

does so much work to maintain their traditional historic value. Thank you, Mr. Chairman.

CHAIRMAN MONTTOYA: Thank you for your work on that also, Commissioner Vigil. Dr. Wust, before you get started, I just wanted to recognize Bill Heinback who is with the Government Relations Office out of Los Alamos National Laboratory. Bill, thank you for being here this morning. Appreciate it. And I also recognize former Santa Fe County Commissioner Linda Grill. Commissioner Grill, thank you for being here as well.

XI. E. Water Resources Department

1. Request to Extend County Utility Water Service Area to Santa Fe Canyon Ranch

DR. WUST: Thank you, Mr. Chairman. This is an item that's been in front of the Commission a couple of times and tabled. The area near La Cienega known as Santa Fe Canyon Ranch has requested that we extend our water service area to cover their property. There's a map in your packet because it's an irregularly shaped property and it's bounded by other jurisdictions, for example, parts of Santo Domingo Pueblo. So we couldn't just, as before, when you extended the water service area, just extend by section or something like that.

We have a larger map with all the legal survey signs and markers in case this gets passed, so we have all the correct information. You have a simplified map in front of you. This is an area that's being proposed for development. There is a master plan that I believe has been submitted, and they have come and discussed with the County the possibility of providing County water to all or a portion of their development. However, they are not currently within our water service area. In order to have that discussion and to get a letter of commitment or to get on the allocation schedule or any of those other things, they need to first be within the water service area.

So that's the request in front of you today, whether to extend the water service area to cover this property. It is not a commitment for water. It is not any kind of agreement. It just allows us to be able to proceed on those discussions. Because I've had questions from Commissioners when this came before, that is how do I decide whether to bring this in front of you, mainly we look at whether this property is adjacent to existing service area, and it is. Is it adjacent to or near existing infrastructure, and it is. We have infrastructure at Las Lagunitas. And whether they are ready to move ahead on a development plan, which they are. Like I said, they're submitting a master plan.

So with that, the Commission now gets to look at considerations and I'll enumerate a few of those for a policy decision on whether or not to extend the service area, and those considerations would be, is this a designated growth area or an area the Commission would like to see as a growth area? Is this an area that seems to be growing anyway, no matter what we do and we would prefer to have them on the County water system instead of on an independent water system? Or is this an area we would like to eventually see as part of our County water system? So those are some of the considerations.

The County Attorney pointed out to me the new allocation policy also specifies that when one of these requests comes forward, I should relay to you how much we think it would cost to be able to do this service. I had Doug Sayre our engineer work up a quick little summary. You don't have it in your packet. But he looked at about a little over a million dollars, which is mainly having to do with looking at having to build a new storage tank down in that area. Because we have none right now. And with an expanding area we would probably need some additional storage and disinfection units and also upsizing the lines in case we look at that area as a potential growth area and therefore would like to have larger pipes in the future.

However, the thing to know about that number, a little over a million dollars, is that most agreements with new developments, we generally get them to fund most of the infrastructure that's required for their particular development. This would not be as straightforward because things like the storage tank would be required because of the addition of this new development, but it would also service all the surrounding areas, such as Las Lagunitas or La Cienega if we need to supplement their system. So it would be in use for a larger part of the County system. However, its need would be generated by adding on this development.

I know as part of the master plan there's some uncertainty of whether the development wishes to use the County water system 100 percent right at phase 1 or partially in phase 1 or none in phase 1, and I'm not totally up on that right now. Our County Hydrologist is reviewing those things. But none of that is really part of the issue we're looking at in terms of a water service area because we can't even talk about those things if they're not part of our water service area. So it really comes down to whether the Commission feels this is an area that we would like to see our County water system expand to in the future. Most of this development would be serviced after BDD, not before, because we don't have that kind of quantity of water. So this is really a consideration to get the water service area out there to see whether the Commission would like the Water Resources Department to continue to hold discussions with Land Use and the developer to see if that's an area we would like to service as part of the County utility. And with that I stand for questions.

CHAIRMAN MONTROYA: Okay. Any questions for Steve? Commissioner Sullivan.

COMMISSIONER SULLIVAN: Steve, let me ask Steve Ross because I think he may have it handy. Could you read the specific allocation or regulations criteria? What I want to do is be sure that we have in front of us what our regulations say that we should consider in reviewing boundary service extensions.

MR. ROSS: Mr. Chairman, Commissioner Sullivan, our new allocation policy collected a number of different policies that the department has had in place for 20 years into a single document. Among those were the various policies about establishing a service area. It has collected all those policy statements that were made over the years into three separate paragraphs in our new allocation policy. So this is the landscape that we're dealing with now. The policy says an applicant can petition the Board to amend the service area of the department at any time and that's why we're here on such an application.

The policy goes on to say that once an application is made to amend, the department shall analyze the request, and that's what Dr. Wust did over the last week, and shall determine the technical merits of the application and evaluate the cost of providing service within the area requested. The analysis shall be presented to you for consideration. That's just occurred. So in C, this is what you should consider with respect to the application. You're to consider the application itself, the report that Dr. Wust just gave you and the statements of person supporting or opposing the application. The Board may base its decision whether to amend the service area - and this is the important part - on the ability of the County to service the proposed area, the cost of providing such service, the revenue expected to be received as a result of the service so provided and other relevant facts. Essentially, four elements.

COMMISSIONER SULLIVAN: Okay, so then, Dr. Wust, you've given us the cost and what is our ability to serve the area? Do we have the ability to serve it now or would this occur after BDD or when?

DR. WUST: Mr. Chairman, Commissioner Sullivan, for most of the development it would be after BDD. In terms of phase 1, because it keeps shifting at least when it gets to me, I don't know how many units they're proposing and I don't know how many of those units they will be requesting to be on the County water system. They've been looking at a mix and match of their own wells and County system for their affordable housing or a County system for a portion of development. So whether we have the ability to serve even the entire phase 1 at this time, I don't know what that is. Certainly for the whole development it's post-BDD. We've assumed that all along.

COMMISSIONER SULLIVAN: Okay, so on the first criterion, what we're evaluating here or what we're discussing is technical merits. So on the ability to serve, I'm understanding you to say even in phase 1 we don't know if we can. So that's an unknown at this point.

DR. WUST: Mr. Chairman, Commissioner Sullivan, that's correct, because I don't know the size that they would like right now.

COMMISSIONER SULLIVAN: So ability to serve is unknown. Cost is \$1 million and you indicated that that is - the County may have to assume some of that because it may not be all allocable to the developer.

DR. WUST: Correct.

COMMISSIONER SULLIVAN: So the cost - but you don't have that broken down yet.

DR. WUST: Mr. Chairman, Commissioner Sullivan, we couldn't break it down because that's one of those things where we're putting a tank in because of that development but it would serve a lot of that area so we would have to work out what percentage would go to that particular development.

COMMISSIONER SULLIVAN: Okay, then in terms of the revenue to be received, what would the revenue to be received be?

DR. WUST: Mr. Chairman, Commissioner Sullivan, you caught me on that one. I had that and I don't seem to have it at the moment. But it's pretty easy to figure out.

\$5.32 per thousand is what we charge on a rate. We're assuming 5,000 gallons a month for each household because the rate goes up after that, but 5,000 gallons a month is right around .21 acre-feet per year, which is - it's a little higher than what we've been closing in on for a particular development for household use. And then multiply it by the number of units - that's where we start to run into trouble because we don't know how many units would be on the system at any particular time. So that's a pretty quick calculation that one can make to see if you want to get a rough estimate. That's not including the meter charge, which is around \$14 a month.

COMMISSIONER SULLIVAN: Okay, so in order to determine the third criterion which is the revenue we need to know the number of units.

DR. WUST: That's correct, Commissioner Sullivan. Again, I had that. We made an assumption on the number of units but I don't have it with me at the moment. I'm sorry.

