AFFIDAVIT OF STEVE KING IN SUPPORT OF
PROPOSED ADJUSTMENT TO RATES, TOLLS, FEES OR CHARGES

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

I, Steve King, being first duly sworn, state as follows:

1. I have been the General Manager of the Eldorado Area Water and Sanitation District ("EAWSD" or the "District") since May of 2018. I served as Planning and Project Manager for the District from October 2016 to April 2018. I earned undergraduate and graduate degrees in Civil Engineering with emphasis on planning and design of water infrastructure facilities. I am a registered Professional Engineer in New Mexico and California. For over 30 years I served as a private consultant providing water facility management, planning, design, and construction engineering services to public utilities throughout the United States including Arizona, California, Florida, Texas, Washington and New Mexico. Based on my education and professional experience, the matters contained within this Affidavit are true to the best of my knowledge and understanding.

2. EAWSD is charged by law in New Mexico to promote and support the best interests of its customers by providing reliable and cost-efficient water service to those customers.

3. District revenues are derived from two main sources: water rates that comprise base fees and volumetric charges, and property taxes. Total revenues projections for Fiscal Year 2023 from these two sources were just over $4,700,000, 72% was from water use fees and 28% from the District's property tax mil levy.

Implementation of the District's calendar year 2020-2024 rate schedule was completed with a final increase in January 2024. Total revenues derived from the final year's rate schedule and current level of property taxes can provide for the following going forward:

- Coverage of remaining payments due on the over $13 Million of debt incurred when the water system was acquired by EAWSD in 2004. The final payment on this debt will be in June 2025.

- Coverage of debt service on additional, already-incurred capital projects debt obligations.

- Revenues would be insufficient to cover much-needed future capital projects totaling $13 million over the next five years.

- Annual rehab and repairs of the District's aging water system of approximately $600,000.

- Revenues would be insufficient to fund future increases in rehab and repair costs required to adequately maintain the District's aging water system which are expected to increase at a rate equal to or greater than the rate of inflation.

- 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.

- Revenues would be insufficient to fund costs of Santa Fe County supplemental water deliveries which were implemented in 2023 to address declining groundwater levels.

4. On July 28, 2022, 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 & Audit Advisory Committee and has a background in public and corporate finance with an emphasis on both public and investor-owned regulated utilities. Served as Chair of the 2015 and 2019 Rate Study Advisory Committees.
b. **David Burling**, member of the District's Board and Chair of the Finance & Audit Advisory Committee.
c. **Steve King,** General Manager, member of the District's Finance & Audit Advisory Committee and Chair of the Capital Planning Advisory Committee.
d. **Joe Lowey**, Community member of the District's Capital Planning Advisory Committee.
e. **Leslie Bischoff**, Finance & Audit Advisory Committee Member and local resident and customer of EAWSD.
f. **Phil Speicher**, past District Board member, past EAWSD Treasurer, member of the EAWSD Finance & Audit Advisory Committee. Member of the 2015 and 2019 Rate Study Advisory Committee.
g. **Jessa Huybrechts,** CPA and EAWSD's Controller through an outsourced contract with the District.

**Apart from Ms. Huybrechts, all members of the Rate Study Advisory Committee are local residents and/or 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, (c) cover the costs of Santa Fe County supplemental water deliveries and (d) 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 July 28, 2022, 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 over 25 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 and 2019 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 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, costs of Santa Fe County supplemental water deliveries 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 October 18, 2023. Results of the rate study identified annual revenue requirements increasing from $5.6M to $6.5M from 2025 to 2029, an increase of more than $900,000 over that period. Revenue requirement increases include inflation, and full funding of much needed water system improvements and replacements due to aging infrastructure ($13M in 5 years), purchase of Santa Fe County supplemental water deliveries as well as annual system rehab and repairs ($600,000 plus inflation). The option recommended by the Rate Study Committee was presented for generating revenues required to meet forecasted revenue requirements. Board consensus was to fully fund forecasted revenue requirements per the recommendations of the Rate Study Committee and Nelisa Heddin. The proposed new rate schedule is as follows:

