

# SANTA FE COUNTY AAMODT OM&R ANALYSIS

December 21, 2011

# Agenda Topics

## Settlement Implementation

2

- Status update
- Maps showing water system alignments
- Sizing of County Water System

# Status of Aamodt Settlement

3

- Settlement Agreement negotiated 2006
- Omnibus Public Land Act of 2009
  - \$250M for Aamodt and Taos Settlements
- Aamodt Litigation Settlement Act
  -

# Aamodt Litigation Settlement Act

4

- Signed Dec. 8, 2010. Authorized:
  - Secretary of the Interior to sign the Settlement Agreement
  - Acquisition of water rights
  - Construction of Regional water system
    - ▣ Appropriated: \$ 56.5 M
    - ▣ Authorized: \$ 50.0 M
- \$106.5 M (indexed from 2006)

# Overview of Settlement

5

- Protects existing agricultural uses from priority enforcement by most of Pueblo rights.
- Protects existing domestic wells.
- Regional water system serving both Pueblo and non-Pueblo residents:
  - ▣ 2,500 acre-feet for Pueblos
  - ▣ up to 1,500 acre-feet for Non-Pueblos.

# County Utility

6

- Key issue: sizing the system and related costs:
- Federal Act: up to 1,500 afy
- What will be the demand for service?
  - ▣ Existing residents who elect to connect
  - ▣ Future population demand
- What will the system cost to construct and operate?
- How much will it cost to be a customer?

