

Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

To: Board of County Commissioners

From: Teresa Martinez, Finance Director

Through: Katherine Miller

Date: December 29, 2014

RE: **Government Finance Officers Association Certificate Of Achievement For Excellence In Financial Reporting Awarded To Santa Fe County For Fiscal Year 2013. (Finance Division/Teresa Martinez)**

ISSUE

The Santa Fe County Finance Division has received the government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013.

BACKGROUND

Beginning with the fiscal year ended June 30, 2011, the Finance Division has submitted its annual CAFR to the Government Finance Officers Association to be reviewed by an impartial panel to ensure that it meets the program standards and demonstrates a constructive "spirit of full disclosure" to clearly communicate the County's financial position.

The GFOA Certificate of Achievement for Excellence in Finance in Financial Reporting is the highest form of recognition in the area of governmental accounting and financial reporting and represents a significant accomplishment by the County and its management.



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

July 22, 2014

Teresa C. Martinez
Finance Division Director
Santa Fe County
PO Box 276
Santa Fe NM87504-0276

Dear Ms. Martinez:

We are pleased to notify you that your comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013, qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Each entity submitting a report to the Certificate of Achievement review process is provided with a "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements in its financial reporting techniques. Your list has been enclosed. You are strongly encouraged to implement the recommended improvements into the next report and submit it to the program. If it is unclear what must be done to implement a comment or if there appears to be a discrepancy between the comment and the information in the CAFR, please contact the Technical Services Center (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

Certificate of Achievement program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. Your written responses should provide detail about how you choose to address each item that is contained within this report. These responses will be provided to those Special Review Committee members participating in the review.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. Enclosed is an AFRA for:

Finance Division, Santa Fe County

Continuing participants will find a certificate and brass medallion enclosed with these results. First-time recipients will find a certificate enclosed with these results followed by a plaque in about 10 weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed. We suggest that you provide copies of it to local newspapers, radio stations and television stations. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, www.gfoa.org.

A current holder of a Certificate of Achievement may include a reproduction of the award in its immediately subsequent CAFR. A camera ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year. To continue to participate in the Certificate of Achievement Program it will be necessary for you to submit your next CAFR to our review process.

In order to expedite your submission we have enclosed a Certificate of Achievement Program application form to facilitate a timely submission of your next report. This form should be completed and sent (postmarked) with three copies of your report, three copies of your application, three copies of your written responses to the program's comments and suggestions for improvement from the prior year, and any other pertinent material with the appropriate fee by December 31, 2014.

Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact Delores Smith (dsmith@gfoa.org or (312) 578-5454).

Sincerely,
Government Finance Officers Association



Stephen J. Gauthier, Director
Technical Services Center

SJG/ds



Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

DATE: *January 5, 2015*

TO: *Board of County Commissioners*

FROM: *Adam Leigland, Public Works Department Director*

VIA: *Katherine Miller, County Manager*

ITEM AND ISSUE: *BCC Meeting January 27, 2015*
Update on Rural Water System Policy and Individual System Acquisitions (Public Works/Adam Leigland)

SUMMARY:

This is an update on the status of the three ongoing rural water system acquisitions and the policy questions and lessons learned that the acquisition processes have exposed.

BACKGROUND:

The BCC approved Resolution 2012-58 on April 24, 2012, creating a mechanism whereby small water systems (mutual domestic water consumer associations (MDWCA), water cooperatives, and private systems) can be acquired by the County Utility as a mutually beneficial way to inject needed capital and technical resources into the small systems. To date, three rural water systems have availed themselves of the policy: Canoncito at Apache Canyon MDWCA, Chupadero MDWCA, and Hyde Park Estates Cooperative Domestic Water Association.

