

MINUTES OF THE

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JOINT COUNTY COMMISSION/CITY COUNCIL

STUDY SESSION ON REGIONAL WATER AND WASTEWATER ISSUES

March 24, 1999

4:00 p.m.

Santa Fe, New Mexico

This study session of the City and County of Santa Fe's governing bodies was called to order at approximately 4:15 on the above-cited date in the County Commission Chambers.

County Commissioners Present:

Paul Duran, Chairman
Richard Anaya, Commissioner
Marcos Trujillo, Commissioner
Javier Gonzales, Commissioner
Joe Grifé, Commissioner

Commissioners Excused:

None

City Councilors Present:

Larry Delgado, Mayor
Patti Bushee, Councilor
Carol Lopez, Councilor
Jimmie Martinez, Councilor
Frank Montaña, Councilor
Cris Moore, Councilor
Art Sanchez, Councilor
Molly Whitted, Councilor

Councilors Excused:

Peso Chavez, Councilor

County Staff:

Dave Wolf, Manager
Ken Pin, Planner
Terry Brennen, Policy Analyst
Doug Sayre, Water Company Engineer
Judy McGowan, Planner
Estevan Lopez, Water Company
Diana Lucero, Land Use Administrator
Jack Kolkmeier, Planning Director

City Staff:

Mike Mier, Manager
Yolanda Vigil, Clerk
Anne Condon, Planning Director
Reed Liming, Planner
Patricio Guerrerortiz, Engineer Director
Mike Hamman, Water Division
Bill Landin, Water Division
Cyrus Samii, Traffic Engineer
Sherri Tippet, Assistant Attorney
Juan Rios, Information Officer

OPENING REMARKS:

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County Commissioner Chair Paul Duran presented the following comments:

"I'd like to thank you all for attending today's joint City Council/County Commission study session on regional water and wastewater issues. Before we begin, I would like to talk briefly about the Commission's perspective on these issues and inform you of the challenges facing the County in trying to provide a water utility to county residents. I would also like to make sure that all of us have a clear understanding of what issues are driving the goals of the County, namely lack of adequate water supply for current residents and future growth, groundwater contamination, and depletion of the aquifer.

"We intend to move forward with our commitment based on our recently adopted General Plan to provide residents to our residents without depleting the aquifer. Currently, water is not provided in a controlled environment due to the reality that county residents have the right to access water through their own wells. By demonstrating that the County can provide water to these residents in a reliable and regulated way we discourage the random drilling of wells and encourage regulated use through a County utility.

"It is concern for the overall water resource that motivates our desire to join in regional water planning efforts. We hope that regional water policies are created to guide water usage in the future. Until that time, however, it is important to the County that we develop our own point of diversion so that we are not forced to rely solely on City water. The County has attempted to address those issues through creation of a County owned and operated water and wastewater utility. County voters endorsed our efforts to get involved in the utility when they approved the \$4 million general obligation bond to fund water system construction and water rights acquisition.

"Creation of the County utilities alone will not solve these problems, however. We face the extraordinary challenge of trying to balance the need to preserve quality of life in our traditional communities including preservation of our acequias which have for years been the lifeblood of our agricultural way of life with the demands caused by population growth. That growth is coming from within our communities as families pass on a portion of their land to the next generation.

"In addition, the county is both culturally and geographically diverse. The county has over fifty different domestic water systems and our residents use water for a wide variety of uses including agricultural, industrial and residential. We are involved in water issues from Edgewood to Chimayo, from Indian Pueblos through large developments. It is our duty as elected officials to assist these communities and ensure that the water they use is appropriate for their needs. Our goal is to ensure an adequate supply of water for our current residents while managing the future growth.

"The County's water and wastewater utilities are important pieces of strategy to work through these problems in order to proceed with our goal of ensuring adequate supplies of water to our current residents while managing future growth and ensuring that we are living within our means. Additionally, the County staff has made

significant progress on development of a broad water management policy which soon will be brought forward for Commission approval.

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"The County's initiative to establish water and wastewater utilities in the area adjacent to the city where much of the county's growth is occurring will provide the framework from which we can expand our efforts into other areas. We believe that the long term availability of water is a key element to any consideration of land use decisions and growth management. Since the County plays a lead role in such decisions, it is important for us to have a clear picture of the overall water situation.

"County ownership of the water and wastewater utilities will help us to accomplish that goal. Cooperation and collaboration with the City in management and operation of these facilities will help us secure uniformity of purpose. We do not delude ourselves. We realize that these utilities are as yet new and relatively small efforts. Nevertheless, these initiatives demonstrate the County's recognition of the problem and our intent to be part of the solution. Broadly, the County intends to use these facilities to ensure long term availability of water to support land use, to foster efficient management of a scarce resource and to protect the aquifer. We need to change citizens' perception of how water is to be provided for county residents.

"We can no longer support continued drilling of wells in the county and must look in the future to provide water on a managed basis to county residents. We intend to develop both surface and groundwater sources; where possible collect and treat wastewater to maximize reuse and return flow potential; if allowed by law, initiate an aquifer storage recovery program.

"We believe that it is vitally important for Santa Fe County to be involved in water issues on a regional level because you cannot the importance of communicating with governmental and private entities outside our jurisdiction. We have joined in a variety of regional water planning efforts and have increased communication and awareness of water issues at the regional level. The BCC recognizes the importance of a well planned strategic program to managing the resource of water on a regional basis. We understand that we have a responsibility to our citizens to be advocates for the protection of our limited water resource and its wise management.

"To that end, the BCC has taken an active, hands-on approach to various regional efforts. The County has spent hundreds of staff hours and other resources to the Jemez and Estancia Basin regional water planning efforts. The County has actively assisted in acquiring close to \$1 million for the work of the Española Valley/Pojoaque Valley Regional Wastewater steering committee and has similarly expended County resources to support that effort. The County is also a member of the San Juan Chama Contractors Association. The County also recognizes and applauds the City's contributions to these efforts.