# Maps

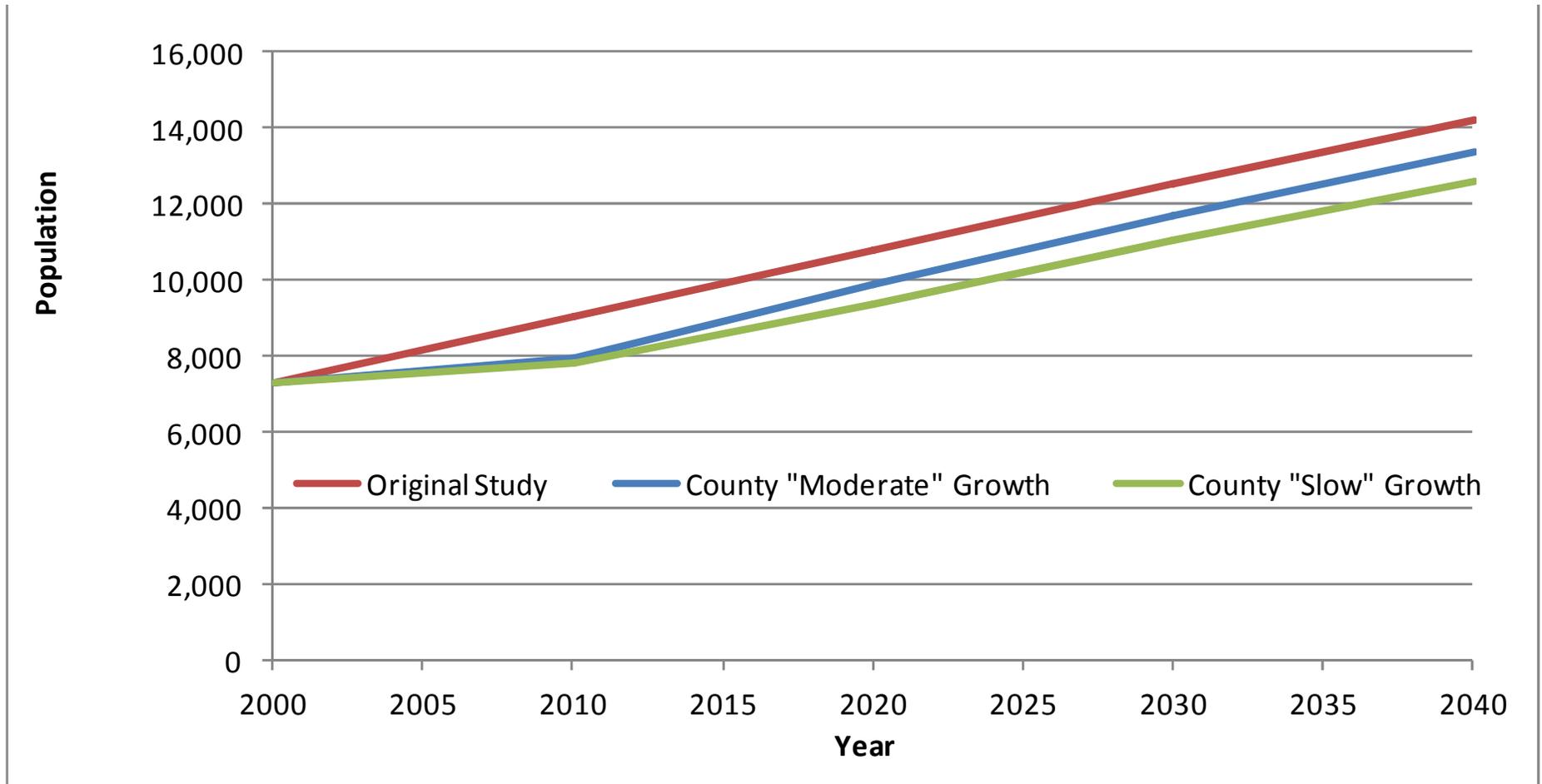


# Population Projections



- Reclamation original (2005) population projections suggest a total non-pueblo population in the Aamodt service area of about 14,000 in 2040
  - Potential water demand of 1,600 ac-ft by 2040
- Recent County population projections suggest a total County Population of about 12,000-13,000 by 2040
  - Potential water demand of 1,400 ac-ft by 2040