This policy has been somewhat controversial, especially for those MDWCAs that have relied on essentially condition-less County funding and technical assistance over the years. After significant public outreach, including two well-attended town hall meetings and testimony at several BCC meetings, in early 2013, the BCC directed staff to revise the April 2012 version. An updated, much more detailed, policy has been drafted with significant input from not only the rural water systems but also from the Office of the State Engineer, the New Mexico Environment Department, the Rural Development Assistance Corporation, and the New Mexico Rural Water Association. The draft policy has not yet been brought before the BCC for approval because staff is using the three ongoing acquisitions to "test-drive" the policy and identify areas for improvement.

DISCUSSION:

As stated above, three acquisitions are currently ongoing. Below are brief updates on the status of acquisition each of the three systems. Also below is a discussion of the policy questions and

lessons learned that have emerged as the processes have progressed and that will need to be incorporated into the updated draft policy.

The acquisition process generally follows the steps outlined below:

1. Candidate system submits petition resolution to BCC requesting acquisition.
2. BCC approves resolution accepting candidate system into acquisition process.
3. County conducts due-diligence inspection/asset inventory.
4. County conducts Environmental Assessment (EA).
5. Individual "Utility Purchase Agreement" is drafted after negotiations with system.
6. Purchase agreement signed by system and BCC.

In general, the acquisition processes have taken longer than anyone anticipated. In part, this is due to the actions of outside agencies. The Office of the State Engineer had had an ongoing adjudication proceeding in process with Chupadero when the County began its acquisition, and consequently, the OSE asked the County to delay its process. Hyde Park Estates had been a candidate area for annexation by the City, and so the ability of the County to acquire the water system was unknown until Hyde Park Estates was formally excluded from annexation in early 2013. Canoncito had obtained a capital grant from the Water Trust Board (WTB), and the WTB did not want to assign the grant to the County and so requested that the County manage its process around the WTB process. The protracted timelines have also arisen from unforeseen issues with missing information. That said, each of the three processes is moving forward, and staff have been maintaining communication with the systems.

Chupadero: Resolution 2012-131 was adopted on September 25, 2012, to direct the incorporation of the Chupadero MDWCA into the County Utility. The due-diligence report has been finalized, and the purchase agreement is drafted. The Phase 1 Environmental Assessment contract has been scoped but not yet issued because Phase 1s have a limited shelf life. No significant contamination issues are anticipated. The remaining issue is verification/acquisition of the proper easements. The system did not have recorded easements, on either County or private property, for its infrastructure. This gap is in the process of being filled. Further, an "Improvement Contract, Phase 1" has been scoped to implement the immediate steps needed to bring the system into a minimally operable condition (install proper meters, repair certain valves, etc.). This contract will be executed immediately after the purchase agreement is approved. In sum, it is estimated that a purchase agreement will be ready for BCC approval by the end of July, assuming the Phase 1 Environmental Assessment does not bring to light any significant issues. Staff presented to the Chupadero board and membership most recently on December 8, 2014, at the annual membership meeting.

Canoncito: Resolution 2012-55 was adopted on April 10, 2012, to direct the incorporation of the Canoncito MDWCA into the County Utility. The due-diligence report has been drafted and is under review by staff. A purchase agreement is in the early stages of drafting. County investigations reveal potential concerns with the water treatment system and with well and tank easements. Over the past decades the system has repeatedly over-diverted and has an accumulated deficit of approximately 144 acre-feet. Additionally, many of the water rights used by the system are either leased or have the option for the parties that dedicated the rights to the MDWCA to be reverted back. Meanwhile, the TL6S waterline, which will ultimately provide the water supply for the system, is nearly 100% designed, the only significant remaining issue being the final location of the tank on Ellis Ranch Road. Staff expects the construction contract to be awarded this summer. It is

recognized that the system's current water supply is somewhat precarious, and staff have identified emergency response measures that can be implemented should the supply become critical. Additional measures are being incorporated into an emergency response plan. Staff most recently provided an update to the Canoncito board on January 7, 2015.

