

**ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 01/14/15
ITEM FROM FINANCE COMMITTEE MEETING OF 01/05/15**

ISSUE:

18. Request for Approval of Quantification and Allocation of Water Credits Within the City of Santa Fe's Water Bank, Pursuant to Section 25-9.5(H) & Section 25-9.6(D) SFCC 1987. (Alan Hook)

FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM

Requested approval of quantification and allocation of water credits within the City of Santa Fe's water bank, pursuant to Section 25-9.5(H) & Section 25-9.6(D) SFCC 1987.

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

3-17-14

City of Santa Fe, New Mexico

memo

DATE: December 12, 2014

TO: Finance Utilities Committee

VIA: Nick Schiavo, Public Utilities Department and Water Division Director *NSN*

FROM: Alan Hook, Water Resources Coordinator Assistant *AGH*
Andrew Erdmann, Water Resources Coordinator *PAE*

RE: Pursuant to Section 25-9.5(H) & Section 25-9.6(D) SFCC 1987, the quantification and allocation of water credits within the City of Santa Fe's Water Bank

Background

The first purpose of this memo is to quantify banked water in the City of Santa Fe's (City) water bank, pursuant to Section 25-10 SFCC 1987, including water rights purchased by the City Water Division, Water Credits owned by potential developers, and Water Conservation Credits generated through conservation programs administered by the City's Water Conservation Office. The cost of generating this banked water is defrayed through the sale of water credits to developers. Water credits, from the water conservation programs or from developer transfers, represent an amount of water that the City or a developer has compensated for the demand of new developments. SFCC 25-9.4(C), "Anyone seeking new land use development should be responsible either for offsetting new demand through conservation measures or transferring to the city an equivalent amount of water rights that can be diverted through the city's infrastructure."

The Land Use Department administers this process and is part of the permitting process associated with new development. The state recognized water rights associated with the water bank are used to meet permit requirements incurred by the City in the production of groundwater from the Buckman Well Field and are not sold when new development projects are undertaken.

Status of water credits (in acre-feet) within the Water Bank (Attachment 1)

Water Rights (City Owned) – 53.61
Affordable Housing Division Credits – 33.16
Water Credits (Developer Owned) – 489.95
Water Conservation Rebate Credits (City Owned) – 5.34

Allocation of Water Credits

The second purpose of this memo is the governing body's allocation of the City's available water. Pursuant to Section 25-9.6(D) SFCC 1987, in making allocations the governing body shall give priority to the following uses:

- (1) Annual allocations of water to affordable housing shall be made for at least three (3) consecutive future years, and each year's allocation shall be set aside in a separate affordable housing account in the city water bank. When a specific development receives final approval, the water division shall debit the appropriate year's affordable housing account in the city water bank, as set forth in Section 25-10 SFCC 1987, for the water necessary to serve the affordable housing in the development and issue a water allocation approval form for that project. At the time of each annual allocation, the governing body shall adjust allocations made in previous years to account for changes that may have occurred in previously identified affordable housing projects in the intervening year and return to the city's pool of available water any water that is not being used as a result of proposed affordable housing project's being withdrawn or a reduction in its anticipated water demand.
- (2) Water available from retrofit rebate conservation credits in the water bank shall be allocated for sale to developers of small development projects as set forth in Section 14-8.13(E)(2)(b) and (d). **The city shall maintain in the water bank a reserve of 25 AFY from retrofit rebate conservation credits** for sale to water customers to remedy violations of restrictions under alternative development water budgets or water conservation contracts pursuant to Section 14-8.13(D)(4).
- (3) Water right permit offset requirements, accounted for in the long-range surface water supply gap account held in the City's water bank;
- (4) City projects including, but not limited to, parks and open space, affordable housing, water for the Santa Fe River, city buildings and other city facilities;
- (5) Other projects in which the City is a partner; and
- (6) Private or non-city public uses and projects which recognize other city priorities such as economic development and stability, energy efficiency, job growth and community health.

As of October 2014, 53.61 acre-feet of water rights purchased by the City that are available for allocation from the publicly-owned water rights balance to meet development needs within the City of Santa Fe; however, the balance of water conservation rebate credits has fallen below the required reserve of 25 acre-feet set forth in Section 14-8.13(E)(2)(b) and (d). Over the past two years, land use department sales of water conservation rebate credits as water credits has averaged about 16.5 acre-feet. By allocating just over 36 acre-feet from the City owned water rights balance, the City can meet the reserve for sale to developers of small projects and cover an average year of land use development through 2014.

Recommended Action

Staff recommends the Finance Committee make a request to the City Council for final approval, to reallocate 36.61 acre-feet of banked water for use as water credits to meet the reserve of 25 acre-feet for small land use development and to cover ongoing land use department usage of water credits.

CC: Rick Carpenter, Water Resources and Conservation Section Manager
Marcos Martinez, Assistant City Attorney

ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING 11/5/14

ISSUE NO. 17

Request for the allocation of water credits within the City of Santa Fe Water Bank. (Alan Hook and Andrew Erdmann)

Public Utilities Committee – 11/5/14
 Finance Committee – 11/17/14
 City Council – 12/10/14

PUBLIC UTILITIES COMMITTEE ACTION: Approved to forward to 11/17/14 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	X		
COUNCILOR IVES	X		