

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

MEMORANDUM

DATE: *February 11, 2015*

TO: *Board of County Commissioners*

VIA: *Katherine Miller, County Manager* 

FROM: *Adam Leigland, Public Works Director*

ITEM AND ISSUE: *BCC Meeting February 24, 2015*
Presentation and Update on Santa Fe County Utility Water Supply and Demand (Public Works Department/ Claudia Borchert)

SUMMARY:

Santa Fe County Utility has adequate water supply to meet current demand, projected 2030 demand for Sustainable Development Area 1 (SDA-1), plus approximately 300 acre-feet "set-aside" for County identified priorities, and approximately 200 acre-feet of "uncommitted" supply.

BACKGROUND:

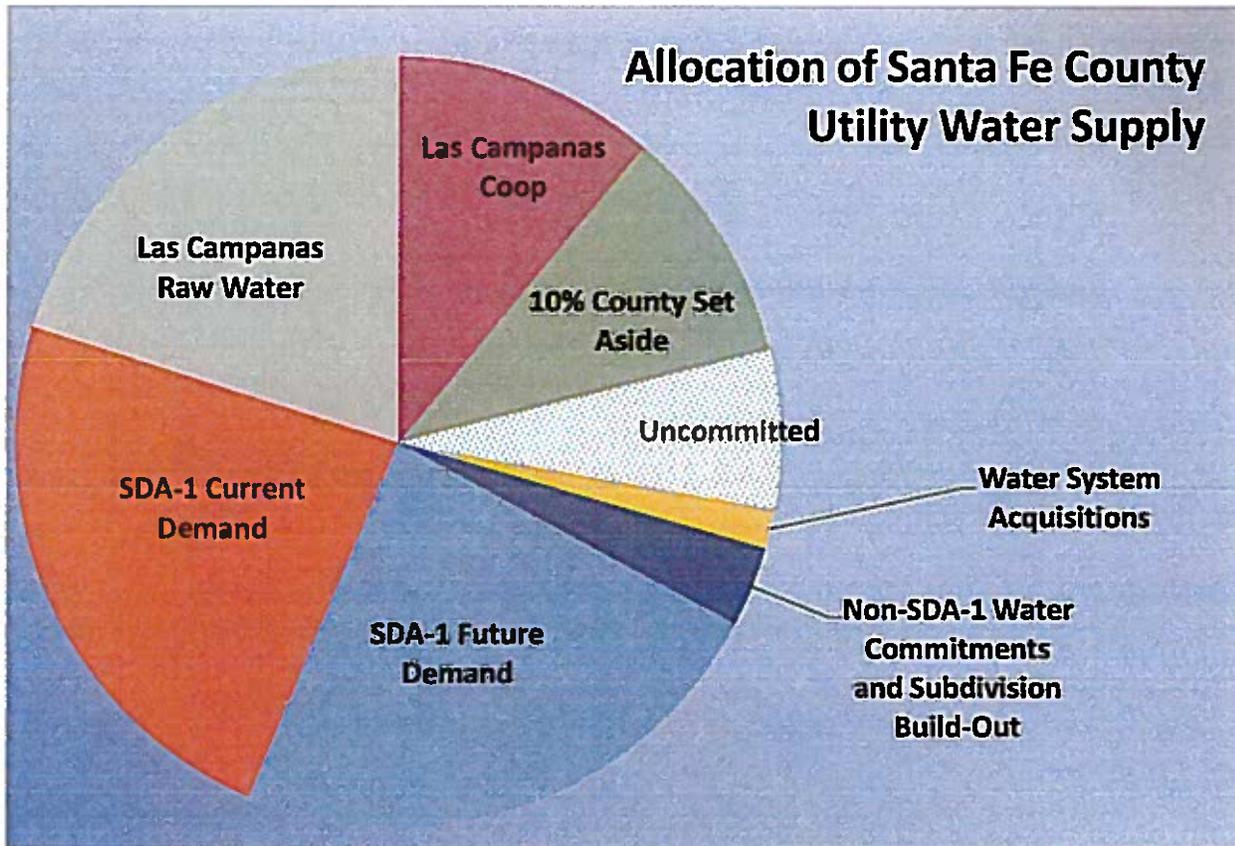
Development requests continue to be submitted to the BCC for master plan, preliminary or final plat approval. Projects within the utility service area seek water supply from the Santa Fe County Utility. This memo revises the Santa Fe County Utility water supply and demand estimates presented in October of 2014, updating previous uncertain commitment estimates with Sustainable Development Area-1 (SDA-1) 2030 population projections and incorporating recent water commitment developments.