COMMISSIONER SULLIVAN: It appears at this point in time that we're dealing with a moving target, that we don't know the number of units yet, at least to make an accurate project. And then the last criterion that Mr. Ross read out was other factors that you felt were compelling or important. Are there any other factors that would make this boundary service extension particularly desirable to the County of Santa Fe or negatively impact the County of Santa Fe?

DR. WUST: Mr. Chairman, Commissioner Sullivan, there are on the positive side, that's an area that we are looking at in that area for potential groundwater sources and this development has wells. We don't know whether they would fit our needs or not. There is a potential water source that if the County acquired the whole system in the future it could potentially acquire a water source in the future. I know there will be a lot of protests on anything happening in this area from La Cienega, whether it's by the County or by the developer, so that's an offsetting consideration about any potential groundwater sources down here. It also would, even though it costs us money, it would upgrade our system down there by adding storage and a disinfection unit and some more infrastructure.

The downside on that, as was discussed in a previous request to extend our water area to La Lomita and a couple of other roads in La Cienega that this is extending our system past the demand. And during that discussion that was brought forth by Commissioner Anaya there seemed to be some hesitation on the part of the Commission to keep extending our system without filling in where the growth areas are. So that was a policy discussion that this Commission has already talked about that would play in here because this would require actually a major extension of our system because there are a lot of units going in here. So that's a pretty major extension of our system.

There's not an issue in terms of the technical ability to do it, either now or in the future, with these upgrades of the infrastructure, so that would be fine. One other thing it would do in terms of our system is that if the Commission looks at extending our system even farther to the southwest, say, either because we have some groundwater sources down in that direction, or surface water sources in that direction, it would narrow that gap where we'd have to build

infrastructure to bring in water from those new sources because it would already be there. It would also allow - and this is a positive or negative depending on how the Commission feels, there will be further requests for water service. Any time we extend our infrastructure, anybody on the new extension or past the new extension requests service because they're now close to our infrastructure, where they weren't before. So that's just a reality of what will happen if we extend our service area. There will probably be additional requests out in that direction.

COMMISSIONER SULLIVAN: Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Mr. Chairman. Steve, do you have any idea of how much acre-feet of water they would be using or asking for in the future, if this is granted?

DR. WUST: Mr. Chairman, Commissioner Anaya, they're all here so I think they might be able to tell you better numbers what they're actually asking for or what format they're looking at right now in terms of the mix.

COMMISSIONER ANAYA: Okay. Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Okay. Steve, just a couple of questions. Actually, basically, what is your recommendation. That's what we need to consider in terms of this deliberation is what the department's recommendation is on this.

DR. WUST: Mr. Chairman, my recommendation would be to extend the water service area is not a commitment on our part. But I can't even address all the rest of those questions and the Commission can't make decisions on the rest of those questions if they're not in our service area. So basically, what I'm looking at now is if you voted this down today, that's it. We're just not even considering this area. I don't have any problem with considering the area, but if you want me to make a recommendation on these other things, like whether they can mix and match, or whether we want to be serving that area, some of those are policy decisions, but others of those are operational decisions that I don't think we want to look at right at the moment in terms of operating and servicing this area.

I have some issues with one of the proposals of this development to basically have the County supply service to the affordable housing units while they supply service to the market units, and that's just got to do with both operational and kind of how we want to allocate water issues, which are policy. So I'd leave that up to the Commission. But in terms of just extending the water service area so we can have the discussion, again, it doesn't commit us to anything and so I wouldn't have any issue with that. I'm trying not to make policy for you. That's what I've got in trouble for before.

CHAIRMAN MONTOYA: Any other questions?

COMMISSIONER ANAYA: I do.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Yes, you talked about this developer is going to have to put in affordable housing, correct?

DR. WUST: That's correct.

COMMISSIONER ANAYA: And we are supposed to supply water to

affordable housing units, correct?

DR. WUST: That's correct.

COMMISSIONER ANAYA: So if they still go with their project, if this doesn't get approved today and they still go on and they build their affordable units, then eventually we would have to extend the water service area. Or not?

DR. WUST: Mr. Chairman, Commissioner Anaya, and probably County Attorney Ross would be better at specifying the language, but my understanding is that there's no County water service to that area, then there are other incentives. There'd still be affordable housing but there are some other incentives and us supplying water is not a necessity.

COMMISSIONER ANAYA: Okay. I got it. Thank you.

CHAIRMAN MONTROYA: Okay. If the applicant would please come forward.

ROSANNA VAZQUEZ: Good morning. My name is Rosanna Vazquez and I am one of the members of the team that works for Santa Fe Canyon Ranch. And I'd briefly like to introduce the property owners whom you may know. They are Mr. Jim Borrego and his brother Mr. Rick Borrego is not here. Mr. David Schutz is here and both engineers, Oralynn and Patricio Guerrerortiz who have designed the liquid waste system and the water system that would be used for this development.

If I may address your question, Commissioner Anaya, about the amount of water. For phase 1, if the entire development were to be served, if the entire number of units were to be served, it would be 28.65 acre-feet. That would include water for the market rate units, which is a total of 167 homes. That number has stayed consistent. It was submitted in our master plan. It was submitted in our geo-hydro report and it was discussed with staff. It is a total of 167 units for phase 1.

Our request, as Dr. Wust did very explicitly state, was a request for a boundary extension. We've had several meetings with staff with regards to how it is that we would structure our request. Our initial request was for the entire area that you see before you. It was discussed to us by staff that perhaps an option that this Commission could consider would be to serve only the affordable. When that was discussed we thought there would be some mechanical concerns but our engineers felt like we could get that accomplished. We would like a request for water service for the entire area, however. We would prefer that and here's why.

One of the biggest concerns that the La Cienega residents have stated to us, personally and in meetings, is that they're concerned about the use of the groundwater. They're concerned that if we drill wells, we are going to pump those wells and it will have an impact on the ditches, on the acequias and on their own wells. Because of that, the La Cienega code was created to encourage and promote these subdivisions, new subdivisions in the area to go on the County utility system. It was because of this concern, it's not just been articulated with us, Commissioners, it was articulated in your Code, and they encouraged either extension of the boundary for a County utility system, or a community water system.

So we are here before you today requesting that this subdivision be allowed to go forward with this master plan on the County utility system. Commissioners, this is not a question of whether or not La Cienega residents should or should not get water. Nor is this a

question of whether or not this development will go forward, because this development is going to go forward. It will go forward either on wells with this number of units or it will go forward on the County utility system. The owners of this property have been acquiring water rights. They have onsite rights of approximately 30 acre-feet, and they have been in the process of acquiring water rights that are going to be needed to service this entire development. Those water rights, we hope, will be able to transfer to the County utility system and use imported water for this subdivision.

When we submitted the original master plan, we submitted it with, as you can see, approximately over 600 units. We created large tracts of open space, keeping in mind some of the environmental concerns that were addressed in our environmental assessment, and we studied the traffic patterns. An approximately 615-page TIA report was submitted to the County for its review.

Since then what we've done is we've had several meetings with the community with regards to how it is we can address their concerns. And we have submitted a proposal to the Commission two Tuesdays ago, or last Tuesday, excuse me. That new proposal lowers the number of density. It goes from 605 units to 512 and I believe you all got a letter that was given to Joe Catanach with regard to some of these changes. What it does too is it moves the lots in this area right here down away from the northern boundary because there was a concern of some La Cienega neighbors that these lots were too close to the community here. So they've been moved and they've been reduced. The lots that exist there are larger in size. The average density of the proposal that we've given to La Cienega now is one unit per 2.8 acres, which fits into the community itself and the size of lots out there.

