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SANTA FE
BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING

August 22, 2007

Virginia Vigil, Chair
Jack Sullivan, Vice Chair
Paul Campos
Michael Anaya [Excused]
Harry Montoya

SFC CLERK RECORDED 10/15/2007

SANTA FE COUNTY
SPECIAL MEETING
BOARD OF COUNTY COMMISSIONERS

August 22, 2007

This special presentations meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:10 a.m. by Chair Virginia Vigil, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

Commissioner Virginia Vigil, Chair
Commissioner Jack Sullivan, Vice Chairman
Commissioner Paul Campos [late arrival]
Commissioner Harry Montoya

Members Absent:

Commissioner Mike Anaya

V. INVOCATION

An invocation was given by County Clerk Valerie Espinoza.

VI. APPROVAL OF THE AGENDA

Commissioner Montoya asked that item B be moved to the top of the agenda to accommodate the schedule of Ms. Feldblum. He moved approval of the agenda as amended. Commissioner Sullivan seconded and the motion passed by 3-0 voice vote.

VII. PRESENTATIONS

B. Presentation regarding the Health Security Act

Mary Feldblum, executive director of the Health Security for New Mexicans

Campaign, stated her group was a coalition of 128 organizations. Twenty-five cities and counties also endorse the Health Security Act. They have held over 600 meetings, presentations and workshops, leading to a strong grassroots plan for the state. The plan they advocate would cover almost everyone with complete freedom of choice of doctor and hospital, achieved through a “go-slow” process. She referred to the data in the packet from Mathematica which demonstrates this model is the only one of the three reviewed that saves money. She said she hoped Santa Fe County would add its name to the list of counties endorsing the plan.

Commissioner Montoya said it appeared the Health Security Act does provide some sort of comprehensive coverage. “I think we need to look at the merits of all and do what’s in the best interest of all people as opposed to the interests of a few.”

VII. A. Recognition of Santa Fe County Dispatcher Melissa Sisneros honored as “Dispatcher of the Year” by the State EMS Bureau

Becky Martinez from the Regional Emergency Communications Center pointed out that dispatchers are in a sense the true “first responders” and rarely find out the outcome of the calls they receive. She stated Melissa Sisneros was hired as a dispatcher in September 2001 and exemplifies the 911 professional. Ms. Martinez recounted an incident of August 17, 2006 wherein a young man was struck by lightning and was unconscious. Ms. Sisneros was able to coach his grandfather in CPR and the young man regained consciousness.

Commissioner Vigil congratulated Ms. Sisneros and thanked her for her services to the citizens of Santa Fe County. Ms. Sisneros said it was nice to be recognized. Commissioner Sullivan added the congratulations of Commissioner Anaya, who was unable to be present.

VII. C. Fore Kids of Santa Fe, Incorporated Presentation

Molly Whitted thanked the Commission for their annual support of the golf tournament held in support of kids. She said the County was one of the longest sponsors. Last year over \$11,000 was raised to fund scholarships to the Genoveva Chavez Center, Marty Sanchez Links and the AYSO Soccer League. She said the program is the dream child of Peso Chavez, and Commissioner Anaya was also a strong supporter.

VII. D. Second Chance Center Presentation/Alternative Sentencing Options

Joy Westrum defined the Second Chance Center as a secure, long-term rehabilitation program located outside Albuquerque. She said it represents an opportunity to save lives and get help for people with addiction problems. It is an alternative to jail or prison, done by court

referral. Currently, there are 50 partially subsidized beds that they are offering to the County. She indicated they have helped over 6,000 individuals get off drugs, particularly meth, which is an increasing problem. The program takes place in a secure environment.

President of the Center, Judge John Brennan stated the program was initiated in Mexico and was very successful. "Jails and prisons don't rehabilitate people." He compared the 2/3 general recidivism rate to the 10 percent rate of participants in the program. They can take up to 300 people who are there under judicial order. He said the approach is social rather than medical and the program is being evaluated by the Institute of Social Research at UNM.

Santana Padilla, a graduate of the program said it turned his life around. In addition to vitamins and education, sauna detox is used and there is an emphasis on regaining self-respect.

Ms. Westrum said there is a special offer now for \$50 per day, considerably less expensive than prison or other programs. Judges Vigil and Garcia have sent people to the program so there is judicial support.

VII. E. Update on the Northern Rio Grande National Heritage Areas

Jose Villa, coordinator of the management team for the board of directors for the Northern Rio Grande National Heritage Areas, thanked the County for their interest and support. He noted that last October a bill was passed to designate Taos, Rio Arriba and Santa Fe counties as one of two heritage areas in the Southwest, and one of the ten newly designated areas. He said this was a unique opportunity to qualify for \$1 million and celebrate the diverse culture, giving direction to our youth and taking pride in who we are.

[Commissioner Campos joined the meeting.]

The money available would go to promoting tourism and establishing interpretive areas that would contribute to economic development through tourism. The County can contribute through funding matches, which can be in-kind. Mr. Villa also asked for active staff support from the Planning Department, noting this would be a good opportunity for partnership.

Commissioner Montoya pledged \$10,000 of his discretionary funding to support the effort. He asked the County Manager to talk to the group about getting a planner on board.

Samuel Delgado said he had been involved with the project since its inception and it took seven years to get the designation. There are now 37 heritage areas in the country and this is the fourth west of the Mississippi.

VII. F. Santa Fe County Solid Waste Program Presentation

ROMAN ABEYA (County Manager): The Commission requested that staff conduct research at our transfer stations due to complaints received by the public and concerns that were raised by transfer station employees. Our response was that the County Manager's office and Human Resources conducted site visits, interviews with landfill caretakers and we also had employees fill out surveys. We've provided pictures in the packet for the Commission. We have pictures of the Nambe transfer station. We have pictures of the Stanley transfer station and the office, specifically in Stanley. We took pictures of Tesuque, Jacona, San Marcos, La Cienega and Eldorado. We have pictures of all of the transfer stations for the Commissioners to look at.

What staff found was that transfer stations need the following improvements: In La Cienega we need a new caretaker's office, utilities such as water, electric, phone, fencing, a new entry sign and a larger propane tank. In Jacona, a new caretaker's office, entry sign, dedicated phone line and larger propane tank. In Nambe, a new caretaker's office, entry sign, and a larger propane tank. In Tesuque, an entry sign, a dedicated phone line, electricity and a larger propane tank. Stanley, we currently have a contract out. We are going to make improvements at Stanley. We're also making improvements at San Marcos. Eldorado is a fairly recently built facility.

Upgrades to the County transfer stations should be segregated by recurring and non-recurring costs to better understand the annual impact versus the one-time upgrade. Recurring costs for the transfer stations total \$17,050. The \$9,300 for utilities, water, electricity and phone in La Cienega; \$6,000 for electricity and phone in Tesuque, \$1,500 for phone in Jacona, and \$250 in La Cienega, Jacona, Nambe and Tesuque for a larger propane tank.

Non-recurring costs include in La Cienega, a new caretaker's office, portables, for both La Cienega, Jacona, Nambe, \$66,000 or \$22,000 for each. In La Cienega, utilities set up of \$108,000, fencing of \$9,500, entry signage at \$2,750, and that also includes signs for Jacona, Nambe and Tesuque. For phone line setup in Tesuque and Jacona, that would cost \$45,000. For electric and phone setup in Tesuque, \$36,000. For a larger propane tank installation in La Cienega, Jacona, Nambe and Tesuque, we're looking at \$350 for a total of \$267,600.

Some of the miscellaneous items that have been brought up by the Commission include lunch hours and recycling. In regards to the lunch hours, currently in Eldorado we're open Tuesday through Sunday. The hours are 8-12, 1-4:30, closed on Mondays. We average 115 customers in Eldorado.

Jacona is open Wednesday through Monday, 8-12, 1-4:30, closed on Tuesday, and we average 65 customers a day.

La Cienega is open Saturday through Wednesday, 8-12 and 1-5. Closed Thursdays and Friday and we average 58 customers a day.

Nambe, Friday through Tuesday, 8-12, 1-5. Closed Wednesday and Thursday and we average 21 customers a day.

San Marcos, Wednesday through Sunday, 8-12, 1-5. Closed Monday and Tuesday. We average 33 customers a day.

Stanley, Saturday through Wednesday, 8-12, 1-5. Closed on Thursday and Friday and we average 21 customers.

And finally in Tesuque we're open Thursday through Monday, hours 8-12, 1-5. We're closed Tuesday and Wednesday and we average 28 customers a day.

So regarding the lunch hours, one option that staff has discussed is to staff every transfer station with an additional caretaker and stagger their lunch hours. Eldorado and La Cienega currently have two caretakers each day and Jacona has two caretakers four days per week. This option would not allow the caretakers to monitor what was being dumped in the containers or assist the residents with unloading large loads from 11-1. This option would require five full-time positions with annual salaries and benefits totally about \$140,000.

Option 2 is to staff every transfer station with a half-time caretaker and stagger their lunch hours. This option would not allow the caretakers to monitor what was being dumped in the containers or assist the residents with unloading large loads from 11-1. This option would require 2 ½ FTEs with annual salaries and benefits totally about \$70,000 and would require them to travel to multiple stations each day. Both options would create overstaffing at the transfer stations, excluding the 11-1 specifically at the transfer stations with fewer average daily visits.

So I guess the point staff is trying to make here is that we really don't favor changing the lunch hours from what's currently there. We know it's inconvenient from some customers at one or two locations, but it would be really expensive for us to try to stay open through the lunch hour. Plus we know that a lot of transfer stations and the public already know that the transfer station closes from 12 to 1.

COMMISSIONER MONTOYA: So, Madam Chair, you're saying either option may not be an option.

MR. ABEYTA: They could be if we wanted to spend that much money on full-time positions but staff doesn't recommend it. But since the Commission asked us to look at it, we said well, here's some options to consider. But you're right. Ultimately they're not options as far as staff is concerned.

In regards to recycling, we provide waste stream management for 72,229 county residents, with seven regional waste drop-off centers, seven recycling centers, three brush and tree waste collection and chipping areas. We include special waste management for tires, scrap metal and appliances and used motor oil. There's also a revenue sharing program. The County's percentage share of gross revenue shall be determined semi-annually based on the per-quarter average total tons for the two quarters under consideration, provided, however, that the County shall not be entitled to any percentage share of revenues until the per-quarter average total tons of recyclables delivered exceeds 2,500 tons.

There was a concern regarding recycling and whether or not somebody's punch card gets punched when all they have is recycling. We went out to the transfer stations and we found out that we've been inconsistent, but the policy is that you do not get your card punched if all

you have is recycling. But you do need a card in order to recycle at our transfer stations. We're not going to punch somebody's card for just recycling. So we did clear that up with our transfer station caretakers.

Now, in order to address the issues that were raised, which is primarily the facilities themselves and the conditions, if you look at the pictures of the caretaker's offices, they're just too small and inadequate, especially in the winter months when it's really cold outside and it's snowing. So what staff has decided is to fund and install improvements, provide ongoing customer service training geared specifically towards landfill caretakers.

The fiscal impact of this: All recommended upgrades could begin immediately with a total of \$250,000 because we have earmarked this from our contingency set-aside. Finance also recommends that the property tax revenue collections be evaluated at mid-year and if more than sufficient, that such revenue collections be used to sustain these upgrades and contingency may remain intact. In addition, the non-recurring, one-time-only expenditure costs could also be funded through available cash balance.

So upgrades can also be phased in over a 24-month period using the same contingency funding and additional property tax revenue. This, however, does not include the cost of adding staff for the lunch hours, which we are not recommending.

Then finally, at the end of your presentation is employee interviews and survey results that I won't go into because of time restraints, but what I do want to get direction from the Commission on is to whether or not we should pursue these upgrades all this year at one time or if we should phase them in maybe over a two-year period. Like I said, we do have contingency funding that this could go to. The bulk of our costs will on one-time upgrades that will be non-recurring. The only recurring costs being the \$17,000 a year for electricity, telephone. But we should make these upgrades. When I went out to the transfer stations myself we saw they don't have telephones, if there's an emergency. They don't have running water, just to have water to drink in some cases, and the offices – they're inadequate. They're too small. So we do need to make upgrades and we could either make them all at once or we could phase them in over the next two years.

I stand for any questions, and I also have Gigi Gonzales here today who's with our employee development program. She actually conducted the interviews with the landfill caretakers and I also have Phil Weston who is the director of Solid Waste. We're available for any questions you may have.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTROYA: Thank you, Madam Chair. I would support the recommendations that have been made by our County Manager that would actually look at the upgrades immediately. If we could do it as soon as possible without phasing it in. It sounds like there is a financial plan in terms of being able to finance these upgrades that wouldn't, I think, put a burden on us and on our budget. I do know, because going out particularly to the Jacona station that the working conditions there to me are inadequate for the personnel that we staff and employ to monitor the work that they do and to monitor the customers that we have that come in to our transfer stations. So I think this would be a big boost in terms of even their

morale and certainly their working conditions, if we could get this done as soon as we can.

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: I just have a couple of questions. One is, the last presentation I think we had from solid waste was that they were implementing recyclable permits. I think they were going to cost three or four dollars or something like that. Did we ever implement that?

MR. ABEYTA: Let me ask Phil.

PHIL WESTON (Solid Waste Director): Madam Chair, Commissioner Sullivan, we do have in place a \$15 a year recycling permit and we have quite a few people who have gone to that because they don't need it in the Eldorado area and places like that. They have curb-side collection, so all they want to do is recycle, because they can't get good recycling where they're at and they want to recycle more than their collection. So we do have it in place. We've been running it for at least three years now.

COMMISSIONER SULLIVAN: Okay. So maybe it's been that long since we've had a presentation from Solid Waste. The \$15 would still be in place. Now this is my understanding – what the County Manager is saying, and correct me if I'm wrong – if you have a regular solid waste permit, which is what? \$35 a year now?

MR. WESTON: Permits are either \$35 or \$20, depending on how many trips you think you're going to make for the year.

COMMISSIONER SULLIVAN: Okay. Then you can recycle free, right?

MR. WESTON: On those, yes, Commissioner. You can recycle with any permit card that they have and we don't discriminate. It's always been in the policy but we have to go back through and keep reminding them that they don't punch those cards. We're actually finding new numbers because we just have been pushing for the last few months to collect the number of people coming in just to recycle. We've not recorded that in the past. If we were to look back such as Eldorado, we'd probably be closer to 200-some-odd people a day, because we have that many recycling. We spend Monday at Eldorado doing nothing but cleaning up the recycling area. It just gets so overwhelmed on the weekend.

COMMISSIONER SULLIVAN: Yes, they're pretty ardent recyclers there. So in order to recycle you still requiring the \$15 permit.

MR. WESTON: Correct.

COMMISSIONER SULLIVAN: Which doesn't have any punch holes in it.

MR. WESTON: It has nothing to be punched on at all. We have done a few other things, like had a few people who have moved to the area and all they want to do is bring in their cardboard that they've gotten from their moving. We've told them to go to the grocery store there in Eldorado and buy the five-bag tags and as long as they have a bag of garbage with them with a bag tag on it we can also recycle. And there are a few people that do that, because they don't think they need to come that often.

COMMISSIONER SULLIVAN: Okay. Because I just want to be clear that the recycling isn't free if you don't have a regular dump permit, you've got to get the recycle

permit. Right?

MR. WESTON: Right. They have to have the recycling, yes.

COMMISSIONER SULLIVAN: And the other question I had, Roman, was one of the costs that you show here is of the \$250,000 is \$45,000 for a phone line. Can't we do that a little cheaper with a cell phone?

MR. ABEYTA: We can look at that, yes. We'll just need to see if we have coverage where it's located, but yes, we can do that.

COMMISSIONER SULLIVAN: Yes. For getting a land line in, unless there's some compelling reason for it. It seems like all 900 of our County employees have cell phones these days. I can't imagine anyone that doesn't. So that might be a cost-saving mechanism there to take a look at. Is it 900 now? How many employees do we have now?

MR. ABEYTA: we have close to 800.

COMMISSIONER SULLIVAN: Eight hundred with the jail and the youth facility? About 800. Okay. I was a little bit overenthusiastic there. Okay, 800. Thank you, Madam Chair.

COMMISSIONER MONTOYA: Madam Chair, just regarding the locations that are requesting a phone line set up, Tesuque and Jacona do have questionable coverage areas in terms of any cell phone service that I'm aware of.

COMMISSIONER SULLIVAN: We could try them out there.

MR. ABEYTA: We'll look at that.

COMMISSIONER SULLIVAN: I think that's - unless there's absolutely no coverage. We could possibly even find a provider that's not necessarily the County's provider, because different providers seem to have different levels of coverage in different areas. Once you get into construction costs and the operation of the land line you're stuck with it, not to mention easements and everything. That would be the first place I'd start anyway.

CHAIR VIGIL: Roman, clarify this for me. So if a resident has a permit for dumping and they want to just deliver recyclables - they don't want to dump - that permit will not get stamped?

MR. ABEYTA: It will not get stamped. They just have to show that they have it.

CHAIR VIGIL: Okay. Do they have to purchase in addition to that a recyclable permit?

MR. ABEYTA: No.

CHAIR VIGIL: Okay. Thank you. That's all I needed. Any further questions?

MR. ABEYTA: So, Madam Chair, we're going to proceed then with making the upgrades and try to do it all this year.

CHAIR VIGIL: I think it's necessary.

MR. ABEYTA: And that's what we found. When we went out there and looked. And it came from a lot of customer complaints about customer service, but when

you go look at the conditions they're working in, and you talk to them, that's one of their biggest frustrations and I think that boils over to how you treat the customer sometimes. So I think this will certainly help things at our transfer stations.

CHAIR VIGIL: Thank you.

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Roman, before we leave this, there were some complaints about attitude and I don't know if attitude has to do with living in a box out in Jacona, but it could, certainly. But did we take any actions in that regard? Has any training taken place?

MR. ABEYTA: We have so far done the surveys and we're putting a training together and we're going to do training with them and we're going to continue to do so every year throughout the years. So now we're looking at that. We're going to do training as part of this.

COMMISSIONER SULLIVAN: I think part of the attitude is the lack of knowledge of the user as to what the rules and regs are, and so then perhaps the station attendant gets tired of reiterating the rules eight hours a day to somebody. So perhaps we can have better posting of those rules. Perhaps they can be included - they probably are included when they hand out the permit. I think they are. I saw them issuing the permits here in the hallway last week. But there can be other ways of doing that, either on the website, through newspapers, through community service - CSA's community service announcements on Channel 6. It's not Channel 6 anymore. Whatever Channel 6 is, where we have these opportunities to put short videos during recesses on. We can perhaps put together a video that explains how recycling works in Santa Fe County.

Because the people I talk to don't even understand that Santa Fe County does not do curb-side pickup. They just assume they do and then it comes as a shock to find out that we have a different system. So there's a lot of ways we could educate the users. It might take the stress off the staff as well.

MR. ABEYTA: Right. We'll do that. We need to concentrate - we need to train up both the employees and the public.

COMMISSIONER SULLIVAN: Exactly. Two-way.

MR. ABEYTA: Okay, and we've already had one customer service training with the staff and we'll continue that.

COMMISSIONER SULLIVAN: Is that in-house or with a consultant or how do we do that?

GIGI GONZALES (Employee Development Specialist); Madam Chair, Commissioner Sullivan, what I did is I went out in June and I visited the transfer stations in order to conduct a customer service training geared towards the caretakers. Now, in July, the 25th and 27th I did conduct that customer service training at the site. We did go out, myself and the liaison for solid waste, Rebecca Montoya. I do have a copy if you'd like a copy of the actual customer service training that we did provide for them. And it was

based on the survey and the opinion satisfaction survey that we conducted in June.

