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SANTA FE CITY AND COUNTY WATER SUMMIT

May 16, 2001

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DRAFT: SUBJECT TO APPROVAL

MINUTES OF THE
SANTA FE CITY AND COUNTY WATER SUMMIT

Santa Fe, New Mexico

May 16, 2001

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CALL TO ORDER

A meeting of the Santa Fe City and County Water Summit was called to order on this date at approximately 8:45 a.m. at Sweeney Convention Center. Following the Invocation and Pledge of Allegiance, Roll Call indicated the presence of a quorum of both bodies, as follows:

City Governing Body Members Present:

- Mayor Larry A. Delgado, Co-chair
- Councilor Patti J. Bushee [arriving approximately 10:45 a.m.]
- Councilor Miguel M. Chavez [arriving approximately 11:00 a.m.]
- Councilor Karen Heldmeyer
- Councilor Jimmie Martinez
- Councilor Frank Montaño
- Councilor Cris Moore
- Councilor Matthew E. Ortiz

Members Excused:

- Councilor Carol Robertson Lopez, Mayor *Pro Tem*

County Commission Members Present:

- Commissioner Paul Duran, Co-chair
- Commissioner Paul Campos
- Commissioner Javier Gonzales
- Commissioner Jack Sullivan
- Commissioner Marcos Trujillo

Members Excused:

None.

Others Present:

- Mr. Samuel Montoya, County Manager
- Mr. Jim Romero, City Manager
- Ms. Rebecca Bustamante, County Clerk
- Ms. Yolanda Y. Vigil, City Clerk
- Ms. Armida Villa, Assistant City Clerk
- Mr. Steve Kopelman, County Attorney
- Mr. Peter Dwyer, City Attorney

[See Exhibit "A" for sign-in sheets.]

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STATEMENT BY REPRESENTATIVE OF SEN. JEFF BINGAMAN

Mayor Delgado said he felt this Water Summit would clear up the misinformation he has heard from many members of the public; additionally, it would provide an opportunity for members of the City Council and County Commission to put their concerns on the table and begin to move forward in addressing the water supply issue.

Mayor Delgado stated that Joe Ruiz, a member of Sen. Bingaman's staff, wished to make a statement before the proceedings began.

Mr. Ruiz conveyed Sen. Bingaman's regrets that he could not be present for this Water Summit, but said the Senator was pleased to see the County and City convene to find regional solutions to the water supply issues. Mr. Ruiz commented, "Everyone knows that New Mexico water resources are increasingly under pressure to meet expanding needs. Consequently, regional water planning is of tremendous importance to the future economic viability of communities." He commented that, with 101 incorporated cities, 33 counties and countless unincorporated villages and towns in New Mexico, "everyone doing their own thing is not a good idea. We have to come together regionally to solve regional problems."

Mr. Ruiz stated that Sen. Bingaman's staff in Washington, D.C. has continued to work with the other members of the delegation to secure federal authorization and additional federal funding for the infrastructure needed to meet the region's future water needs. He said the continued cooperation of the City and County, and hopefully the Indian tribes, would be very important to the success of such a program.

Mr. Ruiz stated that Sen. Bingaman co-sponsored Sen. Domenici's Sen. Bill 3078 last year, which would have authorized a feasibility study to include the region and the San Ildefonso, Tesuque, Nambe and Pojoaque pueblos into the program. He said the bill was introduced at the end of the last Congress and they hope to revive the bill, but first want to make sure that the City and County still agree that this kind of federal action is needed.

Mayor Delgado acknowledged the presence of other representatives from Sen. Bingaman's staff as well as Michelle Jacquez-Ortiz from Rep. Udall's office.

Commissioner Trujillo also noted that representatives from the San Ildefonso Pueblo were present in the audience. He stressed the importance of including the Native American community in any discussions on regional water issues.

APPROVAL OF AGENDA

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Commissioner Sullivan moved approval of the agenda, as published. Commissioner Campos seconded the motion and it passed unanimously by voice vote. [Not present for the vote: Councilor Bushee; Councilor Chavez, Councilor Ortiz.]

OVERVIEWS

Mayor Delgado

Mayor Delgado stated that there have been several years of drought between 1992 and now, and last summer "Mother Nature got our attention" with not only another drought, but with the Cerro Grande Fire and other fires in the city and county. He said he subsequently put together his Four Point Plan, which included a call for fast-tracking the San Juan-Chama diversion project.

Mayor Delgado stated that Santa Fe is one of the lowest per-capita water consumers in the West, and should be proud of that, but given the reality of the limited water supplies, more has to be done to continue conservation efforts. He said these efforts will be brought forward through aggressive water conservation action plans to reduce the demand at least 10% within the next two years — the equivalent to finding another 1,100 acre-feet of water. He said this \$1.5 million effort would focus on low water use plumbing fixtures, low water use landscapes, irrigation efficiency and rainwater harvesting.

Mayor Delgado stated that the Four Point Plan also calls for an annual water budget for new growth. He commented that, while many people do not want to have to play that card, "I still feel it's a card that has to be kept in the deck, and if it gets to the point that we're not able to resolve our water supplies, I feel that is something we need to discuss."

Mayor Delgado continued, "When it comes to water, we're all in this together...and regional planning means working together to collectively solve our water management problems, the idea being that our collective resources can better address the issues than each of us going at it alone." He said that, while the Jemez y Sangre Water Planning process is addressing regional water planning for all of North Central New Mexico, and while the City has been a leader in the Jemez y Sangre process, a much more basic and immediate regional water planning need is that between the City and the County.

Mayor Delgado stated that, if for some reason the City and County are unable to work cooperatively, he would recommend that the City move forward on its own.

Mayor Delgado said the City has rehabilitated three Buckman wells, increasing the productivity of those wells by 500 gallons per minute, or 720,000 gallons per day. He stated that the hearing on the Northwest Well would take place next month to address the protests. He said the City's experience with this well makes it clear that drilling a number of new wells is not a solution to its water ills, either immediate or long term.

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Mayor Delgado stated that the City has also authorized a \$900,000 supply alternative consulting contract to study the San Juan-Chama project and meeting the needs of the city in the long term. He stated that the results of the study would be released in December, allowing time for a thoughtful and well-studied process to reach the right conclusion. He said this is preferable to rushing out and building facilities that may not be feasible for future use.

Mayor Delgado said the City has also asked the Bureau of Reclamation to extend its water rights, which will expire in 2016, into perpetuity.

Mayor Delgado said construction of the pilot Ranney infiltration gallery on the San Ildefonso Pueblo property began last week.

Mayor Delgado commented, "Why do we need to cooperate? Our constituents in and outside the city are counting on us to develop a water management solution that minimizes costs and meets our long-term needs. While the City and County may have differences of opinion on how to best utilize new sources of water, we both have the same need of San Juan-Chama water in our systems as quickly as possible. We may even be much more successful in obtaining substantial federal funding for diversion projects if we work as a team on a regional facility rather than build facilities independently....The public rightfully has concerns regarding our ability to collectively make decisions in a timely manner in order to stay on schedule. The cooperative agreement must be crafted in such a way as to force our hand to make timely decisions and keep the process moving....When it comes to water, land use and growth, each jurisdiction looks at things a little differently. We must accept and respect that as work together to bring the San Juan-Chama project on line. We need to coordinate state and federal funding and request efforts critical to maximize the amount of state and federal funding we may receive. If we can agree to pursue funding in tandem, the fruits of our efforts could be substantial."

Chairman Duran

Chairman Duran expressed concern over the absence of Councilor Bushee, a senior Councilor whose input was critical to this process. [Note: Councilor Bushee arrived at approximately 10:45 a.m.]

Chairman Duran said, "I believe that our water issues are only going to be solved by working together as two governing bodies...and that we find solutions together to the water issue. This is a community issue, not a jurisdictional issue. We need to determine

where growth is going to occur in our community so that we can ascertain where there will be water needs.”

Chairman Duran stated that it will be important to balance economic growth with quality of life issues the community faces, and obviously there will be a limited amount of growth that the community can absorb. He said he hoped the City and County together would be able to address this issue and develop a plan for the future.

Chairman Duran said the Jemez y Sangre Water Planning Council has determined that growth in the county will probably exceed growth in the city in the next 40 years. He said management of water with respect to that issue needs to be factored into these discussions.

Chairman Duran stated that the City and County need to work together on a regional basis to maximize federal dollars. He said he and Mayor Delgado and several Councilors will be going to Washington this weekend to meet with the federal legislative body to discuss how they can find federal funds to help develop a point of diversion together and secure San Juan-Chama water rights. He commented that presenting a united front to the federal representatives is very important.

Chairman Duran stated that, although the Regional Planning Authority has not made tremendous progress since its creation last year, in the last few months they have chipped away at some of the issues that have been the stumbling blocks in developing a plan. He said he believed water to be critical to the regional planning process.

In closing, Chairman Duran commented that he hoped by the end of today the City and County will have dispelled the idea that “he who controls the water controls growth.” He said, “This is a regional issue and we need to work together on it.”

PRESENTATIONS

Staff Presentations Overview (Craig O’Hare, City Water Division Administrator),

Mr. O’Hare reviewed the presentations scheduled on today’s agenda.

