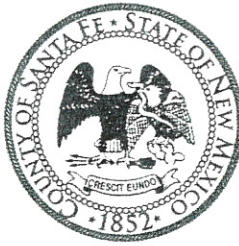


**Henry P. Roybal**  
Commissioner, District 1

**Anna Hansen**  
Commissioner, District 2

**Robert A. Anaya**  
Commissioner, District 3



**Anna T. Hamilton**  
Commissioner, District 4

**Ed Moreno**  
Commissioner, District 5

**Katherine Miller**  
County Manager

**DATE:** *August 30, 2018*

**TO:** *Board of County Commissioners*

**VIA:** *Katherine Miller, County Manager*

**FROM:** *Michael K. Kelley, Public Works Department Director MK 8/30/18*

**ITEM AND ISSUE:** *BCC Meeting September 11, 2018*

**Approval of Second Memorandum of Understanding Regarding Mutual Water Service Cooperation Between Santa Fe County and Eldorado Area Water and Sanitation District (EAWSD) to Provide EAWSD and the Community of Canocito with Water from the Buckman Direct Diversion Project (Public Works/John Dupuis)**

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**SUMMARY:**

The Public Works Department is requesting approval of the Second Memorandum of Understanding (MOU) regarding mutual water service cooperation between Santa Fe County and Eldorado Area Water and Sanitation District (EAWSD) to provide EAWSD and the community of Canocito with water from the Buckman Direct Diversion Project (BDD).

**BACKGROUND:**

The County entered into a Memorandum of Understanding with EAWSD regarding mutual water services cooperation, dated October 9, 2012 which outlined conditions in which the County would provide water from the BDD to assist EAWSD in times of drought or mechanical failure or as otherwise agreed by the parties and to provide water from the BDD to the community of Canocito. The MOU further states that the County and EAWSD agree to work together on other mutually beneficial agreements for infrastructure improvement projects.

Based on analysis completed to date, the County's delivery of water from the BDD to EAWSD and the community of Canocito may significantly reduce the capital cost of the County's Canocito water delivery project compared to its current design.

The Parties currently estimate that the initial delivery of County water to EAWSD would be up to 100 acre-feet per year (up to 300 afy), plus an additional 25 afy to meet Canocito's needs (up to 75 afy).

Details on costs, fees, and terms and conditions for water delivery to EAWSD and Canocito will be negotiated and brought to the Board of County Commissioners for approval at a later date.

**ACTION REQUESTED:**

Approval and execution of the Second Memorandum of Understanding.

**Attachment:**

Memorandum of Understanding between EAWSD and Santa Fe County dated 10/9/12.

**SECOND MEMORANDUM OF UNDERSTANDING  
REGARDING MUTUAL WATER SERVICES COOPERATION**

This Second Memorandum of Understanding Regarding Mutual Water Services Cooperation ("Second MOU"), effective on the last signature date below ("Effective Date"), is between the Eldorado Area Water and Sanitation District ("District" or "EAWSD"), a political subdivision of the State of New Mexico and Santa Fe County, a political subdivision of the State of New Mexico ("County").

**RECITALS**

A. The District and County executed the *Memorandum of Understanding Between Eldorado Area Water and Sanitation District and the Board of County Commissioners of Santa Fe County Regarding Mutual Water Services Cooperation* ("First MOU"), dated October 12, 2012.

B. Paragraph 4 of the First MOU provides:

*The County and the District agree to work towards a subsequent agreement whereby the County will provide the District with water from the Buckman Direct Diversion project to assist the District in times of drought or mechanical failure or as otherwise agreed by the parties, on terms specified in the subsequent agreement.*

C. Paragraph 5 of the First MOU provides:

*The County and the District agree to work together from time to time on other mutually beneficial agreements for infrastructure improvement projects, service boundary expansion, system operations and other improvements on terms specified in subsequent or separate agreements.*

D. The District and County have continued long range planning efforts to provide a safe and reliable drinking water supply to their respective customers and have recently reengaged in discussions on how best to jointly serve customers in the District's Service Area and the community of Cañoncito ("Cañoncito"), which is located close to, but outside the Service Area of the District.

