

SANTA FE COUNTY UTILITY PLAN

INTRODUCTION

“The mission of the Santa Fe County Utilities Department is to provide safe and reliable water and sewer utility service to its customers in an efficient and responsible manner.” (From the Mission Statement)

There are several “water plans” that Santa Fe County is developing, each targeting a different need within the overall County Growth Management process. The Growth Management Water & Wastewater Plan develops different strategies to ensure adequate water and wastewater services for each management planning area of the County. The 40-year water plan was developed to demonstrate the need and procedure for acquiring adequate water rights for the County Utility supply needs. This plan addresses the needs specific to the Santa Fe County Utility operations for both the near-term and long-term.

The County Utility has both water and wastewater operations. Planning for each contains separate objectives and timetables, however there is a significant interrelationship whereby treated effluent may be used to offset potable water demand. This report incorporates planning for each utility function.

WATER UTILITY

In order to fulfill its primary mission, the Santa Fe County Water Utility, part of the Growth Management Department, has set priorities:

- ◆ Secure a reliable, diverse water supply for its current and future needs.
- ◆ Provide for sufficient infrastructure to deliver water to those areas designated to be served by the County.
- ◆ Plan for a growing customer base, both from new growth and from moving private well users to the County water system.
- ◆ When an adequate long-term supply is secured, expand the utility beyond its current service area. Ideally, those areas would be developed in conjunction with the overall Growth Management Plan for the County.
- ◆ Reduce demand through re-use of treated effluent and the promotion of conservation.

The Utility has been additionally tasked to seek ways to assist other community water systems in developing a stable water supply and infrastructure, and establishing effective operations and management. The Santa Fe County Utility Plan recognizes that different areas of the County have different existing historical, cultural, and land use situations, therefore require different planning approaches.

Near-term (pre-Buckman Direct Diversion Project [BDD]), the Utility priority should be fulfilling the water needs within the Santa Fe urban growth areas, directed primarily toward new development.

Mid-term (post-BDD but pre-regionalization), priorities should be directed toward providing an opportunity for private well owners with water quality or supply problems to hook on to the County Utility, and supplementing other systems in need.

Long-term should be directed toward creating a regional system, incorporating smaller systems. Ideally, the regional system would combine the City and County of Santa Fe systems, but there could be a regional system in Santa Fe County exclusive of the City of Santa Fe. In order to accomplish this, the Utility must, in the mid-term, begin seeking additional water supplies, including importation of water from other areas.

40-YEAR WATER PLAN

The County produced a 40-Year Water Plan in August 2002. The purpose of the plan was to demonstrate a strategy and use in order to secure its water rights portfolio. For counties and municipalities, a 40-year water plan fulfills the requirements of the Office of the State Engineer (OSE) to demonstrate that water rights are being put to beneficial use.

Much of the strategy in the 40-Year Water Plan is contained within this document, including diversification of both our water rights and water supply portfolios, service to existing well owners who may have water quality issues, potential as a supplemental source of supply for other water systems, and movement toward reuse of treated effluent.

The 40-Year Water Plan was scheduled for revision every five years. This document, and the direction to be set by the Board of County Commissioners (BCC), will lead to that revision. The 2005 Water Plan was prioritized toward existing development, but in the intervening years, the BCC has recognized that County Utility service for new development was beneficial to the community, in that it prevented the creation of multiple independent water systems, or growth supported by shared domestic wells, and allowed the County to manage growth by designating those areas that would be supported by County water service. Therefore, one major revision in this plan is to identify water service to new development within County-designated growth areas as a planning priority.

SECURE A RELIABLE SUPPLY

The most critical aspect of water utility planning is securing a stable supply. A conjunctive use strategy is the best way to ensure such a stable supply. A conjunctive use strategy diversifies the water supply portfolio to multiple types and locations. In this way, there is no exclusive dependence on any single water supply or type. If one supply diminishes, others can provide for sufficient deliveries. Diversification also reduces the impact to surrounding users at any one location. Over the long-term, a conjunctive use strategy is the most regionally sustainable.

Near- to mid-term The Utility will rely on three primary water sources:

1. Contracted supply from the City of Santa Fe. The City and County of Santa Fe have entered into a Water Resources Agreement that allow purchased deliveries from the City to the County of up to 875 acre-feet per year (afy) until BDD comes online, then up to 500afy afterwards. This is

currently the primary water supply for the County. After BDD is online, the County Utility plan is to utilize the City contracted water as a secondary or supplemental supply.

