



Technical Customer Advisory Committee

AGENDA

Members

Melissa Armijo
Deborah Dixon
Robert Fowlie
Tess Houle

Erwin Melis
Amy Miller
Ron Schwarzwald
Paul van Gulick
Jingjing Wang

In response to the Governor's declaration of a Public Health Emergency and ban on large public gatherings, the Technical Customer Advisory Committee meeting on Thursday, January 7, 2021, will be held via video conference starting at 4:00 PM.

Members of the public have the ability to view the meeting by joining the video conference. To request login information for this meeting, contact Luz del Carmen Carreon at lcarreon@abcwua.org or 505-289-3100. Requests for login must be received before 2pm on Thursday, January 7, 2021. Public Comment must be submitted via email to Luz del Carmen Carreon at lcarreon@abcwua.org before 2pm on Thursday, January 7, 2020.

Thursday, January 7, 2021	4:00 PM	via video conference
1. Call to Order		4:00-4:05
2. Approval of Agenda		4:05-4:10
3. Election of Chair/Vice-Chair		4:10-4:20
4. Approval of November 5, 2020 Action Summary		4:20-4:25
5. Approval of Open Meetings Resolution		4:25-4:30
6. Approval of 2021 Work Plan		4:30-4:35
7. Public Comment		4:35-4:40

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.

8. Rate Study Overview	4:40-5:40
9. Other Business	5:40-5:50
10. Adjournment	5:50-6:00

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Technical Customer Advisory Committee

ACTION SUMMARY

November 5, 2020

Members Present:

Deborah Dixon
Robert Fowlie
Tess Houle
Erwin Melis
Ron Schwarzwald
Paul van Gulick
Melissa Armijo
Amy Miller

Members Excused:

Water Authority Staff Present:

Elizabeth Anderson, Chief Planning Officer
David Morris,
Luzdelcarmen Carreon, Executive Service Coordinator

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Item 1 – Call to Order - Note presence of quorum

The meeting was called to order at 4:02 pm by Chair Amy Miller.

Item 2 – Approval of Agenda

Deborah Dixon made a motion to approve the agenda. Paul van Gulick seconded the motion. The motion passed on an 8-0 vote.

For: 8 Miller, Dixon, Fowlie, Houle, Melis, Schwarzwald, van Gulick, & Armijo
Against: 0
Excused: 0

Item 3 – Approval of June 11, 2020 Action Summary

Robert Fowlie made a motion to approve the action summary. Ron Schwarzwald seconded the motion. The motion passed on an 8-0 vote.

For: 8 Miller, Dixon, Fowlie, Houle, Melis, Schwarzwald, van Gulick, & Armijo
Against: 0
Abstain: 0
Excused: 0

Item 4 – Customer Conversation Mock Trial

David Morris instructed the TCAC members to switch platforms for the Mock Trial Customer Conversation. During the Mock Trial the TCAC members provided feedback to the moderator on the slides, polls, and breakout groups in order to finalize the program before having customers participate. The TCAC members also filled out a survey with regards to the overall presentation.

Item 5 – Public Comment

No public comments were received; however, a member of the public did reach out to Water Authority staff via email before the meeting and that communication was passed onto the TCAC members

Item 6 – Other Business

Chair Amy Miller reminded the TCAC members that there is a *Resource Economic vacancy on the Technical Customer Advisory Committee. The application will close Friday, November 13, 2020. If members have any nominations, please direct them to the online application on the Water Authority's website at www.abcwua.org.*

Chair Amy Miller announced that the agenda is posted online and public comment submission should be emailed to Luz Carreon for distribution.

Item 7 – Adjournment

Chair Amy Miller adjourned the meeting at 5:50 PM.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY TECHNICAL CUSTOMER ADVISORY COMMITTEE

RESOLUTION

DETERMINING REASONABLE NOTICE OF PUBLIC MEETINGS OF THE TECHNICAL CUSTOMER ADVISORY COMMITTEE.