COMMISSIONER SULLIVAN: And in this training what did you find or what did you tell people to do differently?

MS. GONZALES: Well, basically, a lot of them deal with irate customers on a daily basis and the main thing that they needed to realize is that if a customer is irate, you allow them to dump, you write an incident report and you immediately call your supervisor instead of confronting them. They were really worried about this issue. They were trying to follow rules and regs so they were butting heads with some of the irate customers.

COMMISSIONER SULLIVAN: And then when they're dealing with an irate customer, all that sounds good but there's a point where if they're bringing in some material that's not allowed or if they don't have an up-to-date permit or something, you have to have a Plan B at some point in time. What do you tell them to do when all those things have taken place, you've listened to their hard-luck story, you've written down an incident report and you've called the supervisor, and the irate person is still there. Now what do you do?

MS. GONZALES: You allow them to dump and have them leave as soon as possible.

COMMISSIONER SULLIVAN: They're not leaving.

MS. GONZALES: Then you need to call the authorities.

COMMISSIONER SULLIVAN: Okay, and the authorities would be the Sheriff?

MS. GONZALES: Yes.

COMMISSIONER SULLIVAN: I think some of these incidents, from what I understand, have gotten to a point where they've evolved into physical confrontations.

MS. GONZALES: Yes, they have. And since then we've conducted this. I think it's happened it a couple of times where they've allowed them to dump. And usually that alleviates the problem. Usually they're just upset because they're not sure if they can dump brush or toxic Clorox or different things like that. They're not sure what they're allowed to dump, and they're upset because they've hauled it all the way and they're not being allowed to dump.

COMMISSIONER SULLIVAN: Okay, so then if something's brought in that we don't allow - refrigerators, white goods or something like that that we don't take at the transfer station, so the policy is that we let them leave it there anyway. So then we become responsible for taking it out to the Caja del Rio. Is that right?

MS. GONZALES: Right. If they're irate and they're causing a problem, yes, we do allow them to leave it there and we handle it.

COMMISSIONER SULLIVAN: I guess then if I have a refrigerator then I just need to be irate. That's the solution. I don't know. It's difficult. There's no easy answer, I know. Each situation is different. And are these trainings going to continue?

MS. GONZALES: Yes. We will be going out probably every two months

and conducting the surveys and making sure that their conditions are becoming better.

COMMISSIONER SULLIVAN: Okay. Thank you, Madam Chair.

MS. GONZALES: Thank you.

CHAIR VIGIL: Thank you, Gigi. Thank you, Roman.

VII. G. Growth Management Strategy Concept

JUDY MCGOWAN (Planning Director): Madam Chair, Commissioners, we'll try to keep this to ten minutes. Our presentation may run a little over and we'd like for you to hold questions till the end so we can get through it.

CHAIR VIGIL: We'll do that, Judy. I'll make sure. Go ahead and get started.

MS. MCGOWAN: We're here today because we haven't been here for a while and we thought maybe you missed seeing us.

CHAIR VIGIL: Right.

MS. MCGOWAN: Mainly why we're here is that the Growth Management Department has embarked on a planning process and project that's very different from the community plans that you're used to hearing about and having presentations on that are coming from the Planning Division. What we have embarked on is developing growth management strategies that will implement and complete the community plan that the County completed earlier this year. This is Roman's birthday present so we're required to go forward with it, and we're excited about it too.

The intent is to develop specific strategies and actions under the new County reorganization, using the resources that we now have available to us because we have reorganized and are developing better communication and coordination with other departments and then also to bring to you strategic actions that are unified for the whole County. In other words, departments and divisions will be working together towards single ends instead of Land Use going this way, somebody else going a different direction. That's the goal.

We are proceeding from adopted plans. We're not abandoning the growth management plan that was adopted in 1999, or the RPA plan, or the strategic plan that was completed earlier this year, or, most importantly, not any of the community plans. Our idea is to build on the policies and the direction that's been given in those and to do a relook, a refocusing to see how we can better implement or complete some of those plans. We all know there are holes, especially the growth management plan. The strategic plan pointed this out, that a lot of the infrastructure policies have never been fully developed and implemented, and a lot of the resource protection policies have never been implemented from the growth management plan. We need to figure out better ways to do that.

Because it's now the Growth Management Department James Lujan is our head

honcho in this and he has had a presentation that is very supportive and we will be working with, we hope, a growth management team that will be specific individuals helping us to develop the data and do the analysis and provide recommendations for specific actions from other divisions and departments that are outside of Growth Management. So definitely, Public Works is involved. Water Resources is going to be involved. We will need someone from Sheriff's, Fire, other departments possibly, Health, to be involved to help us come up with these strategies to make sure that they really do make sense and they're the right actions to be recommending to you.

One of the major ways we're proceeding is to re-examine using the technology that wasn't available to us in the 90s to help come up with better data and information and that's primarily the GIS system. We'll also be relying on the experience that we've gained working on community and district plans, and the Fire Department on their plan, the Health Department on their plan, that has been gained in the last ten years that we also didn't have available when the growth management plan came forward.

To accomplish the strategy we've divided the County into four growth management areas, and the analysis is being done for those areas. We're trying to pay particular attention to things that weren't - information that wasn't available to us before that can help us tell a story about what is going on with development in Santa Fe County, how the County responds, what's working, what's not working? Where can we make the changes that will lead is in a better direction?

The strategies will be specific actions for a five or a ten-year timeframe rather than a very long timeframe. They will be tied to implementation through the budget, through capital improvement programs, potentially through changes to ordinances or codes, and there may be other actions that would come out of it that would happen in a different manner. We've prepared a brief presentation of the process, how we've started going about this already, how we're proposing to proceed, and we want to show that to you. It will be Dan Weir. I want to call these people the new planners. They've actually been with Santa Fe County for a while now, enough to get indoctrinated to a certain extent. Dan Weir is the new GIS planner and he will be showing you the map of the areas and how some of that analysis has happened. And Arnie Valdez, who's the new senior planner, will be doing the presentation of the scope of work.

We set forth a pretty ambitious timeframe for this, since it's strategic. It will not be a community based plan where we're meeting weekly with communities or with the public to proceed. The idea is to be able to gather the information, move relatively quickly. There will be public involvement but it won't be week-by-week, daily involvement. And we're proposing hopefully to bring you some draft strategies by next spring.

CHAIR VIGIL: Thank you, Judy.

DAN WEIR (GIS Planner): I'm Dan Weir and these are the growth management areas that we've delineated to make the analysis necessary for the management plan a bit more manageable. These areas are distinctly different from one another and allow for more management analysis. You can see that in spite of their

distinctiveness they do have some common qualities. Three out of the four areas have hydrologic similarities. They're somewhat similar to their hydrologic basins in topography. We took into consideration tribal, state, other boundaries that would delineate where we can and can't plan. Obviously, the tribal lands are outside of our area. And it also shows quite a bit of open space, especially in the federal lands.

The areas have very distinct population distributions. As you can see, transportation lines are key to that. This shows how population is directionally distributed and shows the trend for a southwestward movement of population. And this shows its relationship to you all.

ARNIE VALDEZ: Good morning. I would like to continue by referring back to the diagram and basically showing the hierarchy of the structure as we envision it. Dan described the GIS mapping, the delineation of the four areas. Now, I would like to provide a little bit more information on what we call the settings and the systems and how that data correlates to the data matrix that we're in the process of developing.

The settings is basically looking at four different components. We're looking at social, cultural interventions, population, cultural diversity, adjacent communities, prehistoric settlements. The built environment consists of traditional communities, looking at settlement patterns, vernacular architecture. The landscape can be described by ecological systems, visual preferences, and then land use. Land use is composed of agricultural, ranching, land subdivisions, open space, conservation easements, commercial, industrial applications and others that we may list as appropriate. And then associated with land use we have stakeholders, which include County, federal, state, tribal, private land, conservation groups and others that we many identify in the process.

The systems component can be described again by four different sectors. We have natural systems which involve looking at the eco-region, micro-climates, water, wetlands, floodplains, riparian zones, geology, soils, land cover, vegetation, wildlife, biodiversity. The built environment, we will look at contemporary communities, communities that are in existence, also looking at the existing development patterns and development trends and the architecture as it evolves and reflects the region.

We also want to consider reserves as soon as possible. By reserves we mean what resources need to be conserved? Water, soil, wildlife, biodiversity, wetlands, open space. These are essential in order to maintain the character and integrity of the environment. And then we have the human design systems at the bottom and those are community water systems that we'll be looking at, wells, wastewater, water storage, solid waste facilities, roads, transportation networks, utility systems, housing, public facilities, communication, jobs and commercial services. And again, associated with these human design systems, we have stakeholders, again, County, federal, state, tribal, private, regional, conservation groups.

The matrix we're providing, the base data and analysis was developed as a way of comparing and contrasting each growth management area within the county. It evolved by assembling the two different components and systems and settings. The matrix will utilize a

science-based approach that will compile data from an objective assessment of each GMA. It will integrate Santa Fe County Public Works, Water Resources, Open Space and Land Use departments to identify the issues, problems and work cooperatively in planning and implementing the solutions.

Now, after we assemble this database – and it will also have an associated geographic component with maps specific to each area, the evaluation will require the growth management team working together for collective, land use decision making. We will be looking at land use, natural resource issues, suitability for development, infrastructure development, infrastructure status and needs, and I think you have a copy of this. It's rather difficult to delineate on the screen but I believe there's one in your packet. We will also look at future development scenarios. These might include threats of sprawl, uncontrolled growth, water scarcity, water quality changes, degradation of watersheds, degradation of historic cultural resources, potential degradation of scenic viewsheds.

We want to look at changes related to both inside and outside pressures, trends in population growth, outside interests in natural resource development, changes in real estate, and then demands on County services. With these foreseen changes we want to consider whether they're beneficial or harmful? Will the landscape be altered? Do the changes vary in range from moderate to serious? And are any of them irreversible?

The growth management strategies that we envision, a few of the outputs would include considerations of water, wastewater infrastructure, roads, transportation networks, zoning land development, potential amendments, public services, funding, economic development, working with the economic development plan, natural resource management, governance is critical, place-making, community principles, also looking at ecological land use principles to guide the process, and then regional planning and collaboration as well.

In the end we hope to prioritize the growth management strategies and fiscal impact on the County, and we will identify choices and actions for each growth management area. It will all be presented in a summary of findings and recommendations with periodic updates throughout the process. Thank you.

CHAIR VIGIL: Thank you. Questions so far?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: It was mentioned that this was an aggressive timeline or timeframe. How aggressive?

MS. MCGOWAN: We are hoping to have the initial analysis done or the initial detail developed and ready for analysis before the end of the year, which is an aggressive timeframe since it requires coordination and everybody's busy. That's always a problem. We all have more than one number one priority of work in all divisions and departments. The GIS really helps a lot because what we're now discovering is a lot of information that the County has is available that way, or can be gleaned that way. We're getting information from other sources also. There's some holes. I'd love to have Dan show you a map of where the building permits have been issued – we can't do that. And

that's not because of the GIS, it's because our data systems are not relational and it has to be done by hand or probably going to Ike Pino and asking him where he got building permits. Some flaws in our data system. I know that you've heard about this before but by not having a relational database we're hamstrung in certain areas. But there's a lot of other pieces that we definitely have and can use.

COMMISSIONER MONTOYA: And how is this going to tie in in terms of our utility planning?

MS. MCGOWAN: Utility planning would have to feed into this planning process, so we're expecting those working in the utilities and water resources will be giving us the information and their goals and that it can fit into this system. And influence what the strategies may be in different areas.

COMMISSIONER MONTOYA: Okay. And then, Roman, regarding the relational database - I thought we had approved the purchase of that system so that we'd start having some interdepartmental communications.

MR. ABEYTA: Madam Chair, Commissioner Montoya, we have funded that in this year's budget and we're working on that. So I'll get an update from GIS and we'll provide one to the Commissioners.

COMMISSIONER MONTOYA: Okay. Thank you. Thank you, Madam Chair.

CHAIR VIGIL: Thank you. Does that complete your presentation or was there anything else?

MS. MCGOWAN: That completes it, yes.

MR. ABEYTA: Madam Chair, I wanted to make sure that we're on the right track. For example, we showed you the four areas that we've mapped the county into. We wanted to start small and get your initial reaction, just to make sure we're headed down the right track before we get too far.

CHAIR VIGIL: Thank you, Roman. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Madam Chair, my only comment would be that I think obviously we can improve our database capabilities. We just keep going through software system after software system and we don't seem to be getting a handle on that. I think the other thing we're forgetting is our existing community ordinances. When the Community College District Ordinance was passed in December of 2000, the Commission was promised an update of it in 12 months, and it's been 6 ½ years and we haven't gotten any update of the Community College District Ordinance. That's the fastest growing part of Santa Fe County, the majority of the building permits are in that area. The dollar value of construction in that area.

And we've seen numerous problems in that ordinance. We've seen problems with the highway corridor not being protected. We've seen setback loopholes in the Richards Avenue. We've seen the road plan being obsolete. We have northeast connectors and southeast connectors now planned. We've seen pressures on Richards Avenue as to people who want to make it into six-lane highways and others that don't. We've seen the

community center concept be virtually useless in the La Pradera Subdivision. Near where I live the community center is a sandbox and a bench. That wasn't quite what was envisioned as community center.

The concept of 50 percent open space is where all the arroyos are, so 50 percent arroyos is essentially what it is. I think we need to revisit what is usable open space, what is space that can be made into usable functions and what is space that otherwise has to remain in preservation easements such as arroyos and features like that that wouldn't otherwise be tampered with anyway.

So in more than six years there have been a lot of red flags that have popped up on that ordinance and that applies and will apply as we get into growth issues in other areas. So we might as well satisfy and correct those problems before we reinvent the wheel in four other sub-areas. I think we can't forget, we've got a commitment here to go back and rework these ordinances, particularly the CCD Ordinance.

CHAIR VIGIL: I understood your testimony to be that those plans would be a part of this process. Is that correct?

MS. MCGOWAN: That's correct, Madam Chair. And there is a separate process we're proposing to proceed with more road planning in the Community College District. One of the things we've noticed, why we want to expand it to a view of the whole county is some of the problems we may be seeing in the Community College District in that specific area are now larger than that. The issue of who manages trails and open space is now, in the space of six years, bigger than the Community College District. It also affects the Westside areas and areas down by San Marcos too. So it's a bigger issues than just the Community College District and just focusing on that area won't solve that problem. What we hope to do is sort of -- by looking at the four areas we might find a consistent issue in all four areas that could be a countywide fix. There may be other issues, there are likely to be other issues that are area specific, so we thought it was important to look at the county in the areas that seem to have some common themes, common geography, common culture, common physical limitations that might be an issue.

If you wanted to go back you could look at the slides of where the population was and that's the 2000 census, versus the hydrologic zoning and you'd see a disjuncture. In other words, we all think the hydrologic zoning is how the zoning is happening, but if you look at where the growth is happening, there's a lot of growth that has happened that is not in conformance with the hydrologic zoning, and that's an issue we're going to have to grapple with.

The hydrologic zoning was assumed in 1980 that water is the limiting factor. There are areas of the county where water may not be a limiting factor and we are going to have to grapple with what's the best strategy to deal with those things.

CHAIR VIGIL: Any questions? Commissioner Montoya.

COMMISSIONER MONTOYA: Madam Chair, I just had one. What is vernacular architecture?

MS. MCGOWAN: Arnie's the architect; he could answer that one. There's

different styles and patterns, development patterns and styles of architecture in different areas of the county. We notice that just on the 285 corridor. That was one thing that people there were really aware of. You may just drive through and not pay that much attention and when you're actually out there as we were, walking up and down and taking pictures, you notice that Eldorado has a very specific kind of nouveau pueblo style architecture that's become the norm there. A mile south, most of the houses have pitched roofs and it's more of a ranch-style building. It relates I think probably a lot to the traditional communities. Although they're not doing architectural standards, there's a real character there.

COMMISSIONER MONTTOYA: Thank you.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Ms. McGowan, is there a relationship between what you're doing with this growth management plan and the rewrite of the Land Use Code?

MS. MCGOWAN: We knew you'd ask that question. They're going forward at the same time. Hopefully, the Code rewrite will actually get adopted first, which we're aware could mean that we'd have to go back in immediately to the Code rewrite and change some things. But the way we're thinking about that, or have thought about that is the Code rewrite, there are substantive changes in there but it is primarily a reorganization to make the Code more workable, instead of the 400 page pile that we have now that you can't find your way through. The Code rewrite, the way it's proceeding, it's going to provide the structure so that changes that may be needed to the Code then can drop in more easily once that's done.

COMMISSIONER CAMPOS: Is this study going in the direction of creating growth areas, not the four big areas but areas where the County makes the decision that this is where growth should be and this is where infrastructure should be and this is what the density should be inside that area and outside that area?

MS. MCGOWAN: Chair Vigil, Commissioner Campos, as you know, the growth management plan did lay out growth areas, so I would look at this process as relooking at that: Did we have it right? And by being able to coordinate with utilities, with infrastructure and services, we might be able to make those policies more real. In other words, that could be a strategy that you could choose, that yes, we're going to focus certain services and certain infrastructure in these growth areas. So, yes, I think that's very likely to be an outcome.

COMMISSIONER CAMPOS: So this will be used to support the discussion and the decision making process as far as where these areas are located?

MS. MCGOWAN: That's our concept, yes.

COMMISSIONER CAMPOS: But you don't see that happening before the end of the year? Because I was under the impression that we were going to be dealing with these issues in the fall and it looks like what you're saying, the predicate that you're laying is somewhere at the end of the year and then maybe we'd be looking at some of these other

zoning questions next year.

MS. MCGOWAN: That's my best guess right now of how long it would take to bring this together. We propose to come back to you when the analysis phase is down, which could be before the end of the year and if you see specific actions that you might take just based on that analysis that could be an option.

COMMISSIONER CAMPOS: Mr. Abeyta, do you have any input on that question?

MR. ABEYTA: The question I would have or what I'm thinking is it would seem like maybe you need to do this strategy before you go out and designate the growth areas and then maybe Judy can correct me if I'm wrong but we may be putting the cart before the horse by doing the growth areas first and then the strategy. I would think you need to develop your strategy first and then you base your growth areas on that.

MS. MCGOWAN: I would agree with that. We already have growth area so it's a question of are we going to ratify those, change those? How are we going to manage those? But designating growth areas is a strategy.

COMMISSIONER CAMPOS: Could you define growth areas and how you're using the phrase "growth area"?

MS. MCGOWAN: How I'm using this, how it's used in the general plan right now, which is we've designated physically specific areas in that plan that would be growth areas for the County, the Community College District being the newest one. The others are - I can't remember all the numbers, but they're the ones basically - they're all inside 599 and I-25. So the other growth areas are the potential annexation area that you're reviewing at the RPA.

COMMISSIONER CAMPOS: So there are only two growth areas?

MS. MCGOWAN: I think those growth areas are divided into three or four pieces. There's the area north of I-25, south of the city. There's the area that's Area 7 on the RPA, the annexation plan. That's designated as a growth area.

COMMISSIONER CAMPOS: Komis property?

MS. MCGOWAN: I believe the Airport Development District may also be designated as a potential growth area.

COMMISSIONER CAMPOS: Okay. Thank you, Madam Chair.