# Population and Demand Charts – Aamodt County Utility Service Area\*

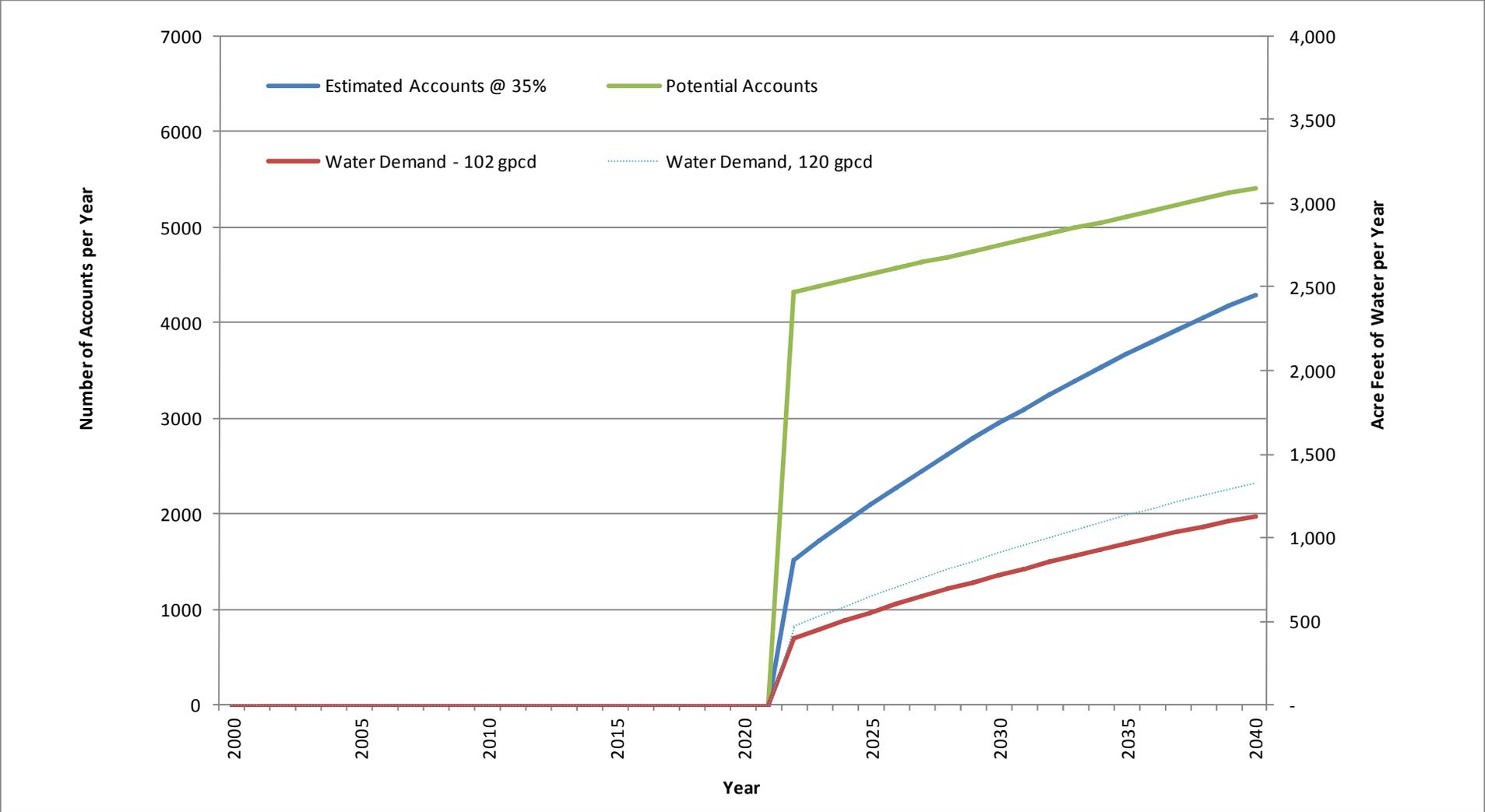


\*Does not include Pueblo residents

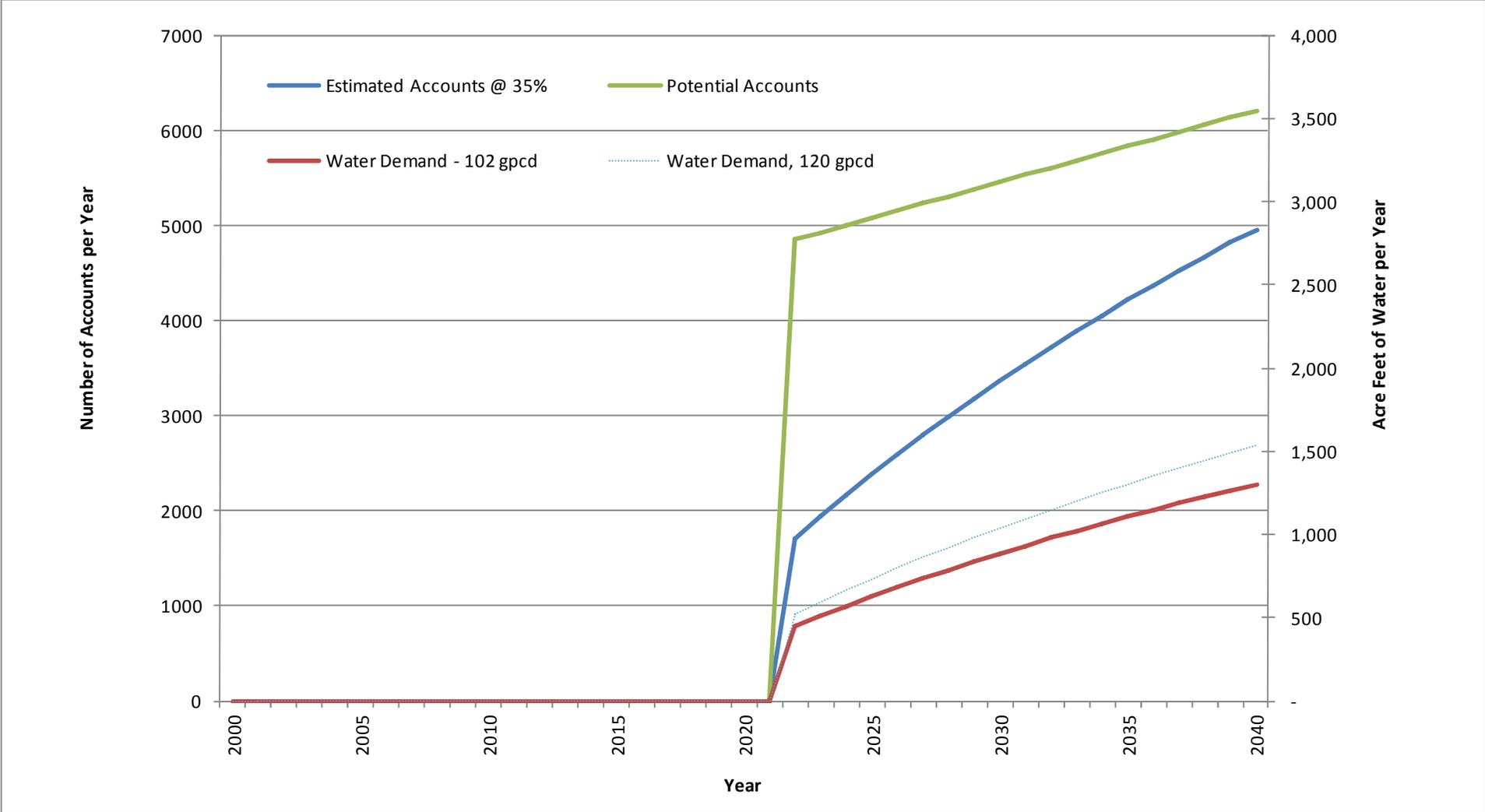
# Effects on Demand

- With slower growth, there are fewer people, fewer potential accounts, less potential demand and potentially less revenue to offset costs.
  - ▣ Estimating number of accounts and associated demand is important.
  - ▣ Recent survey suggested that 35% of current water users may connect to the system in the first year
  - ▣ Potential demand per person with mixed use varies from:
    - 102 gpcd
    - 120 gpcd – typical in Santa Fe region