Hyde Park Estates: Resolution 2013-66 was adopted on July 30, 2013, to direct the incorporation of the Hyde Park Estates Cooperative Domestic Water Association into the County Utility. The due-diligence report has been finalized, and the purchase agreement is drafted. The Phase 1 Environmental Assessment has not yet been conducted, for the timing reasons mentioned above. The system provided the County with documentation of all easements; the County is currently evaluating this documentation. The system has an existing loan with the New Mexico Finance Authority and a small capital reserve. The County and the system are negotiating the disposition of both of these. Staff has been meeting frequently with board members and system legal counsel to resolve the remaining questions. In sum, it is estimated that a purchase agreement will be ready for BCC approval by the end of July, assuming the Phase 1 does not bring to light any significant issues.

General policy issues and lessons learned: The three acquisition processes have revealed the following issues or lessons.

1. **Easements.** Verification of or lack of system easements has emerged as a large matter. The County cannot maintain infrastructure located on private property without valid easement, and so clearing up easement questions has become an important but unanticipated and time-consuming step. In some cases the systems themselves may have the capacity to resolve the easement issues, in others the County will need to take the lead.
2. **Assumption of loans.** The draft policy contemplates the County assumption of any system loans, but the lender agencies have proven reluctant to assign the loans to the County. This policy aspect will have to be reexamined.
3. **Standby fees.** A standard utility policy is to assess standby fees to potential customers who have access to utility service but are not yet customers. The standby fee is essentially a reservation fee to ensure that the infrastructure is available when the customer desires it. Small water systems do not or cannot assess these fees, and so the County must decide how standby fees will play into the small water system service areas being acquired.
4. **Due-diligence reports.** The reports as completed thus far have under-reported liabilities in part because the systems themselves are not performing the type of planning necessary to stay abreast of water supply demands and regulatory compliance. Some of the systems suffer from long-deferred maintenance and "shoe-string" budgets and significant capital investments will be necessary following acquisition. In the future, staff will request a greater accounting of system liabilities to ensure a more accurate system valuation, and will recommend as part of the draft policy update that the due-diligence report precede or at least inform the County's decision to acquire the system so that the full financial and technical short and long-term impact can be considered.
5. **Cultural changes.** Joining the County utility will likely be a cultural change for the system customers. Some practices found in certain systems cannot be continued by the County, such as bill forgiveness, liberal late payment allowance, estimating instead of metering usage, or granting of easement in lieu of payment. Staff has attempted to prepare the system customers for this change, but both the County and the newly acquired customers should prepare for a transition period as differences are worked out.

6. **Utility staffing.** After the systems are acquired, the Utility service area will become quite geographically dispersed and will require additional operator training (e.g. to run the radium/iron/manganese/sulfate treatment system for Canoncito). This will have as-yet-unquantified negative impacts upon Utility labor productivity.
7. **Utility as enterprise activity.** The systems, at least in the short- to medium-term, will represent large capital liabilities and possible operating shortfalls that, in the absence of outside funding, will significantly influence the ability of the Utility to operate as a true enterprise activity.

Next steps. Staff will continue to prosecute the three ongoing system acquisitions, with the estimated completion dates indicated above. Meanwhile, staff estimates that the revised and updated draft rural water system policy can be brought before the BCC for approval in July 2015.

Copies of the original policy resolution as well as the resolutions for the individual systems are attached to this memo.

ACTION REQUESTED:

None; information only

Attachments:

1. Resolution 2012-58, Rural Water System Policy
2. Resolution 2012-55, Canoncito
3. Resolution 2012-131, Chupadero
4. Resolution 2013-66, Hyde Park Estates

THE BOARD OF COMMISSIONERS OF SANTA FE COUNTY

RESOLUTION No. 2012-58

**A RESOLUTION ARTICULATING COUNTY POLICY REGARDING
FUNDING REQUESTS FROM PRIVATE, QUASI-PUBLIC, OR PUBLIC
WATER AND WASTEWATER SYSTEMS FOR CAPITAL
IMPROVEMENTS**

