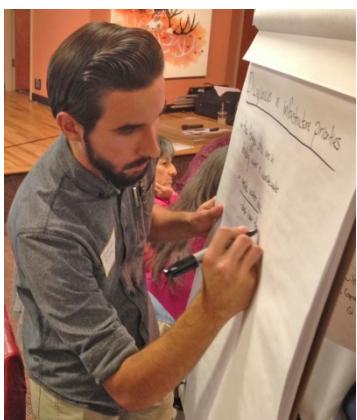




Albuquerque Bernalillo County
Water Utility Authority

Fiscal Year 2015 Customer Conversations Final Report

Infrastructure Needs, Water Conservation, and Rates



Acknowledgements

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Thank you for an exceptional job in planning and organizing the meetings as well as preparing and training the sub-group facilitators, and leading the facilitation of the meetings.

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Executive Summary

The Customer Conservation forums were conceived as a way for the Water Authority to reach out to its customers on a regular basis and obtain their input on critical issues. The interactive sessions are intended to educate and inform while also soliciting ideas and opinions. Through the FY15 Goals and Objectives, the governing board directed staff to continue the initiative for a second year, this time as a means of obtaining customer input on infrastructure renewal, conservation, and rates. Two topic areas were developed: 1) The Water Authority's infrastructure renewal needs based on its Asset Management Plan; and 2) The need for rate adjustments to implement the Asset Management Plan while managing the decline in revenue related to large decreases in water use.

Topic 1 – Infrastructure Renewal

The goal here was to explore customer's perceptions of utility infrastructure needs and priorities. Staff began the sessions by educating customers on the Water Authority's Asset Management and Capital Improvement Plans, infrastructure challenges, and key risk criteria for prioritization decisions. A primary objective was to explore differences between customer concerns and Water Authority priorities. For example, customers tended to be more concerned about drinking water infrastructure, when in fact the highest priorities for the Water Authority center around rehabilitation of aging wastewater treatment facilities. After gaining an understanding of the "perception gaps," participants provided input on how to take information on utility needs and priorities to the general public. The majority of comments focused on standard outreach efforts including bill inserts, public service announcements, and newspaper inserts. The Water Authority used this information in developing stakeholder communication to better educate its customers on the need to continue infrastructure rehabilitation improvements.

Topic 2 – Water/Sewer Rates

This section was intended to educate customers on the conservation conundrum (relationship between revenue stability and conservation promotion); the impacts of planned and unplanned reductions in revenue; and the need for rate increases to fund operations and infrastructure renewal. The main objective here was to obtain input from customers in evaluating conservation and rate revenue alternatives. Customers were presented four alternatives and provided a summary of pros and cons of each alternative. The four alternatives included: 1) No Rate Increase; 2) Base Rate Increase; 3) Combination Base/Commodity Increase; and 4) High Commodity Increase. Customers overwhelmingly supported the Combination Base/High Commodity Rate Increase alternative. In contrast, the No Rate Increase option was the least popular.

Overall, customers realized the need for rate increases to sustain levels of service and meet infrastructure renewal needs. Most supported a balanced approach between water conservation and attaining revenue sufficiency and rate stability. Moreover, many supported taking care of the infrastructure renewal needs now rather than burdening the next generation with significant rate increases.

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INTRODUCTION

The purpose of the Customer Conversations effort, begun in FY14, is to engage Water Authority customers through topic forums on a quarterly basis. Through the FY15 Goals and Objectives, the governing board directed staff to continue the initiative for a second year, this time as a means of obtaining customer input on infrastructure renewal, conservation, and rates. This directive is consistent with Policy M of the Water Resources Management Strategy (WRMS). This Policy states that the Water Authority should continue to expand education to keep the public informed about the choices and tradeoffs involved in making water management decisions and to invite public comment and participation in implementation of these policies. The rationale for this policy is that an informed public contributes to the successful implementation of water resource management solutions. Recommendation 2 from the WRMS further states that the Water Authority should develop an adult education program to encourage a more complete awareness of the full range of water-related subjects and to encourage voluntary water conservation programs. It was through the 2007 WRMS Town Hall that customers commented that they would like to continue to participate and be engaged with the Water Authority programs. This was further supported by customer comments received in 2013 during the update of the 2024 Water Conservation Plan and during the FY14 Customer Conversation meetings.

Water Authority staff established a steering committee to oversee the development and implementation of the four scheduled meetings, which would follow a format similar to that developed for use in the initial set of Customer Conversation forums in FY14. Staff utilized the 2011 guidance document “Assessing Customer Preferences and Willingness to Pay” from the Water Research Foundation on how to plan and conduct focus groups. The Water Authority was a participating utility in this research and was used as a case study. The Water Authority hired a facilitator to assist in the planning, organizing, and facilitating of the four Customer Conversations meetings. To comply with the governing board’s budget directive, the steering committee developed two topic areas to be addressed: 1) The Water Authority’s infrastructure renewal needs based on its Asset Management Plan, and 2) the need for rate adjustments to implement the Asset Management Plan and manage the decline in revenue related to large decreases in water use.

Four meetings were held (one each in November and December 2014 and January and February 2015). Inserts included in September 2014 bills informed all customers of the forum, as shown in Appendix A. The utility’s Customer Advisory Committee (CAC) hosted each meeting and members of the CAC attended these meetings to observe the process and listen to customer comments. The CAC’s attendance is consistent with its mandate to assist and facilitate public review and discussion on Water Authority policies, plans and programs. In addition, the CAC participated in the 2015 rate structure evaluation process and took input from Customer Conversations into consideration in developing rate structure scenarios. The CAC evaluated the different scenarios and recommended the preferred scenario to the governing board for consideration in adopting amendments to the rate ordinance.

A total of 200 customers attended the four Customer Conversation meetings with an average attendance of 50 per meeting. Each participant received a \$20 credit on their water/sewer bill for attending. All attendees had to pre-register for the meeting either online or by phone. A confirmation letter was sent to pre-registered customers a week before the meeting to confirm their registration and as a reminder to attend the event.

METHODOLOGY

Meeting Format

Participants were assigned tables to ensure a balanced male-to-female ratio. Typically, there were two-thirds female to one-third male. Each table had a group facilitator and a recorder. The facilitator sat at the table to assist with the program, discussion and exercises. The recorders stood near the table with an easel pad to record comments or questions from the participants. About six staff members attended the meetings to answer questions during the discussion and exercises. Part 1 of the meeting was allocated 65 minutes and Part 2 was allocated 50 minutes. Five minutes at the end of the meeting was used for participant evaluation.

Part 1 – Infrastructure Renewal

The goals for Part 1 were to:

- Explore participants' perceptions of infrastructure needs, concerns and priorities
- Educate participants on the Water Authority's Asset Management Plan, Capital Improvement Plan (CIP), infrastructure challenges, and key criteria for prioritization decisions
- Explore differences between participant priorities and Water Authority priorities
- Obtain input regarding ways to educate public regarding CIP, renewal needs, etc.

The materials required for Part 1 included:

- Four Asset Group cups with labels: Water Lines, Drinking Water Facilities, Sewer Lines, Sewer Facilities
- Seven bags of 15 money tokens per bag, representing \$5 million per token (table total is \$525 million, or \$75 million in tokens for each participant)
- Four Asset Group cups with red lines representing the Water Authority's priorities from the Decade Plan (10-Year CIP)
- Handouts: Diagram of Four Major Asset Groups, asset group recording sheet

Part 1 included two presentations. Presentation A provided the context of the Four Major Asset Groups:

- Drinking Water Plant Facilities
- Water Pipelines
- Sewer Pipelines
- Sewer Treatment Plant

The purpose of this presentation was to ensure that everyone had the same understanding of the functions of the four major asset groups. Staff described the major components of the water and wastewater systems. After the presentation, the participants began Exercise A. The

purpose of this exercise is to understand the customer's instinctive reactions and perceptions of infrastructure needs and concerns in the community. Small group facilitators asked participants to think about their priorities regarding infrastructure renewal:

- What infrastructure improvements are you most concerned about?
- What infrastructure improvements are you least concerned about?



Roundtable Discussion of Customer Priorities

David Morris, ABCWUA Staff, assisting with questions

Moises Gonzales, CAC Member, observing discussion

After the discussion, the facilitators handed out a chart of the Four Major Asset Groups so participants could first write down how they planned to allocate their money tokens. Each participant received 15 tokens with each token worth \$5 million. The participants were asked to consider the Asset Groups and place their tokens in the cups most important to them. Four clear cups labeled with the four asset groups were placed in the center of the table. After the group completed the exercise, the facilitator would ask, "Why did you allocate your tokens to the various Asset Group cups in the way that you did?" and asked participants to provide examples of their concerns. The facilitator also asked the table to reflect on how the tokens were allocated by the asset groups.

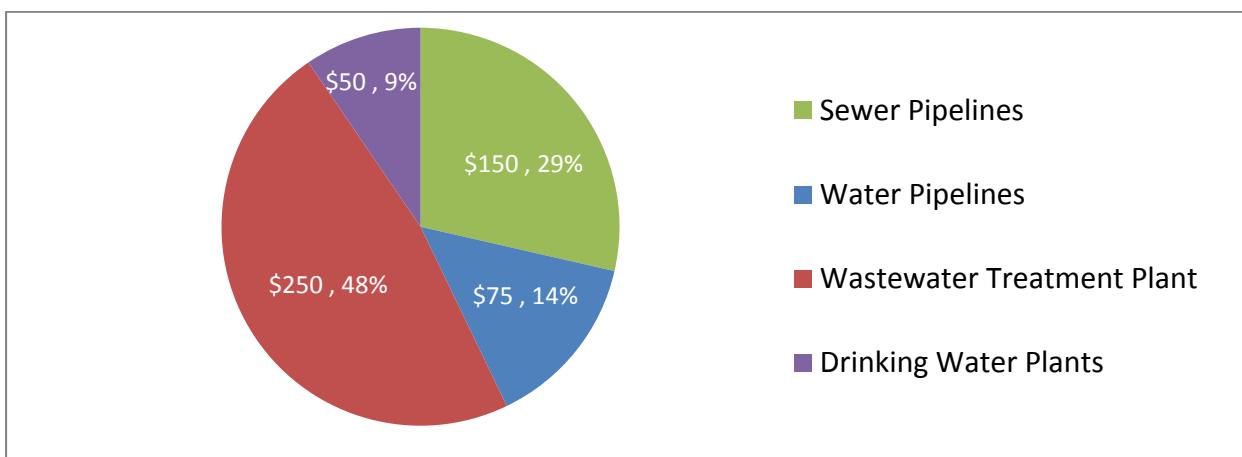


Participants Allocating their Priorities in the Four Asset Group Labeled Cups

The purpose of Presentation B was to provide more information on the utility's infrastructure needs and challenges. From the presentation, the participants would work in small groups to explore where their priorities differ from the utility's priorities and provide advice on how to

bridge the education gap with other customers. Presentation B also described how the utility developed its Asset Management Plan and how the Plan is used to develop the utility's 10-Year Capital Improvement Plan (called the Decade Plan), which is updated every two years. Staff pointed out that there was a \$35 million infrastructure rehabilitation spending gap between its current annual spending of \$41 million compared to what it should be spending annually to meet the projected 100-Year average of \$76 million. Staff also reviewed the major issues, risks and challenges in each of the four major asset groups. Staff defined risk as the probability of failure multiplied by the consequence of failure and showed the risk composition in each of the asset groups. A pie chart showed how the utility allocates its rehabilitation spending by the four asset groups from the Decade Plan. Figure 1 shows the allocation by percent and amount.