Mr. O’Hare stated that perhaps another Water Summit could be called in three or four weeks if both bodies express a continued interest in working together, at which time the language in the cooperative agreement could be discussed, firmed up and adopted.

Regional Water Supplies; The Big Picture (Amy Lewis, City Water Division).

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Ms. Lewis stated that the Jemez y Sangre Water Planning Council, which has been meeting for three years, recently came out with a population report and water supply study. [See Exhibit "B" for report.]

Ms. Lewis presented slides of the Jemez y Sangre Water Planning Region and Sub-basins, the Santa Fe River Sub-basin, a graph of future domestic and municipal water demand in the Santa Fe Sub-basin, the North Galisteo Creek Sub-basin and domestic and municipal water demand in that sub-basin, and the City of Santa Fe's water supply system. [See Exhibit "B.1" for slides.]

In discussing the water demand necessary to meet projected population, Ms. Lewis explained that the projections were not constrained by land or water availability in order to present a baseline for discussion. Ms. Lewis stated that, based on the growth projections, the area (including La Cienega and Rancho Viejo) will be out of water in approximately 2040. She stated that demand prior to that can be met through obtaining San Juan-Chama water and getting a full return flow credit, assuming there is 60% return flow credit, and that per capita demand stays steady. After that point, she said, an additional source of water would have to be found.

Ms. Lewis said the projected population for El Dorado is 50,000 in the year 2060, and water demand goes from less than 2,000 acre-feet in 2000 up to 8,000 acre-feet per year by 2060. She said most of the demand is being met today through individual domestic wells or through the El Dorado water utility. She stated that the graph does not reflect any use of San Juan-Chama water.

Councilor Moore asked if he understood correctly that the graph reflecting that the Santa Fe sub-basin will run out of water around 2040 does not assume any San Juan-Chama water going to El Dorado, and Ms. Lewis said that was correct.

Councilor Moore said he assumed these were average yield figures; for instance, if there were a 10% buffer set aside to address the drought years, then the situation would be somewhat worse.

Ms. Lewis responded that it could be worse, depending on the extent of the drought. She noted that the average yield out of the Santa Fe River is about 4,800 acre-feet, but it has gone as low as 1,000 acre-feet. She said more water can be produced from the Buckman well field, however, so during droughts that source could be used to provide some buffer.

Councilor Moore said he understood this to be conjunctive use — in other words, the City would be allowed to pump more out of the Buckman wells during drought years and less during wet years. Ms. Lewis said that was correct.

Chairman Duran asked if he was correct that the graph did not factor in the Hagerman well rights, which the County is now in the process of purchasing, or the additional water rights that could be obtained through the Ranney collection system.

Ms. Lewis responded that the graph factors in San Juan-Chama water, whether obtained through the Ranney system or otherwise. She added that the City and County have been interested in pursuing Jicarilla Apache water rights for the San Juan-Chama water, which would help with future deficit. She said the graph did not include Hagerman well rights. She stated that she included existing meter usage for the State Pen and other entities, data that was available to her through the State Engineer Office.

Chairman Duran commented that obviously the City and County will have to be proactive in bringing new wet water into the system well before 2040 to provide sustainable water to the community, and they are doing that.

San Juan-Chama Diversion Alternatives (Estevan Lopez, County Land Use Administrator).

Mr. Lopez stated that there are four alternatives for getting to the river and accessing San Juan-Chama water:

- Building a diversion system at San Ildefonso and piping it into the Buckman line or something along that route;
- A direct diversion in the Buckman area (including options being offered by Las Campanas);
- Drawing water from the Cochiti area, such as Cochiti Dam; or
- Drawing water from the Santo Domingo/Peña Blanca area.

Mr. Lopez said he was only focusing on locations, not methods of diversion, in these instances.

Mr. Lopez reviewed a schematic of the San Ildefonso pilot infiltration gallery. He said the natural alluvial material in this area makes this the preferred alternative in accessing San Juan-Chama water. He commented that drawing from the river directly would have enormous treatment costs associated with it by comparison.

Commissioner Trujillo asked Mr. Lopez what the distribution potential was for this project based on water capacity, and what areas would be served.

Mr. Lopez responded that the expected capacity of the pilot project is about 1.2 mgd, which is not very much; however, if the technology is proven and if agreements can be

reached, and additional collectors built, then six collectors could access all of the San Juan-Chama water — approximately 15,000 acre-feet. He said there has been discussion about using this type of system for serving the northern part of the county (Rio Pojoaque and Rio Tesuque areas), and that would require additional collectors. Mr. Lopez stated that it would be up to the governing bodies, assuming they work together, on what areas should be served.

Mr. Lopez reviewed a schedule in the packet for completing the demonstration well project, as well as associated costs. [See Exhibit "C."]

Responding to questioning from Councilor Ortiz regarding the cost differentials among all of the systems, Mr. Lopez said the alternatives range from no treatment to a large-scale treatment plant, and the O&M costs for the latter would be at least four times as much. He stated that the capital infrastructure costs of constructing the Ranney facilities by themselves, without any treatment, are probably comparable to constructing a direct diversion system, including treatment — so the capital costs are probably close to a wash.

Councilor Moore asked what the difference would be to the ratepayer.

Mr. Lopez responded that the cost to the ratepayer would not be the full four-time multiplier, but would be something less because of amortization.

Councilor Moore remarked that the increase to rates would be nonetheless significant for a system like the Buckman diversion, which would require treatment, versus the Ranney gallery if the tests go well and treatment is not required. Mr. Lopez concurred.

Chairman Duran asked why rates would have to be increased at all if there are federal monies to take care of the costs, and Mr. Lopez responded that it would depend on the amount of federal monies, adding that it is highly unlikely that federal grant monies could be used to pay for anything other than capital costs.

Responding to questioning from Commissioner Trujillo, Mr. Lopez said the one certain thing is the ability to use San Juan-Chama water, and there are no restrictions in terms of whether the water is diverted above the Otowi gauge or below it. He said the County has an application before the State Engineer to transfer Top of the World water rights to a facility in San Ildefonso, but there is no certainty that the transfer application will be accepted; and in fact, during the last Legislative Session, a joint memorial was adopted asking the State Engineer to prohibit transfers of water rights from above the gauge for use below the gauge. He said he did not know what the outcome would be.

Supply Alternative Study & NEPA Process (Staff).

Camp Dresser & McKee representatives Jim Steele and Sue Morea were present, as was Lee Wilson from Lee Wilson & Associates.

Mr. Steele gave a presentation of CDM's supply alternative study. He said the CDM team will work in partnership with Santa Fe to develop a water supply plan and project implementation strategy to meet immediate and long-term needs. The presentation included discussion on technical issues and institutional issues, long-term water supply planning alternatives, critical success factors, supply objectives, and the process for developing a decision model.

[See Exhibit "D" for slides.]

Commissioner Sullivan asked if the study would include the feasibility of aquifer recharge, since it was not specifically mentioned under the long-term water supply planning alternatives. He commented that state statutes now permit aquifer recharge, although there are no NMED regulations regarding water quality with respect that.

Mr. Steele responded that CDM obviously couldn't introduce legislation to address that, but will look at other successful models, such as El Paso's, and build around that framework.

Commissioner Sullivan asked if CDM will suggest some water quality criteria and regulations that would pertain to aquifer recharge, or would they just estimate what kind of return flows could be obtained from that.

Mr. Steele responded that CDM would look at accepted water quality criteria for recharge programs in other areas such as Florida and Texas.

Commissioner Sullivan explained to Mr. Steele that there are several developments in Santa Fe County that are currently looking at aquifer recharge as a method for going beyond their current approved development, so it would be helpful if CDM could be as specific as possible on this issue in their study. He stated that, whenever recharge is proposed, well owners downstream (particularly those in the La Cienega area) express concern that the water, although treated to acceptable standards, would no longer be "virgin water." He commented that this issue will likely go away once that area is on the County water system, but in the near term that issue is very much alive.

Mr. Steele responded that CDM will provide the hydrologic modeling to predict water transport, and there will be a water quality analysis also. He said the present state of the art is that the water is treated to drinking water standards before recharge. He stated the El Paso has such a system.

Commissioner Sullivan asked Mr. Steele if the study would reflect what the probable impact would be on the La Cienega area should tertiary-treated water be recharged at an upstream point such as Rancho Viejo -- a model currently under discussion.

Mr. Steele responded that the intent is to have some predictive modeling, and he assumed that would be included.

Councilor Montaña said he was surprised to see that the San Juan-Chama information would not be presented until December, which is two months later than anticipated by the Public Utilities Committee.

Ms. Lewis responded that the schedule was changed because of delays created by staff resignations and the workload on existing staff, among other things.

Addressing Commissioner Sullivan's earlier concerns, Ms. Lewis explained that any kind of discharge, either in an injection well or into the ground, is covered by state regulations. She said UIC (underground injection control) is part of the Water Quality Control Division regulations, and there are also federal UIC regulations.