E. Both the District and the County have recently completed an updates to their Utility Master Plans with a 20-year planning horizon and now desire to enter into a "subsequent agreement" in accordance with the First MOU.

**AGREEMENT**

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The District and County agree, based on analysis performed to date, that the County's delivery of water from the Buckman Direct Diversion ("BDD") to the District and for



Cañoncito, as outlined below, may significantly reduce the capital cost of the County's Cañoncito water delivery project compared to its current design. Potential cost savings include reducing the total length of the new transmission line, eliminating the need for transmission and storage infrastructure, reducing water treatment costs due to shorter conveyance system retention times, and potentially eliminating the need for the Compadres Booster Pump Station.

2. The District and County agree that a cost-effective approach, referred to in this Second MOU as the "Alternative Design", may be for the County to deliver BDD water to the District in a quantity sufficient to meet both District and Cañoncito needs. The District would then deliver water to the County's Cañoncito customers. This Alternative Design includes the conceptual elements outlined in **Exhibit A**, attached hereto.

3. The County's preliminary estimate based on conceptual level engineering and planning indicates that the Alternative Design could potentially save the County between \$1 million to \$3 million in capital costs, even though routing BDD water around the City to serve the District would increase costs. If the final cost estimate for the Alternative Design confirms substantial net cost savings, the Parties will endeavor to negotiate a water delivery agreement. Among other things, the water delivery agreement ("WDA") will set out the terms and conditions of (a) County water service to the District; (b) the interconnection of the District and Cañoncito water systems; (c) any upgrades or modifications to the District water system that may be necessary to accomplish (a) and (b); and (d) the routing of County water through the District system to serve Cañoncito. In consideration of the District's agreement to interconnect its system with the Cañoncito system, and depending on the actual cost savings from the Alternative Design, the Parties will seek to negotiate a fair reduction in the cost of County water service to the District. In addition, the County would agree to fund any upgrades or modifications to the District's water system as may be required to convey water to Cañoncito.

4. Subject to further agreement by the Parties, the WDA would be based on the following preliminary assumptions and guidelines:

a. The County would deliver water ("County Water") to the District at a metered connection ("District Connection") at an agreed-upon location on the northern boundary of the District's Service Area. County Water would then be routed through the District System and delivered to a second metered connection ("Cañoncito Connection") at an agreed-upon location on the District's Service Area boundary near the intersection of I-25 and US 285.

b. The Parties currently estimate that the initial delivery of County Water to the District Connection would have the following elements: Up to 100 acre feet per year ("afy") to meet the District's needs, with an average-to-peak flow range of approximately 100-to-200 gallons per minute ("gpm"), plus an additional 25 afy to meet Cañoncito's needs, with an average-to-peak flow range of approximately 15-to-45 gpm. These and other gpm requirements would be verified by modeling as a part of project design.

c. Based on forecasted demands and continued further reduction in groundwater supplies available to the District, the Parties further estimate that the delivery of County Water to the District Connection for use within the District may increase to up to 300 afy with an average-to-peak flow range of 200-to-400 gpm over the next 20 years.

d. The delivery of County Water for use within Cañoncito may increase as necessary to meet increased demand from County customers within that community, including delivery of



make-up water to one or more fire protection storage tanks located outside the District's Service Area.

e. The delivery of County Water to the Cañoncito Connection may also increase to up to 75 afy, with an average-to-peak flow range of 50-to-100 gpm, over the next 20 years to meet the future water demand of communities located between Eldorado and Canoficito.

f. The Parties will negotiate the costs of County water service to the District, which will not exceed the rates and charges applicable to large water users under County Ordinance No. 2018-4, as the same may be amended from time to time.

g. The Parties will negotiate a reasonable fee to be paid by the County to the District for routing County Water to the Cañoncito Connection. The fee will be based on a cost of service analysis prepared by the District and approved by the County, subject to future increases based on an analysis of the actual increase in the District's cost of service.

5. The Parties will negotiate the terms and conditions under which the County will provide temporary emergency backup County Water to the District. The Parties will cooperate in investigating alternative sources of emergency backup water, including existing or new groundwater supply wells.