WHEREAS, the County is undertaking a performance-based capital budgeting system;

WHEREAS, the County Commission has always taken and will continue to take the responsibility for the management of the County's water resources as one of its highest priorities;

WHEREAS, the County is periodically approached to provide capital funding to private, quasi-public, or public water and wastewater systems located throughout the County, such as those operated by homeowner associations, mutual domestic water consumer associations, or water and wastewater special districts;

WHEREAS, it is in the County's interest to own, operate, and maintain water and wastewater systems in which it has capital investment;

WHEREAS, the County Utility has began an orderly expansion with the ultimate goal of achieving financial autonomy and of serving as many residents of Santa Fe County as possible and economically feasible; and

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Santa Fe, as follows:

1. Santa Fe County will entertain requests from private, quasi-public, and public water and wastewater systems, such as those operated by homeowner associations, mutual domestic water consumer associations, or water and wastewater special districts, for funding for capital improvements only under the following conditions:
 - a. The County takes control of the water source(s), a master meter is installed at the point(s) of supply, and the private, quasi-public, or public water and wastewater system becomes a wholesale customer of the County; or
 - b. The County Water Service Area boundaries shall expand to fully include the boundaries of the private, quasi-public, and public water and wastewater system, the County takes control of the entire water supply and distribution system capital assets, and the customers of the private, quasi-public, or public water and wastewater system become retail customers of the County.

SFC CLERK RECORDED 04/25/2012

2. The County will not entertain capital funding requests from private, quasi-public, or public water and wastewater systems for which the foregoing conditions cannot be met.

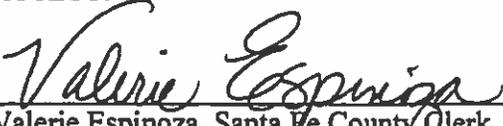
3. The foregoing conditions will not apply in situations in which the capital funding requests has already been approved and/or executed of the date of approval.

PASSED, APPROVED, AND ADOPTED this 24th day of April, 2012.

THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY



Liz Stefanić County Commission Chair

ATTEST:


Valerie Espinoza, Santa Fe County Clerk

APPROVED AS TO FORM:

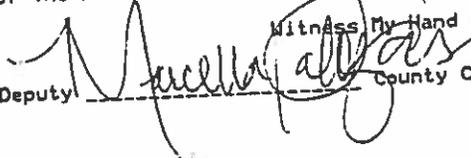

Stephen C. Ross, Santa Fe County Attorney



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 2

I Hereby Certify That This Instrument Was Filed for Record On The 25TH Day Of April, 2012 at 10:57:25 AM And Was Duly Recorded as Instrument # 1667322 Of The Records Of Santa Fe County

Deputy  _____
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 04/25/2012

THE BOARD OF COMMISSIONERS OF SANTA FE COUNTY

RESOLUTION No. 2012-55

**A RESOLUTION INCORPORATING THE CAÑONCITO OF APACHE CANYON
MUTUAL DOMESTIC WATER ASSOCIATION'S SERVICE AREA INTO THE SANTA FE
COUNTY WATER AND WASTEWATER UTILITY SERVICE AREA**

SFC CLERK RECORDED 04/12/2012

WHEREAS, the service area of the Cañoncito at Apache Canyon Mutual Domestic Water Association ("Cañoncito Water Association") is currently outside the boundaries of the Santa Fe County Water and Wastewater Utility's ("County Utility") Water Service Area as adopted by the County Board of Commissioners; and

WHEREAS, the County Commission has always taken and will continue to take the responsibility for the management of the County's water resources as one of its highest priorities; and

WHEREAS, the Cañoncito Water Association Infrastructure is in need of significant improvement for the provision of safe water to its current and future customers; and

WHEREAS, the County owns, operates, and it is implementing plans for infrastructure capable of supplying safe and reliable water for human consumption, agricultural, industrial, construction, and other uses to its Utility customers; and