Our phase 1 is still 164 units and it's still in relatively the same area as it was before, in that area here. We've agreed to create a community tract. Phase 1 is still this area here. We've agreed with a concern and a need for a community tract to be used for farmers' market, any of the uses that the community might want for that area. We've agreed to set aside that. But the biggest issues that are relevant to your request today really are the creation that this development has done with regards to a wastewater system and a water system. This development proposes a water budget of a .16 per lot. It proposes a lifted waste disposal system that will reclaim the blackwater and be able to use it for all of its landscaping needs. We have proposed to La Cienega that we will create that liquid waste disposal system large enough so that eventually that system can be used by residents of La Cienega.

With regards to the water system, we have designed it in such a way that the lines are big enough to serve the area adjacent to the property if need be and if the County wishes to go forward that way so that we can address some of the concerns that were raised. A couple of months back there was a request by La Cienega to extend the water and I know that that request was denied. And Commissioner Vigil, you brought up earlier in the request for Agua Fria, how do you take care of an existing community? How is it that we can serve an existing community and plan for the future and what this does, is it's planning for the future. It is putting a subdivision on utilities and not mining the aquifer.

But how do you take care of an existing community? I think some of the proposals that

have been forwarded to the neighbors right now take that into consideration. Hopefully creating a liquid waste disposal system that can be used by all, creating a water system with lines big enough that can be extended. We make a commitment and we've made it to the neighbors, and I will verbalize it to you as well, we want to work with the County and the community to see what other ways we can address this. Is it water rights that could be provided? Is it funding for extension of water lines to some of these areas? Is it researching and designing different types of liquid waste disposal systems so we deal with the nitrate problem in La Cienega? Those are issues that we are going to continue to work with the community on and with the County, to solve some of the solutions that La Cienega has.

I want to address quickly the criteria that were set forth. The first criterion was are we near the boundary? Approximately 50 acres of this property is within the boundary of the utility service. The utility service, when it was extended by Las Lagunitas went down section lines, so this area right here is actually within the community water service, the utility boundary area. Is there an ability to serve? Commissioners, the proposal for the master plan for phase 1 is 167 units. The phasing build-out time is five years from the time that we get approval. There are 44 affordable units on that property that would be built out during that time frame too. So what we are requesting for phase 1 within a five-year build-out is 28.65 acre-feet of water, with a water budget of a .16.

Criterion number 3, the revenue expected to be provided. I overheard Dr. Wust's numbers, I want to reiterate that those numbers don't include meter charges. Those numbers do not include the property taxes that would be paid by these homes, and Commissioners, it also doesn't include the fact that any water service agreement that I have had with my clients requires our clients to pay for the water line extension. When we spoke to staff with regards to a tank we were envisioning and we had discussed a 100,000-gallon storage tank. So we can work with staff other storage tank. That has not been discussed with us in the past in our pre-application conferences, but we can provide our fair share of that requirement because we're required to by your line allocation policies.

I think the biggest issue that you have before you under other relevant facts of your criteria is how is this subdivision going to go forward? Will it go forward with wells and groundwater, or will it go forward on imported water? This is not an area that is designated as an urban growth area. Commissioner Campos, I think raised that concern several times. It is, however, an area that is within the confines of the La Cienega or will it go forward on imported water? This is not an area that is designated as an urban growth area. Commissioner Campos, I think raised that concern several times. It is, however, an area that is within the confines of the La Cienega code that is required to have a community water system or a County utility. It is in an area that has been plagued with problems with regards to nitrates in the ground, an overabundance of wells, and an overabundance of family transfers.

The question that is before you is how do you plan for the future, Commissioners? Do you want to plan and extend the boundaries of a utility to allow a subdivision to go forward on imported water, or do you want to allow the use, again, of groundwater in the area? By approving this boundary extension, Commissioners, you are not approving the master plan and

you will hear from many of the residents, concerns with regards to traffic. Concerns with regard to densities, with regards to open space, with regards to protection of the environment in that area, with regards to uses. But that is not the question before you and I ask that, and I submit that if you would like me to answer any of those questions, I would be more than happy to do so after they are raised. But that's not the issue here.

The issue here is how do you plan? How do you plan for the future of a subdivision that will go forward, one way or another? And that's really the question and we ask you to approve the boundary extension. We have the water rights prepared to transfer to the County for use by the County for service to this development. We will continue dialogue with the neighbors and with the County with regards to how it is that this master plan goes forward. We did receive a positive recommendation from Land Use staff on the master plan submittal and that is supposed to be going before the La Cienega Development Review Committee the 1st.

CHAIRMAN MONTOYA: Okay. Any questions? Commissioner Anaya, Commissioner Vigil, Commissioner Campos.

COMMISSIONER ANAYA: Thank you, Mr. Chairman. Rosanna, you mentioned phase 1 only. Could you tell me about the rest of the phases?

MS. VAZQUEZ: Of course, Mr. Chairman, Commissioners. We are requesting the boundary extension for the entire development. The total number of units for the entire development is 512, and if our water budget is approved at a .16, we're looking at a total of 101, approximately 101 acre-feet of water for use by the development, for the entire development. And keep in mind, we're looking at a 15 to 20-year build-out on this. But this is phase 1, we're looking at a build-out of about five years.

COMMISSIONER ANAYA: You mentioned phase 1 but you didn't tell me about phase 2.

MS. VAZQUEZ: What would you like to know about phase 2?

COMMISSIONER ANAYA: How many phases are there?

MS. VAZQUEZ: There's approximately six phases and phase 2 has 44 units. It has 12 affordables. Phase 3 has 127 units with 33 affordables, phase 4 has 60 units with 16 affordables. Phase 5 has 70 units with 18 affordables, and phase 6 has 40 units.

COMMISSIONER ANAYA: How many affordables?

MS. VAZQUEZ: Thirty percent of that would be 12.

ORALYNN GUERRERORTIZ: All together there's 154. Since the numbers were changed from 605 to 512, I don't think we've done the breakdown correctly for affordables. But the total affordables will be 150.

MS. VAZQUEZ: Mr. Chairman, the reason we haven't done the breakdowns is because this was an offer that was proposed to La Cienega last week. We have not had enough time to digest it. We have not gotten a response back from them, but our master plan that is submitted calls for 605, and that's what we received a recommendation for approval from Land Use on.

COMMISSIONER ANAYA: Okay. Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: This is just a question for clarification, Ms. Vazquez, when you referenced the La Cienega code, are you actually referencing their adopted plan?

MS. VAZQUEZ: Their adopted plan and ordinance, yes.

COMMISSIONER VIGIL: So I guess this is a question for staff, I'm not sure anyone from Land Use is here. Have we actually incorporated the plan into an ordinance? Does anybody know that? And maybe somebody can get the answer for me. Jack, they have? La Cienega Community plan is in ordinance form. Okay, so that's what you're referencing.

MS. VAZQUEZ: Mr. Chairman, Commissioners, that's correct. And this plan meets the code, the La Cienega code.

COMMISSIONER VIGIL: In what way, Ms. Vazquez?

MS. VAZQUEZ: In every way, with regards to density, uses, water, because we're requesting utility water service. It meets the code in its entirety. It's very sensitive to environmental concerns. We did a substantive environmental assessment for master plan. We were asked by many neighbors, are you going to address these issues now or are you going to address the issues in your environmental assessment? We're going to address them. We will have to when we come forward at preliminary. We've studied it. There are some - the Alamo Creek needs to be protected and preserved. There's some riparian areas around there we will look at.

One of the offers that was made by the owners to the La Cienega neighbors was if there is a need to put onsite a naturalist to keep track of the environment and make sure it was okay, that that was something that we would look into, because it was a concern, a very strong concern of the neighbors that we protect the sensitive ecological system on site.

COMMISSIONER VIGIL: So if I were to sort of make an assessment of the process so far is what you're saying is the water service agreement request is in compliance with the community plan and the ordinance, but in fact you're not representing that the master plan is, are you?

MS. VAZQUEZ: Mr. Chairman, Commissioners, the request for a boundary extension is in compliance with the ordinance, and I am representing to you that we've received a positive recommendation from Land Use that this master plan complies with the ordinance, yes.

COMMISSIONER VIGIL: Thank you.