6. The Parties agree to proceed with due diligence in planning, design, and related activities to determine the costs and feasibility of implementing the Alternative Design; *provided*, however, that the County shall bear the engineering, planning, design and related costs of completing their portions of the Alternative Design in accordance with this Second MOU; and *provided further* that the District shall bear the engineering, planning, design and related costs associated with modifying the District's water system as required to route County Water to the Cañoncito Connection.

7. This Second MOU may be terminated: (a) by one Party's written notice of termination to the other if the Parties fail to execute the WDA within one year after the Effective Date; (b) by mutual written agreement of the Parties; (c) by written notice by the County to the District that the Board of County Commissioners ("Board") has not appropriated sufficient funds to carry out the purposes of this Second MOU; or (d) by written notice of the County to the District that the Alternative Design will not result in sufficient costs savings to the County. This Second MOU shall terminate automatically upon execution of the WDA by the Parties.

8. The Parties agree to work collaboratively to carry out the purposes of this Second MOU, including but not limited to:

a. Investigation and resolution of potential water quality compatibility issues, if any, resulting in the co-mingling of multiple water supply sources, and

b. Investigation and resolution of any water rights issues.

9. The County's obligation to expend money under this Second MOU is subject to and contingent on sufficient appropriations and budgeting by the Board, which shall be at the Board's sole discretion.

10. Only the Parties may enforce this Second MOU. The Parties do not intend to create, and have not created, any third party beneficiaries to this Second MOU.

**SANTA FE COUNTY**

By: \_\_\_\_\_  
Anna Hansen, Chair  
Board of County Commissioners

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Geraldine Salazar  
Santa Fe County Clerk

Date: \_\_\_\_\_


Approved as to form:

  
\_\_\_\_\_  
R. Bruce Frederick  
Santa Fe County Attorney

**FINANCE DEPARTMENT APPROVAL:**

\_\_\_\_\_  
Stephanie Schardin Clarke  
Santa Fe County Finance Director

**THE BOARD OF DIRECTORS OF THE ELDORADO AREA WATER AND  
SANITATION DISTRICT**

By:   
\_\_\_\_\_  
John Calzada, President  
EAWSD Board of Directors


Date: 8/16/2018

**ATTEST:**

  
\_\_\_\_\_  
David W. Yard, Secretary  
EAWSD

Date: 8/16/2018

Approved as to form:

  
\_\_\_\_\_  
Charles DuMars, Esq.  
EAWSD Attorney

Date: 8/31/18

**EXHIBIT A  
TO**

## **BDD-CAÑONCITO MOU**

### **ELEMENTS FOR COST-EFFECTIVE COUNTY DELIVERY OF BUCKMAN DIRECT DIVERSION WATER TO THE DISTRICT AND DISTRICT DELIVERY OF WATER TO THE COUNTY FOR CAÑONCITO**

1. County to plan, design and construct upgrades to the County's existing water distribution and transmission system east from Master Meter #5 to the Rancho Viejo Water Storage Tank, as required to convey BDD water to the District.
2. County to redesign and construct a new County water transmission line within the PNM utility easement, , to convey water from the Rancho Viejo Water Storage Tank south to the District's northern service boundary near Encantado Road at a new County-to-District Connection. Water delivery to the District will be metered at or near this location.
3. District to design and construct a District line within the PNM utility easement, extending from the County's new water transmission line described above, extending south within the District's service area and connecting to the District's 10-inch water transmission line on Avenida de Compadres between Aula Court and Aula Road. Further analysis is required to determine whether a new Booster Pump Station, as currently designed, will be needed to deliver water to the District at the required service pressure.
4. District to design and construct a new booster pump station at the District's Tank No. 4 to pump water delivered by the new County water transmission line east into the District's higher-pressure zones (zones 1 and 3).
5. District to design and construct new District water transmission line(s) as required to convey water east into service pressure zones 1 and 3.
6. County to design and construct a new District-to-County Connection to provide water for Cañoncito either at the District boundary in Alteza Estates or near the intersection of Camino Costadino and Calle Electra. Water delivery from the District to the County will be metered at the District's service area boundary near the selected location.
7. County to modify the existing County design for water delivery to Cañoncito to convey the water to Cañoncito from the new District-to-County Connection.





