

25-00054-UT - 2025.07.21 - Staff - Legal Division's Petition for the Commission to Open a Docket Regarding Melody Ranch Water Company LLC's Water System Breakdown and Disruption of Service with Request for Expedited Commission Action

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Date Mon 7/21/2025 12:31 PM

To Records, PRC, PRC <PRC.Records@prc.nm.gov>

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 1 attachment (1 MB)

25-00054-UT - 2025.07.21 - Staff - Petition to Open Docket Etc. + COS.pdf;

Attached is the **Legal Division's Petition for the Commission to Open a Docket Regarding Melody Ranch Water Company LLC's Water System Breakdown and Disruption of Service with Request for Expedited Commission Action** in Case No. 25-00054-UT, electronically filed today.

Peggy Martinez-Rael
Paralegal
NM Public Regulation Commission
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NEW MEXICO
**PUBLIC REGULATION
COMMISSION**

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF MELODY RANCH)
WATER COMPANY LLC'S WATER SYSTEM)
BREAKDOWN AND DISRUPTION OF SERVICE)

Case No. 25-00054-UT

**THE LEGAL DIVISION’S PETITION FOR THE COMMISSION TO OPEN A DOCKET
REGARDING MELODY RANCH WATER COMPANY LLC’S WATER SYSTEM
BREAKDOWN AND DISRUPTION OF SERVICE WITH REQUEST
FOR EXPEDITED COMMISSION ACTION**

The Legal Division of the New Mexico Public Regulation Commission (“Commission”, “NMPRC” or “PRC”), pursuant to and in furtherance of the public interest, submits this Petition for the Commission to Open a Docket Regarding Melody Ranch Water Company LLC’s Water System Breakdown and Disruption of Service with Request for Expedited Commission Action, and would show the Commission as follows:

1. The Commission has regulatory jurisdiction over water utilities as defined in the Public Utility Act, Section 62-3-3(G)(3), NMSA 1978. A "public utility" includes "every person not engaged solely in interstate business ... that may own, operate, lease or control ... any plant, property or facility for the supplying, storage, distribution or furnishing to or for the public of water for manufacturing, municipal, domestic or other uses" *Id.*

2. It is undisputed that Melody Ranch Water Company LLC (“Melody Ranch”) is a New Mexico water utility regulated by the PRC.¹

3. Among other things, Melody Ranch is legally obligated to “. . . furnish and maintain sufficient facilities to provide a continuous and adequate supply of water.” 17.12.750.11 NMAC.

¹ See, e.g., Melody Ranch Annual Report for 2024 at <https://www.prc.nm.gov/consumer-relations/company-directory/water-companies/melody-ranch-water-company/>.

4. Melody Ranch is currently experiencing a water system breakdown and complete disruption of water service to its community. *See* July 9, 2025, Letter to the PRC, attached as Exhibit 1.

5. Melody Ranch represents that the cause for the complete disruption of water service is that the well Melody Ranch uses to provide water to the community is not producing enough water to meet demand.

6. On July 11, 2025, the Legal Division requested Melody Ranch to restore water service in conformance with its legal obligations as a regulated utility or to provide the Legal Division with an adequately detailed plan of how and when the utility intends to restore water. *See* July 11, 2025, Legal Division Letter to Melody Ranch, attached as Exhibit 2.

7. On July 18, 2025, Melody Ranch responded with information regarding Melody Ranch's current situation, status, and alleged obstacles to curing the disruption of water service to the community. *See* July 18, 2025, Melody Ranch Response, attached as Exhibit 3.

8. The Legal Division and Utility Division Staff intend to conduct a site visit to Melody Ranch this week pursuant to Section 62-6-23, NMSA 1978 (Authority to enter premises) to assess the status of the utility and efforts to restore water service, and to further investigate the circumstances that have led to this emergency.