WHEREAS, the Albuquerque Bernalillo County Water Utility Authority's Technical Customer Advisory Committee (Committee) meets in regular session at Room 7096, One Civic Plaza, and other locations; and

WHEREAS, Section 10-15-1(B) of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to Section 10-15-4) states that, except as otherwise provided in the constitution of New Mexico or the Open Meetings Act, all meetings of a quorum of members of any board, committee, administrative adjudicatory body or other policy making body of any state or local agency held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed ordinance, resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) of the Open Meetings Act requires the Committee to determine at least annually what constitutes reasonable notice of its public meetings.

BE IT RESOLVED BY THE COMMITTEE:

Section 1. Meetings of the Committee will normally be held in Room 7096 of the Albuquerque/Bernalillo County Government Center at One Civic Plaza, near the intersection of Fifth Street and Marquette Avenue, NW, Albuquerque, New Mexico, and other locations as needed.

Section 2. Regular meetings will normally be held on the first Thursday of each month. The agenda will normally be available seventy-two (72) hours prior to the meeting on the Water Authority website and at the offices of the Water Authority.

Section 3. Special meetings may be called by the Chair of the Committee upon seventy-two (72) hours notice. Special Meetings shall be subject to the same notice and agenda availability requirements as noted for regular meetings in Section 2.

Section 4. Emergency meetings will be called only under circumstances when an unexpected occurrence or condition, or the state resulting there from, requires immediate consideration or action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Committee will avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair of the Committee upon twenty-four (24) hours notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda.

Section 5. For the purpose of regular and special meetings described in Sections 2 and 3 of this resolution, notice requirements are met if notice of the date, time and place are posted at least seventy-two (72) hours prior to the meeting on the Water Authority website and on the lobby bulletin board of the Albuquerque/Bernalillo County Government Center. The Secretary of the Committee shall also provide copies of the above information to those broadcast stations licensed by the Federal Communications Committee and newspapers of general circulation in Albuquerque, which entities have made a written request for notice of public meetings.

Section 6. For the purpose of emergency meetings described in Section 4 of this resolution, notice requirements shall be met by posting notice of the date, time, place and agenda on the Water Authority website and in the lobby of the Albuquerque/Bernalillo County Government Center. The Secretary of the Committee shall also provide copies of the above information to those broadcast stations licensed by the Federal Communications Committee and newspapers of general circulation in Albuquerque, which entities have made a written request for notice of public meetings.

Section 7. In addition to the information specified above, all notices shall include the following language, except the last sentence applies only to full Committee meetings:

“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.”

Section 8. Cancellations and different meeting times and places may be announced at prior meetings of the full Committee. Cancellations so announced shall also have notice given by the same methods and time frames as provided for regular meetings in Section 2. Weather, lack of quorum and other related issues may cause the cancellation of a meeting.

Section 9. Action summary minutes shall be made of all open meetings with the following minimal information:

A. Date, time, and place of meeting

B. Names of staff in attendance and a list of members present

C. A general statement of each discussion topic and of how each member voted on any motion before the Committee. A draft copy of the minutes shall be available within ten (10) working days following each meeting. Minutes do not become official until approved by the Committee at a subsequent meeting.

Section 10. Closed meetings shall not be held except as provided in Open Meetings Act.

Section 11. All or any part of this resolution may be amended or modified by the Committee from time to time. At a minimum, the Committee shall review the resolution annually as required by the Open Meetings Act.



Technical Customer Advisory Committee 2021 Work Plan

1st Quarter

- Rate Study
- Website Redesign Update Follow up
- Status Report on Pharmaceuticals & Personal Care Products Study

