

*Attachment # 1*



- Revenues would be insufficient to fund future rehab and repair costs required to adequately maintain the District's aging water system estimated at \$600,000 annually.
- Current Operating and Administrative costs.
- Revenues would be insufficient to provide for future increases in Operating and Administrative costs arising from inflation or continual upgrades in technology and increases in data management needs.
- Water conservation, as the rate schedule appropriately shifts more of the rate burden to customers using high amounts of water (generally defined as usage greater than 10,000 gallons per month).

4. In February 2018, the District established a Rate Study Advisory Committee ("Committee") to review the District's rates, fees and charges and to recommend rates that would meet District operating and capital costs, debt coverage, and reserve requirements and that would be fair to customers, provide revenue stability, and promote conservation. The Committee consists of the following:

- a. **Chairperson Elizabeth Roghair**, who is the District's Treasurer, a member of the District's Board and Finance Committee, and has a background in public and corporate finance with an emphasis on both public and investor-owned regulated utilities. Chair of the 2015 Rate Study Advisory Committee.
- b. **David Burling**, member of the District's Board and Chair of the Finance Committee.
- c. **Steve King**, General Manager, member of the District's Finance Committee and Chair of the Capital Planning Advisory Committee.
- d. **Terry Gibbs**, retired LANL analyst with extensive budgetary experience. Community member of the 2015 Rate Study Advisory Committee.
- e. **Joe Lowey**, Community member of the District's Capital Planning Advisory Committee.
- f. **Gene Schofield**, past EAWSD Treasurer and Finance Committee Member. Member of the 2015 Rate Study Advisory Committee.
- g. **Phil Speicher**, past District Board member, past EAWSD Treasurer, past member of the Capital Improvements Committee, and past Chair of the EAWSD Finance Committee. Member of the 2015 Rate Study Advisory Committee.
- h. **Jessa Huybrechts**, CPA and EAWSD's Controller through an outsourced contract with the District.

With the exception of Ms. Huybrechts, all member of the Rate Study Advisory Committee are local residents and EAWSD customers.

5. Early on the District determined that a comprehensive cost of service and rate study was needed to support the work of the Rate Study Advisory Committee in recommending rates that would ensure that EAWSD (a) continues to cover the debt service required to finance much needed capital projects, (b) funds annual rehab and repairs as required to maintain safe

and reliable operation of its aging water system, and (c) demonstrates healthy finances and strong stewardship, both of which are critical in obtaining loans and grants from the governmental agencies that support the District with infrastructure improvements funding.

6. On December 7, 2017, the Board authorized a professional services agreement with Nelisa Heddin Consulting, LLC, to conduct a Cost of Service and Rate Design Study for the District. Lead consultant and project manager, Nelisa Heddin, is an industry expert in financial planning and management for municipal utilities. Her specialty is cost of service and rate design studies with 20 years of experience providing consulting services to utilities of all sizes throughout the Southwestern U.S. Ms. Heddin has an MBA from New Mexico State University with a specialty in finance. She is a past Chair of the Texas American Water Works Association Rates and Charges Subcommittee. Ms. Heddin was the District's consultant conducting the 2015 Cost of Service and Rate Design Study.

7. The Rate Study Advisory Committee and Nelisa Heddin worked closely in evaluating historical and estimated utility revenues and expenses to determine the amount of water sales revenue required to meet the District's total expenses. The Committee and Rate Consultant also took into account other sources of income, such as property taxes and interest income. The Committee and Rate Consultant addressed the need to meet the coverage ratios required under the terms of its bonds and in order to qualify for state and federal loans for future capital projects. Many state and federal infrastructure improvement *grant* programs include a loan component, and the District would risk not being eligible to qualify for grants if it was not able to meet required coverage ratios for the loan components of those grant programs. The Committee reviewed the District's 5-year Capital Improvements Plan, showing the need for \$13 million in capital improvements over the next five years. Additionally, the Committee considered recommendations from the District's General Manager and Engineering Consultant regarding the need for \$600,000 (plus inflation) in annual rehab and repairs of the District's aging water system, much of which is over 40 years old.

8. The purpose of the Cost of Service and Rate Design Study was to propose a water rate structure that would assure equitable and adequate revenues for operations, debt service retirement, capital improvements, annual rehab and repair costs and bond covenant requirements, thus ensuring that the utility operates on a self-sustaining basis, while considering the economic impact on the District's customers, and continues to be able to provide safe drinking water and quality customer service for the foreseeable future.

9. Initial results of the rate study were presented to the Board by the Rate Study Advisory Committee at a duly noticed public meeting on July 25, 2019. Results of the rate study identified annual revenue requirements of nearly \$5M within the next 5 years, an increase of \$800,000 over revenues achievable with current rates. Revenue requirement increases include inflation, and full funding of much needed water system improvements and replacements due to aging infrastructure (\$13M in 5 years) as well as annual system rehab and repairs (\$600,000 plus inflation). Three options were presented for generating revenues required to meet forecasted revenue requirements, two of which included both a more modest increase to future rates as well as an increase in future District property tax levies and one with a significantly higher increase in rates but with no increase in property tax levies. The consensus of the Board was to proceed with a modified option based on more modest increases in water rates, including minimal increases in early years for low water users (less than 10,000 gallons per month). Board consensus was to fully fund forecasted revenue requirements including much needed water

system improvements and ongoing system rehab and repair costs. It was noted that with continued diligence in cost management and modest continued success in securing grants and loan forgiveness that it is possible for forecasted revenue requirements to be fully funded without an increase in District property taxes. The commitment of the Board was to closely monitor actual operating conditions and expenses annually to determine whether a future increase in District property tax levies may be required. The proposed new rate schedule is as follows:

	Current	FY20	FY21	FY22	FY23	FY24
Minimum Charge	\$24.58	\$25.56	\$26.59	\$27.65	\$28.76	\$29.91
Volumetric Charge						
1-3,000 Gallons	\$11.40	\$11.40	\$11.40	\$11.40	\$11.86	\$12.33
3,001-6,000 Gallons	\$14.25	\$14.25	\$14.25	\$14.25	\$14.82	\$15.41
6,001-10,000 Gallons	\$17.81	\$17.81	\$17.81	\$17.81	\$19.06	\$20.39
10,001-20,000 Gallons	\$26.71	\$26.72	\$28.58	\$30.58	\$32.72	\$35.01
20,001-30,000 Gallons	\$40.07	\$40.08	\$44.08	\$48.48	\$53.33	\$58.67
Over 30,001 Gallons	\$60.11	\$60.12	\$66.12	\$72.73	\$80.01	\$88.01

As proposed, the increase in the monthly water bill for the average EAWSD customer who uses 4,000 gallons is as follows:

4,000 GALLONS	2019 (current)	2020	2021	2022	2023	2024
Total Monthly Charge	\$73.03	\$74.01	\$75.04	\$79.29	\$81.61	\$83.27

10. On August 15, 2019, the Board approved Resolution N<sup>o</sup>. 20-08-03 authorizing a public hearing to consider a proposed resolution to adjust rates, tolls, fees or charges (Exhibit A). Included in the Agenda Statement presenting Resolution N<sup>o</sup>. 20-08-03 was a presentation of the proposed new rate schedule and adjustments in tolls, fees and charges as recommended by the Communications and Customer Service Advisory (CCSA) Committee as follows:

- a. An increase in Meter Testing Charges from \$200 for all meters to \$250 for 3/4-inch meters and \$600 for meters 1 inch and larger.
- b. An increase of \$200 in the deposit for a Hydrant Meter rental from \$1,000 to \$1,200.
- c. A decrease of \$20 in the return check charge from \$45 to \$25.


All other tolls, fees and charges will remain the same as the current 2016-2019 Rates, Tolls, Fees and Charges Schedule.

11. On September 19, 2019 the Board approved Resolution N<sup>o</sup>. 20-09-02 recommending a comprehensive rates, tolls, fees and charges schedule representing the input and direction provided by the Board at the July 25, 2019 and August 15, 2019 meetings. (Exhibit B). The Board's proposed a five-year plan of rate increases beginning in 2020 is presented as Exhibit A of Resolution N<sup>o</sup>. 20-09-02. The monthly rate schedule includes increases in both In-District and Out-of-District Base rates averaging just over one dollar per month in January 2020 and the subsequent four years. Volumetric rates for customers with low water usage (less than 10,000 gallons per month) are not increased for the first two years (2020 and 2021) with modest increases thereafter. Reflecting both the goal to conserve water and the higher cost of serving high water users, annual increases to the volumetric rates for high water users (greater than 10,000 gallons per month) are significantly higher than for the lower tiers. On September 19, 2019 the Board accepted the EAWSD COST OF SERVICE AND RATE DESIGN STUDY, FINAL REPORT (Exhibit C)

12. In order to ensure that water rates both meet a utility's legitimate needs and are fair and equitable to customers regardless of a particular utility's circumstances, industry and regulatory organizations like the American Water Works Association (AWWA) and the National Association of Regulatory Utility Commissioners advocate for strict rate design methodologies based on comprehensive cost of service analyses. Nelisa Heddin, the District's Rate Consultant, utilized the AWWA methodology for rate setting based on cost-of-service principles. The premise of the methodology is to require users to pay the cost incurred by the utility to provide that user with water service. More about this methodology can be found in the *Cost of Service Analysis—Rate Setting Theory* section of the COST OF SERVICE AND RATE DESIGN STUDY, FINAL REPORT (Exhibit C). The remaining rates, fees and charges cited in Exhibit A are special fees and charges for specific purposes, which are either (a) set out in other EAWSD policies or resolutions, (b) based on actual costs of services provided, or (c) an established tax or penalty.

13. In accordance with the requirements of NMSA 1978, § 73-21-55(C), notice of the public hearing on the proposed adjustment to rates, tolls, fees or charges was published in the District's *Water Notes* monthly publication which was distributed to all District customers on August 7, 2019, was posted on the District website on August 19, 2019, was presented at the Board's August 15, 2019 public meeting and was published in the *Santa Fe New Mexican* on August 27, 2019 (Exhibit D). The engagement of Peter Gould as the hearing officer to conduct the public hearing was approved by the Public Regulation Commission (Exhibit E). Mr. Gould was the Public Hearing Officer for the 2015 Rate Study Public Hearing.

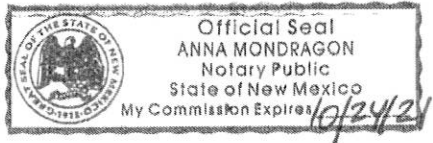
FURTHER AFFIANT SAYETH NAUGHT.

  
Steve King  
GENERAL MANAGER  
Eldorado Area Water & Sanitation District

SUBSCRIBED AND SWORN TO before me this 24 day of SEPTEMBER, 2019, by Steve King.

  
Notary Public

My Commission Expires: 10/24/21



**EXHIBIT A**

Resolution No. 20-08-03

Resolution Authorizing a Public Hearing to Consider a Proposed Resolution to Adjust Rates, Tolls, Fees and Charges

**EXHIBIT B**

Resolution No. 20-09-02

Resolution Authorizing Adjustment to Rates, Tolls, Fees or Charges

**EXHIBIT C**

Rate Study Final Report

Refer to separate attachment.

**EXHIBIT D**

Affidavit of Publication



**EXHIBIT A**

**RESOLUTION N<sup>o</sup>. 20-08-03**

**ELDORADO AREA WATER & SANITATION DISTRICT**

**RESOLUTION AUTHORIZING A PUBLIC HEARING TO CONSIDER A PROPOSED  
RESOLUTION TO ADJUST RATES, TOLLS, FEES OR CHARGES**

**WHEREAS**, the Board of Directors of the Eldorado Area Water and Sanitation District (“Board”) established a Rate Study Committee (“Committee”) in February 2018; and

**WHEREAS**, the Committee’s objectives were to recommend adjustments to District rates that would meet operating and capital costs, debt service, and reserve requirements and that would be fair to customers, provide revenue stability, and promote conservation; and

**WHEREAS**, the Board on December 7, 2017, authorized a professional services agreement with Nelisa Heddin Consulting, LLC, to conduct a Cost of Service and Rate Design Study (“Study”) for the District; and

**WHEREAS**, Nelisa Heddin presented the preliminary results of the Study to the Board at its public meeting on July 25, 2019; and

**WHEREAS**, the Board reached consensus and provided general direction to the General Manager and Nelisa Heddin Consulting regarding a recommended rate schedule for the adjustment of District rates as required to fully fund revenue requirements for the next 5 years; and

**WHEREAS**, the General Manager and Nelisa Heddin will present recommended adjustments to rates, tolls, fees and charges at a public forum to be held on August 27, 2019; and

**WHEREAS**, NMSA (1978) § 73-21-55(C) requires that a public hearing be held prior to the adoption of any resolution to adjust rates, tolls, fees, or charges; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Eldorado Area Water and Sanitation District, as follows:

1. The Board hereby directs that a public hearing under the procedures as set forth in NMSA (1978) § 73-21-55(C) shall be held to consider a proposed Resolution to adjust rates, tolls, fees and charges. At the public hearing, a hearing officer appointed by the Board in accordance with NMSA (1978) § 73-21-55(C) shall hear proponents and opponents of the proposed Resolution and, thereafter, shall issue a decision rejecting, amending or adopting the Resolution adjusting the rates, tolls, fees and charges and, within thirty days following the hearing, file the decision with the Board;


2. The District’s Administrative Manager shall cause notice of the Board’s intention to adjust rates, tolls, fees and charges to be published in a newspaper of general circulation in Santa Fe County, New Mexico and on the District’s web site, as soon as is reasonably practicable after the adoption of this Resolution.

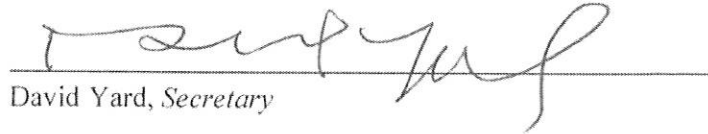
3. The public hearing shall be held on September 25, 2019, at 6:00 p.m., at the District’s Administration office located at 2 North Chamisa Drive Suite A Santa Fe NM, 87508.