"The County looks forward to establishing a regional partnership with the City to address water and wastewater issues. In that light, I would like to mention two specific initiatives that we have discussed among Commissioners. The first is the Hagerman well and water rights. We recently sent a letter to the City in which we seek the City's cooperation in our acquisition of these assets. We feel that we are in a

good position to acquire those assets and put them to use in these regional water system. Based on our desire to fulfill our goals, the County wishes to purchase this well outright.

"Second, we are aware that the City is in negotiation with Las Campanas over water issues. As I am sure you are aware, the County has an option to purchase the Las Campanas water system and would like to participate in water-related discussions to assure that this will be used in the best interests of the community. We encourage any efforts for innovative uses of water in Las Campanas that would assist in the preservation of the aquifer and promotion of efficient water use. We are interested in fostering collaborative efforts with the City to address these types of water issues that face the City and County and believe that it is important that we preserve this important resource for future generations while ensuring sustainable and housing and development in the county.

"Again, I would like to thank all of you for coming today and especially thank Mayor Delgado and the entire City Council for their participation in this important effort. We hope that based on the information that we presented to you today and knowing how diverse the county's residents' needs are, that you understand why we need to take an active role in this arena. As we talk today, let's think how the ideas we come up with will best serve our community.

Following the Chairman's comments, City of Santa Fe Mayor Larry Delgado offered the following comments:

"I don't think I'm going to be as long as Chairman Duran, but he did make some very important points. From the very beginning when the administration and City Hall came aboard almost a year ago, that was one of our prime goals, was to have regional planning. When you start talking about regional planning, the first item that's going to be at the top of the list is water. You can talk about land use, you can talk about infrastructure, but if the water isn't there, that pretty much shoots down any plan for cooperation you might want to have between the two governing bodies.

"So it just seems to me that this is something that should have happened some time ago. It's coming together. I see a tremendous improvement in the working capacities between the two governing bodies. It's a good sign. It's a sign that we're sitting here together and talking about our needs. Because anything, when you talk about areas such as water, you're going to be talking about what is our life about? What is our future? What do we care about in the city of Santa Fe? What do we care about in the County?

"There resources, there's no doubt in my mind, have to be protected. I'm encouraged with the work that our staff is doing and I'm also encouraged when I talk to some of the Commissioners and what's being done on the County level. To me it just means cooperation. If we're going to be talking about regional planning, regional planning is something that for years has been talked about and at last we are starting to move in this area. Water, again, number one priority.

"We have a responsibility to the people who are in Santa Fe and the county today and the people who follow us in the future. It's a legacy that we have to protect, the

water rights. Whether it's through San Juan diversion, whether it's also the protection of our old institutions of water such as the acequias. These particular things that are so important to the people of Santa Fe.

"I want to thank the County Commission for coming together here today and talking about these items. I want to thank Councilor Bushee, who came forward with a resolution to see about our bringing this meeting here together. It was signed on by all of the Councilors. I'm hoping the other Councilors do make this meeting because I'm sure it's going to be a productive meeting. I just ask that we have a very ambitious agenda here, many presentations, that we do everything we can to stay on the subject of water in this area. Because I'm sure we'll have other meetings in regard to other causes that we need to talk about between the City and the County. But I would like very much to see us all stay on the subject that's in front of us. Again, thank you, Mr. Chairman, and I'm anxious to hear the presentations."

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The meeting was turned over to Carl Moore a professional facilitator who offered the following procedural information:

"The primary purpose today is to share information and we believe that it is possible to discuss what is being presented and the consideration of how to proceed from here. The logic of the meeting is there will be a number of presentations and a real tight time frame for each presentation. If there is any time left over at the end of a presentation any clarifying questions you'd like to ask at that time will be made available. But if the presentations fill up the time, there will be time at the end of all the presentations to ask questions so you might listen with a pencil in case you have questions.

"But after we share this information this governing body will have an opportunity to ask clarifying questions and then decide what will be the mechanism in bringing this meeting together effectively in the interests of the region, much as you focused on in your introductory comments. At that time there will be at least a half an hour for public comment and the session will end providing time for members of the governing body to make any statements they want to make.

"We're going to begin then with presentations on historical background. Let me say one small word or two about my role here. I'm to do what the Mayor encouraged them to do which is to make certain that they stay on the topic. I hope I can do that. I'm also here to make certain we stick to the agenda. I'm a timekeeper. I'm going to give signals to the speakers about how much time they've got and be sure that the meeting is conducted in a professional and respectful manner.

HISTORICAL AND BACKGROUND INFORMATION

Mike Hamman offered the following information:

"...is something I've been wanting to do for a long time, to get up in an environment where we can set a basic level of understanding about historical perspectives and then move into some of the things that we as staff have collectively been working on in terms of our long range planning so that we all around the same table here come away with the same basic level of information. That's really the basic purpose of our

presentation here today is to share information, discuss ideas and then hopefully get into some issues about where do we go from here...

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"I'm going to focus this part of the presentation on the historical background and why Santa Fe is in the position they are today in terms of water resources. There is strong evidence that our prehistoric inhabitants of the area lived along the Santa Fe River, and then Peralta when he came in scouting around for a place to establish a long term village for some of the colonists in 1610 recognized that there were inhabitants there and I think built on an old ruin from that time forward.

"Basically, from 1610, actually historically up until the late 1940's the City of Santa Fe and the agricultural community around Santa Fe relied exclusively on the Santa Fe River watershed. It's a 25-square mile watershed. It has run free basically up until the late 1800's when the original dam was constructed, Two-Mile Dam was constructed by a private utility company. And then from some of the very early pipe structures into the downtown area were constructed and incidentally there was a small power production facility that lighted the downtown area off of that system.