**MEMORANDUM OF UNDERSTANDING BETWEEN THE  
ELDORADO AREA WATER AND SANITATION DISTRICT AND THE BOARD OF  
COUNTY COMMISSIONERS OF SANTA FE COUNTY REGARDING MUTUAL  
WATER SERVICES COOPERATION**

The Eldorado Area Water and Sanitation District, a political subdivision of the State of New Mexico ("District"), and the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico ("County"), enter into this Memorandum of Understanding this 9th day of October, 2012.

**RECITALS**

**WHEREAS**, the District has rights and responsibilities specified by Law, specifically the Water and Sanitation District Act (NMSA 1978, Section 73-21-1 *et seq.*) and operates a water utility supplying water to its customers within the boundaries of the area served by the District, as shown on Exhibit "A" attached hereto and incorporated herein by reference (the District's "Service Area");

**WHEREAS**, the County, through its Utility Division, operates a water utility whose principal source of supply is the Buckman Direct Diversion, a joint project of the County and the City of Santa Fe;

**WHEREAS**, the County, through its Land Use Division, administers the New Mexico Subdivision Act, the Zoning Enabling Act, the Santa Fe County Growth Management Plan (SGMP), and the Santa Fe County Land Development Code (LDC);

**WHEREAS**, the County and the District share a number of important shared goals, including providing safe water to citizens, providing fire protection, sponsoring water conservation and reuse practices, and providing healthy wastewater management;

**WHEREAS**, consistent with these shared goals, the County, through its Utility Division, is willing to assist the District from time to time to improve the reliability of the District's system in times of drought or mechanical failure or as otherwise agreed to by the parties by providing access to water supplies from the Buckman Direct Diversion or from any other sources;

**WHEREAS**, the County's statutory duty through the Subdivision Act, the Zoning Enabling Act, the Santa Fe County Growth Management Plan, and the Santa Fe County Land Development Code is to assure that proposed development within the County is consistent with statutory requirements and with the LDC, and specifically to assure that a 99-year water supply exists for any proposed development within the County's land use jurisdiction;

**WHEREAS**, the County acknowledges that the District's sources of water supply are more than adequate at the present time to serve its customers, and also acknowledges Partial Licenses No. RG-18529 and 18556 issued by the Office of the State Engineer and the acknowledgement in those Licenses that the District has available to it 783.43 acre feet per year of water rights with which to supply customers, and further acknowledges that the County's

water experts have thoroughly reviewed the District's sources of supply in connection with recent applications to develop property and have agreed with the District that more than adequate water resources currently exist to serve existing customers and to serve new developments within the District's service area;

**WHEREAS**, from time to time, disagreements have arisen between the County and the District concerning the District's inherent authority under the Water and Sanitation District Act and the County's functions under the New Mexico Subdivision Act, the Zoning Enabling Act, the Santa Fe County Growth Management Plan, and the Santa Fe County Land Development Code, and it is desirable that the County and District work to reduce conflicts in the future in a way that is consistent with the County's statutory obligations, but in a way that fully respects the District's status as a political subdivision of the State and an independent public utility accountable to the voters;

**WHEREAS**, a constructive way to assure progress on all of these objectives is for the County to agree that the District has provided sufficient present information concerning the District's water supply to justify the County's acceptance of a 'will serve' letter from the District that the District is ready, willing and able to provide a customer with water service as adequate for purposes of the Subdivision Act, the Zoning Enabling Act, the Santa Fe County Growth Management Plan, and the Santa Fe County Land Development Code for a minimum of three (3) years, and for the County and the District to agree to work towards providing the District with water from the Buckman Direct Diversion project or other sources as available to assist the District in times of drought or mechanical failure or as otherwise agreed by the parties;

**WHEREAS**, the parties find that it is in their mutual best interest to avoid misunderstanding and disagreement over the areas to be served by each party, and wish to define a mechanism for deciding whether potential customers outside of the District's current Service Area boundaries will be served by the District or the County;

**WHEREAS**, the County and District are amenable to making such an agreement and to agreeing to work towards a stronger relationship in subsequent agreements so that these and other issues vital to the health, safety and welfare of the community are effectively addressed.

