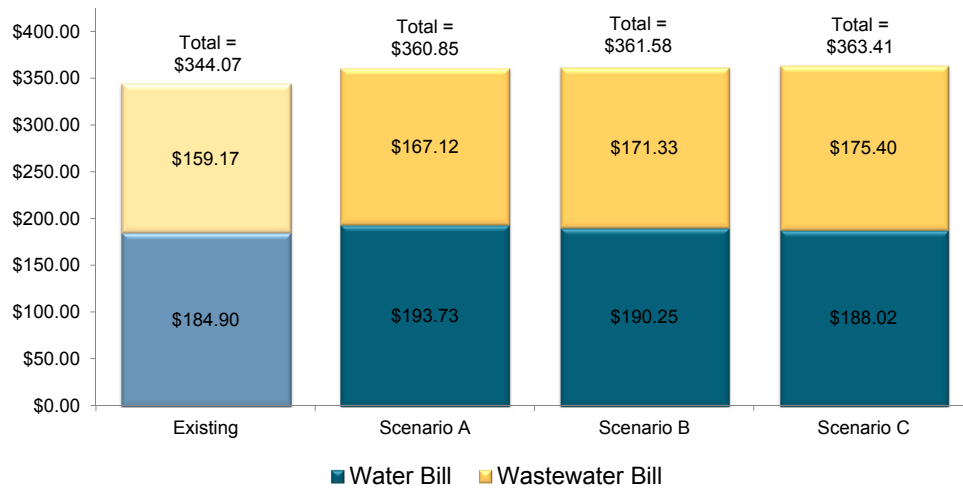
64 Units, AWC 33 Units



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Bill Impact Comparison – Industrial 1” User

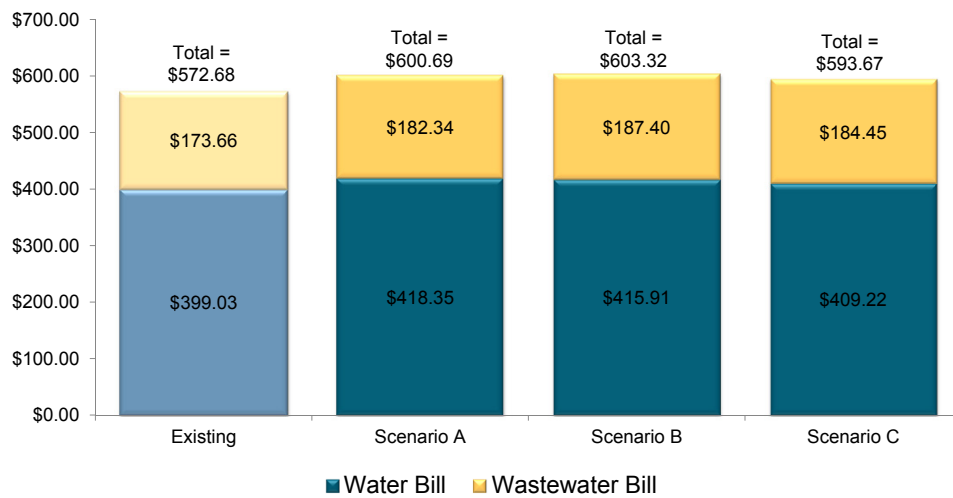
60 Units, AWC 47 Units



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Bill Impact Comparison – Institutional 2” User

60 Units, AWC 12 Units



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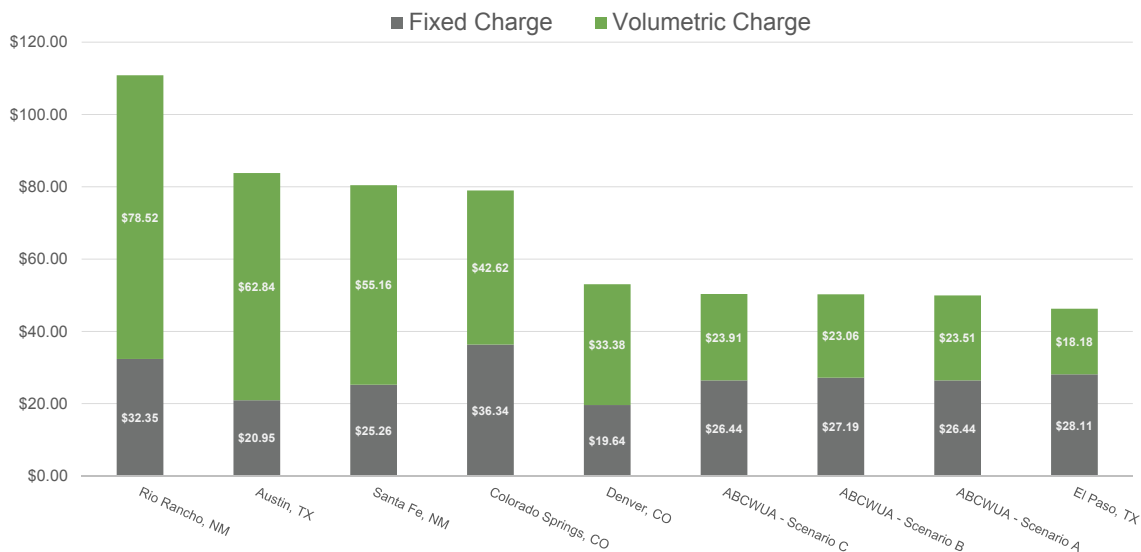
Evaluating Scenarios

