



Steve King  
GENERAL MANAGER

**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

**Number of Attendees = ~17**

**INFORMAL PUBLIC FORUM - DRAFT MEETING MINUTES**  
**31 January 2024 – EAWSD Conference Room – 5:30 PM**

**Introduction and PRESENTATION #1 (via PowerPoint)**

*S. King*

- Deputy General Manager Steve King thanked everyone for attending the informal Public Forum regarding the presentation of the preliminary findings and recommendations that resulted from the COST OF SERVICE & RATE DESIGN STUDY that was conducted over the past year. He introduced the District's new General Manager, Louis Martinez, and Nelisa Heddin, the rate study consultant who worked collaboratively with the RATE STUDY ADVISORY COMMITTEE on developing a model for the next five-year rate schedule (2025-2029).
  - He noted that the main objective of tonight's informal Public Forum was for he and Ms. Heddin to share the preliminary findings and recommendations from the rate study and hopefully generate constructive feedback that could help to further refine the rate study model. He briefed the audience on the agenda topics and proceeded to present each topic in detail as follows:
    - Brief History of EAWSD from 1973 to 2024
    - Introduction of the RATE STUDY ADVISORY COMMITTEE (RSAC) Members
    - Overview of EAWSD's current costs and the driving need(s) for a rate adjustment
    - General overview of EAWSD's current revenue sources and funding successes
    - Before turning over the presentation to Ms. Heddin, he gave a summary of her background, including that she had served as EAWSD's Rate Study Consultant in two previous studies conducted in 2015 and 2019.

**Rate Consultant's PRESENTATION #2 (via PowerPoint)**

*N. Heddin*

- Ms. Heddin briefed the audience on trends across the country in the water industry and the reality that water is an undervalued resource despite its necessity to sustain life.
- Ms. Heddin's presentation covered the following agenda topics:
  - Economic reality of water
  - Driving forces for change in rates
  - Project approach
  - Findings
  - Recommendations
- Ms. Heddin concluded her presentation by summarizing the rate model option that had been highlighted in her presentation.
- Mr. King concluded the presentation(s) as follows:
  - He reviewed the *Next Steps* and encouraged the meeting participants to remain active with the rate study process by commenting on the process tonight or submitting comments, in writing, to the Board or by attending the upcoming February 21<sup>st</sup> Board Meeting and/or the formal Public Rate Hearing to be held on March 27th.

**PUBLIC QUESTIONS AND RESPONSES:**

**Q = QUESTION | RESPONSES**

(NOTE: AUDIENCE QUESTIONS AND RESPONSES are reflected below. Responses from Presenters were entered into record to clarify what had already been stated in their respective presentations)

**RE: Santa Fe County Water Deliveries per Mr. King's PPT presentation**

**Q** Audience member inquired if the District had a contract with Santa Fe County and if so, does the contract address where existing rates are developed. Mr. King responded that the District does have a contract with Santa Fe County which describes the framework and sets what rates will be, noting that some of the rates are subject to increases just as the District's rates are. Follow-up inquiry: how long does the contract with Santa Fe County last? Would the delivery rate of \$7.46 be expected to increase when the initial water deliveries of 100-acre feet increase to 200-acre feet in four years and is that built into the contract?

Mr. King responded that the contract with Santa Fe County does not have an expiration date, and that the delivery rate is expected to increase in the future because Santa Fe County takes into account an annual CPI adjustment which, in turn is reflected in their rates. The anticipated increase was

incorporated into the rate study so that a future rate schedule generates sufficient revenue to pay the cost.

- Q** Audience member inquired why the District provided water to those living “Out of District” and subsequently paying “Out of District” rates. Mr. King responded that EAWSD has an obligation to serve customers residing within the District boundary (a smaller service area) or the larger Service Area boundary which includes residents living within the Service Area boundary but outside of the District boundary. Customers inside the District boundary incur a tax levy cost while residents outside of the District boundary do not pay a tax levy cost. Mr. King continued to explain that EAWSD captures the difference in costs by charging a higher base rate to those residing outside the District boundary. Follow-up inquiry: The audience member continued to inquire if the Out of District customers are being charged a per gallon rate? Steve confirmed. The audience member also inquired if the Out of District boundary was legally set or if it could be arbitrarily changed by EAWSD? Mr. King responded that the District boundary was established years ago, via legal proceedings, and is not expected to grow or be changed in the future. Ms. Roghair, the RSAC Chairperson, added that ratepayers residing Outside of the District boundary but within the service area total fewer than 200 customers.
- Ms. Heddin proceeded to explain the findings and recommendations that resulted from the Rate Study that was conducted over the past year.

#### **RE: EAWSD’s Revenue Requirements per Ms. Heddin’s PPT presentation**

- Q** Audience member inquired if the 6% of the Capital Improvement Project (CIP) funding is per year. Ms. Heddin deferred to Mr. King, and he responded that the 6% funding reflects a 5-year period or a percentage of ~1% per year. One of the tools that Mr. King uses to determine when the District should replace a waterline is the frequency of line breaks. In a 5-year leak study completed in 2022, the District determined the number of line breaks per year, per mile of pipe and compared it to the national average, as well as some local utilities, and found that EAWSD is significantly below the national average. Mr. King additionally stressed the importance of monitoring waterlines. He feels that 6% is sufficient if the District maintains and/or stays ahead of the pipelines that will eventually need replacing. Follow-up inquiry: does the 6% include maintaining and fixing the District’s tanks? Mr. King responded that the 6% does include the District’s tanks since costs are spread over time and not all infrastructure needs fixing every year.

#### **RE: EAWSD’s Driving Forces & Expense Summary per Ms. Heddin’s PPT Presentation**

- Q** Audience member inquired what the District considered ‘Additional Professional Services.’ Ms. Heddin deferred to Mr. King, and he responded that ‘Additional Professional Services’ includes the District’s outsourced financial support services who also provide yearly audit support, legal services, engineering services, which includes planning, design and preparation of bid documents for the District’s projects and the services of a consulting hydrogeologist.
- Q** Audience member inquired and asked for clarification on the types of project fees the District incurs. Mr. King responded that the District differentiates between the debt service and engineering support for the project which helps explain the logic on how the expense summary is compiled and also how the District identifies its future needs.

#### **General Audience Questions**

- Q** Audience member inquired what the District’s obligations are, if any, to serve an undeveloped area in Eldorado. Mr. King indicated that one service area beyond the District boundary but within the Service Area boundary is in the northwest part of Eldorado, and many who live in the area are served by private wells. If any of those customers want to receive District water, then the District is obligated to serve them. However, in addition to paying new water service connection fees, customers in this area would also be obligated to pay the costs of extending the water line which most find to be prohibitively expensive.
- Mr. King thanked everyone for taking the time to attend the informal Public Forum and for engaging in a constructive Q&A session. He reminded everyone they will have more chances to participate in the process: (1) at the February 21, 2024, Board Meeting where the final COST OF SERVICE AND RATE DESIGN recommendations will be presented to the EAWSD Board for acceptance and (2) at a formal PUBLIC HEARING to be held on Wednesday, March 27<sup>th</sup> starting at 5:30 PM in the same meeting space as tonight’s informal Public Forum.

#### **ADJOURNMENT**

- The informal Public Forum concluded at ~6:45 P.M.