The October 2014 memo identified that once 400 acre-feet of water rights has been acquired, the County's water supply from both the Buckman Direct Diversion facility and the 500 acre-feet of water supply via the 2005 Water Resources Agreement (WRA) between the County and the City of Santa Fe (City) -County equals 2,976 acre-feet per year. The same memo estimated the County's commitments as 2,808 acre-feet per year.

DISCUSSION:

This update uses a different approach to address the question of available supply. An October 2014, a growth and population study commissioned by the Growth Management Division (*Population Estimates and Forecasts for: Growth Management Areas, Sustainable Development Areas, and the Water/Wastewater Service Area, County of Santa Fe, 1990-2030*) concluded that the population for SDA-1 will be approximately 12,500 by year 2030. Using a conservative gallons per capita per

day (gpcd) of 100 (60-65 gpcd for residential and the remainder for commercial/institutional/ industrial enterprises), the calculated water demand for SDA-1 in 2030 is 1,400 acre-feet. The current SDA-1 population is approximately half of projected 2030 population and uses about 700 acre-feet. Incorporating these new estimates, the almost 3,000 acre-feet of County Utility water supply could be allocated according to current use, existing commitments, current policies, and future demands as shown in the pie chart below.



This water supply update identifies that:

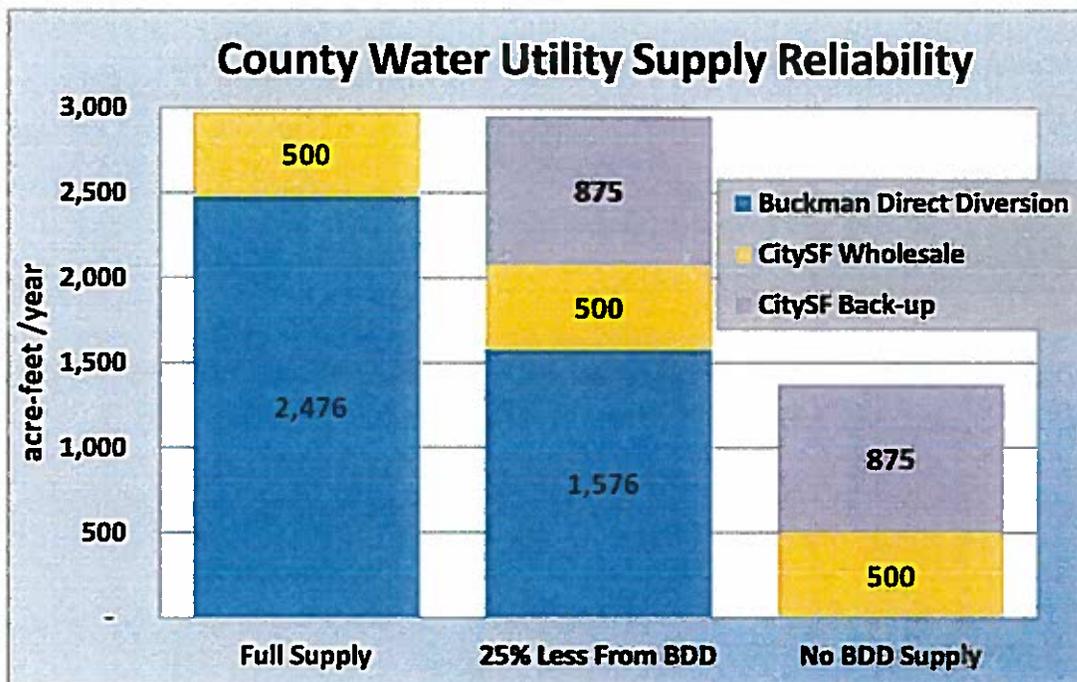
- 1) County Water Utility has adequate water supply for SDA-1 projected population through 2030;
- 2) per Resolution No. 2006-57, the BCC could assign approximately 300 acre-feet set aside for current and future County priorities (e.g. bulk water stations, aquifer sustainability, community buildings, affordable housing, economic development); and
- 3) the County has about 200 acre-foot of water available to commit for either projects outside SDA-1 or for build-out of SDA-1 beyond 2030.

As the per capita water use drops and existing County water service agreements are researched, the size of the “uncommitted” pie is likely to increase.

A utility reserve is not explicitly included in the allocation chart above. Resolution No. 2006-57 builds a reserve account by requiring that each project budget add 20% to the expected development demand.