2. **Surface Water.** The City, County, and Las Campanas are partners in the Buckman Direct Diversion Project (BDD), which will utilize surface water from the Rio Grande. The permitted capacity for the County share is 1700afy. The County Utility plan is to utilize BDD as its primary water supply. Surface water supplies are reliable on a long-term basis, but can fluctuate year-to-year.
3. **Ground water.** There will be times, due to low river flows, water quality concerns (spills or contaminant releases to the river), or operational difficulties, that BDD will be unable to deliver needed water supplies. The Water Resources Agreement for the BDD authorizes the City to make available to the County water from the City supplies in the event that surface water flows cannot deliver the full permitted capacity. However, this drought relief is not in the full amount of the County capacity. The County could also utilize the 500afy of wholesale water through the Water Resources Agreement, however, this amount may be already utilized as part of the regular County deliveries. Therefore, the County must develop its own ground water sources to provide for backup and supplemental water. The County Utility is in the midst of the implementing the ground water plan:
 - a. **Hydrologic Model.** The County contracted with INTERA to develop a ground water model for the region. That model is completed and is undergoing calibration and refinement. The model will also be used during water rights hearings.
 - b. **Well Location Selection.** Using the results of the model, as well as available technical studies, a number of locations appear favorable for production wells. These locations are being analyzed in detail, both hydrologically and, for those locations that are not County-owned, administratively for possible County acquisition.
 - ◆ **Well Location Strategy:** As with an overall conjunctive use strategy, diversification is the key for a sustainable ground water supply. This means multiple wells in multiple locations, reducing the dependence on any one well for supply.
 1. *Analysis of specific locations.* Geologic, hydrologic, and well test analyses will be used to determine the efficacy and long-term production capabilities of

specific locations. The analyses will also be used to demonstrate potential impacts to the aquifer, and methods to minimize such impacts.

2. *Well optimization program.* Conducted at each favorable location, to recommend well size, expected production capability, and well number (one well or multiple wells in a specific location).
3. *Treatment analysis.* If any Safe Drinking Water Act (SDWA) listed contaminants are present at any location, an analysis will be conducted to determine the type of treatment that may be needed, whether mixing or blending will provide an alternative remedy, and comparisons to determine whether the contamination issue outweighs the production capabilities as a water source.
4. *System engineering analysis.* Conducted for the overall system, to effectively integrate well production into storage and delivery capabilities, and recommend additional infrastructure that may be needed.

Mid- to long-term

The County Utility remains open to any discussion regarding future water supply. This includes importation of water from other areas. The Utility strategy is to encourage proposers to develop their own project, with the County negotiating to become a customer of water supplies if they are delivered to our system. The Utility also encourages other water systems in the area, particularly Eldorado, to consider participating in regional water supply projects.

Additional Supplies: Near- to long-term

The County can obtain additional water supplies through judicious oversight of use and re-use.

1. Re-use of treated effluent. The County is currently in the initial stages of upgrading and expanding the Valle Vista Waste Water Treatment Plant (WWTP), to create a regional facility.
 - a. Treated effluent may be used for irrigation, particularly at parks.
 - b. New developments serviced by the Valle Vista WWTP can install return-flow lines alongside the sewer lines, to provide treated effluent to homes for outdoor use. Re-use of treated effluent reduces demand on the water utility, resulting in an effective net increase in available supply for potable water.

- c. Ultimately, as treatment technologies become affordable and public perception becomes more accepting, wastewater could be treated to drinking water quality, and put directly back into the potable water system.
2. Aquifer Storage and Recovery (ASR). This is a relatively new technique in New Mexico, and the permitting and regulatory process has not yet been finalized and tested. Excess capacity at BDD, or treated effluent, can be injected into the local aquifer. In times of need, that stored water is pumped through existing production wells and delivered to the system. It is expected that any water to be injected will be required to meet drinking water standards, and be compatible with the chemistry of the water in the aquifer. ASR is less efficient than direct re-use, however it is advantageous for storage of excess capacity.
 - a. Rancho Viejo has conducted a pilot test of an injection program, which will demonstrate the efficacy of an injection program in the Santa Fe Basin.
 - b. An ASR program has the effect of adding to aquifer storage, resulting in a greater supply, and a sustainability of the ground water system.
3. Conservation. By reducing demand, conservation effectively increases available supply, by allowing the existing supply to serve a greater population.
 - a. The County has enacted a number of conservation ordinances, primarily through development permit requirements. These include roof catchments, low-water use fixtures in homes, and allowable landscaping.
 - b. The County Utility has restrictions and conservation requirements for customers, for example outdoor water use.
 - c. In 2006, the County Utility initiated a tiered rate structure, in which customers pay increasingly higher rates as more water is used. A study conducted in western cities demonstrated that tiered rates are one of the most effective conservation measures available to utilities, by significantly reducing demand and encouraging customers to closely examine their water use and potential for leaks.