	Current	FY25	FY26	FY27	FY28	FY29
Base Rate						
In-District	$29.91	$ 31.41	$32.98	$34.29	$35.32	$36.38
Out-of-District	$60.56	$ 75.78	$78.23	$80.46	$82.41	$84.41
Volumetric Rates						
1-3,000 Gallons	$12.82	$ 13.27	$13.73	$14.21	$14.71	$15.32
3,001-6,000 Gallons	$16.03	$ 16.59	$17.16	$17.76	$18.38	$19.15
6,001-10,000 Gallons	$21.82	$ 23.22	$24.03	$24.87	$25.74	$26.81
10,001-20,000 Gallons	$37.46	$ 40.64	$42.05	$43.52	$45.04	$46.92
20,001-30,000 Gallons	$64.53	$ 71.12	$73.58	$76.16	$78.82	$82.11
Over 30,001 Gallons	$96.81	$106.68	$110.38	$114.24	$118.23	$123.16

As proposed, the increase in the monthly water bill for the average EAWSD customer who uses 3,700 gallons is as follows:

3,700 GALLONS	**2024 (current)**	**2025**	**2026**	**2027**	**2028**	**2029**
Total Monthly Charge	$79.59	$82.83	$86.18	$89.36	$92.31	$95.75

10. On January 17, 2024, the Board approved Resolution N°. 24-01-03 authorizing a public hearing to consider a proposed resolution to adjust rates, tolls, fees or charges (Exhibit A).

11. On February 21, 2024, the Board approved Resolution N°. 24-02-01 recommending a comprehensive rates, tolls, fees and charges schedule representing the input and direction provided by the Board at the October 18, 2023, and January 17, 2024, meetings. (Exhibit B).

12. 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 January, February and March 2024 *Water Notes* monthly publication which are distributed to all District customers, was posted on the District website beginning in February 2024, was presented at the District's January 31, 2024 informal public meeting and was published in the *Santa Fe New Mexican* on March 6, 2024 (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 and 2019 Rate Study Public Hearing.

FURTHER AFFIANT SAYETH NAUGHT.

Steve King
GENERAL MANAGER
Eldorado Area Water & Sanitation District

SUBSCRIBED AND SWORN TO before me this 15 day of MARCH, 2024, by Steve King.

Notary Public

My Commission Expires: 10/24/2025

STATE OF NEW MEXICO
NOTARY PUBLIC
Anna Mondragon
Commission Number 1103055
My Commission Expires October 24, 2025

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

EXHIBIT A

Resolution N°. 24-01-03

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

Resolution N°. 24-01-03

Eldorado Area Water and 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") on July 28, 2022; 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 July 28, 2022, 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 October 18, 2023; 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 January 31, 2024; 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, THERFORE, 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 Project 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 March 27, 2024, at the District's Administration office located at 2 North Chamisa Drive Suite A Santa Fe NM. 87508.

PASSED, APPROVED, AND ADOPTED this 17th day of January 2024.

By: _____
John Calzada, *President*

_____
Gregory Hart, *Vice President*

_____
David Yard, Secretary

_____
David Burling, *Director*

_____
Elizabeth Roghair, *Director/Treasurer*

ELDORADO AREA WATER & SANITATION DISTRICT
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EXHIBIT B

Resolution N°. 24-02-01

- Resolution authorizing an adjustment to Rates, Tolls, Fees, or Charges

Resolution N°. 24-02-01

Eldorado Area Water and 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") on July 28, 2022; 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 July 28, 2022, 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 October 18, 2023; 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 January 31, 2024

NOW, THERFORE, 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 the calendar years 2025 through 2029 are hereby approved.

PASSED, APPROVED, AND ADOPTED this 21st day of February 2024.