CHAIR VIGIL: Thank you, Roman, Judy and planners. I'm very excited about this. I see two particular reasons why this is necessary, almost critical to our decision making process. The one that comes to me at first glance is the fact that we as representatives of a government entity represent a particular district, and in fact balancing that versus what is in the best interest of the entire county is a balancing act for each one of us. This will provide an opportunity for us to look at a picture that will help us do that. And I think part of what I'm hearing you say and why I'm even gaining some sense of excitement about this is one of the things we'll be able to look at is resource management and trend analysis and things that will assist us in having that overview of the entire, entire county.

The other thing is I think County government and bureaucracies in general tend to deal with matters in a funnel system – starts from the lower, smaller end of the funnel and then we just push out things. For the longest time I had a strong sense of commitment to the fact that our community plans were going to get us away from that, and I think they have to a certain extent. But the community plans I think are a component at looking at the entire resource management picture that this strategy seeking project seems to be doing. So I look forward to the work you've done. I like the way the analysis has been set up. It actually makes it really critical for me to have an even deeper appreciation for how important planners are. So please keep up the good work and I hope to be hearing how successful this is moving. Thank you.

MS. MCGOWAN: Thank you, Commissioner Vigil.

VII. H. Brief Presentation on the Estancia Water Update

CHAIR VIGIL: Commissioner Anaya isn't here and this is actually his item on the agenda.

DOUG SAYRE (Water/Wastewater Operations Manager): Madam Chair, Commissioners, I'm here along with Bud Hagerman to make a presentation on the Estancia Basin Water Planning Committee about what we have been doing, what we have looked into lately, and what we want to do in the future as far as how we look into the water resources of the Estancia Basin. My position is the municipal position from Santa Fe County. Bud Hagerman is the agricultural position from Santa Fe County. The Estancia Basin Water Planning Committee is composed of three counties: Bernalillo, Tarrant and Santa Fe County, because that Estancia Basin extends in all of those, so that's why we have a tri-county committee with municipal, ag agency representatives looking into what the water resources are and the problems associated with this Estancia Basin.

I'm going to give you a handout regarding what we've been doing. *[Exhibit 1]* Bud's going to give the presentation here but we'll try to make it very brief. We appreciate it.

CHAIR VIGIL: We do have ten minutes before lunch hour if we could keep it within that frame.

BUD HAGERMAN: Madam Chair, Commissioners, I got the message; it's got to be brief. While Doug's handing that out, yes, I am Bud Hagerman. I live – I've got a place down in the southeastern part of the county. I became a member of this group quite some years ago and as you can see, on the first page or so, that's all taken up with who's who in there. What we're trying to do, on the first pages there, is mutual trust and respect, delivering measurable value and understanding quickly evolving changes, and there are rapid changes going on down there as I'm sure you're all aware and what have we done?

A lot of people ask what have we done in the last few years and there you'll notice the accomplishments and I think we have done a great deal in the valley down there with

the knowledge of the water and the workings of the water, the watershed health restoration – a lot has been done down there with funds from the legislature and we're still doing that. We're still on to that. The basin model, we're trying to extend the basin model in all sort of things, helping the different towns and cities and the development there. People are asking us for opinions and help and we're doing that. We have lots of public cooperation and participation with our different accomplishment, in all phases and all facts of water, and as it says, we're providing technical assistance to communities, taking their input. Going on briefly, there's a page on what you can find on the web on what we do, so leave us not think that today's presentation is all that's going on.

As in any endeavor such as this there's always budget problems and we do appreciate and thank very much for the efforts that Santa Fe County has made, because after all, I think it's between a third and a quarter of the county lays in the Estancia Basin, so it's a rather large percentage of Santa Fe County that is in the basin. Most people don't realize that but it's true. Right now, one of the biggest things that we're involved with is a program which we're trying to find out the accomplishments and the different aquifers within the basin, what is their roles, where they lie, how much water they have. We already know that under the best of conditions we have approximately 110 years worth of water to rely on and there's no apparent way of getting in any water from outside at the moment.

We're spending most of our money on upgrading the regional water plan, which was a request from the State Engineer and the Interstate Stream Commission, and we're asking Santa Fe County of course to keep on funding us for \$19,500. That goes to mostly operation of the not really in different projects. Mostly in the operation of the new plan and just keeping functional. What we are working with now for next year is a person named David Chace with Sandia Labs and this could be – we're kind of excited about that because he's done different areas and different regions within the state of finding out exactly what the aquifers do, how they're connected, where the saline water is, how much, where does the water come from and all of that sort of thing, and redoing our models of the basin.

There's so much to be done yet as there is all over the state. But we're very gratified being the first ones to get our plan in and cooperating with the three counties. Santa Fe, Bernalillo and Torrance County. I could go on for quite some other time, but as you said you wanted me to be brief, I think I have been. If there are any questions I'd certainly like to try to answer them if I could.

CHAIR VIGIL: Any questions? Seeing, hearing none, we appreciate your consideration and your presentation. Thank you very much.

MR. HAGERMAN: Thank you. I didn't know I'd been that exact I didn't leave any questions. Thank you very much.

CHAIR VIGIL: Thank you. It is about five minutes to 12. We have five more items plus executive session on the agenda. What is the wish of the Commission? Do you want to go on to the next item and push through 12:30?

COMMISSIONER CAMPOS: No, I don't. I'd prefer to break for lunch. It looks like a major discussion point.

CHAIR VIGIL: Okay. Then why don't we break for lunch and plan on being back here at 1:15 and that will work us through the afternoon agenda. So this meeting will be continued at 1:15.

[The Commission recessed from 12:00 to 1:25.]

VII. I. Request Authorization Publish Title and General Summary of an Ordinance Adopting an Amended Santa Fe County Hydrologic Zone Map to Replace Figure 1 of the Water Appendix to the Santa Fe County Land Development Code

STEPHEN WUST (Water Resources Director): Thank you, Madam Chair. We're getting the map up on the display so everyone can see it.

CHAIR VIGIL: How much time do you need?

DR. WUST: This should be within ten minutes. This is a proposed revision of the hydro zone map. Right now we're requesting to publish title and general summary. This and the next three items were all tabled at the last administrative meeting because the schedule had gone long, so these are from there. The hydro zone map is used in Land Use in terms of lot size permitting in the absence of an independent demonstration of water availability, so it's used to determine minimum lot sizes on certain types of subdivisions.

A couple of years ago the US Geological Survey ran an aeromagnetic study of the basin and demonstrated that certain thicknesses of some of the units that define the basin and basin fringe and things like that were different than had originally been proposed in the first hydro zone map. So we looked at revising the County hydro zone map to more accurately match what the latest available geologic studies have shown us. At the time we were trying to coordinate that with the revision of the Land Use Code and that's been delayed a little bit, so it was requested that we move ahead and just do the hydro zone map on its own as its own ordinance, and that is what you see before you.

Also in your packet is the language of the proposed ordinance. That came out of legal. There was some tough going on figuring out the language because this map is part of the hydrology appendix to the Code, which is referred to by different names and it's not actually in the Code itself. If you downloaded the Code, for example, on our website, you wouldn't see the hydrology appendix to the Code. But this language that you see in the proposed ordinance came through Legal and it will adequately allow us to adopt the new map.

There's only a couple of changes. I have here a little pointer. The significant changes, if you look to the north, the two yellow pieces of basin, the new proposed boundaries are the red dotted lines. You can see that it joins the two pieces of basin together, where it had originally been proposed that it was separated by a piece of basin

fringe. The US Geological Study suggested that it was actually thicker there. So that should be a continuous basin area.

In areas like that we verified that by looking at some of the County hydrology reports or the reports submitted to the County as part of a permit process to see if that USGS study, if what they were suggesting is what was there. So we have been able to verify those thicknesses. The other area that was changed is down to the south, right around Eldorado. It's brought up the basin fringe and created a – it brought up the Homestead Zone and narrowed the Basin Fringe Zone. You can see that's the new proposed line. This is the original, what it is now, and this is the new proposed Basin Fringe-Homestead boundary. And then to reiterate, up here, this would be connecting the two pieces of the basin.

So those are the only changes on this proposed map and this request is to publish title and general summary, to have hearings, because it would be an ordinance to adopt the new map, and that's what we're here today requesting, is to publish title and general summary. And with that, I'll stand for questions.

CHAIR VIGIL: Questions?

COMMISSIONER MONTOYA: Madam Chair, how does this tie in with the Code rewrite?

DR. WUST: Madam Chair, Commissioner Montoya, this was originally going to be done in conjunction with the Code rewrite so when they came forward with the Code rewrite this would be a piece of that, and we were looking at putting language in the Code such that it would refer to this directly and it would be integrated into the Code, but it was requested of water staff to try to move this forward prior to the Code rewrite. So since this is adopted –

COMMISSIONER MONTOYA: Who requested?

DR. WUST: Well, I was requested through the County Manager?

COMMISSIONER MONTOYA: Okay. Why do we want to move this before the Code rewrite?

MR. ABEYTA: Madam Chair, Commissioner Montoya, this is something that we've been dealing with for years, actually, and regardless of whether or not the Code rewrite were to get done, this reflects what's really out there when the hydrology reports get submitted. So whether or not the Code rewrite gets done, this should be what the hydrologic zone map looks like. So that's why we decided this is an easy piece. Let's just move it forward because we need it anyways. And then the Code, when the Code rewrite is done it will incorporate this map into it.

COMMISSIONER MONTOYA: Okay. So this will reflect that.

MR. ABEYTA: Yes.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Further questions?

COMMISSIONER SULLIVAN: Move for approval.

CHAIR VIGIL: Motion for approval. Is there a second?

COMMISSIONER CAMPOS: Second for authorization.
CHAIR VIGIL: Any further discussion?

The motion to authorize publication of title and general summary passed by unanimous [5-0] voice vote.

VII. J. Review and Update on Water Allocations and Deliveries through County Water Utility

DR. WUST: They're having some trouble with the Excel spreadsheet on the display, but what we've done is there's a copy in all of your packets and we made some extra paper copies and Karen has them if anybody would like to look at one we have like eight or ten copies of that. But we can't go beyond this to show the whole sheet. This is - under the water allocation policy, it directs to have an update and analysis of the water deliveries and allocations that have been done. As the Commission talked about when they adopted the water allocation policy, they found it very important to have an accounting of all the water service agreements and all the water commitments that we have made in terms of having developments on our utility and that's what this is in front of you today.

I call them commitments or allocations. I'm not tied to any particular word. I was just trying to give you an accounting of the various approvals that have been done through the Commission in terms of water amounts that are designed to be delivered through the County utility. I've divided it into a couple of section. Originally, the County dealt with water by having water service agreements, which were essentially contracts for a certain amount of water that was done with various people. And it wasn't tied necessarily to a particular development. And because of that, when the water allocation policy came in it was realized that it was not a good way to do business because we're committing water and it's not really tied to anything. And those water service agreements were able to be assigned and sold and traded and things like that and that was not the intent of our water promises.

So the water allocation policy changed that. We don't have water service agreements anymore. But those water service agreements have been signed and approved by the Commission. So you see them there in the top half of that sheet and the amounts, it's not what's on the display, unfortunately. It's the top half of what you see in your packet. Those are all our water service agreements. You can see there that several of them, for example, right at the top, Greer, there's an A, B, and C, that's because pieces of the Greer water service agreement and amounts got assigned to other developments or to other entities. So that's how it got subdivided there. What the total is the total for all the water service agreements.

There's also some portions in there that you see down below. It says County projects, detention facility, public safety, economic development, things like that, those are

water amounts that the Commission wanted to set aside, in essence, for various County projects. So that's what's in that top half, things that came out of either water service agreements or Commission set-asides.

CHAIR VIGIL: Dr. Wust, isn't Santa Fe Brewing Company and Wolf Canyon one and the same customer?

DR. WUST: Madam Chair, that's actually an interesting point. It's a very complicated process, and no, there's two of them. What happened was Santa Fe Brewing originally had its own water service agreement at its original location. Then when it moved to Wolf Canyon it inherited as an asset the water service agreement from Wolf Canyon, but they kept the one they had as Santa Fe Brewing. So it looks like they're both valid and because Santa Fe Brewing got all the assets of Wolf Canyon, it got another water service agreement as part of that. Again, I don't want to speak to the legal although I'll tell you that Liz Travis and I went through every one of these water service agreements because we wanted to see if any of them could be cancelled for any reason, if they were inactive and things like that. Unfortunately, the way the water service agreements back in the day were written, there was no real cancellation policy. It just said if you paid the right fees up front, which everybody has, that was really the only way to invalidate that water service agreement.

So that was one we kind of struggled with. We're not really sure what happens with that but they're both there so we've kept them on the list.

CHAIR VIGIL: Yes. I just would ask legal. Are the water service agreements transferable? Is that -

MR. ROSS: Madam Chair, most of the water service agreements that are part of the - that comprise the original 500 are transferable. Some are not. Some of the later ones from that 500 acre-feet had anti-assignment language in them. But the bulk of them seem to be transferable. It depends on the agreement too. They all are different for some reason. We weren't using a consistent form back then.

CHAIR VIGIL: Okay. Thank you. Please proceed, Dr. Wust.

DR. WUST: Thank you, Madam Chair. Again, just to reiterate, we did go through every one of these water service agreements. The only one actually that had a sunset clause was McCarthy, for State Lands, and that was tied to getting a final development permit. However, that sunset date has been extended a couple times by vote of the Commission. So that one's still active also.

And just another note. I hadn't updated yet, but the 25 acre-feet from economic development, I believe the last resolution you voted for you used part of that 25 for the school, three acre-feet for the school. Or that was tabled. I can't remember. We keep this updated as quickly as we can so when that kind of vote comes through we'll change this around.

The lower half is - I'm calling them allocations, but when the Commission votes for a final development permit you vote with that a water budget. Because the water budget may change through the whole permitting process, we don't put that in as allocated water

until the Commission makes a final vote because a part of the other commentary from the Commission, when you discuss a new water allocation policy was you always wanted to be in the loop when any water was assigned or allocated or committed to any development. So nowadays what we do is we don't have water service agreements but part of the permitting process that the Commission gets a vote on how much water, particularly development will get as part of its water budget as service by the water utility. That's what these ones on the lower half are.

You can see I've got it divided into a couple of categories. One is the allocation request. Those are just all the entities who wrote me a letter and said we'd like service from the water utility. If they gave me an estimate of the amount it was that much. Now, that's not been approved; that was just somebody wrote me a letter and they wanted a "ready, willing and able to serve" letter or something like that and asked for a certain amount of water. So you can see down at the bottom there's total requested - that's from the lower half, total requested water - that's that lower half plus all the water service agreements - I put those both together as requested, and below that is total allocated. Now, that goes over for the lower half of the sheet to the approved amount. You can see if you follow across you'll see request date, approved amount, approved date. Those are amounts of water that you, the Commission approved as a water budget in a final development permit. And a good example - and this is all, I should say, pre-Buckman. Because if you look for example at Suerte, which is like the third one down in the lower half, it says 24.5 and there's a note there: phase 1 only. Then at the very bottom there's Las Soleras phase 4-1, the requested amount is 160.2, but then there's a note way over to the side, 32.1 phase 1. That hasn't been approved yet; it hasn't gone through the permit process, so there's nothing in the approved column.

But then at the very bottom you see total allocated water, that was just my accounting of all the amounts in the water service agreements that had been approved and signed, and all the approved amounts from the water budgets from all the development permits. So that's just trying to give you an accounting of the amount of water that is going to be anticipated to be going through the County utility as per Commission approval, either through a water service agreement or through a final development permit. The nice way about doing it the way we do it now is every one of those approved amount you see on the lower half are tied to a development. They're not just a water service agreement that somebody can trade or transfer; none of that can be transferred. It's committed to that development. So they're all tied that way and under the regular permit rules if they don't go ahead with their development they lose the whole permit approval, so that allocated amount may change.

Then to give you a comparison on actual deliveries there's another sheet in your packet that shows our delivery amounts and I believe they go for the last couple of years up through June of this year, and you can see that we've had increasing amounts except for once - 05 to 06. And the reason for that was Rancho Viejo originally was using water from the utility system for irrigation with the anticipation and actual requirement of the

permit, that once the wastewater treatment was producing enough effluent, those irrigation meters would be transferred over to reuse of effluent and stop using the utility part of the water. And that's what happened across that year and so actually our demand went down because the irrigation of Rancho Viejo got switched over to effluent.

And if you'd like to get an estimate of the amount for 07 you could roughly double what we're seeing through June, which would make it about 330 acre-feet or so. We gain about 12 new customers a month and we haven't put – the inclining rate is in effect but it hasn't been in effect long enough to see what kind of change it will make to demand. It should lower demand a bit but we don't know how much yet, because it hasn't been around long enough to generate statistics. With that, I stand for questions.

CHAIR VIGIL: Questions of Dr. Wust?

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Dr. Wust, on the Las Soleras one, I didn't understand the 32.1 off to the right there. Don't they have final development approval for phase 1?

DR. WUST: This was a service request letter that I just got and it – those are the numbers they gave me. They said we anticipate, for phase 1-4, 162 with 32 being for phase 1. I didn't think they had a final development. I thought this was for master plan.

COMMISSIONER SULLIVAN: Oh, okay. I guess you're right. I'm thinking of a different one. So you just put it off the side as a note there that they're requesting 160 but 32 would pertain to phase 1.

DR. WUST: That's correct.

COMMISSIONER SULLIVAN: Okay.

DR. WUST: And whatever gets approved, then I'll put it in that approved column.

COMMISSIONER SULLIVAN: Okay. I understand now. Then we'll get into this too I guess as we get into the next couple of items for approval of these small amounts. Do we have, in our water allocation policy, a cutoff at a point where we allow them to pay the going rate to the County in lieu of purchasing water rights?

DR. WUST: You mean like the fee in lieu of?

COMMISSIONER SULLIVAN: Yes, right.

DR. WUST: It wasn't tied to an amount. It just said that that's an option.

COMMISSIONER SULLIVAN: So it could be two acre-feet; it could be 160 acre-feet if Las Soleras wanted to pay 160 times \$30,000.

DR. WUST: That's my understanding. However, my understanding is that would take your approval to say we'll accept a fee in lieu. In fact the McHorse one, he's actually asking to do something else. I would always bring that kind of thing for your approval.

COMMISSIONER SULLIVAN: Yes, I understand. Now we're getting into I want to give you land. I've got a used car that I can give you for it. But I think we're

also limited by the 35 acre-feet. Isn't that correct?

DR. WUST: Madam Chair, Commissioner Sullivan, that's a piece of this that's very difficult to implement, and that was this anticipatory – every six months we were asking everybody. We started right away, right after the policy was passed to say let us know what you want to use for the next six months, that turned out to be very difficult to implement. The reason was that small and large, it wasn't just any one particular development, most of the time when they get the final development permit they sell all the lots. They may sell them to one builder; they may sell them to individuals; they may sell to multiple builders. So their response – a number of the folks I wrote to responded with: I can't tell you. I don't even know. For example, somebody will buy a lot, ready to built a house. Somebody will buy a lot holding on to it for a while and they on their own build a lot at some point down the line. So trying to anticipate each six months – we couldn't find anybody who could tell us that kind of thing, and we didn't want to get into a situation where some poor homeowner who had bought a lot and wanted to build a house was told they couldn't have water service because we didn't know how to put that in.

