



CITY CLERK'S OFFICE
Agenda DATE 7-31-12 TIME 2:45
SERVED BY Stephanie Lopez
RECEIVED BY [Signature]

**AMENDED AGENDA
Amending Item No.21
SPECIAL STUDY SESSION**

AND

**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, AUGUST 1, 2012
REGULAR MEETING – 5:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE JULY 3, 2012 MEETING

STUDY SESSION – 5:00-5:30

Reclaimed Wastewater Use Plan (aka TEMP 2) Study Session (Claudia Borchert)

END OF STUDY SESSION

INFORMATIONAL ITEMS

6. Recycling Strategies. (Cindy Padilla)
7. Keep Santa Fe Beautiful Overview and Activity Report. (Gilda Montano and Cindy Padilla)
8. Utility Billing Meter Reading Leak Identification and Customer Follow-Up Procedures. (Peter Ortega and Richard Chavez)
9. Updates to the Water Conservation Marketing Outreach Plan. (Laurie Trevizo)

10. Status of the Club at Las Campanas' use of treated effluent as a backup to the Club's raw water pipeline for golf course irrigation. (Brian Snyder and Marcos Martinez) **VERBAL – HANDOUT AT MEETING**

CONSENT – INFORMATION ITEMS

11. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)
12. Status Report on the Environmental Services Division. (Cindy Padilla)
13. Update on Current Water Supply Status. (Victor Archuleta)
14. Update on AMR Badger Pilot Project. (Peter Ortega and Richard Chavez)

CONSENT – ACTION CALENDAR

15. Request for approval of the second agreement for the supply of treated effluent by the City of Santa Fe to the State of New Mexico Department of Game and Fish. (Kathleen Garcia)
16. Request for approval of the procurement of Bulk Chem-Hydrated Lime from DPC Industries, Inc. for the Wastewater Treatment Plant. (Luis Orozco)

DISCUSSION ITEMS AND ACTION ITEMS

17. Request for approval of Resolution No. 2012-____. A Resolution relating to the New Mexico Litter control and Beautification Act of 1985 which authorizes the use of public funds in the form of grants for the purpose of enhancing local litter control and beautification programs; authorizing Keep Santa Fe Beautiful to plan, budget and apply for a grant pursuant to the New Mexico Litter Control and Beautification Act. (Councilor Trujillo) (Gilda Montano)
 - a. Request for approval of Litter Control and Beautification Grant Agreement, Grant No. 13-418-6001-0047 - New Mexico Clean & Beautiful Grant Funding Fiscal Year 2012/2013.

PUC – 8/1/12
FC – 8/20/12
CC – 8/28/12
18. Request for San Miguel County and City of Las Vegas Mutual Aide Agreement. (Brian Snyder and Marcos Martinez)
19. Request for approval for design-build procurement of integrated solar development services for the Buckman Direct Diversion Booster Station 2A Solar Project. (Dale Lyons)

BDDDB – 7/5/12
FC – 7/16/12 (Postponed)
PUC – 8/1/12
FC – 8/20/12
CC – 8/28/12

20. Request for approval of Bill No. 2012-_____. An ordinance amending Section 25-1.8 SFCC 1987; Reducing the level of fluoride in the City water supply; Ceasing the supplementation of fluoride in the City water supply; and ensuring that the natural fluoride levels in the City Water Supply are below the current maximum and secondary contaminant levels recommended by the United States Environmental Protection Agency. (Councilor Calvert) (Alex Puglisi)

CC – 7/25/12 (Request to Publish)
PUC – 8/1/12
FC – 8/20/12
CC – 8/28/12 (Public Hearing)

21. Request for review and approval of Santa Fe County's request for a master meter in the City's water distribution System and the Club at Las Campanas' use of treated effluent as backup to the club's raw water pipeline for golf course irrigation. (Brian Snyder and Marcos Martinez) **VERBAL – HANDOUT AT MEETING**

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MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: WEDNESDAY, SEPTEMBER 5, 2012

ADJOURN

PERSONS WITH DISABILITIES IN NEED OF ACCOMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 505-955-6520, FIVE (5) WORKING DAYS PRIOR TO THE MEETING DATE.



Agenda

CITY CLERK'S OFFICE

DATE 7/26/12 TIME 11:00am

SERVED BY [Signature]

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AND

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Wednesday, August 1, 2012

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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, August 1, 2012**

1. CALL TO ORDER

A meeting of the Public Utilities Committee was called to order by Councilor Christopher N. Calvert, Chair, at approximately 5:00 p.m., on Wednesday, August 1, 2012, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Calvert, Chair
Councilor Bill Dimas
Councilor Carmichael A. Dominguez
Councilor Christopher M. Rivera
Councilor Ronald S. Trujillo

OTHER GOVERNING BODY MEMBERS IN ATTENDANCE:

Mayor David Coss

OTHERS PRESENT:

Brian Snyder, Public Utilities Director
Stephanie Lopez, Public Utilities
Marcus Martinez, Assistant City Attorney
Melessia Helberg, Stenographer

There was a quorum of the membership present for conducting official business.

NOTE: All items in the Committee packet for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Public Utilities Department.

3. APPROVAL OF AMENDED AGENDA

Mr. Snyder said Item #10 has been consolidated into Item #21, and should have been removed, and requested to remove Item #10 from the agenda.

MOTION: Councilor Dominguez moved, seconded by Councilor Dimas, to approve the Amended Agenda as amended.

DISCUSSION: Mayor Coss asked said Commissioner Vigil and others from the County will be here at 5:30 p.m., and requested to move Item #21 up to have that discussion at that time.

Chair Calvert said he will entertain this item when they get here.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve the following Consent Informational Calendar and Consent Action Calendar as presented.

VOTE: The motion was approved unanimously on a voice vote.

CONSENT – INFORMATIONAL CALENDAR

11. DROUGHT, MONSOON AND WATER RESOURCE MANAGEMENT UPDATE. (RICK CARPENTER)
12. STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION (CINDY PADILLA)
13. UPDATE ON CURRENT WATER SUPPLY STATUS. (VICTOR ARCHULETA)
14. UPDATE ON AMR BADGER PILOT PROJECT. (PETER ORTEGA AND RICHARD CHAVEZ)

CONSENT – ACTION CALENDAR

15. REQUEST FOR APPROVAL OF THE SECOND AGREEMENT FOR THE SUPPLY OF TREATED EFFLUENT BY THE CITY OF SANTA FE TO THE STATE OF NEW MEXICO DEPARTMENT OF GAME AND FISH. (KATHLEEN GARCIA)
16. REQUEST FOR APPROVAL OF THE PROCUREMENT OF BULK CHEM – HYDRATED LIME FROM DPC INDUSTRIES, INC., FOR THE WASTEWATER TREATMENT PLANT. (LUIS OROZCO)

5. APPROVAL OF MINUTES FOR THE JULY 3, 2012 MEETING

MOTION: Councilor Dominguez moved, seconded by Councilor Rivera, to approve the minutes of the meeting of July 3, 2012, as submitted.

VOTE: The motion was approved unanimously on a voice vote.

STUDY SESSION – 5:00 - 5:30 P.M.

RECLAIMED WASTEWATER USE PLAN (A/K/A TEMP 2) STUDY SESSION. (CLAUDIA BORCHERT)

A copy of the power point presentation, *Reclaimed Wastewater: Determining the Best Use of the Resource*, dated August 1, 2012, prepared by Claudia Borchert, Water Resources Coordinator, is incorporated herewith to these minutes Exhibit "1."

Ms. Borchert presented information via power point. Please see Exhibit "1" for specifics of this presentation.

The Committee commented and asked questions as follows:

- Chair Calvert noted the Santa Fe Downs Infield is included in the non-discretionary users, which might go away with the Southwest Node Park [SWAN] coming on-line and it might shift from one to another.

Ms. Borchert said that was her impression initially, but she understands from Parks & Recreation that the recreational need is so great that, even when SWAN comes on line, there will be a need for both. She said, "That's just what I know, and I don't have any way to evaluate whether that's so or not."

- Chair Calvert asked, under the 'Green Theme,' if storage of reclaimed wastewater is feasible.

Ms. Borchert said yes – above ground, below ground and in tanks and such.

- Chair Calvert said one of the proposed strategies is to build resiliency and adaptation into Reclaimed Water [RW] planning and management, and in a previous slide she said annually there is excess RW, but not in June. He asked if there is a way we could use storage to give us more flexibility in the months where there is the most critical demand.

Ms. Borchert said this is a good idea, especially aquifer storage, noting she overlooked including this in the presentation. She said the City is putting a lot of water into the River, a lot of which is infiltrating into the ground, and we might be able to use wells that recover the water that infiltrated to provide backup supply when "some of the conditions kick-in that we weren't expecting in the future." She will make a note on this, and think more about that idea.