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

2025-2029 RATES, TOLLS, FEES AND CHARGES

Effective with the February 2025 Billing reflecting January Water Use

RESIDENTIAL, COMMERCIAL AND PUBLIC AUTHORITY RATE SCHEDULES

MONTHLY RATES	Current	2025	2026	2027	2028	2029
Base Rates						
PER METER CONNECTION						
In-District	$ 29.91	$ 31.41	$ 32.98	$ 34.29	$ 35.32	$ 36.38
Out-of-District	$ 60.56	$ 75.78	$ 78.23	$ 80.46	$ 82.41	$ 84.41
Volumetric Rates						
WATER USAGE PER 1,000 GALLONS						
3,000 gallons or less	$ 12.82	$ 13.27	$ 13.73	$ 14.21	$ 14.71	$ 15.32
3,001 – 6,000 gallons	$ 16.03	$ 16.59	$ 17.16	$ 17.76	$ 18.38	$ 19.15
6,001 – 10,000 gallons	$ 21.82	$ 23.22	$ 24.03	$ 24.87	$ 25.74	$ 26.81
10,001 – 20,000 gallons	$ 37.46	$ 40.64	$ 42.05	$ 43.52	$ 45.04	$ 46.92
20,001 – 30,000 gallons	$ 64.53	$ 71.12	$ 73.58	$ 76.16	$ 78.82	$ 82.11
Over 30,000 gallons	$ 96.81	$106.68	$110.38	$114.24	$118.23	$123.16

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 Nº. 14-10-01.

New Water Service Fees and Charges

New Water Service fees and charges are established in EAWSD Policy Nº. P18-08-01, as amended.

Radio-read & BEACON® Meter Opt-out Fees and Charges

Radio-read & BEACON meter opt-out fees and charges are established in EAWSD Policy Nº. P14-03-01.

Non-Emergency Special Services Requested by Customer

SERVICE TYPE	Regular Business Days/Hours		Request Made *during Non-Business Hours including Weekends or Holidays*
	With 24-hour Advance Notice	Same Day as Request Made Before 3:00 p.m.	
Meter re-read*	$25.00	$50.00	$150.00
Flow test**	$25.00	$50.00	$150.00
Water turn-on/off	No Charge	$50.00	$150.00
Meter lid removal and replacement	No Charge	$50.00	$150.00

* $25 will be credited if a meter reading error is verified.

** One 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
$400 for ¾ inch meter, **$800** 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 **$ 1,500.00**
- Field Service Charge as warranted **$ 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 forty dollars (**$40.00**) 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. P22-10-01.

ELDORADO AREA WATER & SANITATION DISTRICT
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EXHIBIT C

2025-2029 Rate Study
FINAL REPORT

- 2025-2029 Rate Study Final Report as presented by Rate Study Consultant, Nelisa Heddin.

Technical Report

ELDORADO AREA WATER & SANITATION DISTRICT

COST OF SERVICE AND RATE DESIGN STUDY

FINAL REPORT
FEBRUARY 27, 2024

Nelisa Heddin Consulting, LLC
P.O. Box 341855
Lakeway, TX 78734
(512) 589-1028
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 all 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

Recommended Fees and charges have been outlined on Table 1 below.

Executive Summary

Table 1: Recommended Rates and Fees

	2024 Adopted	2025	2026	2027	2028	2029
Monthly Minimum Charge	$ 29.91	$ 31.41	$ 32.98	$ 34.29	$ 35.32	$ 36.38
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	$ 12.82	$ 13.27	$ 13.73	$ 14.21	$ 14.71	$ 15.32
3,001-6,000 Gallons	$ 16.03	$ 16.59	$ 17.16	$ 17.76	$ 18.38	$ 19.15
6,001-10,000 Gallons	$ 21.82	$ 23.22	$ 24.03	$ 24.87	$ 25.74	$ 26.81
10,001-20,000 Gallons	$ 37.46	$ 40.64	$ 42.05	$ 43.52	$ 45.04	$ 46.92
20,001-30,000 Gallons	$ 64.53	$ 71.12	$ 73.58	$ 76.16	$ 78.82	$ 82.11
Over 30,001 Gallons	$ 96.81	$ 106.68	$ 110.38	$ 114.24	$ 118.23	$ 123.16
Tax Levy Assumption	$ 4.36	$ 4.36	$ 4.36	$ 4.36	$ 4.36	$ 4.36
		-	-	-	-	-
Out of District Charge	$ 60.56	$ 75.78	$ 78.23	$ 80.46	$ 82.41	$ 84.41
Monthly Bill for average water usage of 3,700 gallons	$ 79.59	$ 82.83	$ 86.18	$ 89.36	$ 92.31	$ 95.75
		-	-	-	-	-
Average annual increase for customer using 3,700 gallons		4.1%	4.0%	3.7%	3.3%	3.7%