PASSED, APPROVED, AND ADOPTED this 15<sup>th</sup> day of August 2019.


By:

  
\_\_\_\_\_  
John Calzada, *President*

  
\_\_\_\_\_  
Gregory Hart, *Vice President*

  
\_\_\_\_\_  
David Yard, *Secretary*

**ABSENT**  
\_\_\_\_\_  
Elizabeth Roghair, *Director/Treasurer*

  
\_\_\_\_\_  
David Burling, *Director*

**EXHIBIT B**

Resolution N°. 20-09-02

ELDORADO AREA WATER & SANITATION DISTRICT

RESOLUTION AUTHORIZING ADJUSTMENT TO RATES, TOLLS, FEES OR CHARGES

WHEREAS, the Board of Directors of the Eldorado Area Water and Sanitation District ("Board") established a Rate Study Committee ("Committee") in February 2018; and

WHEREAS, the Committee's objectives were to recommend adjustments to District rates that would meet operating and capital costs, debt service, and reserve requirements and that would be fair to customers, provide revenue stability, and promote conservation; and

WHEREAS, the Board on December 7, 2017, authorized a professional services agreement with Nelisa Heddin Consulting, LLC, to conduct a Cost of Service and Rate Design Study ("Study") for the District; and

WHEREAS, Nelisa Heddin presented the preliminary results of the Study to the Board at its public meeting on July 25, 2019; and

WHEREAS, the Board reached consensus and provided direction to the General Manager and Nelisa Heddin Consulting regarding a recommended rate schedule for the adjustment of District rates as required to fully fund revenue requirements for the next 5 years; and

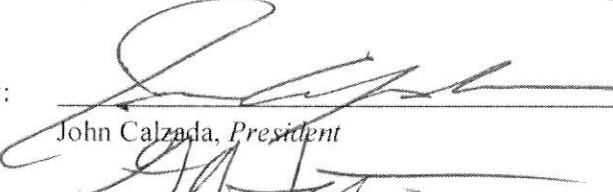
WHEREAS, the General Manager and Nelisa Heddin presented recommended rate adjustments at a Public Forum held on August 27, 2019


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Eldorado Area Water and Sanitation District, as follows:

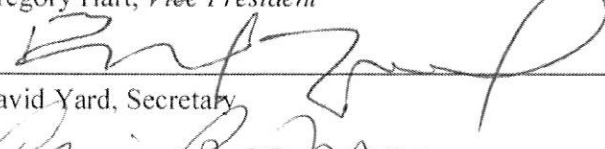
1. The rates, tolls, fees and charges shown in Exhibit A for residential, commercial and public authority customers for calendar years 2020 through 2024 are hereby approved.


PASSED, APPROVED, AND ADOPTED this 19<sup>th</sup> day of September 2019.

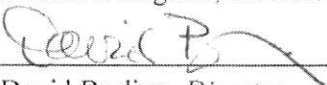
By:

  
\_\_\_\_\_  
John Calzada, *President*

  
\_\_\_\_\_  
Gregory Hart, *Vice President*

  
\_\_\_\_\_  
David Yard, *Secretary*

  
\_\_\_\_\_  
Elizabeth Roghair, *Director/Treasurer*

  
\_\_\_\_\_  
David Burling, *Director*

**EXHIBIT A**

**ELDORADO AREA WATER & SANITATION DISTRICT**

**2020-2024 RATES, TOLLS, FEES AND CHARGES**

*Effective with the February 2020 Billing reflecting January Water Use*

**RESIDENTIAL, COMMERCIAL AND PUBLIC AUTHORITY RATE SCHEDULES**

<b>MONTHLY RATES</b>	<b>Current</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Base Rates</b>						
PER METER CONNECTION						
In-District	\$24.58	\$25.56	\$26.59	\$27.65	\$28.76	\$29.91
Out-of-District	\$56.38	\$57.36	\$58.39	\$59.45	\$60.56	\$61.71
<b>Volumetric Rates</b>						
WATER USAGE PER 1,000 GALLONS						
3,000 gallons or less	\$11.40	\$11.40	\$11.40	\$11.86	\$12.33	\$12.82
3,001 – 6,000 gallons	\$14.25	\$14.25	\$14.25	\$14.82	\$15.41	\$16.03
6,001 – 10,000 gallons	\$17.81	\$17.81	\$17.81	\$19.06	\$20.39	\$21.82
10,001 – 20,000 gallons	\$26.71	\$28.58	\$30.58	\$32.72	\$35.01	\$37.46
20,001 – 30,000 gallons	\$40.07	\$44.08	\$48.48	\$53.33	\$58.67	\$64.53
Over 30,000 gallons	\$60.11	\$66.12	\$72.73	\$80.01	\$88.01	\$96.81

**Base Rate:** Monthly rate charged for each metered connection and for any unmetered fire protection service line.

**Volumetric Rate:** Water usage charge per 1,000 gallons (commodity charge).

**Water Conservation Surcharge**

A water conservation surcharge will be imposed during the usage months of May through August in accordance with the provisions of EAWSD Resolution N<sup>o</sup>. 14-10-01.

**New Water Service Fees and Charges**

New Water Service fees and charges are established in EAWSD Policy N<sup>o</sup>. P18-08-01, as amended.

**Radio-read & BEACON<sup>®</sup> Meter Opt-out Fees and Charges**

Radio-read & BEACON meter opt-out fees and charges are established in EAWSD Policy N<sup>o</sup>. P14- 03-01.

**Special Services Requested by Customer**

SERVICE TYPE	Regular Business Days/Hours		Request Made After 3:00 p.m. AND Before 8:00 a.m. OR on a Weekend or Holiday
	With 24-hour Advance Notice	Same Day as Request Made Before 3:00 p.m.	
Meter re-read*	\$75.00	\$100.00	\$300.00
Meter profile**	\$75.00	\$100.00	\$300.00
Flow test**	\$75.00	\$100.00	\$300.00
Water turn-on/off	No Charge	\$100.00	\$300.00
Meter lid removal and replacement	No Charge	\$100.00	\$300.00

\* \$75 will be credited if a meter reading error is verified.

\*\* One meter profile or flow test in a 12-month period will be provided at no charge.

Other special service requests will be charged on time and materials basis; estimates available from EAWSD. Neither EAWSD nor its contractors will conduct any work on the customer's side of the water meter.

**Meter Testing Charge**

\$250 for ¾ inch meter, \$600 for 1 inch and larger meter to be paid in advance by the customer. District will test the customer's water meter to verify its accuracy. The testing fee will be credited to the customer after testing if the meter tests more than two percent (2%) in error to the detriment of the customer.

**Hydrant Meter**

Upon prior approval of the District, persons or entities may make a temporary connection to a hydrant for the purchase of water under terms and conditions specified by the District at the time of the request. The following charges shall apply to such connections:

- Deposit for District hydrant meter \$1,200.00
- Charge for routine service call during time of connection \$75.00
- Fee for District installation and removal of meter \$150.00
- Charges for purchase of water Appropriate volumetric rate

**Meter Tampering or Water Theft**

The charge for tampering with a meter, including meter can lid removal, or stealing water from the EAWSD water system shall be five hundred dollars (\$500.00) for the first offense and seven hundred and fifty dollars (\$750.00) for any subsequent offense, plus the cost of any water taken.

**Willful or Negligent Damage to EAWSD Property**

The charge for causing willful or negligent damage to EAWSD property, including but not limited to any equipment or facilities, shall be five hundred dollars (\$500.00) for the first offense and seven hundred and fifty dollars (\$750.00) for any subsequent offense, plus the cost to repair any damage.

**Taxes**

All charges are subject to, and will be increased by, applicable governmental gross receipts tax.

**Payment Terms**

Bills are due and payable twenty-one (21) days after the billing date. Late fees may be imposed if payment is received more than 21 days after the billing date.

**Returned Check Charge**

A returned check charge of twenty-five dollars (\$25.00) will be imposed on any customer account where a check submitted for payment is returned by the bank because the account on which it is drawn is closed or contains insufficient funds.

**Late Fees and Penalties**

Any EAWSD account that is not paid by the due date, in accordance with the District's rules and tariffs in force, shall incur an additional late payment penalty charge in the amount of five dollars (\$5.00) or ten percent (10%) of the total invoice amount, whichever is greater.

**Other Terms and Conditions**

All water service is provided subject to the rules and regulations of the Eldorado Area Water and Sanitation District, as adopted and modified from time to time by the District's Board of Directors. Until paid, all EAWSD rates, tolls or charges constitute a perpetual lien on and against the property served, in accordance with NMSA 1978, § 73-21-16(L) (1985). Lien notices shall be provided in accordance with EAWSD Policy No. P13-07-01.

**EXHIBIT C**



Technical Report

**ELDORADO AREA WATER  
& SANITATION DISTRICT**

**COST OF SERVICE AND RATE DESIGN  
STUDY**

**FINAL REPORT  
SEPTEMBER 6, 2019**

Nelisa Heddin Consulting, LLC  
P.O. Box 341855  
Lakeway, TX 78734  
(512) 589-1028  
[nheddin@nelisaheddinconsulting.com](mailto:nheddin@nelisaheddinconsulting.com)



# COST OF SERVICE ANALYSIS

Nelisa Heddin Consulting, LLC (NH Consulting) is pleased to present the Eldorado Area Water & Sanitation District (District) with the results of a cost of service and rate design study performed for the District's water utility.

The District retained NH Consulting to perform a cost of service and rate design study for the District's water utility. The study's intent is to achieve a water rate structure that will assure equitable and adequate revenues for operations, debt service retirement, capital improvements and bond covenant requirements, therefore ensuring the utility operates on a self-sustaining basis while considering the economic impact on the District's customers.

The project team has worked closely with the District's staff and Rate Study Committee to develop revenue requirements and determine the cost of providing service to each of the District's customers. The project team determined that in order to meet future revenue requirements, the District needs to implement future water rate and/or property tax increases. The project team developed three revenue recovery scenarios to achieve the recovery of the required revenues as outlined below:

- Option 1 - assumes increases in the District's O&M Mill Levy in FYE2021, FYE2022 and FYE2024.
- Option 2 - assumes no changes to the District's O&M Mill Levy throughout the study period.
- Option 3 - assumes no changes to the District's O&M Mill Levy throughout the study period, and rates equal to Option 1. This Option results in a revenue shortfall in FY2024 by over \$789,000.

These three options were presented to the District's Board of Directors on July 25, 2019. After careful consideration, the Board opted to move forward with the rates outlined in Option 3. While the rate model indicates a potential "shortfall" of revenues by FY2024, the Board determined that this is the most prudent course of action at this time. The District will not operate with any shortfall. Rather, the District will continually monitor actual financial performance, actual construction costs and debt issuances as part of the District's annual budgeting process and make necessary adjustments in spending to ensure the District meets all actual operating revenue requirements. In addressing the potential shortfall, the District may utilize one or more of the following strategies:

1. Pursue grant funding for capital projects, thereby reducing future annual debt service.
2. Reduce annual capital spending and/or delay capital projects.
3. Reduce other annual expenditures as possible.



## COST OF SERVICE ANALYSIS



4. Potentially evaluate future tax rate increases, if and only if, no other options are available to meet capital program needs and reduce costs.

# COST OF SERVICE ANALYSIS



Table 1 outlines the recommended rates for "Option 3." This Option was presented to the public during a Public Forum on August 27, 2019.

**Table 1: Recommended Water Rates, Option 3<sup>1</sup>**

	Current	FY20	FY21	FY22	FY23	FY24
Monthly Minimum Charge	\$24.58	\$25.56	\$26.59	\$27.65	\$28.76	\$29.91
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	\$11.40	\$11.40	\$11.40	\$11.86	\$12.33	\$12.82
3,001-6,000 Gallons	\$14.25	\$14.25	\$14.25	\$14.82	\$15.41	\$16.03
6,001-10,000 Gallons	\$17.81	\$17.81	\$17.81	\$19.06	\$20.39	\$21.82
10,001-20,000 Gallons	\$26.71	\$28.58	\$30.58	\$32.72	\$35.01	\$37.46
20,001-30,000 Gallons	\$40.07	\$44.08	\$48.48	\$53.33	\$58.67	\$64.53
Over 30,001 Gallons	\$60.11	\$66.12	\$72.73	\$80.01	\$88.01	\$96.81
<b>Tax Levy Assumption:</b>						
Property Taxes - Debt Portion	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$-
Property Taxes - O&M Portion	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>
Total Property Taxes	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$2.3919
<b>Revenue Requirement Over/(Short)</b>		\$30,157	\$(77,715)	\$(197,343)	\$(303,011)	\$(789,831)

<sup>1</sup> Option 3 assumes no changes to the District's O&M Mill Levy Rate throughout the study period, and rates equal to Option 1. This Option results in a revenue shortfall in FY2024 by over \$789,000.

# COST OF SERVICE ANALYSIS

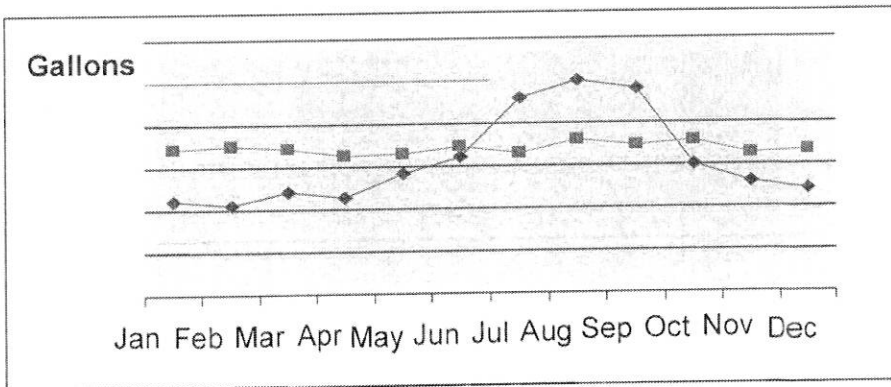
## RATE SETTING THEORY

The American Water Works Association (AWWA) sets forth a methodology for rate setting based on cost-of-service principles. The premise of this methodology is to require users to pay the cost incurred by the utility to provide that user with water service.