Backup Supply

As concluded by the Water Policy Advisory Committee (WPAC) in its presentation to the BCC in January, an important water need for the County Utility is back-up supply. The WRA has provisions to supply the County 875 acre-feet of water when the Buckman Direct Diversion facility (BDD) is unable to provide water- "*under drought/catastrophic conditions (extreme drought, acts of sabotage, water quality restrictions, OSE/ISC restrictions)*". The same agreement also states that the County and City agree to a pro-rata reduction in the Wholesale Water Delivery in the event of a shortage of water supply to the City's system. The graph below shows the County Utility's water supply under three different scenarios: full BDD functionality with adequate stream flow, a reduction in 25% of the BDD supply during the peak demand season, and an entire year without the BDD.



While the last scenario is unlikely, it is prudent for the County to consider what level of risk it is willing to assume and what supply redundancy is necessary to increase resiliency, especially in light of future climate projections. The County, the City and the Bureau of Reclamation (Reclamation) recently completed the Santa Basin Climate Change Study, which is still under review with Reclamation's Washington Office. Public Works would like to present the results of the Santa Fe Basin Study to the WPAC and Board next month.

There are significant cost implications to the Utility, depending upon which water source is tapped. The County's marginal cost for BDD water is \$0.77 per 1,000 gallons; the WRA cost is \$3.50 per thousand gallons. In addition, the WRA price per 1,000 g is going to increase; on February 4, 2015, the City gave the County verbal notice of their expected increase to the WRA rate and noted that a wheeling fee will also be included.