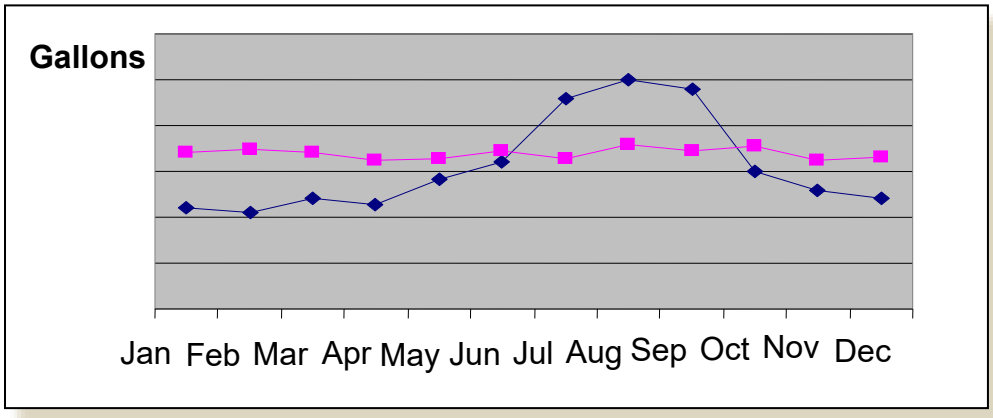
RATE SETTING THEORY

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

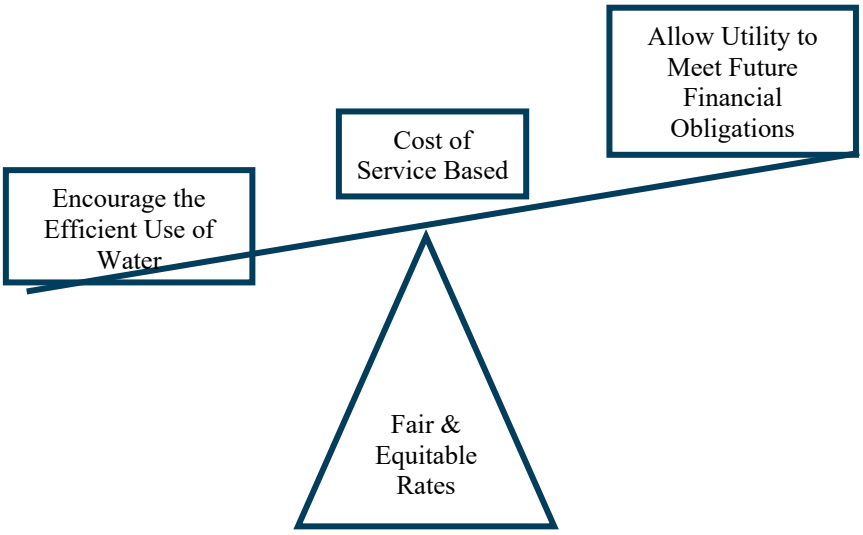


The customers represented by a blue line in Figure 1 show a dramatic peaking pattern in summer months. This peak pattern commonly occurs with customers who, for example irrigate during the summer. The customers represented by a pink line show very little deviation in their month-to-month usage. An example 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.

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.

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 ⅝ 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
⅝"	1
¾"	1.1
1"	1.4
1 ½"	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.

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.

WATER PRODUCTION

In 2022, the District produced approximately 168.7 million gallons (MG) of water, with a peak day production of .857 MG.

Table 3: Historical Water Production (Gallons)

	2020	2021	2022
Total Production	158,042,000	162,435,000	168,700,000
Average Daily Demand	432,992	445,027	431,926
Peak Day Demand	863,000	809,000	857,000
Peak to Average Ratio	1.99	1.82	1.98

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 1.98:1 for 2022.

WATER CONSUMPTION

As of December 2022, the District provided water services to 3,065 retail, potable water customers. The District meters all active potable water connections. Annual metered water consumption was approximately 131.6 million gallons in 2022, as shown in Table 4.