2nd Quarter

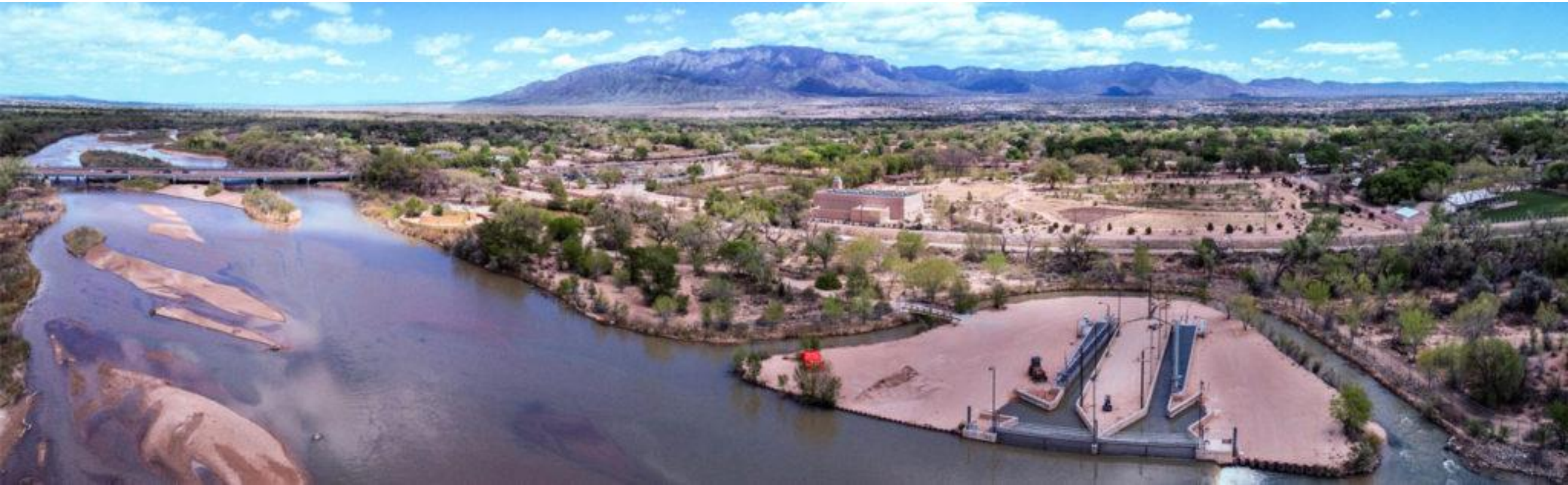
- Rio Grande Water Fund Update
- FY21 Operating/Capital Budgets
- FY21 Goals & Objectives
- Annual Operating Plan
- Water 2120 Projects & Plans

3rd Quarter

- Water Conservation Update
- Water 2120 Projects & Plans
- Customer Conversation Preview
- Attend Customer Conversation Meeting

4th Quarter

- Strategic Asset Management Program Update
- Water 2120 Projects & Plans
- NPDES Permit Update



ABCWUA Technical Customer Advisory Committee

***Cost-of-Service Rate Study for FY 2022 – Rate Study Overview
January 7, 2021***



Agenda

1. Rate Study Objectives
2. Cost-of-Service Process
3. Current Rate Structure
4. Rate Survey





Basic Utility Ratemaking Process

Financial Plan

Forecast of revenues, O&M, debt service & capital improvements provided by Authority staff

Revenue Requirement

Revenue required from rates to meet test year expenditures

Cost of Service

Allocation of the revenue requirements to customer classes

Rate Structure Scenarios

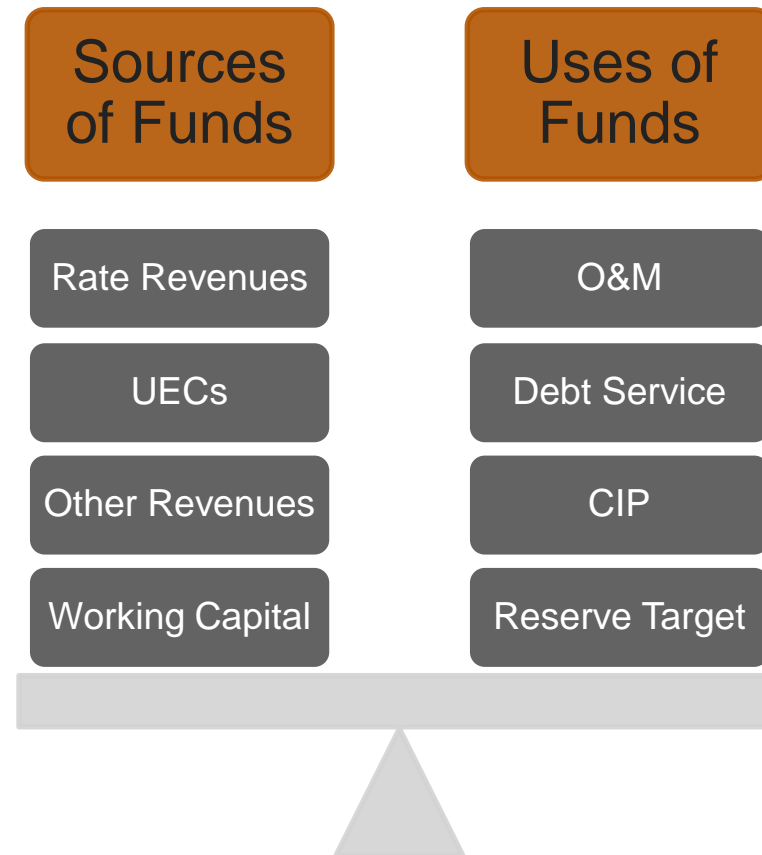
Develop alternative scenarios that align with policy goals and objectives