Mayor Delgado asked Mr. Steele if CDM's report could be presented any earlier than December, and Mr. Steele responded that it would be very difficult to provide a quality product in less time. He cited the amount of work involved, as well as pulling together the public participation process for the individual NEPA studies.

Lee Wilson of Lee Wilson & Associates noted that, while NEPA is a federal requirement and there is no state or local NEPA requirement to do an environmental impact analysis, a NEPA document will be necessary because of federal involvement later in permitting, rights of way on Forest Service lands, and funding.

Mr. Wilson added that the City has already contemplated a substantial public participation process; in fact, what the City is proposing to do is essentially equivalent to what is imposed by NEPA. He said the practical effect of NEPA in terms of the decision-making will be relatively small, but the City will be affected by the timing, because this federal process includes a number of procedural requirements that will involve a substantial time frame.

Responding to questioning from Mayor Delgado, Mr. Wilson said his company has gone through the NEPA process many times, "and the fastest one I personally ever did....was 12 months, and that set a record."

Mayor Delgado pointed out, then, that any entity going to the river for water will have to spend at least a year going through the NEPA process.

Mr. Wilson said that was correct. He said even a very narrowly defined diversion project would take eight months.

Mayor Delgado said some groups in the city and county have maintained that "we could have water out of the river and in our pipelines in a year." Mr. Wilson responded, "Not possible."

Chairman Duran asked how long the process would take if the City and County joined Las Campanas in its efforts to build a diversion in the Buckman area.

Mr. Wilson responded that they have not scoped that out. He said they want to initiate the process as soon as possible as the first step – to get it started and get the clock ticking on federal involvement – and see what issues are raised in the NEPA public process. He said this “scoping” process, as it is called by NEPA, results in a list of issues and gives a much better idea of what has to be done in getting federal approval.

Mr. Wilson went on to state that he just completed the process with a major project in Texas involving hundreds of millions of dollars in private investments, and the pressure on government agencies was intense. He said 16 months was the shortest time frame they could get the NEPA process down to — and that was a full-fledged EIS.

Chairman Duran asked Mr. Wilson if he thought 18 months would be adequate timing, then, in his professional opinion.

Mr. Wilson responded that they hoped so, especially if they can carve out the San Juan-Chama project, and even if it has to be a full EIS for the San Juan-Chama diversion itself. He said 12-14 months may be possible under those circumstances.

Chairman Duran asked Mr. Wilson to elaborate, and Mr. Wilson explained that he was referring to the NEPA process for the San Juan-Chama diversion (short term/long term), which presumably will not involve issues like effluent reuse, which is very complicated and requires a lot of study. He said the technical studies for that NEPA process can be done and included in the December report.

Mr. Wilson also stated that the second NEPA process will start before the first NEPA process is completed.

Chairman Duran asked if the facility being planned would be substantial enough to anticipate other water rights being used at that location.

Mr. Wilson advised against complicating the process in the interest of moving it along quickly. He commented, “The simpler we make the water rights picture for the first fast-track project, the better our chances of moving fast through the federal labyrinth.” He said the transfer of additional water rights and growth of the facility beyond the existing San Juan-Chama contract can be dealt with in the second NEPA process.

Responding to questioning from Mayor Delgado, Mr. Wilson said the public participation effort that is part of this project will be structured so that it counts as the public participation required by NEPA.

Mayor Delgado asked Mr. Wilson if it would be possible to award design-build contracts for the project while the NEPA process is underway, and Mr. Wilson responded that there is nothing in NEPA that would keep an entity from doing anything that doesn't actually require a federal permit. He stated that, as soon as the Governing Body feels

comfortable that they know what they want to do, and assuming that the NEPA process hasn't identified any fatal flaws, and the project is sound, the contracts could be moved forward. He said he has been involved in projects that have already been completely built, with the exception of the pipelines in the river for discharge, where the NEPA process has then been initiated in order to analyze the discharge impacts.

Mr. Steele stated that design-build within the state of New Mexico has certain financial limitations, but he could not quote them directly. He said he believed anything under \$2 million or above \$20+ million can go to design-build but anything in between has to go through the bid process. He said there are many design-build firms (CDM is one of them) that can do work if it is within the constraint of state law.

[There was a 15-minute break.]

Las Campanas; Surface Diversion Plans

Attorney Sue Umshler, environmental engineer and representative for Las Campanas, discussed three diversion alternatives being considered by Las Campanas. Enlarged drawings were on display for the Commission/Council. Ms. Umshler also distributed packets explaining the three diversion alternatives, described as follows:

- **Diversion Alternative 1: Infiltration Gallery.**
Perforated pipes laid in gravel along the riverbed are one means of withdrawing Las Campanas' water. Two arms totaling 1,700 feet in length would be needed. Pumps would pull the raw water to Las Campanas treatment facilities.
- **Diversion Alternative 2: River Intake.**
[Computer-simulated photos were used to illustrate this concept, which is a series of screens installed below the surface of the river and supported by a concrete structure. Water is collected and pumped to a sedimentation basin to remove silt and dirt.]
- **Diversion Alternative 3: Dam/River Intake.**
Las Campanas could get its water from the river by building a dam that can be raised and lowered.

[See Exhibit "E" for information packet.]

Ms. Umshler stated that Las Campanas needs to move forward with its replacement water delivery system. She said Las Campanas entered into an agreement in 1994 with the County to replace its current lease of Buckman facilities and are under an obligation to have construction begin in 2002, if possible, and have the facility completed in 2004.

Ms. Umshler said Las Campanas welcomes the NEPA process as a way to have a conversation with the community, to look at the proposed alternatives, and obtain fair

input and comments on ways to improve the project. She stated that Las Campanas does not want to rush the NEPA process and is trying to allow for plenty of time for it to happen.

Ms. Umshler stated that Las Campanas is already negotiating with the Forest Service, BLM and the Army Corps of Engineers, the three agencies that will be issuing the key permits for the diversion permits, "and we are attempting to start our formal NEPA process this summer as well." She said Las Campanas is engaging in "pre-scoping meetings" by informally meeting with as many public groups as they can to discuss the three alternatives and get feedback that they will use to write their NEPA document.

Ms. Umshler said the Ranney collection system is not feasible at the Buckman because of the geology, so that has not been included as one of the alternatives.

In discussing the first alternative (infiltration gallery), Ms. Umshler said this would consist of a 1,700-foot long pipeline, buried about 30 feet deep along the edge of the river. She said the disadvantages are that it would require disturbing about a half mile of the river base, and would require that the riparian area be dewatered. She said the vegetation would have to be cleared and would probably continue to die.

Ms. Umshler stated that the major disadvantage is that the infiltration gallery at this location is not a regional solution. She said their geohydrologist has indicated that this area would only be able to yield between 1,100 and 1,800 acre-feet of water annually, and that is only as long as the system does not clog. She said these facilities tend to clog and have to be frequently cleaned or replaced. She said Las Campanas needs 1,800 acre-feet per year for its development, which means only one party could operate an infiltration gallery in this location.

Ms. Umshler said the advantage is that the infiltration gallery is below ground and would not disrupt river flow.

Mayor Delgado asked what the impact on the ecosystem would be under this scenario, and Ms. Umshler responded that it would be "quite severe" because the water from the riparian area would be moving into the piping system.

In discussing the second alternative (diversion intake structure in the river), Ms. Umshler said CH2MHill has designed this type of facility in the Pacific Northwest, and it involves a pipe being placed in the river under the flow of the water; the water flows into the pipe and is taken into a sump facility, and pumped up to a sedimentation basin.

Ms. Umshler said the disadvantage of this system is that "you don't get the treatment that you get in an infiltration gallery, so you have to remove those solids before you pump the raw water up the hill to the treatment plant."

Ms. Umshler said the advantage is that this two-screen system uses small equipment, it will take up about 40 feet of river front, and the riparian area will not be dewatered.

She added that this system is also amenable to a regional solution and is compatible with the planning and alternatives analysis that the City and County have to undertake to meet the needs of their constituents.

Ms. Umshler stated that this system would yield about 1,800 acre-feet. She said that, if the County were to join onto this project, a third screen could be added to yield another 1,000 acre-feet. She said that, if the City wanted to join in this project, the entire 5,600 acre-feet of San Juan-Chama water allocated to the region, and Las Campanas' independent water rights, would probably require about eight screens. She said eight screens will probably bring up about 15,000 acre-feet of water, which is double the Las Campanas water right and about double the City and County water rights, and would meet peak demand.

Chairman Duran asked Ms. Umshler if the eight-screen scenario would bring the region to the point of being out of water by 2040, as discussed by Ms. Lewis earlier in the meeting.

Ms. Umshler responded that the Las Campanas engineers do not feel like the eight-screen standing alone can go much beyond a 15,000 acre-feet withdrawal, which is about the current 5,600 acre-feet San Juan-Chama right. Ms. Umshler stated that, in looking at Ms. Lewis' chart, "I think that the pressure this region is going to start feeling is going to happen much sooner. I think 2010, if you look on the graph, shows the absolute need for the region to have another source of water. So even as early as 2010, such a system as this would be able to provide additional wet water in addition to the well fields and the reservoir. But if you're looking at a longer planning horizon 40 years out, that water capacity would probably then require something like [Diversion Alternative 3]."