The water utility infrastructure is created to meet times of peak demand. Although on an annual basis, the average usage of water is at a lower level, the system must meet times of peak usage, such as irrigation in summer months or early mornings when residents are showering, doing laundry and washing dishes. Utility systems operate under strict guidelines that the water utility must abide by while providing retail water services. These guidelines outline specific requirements for items such as minimal system capacities, to meet these times of peak usage. Thus, the water utility must maintain the infrastructure to meet these requirements. To determine the utilities' capacity requirements, one must factor in the number of connections served, and the size of each connection, in addition to the usage patterns of those customers. Therefore, even though the utility may have average usage at a certain level, it must have the capacity to serve customers at a greater level in order to meet peaking demands.

Different customer classes utilize water in different manners, thus putting different strains on the utility. Examination of the utility's customer classes while applying a cost-of-service methodology recommended by the AWWA reveals the usage pattern of each class. Figure 1 exhibits different usage patterns for two different types of customers.

**Figure 1: Usage Patterns**



## COST OF SERVICE ANALYSIS



The customers represented by a blue line in Figure 1 show a dramatic peaking pattern in summer months. This peak pattern commonly occurs with customers who, for example irrigate during the summer. The customers represented by a pink line show very little deviation in their month-to-month usage. An example of a customer using water in this manner may be a commercial customer who uses water in a consistent pattern year-round.

According to the AWWA, "A water utility is required to supply water in total amounts and at such rates of use desired by the customer. A utility incurs costs in relationship to the various expenditure requirements caused by meeting those customer demands. Since the needs for total volume of supply and peak rates of use vary among customers, the costs to the utility of providing service also vary among customers or classes of customers." In other words, there are significant cost implications to the ability a utility system must have to meet peaking patterns.

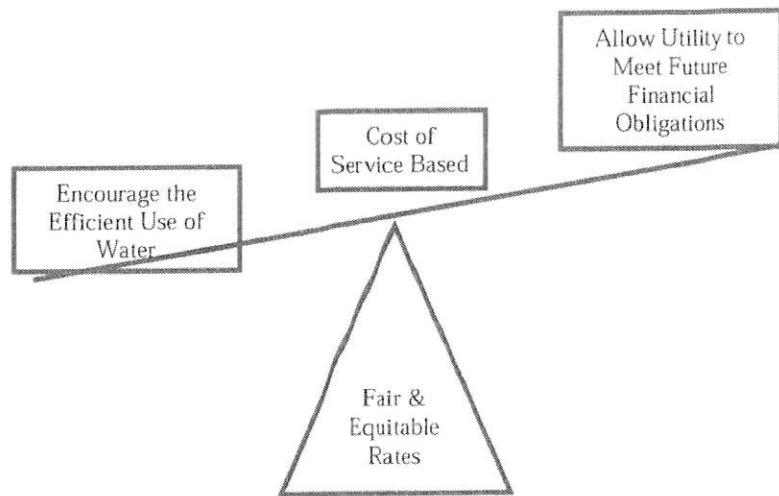
The blue-line customer in Figure 1 has a higher peak to average ratio of water usage. Whereas the pink-line customer has a lower peak to average ratio, even though the total volume used is greater for this customer class. In this example, the utility has to maintain a total system capacity to serve the maximum (or peak) usage of all customers, even though the blue-line customer uses a peak amount of water for 3-months out of the year. There is a significant cost implication to this irregular usage pattern. The rates charged to customers should reflect this cost differential.

# COST OF SERVICE ANALYSIS



## RATE DESIGN GENERAL COMPONENTS

During rate analysis, the primary consideration is to determine rates that are fair and equitable among all customers. Rates should recover the cost associated with providing service to each customer from that particular customer. Determining rates that fully achieve this goal involves a detailed analysis of each individual customer's consumption pattern. Since this is an impractical feat for most utility systems, a typical rate design establishment fits average conditions for groups of customers having similar service requirements. When grouping customer classes, one divides customers that utilize water in a similar pattern (such as residential, commercial, apartments and irrigation). Then, analysis of historical usage patterns for each customer grouping and assignment of costs accordingly. EAWSD has mainly residential customers and just a small number of commercial customers. The District does not have any irrigation only customers.



The AWWA emphasizes, "Departure from rates based on cost of service is generally a decision made for political, legal or other reasons. Consideration of rates deviating from cost of service, therefore, is made by politicians, not the rate designer." In addition, the AWWA states that "when a deviation from cost-related rates is made, the reason for such modification should be explicitly understood so that the responsibility for such deviation is placed on legal and policy-making factors, and the public is not misled into believing that the resulting rates are fully cost-related when they are not."

It is important to consider when designing and implementing a new rate structure that, while the goal is to get as close as possible to cost of service based rates, while respecting each utility's political environment.

## RATE COMPONENTS

Typically, billing of water services use a structure that consists of a minimum bill and a volumetric component. The intention of the minimum bill is to recover the basic costs associated with providing service to the customer, regardless of the volume of the water utilized. The bill structure usually recovers a high percentage of the utility's fixed costs, particularly its debt service, to ensure the utility some degree of revenue stability. Minimum bills are a fixed monthly fee. The second component of the rates is a volumetric charge. This charge is based on the amount of water utilized by the customer, and may fluctuate based on actual usage.

# COST OF SERVICE ANALYSIS



## Minimum Bill

The AWWA provides guidelines for the determination of the minimum bill on a cost basis. Many utilities set their minimum bill based on policy initiatives. The utility may want to use the minimum charge to guarantee a certain percentage of revenue. Another strategy in setting a minimum bill involves providing lifeline rates for customers, where the customer receives a certain amount of water included in the base charge fee. This allows the customer a higher degree of control over their water bill.

There are two (2) primary options available regarding the structure of the minimum bill:

**Meter Size** – The larger the meter a customer has, the greater the ability that customer has to place a larger demand on the system. Thus, regardless of the amount of water that a customer actually uses, the utility is still required to maintain the capacity to serve that customer based on their meter size.

Accordingly, a minimum bill based on meter size, in which the larger the meter, the higher the bill, recovers the cost the utility incurs due to the potential increased demand placed on the system by that particular customer. The AWWA provides “meter size equivalency factors,” a scale of factors are applied to the base charge for a 3/8 inch connection to determine the minimum that should be charged to larger connections.

**Table 2: Meter Equivalency Ratios.**

Meter Size (Inches)	Equivalent Meter & Service Ratio
3/8"	1
3/4"	1.1
1"	1.4
1 1/2"	1.8
2"	2.9
3"	11

**Equalized Minimum Bill** – The alternative minimum bill structure would be an equalized minimum bill in which all customers pay the same fee, regardless of meter size. This very simple fee structure is easy to understand by the utility's customers. In addition, most billing systems are able to accommodate this fee structure.

The District bills customers an equalized minimum bill. Given the homogenous nature of the District's customer base, the project team recommends continuation of this policy.

## Volumetric Rate

The second component of the fee structure is the volumetric rate. The basis for the volumetric fees is the actual volume of water each customer uses each month. The volumetric rates usually recover the variable costs associated with providing water to the utility's customers as well as a portion of fixed costs. Utilities also use volumetric rates as a pricing signal to encourage the efficient usage of water. Below are some volumetric rate design options.



## COST OF SERVICE ANALYSIS



**Customer Class** – As previously described, different classes of customers utilize water in different ways. Some customers use large amounts of water seasonally for irrigation, while other customers' monthly water use varies only slightly. There is a significant cost implication to different water usage patterns. Those customers who use water irregularly throughout the year, such as those who irrigate, cause the utility's water system to have a higher peaking than those customers who use a consistent amount of water monthly. A case can be made that utilities should classify customers into like groupings (such as residential, commercial, apartments and irrigation) and charge those customers different rates based on their relative usage patterns. The AWWA has outlined a methodology for determining these rates called the Base-Extra Capacity methodology. The basic premise of this methodology is to isolate usage patterns based on customer classifications and allocate costs to those customers based on peaking patterns. While this is a complex task, it is arguably the most equitable means of charging customers for water usage.

The drawback to this methodology is that it is a slightly more complex fee structure that some customers may have difficulty understanding. Prior to implementation, the utility's billing system requires examination to ensure that it is capable of charging customers based on this structure.

**Equalized Rate** – An alternative to varying volumetric rates based on customer class is to charge all customers the same volumetric rate. This is appropriate for utilities that have a relatively homogenous customer base in which most customers use water in a similar pattern. This rate structure is easy for customers to understand, and usually most billing systems can accommodate equalized rates. The industry recommends that each utility examine its customer base to determine if it is a homogenous group of customers, or if there are customers who use water in different patterns. If the latter is the case, then equalized rates may not be equitable to some customer classifications.

In analyzing the District's customer base and usage patterns, the project team recommends that the District bill based upon an equalized rate applied to all customer classes.

# COST OF SERVICE ANALYSIS

## WATER PRODUCTION

In 2018, the District produced approximately 165 million gallons of water, with a peak day production of .862 MG.

**Table 3: Historical Water Production (Gallons)**

	2016	2017	2018
Total Production	152,364,000	156,144,000	165,607,000
Average Daily Demand	417,436	427,792	453,718
Peak Day Demand	825,418	857,077	862,360
Peak to Average Ratio	1.98	2.00	1.90

As emphasized in the previous section, there is a direct correlation between a system's production and peaking patterns and the system's costs. The District's peak to average ratio, as determined by dividing maximum daily production by the average daily production, was 1.90:1 for 2018.

## WATER CONSUMPTION

As of December 2017, the District provided water services to 2,996 retail, potable water customers. The District meters all active potable water connections. Annual metered water consumption was approximately 139 million gallons in 2017, as shown in Table 4<sup>2</sup>.

**Table 4: Total Customer Count and Consumption (Gallons)<sup>3</sup>**

Year	Customers	Consumption
2015	2,983	127,420,500
2016	2,987	137,172,300
2017	2,996	139,515,600

<sup>2</sup> The Districts anticipates fewer than 10 new connections per year as the service area is almost entirely built-out.

<sup>3</sup> Data for the full year for 2018 was not available at the time the analysis was completed.

# COST OF SERVICE ANALYSIS



## CURRENT RATES

Outlined below are the District's current water rates, effective January, 2019.

**Table 5: Current Water Rates**

	<b>Current</b>
Minimum Charge	\$24.58
Volumetric Charge	
1-3,000 Gallons	\$11.40
3,001-6,000 Gallons	\$14.25
6,001-10,000 Gallons	\$17.81
10,001-20,000 Gallons	\$26.71
20,001-30,000 Gallons	\$40.07
Over 30,001 Gallons	\$60.11

# COST OF SERVICE ANALYSIS



## WORK PLAN

In determining water rates, NH Consulting relies upon a methodology described by the American Water Works Association called the Base-Extra Capacity methodology. This methodology approximates the cost associated with serving various classifications of customers.

Essentially, the methodology utilizes a five-step approach:

- Step 1: Revenue Requirement Determination
- Step 2: Cost Functionalization
- Step 3: Customer Cost Allocation
- Step 4: Customer Count and Billing Unit Determination
- Step 5: Rate Design

NH Consulting has performed each of these steps in coordination with the District's staff and Rate Study Committee. The next sections describe each step along with the results.

### STEP 1: REVENUE REQUIREMENT DETERMINATION

#### BASE YEAR REVENUE REQUIREMENT

##### SYSTEM EXPENDITURES

A base year estimate of costs helps to determine the District's future revenue requirements. This cost estimate is reflective of the normal operation of the water utility, and adjusted for known and measurable changes into the future. NH Consulting used the FY 2019 budget as the Test Year for the revenue requirement phase of the study.

##### REVENUE OFFSETS

In order to isolate the revenues required by rates from all customers, it was necessary to capture all revenue offsets and remove the corresponding dollar amount from the gross revenue requirement to determine the net revenue requirement. Revenue offsets are items such as late fees and interest income that offset the District's expense.

##### BASE YEAR REVENUE REQUIREMENT

The base year total revenue requirement determined by the project team for the water utility for FY 2020 was \$2,962,219.

#### FIVE-YEAR REVENUE REQUIREMENT

##### INFLATION

The District provided NH Consulting with an estimate of operations & maintenance costs for the five-year study period.

# COST OF SERVICE ANALYSIS



## CAPITAL PROJECTS

The District has identified approximately \$13M in future capital improvement projects to be constructed in the next 5 years. The project team has assumed these projects would be funded mainly through the issuance of future debt. Approximately \$6M of the currently planned capital improvement projects represents replacement of approximately 6% of the distribution system lines for the District. It must be noted that this funding of the distribution system replacement program is the beginning of a very long and costly replacement program for the District, which was mainly built forty years ago and nearing the end of its useful life.

## REHABILITATION AND REPLACEMENT PROJECTS

In addition to the capital improvement plan projects described above the project team has also included funding for rehabilitation and replacement projects in the amount of \$788,000 beginning in FY2020<sup>4</sup>. The project team assumed \$300,000 per year would be funded by the O&M portion of property taxes. It was assumed that prior year times coverage monies, to the extent available would also be used to fund these improvements. Finally, the balance of the annual required amount would be funded through monthly user fees, as outlined on Table 6 below.