CHAIRMAN MONTOYA: Commissioner Campos.

COMMISSIONER CAMPOS: Ms. Vazquez, if a water extension is not approved, how will this affect your development?

MS. VAZQUEZ: We will go on wells.

COMMISSIONER CAMPOS: And will this affect the number of units that you can put on into that project?

MS. VAZQUEZ: Not initially. For phase 1 it would still be 164. We would submit the master plan for all of them and resubmit the water rights that we have for review. At master plan you don't need to show all of the water. You need to show proposed water and

that's what we would do.

COMMISSIONER CAMPOS: You're saying you would go for how many units? Without a service area extension.

MS. VAZQUEZ: It would be the same.

COMMISSIONER CAMPOS: Exactly the same.

MS. VAZQUEZ: Yes, sir.

COMMISSIONER CAMPOS: You feel that there's no limits to the number that would be used with or without the County system?

MS. VAZQUEZ: Mr. Chairman, Commissioners, up to this point we don't believe that there is. We did do a geo-hydro for this phase 1, even though we're requesting that we get the County utility system. It is the intent of the property owners that we would go forward with the same number of units, yes.

COMMISSIONER CAMPOS: So this doesn't affect your project in any way. You're going to go forward, except you'd go on wells and septs or an alternate system.

MS. VAZQUEZ: It will affect the community, Commissioner, not the project.

COMMISSIONER CAMPOS: I'm asking how it will affect the project.

MS. VAZQUEZ: It will not affect the project.

COMMISSIONER CAMPOS: Okay. Thanks, Mr. Chairman.

CHAIRMAN MONTROYA: Okay. Commissioner Sullivan.

COMMISSIONER SULLIVAN: And I'll make this short, Mr. Chairman, so we can get some comments from the public. Ms. Vazquez, in your letter in the packet of January 19, 2006, you say the plan proposes water service for the first phase of development from existing onsite wells. Is that still an operative statement?

MS. VAZQUEZ: Mr. Chairman, Commissioner, there were two options set forth in that master plan; that is one of the options. Either the wells or the County utility system.

COMMISSIONER SULLIVAN: That was not my question, Ms. Vazquez. My question, Ms. Vazquez, let me repeat it, was in your letter of January 19, 2006 -- let me read a little more of it to refresh your memory -- we respectfully request this letter be submitted as a part of the packet material. This team is putting together a master and preliminary plan submittal to the County for March 2006. The plan proposes water service for the first phase of development from existing onsite wells. Water service for the development will transition to the County in the second phase. My question is, the sentence, the plan proposes water service for the first phase of development from existing onsite wells. Is that still an operative statement?

MS. VAZQUEZ: Mr. Chairman, Commissioners, I believe I answered the question. It is one of the options in the master plan that we've submitted.

COMMISSIONER SULLIVAN: Okay. But your letter does not say anything about options.

MS. VAZQUEZ: The master plan changed subsequent to the January 19th letter

COMMISSIONER SULLIVAN: Okay, so could we consider that that phrase is

or is not operable now then, given the subsequent master plan?

MS. VAZQUEZ: Mr. Chairman, Commissioners, we're requesting water for the entire development including phase 1.

COMMISSIONER SULLIVAN: I understand that, Ms. Vazquez. The question is, the sentence says, the plan proposes water service for the first phase of development from existing onsite wells. Is that an operative statement today, now, May 30, 2006?

MS. VAZQUEZ: Mr. Chairman, Commissioners, if we do not get County utility water, it is, yes.

COMMISSIONER SULLIVAN: Okay. Now, you didn't say that in the letter, but you're adding that to that. Is that correct?

MS. VAZQUEZ: I'm not sure. If you give me a minute to finish reading the letter. But I know that -

COMMISSIONER SULLIVAN: Would you go ahead and finish reading it please?

MS. VAZQUEZ: Mr. Chairman, Commissioners, our master plan proposal calls for a request and this request for either service to the entire area, or service for the latter phases. This is not the only letter that was put in your packet. It's not the only letter. It's not the only request. There have been several other requests that were submitted by David Schutz himself requesting water for the development.

COMMISSIONER SULLIVAN: This is the only letter in the packet, Ms. Vazquez. So let me just summarize what I understand you're saying, is that that sentence is not operative anymore. That the plan doesn't propose water service for the first phase of development from existing wells. That your current master plan doesn't specify which it will be. Is that accurate?

MS. VAZQUEZ: Mr. Chairman, Commissioners, again, exactly what I stated before. We're requesting water for the entire development. If there is water for phase 1 in the affordable housing, we will take the water for the entire development. Is there not, we will go forward on the wells for phase 1 and transition in to the utility boundary service for the subsequent phases. That's how it was set out in our master plan. We did an either/or.

COMMISSIONER SULLIVAN: Okay. The other question I had, Mr. Chairman, and that will finish for now is when you responded, Ms. Vazquez, to the issue of the ability to serve the development, your response indicated how much water you're asking for and what your per-unit use was going to be, your water budget. I didn't hear a response to the ability to serve. What is your comment on the ability of Santa Fe County water system and department to serve the development? All I heard was that you were requesting.

MS. VAZQUEZ: Mr. Chairman, Commissioners, having done the last few water service agreements that have been approved by the County and having kept track of how much water is left at the County for service, I do believe there is water to serve this development and that was why I specifically stated that the build-out was a five-year building plan, because in working with the County utility and County Legal with regards to planning the use of the 375 acre-feet of water that you received, one of the tools that the County staff was

trying to use was to figure out on a per-year basis developments were going to use. And they put together a chart on a per-year basis. So I do believe there's sufficient. Commissioner Sullivan, it really is a question for staff, but I know in having worked with them that I believe with this kind of build-out it could be served.

COMMISSIONER SULLIVAN: I just wanted to get your response because the staff response was they didn't feel phase 1 in its entirety could be served. So I wanted to give you an opportunity to rebut that. Thank you, Mr. Chairman.

CHAIR MONTROYA: Okay. Just a couple of questions. Regarding the wastewater system, if that's developed, who's going to be credited with the return flows?

MS. VAZQUEZ: Mr. Chairman, Commissioner, that all depends. If the homeowners have it, the homeowners will get the return flow, if we can get that accomplished. One of the things that we would like to discuss with the County, especially if this liquid waste disposal system, which is set up in an area that should really help the neighbors in La Cienega, if we could work together to create a system that could serve the other areas, it's possible that the County may want to purchase it at a later time. You've entered into agreements with Rancho Viejo and Las Campanas for the purchase of those liquid waste disposal systems in the past with an option for a period of time and a dollar amount, which is a dollar, to purchase those liquid waste disposal systems. We'd be willing to follow in that path as you've done with previous subdivisions and have the County take that over. Then the County would get the return flow credit.

CHAIRMAN MONTROYA: Okay. And then regarding the potential extension of the service line, that one million dollar figure that Dr. Wust referenced, is that something that you would pick up in terms of making sure that the water system is large enough, the lines are large enough to extend it out to where they need to go, and to serve La Cienega residents that currently aren't served, that when they came and requested a line extension, sometime a couple of months ago, that that would be fulfilled also with this extension?

MS. VAZQUEZ: Mr. Chairman, that's a two-part question so let me answer in two parts.

CHAIRMAN MONTROYA: It is. Thank you.

MS. VAZQUEZ: First is the question of the million dollars that was quoted by Dr. Wust. I can't tell you what the numbers are, so don't quote me on any numbers, but I know that the line is over here by the La Cienega exit. So the cost that this developer would have to bear, and it's consistent in all the water service agreements that this Commission has approved, requires the developer to extend the line and pay for the cost of those lines. Whether or not the tank has to be paid for completely by this development is a question. If we're approved for this many lots and at the end, if we're approved for this many lots and we need a tank that size to service it, it's probably going to be part of that cost. I'm not sure at this point. Usually what the staff and developers do together is if there's an oversize you have a line, if it doesn't need to be oversized for this development we split the cost. So we will do what we are required to do by County to pay for what we need to do for this development. And if it means that we've got to kick in some money for the tank to be able to serve other La Cienega

residents, of course, we will definitely look into that and want to work with the County on that. That's one of the issues that we want to continue dialogue with the La Cienega residents. We just don't know exactly what is the best way to help and what is the best way to take care of the existing community. That's one option, Commissioner.