COUNTY UTILITY CONSERVATION PLAN

Utility water is metered at two categories of locations: The water sources and the customer delivery points. The difference between the totals is unaccounted water, for which there may be several causes:

- ❖ Line loss (leakage in the infrastructure)
- ❖ Unauthorized non-metered usage (e.g., construction businesses tapping into the hydrants)
- ❖ Authorized non-metered usage (e.g., flushing of lines and hydrants by utility or fire department)
- ❖ Erroneous meter registering (older meters tend to under-report)

The County Utility should develop a water conservation and tracking plan, to determine the volume and causes of the unaccounted water, and implement corrections. The goal is to minimize unaccounted water, provide for accurate water accounting, and therefore maximize deliveries in accordance with supply.

Elements of the plan should include:

- Purchase and use of leak detection equipment, implemented on a prescribed schedule of the infrastructure, starting with the oldest part of the system
- Development and advertisement of a reporting system, to provide a mechanism for customers who notice unauthorized usage to report to the Utility. Field staff would be immediately dispatched to the location to investigate the incident.
- Inclusion of construction meter readings in the monthly compilation of water usage for the Utility.
- Requirement to report timeframes and estimated flows during flushing, and include the approximate usage in the monthly compilation.
- Replacement of all meters more than 10 years old, and a yearly meter replacement scheduling plan that includes funding set-asides.

SECURE WATER RIGHTS

A water supply is unusable without sufficient water rights. The water rights process is designed to protect other users in the basin. Like the water itself, a diverse water rights portfolio provides for an effective and sustainable ability to utilize the supply. Advantages of one type of water right will offset the disadvantages of a different type. The package as a whole should be sustainable.

The County water rights attorney is currently developing a detailed, comprehensive strategy emphasizing the legal aspects of water rights acquisition. This strategy will be integrated into this overall water plan.

Surface water rights

County surface water rights going to the BDD include both Native Rio Grande water rights and San Juan – Chama (SJC) leases. Each type has advantages and disadvantages. The County Utility will manage, in cooperation with its BDD partners, the portfolio of native rights and SJC water to sustain deliveries from the BDD while implementing environmental mitigation measures as required by the Environmental Impact Study (EIS) Record of Decision (ROD).

1. Native Rio Grande water rights. The County will continue to acquire native water rights for transfer to the BDD. The advantage of native water rights is that the County owns them outright. The disadvantages of native water rights is that there is a yearly dependence on sufficient flows in the Rio Grande to utilize them, and it is only for the native rights that the ROD requires mitigation measures. Water rights acquisition will be through:
 - a. Direct County purchase
 - b. Transfer from developers, as required under County policy.

2. San Juan – Chama. Not a standard water right under New Mexico law, but instead a leased right to use water diverted to the Rio Grande as part of the Bureau of Reclamation's San Juan – Chama project.
 - a. County Lease. The County has a lease in perpetuity for 375afy of SJC water. The advantage of SJC water is that the yearly allotment can be stored in reservoirs over multiple years. The disadvantage is that, if the flow in the San Juan basin is too low, there may be limited diversions, therefore less than normal SJC water, in a given year.
 - i. The County is currently investigating potential SJC storage arrangements both with the Bureau of Reclamation and the City of Albuquerque.
 - b. Other Leases. Offers have been made by various entities to negotiate a leasing arrangement for additional SJC water. Those leases will not be in perpetuity, as is the County lease, therefore it is uncertain whether the Office of the State Engineer (OSE) will approve a permit utilizing these leased SJC waters. There are also a number of pitfalls for long-term planning using limited-time leased water. However, it is in the County's best interest to continue to investigate use of leased SJC water. The utility is working with our water rights attorney to develop innovative management solutions to the leasing issue.