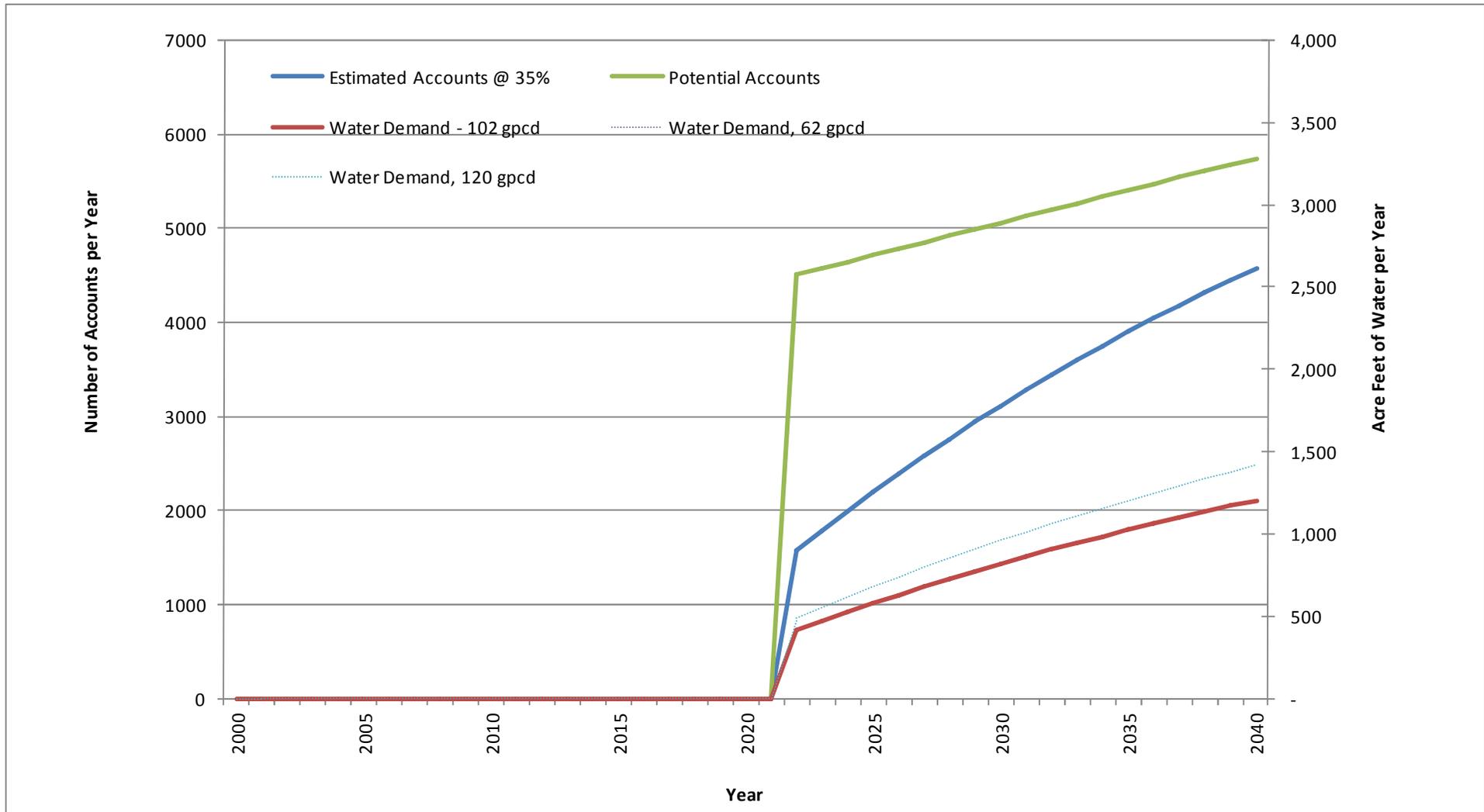
# Slow Population Growth



# Original (Fast) Population Growth

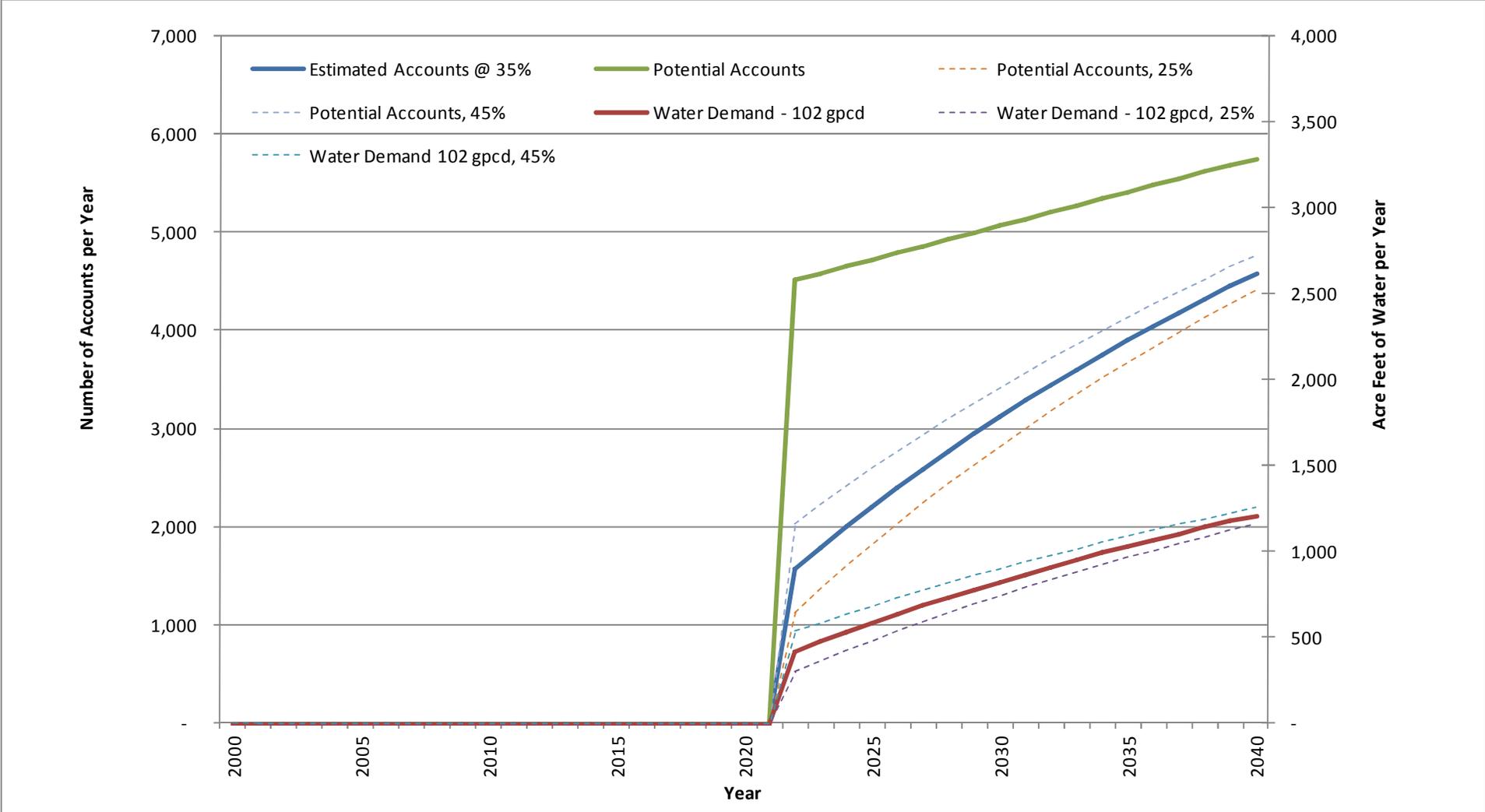


# Moderate Population Growth



# Effect of Initial Hook-ups

## Moderate Population Growth



# Effects on Capital Cost



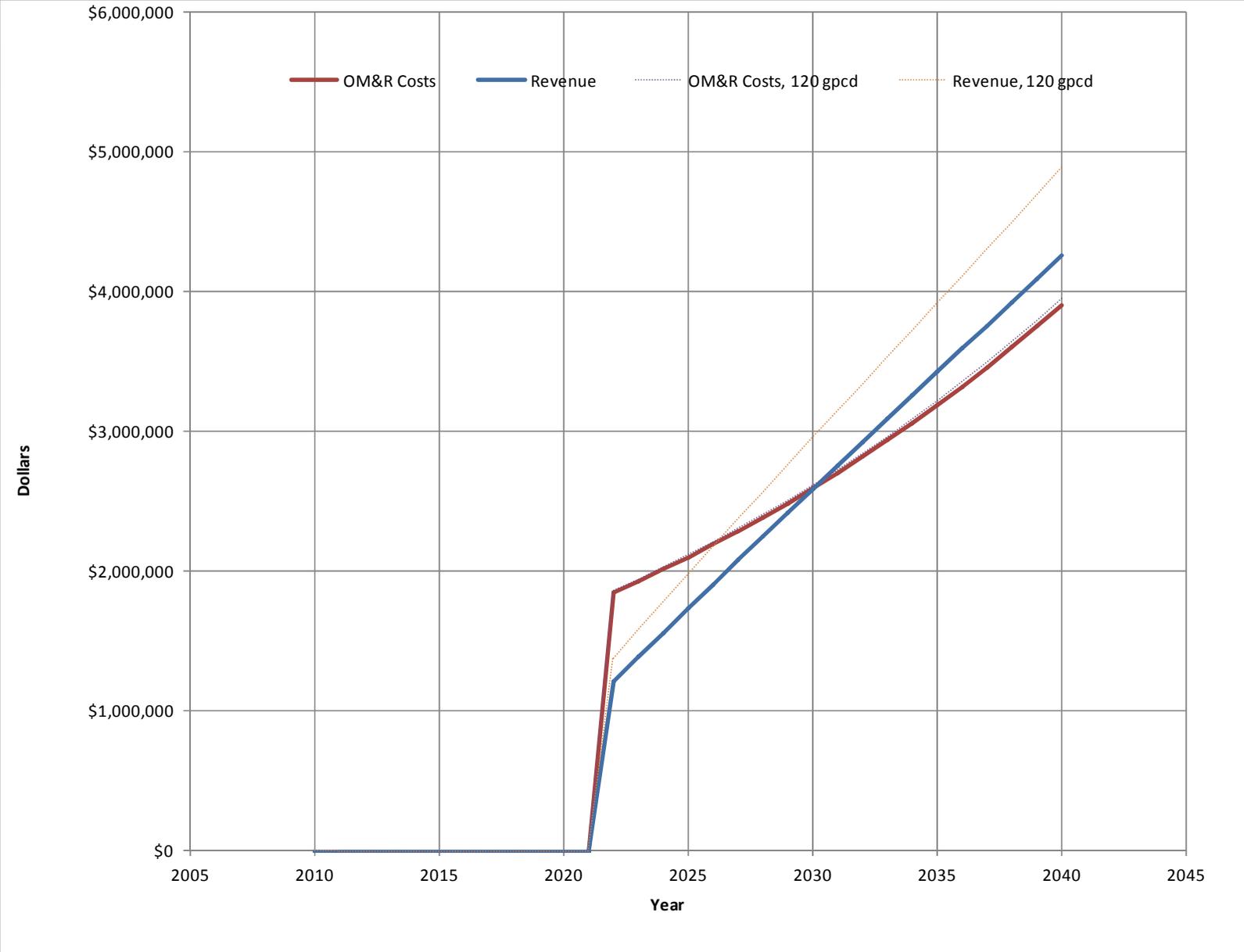
- Changes in demand due to changes in population growth or initial hook-up rate reflect small change in capital cost
  - In general, few of the County proposed lines were sized by demand but rather by fire flow requirements
  - The combined system lines that changed represent a small portion of the total length and generally a 2” diameter change.