- Councilor Dominguez thanked Ms. Borchert and the working group. He asked what is meant by traditional agriculture.

Ms. Borchert said downstream of the Wastewater Treatment Plant are numerous farms which rely on water in the Santa Fe River for their water supply. There are a few in Cieneguilla, but not in La Cienega directly because "it's one water shed off," and when it drops down into the canyon part of the River, there is a canyon and ranch and further down is the La Bajada community. She said she uses the term traditional agriculture, because those communities have been there 300-400 years, and are very similar in age to Santa Fe, and people have been farming there for a long time. She said the springs that cropped-up downstream of the Wastewater Treatment Plant were once very robust, and the water supply for them was all spring-fed and was part of our hydrologic system. As we have developed and used water throughout the basin in many ways, those springs have declined over time to the point they can no longer support the agriculture that was there for hundreds of years in the way they once did.

- Councilor Dominguez asked, outside of those agriculture uses downstream from the treatment plant, are there any upstream.

Ms. Borchert said she hasn't looked to them in this plan, but the other big community that would be part of that would be Agua Fria, commenting people in Agua Fria might say that they have "no water to go with," because there's no water flowing in the Santa Fe River at Agua Fria, noting it also used to have springs.

- Councilor Dominguez said he is trying to make a correlation between slide 8 and traditional agriculture use, which primarily is in the County. He asked what has the County done to ensure that those traditional agricultural users are being as water efficient as possible.

David Harrington, member of the working group, said nothing has been done officially. He said what's happening is they are being forced into extreme efficiency because there is no water. He said last week he irrigated his alfalfa for the first time in 6 weeks. He said it used to be he could irrigate every two weeks.

- Councilor Dominguez said, "Essentially, you guys are taking it upon yourselves to conserve, but there is not an official Santa Fe County conservation plan."

Mr. Harrington said not to his knowledge, and they are conserving what they can so they can survive. For example he put in gated pipe which cuts his water use in half, and 4 years he put in drip irrigation on his vegetables.

Ms. Borchert said the County recognizes that all of the wells in the County in the La Cienega area are affecting the River. She said she believes they plan to bring direct diversion into the La Cienega area and require people do get off their domestic wells and hookup to a regional system. The County is considering some solutions to help the overall hydrologic system.

- Councilor Dominguez said, so it's part of a plan, but the County hasn't allocated money to develop its own system.

Ms. Borchert said this is correct, it's still on the drawing board.

- Chair Calvert asked if there is a timeframe for that, and Ms. Borchert said she doesn't know.
- Councilor Dominguez asked if we are at the point where we can establish priorities for the RW. He likes the themes, and asked if they are in a priority status, noting there are some of a priority from a City resident's perspective. He said we need to move in that direction to start establishing some of these priorities based on the information.

Ms. Borchert said staff has started prioritizing. If there is a contract, or it's a permit compliance, then staff assumes it is a high priority, and if it's a municipal use established by the Council through a Resolution it's the next priority. She said after that, the rest of the uses were ranked according to the scoring which was done.

- Councilor Dominguez asked what she means by uses. He said when you think of the source of this reclaimed water, it is paid for by City customers. He has heard from his constituents that we are unable to get water into the River between the water from the mountain and the wastewater plant discharge into the River. He said he saw in the themes, there might be an opportunity to do some of that and he wants to get to the place where we're balancing those kinds of priorities.

Ms. Borchert said staff will provide a prioritized list when they come back the Plan, and they can explain exactly why they are in the order, and if that doesn't sit well with the Committee, we can discuss what can be done.

- Councilor Dominguez asked how sure we are of our discharge obligations.

Ms. Borchert said the water rights in this basin have not been adjudicated – the final decree from the water courts which says “each individual party owns this much.” She said there are questions around the City's water rights which will not be answered until that process happens. She said for every drop we divert from the Santa Fe River upstream, the City is obligated to return that amount to the River. This is not our water to resell. She said there is case law that Mr. Martinez has quoted which says otherwise, but this is an unanswered question.

- Councilor Dominguez asked if staff is saying we can continue to move forward without getting some of those questions answered. He would hate to “go gung ho on this plan and say we're going to have all of these amenities and everything, and later on, staff determines, well hold on, time out.”

Ms. Borchert said the staff can't do anything else right now to determine the answer the question to that question right now.

- Councilor Trujillo said in 2006 he sponsored and passed a Resolution dealing with effluent and building a pipeline, commenting the City should have put in pipeline during the construction on Cerrillos Road, and other construction. He said we should do that work. He asked if part of the plan will be to build more pipelines to get the effluent to the other parks in town.

Ms. Borchert said she will have to revisit the 2006 Resolution. She said SWAN Park doesn't use that much water, so it still can fit into this part. However, she doesn't know how much water the parks use, but if you want to start irrigating the parks, it means it's coming out of "this sliver of water in the summer months." She will talk to the Parks staff and figure out how much water is being used by the parks, and then look at what would happen if all parks were getting a "slice of this June pie," which would be important to consider as part of this Plan.

- Councilor Trujillo asked if there is a way to trap stormwater in such a way it could be used to water our parks, noting the arroyo in Marc Brandt gets very full when it rains. He said this is done in other cities.
- Councilor Trujillo said he understands the City needs to send water down River to La Cienega and other areas to water crops. He said the River is over-flowing at Calle Debra and coming over the banks, and he knows that is because of the beavers. He said the people in La Cienega say this is City property, so its technically on the City to figure out a solution, commenting the over-flow has killed large numbers of cottonwoods. He asked if this is the City's or the County's responsibility.

Ms. Borchert said a group meets every other work that is trying to address these issues, noting it is a River reach that needs to be addressed. She said the group is looking at this from a water supply perspective and how to get the springs to maintain their discharge, and perhaps to increase the discharge. She said it won't be helpful for the City to tackle this problem by itself, but they are talking to landowners along that stretch to try to find solutions which will work for everyone. She said Bryan Drypolcher is joining that team on behalf of the City. She said when the River Management Plan is finished, the Council will be asked to buy into the solutions developed by this group.

- Councilor Trujillo noted he saw a bull Elk walking down the River, saying he had never seen Elk that close to Santa Fe, and he believes it is because the water is there.
- Chair Calvert said, with regard to the juxtaposition between Slides #7 and #18, we need to look at storage strategies for when everyone needs the RW at the same time. He said these are the kinds of things which need to be fully pursued by all parties. He said we could take some of the unallocated water to prepare for the times when we are fully allocated, and probably satisfy more users. He said this is "maybe a hope more than anything else."

Chair Calvert thanked Ms. Borchert for her work, and asked her to thank the members of the working group. He looks forward these things coming forward in the future.

END OF STUDY SESSION

MOTION: Councilor Dominguez moved, seconded by Councilor Trujillo, to hear item #21 next on the Agenda.

VOTE: The motion was approved unanimously on a voice vote.

21. REQUEST FOR REVIEW AND APPROVAL OF SANTA FE COUNTY'S REQUEST FOR A MASTER METER IN THE CITY'S WATER DISTRIBUTION SYSTEM AND THE CLUB AT LAS CAMPANAS' USE OF TREATED EFFLUENT AS BACKUP TO THE CLUB'S RAW WATER PIPELINE FOR GOLF COURSE IRRIGATION. (BRIAN SNYDER AND MARCOS MARTINEZ)

item #10 was removed from the Amended Agenda and incorporated into Item #21.

A copy of the proposed *Memorandum of Understanding between the City of Santa Fe and Santa Fe County for a master meter installation in the City water distribution system* is incorporated herewith to these minutes as Exhibit "2."

A copy of *Water Resources Agreement between the City of Santa Fe and Santa Fe County*, dated January 11, 2005, is incorporated herewith to these minutes as Exhibit "3."

A copy of the *Settlement Agreement* between the City of Santa Fe, and Las Campanas Limited Partnership, dated September 30, 2012, is incorporated herewith to these minutes as Exhibit "4."

Brian Snyder noted there are no items in the packet because this was heard at the Council meeting last Wednesday, and there was no additional information for the packet. He said a packet of information containing the existing Water Resources Agreement between the City and the County [Exhibit "3"], the Master Water Agreement that expires in August, and the Las Campanas Settlement Agreement [Exhibit "4"]. He said these are some of the item which binds the City for certain types of water to the County, as well as past agreements we've had with Las Campanas.

Chair Calvert said last week at the Council meeting, Councilor Ives raised a question, and because of the short time frame, the Assistant City Attorney was not ready fully to answer that question, and perhaps now is ready to do so.

Marcos Martinez, Assistant City Attorney, said, "Councilor Ives, at the last City Council meeting asked whether a particular sentence in the Water Resources Agreement prevented us from providing water to the County because of the statement in the sentence. If you look in the Water Resources Agreement, the sentence in question begins two-thirds of the, line 7, reads:

'The County acknowledges that it shall not obtain water deliveries from the City's Buckman well permit, RG-20516, as a result of such transfers, unless the parties otherwise agree in writing.'