3. Aamodt. Under the proposed Aamodt settlement, the combined water system will receive both San Juan – Chama Project water (1079afy) and native Rio Grande water rights (2921afy). The native water rights include those that have been purchased by the County as part of its cost-sharing

allocation to the settlement (1752afy Top of the World water rights). The total amount of water rights and SJC Project water will be somewhat less than that needed at full capacity, but this shortfall of 319afy will be made up by the County and State as the system expands.

Ground Water Rights

Due to new policies of the OSE, the act of transferring ground water rights in the Santa Fe Basin has become much more complicated and expensive. However, in order to create an effective ground water component to its conjunctive use strategy, the utility must acquire and transfer ground water and associated rights. Water rights will be transferred to those locations deemed favorable for wells usable by the County system.

1. Acquisition of ground water rights. The County has been acquiring ground water rights in the Santa Fe Basin, through direct purchase, through developer contributions of water rights as part of their required development permit conditions, and through dedications to the County by third parties. The County will continue to evaluate offers of water rights to determine acceptability for the County well program. Water rights must be usable and transferable to a favorable location to be acceptable to the County.
2. Surface water offsets. The OSE will require in-basin surface water offsets for ground water transfers in the Santa Fe Basin. The County will acquire all necessary offset rights through direct purchase, developer contributions, or dedications.
3. Domestic well transfers. Domestic well permits do not guarantee a water right to the owner. However, when private domestic well owners agree to detach their well previously serving their households, and hook up to a community water system, the OSE has allowed a transfer of approximately 1/3 afy as a water right to the system. The County has taken advantage of this transfer for its system. OSE has recently sought to eliminate this allowance, and it is unknown whether such transfers will be allowed in the future. Continuing to allow domestic transfers would be a great benefit to the County system, as it would provide an incentive to in-fill domestic well users within the existing County service area. If decisions allow for domestic well transfers, the County Utility will continue to utilize the process for acquiring water rights in the Basin.
4. Return-flow credits. Allowable diversion from wells may be increased beyond the approved water rights by gaining a credit for treated effluent discharged from a wastewater treatment plant. The County already obtains some credit from the discharge at the Valle Vista WWTP.

Improvements and expansion at Valle Vista will result in a regional WWTP, with significantly more discharge. A portion of that expanded discharge can be used to obtain greater return-flow credits, to offset the water rights within County wells.

DEVELOP INFRASTRUCTURE

The County Utility must be able to provide clean water to its customers, both for domestic and commercial use, and for fire protection. Water must be delivered at sufficient pressures, with adequate storage and delivery. Utility engineers develop specifications for new construction, to accommodate both immediate and future needs. Utility engineers also oversee replacement and maintenance schedules for existing infrastructure.

Priority

1. The top priority for County Utility infrastructure is within the designated service area. This includes development of new infrastructure to meet growing demand, and replacement and maintenance of existing infrastructure as needed.
2. The County is participating with BDD partners to ensure that County infrastructure can accommodate BDD deliveries, while maintaining adequate deliveries to the County through the City system.
3. The County Utility will recommend, as requested, on the ability of the system to deliver supplemental water supply to other water systems.
4. Legislative funding requests often create a project priority for the County Utility. The Utility will prioritize outside requests as per direction of the BCC. The Utility will take an active role in advising the BCC when legislative requests do not conform to BCC priorities, whether funding is adequate for the requested project, how much County staff effort will be involved, and whether those projects will create a long-term County operational funding or staffing commitment.

RELATIONSHIP TO OTHER SYSTEMS

Organizational Structure of County

With the reorganization of the County management structure, the County Utility became part of the Growth Management Department, along with Land Use and Public Works. The County Utility will participate in joint planning for growth throughout the County. This is an ongoing effort that will result in water planning that will conform to an overall growth management strategy.

Strategy for regionalization

The history of water in this area has resulted in numerous small systems that range from well-run systems with stable supplies and adequate water rights to systems with severe infrastructure, contamination, supply, and operational problems. The largest systems in the County are the City of Santa Fe, Santa Fe County, the City of Española, the Eldorado Area Water & Sanitation District (EAWSD), and Entramosa. Traditionally, these systems have been in competition with surrounding systems and the County. Additionally, the City of Santa Fe has developed a policy to not consider serving those outside the city limits, while EAWSD is working to improve its water supply, and the City of Española is experiencing both water quality and water supply concerns.