Table 4: Total Customer Count and Consumption (Gallons)

Year	Customers	Consumption
2020	3,047	154,261,600
2021	3,052	139,594,200
2022	3,065	131,588,300

CURRENT RATES

Outlined below are the District's current water rates.

Table 5: Current Water Rates

	2023 Adopted	2024 Adopted
Minimum Charge	$ 28.76	$ 29.91
Volumetric Charge		
1-3,000 Gallons	$ 12.33	$ 12.82
3,001-6,000 Gallons	$ 15.41	$ 16.03
6,001-10,000 Gallons	$ 20.39	$ 21.82
10,001-20,000 Gallons	$ 35.01	$ 37.46
20,001-30,000 Gallons	$ 58.67	$ 64.53
Over 30,001 Gallons	$ 88.01	$ 96.81

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 2024 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 2025 was $3,078,587.

FIVE-YEAR REVENUE REQUIREMENT

INFLATION

In developing projections of future expenditures, NH Consulting assumed a 4% inflation rate for most expenditures for 2025 and a 3% inflation rate thereafter.

CAPITAL PROJECTS

The District's formal Capital Improvement Plan that has been filed with the State of New Mexico has identified over $13M in future capital improvement projects. While these projects are necessary and will eventually need to be built, for the purposes of this rate study, the project team has assumed approximately $11.35M in projects to actually be constructed in the next 5 years. The project team has assumed that the District would receive approximately $3M in grant funding for these projects. The remaining $8.35M in projects has been assumed to be funded through the issuance of future debt. The $11.35M of currently planned capital improvement projects represents replacement of approximately 6% of the District's water infrastructure. It must be noted that this funding of the District's water infrastructure system 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 $636,540 beginning in 2025. The project team assumed a portion of the projects 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.

	2025	2026	2027	2028	2029
Property Taxes (Current Year)	$318,270	$327,818	$337,653	$347,782	$358,216
Required Times Coverage (Prior Year)	229,768	278,298	311,829	345,400	345,006
Cash from Rates	88,502	49,521	25,824	2,382	13,210
	$636,540	$655,636	$675,305	$695,564	$716,431

FUTURE WATER PURCHASES

The District is also adding the purchase of additional water from Santa Fe County. This additional water purchase is anticipated to cost the District approximately $566,000 in 2025, and is anticipated to increase to approximately $805,000 by 2029.

FIVE-YEAR PROJECTION OF EXPENSES

In totality, NH Consulting has projected the District's expenses to be approximately $5.1M in 2025, and to grow to $6.2M by 2029. This is compared to the $4.25M budgeted expenses in 2023.

REVENUE OFFSETS

Revenue offsets are sources of revenue other than water rates that support the District's operations. The primary source of revenue offsets for the District is the collection of property tax revenues. Based on recommendations from the project team the District has set its property tax rate to a level sufficient to recover an approximate actual yield of $4.36 per $100 assessed valuation. This is to be increased from the current actual yield of approximately $3.552.

Due to the proposed increase in property taxes, NH Consulting is recommending that the District increase the out-of-district charges as outlined on Table 1. As out of district customers do not pay property taxes, the out-of-district charge is intended to recover the proportionate share of revenues from these customers as the property taxes recover from in-district customers. In developing revenue requirement projections, NH Consulting has assumed the District would adopt the recommended change to property taxes and has included the changes in the revenues as a revenue offset.

The remaining revenue-offsets include items such as late fees and interest. For these items, the projections remained constant throughout the study period, a conservative estimate.

FIVE-YEAR REVENUE REQUIREMENT

Table 7 outlines the five-year revenue requirement for the Water Utility. Schedule 1 shows each line item with details. While the District does anticipate some operating cost increases, new debt to fund capital projects and the new water purchases from Santa Fe County comprises of the majority of the increases.

Table 7: Total District Five-Year Revenue Requirement.

	2025	2026	2027	2028	2029
Revenue Requirements	$3,078,103	$3,375,766	$3,688,576	$3,894,252	$4,100,479

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 8 presents the cost functionalization for the five-year study period.