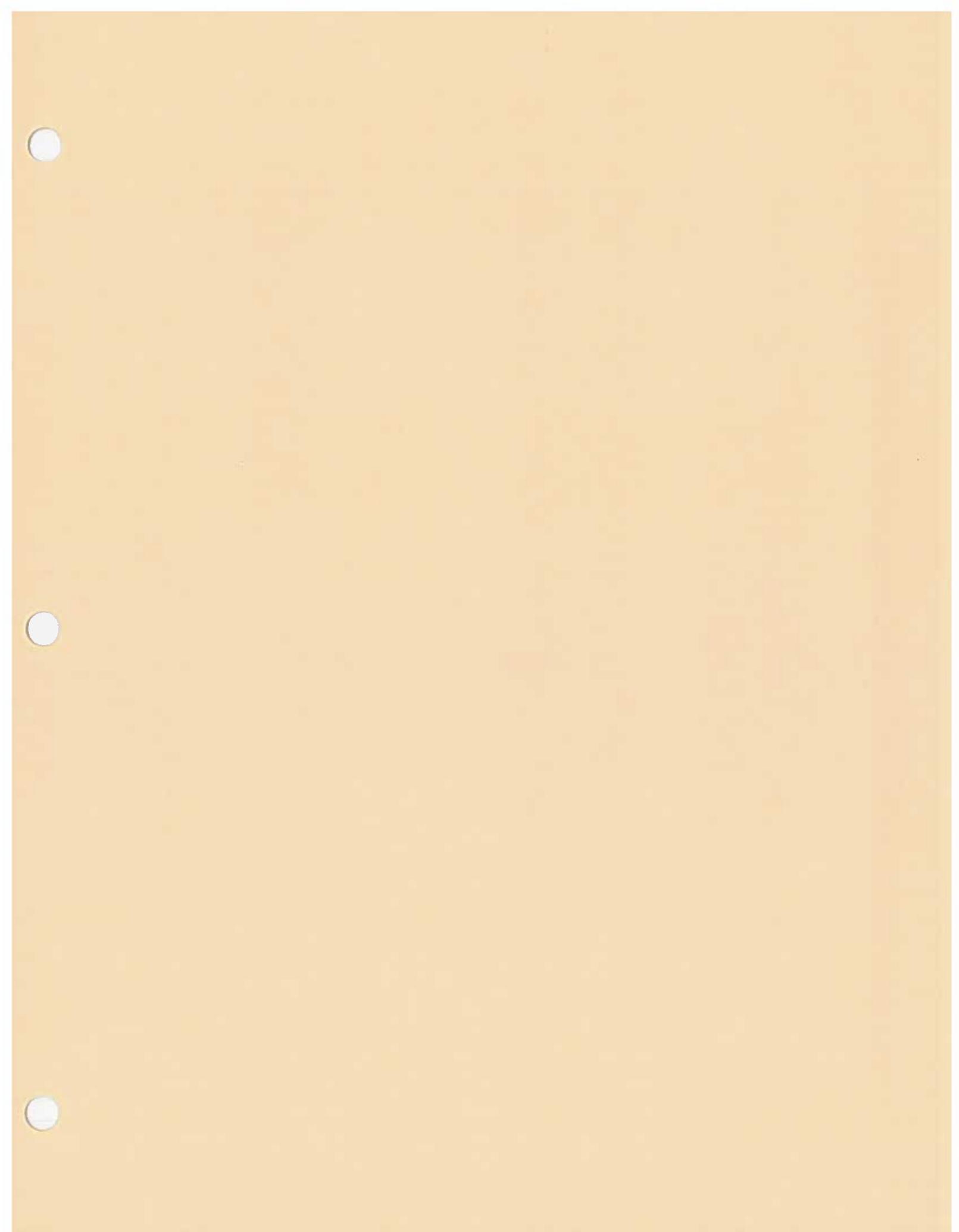
Next Steps

In order to increase the availability and reliability of supply, Utilities recommends continuing with the following activities:

1. Revise water customer service policies. Reducing customer leaks and defining use of the bulk water station will increase the longevity of the County's water supply.
2. Determine validity and applicability of all water service agreements. As the existing contracts are fulfilled or terminated, the County's commitments will decrease.
3. Revise water development policies (included in the WPAC 2015 Work Plan). BCC may wish to adopt land use/development water policies that stretch its supply. These policies may include incorporating state-of-the art water technologies, defining how water budgets for developments are initially calculated, requiring water use monitored and reported, and identifying corrective actions follow partial or full build out if water use budgets are exceeded.
4. Acquire necessary sources of supply. The County's existing water supply can be extended by seeking additional sources, such as groundwater and high quality effluent.
5. System Maintenance. Utilities is developing a plan that identifies the repair and replacement needs of the County's water infrastructure, which will save water and costs in the long-term.

ACTION REQUESTED:

None. For informational purposes only.



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Katherine Miller
County Manager

MEMORANDUM

DATE: February 9, 2015

TO: Board of County Commissioners

FROM: Adam Leigland, Public Works Department Director *AL 2/11/15*

VIA: Katherine Miller, County Manager *KM*

ITEM AND ISSUE: *BCC Meeting February 24, 2015*
Update on Solid Waste Collection District Development (Public Works/Adam Leigland)

SUMMARY:

This is an update on several key terms in the formation of contracted solid waste collection districts.

BACKGROUND:

One of the Solid Waste Task Force (SWTF) recommendations approved by the BCC at its October 28, 2014, meeting was the creation of solid waste collection districts in the denser areas surrounding the City of Santa Fe. The concept is that several collection districts of approximately equal size will be created, and in order for a private solid waste service provider to operate in a collection district, the private provider must have a contract with the County. The contract will be exclusive, that is, only one provider can operate in any one collection district, and the contract will specify certain levels of service as determined by the County. The motivating idea behind this is that by aggregating demand and requiring that private haulers contract with the County to serve these areas, the County can ensure that residents can get higher solid waste service at a lower price.

Pursuant to approval of the recommendation, in the FY15 budget, the BCC allocated funds for a consultant to help staff create three "enabling documents" to develop these collection districts. The documents are:

1. Requisite solid waste ordinance
2. Request for proposals to potential private solid waste service providers
3. Draft contract between County and private solid waste service providers

This consultant was brought on board in January, and is ready to begin work.

DISCUSSION:

As we begin work with the consultant to develop the documents, staff felt it prudent to remind and update the BCC on the major terms being considered for inclusion in the documents.

Basic service. The basic service to be provided by the private hauler will be once-weekly curbside refuse pickup and weekly or biweekly (i.e. once every 2 weeks) curbside recycling pickup. Bins will be provided by the private hauler. The hauler must dispose refuse at the Caja del Rio landfill and deliver recyclables to BuRRT. Other services and/or parameters could be considered, such as bulky item collection, pay-as-you-throw pricing, amnesty days, household hazardous waste collection, and so on.

Special service. Household collection service beyond the basic service described above, such as greater frequency of pick-up or “side door” collection, will be provided and will be the responsibility of the individual household to subscribe to and pay for.

Accounts and billing. The contractor will be responsible for creating and maintaining customer accounts, and for customer billing. Delinquent accounts will be the contractor’s responsibility.