So staff discussed that and thought a good way to approach it, to keep with the intent of the Commission which is keeping track of what we're doing and having this scheduling and accounting of what's' going on is come to you every six months and tell you this is what's going on. This is what's been requested. This is what's been approved and these are our new customers. That way we do keep a track so we can anticipate with time, based on the trends to say, you know, in another year, we're going to be bumping up against the limit of our water, or it looks like by the time BDD comes on line, we're fine.

COMMISSIONER SULLIVAN: I thought the 35 acre-feet was to kind of distribute things equally. In other words until Buckman is on line we've only got a finite amount of water that we can deal with, which is as I recall, the 500 acre-feet from the City plus the 325 temporary – 825. So we didn't want to let just-because-you-came-in-first with a letter and said I want 160.2 acre-feet to be required through our Land Use Codes to allocate 160 acre-feet if we had it. We wanted to be sure that you used that water, or you had a use for it, before you came back in and just locked it away on a speculative basis. Isn't that the reason?

DR. WUST: Madam Chair, Commissioner Sullivan, that was the intent and actually the Commission has taken care of that in two places, I believe – Suerte and Komis – where you approved the permit with phases saying phase 1 is pre-Buckman. You can't do phase 2 until after Buckman comes on line. So that anticipation that we didn't want to have people lock up water prior to Buckman coming on line is being handled through that system of saying that we'll phase your permit such that we won't allocate all that water until Buckman's on line. It's part of the permit process.

COMMISSIONER SULLIVAN: My understanding was that you could only come in for 35 acre-feet at a time and that you could only do that every six months, and that you could only do it the second six months if you proved that you had used your 35 acre-feet up in the first phase. So that we had some allocations. If I'm wrong, maybe Legal

can correct me, because I'd be concerned about having to have the Commission go through this phasing discussion every time. Seems like we should have a consistent policy.

DR. WUST: Madam Chair, Commissioner Sullivan, that goes back to that procedural part of the implementation that we've been having some difficult with. It was a 35 acre-foot maximum that you could come in in any six months and ask for and then we'd back track and see if you'd actually used it. Well, when we went out and requested that information is when we discovered that a lot of developments - they had sold the lots. They didn't know. No one was able to tell us what they anticipated, whether it was going to 35 or 10 or 5 or anything and that includes small folks as well as large folks. So it was the procedural part that the 35 acre-feet was tied to, to say you've got to come in and request every six months but you can't ask for more than 35 acre-feet and then when we tried to implement that there was nowhere to go to be able to get that information, even that request.

You could for some. Rancho Viejo would be one. Somewhere there developer is doing all the building, that would be okay. That wouldn't be any problem. It's when a development comes in and then they sell off all the lots and it goes to different builders and different homeowners that there's really no way - no one to ask that question of. That's where the difficulty came in is in the procedure.

COMMISSIONER SULLIVAN: Okay, so since the problem is not when we have a builder building their own development like Longford or Rancho Viejo or builders like that. The problem is just if your land developments sell lots situation where you don't know if that person who bought a lot is going to build now or they're going to build five years from now. But you would know what the total allocation was, right? That would restrict the number of lots that that builder could build, right?

DR. WUST: Correct. That's exactly what's on the sheet is the total approved allocation. That's what we have right here. That's what we're accounting for right now. The other procedural issue on that, especially again with the builders who sell the lots with time was that the way the policy was set up when you came in every six months is when you brought the next batch of water rights or fee for that next batch of water. But if the lots have been sold and it's now separated from the person required to bring the water rights or fee from the person who now has the house, say, then again, how are we going to go about this tracking everybody down and making sure the water rights are there, or alternatively, telling some constituent that just bought a house that they can't have any water because the water rights or fee were never brought forward. That's a difficulty we didn't want to get either the County or the constituents in. So by having the allocation up front and asking for the fee or water rights up front, the whole amount, we know the County is covered in terms of our water rights and fees and no one is caught down the line.

Again, that's an accounting thing, much more so than - we could do a thing if the Commission chose to just say we will not add more than 35 acre-feet to any particular development in any certain time period. We could do something like that and that

hopefully would cover the same thing. It's a procedural thing where we have the difficulty, more so than the numbers.

COMMISSIONER SULLIVAN: Well, if this works I'm not hung up on 35. I remember the discussion when we did the policy and we actually had a lower number and then suddenly it popped up as being larger. I know Mr. Pino testified that that was comfortable for Rancho Viejo in terms of their development schedule and I think they're about the largest developer in the county right now in terms annual units. So that seemed to be a reasonable number. I think I understand what you're doing, so if it works, I don't have any problem with it. Thank you, Madam Chair.

CHAIR VIGIL: Thank you. Any other questions?

COMMISSIONER MONTOYA: Madam Chair, in regards to the County projects, how much are we actually using of that water that we've allocated for County projects - the detention facility, public safety complex -

DR. WUST: Madam Chair, Commissioner Montoya, I'd have to look at the usage numbers. I know the detention facility uses quite a bit but I don't know if it matches this. I do know that 25 acre-feet for economic development hasn't been used yet, and the 19 acre-feet set aside for affordable housing has not been used yet.

COMMISSIONER MONTOYA: So those are the only two that haven't been used yet?

DR. WUST: Those are the only two that haven't been used. Whether the others have been used to their full amount - we could look up that information for you.

COMMISSIONER MONTOYA: Okay. And then the request that we had that you referenced that was tabled at the last meeting, would that fall on the lower half or the upper half in terms of where we're going to account for it?

DR. WUST: It would probably be both. In the end - and I'll refer you to how I would do this for the accounting purposes. If you look in the lower half, somewhere in the middle there, you see ATC. It's two acre-feet and way over to the right there's a note from Rancho Viejo. That came from a water service agreement. So I reduced the water service agreement amount by two, and I've got a note up there of two acre-feet to ATC right at the top. So I basically put it in both and just put notes that says it got transferred from one to the other, to help us keep track of how did it get from here to there and what happened.

So if my reading of the resolution was correct, when it came forward it would be allocated out in the park for economic development, so I would reduce the 25 to 22 and then add another line down below and put in three.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Further questions?

VII. K. Request for Approval of County Utility Water Allocation in the Amount of One Acre-Foot for Oliver C de Baca Land Division

DR. WUST: Thank you, Madam Chair. This directly follows the procedural thing. When the Commission set up the water allocation policy they made it very clear they want to be in the loop and keep an accounting of all water that gets allocated from the County utility. What was not anticipated was certain permits go through the administrative approval and not coming before you for a vote, so in order to keep you in the loop we come before you to ask for approval of water allocation for certain developments that are on administrative approval. Doug Sayre is here if you have any specific questions about those developments, because he's been working with them on their infrastructure.

Now the idea of this six-month thing that we're going to continue to do is as well as give you an accounting, we're not going to come to you every time we get a request, but every six months we will come to you with the current accounting and all the new requests that are undergoing administrative approval so you could approve those allocations or not. The reason is, and there's one more after this one, and normally these would be bundled together at approval of allocations, but Mr. McHorse is asking for different consideration so we had to separate it into a separate agenda item. But Mr. C de Baca is only asking for, as part of his administratively approved permit, one acre-foot. He's willing to pay the fee and if you look in your packet I believe we have a copy of the water delivery agreement that he's already filled out where he checks that he's going to pay the fee and how much it will be. It runs about \$30,000 an acre-foot right now. That's the charge from the County.

CHAIR VIGIL: Questions? Commissioner Sullivan.

COMMISSIONER SULLIVAN: Madam Chair and Steve, on issues – for example, this is an EZ case, and this one did not, I assume, come to the Commission. Is this a family transfer?

DR. WUST: I don't believe it is. I'll have to ask Land Use specifically, but it didn't go through the Commission. That's why it's in front of you. It went, I believe to the EZC and EZA. It's a land division. These guys know a lot more about the land use part of it than I do.

COMMISSIONER SULLIVAN: Okay, it's a land division so it didn't come to the Commission. Now, I wonder what happened. Are we by virtue of the EZA approving a land division, are we ipso facto approving water for this land division?

DR. WUST: Madam Chair, Commissioner Sullivan, I would suspect that if you denied water allocation from the county utility he would be required to provide his own water in some way, shape or form. However, he's close to our utility line and he's willing to build a line to his property and the EZ says that if that's do-able then you're supposed to be on the County utility and that's why he came to us. But if it were denied then he would have to find his own water source.

COMMISSIONER SULLIVAN: Okay. So if something came up, red flag,

for any one reason, it wouldn't prohibit him from doing the land division, but he would go back to drilling wells as opposed to getting on the County.

DR. WUST: I believe that would be his only alternative, or if he somehow got City service because he was close enough to a line.

COMMISSIONER SULLIVAN: Okay. I understand. Thank you.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Dr. Wust, can you provide us with criteria for evaluating all these requests? They just come before us. Is there any criteria that we're going to apply to whether we want to grant the water or not?

DR. WUST: Madam Chair, Commissioner Campos, from our part, this falls more into the realm of whether we write a ready, willing and able to serve letter and the criteria are they're within our service area. And so if someone's within our service area and requests water from the utility, then we give them a ready, willing and able to serve letter. That's pretty much it. In fact if you read my letter there's a lot of caveats in here. It says this is not a commitment of water. The amount of water, the scheduling of water is totally dependent on your permit approvals. But they cannot go forward with their permitting process, without, if they want to be on a utility, including us or the City, a letter saying, yes, we can serve you.

Our criteria include basically an ability to serve. That would be both are we delivering - are we at the end of our delivery amount, which we're not, but also there was one recently that where they wanted to connect to our line, the pressures weren't appropriate to be able to do that, so for engineering reasons we had to give them a negative letter saying where you want to hook up we just can't do it because of the pressures. Other than that we look at do we have the capability of doing it and that's all they get in that letter is saying, yes, we have the capability of doing it. But the amount of water you get, when you get it, your permit, your water budget, everything else, it's got to go through the regular permitting process.

COMMISSIONER CAMPOS: Essentially, it's availability, ability to deliver and service area.

DR. WUST: That's correct, Commissioner Campos.

COMMISSIONER CAMPOS: Are you satisfied that that's enough criteria or are there other considerations that should be applied to these requests?

DR. WUST: Madam Chair, Commissioner Campos, I think what I want to do is arm you with all the information we can so you can make a good decision, and that's what this accounting will do. That if you start to see - let's say Buckman's delayed, and all the water commitments we've made so far, the build-out is happening, and we're starting to get to where we're committing water but our water availability limit is starting to be reached, I think you need to be armed with that so you may be able to do things like phasing or something like that. But at the moment, the criteria for bringing it forward in front of you, I think as the permitting process is most appropriate because that's really where we argue about things like water budgets and conservation practices. And I think

those are as critical in terms of helping you make a good decision on whether utilities should serve someone as anything else. But that's already part of the process.

COMMISSIONER CAMPOS: Is this property within a growth area that the County has designated?

DR. WUST: Mr. C de Bacas? Yes. In fact he's along - near one of our existing lines.

COMMISSIONER CAMPOS: Is it a growth area that we've designated in the county?

DR. WUST: It's on Mutt Nelson Road where we've got the *New Mexican*, so we already have service in that area. It's not in the Community College District but it's where we already serve. It's along the way we already serve.

COMMISSIONER CAMPOS: And we serve a substantial number of customers in that area?

DR. WUST: I'd have to ask Doug Sayre that question.

COMMISSIONER CAMPOS: Thank you, Madam Chair.

CHAIR VIGIL: Thank you. Further questions?

COMMISSIONER SULLIVAN: Move for approval.

CHAIR VIGIL: There's a motion for approval. Is there a second?

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: There's a second. The only - I'm not going to vote in favor of this. We're getting ourselves caught up in allocating water for processes that because they could create some zoning differentiation or whatever, and we're caught up in a situation where we have to make a decision like this and I don't like to be put in a situation like that. I think we should have some definitive criteria for allocating this water and I have one question before the vote is taken. If we do allocate this and let's just hypothetically say the request that follows that, where does that put us in terms of how much water we have left to allocate?

DR. WUST: Madam Chair, that's on the accounting sheet. This one and the next one, they're on the allocation request column but not on the approved column. So you can see at the bottom it says total allocated water, and of course that includes the water service agreements, 787.73 acre-feet. So this would add 1.75 acre-feet to that. Currently, we have available through the water service agreement with the City 875 acre-feet, so the total allocated is still below that. We'll have another 22 or so once the water system improvements are completed at Valle Vista, because we have wells there, but they're off-line at the moment, but we're working on getting that system upgraded. So I think that's a good point. What I'll do every time I bring this accounting to you I will put total available water as one of the numbers so you'll be able to make a comparison.

CHAIR VIGIL: Thank you.

The motion passed by 3-1 voice vote with Commissioner Vigil voting against the motion.

VII. L. Request for Approval of County Utility Water Allocation in the Amount of 0.75 Acre-Foot for Cielo Son Risa (McHorse) Land Division

DR. WUST: Thank you, Madam Chair. This is very similar to the one before. This location is up in what we call the west sector, up off Sonrisa - I don't know if it's Boulevard or Road, but it's up Las Campanas way. That's our west sector. So he's very close to a line. I think his property maybe adjacent to a line. The reason this came as a separate item was that Mr. McHorse originally wanted to know if the Commission would be favorably disposed to considering instead of a fee or water rights that he could donate land for a potential well location and land for easements for pipelines. Now, the staff of utilities verified that an easement would be a good thing, because we'll probably be servicing beyond his property. It's also a decent area for a well. However, that's not a thing that's in the policy and it's not a thing we could administratively approve, but I will also mention to the Commission I have discussed this further with Mr. McHorse and he said if the Commission doesn't like that idea and just wants him to pay the fee he'll pay the fee. So he's not saying this or nothing; he's just saying he just wanted to know if you'd consider that kind of option.

CHAIR VIGIL: Questions? Commissioner Sullivan.

COMMISSIONER SULLIVAN: Madam Chair, actually I was a little sarcastic about this in my prior comments but it's actually a fairly interesting idea, because as we look forward to expanding our regional water system we have to look at preserving easements and well locations and so forth. In the northwest sector we haven't the foggiest idea if we're ever going to get a well approved there but quite frankly that's where the water is. So there'll be protests just like any location that we ultimately decide to do a well. So the question I would have is if the Commission thinks this is a good idea is what would happen then if we didn't need it for a well?

DR. WUST: Madam Chair, Commissioner Sullivan, the original proposal is he would give us the land for the well site, so we don't know what we'd do with it and if we had easements I don't know what we'd do with them if we didn't need them.

COMMISSIONER SULLIVAN: In lieu of his paying \$22,500, which would be the cost of $\frac{3}{4}$ of an acre-foot, he's proposing an easement and a half-acre's worth of land. So that seems like a fairly good deal if we know that that's going to be a well site because land in that area is probably worth a lot more than \$45,000 an acre, which would be twice \$22,500. But on the other hand, if after doing all our well review and our applications and the State Engineer's review and everything, it is determined that the County couldn't put a well there then we've given him free water.

DR. WUST: Madam Chair, Commissioner Sullivan, the value of the easements are important too in that the infrastructure planning by our engineering staff suggests that that will be a place we would like to be laying some additional pipelines in the future. I don't know how to evaluate what an easement may cost or the process to get an easement in the future, but that has some value too.

COMMISSIONER SULLIVAN: Should we get an appraisal?

DR. WUST: Madam Chair, Commissioner Sullivan, that actually was going to be the process that we were going to suggest that if the Commission is okay with looking at this issue you could just direct staff to make sure that we get the right amount of land, right amount of easement for that amount of money, because we haven't calculated exactly – he was just coming forward wondering if you would consider that proposition. So we would do that. We would actually do that. We'd get an appraisal and find out values and things like that so we wouldn't get too little land, too much land, not enough easement. Things like that.

COMMISSIONER SULLIVAN: Okay. Thank you, Madam Chair.

CHAIR VIGIL: Further questions?

COMMISSIONER CAMPOS: Dr. Wust, do you have a recommendation?

DR. WUST: Madam Chair, Commissioner Campos, it's a good place for an easement but I'm a little cautious about getting into the bargaining – every time somebody wants water to get into a bargaining. As Commissioner Sullivan pointed out before, and to backtrack to why we started our own well program to begin with, you yourself were concerned that we were getting wells, depending on where developers wanted to put them in and offering them to us. And I would really like to stay away from that process again because the Commission decided they didn't like that process.

COMMISSIONER CAMPOS: Okay. Thank you, Madam Chair.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: I'd like to hear what the Manager has to say about this one. Then my subsequent question to you, Steve, would be do we have land on this site that we would be able to put a well in. So, Roman, if I could hear from you.

MR. ABEYTA: Madam Chair, Commissioner Montoya, I guess it would depend on whether or not we felt that we could get approval for this site for a potential well, and that's kind of the exercise we're going through now at the State Engineer's Office. But because the amount of water we're talking about is a small amount, it may be worth considering whether or not it does pan out to actually have use as far as a well site on there. So I guess my question would be what do we think the potential is for this property as far as a well location?

DR. WUST: I believe that's kind of your question to me, Commissioner Montoya. First off, we don't have land there. We don't have any, but according to our hydrologic model that we've spent the last year working on, it's a good location. It shows as a favorable location for a well site.

COMMISSIONER MONTOYA: Okay. Madam Chair, I'd like to hear now from our Legal, in terms of, Steve, what are your thoughts? Can we accept land in lieu of fee?

MR. ROSS: Madam Chair, Commissioner Montoya, I think you could as long as it appraised out as at least the normal fee which currently is \$30,000, or more. And the appraiser could take into consideration that it's a good well site or they could just value it as bare land. Either way, I don't think that with just $\frac{3}{4}$ of an acre-foot being requested, most land

in the urban area in Santa Fe County is valued as more than that as vacant land. But I think we'd want to have an appraisal.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: I just don't believe that we should get into the business of bartering for water. It's a risky thing to do. While the need for easements, utilities, infrastructure building exists we really don't have a plan for that. We do have some preliminary information but we also know that this is a community that is going to fight the County for well placement for anywhere in that area. So I think when we start bartering with those kinds of things we start taking higher risks. So I think if we do move forward on this – what's on the books for us? Either we accept in lieu of, or water rights – whatever the alternatives are, and forget about the bartering because I think we're just delving into higher risk management of our own resources. And that's just my comments on that. Commissioner Sullivan.

COMMISSIONER SULLIVAN: I would normally agree with that but I like to keep the policies simple for the staff to administer. I think knowing that there's some potential in this area and knowing that wherever we ultimately decide to pursue a well we're going to deal with protests by the City of Santa Fe, by residents, and we just have to let the State Engineer evaluate those and see if there's any impairment. But one way perhaps to address this would be to approve the County entering into an option agreement for, say, a period of five years, and in that time that if the County then chose not to exercise its option for the easement and well site then Mr. McHorse would pay the County a fee for the water rights, which would be \$22,500 for $\frac{3}{4}$ of an acre-foot. That's one way that we could keep our options open, and I just throw five years out as some nominal period of time to be – whatever could be negotiated.

And then we would be keeping our options open and if it turned out that the Commission decided, based on staff's recommendation this was not a good place to pursue any well, then we would notify Mr. McHorse that we were not going to exercise the option and he would remit \$22,500 to Santa Fe County. So do you think that's something that you might be agreeable with?

DR. WUST: Madam Chair, Commissioner Sullivan, he already said if you want him to pay the fee, he'd pay the fee and work something out. He also said if we couldn't figure out the right appraisal, he'd be more than willing to say, okay, I'll pay the fee. The only concern I would have is the same thing I talked about before procedurally, with allocations in general. If he's not here in five years, what do we do then? In fact, one of the water service agreement holders is actually dead and we don't know who owns it at this time.