**IT IS THEREFORE UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:**

1. The County recognizes and understands that the District is a Water and Sanitation District duly organized and existing under the Water and Sanitation District Act, with all the powers, authorities, rights and responsibilities specified therein, and the County recognizes the right of the District under the Water and Sanitation District Act to supply water to existing and new customers and to supply new development within its Service Area boundaries. The County agrees that it will not extend its water facilities into the District's Service Area without the prior written approval of the District.
2. With respect to the previous paragraph, the parties recognize that the County has statutory responsibilities with respect to such new development within the District's



Service Area boundaries. In furtherance of the continued cooperation between the District and the County concerning the District's capacity to provide service to new customers, the County agrees that the information provided by the District concerning the adequacy of its water supply is such that, for a minimum of three (3) years from the date of the execution of this agreement, no further information is needed, and the County will accept a 'will serve' letter from the District that it is ready, willing and able to provide a customer with water service as adequate for purposes of the required review under the New Mexico Subdivision Act, the Zoning Enabling Act, the Santa Fe County Growth Management Plan, and the Santa Fe County Land Development Code, without further technical review or inquiry. The County may extend this procedure beyond three years if it finds that the procedure is consistent with its responsibilities.

3. The County recognizes that the District has the authority to extend the boundaries of its Service Area to serve new customers outside of its current Service Area boundaries. If a potential new customer outside of the current District Service Area but within two miles of the District's current Service Area boundaries requests service from either party, the parties agree to consult together and mutually agree whether the potential customer will be served by the County or the District.
4. The County and the District agree to work towards a subsequent agreement whereby the County provides the District with water from the Buckman Direct Diversion project to assist the District in times of drought or mechanical failure or as otherwise agreed by the parties, on terms specified in the subsequent agreement.
5. The County and the District agree to work together from time to time on other mutually beneficial agreements for infrastructure improvement projects, service boundary expansion, system operations and other improvements on terms specified in subsequent or separate agreements.
6. This agreement shall be perpetual. This agreement may also be amended from time to time, in writing, by agreement of the parties.

**IN WITNESS WHEREOF** the parties have executed this Memorandum of Understanding as of the dates documented below.

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

By: Liz Stefanics                      10/9/12  
Liz Stefanics, Chair                      Date

ATTEST:

*Valerie Espinoza* by VT

Valerie Espinoza, County Clerk

Approved as to form:

*Stephen C. Ross*

Stephen C. Ross, County Attorney



**THE BOARD OF DIRECTORS OF  
THE ELDORADO WATER AND SANITATION DISTRICT**

By:

*James Jenkins*  
James Jenkins, EAWSD Board President

9-7-12

Date

ATTEST:

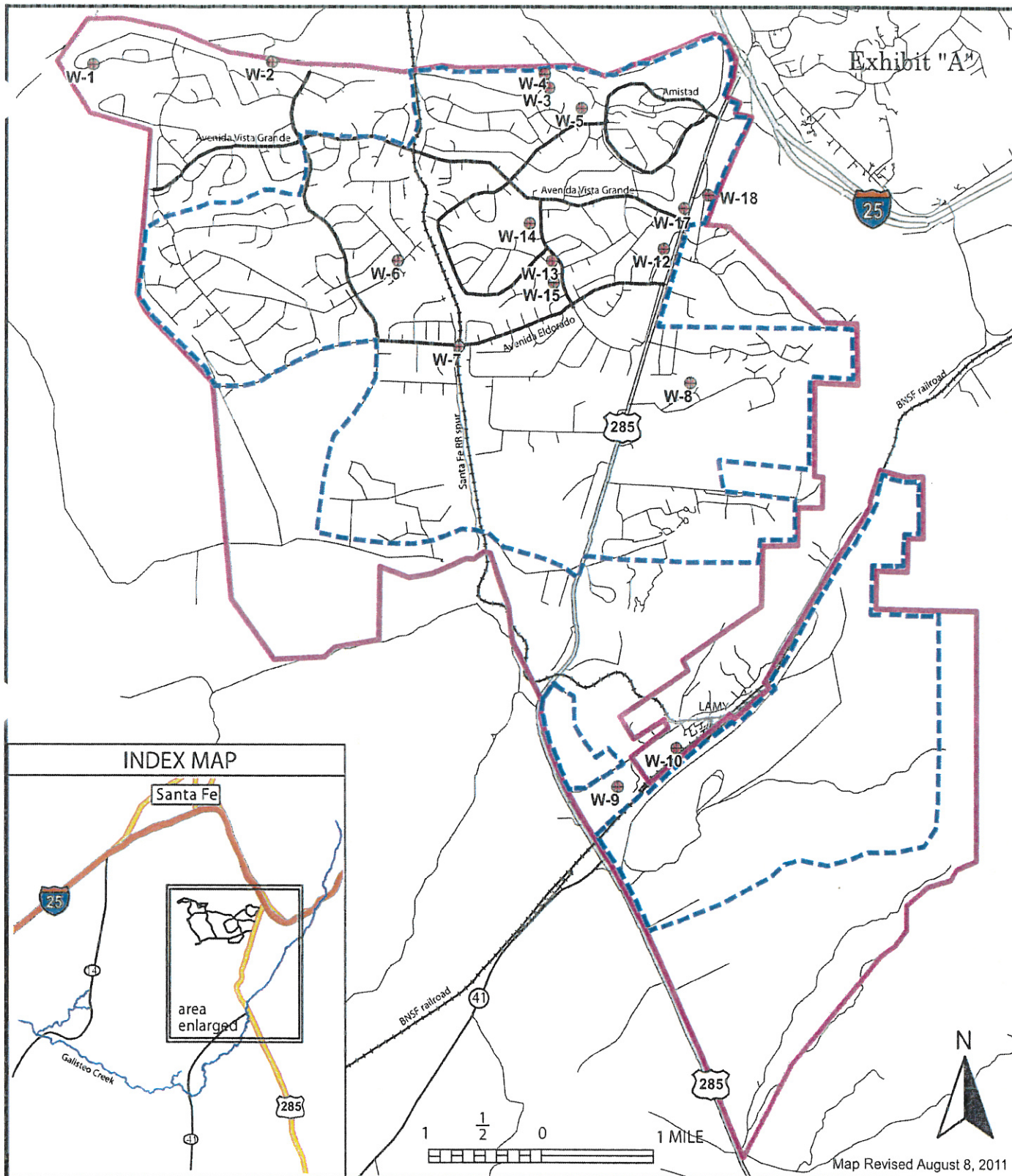
*Stephen Wust*  
Stephen Wust, Ph.D., EAWSD Board Secretary

Approved as to form:

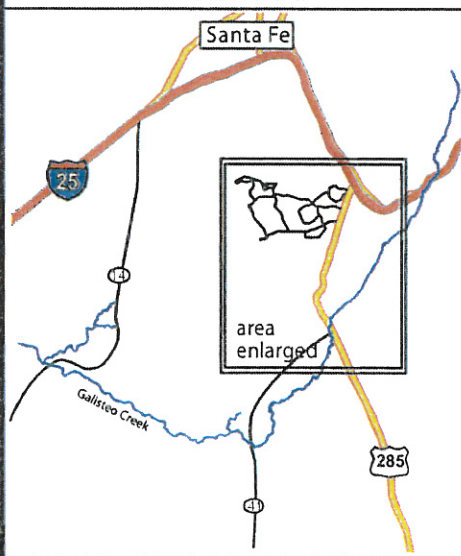
*Catherine Robinson*

Catherine Robinson, EAWSD Board Attorney

Exhibit "A"



# INDEX MAP



## LEGEND

- W-1 EAWSD Wells (with well numbers)
- Boundary of EAWSD Service Area as of September 2010
- EAWSD District Boundary as of September 2010

GLORIETA GEOSCIENCE, INC.  
P.O. Box 5727, Santa Fe, NM 87502  
(505) 983-5446 Fax (505) 983-6482  
[www.glorietageo.com](http://www.glorietageo.com)



Map Revised August 8, 2011