I also want to make clear that what the idea was with this development was to extend the boundary, the utilities, to the line here, extend them so that they could be connected into - with the size of a line that was large enough to be able to connect some of these communities around here. Now, some residents like that and some residents don't, Commissioners. There's a theory that if we extend the line to here, there's a domino effect and everything's going to be developed. And I think that's a concern. But there's also a concern for too many wells in the area and too many septs in the area. So I think that's going to have to be balanced and we'll work with the County on balancing that issue.

The second question with regards to extending the line to people who need it. We have made an offer to the La Cienega residents that we will work with regard to either providing water or a line to serve some of the existing communities. We really don't know which is the best approach and we really don't know what planning process the County has in mind with regard to how do you service these people. So what we're trying to do is create a system that can get hooked into and what we'd like to continue doing is working with County staff and La Cienega to figure out how quickly that can be accomplished and the means by which that could be accomplished, either water rights, money for extension of water lines - I'm not sure, Commissioners, but it is something that we intend to continue going forward with.

CHAIR MONTROYA: Okay. Thank you. At this time, we will take some public comment. Are you going to be the spokesperson? How many people plan to speak? Let me just ask that question. If you'd all please come forward, and I'd ask that you please just state your concern regarding the extension of the water service line. Keep your comments focused on that. I know we ask other questions as a Commission that we needed information on, but if you'd please keep it to that topic which we are discussing today, and that is the extension of the water service line. So Carl.

CARL DICKENS: We appreciate your concern and we will direct it specifically to the water issue. I'm Carl Dickens. I represent the La Cienega Valley Association. I'm vice president of the association. The La Cienega Valley Association has sent the Commission three separate letters opposing the extension of this water service boundary. We continue to maintain that position. I would like to note on record that we have submitted petitions today with 640 signatures of residents in the area opposing the extension of this water service boundary. I also would like to note that those signatures were gathered within a two-week period of time. There is a strong community opposition to this proposed development and water extension.

One of the things that I would like to point out is that at a February 28th meeting of the Commission, about five or six residents asked to have the water boundary extended and it was denied. The Commission at that time addressed a concern, I think it's a community concern too, in that there needs to be a comprehensive water plan for the County. And the other communities that were cited as having problems were Cañoncito, Chupadero and Chimayo as

well as La Cienega that were experiencing water problems.

The La Cienega Valley Association strongly supports the creation of a comprehensive water plan that addressed the needs of rural communities and we are very open to working with those communities to come up with a comprehensive plan before we continue to extend water service boundaries to developers. Thank you.

CHAIRMAN MONTOYA: Thank you, Carl. Next, please. Excuse me just a second, Ray. Commissioner Campos.

COMMISSIONER CAMPOS: I have a question.

CHAIRMAN MONTOYA: Question for Mr. Dickens.

COMMISSIONER CAMPOS: Mr. Dickens, you heard the applicant state very clearly that they're going to proceed regardless and the impact is not on the development but it will essentially be on the community if there is no water and wastewater system. How do you respond to that?

MR. DICKENS: Well, for me it was a threat and it was unusual for me to hear that as a threat. Either you do it this way or we're going to do it the other way. The bottom line is the existing wells can only produce so much water, so you can continue to transfer as many water rights on to that as you want but unless they can produce that, it's really kind of an empty threat. That is something obviously we would take into consideration. We have a very structured process when we have these kinds of decisions and we really get as much community input as we can. Through flyers, through newsletters, through community meetings, and so when you see this 640 people saying no, that has been the combination of a very conscientious community effort to get input from the residents of our community. If this were to go forward we would again go back to the community and come up with a decision and response to that.

COMMISSIONER CAMPOS: Are you saying that the State Engineer might have a hard time approving transfer of water to these wells because of the negative impact on the community?

MR. DICKENS: That would be certainly a possibility.

COMMISSIONER CAMPOS: Okay. Thank you, sir.

CHAIRMAN MONTOYA: Mr. Romero.

RAY ROMERO: Mr. Chairman, members of the Commission, if you would bear with me, I have a bad sinus problem. What I would like to mention to you is - I don't know if you are aware, some of you were not in the last administration, but the County has approved several developments in the area above our springs and on condition that these developments would be served by the County water and they haven't up to date. So one of my concerns, in order to save the springs, they're depleting really bad. We don't have enough water to irrigate our fields, I think the County needs to take into consideration that before you serve any development that you need to start serving these areas above the La Cienega area, the racetrack area, all that area above La Cienega in order to save the springs.

We have no other choice. If you don't protect them for us, we don't have any other choice but to [inaudible] I don't see how we can - it's going to be expensive for us to do that. We need to protect our springs. And the other thing I'd like to mention to you, any more

developments in the area, it's not going to help those springs any. We are [inaudible] in La Cienega that we are going to protest any transfers. We are looking forward - if you help us and protect this water for us in the community. Otherwise we don't have no choice but to go to the State Engineer. That also is expensive. So I ask for your consideration.

CHAIRMAN MONTOYA: Thank you, Mr. Romero. Next, please.

LINDA GRILL: Good morning or good afternoon. I'm not sure which one it is right now.

CHAIRMAN MONTOYA: Afternoon.

MS. GRILL: Chairman Montoya and Commissioners, we really appreciate your listening to us today. We do have a lot of concerns about the water issue in La Cienega. As you know we are a traditional community, historic traditional community. We have a lot of family in our community. Our wells are going down. A lot of our springs have dried out. We would like to see that the existing homes there are served with County water before it's extended any further. But what I have heard here today is that this plan is going forward regardless, whether you extend the water system or you don't.

So [inaudible] if it's going forward, I would rather see that you extend the County water system to that development. And they are saying that they are willing to somehow or another help some of the families there in La Cienega, and I don't have a problem with that. We have a lot of families that need to connect to the County water system. Also, hearing Ms. Vazquez about the plants that they are planning to propose for the development, and if they plan to incorporate part of La Cienega into that plant, I think that would be good for the community of La Cienega, especially on Paseo C de Baca. We already have a County water line that runs to the end of Paseo C de Baca. We appreciate you Commissioners that you voted on it and help to support it. Commissioner Anaya, you are very much aware, rooted in La Cienega. We talk to you often and I talk to some of the other Commissioners also and just do what you feel is proper for our community, that you don't destroy our rural community. We don't want that. Some of us have lived their all our life. We don't want to see it lost. Thank you.

CHAIRMAN MONTOYA: Thank you, Commissioner. Next please.

GENE BOSTWICK: My name is Gene Bostwick and I'm a resident in La Cienega. I want to thank Commissioner Montoya and the other Commissioners for the opportunity to address you because it is an issue of grave concern to everyone in the community and you can hear there are a lot of things that we're trying to deal with to protect our community. I wanted to address some specifics regarding this issue of the water boundary and specifically some things that have been talked about. Commissioner Campos asked a very good question about whether or not this could move forward if they didn't get this water service extension. We really think that is a serious question. They do have a certain amount of water rights on the property but it's question about how much they could increase those water rights based on the hydrology, based on whether or not the State Engineer would allow it, based on whether or not the community would benefit from those things.

So we really frankly do not believe that the potential impact of this development would be nearly as large or as great without County water. So we do feel that it's a very, very

important issue, whether or not you extend water service to this property. We think there are some serious issues with whether or not the – if public policy says whether or not there is the ability to supply this development. We're aware of a number of developments that are already approved that are within the County's water service boundary area. We believe there are over 10,000 lots that potentially could be served within the existing water service boundary area. That seems to be a pretty substantial ability to supply housing, both affordable and regular housing for people and continue to expand with the area that you've already designated and already extended that water service boundary. So, I'm not sure we see a valid reason why extending it to this area is necessary in terms of providing service for new homes or providing service, frankly for more affordable homes.