WHEREAS, the Board of the Cañoncito Water Association has approved including the Association's Water Service Area into the County Utility's Water Service Area, subject to all privileges and conditions of service as any other Mutual Domestic Class of customer; and

WHEREAS, the County Utility has begun an orderly expansion with the ultimate goal of achieving financial autonomy and of serving as many residents of Santa Fe County as possible and economically feasible; and

SFC CLERK RECORDED 04/12/2012

WHEREAS, the orderly expansion of the County Utility Water Service Area boundaries will include the execution of many improvements projects and millions of dollars in public and private capital investments;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Santa Fe, as follows:

1. The County Utility Water Service Area boundaries shall expand to fully include the boundaries of the Cañoncito Mutual Domestic Water Association.
2. The County Utility staff and Board of the Cañoncito Water Association shall execute the proper legal instrument detailing the conditions of this boundary inclusion, before the Board of County Commissioners, at their ordinary meeting of May 8, 2012.
2. Upon execution of said legal instrument, the Santa Fe Board of County Commissioners, as a minimum, shall immediately take over the Cañoncito Water Association's water assets and infrastructure, and shall provide funding for and execute the design and construction of any water distribution and storage improvements necessary to bring the Cañoncito Water Association infrastructure to the appropriate condition, or the amount of \$378,000 toward such improvements, which are the subject of the Cañoncito Water Association's recent application to the Water Trust Board.

PASSED, APPROVED AND ADOPTED this 10 day of April, 2012

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

By: *Liz Stefanics*
Liz Stefanics, Chair

Date: 4/10/12

Attest:

Valerie Espinoza
Valerie Espinoza, Santa Fe County Clerk

Date: 4-11-12



Approved as to Form:

SR
Stephen Ross, County Attorney

Date: 4-20-12

SFC CLERK RECORDED 04/12/2012

COUNTY OF SANTA FE) BCC RESOLUTIONS
STATE OF NEW MEXICO) ss PAGES: 3

I Hereby Certify That This Instrument Was Filed for
Record On The 12TH Day Of April, 2012 at 03:18 18 PM
And Was Duly Recorded as Instrument # 1855108
Of The Records Of Santa Fe County



Witness My Hand And Seal Of Office
Deputy Merelle [Signature] Valerie Espinoza
County Clerk, Santa Fe, NM



SANTA FE COUNTY
RESOLUTION NO. 2012-131

A RESOLUTION INCORPORATING THE CHUPADERO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION SERVICE AREA INTO THE SANTA FE COUNTY WATER AND WASTEWATER UTILITY SERVICE AREA AND COMMITTING TO EXECUTE THE PROPER LEGAL INSTRUMENT DETAILING TRANSFER OF WATER ASSETS AND INFRASTRUCTURE TO SANTA FE COUNTY

WHEREAS, the service area of the Chupadero Mutual Domestic Water Consumers Association ("Chupadero Water Association") in northern Santa Fe County is currently outside the boundaries of the Santa Fe County Water and Wastewater Utility's ("County Utility") Water Service Area;

WHEREAS, the Board of County Commissioners ("BCC") takes responsibility for the management of the County's water resources as one of its highest priorities;

WHEREAS, the Chupadero Water Association infrastructure is in dire need of significant improvement for the provision of safe water to its customers;

WHEREAS, the County owns, operates, and is actively acquiring infrastructure capable of supplying safe and reliable water for human consumption, agriculture, industrial uses, construction, and other uses of its Utility customers;

WHEREAS, the Board of the Chupadero Water Association approved incorporating the Association's Water Service Area into the County Utility's Water Service Area at their July 23, 2012 meeting;

WHEREAS, the County Utility has begun an orderly expansion with the ultimate goal of achieving financial autonomy and of serving as many residents of Santa Fe County as possible and economically feasible;

WHEREAS, the orderly expansion of the County Utility's Water Service Area boundaries will ultimately allow for water system improvement projects and millions of dollars in public and private capital investments; and