# Effects on OM&R

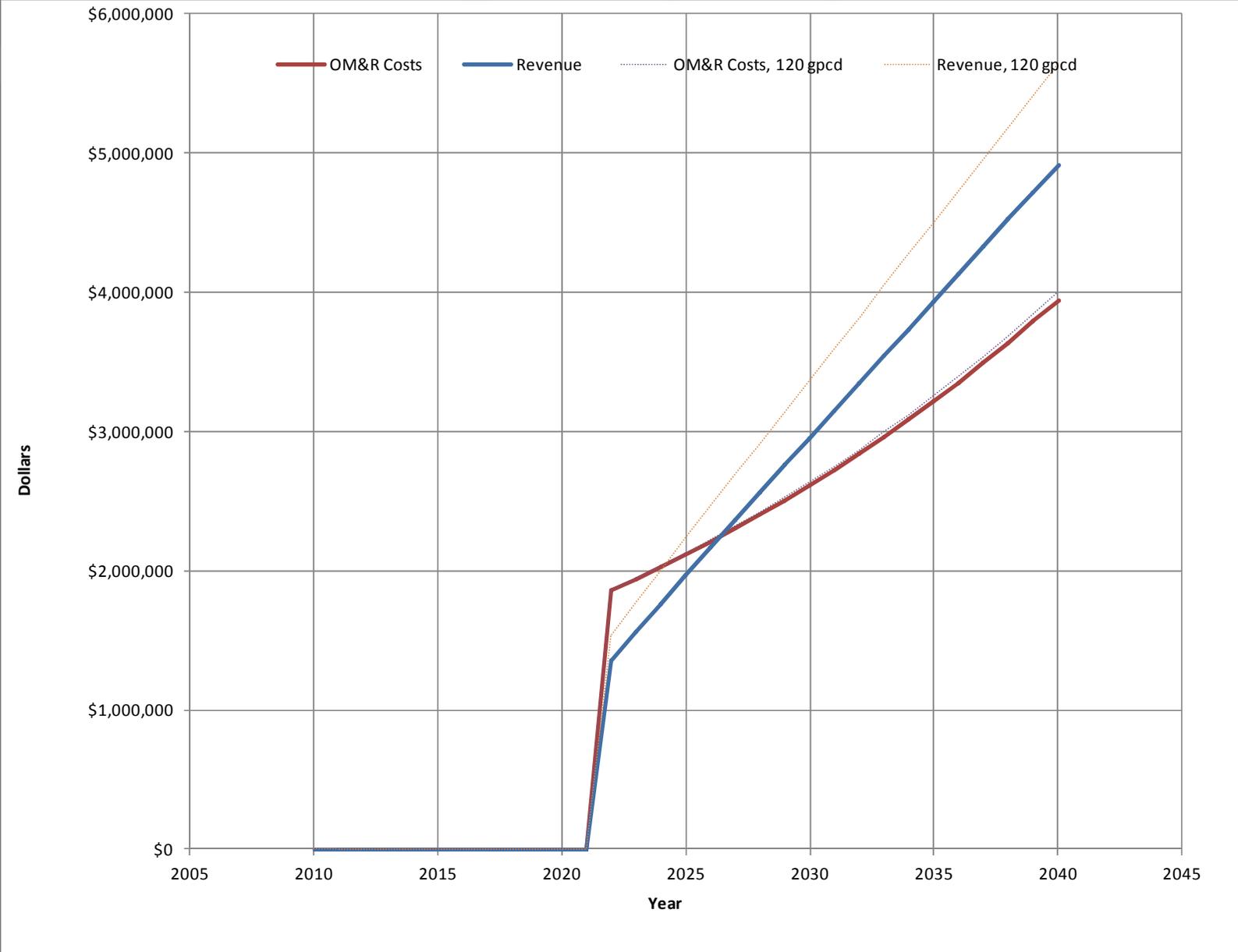


- Because the capitol costs would change little, our current estimate of OM&R would change little.
  - ▣ Fixed costs initially dominate the overall OM&R result
  - ▣ Variable costs, such as power would be reduced
- However, phasing will be important
  - ▣ Trunk lines will be sized and constructed early
  - ▣ WTP and pump stations will be equipped based on demand
  - ▣ Individual areas will likely be built once demands are assured.