Service parameters and rate setting. The County will establish the basic service parameters. The contractor’s initial rate will be market-driven as determined in the RFP process. Subsequent rate changes will be allowed either by pre-established escalators such as Consumer Price Index or by approval of the BCC.

Service Areas. Three service areas have been identified, shown on the attached map. The size of the service areas are shown in the table below.

Service Area	Number of Households
North	5011
Southeast	5726
Southwest	5006
Total	15,743

The service areas were developed using criteria of at least 5000 households, a certain average minimum housing density, and a certain haul distance from Caja del Rio landfill. The exact boundaries of each service area may change somewhat as we continue our investigations.

Voluntary household participation. Households can voluntarily opt out of contracted service. Since the private hauler contracts will be exclusive for each district, households that opt in to contracted service will not have a choice of service provider, and households that opt out must purchase a County solid waste permit and utilize County convenience centers.

That said, it should be noted that the section 7.20 of the Sustainable Land Development Code mandates that residents of SDA 1 must have contracted solid waste service. Further, numerous subdivisions in the proposed collection districts have development agreements that likewise require contracted solid waste collection. In these cases, household participation will be mandatory.

Although it is impossible to say precisely how many households would opt out, using permit sales data, staff estimates that of the 15,743 households in the proposed collection areas, approximately 2,400, or 15%, will opt out. Staff expects that over time, many households that initially opted out will eventually opt in.

Number of collection districts. Any private hauler will only be allowed to serve any two of the three districts at any one time. This is intended to increase opportunity for the private sector, increase competition, and prevent the County from becoming locked in to a single private hauler.

Contract fee. It is common practice for a local government to charge a fee to contractors in contract arrangements such as the one under consideration. For instance, Taos County, which already has contracted solid waste collection districts, charges any private haulers who serve in those districts a fee that is a percentage of annual gross revenues. This generates revenue for the County and also provides some quality control of the contractors, but since the haulers mostly pass the cost through, it slightly increases the cost of solid waste service to residents.

Staff is recommending a contract fee of 2% of gross revenues. To illustrate the potential ramifications of this, assuming a customer base of 13,300 households and a monthly rate of \$20/household (\$20/month is used solely as an example. The actual monthly charge will be determined by the bidding process.) produces annual gross revenue of \$3,192,000. Using a contract fee rate of 2% produces \$63,840 in annual revenue to the County. On a \$20/month bill, a 2% contract rate would increase the bill by 40 cents/month.

Contract term. Private haulers will seek the longest term possible, and the County would likely get lower rates the longer the contract term. On the other hand, an overly long term can stifle innovation and lock the County into a poor contract. Most solid waste equipment can be amortized over seven to eight years, which will be a prime consideration for the private haulers. Staff recommends a seven-year term.

Next steps.

County staff will work with our solid waste consultants to:

- Refine the proposed service areas
- Draft the ordinance necessary to implement contracting of private haulers
- Prepare the necessary procurement documents and contract template.

Staff expects to bring the ordinance to the Commission in the latter part of spring.