WHEREAS, because of their geographic dispersion and unique characteristics, acquired rural water systems such as Chupadero's will incur an above-average labor load, estimated at 0.67 of a full-time equivalent (FTE) for every system.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Santa Fe County, as follows:

SFC CLERK RECORDED 05/27/2012

SFC CLERK RECORDED 10/05/2012

1. The County Utility Water Service Area boundaries are hereby expanded to fully include the Chupadero Water and Sewage Corporation Customer Parcels and all properties upon which the Chupadero Water and Sewage Corporation's water infrastructure is located as reflected on Exhibit A attached hereto and made a part hereof by reference;
2. The BCC and Board of the Chupadero Water Association shall ultimately execute the proper legal instrument detailing the conditions of this boundary inclusion, which instrument shall conform to all requirements of any relevant policies adopted by Santa Fe County;
3. Upon execution of said legal instrument, Santa Fe County shall take over ownership and maintenance of the Chupadero Water Association's water assets and Infrastructure in exchange for providing funding for and execution of the design and construction of any water distribution and storage improvements necessary for ongoing water service to the customers currently served by the Chupadero Water Association;
4. The BCC shall create a new FTE position in the County Utility, the filling of which will be subject to the future availability of funding.

PASSED, APPROVED AND ADOPTED this 25 day of Sept, 2012

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: Liz Stefanics
Liz Stefanics, Chair

Attest:
Valerie Espinoza
Valerie Espinoza, Santa Fe County Clerk



Approved as to Form:

Stephen C. Ross
Stephen C. Ross, County Attorney

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 2

I Hereby Certify That This Instrument Was Filed for Record On The 27TH Day Of September, 2012 at 12:30:09 PM And Was Duly Recorded as Instrument # 1682782 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy County Clerk, Santa Fe, NM

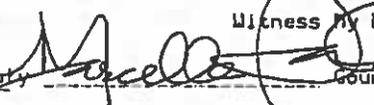
SFC CLERK RECORDED 25/27/2012



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 4

I Hereby Certify That This Instrument Was Filed for
Record On The 5TH Day Of October, 2012 at 01:13:59 PM
And Was Duly Recorded as Instrument # 1683781
Of The Records Of Santa Fe County

Deputy )
County Clerk, Santa Fe, NM

Witness My Hand And Seal Of Office
Valerie Espinoza



SFC CLERK RECORDED 10/05/2012

Chupadero Water and Sewage Corp Customer Parcel Map



Legend

System Components

Type

-  Tank
-  Well - Active
-  Well - Inactive
-  Rivers
-  Chupadero Roads
-  Active Customer
-  Previous Customer
-  Inactive Connection



1 in = 500 ft



Parcel and road data from
Santa Fe County, NM
July 2012
Linear hydrography data from
NMRCIS
Sept 2012

Map by Scotty Mack Associates
Chupadero, NM
10 Sept 2012

SANTA FE COUNTY
RESOLUTION NO. 2013- 66

A RESOLUTION COMMITTING TO INCORPORATE THE HYDE PARK ESTATES COOPERATIVE DOMESTIC WATER ASSOCIATION SERVICE AREA INTO THE SANTA FE COUNTY WATER AND WASTEWATER UTILITY SERVICE AREA UPON EXECUTION OF PROPER LEGAL INSTRUMENTS DETAILING TRANSFER OF WATER ASSETS AND INFRASTRUCTURE FROM THE HYDE PARK ESTATES COOPERATIVE DOMESTIC WATER ASSOCIATION TO SANTA FE COUNTY

WHEREAS, the service area of the Hyde Park Estates Cooperative Domestic Water Association ("Hyde Park Water Association") in northern Santa Fe County is currently outside the boundaries of the Santa Fe County Water and Wastewater Utility's ("County Utility") Water Service Area;