I believe that, in context of this entire paragraph, it becomes clear that this not a limitation on providing water to the County. What it is, this paragraph in general deals with County transfers into the Buckman Well Permit, and this sentence was meant to say that those transfers into the Buckman well permit wouldn't increase deliveries to the County, so they wouldn't get water specifically from those increased transfers that it had made. And I think the references to such transfers, transfers is defined in the first sentence that the County may transfer up to 1,325 afy into the City's Buckman Well Permit, so they weren't getting deliveries from those specific transfers that they were making into the Buckman Well Permit."

Mr. Martinez continued, "So, I've also conferred with prior City Attorneys and that is the understanding at the time. So, if there are any other questions regarding that sentence, I would be happy to attempt to answer it."

Mr. Martinez said, "One of the questions for the Committee is, last week the Council agreed to provide a temporary master meter to the County, and in the intervening time, staff and, hopefully the County and Las Campanas, would get together and try to address a longer term or more stable solution for this question of water for Las Campanas Golf Course irrigation. One of the alternatives, that wasn't advertised at the City Council meeting, but that was at least referred to by staff, was the effluent agreement that exists between the City and Las Campanas or The Club at Las Campanas. City staff has since had conversations with Las Campanas."

Mr. Martinez continued, "However, we've also learned that... well the Settlement Agreement provided a framework for giving a certain quantity of effluent to Las Campanas. There were renewal terms required for Las Campanas to continually exercise that effluent agreement. The second renewal term would be from January 1, 2013 to January 31, 2016. But in order to meet the second renewal terms, Las Campanas had to give the City written notice by the first of July. Las Campanas did not give the City written notice by the first of July because they had invested in alternative approaches for a raw water pipeline, and had hoped to not need the effluent pipeline anymore. They did give notice for the first renewal term, so they have technically still an effluent agreement with the City from January 1, 2009, that funds until December 31, 2012. So, for the present year, there is still an ongoing obligation."

Mr. Martinez continued, "And one of the possibilities that staff would like to raise to this Committee to recommend is that the City could consider amending this agreement, allowing The Club at Las Campanas to have more time to opt into a renewal term and I believe that Las Campanas has indicated to staff that they are amenable to reducing the quantity of water that they'd be asking for, and also the condition under which they would ask for it, which would be only when the BDD is off line. So that is

another option that is available for this Committee to consider, along with a longer term Master Meter Agreement with the County. And with that, I'll stand for any questions the Committee may have."

Chair Calvert said we also have a more recent circumstance, which is the Buckman Direct Diversion is back on line, and asked if this correct.

Mr. Snyder said that is correct, the BDD went back on line last evening, and we started diverted, so we've been diverting the last two evenings.

Chair Calvert said these are all factors which we will weigh in our decision in what course to pursue.

Virginia Vigil, Santa Fe County Commissioner, said, "The issue came to the Board of County Commission at our meeting last night, and it was very narrow to me, the issue. And I will turn this over to Steve Ross or Adam with regard to the technical questions that you may have. The issue is very narrow. The County has an obligation to serve Las Campanas because they are our customer. We have an agreement with them. We have a Water Service Agreement with the City to have a certain amount of water delivered to the County, and that this is the only way that this issue should be discussed. The idea or issue of an effluent and whatever agreement that's been had with the County is not one that was factored into our discussions last night, because our discussion go strictly to our obligation to Las Campanas as a customer. They are a raw water service delivery customer. They are a wholesale customer. We entered into an agreement with them. My fear with this issue has been if, in fact, the City does not comply with the Water Service Agreement that we have entered into with you, then we cannot fill our obligation to Las Campanas. And beyond that, the issue could be discussed in terms which may be alternatives, and it seems that's part of the discussions that were had here, with regard to what our legal obligations are, I haven't seen that we should go beyond those discussions. So with that, unless there's any specific questions with regard to those Water Service Agreement or our obligation, through the Water Service Agreement, to Las Campanas and your obligation to the county through your Water Service Agreement with us, I'll turn it over to Steve Ross or Adam with our Public Utilities."

Chair Calvert said he understands what she is saying. However, he thinks some of these agreements preceded some of the circumstances that followed. The Agreement between the City and the County pre-dated Buckman and some of our arrangements with Las Campanas on effluent. He said the basis for the City's participation in the Buckman was to rest its wells so they would be our safeguard in times of droughts. He said if you want to stick to a reading of those two agreements, that's fine, but there are intervening circumstances that weren't anticipated in some of the original agreements. He said Commissioner Vigil referenced an agreement with Las Campanas and you're supposed to provide backup. He said, "Your backup is us pretty much." He said the City is more than willing to help people out in emergency circumstances, but the City wants to feel the County is working on longer term strategies, rather than invoking these agreements time after time, when we had specific purposes, as did the County when we made some of these arrangements. He said a lot of the angst is on some of these plans.

Chair Calvert continued, saying he feels the City gets caught in conflicts between the County's constituents, such as the people downstream who want effluent when we devised a strategy with Las Campanas to absolutely try to avoid using drinking water for irrigating. He said we went through the whole Settlement Agreement with Las Campanas to avoid that. He said if we honor this agreement, the City will be pumping its wells. He said the constituents on Tano Road are protesting our well that will be supplying some of that water. He said, "We're trying to work with you, but we're getting caught in the middle between your constituencies downstream from the Wastewater Treatment Plant, Las Campanas, Tano Road, and then we can throw in Agua Fria because every time they want to develop something there the County and Agua Fria say we don't have it, so they come to the City."

Chair Calvert continued, "I would like to see what plans the County has, longer term, than just simply invoking some of these agreements in terms of what they are going to do to help solve some of these problems."

Commissioner Vigil said, "Okay. We actually have long term plans, we have short term plans. The plan we're dealing with right now is one that needs to be immediately addressed. And part of the problem, I think and the argument can go both ways. My constituents have said that their problems began when the water system was taken over by the City and the water delivery did not go on down to the downstream, based on the decisions the City made. It really requires a cooperation between the City and the County to address these issues. And in fact, the issue of surface and subsurface waters are issues that we're tackling constantly. We're actually creating a water committee at this point in time to assist us in short term and long term policy. One of the visions that I've had for water has been to create a water trust board between the joint authorities so that we can start looking at leveraging the future of all our residents."

Commissioner Vigil continued, "I don't think the issue is City-County. I think it's a regional issue and that's how we need to actually approach it, so that issue should not really even come before you if the agreements are in place. We have an agreement with our customers and we need to comply with that agreement. You have an agreement with us, and where it goes beyond that isn't necessary in my mind, Councilor Calvert. If we want to deal with it on a social issue discussion, that's a different discussion, I think. But, with regard to complying with what our legal requirements are, that's all we're here for. Certainly, we're happy to have a study session with you, in terms of what the future plans are for the County. We actually are developing our own water system, and part of that had to do a lot with the County becoming a partner with Buckman Direct Diversion. We have 50% that we've invested in that. We receive 25% of the water allocation. All we're asking for right now, is that part of that water allocation that we've entered into an agreement with you be allocated to us per that agreement, and it's the raw water. It doesn't have anything to do with drinking water, and what we've agreed to with Las Campanas is strictly the raw water."

Chair Calvert said, "It may be raw water in the agreement, but where it's going to come from isn't necessarily raw water. If it comes from one of the wells that we use for drinking water, it's not raw water. That's why I don't think we're to get anywhere further with this discussion. I don't think you meeting your

obligations to your customers, because I think your only backup plan for their concerns is the City. I don't hear any plans for storage, which, if you truly want to have your own water system, you need to have some storage for contingency purpose. And I haven't heard that, nor do I see that."

Commissioner Vigil said, "We do have a plan for storage and recovery in place. As a matter of fact, that plan is sort of superceding the plan for looking at wells being drilled throughout the County, so that recharge/restorage system is part of our plan at this point in time. A lot of what you don't know, or don't see, we're in the process of doing. But, with regard to that, I actually think that it doesn't need to go beyond your complying with your requirements to us. And I think probably, one of the issues that you do address that we probably need to work on is how can that raw water be delivered, so that the City doesn't actually have to go into their wells. And perhaps we can look at some of the pump stations that might be able to deliver that. I don't know what the consequences of that are. But I think one of the things, and I'm speaking as previous Chair and Vice-Chair of the Buckman Direct Diversion on this is we did not anticipate the shut-down of the Buckman Direct Diversion to the extent that we've experienced thus far. And I think that will improve, but in the meantime where we are currently, puts in the situation of trying to address the issue when it does become emergent."

Chair Calver said, "Well, I might slightly disagree with you on whether we anticipated that, because we certainly built a heavy infrastructure into it to warn us on high turbidity incidences which would mean that we would have to shut down. Maybe nobody took that either seriously, or didn't anticipate how often that might come into play, but it was certainly well built into the discussion on the project, which I also have been a member of for the last 6 years and I'm the current chair of. I mean we definitely built into the planning that we might have to shut down."

