

SANTA FE COUNTY
RESOLUTION No. 2015-87

A RESOLUTION ESTABLISHING POLICIES AND PRINCIPLES TO GOVERN THE DEVELOPMENT OF SANTA FE COUNTY WATER UTILITY RATE SCHEDULES

WHEREAS, water is a precious but scarce resource in the semi-arid and high desert climate of Santa Fe County, and will likely become even more so in the future; and

WHEREAS, Santa Fe County (the "County") operates a water utility ("Utility"); and

WHEREAS, under NMSA 1978, Section 4-36-10, the County is authorized to "purchase, own and operate sewer and water utilities and sell water and sewer utility service"; and

WHEREAS, Section 4-36-10 further provides that "in the operation of a sewer or water utility, the county shall set just and reasonable rates based on its cost of service";

WHEREAS, water rates should be designed to (a) recover sufficient revenue to sustainably provide efficient and reliable water service based on reasonable amounts of use, (b) be equitably distributed among different customer classes, (c) be simple to understand and administer, and (d) encourage conservation of water, discourage unreasonable amounts of use, and communicate water's true value through price signals; and

WHEREAS, Goal 40 of the County Sustainable Growth Management Plan (SGMP) provides that "Water conservation will be required to maintain a sustainable water supply and reduce County-wide per capita water consumption"; and

WHEREAS, SGMP Policy 42.12, among other things, calls for the equitable financing of water infrastructure; and

WHEREAS, the County Utility's service area is extensive and certain customer areas have demonstrably higher costs of service; and

WHEREAS, the County has various customer classes, including residential, industrial, and wholesale customers, each of which imposes different demands and related costs on the system; and

WHEREAS, back-up water supplies, especially those provided on a firm, on-demand basis, are more expensive than normal supplies; and

WHEREAS, the County develops, updates, and promulgates water utility rate schedules from time to time;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY BOARD OF COMMISSIONERS:

1. The following policies and principles shall be incorporated into the development of County water utility rate schedules.
 - A. Tiered Rate Structure. The County shall implement tiered rate structure to incentivize conservation and ensure that basic access to water is affordable.
 - B. Seasonality. A seasonal water supply pricing factor will be implemented.
 - C. Customer Class Equity. A rational set of customer classes will be developed to ensure that costs are equitably distributed.
 - D. Geographic Equity. The rate structure should equitably allocate costs to geographic areas with differing costs of service.
 - E. Back-up Supplies. The true costs of back-up water should be incorporated into the overall cost of water.
 - F. Automatic inflation-based changes. The new rate schedule shall include an automatic annual inflation-based price adjustment.
 - G. Regional Parity. Water rates shall be reflective of the region and shall not be excessively or unnecessarily divergent across political boundaries.
 - H. Financial Sustainability. When considering the revenue recovery requirements of the rate schedule, the costs of acquiring water rights and of capital asset replacement, renewal, improvement, and acquisition, including reserve funds, should be incorporated into the rates to the extent feasible.

PASSED, APPROVED, AND ADOPTED THIS 30th DAY OF June, 2015.
BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

By: Miguel M. Chang
Robert Anaya, Chair

6/30/15
Date

ATTEST:

Geraldine Salazar
Geraldine Salazar, County Clerk

6-30-2015
Date

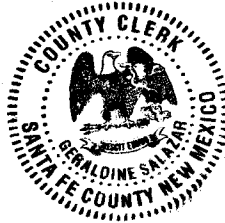


Approved as to form:



Gregory S. Shaffer, County Attorney


6/15/2015
Date



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
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I Hereby Certify That This Instrument Was Filed for
Record On The 2ND Day Of July, 2015 at 10:13:16 AM
And Was Duly Recorded as Instrument # **1768647**
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy  County Clerk, Santa Fe, NM

SFC CLERK RECORDED 07/02/2015