In describing Diversion Alternative 3, Ms. Umshler said an adjustable height dam would have to be constructed in the river to create pond water that can be diverted to the intake structure. She said this system could bring a lot more water in.

Ms. Umshler pointed out that the NEPA process needs to be started as soon as possible. She said, "The penalty of doing NEPA incorrectly is you have to start over. And so the most precious thing to you right now is time, and you don't want to have to start over because your NEPA document is challenged. If you wind up in litigation, you can lose a lot of time."

Councilor Montañó asked why Las Campanas is not included in the Ranney pilot project at the San Ildefonso Pueblo, which will involve a natural filtering system.

Ms. Umshler responded that Las Campanas is open to that as an alternative, but has a 2004 deadline, presenting a very tight schedule in terms of the NEPA and design processes, so they have to start right away. She stated that one of the alternatives that will be examined in the process is the "no action alternative," where Las Campanas will not be constructing its own diversion structure and would look toward the City and County for other means of delivering water.

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Councilor Montañño asked Ms. Umshler if Las Campanas would be amenable to having the 2004 deadline extended by the County, allowing them to be part of an overall process that might be make more sense than creating a separate diversion point.

Ms. Umshler responded that Las Campanas does not want an extension because the region needs another wet water supply, according to the statistics presented by Ms. Lewis, and they would prefer not to delay any longer.

Councilor Montañño said his question was whether the City's current system is sufficient to deliver water to Las Campanas, whether or not the City is able to build a system on the San Ildefonso property. He expressed concern that Las Campanas could be creating a system that may or may not be the most efficient system for the region as a whole.

Ms. Umshler stated that all alternatives, including the San Ildefonso project, should be pursued. She said Las Campanas' option does not preclude the City and County from exercising their rights at other locations. She stated that Las Campanas' goal is "not to interfere with what the elected bodies need to do, but to facilitate it and to not do any harm. We are aiming our plans to build this facility to be compatible with a regional solution, not to harm it, not to interfere with it or to preclude other alternatives. So we are perfectly willing to work with the San Ildefonso project, but we believe that this option has to also be started now."

Councilor Martinez asked Ms. Umshler what kind of impact Las Campanas would have on water resources if they "did their own thing."

Ms. Umshler responded that the water rights that would be applied to their diversion are owned by Las Campanas, which has a lease for San Juan-Chama water from Albuquerque. She said that, if anything, there would be a positive impact on the region by bringing a new wet water supply in and releasing the Buckman well field to the region for use as a potable supply.

Mayor Delgado commented that this line of questioning from Councilors "is kind of saying that we are players, but we have never shown any interest in wanting to be a player with the County and Las Campanas."

Councilor Moore said he personally felt no obligation to support Las Campanas' efforts to seek options for diversion, since they are a private development and it does not set a good precedent to have private entities diverting their own water directly from the river. He stated that he thought it much better for Las Campanas to be a customer of the City or County water systems, or a joint City-County water system. He added, "To say that the need for regional planning obligates the City to have to work with Las Campanas, instead of the other way around, is the tail wagging the dog."

Chairman Duran pointed out that there is a community outcry to develop a point of diversion to take care of immediate needs, and the Ranney collector is a very complicated source of water because it involves road issues that the County is attempting to work out with San Ildefonso Pueblo, and that will take some federal legislation and funding. He stated that, based on remarks he heard last year from the Governor of San Ildefonso Pueblo, "the Ranney collector will not go forward at a very rapid rate until we deal with the road issues." He remarked that it would not fulfill the needs of the community "to put all our eggs in the basket of the Ranney collector."

Chairman Duran said he saw no reason for three different entities to be going to the river to get their own water. He stated that the future of communities throughout the country will be based on private partnerships and government, and Las Campanas is willing to spend millions of dollars at this point of diversion, so there is no need for the City and County to spend millions of dollars of their own money. He said this point of diversion will solve the immediate needs of the area.

Chairman Duran also stated that, for the last four or five years, the County has been unsuccessful in negotiating a renewal of its wheeling agreement with the City, "and it's because of that that we are considering partnering with Las Campanas on this thing." In addition, he said, the wheeling agreement mandates that the County develop their own point of diversion.

Councilor Heldmeyer said she found it disingenuous for Ms. Umshler to say that going to the river for Las Campanas would do not harm to other entities. She commented, "I think we all realize that essentially we're all going to go to the same entities with this NEPA process, and these entities may very well say, well, we don't want three different diversions, we only want one. And Las Campanas is saying we're going to be the first out of the box and beat you to it."

Councilor Heldmeyer said she heard a longer version of this presentation about two weeks ago and heard a number of other disingenuous and overly optimistic remarks that did not seem grounded in reality. She pointed out that Las Campanas says they need 1,800 acre-feet a year, but the City of Albuquerque has indicated that they will take away a lot of that in 2011 when the lease expires.

Councilor Heldmeyer stated that she has sponsored a resolution calling for the City to enter into talks with Las Campanas. She said the resolution includes safeguards she feels the City needs to have, and also looks at requiring that Las Campanas undergo the same kinds of conservation requirements that people in Santa Fe have had to routinely observe in recent years. She commented, "If the idea is that somehow we're going to do this to facilitate expensive homes with water features and lush golf courses, that's not something particularly interesting to me." She said she felt Las Campanas should be more open about what it is they really want and really have, "and I think they need to be open to ideas that may change their lifestyle if they want to participate in joint water projects in this area."

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Responding to questioning from Councilor Bushee, Ms. Umshler said the 1,800 acre-feet needed by Las Campanas is for their entire build-out, which would provide water for two golf courses, all of the recreation requirements, and domestic and commercial requirements of the development. She said the current plans call for 1,700 homes, some of which are already connected to the City's system, so the water demand that Las Campanas is trying to meet is for about 1,400 homes. She said 1,000 acre-feet will serve the residents, and 800 acre-feet will serve recreation needs.

Responding to Councilor Heldmeyer's earlier remarks, Ms. Umshler said Las Campanas is purchasing permanent water rights up to 1,800 acre-feet. She said the lease expires with the City of Albuquerque in 2012, and they have never anticipated that the lease would be extended. She stated that Las Campanas has 600 permanent acre-feet and leases another 1,600 acre-feet of San Juan-Chama water from Albuquerque.

Councilor Bushee asked if the three diversion options presented by Las Campanas have cost estimates attached to them.

Ms. Umshler responded that Diversion Alternative 2 (River Intake) is estimated at \$11.5 million, that Las Campanas will be paying entirely on its own up front. She said the agreement with the County has required that Las Campanas provide a \$6.5 million surety, and if Las Campanas does not build a structure, that money would be turned over to the County so that they could build a structure. She said that would meet the domestic portion of the system, and the remainder of the money is to bring up water for the golf courses and the recreation, which Las Campanas will entirely pay for.

Ms. Umshler stated that, as part of the 1994 agreement, if the County wants to expand the system to 2,800 acre-feet, it will have to pay the incremental cost of upsizing the diversion structure, the pipes and treatment plant and that will cost about \$3.5 to \$4 million.

In discussing the three diversion alternatives, Ms. Umshler said none of them includes the capacity to treat the City's portion of the water. She stated that the treatment plant will be constructed at Las Campanas, probably at a maximum of 2,800 acre-feet because there isn't enough space there to put in a bigger treatment plant.

Councilor Bushee asked Ms. Umshler what the City's cost would be to participate in Diversion Alternative 2, and Ms. Umshler responded that she did not know the figures offhand. She said Las Campanas sent a letter to the City offering to bring those cost figures to the table if the City wanted to participate in discussion.

Councilor Bushee asked staff to study the benefits and impacts to the City of Diversion Alternative 2.

Ms. Umshler clarified that, if the County joined into the project, they would have to bring their water rights with them for whatever amount of water they could divert. She said Las Campanas is not proposing to purchase water rights for the County.

Councilor Bushee said she would like Las Campanas to consider being a customer of the City.

Responding to questioning from Councilor Chavez, Ms. Umshler stated that the commercial component is included with the 1,000 acre-feet allocated for residential use in what is called the domestic category.

Councilor Chavez stated that he was one of the Councilors uncomfortable with the proposal brought forward by Las Campanas, but has always been willing, then and now, to sit down at the table with Las Campanas and the County.

Responding to other questioning from Councilor Chavez regarding the possibility that Las Campanas will be able to increase their effluent output, Ms. Umshler stated that projections are that half of 1,000 acre-feet would be effluent used to irrigate the golf courses, but that has never been projected to be enough. She said the golf courses require 800 acre-feet, so the additional 300 acre-feet would have to come from the river, at minimum. She pointed out, though, that it is better to use the raw water from the river for irrigation purposes than to continue using potable groundwater from Buckman — one of the benefits that would be realized from this project.

Councilor Chavez said this was part of why he was willing to continue to discuss this with Las Campanas as a possible short-term solution. He added that there is something fundamentally wrong with using that much water on golf courses in what is essentially a desert community, and he will continue to struggle with that issue.

Councilor Chavez urged caution in “rushing to the river.” He recalled the State Engineer expressing concern about the environmental impact that would result from three different entities creating diversion projects along the river.