WHEREAS, the Board of County Commissioners ("BCC") takes responsibility for the management of the County's water resources as one of its highest priorities;

WHEREAS, the Hyde Park Association desires to transfer their water system to Santa Fe County in order to ensure that their customers continue to receive the current level of service;

WHEREAS, Resolution 2012-58 sets forth the County's policy of expending resources on the operation, maintenance and improvement of private water systems only if the water system becomes a customer of the County and the County takes control of the water source;

WHEREAS, Santa Fe County ("the County") owns, operates, and is actively acquiring infrastructure capable of supplying safe and reliable water for human consumption, agriculture, industrial uses, construction, and other uses of its Utility customers;

WHEREAS, the Board of the Hyde Park Water Association resolved to become part of the Santa Fe County Utility at their September 10, 2012 meeting;

WHEREAS, the County Utility has begun an orderly expansion with the ultimate goal of achieving financial autonomy and of serving as many residents of Santa Fe County as possible and economically feasible; and

WHEREAS, the orderly expansion of the County Utility's Water Service Area boundaries will ultimately allow for water system improvement projects and millions of dollars in public and private capital investments.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Santa Fe County, as follows:

1. The County Utility Water Service Area boundaries shall expand to include the boundaries of the Hyde Park Water Association area, which area is identified on the map

2013-09-10 10:00 AM

FILED 07/31/2013 10:12 AM

attached hereto as Exhibit A, immediately following the County's acquisition of the Hyde Park Water Association water system.

2. Upon execution of this Resolution the County shall complete an asset inventory and inspection of the Hyde Park Water Association water system for use in attempting to negotiate a contract transferring the water system to the County.

3. The County and the Hyde Park Water Association shall attempt to negotiate and bring before the BCC for consideration a contract substantially in the form of the template attached hereto as Exhibit B, detailing the conditions of the County's acquisition of the Hyde Park Water Association water system, which contract shall conform to the requirements of any relevant policies adopted by Santa Fe County;

4. The County's acquisition of the Hyde Park Water Association water system shall include all necessary easements for ownership and maintenance of the system and transfer of all water rights held or used by the Hyde Park Water Association to the County.

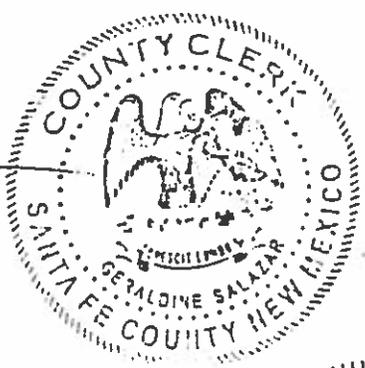
PASSED, APPROVED AND ADOPTED this 30th day of July 2013

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: Kathy Holian
Kathy Holian, Chair

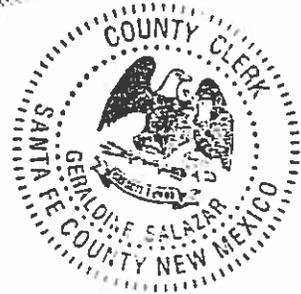
Attest:

Geraldine Salazar
Geraldine Salazar, Santa Fe County Clerk



Approved as to Form:

Stephen C. Ross
Stephen C. Ross, County Attorney



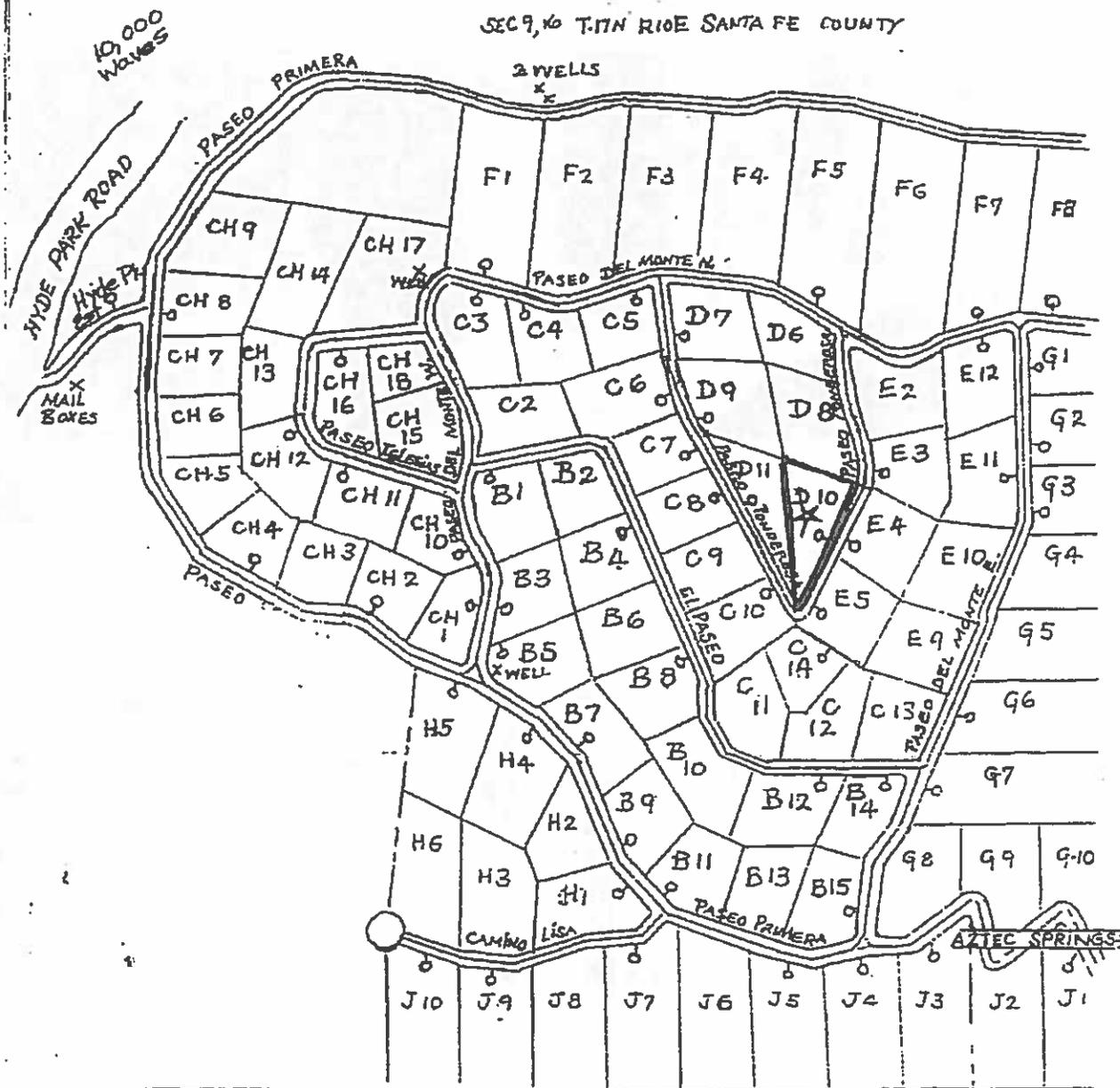
COUNTY OF SANTA FE) BCC RESOLUTIONS
STATE OF NEW MEXICO) ss PAGES: 37

I Hereby Certify That This Instrument Was Filed for Record On The 31ST Day Of July, 2013 at 02:04:10 PM And Was Duly Recorded as Instrument # 1713743 Of The Records Of Santa Fe County

Deputy Marcella Antizar Witness By Hand And Seal Of Office Geraldine Salazar County Clerk, Santa Fe, NM

HYDE PARK ESTATES

SEC 9, 10 T. 17N R. 10E SANTA FE COUNTY



SEC 9, 10 T. 17N R. 10E SANTA FE COUNTY



