## ACTION SHEET
## PUBLIC UTILITES COMMITTEE MEETING OF 8/5/15

**ISSUE NO. 18**

Request for approval to implement the Toilet Retrofit Credit Buy-Back Program. (Andrew Erdmann)

Public Utilities Committee – 8/5/15
Finance Committee – 8/17/15
City Council – 8/26/15

**PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 8/17/15 Finance Committee.**

**SPECIAL CONDITIONS OR AMENDMENTS:**

**STAFF FOLLOW UP:**

| VOTE: | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| COUNCILOR RIVERA, CHAIR | X | | |
| COUNCILOR MAESTAS | X | | |
| COUNCILOR BUSHEE | X | | |
| COUNCILOR DIMAS | Absent | | |
| COUNCILOR IVES | X | | |

# City of Santa Fe, New Mexico

# memo

**Date:** 7.24.2015

**To:** Public Utilities Commission
**Via:** Nick Schiavo, Public Utilities Division Director NSA

**From:** Andrew Erdmann, Water Resources Coordinator AE

**Re:** Toilet Retrofit Credit Buy-Back Program

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**Background:** The purpose of this memo is to seek the approval from the governing body to implement a program to purchase Toilet Retrofit Certificates (TRC's) issued by the City of Santa Fe prior to the conclusion of the program in 2009. TRC's were issued following the replacement of a high-water-use fixture (5 gpf) with high efficiency (1.6 gpf, at the time) fixture and each represents a quantity of 0.025 afy.

**Issue:** The City Water Bank is used by the City to manage banked water, both water rights and conserved water, belonging to the City as well as to individuals and corporations. The Water Budget Accounting Office (WBAO) sells water from the City's account in the Water Bank to developers whose total development water budget is less than 10/7.5/5 afy, depending on whether the development is residential, mixed use, or commercial. In the past, the banked water for sale from the City's account has been coming from conserved water generated through aggressive conservation measures and rebate programs, but the amount of water available through such programs has dropped off in recent years as overall system efficiency has improved, and conserved water is no longer keeping pace with the rate of banked water consumed by sub-threshold developments. To date, the City's Water Bank account balance has been protected by a combination of slower development in recent years, a high balance coming off of the years of significant conservation savings, and influxes of available banked water due to water rights purchases completed by the City Water Division. Moving forward, the purchase of TRC's offers an opportunity to provide a needed influx of available banked water into the City's account as well as creating a mutually beneficial contractual relationship between the City and developers holding TRC's.

**Cost and Funding:** The cost of this project is limited by the amount of TRC's available to the City, and that number is unknown. The cost is further limited by the funding mechanism for these purchases, which is revenue generated by the WBAO office through the sale of banked water for development. As development continues, ongoing sales of banked water will continue to generate revenue at a rate which will be directed towards the purchase of additional TRC's.

**Request:** Staff is requesting permission to implement the TRC Buy Back Program. All purchases in excess of $50,000 will be brought before the governing body for approval.