**Table 6: Rehabilitation and Replacement Project Funding Source.**

	FY20	FY21	FY22	FY23	FY24
Property Taxes (Current Year)	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Times Coverage (Prior Year) <sup>5</sup>	188,659	221,879	261,339	300,000	300,000
Cash from Rates	<u>300,000</u>	<u>250,000</u>	<u>94,297</u>	<u>75,305</u>	<u>415,564</u>
	\$788,659	\$771,879	\$655,636	\$675,305	\$1,015,564

## FUTURE WATER PURCHASES

The analysis also assumes the purchase of an additional 100 acre feet annually of water from Santa Fe County, which is projected to be required to meet future water demands of the District beginning in FY 2022. This expense has been estimated at the current rates cited by the County.

## REVENUE OFFSETS

Revenue-offset projections remained constant throughout the study period, a conservative estimate.

<sup>4</sup> Future funding for rehabilitation and replacement projects was required to be at a minimum level of \$618,000 per year beginning in FY 2020 with compounded inflation each year. The planned funding varies by year and was determined in amounts to keep rates stable.

<sup>5</sup> Times coverage are monies that the District is required to collect pursuant to the District's bond covenants. Times coverage monies are then utilized in subsequent years to fund rehab and replacement projects.

# COST OF SERVICE ANALYSIS



## FIVE-YEAR REVENUE REQUIREMENT

Table 7 outlines the five-year revenue requirement for the Water Utility. Schedule 1 shows each line item with details. As can be seen, the projected revenue requirements are anticipated to increase by approximately 5.5% compounded annually from FY2019 through FY2024. While the District does anticipate some operating cost increases, new debt to fund capital projects comprises of the majority of the increases.

**Table 7: Total District Five-Year Revenue Requirement.**

	FY19	FY20	FY21	FY22	FY23	FY24
Revenue Requirements	\$3,873,686	\$4,232,465	\$4,422,790	\$4,702,171	\$4,975,002	\$5,058,563

## FUNDING SOURCES

The District has two primary sources of revenues to support the revenue requirements outlined above:

1. Property Taxes – this is also described as a mill levy which is cited in terms of a fee per \$1000 assessed property valuation<sup>6</sup> and is assessed on each property within the District. This is an annual fee property owners pay, which is collected by the County Tax Assessors office and remitted to the District. The mill levy has two components:
  - a. Debt component – currently \$1.9681 and is utilized to pay for the District’s outstanding General Obligation Debt (GO Bonds). It must be noted that the District is due to pay off its existing GO Bonds in FY 2023, meaning that unless the District refinances its existing GO Bonds or issues new GO Bonds, in FY 2024, the debt component of the District’s mill levy will be \$ 0.
  - b. O&M component – currently \$2.3919 and is utilized to offset annual operations and maintenance expenses.
2. Water Customer Fees – these take form as a minimum bill and a volumetric rate charged only to water customers, as previously described.

In developing a five-year plan for the District, the project team evaluated three different funding Options:

Option 1 assumes the District will implement future mill levy increases – the first would be implemented in FY 2021 to a total mill levy of \$4.86<sup>7</sup> and FY 2023 to a total mill levy of \$5.36<sup>8</sup>. In FY 2024, the total mill levy will remain at \$5.36; however, the entire \$5.36 is

<sup>6</sup> Currently, taxes are assessed on 1/3 of the total property valuation.

<sup>7</sup> The debt mill levy would stay at \$1.9681 to support the existing GO Bond. The O&M mill levy would be increased to \$2.8919.

<sup>8</sup> The debt mill levy would stay at \$1.9681 to support the existing GO Bond. The O&M mill levy would be increased to \$3.3919.

# COST OF SERVICE ANALYSIS



assumed to be O&M mill levy, with \$0 debt mill levy. The additional monies generated by the mill levy increases and water rate increases will be utilized to fund future debt issuances for capital projects, inflationary increases, future water supply acquisitions from the County, and the rehab/replacement program. The specific funding source for the total District Revenue Requirement for Option 1 are outlined on Table 8.

**Table 8: Funding Sources for Total District Revenue Requirement, Option 1**

Option 1	FY20	FY21	FY22	FY23	FY24
Mill Levy, Debt Portion	\$573,388	\$574,884	\$576,193	\$577,314	\$-
Mill Levy, O&M Portion	696,858	844,727	846,650	994,966	1,574,826
Base Fees	930,705	970,485	1,011,627	1,054,163	1,098,124
Volumetric Fees	<u>2,031,514</u>	<u>2,032,694</u>	<u>2,267,701</u>	<u>2,348,559</u>	<u>2,385,613</u>
	\$4,232,465	\$4,422,790	\$4,702,171	\$4,975,002	\$5,058,563

Option 2 assumes the District will not implement future mill levy increases – the debt mill levy will remain at \$1.9681 through FY 2023. In FY 2024, the debt mill levy will go to \$0. The O&M mill levy will remain at \$2.3919 through FY 2024. This will mean that the total mill levy will be \$4.89 through FY 2023, in FY 2024, the total mill levy will decrease to \$2.2919. This would require the entirety of increases in the revenue requirement to be funded through increases in water rates. The specific funding source for the total District Revenue Requirement for Option 2 are outlined on Table 9.

**Table 9: Funding Sources for Total District Revenue Requirement, Option 2**

Option 2	FY20	FY21	FY22	FY23	FY24
Mill Levy, Debt Portion	\$573,388	\$574,884	\$576,193	\$577,314	\$-
Mill Levy, O&M Portion	696,858	698,676	700,267	701,630	702,766
Base Fees	948,603	1,008,171	1,071,120	1,137,622	1,412,959
Volumetric Fees	<u>2,013,616</u>	<u>2,141,059</u>	<u>2,354,592</u>	<u>2,558,436</u>	<u>2,942,838</u>
	\$4,232,465	\$4,422,790	\$4,702,171	\$4,975,002	\$5,058,563

Option 3 assumes the District will not implement future mill levy increases; however, the rates are set to be equal to the rates in Option 1 – the debt mill levy will remain at \$1.9681 through FY 2023. In FY 2024, the debt mill levy will go to \$0. The O&M mill levy will remain at \$2.3919 through FY 2024. This will mean that the total mill levy will be \$4.89 through FY 2023, in FY 2024, the total mill levy will decrease to \$2.2919. This would effectively reduce the total revenue recovery of the District, meaning the District would not recover the total District revenue requirement outlined on Table 7. As a result, the District would need to reduce annual expenditures either through reduction of annual O&M expenses, reduction of future debt issuances and therefore elimination of projects in the capital improvement plan and/or a reduction of the rehab/replacement program spending. The specific funding sources for the total District Revenue Requirement for Option 3 are outlined on Table 10. It must be noted that the total revenue recovery of this Option falls short of the total District Revenue Requirement outlined on Table 7.

# COST OF SERVICE ANALYSIS



**Table 10: Funding Sources for Total District Revenue Requirement, Option 3**

Option 3	FY20	FY21	FY22	FY23	FY24
Mill Levy, Debt Portion	\$573,388	\$574,884	\$576,193	\$577,314	\$-
Mill Levy, O&M Portion	696,858	698,676	700,267	701,630	702,766
Base Fees	930,705	970,485	1,011,627	1,054,163	1,098,124
Volumetric Fees	<u>2,061,671</u>	<u>2,101,030</u>	<u>2,216,742</u>	<u>2,338,883</u>	<u>2,467,842</u>
	\$4,262,623	\$4,345,075	\$4,504,828	\$4,671,991	\$4,268,732
Revenue Requirement Over/(Short)	\$30,157	\$(77,715)	\$(197,343)	\$(303,011)	\$(789,831)



# COST OF SERVICE ANALYSIS



## STEP 2: COST FUNCTIONALIZATION

### BACKGROUND ON COST FUNCTIONALIZATION

The American Water Works Association (“AWWA”) has accepted the base-extra capacity methodology; it is commonly used in the water utility industry. This is a methodology of functionalization, allocating costs to service functions, and distributing costs to customer classes. It recognizes the differences in the cost of providing service due to variations in average rate of use and peak rate of use by a customer class. This method also recognizes the effects of system diversity on costs. Generally, the three components of costs include:

- Base Costs
- Extra-Capacity Costs
- Customer Billing Costs

Base costs fluctuate with the total amount of water taken under average operating conditions. Extra-capacity costs are those costs incurred that are above the average operating conditions and are necessary to support peaking conditions. Customer billing costs are those costs associated with serving customers, such as meter reading and billing.

### COST FUNCTIONALIZATION ANALYSIS

The project team thoroughly analyzed The District’s cost structure and functionalized the costs into appropriate categories. Table 11 presents the cost functionalization for the five-year study period.

**Table 11: Cost Functionalization (Option 1).**

	FY20	FY21	FY22	FY23	FY24
Base Costs of Service	\$1,405,101	\$1,427,773	\$1,646,792	\$1,711,853	\$1,778,294
Extra Capacity Costs of Service	1,148,210	1,170,297	1,211,776	1,272,480	1,345,731
Customer Costs of Service	408,908	405,109	420,761	418,388	359,712
	\$2,962,219	\$3,003,180	\$3,279,329	\$3,402,721	\$3,483,737

# COST OF SERVICE ANALYSIS



## STEP 3: CUSTOMER COST ALLOCATION

### CUSTOMER COST ALLOCATION BACKGROUND

The establishment of customer classes is important in setting equitable rates, so that costs designated for each class are appropriate. A customer class should include only those customers who:

- a. Are in similar location in relation to the utility;
- b. Use the same or similar facilities of the utility;
- c. Receive similar service from the utility;
- d. Place similar demands on the utility.

The objective of the distribution of costs to customer groups is to avoid cross-subsidization (inequities between customer classes). With this objective in mind, it is imperative to weigh all differences in service commitment and service requirements when determining the customer classes.

Once all appropriate customer classifications have been determined, the next step is to analyze usage patterns for each customer class. Usage analysis includes evaluating the average and peak usage for each customer class. Finally, the cost allocation to customer classes, based on relative usage patterns, is completed. Table 12 presents the cost allocations to customer classes. It is with these cost allocations that rates are designed.

**Table 12: Customer Cost Allocation (Option 1).**

	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Residential	\$2,895,115	\$2,935,264	\$3,205,128	\$3,325,762	\$3,404,622
Commercial	<u>67,104</u>	<u>67,916</u>	<u>74,201</u>	<u>76,959</u>	<u>79,115</u>
	\$2,962,219	\$3,003,180	\$3,279,329	\$3,402,721	\$3,483,737

# COST OF SERVICE ANALYSIS



## STEP 4: CUSTOMER GROWTH AND BILLING UNITS

### CUSTOMER GROWTH

Population projections for a District should reasonably reflect anticipated future conditions within the District. Since there is little undeveloped land in the District, the project team assumed the District would only slightly grow during the study period.

**Table 13: Projected Customer Count.**

	FY20	FY21	FY22	FY23	FY24
Residential	2,983	2,991	2,998	3,004	3,009
Commercial	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>
	3,034	3,042	3,049	3,055	3,060

### BILLING UNIT PROJECTION

To anticipate usage for each customer classification requires an examination of historical billing units, also known as water consumption, to find the “normal” pattern for each class. Through a “normalized” average usage, per connection, per month, then multiplying the usage by the projected customer count, results in the estimated billing units and consumption. Assumed future consumption is presented on Table 14.

**Table 14: Projected Water Consumption (Gallons).**

	FY20	FY21	FY22	FY23	FY24
Residential	136,991,028	137,358,419	137,679,886	137,955,430	138,185,049
Commercial	<u>3,363,845</u>	<u>3,363,845</u>	<u>3,363,845</u>	<u>3,363,845</u>	<u>3,363,845</u>
	140,354,872	140,722,264	141,043,731	141,319,275	141,548,894

# COST OF SERVICE ANALYSIS



## STEP 5: RATE DESIGN

There are many different rate design options regarding water rate development, however, the goal is to provide a fair and equitable rate for all customer classes, mitigate “rate-shock” on the District’s customers and allow for the water utility to move towards operating on a self-sustaining basis. Tables 15, 16 and 17 present rates and mill levy for the three different revenue recovery options.