COMMISSIONER SULLIVAN: Or we could get a letter of credit I guess to back it up.

DR. WUST: We'd have to look at it financially to make sure, but that would be my caution on that.

COMMISSIONER SULLIVAN: I think there is a way that it could be done. It's kind of an interesting concept. I know we have not looked at in a master plan fashion how we're going to deal with these as we extend our water system. Normally we say okay, we're just going to put them in the roads and they're going to dedicate the roads to the County,

dedicate the easements as they build the subdivisions. But there's a lot of cases where we need to interconnect, I think, that we're going to have to end up buying land to hydrologically interconnect our lines. That would be my thoughts. I would not have a problem if the Commission wanted to negotiate an agreement like this. I don't think we have all the information right now. I think we'd want to come back and finalize it, but we could give that direction. If not then just pony up the money.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Madam Chair, I don't like the idea proposed by Commissioner Sullivan. I think it should just be a straight granting and taking the money and no donations. It's simple. Otherwise we have a hit and miss process and this land will not be worth anything unless we really have a usable lot, that is something that's sellable. So I make a motion that we just do that. Give the allocation but no exchange of land, just straight money.

COMMISSIONER MONTOYA: Second.

CHAIR VIGIL: Your motion, does that mean we allocate the 0.75 and it's in lieu of?

COMMISSIONER CAMPOS: No donation. Money.

CHAIR VIGIL: That's what I mean, money.

The motion passed by unanimous [4-0] voice vote.

COMMISSIONER SULLIVAN: See, that's what I wanted, Madam Chair.

CHAIR VIGIL: Is that reverse psychology that you're working on Commissioner Campos.

VII. M. Presentation of Santa Fe County's Utilities Plan. Discussion and Direction to Staff [Exhibit 2: Draft Plan; Exhibit 3: Presentation]

CHAIR VIGIL: Let me just tell you that we want to go into executive and we need about 30 minutes in executive, 45 minutes, so we probably need to be out of here, out of this item at about 2:30. Are we good with that?

MR. ABEYTA: Madam Chair, that's fine. I'll go ahead and make the presentation. I was going to have staff do it but I'll do it so that we can just skip to the important information. The first page of the presentation is the County water utility plan, and I want to be specific is what we are focusing on today is water for the County utility and not wastewater. We have our mission statement, we have our priorities, which is to secure a reliable, diverse water supply, provide for sufficient infrastructure, plan for a growing customer base and then the Water Resources Division has also been tasked to seek ways to assist other community water systems in developing a stable water supply and infrastructure, and we addressed that in this presentation.

We have priorities near and long-term. Near-term, we're talking pre-Buckman Direct

Diversion, mid-term is post-Buckman Direct Diversion but pre-regionalization, and then we think that finally, for long-term priority should be directed towards creating a regional system, incorporating smaller systems – ideally, the regional system would combine the City and County of Santa Fe, but there could be a regional system in Santa Fe County exclusive of the City of Santa Fe. Again, this is way out long-term.

We have a 40-year water plan that was adopted in August of 2002 and the purpose was to demonstrate a strategy and use in order to secure a water rights portfolio. It fulfils the requirements of the Office of the State Engineer. It's required to be revised very five years, which is now, so after we conclude today's presentation we will work on revising the 40-year water plan and expect to have that done in September or October.

In regards to securing a reliable water supply over the long term, a conjunctive use strategy is the most regionally sustainable, meaning near to mid-term, the utility will rely on three primary water sources: contracted supply from the City of Santa Fe, surface water from the Buckman Direct Diversion project and groundwater. The Water Resources Division is in the midst of implementing the ground water plan which includes the hydrologic model, well location selection, well location strategy, which will include an analysis of specific locations, well optimization program, treatment analysis and system engineering analysis.

Mid to long-term, the utility remains open to any discussion regarding future water supply with the County as a customer for those supplies. This includes importation or water from other areas. The utility also encourages other water systems in the area, such as Eldorado, to consider participating in regional water supply projects. Additional supplies near to long-term, the County can obtain additional water supplies through judicious oversight of use and reuse. Reducing the demand has an equivalent effect of increasing available supply. For example, reuse of treated effluent may be used for irrigation, aquifer storage and recovery and conservation.

The need to secure water rights, surface water rights – from one, the Native Rio Grande water rights, two, San Juan/Chama, which includes both County lease and other leases, and then Aamodt. Groundwater rights, we're talking about the acquisition of groundwater rights, surface water offsets, domestic well transfers and return-flow credits.

We need to develop our utility infrastructure within the designated service areas. The County is participating with the Buckman Direct Diversion partners to ensure that County infrastructure can accommodate BDD deliveries while maintaining adequate deliveries to the County through the City system. The County utility will evaluate its ability to deliver supplemental water supply to other water systems. Legislative funding requests often create a project priority for the County utility. The utility will prioritize outside requests per direction of the BCC.

In regards to community water systems, we have talked about this since February of last year. As staff, we've come up with criteria that we can measure requests up against. For example, is it practical, what's being requested? Is there a potential for a regional hookup? Is there a health issue involved? Is there adequate water infrastructure and supply? What are the management capabilities of that system? What's the available funding? What's the number of

residents? And what's the relationship to wastewater?

Based on these criteria we have highlighted in red the communities we think would qualify: Cañoncito, Chimayo, Cuatro Villas, Sombrillo Agua Fria, and Eldorado. We want to make sure that if we provide assistance that the County utility becomes a source of backup water for those community systems, and that ultimately we can take over the system.

Our relationship to other systems: the organizational system of the County – the Water Resources Division will participate in joint planning for growth throughout the county. This is an ongoing effort that will result in water planning that will conform to an overall growth management strategy which you were introduced to earlier today. The most effective way to serve all county constituents and maintain a sustainable water supply is to develop a regional water system. The Aamodt settlement is an example of such a regional approach. The utility strategy will be to assist and cooperate with other systems while working towards a goal of a regional system. The regional strategy includes smaller systems, the City of Santa Fe, Las Campanas and Eldorado.

Funding sources: We have general obligation bonds, revenue bonds, gross receipts taxes, cash reserves, developer contributions, state funding federal funding, and the Aamodt settlement.

Now, the next section is the water infrastructure funding plan itself, and we're projecting – we're looking from now to 2012. We start with where we are and what we have. Right now, our current infrastructure for water is about \$8.2 million and we have a fleet of \$197,000. In wastewater, we have about \$305,000. Water acquisition and water rights –

COMMISSIONER MONTOYA: Excuse me, Roman. What's fleet?

MR. ABEYTA: Fleet are vehicles and things like that. We're just talking about the infrastructure right now of our utilities. So we're talking fleet and equipment, lines – water lines, sewer lines. As far as water rights, Buckman, we have 784.41 acre-feet, which includes 375 of San Juan/Chama. Pending water rights, we've got Aamodt at 1,788, which we got from Top of the World, Buckman, 678.23, and wells, which is 288.68 acre feet, which includes 190 acre-feet from the PNM/Horse Park Well.

The total dollars we've spent to date on water rights is \$7,435,105.

We've been talking about the need for the County to develop an asset management plan. What we mean is a plan for maintaining the assets, a schedule of the capital reinvestment needs of the infrastructure, and a funding plan for assuring the sustainable management of these assets. The maintenance plan calls for the County to maintain all assets using methods and intervals that maximize their value to our customers while sustaining the overall infrastructure. Such methods shall include a maintenance schedule for existing infrastructure, future goals and timeline for expansion and the means to value such assets. The schedule of capital reinvestment means the County will undertake and maintain a lifecycle funding/planning program that estimates the reinvestment needs of our infrastructure over a long period of time and supports sustaining the overall infrastructure.

Now, our funding plan – it is the intent of the County to finance asset reinvestment needs both internally and with other available funding sources. We therefore establish and

maintain a reserve fund for this purpose and will annually appropriate to this fund such amounts as are required to sustain it, considering current fund balances, future contributions and future reinvestment needs. Appropriation amounts will be revised as necessary every five years based on expected reinvestment needs over the subsequent 30 years.

And again, on slide 18 is just again another summary of funding sources – general obligation bonds, project revenue bonds, GRT, capital appropriation, federal funding, state funding, utility system revenues, cash reserves, developer contributions and other potential sources, like PIDs, or grants or impact fees.

So slide 19 talks about bonds of different types. There's revenue, expansion revenue bonds, special assessment debt, and capital appreciation bonds. Slide 20, there's a breakdown of the gross receipts tax, capital outlay GRT. Currently 75 percent of revenue generated from this GRT is dedicated to water and wastewater projects. These revenues are further split by a 50-50 County and regional dedication. The County, through the FOPA is entitled to use \$31.5 million of regional portions of the GRT to meet its obligations to pay for the Buckman Direct Diversion project.

Then we list state funding sources that are available and federal funding sources on slide 22, including the Aamodt settlement and other potential settlements. There may not be other potential settlements but there could be in the future that we may become a party to. We also have developer contributions, partnerships with private firms, federal and/or state partnerships, such as the Pueblos. The Pojoaque wastewater is an example of that type of partnership. The challenges of infrastructure funding and financing, you need to identify the system, what are the goals, you need to adopt a long-term capital improvement plan, establish a written financial policy, examine current rates, develop a transition plan, consider customer impacts and affordability, and have a positive voter referendum in order to continue to issue general obligation bonds.

Our current funding sources: available general obligation bonds are \$50 million. Series 1997 is one million, 2005 is three million, Series 2006 is \$5 million and we have the potential through future sales to realize \$41 million.

Available capital outlay gross receipts tax as of June 30th of this year, \$21.71 million. The County portion is \$12.1 million and the regional portion is \$12.5 million. We have utility cash reserves of \$2.9 million, but this is specifically established for repairs to our current infrastructure.

Now, on slide 27 is our current funding plan. If you look to the left, the left lists the sources. Again, the County and the regional portion of the gross receipts tax, which is \$31.5 million, general obligation bonds, which I just went through, 2006, 2005, 1997 and future sales, we have \$2.5 of grant funding, so the total available for water projects is \$84 million. This recommendation assumes that the County uses the regional portion of the capital outlay for the County's share of the BDD project. On the right are the uses. We're assuming that Buckman is going to cost the County \$80 million. So if we take that, funding available after BDD is \$4 million.

If you look at the prioritized projects, Valle Vista well, Valle Vista wastewater, Valle

Vista sewer line, Valle Vista water, Agua Fria, Edgewood, Chimayo, Cañoncito, Pojoaque, the Public Works wells – we're looking at \$10.2 million. So there's a shortfall of \$6 million. We're saying the shortfall could be covered by future bond actions taken to the voters, or legislative requests.

Now, we've looked at, okay, what are our potential funding plans, and we have two of them. Again, sources are on the right, regional and County gross receipts tax, \$31.5 million, general obligation bonds, 2006, 2005, 1997 Series and future sales, plus there's a potential for a 2009 GOB Series that will generate \$15 million and a 2011 general obligation bond Series that will generate \$15 million. Grant funding of the \$2.5 million again, so a total funding available for water projects could be up to \$114 million. If you take out Buckman at \$80 million, the prioritized projects, then we have available money of \$23.8 million. But the 2009 general obligation bond Series and the 2011 require voter approval.

We have a second potential for funding. Again, gross receipts tax at \$31.5 million. The bonds, including the 2009 and 2011 GOB Series, grant funding, then a future sale of revenue bond that will generate \$13.6 million would give us a total funding available for \$127.7 million. Now this plan assumes that the regional portion of the GRT is used to meet the County's funding requirement for the Buckman Direct Diversion project. It also considers a revenue bond pledged by gross receipts tax taxes. The amount pledged equals \$1 million available from the County GRT, which would generate what we're estimating to be \$13.66 million.

So given this, again you take away Buckman, the prioritized projects, and we'd have \$37.5 million available for additional projects.

Now key considerations: voter authorization from the 2004 bond election expires November 2008. So if the bonds are not sold prior to November 2008, the bonds must be reauthorized. As the 2004 bonds are sold, funds from the sales must be expended within a three-year period to avoid IRS penalties. If Buckman expenditures do not materialize by December of 2009, and if a significant amount of the available general obligation funding is not used by late 2011, we need to determine what other projects could be funded by bond dollars.

Now potential future bond sales for other water projects: Again, \$15 million in 2009, \$15 million in 2011, there's a potential for \$23 more million in 2013, and \$22 million in the year 2015. What we've done is we've taken all of the projects that we've discussed and that have been allocated or talked about with the Commission, and we've listed them on this final funding summary. If you look again, if you consider Buckman's going to cost \$80 million, we have projects that have been funded by the BCC to date – Valle Vista wells \$2 million, Valle Vista wastewater treatment plant upgrade, that's going cost \$10 million, Valle Vista sewer line replacement, \$1.7 million, Valle Vista water system upgrade, \$2.2 million.

We already have earmarked \$400,000 for Agua Fria. We gave Edgewood \$400,000. Chimayo, we've earmarked half a million. Cañoncito, we have an anticipated project cost of \$4.3 million but have set aside \$1.2 million. We're projecting the Pojoaque wastewater plant to ultimately cost \$12 million. We've already allocated \$1 million towards that. Sombrillo wastewater, we're looking at a million dollars for that project. We think we've allocated

\$350,000 to that. Then we have our County well program. We're assuming \$3 million for that, to drill wells. The bcc shortfall in water rights, we're still short 237.36 acre-feet in water rights. We're assuming that's going to cost us \$7 million.

Then we we're going to need water rights for the wells that we drill and we're going to need 561 acre-feet. We're assuming that's going to cost us \$16.8 million. So if you turn to page 33, what we're concluding is that if the regional GRT is dedicated to the County portion of the BDD project, the County may not need legislative assistance for Buckman and/or priority projects. The current County utility project participation is \$140 million. Funds that have been allocated are \$90 million, leaving us with a total need of \$49.8 million. The highest proposed funding plan, again, option 2, would generate \$127.7 million, which will still leave a shortfall for additional projects of \$12.3 million.

Now, on the next slide, we're looking again, the highest funding plan we think will generate \$127 million. But the uses – Buckman Direct Diversion is going to take \$80 million, the water rights we're going to need for Buckman are going to take \$23.9 million, County programs, Valle Vista water system, wells, water treatment plant sewer line and the County water program is going to cost us \$18.9 million. Commitments we've already made to water systems is \$2.5 million. Pojoaque wastewater we've already committed a million, so you can see, we have \$126.3 million worth of project that we're either committed to or we're going to have to commit to, leaving an availability of \$1.4 million.

When you look at the list of water projects from other communities that have approached us we have about \$16 million worth of other potential projects. So we have a shortfall of \$14.5 million. I've been meeting with DFA at the state and what they keep telling us is you've got money for Buckman. Don't be approaching us for money for Buckman; we know you have money. Basically, what we've put together here, our GRT, our bonds – and they're right. We do have money to cover Buckman. But we also have other needs, and we probably have enough money for other needs too, but what we don't have money for, for example, is now more money for the Pojoaque wastewater plant, in addition to \$1 million, or more money for another community water system that comes in and wants our assistance, like Cañoncito.

So now as a result of this exercise and what staff has done, now we have a better idea of what we should be focusing on when it comes to state funding and federal funding. Right now, it looks like it's these other water systems. Cañoncito, we don't have the money to do it unless we go together and ask for the state and they grant us money. Eldorado – same thing. We don't have money to do it. We would need to go together to get money. But at least now I can sit down with DFA and say, okay, we have the potential to generate \$127 million but here's where it's going. And anything in addition to Buckman or these water rights we have to buy or what we've already allocated, we're going to need state help with, and federal help.

And then finally, the last two slides, just to give you an update on the different things we're working on related to water and wastewater projects. Steve Wust put together the first half of the presentation which talked about the water rights and the different needs and projects and Teresa and Pete Garcia put together the funding section of the presentation. So at this time

we would like to have the Commission reaction to it and comments and questions. Thank you, Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: I think we probably need some more time to really process all the information.

MR. ABEYTA: Madam Chair, I would ask then for the Commission to commit and give us the time, because every time we try to schedule something with you guys we can't seem to coordinate your schedules. So, you're right. It's a lot of information but I don't know when I can do that with you guys because we have trouble scheduling time to do this. I guess what I'm asking for is if we can set a date.

COMMISSIONER CAMPOS: We have a BCC meeting next week that starts at 3:00. Could we start it at 1:00 and do a two-hour? Do we have conflicts?

MR. ABEYTA: The BCC at the end of the month starts at ten, but then there's one in September that starts at 3:00.

COMMISSIONER CAMPOS: So the September meeting, maybe we could do that at 1:00 or whatever you wanted. Because that afternoon is already committed by most of us anyway.

MR. ABEYTA: Yes, I'd be open to that.

COMMISSIONER CAMPOS: We need two hours? How much time do you think?

MR. ABEYTA: I think so. You can take this, take a look at it, and then we could come back and get into the discussion.

COMMISSIONER CAMPOS: I would suggest that, that at our next afternoon BCC, that we start early.

MR. ABEYTA: As you can see, we've pulled it all together, so now it's time to talk about it and get your feedback.

COMMISSIONER CAMPOS: I think it's great. Now we know how much money we have, how much we're committed to spending or likely to be committed to spending, what resources we have. I think it's great. It's put together now. Now we really have to absorb it and make some decisions as to where we want to go.

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: What's our agenda look like Tuesday, Roman, for the administrative meeting? It seems like we've caught ourselves up on a lot of items. Do we have any time there or do we have a full agenda?

MR. ABEYTA: We may. We have a big Consent Calendar. If most of the items stay on Consent, we can probably get to it but it's a big Consent Calendar. I've read all of the packet material and have asked for more information on the memos so that we can keep most of these things on Consent but the Consent Calendar is really big for Tuesday.

COMMISSIONER SULLIVAN: Let me make a suggestion. Perhaps we could just put this on the agenda and see if we have time. Or even if we split it between Tuesday and

then the following meeting, have a meeting early on the following September meeting. I think it does take time to go through and think over this. Explain to me, what's the purpose of this? What are we aiming to achieve from this?

MR. ABEYTA: Madam Chair, Commissioner Sullivan, the purpose was to show the Commission that we do have this plan, this utility plan for water and this is it, and these are the different components of it and this is how we're going to fund it. Because we had all the information but it's never been consolidated into one document if you will that says, here's the utility plan; here's where we're going and here's how we're going to fund it. And then, like I said, in showing the state that here's what's going on with funding at the County and here's why we need your assistance in this area or that area.

COMMISSIONER SULLIVAN: Well, and not only the state but the City too. We constantly get comments from the City that indicate that they don't have much understanding of how we're financing our water improvements, or what the needs and demands are on us. So if the Commission doesn't object, I think we could at least get it on the agenda, see how the Consent Calendar goes and if we have some good memoranda and back up on the Consent Calendar and we don't get a lot of things pulled off, we might have time to get started on it. It's just an idea that that way, if we had questions that perhaps couldn't be answered that we would bring up during the discussion then we could schedule an early meeting on the September meeting too. I'm worried about the land use meeting because we really get worn down on those land use meetings. They're long and if we have a two-hour session before a land use meeting we really burn out by 11:00 at night. Particularly with something as important as this. I just think we could divide it up a little bit.