"And then over a period of time there was a lot of acequias that had relied on the system since the 1600's for agricultural purposes and four of those ditches and diversion systems remain today. As the utility developed two more reservoirs were constructed in various phases and we now have two reservoirs -- McClure, is the larger one upstream, Nichols downstream. I would also like at this point offer at some appropriate time, to get as many people as possible from the governing bodies up to the water shed to show you the condition of that at some time, either this spring or summer...treatment plant which is a conventional treatment plant that treats the water and puts it into the system. We get 504 acre-feet if the water's available, year in, year out. We have that diversion right. And because of that, in the late 1940's eight wells were drilled in the vicinity of St. Francis and Osage along the Santa Fe River. This is a pre-1956 water right. It has very high standards for ground water. Fifty-six is important because that's when the State Engineer closed the basin to development and you needed a permit to develop groundwater after that point. That sustained the community until it grew up until the late 1960's.

"Early 1970's, the Buckman well field was drilled and it's really important that you understand that because of the post-1956 water rights the Buckman well field, the State Engineer required that the City find and retire surface water to offset the impact of the Buckman well field. So we've been using the San Juan Chama water for that purpose since the late 1970's to offset the Rio Grande impact that the computer model tells us to do. The State Engineer sends us an order every month to run some water down the river.

"The other important aspect that makes the Buckman well field unique is that we also have to find and retire water rights on the Tesuque and the Pojoaque systems. And that's a really continuing problem that the city faces. Because we're in the groundwater market in that basin, the water rights have really escalated in price in both of these basins. And if develop a permit -- we have a 10,000 acre-foot permit, we've only come to 6,000 total a year, if we try to develop that permit, we would have to find about one-half to two-thirds of the water on the Tesuque and retire those

rights from surface use, and about 20% on the Pojoaque system. Something like that, over time. And that's about 60, 100 years out ... it's really important that we understand that the long term viability of the Buckman system is not in the best interest of the City because of escalating water right prices, and it's not in the best interests of the Indians because those surface rights are needed by other people.

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"By us participating in that market we have led to an escalation in price, we've priced people out of their acequias and that's really not a good thing to encourage on a regional scale. The other thing about the Buckman permit, combined we have about 5,000 acre-feet of surface water, we have about 5,000 acre-feet of groundwater that's in the Santa Fe area, those eight wells along the river, and then we have up to 10,000 acre-feet. That adds up to roughly 20,000 acre-feet of water rights that the municipal system has.

"But let me show you real quickly why something like an aquifer affects a stream. When you pump the aquifer, it draws it down. The alluvial material leaches into the well when you pump it up. When you do that over a long period of time the effects of that pumping actually hits the stream and that's what I meant about having to retire surface water. We're pulling, according to the model, we're pulling surface water into the Buckman well field. That's really the crux of the matter there.

"And the other water supply that we have available to us, I mentioned we've been using some of that. We're actually one of the few municipalities that use San Juan Chama water on a return basis. It's a federal project. It was built in the late '60's/early '70's. It diverts water from the Colorado River Basin, the Upper San Juan. It provides the state of New Mexico with part of their allocation of the Colorado River. And the federal government built this project to divert it into the Rio Grande Basin, through the continental divide through a series of 26 miles of tunnels, and they built a terminal reservoir to store it, the Heron Reservoir up in Chama, near Chama. You may have seen it.

"And because that water has been in the basin for all these years and people really haven't used it, like Albuquerque and Santa Fe and Española to the fullest extent possible, some environmental and recreational benefits have developed on the Rio Chama. We have water in Abiquiu, we have water in El Vado, we have Heron. There's a tremendous amount of recreational use. There's water flowing in ??? reservoirs all the time that wasn't there before because of the San Juan Chama water. They've done a certain amount of environmental and state Rio Grande compact reliance on that extra water. And that's something that may become an issue for us on down the road.

"Between the City and the County we have a joint ownership interest in the San Juan Chama water that amounts to about 5,600 acre-feet, and the real crux of my next -- when we get to the final part of it is that the San Juan Chama water is going to have to become a sustainable resource for the Santa Fe metro area."

Estevan Lopez provided the following information:

"...Starting in January, 1993 was a key time in that legislation was enacted that allowed the creation of a County utility that was exempted from Public Utility

Commission regulation. That really is the basis under which the County was able to create this utility.

"In May of 1994 the County Commission passed a resolution which approved the formation of the Santa Fe County Water Company, approved some bylaws and articles of incorporation and named a board of directors. I feel kind of odd discussing these issues when so many of you were probably key participants in developing these issues, but nevertheless I think you get the point of where we came from.

"In June of 1994, an intergovernmental agreement between the New Mexico Correctional Department and the Santa Fe County Water Company was signed under which the Corrections Department agreed to contribute a significant amount to the construction of the water utility. Later that year there was an agreement between Santa Fe County and the water company where the County agreed to subsidize the operation of the utility.

"In August of 1994 there was an agreement signed between the City and the County which the County refers to as a wheeling agreement. Under that agreement, the City agrees to wheel up to 5,000 acre-feet to the County for use in its utility. That agreement was set to phase out after ten years. I think that reading that, there was some expectation that this relationship, City and County relationship was going to be not limited -- and some of the initiatives that we've undertaken since I've been working here.

"We believe that our destinies are tied and it make sense for us to continue working together, hopefully in a cooperative fashion and maximize our advantages. There are a number of places where we can really work efficiently together.

"In November of 1994 the County granted a franchise to the water company and that set out the County Water Company's initial service area. I guess I've got these out of order but in September we had started negotiations and execution of various customer contracts and those contracts with various privately owned entities, or private entities agreed to help finance the construction of these utilities in exchange for a promise of future service.

"In 1995, the construction commenced on the water system. In June of 1995 there was a cost-sharing agreement for water delivery facilities between IAIA, Thornburg, Sangre de Cristo and Santa Fe County Water Company. This may have been the first joint venture -- the water system construction -- between the City and the County. Also in June we began working on customer contracts for the West Side Sector similar to the contracts for the South Sector. In April of 1996 construction was completed on the South Sector. In July of 1996 the Santa Fe County Water Company, the board of directors approved articles of dissolution and basically dissolved the corporation. All assets and liabilities of that corporation were transferred to the County and operation of the utility began as an enterprise fund under the County government.