	Pros	Cons
Scenario A	<ul style="list-style-type: none"> – Similar increases to all customer classes regardless of meter size – Easy to understand 	<ul style="list-style-type: none"> – Does not consider Cost of Service – Proportionally more revenue recovered from water rates
Scenario B	<ul style="list-style-type: none"> – Increased revenue stability 	<ul style="list-style-type: none"> – Larger impact on low water users due to higher fixed charge
Scenario C	<ul style="list-style-type: none"> – Moves closest to Cost of Service given more revenue recovered from Sewer rates – Stabilized water commodity rate 	<ul style="list-style-type: none"> – Highest sewer commodity rate increase

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Regional Bill Comparison – Water and Sewer Combined

8 Units, 6 AWC



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Next Steps in Rate Study

1. Recommendation of Scenario
2. Presentation to ABCWUA Board – April 19th, 2017
3. Final adoption of Rate Ordinance - TBD

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Your questions and thoughts are welcome

THANK YOU!

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FY18 Goals & Objectives

March 2, 2017

Strategic Planning, Budgeting & Improvement Process



Five-Year Goal Statements

Customer Services

Provide quality customer services by communicating effectively, billing accurately, and delivering water and wastewater services efficiently based on understanding the needs and perceptions of our customers and the community at large.

Business Planning & Management

Maintain a well planned, managed, coordinated, and financially stable utility by continuously evaluating and improving the means, methods, and models used to deliver services.

Organization Development

Sustain a well informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.

Water Supply & Operations

Provide a reliable, safe, affordable, and sustainable water supply by transitioning to renewable supplies and minimizing long term environmental impacts on the community and natural resources while ensuring the ability of the community to grow in a responsible manner.

Wastewater Collection & Ops

Provide reliable, safe and affordable wastewater collection, treatment and reuse systems to protect the health of the Middle Rio Grande Valley by safeguarding the regional watershed, minimizing environmental impacts, and returning quality water to the Rio Grande for downstream users.

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Performance Measures by Goal Area

Customer Services

Customer/Technical Quality Complaints
Customer Service Cost per Account
Billing Accuracy
Call Center Indicators
Residential Cost of Water/ Sewer Service
Stakeholder Outreach Index

Business Planning & Management

Debt Ratio
Return on Assets
System Renewal/Replacement Rate
Triple Bottom Line Index

Organization Development

Employee Health and Safety Severity Rate
Training Hours per Employee
Customer Accounts per Employee
Employee Indicators
Organizational Best Practices Index

Water Supply & Operations

Drinking Water Compliance Rate
Distribution System Water Loss
Water Distribution System Integrity
O&M Cost Ratios
Planned Maintenance Ratio
Water Use per Capita Consumption

Wastewater Collection & Ops

Sewer Overflow Rate
Collection System Integrity
Wastewater Treatment Effectiveness
O&M Cost Ratios
Planned Maintenance Ratio

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Performance Objectives & Measures

- Identify performance gaps in operations and service delivery compared to other utilities
- Address performance gaps during the budget process by allocating and prioritizing resources
- Develop improvement processes in order to be more efficient and effective in our operations and service delivery



➔ **One Year Objectives**

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FY18 One-Year Objectives

- Implementation of plans or programs
- Incorporate areas of improvement identified from the Benchmarking and Effective Utility Management
- Integrated with Performance Plan for operational performance improvement and service delivery
- Carry-over from FY17 either because they require more time to complete, or are ongoing issues
- Objectives may be tied to resources contained in the proposed budget

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Water Supply/Operations Goal Objectives

- Increase planned maintenance to 66% at ground water facilities and 55% at surface water facility to extend the life of assets
- Continue leak detection program to monitor small diameter distribution system to reduce water loss
- Complete asset management plans for ground water facilities

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Water Supply/Operations Goal Objectives

- Maintain water use between 127 to 132 GPCD
- Water 2120 Implementation Plan
 - Conservation Plan
 - Environmental Plan
 - Aquifer Monitoring Plan
 - Outreach Program
- Begin operation of Large Scale Aquifer Storage and Recovery Demonstration Project

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Wastewater Collection/Operations Goal Objectives

- Televis and assess condition of 5% of the sewer system
- Limit 5 or less discharge permit violations from treatment plant to comply with effluent quality standards
- Continue implementation of wastewater treatment plant asset management plan
- Divert 30% of the biosolids to compost
- Increase planned maintenance to 60% at treatment plant to extend the life of assets

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Customer Service Goal Objectives

- Conduct quarterly *Customer Conversation* meetings to obtain input from customers on the Water Authority's activities
- Achieve call center targets - TBD
- Implement Phase 5 of AMI program to replace old meters with smart meters

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Business Planning/Management Goal Objectives

- Expend \$52 million in renewal programs to replace aging, high risk assets
- Continue implementation of work order flow mobile solution for operation optimization
- Conduct Water Supply Charge evaluation
- Implement upgraded Maximo work order system
- Begin upgrade of CC&B billing system

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Business Planning/Management Goal Objectives

- Conduct pharmaceuticals and personal care products (PPCPs) study
- Obtain 75% compliance rate for Cross Connection Ordinance
- Obtain 87% compliance rate for Sewer Use/ Wastewater Control Ordinance

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Organization Development Goal Objectives

- Maintain 5% vacancy rate
- Maintain 2,675 injury hours or less to reduce employee injury lost days
- Update Knowledge Management Strategy
- Complete the standard operating procedures for groundwater facilities