The most effective way to serve all County constituents and maintain a sustainable water supply is to develop a regional water system. The Aamodt settlement is an example of such a regional approach. The first step toward a regional system for the remainder of the County has been the partnership for the BDD. The BDD will be the basis of a regional supply that can eventually serve a major portion of the County. However, it is ineffective to deliver supplemental supplies to numerous individual water systems that have varying abilities to maintain their own infrastructure, or sustain appropriate billing, operations, and administration. The legislature has also expressed interest in formation of a regional system for Santa Fe County. The Utility strategy will be to assist and cooperate with other water systems, while working toward the goal of a regional system.

Regional Strategy

1. Small systems. As small systems request supplemental water supply or operational or funding assistance from the County, include in any agreement a procedure for eventual County acquisition of the system to integrate it into the regional County system.
2. City of Santa Fe; Las Campanas; EAWSD. Engage in discussions to negotiate eventual consolidation into a joint regional water system.

Strategy for projects not connected to County system

From time to time, the BCC directs the County Utility to assist other systems or communities in developing projects for creation or improvement of their system. The Utility approach is to provide assistance with the goal of minimizing long-term County funding or staffing commitments, by supporting project design that will allow the systems to operate independently, or in conjunction with other regional systems.

FUNDING

1. General Obligation Bonds. In 2004, voters authorized the sale of \$51 million of general obligation (GO) bonds to fund water projects. While the majority of bond money is designated for BDD, some amount may be used for County Utility water projects. The amount will depend on BCC decisions regarding designation of bond money for BDD or other projects. It is expected that voter approval for additional GO Bonds will be requested in 2008.
2. Revenue Bonds. At some growth point, the Utility will be able to sustain revenue bonds. Capital from such bonds will be used to support Utility water and wastewater projects. The County Utility is working with the County bond counsel and the County Finance Division to anticipate the timing for revenue bonds.
3. Gross Receipt Tax (GRT) Bonds. GRT bonds are the primary source of funding for wastewater projects, but may also be used for BDD and other water projects. The principal source of funding for current GRT bonds is the Capital Outlay GRT. Until 2012, one half of the revenue from this tax is dedicated to regional projects, such as BDD.
4. Cash reserves. The County Utility, as an enterprise fund, maintains a reserve, funded through customer payments, for maintenance and replacement costs. The County Utility must develop a replacement schedule for aging infrastructure, including meters, in order to ensure adequate reserves with a timetable for expenditures, and reduce the potential for leaks and incorrect water delivery calculations.
5. Developer contributions. As with water rights, County permit conditions require developers to construct water infrastructure in order to obtain County water service. Plans and construction must be approved by Utility engineers prior to the County accepting the system for service.
6. State funding. The County develops priority lists that are presented to the legislature each year, however this funding is never certain. The Utility does not rely on this funding, but can quickly integrate the funding if it becomes available.
7. Federal funding. The County maintains communications with our Congressional delegation, to seek ways to obtain federal funding for projects. This funding has not been extensive in the past, and future funding levels are uncertain.
8. Aamodt Settlement. The capital cost of the County portion of the Pojoaque Basin regional water system is approximately \$90 million, with \$30 million coming from the federal government, \$50 million from the State, and \$10 million from the County.

County Utility staff will work with staff from the County Finance Division to recommend the most effective mix of funding for any particular project.

WASTEWATER UTILITY

In order to fulfill its primary mission, the Santa Fe County Utility has set priorities for wastewater operations:

- ◆ Upgrade and expand its existing wastewater treatment plant (WWTP) at Valle Vista.
- ◆ Develop sufficient effective infrastructure to provide sewer service to those areas designated to be served by the County.
- ◆ Plan for a growing customer base, both from new growth and from moving septic tank users to the County sewer system, by developing a rate structure adequate to fund operations and maintenance.
- ◆ Expand the utility beyond its current service area through capital funding of County infrastructure and partnerships with new developments.
- ◆ Reduce water demand through re-use of treated effluent.

The Utility has been additionally tasked to seek ways to assist other communities in developing local treatment systems or hooking into other regional WWTP. The Santa Fe County Utility Plan, and the County Growth Management Strategy, recognize that different areas of the County have different existing historical, cultural, and land use situations, therefore require different planning approaches.