Table 8: Cost Functionalization

	2025	2026	2027	2028	2029
Base Costs of Service	$1,438,921	$1,612,333	$1,823,866	$1,926,274	$2,028,555
Extra Capacity Costs of Service	1,223,698	1,333,984	1,420,844	1,509,225	1,597,802
Customer Costs of Service	415,484	429,449	443,867	458,753	474,122
	$3,078,103	$3,375,766	$3,688,576	$3,894,252	$4,100,479

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 9 presents the cost allocations to customer classes. It is with these cost allocations that rates are designed.

Table 9: Customer Cost Allocation

	2025	2026	2027	2028	2029
Residential	$3,001,715	$3,292,135	$3,597,415	$3,798,318	$3,999,803
Commercial	76,388	83,631	91,161	95,934	100,675
	$3,078,103	$3,375,766	$3,688,576	$3,894,252	$4,100,479

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 10: Projected Customer Count

	2025	2026	2027	2028	2029
Residential	3,038	3,051	3,064	3,077	3,091
Commercial	53	53	53	53	53
	3,091	3,104	3,117	3,130	3,144

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 11.

Table 11: Projected Water Consumption (Gallons)

	2025	2026	2027	2028	2029
Residential	134,184,522	134,762,659	135,343,287	135,926,417	136,512,059
Commercial	3,420,544	3,420,544	3,420,544	3,420,544	3,420,544
	137,605,066	138,183,203	138,763,831	139,346,961	139,932,603

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. Table 12 presents the recommended rates and fees.

Table 12: Recommended Rates and Fees

	2024 Adopted	2025	2026	2027	2028	2029
Monthly Minimum Charge	$ 29.91	$ 31.41	$ 32.98	$ 34.29	$ 35.32	$ 36.38
Volumetric Charge (per thousand gallons)						
1-3,000 Gallons	$ 12.82	$ 13.27	$ 13.73	$ 14.21	$ 14.71	$ 15.32
3,001-6,000 Gallons	$ 16.03	$ 16.59	$ 17.16	$ 17.76	$ 18.38	$ 19.15
6,001-10,000 Gallons	$ 21.82	$ 23.22	$ 24.03	$ 24.87	$ 25.74	$ 26.81
10,001-20,000 Gallons	$ 37.46	$ 40.64	$ 42.05	$ 43.52	$ 45.04	$ 46.92
20,001-30,000 Gallons	$ 64.53	$ 71.12	$ 73.58	$ 76.16	$ 78.82	$ 82.11
Over 30,001 Gallons	$ 96.81	$ 106.68	$ 110.38	$ 114.24	$ 118.23	$ 123.16
Tax Levy Assumption	$ 4.36	$ 4.36	$ 4.36	$ 4.36	$ 4.36	$ 4.36
		-	-	-	-	-
Out of District Charge	$ 60.56	$ 75.78	$ 78.23	$ 80.46	$ 82.41	$ 84.41
Monthly Bill for average water usage of 3,700 gallons	$ 79.59	$ 82.83	$ 86.18	$ 89.36	$ 92.31	$ 95.75
		-	-	-	-	-
Average annual increase for customer using 3,700 gallons		4.1%	4.0%	3.7%	3.3%	3.7%