Figure 1 – Infrastructure Renewal Spending FY2015-2024 (in millions of dollars)



Staff also showed the \$382 million infrastructure backlog that would not be funded in the current Decade Plan time frame. Customers were informed that the utility may not be able to address this infrastructure backlog, but increasing its CIP spending over the next ten years would close the \$35 million spending gap over the next decade. This would ensure that the backlog does not substantially increase in the next ten years. It was also explained that periodic rate adjustments would be needed to increase the CIP spending in order to close the funding gap.

After the presentation, the participants began Exercise B. The group facilitators placed the participants' asset group cups from Exercise A inside a new set of cups marked with thick red lines. These lines indicated the level at which the Water Authority is planning to allocate its spending, allowing a comparison between the Water Authority's priorities compared to the customer's allocation. The utility's priorities were based on the allocation of rehabilitation funding shown in Figure 1.



*Roundtable Discussion on
Comparison of Customer to
Water Authority Priorities*

The group facilitators led the discussion asking the following questions:

- Where are the biggest discrepancies between your priorities and the Water Authority's priorities?
- Why do you think there is a discrepancy? What might explain the differences between the priorities?
- What information do you need that might help you understand/support the Water Authority's priorities?
- What is your best advice to the Water Authority to bridge the gaps in perception, understanding, and support as it begins to present the Capital Improvement Plan to the community?

After the discussion, the group facilitators reported out on two points to all meeting participants:

- The Asset Group with the biggest differences between the small group's priorities and the Water Authority's planned spending
- The Group's best advice for bridging the gap in understanding



*Group Facilitator Report Out
on Major Gaps*

Part 2 – Water/Sewer Rates

The goals for Part 2 were to:

- Educate customers on the conservation conundrum (relationship between revenue stability and conservation promotion); the impacts of planned and unplanned reductions in revenue; and the need for rate increases to fund operations and infrastructure renewal
- Obtain input from the participants regarding rate alternatives and evaluating conservation and rate revenue alternatives

The materials required for Part 2 included:

- Video – Water Clips on Building a New Business Model
- Rates/Conservation/Revenue Diagram (large)
- Rates/Conservation/Revenue Diagram - handout
- Green and red adhesive dots

Staff first showed a six-minute video from a three-part series developed jointly by the Environmental Protection Agency, the Water Research Foundation, and the University of North Carolina. The video framed the discussion regarding the relationship between revenue sufficiency and conservation and the obstacles that water utilities are now facing with the conservation conundrum. The video also describes the two major sources of revenues – fixed and variable. The video identified four major challenges:

- 1) Paradoxical relationship between revenue stability and conservation promotion
- 2) Water utility revenue variability does not match utility cost variability
- 3) Large and looming gap in national infrastructure investment vs. needs
- 4) Weather and corresponding customer demand uncertainty

After showing the video, staff reviewed the four challenges discussed in the video and provided a local perspective and examples. Staff also discussed rate making fundamentals, rate design criteria, and differences in fixed vs. variable revenue. Staff described the need to strike a balance between conservation and revenue sufficiency and rate stability to meet its revenue requirements and to take care of its infrastructure renewal needs while maintaining regulatory and/or levels of customer service.

After the presentation, group facilitators provided participants with handouts and a large diagram of four rate alternatives as shown in Appendix B. The small-group facilitator oriented the group to the general concept of the quadrants and reviewed the basic definitions, the conservation and revenue impact indicators, and pros and cons of each rate alternative. The four alternatives included:

- 1) No Rate Increase
- 2) Base Rate Increase
- 3) Combination Base/Commodity Increase
- 4) High Commodity Increase



Participants Discussing and Allocating their Support or Non-Support to the Four Rate Alternatives

The group facilitator asked the participants to discuss the pros and cons outlined under each alternative and gave them the opportunity to add additional pros or cons to the alternatives. At the end of the discussion, each participant was asked to place one green dot in the quadrant they most supported and one red dot in the quadrant they least supported. The facilitator asked the participants to discuss why they placed their dots under the chosen alternatives. After the discussion and completion of the exercise, the table recorders stood at the front of the room and held the large diagrams with the dots. The lead facilitator then reviewed each table's results for the benefit of the entire group.



*Lead Facilitator
Reporting Out
Results from each
Group*

RESULTS

As a part of the meeting, staff conducted three exercises to obtain input on the subjects of infrastructure renewal needs and rates. The information reported in this section is based on the results of the four meetings.

Part 1 – Infrastructure Renewal

Figure 3 compares the Water Authority's rehabilitation spending priorities compared to the customer priorities from Exercise A. The utility's priorities are based upon the Decade Plan. The customer's priorities are based on their instinctive reactions based on their perceptions of infrastructure needs and concerns in the community. Figure 4 further shows the comparison using a bar graph. The purpose of this exercise is to determine the gap between the utility's and customer's priorities and to obtain insight into customer understanding and expectations for infrastructure renewal. The largest gap in infrastructure priorities concerned the sewer plant, with a difference of \$124 million between the Water Authority's planned spending and the spending recommended by participants. This was followed by the water plants at \$99 million, water pipe at \$59 million, and sewer pipe at \$34 million.

Figure 3 – Comparison of Water Authority and Customer Priorities (in millions of dollars)

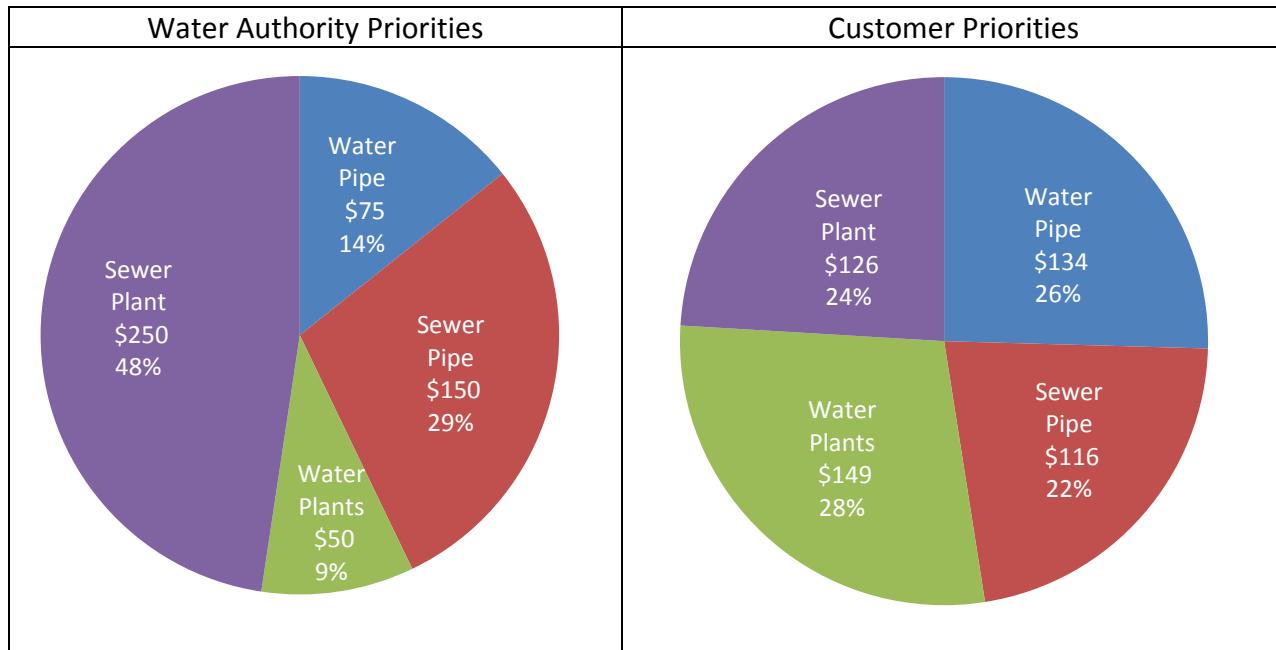
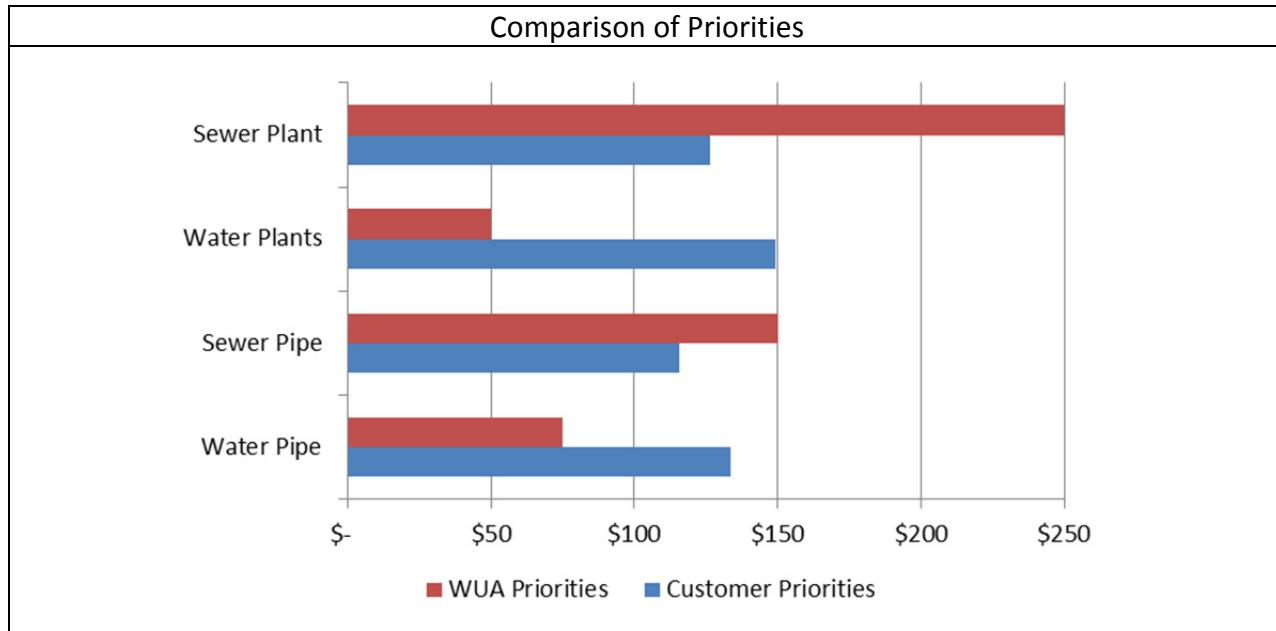


Figure 4 – Comparison of Water Authority and Customer Priorities (in millions of dollars)

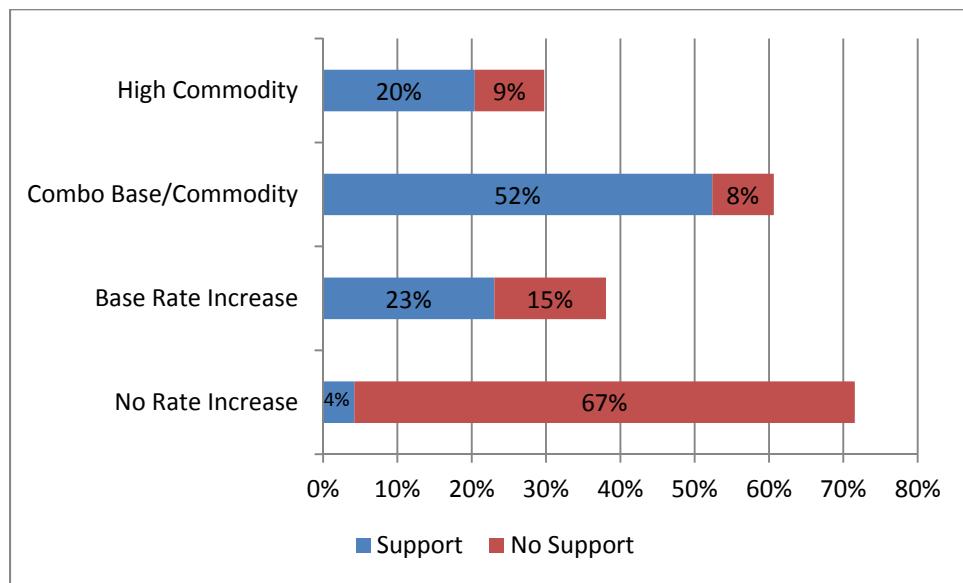


Part 2 – Water/Sewer Rates

Figure 5 compares the four alternatives presented to customers and which alternative they most supported and which they least supported. Based on the results of the four meetings, the majority of customers (52%) supported the Combination Base/Commodity alternative. The Base Rate Increase (23%), and the High Commodity Rate Increase (20%) were the second and

third most supported alternatives. Only 4% of the customers supported the No Rate Increase alternative. The No Rate Increase was the least supported alternative at 67%.