Commissioner Vigil said, "Just for further clarification, Councilor Calvert. That's not what I'm saying, that we wouldn't have to shut down. I am saying that the shut down was not anticipated to be the length it currently was, and I think the shut down currently exists from the ash in the fire that occurred from the previous.... and to anticipate something like that, I don't think we really could calculate the length of shut down time for that... at least it was expected that once we received the results from the testing, the Buckman Diversion would go back on board and I think that's actually what happened here."

Commissioner Vigil continued, "In the meantime, it has impacted our obligation to our customer, and so I think that's all we're asking for, is for you to fulfill your obligation to us under the agreement we entered into with you. And I agree with you, it's not a good idea to get potable drinking water for these purposes, but there are ways we can probably prevent that also. That has to still be worked on."

Councilor Trujillo said, "Commissioner Vigil, you know, I know that you're stating that the City has legal obligations, but I guess I'm thinking different, because you're saying emergency circumstances. In my opinion, the emergency circumstances is people not being able to drink water. I'm sorry, but a golf course does not fall under emergency circumstances in my book. Never has. Never will. I remember a few years back when we had the drought here in Santa Fe, we had to let our parks die. Why. The obligation was to our people here in Santa Fe to give them drinking water, not to our parks, even though it was something they did, but it had to be done, and I can understand that. What I want to know, you talk

about we didn't anticipate this. Did Las Campanas anticipate.. I guess they saw that their ponds were going dry. What effort did they make to fix these ponds. They waited until the 11th hour when they came to the City last week, our ponds are dry. You didn't know this a month ago. You didn't know this. What's going on there. These are concerns. I'm a resident of the City. Guess what, I'm a resident of Santa Fe County as well. I just... giving raw water when we did have in place at one time an effluent system, and for some reason, the lawyers can discuss that, why they were taken off. I can't go for this. I really can't. It's not an emergency. I know you have your obligation. You sell them their water. I'm just hoping that you understand it from where I was coming from, when my constituents have called me on this as well."

Councilor Trujillo continued, "And I've talked to County residents as well. We're going to put water to a golf course that doesn't allow pretty much half of Santa Fe County residents to play. That's the thing I've been... you they've told. I don't play golf, so it does nothing for me. If you can understand where I'm coming from. Emergency circumstances, I understand. If there was no water in Las Campanas and the people were there dying of thirst, hey let's do it right away, we need to. This is.. I don't want anybody dying of thirst there. But to a golf course. And I understand the obligations, and like you said, we could go on and on... and I know legally we are obligated to give you that water is in the contract, so I just I wanted you know where my standards are."

Commissioner Vigil said, "And, Councilor Trujillo, there's no one who can empathize with you position more than I can. And of course, how many golf courses do we water throughout the City, and I'm not even sure what's potable, what's effluent and what isn't, because they're all under different arrangements. What I do know, first and foremost is that, first of all the emergent situation isn't about where the water is used. It's that the emergent situation is that the water is not available. Whether it's used for drinking or for watering a golf course. And this golf course, I might also say, is a golf course that opens itself up to many non-profits for fundraisers many a time, and has a different perception I know in the community, because that perception exists. It's existed for quite some time. Irregardless of the social issues involved with this, the emergent situation, in my mind, shouldn't be seeing beyond the current need. I can't address why the ponds went dry, and the folks from Las Campanas are here and might be able to address it. I know that we're all struggling right now to deal with how we allocate these waters and these systems. The Buckman Direct Diversion which has been a wonderful asset for all of us, we actually think because it exists, these kinds of issues shouldn't be coming up, but they do, and hopefully we'll be able to work through them as we can. But I honestly have to tell you that if the obligation isn't fulfilled it involves litigation."

Councilor Dominguez thanked Commissioner Vigil for attending the meeting tonight. He said she had to hear speeches at the County Commission meeting, and "you're going to hear some speeches from us too, I guess. So thanks for your efforts."

Councilor Dominguez continued, "It's interesting to me, because Councilor Trujillo said we're delivering water to a golf course, when it's really the County that's delivering the water to the golf course. The Golf Course or Las Campanas is the County's customer, yet we're taking a lot of the hits for that decision, and I think that's interesting to me. It's really unfair in many ways, so I understand the frustration that Councilor Calver has. The City, and this even predates me being a City Councilor, has made many

sacrifices and have had the tough discussions with regard to all the water, whether it be conservation, whether it be procurement of new water sources, whatever the case may be, the City has not only had the tough discussions, but has invested lots of dollars in that water source. And so I think when we talk about the difference between having a plan and actually having the ability or capability to implement that plan, it's two different things, because the County doesn't have the kind of customer base that the City has. I understand that it's a lot more difficult for the County to address that."

Councilor Dominguez continued, "And again, just going back and following up a little bit on what Councilor Calvert said, is that the City has not just come up with a plan, but have had the tough discussions and have invested a ton of money in what's come out of those discussions. And again, some of it has happened while I've been on the Council, but the majority of that predates me as a Councilor. I thank the previous governing bodies who have had those wars, for lack of a better term, among themselves about how to deal with water in general."

Councilor Dominguez continued, "But, what's troubling to me, and I'll just state this, is the way this came to the Governing Body. It was very quick, and I'm not sure where the blame, if there is anybody to blame where it lies on. I've had conversations with City staff of course, and I haven't heard from Las Campanas or County staff about their version of the story, if you will, but just that it came to us, or staff received it the night before Council meeting, and it came to us at a Council meeting, is really uncomfortable, and that may not be the County's fault and I'm not going to go there. But it really puts us in a bad position, because all of a sudden everyone thinks that the City is giving Las Campanas water for a golf course, when that's not the case. It's the County's... Las Campanas is the County's customer, and I think that we didn't have an opportunity to even have that discussion at Council, because it was just so immediate."

Councilor Dominguez continued, "Now, I see this as both a short term and a long term solution. It sounds like, because BDD is on line, that some of that short term solution may be resolved. And having said that, I'd like to make a motion and then just continue with a couple more comments."

MOTION: Councilor Dominguez moved that this Committee pass this to the Governing Body, and not make a decision at the Committee level, because the short term emergency may be resolved by the time it gets to the City Council. **THE MOTION DIED FOR LACK OF A SECOND.**

Councilor Dominguez asked Mr. Snyder what is the short term solution, in terms of BDD being on line and the current situation.

Mr. Snyder said it is his understanding, that when BDD is running, and now it is corrected, they did not divert last night because they diverted the night before. They were getting the treatment processes running last night so they could start the treatment process. He said, "I fully anticipate that we will divert again tonight, but when they divert, they divert during the night hours. Las Campanas diverts about a million gallons during the time. During the day they use about a million gallons on their golf course. What was approved at Council last week, for a two week period, was installation of a meter in the Buckman Well Field and they've been pumping about a million gallons from the Buckman Well Field. So the net result is

they're gaining about a million gallons a day from the combination of the Buckman Direct Diversion and the Buckman Wellfield."

Mr. Snyder continued, saying he would estimate if that continues over the next week, their storage system will be repaired, and there would be water in their ponds for some period of time in the event the BDD has to go off line again.

Councilor Dominguez said then Mr. Snyder is saying that by the time this gets to the Council, the situation will have changed to some degree.

Mr. Snyder said, "That is my understanding and my belief, as long as BDD is able to stay on line based on, I'm not a weather forecaster, but as long as there is no rain in the Rio Grande Watershed that affects the sediment level and/or the ash loading on the River."

Chair Calvert said what was referred to the PUC from Council, was that we would supply water for a two week period until it came back to Council. He said the question before this Committee is our recommendation to the Council, if the Committee wants to make one, is whether to extend that beyond that time. He said, based on what staff has told us, if the BDD continues to operate and pump 1 million gallons from the wells, his recommendation is to stop doing this after the two week period. He said the meter will be in place if it became necessary. However, he doesn't want to continue pumping from the wells just to get their ponds a little more full or completely full.

Councilor Dominguez agreed, and said this leads to the long-term solution. He doesn't want to get to the point where we are pumping effluent water to Las Campanas. He said, based on the previous discussion, it is obvious that the City will be making some investments in the SWAN Park, and will need that effluent for that amenity. He said when he talks about long-term solutions, that fits into the equation.

Chair Calvert said he would like to accept Commissioner Vigil's willingness to discuss short/medium/long term plans the County has for backup to its customers. He doesn't want to keep getting caught in the middle of these things, reiterating he is willing to help if we feel they are contributing to the ultimate solution, but said, "I don't want to feel like we are always the ultimate solution on all of these."

Councilor Dominguez said one of the reasons he supported the action at Council because it was limited to two weeks, and we were giving staff the ability to measure a meter and spell-out who was paying for what, and how it would be paid. He said if the County is to deliver water to Las Campanas, under the new agreement, the City should be able to measure into all of the provisions of the agreement. He said we really need to look at long term solutions.