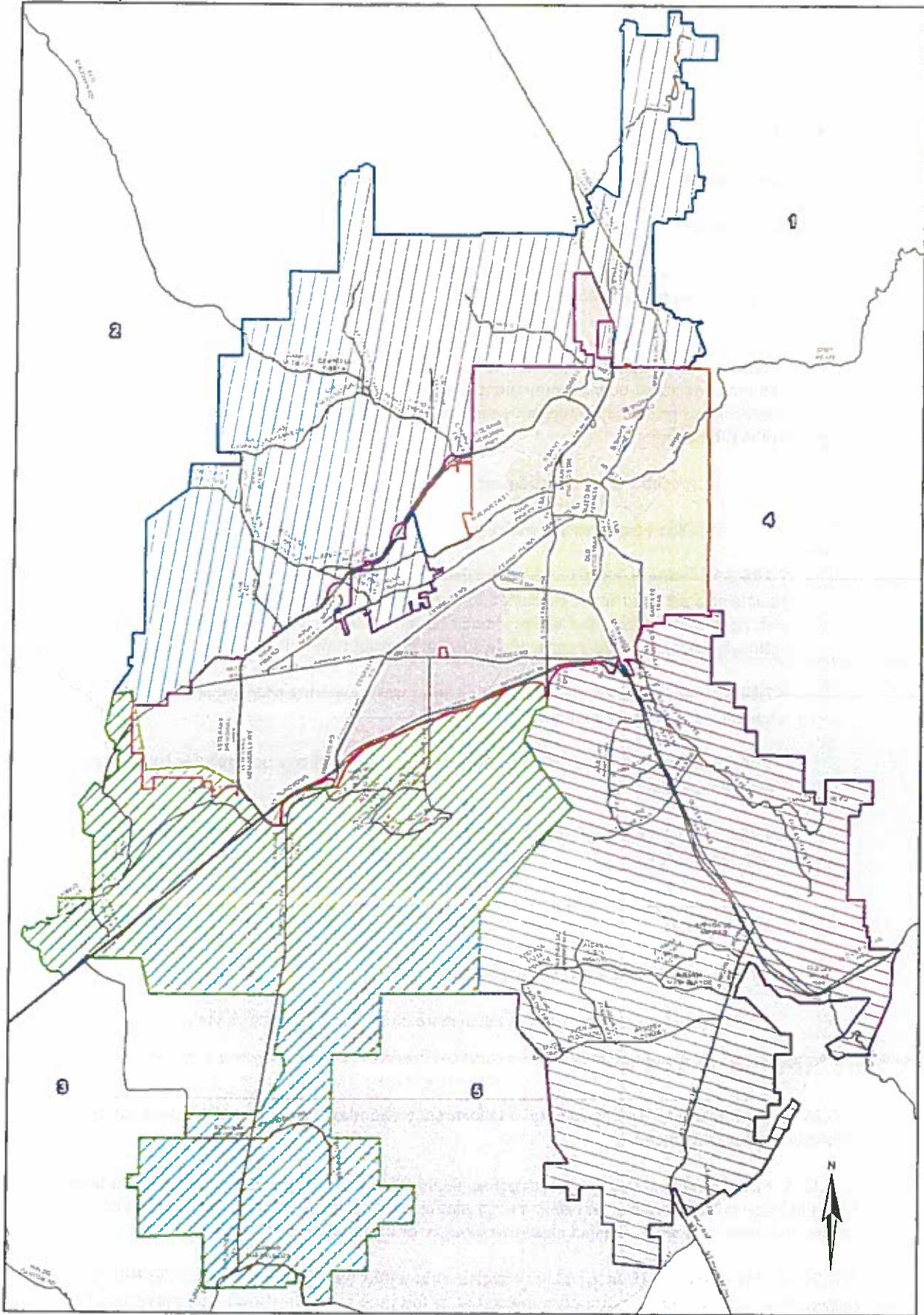
ACTION REQUESTED:

None, for information only.

Attachments:

1. Recommended collection districts
2. Section 7.20 of SLDC

Proposed Initial Residential Solid Waste Service Areas



7.20. SOLID WASTE.

7.20.1 Applicability. All development shall provide for collection and disposal of solid waste.

7.20.2 Requirements.

7.20.2.1. All developments within SDA-1 shall be served by County curbside collection as prescribed by separate ordinance, if applicable, or shall utilize a solid waste collection service.

7.20.2.2. All subdivisions within SDA-2 or SDA-3 and all non-residential, multi-family and manufactured home communities shall be served by County curbside collection and recycling as prescribed by separate ordinance, if applicable, or, if inapplicable, utilize one of the following:

1. A solid waste collection service; or
2. The nearest existing sanitary landfill or transfer station

7.20.2.3. Nonresidential and multifamily residential uses shall provide adequate containers for solid waste collection and storage, a screened area for solid waste storage, and disposal through the County, or an appropriate solid waste collection service, or directly. Screening shall consist of a six foot high solid wall or fence with a solid gate.

7.20.2.4. Residential uses shall store all solid waste awaiting proper disposal in enclosed containers or within a structure.

7.20.2.5. All solid waste, shall be removed from the property on a regular basis, but not less than monthly. .

7.20.2.6. All facilities generating manure shall have a plan for manure management, which can include:

1. Removal of manure from the property on a regular basis, but not less than monthly;
2. Utilization of a composting system; or
3. Spreading or harrowing of the manure on the ground to enrich the soil.

7.21. AIR QUALITY AND NOISE.

7.21.1. Applicability/Environmental Performance Standards. This section shall apply to nonresidential construction.

7.21.2. General. Nonresidential construction shall utilize standard techniques available in order to minimize noise, vibration, smoke and other particulate matter, odorous matter, toxic or noxious matter; radiation hazards; fire and explosive hazards, or electromagnetic interference.

7.21.3. Air Quality. If an air quality permit is required by the regulations of the NMED, a permit shall be obtained and a copy presented at the time of application. The applicant shall comply with the permit at all times.