A large issue we see is that this is not within the County's designated growth area. We've been discussing the County's growth management plan at a number of our meetings and it seems very clear that La Cienega is not in the designated growth area of the County and in fact because it's part of our traditional historic community then it should be afforded protection from growth that the community does not want. So based on that issue we also think that there's a serious question of whether or not as policy you should be extending water to a new area that's within a traditional community where it would promote growth that the community does not want.

We really see this service area extension as the first step in allowing development to take place on this property and if they do not get a service area extension then they have to reconsider their options in terms of how much they can move ahead. I know it's easy to say that they would move ahead with 600 units but there are some serious questions as to whether or not they would ever have the water to do that, and we need to address those on an individual basis. I think former Commissioner Grill makes some very good points about whether or not we move forward and how we best protect this community, but we also know that there are already water lines in place in La Cienega and there is the potential to extend those water rights as Commissioner Anaya brought up on the 28th, the possibility of extending to a small area off Paseo C de Baca. There are a lot of areas which could be served right now which would begin to help our situation with our wells and the water. The area that Mr. Romero points out is an area which again, could have water service extended and begin to make a real impact in helping our community to avoid problems with water without having to increase the density of the community at the level that this kind of project supposes.

So for quite a few reasons we believe that this is not a good idea to extend this service boundary because we think it only furthers the ability for growth in an area where our community doesn't want to see it happen. I just want to make one point. I know Commissioner Vigil asked a question about whether or not it was affirmed that this complied with our community plan and we're going to make very, very clear that as a community, we do not believe that this complies in every way with the community plan. There are certain narrow aspects of that community plan that you have to do from the use of managed water systems. We actually have our own water system for part of the community. But that in no way implies that this entire development meets the whole plan. There are many, many issues where this

development doesn't begin to comply with our community plan and those are issues which we would address in the future when we look at master plan.

I thank all of the Commissioners for giving us the opportunity to address these issues and talk about them a little bit and we look forward to [inaudible]

CHAIRMAN MONTOYA: Thank you, Gene. Okay, questions from the Commission. Oh, one more. Sorry about that.

J.J. GONZALES: Mr. Chairman, Commissioners, I'm J. J. Gonzales, a resident of La Cienega. The County water system was started back in the early 90s with a developer-driven system. The County asked several people that had property to go out in the community and see who could utilize County water. Developers were signed up. They pledged money to build this system. I think after 12 or 15 years of this system being in place, it's time for the County to take control of this water system and not let developers build it to suit their needs.

The water system was connected to the penitentiary to correct problems with the penitentiary overpumping all their wells. They had wells they pumped in violation of their permit. There were well over in violation for over ten years. The State Engineer decided that the best way to stop the violations from overpumping was to extend the water system from Rancho Viejo to the pen. A few years after that the National Guard moved out there. One of the conditions was that the National Guard be on the County water system. And that occurred. They have a big complex out there.

A few years after that, in the early 90s when Las Lagunitas came forward for development, they wanted to build over 300 units. They wanted to build a golf course. With negotiations with the community, they scaled back the development, they asked the County to extend the water system from the penitentiary to their development, and Las Lagunitas paid for that development. The over 100 acre-feet of water they had in their area, they assigned like 16 acre-feet to the County to supply their development. The other 75 acre-feet they retired. They gave all their water rights to the community. They gave a well on their property to the Guicu Ditch Association, and they agreed that the only water that they would use on their development was County water.

They also left a 12-inch line at the southwest corner of their property at the future extension for La Cienega, Entrada La Cienega area, Paseo C de Baca. The residents came in after many years and they finally got enough funds to build that system into Entrada. That system was built and to this day, it helped residents that had poor water quality, that had poor producing wells. It got them onto a County water system with some reliable water, and there was not any area there, because it was County water available that the residents thought that it was necessary to increase development.

At this point the system is in place. It's been extended several times. Now these developers feel that now the system is there for them to use. This is a system that over the years was built by the cooperation of many state agencies. And I think in this area, to serve this massive development, this is a very rugged area. It's got deep canyons, it's got wetlands area, and they have really high density. There's a lot of urban density in this area and that's not

suitable for that remote area. This area is at the very end of what you can consider Santa Fe County. Past that is the La Bajada Hill, the Indian land. This is not the right area for this. There's a lot of areas closer to town that have thousands of acres of undeveloped land that are in proximity of the County water system. And I ask you to deny this extension and properly use your power to control the development. That's the one big important thing about controlling the water system. You people can decide where growth is going to occur. And this area is clearly outside of any growth areas.

Ms. Vazquez claims that part of this area is within the service boundary already. The only thing is they don't tell you that that area is landlocked. There might be a sliver that's within the service area right now, but that area is completely landlocked. There's no access to that area to extend a water system. Ms. Vazquez said that denial of this service area doesn't affect their development one bit. In reality, if this water system extension is denied, they have to go before the State Engineer. That is a lengthy process. There will be numerous protests filed in the hearing, and the process, it's two or three years.

Also, the Buckman Diversion, it's in the planning stages. It's not even built yet. And they talk like they're going to be building out there like master plan approval next month and they talk like they're going to be building out there relatively soon. The reality is there's nothing going to occur out there for several years. So I urge this Commission not to grant this extension. The time isn't right. There's too much time before anything really is determined as far as where the water is going to come from, whether water is going to be available. If you approve something today, that doesn't mean they have water tomorrow. It's reliant on the Buckman Diversion, which isn't even built. And basically, that's all I have to say. Thank you very much.

CHAIRMAN MONTTOYA: Okay. Thank you. Now, Dr. Wust.

DR. WUST: Mr. Chairman, if I may provide a couple of updates. Questions came up about both the revenue and the cost. The million dollar figure came from an assumption of what it would cost to extend our system from the existing infrastructure to the edge of the development. It didn't address who would pay for it, just what are all the engineering pieces and what would be the total cost, so that's where that million dollars comes from. It does include a 100,000-gallon tank and also the pipes and the disinfection unit and the rest of it. So all I did was ask Doug Sayre to see what would it cost if somebody had to build something to supply this development only from the edge of the development to our existing infrastructure.

In terms of the revenue, now that I've got some numbers from listening to Ms. Vazquez, based on an assumption of the number of units that she said, using our existing rates of \$5.50 per thousand gallons and a meter charge of \$14 a month per household, and the water budget proposed of .16 acre-feet per year, for phase 1 it gives us a total revenue of \$74,379, and for the whole development of 512 units, a total revenue of \$228,037. Just wanted to provide those figures for you.

CHAIRMAN MONTTOYA: Okay. Thank you, Steve. Questions? What are the wishes of the Commission in terms of the request for this extension of the water service line?

COMMISSIONER ANAYA: Mr. Chairman.

CHAIRMAN MONTTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: This is a very difficult situation here where you're asking us to extend the water service agreement to a piece of property that doesn't have any homes on it yet. About a month ago we asked to extend a water service agreement or water service to existing homes, which would use about five acre-feet of water, and that was denied by this Commission. This is the first that I have seen exactly what they are trying to do. There's a lot of homes in that area, which I would like to ask the developer to relook at that, because there is a lot of homes.

Do we want - I kind of felt threatened by the developer when they said that they're going to go through with whether it gets approved or not. I think that this Commission better like it or it's not going to get approved. Do we extend the water service agreement and prevent them from pumping water out of that area to supply their homes, or do we extend it and let them transfer their water to the Buckman Diversion s that they can supply it? I don't know yet. It's a lot.