Figure 5 – Support and Non-Support of Four Alternatives



CONCLUSIONS

Based on the results from Exercises A and B, the largest gap between the utility and the customer priorities was the sewer plant. Customers were more concerned with the drinking water plant facilities and many commented that it was their highest priority. With the sewer plant facilities, most commented that the plant was out of sight and thus out of mind. Since the mid-1990s, the utility has conducted most of its education and outreach on water conservation and renewable water supplies in connection with the San Juan Chama project. Many commented that they are more educated and more connected on water supply issues than sewer related issues. There was also concern with the water and sewer pipes due to line breaks causing traffic disruptions. Customers were less concerned with sewer line breaks as these occur less frequently than water line breaks. Many customers were concerned with keeping up with the aging infrastructure.

Customer responses are very similar to those obtained through the biennial Customer Opinion Survey. When asked about the condition of water and lines from the Survey, the percentage of dissatisfaction doubled in the last four years. Even though the sewer plant facilities are out-of-sight/out-of-mind, the comments received are consistent with recent Survey results that show 83% feel it is very or somewhat important to return high quality treated water back to the river. Many customers commented that they are not aware of how the treatment process works or of the complexity at the sewer plant.

When asked what information might help customers understand the utility's priorities, the majority of the comments were about better education, investing more funding in preventive

maintenance, and complying with federal regulations. When asked for advice to bridge the gaps in perception, understanding and support, the majority of comments focused on standard outreach efforts including bill inserts, public service announcements, and newspaper inserts. Other comments included sewer plant tours, billboard ads, additional Customer Conversations meetings on the topic, information on the website and through emails, radio shows, social media, and youth education. Appendix C has examples of some of the customer communications developed from the customer ideas.

Based on the results from Exercise C, customers overwhelmingly supported the Combination Base/Commodity Rate Increase alternative. Most felt that it was a good balance of recovering sufficient revenue to meet infrastructure renewal needs while still maintaining water conservation. There was concern that this alternative would need sufficient public understanding and that more education was needed on the topic.

Support for the Higher Commodity Increase (23%) and the Base Rate Increase (20%) were fairly close. However, the reasons for the support or non-support were different. Most customers felt that the Base Rate Increase will bring in enough revenue to cover operational costs and infrastructure renewal needs, but there was concern there would be less consequences for high water users. In contrast, the higher surcharges for high water users was the main reason for customers to support the Higher Commodity Rate Increase. However, there was concern with this alternative in meeting infrastructure renewal needs because of revenue uncertainty. The No Rate Increase alternative, with 4% supporting and 67% declaring "no support," was the least popular alternative. The major reasons for not supporting this alternative included higher rates for future generations and not meeting infrastructure renewal needs. Some mentioned that they liked this alternative because it would be more affordable for this generation.

Overall, customers realized the need for rate increases to sustain levels of service and meet infrastructure renewal needs. Most supported a balanced approach between water conservation and attaining revenue sufficiency and rate stability. Moreover, many supported taking care of the infrastructure renewal needs now rather than burdening the next generation with significant rate increases.

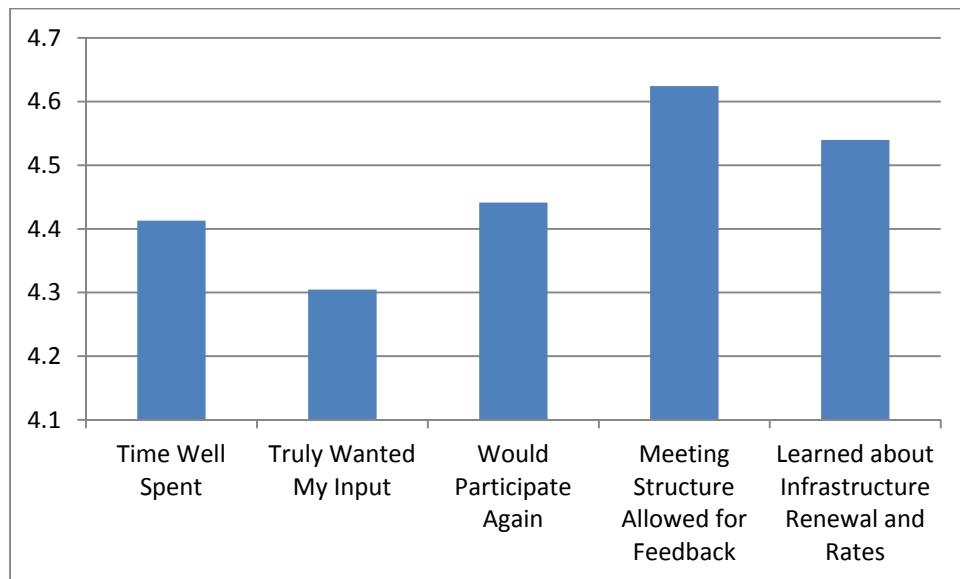
EVALUATIONS

At the end of the meeting, staff asked the participants to complete an evaluation form for feedback on the meeting and process. Participants were asked to rate five statements on a scale of 1-5 with 1 indicating no agreement and 5 indicating you complete agreement. The five statements were:

1. My time was well spent
2. I felt the Water Authority truly wanted my input
3. I would participate in this type of session again
4. The meeting structure allowed participants to provide feedback
5. I learned something about our infrastructure needs, rate stability, and revenue sufficiency

From the cumulative score of the four meetings, participants rated these five areas 4.3 or higher on a scale of 1 to 5 as shown in Figure 6. Participants were also invited to provide additional comments on their evaluation form.

Figure 6 – Meeting Evaluation Scores



INTEGRATING CUSTOMER INPUT INTO THE CAPITAL IMPROVEMENT PROGRAM

The Water Authority updates its 10-Year Capital Improvement Plan (called the Decade Plan) every two years. The utility recently completed is biennial update for the FY2016-2025 Decade Plan which was approved by the governing board at its June 2015 meeting. Total funding for the Decade Plan is \$798 million through FY 2025. Basic rehabilitation spending will be \$46 million in FY2016 and will continue to incrementally increase to \$73 million by FY2025. This increase in rehabilitation spending will help the utility keep pace with its infrastructure needs and maintain its customer, regulatory, and operational levels of service. The focus for the next two fiscal years will be at the wastewater treatment plant. However, over the ten-year period of the plan, more focus will be given to the aging water and sewer pipe lines.

INTEGRATING CUSTOMER INPUT INTO THE 2015 RATE STRUCTURE STUDY

The Water Authority conducts a water and wastewater cost-of-service rate study every two years. The purpose of the rate study is to provide the Water Authority with a review of its revenue requirements and the existing rate structure as well as provide alternative designs (scenarios) of water and wastewater rates for the governing board's consideration. The scenarios must meet the Water Authority's financial objectives while at the same time being equitable, defensible, and promoting water conservation. The basic philosophy behind a cost-of-service methodology is that utilities should be self-sustaining enterprises that are adequately financed with rates that are based on sound engineering and economic principles.

The scenarios and resulting rates were reviewed by Water Authority staff and the Technical Customer Advisory Committee (TCAC, formerly the Customer Advisory Committee. The TCAC

conducted four meetings during which the pros and cons of each scenario were weighed while considering the total impacts of the bill to all customers. TCAC members also attended the Customer Conversation meetings to listen and observe customer input during the structured activities. After the completion of the customer meetings, the TCAC reviewed the summary data to guide the development of the scenarios. In these meetings, ten scenarios were developed and evaluated and then narrowed down further to three scenarios. These top three scenarios were fully developed and a comprehensive analysis was performed on each one.

The TCAC voted to recommend a preferred scenario that moved revenue recovery more toward the base charge in order to reduce dependence on consumption and to mitigate sales revenue volatility because of weather and other influences. The committee believed the preferred scenario also would achieve the objectives of promoting conservation and achieving rate stability and revenue sufficiency.

The top three scenarios were presented to the governing board at their May 2015 meeting. At that meeting, the TCAC Chair explained the evaluation process and their recommendations for consideration in adopting adjustments to the rate structure. At the governing board's June 2015 meeting, the new rate structure was approved.

The decision-making process conducted by the Water Authority is consistent with that of other utilities, according to the AWWA 2014 Water and Wastewater Rate Survey. The rate survey is one of the most recognized compendiums in the industry and provides information on utility characteristics and charges for a diverse and meaningful sample of U.S. urban, suburban, and rural systems. Analyzing rate trends at a regional level helps utilities identify appropriate peer organizations in terms of size, geography, regulatory requirements, and other factors.

Based on AWWA Rate Surveys over the past ten years, the water industry is beginning to see the transition from revenue mostly generated from volumetric charges to a more balanced approach much like what Water Authority customers desired during the Customer Conversations. With utilities gradually shifting more cost recovery to the customers' fixed, or base, charge, it will allow for a more reliable revenue stream. Rate trends show that utilities in the West have seen more than 5% increases in the percentage of fixed-to-total charges. The trends also show that having the fixed revenue at adequate levels while implementing an inclining block rate structure will allow a utility to make progress in achieving both pricing objectives. Similarly, the Water Authority also aims to achieve the objectives in transitioning revenue recovery more from the base charge while maintaining its water conservation goals.

The Water Authority, like nearly every utility in the U.S., is dealing with increasing infrastructure needs and regulatory mandates, increasing operating costs, and declining revenues. Through the Customer Conversations, the utility has been able to educate its customers on these challenges and obtain input on what they think is the best direction for the utility in achieving its objectives. It is critical for utilities to communicate with its customers about the value of water and wastewater services while maintaining conservation. With better communication, customers will have a better understanding of their rate charges and the community's objectives.