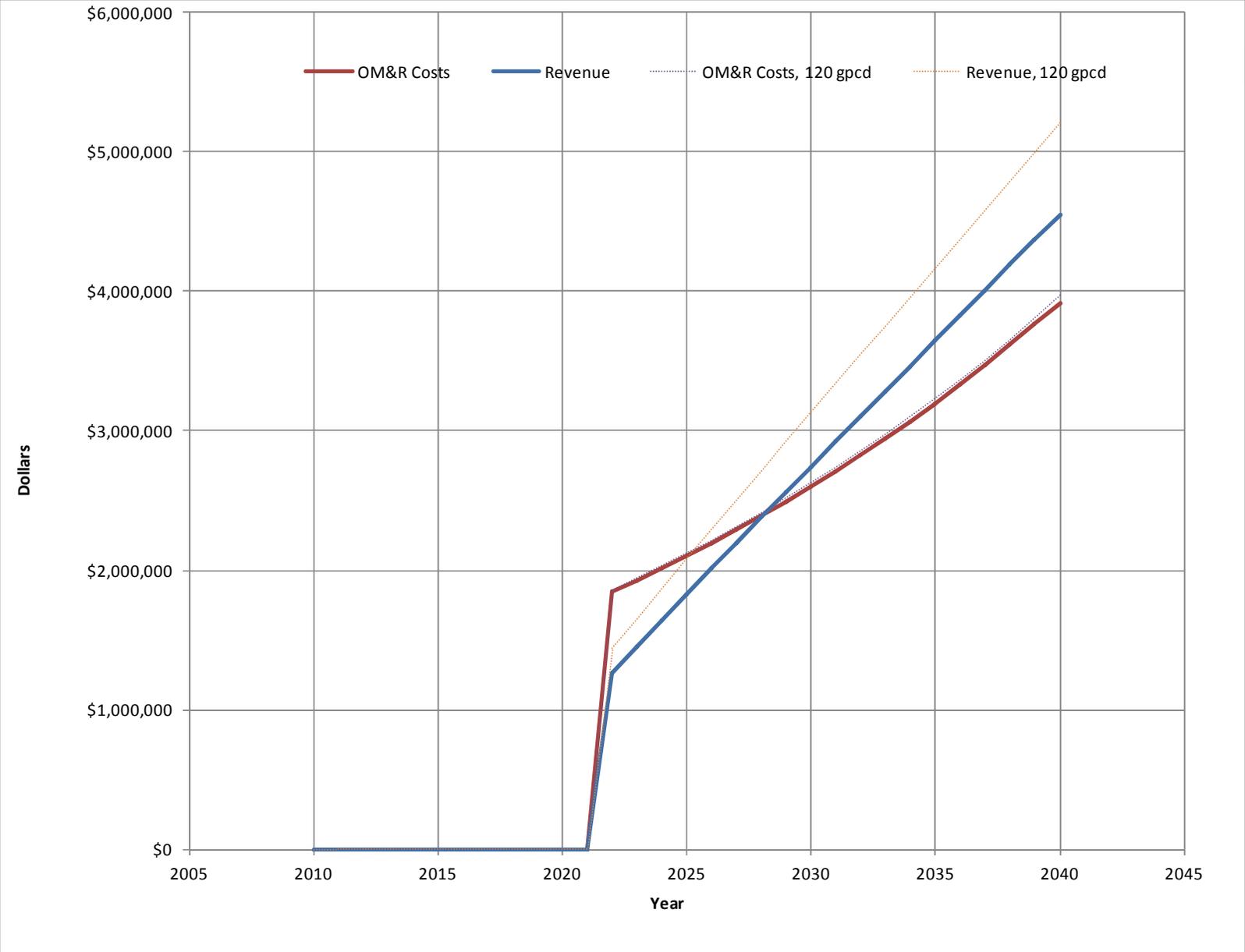
# OM&R – Slow Growth



# OM&R – Original (Fast) Growth



# OM&R – Moderate Growth



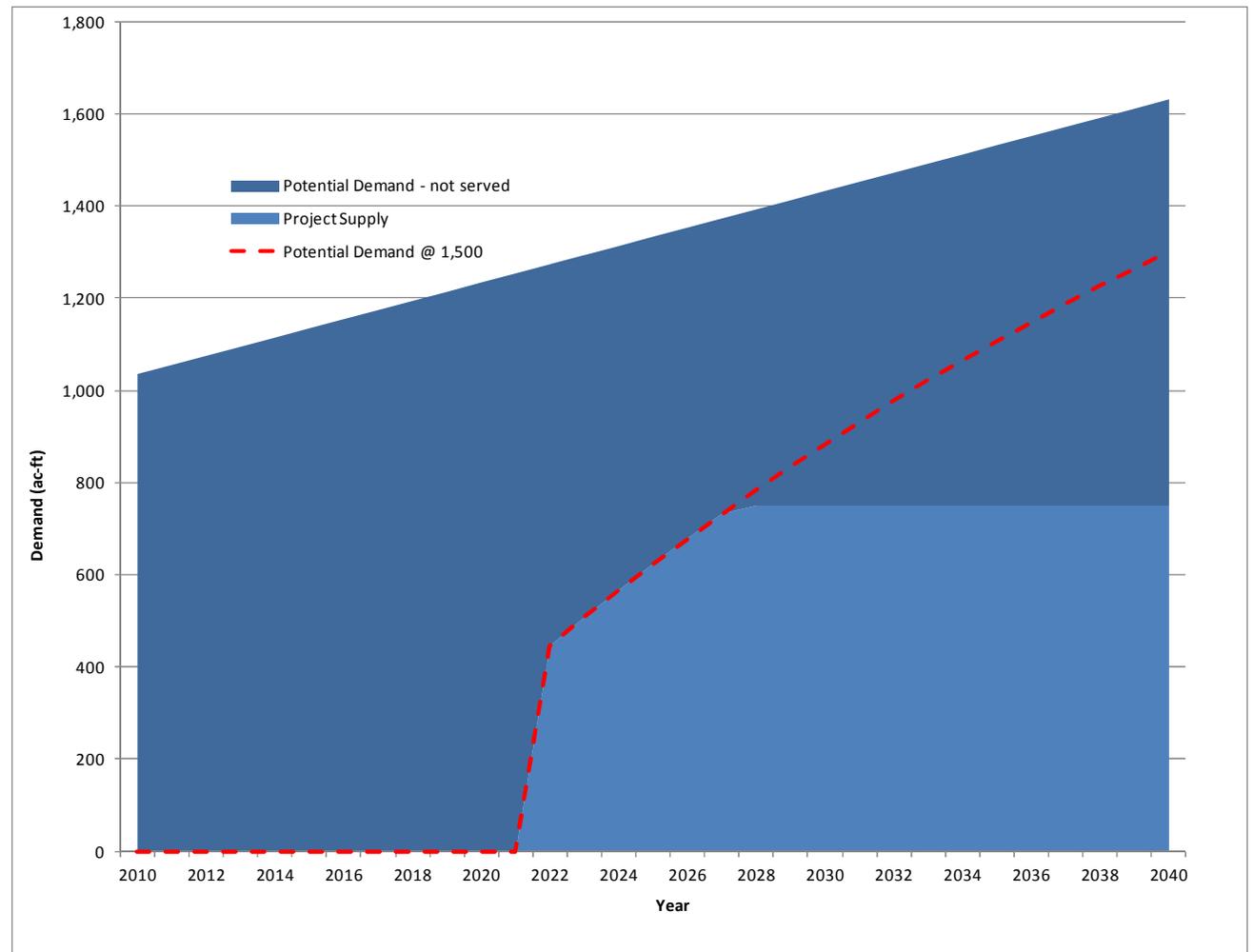
# What if we built a smaller project?

## Scenario

- Fast Growth
- 102 gpcd
- 35% initial hook-up
- Project Size 750 ac-ft

## Results

- Capital cost is reduced
- Less O&M costs
- System capacity reached quickly!



# Project Costs / Capacity Allocation

21

## Cost Share (2006\$)

□ <b>Federal</b>	106,400,000
□ <b>State</b>	49,500,000
□ <b>County</b>	<u>7,400,000</u>
	<b>163,300,000</b>

## Capacity Allocation (acre-feet / yr)

□ <b>Pueblos</b>	2,500
□ <b>County</b>	<u>1,500 (maximum)</u>
	<b>4,000</b>

# County's sizing decision

22

First, Secretary will complete engineering and consult with County at following milestones:

1. Feasibility level design and cost estimates.
2. Prior to selection of the preferred alternative during the NEPA/EIS process.
3. Prior to issuance of a Record of Decision pursuant to the NEPA process.
4. Final Design and Cost Estimates.
5. Any major unforeseen change during construction affecting cost allocation.

# County financial obligation made after final cost estimates

23

*“Upon each milestone, the County may elect to continue funding its non-Federal share of the project costs, or reduce the County’s portion of the Regional Water System through modifications of either extent, size or capacity, pursuant to Section 611(d)(2) of the Act.”*

Section 3.1.2, Cost Sharing and System Integration Agreement