Mayor Delgado asked Ms. Umshler how Las Campanas would react to the idea of the County extending their agreement deadline past 2004, and the City, County and Las Campanas all bringing their water rights to the table and agreeing on one diversion project, with Las Campanas as customers.

Ms. Umshler responded, “I think Las Campanas is very desirous to start the conversation, and we really appreciate that expression by members of the Council today. Because it is very important, as Councilor Heldmeyer has pointed out, that the federal agencies would like to see us moving in sync. I believe the State Engineer would like to see that. And to the extent that we could work together, it would facilitate all of us going through the permit process in the most efficient and probably the most protective manner for the river. But we have to start proceeding with our project now because we have a promise with the County, and there has to be a real agreement that they can see coming out of it. If we delay another year, there will be no way Las Campanas can meet their deadline. And even if there was an extension a year or two, if you saw Amy’s chart, in

2010 the region's going to start to suffer anyway, and every year delay puts you that much further away from another water supply for the area."

Councilor Moore said he understood Chairman Duran to say that two diversion projects should be pursued, one for the short term and one for the long term. He said he thought one diversion project should be pursued as a long-term solution for the region.

Regarding the 2004 deadline, Councilor Moore said that is between Las Campanas and the County. He said the City and County have constitutional obligations to their citizens and to private development, and Las Campanas should be a customer like any other private developer.

Councilor Bushee calculated that the 1,000 acre-feet for residential use equates to 1.2 acre-feet per home in Las Campanas, whereas the average residential use in the city is .25 acre-feet.

Chairman Duran commented that "every time we talk about the wheeling agreement, it gets shoved under the carpet." He said he is therefore very concerned that, if the County misses this opportunity to develop a point of diversion with Las Campanas, so it can provide water to county residents, and the County sits down at the table with the City to discuss the wheeling agreement, "and the philosophy is, he who controls the water controls the growth, then we're wasting our time." He said the County is being "held hostage" because the City will not communicate with the County on the wheeling agreement — and until that dialogue takes place, the County would prefer to develop its own point of diversion at Cochiti Lake, for instance.

Commissioner Gonzales remarked that the City and County have talked for years about working cooperatively on water issues and it is a great source of frustration for him because so little progress has been made. He commented that now the County is faced with a very real situation of needing to address a long-term source of water supply for the community, and that Las Campanas "is just an entity out there that's in need of water." He said the fact that this is a luxury development should not play a role in deciding how everyone is going to work collectively.

Commissioner Gonzales also stated, "From my perspective, unless we can have some type of real dialogue from the City and some type of concrete agreement as to how we're going to collectively work together to commit to working with the Las Campanas diversion project, I think that the County needs to...find an expeditious route to establishing a long-term source of water supply. My preference is that is with the City, but if we're going to be talking about this for another six years and not doing anything about solving it, then I don't want to be a part of that."

Commissioner Gonzales stated that, if today's Water Summit does not result in some type of agreement between the City and County on how to collectively go to the river, then the County needs to make a decision on its own diversion opportunities.

Commissioner Gonzales said the only real option presented to the County is the agreement with Las Campanas to have a source of water in place by 2004. He stated that he was not willing to renegotiate with Las Campanas “unless we know that there is at least some real way that the City and County can take the lead, knowing that if we get into this process collectively, it may take longer than 2004 to get a diversion point. I think that’s okay as long as we know there are some agreements that actually commit the two of us to working together. And it’s never really gotten to that point.”

Referring to the draft agreement in the packet, Commissioner Gonzales said he envisioned it being sent back and forth between the City and County and being modified repeatedly, until there will be no opportunity to reach consensus of any kind.

Councilor Moore remarked that he was confused, because he has not heard any City Councilor say that they do not want to work with the County. He said some County Commissioners are saying, though, that if they have to choose between working with Las Campanas and working with the City of Santa Fe, “they’d rather work with Las Campanas.”

Councilor Moore said he was also confused by Chairman Duran’s remarks that there has been no real dialogue between the City and County regarding the wheeling agreement, because it has already been renewed once, comes up again in 2005, and he has not heard any reluctance of any kind on the City’s part to renew it again.

Councilor Moore stated that he asked staff to put together a list of concrete ways in which the City has been cooperating with the County, and noted that these include involving the County from the very beginning in working with San Ildefonso Pueblo; asking the County to review RFPs with CDM and sit on evaluation committees for these contracts, and coordinating lobbying activities. He stated, “So it seems to me that there are many, many concrete actions the City has taken to show its good faith in wanting to work with the County on a regional solution. If the County feels very strongly that they want to work with Las Campanas and the City has a concern about that, that’s a legitimate issue that we can discuss. But I don’t see that issue as one that’s going to drive the City and County apart, at least I hope it isn’t.”

Commissioner Sullivan stressed the importance of focusing on the County’s technical problems. He said the County’s water system supplies about 275 users in the extraterritorial zone; and according to the Census, growth in the county has been three times what the growth in the city has been — 30% versus 11%. He stated that the County is unable to obtain any additional water, whether through the wheeling agreement or otherwise, from the City. He said the City is fully aware, as members on the EZA, that the County is in a position where it has to provide reliable municipal water in a municipal format to its developing area. He commented, “I think the Commissioners are feeling a sense of frustration that they have no alternative with the City. This is maybe not the best alternative that the County has, in working cooperatively with Las Campanas, but at this point I sense that the Commission feels that this is their only alternative. And if we can turn that around, I think we’ve made some progress.”

Chairman Duran remarked that Councilor Moore had been “selectively listening.” He clarified that his concern comes from the fact that County staff has made several attempts to get the wheeling agreement — which expires in 2004, not 2005 — heard before what he believed was the Public Works Committee, but it never gets discussed. He said the County is trying to plan its water system, and is anxious to start engaging in dialogue about the wheeling agreement before 2004.

Councilor Bushee commented to Commissioner Sullivan, “Maybe we need to sit down and actually see exactly what each entity is bringing to the table in terms of real costs, real dollars, real infrastructure, real water rights.”

Councilor Bushee commented to Chairman Duran that there has been no effort by City staff or any City committee to delay discussion on the wheeling agreement.

Councilor Bushee pointed out that the City will be spending more than half of its upcoming \$20 million CIP bond issue towards seeking short term and long supply of water, and is more than willing to sit down with any entity. She added, “But short of really seeing the concrete efforts that the County Commission wants to make towards solving some of these problems...I think we should sit down and have figures put forward as to what the County is going to dedicate as far as their resources towards solving this problem.”

Mayor Delgado remarked that he would call this summit a success at this point, because members of both governing bodies have stated what they would like to see brought to the table in order to solve the area’s water problems.

State Perspective (Office of the State Engineer).

State Engineer Tom Turney stated that he was very pleased to see the City and County working together on this important issue. He said the seriousness of the water problem surfaced last summer, when Santa Fe nearly ran out of water; and in the last four months, the City of Santa Fe has become very focused on addressing water issues and has hired CDM to investigate alternatives toward development of San Juan-Chama water. He said the City is also in the process of hiring a consultant to do the NEPA process on the San Juan-Chama water.

Mr. Turney commented that the recently released statistics for growth in the city and county are astounding — 11% for the city, and 30% for the county. He said this is very high growth and points to the need for the City and County to work together and coordinate activities. He commented that the former Metropolitan Water Board, which was developed in the early 1970s, plowed a lot of the original ground of cooperation between the City and County.

Mr. Turney said the City and County “must look at the overall big picture — what is needed for the region’s future? There has to be leadership with big thinking. You can’t just look to the next 10 years, 20 years, 40 years. You have to start looking over many, many future generations.”

Mr. Turney stated that many people in New Mexico forget that this state is basically a desert with only a finite amount of water, and there is simply not enough water to meet everyone’s demands. He said the Spaniards recognized that when they arrived here 400 years ago and set up a water right system.

Mr. Turney said, “I believe that the need for a regional water board authority is going to be inevitable over the next few decades. This issue has to be addressed. Where is the area going to get its water from? Where is the City going to get its water rights from? Right now, I see the City and the County do not have adequate water rights where I see that the City and County appear to be heading.

“This conflict that is arising between municipal and agricultural usage has intensified. It was very heavily addressed at the State Legislature this year, and I believe this conflict has to be addressed at the local level. Ultimately if it is not addressed at the local level, I would be forced to make that decision, and I will make it.”

Mr. Turney stated that about 75% of water in New Mexico is used for agriculture, and many people would like to see that preserved because of tradition, culture and heritage issues. At the same time, he said, cities and counties all over the state want development, “and you can’t have both. Something has to give. And if the City and the County want development to occur, they are going to have to make some very, very hard decisions — basically, where is the future water going to be coming from? It’s my belief that it’s very shortsighted to even consider domestic wells...Continuing to rely on domestic wells for a subdivision is just inappropriate. It’s not the answer in the long term.” He said over 6,000 domestic wells were approved by his office this last year, and there are now about 130,000 domestic wells in New Mexico. He said these wells do begin to impair existing water right holders and they will begin making major impacts on deliveries to downstream states.