**Table 15: Water Rates and Mill Levy, Option 1 (Mill Levy Increase)**

	Current	FY20	FY21	FY22	FY23	FY24
Monthly Minimum Charge	\$24.58	\$25.56	\$26.59	\$27.65	\$28.76	\$29.91
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	\$11.40	\$11.40	\$11.40	\$11.40	\$11.86	\$12.33
3,001-6,000 Gallons	\$14.25	\$14.25	\$14.25	\$14.25	\$14.82	\$15.41
6,001-10,000 Gallons	\$17.81	\$17.81	\$17.81	\$17.81	\$19.06	\$20.39
10,001-20,000 Gallons	\$26.71	\$26.72	\$28.58	\$30.58	\$32.72	\$35.01
20,001-30,000 Gallons	\$40.07	\$40.08	\$44.08	\$48.48	\$53.33	\$58.67
Over 30,001 Gallons	\$60.11	\$60.12	\$66.12	\$72.73	\$80.01	\$88.01
<b>Tax Levy Assumption:</b>						
Property Taxes - Debt Portion	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$-
Property Taxes - O&M Portion	<u>2.3919</u>	<u>2.3919</u>	<u>2.8919</u>	<u>2.8919</u>	<u>3.3919</u>	<u>5.3600</u>
Total Property Taxes	\$4.3600	\$4.3600	\$4.8600	\$4.8600	\$5.3600	\$5.3600

# COST OF SERVICE ANALYSIS



Table 16: Water Rates and Mill Levy, Option 2 (No Mill Levy Increase)

	Current	FY20	FY21	FY22	FY23	FY24
Monthly Minimum Charge	\$24.58	\$26.05	\$27.62	\$29.28	\$31.03	\$38.48
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	\$11.40	\$11.40	\$11.40	\$11.86	\$12.80	\$13.83
3,001-6,000 Gallons	\$14.25	\$14.25	\$14.25	\$14.82	\$16.01	\$17.29
6,001-10,000 Gallons	\$17.81	\$17.81	\$17.81	\$19.06	\$20.96	\$23.06
10,001-20,000 Gallons	\$26.71	\$26.72	\$28.58	\$30.58	\$33.64	\$37.00
20,001-30,000 Gallons	\$40.07	\$40.08	\$44.08	\$48.48	\$54.30	\$60.82
Over 30,001 Gallons	\$60.11	\$60.12	\$66.12	\$72.73	\$81.46	\$91.24
<b>Tax Levy Assumption:</b>						
Property Taxes - Debt Portion	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$-
Property Taxes - O&M Portion	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>
Total Property Taxes	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$4.3600

# COST OF SERVICE ANALYSIS



**Table 17: Water Rates and Mill Levy, Option 3 (No Mill Levy Increase, Rates Equal to Option 1)**

	Current	FY20	FY21	FY22	FY23	FY24
Monthly Minimum Charge	\$24.58	\$25.56	\$26.59	\$27.65	\$28.76	\$29.91
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	\$11.40	\$11.40	\$11.40	\$11.86	\$12.33	\$12.82
3,001-6,000 Gallons	\$14.25	\$14.25	\$14.25	\$14.82	\$15.41	\$16.03
6,001-10,000 Gallons	\$17.81	\$17.81	\$17.81	\$19.06	\$20.39	\$21.82
10,001-20,000 Gallons	\$26.71	\$28.58	\$30.58	\$32.72	\$35.01	\$37.46
20,001-30,000 Gallons	\$40.07	\$44.08	\$48.48	\$53.33	\$58.67	\$64.53
Over 30,001 Gallons	\$60.11	\$66.12	\$72.73	\$80.01	\$88.01	\$96.81
<b>Tax Levy Assumption:</b>						
Property Taxes - Debt Portion	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$1.9681	\$-
Property Taxes - O&M Portion	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>	<u>2.3919</u>
Total Property Taxes	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$4.3600	\$2.3919
<b>Revenue Requirement Over/(Short)</b>		\$30,157	\$(77,715)	\$(197,343)	\$(303,011)	\$(789,831)

These three options were presented to the District's Board of Directors on July 25, 2019. After careful consideration, the Board opted to move forward with the rates outlined in Option 3. While the rate model indicates a potential "shortfall" of revenues by FY2024, the Board determined that this is the most prudent course of action at this time. The District will not operate with any shortfall. Rather, the District will continually monitor actual financial performance, actual construction costs and debt issuances as part of the District's annual budgeting process and make necessary adjustments in spending to ensure the District meets all actual operating revenue requirements. In addressing the potential shortfall, the District may utilize one or more of the following strategies:

1. Pursue grant funding for capital projects, thereby reducing future annual debt service.
2. Reduce annual capital spending and/or delay capital projects.
3. Reduce other annual expenditures as possible.
4. Potentially evaluate future tax rate increases, if and only if, no other options are available to meet capital program needs and reduce costs.

El Dorado WSD  
 Water Utility  
 Cost of Service and Rate Design Study



Schedule 1  
 Total District Revenue Requirements  
 FINAL

	FY20	FY21	FY22	FY23	FY24
<b>Expenses</b>					
Payroll and Benefits	301,000	311,600	322,600	333,900	345,600
Travel - Employees	750	800	900	1,000	1,100
Worker's Compensation	-	-	-	-	-
Maintenance & Repair	15,000	15,200	15,400	15,600	15,800
Contract - Audit	32,500	33,000	33,500	34,700	36,000
Contract - Attorney Fees	37,500	37,900	38,300	38,700	39,100
Contract - Professional Services	310,000	316,200	322,600	329,100	335,700
Contract - OMI	1,350,000	1,383,800	1,418,400	1,453,900	1,490,300
Contract - Other Services	88,000	88,900	89,800	90,700	91,700
Software	2,750	2,800	2,900	3,000	3,100
Supplies - General Office	5,000	5,100	5,200	5,300	5,400
Supplies - Field Supplies	12,000	12,200	12,400	12,600	12,800
Supplies - Furniture/Equipment (Non-Capital)	25,000	25,300	25,600	25,900	26,200
Supplies - Other	5,100	5,200	5,300	5,400	5,500
Election Costs	1,000	-	-	2,400	-
Employee Training	1,900	2,000	2,100	2,200	2,300
Insurance - General Liability/Property	50,500	52,100	53,700	55,400	57,100
Postage	250	300	400	500	600
Printing/Publishing/Advertising	8,000	8,100	8,200	8,300	8,400
Property Tax Administration Fees	-	-	-	-	-
Rent of Equipment/Machinery	8,500	8,800	9,100	9,400	9,700
Rent of Land/Building	-	-	-	-	-
Subscriptions & Dues	2,500	2,600	2,700	2,800	2,900
Telecommunications	14,000	14,200	14,400	14,600	14,800
Utilities - Electricity	98,000	99,000	100,000	101,000	102,100
Other Operating Costs	15,000	15,200	15,400	15,600	15,800
Existing Debt, Sinking Fund Contributions, Projected Future Debt Service, Times Coverage to be Funded by Rates	1,604,644	1,770,135	1,958,181	2,170,034	1,805,964
Rehab and Replacement Cash Funding	300,000	250,000	94,297	75,305	415,564
Purchased Water	-	-	241,809	241,809	241,809
Production Cost Savings	-	-	(72,281)	(74,450)	(76,683)
Debt Service - Principal Payments					
Debt Service - Interest Payments					
<b>Total Operating Expenses and Debt Payments</b>	<b>\$ 4,288,894</b>	<b>\$ 4,460,435</b>	<b>\$ 4,720,906</b>	<b>\$ 4,974,698</b>	<b>\$ 5,008,654</b>
<b>Revenue-Off Sets</b>					
Utility Connection Fees	\$ 135,000	\$ 120,000	\$ 105,000	\$ 90,000	\$ 75,000
Miscellaneous Fees	-	-	-	-	-
Billing Adjustments	(128,750)	(132,613)	(136,591)	(140,689)	(144,909)
Other Income	-	-	-	-	-
Interest Income	20,000	20,000	20,000	20,000	20,000
<b>Total Revenue Off-Sets</b>	<b>\$ 26,250</b>	<b>\$ 7,388</b>	<b>\$ (11,591)</b>	<b>\$ (30,689)</b>	<b>\$ (49,909)</b>
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
<b>TOTAL REVENUE REQUIREMENTS</b>	<b>\$ 4,262,644</b>	<b>\$ 4,453,047</b>	<b>\$ 4,732,497</b>	<b>\$ 5,005,387</b>	<b>\$ 5,058,563</b>

**EXHIBIT D**



**AFFIDAVIT OF ANNA MONDRAGON-METZGER**

STATE OF NEW MEXICO        )  
  ) ss.  
COUNTY OF SANTA FE        )


I, ANNA MONDRAGON-METZGER, HAVING BEEN DULY SWORN, state as follows:

I have been the Administrative Manager at Eldorado Area Water and Sanitation District (EAWSD) for 9 years and I have personal knowledge of the matter set forth in this affidavit. The attached August 2019 edition of EAWSD’s monthly publication of “*Water Notes*,” noticing and advertising EAWSD’s September 25, 2019 rate hearing, was mailed out to all customers of EAWSD on August 7, 2019 by surface mail and digitally to EAWSD customers who receive their billing electronically.

In addition, on August 21, 2019, all customers were mailed an invitation to join a forum at EAWSD to review and discuss potential EAWSD water rate adjustments. The invitation also included the date, time, and location of the September 25 rate hearing. The August 21, 2019 notification was provided via email to the 722 customers that had signed up to receive notifications from EAWSD and notice was posted at various outdoor locations in the community including Eldorado Community Improvement Association, Agora Shopping Center, EAWSD’s outside Bulletin Board, and two other bulletin boards in the EAWSD Office building and on the EAWSD website homepage and Google Calendar available via EAWSD’s website.


Additional Notifications are attached with posting dates.

FURTHER AFFIANT SAYETH NAUGHT.



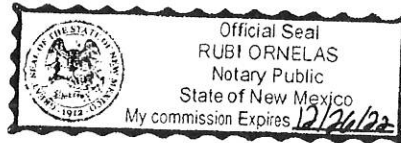
ANNA MONDRAGON-METZGER

Subscribed and sworn to before me this 23<sup>rd</sup> day of September, 2019 by Anna Mondragon-Metzger.

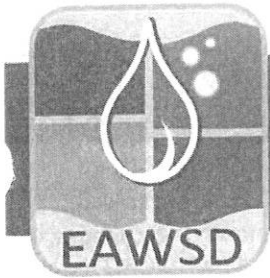
  
\_\_\_\_\_  
Notary Public

My Commission Expires:

12/26/22



**Attachments to Affidavit of Notice**



# ELDORADO AREA WATER & SANITATION DISTRICT WATER NOTES

<http://www.EAWSD.org>

August 2019, Volume 14, Issue 8

## PUBLIC FORUM to Discuss Proposed Water Rate Adjustments

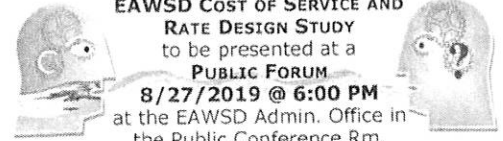
**SAVE THE DATE** On Tuesday, August 27, 2019,

starting at 6:00 PM, the District will host a **PUBLIC FORUM** at which the EAWSD RATE STUDY ADVISORY COMMITTEE and its consultant, Nelisa Heddin of Nelisa Heddin Consulting LLC, will present the findings of the COST OF SERVICE AND RATE DESIGN STUDY that was conducted over the past year. As published in prior issues of *Water Notes*, the study was conducted to evaluate our water utility's financial situation and to recommend needed adjustments to the current 5-year rate schedule that was originally adopted back in 2015. The rate study provides key information to ensure a reliable, safe water supply into the future. Any proposed adjustments to the rates would enable our community water system to systematically fund future water needs, including new wells and the replacement of aging, less reliable infrastructure. It would also ensure that we can continue to retire the community's debt from its initial purchase of the water system.

EAWSD COST OF SERVICE AND RATE DESIGN STUDY to be presented at a **PUBLIC FORUM**

**8/27/2019 @ 6:00 PM**

at the EAWSD Admin. Office in the Public Conference Rm.



We invite EAWSD ratepayers to attend the Public Forum and provide constructive feedback to the RATE STUDY ADVISORY COMMITTEE (RSAC) and Ms. Heddin on the rate models that were collaboratively developed over the past year. Following the presentation, the floor will be open for discussion, questions, comments and general input on the committee's conclusions and recommendations. The EAWSD Board plans on using customer feedback gathered at the Public Forum as input to its formal deliberations on the results of the rate study and in any decision regarding adjustments to the rate schedule. The EAWSD Board will consider the adoption of a rate scenario presented at the Public Forum at a Board meeting to be held on September 12<sup>th</sup>, 2019.

Once the Board formally adopts a rate scenario, a Public Hearing before a Hearing Officer certified by the NM Public Regulation Commission will be held on Wednesday, September 25<sup>th</sup>, starting at 6 PM. After the Public Hearing, and based on the public hearing record, the Hearing Officer will file a decision rejecting, amending or adopting the proposed rate adjustment. Following the Public Hearing, unless there is an appeal to the Board of the Hearing Officer's decision, the decision becomes final 20 days after it is published.

Any proposed changes to the current rate schedule will take effect in early 2020. As more information becomes available, it will be published in *Water Notes* or on the EAWSD website homepage at [www.EAWSD.org](http://www.EAWSD.org). In our best effort to keep all ratepayers apprised of any discussions or actions being taken regarding any proposed rate adjustment, a list of **QUESTIONS AND ANSWERS** will be posted to the EAWSD website and will be updated as the process moves forward.

The District urges customers to provide input on this critical matter to the community. You can do so by submitting written comments to the District at [info@EAWSD.org](mailto:info@EAWSD.org), which will be provided to the Board, and by attending the Public Forum on August 27, 2019, or by attending the Public Hearing scheduled for Wednesday, September 25<sup>th</sup>. The Public Forum and Public Hearing will both start at 6:00 PM and will be held at the EAWSD Administrative Office in the Public Conference Room located at 2 N. Chamisa Drive. For updates, please check the EAWSD homepage at [www.EAWSD.org](http://www.EAWSD.org).

## Water Conservation Surcharge in Effect Through August

Customer water use in May through August will be subject to the District's **CONSERVATION SURCHARGE**. Residential customers who use more than 10,000 gallons of water in any of those months will be charged an additional 50% on the applicable rate tier for any water use in excess of 10,000 gallons. The monthly average use for all EAWSD residential customers during the months of May through August is about 6,000 gallons per month. Customers who use less than 10,000 gallons per month during summer months will not be affected by the **CONSERVATION SURCHARGE**. **Since it was implemented in 2015, the water conservation surcharge has proven to be our most effective measure in reducing high summer demands!** Please do your part to conserve water during the critical summer months.



EAWSD customers are asked to continue their normal water conservation activities, **with special attention to reducing usage on weekends, which are the highest usage periods. If you have an outdoor irrigation system, it is important to monitor the timing of your watering and be hyper-conscious of any maintenance/repair issues, to avoid unnecessary leaks. When traveling out of town, do not leave your irrigation system/timer unsupervised.**

Board Meeting  
8/15/19 & 9/12/19  
EAWSD Conference Rm.  
7:00 PM

EAWSD Board meetings are held every first and third Thursday of each month in the EAWSD PUBLIC CONFERENCE ROOM located at 2 North Chamisa Dr., starting at 7 p.m. Either meeting is subject to cancellation if there are no urgent agenda items requiring Board action.

The public is encouraged to attend, and each meeting has a time for public comment.

The meeting agenda is posted in advance on the District website and outdoor displays at the EAWSD office, Agora shopping center and ECIA.