"In July of 1996 water delivery began in the South Sector. In November of 1996 customer billing began. We also began construction of the West Sector in June of

1996. In November, that was completed. In December we began delivery of water to customers on the West Sector and in December of 1997 another key point of cooperation between the City and County, the County, the City and San Ildefonso Pueblo signed an agreement to construct and test a pilot surface water diversion facility, the horizontal well collector that we're working on right now.

"In March, 1998, that basically is the point that starts our wastewater. We signed an agreement to take over the operations of the State Pen Waste Treatment Plant. Primarily, what led us to do that was we needed a place to treat the wastewater from the new County jail. It presented itself as an opportunity for a small regional facility that we can hopefully start from. As a comment from Chairman Duran, we don't delude ourselves. These are small efforts but I think you've got to start somewhere and this is important.

"In June, 1998 the Utilities Department was formed as a separate department within the County government, and July 1 of 1998 the County took over the actual operation of the Corrections Wastewater Treatment Plant. That basically brings us to where we are today. What does that mean?...notice the ties to the City water system. We're entirely dependent at this point on the City's supply. That's where we share our history of water..."

Commissioner Anaya added that he served as chairman of the CDRC in 1983 when the notion of a water company was first considered for Santa Fe County in response to the proposed Rancho Viejo Development. He noted that he along with then County Commissioner Nancy Rodriguez and County Manager Gil Tercero went to Farmington where they initiated the idea of creating a water company.

Commissioner Trujillo commented that from a social perspective the Aamodt case can not be overlooked when discussing water in Northern New Mexico.

Responding to Councilor Sanchez' question regarding San Juan diverted water, Mr. Hamman stated that the 375 acre-feet that is allotted under the joint contract of the 5600 acre feet would be the City's allocation.

Mr. Lopez added that the County production out of the Buckman system basically requires output between the river and the Tesuque and the Pojoaque, of basically 375 acre feet. That storage in the aquifer would allow pumping of 500 acre-feet over a period of a hundred years and not impact the river. However, last year the County used 77 acre-feet. Next year it is anticipate it will be 100 acre-feet. At the end of the term of the renewal the amount used would be 400 acre-feet.

Responding to Chairman Duran's concern regarding the ten year time frame for the County's use of the City's water system, Councilor Sanchez indicated that the time was chosen to give the County time to develop its own system.

Councilor Moore added that it was former councilor Steve Farber who originally suggested the term of the agreement with a clause for a five-year renewal.

Mr. Hamman indicated that he would need to review the agreement but it was his understanding that there is not an automatic reversion at the end of ten year period: "I don't recall that as being part of the agreement. But I think there may be some provisions that the County and

the City could discuss in the event that would occur and what this suggests is a renegotiation during the five-year renewal."

Mr. Lopez pointed out that the County has the San Juan Chama contract. During 1998 the County utilized approximately 77 acre-feet of its 500. It is anticipated that more will be used in 1999 and 100 acre-feet is the estimated use for 2004.

Continuing, Mr. Lopez stated that the County has re-allocated all 500 acre-feet, including 50 acre-feet to Frijoles Village. Once the City agreed that they would provide water service to Frijoles Village, that water was counted into the current allocated of approximately 450 acre feet.

PLANNING AND INFRASTRUCTURE DEVELOPMENT OBJECTIVES

Mike Hamman offered the following comments regarding planning:

"...planning and development phase ... is really important and critical that we do work together and I think if we can work on some approach here where we're actually looking forward to the long haul well beyond the ten-year wheeling agreement and how we're going to work together on this particular planning objective is going to be critical to the future of our region.

"I want to say too that in discussions I've had with Congressional delegations for funding requests and with other local governments and Pueblos in the area, they're looking at us. They want to see us make some progress and work together and set the example. And I would really like to share my enthusiasm and my optimism that if we can implement this plan, we can solve our water problems for the greater metro area and get on with some other issues that you have on your plate.

"And I'd like to say that the fact the City of Santa Fe as it is on top of the slide here is a bit of a misnomer. This is a partnership approach with the County, with San Ildefonso Pueblo and with some of the other smaller communities and local areas. Basically from an area from Tesuque Village down to La Cienega, over to Eldorado, Seton Village, all of this region is the greater metropolitan region and really interested in seeing us succeed in this particular objective.

"The real basis of our program and as you recall, I mentioned that the Buckman well field is a losing proposition for us and I'll explain that here in a little bit more detail. The basic premise of the 40-year and hopefully perpetual, long-term water plan for the metro region is that the City and the County put in systems that allows us to take full advantage of our San Juan Chama water directly from the Rio Grande, allows us to bring it into the city and the greater metropolitan area and retire as much of that wastewater return flow as we possibly can. And there'll be infrastructure so that we can close the loop and have our county reservoirs.

"...the imported water via the Buckman pipeline comes into the city wells...and that amounts to about 50,000 acre-feet per day. The effluent, about 60% of all the water that comes into the city finds its way down to the wastewater treatment plant, is treated and virtually all of it except for some that is diverted for irrigation right now, enters the Santa Fe River. There's a live stream down there...

"We want to protect. We want to protect people's downstream water rights and we feel we can do it by returning back to the river all of the water that originates in the Santa Fe Basin. That's the county water and some other local groundwater. By doing that, we'll satisfy environmental goals and downstream water rights in La Bajada and La Cienega and those areas...plan proposes that we add to the system. That's like taking the imported portion of the wastewater and treated effluent and taking it back either to the source of the Rio Grande for return-flow credits, up to the top of the Santa Fe River to create a wide stream through the corridor of the Santa Fe River that virtually does not flow 70% of the time. And it will allow for that treated effluent to recharge the aquifer in the Santa Fe River area.