Councilor Trujillo said he understood Mr. Snyder to say that, with this water, Las Campanas could get up to 60-70% capacity in their ponds, noting he thought on Wednesday he said some of the ponds were off line because they were leaking. He asked if they will be filling the ponds that are on line.

Chair Calvert said we certainly weren't open to filling leaking ponds.

Mr. Snyder said he can let Las Campanas speak specifically to the pond situation. He spoke with George at Las Campanas, and with the current scenario he laid out, it would take about 16 days to get the ponds to 100% capacity. He said some ponds aren't operational, but he doesn't know the percentage that is of the overall system.

Charlie Nylander, Club of Las Campanas, said there are 7 existing ponds, with a cumulative capacity of 100 afy of water, and they are currently at 30 afy. He said 2 ponds have leaking areas near the top of the pond where the collar is, and they have maintained the water in the 2 ponds at a lower level to prevent the loss of water. He said he would like to address Councilor Dominguez's comments about where they were when the emergency occurred. He said going into the Spring, the ponds were not quite full, and they were taking water from BDD on Las Campanas water rights until May. At that that time, they switched over and started purchasing the raw water through the County, trying to keep the ponds and get them to full capacity. However, the way the BDD operates week to week, we have to request the volume of water each week we would need. He said there were communication issues in trying to get the amount of water requested, for example, if they requested 900,000 gallons and they might give them 600,000. He said on July 3, 2012, when the BDD went down, their ponds were not to the hoped for storage capacity for the monsoon season. He said when the ponds are full, they have about 30 days of emergency backup water. He said the ponds is the first and primary source of backup water.

Chair Calvert asked, with regard to helping out but asking for contributions to the solution, what other measures have been taken by Las Campanas to conserve water.

Mr. Nylander said, "In 2010-2011, we initiated a Water Conservation project on the golf courses, and over that time period we spent about \$500,000. In doing this, we reduced the turf area by about 33 acres of turf. We reduced the sprinklers by 400. We upgraded the technology on the sprinklers that were out there. We installed new technology, [inaudible] sprinkler heads, 900 of those, and did other things with the controller, moisture sensors in the ground, 3 weather stations and rain bucket gages that will shut off the irrigation when it senses rain, these types of things. As a result, over the 2 years that we did these activities, we actually reduced our water usage by about 170 afy, so it is about a 22% water savings that we initiated."

Mr. Nylander continued, "And we actually sat down with State Engineer John D'Antonio last year and his Water Conservation Division people and went through our program. And honestly, they told us that we were really a model for the State, that they wished that other courses around the State were doing these things like we did. So, we've taken every action to try to reduce the use of water and the amount [used]/. And, of course historically, we spent a lot of money putting in the effluent reuse line, and to alleviate pressure on the Buckman Wellfield. And then we spent a lot of money on the raw water line to be able to get the raw River water, and to again, to try to minimize impacts on the wellfields. We are very familiar with the City's Long Range Water Plan and the conservation planning and so forth. And so we tried very hard to work both with the County and the City on being a good steward of water."

Councilor Rivera asked Mr. Snyder if he said previously that now that the BDD is back up, Las Campanas will be receiving a million gallons a day from Buckman, or from BDD as well as a million gallons a day from the wells.

Mr. Snyder said this is his understanding, yes.

Councilor Rivera said, "Basically this perceived emergency, which is now over because BDD is back up, is now being used to refill their ponds basically."

Mr. Snyder said, "Yes. They are gaining about one million gallons a day in their ponds. Correct."

Councilor Rivera asked, "Is there any way to stop that from happening, or is it the two weeks..."

Chair Calvert said, "Procedurally, I don't think so Councilor. I think the Council made a decision. This body can't change that, so I think it's in place until the Council convenes again."

Mayor Coss said, "I came tonight to speak in favor of approving this agreement for this master meter with the County, and I'm one of the fortunate people. I was here for every one of these agreements that was referenced, going back to the Settlement Agreement with Las Campanas that gave the right to use, I think, it was 450 afy of effluent every year. And I think talking about changed circumstances, in the Committee's work with Claudia, and just what we through last summer with La Bajada and La Cienega, I'm not in favor of Las Campanas starting to take effluent again. I would rather leave that in the water for now, because I think it's going to be a challenge to divert effluent to SWAN Park and to the long promised, and finally funded pipeline for the effluent to the Southside. And so I'm pleased that maybe they acted precipitously taking that line out and all that equipment out, but I saw this as going to 2024, I think the agreement, 2027, is a long time to give 450 afy of water to Las Campanas."

Mayor Coss continued, "Another thing that we didn't foresee when we were negotiating these various agreements, was that there would be a recession and Las Campanas would go bankrupt, and that the whole ownership structure would change. But I think it's a good thing, actually, that Las Campanas is now a County customer, rather than a system out there on their own. This agreement with the County, I think that we should honor that right now. They have, the County... there's only one aquifer out there, if the County puts their own wells in it, or uses our wells, it's the same aquifer. And I think, at some level, because the State of New Mexico has given them the authority they have, and we're not the only game in town, there's the County. We're going to have to, at some level, trust that the elected representatives of the people that work for the County want to protect that aquifer as much as we do."

Mayor Coss continued, "And I don't want to go into the social merits of a private golf course. I'd rather use Commissioner Vigil's definition of an emergency. We had some unforeseen circumstances where that thing was shut down longer than anybody thought originally. They need to fix their ponds, obviously. But they're a County customer now, and they have an agreement and we have an agreement. And rather than saying go put the effluent line back in and start taking that effluent that we just heard how precious that is, I think we should say, let the County run the County system, with the agreement they have

right now. And I think what's better about that is, before we did the Buckman Direct Diversion project, and Brian or Marcus can tell me, I think we were pumping that Buckman Wellfield at about 5,000 to 6,000 afy a year. About right in there."

Mr. Snyder said it was around 6,000 afy a year.

Mayor Coss continued, "So, it was 6,000 afy. I just looked at the report for this year, and even in the second worst drought in history, collectively we've only pumped 550 afy, and we wish the number was zero, but it's not. But even if Las Campanas takes their water for the next two weeks, or the next three weeks until their ponds are full and the BDD is back on line, we'll be well under 1,000 afy of pumping from the BDD. And, it's like I said about annexation, maybe we can renegotiate some of these things. Maybe we wish we hadn't agreed to some of these things, but here we are. And I don't see that it serves any of us to renege on an agreement with the County. We can not like Las Campanas's golf course. But they've already been through one bankruptcy, they regrouped, and a lot of people in the community convinced them to be a customer of the County. And I don't think it serves any of us to take the chance that they fail again."

Mayor Coss continued, "I think we follow these agreements. We do a little more pumping of the aquifer, which nobody wants. And I just have to trust that the elected officials of the County don't want that any more than the elected officials of the City and they'll be working responsibly and diligently down the line to minimize that happening. But this year, because of Buckman, instead of pumping 6,000 afy, we're going to pump less than 1,000 afy, even if we do allow the County to use that well. And I just think, rather than saying, put in that effluent line and starting effluent that we don't really have, we're better off, in this situation for the next few weeks, to allow the County to serve their customer under the agreements that we negotiated, however imperfectly, in the last 10 years. Thanks, Mr. Chairman."

Mayor Coss asked if there are any more changes in the MOU for the meter master installation that staff would recommend. He said one thing you can do is to pass it forward w/o recommendation, noting this discussion will happen at the Council as well. He just wanted to get his position out there that "I think we should go with existing agreements and then work with the County, as the Commissioner suggested, and as you suggest. Water's not going to get any easier for us."

Councilor Dominguez said, "If you look at Item #13, it says until August 8, 2012. That's the short term. I just wanted to make sure."

Mr. Martinez said, "Largely, this agreement follows the Water Resources Agreement that the City and County entered into in 2005, so there aren't any substantive changes that I would recommend. However, I would point out what Councilor Dominguez just pointed out, that the term right now, following the direction of Council last week, was a temporary term of August 8, 2012. So I don't know if the question of the term being extended or not is something that the Committee, or the full Council, wants to consider."

MOTION: Councilor Dominguez moved, seconded by Councilor Dimas, to move this item forward to the Governing Body without a recommendation, because we have an agreement in place until the Council meeting.

VOTE: Motion was approved unanimously on a voice vote.

INFORMATIONAL ITEMS

6. RECYCLING STRATEGIES (CINDY PADILLA)

Cindy Padilla, Environmental Services Division Director reviewed the information in her Memorandum dated August 1, 2012, with attachments, to the Public Utilities Committee, regarding Recycling Strategies July 26, 2012, which is in the Committee packets. Please see this Memorandum for specifics of this presentation. Ms. Padilla presented the short Public Service Announcement video urging people to pledge to more recycling, which was produced with Gov. TV.