For water emergencies during business hours, call **505-466-1085**

For water emergencies after hours and on holidays, call **505-780-0090**

### Next Month in *Water Notes*

- From the General Manager
- Recent Board Activities
- Conservation Corner
- System Updates for July 2019
- News Briefs

### ELDORADO AREA WATER & SANITATION DISTRICT

#### BOARD MEMBERS

John Calzada, PRESIDENT  
Gregory Hart, VICE PRESIDENT  
David Yard, SECRETARY  
Elizabeth Roghair, TREASURER  
David Burling, DIRECTOR

#### GENERAL MANAGER

Steve King

2 N. Chamisa Drive | Suite A  
Santa Fe NM 87508  
505-466-2411

EMAIL: [info@EAWSD.org](mailto:info@EAWSD.org)

WATER NOTES EDITOR

Anna Mondragon-Metzger  
[admin.manager@EAWSD.org](mailto:admin.manager@EAWSD.org)



## ELDORADO AREA WATER & SANITATION DISTRICT

# YOU'RE INVITED TO A FORUM...

## TO REVIEW AND DISCUSS WATER RATE ADJUSTMENTS

Tuesday, August 27, 2019

EAWSD Public Conference Rm. @ 2 N. Chamisa Dr. in Eldorado  
starting @ 6:00 PM

You've probably read in the *Water Notes* newsletter or heard from friends and neighbors that for the past year, the Eldorado Area Water & Sanitation District RATE STUDY ADVISORY COMMITTEE has been conducting a Cost of Service and Rate Design Study aimed at evaluating our water utility's financial situation and recommending any needed adjustments to our current 2016 ~ 2019 rate schedule.

The results of the latest rate study are now in, and EAWSD is hosting a PUBLIC FORUM to present the findings and recommendations of the rate study. Necessary adjustments to EAWSD rates will ensure a clean, safe water supply into the future and would enable our community water system to systematically fund future water needs, including replacement of our aging water system's wells and pipelines and the rehab and repair of existing facilities as required to extend their useful life.

The first part of the forum will feature a presentation on the findings of the 2019 Cost of Service and Rate Design Study and will include a discussion of the proposed rate scenario that the EAWSD Board is considering adopting. During the last part of the forum, the floor will then be open for Ratepayer questions, comment, and input on the committee's conclusions and recommendations.

Please plan on joining the EAWSD Rate Study Advisory Committee and its consultant, Nelisa Heddin, at a Public Forum to be held on Tuesday, August 27, 2019, beginning at 6:00 PM, at the Eldorado Area Water & Sanitation District's Public Conference Room located at 2 North Chamisa Drive, near the Eldorado Animal Clinic, off of Highway 285.

The EAWSD Board plans to use customer feedback gathered at the Public Forum as input to its formal deliberations on the results of the rate study and in any decision regarding rate adjustments that will go into effect on January 2020. A Board meeting to consider and accept findings and recommendations of the Final Rate Study is scheduled for Thursday, September 12th starting at 7 PM. Following that, a Public Hearing is scheduled for Wednesday, September 25th starting at 6 PM. Both meetings will be held in the District's Public Conference Room located at 2 North Chamisa Drive.

*Attendees with disabilities who wish to participate in the forum and require auxiliary aids or services should contact the EAWSD Administrative office at least 72 hours in advance of the Public Forum so that appropriate arrangements can be made. Call: 466-2411 or email: admin.manager@EAWSD.org.*

**This is a public meeting governed by the rules of the New Mexico Open Meetings Act**  
Public participation is welcome and encouraged

Posted by: A. M. METZGER  
Date: 8/21/2019 Time: 1:25  a.m.  p.m.

RESOLUTION N<sup>o</sup>. 20-08-03

**ELDORADO AREA WATER & SANITATION DISTRICT**

**RESOLUTION AUTHORIZING A PUBLIC HEARING TO CONSIDER A PROPOSED  
RESOLUTION TO ADJUST RATES, TOLLS, FEES OR CHARGES**

**WHEREAS**, the Board of Directors of the Eldorado Area Water and Sanitation District (“Board”) established a Rate Study Committee (“Committee”) in February 2018; and

**WHEREAS**, the Committee’s objectives were to recommend adjustments to District rates that would meet operating and capital costs, debt service, and reserve requirements and that would be fair to customers, provide revenue stability, and promote conservation; and

**WHEREAS**, the Board on December 7, 2017, authorized a professional services agreement with Nelisa Heddin Consulting, LLC, to conduct a Cost of Service and Rate Design Study (“Study”) for the District; and

**WHEREAS**, Nelisa Heddin presented the preliminary results of the Study to the Board at its public meeting on July 25, 2019; and

**WHEREAS**, the Board reached consensus and provided general direction to the General Manager and Nelisa Heddin Consulting regarding a recommended rate schedule for the adjustment of District rates as required to fully fund revenue requirements for the next 5 years; and

**WHEREAS**, the General Manager and Nelisa Heddin will present recommended adjustments to rates, tolls, fees and charges at a public forum to be held on August 27, 2019; and

**WHEREAS**, NMSA (1978) § 73-21-55(C) requires that a public hearing be held prior to the adoption of any resolution to adjust rates, tolls, fees, or charges; and


**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Eldorado Area Water and Sanitation District, as follows:


1. The Board hereby directs that a public hearing under the procedures as set forth in NMSA (1978) § 73-21-55(C) shall be held to consider a proposed Resolution to adjust rates, tolls, fees and charges. At the public hearing, a hearing officer appointed by the Board in accordance with NMSA (1978) § 73-21-55(C) shall hear proponents and opponents of the proposed Resolution and, thereafter, shall issue a decision rejecting, amending or adopting the Resolution adjusting the rates, tolls, fees and charges and, within thirty days following the hearing, file the decision with the Board;

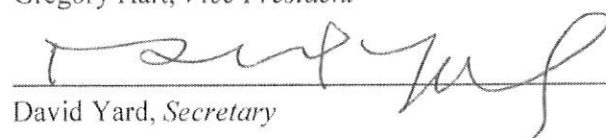
2. The District’s Administrative Manager shall cause notice of the Board’s intention to adjust rates, tolls, fees and charges to be published in a newspaper of general circulation in Santa Fe County, New Mexico and on the District’s web site, as soon as is reasonably practicable after the adoption of this Resolution.

3. The public hearing shall be held on September 25, 2019, at 6:00 p.m., at the District’s Administration office located at 2 North Chamisa Drive Suite A Santa Fe NM, 87508.

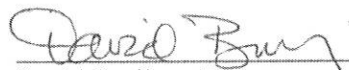
PASSED, APPROVED, AND ADOPTED this 15<sup>th</sup> day of August 2019.

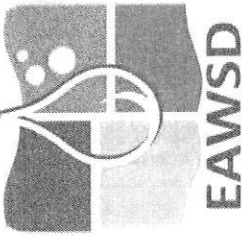
By:   
\_\_\_\_\_  
John Calzada, *President*

  
\_\_\_\_\_  
Gregory Hart, *Vice President*

  
\_\_\_\_\_  
David Yard, *Secretary*

**ABSENT**  
\_\_\_\_\_  
Elizabeth Roghair, *Director/Treasurer*

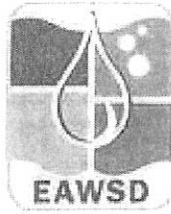
  
\_\_\_\_\_  
David Burling, *Director*



RATE STUDY FORUM | VII. NEXT STEPS

- Rate Study Committee will consider input from **August 27<sup>th</sup> PUBLIC FORUM.**
- Board will consider RATE STUDY FINAL REPORT at its **Thursday, September 12<sup>th</sup>, 2019 Board Meeting.**
- The Board's rate proposal will be presented at a **PUBLIC HEARING** presided over by a Hearing Officer certified by the Public Regulation Commission, (PRC) scheduled for **Wednesday, September 25<sup>th</sup> @ 6 pm** at the District's Administration Office-Public Conference Room, 2 North Chamisa Drive.
- The Hearing Officer will adopt, reject or modify the Board's proposal within 30 days following the **PUBLIC HEARING.**
- Any District qualified elector may appeal the Hearing Officer's decision within 20 days after it is published.
- If there is no appeal, the Hearing Officer's decision becomes final.
- If there is an appeal, the Board must take action to approve, reject or amend the Hearing Officer's decision.
- The Board's decision can be appealed to District Court.



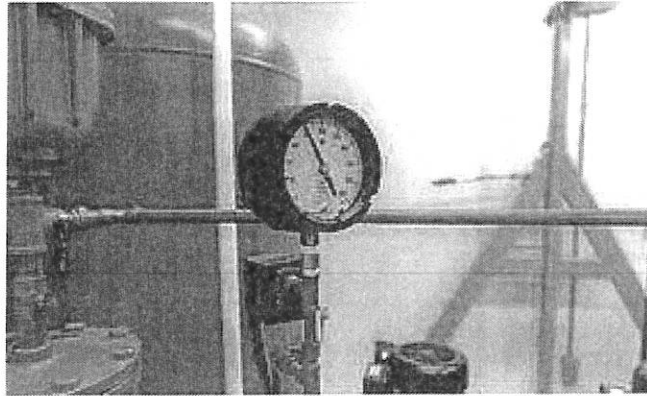


# ELDORADO AREA WATER & SANITATION DISTRICT

2 North Chamisa Drive, Santa Fe, New Mexico 87508-9483

Specific date of Public Hearing posted to EAWSD Website homepage day after Public Forum-August 28, 2019

HOME CUSTOMER SERVICE ABOUT YOUR WATER RATES, BILLING & PAYMENT ABOUT EAWSD EAWSD DOCUMENT LIBRARY



## WELCOME TO EAWSD

EAWSD provides clean, safe, and reliable water services to almost 3,000 customers in the unincorporated area around Eldorado in Santa Fe County, New Mexico.

MY BILL/MY ACCOUNT

WATER NOTES NEWSLETTERS

CONTACT US

### District Updates

**NORMAL**  
Current Water Alert Status  
Click here for information on water restrictions, and the Water Alert Management Plan

### News & Notices

August 29, 2019  
**EAWSD 2019 Board Election - Tuesday, November 5, 2019**  
On Aug. 29, 2019, the following individuals submitted their nomination of Candidacy Forms to run for the following Board Positions:  
Position 1: David Wilford (Unopposed)  
Position 2: Jim Cavada (Unopposed)  
Position 4: David M. Bunting (currently holds position)  
Name: G. Warner

### Telephone Numbers/Email

Customer Service & Billing  
(505) 468-1095 (Option 1)  
customersupport@EAWSD.org  
Administration  
(505) 468-2411 (Option 2)  
info@EAWSD.org  
Reporting a problem AFTER business hours or on holidays:  
(505) 790-0090

### CALENDAR

EAWSD Board Meetings are routinely scheduled for the first and third Thursdays of each month. These meetings are held at the District office and are open to the public. Please see the calendar for updates or changes to this schedule.

### AGENDA

## PUBLIC RATE HEARING

### Cost of Service & Rate Design Study

9/25/19 @ 6 PM

**EAWSD Public Conf. Room**  
On Tuesday, Aug 27th, Jeffa Kashi, the District rate study consultant, presented her findings and recommendations of the EAWSD Cost of Service & Rate Design Study that was conducted over the past year. The Public Forum meeting will be held in conjunction with the EAWSD Rate Study Advisory Committee to develop a rate schedule that will allow the District to be able to effectively manage its revenues and meet its future expected rate obligations and to provide reliable water service to customers over both the short term and long term. The last rate study was completed in 2015. The current rate schedule will expire at the end of 2019.

Be sure to also attend the presentation of the 9/27/19 Public Forum:

- General Manager's PPT
- Rate Study Consultant's PPT

If you do not have the opportunity to attend the Public Forum or the September 19 Board Meeting, you will be able to watch the Public Forum on YouTube.

Use the URL: [info@EAWSD.org](mailto:info@EAWSD.org)

If you do not have a YouTube account, log on to the EAWSD Website at [www.EAWSD.org](http://www.EAWSD.org) and click on the Public Forum.

**AGENDA: PPT Cost of Service & Rate Design Study**  
at Public Forum: North Design PPT  
9/25/19 @ 6 PM

June 05, 2019

### 2019 Water Quality Report

The annual Water Quality Report for water production in 2018, also referred to as the Consumer Confidence Report (CCR), is available for viewing by clicking on the banner of above on the website. More information can be obtained by visiting the EAWSD Customer Service and Billing Office located at 2 North Chamisa Drive or by email: [customersupport@EAWSD.org](mailto:customersupport@EAWSD.org).

- 2019 EAWSD Water Quality Report

### Hours of Operation

Monday - Friday  
9:00 am - 5:00 pm (MT)  
Closed Holidays (see calendar)

2 North Chamisa Drive  
Santa Fe, New Mexico 87508 - 9483

### Hot Topics

District Debt

Water Meters

District Projects

District Boundaries

Who "Owns" EAWSD?

SUBSCRIBE to our E-list to receive important notifications and alerts

Email

Subscribe Now

### Update Contact Information on your EAWSD Account

Name(s) \*

Email(s) \*

Mailing Address

Telephone(s)

Account No.

SUBMIT

### Common Questions

Created: 08/29/2019

Remedia- proposes remediate of petrole- petroleum into the en-

ase occur- Shamrock Site, 3624 J, Santa Fe, Co. The re- equipment ated at this

Remedia- proposes to soline con- through soil vapor technolo- vapors will using ther- catalytic technology rged to the e.

of the Final n Plan can by inter- ies at the B office lo- 905 Rodeo East, Build- ta Fe, New 505. In ad- Final Re-

and data we at the website: sa-client- n/PSTB/file m. Serv- e arranged lation of , for inter- nd for ob- services for ith disabili- tacting the ct Manag- TTY users, essage phone using the ico Relay 1-800-659- e) and 1- 11 (TTY

nts on the be sent to 3 Project by mail at 20 Environ- rtment Pe- orage Tank ttn: Susan n, 2905 Ro- Drive East, Santa Fe, co, 87505; one at 505- or e-mailed : gonten@st Comments elivered by 26 2019.

Continued...

Continued...