Appendix A – Bill Insert

CUSTOMER CONVERSATIONS



The Water Authority's Customer Advisory Committee presents Customer Conversations, a forum on water issues facing our community now and in the future. It's your opportunity to earn a \$20 bill credit while you weigh in on:

1. Infrastructure Renewal
2. Water Rates

SIGN UP NOW FOR ONE OF TWO CUSTOMER CONVERSATION SESSIONS PLANNED FOR THIS FALL:

Tuesday, Nov. 18 6 p.m.- 8 p.m. Indian Pueblo Cultural Center 2401 12th St. NW	Wednesday, Dec. 3 6 p.m.- 8 p.m. Indian Pueblo Cultural Center 2401 12th St. NW
--	---

See map on reverse ➔

SEATING IS LIMITED; YOU MUST REGISTER IN ADVANCE AT
www.abcwua.org/ccreg.html

One participant per household; must be a Water Authority customer. Adults only.



Albuquerque Bernalillo County
Water Utility Authority

Appendix B – Rates, Conservation, and Revenue Diagram (page 1)

NO RATE INCREASE

Pros:

- Affordability – for this generation
- Predictable rates
-

Cons:

- Infrastructure decay
- Decline in level of service
- Higher rates for future generations

Conservation Impact – LOW

Revenue Impact – LOW

BASE RATE INCREASE

Pros:

- Enough revenue to cover operational costs and infrastructure renewal
- Meet level of service needs
-

Cons:

- Less reward for low use/conservation
- Less consequence (surcharges) to high water users
-

Conservation Impact – MEDIUM

Revenue Impact – HIGH

HIGHER COMMODITY RATE INCREASE

Pros:

- Higher consequence (surcharges) to high water users
- More customer choice in water use
-

Cons:

- Less affordable from higher water use surcharges
- Decline in level of service
- Deferred infrastructure renewal because of revenue uncertainty

Conservation Impact - HIGH

Revenue Impact – LOW

COMBO BASE & COMMODITY RATE INCREASE

Pros:

- Sufficient revenue to cover operational costs and infrastructure renewal
- Meet level of service needs
-

Cons:

- More complicated rate adjustments and less predictable rate changes
- Public understanding
-

Conservation Impact – MED/HIGH

Revenue Impact – MEDIUM

Appendix B – Rates, Conservation, and Revenue Diagram (page 2)

Definitions:

Fixed Charge (base rate) is the portion of a customer's bill that will be the same for each bill regardless of the amount of water the customer uses.

Variable Charge (commodity rate) is the rate applied against the amount of water a customer uses.

Level of Service is the utility's commitment to deliver service at a specified level of quality and reliability. Service levels can be performance-related or customer/regulatory related. While service levels are mostly mandated by a regulator, they are most often selected by the utility based on customer demands and business drivers and constraints.

Conservation/Revenue Indicator Definitions

Conservation Impact	
LOW	Maintain conservation levels to meet permit conditions
MEDIUM	Moderate reduction (5%) in water use
HIGH	Significant reduction (10%) in water use

Revenue Impact	
LOW	Significant impacts to customer service and increases infrastructure backlog, may not meet regulatory requirements
MEDIUM	Moderate impacts to customer service and increases infrastructure backlog
HIGH	Maintain current customer service levels and begin reducing infrastructure backlog

Appendix C – Customer Communications

Bill Insert



Billboard



Appendix C – Customer Communications

Newspaper Insert



Starting this July, all of us will be paying a little more for water and sewer services — about \$4.00 per month in the winter and \$5.00 per month in the summer for an average household. It's a necessary increase that will mean big fixes for our aging water system, and you'll notice it on your August bill.

Like many communities, we've got a lot of work to do where infrastructure is concerned. Some 24% of Albuquerque's water pipelines are more than 50 years old. And parts of our sewage treatment plant have been on the job just as long. We must invest more in fixing and updating our water and sewer systems, and that's what this rate increase is for.

The longer we wait, the more fixes we'll face — and the more problems we'll be passing on to future generations.

**So, if we don't pay for it now...
We'll pay for it later.**



**Water Utility
Authority**

For more information on infrastructure renewal, visit the Water Authority's website:
abcwua.org

Appendix D – Part 1: Infrastructure Renewal Customer Comments

Exercise A: Identification of Participants' Concerns

What infrastructure improvements are you most concerned about?

- Concerned about drinking water- impacts quality of life and provides security.
- Concerned about drinking water quality and quantity (chlorine) – don't want to pay for quality water in bottles.
- Customer sees drinking water (therefore, more of a priority).
- Concerned about water pipelines – broken lines and the long term cost of not fixing them.
- Wastewater infrastructure is part of the whole system that includes drinking water. It is vitally needed.
- There are users downstream such as cities and agriculture. Their drinking water system hopes that our wastewater system is priority. We want people north of us to put wastewater as a priority. Why not us?
- Gray water can be separated from wastewater.
- Concerns should be based on the current condition of the infrastructure and other key findings.
- Each component of the whole system relies on the others.
- Concerned about wastewater –particularly where it is discharged.
- Concerned about clean drinking water - all need fresh water to live.
- Concerned about sewer waste being processed correctly and not contaminating the land.
- Concerned about old infrastructure and the cost to replace it.
- Where is the non-renewable water coming from?
- Is our water clean water?
- How healthy are our rivers?
- Are we up to standards, and are the standards safe?
- How old are these old pipelines?
- What are the impacts of pipe repairs on nearby homes?
- Concerned that the water pipelines are getting old -fixing old water pipes is the best way to conserve water.
- Concerned with wastewater due to its environmental impacts on wildlife and biotic communities.
- Concerned about drinking water quality.
- Concerned with the issues of chlorine and hard water. Some perceived chlorine as undesirable while others perceived it as potentially beneficial.
- Allocate more money to drinking water infrastructure to ensure it is up-to-date.
- Concerned about the drinking water plants – specifically the health impacts if water is not clean.
- Concerned about the wastewater treatment plant because of environmental concerns and the health of the Rio Grande.
- Concerned that conservation was not important enough to the Water Authority, that their primary focus is on rates and that they should try to sell more secondary non-water products.
- Concerned about the age of water and sewer pipes, their need to be replaced and the delays in fixing leaks in the neighborhoods.
- Most concerned about water pipelines – evidence suggests this is a big problem in Albuquerque and all over the country.
- There have been a lot of problems with water pipelines historically.
- Water pipelines burst in both winter and summer. They cause major road problems.
- Concerned about drinking water quality – some are only drinking bottled water.
- Concerned about the water near the Kirkland spill.
- How does the wastewater system work? The group felt they lacked knowledge.
- All of the problems should be equally dealt with as they are all important.
- The Rio Grande and the natural environment need to be protected.
- Concerned about pipes (both sewer and drinking water) -old infrastructure.
- Concerned about the quality of drinking water -fluoride in water.
- People wanted to equally divide resources among all the asset groups with a slight preference to drinking water.
- Concerned about the Rio Grande.
- Concerned about drinking water plants - water needs to be available for everyone.

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- Concerned about water pipelines - more money is needed to spend on repairing pipes.
- Concerned about leaking wastewater pipes in the South Valley getting into private wells.
- Concerned that drinking water treatment plants don't have the proper technology to clean chemicals from water.
- Concerned about the environment and what we pass on to future generations.
- Concerned about the quality of discharged water and users downstream.
- Concerned about water quality- questions about pollution from Los Alamos National Lab in Rio Grande.
- Concerned about water quality from polluted runoff from wild fires.
- Concerned about the KAFB fuel spill and effects on water.
- Concerned about clean drinking water and the quality of waste water discharge into the river.
- The group was impressed with the aquifer and Rio Chama situation and suggested selling water to Rio Rancho from ABCWUA's surplus.
- Concerned about water pipelines.
- Concerned about the street being ripped up in order to repair damaged pipelines.
- Concerned about leaks in water lines and sewer lines and flooding from broken pipelines destroying property.
- Preventative maintenance is more important and less expensive than repairing breaks in drinking water lines and infrastructure.
- Concerned about a lack of long term planning for water use in a desert.
- Is there a way we can save money now for future spending?
- Each of the four asset groups is fully dependent on each other.
- Concerned about sewer pipes- their maintenance puts less stress on the drinking water system.
- Concerned about what contaminants are in our drinking water before and after treatment.
- Why are we using drinking water for toilets?
- Concerned about the wastewater plant and sewer lines because of the stress they put on our supply side – drinking water.
- Concerned about the drinking water plant–drinking water impacts more people if damaged.
- Concerned about health issues from quality water.
- Concerned about the dangers involved when pipes break.
- Concerned about traffic problems due to broken pipes and also the loss of water.
- Concerned about health and safety issues related to the delivery system of wastewater.
- What is the age of the whole system?
- What are the causes of arsenic in the local waters?
- Concerned about issues related to industry. How do businesses manage their water and do they recycle their water?
- Concerned that wastewater -treatment costs are high but recognizes that the system needs to be efficient and upkeep.
- Concerned about sewer pipelines and water pipelines - pipes breaking are a big concern. The pipes are old and can deteriorate.
- Concerned about drinking water – It needs to be potable, clean and safe.
- Concerned about water pipelines and water treatment plants because water quality is important – water breaks are a big problem.
- Concerned that the quality of the drinking water will go down because of the inability to have an easy shut off option for water line breaks.
- Why is there not an electric shut off valve?
- Concerned about wastewater plant's equipment and environmental impacts.
- South Coors (by Blake's) uses septic tanks while new developments get sewer services (such as with Walmart).
- South Valley has a need for infrastructure improvement/creation.
- The diagram of components in waste water plant appears efficient.
- Don't know enough about wastewater treatment.
- How efficient is the plant even though it composts/uses methane energy?
- Does the wastewater plant recycle water?

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- Concerned about naturally occurring pollutants (like arsenic) and non-natural (like jet fuel) in drinking water.
- Both pipelines (water and sewer) lose water through leaking pipes.
- Concerned about all four asset groups.
- All 4 areas are of great importance.
- Concerned about sewer and water pipes breaking.
- We can do more to improve drinking water quality, get on par with other municipalities.
- The sewer pipelines are old
- Avoid polluting the Rio Grande, sewer waste goes into river.
- Concerned about water pipes breaking in winter months.
- Concerned most about drinking water because it's what we drink.
- Concerned about wastewater treatment plant and where the water goes. Does it go back into homes?
- Concerned about the water coming from Santa Fe into their homes.
- Concerned about pipelines when they cross over each other - for example, sewer pipes next to clean water pipes.
- All asset groups were deemed equal in importance and the group wanted more information to better allocate money.
- Concerned about drinking water pipelines and pipelines in general - without them there is no delivery of water.
- Concerned about aging pipes and shared stories about people they know who have experienced water pipes exploding.
- Concerned with pipes freezing in the winter and the traffic problems that result from pipeline failures.
- Some members shared the concern that they were not informed enough to pinpoint concerns.
- Concerned about wastewater treatment -getting out the most waste for reclaimed water and removing medicine that get flushed.
- Concerned about water pipelines and getting repairs done quickly so water is not lost or contaminated.
- Concerned about drinking water being free of chemicals.
- Concerned about the cleaning of waste water.
- Concerned about using too much water- one member was from Europe and said people use less there.
- Concerned about aquifer pollution- the KAFB spill and other toxic elements getting into the water as aquifer level drops.
- Concerned about Rio Rancho using Albuquerque's water and unregulated wells on the west side.
- Group talked at length about how they could not allocate money without having more information.
- Concerned about drinking water because it is related to health and the other infrastructure needs are "out of sight out of mind."
- Concerned that the water from the San Juan/ Chama project needs expensive treatment and should guide resource allocations.
- What is the difference between drinking water treatment and waste water treatment?
- Concerned about drinking water plants and water pipelines - water pipelines are old and breaking.
- Concerned about waste coming up when it rains, the city workers are exposed to the waste.
- Sewer pipelines are not as old as the drinking water pipelines.
- Concerned about the taste and quality of the water.
- Concerned about the high costs associated with treating river water.
- Concerned about stopping problems with water pipelines before they happen.
- Wastewater treatment costs a lot but keeps water clean and is easier to use than reclaimed water.
- Concerned about water pipes – the water getting into the house that is coming from the river.
- Concerned that leaking pipes waste the efforts of the drinking plant to purify water.
- Broken pipes are visible - repairs bring awareness but maintenance is important to containing costs.
- Concerned about drinking water plants. Are they sterilized? How do we address hard water?
- The sewer system is newer than water system but the lines are not pressurized which can lead to build up.
- DON'T EVER WANT BROKEN SEWER LINES!
- Concerned about school safety and disease with broken sewer lines.