The Committee commented and asked questions as follows:

- Chair Calvert noted offering different size bins can have the effect of reducing revenue, so she needs to keep this in mind.

Ms. Padilla said it's about math and we have to establish what a base rate would be, so everybody would pay that base rate, no matter what and then the variable sizing would be a different rate, so you would pay less, but they would have to watch revenues.

- Chair Calvert said there are a lot of good ideas. His overall hope is that we have targeted activity, identifying where we are weak with segments and weak on participation, whether commercial or residential areas – really target these areas to increase participation. He said we have to make sure we're using our resources as efficiently as possible, which is his main concern.
- Chair Calvert said, with regard to the events, he wants to be sure that we put these things at an event that they are being used properly and don't end up being another trash can which really doesn't serve our purposes because it is contaminated. He wants to monitor those and get people educated, then we can expand to more events when we are really sure people understand how they are to be used.
- Chair Calvert said, with regard to the schools, the programs at the schools have been up and down, and we keep trying to stimulate it. He said it is partly relying on volunteer labor at the schools. He said once it gets going at the school, it filters into the community, to which Councilor Trujillo can attest. He wants to keep this program going at a sustained level at the schools to permeate the education throughout the community.

Ms. Padilla thanked Chair Calvert, saying his points are well taken. She said there are targeted recycling plans in the strategy – mobile home parks, neighborhoods and such. She said quality control is important. She said the reasons for the pledge cards is so people sign and make a commitment to recycling, although there is no way to know they're not taking the bins home and putting them in their kids rooms.

- Chair Calvert said he hopes she will be tracking those. He said it's great to get all the bins out there, but he wants to be sure it translates into recycling and not increased storage at somebody's house.
- Councilor Trujillo said what has been done in the parks is really good, but the problem is the contamination. He said if we have bins which only a can will fit through those work well. He would like to get plastic bags with a stand, especially in the dug-outs. He said Parks Division tells him they take 30-40 plastic bottles which were never recycled.

7. KEEP SANTA FE BEAUTIFUL OVERVIEW AND ACTIVITY REPORT. (GILDA MONTANO AND CINDY PADILLA)

Ms. Montano highlighted the information contained in the power point presentation which is in the Committee packet.

Responding to Councilor Dimas, Ms. Montano said 36 medians currently are adopted.

Councilor Dimas asked how many are up for adoption, and Ms. Montano said hundreds. She said they are looking for people to adopt those, as well as roundabouts.

Councilor Dimas said the medians are his main concern at this time, and asked if it would be worthwhile to approach some of the neighborhood associations to adopt a median or at least take care of the medians. He said Ms. Montano's division has done a great job. He said he was involved in a similar program with the State in 1984-1985, when he was the Director of the State Keep New Mexico Beautiful Program at that time.

Ms. Montano said they will keep working on the medians and try to get more adopted, commenting she will attend neighborhood association meetings where possible.

Councilor Dominguez thanked Ms. Montano for her work with the program. He said there is the Southside Merchants Association who are "chomping at the bit" to get involved in something like this. He said this would be a good time to approach them about participation, noting she has the contact information.

Ms. Montano said Ms. Padilla has invited her to the Airport meeting, which she will be attending.

Councilor Dominguez asked for an update when she does meet with the Southside Merchants to see how the City can help

Councilor Dominguez asked about the graffiti program, noting there were some interesting conversations between what the City was doing and what Santa Fe Beautiful was doing in terms of graffiti. He asked if she still works with graffiti.

Ms. Montano said, as a City employee, she was under the Parks Division where the graffiti crew and program are housed. She took complaints and information, and made sure the supervisors got the information so they could remove the graffiti, although she had nothing to do with the hot line and wasn't on the task force. She said she is still housed in the Parks Building, even though she is now under the Environmental Services Division, but works closely with the Parks Division because of her program. She is involved as far as taking complaints and will speak with Chris Ortiz, the Superintendent, and to Stephen Almenzar in the Graffiti Division.

Councilor Dominguez asked if this is the extent of the relationship between Santa Fe Beautiful and the City.

Ms. Montano said yes. She said Keep Santa Fe Beautiful started the graffiti program, and when it was a division, the graffiti employees were under the Keep Santa Fe Beautiful Division. She said because it is no longer a division, it is now under the Parks Division, commenting that she still works with them to take complaints.

Councilor Dominguez said he thought it was now under the Police Department.

Ms. Montano said a portion of graffiti has been moved to the Police Department, but she doesn't exactly what that is, and Ms. Padilla said the Graffiti Hotline has been moved to the Police Department.

Councilor Dominguez asked if the Household Hazardous Waste Drop-off Day is done only once a year.

Ms. Montano said Santa Fe Beautiful helped to sponsor that program. However, there is no longer a one-day drop-off, because they are building a year-round facility which she hopes will be open soon – by September.

Ms. Padilla said it most likely will November before the Household Hazardous Waste facility will be up and running.

Councilor Dominguez said then we're not duplicating services.

Ms. Montano said Santa Fe Beautiful works very closely with all of the programs, and sponsor and advertise them, get volunteers and she works the events.

Councilor Trujillo said a lot of businesses don't know the rule has been changed with regard to the medians, and believes a lot of business don't know about the change, and perhaps she might want to do some PR to tell them about this. He said he worked with Ms. Montano when he used to oversee the Adopt-the-Highway for the DOT. He said the hard part about this whole thing, is getting these business to go out and clean the medians. He said when he was overseeing the State program, he would have patrols go out and remove the signs when they weren't doing the required maintenance. He said that got their attention and they were calling people all the way up to the Governor to get their signs restored. He said it's a wonderful program and it's free PR for businesses. He asked Ms. Montano if there is a timeframe for maintaining the medians.

Ms. Montano said she isn't on the streets every day, so she depends on residents or Parks Median Crew to let her know that the adoptees aren't doing what they need to do. She will call them, and if they don't return her call, she will send a letter. If that doesn't work, then the signs are removed, so it takes some time to do this. She said there is a lady in Santa Fe who calls her at least once a week to tell her what medians need attention.

Councilor Trujillo agreed that when people don't perform as agreed with regard to median maintenance, the signs should be removed and let others have the opportunity to adopt some of the choice medians, especially on Cerrillos now that it has been revamped. He said the medians in District 3 still haven't been planted with vegetation, "so you won't get people wanting to adopt weeds."

Ms. Montano said some people have done wonderful things, noting McCumber Fine Gardens which has done 2 medians that are really beautiful. She believes there are a lot of people interested.

Councilor Trujillo said at Rodeo and Zia, he has seen people go out and pull weeds and he knows those medians aren't adopted. He said he agrees with Councilor Dimas that some of the neighborhood organizations may want to be part of this effort.

Chair Calvert said on the last page of the presentation, bottom line, under Funding/Public Private Partnerships, he thinks it would be helpful to list how she is able to leverage these funds through volunteer activities. He thinks this would helpful to let people know what we are able to accomplish with the funds.

Ms. Montano said every year there is a Keep America Beautiful Annual Report which contains that information, with a cost ratio for every dollar that the City spends and for in-kind contributions and volunteers. She can provide a Memo to the Committee by the next meeting.

Ms. Montano introduced the board members in attendance: Harvey Van Sickle, Steve Sandoval, Lisa Randall, Mia Barela and Lisa Merrill. These are all volunteers, and they put in a lot of time and have been a huge support to her and the program.

Chair Calvert thanked the board members for their efforts on behalf of the Community and the Committee.

Ms. Montano said Keep Santa Fe Beautiful is here to help in any way that the City needs it.

8. UTILITY BILLING METER READING LEAK IDENTIFICATION AND CUSTOMER FOLLOW-UP PROCEDURES. (PETER ORTEGA AND RICHARD CHAVEZ)

Peter Ortega noted there is a Memorandum, with attachments, dated July 20, 2012, to the Public Utilities Committee, in the Committee packet.

Chair Calvert said he agrees with Mr. Ortega that things need to be better defined – what is a minor leak, what is the threshold for high consumption and such. We need to define these in order to enforce certain of these things and to establish procedures around them. He said Mr. Ortega has provided guidelines and he has no reason not to go along with those.

Chair Calvert noted the last paragraph provides, "... if the leak is not resolved in a reasonable amount of time, staff could impose a fine such as a water violation." He said one of the things we need to remember is we have quite a few seasonal residents, so some of these proceedings need to consider this population. He said you might want to take advantage of a more mainstream media such as email, so it doesn't matter if they are here, the City can contact them with regard to leaks.

Mr. Ortega said last week a meter reader found a meter which was using a lot of water, and they couldn't contact the owner, so they used the pro-active approach and shut off the meter. He said he has no complaints, but sometimes they use their best judgment and shut off the meter, because they don't want to cause further damage.

Chair Calvert said perhaps we could reach out to seasonal residents through the billing process to get better contact information, commenting he knows these are tougher situations with which to deal.