Bill Impacts

Calculate impacts on different customer types

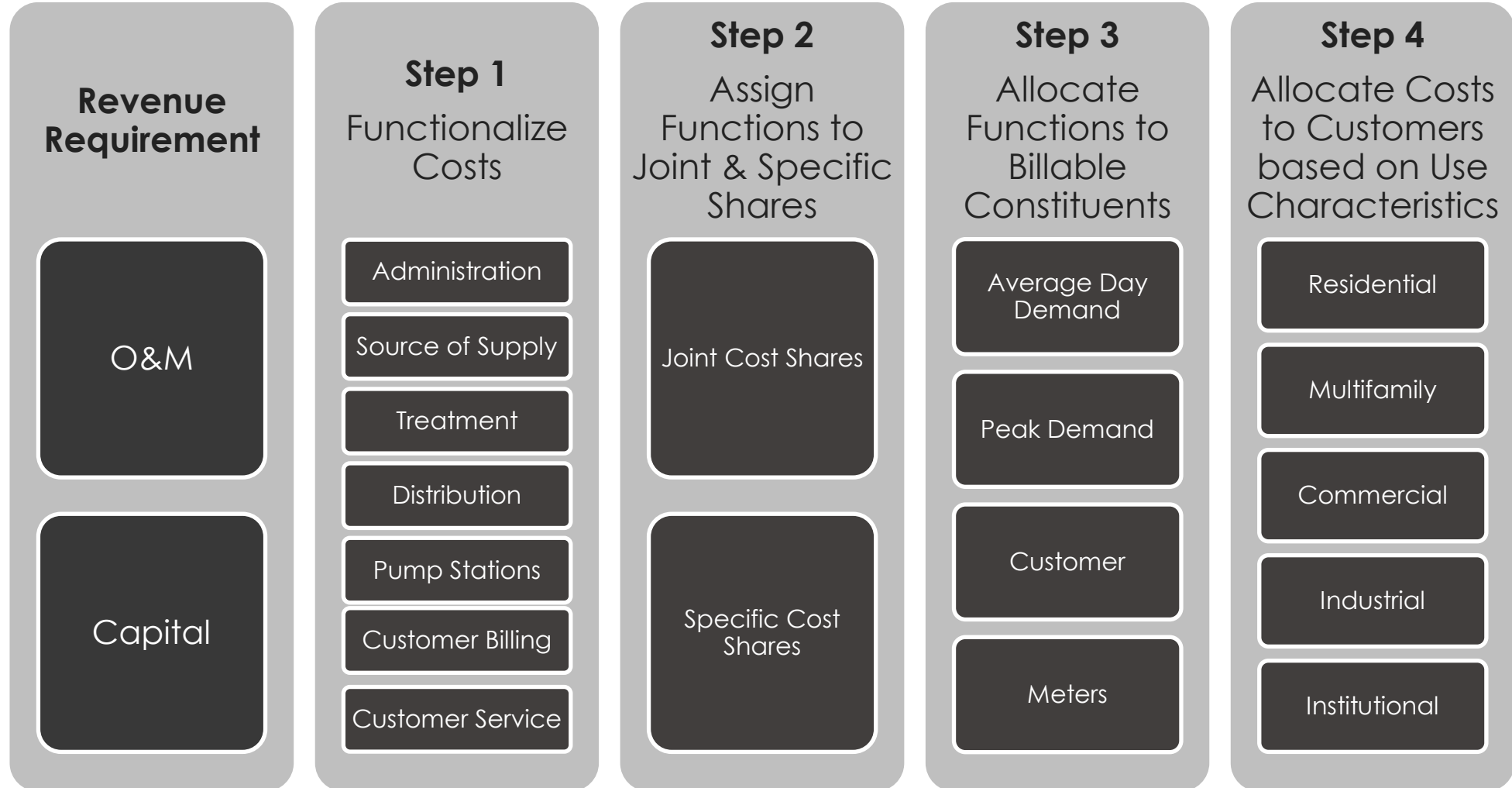


Financial Planning Objectives



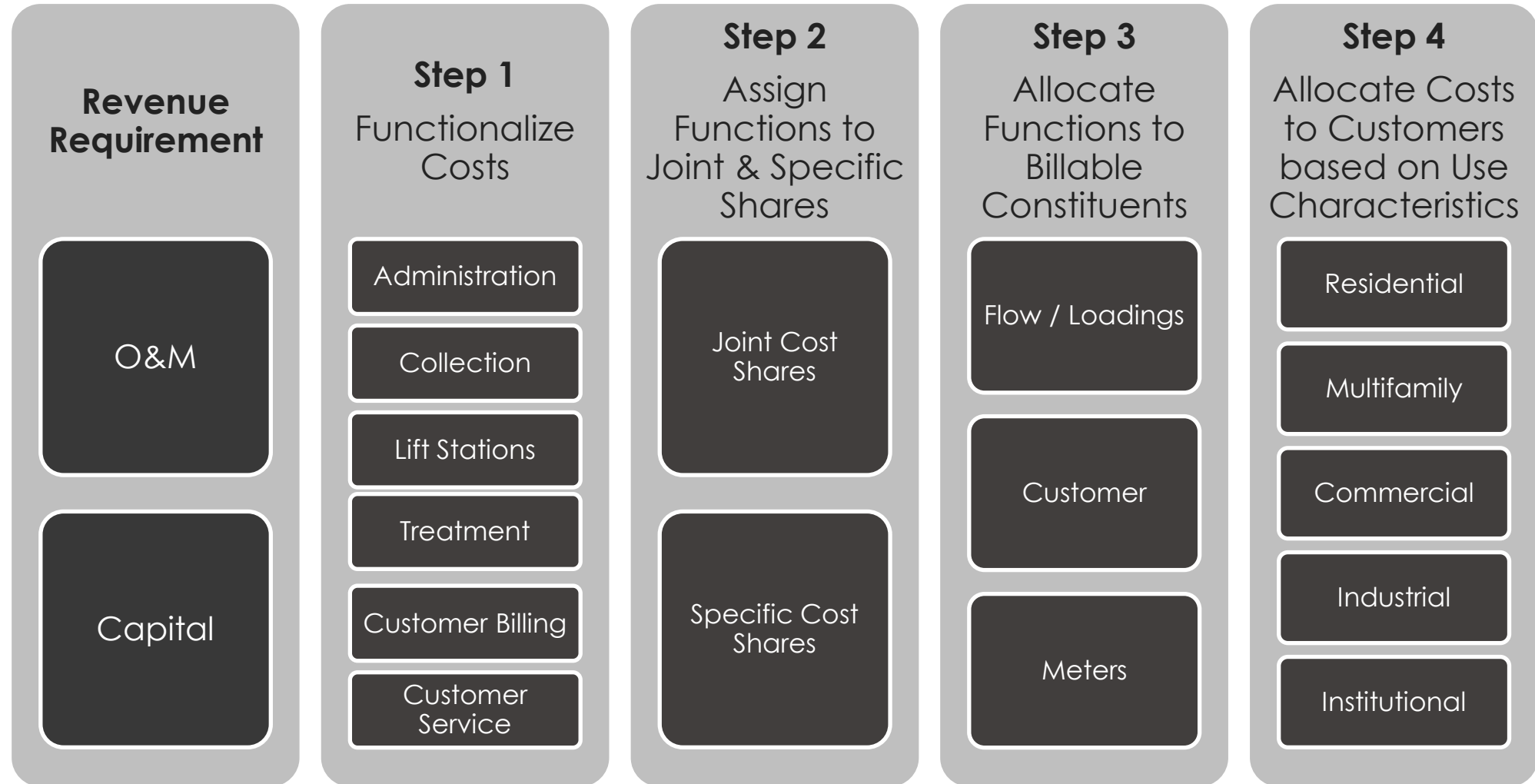


Water Cost-of-Service Process





Wastewater Cost-of-Service Process





COS Analysis Provides Cost Basis for Rate Design

Fixed Monthly Charges

- How much of revenue requirements are recovered?
- What fixed costs should be recovered?

Commodity Rates per CCF

- Recovers remaining revenue requirements
- Limit reliance on surcharge blocks for revenue

Surcharges

- Are surcharges sending the right price signal?



Current Water Rate Structure

Fixed Monthly Charges

- Residential
- Multifamily
- Commercial
- Institutional
- Industrial
- Other

Commodity Rates per CCF

- Discount block
- Base block
- Surcharge blocks
- Includes other components: State water conservation fee, water resource management program, etc.