"By doing that, getting return-flow credit, focusing our attention on surface water as a renewable source. It's there year in and year out. That's the way the federal project is designed. By focusing our attention on that and getting return flow, we can sustain ourselves with the moderate growth rates that have been projected in the General Plan, we can sustain ourselves well beyond the year 2040.

"This graph has a lot of numbers and stuff behind it. But this graph is a visual depiction of our 40-year water plan for the greater Santa Fe Metro Region. The red line with the pink dots is the existing demand on the regional system. The blue line on top is the maximum production available. The lighter blue line is the drought line. And you can see here that we were zipping along above the drought line when the city bought the water company in 1995, we had peaked out at our total production capabilities.

"With our full reservoir supply we had peaked out at about 13,700 acre-feet demand. And you all know what happened in '96. We didn't have the water supply available to us. We had to go in for emergency regulations and the community responded very, very thoughtfully and very, very effectively to keep us from getting into trouble. We only had to go into two other regulations and we were able to effectuate the demand management and get back down on our drought line.

"Now our plan shows the urban area at about 1.5% growth rate. That's the urban area and that's going to be discussed in the general planning process and let me tell you what that means. What we're saying here is up to the year 2000, our water demands are still vulnerable to drought. We're still above this blue line. Now what we're trying to do, our goal is to take all the Santa Fe Regional area demands and keep it near or below this blue line. And that's what this stair-step program is. It's a phased development of getting our San Juan Chama water, getting return-flow credits, fully developing our groundwater rights so that we can use them for drought protection and keep us in a position where we don't have to face serious shortages...

"The other for the two governing bodies is what are going to be the demands on the regional system outside of the urban area that the city will face. And I think we've got a pretty good depiction of what are some of the preliminary numbers that I've seen and what this really says is that we can accommodate, over a thirty year period, probably something like 20,000 housing units, 50,000 people, and it also assumes that we're going hook up 50% of the existing demand in the system that are on domestic wells or small water systems like supplemental water at Eldorado or La Cienega or

whatever.

"So we have a lot of conservatism built into this and I just wanted to give you assurances that we're planning for the whole community, collectively. This is a joint planning direction and I think if we can implement the plan we'll avoid this catastrophe here. This is the same demand scenario that I had on the previous slide. This is what would happen if we just subsidized existing water rights and tried to develop them to the fullest extent possible....

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"We found a place on the Rio Grande at San Ildefonso Pueblo where these systems will work and they work very effectively. They're very inexpensive to build. You don't have to build treatment plants. It eliminates a lot of the environmental concerns that the environmental community would have through the environmental permitting process and they're actually a very easily constructable and obtainable system.

"Our effluent today serves just a few surface areas and the MRC, regional landfill, Santa Fe Downs, etc. And there's some other opportunities out there, Las Campanas. Right now the City inherited an agreement to serve Las Campanas with potable water for irrigation and to me that's not in the best interest of the region as a whole. So we need to figure out a way to get them off of potable water and onto treated effluent. This is the amount of effluent that we will have available for reuse. This is the annual flowing mgd. The year 2000 will be somewhere around 8.5. The baseline will be about three mgds. This will be guaranteed in the river forever down below the wastewater treatment plant. This is all the imported -- and it grows over time because as you add and implement a policy of making sure that everybody that comes on the system also comes on the wastewater system...

"I mentioned return-flow credits. Because San Juan Chama water is imported to the basin, it does not require a return flow back to the river because it was taken in. So that's a really important issue that San Juan Chama water can be consumed 100%. So if we get this system in place, we can just keep recirculating it and diverting it and diverting it and reusing it until you can take the 6,000 acre-feet that's available to us - - this is simplified because we have other rights -- you can turn that into about 15,000 acre-feet diversion...Our existing municipal demand somewhere around 13,000, so just by implementing this program right here, we add 15,000 acre-feet to the program. I won't get into too much more detail here, just continue our implementation strategy here, our timing. We have several more things we have to do. As Estevan mentioned, the tri-party agreement with San Ildefonso Pueblo, I'd just like to make a historical note here, it's exactly 400 years after Oñate and his folks came to the San Juan area and entered into kind of an agreement with this pueblo to build a diversion system on the Rio Grande.

"So here we are 400 years later doing the same thing. We have to do an environmental research investigation because we're going to need federal money for this project. We're going to be going through a permitting process that will take two or three years..."

Responding to Councilor Bushee's request for clarification, Mr. Hamman stated that surface credits are the main policy and must be maximized to the fullest extent possible. That means

improving the watershed to increase the yield up there over the life of the watershed. It's not been managed for vegetation. There has been a 20% loss of yield from the upper Santa Fe Canyon. The San Juan Chama water and our treated effluents have to be used as well as, recovering future wastewater by all new developments and maybe even some old developments, preserve groundwater for peak season and droughts.

Mr. Hamman stated that the Santa Fe needs to move back and forth between the groundwater and surface water in conjunctive ways so that that groundwater is always there as a drought protection mechanism. Senior water rights must be respected around pueblos, acequias and community wells: "And we think that by removing ourselves from the market we are not going to influence the problems in the municipal area and the water rights market can induce up there in the acequia."

Mr. Hamman recommended implementing planning strategies that provide for new support for federal, state and private partnerships and added that the governing bodies need to work with staff in these areas.

Responding to the Mayor's question of how best to use our San Juan Chama allocation, Mr. Hamman stated that supporting this program through the U.S. Congress is essential. He indicated that the governing bodies must work together and develop some local cost-sharing dollars.

Councilor Moore said he periodically gets a call from someone concerned about ecological issues on the Rio Grande. Mr. Hamman said the state is not going to let us dip into native water. The counting mechanisms and the measuring processes and the environmental aspects are going to be thoroughly reviewed through a permitting application process: "Native water takes precedence."