Mr. Turney continued, “I believe it’s appropriate that the design of future infrastructure be approached on a regional level. I know that there will be many applications turned into my office concerning water rights, and we will also have the opportunity to review subdivisions in the county. And I can tell you that we are scrutinizing these applications, and not only are we going to very diligently evaluate whether they impair existing water rights, but also we’ll be looking at conservation of the public welfare. And I believe fire protection is an appropriate part of the public welfare. And this is something that the County does need to address.”

Mr. Turney stated that, within the next six months, and as a result of this Water Summit, he would like to see that the City and County cooperatively come up with the

beginning of a strategy to address issues that he sees as recurring issues that are definitely intertwined. He said he is willing to work with the City and County on these issues.

Mr. Turney said he sent a letter to the City expressing his feeling on a consolidated diversion in terms of economy and environmental issues. He stated, "I still believe that it is in the City's and County's best interest to have only one diversion point down to the river."

Mr. Turney stated that he visited the San Ildefonso diversion project last week. He said he thought this a good alternative if it can be worked out, but simultaneously it will be necessary to discuss right of way issues with the Pueblo in terms of how the water will go from the Pueblo to the Buckman transmission line. He stated that the San Ildefonso diversion "makes an awful lot of sense as part of the settlement of the Aamodt case, and I will continue to pursue that — but as far as bringing it in as a part of the Santa Fe regional water system, I believe this right of way issue must be addressed now. And you have to be practical about it."

Councilor Moore asked Mr. Turney if he felt the County could have the authority to limit domestic well permits or to have a metering program that limited the water people took through domestic wells.

Mr. Turney responded by pointing out that the back of each well permit states that it is subject to local regulations, i.e., City and County ordinances. He said his office would work with any city or county wishing to establish a metering program, although his office does not have the manpower to handle such a program.

Councilor Moore asked if he was correct that state statute says it is possible to turn down domestic well permits when there is an over-allocated stream system.

Mr. Turney responded that this is an issue that some people have raised, but it has not been addressed and may have to be addressed in the future. He said it would probably take an act of the Legislature, since legislators feel that this is basically a constitutional right. He commented that the municipal modification that has been under discussion for almost five years generated a lot of controversy. He said the definition of "appropriated stream" also generates a lot of controversy. He stated that his office has made a finding that the Rio Grande is fully appropriated and that will be challenged.

Responding to questioning from Councilor Heldmeyer, Mr. Turney said most cities have applied to his office for return flow credits, including the City of Santa Fe. He stated that they will not be measured at the point of discharge at the wastewater treatment plant in the Santa Fe River — rather, "you will have to go down through the canyon from La Cienega down to Cochiti, and that may not be hardly any losses at all. A lot of that area, I am told, has a lot of volcanic rock in that area and there may not be very much seepage."

Councilor Moore asked Mr. Turney if his office has considered declaring parts of Santa Fe County critical management areas, and Mr. Turney responded that they have not.

Councilor Moore asked if Mr. Turney's office would be willing to do that "if we felt strongly that we really need to get a hold of domestic well permits and that might actually be a good thing for getting a handle on our water future."

Mr. Turney responded that they would be willing to look at declaring Santa Fe County as a critical management area, as has occurred in the Estancia Basin area.

Commissioner Sullivan noted that the County's Community College District Plan, which covers 17,000 acres and is the most heavily impacted growth area for the City, includes a requirement that residential development within 200 feet of a municipal water system be required to tie into it if there is such a system. He said, "Our problem is we've been frustrated in being able to work out arrangements to get water to extend those municipal water systems, and so what is the alternative? The alternative is that the development then sinks wells." He stated that those requirements are also in each of the community plans that are brought forward to the County Commission for approval.

Councilor Bushee remarked that developments in the County were approved "in a preemptory kind of way, before there was a system available to deliver it."

Federal Perspective (U.S. Bureau of Reclamation Representative).

Bureau of Reclamation representative Lori Robertson gave a presentation on "A Federal Reclamation Perspective," including scheduling possibilities for EIS #1 and EIS #2. [See Exhibit "F" for slides.]

Ms. Robertson noted that several tough issues must be addressed: Whose water is included in these projects; why conduct two separate EIS processes; and how will cumulative effects be properly analyzed.

Councilor Martinez asked Ms. Robertson if each entity has to do its own EIS, and Ms. Robertson responded that one EIS would be the most efficient thing to do, and to make sure that the resulting NEPA document meets all of the agencies' needs. She also explained that, if Las Campanas proceeds on the EIS, it would only look at their project, and the City and County would need to do compliance for their own project.

Commissioner Sullivan asked Ms. Robertson if it will be necessary to clarify, before a record of decision could be issued, how the 5,600 acre-feet of San Juan-Chama water will be divided between the City and County.

Ms. Robertson responded that she did not think so. She said her understanding is that the County has about 330 acre-feet of San Juan-Chama water, and the City has 5,600 acre-feet.

Commissioner Sullivan responded, "That's an interpretation that has been passed down over the years from the Metropolitan Water Board days, and I believe that some of those contracts have expired for some of those issues, not the least of which being that 20% of that water is allocated to the extraterritorial zone. That's 1,000 acre-feet right there. This requires some more in-depth look." He said his concern was that this issue not interfere with the timing of the City's study – in other words, should the County prioritize this or does it not matter with respect to getting through the NEPA process.

Ms. Robertson responded that the NEPA document will need to describe what Commissioner Sullivan just mentioned — the current understanding of whose water is whose. She said the important thing for the impact analysis, however, is just physically following the water. She stated that there are also the 1,800 acre-feet of water being brought from the Middle Valley by Las Campanas.

Commissioner Sullivan said he was trying to determine benchmarks that need to be looked at so there are no impediments to the City process, and that it sounds like this is an issue that needs to be worked on fairly soon because it might have to be explained in the NEPA document. Ms. Robertson responded that this was correct. She said it would also be necessary to disclose intentions for future water use.

Councilor Heldmeyer asked Ms. Robertson if she cared how water would be divided up among various entities coming in as partners, and Ms. Robertson responded that she did not think so. She stated that, if an entity were acquiring new water rights or changing the location of consumptive use or something like that, it would be included in the document.

Councilor Heldmeyer asked if it would be a problem if one of the entities came in with a project claiming more water rights than her agency thought they had, and Ms. Robertson responded that it would be if that were actually the case. She added that it would be necessary to plan for those times when the City of Albuquerque's leases expire.

LUNCH BREAK [12:30 p.m. to 2:30 p.m.]

AFTERNOON SESSION

The afternoon session of the Water Summit was called to order at approximately 2:30 p.m. Roll Call indicated the presence of a quorum, as follows:

City Governing Body Members Present:

Mayor Larry A. Delgado, Co-chair
 Councilor Patti J. Bushee
 Councilor Miguel M. Chavez
 Councilor Karen Heldmeyer
 Councilor Jimmie Martinez
 Councilor Frank Montaña
 Councilor Cris Moore

Members Excused:

Councilor Carol Robertson Lopez, Mayor *Pro Tem*
 Councilor Matthew E. Ortiz

County Commission Members Present:

Commissioner Paul Duran, Co-chair
 Commissioner Paul Campos
 Commissioner Javier Gonzales
 Commissioner Jack Sullivan
 Commissioner Marcos Trujillo

Members Excused:

None.

RPA Process; Land Use & Water Planning (Steve Burstein, RPA Director)

Mr. Burstein described the background of the Regional Planning Authority, which was appointed by both governing bodies to address issues in the five-mile extraterritorial zone and develop a set of policies and land use plan for the area.

Mr. Burstein stated that, according to the 2000 Census, the city has about 62,000 residents and the five-mile EZ area has about 32,000 persons, for a total of 94,000. He stated that projections for 2020 for the entire area (EZ and city) are 130,000. He said the projections do not address how many of those persons will be served by City or County utilities.

Mr. Burstein said he thought it very important that regional water and land use be planned in tandem. He stated that the RPA has directed that a joint phasing plan be developed that links land use, water and utilities.

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**Planning Schedule (Estevan Lopez, County Land Use Director and
Craig O'Hare, City Water Division Administrator).**

Mr. O'Hare reviewed a Draft San Juan-Chama Decision Schedule addressing a timeline between May 2001 and July 2005, and including all of the various components that will have to occur concurrently by that deadline to have a facility on line bringing water into the system. *[See Exhibit "G" for slide.]*

Mr. O'Hare said the major decision points for the governing bodies to address are to approve a formal cooperative agreement on how they will work together on this project over the next two to five years (June 2001); approve/modify supply study recommendations (January 2002); and authorize the design/build (November 2002-May 2003).

In discussing negotiations with San Ildefonso Pueblo on a long term project, Mr. O'Hare said San Ildefonso Pueblo Governor Perry Martinez appeared before the Public Utilities Committee recently to update their commitment to the project, but at the same time made it very clear that the current San Ildefonso Pueblo Council is not in a position to negotiate a long-term agreement and the City will have to wait until the new administration and councilors are on board. Mr. O'Hare said he would envision that negotiations would begin in earnest with the Pueblo beginning in February 2002 and conclude that August.