At this time I'm still upset at the fact that we didn't allow the existing residents in the La Cienega area that we already have infrastructure for, that is right there. At this time, I think it's too much too fast. I think that if they want to, if the developer wants to go forward with their water through the State Engineer - I think that this is a rural community, and by putting that out there, that just changes everything. I know the developers, they're good friends, but to me at this time it's too much, too fast. If we can talk about serving the people that are already there then maybe I wouldn't have such a hard feeling over this, but when we say that - if we approve this and we let the developer take water service to our existing residents, to me that doesn't make sense either, because we have the line there. The County has the line in its own - it's right there. Why would we want to have the developer do what we could be doing?

I've heard from a lot of residents out there. I've spent hours at home trying to think how I was going to say this and it just right now doesn't make sense to do that. If we could - I've heard Carl Dickens talk about a comprehensive water plan. I think that's very important and I don't know if the County has done anything about that yet. Ray Romero mentioned stuff about bringing water service to our existing people around the racetrack area. We've been trying to do that. That's important. We need to do that.

Again, this is a hard decision but right now I don't feel that it's right. The developer can continue on, but I think personally that there's a lot of homes there. Thank you, Mr. Chairman.

CHAIR MONTTOYA: Thank you, Commissioner Anaya. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chairman, I think in terms of deliberation that we have just three alternatives. One is to deny the application, the boundary service extension, and I think there's ample justification for that. I don't think the criteria that we view these by has been amply addressed by the applicant and I think probably the staff is constrained by the fact that it's just today learning some of these facts, so it was probably premature to do

so. The second would be to consider a boundary service extension for the first phase. The developer of course is asking for everything at once as is the usual way to do it, but it's obvious that the development is still very preliminary in nature and so they're only required by the County's master plan requirements to show water service for the first phase, first sustainable phase.

So that would certainly be an option. Another option would be for a boundary extension which would specify that County water service be supplied if it's available and that that service be supplied to all dwellings, and that service be supplied sequentially. That is to say eliminating leapfrogging and that in essence the boundary service wouldn't apply until one phase was completed before moving to the next phase, so we don't have the problems that were brought up being on the end of the system and putting in a great deal of infrastructure and having the County maintain a great deal of infrastructure for only one phase, not knowing what may happen in the future.

So I see that as three alternatives that we have to look at this. And the first alternative again, if it's denied, then the applicant of course will be able to move forward with a well plan and will, as has been stated, have to take that to the State Engineer and receive the necessary approvals and conduct the necessary hydrologic studies to do that. And that is of course an alternative. We don't know what the impact would be but we would assume that the State Engineer would not permit impairment of existing well systems.

So those are the three alternatives as I see it.

CHAIRMAN MONTOYA: Okay. Thank you, Commissioner Sullivan.
Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Chairman, thank you. I think that Commissioner Anaya and I think J. J. Gonzales raised some important issues. Who makes the decision about water extension? Is it a private decision or a public decision? I think they both say it's a public decision. Too often we've had development that just drives the system. I think on this Commission the idea is that the public should drive the system. This is not a growth priority area. It isn't. The County has not decided that it is. And right now, I don't think it should be.

We have priorities and it's the public that sets the priorities of where and how are limited water resources are going to be used and how we extend our very small water utility company. And thirdly, I think there may be a serious water sustainability issue in this area, and there may be a lot of impairment issues that the developer may have difficulty overcoming. Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Thank you, Commissioner Campos. Commissioner Vigil.

COMMISSIONER VIGIL: Mr. Chairman, I guess in order to make my decision, because I've heard a couple of potential proposals and I believe we'll probably be making a motion here and I am really curious to have a little bit more information from the developer in terms of the water rights. How many water rights are there there? How many wells?

MS. VAZQUEZ: Mr. Chairman, Commissioners, we have approximately about 30 acre-feet of water onsite for the property. The property owners have purchase Middle Rio Grande water rights also for development of this. They are negotiating with other in-basin rights for use by this subdivision that as you all are aware are much easier and faster process to transfer to the wells. Right now there are three wells on the property and these are not the wells - Mr. Perkins said these wells could not pump the kind of water that would be needed but of course there would be other wells that would be drilled for the purpose of creating a water system for the development.

COMMISSIONER VIGIL: You've also mentioned, Ms. Vazquez, that a preliminary hydrological study had been done. Is that correct?

MS. VAZQUEZ: Mr. Chairman, Commissioners, yes. We submitted a geo-hydro for use by the Land Use Department and the Utility Department to evaluate how much water was underground. We did a two-pronged process in the master plan, Commissioner. We did a request for a boundary extension, but we also did a geo-hydro and that was in case the boundary extension was denied, we would be able to go forward with phase 1 on the wells with our geo-hydro and that was in case the boundary extension was denied, we would be able to go forward with phase 1 on the wells with our geo-hydro. Everyone is correct; we will have to go through the OSE process. That's what we'll have to do if this is denied.

With regards to Commissioner Sullivan's alternatives, we will work - if I didn't make it clear that we'll work with the County and the staff to figure out ways to serve the other areas, the existing neighborhoods. We will try to do that. It's not an easy request. It isn't just extending a line. It isn't just putting a pump station in. It is how and where do people want to get connected. Do they want to lose their autonomy from their wells and who pays not just for the pump station and for the line down Paseo C de Baca but how do we get the individual homes connected onto a system. It's a very difficult question to deal with existing homes.

We have made several proposals of either contributing water rights for use by that. I even put together this little project piece called the neighborhood fund to see how it is that a County and private partnership could deal with some of these issues, because I think it will have to be a public/private partnership to deal with some of these concerns, and it's going to have to go beyond the neighbors, the people who are affected. Those are all very difficult questions and the only way this Commission and staff and us can solve it is by working together and that was our proposal to you, Commissioners. It was our proposal to attempt to work with you on this.

COMMISSIONER VIGIL: Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Okay.

COMMISSIONER VIGIL: Just one more. I have one question for Commissioner Sullivan. Could you, Commissioner Sullivan, state your proposal in a nutshell? A big nutshell.

COMMISSIONER SULLIVAN: She always opens up the box of Pandoras when she asks me a question. I didn't have a proposal, actually, Commissioner Vigil. I just said there were three options and if the Commission felt that denial was appropriate, at least in my judgment, given the information that was made available to this Commission today, I could

support that because I don't think the criteria that were presented were in depth enough to make that service boundary extension. If the Commission felt that it does make sense, as Commissioner Grill said, to set in motion a mechanism for providing public water service to this area, not only for the development but for others who need it, they I saw two more alternatives. One was to just approve the service extension for phase 1. The other was to put in some language that was a little more specific and ask how the whole boundary service extension would be served.

I'll just read you some draft language to tell you what that would be. I'm not promoting that over alternatives. I'm just saying this is the third one. If we were to consider approving the full one, we could say, "The boundary extension shall be granted subject to a condition that each proposed phase of the development use County water service only in sequence, i.e., that approval of each subsequent sustainable phase of the development shall not be sought by any applicant unless and until the previous phase is completed. And further, that the initial phase shall not be served until existing residents along the main line are served."

That means if we're going to do things, do it sequentially, serve everyone from A to Z. Start with A and move down the line to Z and address the issues of residents that did come to the Commission and request service, and I'm sympathetic to that and the reason that I voted not to do that was that we didn't have an allocation policy in place at that time. We do now have those allocation regs in place and those residents and anyone else are welcome to come back and have us look at that issue again. So that would be the third potential.

CHAIRMAN MONTTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: And with regard to that, and this question will be addressed I guess maybe to Steve Ross, they're actually asking for 28.65 acre-feet for their first phase. Through our water allocation policy agreement, can we commit to that amount? Wouldn't the allocation policy require us to comply with how many acre-feet per year?

MR. ROSS: Mr. Chairman, Commissioner Vigil, the water allocation policy limits a request for any six-month period to 35 acre-feet. But of course we wouldn't be doing that today. This is just to draw a line on a map to encompass a larger area than we currently serve. Those questions would certainly arise when application were made pursuant to the allocation policy for some wet water, in a give period.