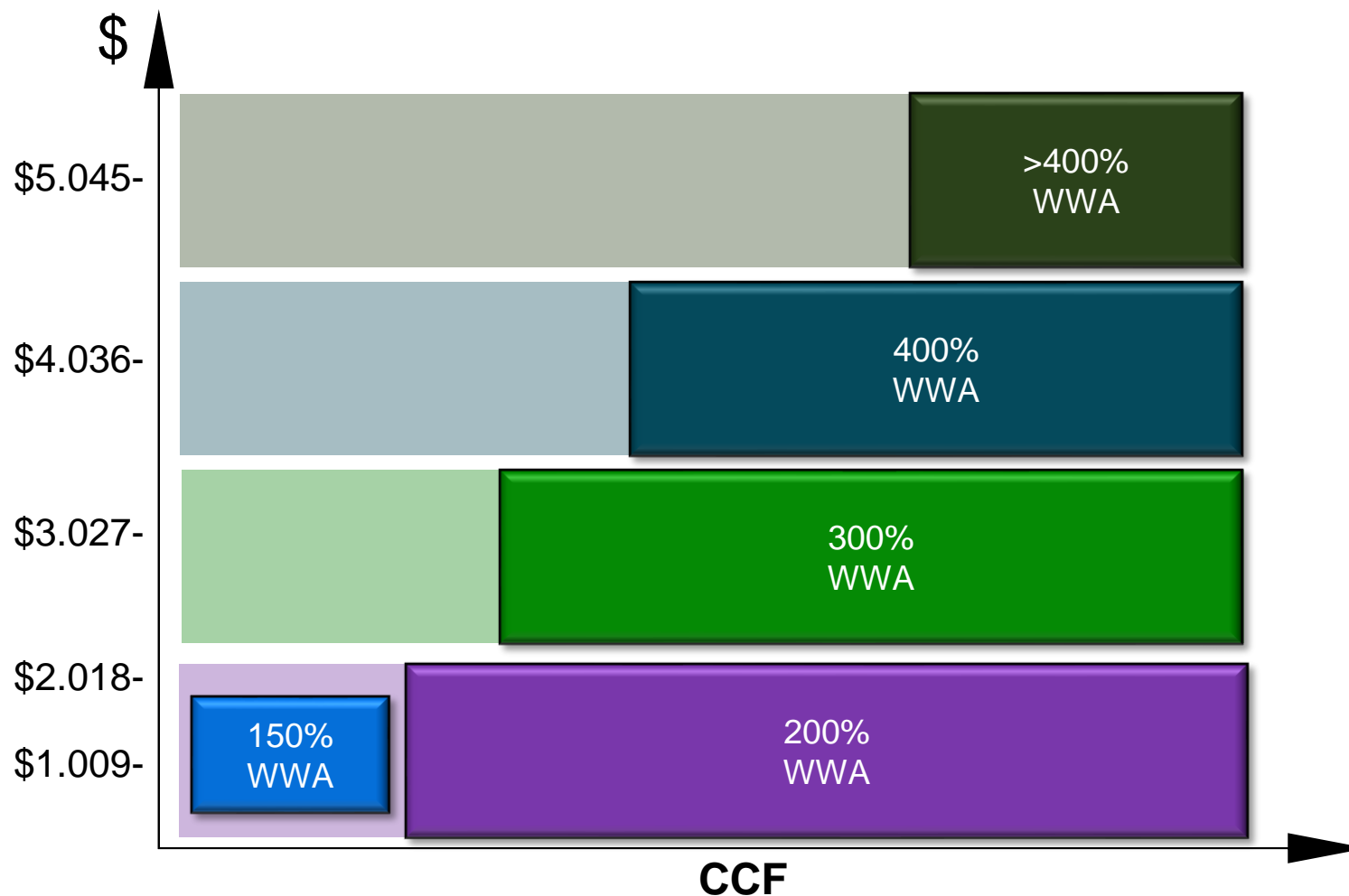


Current Water Monthly Fixed Charges

Meter Size	Residential	Commercial	Industrial	Institutional	Multifamily
5/8"	\$15.91	\$16.67	\$31.23	\$17.14	\$19.55
1"	32.85	33.55	65.50	34.15	39.94
1-1/2"	91.98	95.59	195.49	99.79	116.98
2"	197.17	204.35	426.45	214.05	252.87
3"	377.37	392.18	809.01	409.72	471.27
4"	852.31	882.32	1,857.68	925.73	1,097.09
6"	1,445.86	1,464.81	3,006.93	1,528.67	1,793.85
8" or More	3,028.15	3,141.01	6,557.86	3,568.50	3,885.06



Current Water Commodity Rates: Seasonal Excess Use Based on Individual Winter Water Average (WWA)



Note: Commodity rates do not include water conservation fee



Water Bill Sample Calculation

Rate Component	4 Units / 6 Units WWA	10 Units / 6 Units WWA	20 Units / 6 Units WWA
Fixed Monthly Charges	\$15.91	\$15.91	\$15.91
Discount Block	4 x \$1.009 = \$4.036	\$0.000	\$0.000
Standard Commodity Rate	\$0.000	10 x \$2.018 = \$20.18	20 x \$2.018 = \$40.36
Surcharge Block 1 – Up to 200% of WWA	\$0.000	\$0.000	8 x \$1.009 = \$8.072