Bill Landin, City of Santa Fe offered the following information:

"...I want to also say that this effort shows a good City/County collaboration and it also shows that we've come a long way. But I think the message today is also that we've got a lot of work to do. And we can work together jointly on that.

"I'd like to deal with the question, how do we deal with wastewater within the Santa Fe Region. Historically, there have been two choices. Either an on-site septic system or connection to the City of Santa Fe system. And I want to point out that currently today we have a variety of systems out there. We have continued to permit septic systems both within the city and the county with certain restrictions and limitations. We have small private treatment systems and one example of that is the New Mexico Academy which was recently approved...private package plants, Las Campanas, Rancho Viejo, which is a recent example and in Santa Fe County, the Corrections plant that Estevan talked about earlier, and then the City of Santa Fe wastewater treatment plant on Airport Road.

"What are our objectives for the region? Well, we do have a common concern and some of that's been voiced by members of the governing bodies in opening statements, and that is we do have a common concern for our limited water resources. We have a concern for sustaining those water resources and Mike has pointed out very succinctly how treated effluent can fit into that picture, how that can sustain our water resources. We also have a common concern for protecting our groundwater quality and these are all things that I've heard spoken earlier.

"The City of Santa Fe has developed a treated effluent management plan that was adopted by the City Council in August of 1998. That laid out a master plan or a strategy on how to bring our treated effluent into our water planning process. How can we best use our effluent? We've been reusing effluent in Santa Fe since the earlier '50's. It's been used at the Santa Fe Country Club. It's been used at the Santa Fe Downs. It's been used at the polo fields. It's now being used to irrigate the Municipal Recreation Complex, and the recent landfill.

"What the plan calls for, it basically recognizes the high resource value of the effluent, and Mike went into some detail on how in our water plan, our 40-year water plan we intend to build the infrastructure to reuse our effluent and to take advantage of that. We use the treated wastewater in our regional water planning to protect and sustain our water supplies and getting back to Cris' comment, it actually helps sustain the watershed. It provides that environmental benefit...as we extend the water service into new areas, as we also extend the sewer service, we've seen that return flow benefit and that sustainability benefit and that effluent supply will grow over time.

"...I really want to focus on what some of the challenges are and how we might direct some of our efforts. Septic systems are not appropriate for semi-urban or semi-rural areas. And I think what we see north in the Española and Pojoaque Valley where they're experiencing high nitrate levels in their groundwater, we do have plenty of existing septic systems that could present a threat to our groundwater quality. It's a regional problem. It's something that I think we need to explore some innovative approaches.

"We may want to look at some advanced treatment systems for on-site where it's not feasible to extend the sewer utilities. Maybe we can work collaboratively to promote advanced treatment systems that will actually reduce the water demand for these on-site systems. And then the next and most critical part is how do we collaborate on an integrated approach on wastewater? You saw the various systems that we have out there. The City of Santa Fe, we really have a significant investment in our wastewater treatment plant and in the past four years have produced exceptional water quality. We haven't exceeded any of our permit requirements and we've actually operated well below any of those permit requirements. We discharge a very high quality water to the river and that is also a benefit in any reuse application....forward to making a substantial investment in reuse infrastructure that Mike talked about. And it's important that when we extend water service that we also consider extending sewer service. And we saw this recently with the subdivisions of La Mirada and Frijoles Village and these were issues that were discussed.

"The final point that I'd like to make is that private package plants, if they're properly designed and constructed, if they're adequately operated and maintained, they can provide a regional benefit for protection of groundwater quality. We may not get any regional benefit in terms of return flow and I think that's something that we want to be working together on to plan cooperatively so that we can make the maximum benefit of this return flow."

Councilor Bushee asked whether old septic systems would need to be closed. Mr. Landin responded that current regulations require abandoned septic be removed from the connection to the

household plumbing.

Mr. Lopez presented an overhead of the infrastructure plan/40-year plan and provided the following information regarding that plan:

" We don't have a formal 40-year plan to speak of. As I mentioned earlier, we're in relative terms a very new entity. And the learning curve has been tremendous. We're fortunate that we've gotten tremendous support from our governing body and we do have a number of initiatives that I'd like to talk about that we are pursuing to try and address some of the issues that were discussed earlier about what happens when the wheeling agreement is up and so forth.

"I've presented a map of the norther portion of Santa Fe County that shows some of the initiatives that we've got underway. Number one is obviously our joint project with the City and San Ildefonso Pueblo to develop first a pilot facility and determine the feasibility of a full scale diversion project and also if it is feasible we'll be able to negotiate the proper agreements wit the other parties to carry on with that.

"Kind of tied in with that is number two is exploration of the feasibility of running a transmission system along this 502 from San Ildefonso into Pojoaque and into Santa Fe. That would do a couple things. Obviously it bolsters the regional metro water utility and also it helps, it allows the exploration of the possibility of dealing with a lot of the contamination issues in the Pojoaque Valley, water supply issues in some of these communities along that corridor.

"There's been an expression of interest from some of the pueblos that we would have to cross specifically San Ildefonso, Pojoaque, Nambe, and Tesuque. We'll explore that possibility. It's very preliminary but there's work being done to explore those possibilities and if there's the opportunity to bring them to pass.

"I'm showing on here as number three the Hagerman well. As Chairman Duran said earlier, obviously we'd like to purchase the Hagerman well and develop a point of diversion of groundwater. We think we're in a good position to do so. We think that we could bring it in to the regional system and manage the supply in cooperation with the City so that we would not cause harm to any of the communities around...Number four, the state penitentiary wells. All of these issues are preliminary but we have begun discussions with GSE who actually owns the wells and the water rights about the potential for using those as part of the regional system. At present, after having closed the main facility at Corrections, there's excess water rights available. Right now I think the state would like to build those for their own uses and that's legitimate, but I think it makes sense for those water resources to be managed in a regional sense so that everybody is cognizant of their neighbors' needs and the problems that we create for our neighbors and maximize the reuse potential....Bill and Mike both hit on that. You can't emphasize that enough. It's an overall resource. Water and wastewater go together. You have to manage them together. At the State Pen also, that's the state water facility, we hope to maximize and reuse or if possible create return-flow credit opportunities from that. Number five, if legislation that's currently before the Governor is signed to allow we'd like to explore that option in our south I think that it lends itself to that sort of facility and I think that that would be a tremendous contribution, not only to the County's needs but to the City's needs, as

well as managing the supply as a whole.