9. The Legal Division's primary and current concern is the restoration of water service to the community.

10. Therefore, and in anticipation of the receipt and/or acquisition of additional information and the likelihood of further regulatory action to restore water service to the community, the Legal Division requests the Commission, pursuant to its authority under the Public

Utility Act, Section 62-3-1, *et seq.*, NMSA 1978, Section 62-19-9(5) and (7), NMSA 1978, to open a docket regarding this matter in order to:

- publicly compile relevant information, reports, and findings regarding Melody Ranch and the status of the water service disruption;
- serve as a ready platform for other regulatory action, including but not limited to the conduct of formal discovery, as may be warranted under the circumstances; and
- to be otherwise utilized by the Commission and/or others as may be necessary.

11. It is requested that the Commission consider this to be an emergency and to act upon this Petition as quickly as possible.

Dated this 21st day of July 2025.

Respectfully submitted,

/s/ John Bogatko

John Bogatko, NMPRC Legal Division
Jacqueline Ortiz, NMPRC Legal Division
New Mexico Public Regulation Commission
P.O. Box 1269 | Santa Fe, NM 87504-1269
Email – John.Bogatko@prc.nm.gov
Email – Jacqueline.Ortiz@prc.nm.gov

New Mexico Public Regulation Commission

From: Melody Ranch Water Company

Subject: Emergency Water System Breakdown – Timeline, Actions Taken, and Request for Assistance

Date: July 9, 2025

To Whom It May Concern,

Melody Ranch Water Company respectfully submits the following report to the New Mexico Public Regulation Commission (PRC) detailing the recent emergency that has resulted in a complete disruption of water service to our community. This letter outlines the sequence of events, technical and operational challenges, remediation efforts, and ongoing coordination with local and state agencies.

In light of the prolonged outage, diminishing system yield, and exhausted financial reserves, we are formally requesting emergency financial support or guidance from the PRC to help us restore service and pursue a sustainable long-term solution.

1. Initial Low Pressure Incident – June 2025

In June, customers reported low water pressure. Our investigation revealed performance issues with both well pumps. Both units were submitted to Electric Motor for diagnostic testing.

- One motor was found irreparable, and a new unit was ordered—expected delivery: 2 months.
- The second motor was repaired, reinstalled, and failed immediately, requiring a second round of repairs, which resolved the issue.

Water service remained available—though at reduced pressure—throughout these repairs. Once completed, the system was restored with normal flow and performance.

2. Power Disruptions & Scheduled System Shutoffs

Shortly after system restoration, an unexpected power outage disabled the pump and fully drained our storage tank. We responded immediately, resetting the system and beginning refilling operations.

To supplement recovery, we purchased four (4) 4,000-gallon water tankers (16,000 gallons total) from East Mountain Water Haulers. However, a second scheduled outage by Central NM Electric halted progress.

Despite our efforts, system demand exceeded refill capacity, and we were forced to implement scheduled **system shutoffs** to protect infrastructure and promote recovery. Customers were notified promptly through multiple channels.

3. Contracted Evaluation by Usrey Well & Pump

With limited contractor availability, we hired Usrey Well & Pump Company for a full inspection.

Their recommendations included downsizing the pump motor, replacing wiring, and lowering the new pump deeper into the well. The system was taken offline during this work. Upon reactivation, performance declined again within three days.

We temporarily implemented reduced runtimes to avoid tank depletion but were ultimately forced to shut down the system completely. Calls for follow-up evaluation from Usrey were not answered for more than a week.

4. Emergency Relief & Community Measures

To support basic needs, the City of Albuquerque deployed a 6,000-gallon water tanker to the community. Due to confusion about fill levels, approximately 3,000 gallons of usable water were lost before a replacement tanker was secured—with the City's immediate support.

In consideration of wildfire risk over the Fourth of July holiday, we temporarily restored the system for a six-hour window, then implemented short nightly water releases until full shutoff was required for tank recovery.

Our operations team worked diligently to inspect and repair system components. Findings increasingly pointed to inadequate groundwater supply. Our certified water operator—who had been out of town initially—returned and has since been on site daily, working with contractors and specialists.