Near-term, the Utility priority should be completing the new Valle Vista WWTP, creating a regional system capable of fulfilling the wastewater needs within the Santa Fe urban growth areas, directed primarily toward new development, as well as those existing septic tank users who will be located along County sewer lines.

Mid-term, priorities should be directed toward County acquisition of those larger systems that are independently operated by developments.

Long-term should be directed toward creating a series of regional systems, incorporating smaller systems and those constituents currently on septic tanks.

UPGRADE AND EXPAND VALLE VISTA WWTP

Effective sewer service is best provided by modern plants using technologies to allow multiple options for re-use of treated effluent.

Near-term The Utility will concentrate on upgrading its existing WWTP at Valle Vista, and expanding its service area to both new developments and septic tank users in the area from Las Soleras to the State Pen:

1. There is currently a Feasibility Study being conducted to determine the best technologies to use at Valle Vista, and service areas that can be accommodated. The Feasibility Study will examine operational requirements and uses for treated effluent for the different technologies.
2. Once the Valle Vista WWTP is upgraded, the Utility will begin to tie in septic tank users who are along existing sewer lines.
3. New developments, for example Las Soleras or San Cristobal, who wish to tie into the new Valle Vista WWTP, will be required to fund or build all internal sewer lines, plus contribute to any additional main lines that will be needed. All new lines should include return flow lines to deliver treated effluent to customers.
4. The Utility will undertake a rate study, in order to have appropriate customer charges in place when new customers are added. The rate study will include metering and billing for use of treated effluent.
5. New infrastructure will tie in septic tank users along those lines.
6. Once this system is operating effectively, the Utility will propose expansion of the WWTP and service area, to create a regional system, with the goal of eliminating all septic tank use.
7. ALTERNATIVE: The County is engaged in discussions with the State of New Mexico regarding the potential for the County to acquire the WWTP at the State Pen, which could serve the same area as Valle Vista. If this is enacted, the County will abandon the Valle Vista WWTP, and upgrade the State Pen WWTP to create its regional system for this area.

Mid-term

The County Utility believes that it is in the best interest of our constituents to have all sewer service be operated and maintained in a comprehensive manner, without smaller independent systems operating in proximity. Therefore, it would best serve those constituents by having all WWTP be operated by the County. Toward this objective, the County Utility proposes to negotiate with owners of existing WWTP, with the goal of County acquisition, then operation of the WWTP. The County Utility may then evaluate expansion and upgrade of those WWTP, to create additional regional sewer systems, in order to expand the existing service areas. Expansion and upgrades will proceed in a manner similar to that proposed for Valle Vista. Currently, there are two viable sewer systems

that could qualify for this approach, and two that should become viable in the future:

1. Rancho Viejo: The developer operates the sewer system and WWTP, however the development is already on the County water system. Treated effluent is used by the homeowner association for irrigation of common landscaping. County Utility acquisition of the sewer system would create a consistent customer base for the County Utility.
2. Las Campanas: There is an agreement in place that allows the County to acquire the Las Campanas water system. The developer has expressed interest in the County acquiring both the water and sewer systems. Treated effluent is used for the golf course, and the County would be favorably disposed to continue this arrangement. Acquisition of both systems would provide a consistent customer base for the County Utility.
3. Village at Galisteo: This development, which proposes its own water and sewer systems, recently gained master plan approval. The developer representative has expressed interest in ceding both the water and sewer systems to the County, once they have been built and are operating. The sewer system has the potential to become a regional system not just for the immediate area, but also the Eldorado Area Water & Sanitation District (EAWSD). The greater Eldorado area has almost 3000 homes on septic tanks; a regional sewer system serving this area would provide great benefit for County constituents. Because the WWTP would be located in the Village at Galisteo, outside the EAWSD service area, it would most appropriately be operated by the County Utility. However, funding and construction of infrastructure within the EAWSD would best be developed through a partnership between the County and EAWSD.
4. Pojoaque Valley: Santa Fe County and Pojoaque Pueblo have entered into an agreement wherein the County may eventually take over operations of the Pojoaque Pueblo WWTP, and serve the greater Pojoaque Valley. Such a takeover would occur when a sufficient number of County residents hook into the system, although the timing and funding of this remain uncertain.

Long-term

The County Utility recognizes that there are significant areas of the County that have no immediate prospects for sewer service. A long-term strategy to serve these areas would include funding and construction of new WWTP, and the accompanying infrastructure to provide sewer service. Wastewater infrastructure

is considerably expensive, therefore a long-range funding strategy should approach this effort as sequencing.