Kenney, P.O. Box 5469, Santa Fe, NM 87502-5469. Please include the name of the site "Shamrock No. 63 Site, 3624 Cerrillos Rd, Santa Fe, New Mexico" to ensure comments are correctly assigned to the site.

Pub.: Aug. 29, Sep. 5, 2019

**LEGAL # 86184**

**AVISO DE PRESENTACIÓN DEL PLAN DE REMEDIACIÓN FINAL**

Fecha de aviso: 29 de agosto de 2019 y 5 de septiembre de 2019

Por el presente documento, Daniel B. Stephens & Associates, Inc., en nombre de Polk Oil Company da aviso de la presentación de un Plan de Remediación Final a la Oficina de Tanques de Almacenamiento de Petróleo (PSTB, por sus siglas en inglés) del Departamento de Medio Ambiente de Nuevo México (NMED, por sus siglas en inglés), de la siguiente manera:

1. El Plan de Remediación Final propone medidas para remediar una liberación de petróleo o de productos petrolíferos en el medio ambiente.

2. La liberación ocurrió en el sitio Shamrock Núm. 63, 3624 Cerrillos Rd, Santa Fe, Nuevo México. El equipo de remediación se ubicará en esta dirección.

3. El Plan de Remediación Final propone eliminar la contaminación por gasolina mediante el uso de tecnología de extracción de vapor de suelo. Los vapores serán tratados utilizando tecnología de oxidación térmica y/o catalítica y descargados a la atmósfera.

4. Las partes interesadas pueden ver una copia del Plan de Remediación Final en la oficina de PSTB de NMED ubicada en 2905 Rodeo Park Drive East, Edificio 1, Santa Fe,

Pub.: Aug. 29, Sep. 5, 2019

**LEGAL # 86191**

The City of Elephant Butte is accepting Requests for Proposals (RFP) for Legal Services Invitation for Bid #19-20-002. Issued August 26, 2019. Deadline for questions September 6, 2019. Questions will

Continued...

Award September 25, 2019. Contract awarded September 27, 2019. All dates except the Due Date for Proposals represent a tentative schedule. The City reserves the right to modify these dates at any time. CityofElephantButte.com

Pub.: Aug. 28, 29, Sep. 3, 2019

**LEGAL # 86194**

**LEGAL ADVERTISEMENT INVITATION TO BID**

ICAST is accepting RFQ's for the Weatherization Assistance Program. Sealed bids will be received at ICAST, Attn: BID# 01-62019 2834, Bayas Rd SE, Rio Rancho, NM 87124. The following BID# 01-62019 for Licensed HVAC, Plumbing, Electrical, Insulation, Windows & Doors, Roofing Contractors and Current license, Bond and Certificate of Insurance Required. To request an application and the RFQ General Instructions. Go to <http://www.icastusa.org/rfq-for-wap/> or contact Eileen Sanchez Const. Admin., eileens@icastusa.com, 505-235-2635. ICAST reserves the right to reject any or all bids submitted. BIDS WILL BE ACCEPTED UNTIL September 11, 2019 @ 5:00 P.M. Public Opening of BIDS will take place on September 12, 2019 @ 12:00P.M. At Rio Rancho City Hall 3200 Civic Center Cir. NE, 1st floor, RM#170 Rio Rancho, NM 87144. Please mark the BID envelope with BID # clearly visible and sealed by email or mail).

Pub.: Aug. 27, 28, 29, 30, 31, 2019

**LEGAL # 86195**

**LEGAL ADVERTISEMENT INVITATION TO BID**

ICAST is accepting RFQ's for the Weatherization Assistance Program. Sealed bids will be received at ICAST, Attn: BID# 02-62018 2834

Continued...

ceed US Department of Energy and New Mexico standards. To request an application and the RFQ General Instructions. Go to <http://www.icastusa.org/rfq-for-wap/> or contact Eileen Sanchez Const. Admin., eileens@icastusa.com, 505-235-2635. ICAST reserves the right to reject any or all bids submitted. BIDS WILL BE ACCEPTED UNTIL September 5, 2019 @ 5:00 P.M. Public Opening of BIDS will take place on September 12, 2019 @ 12:00P.M. At Rio Rancho City Hall 3200 Civic Center Cir. NE, 1st floor, RM#170 Rio Rancho, NM 87144. Please, mark the BID envelope with BID # clearly visible and sealed by person, mail or email).

Pub.: Aug. 27, 28, 29, 30, 31, 2019

**LEGAL # 86203**

Bids can be downloaded from our website, [www.generalservices.state.nm.us/statepurchasing](http://www.generalservices.state.nm.us/statepurchasing), or purchased at our office, State Purchasing Division, Joseph Montoya Building, Room 2016, 1100 St. Francis Drive, Santa Fe, NM 87505, for \$0.25 per page, check or money order only. (505) 827-0472.

Sealed bids will be opened at the State Purchasing Division office at 2:00 PM, MST/MDT on dates indicated. Request for Proposals are due at location and time indicated on RFP.

9/10/2019 00-35000-19-08648 Various Hospital Equipment General Services Department

9/17/2019 00-00000-19-00006 Uniform Traffic Citations General Services Department

90-52100-19-05983 Electrical Supplies Energy Minerals & Natural Res. Dept.

90-80500-19-16766 Attenuators And Supplies NM Department Of Transportation

Continued...

Vehicles, Electric and Hybrid General Services Department

9/19/2019 90-80500-19-16767 Guardrail Barrier Cable and Components Installed NM Department Of Transportation

90-80500-19-16774 Hot Mix Asphalt D-5 NM Department Of Transportation

9/25/2019 91-79000-19-01322 Uniform Rental, Utility Rental and Laundry Services Department Of Public Safety

9/26/2019 00-66500-19-74689 Syringes For Harm Reduction Department Of Health

00-66500-19-74692 Harm Reduction Supplies Department Of Health

Pub.: Aug. 29, 2019

**LEGAL # 86206**

**NOTICE OF REGULAR MEETING**

Notice is hereby given that the meeting of the Board of Directors of the New Mexico Finance Authority (NMFA) will convene at 9:00 a.m. on Thursday, September 26, 2019. The meeting will be at the State Capitol, Room 309, Paseo de Peralta and Old Santa Fe Trail, Santa Fe, New Mexico.

The agenda will be available at the NMFA office at 207 Shelby Street, Santa Fe, New Mexico and the web site ([www.nmfa.net](http://www.nmfa.net)) at least 72 hours prior to the meeting. Anyone who has questions regarding the meeting or needs special accommodations should contact Connie Marquez at (505) 984-1454.

Public documents, including the agenda and minutes, can be provided in various accessible formats. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, or if a

Continued...

Pub.: Aug. 29, 2019

**LEGAL # 86215**

**NOTICE OF PUBLIC HEARING PURSUANT TO NMSA (1978) § 73-21-55(C)**

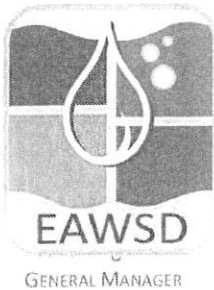
To All Customers of the Eldorado Area Water & Sanitation District:

Pursuant to NMSA (1978) § 73-21-55(C), a public hearing will be held on Wed., Sept. 25, 2019, at 6:00 P.M. at the EAWSD Public Conference Rm., 2 N. Chamisa Dr., in Eldorado, to consider a proposed Resolution to adjust rates, tolls, fees, or charges as proposed by the Eldorado Area Water & Sanitation District (EAWSD), before hearing officer Peter Gould. Participation will be allowed at the hearing in the following manner: The hearing officer shall

(1) hear proponents and opponents of the proposal, (2) issue a decision rejecting, amending or adopting the resolution to the proposed resolution to adjust rates, tolls, fees, or charges, and (3) within 30 days following the hearing, file his decision with the EAWSD Board of Directors. The hearing will be transcribed as required by law. Dates established for rendering the decision and resolution of the matters by the hearing officer after comments have been received will be explained at the hearing. A copy of the proposed resolution to adjust rates, tolls, fees, or charges may be obtained on the EAWSD website ([www.EAWSD.org](http://www.EAWSD.org)) or by calling the EAWSD Administrative Office at 505-466-2411.

Attendees with disabilities who wish to participate in the public hearing and require auxiliary aids or services should contact the EAWSD Administrative office at 466-2411 or by email: [admin.manager@EAWSD.org](mailto:admin.manager@EAWSD.org), by Monday, Sept. 16th, so that appropriate arrangements can be made.

Pub.: Aug. 29, 2019



ELDORADO AREA WATER & SANITATION DISTRICT  
2 North Chamisa Drive, Suite A • Santa Fe, NM 87508 • (505) 466-2411

John Calzada, PRESIDENT  
Gregory Hart, VICE PRESIDENT  
David W. Yard, SECRETARY  
Elizabeth Roghair, TREASURER  
David Burling, DIRECTOR

**Updated 9/10/19**

## SEPTEMBER 2019 MEETINGS

### EAWSO BOARD MEETING SCHEDULE

- ~~05 SEPT 2019: Regular Board Meeting CANCELLED~~  
~~7:00 PM EAWSD PUBLIC CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado~~
- ~~12 SEPT 2019: Regular Board Meeting EMERGENCY CANCELLATION~~  
~~7:00 PM EAWSD PUBLIC CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado~~
- 19 SEPT 2019: Regular Board Meeting**  
**7:00 PM EAWSD PUBLIC CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado**

### EAWSO COMMITTEE MEETING SCHEDULES

- 13 SEPT 2019: Capital Planning Advisory Committee**  
**9:00 AM EAWSD CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado**
- 26 SEPT 2019: Finance & Audit Advisory Committee**  
**9:30 AM EAWSD CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado**
- 26 SEPT 2019: Communications & Customer Service Advisory Committee**  
**10:00 AM EAWSD CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado**

### PUBLIC RATE HEARING

- 25 SEPT 2019: Public Rate Hearing**  
**6:00 PM EAWSD PUBLIC CONFERENCE ROOM at 2 North Chamisa Drive in Eldorado**

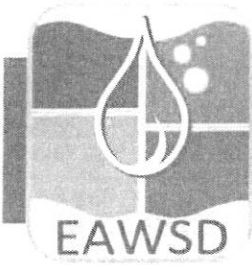
At a regularly scheduled meeting of the EAWSD Board held on Thursday, August 15, 2019, the Board approved Resolution No. 20-08-03 authorizing a Public Hearing to be held to consider a proposed resolution to adjust rates, tolls, fees or charges. The Public Hearing is part of the EAWSD COST OF SERVICE & RATE DESIGN STUDY process that was conducted over the past year to evaluate our water utility's financial situation, including recommendations for any needed changes. The Public Hearing before an independent Hearing Officer certified by the New Mexico Public Regulation Commission will be held on **Wednesday, September 25, 2019 at 6 PM** in the EAWSD Public Conference Room located at 2 North Chamisa Drive in Eldorado. EAWSD ratepayers are welcome and encourage to attend this hearing and to express their views on the proposed rate adjustments.

If you require special accommodations to attend the hearing, (e.g. hearing and/or visual impairments), please contact the EAWSD Administrative office at 466-2411 EXT. 226 or by email: [admin.manager@EAWSD.org](mailto:admin.manager@EAWSD.org).

Check Website calendar for cancellations  
<http://www.EAWSD.org>

Posted by: A. M. METZGER  
Date: 9/10/19 Time: 6:15  a.m.  p.m.

Posted on 9/9 and updated on 9/10



# ELDORADO AREA WATER & SANITATION DISTRICT WATER NOTES

<http://www.EAWSD.org>

September 2019, Volume 14, Issue 9

## PUBLIC FORUM Held to Discuss Water Rate Adjustments

Board Meeting  
9/19/19 @ 7 PM  
Public Hearing 9/25 @ 6 PM  
EAWSD Conference Rm.



UPDATE ON  
EAWSD COST OF SERVICE AND  
RATE DESIGN STUDY



PUBLIC FORUM THAT WAS HELD  
& UPCOMING PUBLIC HEARING

On August 27, 2019, a Public Forum was held in the EAWSD Public Conference Room at which the General Manager, members of the EAWSD RATE STUDY ADVISORY COMMITTEE and its consultant, Nelisa Heddin of Nelisa Heddin Consulting LLC, presented the findings and recommendations of the COST OF SERVICE

AND RATE DESIGN STUDY that was conducted over the past year. As published in prior issues of *Water Notes*, the study was conducted to evaluate our water utility's financial situation and recommend any needed changes. The current rate schedule was implemented in 2016 and will conclude at the end of 2019.

The current Rate Study reevaluated the District's need to adjust rates in order to ensure a reliable, safe water supply into the future. This increase would enable our community to systematically fund much needed future water system improvements, including new wells and/or other water sources and to repair, rehab and/or replace aging facilities including tanks, pump stations, and pipelines. It would also ensure that we can continue to retire the community's debt from its initial purchase of the water system.

The Rate Study recommends a five-year plan of rate adjustments, beginning in 2020. Of three potential options presented by the rate study consultant at the July 25<sup>th</sup> Board meeting, the one most favored by the Board includes a combination of modest increases in base and volumetric fees with an optional adjustment to property tax rates only if the District is not able to meet its revenue requirements in any given year. This approach will require annual review of the District's revenues and cost of service during the five-year plan period to determine if the anticipated rates for the following year are sufficient to meet projected revenue requirements. The District will remain diligent in pursuing grants and partial loan forgiveness and in investigating more cost efficient ways to construct much needed capital improvements in order to avoid or defer any increase in property tax rates.