El Dorado Area WSD
Cost of Service and Rate Design Study

Schedule 1
Seven-Year Projection of Revenue Requirements
FINAL

	2025	2026	2027	2028	2029	Notes
Expenses						
Payroll and Benefits	$ 337,050	$ 347,162	$ 357,576	$ 368,304	$ 379,353	
Travel - Employees	520	536	552	568	585	
Maintenance & Repairs - Building/Structure	14,560	14,997	15,447	15,910	16,387	
Maintenance & Repairs - Grounds/Roadways	7,800	8,034	8,275	8,523	8,779	
Maintenance & Repairs - Vehicles	-	-	-	-	-	
Maintenance & Repair - Office Equipment	2,080	2,142	2,207	2,273	2,341	
Maintenance Supplies	-	-	-	-	-	
Emergency Maintenance	-	-	-	-	-	
Contract - Audit	37,440	38,563	39,720	40,912	42,139	
Contract - Attorney Fees	36,400	37,492	38,617	39,775	40,969	
Contract - Professional Services	2,093,520	2,156,326	2,221,015	2,287,646	2,356,275	
Contract - Other Services	144,872	149,218	153,695	158,306	163,055	
Software	15,600	16,068	16,550	17,047	17,558	
Supplies - General Office	3,120	3,214	3,310	3,409	3,512	
Supplies - Field Supplies	15,600	16,068	16,550	17,047	17,558	
Supplies - Furniture/Fixtures/Equipment (Capital under $5k)	15,600	16,068	16,550	17,047	17,558	
Supplies - Janitorial/Maintenance	-	-	-	-	-	
Supplies - Capital Under $5K	-	-	-	-	-	
Supplies - Other	-	-	-	-	-	
Claims/Judgments/Settlements	-	-	-	-	-	
Election Costs	-	-	-	-	-	
Employee Training	520	536	552	568	585	
Insurance - General Liability/Property	59,280	61,058	62,890	64,777	66,720	
Postage	260	268	276	284	293	
Printing/Publishing/Advertising	6,760	6,963	7,172	7,387	7,608	
Property Tax Administration Fees	16,754	17,257	17,775	18,308	18,857	
Gross Receipts Tax	175,760	181,033	186,464	192,058	197,819	
Rent of Equipment/Machinery	8,840	9,105	9,378	9,660	9,949	
Rent of Land/Building	-	-	-	-	-	
Subscriptions & Dues	3,120	3,214	3,310	3,409	3,512	
Telecommunications	20,800	21,424	22,067	22,729	23,411	
Utilities	138,320	142,470	146,744	151,146	155,680	
Santa Fe County Water Purchase - Rate Funded	328,094	392,230	518,383	533,934	549,952	Per Attachment E
Santa Fe County Water Purchase - Pass Through Funded	-	-	-	-	-	Per Attachment E
Santa Fe County In Lieu of Water Rights Fee	238,620	238,620	238,620	238,620	238,620	Per Attachment E
Water Production Cost Savings Due to Santa Fe Water Purchase	-	-	-	-	-	Per Attachment E
Other Operating Costs	26,000	26,780	27,583	28,411	29,263	

El Dorado Area WSD
Cost of Service and Rate Design Study

Schedule 1
Seven-Year Projection of Revenue Requirements
FINAL

	2025	2026	2027	2028	2029	Notes
Buildings & Structures	-	-	-	-	-	
Equipment & Machinery	-	-	-	-	-	
Infrastructure	-	-	-	-	-	
Vehicles	-	-	-	-	-	
Rehab and Replacement Tax Funded	309,000	318,270	327,818	337,653	347,782	Per Attachment D
Rehab and Replacement Cash Funded	13,579	88,502	49,521	25,824	2,382	Per Attachment D
Times Coverage (To be Applied to Rehab and Replacement)	295,421	229,768	278,298	311,829	345,400	Per Attachment D
Debt Service - Principal Payments	-	-	-	-	-	
Debt Service -Principal, Interest, Admin Fees & I&S Fund Payments - Rate Funded Portion	765,892	927,659	1,039,430	1,151,334	1,261,382	Per Attachment C
Debt Service -Principal, Interest, Admin Fees - Tax Funded Portion	-	-	-	-	-	Per Attachment C
Pension Expense	-	-	-	-	-	
Loan Administrative Expense	-	-	-	-	-	
Bad Debt Expense	-	-	-	-	-	
Field workshop	-	-	-	-	-	
Total Expenses	**$ 5,131,183**	**$ 5,471,042**	**$ 5,826,342**	**$ 6,074,695**	**$ 6,325,285**	
Revenue Off-Sets						
Water Use Fees	$ -	$ -	$ -	$ -	$ -	
Billing Adjustments	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	
New Water Service Connection Fees	128,000	128,000	128,000	128,000	128,000	Assumed fees would increase to $16,000 and 8 fees would be collected per year.
Other Charges for Services	7,500	7,500	7,500	7,500	7,500	
Property Tax Receipts - O&M	1,372,737	1,404,964	1,437,836	1,471,365	1,505,565	Portion of property taxes for O&M only
Property Tax - Debt Portion	-	-	-	-	-	Attachment A
Water Purchase Pass Through	-	-	-	-	-	Attachment G
Property Tax Receipts - In Lieu of Water Rights Portion of O&M	238,620	238,620	238,620	238,620	238,620	Portion of O&M property taxes for In Lieu of Water Rights. Attachment F
Conservation Surcharge	98,291	101,698	105,254	108,937	113,475	
Out of District Charges	177,931	184,494	190,556	196,021	201,646	Attachment I
Miscellaneous Income						This paymbe was one-time in nature.
Interest Income	105,000	105,000	105,000	105,000	105,000	
State Grants	-	-	-	-	-	
Insurance Recoveries	-	-	-	-	-	
Loan Proceeds	-	-	-	-	-	
Total Sources	**$ 2,053,080**	**$ 2,095,276**	**$ 2,137,766**	**$ 2,180,443**	**$ 2,224,807**	