CHAIR VIGIL: And let me just suggest, Roman, that for the meeting on August 28th under Matters from the County Manager we include an agenda that says Continued Presentation of Santa Fe County Utility Plan, Discussion and Direction. And we'll get to it if possible. If not we will continue with it, but I think that's the way we should move. Unless anyone -

COMMISSIONER MONTROYA: Madam Chair, just a couple of quick comments. You don't have to answer them now. Cuatro Villas was included only on one of them, and I don't know if it was anticipated that they would be their own MDA or how they would operate. And then the other question I guess or comment is does this include OM&R or is this just the infrastructure, the capital cost?

MR. ABEYTA: I'll look at that. Because I'm not sure if it did.

COMMISSIONER MONTROYA: Because I'm not sure exactly what we're looking at in terms of the OM&R. If that means us running the utility and what does that mean in terms of FTEs, etc., etc .

COMMISSIONER SULLIVAN: Madam Chair, the question I would have is, Slide 34 where we say community systems, and it gives a breakdown of what are our commitments to community systems. That's the \$2.5 million that you show there. I'd like to refresh my memory on that.

MR. ABEYTA: Okay. We'll add that to the list. We'll add it to this slide.

CHAIR VIGIL: Okay. We have finished with presentations.

COMMISSIONER SULLIVAN: Good job.

CHAIR VIGIL: Yes. Thank you for bringing this forward. Are there any quick announcements that any of the Commissioners want to make? Seeing none, I just want to remind everyone of the opening of the Senator Nancy Rodriguez Community Center tomorrow evening at 5:30 and I invite everyone from the County to attend and celebrate this grand opening.

VIII. Matters from the County Attorney

1. **Executive session**
 - a. **Discussion of pending or threatened litigation 7**
 - b. **Limited personnel issues 2**

CHAIR VIGIL: For what matters, Mr. Attorney?

MR. ROSS: Madam Chair, we need to go into executive session to discuss pending or threatened litigation and limited personnel issues. Now, the pending and threatened litigation that we're talking about are the panoply of litigations concerning Las Soleras and annexations by the City. There's five or six pending lawsuits. Those are what we'll be discussing.

CHAIR VIGIL: And limited personnel issues?

MR. ROSS: Together with limited personnel issues.

Commissioner Campos moved to go into executive session pursuant to NMSA Section 10-15-1-H (7 and 2) to discuss the matters delineated above. Commissioner Montoya seconded the motion which passed upon unanimous roll call vote with Commissioners Campos, Montoya, Sullivan, and Vigil all voting in the affirmative.

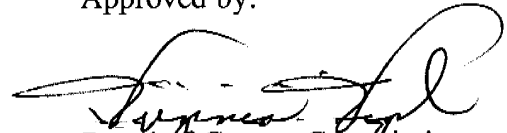
[The Commission met in executive session from 2:50 to 3:35.]

Commissioner Sullivan moved to come out of executive session having discussed only the matters outlined in the agenda, and Commissioner Campos seconded. The motion passed by unanimous voice vote.


IX. ADJOURNMENT

Chair Vigil declared this meeting adjourned at 3:35 p.m.

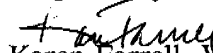
Approved by:


Board of County Commissioners
Virginia Vigil, Chair




VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:


Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501

Building a Mutually Rewarding Partnership

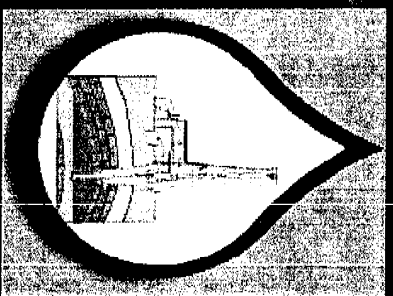


EXHIBIT
1

Current Members / Staff

Paul Johnson

Chairman

John T. Jones

Vice-Chair

East Forance SWCD position

John T. Jones

Secretary/Treasurer

Bernalillo County, Municipal/Developer

Utility Position

H.L. Hagerman

Committee Member

J. Brian Greene

Committee Member

Claunch-Pinto SWCD Position

Jim Rea

Committee Member

Edgewood SWCD Position

David A. ...

Member

Torrance County Agricultural Position

Member

Committee Member

P.E. Santa Fe County Government Position

Tom Spindler

Utility Position

Jimmy Corliss

Committee Member

Torrance County Agricultural Position

Charles (Chuck) ...

Committee Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Jim Corbin
Committee Technical Advisor
Charles T. Diamris
Law & Resource Planning Associates, P.C.
Cheri Lyman
Committee Secretary

❖ From 1993 until late in 1999 the Estancia Basin was engaged in developing a Regional Water Plan through a memorandum of Understanding (MOU) between the three counties in the Basin. Based upon the MOU, the Committee is composed of 13 citizens from various economic groups, selected by the counties to serve on the committee.

Our Commitment

Our partnership with Santa Fe is a commitment to

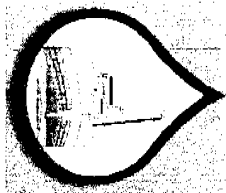
- Mutual trust and respect
- Delivering measurable value
- Understanding and quickly resolving challenges

Accomplishments

- ❖ The Regional Water Plan developed by EBWPC was the first Water Plan accepted by the New Mexico Interstate Stream Commission, in 1999.
- ❖ A major success was the development of a MOU between the four Soil and Water Conservation Districts in the Basin to begin to implement a portion of the Regional Plan for the Basin. That effort has resulted in a 10 year Watershed Health and Monitoring Program which will secure close to 6 million dollars funding from the State Water Trust Board after the 10 year project is completed.
- ❖ The bulk of the watershed health and restoration work is being carried out on private lands by the owners with a 25% match in funding or work in kind.

Accomplishments cont.

- ❖ Monitoring effort started slowly, but it has started to finally take form with a modeling effort using the data and criteria from the OSE Basin Model. It examines the expected outcomes of the Watershed Health and Restoration program focused on monitoring efforts at locations where results can be expected to occur.
- ❖ We provided technical assistance to communities in the Basin as they developed their 40-year Water Plans. We've taken input from those efforts and incorporated them into the draft of the Regional Water Plan.
- ❖ Functioning WEB site: www.ebwpcc.org



Welcome to the Estancia Basin Water Planning Committee

Dedicated to coordinated water resources planning in the Estancia Basin since 1993.

About the EBWPC

In the late 1980s and early 1990s, residents of the Estancia Basin became increasingly concerned about declining water levels and their perception that water quality was deteriorating in the Basin. In late 1993 Torrance County established the Estancia Basin Water Planning Committee (EBWPC), which was composed of citizens representing major stakeholders in the Basin to address water resource related concerns. Since that time, the EBWPC has remained dedicated to coordinated water resource planning for the Estancia Underground Water Basin. Members represent the county governments as well as the region's Soil and Water Conservation Districts, the agricultural sector, utilities, and area residents.

[The Estancia Basin Recommended Water Plan](#)

[Estancia Basin Regional Water Plan Update](#)

[Maps and Figures](#)

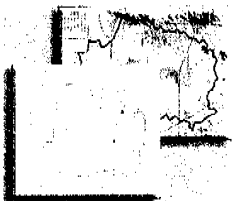
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[Links](#)

[Contact Information](#)

[Estancia Basin](#)

[Dynamic Water Budget Model](#)



MEETING DATES

April 19, 2007
Agenda

March 13, 2007
February 15, 2007
March 15, 2007
April 19, 2007
May 17, 2007
June 21, 2007
July 19, 2007
August 16, 2007
September, 2007 - no meeting
October 18, 2007
November 15, 2007
December 20, 2007

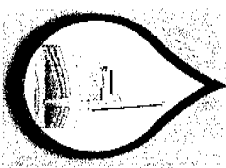
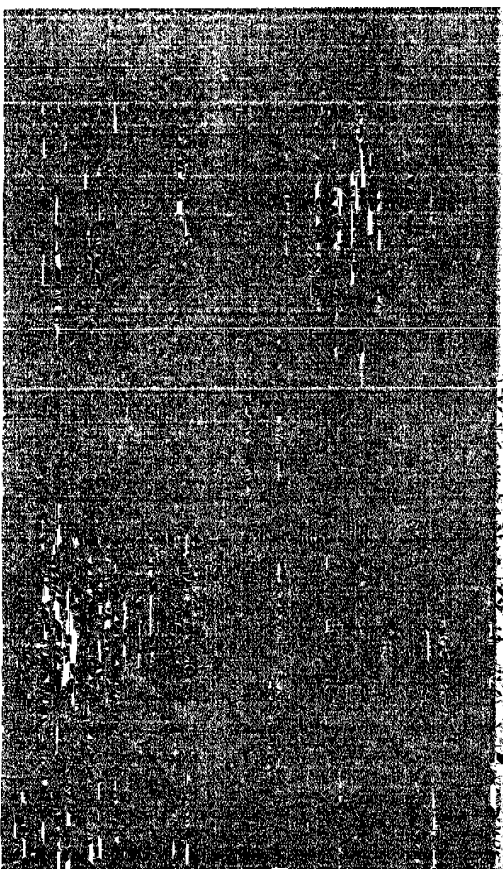
Estancia Basin Dynamic Water Budget Model

Dedicated to coordinated water resources planning in the Estancia Basin since 1993.

The Estancia Basin Dynamic Water Budget is a water balance simulation model for the Estancia Basin. It was built to provide an interactive tool for water planners to test policy options and water planning concepts for this basin. This model is based on the concept of system dynamics.

The Estancia Basin Dynamic Water Budget Report, Sandia Report SAND2004-1796, describes the model.

Download the Estancia Basin Dynamic Water Budget Model. This file is an 8 megabyte zipped file. After downloading and unzipping the file, read the Readme.doc for instructions on installing the model.



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[EBWPRMC Groundwater Database](#)

[The Estancia Basin Regional Recommended Water Plan](#)

[Estancia Basin Regional Water Plan Update](#)

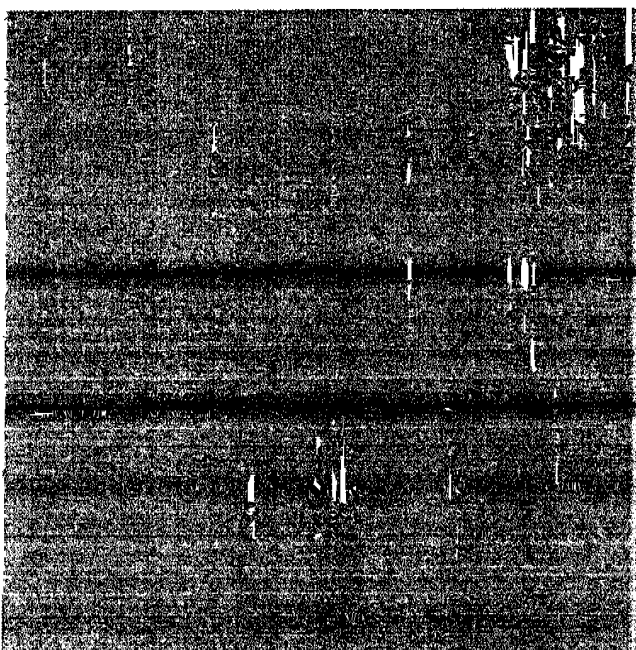
[Maps and Figures](#)

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[Estancia Basin Dynamic Water Budget Model](#)



Budget

The Committee is a government sponsored entity, not an advocacy group. We provide a balanced view of water resources in the Basin and we serve as a relatively unpaished conduit for information and action between state agencies and the residents of the Basin. Rather than become another level of government, the Committee has been able to focus and assist existing governmental entities at all levels on the concerns in the Basin, effective funding, the water supply conditions, and the need for effective action.

- Estimated carry over balance from general fund 06-07 \$26,397.73
 - 07 Legislative Funding for Water Plan Update \$30,000.00
 - EBRA contribution \$10,000.00
- Total estimated Balance as of July 1, \$66,397.73

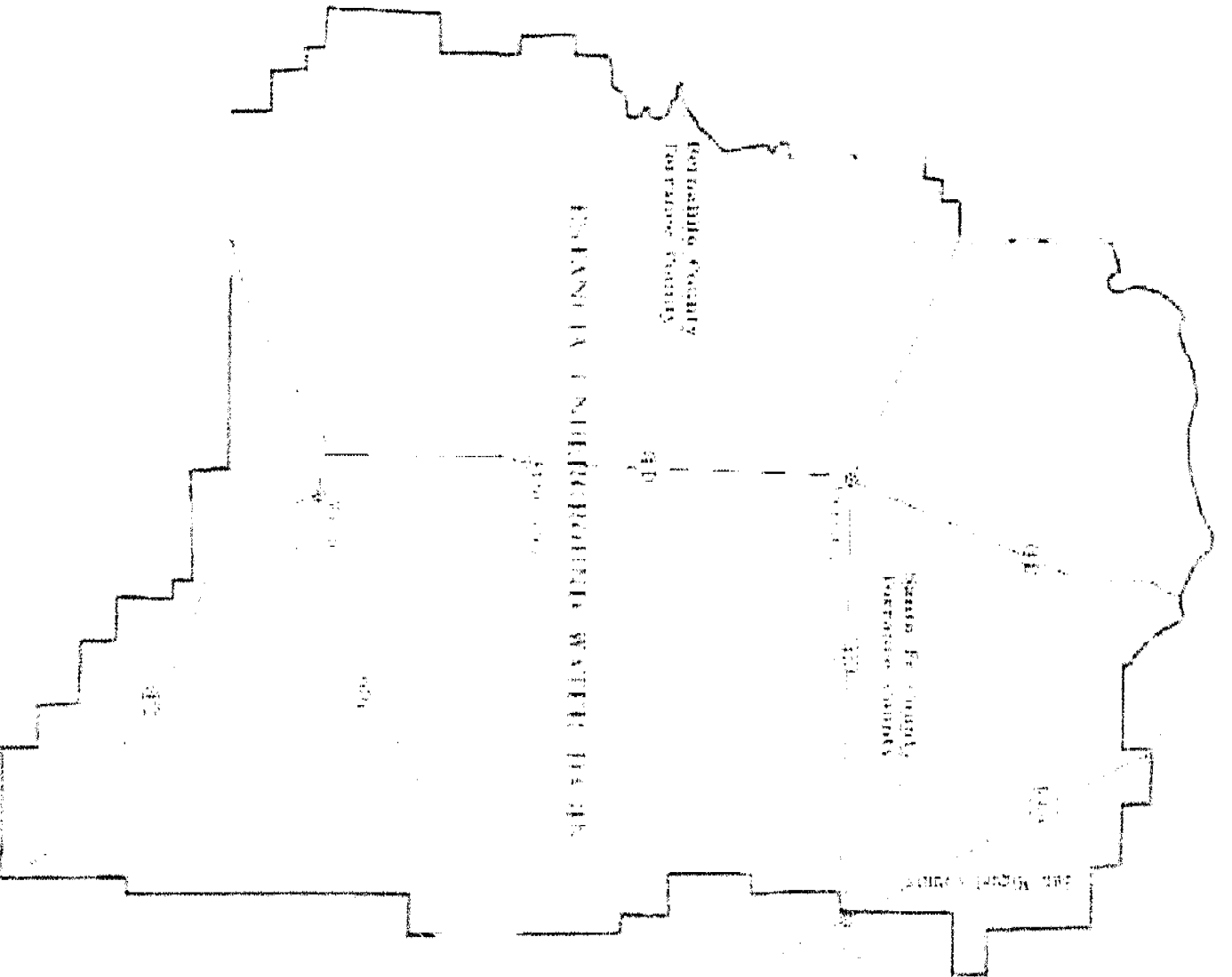
- Regional Water Plan \$30,000.00
 - Educational Campaign \$23,000.00
 - EBRA-Economic Development \$10,000.00
 - Web maintenance \$ 300.00
- Total estimated balances of committed expenditures: \$63,300.00

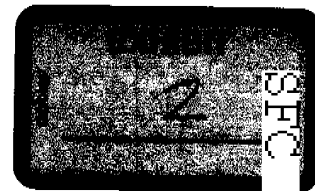
Asking for additional funding from Santa Fe County for \$19,500.00
Additional Educational Outreach, Administrative Support and Supplies, funding
to complete the water plan update.

In the Next Fiscal Year, We'll Be

- ❖ Working with SNL (David Chace) and \$35 thousand in private funding to study the Estancia Basin aquifer.
- ❖ Holding public meetings to update Water Plan
- ❖ Educational plans are underway
- ❖ Continue updates on web-site for the public to be aware and on top of changes and outcomes on issues in the Estancia Basin.
- ❖ Will be working on securing more funding in the 08 Legislative session

Thank you
for
your time.





COUNTY WATER UTILITY PLAN

"The mission of the Santa Fe County Utilities Department is to provide safe and reliable water and sewer utility service to its customers in an efficient and responsible manner." (From the Mission Statement)

In order to fulfill its primary mission, the Santa Fe County Water Utility, part of the Water Resources Division within the Growth Management Department, has set priorities:

- ◆ Secure a reliable, diverse water supply for its current and future needs.
- ◆ Provide for sufficient infrastructure to deliver water to those areas designated to be served by the County.
- ◆ Plan for a growing customer base, both from new growth and from moving private well users to the County water system.
- ◆ When an adequate long-term supply is secured, expand the utility beyond its current service area. Ideally, those areas would be developed in conjunction with the overall Growth Management Plan for the County.
- ◆ Reduce demand through re-use of treated effluent and the promotion of conservation.

The Division has been additionally tasked to seek ways to assist other community water systems in developing a stable water supply and infrastructure, and establishing effective operations and management. The Santa Fe County utility plan recognizes that different areas of the County have different existing historical, cultural, and land use situations, therefore require different planning approaches.

Near-term (pre-Buckman Direct Diversion Project [BDD]), the utility priority should be fulfilling the water needs within the Santa Fe urban growth areas, directed primarily toward new development.

Mid-term (post-BDD but pre-regionalization), priorities should be directed toward providing an opportunity for private well owners with water quality or supply problems to hook on to the County utility, and supplementing other systems in need.

Long-term should be directed toward creating a regional system, incorporating smaller systems. Ideally, the regional system would combine the City and County of Santa Fe systems, but there could be a regional system in Santa Fe County exclusive of the City of Santa Fe.

40-YEAR WATER PLAN

The County produced a 40-Year Water Plan in August 2002. The purpose of the plan was to demonstrate a strategy and use in order to secure its water rights portfolio. For counties and municipalities, a 40-year water plan fulfills the requirements of the Office of the State Engineer (OSE) to demonstrate that water rights are being put to beneficial use.

Much of the strategy in the 40-Year Water Plan is contained within this document, including diversification of both our water rights and water supply portfolios, service to existing well owners who may have water quality issues, potential as a supplemental source of supply for other water systems, and movement toward reuse of treated effluent.

The 40-Year Water Plan was scheduled for revision every five years. This document, and the direction to be set by the Board of County Commissioners (BCC), will lead to that revision. The 2005 Water Plan was prioritized toward existing development, but in the intervening years, the BCC has recognized that County utility service for new development was beneficial to the community, in that it prevented the creation of multiple independent water systems, or growth supported by shared domestic wells, and allowed the County to manage growth by designating those areas that would be supported by County water service. Therefore, one major revision in this plan is to identify water service to new development within County-designated growth areas as a planning priority.

SECURE A RELIABLE SUPPLY

The most critical aspect of water utility planning is securing a stable supply. A conjunctive use strategy is the best way to ensure such a stable supply. A conjunctive use strategy diversifies the water supply portfolio to multiple types and locations. In this way, there is no exclusive dependence on any single water supply or type. If one supply diminishes, others can provide for sufficient deliveries. Diversification also reduces the impact to surrounding users at any one location. Over the long-term, a conjunctive use strategy is the most regionally sustainable.