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- Concerned about drinking water purification/treatment. How clean is aquifer water?
- Concerned about wastewater because this is where it all starts. Is wastewater reusable? Should not send dirty water downstream.
- Concerned about pipe lines – consider them the finish line. Pipes break and it costs more to fix them after they break and it is inconvenient to tear up the streets.
- Water quality is collectively important
- Concerned about the fuel at KAFB leaching into the soil.
- Concerned with drinking water pipelines because they are old and need replacement and are expensive, destructive and wasteful when they break. Pressurized water creates more waste and potential issues than gravity fed systems like sewage.
- Concerned that minor leaks in drinking water lines are treated as a low priority and also concerned about the priority of major leaks.
- Concerned about the wastewater treatment plant. How well are we treating the water before it's released into the river?
- Concerned about the asset groups that are the most expensive and want to understand why that is.
- Concerned about water quality and about getting accurate and trusted information from the water utility.
- What are the changes in water chemistry with the use of San Juan Chama surface water and do these changes cause stains/discoloration with sinks, tubs and toilets?
- Concerned about drought conditions in NM and decreasing snow pack.
- Concerned about the KAFB spill and clean-up efforts and the enforcement of the clean-up.
- Concerned about water wasters- both individuals and business and the enforcement of fines or penalties.
- Concerned about sewer line distribution sites. What are the pipes made of?
- Concerned about drinking water quality - bacteria and threats to physical health.
- The river needs clean water for the biotic life.
- Is the wastewater plant producing clean water?
- Concerned about all pipelines and the age of the system.
- Concerned about the quality of water coming into the homes from the drinking water plants.
- Concerned about the whole system due to age – for example, the sinkhole on Lomas.
- Concerned about water going back into the river.
- The group felt that without more information it was hard to divide the money.

What infrastructure improvements are you least concerned about?

- Who wants to pay for waste?
- Less concerned about sewer lines and water pipelines - assume the pipeline infrastructure was 'solid'.
- All 4 asset groups equally important.
- Less concerned about sewer pipelines - it is okay if the leaks go underground and only an issue if the waste comes up in houses or residential streets. The group was not as concerned if sewer leaks emerge on streets of commerce.
- Don't think about the water after it leaves the house.
- Gray water is good for irrigation of parks and golf courses.
- Less concerned about sewer pipelines because we do not hear about sewer pipeline breaks.
- Need to make sure our drinking water is not contaminated, so sewer pipelines are not our greatest concern.
- Each aspect is linked - they all affect each other. It is hard to label a top concern. They are all important.
- Less concerned about sewer treatment- "out of sight, out of mind."
- Drinking water is more important.
- If you do not see it and it seems to be working, why be concerned?
- People were surprised about the costs involved in and requirements for sewage treatment.
- Less concerned about sewer pipelines because drinking water has the highest priority. Drinking water needs to be clean above all else
- Less concerned about sewer pipes- "out of sight, out of mind" - although this group's allocation matched the CIP.

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- Should divide resources equally among all 4 infrastructure needs.
- Less concerned about wastewater treatment and sewer pipelines.
- Wastewater and sewer pipes are “out of sight, out of mind.”
- Less concerned about the wastewater plant - it’s a new enough facility and should be okay for now.
- The group was very reluctant to put their tokens into any one place without more information.
- Less concerned about water treatment facility - It is a fairly new system, so it should not require as much work as the older systems.
- Less concerned about sewer pipelines because of the drought.
- Less concerned about sewer pipelines and wastewater treatment plant because they do not seem to be having any issues.
- Less concerned about drinking water plant because water probably has to meet standards already so it should be fine.
- Less concerned about water pipelines because assume water pipes are up to date (see many repairs).
- Less concerned about water pipes - seem to be working just fine.
- Assume the City addresses water and sewer lines concerns and maintains the infrastructure.
- Assume that the drinking water quality is monitored closely.
- Less concerned about the sewer plant because it is easier to maintain.
- Some areas of Albuquerque have problems with water lines, others with sewer lines.
- Less concerned with sewer and drinking water pipelines believing there are more cost effective ways of maintaining these pipelines, offering the example of Philadelphia’s Water Authority.
- Less concerned with the drinking water plant because the waste water plant does such a good job of filtering water.
- Group members agreed that concern over infrastructure depends on what part of the City or State a person is in.
- How dirty/sludgy is the wastewater going into the treatment plant? All agreed that purification and filtration has become very advanced.
- Is rainwater caught or used by the Water Authority?
- Is Albuquerque’s main source of water ground and river water?
- Less concerned with sewer pipelines because they seem to be the Water Authority's lowest priority and sewer problems seem to get fixed as they pop up.
- Drinking Water is very important but it is probably already taken care of.
- Concerned with fluoride in water.
- What are the ages of pipes?
- Given the water treatment plant is complete, water treatment does not need any more or limited funds.-
- Less concerned about sewer pipelines and the sewer plant - not as old as the drinking water plant and pipelines.
- Sewer pipelines are easy to take for granted.
- The sewer system works better than the other asset groups.
- Less concerned about the wastewater plant. Who cares about Texas? The group was not worried about the sewer system as long as it does not impact drinking water.
- Annual water quality report shows the wastewater system is fine.
- Less concerned about sewer pipelines because they work via gravity and are not pressurized, so they are potentially less wasteful and destructive when breaks occur.
- Less concerned about sewer lines because there are more repairs of water lines and fewer repairs of sewer lines happening throughout Albuquerque.
- The drinking water plant is fairly new and perhaps needs fewer resources.
- What are the costs of transporting water and what are the water lines made of?
- Less concerned about sewer treatment- “out of sight out of mind.”
- Less concerned about pipes- both drinking and wastewater-“out of sight out of mind.”
- How often is the water tested?
- What's going on at KAFB? Is it contaminating city wells?

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- Concerned about city parks' sprinkler systems. Is there a hotline set up for water wasters?
- Is fluoride added to the water?
- Let the City/County just handle things, they know best.

Exercise B: Participant Input Regarding the Water Authority's Initial CIP Priorities

Where are the biggest discrepancies between your priorities and the Water Authority's priorities (their planned spending)? Why do you think that is?

- The Water Authority's CIP priorities are the inverse of the group's priorities.
- The Water Authority has to meet regulations and that is why wastewater is the CIP's priority.
- Infrastructure for drinking water plants is already leased, therefore a low priority for the Water Authority.
- The group allocated more to drinking water facilities than the CIP because having enough clean drinking water is most important issue.
- The group allocated fewer tokens to the wastewater treatment facility than the CIP because this "invisible" operation is taken for granted.
- Concerned about being unaware of the causes for the regulatory violations that have occurred.
- Who are we were using as a model city for comparison?
- Concerned that the CIP is reactionary and wanted to know what could be done to prevent issues at the wastewater plant.
- The group allocated more tokens to the drinking water plants than the Water Authority's CIP. Infrastructure for non-potable water is "out of sight, out of mind."
- The group was much less concerned about wastewater treatment infrastructure than the Water Authority's CIP. They discussed not knowing that grease and other substances are a problem and also that products labeled as 'flushable' are misleading.
- The group allocated much less to sewer pipelines than the CIP – "out of sight out of mind." The group was unsure or unconvinced how often sewage pipe leaks actually happen.
- The group allocated less to the wastewater treatment plant than the CIP allocation. The group felt that plant operational costs were probably too high and the Water Authority should become more cost efficient.
- Concerned that giving the Water Authority more money will encourage unnecessary spending.
- The group's allocation to wastewater treatment was much lower than the CIP.
- We do not hear things on the news about wastewater or see the waste water plant- "out of sight out of mind."
- The Water Authority works with water, so they know what the highest priority is. We do not see it on a daily basis
- The group allocated more money towards drinking water plants than the CIP.
- There has been a lot of talk about shortages in water. We should be working to conserve water.
- Take care of old pipes and pumps now
- We are in a drought, so drinking water is a priority.
- The main focus of the news is on the drought and water shortages.
- I used less water, but my lawn died.
- The group allocated less than the CIP to wastewater treatment and more to drinking water. The group did not realize the costs involved in sewage treatment.
- Drinking water is higher in public perception – again sewer waste is "out of sight out of mind."
- The group allocated more to drinking water treatment plants than the Water Authority's CIP and less to wastewater treatment.
- The group allocated more money to drinking water plants than the CIP and fewer to Wastewater treatment. The group matched the CIP in their allocation to water and sewer pipes.
- Sewer treatment is "out of sight out of mind" and the group was not aware of the high quality of and minimal treatment required by incoming water from the aquifer or river. Wastewater treatment's resource needs surprised the group.
- The group allocated more resources to drinking water infrastructure, especially pipelines, than the CIP and less to wastewater treatment.

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- The group allocated less funding than the CIP to the wastewater plant.
- Better decisions would have been made if they had more information
- The relative importance of each of the four asset groups changes all the time.
- The group allocated more tokens to the drinking water plant than the Water Authority's CIP because of health concerns.
- The group would have allocated differently and more aligned with the CIP if they had been given more information first.
- We need to spend more money on wastewater.
- We pay to have water potable - it is what we are most concerned about.
- There is a difference between what we think is important and what the City thinks is important.
- Sewer backup from construction on west side causes problems. It was supposed to be fixed years ago.
- We must fix pipe breaks- takes money and energy. How many pipes might break?
- The group allocated more than CIP to the water pipelines and the water treatment plants and less to sewer pipes and the waste treatment plant.
- The group's allocations to sewer pipelines matched the CIP.
- The group allocated less to the wastewater plant because jobs in wastewater are not noticed (not so glamorous).
- People don't care what goes in the drain
- The group allocated less to the wastewater plant than the CIP.
- We see failure in lines, we don't see the plants.
- Information about the age of the plants and the need for improvement needs to be communicated to the public.
- The group allocated more money to the drinking water plants than the CIP. They felt that they didn't have enough information about where the water comes from and the process in which it is cleaned to assure them that the water they get is cleaned.
- Concerned about hard water.
- The group allocated fewer tokens to the wastewater plant than the CIP – “out of sight out of mind.”
- Don't postpone capital needs to next generation
- Need education about items that are allowed down the drain and what is not allowed.
- The group allocated about half to the wastewater plant than the CIP.
- The group allocated roughly double to the drinking water plant than the CIP.
- The group was also moderately less concerned about sewer pipelines than the CIP.
- The discrepancies existed due to lack of information, especially regarding the wastewater system's needs.
- The group allocated less to the wastewater plant than the CIP because there is not enough education and the public's emphasis is on drinking water.
- The group allocated more tokens to drinking water because it is very important and most visible to the people – it is about individual perception.
- The group allocated the most resources to drinking water plants – significantly more than the CIP and allocated fewer resources to wastewater treatment.
- Pipe allocations- both sewer and water - compared with the CIP.
- The group allocated much less to the wastewater plant than the CIP and more tokens to the drinking water plant.
- The group allocated more to the water pipelines than the CIP.
- The group allocated more tokens to drinking water plants than the CIP and fewer tokens to the wastewater plant.
- The group had assumed that water pipes require more money for upkeep and was unaware of the wastewater plant's needs because of lack of information, and not “seeing” the plant.
- Why are we not replacing pipes before they break?
- Who sets the standards? Who allocates funds? Why?
- Contaminated water on the base doesn't seem to be a huge concern.
- Is there monitoring of point-source pollution?