5. Current Status – Usrey Warranty Findings & Rural Water Involvement

The system remains **offline**.

When Usrey returned, their team acknowledged errors during the initial installation—including failure to install a pump saver. As a result, pumping capacity fell from 12 GPM to 4 GPM, and stress conditions now trigger automatic shutdowns.

A representative from the NM Rural Water Association was present for this evaluation. He has volunteered to return with testing equipment and crew to assess the well structure and water table.

We have also engaged with additional experts and selected a well contractor to move forward, pending test results.

6. Agency Coordination

Throughout this event, we've been in consistent contact with:

- NM Public Regulation Commission

- NM Drinking Water Bureau (NMED)
- NM State Engineer's Office
- NM Rural Water Association
- Torrance County Manager and Emergency Manager
- Torrance County Commissioner
- Albuquerque Bernalillo County Water Utility Authority

Each agency has supported us with technical assistance or referrals to additional resources. We have acted upon every offer of help received.

7. Next Steps and Possible Solutions

We are evaluating whether the existing well can be deepened or must be replaced entirely. We're also exploring applications through the State Engineer and seeking consultation with New Mexico Tech to survey potential water sources.

We are working with Echo Valley Water Company to explore temporary water transfer into Melody Ranch's storage tanks, pending State approval.

8. Request for Financial Assistance

Melody Ranch Water Company has exhausted all available funds in addressing this crisis. Due to the evolving nature of the problem, a total project cost cannot yet be determined—but we are unable to proceed without financial assistance.

We respectfully request the PRC's support in:

- Identifying or authorizing emergency funding
- Guiding us through regulatory pathways to access state or federal assistance
- Approving expedited measures or waivers to restore minimum service

9. Commitment and Closing

We are committed to restoring dependable, safe water service to our community and pursuing all feasible solutions to prevent future interruptions. Despite the complexity of this emergency, we have taken every possible action available to us and continue to engage with every expert and agency willing to help.

We appreciate the Commission's continued involvement and respectfully request your assistance as we work to resolve this crisis.



NEW MEXICO
**PUBLIC REGULATION
COMMISSION**

COMMISSIONERS

GABRIEL AGUILERA
GREGORY NIBERT
PATRICK O'CONNELL

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

CHIEF OF STAFF

Cholla Khoury

July 11, 2025

VIA E-MAIL:

Tracey Padilla, Manager

Echo Valley Water Company
Melody Ranch Water Company
PO Box 51615
Albuquerque, NM 87181
(505) 832-4092 office
(505) 835-5349 fax
echoandmelody@gmail.com

Re: **MELODY RANCH WATER COMPANY DISRUPTION OF SERVICE ISSUES**

Dear Ms. Padilla:

We are aware the Melody Ranch Water Company has had a complete disruption of water service to the community it serves. While we appreciate your open communication and your efforts to restore water, a continued disruption with no restoration date in sight is unacceptable and will not be tolerated by the New Mexico Public Regulation Commission (the "PRC").

As you should be aware, Melody Ranch Water Company has a legal obligation to:

... furnish and maintain sufficient facilities to provide a continuous and adequate supply of water. The total supply system capacity shall meet the daily design maximum peak demand and shall meet the design average-day demand with the largest pump or well out of service. Unless other acceptable provisions are made, a minimum of two (2) supply sources shall be provided.

17.12.750.11 NMAC. Any neglect regarding the legal duty to provide adequate and continuous water utility service in conformance with 17.12.750.11 NMAC or any other governing principle offends the public interest and cannot be tolerated. Therefore, if water is not restored or you have not provided the PRC with an adequately detailed plan of how and when you intend to restore water, within one week from the date of this letter, or on or

before July 18, 2025, the PRC will be forced to initiate legal proceedings against you to protect the lives and safety of the New Mexicans you serve. The PRC reserves the right to pursue all legal rights and remedies and waives none.

If the PRC can continue to assist you in the water restoration in any way, similar to how we have been doing for the past several weeks, please let us know. The well-being of the community is our utmost priority.