Commissioner Trujillo asked Mr. O'Hare if Las Campanas would be playing a role in this decision schedule, and Mr. O'Hare responded that Las Campanas was not included because staff did not feel comfortable including them in the mix, at least at this presentation. He said, "I certainly think we feel at the staff level that there's certainly some merit to looking at a collective project at the Buckman area rather than having three facilities there, or even two."

In addressing the San Ildefonso Pueblo's commitment to the Ranney pilot project, Mayor Delgado stated that, when he met with Governor Martinez, "he was very upfront with me about it, saying that the administration would change this coming January, and that's about as much of a commitment as he could give to us."

Mr. O'Hare said he wanted to stress that, while the schedule under discussion gives a timeline for the San Juan-Chama water to come on line, staff is working on a number of things before then to both increase supply capabilities and decrease demands to minimize vulnerability to any water shortage emergencies in the interim.

Councilor Bushee commented that the agenda had a "glaring omission" in not including a presentation by San Ildefonso Pueblo on the Ranney gallery. She said the RPA has also asked for somebody from the pueblos to appear before them and speak to

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sovereignty and right of way issues. She expressed concern that there has been no mention of the Pueblo during this forum.

Mr. O'Hare responded that San Ildefonso Pueblo was invited to this forum, and prior to Councilor Bushee's arrival two hours into the meeting, Estevan Lopez gave a presentation and update on the status of the San Ildefonso Pueblo project and while it is still on the table.

Councilor Chavez noted that Governor Martinez told the Public Utilities Committee that, if the Ranney pilot project has positive results, and the Pueblo can see long-term benefits for the Pueblo, he would argue in favor of the project before the incoming administration. He commented that Governor Martinez was "stepping outside of the box a little bit" in making these statements, and seemed very genuine in making them.

Councilor Moore pointed out that the Pueblo is in the same position as the City and County are, in that the individual makeup of their governing bodies changes, too, along with philosophy and direction.

Councilor Martinez commented that the pilot well belongs to San Ildefonso Pueblo, and any lobbying efforts for funding should tie up a financial package requiring everybody to participate, or else the funding may not happen. [Mr. Lopez later clarified that the agreement on the pilot project does not give the facility to the Pueblo unless it turns out to be unfeasible for City and County use.]

Chairman Duran remarked that, in an ideal world, working with San Ildefonso would be a wonderful thing to consider, but the reality of the situation is that the County has road issues with them, and hasn't yet negotiated an easement for the extension on to their property. He said that should be considered along with the fact that the Pueblo is unable to commit beyond the change from one administration to another, and that the state road to Los Alamos comes up for negotiation every 20 years. He said it would not make sense to put all of one's eggs in one basket for that reason.

Commissioner Sullivan asked Mr. O'Hare where the \$1.5 million planning engineering study announced by Sen. Domenici, to look at a regional water system, would fit in here.

Mr. O'Hare responded that this is the Santa Fe-Pojoaque regional water system concept. He said it is obviously related to this, but does not fit in directly to it. He said it essentially looks at the San Ildefonso Pueblo site and that vicinity, possibly in an area where the Aamodt adjudication issues can be resolved.

Mr. Lopez added that a preliminary feasibility study has been completed by the successors to Leedshill-Herkenhoff, and the final study is being drafted now. He explained that this feasibility study is specific to the Pojoaque and Tesuque stream systems to try and settle the Aamodt adjudication. He said they are primarily looking at diversions in San Ildefonso, and the feasibility study anticipates Ranney-type facilities as

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being the production facilities. He stated that, if that moves forward, and the metro area is also able to enter into long-term agreements with San Ildefonso, it would increase the number of Ranney collectors.

Commissioner Sullivan said it seems as though the engineers completing this feasibility study are looking at both Ranney collectors and diversions, as is the City and County, and they will not face the problems of right of way and long-term commitments for road access and so forth. He asked if they therefore shouldn't be a part of this whole process, since they seem to be "ahead of us on the power curve." He said their preliminary report no doubt addresses a number of the issues raised in this meeting.

Mr. Lopez remarked that they are actually slightly behind. He added, "But at some point you are absolutely correct — if we're able to work out agreements with San Ildefonso, the two will come together in terms of what sort of diversion facility we will have, but those diversion facilities will then just be designed for increased capacity. The combined capacity is going to be needed for the Pojoaque-Tesuque area and the San Ildefonso area. But I don't believe right now that the effort is a duplicate effort. Probably the only diversion option we're looking at in terms of something in San Ildefonso for the metro area is a Ranney type facility. So if that proceeds, that probably simply facilitates what comes next."

Commissioner Trujillo noted that San Ildefonso has its own water system, and that they are the tail end of the valley so get the bulk of the seepage from the valley. He said it would therefore behoove them to extend those agreements to the City and County on a long-term basis.

Mr. Lopez responded that, as per conversations with Governor Martinez and the Tribal Council, the Pueblo is concerned about their system's capacity and water quality issues. He said that, if a Ranney facility is successful in that area, they will want to deal with their internal issues relative to the water supply.

Referring to the San Juan-Chama Decision Schedule, and the December 2001 date for beginning a site-specific EIS process at two locations, Mr. Lopez stated, "If San Ildefonso is going to be one of those, we'll evaluate the environmental aspects of that, but we will also evaluate the next alternative...And if we're able to negotiate an agreement that's acceptable to both governing bodies or all three governing bodies, in a time frame that corresponds to when the decision is going to be made, it can still go forward at that time."

Councilor Bushee stated that, if the approach in these cooperative agreements is to share costs equitably among the three entities, then how would the water rights issue be dealt with.

City Attorney Peter Dwyer said Mr. Lopez has e-mailed a copy of the draft agreement included in today's packet, and he would anticipate this would be the subject of a future meeting and future debate. He said two paths can be chosen from: 1) each body adopt its

own resolution or the bodies adopt a joint resolution laying out a conceptual agreement; or, preferably, 2) the two entities actually hash out the terms of a true agreement on cost sharing, quantities, locations of delivery, and system of delivery. He said it might be appropriate to do this in conjunction with reconsideration and perhaps renegotiation of the existing wheeling agreement.

Responding to questioning from Councilor Bushee on the cost sharing issue, Mr. Lopez stated that the Ranney project is only a pilot project, for which the City and County have shared equally in the costs, with the Pueblo contributing in kind the site and easements for testing purposes.

Mr. Lopez stated that, if the pilot project turns out to be feasible both technically and economically — and the Pueblo will have some say in the feasibility at least economically by what sort of agreements will be made on rights of way and easements — the agreement calls for each party to have an equal share of the capacity of the first facility.

Mr. Lopez stated that, if the City and County are to share in this effort, the City should determine how much water it needs to support its growth, etc., and the County should probably do the same. He said the number of water rights owned by the County today should not necessarily be the limitation — rather, the City and County should determine their needs and then pay proportional shares of construction costs. He said the operations costs should be determined by the amount of actual usage from the facilities.

DISCUSSION ITEM

Requesting Approval of City/County Cooperative Agreement.

Mr. Lopez reviewed a discussion draft in the packet, entitled “Cooperative Agreement between the City of Santa Fe and Santa Fe county for the Development of Water Supply Resources,” the purpose of which is to “specify the terms and conditions under which the parties will work cooperatively to develop a surface water diversion and/or treatment facility on the Rio Grande.” [See Exhibit “H.”]

Mr. Lopez said some key issues would have to be worked out:

- The term of the contract — it should call for working cooperatively on a surface water diversion project over the next two to five years, based on projections that the system should be up and running by 2005.
- The City and County will have to figure out how they share in the costs and the scoping of the engineering contract and NEPA contract — and if they are each going to have an ownership in the facility, the sharing of operations costs should be spelled out beforehand.

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- Staying on schedule. Throughout this meeting, the bodies have heard the urgency of developing a San Juan-Chama diversion. There must be an efficient mechanism by which critical decisions can be made, so it may be necessary to incorporate deadlines for key decision dates into the agreement.

- There should be a dispute resolution process.
- Who would be the review and decision-making body? Should it be the RPA, or a joint team of the City and County?
- There should be regularly-scheduled forums, such as today's, but shorter in length, for making critical decisions throughout the process.
- How will the day-to-day details of the project be managed?
- Cost-sharing. The discussion draft speaks to a 50/50 share on the plan, NEPA, design and construction.

Addressing his rationale for the 50/50 share, Mr. Lopez stated that, if the City and County were to pursue separate diversions, each would have to go through similar processes, so it makes more sense to simply split the costs down the middle rather than try to figure out costs in proportion to use.

Addressing construction costs, Mr. Lopez said he thought it made sense to apportion costs based on how much capacity each entity reserves from the system.

Addressing operational costs, Mr. Lopez said it would make more sense to apportion those in proportion to actual use of the system, since demand will grow at a different rate between the two entities.

- Coordination of lobbying efforts on federal funding requests "to avoid tripping over each other."
- Who will be the fiscal agent, and how should federal funding in a joint project be handled?

In terms of the cooperative agreement, Mr. Lopez said the matter of developing a diversion facility should be kept separate from a number of peripheral issues that might be related to that, because they could tie the City and County in knots for years.

