City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-___

Water Division's Asset Management Plan

SPONSOR(S): Councilor Rivera

SUMMARY: The proposed resolution recognizes the City of Santa Fe Water Division's commitment to implement an asset management plan within three years

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: Yes

DATE: April 6, 2015

ATTACHMENTS: Resolution
FIR

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2015-____

INTRODUCED BY:

Councilor Christopher M. Rivera

A RESOLUTION

RECOGNIZING THE CITY OF SANTA FE WATER DIVISION'S COMMITMENT TO IMPLEMENT AN ASSET MANAGEMENT PLAN WITHIN THREE YEARS.

WHEREAS, the City of Santa Fe is a qualified entity under the New Mexico Finance Authority Act ("Act"), Sections 6-21-1 through 6-21-31, NMSA 1978, and the Santa Fe City Council ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the City; and

WHEREAS, the New Mexico Finance Authority ("Authority") is the institution for public utility funds created under the Act, and has developed an application procedure whereby the Governing Body may submit an application for financial assistance from the Authority for public projects; and

WHEREAS, the City of Santa Fe Water Division has not developed an asset management plan; and

WHEREAS, an asset management plan is required for the City to apply for funding through the Authority's Water Trust Board, the New Mexico Environment Department Drinking Water

Revolving Loan Fund or Clean Water Revolving Loan Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that the Governing Body recognizes the Water Division's commitment to implement an asset management plan within three years and hereby directs the Water Division to develop such a plan in accordance to the following principles as identified by the New Mexico Finance Authority:

- The current state of Water Division assets; and
- The desired level of customer service; and
- Water Division assets that are critical to sustained performance; and
- The best life cycle cost for the identified assets; and
- The long-term funding strategy for the Water Division

BE IT FURTHER RESOLVED that the New Mexico Finance Authority and New Mexico Environment Department have identified the A.M. Kan Work manual as a guide to the aforementioned principles, which staff may incorporate into the City of Santa Fe Water Division's asset management plan.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2015

_____

JAVIER M. GONZALES, MAYOR

ATTEST:

_____

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, CITY ATTORNEY

M/Legislation/Resolutions 2015/ Water Division Asset Management Plan

FIR No. 2641

City of Santa Fe
Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. **General Information**
(Check) Bill:_____ Resolution: ___X___

(A single FIR may be used for related bills and/or resolutions)
Short Title(s): **A RESOLUTION RECOGNIZING THE CITY OF SANTA FE'S WATER DIVISION'S COMMITMENT TO IMPLEMENT AN ASSET MANAGEMENT PLAN WITHIN THREE YEARS**

Sponsor(s): Councilor Rivera

Reviewing Department(s): Water Division, Public Utilities Department

Person Completing FIR: Rick Carpenter Date: 4/3/15 Phone: 955- 4206

Reviewed by City Attorney: Kelly A. Brennan (Signature) Date: 4/6/15

Reviewed by Finance Director: (Signature) Date: 4-8-2015

Section B. **Summary**
Briefly explain the purpose and major provisions of the bill/resolution.

The requirement is for a Resolution of Commitment to implement utility asset management planning within three years and in accordance with the principles of A.M. Kan Work, which identify the following:

- **The current state of the assets**
- **The desired level of service**
- **Assets that are critical to sustained performance**
- **The best life cycle cost for the identified assets**
- **The long-term funding strategy for asset management**
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Section C. **Fiscal Impact**

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)

b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required

c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs

d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns

e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

_____ Check here if no fiscal impact

Column #: 1	2	3	4	5	6	7	8
Expenditure Classification	FY 15/16	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Personnel*	$_____	_____	_____	$_____	_____	_____	_____
Fringe at 30%	$_____	_____	_____	$_____	_____	_____	_____
Capital Outlay	_____	_____	_____	$_____	_____	_____	_____
Land/ Building	$_____	_____	_____	$_____	_____	_____	_____
Professional Services	$125,000	A	NR	$_____	_____	_____	
All Other Operating Costs	$ Unknown Admin Fee		_____	$ Unknown Admin Fee	_____	_____	_____
Total:	$ 125,000			$ Unknown Admin Fee			

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees.

2. Revenue Sources:

a. To indicate new revenues and/or

b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #: 1	2	3	4	5	6
Type of Revenue	FY 15/16	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Existing CIP		NR	$_____	_____	
_____	$	NR	$_____	_____	_____
_____	$_____	_____	$_____	_____	_____
Total:	$		$_____		

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

Staff anticipates that an outside consultant specializing in the required type of asset management planning would be needed. No new City staff or overtime will be required. Staff anticipates that such professional services would cost approximately $125,000. These funds would come from the existing Water Division CIP.

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Section D. **General Narrative**

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff are aware of .

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Starting April 1, 2015, the office of the NM State Engineer, The NM Environment Department, and the NM Finance Authority will be asked to certify to the NM Water Trust Board that applicants for funding assistance are in compliance with certain regulations. A Resolution of Commitment for utility asset management planning is required as part of these regulations. The absence of a Resolution of Commitment would likely result in rejection/disqualification of future funding applications.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff are aware of.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, social service providers and other institutions such as schools, churches, etc.

The City's ability to competitively seek State funding assistance for large capital improvements will help hold down the costs to deliver drinking water and also improve the reliability and sustainability of Santa Fe's water resources.

Form adopted: 01/12/05