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- Why are sewage pipelines getting so much funding? Not really necessary.
- Drinking water is over funded and takes away from other areas that need funding.
- The group allocated more tokens to drinking water plants than the CIP and fewer tokens to the wastewater plant.
- The group allocated more tokens to drinking water plants than the CIP and fewer tokens to the wastewater plant.
- The group allocated more to drinking water pipelines than the CIP.
- Customers have a “more personal connection” to drinking water, and a non-existent connection to, or knowledge of, the wastewater system. Customers see water line repairs occurring throughout Albuquerque which drives concerns over potable water being wasted.
- The group allocated fewer tokens to wastewater treatment than the CIP and more to drinking water.
- The group’s allocation to pipes - both water and wastewater was similar to the CIP.
- The group allocated less to the wastewater plant than the CIP.
- The group allocated more tokens to the drinking water plants.
- The group allocated fewer tokens to the wastewater plant than the CIP. A retro-fit would cost less than a whole new system. The public has been told that there are no problems with the wastewater plant.
- The group allocated more to the drinking water plants and water pipelines than the CIP due to a general lack of information. They would have allocated their money differently if they had been given more information.

**What information do you need that might help you better understand/support the Water Authority’s priorities?
(What questions are important to answer?)**

- Provide education on how sewer pipelines impact public health – e coli etc.
- Provide education on the current conditions and status of the assets groups.
- Provide education on how the Water Authority needs to meet regulations and make capital improvements.
- Explain how much money is going into repairs.
- Explain that money is saved when pipe replacement is not an emergency.
- Explain that there is a \$35 million dollar shortfall.
- How much does it cost to treat 1 gallon of water?
- Explain that sewer pipelines and the wastewater plant are very old and that the plant has had no attention since the 70's.
- Explain that a drinking water facility involves a much simpler process than sewage treatment and that the costs of repairs to the wastewater treatment plant are also more expensive.
- Provide education on planned spending amounts and provide ongoing updates.
- Is economic growth part of these projected numbers?
- What are the projected costs for rehabilitating the pipelines areas?
- What are the new water supply charges?
- What is the long term plan for drinking water supply?
- Provide education to customers on what can be done at the user level to prevent issues further down the waste stream such as disposing of old medications and grease/ fats.
- Provide education to the customer on how resource intensive the wastewater treatment plant is.
- Provide information regarding how wastewater is integrated into the entire water system.
- Explain how much money is spent annually on infrastructure, and which infrastructure needs take priority in terms of funding allocation.
- Provide a cost analysis of emergency repairs vs. preventive replacements to prove that it is cheaper to be proactive. The group cited inconvenience in both cases and would rather have short/quick interruptions than a long term inconvenience.
- Provide education regarding the EPA regulations that need to be addressed - complying with the EPA is important and an acceptable reason for resource allocation.
- Provide more education – the public will then understand the need for more resources.
- Provide education to customers that the rate increase is coming.
- How is the Water Authority spending their money? Provide answers in bill.

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- What are the needs of the City?
- Inform customers that the wastewater plant is part of the Water Authority - customers think it is separate.
- What are the percentages of pollutants going into drinking water? What is allowed? What pollutants are in the water?
- Need oversight.
- What are the standing wastewater violations that the Water Authority is facing?
- What are the conditions of the wastewater plant?
- Need more information on social media, with bills, on TV and on line.
- Create stories around Water Authority's successes (a school's use of rain water for gardens) etc.
- Provide education on the aquifer recharging and that a combination of ground and surface water is available to Albuquerque.
- Provide information on the discharge standards and fines to help customers understand the CIP's prioritization of wastewater infrastructure.
- Concerned about potential litigation connected with discharge that isn't up to standards.
- Build understanding of associated risks of the 4 asset groups.
- The group wanted more information on health and safety issues involved in wastewater management.
- What specific infrastructure is most at risk?
- The group had not been aware of the strict regulations due to Isleta Pueblo.
- Provide information on the standards required by Isleta Pueblo.
- The public needs to be made aware of permit violations so they know how important it is to spend in these areas.
- Education is the key. The public is not aware of the City's water issues, maybe if they knew the water bill wouldn't be such a shock.
- What are the needs of the Water Authority?
- How much of the total system is in need?
- Public needs to know what's proper to go in the drain's garbage disposal (issues with grease, oil, bones).
- Concerned about car washing on the street.
- The group was impressed with the thoughtfulness and planning of these systems.
- Is there renewable energy from operations?
- Provide information on the reasons why the wastewater plant is outdated.
- Provide information in our bills when major repairs are necessary.
- What does the Water Authority do to be proactive and how does it save money for repairs?
- Keep up with repairs on an ongoing basis.
- Provide information on what actions have been effective then outline the next steps.
- Provide education about what can and cannot go down the drains - home and street drains.
- Provide education about the age of the system and the consequences if things are not repaired.
- Provide education about the water after it leaves Albuquerque.
- Provide education about the cleaning process for drinking water.
- Need more information about the cost of infrastructure repairs, and knowledge about the materials of the aging infrastructure.
- What is the amount of manpower needed to operate the drinking and wastewater plants?
- Concerned about the ABCWUA's customer service - not enough people answering phones, but the workers always seem idle. The phone system is a maze-and don't like that bills are addressed to: "Current Resident".
- Water bills are too high and it is unfair to shut off low income people.
- ABCWUA should go after large water users who owe lots of money, not individuals and families.
- ABCWUA is not accountable to stockholders like PNM and so is less responsive as an organization."
- How much does it costs to fix infrastructure?
- What are the costs of putting unfit items into the sewer system?
- Provide statistics about the Water Authority.
- Provide more information on the Internet, with the bill, and in newspapers.

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- Provide quarterly statements similar to the water quality report on infrastructure needs and include conservation tips, successes, etc.
- Concerned about KAFB clean-up and who pays for the contamination.
- Provide education on the criticality measure.
- Provide education on how the system works, the information that was displayed in this meeting.
- How much does it cost to fix infrastructure?
- Need statistics about the Water Authority.
- Need more information on methods of research, data from research, and meaning of research.
- Need information on infrastructure. What kind of pipes do we have, how old, and why do they break?
- Provide information on why rates are raised, even with conservation.
- Show what lessons have been learned from other cities.
- Provide more public education and events like this.
- Need more information on the KAFB jet fuel spill, and general public health issues relating to the water system.
- The group repeated over and over about needing better information from the water utility. They felt they could not allocate money fairly in the first exercise because of this.
- The Group felt the public needed to understand what was most expensive to the ABCWUA.
- Need to provide more data and education.
- There is a lack of public interest in these issues.
- Provide education on the budget numbers.
- Provide education on the status and risks of the facilities.

What is your best advice to the Water Authority to bridge the possible gaps in perception, understanding, and support as it begins to present the Capital Improvement Plan to the community?

- People read information sent with their water bills.
- Customers will trust the Water Authority's findings and their decisions to spend money if the facts are laid out.
- Get customers' support to raise rates. If people oppose, help them understand the needs.
- Place pamphlets in water bill.
- Place flash ads during football games on T.V.
- Place ads before or after the evening news.
- Conduct public service announcements.
- Get the word out about the age of the treatment facilities and sewer lines because customers are uninformed.
- Use the internet.
- Use TV and billboards to educate the customer on what is ok to put down the drain.
- Create better and more obvious inserts in the water bills.
- Make inserts bolder and more colorful.
- Customers in rentals and apartments do not receive a bill and therefore do not receive the same education as the owners and management.
- Provide education to the public about infrastructure issues and problems.
- Explain why those problems may impact taxes and fees.
- Include more information regarding infrastructure and system needs in the bill.
- Solicit more customer input.
- Educate on what not to put down the drain – this will reduce wastewater treatment plant costs.
- Why do EPA rules and regulations change all the time?
- Provide more information about the degree of violations and how they compare to other cities. If we are not as bad as other cities what's the problem?
- Educate about the age of the pipes and equipment in individual neighborhoods and place specific information in the bills.
- Put educational information in the water bill.
- Continue to have more community conversations that solicit the opinions of the public.
- Gather more data from the people.

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- Commercials are incredibly effective. The new grease commercial has made a difference.
- Investigative reporting can make the citizens more knowledgeable.
- Use public service announcements.
- Place a teaser on the water bill -a short information bubble on the water bill to point to an information packet.
- Use incentives - reimbursements in water bills are incredibly effective – “money talks.”
- Provide more information about Albuquerque’s conservation success and that investment in infrastructure is an investment in the future.
- Use more commercials and provide more information in the water bills.
- Conduct more outreach and provide more economic incentives.
- Don’t lie to customers (tell the truth, and don’t withhold information).
- Don’t wait so long to fix the sewer infrastructure.
- Do a better job the first time (build with quality materials to prevent emergencies/damage).
- Wastewater is important because it is returned into the river.
- Everyone reads the information that comes with the water bill.
- The City needs to expand graywater. All wastewater should be used as graywater.
- Sewer pipes, treatment and costs need to be made more visible through the media.
- Need to emphasize that all uses are part of a cycle and circle.
- Include links on bills to educate customers about infrastructure issues and to help them better understand charges.
- Provide more public education and make available more information online. Online information is crucial.
- Tell the public about the current risks and the violations in the past.
- Use newspapers, online campaigns and water bill flyers.
- Promote water reuse, conservation and rain barrels.
- Use a multi-faceted approach for outreach - radio, TV and commercial outlets to spread the word.
- Use local media to report risk concerns and funding needs.
- There is a good campaign on grease but there is a need to connect it to the risk.
- Provide more education to the young about conservation and how the water system works. Education is very important.
- Create leaflets and place a one sentence blurb about the leaflet topic directly on the bill for those that only read the bill.
- Use the local television stations and PSA’s.
- Post on the website more information about the ongoing works of the Water Authority. This will engage the public more build understanding about why the bill has to go up and where the money is being spent.
- Conduct more public meetings and tours.
- Place a contact phone number on the leaflets because not everyone has a home computer.
- Conduct more community meetings.
- Develop more accurate water meter readings.
- Create incentives- money works
- Charge large water uses extra.
- Provide education on T.V. and radio. Ads on conservation issues have worked and can also work for sewer and water system issues.
- Publish handouts and distribute in the newspaper
- Include more info in the water bills.
- Place inserts in the bill.
- Reach the young by providing a separate insert for middle and high school age students.
- Work with teachers to incorporate information into their geography classes or green living classes.
- Place new pieces on the evening news.
- Use PBS adult and children shows.
- Use NPR radio for the older citizens.
- Develop visual aids - young kids learn values with visual aids that can last a lifetime.
- Use PSA’s.