DEVELOP ADDITIONAL INFRASTRUCTURE

The County Utility must be able to provide effective sewer service to its customers, both for domestic and commercial use. Utility engineers develop specifications for new construction, to accommodate both immediate and future needs. Utility engineers also oversee replacement and maintenance schedules for existing infrastructure.

Priority

1. The top priority for County Utility infrastructure is within the designated service area for Valle Vista. This includes development of new infrastructure to meet growing demand, and replacement and maintenance of existing infrastructure as needed.
2. The County will partner with developers to ensure new developments have appropriate infrastructure.
3. The County Utility will recommend, as requested, as to the ability of the system to handle additional loads.
4. The BCC has committed capital funds for Sombrillo and Edgewood with development of wastewater systems. The Utility will assist these areas in developing their projects and infrastructure, which would be operated by entities other than the County Utility.
5. Legislative funding requests often create a project priority for the County Utility. The Utility will prioritize outside requests as per direction of the BCC. The Utility will take an active role in advising the BCC when legislative requests do not conform to BCC priorities, whether funding is adequate for the requested project, how much County staff effort will be involved, and whether those projects will create a long-term County operational funding or staffing commitment.

STRATEGY FOR REGIONALIZATION

Organizational Structure of County

With the reorganization of the County management structure, the County utility is now part of the Operations section of the Public Works Division within the Growth Management Department. Water and Wastewater Planning is a section within the Land Use Division of the Growth Management Department.

Strategy for regionalization

The history of wastewater in this area has resulted in individual septic tanks for both residences and commercial properties. Several larger subdivisions have created their own WWTP to serve their particular developments. The City of Española has a WWTP, and is evaluating expanding service to outside the city limits, which would include some areas in northern Santa Fe County. Santa Clara and Pojoaque Pueblos also have WWTP capacity that may serve County constituents.

The largest wastewater system in the County is the City of Santa Fe. The City of Santa Fe has developed a policy of only limited service outside the city limits. Santa Fe County and Pojoaque Pueblo have entered into an agreement wherein the County may eventually take over operations of the WWTP, and serve the greater Pojoaque Valley. Details of the takeover, and prospects for funding the infrastructure necessary to hook up County residents, have not been developed.

The most effective way to serve County constituents is to develop a series of regional WWTP. Valle Vista is the first step toward this goal, and the County is seeking to acquire existing plants as a second step. Further steps will be integrated into the long-range funding and construction plan, which should be developed after the upgrade of the Valle Vista WWTP and acquisition of existing systems is realized.

Strategy for projects not connected to County system

From time to time, the BCC directs the County Utility to assist other systems or communities in developing projects for creation or improvement of their system. The Utility approach is to provide assistance with the goal of minimizing long-term County funding or staffing commitments, by supporting project design that will allow the systems to operate independently, or in conjunction with other regional systems.

FUNDING

1. Gross Receipt Tax (GRT) Bonds. GRT bonds are the primary source of funding for wastewater projects, but may also be used for water projects. The principal source of funding for current GRT bonds is the Capital Outlay GRT. Until 2012, one half of the revenue from this tax is dedicated to County projects, e.g. Valle Vista.
2. Revenue Bonds. At some growth point, the Utility will be able to sustain revenue bonds. Capital from such bonds will be used to support Utility

water and wastewater projects. The County Utility and Water/Wastewater Planning are working with the County bond counsel and the County Finance Division to anticipate the timing for revenue bonds.

3. Cash reserves. The County Utility, as an enterprise fund, maintains a reserve, funded through customer payments, for maintenance and replacement costs. The County Utility must develop a replacement schedule for aging infrastructure, in order to ensure adequate reserves with a timetable for expenditures, and reduce the potential for leaks and line breaks.
4. Developer contributions. County permit conditions often require developers to construct sewer infrastructure. Plans and construction must be approved by Utility engineers.
5. State funding. The County develops priority lists that are presented to the legislature each year, however this funding is never certain. The Utility does not rely on this funding, but can quickly integrate the funding if it becomes available.
6. Federal funding. The County maintains communications with our Congressional delegation, to seek ways to obtain federal funding for projects. This funding has not been extensive in the past, and future funding levels are uncertain.

Growth Management Department staff will work with staff from the County Finance Division to recommend the most effective mix of funding for any particular project.