9. UPDATES TO THE WATER CONSERVATION MARKETING OUTREACH PLAN. (LAURIE TREVIZO)

Chair Calvert said at the last meeting the Committee made comments and clarifications, most of which were incorporated into the Plan.

Councilor Dominguez noted the change on page 4 indicates a WordPress format, and asked what that is.

Ms. Trevizo said WordPress is the format that the web developer uses, and it's user-friendly so that anyone could take over and edit the website, without the need to be a trained website developer designer or webmaster to edit the website we're developing.

Ms. Trevizo said they have started implementing some of the things outlined in the schedule, and they are going through the contracting process for the website in particular, and hopefully will have that up and running soon.

10. STATUS OF THE CLUB AT LAS CAMPANAS' USE OF TREATED EFFLUENT AS A BACKUP TO THE CLUB'S RAW WATER PIPELINE FOR GOLF COURSE IRRIGATION. (BRIAN SNYDER AND MARCOS MARTINEZ)

This item was combined removed from the Amended Agenda, and incorporated into Item #21..

DISCUSSION AND ACTION ITEMS

17. REQUEST FOR APPROVAL OF RESOLUTION NO. 2012- _____. A RESOLUTION RELATING TO THE NEW MEXICO LITTER CONTROL AND BEAUTIFICATION ACT OF 1984, WHICH AUTHORIZES THE USE OF PUBLIC FUNDS IN THE FORM OF GRANTS FOR THE PURPOSE OF ENHANCING LOCAL LITTER CONTROL AND BEAUTIFICATION PROGRAMS; AUTHORIZING KEEP SANTA FE BEAUTIFUL TO PLAN, BUDGET AND APPLY FOR A GRANT PURSUANT TO THE NEW MEXICO LITTER CONTROL AND BEAUTIFICATION ACT (COUNCILOR TRUJILLO). (GILDA MONTANO)

A. REQUEST FOR APPROVAL OF LITTER CONTROL AND BEAUTIFICATION GRANT AGREEMENT, GRANT NO. 13-418-6001-0047 – NEW MEXICO CLEAN & BEAUTIFUL GRANT FUNDING FISCAL YEAR 2012/2013. PUC 08/01/12; FC 08/20/12; and CC 08/28/12.

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve Item #17 and Item #17(A).

DISCUSSION: Chair Calvert and Councilor Dominguez asked to be added as cosponsors.

VOTE: The motion was approved unanimously on a voice vote.

18. REQUEST FOR SAN MIGUEL COUNTY AND CITY OF LAS VEGAS MUTUAL AIDE AGREEMENT. (BRIAN SNYDER AND MARCOS MARTINEZ)

Mr. Snyder said this was heard at the July PUC meeting, but there was not a representative here from San Miguel County or City of Las Vegas, Office of Emergency Management at the time, and they are not available for this meeting as well. However, he captured 6 questions from this Committee to which it requested a response. He said his Memorandum in the packet lists the 6 questions, noting there is a response Memo from the Office of Emergency Management answering those questions, and further detail their plans and actions.

Chair Calvert said he is quite willing to do this, because this is "pretty much a drop in the bucket," in the scheme of things. He believes they are taking steps to address the recurring theme of, "we're glad to help as long as we see they are doing things to help themselves and improve their situation."

MOTION: Councilor Trujillo moved, seconded by Councilor Dominguez, to approve this request.

DISCUSSION: Councilor Dominguez thanked staff for their work, commenting that they are on the road to make those tough decisions which need to be made, so he is happy to support this.

Councilor Rivera asked if consideration was given to an MOU as opposed to an agreement, commenting that they probably wouldn't have to reciprocate the favor, but "you never know."

Mr. Martinez said initially they forwarded an MOU, but they wanted to follow the procedures that their JPA had articulated. It seemed to him, that in all likelihood we have so many more sources than they do, that us needing to go to them would be an unlikely scenario. He said he didn't pursue it, because it would require changing our form and system so much.

VOTE: The motion was approved unanimously on a voice vote.

19. REQUEST FOR APPROVAL FOR DESIGN-BUILD PROCUREMENT OF INTEGRATED SOLAR DEVELOPMENT SERVICES FOR THE BUCKMAN DIRECT DIVERSION BOOSTER STATION 2A SOLAR PROJECT. (DALE LYON) BDDB 07/05/12; FC 07/16/12 (postponed); PUC 08/01/12; FC 08/20/12; AND CC 08/28/12.

Dale Lyons presented information regarding this matter from his Memorandum, with attachments, of July 24, 2012, to the Public Utility and Finance Committees, which is in the Committee packet.

Chair Calvert asked if the funding is secure, and if the City is concerned about any developments at the NMFA of late.

Mr. Lyons said, "What I've heard in limited discussions with folks over at NMFA, is that because this is federal funding, it's not in jeopardy, and whatever rules had already been established, and disbursing this funding would be followed."

Responding to Councilor Dominguez, Mr. Lyons said the amount we requested is up to \$5 million for the solar facility, but staff doesn't think it will cost that much and will be closer to \$4 million to build the facility. He said half of the requested amount, eventually would have to be repaid, and the other half is an outright grant through the Drinking Water State Revolving Loan Fund Program from the EPA.

Councilor Dominguez asked the amount of design.

Mr. Lyons said it probably will be about 10% of the total project cost for the design and permitting.

Councilor Dominguez said this is a good project and we need to keep it moving forward.

MOTION: Councilor Dominguez moved, seconded by Councilor Rivera, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

20. **REQUEST FOR APPROVAL OF BILL NO. 2012- _____. AN ORDINANCE AMENDING SECTION 25-1.8 SFCC 1987; REDUCING THE LEVEL OF FLUORIDE IN THE CITY WATER SUPPLY; CEASING THE SUPPLEMENTATION OF FLUORIDE IN THE CITY WATER SUPPLY; AND ENSURING THAT THE NATURAL FLUORIDE LEVELS IN THE CITY WATER SUPPLY ARE BELOW THE CURRENT MAXIMUM AND SECONDARY CONTAMINANT LEVELS RECOMMENDED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (COUNCILOR CALVERT). (ALEX PUGLISI) CC 07/25/12 (Request to publish); PUC 08/01/12; FC 08/20/12; and CC 08/28/12 (Public Hearing)**

Chair Calvert read the case caption in full.

MOTION: Councilor Dimas moved, seconded by Councilor Rivera, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

MATTERS FROM THE PUBLIC

There were no matters from the public.

MATTERS FROM THE CITY ATTORNEY

There were no matters from the City Attorney.

ITEMS FROM STAFF

There were no matters from staff.

MATTERS FROM THE COMMITTEE

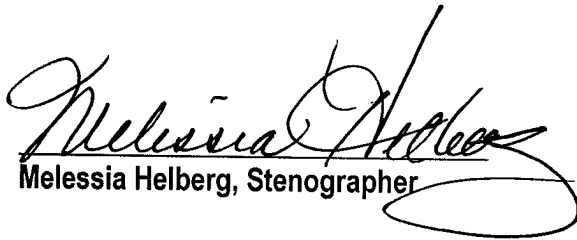
There were no matters from the Committee.

NEXT MEETING: WEDNESDAY, SEPTEMBER 5, 2012

ADJOURN

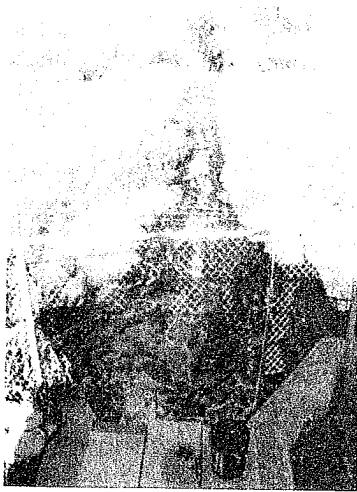
There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 p.m.

Christopher Calvert, Chair



Melessia Helberg, Stenographer

Reclaimed Wastewater: Determining the Best Use of the Resource



Public Utilities Committee

Study Session

August 1, 2012

Claudia Borchert,
Water Resources
Coordinator

In cooperation with the
Reclaimed Wastewater
Working Group

Reclaimed Wastewater Use Plan (RWUP)

- This Plan results from multiple recent RW-related policy questions facing the governing body:
 - How much RW is available for future parks and other desired uses? Do we have to shift RW from one use to another to have enough RW for SWAN park?
 - How much water do we want to commit to the Santa Fe River downstream of the wastewater treatment plant?
 - Do we want to use RW for water supply? If yes, in what timeframe?
 - Who should pay for RW and how much?



Exhibit "1"

Purpose of today's study session...

- Provide foundational understanding
- Review process (if desired)
- Discuss emerging (and draft) strategies
- Q&A with Working Group Panel

What is reclaimed wastewater (RW)?