El Dorado Area WSD
Cost of Service and Rate Design Study

Schedule 1
Seven-Year Projection of Revenue Requirements
FINAL

	2025	2026	2027	2028	2029	Notes
Total Revenue Requirements	$ 3,078,103	$ 3,375,766	$ 3,688,576	$ 3,894,252	$ 4,100,479	
2022 Actual Revenues						
General Inflation	4%	3%	3%	3%	3%	

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

EXHIBIT D

Affidavit of Publication

- Electronic Affidavit of Publication regarding the 3/27/24 Public Rate Hearing from SANTA FE NEW MEXICAN. Publish date 3/6/2024.

SANTA FE NEW MEXICAN

Founded 1849

ELDORADO AREA WATER AND
SANITATION
2 N Chamisa Dr Ste A
Santa Fe, NM 87508-9483

ACCOUNT:	S6251	
AD NUMBER:	68217	
LEGAL NO	92299	P.O.#:24-100
1 TIME(S)	82.28	
AFFIDAVIT	10.00	
TAX	7.56	
TOTAL	99.84	

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, Veronica Gonzalez, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe, Rio Arriba, San Miguel, and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the Legal No 92299 a copy of which is hereto attached was published in said newspaper 1 day(s) between 03/06/2024 and 03/06/2024 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 06th day of March, 2024 and that the undersigned has personal knowledge of the matter and thngs set forth in this affidavit.

ISI _____
LEGAL ADVERTISEMENT RESPRESENTATIVE

Subscribed and sworn to before me on this 6th day of March, 2024

Notary N. Martinez

Commission Expires: March 14 2027

NATHANIEL CRISTOFER MARTINEZ
Notary Public - State of New Mexico
Commission # 1139927
My Comm. Expires Mar 14, 2027

LEGAL #68217

LEGAL #92299

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., Mar. 27, 2024, at 5:30 PM at the EAWSD Public Conf. 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 for 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) 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, by Fri., Mar. 15, so that appropriate accommodations can be made.

Pub: Mar 6, 2024

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

EXHIBIT E

NM Public Regulation Commission
Letter of Approval

- NM Public Regulation Commission approving Mr. Peter Gould to serve as Public Hearing Officer to preside over the 3/27/24 Public Hearing.

EXHIBIT E

NEW MEXICO
PUBLIC REGULATION COMMISSION

P.O. Box 1269
Santa Fe, NM 87504-1269

December 19, 2023
Steve King, General Manager
Eldorado Area Water and Sanitation District
2 North Chamisa Drive, Suite A
Santa Fe, NM 87508
Sent via email only to: s.king@eawsd.org

RE: Request for Approval of Public Hearing Officer

Dear Mr. King,

Thank you for contacting me to request approval of Peter Gould as a Hearing Officer in the upcoming 2024 EAWSD rate schedule determinations. As Mr. Gould has been previously provided to you on a list pursuant to NMSA 1978 §73-21-55(C)(2), I hereby again find him an acceptable choice to preside over your 2024 rate hearings. Please feel free to schedule the hearings as you see fit.

Please contact me if you need further information or clarification, and for any needs you may have in the future.

Happy Holidays.

Sincerely,

Scott Cameron
Chief General Counsel