Near- to mid-term The Utility will rely on three primary water sources:

1. Contracted supply from the City of Santa Fe. The City and County of Santa Fe have entered into a Water Resources Agreement that allow

purchased deliveries from the City to the County of up to 875 acre-feet per year (afy) until BDD comes online, then up to 500afy afterwards. This is currently the primary water supply for the County. After BDD is online, the County utility plan is to utilize the City contracted water as a secondary or supplemental supply.

2. **Surface Water.** The City, County, and Las Campanas are partners in the Buckman Direct Diversion Project (BDD), which will utilize surface water from the Rio Grande. The permitted capacity for the County share is 1700afy. The County utility plan is to utilize BDD as its primary water supply. Surface water supplies are reliable on a long-term basis, but this supply can fluctuate year-to-year.
3. **Ground water.** There will be times, due to low river flows, water quality concerns (spills or contaminant releases to the river), or operational difficulties, that BDD will be unable to deliver needed water supplies. The Water Resources Agreement for the BDD authorizes the City to make available to the County water from the City supplies in the event that surface water flows cannot deliver the full permitted capacity. However, this drought relief is not in the full amount of the County capacity. The County could also utilize the 500afy of wholesale water through the Water Resources Agreement, however, this amount may be already utilized as part of the regular County deliveries. Therefore, the County must develop its own ground water sources to provide for backup and supplemental water. The Water Resources Division is in the midst of the implementing the ground water plan:
 - a. **Hydrologic Model.** The County contracted with INTERA to develop a ground water model for the region. That model is completed and is undergoing calibration and refinement. The model will also be used during water rights hearings.
 - b. **Well Location Selection.** Using the results of the model, as well as available technical studies, a number of locations appear favorable for production wells. These locations are being analyzed in detail, both hydrologically and, for those locations that are not County-owned, administratively for possible County acquisition.
 - ◆ **Well Location Strategy:** As with an overall conjunctive use strategy, diversification is the key for a sustainable ground water supply. This means multiple wells in multiple locations, reducing the dependence on any one well for supply.

1. *Analysis of specific locations.* Geologic, hydrologic, and well test analyses will be used to determine the efficacy and long-term production capabilities of specific locations. The analyses will also be used to demonstrate potential impacts to the aquifer, and methods to minimize such impacts.
2. *Well optimization program.* Conducted at each favorable location, to recommend well size, expected production capability, and well number (one well or multiple wells in a specific location).
3. *Treatment analysis.* If any Safe Drinking Water Act (SDWA) listed contaminants are present at any location, an analysis will be conducted to determine the type of treatment that may be needed, whether mixing or blending will provide an alternative remedy, and comparisons to determine whether the contamination issue outweighs the production capabilities as a water source.
4. *System engineering analysis.* Conducted for the overall system, to effectively integrate well production into storage and delivery capabilities, and recommend additional infrastructure that may be needed.

Mid- to long-term

The County utility remains open to any discussion regarding future water supply. This includes importation of water from other areas. The utility strategy is to encourage proposers to develop their own project, with the County negotiating to become a customer of water supplies if they are delivered to our system. The utility also encourages other water systems in the area, particularly Eldorado, to consider participating in regional water supply projects.

Additional Supplies: Near- to long-term

The County can obtain additional water supplies through judicious oversight of use and re-use.

1. Re-use of treated effluent. The County is currently in the initial stages of upgrading and expanding the Valle Vista Waste Water Treatment Plant (WWTP), to create a regional facility.
 - a. Treated effluent may be used for irrigation, particularly at parks.
 - b. New developments serviced by the Valle Vista WWTP can install return-flow lines alongside the sewer lines, to provide treated

- effluent to homes for outdoor use. Re-use of treated effluent reduces demand on the water utility, resulting in an effective net increase in available supply for potable water.
- c. Ultimately, as treatment technologies become affordable and public perception becomes more accepting, waste water could be treated to drinking water quality, and put directly back into the potable water system.
2. Aquifer Storage and Recovery (ASR). This is a relatively new process in New Mexico, and the permitting and regulatory process has not yet been finalized and tested. Excess capacity at BDD, or treated effluent, can be injected into the local aquifer. In times of need, that stored water is pumped through existing production wells and delivered to the system. It is expected that any water to be injected will be required to meet drinking water standards, and be compatible with the chemistry of the water in the aquifer. ASR is less efficient than direct re-use, however it is advantageous for storage of excess capacity.
 - a. Rancho Viejo has conducted a pilot test of an injection program, which will demonstrate the efficacy of an injection program in the Santa Fe Basin.
 - b. An ASR program has the effect of adding to aquifer storage, resulting in a greater supply, and a sustainability of the ground water system.
 3. Conservation. By reducing demand, conservation effectively increases available supply, by allowing the existing supply to serve a greater population.
 - a. The County has enacted a number of conservation ordinances, primarily through development permit requirements. These include roof catchments, low-water use fixtures in homes, and allowable landscaping.
 - b. The County utility has restrictions and conservation requirements for customers, for example outdoor water use.
 - c. In 2006, the County utility initiated a tiered rate structure, in which customers pay increasingly higher rates as more water is used. A study conducted in western cities demonstrated that tiered rates are one of the most effective conservation measures available to utilities, by significantly reducing demand and encouraging customers to closely examine their water use and potential for leaks.

SECURE WATER RIGHTS

A water supply is unusable without sufficient water rights. The water rights process is designed to protect other users in the basin. Like the water itself, a diverse water rights portfolio provides for an effective and sustainable ability to utilize the supply. Advantages of one type of water right will offset the disadvantages of a different type. The package as a whole should be sustainable.

The County water rights attorney is currently developing a detailed, comprehensive strategy emphasizing the legal aspects of water rights acquisition. This strategy will be integrated into this overall water plan.

Surface water rights

County surface water rights going to the BDD include both Native Rio Grande water rights and San Juan – Chama (SJC) leases. Each type has advantages and disadvantages. The County utility will manage, in cooperation with its BDD partners, the portfolio of native rights and SJC water to sustain deliveries from the BDD while implementing environmental mitigation measures as required by the Environmental Impact Study (EIS) Record of Decision (ROD).

1. Native Rio Grande water rights. The County will continue to acquire native water rights for transfer to the BDD. The advantage of native water rights is that the County owns them outright. The disadvantages of native water rights is that there is a yearly dependence on sufficient flows in the Rio Grande to utilize them, and it is only for the native rights that the ROD requires mitigation measures. Water rights acquisition will be through:
 - a. Direct County purchase
 - b. Transfer from developers, as required under County policy.
2. San Juan – Chama. Not a standard water right under New Mexico law, but instead a leased right to use water diverted to the Rio Grande as part of the Bureau of Reclamation's San Juan – Chama project.
 - a. County Lease. The County has a lease in perpetuity for 375afy of SJC water. The advantage of SJC water is that the yearly allotment can be stored in reservoirs over multiple years. The disadvantage is that, if the flow in the San Juan basin is too low, there may be limited diversions, therefore less than normal SJC water, in a given year.
 - i. The County is currently investigating potential SJC storage arrangements both with the Bureau of Reclamation and the City of Albuquerque.

- b. **Other Leases.** Offers have been made by various entities to negotiate a leasing arrangement for additional SJC water. Those leases will not be in perpetuity, as is the County lease, therefore it is uncertain whether the Office of the State Engineer (OSE) will approve a permit utilizing these leased SJC waters. There are also a number of pitfalls for long-term planning using limited-time leased water. However, it is in the County's best interest to continue to investigate use of leased SJC water. The utility is working with our water rights attorney to develop innovative management solutions to the leasing issue.
3. **Aamodt.** Under the proposed Aamodt settlement, the combined water system will receive both San Juan – Chama Project water (1079afy) and native Rio Grande water rights (2921afy). The native water rights include those that have been purchased by the County as part of its cost-sharing allocation to the settlement (1752afy Top of the World water rights). The total amount of water rights and SJC Project water will be somewhat less than that needed at full capacity, but this shortfall of 319afy will be made up by the County and State as the system expands.

Ground Water Rights

Due to new policies of the OSE, the act of transferring ground water rights in the Santa Fe Basin has become much more complicated and expensive. However, in order to create an effective ground water component to its conjunctive use strategy, the utility must acquire and transfer ground water and associated rights. Water rights will be transferred to those locations deemed favorable for wells usable by the County system.

1. **Acquisition of ground water rights.** The County has been acquiring ground water rights in the Santa Fe Basin, through direct purchase, through developer contributions of water rights as part of their required development permit conditions, and through dedications to the County by third parties. The County will continue to evaluate offers of water rights to determine acceptability for the County well program. Water rights must be usable and transferable to a favorable location to be acceptable to the County.
2. **Surface water offsets.** The OSE will require in-basin surface water offsets for ground water transfers in the Santa Fe Basin. The County will acquire all necessary offset rights through direct purchase, developer contributions, or dedications.

3. Domestic well transfers. Domestic well permits do not guarantee a water rights to the owner. However, when private domestic well owners agree to detach their well previously serving their households, and hook up to a community water system, the OSE has allowed a transfer of approximately 1/3 afy as a water right to the system. The County has taken advantage of this transfer for its system. OSE has recently sought to eliminate this allowance, and it is unknown whether such transfers will be allowed in the future. Continuing to allow domestic transfers would be a great benefit to the County system, as it would provide an incentive to in-fill domestic well users within the existing County service area. If decisions allow for domestic well transfers, the County utility will continue to utilize the process for acquiring water rights in the Basin.
4. Return-flow credits. Allowable diversion from wells may be increased beyond the approved water rights by gaining a credit for treated effluent discharged from a waste water treatment plant. The County already obtains some credit from the discharge at the Valle Vista WWTP. Improvements and expansion at Valle Vista will result in a regional WWTP, with significantly more discharge. A portion of that expanded discharge can be used to obtain greater return-flow credits, to offset the water rights within County wells.

DEVELOP INFRASTRUCTURE

The County utility must be able to provide clean water to its customers, both for domestic and commercial use, and for fire protection. Water must be delivered at sufficient pressures, with adequate storage and delivery. Utility engineers develop specifications for new construction, to accommodate both immediate and future needs. Utility engineers also oversee replacement and maintenance schedules for existing infrastructure.

Priority

1. The top priority for County utility infrastructure is within the designated service area. This includes development of new infrastructure to meet growing demand, and replacement and maintenance of existing infrastructure as needed.
2. The County is participating with BDD partners to ensure that County infrastructure can accommodate BDD deliveries, while maintaining adequate deliveries to the County through the City system.

3. The County utility will recommend, as requested, on the ability of the system to deliver supplemental water supply to other water systems.
4. Legislative funding requests often create a project priority for the County utility. The utility will prioritize outside requests as per direction of the BCC. The utility will take an active role in advising the BCC when legislative requests do not conform to BCC priorities, whether funding is adequate for the requested project, and how much County staff effort will be involved.

RELATIONSHIP TO OTHER SYSTEMS

Organizational Structure of County

With the reorganization of the County management structure, the Water Resources Division became part of the Growth Management Department, along with Land Use and Public Works. The Water Resources Division will participate in joint planning for growth throughout the County. This is an ongoing effort that will result in water planning that will conform to an overall growth management strategy.

Strategy for regionalization

The history of water in this area has resulted in numerous small systems that range from well-run systems with stable supplies and adequate water rights to systems with severe infrastructure, contamination, supply, and operational problems. The largest systems in the County are the City of Santa Fe, Santa Fe County, the City of Española, the Eldorado Area Water & Sanitation District (EAWSD), and Entranosa. Traditionally, these systems have been in competition with surrounding systems and the County. Additionally, the City of Santa Fe has developed a policy to not consider serving those outside the city limits, while EAWSD is working to improve its water supply, and the City of Española is experiencing both water quality and water supply concerns.

The most effective way to serve all County constituents and maintain a sustainable water supply is to develop a regional water system. The Aamodt settlement is an example of such a regional approach. The first step toward a regional system for the remainder of the County has been the partnership for the BDD. The BDD will be the basis of a regional supply that can eventually serve a major portion of the County. However, it is ineffective to deliver supplemental supplies to numerous individual water systems that have varying abilities to maintain their own infrastructure, or sustain appropriate billing, operations, and administration. The legislature has also expressed interest in formation of a

regional system for Santa Fe County. The utility strategy will be to assist and cooperate with other water systems, while working toward the goal of a regional system.

Regional Strategy

1. Small systems. As small systems request supplemental water supply or operational or funding assistance from the County, include in any agreement a procedure for eventual County acquisition of the system to integrate it into the regional County system.
2. City of Santa Fe; Las Campanas; EAWSD. Engage in discussions to negotiate eventual consolidation into a joint regional water system.

FUNDING

1. General Obligation Bonds. In 2004, voters authorized the sale of \$51 million of general obligation (GO) bonds to fund water projects. While the majority of bond money is designated for BDD, some amount may be used for County utility water projects. The amount will depend on BCC decisions regarding designation of bond money for BDD or other projects. It is expected that voter approval for additional GO Bonds will be requested in 2008.
2. Revenue Bonds. At some growth point, the utility will be able to sustain revenue bonds. Capital from such bonds will be used to support utility water and waste water projects. The Water Resources Division is working with the County bond counsel and the County Finance Division to anticipate the timing for revenue bonds.
3. Gross Receipt Tax (GRT) Bonds. GRT bonds are the primary source of funding for waste water projects, but may also be used for BDD and other water projects. The principal source of funding for current GRT bonds is the Capital Outlay GRT. Until 2012, one half of the revenue from this tax is dedicated to regional projects, such as BDD.
4. Cash reserves. The County utility, as an enterprise fund, maintains a reserve, funded through customer payments, for maintenance and replacement costs.
5. Developer contributions. As with water rights, County permit conditions require developers to construct water infrastructure in order to obtain County water service. Plans and construction must be approved by utility engineers prior to the County accepting the system for service.
6. State funding. The County develops priority lists that are presented to the legislature each year, however this funding is never certain. The utility

does not rely on this funding, but can quickly integrate the funding if it becomes available.

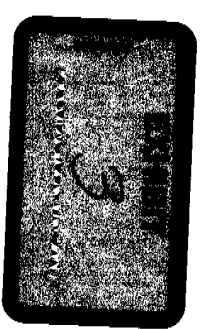
7. Federal funding. The County maintains communications with our Congressional delegation, to seek ways to obtain federal funding for projects. This funding has not been extensive in the past, and future funding levels are uncertain.
8. Aamodt Settlement. The capital cost of the County portion of the Pojoaque Basin regional water system is approximately \$90 million, with \$30 million coming from the federal government, \$50 million from the State, and \$10 million from the County.

Water Resources Division staff will work with staff from the County Finance Division to recommend the most effective mix of funding for any particular project.

SFC CLERK RECORDED 10/15/2007

SANTA FE COUNTY

WATER UTILITY PLAN



COUNTY WATER UTILITY PLAN

“The Mission of the Santa Fe County Utilities Department is to Provide Safe and Reliable Water and Sewer Utility Service to its Customers in an Efficient and Responsible Manner” (From the Mission Statement)

Priorities:

- Secure a reliable, diverse water supply for its current and future needs
- Provide for sufficient infrastructure
- Plan for a growing customer base
- Expand the utility beyond its current service area. Ideally, those areas would be developed in conjunction with the overall Growth Management Plan for the County.
- Reduce demand through re-use of treated effluent and the promotion of conservation.

The Water Resources Division has been additionally tasked to seek ways to assist other community water systems in developing a stable water supply and infrastructure.

PRIORITIES NEAR- to LONG-TERM

Near-term (pre-Buckman Direct Diversion Project [BDD]), the utility priority should be fulfilling the water needs within the Santa Fe urban growth areas, directed primarily toward new development

Mid-term (post-BDD but pre-regionalization), priorities should be directed toward providing an opportunity for private well owners with water quality or supply problems to hook on to the County utility, and supplementing other systems in need.

Long-term Priorities should be directed toward creating a regional system, incorporating smaller systems. Ideally, the regional system would combine the City and County of Santa Fe systems, but there could be a regional system in Santa Fe County exclusive of the City of Santa Fe

40-YEAR WATER PLAN

August 2002

Purpose: To demonstrate a strategy and use in order to secure water rights portfolio.

40 year water plan fulfills the requirements of the Office of the State Engineer (OSE)

Revised every five years – to be revised in conformance with this plan

Prioritized toward existing development

For new development: One major revision in this plan is to identify water service to new development within County-designated growth areas as a planning priority

SECURE A RELIABLE SUPPLY

Over the long-term, a conjunctive use strategy is the most regionally sustainable

Near- to Mid-term: The Utility will rely on three primary water sources:

- Contracted supply from the City of Santa Fe
- Surface Water from the Buckman Direct Diversion Project (BDD)

Ground Water- The Water Resources Division is in the Midst of the implementing the ground water plan:

- Hydrologic Model
- Well Location Selection
 - i. Well Location Strategy
 - 1. Analysis of specific locations
 - 2. Well optimization program
 - 3. Treatment analysis
 - 4. System Engineering analysis

MID- to LONG-TERM

The County utility remains open to any discussion regarding future water supply, with the County as customer for those supplies. This includes importation of water from other areas. The utility also encourages other water systems in the area, particularly Eldorado, to consider participating in regional water supply projects.

Additional Supplies: Near-to long-term

The County can obtain additional water supplies through judicious oversight of use and re-use. Reducing demand has equivalent effect of increasing available supply.

Re-use of treated effluent may be used for irrigation

New developments can install return-flow lines alongside the sewer lines, to provide treated effluent to homes for outdoor use

Waste Water could be treated to drinking water quality, and put directly back into the potable water system

Aquifer Storage and Recovery

Rancho Viejo has conducted a pilot test of an injection program

An ASR program has the effect of adding to aquifer storage

Conservation

County conservation ordinances

The County utility has restrictions and conservation requirements

A tiered rate structure

SECURE WATER RIGHTS

Surface Water Rights

Native Rio Grande water rights

San Juan- Chama

County Lease

Other Leases

Aamodt

Ground Water Rights

Acquisition of ground water rights

Surface water offsets

Domestic well transfers

Return-flow credits

DEVELOP INFRASTRUCTURE

Priority

The top priority for County utility infrastructure is within the designated service areas.

The County is participating with BDD partners to ensure that County infrastructure can accommodate BDD deliveries, while maintaining adequate deliveries to the County through the City System.

The County utility will evaluate its ability to deliver supplemental water supply to other water systems.

Legislative funding requests often create a project priority for the County utility. The utility will prioritize outside requests as per direction of the BCC.

Santa Fe County Water Supply Plan

II. Community Water Systems

- Canoncito
- Chimayo
- Cuatro Villas
- Chupadero
- Sombrillo
- La Cienega
- Agua Fria
- Eldorado
- Cerrillos
- Madrid
- Sunlit Hills
- Entranosa
- Gallisteo

- Criteria for Assistance
 - Practicality
 - Regional Hookup Potential
 - Health
 - Water Infrastructure
 - Water Supply
 - Management Capabilities
 - Funding
 - # of Residents
 - Relationship to Waste Water
- Communities in Red Font will be assisted based on criteria
- Requirements for Assistance:
 - County Utility is a source of Back-up water for these community systems
 - *County can take over systems in the future

RELATIONSHIP TO OTHER SYSTEMS

Organizational Structure of County

The Water Resources Division will participate in joint planning for growth throughout the County. This is an ongoing effort that will result in water planning that will conform to an overall growth management strategy.