Surcharge Block 2 – Up to 300% of WWA	\$0.000	\$0.000	2 x \$1.009 = \$2.018
Surcharge Block 3 – Up to 400% of WWA	\$0.000	\$0.000	\$0.000
Total¹	\$19.95	\$36.09	\$66.36

Note: water bill calculation does not include water conservation fee and franchise fee



Current Wastewater Rate Structure

Fixed Monthly Charges

- Residential
- Multifamily
- Commercial
- Institutional
- Industrial
- Other

Commodity Rates

- Base
- Rehab
- Wholesale
- Surcharges for high strength



Current Wastewater Monthly Fixed Charges

Meter Size	Residential	Commercial	Industrial	Institutional	Multifamily	KAFB - Wholesale
5/8"	\$10.53	\$13.03	\$59.22	\$10.09	\$17.49	\$13.31
1"	17.05	20.77	100.32	16.30	28.95	21.80
1-1/2"	69.86	88.40	432.11	66.47	121.90	48.23
2"	173.82	220.50	1,085.72	165.28	303.89	225.66
3"	232.77	295.41	1,456.40	221.33	407.32	302.38
4"	495.87	629.74	3,110.61	471.40	868.88	644.56
6"	660.39	834.55	4,144.92	627.80	1,157.47	858.54
8" or More	1,173.95	1,491.33	7,373.83	1,115.98	2,058.40	1,453.87
KAFB						42,388.66