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"Number six. Commissioner Anaya mentioned earlier the idea of going to Cochiti. It's still out there. ...It's been a busy time in the life of this utility but we're going to pursue all these developments. Number seven. Right now, we're in conversation with residents along Paseo C de Baca in La Cienega. They've requested water service to some of their dwellings. They've got water quality problems and I understand they have wells that are rapidly declining. We'd like to see if we could make that happen. If we're successful I think that we're in a good position to offer the La Cienega community, to at least provide back up supply into that system and fire protection to at least parts of that area. Number eight. We've had discussions, both Mike and I, with members of the community of Eldorado and they would like to explore the possibility, together with the City and the County, supplementing their supply. Obviously, all of these issues depend on successfully completing our joint effort at San Ildefonso.

"Number nine, if and when something happens and we're successful in creating a regional system along 502 into Pojoaque and Santa Fe, we'd like to explore the possibility of how we can utilize that system to manage the resource and deal with some of the issues that are facing our communities in the north part of the county, up into La Puebla, Arroyo Seco, Sombrillo areas and possibly even ultimately tie together with Española. All of these things are way out there, but if we don't start thinking about them, and we don't start acting on them just as we have by participating in the San Ildefonso regional water plan efforts, the Española Valley, Pojoaque Valley wastewater efforts, it's not going to happen.

"I think there's a tremendous amount of interest, a tremendous amount of effort being put into these things and I think that we can get it done. I would like to go back to one of the questions that was discussed earlier about what happens and how we're developing a diversion facility. The most direct way right now is in our partnership with the City and San Ildefonso to develop that diversion system at San Ildefonso...That would satisfy that, that source of supply for our system. But it makes sense for us to work together on this issue. Not to assume or not to pretend like the other entity's not there right across the line. Water, wastewater, those issues transcend political or jurisdictional boundaries. We have to deal with them in that manner."

Commissioner Trujillo pointed out that the success of wastewater is totally dependent on the participation and cooperation by the Native American communities. He remarked that there was an absence of that community today and recommended they be included within the joint City/County discussions regarding water and wastewater.

Mr. Lopez agreed and said regional efforts have the cooperation of the Native American community. He added that the Española Valley, Pojoaque Valley wastewater treatment efforts include a number of tribal governments.

GENERAL PLANNING ACTIVITIES

City Planner Director Anne Condon indicated that the City and County staffs have been working together and compared their respected general plans. There appears to be a great deal of

concurrence in the two drafts. She added that at the staff level there is agreement on urban area boundaries. The County and City share similar concepts about growth areas and complementary policies to deal with growth.

She noted that where the City tends to emphasize mixed use, new neighborhood development in new development areas, the County emphasizes concentrating new development in villages. This is a complementary concept. Both general plans support open space conservation and development of the regional trail network. We have similar ideas with a common interest in developing resources.

County Planner Jack Kolkmeier indicated that in 1997 the BCC adopted the general plan policies thus giving direction to staff. He said it was important to consider: Where should we grow?; Why should we grow there?; How should we grow there?; and, When should we grow there? in developing water plans. Mr. Kolkmeier pointed out that the fastest growth area in the County is Edgewood. The County has eleven neighborhoods/traditional communities. The County has to be concerned about growth in its traditional communities.

He closed his comment stating that the County and City will have to work together to find answers regarding new water sources.

QUESTIONS AND OPEN DISCUSSION

In response to a question posed by Commissioner Anaya regarding new developments lacking return flow credits, Assistant City Attorney Sherri Tippet said she believed there should be return-flow credits and probably require application. She said the credits are regulated by the Office of the State Engineer. Mr. Hamman pointed out that opportunities to obtain return flow credits are limited.

Councilor Bushee thanked staff for working together on this venture. She advanced the notion that Mr. Lopez and Mr. Hamman continue to work together to further develop regional water policies. She suggested staff develop a time line for presentation to the governing bodies.

Mr. Hamman said City staff plans to present a formal 40 year water plan to the Council in May of 1999. He said this plan would be cited in the general plan.

Councilor Moore said he hoped the County would follow the City's lead and prohibit the drilling of domestic wells where hook-up to a water system is possible.

He added that having two separate water utility companies within Santa Fe was working against the community.

PUBLIC COMMENTS

Don Dayton from Eldorado urged the governing bodies to develop a regional plan to protect the entire community. He thanked staff for its work and asked them to continue their work.

Ray Romero, Mayordomo of La Cienega Acequia, said another option for return flow was needed. He questioned whether using the Hagerman Well was a sound decision since it takes water from the aquifer.

Steve Benjamin introduced himself as a participant in the committees that developed the County and City general plans. He said he viewed this afternoon's meeting as positive and hoped it would be the first of many to come.

Mr. Benjamin said there appeared to be an emphasis on imported water and he was concerned

that people were too optimistic about the quantity of importable water. He urged the governing bodies to develop long range planning policies.

A woman whose first name was Carol and last name was not obtained for this record commended the council and commission for having this meeting. She said water was the most important resource we have. She supported wastewater treatment facilities being the responsibility of large developments.

Mr. Guerrerortiz responded that it makes sense in urban areas to have one standard system wastewater facility to optimize the available resources.

Judy Stevens said it was important to remember water is scarce in this region of the country.

Ed Archuleta from 1000 Friends of New Mexico said he was pleased to see the two entities meeting together. He recommended appointing a task force to meet on a monthly basis with staff.