We look forward to your imminent response.

/s/ John Bogatko
John Bogatko
Acting Legal Division Director
John.Bogatko@prc.nm.gov

cc: Cholla Khoury – Chief of Staff - Cholla.Khoury@prc.nm.gov
Jackie Ortiz, Deputy Legal Division Director – Jackie.Ortiz@prc.nm.gov
Ed Rilkoff – Utility Division Director – Ed.Rilkoff@prc.nm.gov
Gabriella Dasheno – Deputy Utility Division Director – Gabriella.Dasheno@prc.nm.gov
Timothy Martinez – Utility Division Engineer – Timothy.Martinez@prc.nm.gov

Melody Ranch Water Company

Response to PRC Letter Dated July 11, 2025

Date: July 16, 2025

VIA EMAIL

To: PRC Commissioners, Chief of Staff, and Legal Division Director

Dear Commissioners and Staff,

We respectfully acknowledge the concerns raised regarding the recent service disruptions. We fully agree that the situation is unacceptable and have been working urgently to implement both immediate and long-term solutions.

Operational Updates:

Our foremost priority remains the well-being of our customers. We are currently working to fill our storage tank to a level that allows service to resume while maintaining the refill cycle. We anticipate receiving 16,000 gallons of hauled water on Friday morning, which will enable approximately 12 hours of daily water availability. Overnight shutoffs will continue in order to allow for tank recovery. We intend to maintain this temporary schedule until permission to drill a supplemental well is granted.

Emergency Well Drilling Plan:

We have consulted with a licensed well driller who provided a cost estimate of \$50,000 to \$75,000 for a supplemental well. Subject to emergency approval by the Office of the State Engineer, this work could be scheduled within weeks. An emergency application has been submitted.

System Investments To Date:

We have continued investing in repairs, upgrades, and replacement components to stabilize the system. Expenditures include:

- Baker Utility Supply: \$1,308.73
- Electric Motor Co.: \$6,228.66
- Additional Equipment: \$1,261.24
- Power Up Electric: \$523.50
- Amazon (infrastructure): \$601.73
- Usrey Well & Pump: \$902.46
- Additional Well Repairs: \$1,888.91
- Replacement Components: \$4,500.69
- East Mountain Water Haul: \$1,354.00
- Water Transport (recent): \$1,142.00

Financial Status and Support Requests:

We have submitted funding applications to our current bank and to federal programs, but have not yet received confirmation or approval. Given our limited operating capital, the company may

face insolvency if immediate financial support cannot be secured. We respectfully ask the PRC and the State for assistance in identifying viable financing options or emergency relief avenues.

Regulatory Request:

In accordance with 17.12.740.15 NMAC – Assistance of Commission Staff, we kindly request guidance from Commission Staff on whether the above actions and this summary meet the expectations of “an adequately detailed plan.” We are committed to transparency and compliance, and appreciate any feedback or clarification the Commission can provide.

Thank you for your consideration and continued support as we work to restore consistent and reliable service to our customers.

Sincerely,

Melody Ranch Water Company

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF MELODY RANCH)
WATER COMPANY LLC’S WATER SYSTEM)
BREAKDOWN AND DISRUPTION OF SERVICE)**

Case No. 25-00054-UT

CERTIFICATE OF SERVICE

I certify that true and correct copies of **Legal Division’s Petition for the Commission to Open a Docket Regarding Melody Ranch Water Company LLC’s Water System Breakdown and Disruption of Service with Request for Expedited Commission Action** was electronically sent to each of the following on this 21st day of July 2025:

Tracy Padilla	echoandmelody@gmail.com ;
John Bogatko	John.bogatko@prc.nm.gov ;
Jacqueline Ortiz	Jackie.Ortiz@prc.nm.gov ;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov ;
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Greg Nibert	Greg.nibert@prc.nm.gov ;

DATED this 21st day of July, 2025.

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Peggy Martinez-Rael (Electronically signed)
Peggy Martinez-Rael, Paralegal