Current Wastewater Commodity Rates & Surcharges

Commodity - \$/CCF

	Base	Rehab	Total
Retail	\$1.39	\$0.29	\$1.68
Wholesale/KAFB	\$0.73	\$0.15	\$0.88

Extra-Strength Surcharge - \$/pound

	COD	BOD	TSS	NH3N
per pound	\$0.17	\$0.33	\$0.27	\$0.81



Rate Revenue Increase Policy Approaches

Increase Fixed Monthly Charge

- Across-the-board fixed monthly charge increase
- May still require change in commodity rates

Increase Commodity Rates

- Maintain fixed monthly charges
- Adjust commodity rates to meet revenue increase

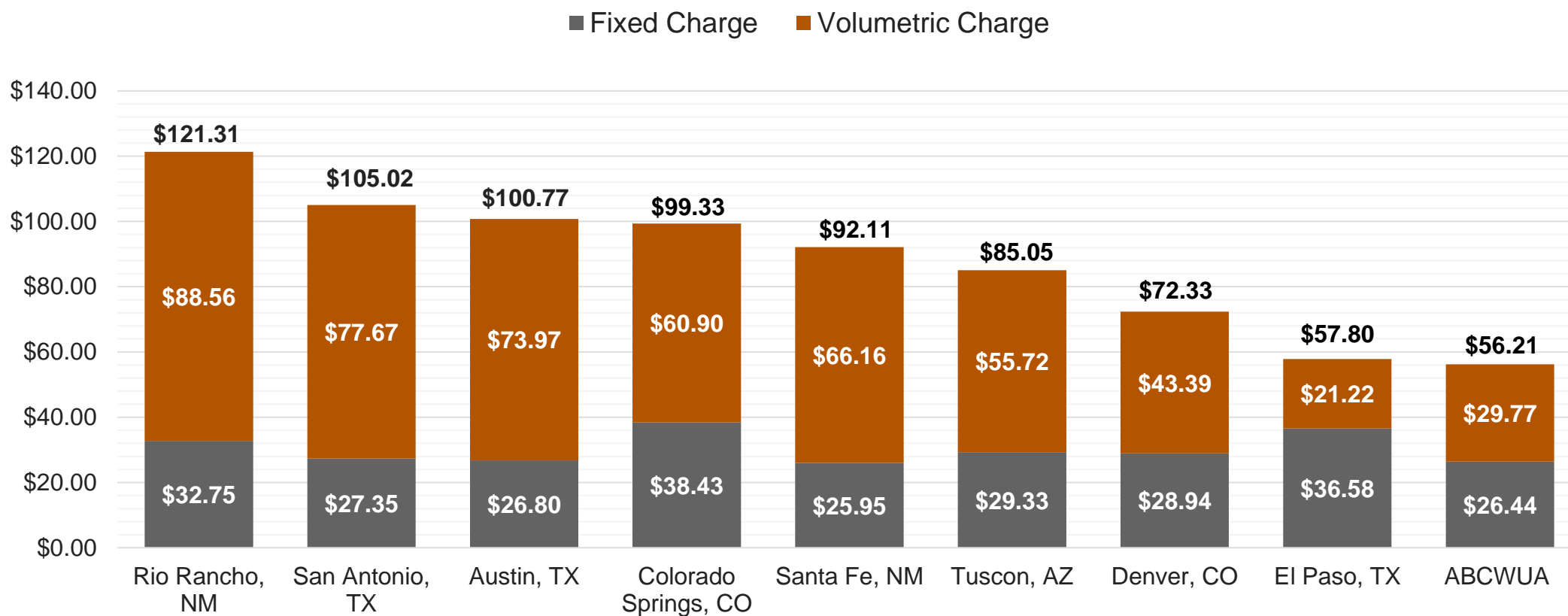
Increase Both to Achieve Overall Revenue Goal

- Adjust fixed monthly charges & commodity rates
- Increase revenue stability
- Promote conservation



Average FY 2021 Water & Wastewater Monthly Bill Comparison

Single Family Residential, 10 Units, 6 Units Winter Water Average



*ABCWUA bill does not include State Water Conservation Fee

Next Steps in Rate Study

1. No rate increase planned for FY 2022
2. Evaluate cost-of-service rates for FY 2022, compare with current rates
3. Assess rates with conservation impact model
4. Authority will evaluate the need of a rate revenue increase for FY 2023





Questions?

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Principal

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