Mr. Lopez asked for direction from the two bodies. He said he was hoping they could come back in a joint session, work out the issues, and adopt a joint agreement. He said his draft agreement included issues that staff felt critical, but he was not necessarily saying the City Council and County Commission should be tied to the positions laid out in the draft.

Mayor Delgado said the next session would be a public hearing, after which he hoped the bodies could discuss the agreement and bring it to a vote.

Councilor Moore suggested that a deadline be set for the next meeting, with details of the agreement worked out in the interim.

Councilor Moore said he personally thought it made sense that the City, as owner of the water company, should be fiscal agent.

On the matter of how much San Juan-Chama water belongs to the City and County, Councilor Moore said it would be good, as a starting point, for each side to stipulate where they are now and what each partner will be bringing to the table. Addressing one outstanding issue, he stated that the City has been operating for a long time under the assumption that the County owns 375 acre-feet of San Juan-Chama water, and City staff feels that is backed up by documentation, but County staff is not so sure that is correct. He commented that perhaps the respective staffs could get together and talk about this, since he would not want to see a dispute arise over this issue later and delay the process. He said there are also financial issues, in that the City bought the water system and is paying associated costs for that, and the County has strong feelings about wanting to provide water to support the growth it has planned.

Chairman Duran noted that the County, based on its interpretation of the agreement, has 20% interest in the San Juan-Chama diversion rights. He suggested that the City and County attorneys meet and come to some kind of consensus on that, since the City legal department apparently has a different interpretation.

Councilor Bushee remarked that she would like to hear the legal premises for that.

Commissioner Gonzales proposed a 90-day window before the next meeting, during which a group of members from each body could meet and work out various issues, including: 1) developing a long-term wheeling agreement that would allow increased capacity; 2) a policy for San Juan-Chama water; and 3) a cooperative agreement that would be somewhat more binding than what has been presented today, in that it spells out how the bodies will collectively work together.

Commissioner Gonzales said he truly hoped that the group assigned to meet would be able to stick to the issues and that discussion of outside issues, such as the wheeling agreement, could be resolved and would not impede the ability to move forward successfully.

Councilor Bushee noted that an RPA subcommittee already exists and was formed to deal with all of these issues, both short term and long term. She said the subcommittee is made up of three Commissioners and three Councilors but has only met once. She suggested that it be activated and assigned to take on this task.

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Referring to the San Juan-Chama allocation, Commissioner Campos said it is the County's perspective that this water was given to the community for use by the community. He said the original contract never said a certain amount belonged to the City and a certain amount belonged to the County — rather, it said eventually it was going to be used 80% by the City, 5% by the County, and 15% by the EZA. He said things have changed since then, and the County believes this is a dynamic need that depends on what the needs of the community are. He stated that, as the needs change, the percentages change. He said the County believes this document is a flexible document, and that should be the starting point of the San Juan-Chama discussion.

Chairman Duran added that the regional body should first discuss where it should allow growth to occur on a managed basis, and then water should follow that. He said, "I just don't want this San Juan-Chama water rights discussion try to be the ditch that we die in."

Councilor Montañó commented that some issues do not have to be decided today or tomorrow, including where the City and County get the water to take out of the project; and since the more detailed issues might take a longer time to come to consensus on, they should not be included in the agreement right now. He pointed out that, if the City and County want to be able to tell the federal government they are working together on this project, then they need to find common ground — and based on what he has heard at this meeting, both bodies agree that they want to work on creating a joint diversion project to serve their individual growing needs.

Councilor Montañó said that, instead of trying to determine how San Juan-Chama water will be divided, the City and County should agree that this water already exists and look jointly into where they can get water from other sources as well. He stated that this could be another area of common ground, pointing out that 2040 is not that far off, and by the end of this century, water will come from great distances and that is where the City and County can work cooperatively, perhaps with other entities, to look at a "grand project" that will bring substantial amounts of water to this area.

Councilor Heldmeyer agreed with Councilor Bushee and Councilor Montañó that the question of whom this water belongs to, and who needs and wants it the most, is longer-term than the need to come to agreements in a relatively short period of time to start the design and construction process for the infrastructure. She said she was not sure how the County felt about that, though. She commented that they might not want to participate in an agreement if the amount of water is not specified, and one way out of that potential impasse is to write an agreement in such a way that it anticipates future agreements that would allow adjustments in the division of water.

Councilor Heldmeyer said the fiscal agent issue should be settled, since there have been problems with that in the past.

Councilor Heldmeyer said that, if other entities are going to be added to the agreement, how will that happen and what will be the process for that to occur.

Responding, Commissioner Gonzales pointed out that Santa Fe County is interested in discussing allocation of San Juan-Chama water because ultimately it may be determined that the County cannot have access to it, and then the County will be forced to find another water source, and in that case the diversion project it has committed to may not be the best solution. He said he thought the water task force was the appropriate body to discuss these and other issues.

Commissioner Gonzales requested that the task force also discuss the wheeling agreement in addition to the cooperative agreement between the City and County.

Commissioner Campos said he would suggest instead that the RPA itself should be dealing with this issue. He stated that the RPA, with four City Council members and four Commissioners, is the ideal forum for this regional issue.

Mayor Delgado said that, as he understood Commissioner Campos, this matter would be discussed and agreed on by the RPA, then taken to the separate governing bodies for approval.

Commissioner Campos responded that this would be the appropriate way of doing it.

Chairman Duran noted that the task force was developed several months ago and never followed through because the idea of a summit popped up. He pointed out that the task force now has some direction on what they are going to discuss and what the roles of both governing bodies are. He said he did not see the need to create another task force.

Councilor Montañño agreed. He said that was agreed on through a joint resolution, where the task force was created to deal strictly with water issues. He said the RPA has its own issues to deal with. He said the task force should deal with this one issue right now and should move as quickly as possible.

Mayor Delgado remarked that 90 days sounded too long and suggested that the Task Force take on this task in 40 days.

Commissioner Gonzales agreed that "the sooner the better."

MATTERS FROM THE GOVERNING BODIES

Chairman Duran said he looked forward to seeing the two bodies work with each other on this diversion project.

NEXT MEETING

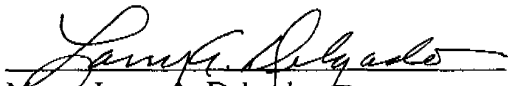
Mayor Delgado said he looked forward to the next meeting "in less than 40 days."

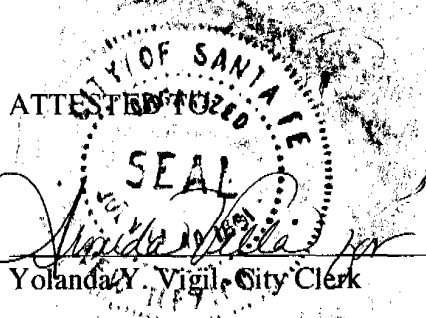
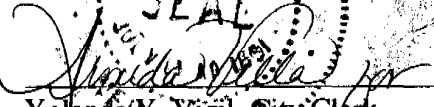
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ADJOURN

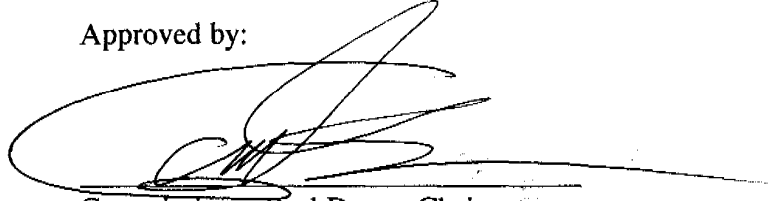
There being no further business to come before the City Council and County Commission, and upon completion of the Agenda, the meeting was adjourned at approximately 3:45 p.m.

Approved by:

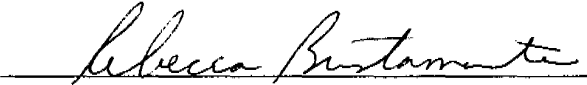

Mayor Larry A. Delgado
Governing Body of the City of Santa Fe


ATTESTED TO:
SEAL

Yolanda Y. Vigil, City Clerk

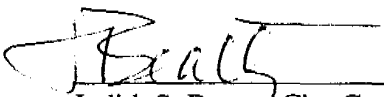
Approved by:


Commissioner Paul Duran, Chairman
Board of County Commissioners

ATTESTED TO:

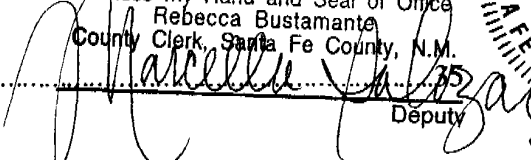

Rebecca Bustamante, County Clerk

Respectfully Submitted:


Judith S. Beatty, City Council Reporter

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COUNTY OF SANTA FE
STATE OF NEW MEXICO
I hereby certify that this instrument was filed
for record on the 11 day of July A.D.
20 01 at 2:08 o'clock P.m.
and was duly recorded in book 1938
page 476-513 of the records
Santa Fe County

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


Rebecca Bustamante
Deputy