Appendix D – Part 1: Infrastructure Renewal Customer Comments

- Use Kids radio
- Develop TV contests that are interactive for 18-22 year olds several times a years - like during the balloon fiesta.
- Use social media such as 20 second videos that are sharable and taggable.
- Share dramatic pictures of sink holes with the public.
- Provide more informational flyers on no grease in drains, EPA's pressure to meet requirements, and Silver awards.
- Provide more meetings and opportunities to talk and not just complain.
- Provide pictures of sinkholes, broken pipelines - they are impactful.
- Create "poop fairy" campaigns for grease.
- Use media outlets – TV.
- Provide education on what happens in the City.
- Keep information short, and then link to website, videos.
- Provide free stuff – like showerheads.
- Use social media.
- Provide education in schools to catch the next generation – develop week-long curriculum.
- Create an iconic figure to represent water to get students excited and bring info home.
- Keep things short when it comes to communicating and provide an opportunity to learn more information online or elsewhere.
- Make public aware with ads, TV, radio, PSA's - do it regularly.
- Have forums like this every quarter and provide updates.
- Educate school children; give tours of water and sewer treatment plants.
- Provide education through neighborhood associations.
- Be visible in the community by being at community events like gatherings in neighborhood parks, street fairs, church fiestas, etc. The police and fire departments have a presence at these types of events and are able to talk to the public and give out information.
- Use PSA's.
- Place notices in the monthly water bill.
- Conduct more meetings like this one and have them at community centers and local schools in order to reach more people.
- Use electronic billboards and freeway billboards. They can be impactful – for example, the "Water by Numbers" billboard.
- Conduct meetings with ABCWUA's "Head Honchos" to provide in-person education for adults.
- Incentivize conservation and provide information on how customers can help address water issues.
- Place information on the TV, the Internet, and in schools.
- Educate the public about infrastructure needs and focus on young children in the schools first.
- Provide statistics or informational graphics printed on the white space of people's bills - where it is likely to be seen.
- Provide graphics like "Water by the Numbers."
- Use PSA's on T.V. and radio.
- Promote sewer friendly products.
- Provide hands-on children's classes to educate them at a young age -at the Bio-park, Zoo, and Public Schools.
- Provide a checklist on the bill with information about the proper use of the sewer.
- Use informational stickers, mostly targeted towards kids since they love stickers.
- Provide zoo tickets or similar rewards to homes that meet certain goals.
- Get good information out to address misinformation and provide information that is personalized to part of town or neighborhood.
- Concerned about bill format- want water cost separate from trash and recycling.
- Conduct outreach to neighborhood associations.
- Conduct small group meetings.
- Provide inserts in bill and a website that has videos\tutorials.

Appendix D – Part 1: Infrastructure Renewal Customer Comments

- Use social media, Facebook, Twitter, -something easy that saves time and effort
- Use personal interactions so customers can ask the experts.
- Work at the grassroots level.
- Use newspapers, pamphlets in the mail and newsletters.
- Use social media that goes in both directions so that allows the public to speak.
- Use multifaceted media to hit all ages and social ranges.
- Add more public information to the quarterly newsletter.
- Create a website just for tracking concerns.
- Create a short web name so it is not hard for elderly to search for the website.
- Provide tours.
- Place inserts in the bill.
- Conduct more meetings.
- Use TV newscasts.
- Show why water pipelines are less critical than wastewater treatment in order to change the mindset of the general public.
- Use billboards and PSA's.
- Provide education on what is actually important to address misperceptions.
- Notify the news when there is pipeline construction and replacement – place signage at construction sites that give more information ("this is a sewer repair"etc.).
- Provide education on awards won by the ABCWUA.
- Put information on water bill – everyone reads it – include facts, dates, tips, FYI's, etc.
- Conduct more involved meetings/forums like this – they are a big help.
- Conduct tours through plants – really informative- treatment process is very thorough and reassuring.
- Provide facts and data on your bill, perhaps in a "Did you know..." format.
- Have the City demonstrate good water use practices, such as following 1-2-3-2-1.
- Post fliers, show commercials at doctor's offices, and coffee shops etc.
- Provide easy access to information on water quality.
- Use television and film, PSA's, and social media communication.
- Conduct tours of the wastewater facility
- Provide more information about 'output' lines (meaning the sewage and waste system).
- Provide rebates and incentives to increase conservation.
- Use billboards, TV, and news coverage regarding conservation and public health issues related to wastewater.
- The group wrapped all of their ideas into the term "360 degree education," meaning that the ABCWUA should utilize schools, every available media outlet, and public events / community engagement, to communicate water system needs and priorities.
- Provide more information to allow consumers to understand the Utility's needs and priorities. Users range in ages from teens to seniors 100+, and each group responds to different media and has different concerns. The Utility needs to find multiple and unique ways of reaching each group.
- Use PSA's, more visible bill inserts, newspaper inserts, and social media etc.
- Partner with museums, schools and other venues to educate the public. Schools have a strong need to include more science in the class room and the ABCWUA can help while educating and informing their customers.
- Provide information on tossing fats and oils versus letting them go down the drain - this could save the utility money.
- Use simple messages (See a leak? Report it; See a waster? Let us know, etc....)
- Customer priorities and concerns vary depending on where they live (by the river, in the Heights, near KAFB) and so the Water Authority should use different messages to target different areas.
- Use images and highlight unique concerns and local issues. For example- ABCWUA must release water into the Rio Grande cleaner than most other areas in the country because of the ritual use by the pueblos along the river- This is unique and a point of pride and highlights NM's unique culture.
- Use TV commercials.
- Use evening news reports

Appendix D – Part 1: Infrastructure Renewal Customer Comments

- Provide tours to school age children.
- Organize educational projects in schools, kids learn through involvement.
- Create school handouts with projects to do at their homes.
- Place pamphlets in the bills.
- Concerned that the City's water usage is because the Ex-Mayor Chavez gave the Water Authority a bad name.
- Provide information on the local news channels.
- Place commercials during talent shows like The Voice.
- Conduct more Town Hall style meetings and provide rebates to those who show up.
- Conduct meetings at the Bio Park.
- Provide education in public school classrooms, the kids can then educate the parents.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

No Rate Increase Alternative

- Concerned about the impact on future generations.
- Concerned about lack of revenue.
- Concerned about staying with the status quo.
- Concerned that the conservation impact is neutral.
- Concerned about “passing of the buck” to later generations.
- Concerned that this option also has a negative impact on climate change.
- Concerned about not addressing infrastructure concerns.
- Liked predictable rates.
- Concerned that future generations pay.
- Liked that it will force the Water Authority to reduce costs and become more efficient.
- Concerned about the “deadly spiral.”
- Concerned that it places the burden on future generations.
- Concerned that is not realistic – rates will go up.
- Concerned that it places the burden on future generations.
- Liked that this would mean saved money for current customers but recognize that the Water Authority has bills to pay.
- Concerned that with no budget there is no man-power, degraded infrastructure, and the law of diminishing returns.
- Concerned about passing the problems of today onto future generations- and that it will be more expensive to fix problems when things break.
- We have to deal with our regulatory service levels
- The rates are going to increase- question is when/how/and how much.
- Concerned with all the cons listed and felt that without any rate increase the ABCWUA wouldn't be able to address infrastructure needs.
- The group discussed the fact that prior to the meeting they would not have supported any rate increase, but after receiving information about issues and priorities, they support some kind of rate increase.
- Concerned that it is selfish-may be affordable for this generation and no one else.
- Concerned that it is not a win for anyone - not a viable solution
- Concerned that this is not a viable option at all and without an increase now the future generations will have to pay heavily.
- Liked that they would not have to pay more at this time.
- Concerned that infrastructure needs would not be addressed.
- Liked because it is affordable but concerned about low conservation and low revenue - not the answer.
- We will not accomplish anything without both revenue and conservation; we must plan for the future.
- Concerned that you get what you pay for.
- Concerned that you put the price on future generations.
- Concerned that it is not practical.
- Concerned that it does not account for new customers.
- Concerned that not increasing rates is not feasible, the cost for repairs will go up if we do not start to fix problems now.
- Concerned that we will keep a grade of D.
- Concerned that there will be long waits on the phone when calling customer service.
- Concerned that EPA regulations need to be met and this choice will not help that.
- Liked that it is affordable for this generation.
- Concerned that it will mean higher rates for future generations.
- Infrastructure has enough allocated to it already.
- Liked the affordability, because some people can't afford their bills.
- Liked that it might cause the Water Authority to prioritize spending better.
- Concerned that the Water Authority may have to look for money elsewhere such as layoffs.
- Liked that it keeps our current rates and we will figure it out when we have a crises.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- Concerned that we need a new business model- all options are part of the old way of doing business.
- Concerned that we already have unrealistic water costs.
- Liked that there are low rates, the public needs to keep every dollar in their pocket and the Water Authority needs to budget just like citizens do.
- Concerned about higher rates in the future.
- Concerned that it is an impossible scenario, prices will go up regardless.
- Level of service has already decreased; we need to restore our level of service
- Concerned that everyone loses.
- Concerned that the cons are devastating.
- Liked that it is affordable for this generation.
- Concerned about the decline in level of service.
- Concerned about increased rates for future generations.
- Increased rates will occur anyway and that it's better to raise rates now versus later.
- Decline in service is a big deal because there are already long lines in the ABCWUA offices, a 'lack of reaction time' regarding water line issues, and compromised public trust in the ABCWUA.
- Concerned that it does not address infrastructure needs.
- Concerned that it does not think about the future.
- How did we get here? What poor policies in the past created the current situation? Does the ABCWUA have a bad business model?
- Concerned that it does not address infrastructure needs.
- Ridiculous option, should not be offering this one at all.
- Concerned about grandkids paying for this.
- Now understand why there needs to be some kind of increase.
- Don't let our infrastructure decay