COMMISSIONER VIGIL: Okay. Thank you. No further questions.

CHAIRMAN MONTTOYA: Steve, I have a question regarding the status on the geo-hydro report. We've been requesting that for a few years now, in terms of the findings and the recommendations. Where are we in terms of, we've had the three public hearings as I understand. Where are we now? That's the last part of the question. The first part of the question is what did it reveal for this area that's being requested in terms of pumping on wells?

MR. ROSS: Mr. Chairman, the status of it first off is you had a presentation of the final results given by Cynthia Ardito from Intera. That's being put into a written format for the final report, and they're pretty close to getting that done now. The model has been installed on the computer of our County Hydrologist, Karen Torres, and our good fortune is she knows how to use them without much training, and she's been looking in detail at certain areas, not

just this one, but others that we've wanted to examine. So I'll have to come back to you with results for this particular area. There will be two results that you'll see. One is based on just the aquifer characteristics, and if you recall the presentation, they looked at what are good areas for wells, just based on aquifer characteristics, and then what are good areas based on these other factors – closeness to springs, closeness to our own infrastructure and things like that. So there will be two results there.

I remember from the presentations at the public meetings, the full results, that is including all these other factors, made this area not look so good, but looking at it just from an aquifer standpoint, Karen's looking at that right at this moment. She's doing that as part of her review of the hydro report so we didn't have it here for this. But it is being looked and so that will be done before, if it goes forward and they try to present something on the wells. She has reviewed the hydro report. She has a number of questions, mainly the same questions that I hedged on in terms of the revenue that are they looking at a density just from their wells and for the whole thing or for the first phase, or are they going to use the County system and looking at a density for that. So she's teasing that out right at the moment, but she has reviewed the hydro report.

CHAIRMAN MONTTOYA: And the reason that I asked that question being how does it impact our utility system as a whole. Because I think we do need to look at it and I think the reality is some of these locations where it may indicate that we need to look at, people are not going to like, period. But I think if we are going to, as has been suggested, take control of the system and of what's going on, then we need to look at how's this going to fit into the big picture. And with that, I'm not sure that I've got enough information to be able to deny or go with any of the other suggestions that have been made her this afternoon.

So I think I would probably like to see that come to a conclusion here relatively quickly, because the reality is the future is dependent on water and that's the reality. If there's going to be enough then we need to know where it's going to be coming from. If we don't, then I don't see how can continue to make these decisions piecemeal which is what we've been doing for the three and a half years that I've been on this Commission. It's been done piecemeal according to what we've been told as opposed to doing some real comprehensive planning in terms of involving, as has been suggested also, public-private partnerships. The reality is we're not going to be able to do it alone, otherwise we'd have put pipes wherever they needed to be at this point if we could afford to do it. So with that, I would entertain a motion. I think we've deliberated on this long enough.

COMMISSIONER CAMPOS: Mr. Chairman.

CHAIRMAN MONTTOYA: Commissioner Campos.

COMMISSIONER CAMPOS: I would move that we deny the service request at this time.

CHAIRMAN MONTTOYA: Motion by Commissioner Campos.

COMMISSIONER ANAYA: Second.

CHAIRMAN MONTTOYA: Second by Commissioner Anaya. Discussion?

COMMISSIONER VIGIL: Mr. Chairman.

CHAIRMAN MONTTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: I'm somewhat in agreement with you. I don't know that we have enough information. I actually would like to go back and study the general plan because I did hear conflicting statements. The residents believe this proposed development nor the water service agreement complies with the ordinance and the La Cienega Community Plan. The agent for the developer states it does. I see that as a conflicting statement.

I also think that the consequences of the decision that we make today have incredible impact on what actually will occur in the future. As Commissioners, at least I as a Commissioner, I'm caught up with the conflict of how do we protect our water resource, and at the same time provide delivery systems that are capable of delivering qualitative water to communities. La Cienega Community, there was an attempt years ago, as Commissioner Anaya has referenced, to try to get a system out there and I do agree with Commissioner Montoya that this isn't a task that can be done solely by government. It really needs to work with private partnerships.

I'm also conflicted by the master plan and I guess I gather I'm going to need to get more information because really and truly, I'm not satisfied that this particular master plan complements the surrounding community, nor am I satisfied that it particularly protects the rural character that is the history of La Cienega. The density is still at question for me. I'm not sure I'm even ready to deny a request. In my mind I'd be more like to want to table this request, only to gain more information. Today's hearing has only brought up more questions for me, Mr. Chairman.

CHAIRMAN MONTTOYA: Okay. Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Chairman, thank you. I'm not in favor of a motion for tabling because this is a bigger picture issue. The La Cienega issue as to their plan is one issue, but the County has to have a bigger plan as to where growth is going to occur. That's where the linkage is between water and zoning and we haven't done that. Therefore I think it should be denied at this point and not tabled.

CHAIRMAN MONTTOYA: Any other discussion?

The motion to deny the request to extend the water service area to include Santa Fe Canyon Ranch passed by majority 3-2 voice vote with Commissioners Montoya and Vigil voting against.

CHAIRMAN MONTTOYA: And I would like to again just reiterate that my no on this is because I feel that I don't have sufficient information to make a decision on what is going to be best. What we've done now is in essence said okay, now you all go through the process of the State Engineer. He may or may not allow you to pump wells. Again, we're just kind of in limbo with this whole situation. I agree with Commissioner Campos we do have to look at the big picture in terms of how we're going to address water use and water needs in the future. Commissioner Vigil.

COMMISSIONER VIGIL: Mr. Chairman, I actually think looking at the big

picture is considering what the consequences of what this decision will mean and in my mind, the consequences are that the developer will go before the State Engineer. That may delay the project but in fact are we creating the best opportunity and the best consequences for this community by allowing this development to take the risk of going forth with wells, which in fact I think disconnects the development from the community. So the questions are unanswered for me, but I'm willing to comply with the majority of the decision today.

CHAIRMAN MONTOYA: Okay. Thank you. We'll take a lunch intermission till what time? 2:15?

[The Commission recessed from 12:45 to 2:20.]

**IX. A. Biomass Presentation by Mark Sardella (Commissioner Vigil/
Commissioner Campos)**

COMMISSIONER VIGIL: Mr. Chairman, we are going to be hearing about a ten-minute presentation from Mr. Mark Sardella, but I also would like us to move item XI. C. 2. We're not going to have a full Commission after 3:00 and I think that item deserves full Commission hearing.

CHAIRMAN MONTOYA: Okay.

COMMISSIONER VIGIL: If there are no objections.

CHAIRMAN MONTOYA: Mark, do you want to go ahead. We'll give you about ten minutes. Thank you for being patient with us.

MARK SARDELLA: Sure. And I'm glad to be brief. Commissioners, I appreciate the opportunity to at least take a couple of minutes with you this afternoon. I'm Mark Sardella. I'm the executive director of Local Energy, a tax-exempt non-profit working here in the community to help the community develop local energy resources for the purpose of sort of ameliorating some of the hardships of higher energy costs that we've been seeing.

In a couple of minutes, I do want to respect that you have 27 items left on your agenda and this is number 3. I just counted them. I do want to be brief but I also want to ask you something and that is I've spent about two years on the project now during research and education and studies, and a particular project design on a community based energy system and I would like the opportunity to meet with staff and perhaps a couple of you as long as we don't get a quorum together to give a presentation that's in more depth on the research that we did, and I'll tell you a little bit about the research we did.

We're not going to show the video today because that was 29 minutes and I didn't want to take that time, but all of you have a copy. And on your desk is a cardboard sleeve, the sleeves for the video came out a little later than the video itself. If you could match that sleeve with the video I gave you earlier and if you can't find the video just see me and I'll give you another one.

The project is mostly being called the Downtown Biomass District Energy Project, and I think that's a bit of a misnomer. That's what everybody knows it as, as biomass development.