Strategy for regionalization

The most effective way to serve all County constituents and maintain a sustainable water supply is to develop a regional water system. The Aamodt settlement is an example of such a regional approach. The utility strategy will be to assist and cooperate with other water systems, while working toward the goal of a regional system.

Regional Strategy

Small systems

City of Santa Fe; Las Campanas; EAWSD (Eldorado)

FUNDING

General Obligation Bonds

Revenue Bonds

Gross Receipts Tax (GRT)

Cash Reserves

Developer Contributions

State Funding

Federal Funding

Aamodt Settlement

**Santa Fe County
Water Infrastructure Funding
Plan**

FY 2008 – 2012

Where Do We Start & What Do We Have

Current Infrastructure

Water:

Infrastructure	\$8,266,150.00
Fleet	\$ 197,351.00

Waste Water System:

Infrastructure	\$ 305,000.00
----------------	---------------

Where Do We Start & What Do We Have Water Acquisitions & Rights (acre feet)

Approved :

Buckman: 784.41 (incl. 375 San Juan-Chama)

Pending:

Aamodt 1,788.20 (Top of the World)

Buckman 678.23

Wells 288.68 (incl. 190.75 PNM/Horse
Park)

Total Dollars Expended To Date \$7,435,105

ASSET MANAGEMENT PLAN

SFC MUST DEVELOP AN ASSET
MANAGEMENT PLAN:

An Asset Management Plan consists of three
elements:

- A plan for maintaining the assets;
- A schedule of the capital reinvestment needs
of the infrastructure; and
- A funding plan for assuring the sustainable
management of these assets.

General Policy Statements

The Maintenance Plan:

The County will maintain all assets using methods and intervals that maximize their value to our customers while sustaining the overall infrastructure. Such methods shall include a maintenance schedule for existing infrastructure, future goals and timeline for expansion, and the means to value such assets, etc.

The Schedule of Capital Reinvestment Needs:

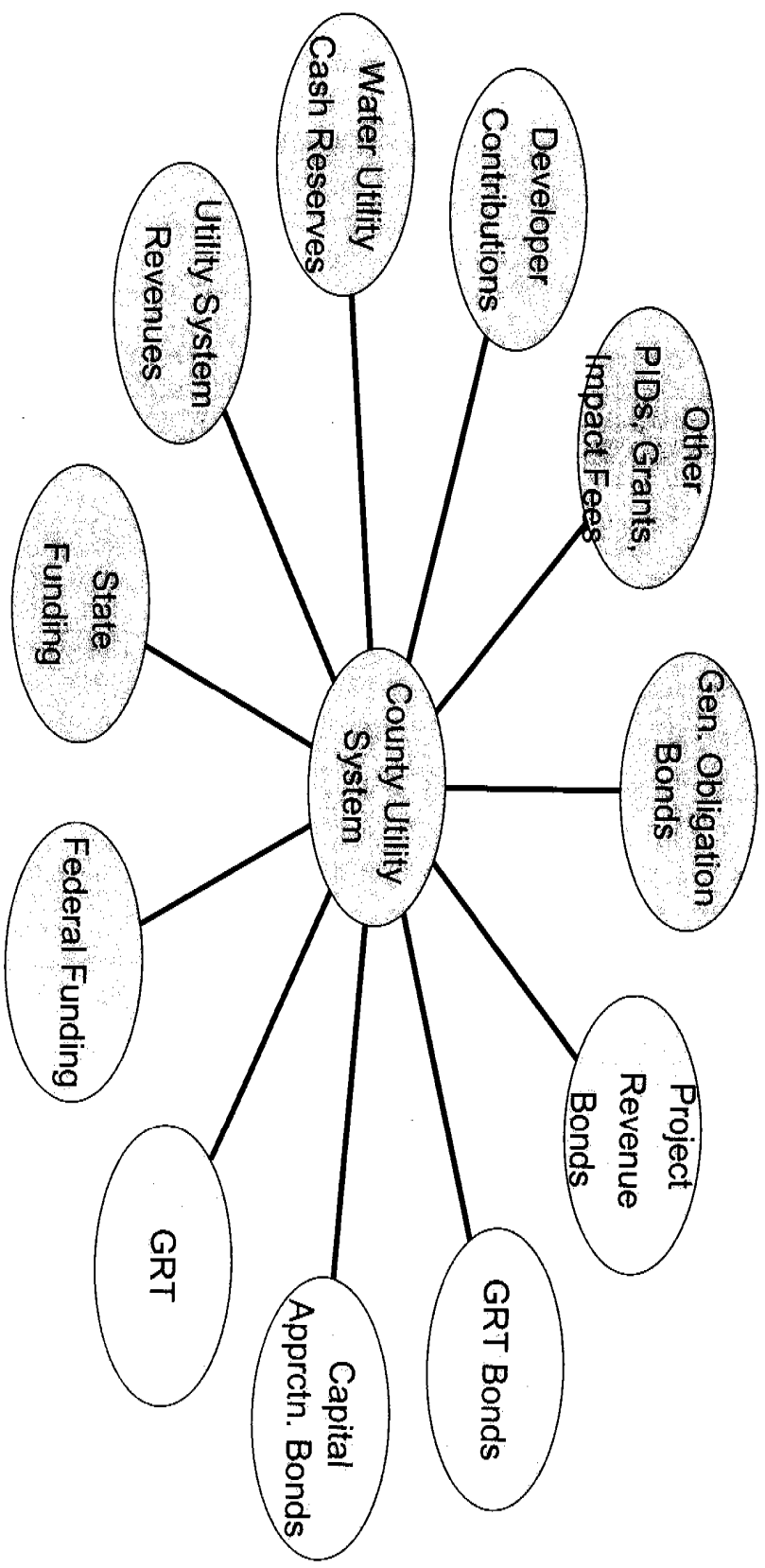
The County will undertake and maintain a life cycle funding/planning program that estimates the reinvestment needs of our infrastructure over a long period of time and supports sustaining the overall infrastructure.

General Policy Statements cont'd

The Funding Plan

It is the intent of the County to finance asset reinvestment needs both internally and with other available funding sources. We therefore establish and maintain a reserve fund for this purpose and will annually appropriate to this fund such amounts as are required to sustain it considering current fund balances, future contributions, and future reinvestment needs. Appropriation amounts will be revised as necessary every five years based on expected reinvestment needs over the subsequent thirty years.

Available Funding Sources



Available Funding Sources cont'd

Bonds

Revenue – regular flow of revenue pledged towards debt service (property tax).

Expansion Revenue – water rate structure updated to include a utility expansion charge, which could be pledged towards debt service.

Special Assessment Debt – bonds are secured by a supplemental pledge of system revenues.

Capital Appreciation Bonds – bond is similar to a zero coupon bond in that the investor receives a single payment representing initial principal and the investment return at maturity, but differs in that the investment return is considered compound interest and only the principal amount of the bond is counted against the issuer's statutory debt limit, rather than the total par value.

Available Funding Sources cont'd

Gross Receipts Tax (GRT)

Capital Outlay GRT – currently 75% of revenue generated from this GRT is dedicated to Water/Waste Water Projects. These revenues are further split by a 50/50 County and Regional dedication.

The County through the FOPA is entitled to use \$31.5 million of regional portions of the GRT to meet its obligations to pay for the Buckman Direct Diversion Project.

Available Funding Sources cont'd

State Funding Sources

NMFA – Revolving Fund Loan funding specifically for public and drinking water projects.

Environment Department – Loan funds available for waste water systems.

Legislative Appropriations – Meet with NM Legislative Interim Committee on Water & Natural Resources to start a dialogue and define a plan of action to secure funding for water and waste water systems.

Water Trust Board Grant Funds – Loan funds available through this board.

Available Funding Sources cont'd

Federal Funding Sources

USDA – Rural Development Division has funds available for reclamation grants used for rehabilitation of infrastructure.

US Environmental Protection Agency – Tax credits for green infrastructure.
Federal Legislation
United States Geological Survey

Aamodt Settlement

The final settlement will have obvious repercussions on county water and waste water planning and financing options.

Other Potential Settlements

There may be other potential settlements that the County may become a party to.

Available Funding Sources cont'd

Federal and/or State Partnerships (to include local Indian Pueblos)

Developer Contributions

May include impact fees, capital contributions and also impact of annexation agreements.

Partnership w/Private Firm

Partnership possibly for the use of Industrial Revenue Bonds.

Challenges of Infrastructure Funding & Financing

- Identify the System. What are the goals?
- Adopt a Long-Term Capital Improvement Plan
- Establish Written Financial Policies
- Examine Current Rates
- Develop a Transition Plan
- Consider Customer Impacts and Affordability
- Positive voter referendums are needed to continue to issue General Obligation Bonds

Current Funding Sources

Available General Obligation Bonds \$50.0 Million

Series 1997	\$ 1.0
Series 2005	\$ 3.0
Series 2006	\$ 5.0
Future Sales	\$41.0

Current Funding Sources cont'd

Available Capital Outlay Gross Receipts Tax
\$24.71 Million (as of 06/30/07)

County Portion \$12,167,855

Regional Portion \$12,543,070

Other:

Utility Cash Reserves \$2.934 Million (as of
06/30/07, and specifically established for repairs to
current infrastructure)

Current Funding Plan

Sources:

Gross Receipts Tax

County \$15,750,000
 Regional \$15,750,000

General Obligation Bonds

2006 Series \$ 5,000,000
 2005 Series \$ 3,039,000
 1997 Series \$ 1,027,000
 Future Sales \$41,000,000

Grant Funding

Total Funding Available for Water Projects \$50,066,000
 \$ 2,500,000
 \$84,066,000

This recommendation assumed that the County would be allowed to use the Regional portion of the Capital Outlay (C/O) GRT for the County's funding share of the BDD Project.

- Requires Voter Approval
- Reflects changes from funding plan to funding plan
- Reflects data that was missing from original plan

Uses:

Buckman Direct Diversion Project BDD

GOB Proceeds \$46,000,000
 Capital Outlay GRT \$31,500,000
 Grant Funding \$ 2,500,000
 \$80,000,000

Funding Available After BDD

\$ 4,066,000

Prioritized Projects

Valle Vista Well \$ 2,000,000
 Valle Vista Waste Water \$ 2,000,000
 Valle Vista Sewer Lines \$ 1,000,000
 Valle Vista Water \$ 1,200,000
 Agua Fria \$ 400,000
 Edgewood \$ 400,000
 Chimayo \$ 400,000
 Canoncito \$ 500,000
 Pojoaque Waste Water \$ 1,200,000
 Public Works Well \$ 1,000,000
 \$ 500,000
 \$10,200,000

Available/Shortfall

f/Add'l Projects \$(6,134,000)

Shortfall to be covered by future bond actions taken to the voters for approval (\$15 million request in 2008) or legislative requests.

Additional Potential Funding Plans-1

Sources:

Gross Receipts Tax
 County \$15,750,000
 Regional \$15,750,000

\$ 31,500,000

General Obligation Bonds

2006 Series \$ 5,000,000
 2005 Series \$ 3,039,000
 1997 Series \$ 1,027,000
 Future Sales \$41,000,000
 2009 GOB Series \$15,000,000
 2011 GOB Series \$15,000,000

Grant Funding \$ 80,066,000
Total Funding Available for \$ 2,500,000

Water Projects \$114,066,000

Uses:

Buckman Direct Diversion Project BDD

GOB Proceeds \$46,000,000
 Capital Outlay GRT \$31,500,000
 Grant Funding \$ 2,500,000
 \$80,000,000

Funding Available After BDD

\$34,066,000

Prioritized Projects

Valle Vista Well \$ 2,000,000
 Valle Vista Waste Water \$ 2,000,000
 Valle Vista Sewer Lines \$ 1,000,000
 Valle Vista Water \$ 1,200,000
 Agua Fria \$ 400,000
 Edgewood \$ 400,000
 Chimayo \$ 500,000
 Canoncito \$ 1,200,000
 Pojoaque Waste Water \$ 1,000,000
 Public Works Wells \$ 500,000
 Total Funded to Date \$10,200,000

Available/Shortfall
f/Add'l Projects \$23,866,000

This recommendation assumes that the Capital Outlay GRT Regional portion is used to meet the County's funding requirement for the BDD project. The amount noted for the BDD Project specifically states the County's obligation through fiscal year 2010 with a total commitment thus far of \$80.0 million.

----- Requires Voter Approval

----- Reflects changes from funding plan to funding plan

----- Reflects data that was missing from original plan

Additional Potential Funding Plans-2

Sources:

Gross Receipts Tax

County \$15,750,000
 Regional \$15,750,000

General Obligation Bonds

2006 Series \$ 5,000,000
 2005 Series \$ 3,039,000
 1997 Series \$ 1,027,000
 Future Sales \$41,000,000
 2009 GOB Series \$15,000,000
 2011 GOB Series \$15,000,000

Grant Funding

\$ 80,066,000

Revenue Bond

\$ 13,660,000

Future Sale

Total Funding Available for Water Projects

\$127,726,000

Uses:

Buckman Direct Diversion Project BDD

GOB Proceeds \$46,000,000
 Capital Outlay GRT \$31,500,000
 Grant Funding \$ 2,500,000
 \$80,000,000

Funding Available After BDD

\$ 47,726,000

Prioritized Projects

Valle Vista Well \$ 2,000,000
 Valle Vista Waste Water \$ 2,000,000
 Valle Vista Sewer Lines \$ 1,000,000
 Valle Vista Water \$ 1,200,000
 Agua Fria \$ 400,000
 Edgewood \$ 400,000
 Chimayo \$ 400,000
 Canorncto \$ 500,000
 Pojoaque Waste Water \$ 1,200,000
 Public Works Well \$ 1,000,000
 Total Funded to Date \$ 500,000
 \$10,200,000

Available/Shortfall

f/Add'l Projects \$37,526,000

This plan assumes that the Regional portion of the C/O GRT is used to meet the County's funding requirement for the BDD project. This recommendation also considers a Revenue Bond pledged by gross receipt taxes. The amount pledged equals \$1.0 million available from the C/O GRT, which could generate estimated net proceeds of \$13.66 million.

----- Requires Voter Approval

----- Reflects changes from funding plan to funding plan

----- Reflects data that was missing from original plan

Key Considerations!!!!

Voter authorization from the 2004 Bond Election expires November 2008! If the bonds are not sold prior to November 2008 the bonds must be re-authorized.

As the 2004 Bonds (for each series of bonds) are sold, funds from the sales must be expended within a three year period to avoid IRS penalties.

If BDD expenditures do not materialize by December 2009, and if a significant amount of the available general obligation funding is not used by late 2011 what other projects could be funded by bond dollars????

- Potential Future Bond Sales for Other Water Projects
 - \$15 million in 2009
 - \$15 million in 2011
 - \$23 million in 2013
 - \$22 million in 2015

FINAL FUNDING SUMMARY

Project (Amounts stated in Millions)	Anticipated Project Cost	Amt. Allocated	Additional Need
Buckman Direct Diversion Project	\$ 80.0	\$ 80.0	
General Obligation Proceeds			County Obligation Reflected
Capital Outlay GRT		\$ 46.0	Thru 2012
Grant Funding		\$ 31.5	
		\$ 2.5	\$ 0.0
 Projects Funded By BCC to date and Additional Projects::			
Valle Vista Wells	\$ 2.0	\$ 2.0	\$ ----
Valle Vista Waste Water Trmt. Plant Upgrade	\$ 10.0	\$ 2.0	\$ 8.0
Valle Vista Sewer Line Replacements	\$ 1.7	\$ 1.0	\$.7
Valle Vista Water System Upgrade	\$ 2.2	\$ 1.2	\$ 1.0
Agua Fria	\$	\$.4	\$
Edgewood	\$	\$.4	\$
Chimayo	\$	\$.5	\$
Canoncito	\$ 4.3	\$ 1.2	\$ 3.1
Pojoaque Waste Water	\$ 12.0	\$ 1.0	\$ 11.0
Sombrello Waste Water	\$ 1.0	\$ 0.35	\$.65
County Well Program	\$ 3.0	\$ 0.25	\$ 2.75
BDD Shortfall (237.36 acre feet)	\$ 7.1	\$ 0.0	\$ 7.1
Well Shortfall (maximum 561.32 acre feet)	\$ 16.8	\$ 0.0	\$ 16.8
Total	\$ 140.1	\$ 90.30	\$ 51.10

Need will also be funded by large user contributions, i.e. Las Soleras, etc.
 Additional funding via a state grant for \$50,000
 Additional funding via legislative appropriations and Pojoaque Pueblo
 Funding noted thus far is via a state grant
 Additional funding via legislative appropriation of \$250,000
 Assumptions made include:
 The County is already using 500 wholesale acre feet from the City
 Buckman delivers no water in a year

Potential Projects

Water

Waste Water

Funding Summary/Conclusion

If the Regional GRT is dedicated to the County portion of the BDD project, the County *may* not need legislative assistance for BDD and/or priority projects.

Current County Utility Project Participation	\$140,100,000
Funds Allocated	\$ 90,300,000
TOTAL Need	\$ 49,800,000

Highest Proposed Funding Plan (Option 2) \$127,726,000

Shortfall for Add'l Projects \$ (12,374,000)

Total Current County Utility Project Participation includes funding allocated to MDWA/MDWCA's for which the total project cost is unknown. The County could approach the legislature to assist with the smaller community requests and focus county funding on the BDD project.

****** Assumptions Made ******

Proposed GOB Series noted in additional funding plan options requires voter approval. The County's obligation for the BDD project remains at \$80.0 million.

Funding Summary/Conclusion

Total Shortfall \$12,374,000

Sources:

Highest Funding Plan – Option 2 \$127,726,000

Uses (County Projects/Legislative Commitments):

Buckman Direct Diversion Project \$ 80,000,000

BDD Shortfall (Acre Feet) \$ 23,900,000

County Programs (Valle Vista Water System, Wells, Waste Water Trmt, Plant, Sewer Line, County Well Program) \$ 18,900,000

Commitments to Community Systems \$ 2,500,000

Pojoaque Waste Water \$ 1,000,000

Total Uses \$126,300,000

Available Sources \$ 1,426,000

Competing Need for MDWA/EDW&SD \$ 16,000,000

(Based on known information used @ March 2007 Water BCC Study Session)

Approach Legislature for Additional Funding \$ (14,574,000)

CURRENT UTILITY ACTIVITIES

- Water and sewer service for customers
- Hydrologic model
- Water rights – BDD and well locations
- Valle Vista WWTP upgrade
- Valle Vista sewer line replacements
- Valle Vista water system upgrade
- Public works well
- Nancy Rodriguez Community Center water hookup
- Rate study
- Technical reviews for Land Use and Utility
- Water utility and waste water utility plans
- Automated delivery units for water trucks

COUNTY UTILITY PROJECT PARTICIPATION

BDD

County growth management plan

Pojoaque Valley WWTP

Opera WWTP

Edgewood WWTP

Sombrillo waste water system

Discussions with multiple MDWA and W&SD

Several sewer line projects in Agua Fria

Stanley fire station

To Do/Next Steps

- Present Funding Plan to DFA 09/01/07
- Update 40 year Water Plan 10/01/07
- Address Challenges of Infrastructure Funding 10/01/07
And Financing
- Create an Asset Management Plan 10/31/07
- Develop a Maintenance Plan 11/30/07
- Schedule of Capital Reinvestment Needs 11/30/07
- Funding Plan 12/15/07

Staff will compile this Presentation with the items listed above and this in turn will become the Santa Fe County Utilities Plan. The plan should be completed by 10/1/2007.