Base Rate Increase Alternative

- Create an end-of-the-year rebate for customers that conserve, "Costco-style" rebates – provide a low-use discount to customers.
- Liked that the rate increases can be predicted.
- Concerned that there is not a punishment for water wasters or a reward for conservers.
- Concerned that it may unfairly impact the low income but also concerned that low income water bill assistance gives low income families less incentive to conserve.
- Liked that it would address infrastructure problems.
- Concerned that this option unfairly focuses on residential customers.
- Liked that it brings enough money to cover operational and infrastructure needs.
- Concerned that there are less consequences (surcharges) to high water users.
- Concerned that there are less rewards for low use conservation.
- Liked that it is good for the environment.
- Concerned that we should pay for high water use given that we live in the desert.
- Liked it if there is a guaranteed gap in time before the next rate increase.
- Liked that fixed rates would be helpful in monthly bill planning.
- Liked that the increase would be able to pay for new buildings as well as new and existing infrastructure needs.
- Liked that this option would cover infrastructure renewal.
- Liked that it could balance the scale between cost and service.
- Concerned that there are lower rewards for conservation.
- Concerned that it does not reward people who conserve and does not impact those who do not conserve.
- Liked that it provides predictable revenue for the Water Authority.
- Concerned about fairness and not trusting neighbors.
- Need more effective ways to treat wastewater including solar technologies and biological/ bacterial cleaners.
- Need to fix things before they break to save money and water.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- Concerned that this hurts those who want to conserve- provides no economic incentive.
- Liked that this option brought in enough revenue to cover operational and infrastructure needs.
- Concerned that there is less reward for low use conservation.
- A few members of the groups supported all cons in this quadrant.
- Liked a base rate increase because it wouldn't cause prices to spike so much in the summer and would be less jarring.
- Liked that it would meet the needs of the Water Authority and be able to support the system.
- Liked that it is the most balanced.
- They wanted this option on a temporary basis until the infrastructure was re-hauled - then the rates should be able to come back down.
- They wanted to add a usage component to this plan, not the combo option but to modify this option with a usage part that would encompass businesses having an incentive to use less water. The incentives should include penalties not discounts.
- Concerned that there is less reward and less consequences for waste, also the elderly with fixed incomes would suffer.
- Liked that there is no decline in service.
- Concerned about fairness regarding high users and low users.
- Concerned that higher users should have higher base rate.
- Concerned that the base rate increase makes it harder to pay bills for low income people.
- Liked that as the population increases, revenues will increase.
- Liked that base rate increase makes it easier to plan and budget.
- Liked consistent payments.
- Liked that there would be no rate shock later.
- Need to clarify what the money is covering - if people know exactly what the increase is paying for they will be willing to pay the higher base rate.
- Concerned that this option does not take care of the high usage consumers, no penalty or incentive for them to conserve.
- Concerned that there is less reward for low use conservation.
- Concerned that all users are 'picking up the slack' of those who don't conserve.
- Are base rates the same for everyone?
- Liked that it is able to cover operational cost which will lead to better service and sustainability and has a decent conservation rating.
- Liked the predictability of the bill and positive effects for the Water Authority.
- Concerned about awarding wasters and abuse of the water resources.
- People do not choose a place to live based on water costs.
- Liked that there will not be a rate shock.
- Liked that this covers operational costs - there is a possibility of rate decrease once repairs are made.
- Concerned about low consequence to high users - dangerous because conservation should be priority.
- Concerned about fairness regarding high users and low users.
- Liked that it has a high impact on infrastructure and conservation.
- Concerned that those who use more aren't penalized.
- Liked that it provides enough revenue to cover operational costs.
- The group acknowledged that there must be large operational costs, but needed more information to understand them. The group advised increased transparency regarding costs to build public trust.
- Liked that this solves the utility's needs. Water is cheap here and this point needs to be made to our consumers.
- Concerned about the lack of difference in the bill of a heavy user and a low user. Will people start using more water because of this and will our conservation efforts fail?
- Liked all pros listed.
- Liked the medium conservation and high revenue impact.
- We need to fill the money gap.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- Liked that this makes things work for the whole system.

Higher Commodity Rate Increase Alternative

- Liked if increase is “reasonable.”
- Liked that this impacts high water users. Can you get ‘High’ conservation another way?
- Concerned about the low revenue impact.
- Liked the positive impact on conservation.
- Concerned that bills could double overnight.
- Liked that it fairly matches rates to use.
- Liked that it means higher surcharges to high water users.
- Concerned that it defers infrastructure renewal because of revenue uncertainty.
- Concerned that there is a decline in level of service.
- Liked that it encourages conservation.
- Liked that you pay for what you use, high use consumers pay a bigger share.
- Concerned about the unpredictable monthly bills and that it might not cover core costs.
- Liked that there is more customer choice in water usage - incentives for conservation and penalties for overuse is very important.
- Liked the idea that if you use more, you should pay more.
- Liked having control over expenses.
- Concerned that this option does not address infrastructure.
- Concerned that this option is possibly close to what is currently occurring.
- Liked control.
- Liked that it supports those who try to conserve and charges more to heavy users - more “egalitarian.”
- Need sufficient revenues to meet our infrastructure needs
- Concerned that the Water Authority would be affected by the lower use of the commodity and would have trouble making ends meet.
- Liked that it makes sense in that the more used the more paid.
- Concerned about where the money will come from if customers get good at conserving.
- Liked because it awards savers.
- Raise unit cost to hurt wasters and reward savers.
- Concerned about all the pro’s listed.
- Concerned that it will be less affordable for high water use.
- There was a discussion sparked by a retired couple who own property about summer spikes in tenant water bills. It is unfair and difficult to cope with. A commodity rate increase would also negatively impact seniors.
- Is it possible to make newer developments pay higher rates with this option?
- Concerned about a private company coming in and taking over.
- Agreed that the Water Utility Authority needs to come up with a completely new business model.
- Liked the idea that if you use more water, then you pay more for it.
- Concerned that it does not generate the funds to make improvements.
- Concerned that it does not address fixed costs.
- Concerned about low revenue- the option will not accomplish anything, but high conservation is good.
- Liked that it “promotes conservation” because water conservation is important in our dry climate
- A lot of water is wasted by dentists.
- Costs would be reduced if pipelines were replaced during road pavement replacement.
- With higher commodity rate, the consumer will end up paying no matter what.
- Liked that it is good for residential users.
- Concerned that this will keep a grade of D.
- Concerned that the Water Authority will not be able to meet needs.
- Concerned about companies’ water usage - should pay for usage at higher rates.
- Liked that there are higher consequences to high water users.
- Liked that it provides incentives for conservation.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- Liked that those who use more have to pay more.
- Concerned that senior citizens use more water and cannot afford the higher rates.
- Concerned that it has a low revenue impact due to not having price stability.
- Liked that this awards those who conserve and makes those who over use pay.
- Concerned that it spirals the problem.
- Liked that there is a surcharge for higher water users.
- Liked that if you use less you pay less.
- Concerned that it is risky for revenue.
- Liked that it provides greater customer choice.
- What do commodity rates entail? What is the nature of commodity rates versus surcharges?
- Liked that this awards those who conserve our resources while charges high users. This option is the fairest.
- Concerned that this does not address ABCWUA's intense money needs. People will keep using less and less and the utility will be in the hole economically.
- Liked that it has a high conservation impact.
- Liked that it provides some control of water use and costs.
- Concerned that there is a penalty for seasonal use.

Combo Base/High Commodity Rate Increase Alternative

- Liked because it creates an equitable world and trusts the Water Authority to correctly calculate bill rate.
- Liked revenue increase.
- Liked the option because it would be supported by the public.
- Concerned about unpredictable rate increases.
- Liked that it would address infrastructure problems.
- Liked that this is the most complete and successful way to approach funding.
- Liked that the pros outweigh the cons and had medium impacts on conservation and rates.
- Suggestion - using the term 'commodity' is confusing and that using the term 'unit' or 'unit charge' would make more sense.
- Liked that it would make the most impact.
- Include starting with a base amount usage then a higher charge for any amount over that initial amount of water used, i.e. billing methods of PNM with electric usage differential rates based on usage above the initial allotment.
- They felt that the Water Authority need to come up with a dollar amount for that initial allotment of water use to be able to cover their costs and then a beneficial rate for the usage above the initial allotment. They also felt that the initial allotment would need to be sufficient so that people on fixed incomes could have a better control of their monthly bill.
- Liked that this option spreads the weight of the funds and includes a more even distribution than the other options.
- Liked because it rewards to a degree lower users and charges non conservers.
- Liked because the higher base charges allow a more stable revenue.
- Concerned that it still does not reward conservers enough.
- Concerned that there will still be revenue shortfalls.
- People don't understand the Water Authority's need to increase the base rate.
- Public education is needed for this option.
- Liked this option the most.
- Create a rate freeze similar to property tax freeze for low income users.
- Base rate and unit cost are more about stability and predictability than actual money.
- Liked that it provides enough revenue to cover all operations.
- A few group members supported all pros in this quadrant.
- The group did not support any cons in this quadrant.
- One customer was concerned that the use of customer service as a con was not valid – believed it was used as a ringer to dissuade others from supporting this option.

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- It is important to consider age when developing a rate structure.
- Liked because it is the best of both worlds.
- Liked some aspects of this but felt this one needed better public understanding.
- Concerned that it is too complicated.
- Preferred the base rate increase with modifications.
- Liked that it has a medium impact.
- Liked that it helps to conserve.
- Liked that it provides medium conservation and revenue and provides a balance that could keep prices affordable yet keep the system functioning safely.
- Who decides the base rate increase?
- What type of people will be affected by the base increase? This requires trust in the Water Authority.
- Needs to include consequences for higher users.
- Liked that the combination is the best for sustainability.
- Liked that his could address their concern for the economic future of the young people.
- Concerned that this might increase water usage.
- Liked that it encourages conservation while spreading cost more evenly.
- The group seemed to feel that the combo rate balances the trade off of infrastructure decay listed in the “No Rate Increase” quadrant.
- Liked the idea that it meets the needs of both the consumer and the Water Authority.
- Liked that conservation is good and it meets the needs of the Water Authority.
- Concerned that money is spent where it is not needed.
- Concerned because usually high users have more money and can afford to pay more.
- Is this providing revenue to the Water Authority?
- Concerned that it would involve a rate increase for all - should just be high users.
- Concerned about having a mechanism to help the poor afford rates - mechanisms such as PNM’s options.
- Liked that there is a surcharge for high water usage and benefits for low water users.
- Liked that is fair to users.
- Liked that it has the second best impact on infrastructure and conservation.
- Liked that it allows those with more to contribute to fix infrastructure and environment and also helps out future generations.
- Concerned that it will need lots of education.
- Concerned that people don’t like change.
- Liked that it provides sufficient money to cover operational costs.
- Concerned about more complicated rate adjustments and less predictable rate changes.
- Concerned that this is more difficult to understand. The ABCWUA can’t predict the economic ramifications of such changes.
- Liked that it is a good mix between meeting the Utility’s needs and still giving the customer some control of their bill. It also provides some reward for conserving and does not encourage wasting water.
- Liked that it brings in enough revenue to cover costs and meet customer needs.
- With good public education the con of fluctuating rates could be eliminated.
- Concerned that it will be harder to read and understand bill.
- Public will have to be re-educated.
- Make variable rate increase cost 60%.
- Want businesses to pay more than regular consumers.

General Comments

- Where is the avenue for alternative (graywater?) use?
- Can there be room to bill based on individual lifestyle (like insurance)?
- Is there an avenue to share graywater (e.g. Tanoan graywater to the golf course)?
- What motivates people to conserve? Does money work or do people conserve because of values?
- What about equity for high-users such as farmers?

Appendix E – Part 2: Water Rates and Conservation Customer Comments

- How do fixed-income users adjust to rate increases?
- Public wants incentives to conserve and engage with the Water Authority.
- Any rebate would be popular.
- Public wants to understand the Water Authority's needs.
- The cost of living increases but wages don't rise.
- There is a need for senior citizen/fixed income-based rebates as well as for age-based rate structures.
- The idea of fairness among consumers is important - low use customers should be rewarded and wasters fined.
- Albuquerque's population is economically challenged and any bill increase can cause hardship.
- With increased water bills will people water their landscaping less? We are a high desert climate but we don't want our city looking like a sandbox.
- Could the infrastructure needs be address via bonds or placed on the users' property tax bills and then base the water bill on a commodity use price?
- Could trash and recycling be on a different bill to highlight how inexpensive water is here?