CLOSING COMMENTS

Chairman Duran said he was pleased with this afternoon's meeting and looked forward to the next step. Councilor Whitted repeated his sentiments and commended staff.

Councilor Bushee requested quarterly reports from staff.

Commissioner Gonzales said the County is seeking innovative alternatives to achieve its objectives to provide water to the citizens of Santa Fe.

Commissioner Grifé said he was pleased to see that the County and City are on the same page with a full show of both governing bodies.

Councilor Martinez said he wanted to see the water system under one umbrella to save the tax payer money.

The managers were directed to set a date for the next joint City County/County Commission regional water study session.

ADJOURNMENT

This joint meeting was adjourned at 7:20.

Approved by:

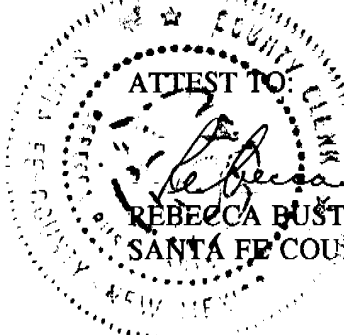


Board of County Commissioners
Paul Duran, Chairman

Respectfully submitted:

Karen Farrell
Karen Farrell, Commission Reporter

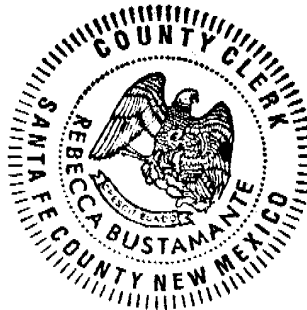
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Rebecca Bustamante
REBECCA BUSTAMANTE
SANTA FE COUNTY CLERK

Exhibit 1: Santa Fe County - Northern Portion water sources

Exhibit 2: Santa Fe County Water and Wastewater historical information



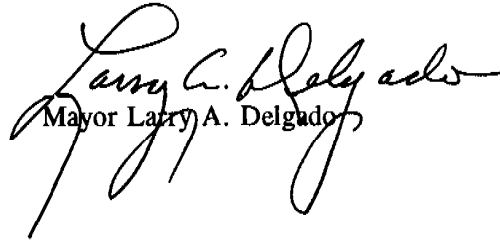
1081387
COUNTY OF SANTA FE)SS
STATE OF NEW MEXICO)
I hereby certify that this instrument was filed
for record on the 7 day of July A.D.
19 99, at 9:47 o'clock A. m.
and was duly recorded in book 1661
page 402 of the records of
Santa Fe County.

Witness my Hand and Seal of Office
Rebecca Bustamante
County Clerk, Santa Fe County, N.M.

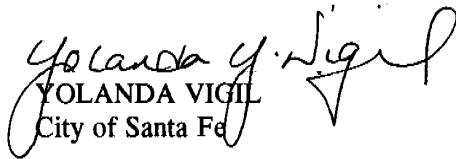
Marcella Salazar
Deputy

Approved by:

1661402


Mayor Larry A. Delgado

ATTESTED TO:


YOLANDA VIGIL
City of Santa Fe

Respectfully submitted:

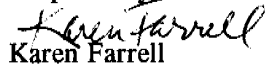

Karen Farrell

Exhibit 1: Santa Fe County - Northern Portion water sources

Exhibit 2: Santa Fe County Water and Wastewater historical information

Santa Fe County Water and Wastewater Issue Historical and Background Information

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- January, 1993** Legislation enacted to effectuate an exemption from Public Utility commission jurisdiction for a water utility owned and operated "either directly or through a corporation owned by or under contract with" Santa Fe County.
- May 10, 1994** Santa Fe County Resolution No. 1994-33 – BCC approves formation of Santa Fe County Water Company (SFCWC), Bylaws and Articles of Incorporation. Appoints first Board of Directors.
- June 16, 1994** Inter-Governmental Agreement between NMCD and SF County Water Company was signed. NMCD agreed to contribute toward construction and connection costs to obtain water service from the Santa Fe County Water Company.
- June 20, 1994** Agreement for Services between Santa Fe County and the Santa Fe County Water Company was signed. Agreement provided that County would subsidize operation of the Company.
- August 10, 1994** Agreement to Deliver Water between City of Santa Fe and the County of Santa Fe, and the Santa Fe County Water Company was signed. Under this "Wheeling Agreement", the City agreed to deliver up to 500 ac/ft/yr for up to ten years.
- November 14, 1994** Ordinance No. 1994-5 – Granting a Franchise to Santa Fe County Water Company. This Franchise Ordinance established the Company's initial Service Area.
- September 7, 1994** Negotiation and execution of various Customer Contracts under which private entities agreed to contribute to the cost of construction of the system in exchange for future service.
- 1995** Water system construction started.
- June 28, 1995** Joint venture "Cost-Sharing Agreement for Water Delivery facilities", IAIA, Thornburg, Sangre de Cristo and SFCWC signed. This was the first joint venture water system construction project between Sangre de Cristo and Santa Fe County.
- June 21, 1995** Customer Contract for West Side Water Utility Service signed.
- April 1996** South Sector construction was completed.

July 17, 1996	SFCWC Board of Directors approves Articles of Dissolution of the SFCWC Corporation. All assets and liabilities of the corporation transferred to the County. Operation of the water utility commenced as an Enterprise Fund of Santa Fe County.
July 1996	Water Delivery began on South Sector.
November 1996	Customer billing began.
June 1996	West Sector construction began.
November 1996	West Sector construction was completed.
December 1996	Water delivery began to West Sector customers.
December, 1997	Santa Fe County, City of Santa Fe and San Ildefonso Pueblo – agreement to construct and test a pilot infiltration gallery.
March, 1998	Agreement to Lease and Operate NM Department of Corrections Wastewater Treatment Plant.
June, 1998	Santa Fe County Utilities Department was formed.
July 1, 1998	Santa Fe County takes over operation of NM Department of Corrections Wastewater Treatment Plant.

Santa Fe County - Northern Portion