Approximately ~30 ratepayers attended the August 27<sup>th</sup> Public Forum and provided constructive feedback to the committee. Following presentations by the General Manager and Rate Study consultant, (*links available on the EAWSD homepage*), the floor was open for discussion, questions, comments and general input on the committee's conclusions and recommendations. The EAWSD Board plans on using customer feedback gathered at the Public Forum in its formal deliberations on the results of the study and in any decision regarding rate adjustments. **The EAWSD Board will formally consider the adoption of the rate scenario presented at the Public Forum at a regular Board meeting to be held on September 19, 2019 starting at 7 PM. This meeting is open to the public.**

Should the Board adopt the proposed rate adjustment at their September 19<sup>th</sup> Board Meeting, a Public Hearing before a Hearing Officer certified by the NM Public Regulation Commission will be held on September 25<sup>th</sup>. After the Public Hearing, and based on the public hearing record, the Hearing Officer will file a decision rejecting, amending or adopting the proposed rate increase. Following the Public Hearing, unless there is an appeal to the Board of the Hearing Officer's decision, the decision becomes final 20 days after it is published.

Any proposed changes to the current rates would likely take effect in January 2020. As more information becomes available, it will be published in *Water Notes* or on the EAWSD website homepage at [www.EAWSD.org](http://www.EAWSD.org). As the process moves forward, a set of QUESTIONS AND ANSWERS regarding the proposed rate changes will be posted to the EAWSD website and will be updated, as necessary.

**SAVE THE DATE** The District encourages customers to provide input on this critical matter to the community. You can do so by submitting comments via email to [info@eawsd.org](mailto:info@eawsd.org), which will be provided to the Board. You may also consider attending the September 12<sup>th</sup> Board meeting, or the **Public Rate Hearing scheduled for Wednesday, September 25, 2019 starting at 6 PM in the EAWSD Public Conference Room located at 2 N. Chamisa Drive.**



EAWSD customers are asked to continue their normal water conservation activities, *with special attention to reducing usage on weekends*, which are the highest usage periods. If you have an outdoor irrigation system, it is important to monitor the timing of your watering and be hyper-conscious of any maintenance/repair issues, to avoid unnecessary leaks. When traveling out of town, **do not leave your irrigation system/timer unsupervised.**

EAWSD Board meetings are held every first and third Thursday of each month in the EAWSD PUBLIC CONFERENCE ROOM located at 2 North Chamisa Dr., starting at 7 p.m. Either meeting is subject to cancellation if there are no urgent agenda items requiring Board action.

The public is encouraged to attend, and each meeting has a time for public comment.

The meeting agenda is posted in advance on the District website and outdoor displays at the EAWSD office, Agora shopping center and ECIA.

**For water emergencies during business hours, call 505-466-1085**

**For water emergencies after hours and on holidays, call 505-780-0090**

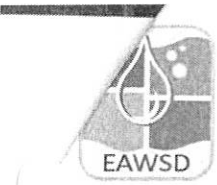
- Next Month in *Water Notes***
- From the General Manager
  - Recent Board Activities
  - Conservation Corner
  - System Updates for Aug. 2019
  - News Briefs

### ELDORADO AREA WATER & SANITATION DISTRICT

**BOARD MEMBERS**  
John Calzada, PRESIDENT  
Gregory Hart, VICE PRESIDENT  
David Yard, SECRETARY  
Elizabeth Roghair, TREASURER  
David Burling, DIRECTOR

**GENERAL MANAGER**  
Steve King  
2 N. Chamisa Drive | Suite A  
Santa Fe NM 87508  
505-466-2411

**EMAIL:** [info@EAWSD.org](mailto:info@EAWSD.org)  
**WATER NOTES EDITOR**  
Anna Mondragon-Metzger  
[admin.manager@EAWSD.org](mailto:admin.manager@EAWSD.org)



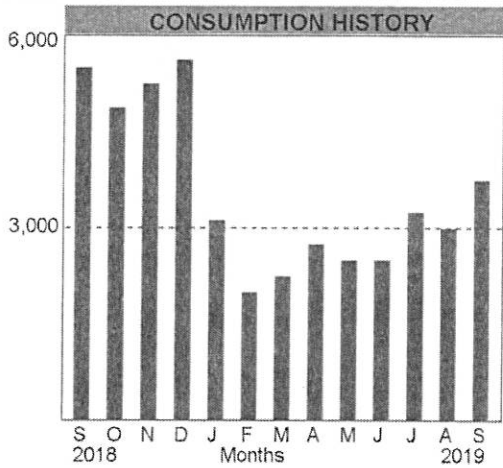
**ELDORADO AREA WATER & SANITATION DISTRICT**  
 2 North Chamisa Drive, Suite B • Santa Fe, NM 87508 • (505) 466-1085

ACCOUNT NUMBER	SERVICE ADDRESS	BILL DATE	DUE DATE	TOTAL DUE
00001560	2 CHAMISA DRIVE NORTH	09/11/19	10/04/19	71.95

Description	Usage	Charges	YOUR BALANCE WITH US	
Tier 1 = 0-3,000 gal @ \$11.40/1,000	3000	34.20	Previous Balance	61.72
Tier 2 = 3,001-6,000 gal @ \$14.25/1,000	700	9.98	Total Adjustment Applied	0.00
<b>Subtotal</b>		44.18	Payments	-61.97
BASE IN		24.58	Last payment	09/03/19
TAX		3.44	<b>Balance Forward</b>	-0.25
			<b>Current Charges</b>	72.20
<b>TOTAL AMOUNT DUE</b>				<b>71.95</b>

CURRENT CHARGES 72.20 Amount after due date 79.15

**INFORMATION**



PREVIOUS READING	PRESENT READING	CONSUMPTION DAYS	USAGE
08/05/19	09/05/19	31	3700
70100	73800		

Notification appeared on all customer bills that went out on Sept. 11th

Available on the EAWSD website: [www.EAWSD.org](http://www.EAWSD.org) :  
 A PUBLIC RATE HEARING to consider the Board's intention to adjust rates, tolls, fees or charges will be held on Wednesday, September 25th, 2019, starting at 6 PM in the EAWSD Public Conference Room at 2 N. Chamisa Dr.

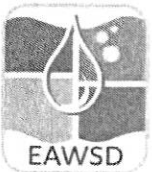
E-LIST SERVICE subscription to receive important EAWSD water alerts and notifications via email.

WANT TO VIEW OR PAY YOUR BILL ONLINE? Visit our website and click on My Bill/ My Account and follow the online prompts. Pay by Phone service is available by dialing 1-844-678-4544. Service charges apply.

The average individual water use this billing period is 85 gallons per capita per day (GPCD). You can calculate your GPCD by dividing the number in the USAGE column above by the CONSUMPTION DAYS then dividing that number by the number of people in your household.

FOR THOSE USING BILL PAY SERVICES THROUGH THEIR FINANCIAL INSTITUTION: PLEASE VERIFY THAT YOUR SERVICE IS MAILING PAYMENTS TO EAWSD AT 2 NORTH CHAMISA DRIVE, SUITE B, SANTA FE, NM 87508. PAYMENTS RECEIVED AFTER THE CLOSE OF BUSINESS THE DATE PAYMENTS ARE DUE WILL AUTOMATICALLY BE ASSESSED A LATE FEE. HOURS OF OPERATION ARE MONDAY-FRIDAY 8:00AM TO 5:00PM. AFTER HOURS EMERGENCY PHONE 505-780-0090.

PLEASE DETACH ALONG PERFORATION AND RETURN IN THE ENCLOSED ENVELOPE



**EAWSD**  
 2 North Chamisa Dr. Suite B  
 Santa Fe, NM 87508

ACCOUNT NUMBER	00001560
BILLING DATE	09/11/19
DUE DATE	10/04/19
PAYABLE UPON RECEIPT	71.95
AMOUNT PAID	71.95

**RECEIVED**  
 SEP 13 2019  
 BY: *AMM*

\*\*\*\*\*AUTO\*\*5-DIGIT 87508 2254

EAWSD  
 2 N CHAMISA DR STE B  
 SANTA FE NM 87508-9483

MAKE CHECKS PAYABLE TO EAWSD AND REMIT TO:

ELDORADO WATER AND SANITATION DIST.  
 2 North Chamisa Drive, Suite B  
 Santa Fe NM 87508

TO CHANGE OR UPDATE YOUR CONTACT INFORMATION, CHECK BOX AND FILL OUT THE BACK OF THIS PAYMENT STUB

**EXHIBIT E**

## EXHIBIT E

Mr. King: yes, Peter Gould is acceptable. Carolyn Glick

**From:** Steve King [mailto:[general.manager@eawsd.org](mailto:general.manager@eawsd.org)]

**Sent:** Tuesday, July 23, 2019 11:43 AM

**To:** Glick, Carolyn, PRC <[Carolyn.Glick@state.nm.us](mailto:Carolyn.Glick@state.nm.us)>; Kippenbrock, Ana, PRC <[Ana.Kippenbrock@state.nm.us](mailto:Ana.Kippenbrock@state.nm.us)>

**Cc:** Martinez, Timothy, PRC <[Timothy.Martinez@state.nm.us](mailto:Timothy.Martinez@state.nm.us)>; Jimenez, Danielle, PRC <[Danielle.Jimenez@state.nm.us](mailto:Danielle.Jimenez@state.nm.us)>

**Subject:** RE: [EXT] RE: LIST OF PERSONS WHO CAN SERVE AS HEARING EXAMINERS

Good morning Carolyn

For our last rate increase Public Hearing the District selected Peter Gould as our Public Hearing Officer. We were very pleased with his services. Although currently semi-retired Peter has indicated through our attorney that he would be pleased to be our Public Hearing Officer for upcoming Public Hearing in September. Attached is a letter dated June 30, 2015 recommending Peter for our 2015 Public Hearing. If acceptable we would like to engage Peter to preside over our September Public Hearing? Please confirm whether Peter is an acceptable candidate?

Thank you very much



**EAWSD**

**ELDORADO AREA WATER  
AND SANITATION DISTRICT**

2 North Chamisa Drive | Suite A  
Santa Fe, NM 87508

WEBSITE: <http://www.EAWSD.org>

**Steve King, PE**

*General Manager*

(o) 505-466-2531

(c) 707-674-7778

EMAIL: [general.manager@EAWSD.org](mailto:general.manager@EAWSD.org)

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**From:** Glick, Carolyn, PRC  
**Sent:** Wednesday, July 17, 2019 11:03 AM  
**To:** Steve King <[general.manager@eawsd.org](mailto:general.manager@eawsd.org)>; Kippenbrock, Ana, PRC <[Ana.Kippenbrock@state.nm.us](mailto:Ana.Kippenbrock@state.nm.us)>  
**Cc:** Martinez, Timothy, PRC <[Timothy.Martinez@state.nm.us](mailto:Timothy.Martinez@state.nm.us)>; Jimenez, Danielle, PRC <[Danielle.Jimenez@state.nm.us](mailto:Danielle.Jimenez@state.nm.us)>  
**Subject:** RE: [EXT] RE: LIST OF PERSONS WHO CAN SERVE AS HEARING EXAMINERS

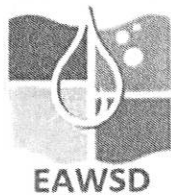
Mr. King: Yes, I am comfortable with you contacting the individuals on the list. I apologize that I am just responding to your email. I was out-of-the-office at a conference on Monday and Tuesday. Carolyn Glick

**From:** Steve King [<mailto:general.manager@eawsd.org>]  
**Sent:** Friday, July 12, 2019 4:01 PM  
**To:** Kippenbrock, Ana, PRC <[Ana.Kippenbrock@state.nm.us](mailto:Ana.Kippenbrock@state.nm.us)>  
**Cc:** Glick, Carolyn, PRC <[Carolyn.Glick@state.nm.us](mailto:Carolyn.Glick@state.nm.us)>; Martinez, Timothy, PRC <[Timothy.Martinez@state.nm.us](mailto:Timothy.Martinez@state.nm.us)>; Jimenez, Danielle, PRC <[Danielle.Jimenez@state.nm.us](mailto:Danielle.Jimenez@state.nm.us)>  
**Subject:** [EXT] RE: LIST OF PERSONS WHO CAN SERVE AS HEARING EXAMINERS

Good afternoon Ana

I have asked our attorney to contact each of the three candidates listed below to conduct a brief informal interview of each. I wanted to confirm that you, Carolyn or the others copied on this e-mail are comfortable with us contacting these individuals?

Thank you



**ELDORADO AREA WATER  
AND SANITATION DISTRICT**

2 North Chamisa Drive | Suite A  
Santa Fe, NM 87508  
WEBSITE: <http://www.EAWSD.org>

**Steve King, PE**  
*General Manager*

(o) 505-466-2531

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EMAIL [general.manager@EAWSD.org](mailto:general.manager@EAWSD.org)

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**From:** Kippenbrock, Ana, PRC  
**Sent:** Monday, June 10, 2019 11:32 AM  
**To:** 'general.manager@EAWSD.org' <general.manager@EAWSD.org>  
**Cc:** Glick, Carolyn, PRC <Carolyn.Glick@state.nm.us>; Martinez, Timothy, PRC <Timothy.Martinez@state.nm.us>; Jimenez, Danielle, PRC <Danielle.Jimenez@state.nm.us>  
**Subject:** LIST OF PERSONS WHO CAN SERVE AS HEARING EXAMINERS  
**Importance:** High

Mr. King:

Pursuant to our conversation last Friday, Hearing Examiner Carolyn Glick provides below the list of persons who can serve as hearing examiners for the upcoming public hearing of El Dorado Area Water & Sanitation District.

- 1) Lyn Hebert: 505-986-1944
- 2) Jim Martin: 505-988-9226
- 3) Dahl Harris: 505-438-3883

You may contact this office for similar requests in the future.

**Ana C. Kippenbrock, Law Clerk**  
**New Mexico Public Regulation Commission**  
Office of the Hearing Examiners  
PERA Building 5th Floor Room 517  
1120 Paseo de Peralta  
P.O. Box 1269  
Santa Fe, New Mexico 87504-1269  
Phone (505) 827-6956  
**E-mail:** [Ana.Kippenbrock@State.nm.us](mailto:Ana.Kippenbrock@State.nm.us)