Product from City's wastewater treatment plant, which treats sewage collected from Santa Fe; also known as treated effluent

- Valuable resource: wet, marketable, multiple **REUSE**
- Finite amount: 5,500 acre-feet/year → 460 AF per month; amount produced is reduced by indoor conservation efforts
- Reduces reliance on other water supplies (like groundwater)



Who uses reclaimed wastewater?

Diverse uses and users:

- Irrigation of municipal and community recreation facilities
 - Multi-use recreation complex-MRC, Marty Sanchez Golf Course, The Downs infield, Santa Fe Country Club, (Las Campanas), (SF Equestrian Center), (Southwest Area Node Park); () = not a current use
- Santa Fe River
 - Rural protection zone, traditional agricultural use, ecological
- Water Supply Permit Compliance
 - Water for cattle and wildlife on the Caja del Rio, (offsetting Buckman well field stream impacts)
- Water Conservation
 - Dust control at regional landfill, non-potable construction

PUC August 1, 2012 Study Session

5

How much of our 2011 RW is committed?

- **Contracts → 912 AFY:** Santa Fe Country Club, Las Campanas?, SF Downs, US Forest Service, NM Game and Fish, (Buckman wells permit compliance)
- **Municipal Uses → 1,262 AFY:** Multi-use Recreation complex, SF Downs infield, Marty Sanchez Golf Course, SF River Rural Protection Zone at 1 mgd, Caja del Rio Landfill, stand pipe sales
- **??Traditional Agriculture?? at additional 3 mgd → 1,869 AFY**

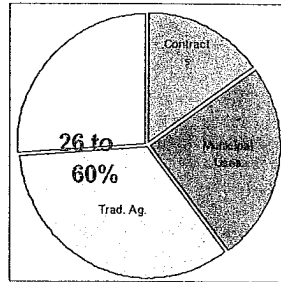


PUC August 1, 2012 Study Session

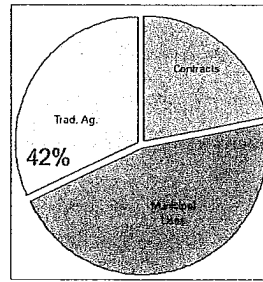
6

What is available for allocation?

If all contracts are honored and municipal uses stay the same, approximately 1,600 to 3,400 AFY of the 5,500 AFY total is available to allocate



Annual



June

Obligations created today may interfere with City's ability to use water differently in the future.

PUC August 1, 2012 Study Session

7

What are our discharge obligations?

“Although the City has an obligation to offset its groundwater pumping impacts from Buckman Wells 10-13 on La Cienega Springs, and although the City is seeking to have such discharges recognized by the Office of the State Engineer, the City does not have the obligation to discharge additional effluent beyond what the State would recognize as an offset.”

*Marcos Martinez, Assistant Attorney, City of Santa Fe,
in a memo prepared for the July 4, 2012 meeting of
the Public Utilities Committee*

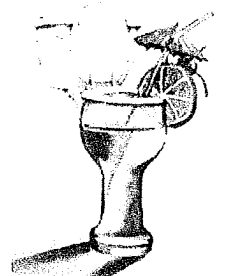
PUC August 1, 2012 Study Session

8

How can RW help meet our water future water supply options?

"The days of cheap and easy potable water supply sources are over. Every new source is much more costly than the pervious source." Norman Gaume, former Interstate Stream Director and City of Santa Fe consultant

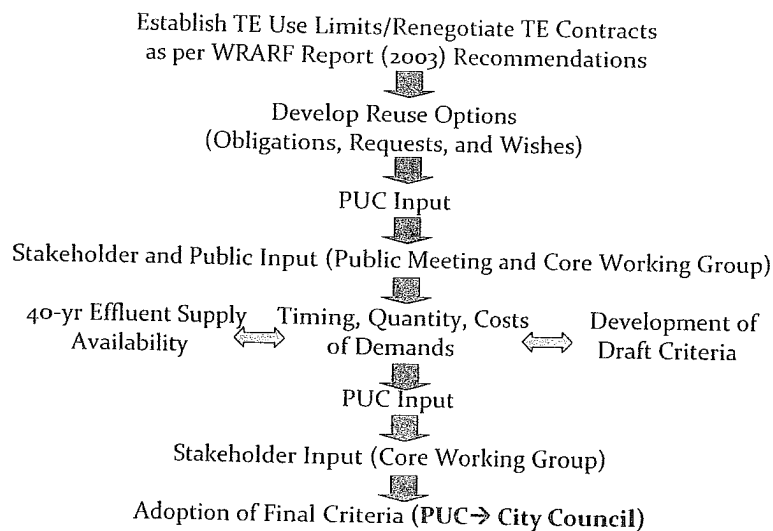
Reclaimed wastewater is probably the next, best water supply for the City of Santa Fe (notwithstanding conservation).



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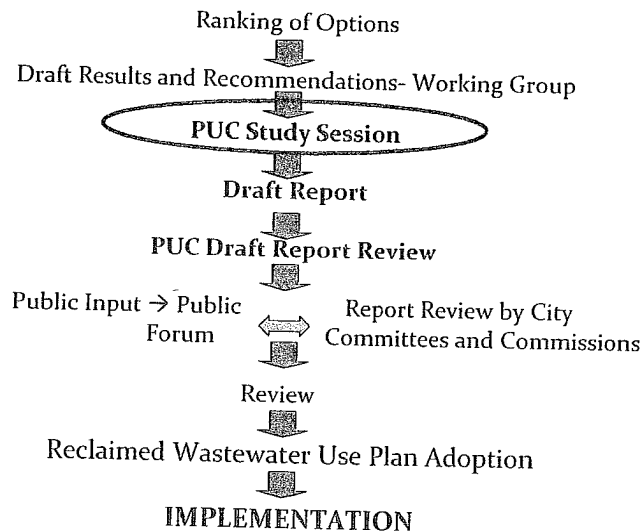
RWUP Process



PUC August 1, 2012 Study Session

10

RWUP Process (cont'd)



PUC August 1, 2012 Study Session

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Working Group

We have been enlisting the assistance of community members and City/County staff for this planning process

- ◊ Dedicated group; diverse skill set, areas of expertise, and values
- ◊ Membership approved by PUC in September 2011
- ◊ Workshops monthly since October
- ◊ Has increased understanding of the depth and complexity of the issues surrounding reclaimed wastewater.
- ◊ Reclaimed Wastewater Use Plan (RWUP) will reflect the recommendations of the Working Group.

PUC August 1, 2012 Study Session

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Proposed Strategies (draft)

Water Supply Theme

- Continue to use reclaimed wastewater as a water source
- Use RW to meet Buckman Wells permit offset requirements
- Use RW to meet some of the City's future potable water supply demands
- Measure RW use

Proposed Strategies (draft)

'Green' Theme

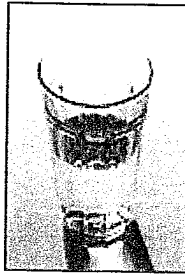
- Use RW efficiently
- Encourage/promote low energy RW uses
- Reduce carbon footprint of RW uses
- Build resiliency and adaptation into RW planning and management



Proposed Strategies (draft)

Water Quality Theme

- Produce high quality RW at the wastewater treatment plant that meets all regulatory requirements.
- Recognize and minimize the risk the City assumes by allowing RW to be used "offsite"



PUC August 1, 2012 Study Session

15

Proposed Strategies (draft)

Economic Theme

- Value RW as a municipal resource
- Seek revenue from uses to offset RW production costs
- Use RW to avoid new source or infrastructure costs
- Request financial assistance to implement recommendations of this plan



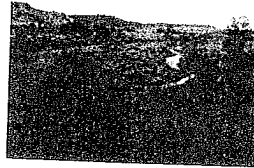
PUC August 1, 2012 Study Session

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Proposed Strategies (draft)

Stewardship Theme

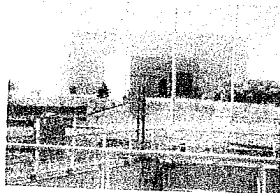
- Provide adequate flows to the Santa Fe River Rural Protection Zone.
- Collaborate and coordinate with downstream traditional communities and other stakeholders regarding stream flows



Proposed Strategies (draft)

Operational and Management Theme

- Optimize existing RW infrastructure
- Determine shortage sharing guidelines
- Adopt RWUP strategies and process for adapting plan to future uses



Next Steps

- Draft RWUP to PUC in September
- Review by committees and commissions (Water Conservation Committee, River Commission, Sustainable Commission)
- Public forum
- Final RWUP adoption- October/November
- Implementation

*** This schedule assumes resolution of the Las Campanas back up supply issue

Thank you....

Q & A with Working Group Panel

We are envisioning this as a time for PUC members to ask questions of staff and a panel of Working Group members.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA FE AND
SANTA FE COUNTY FOR A MASTER METER INSTALLATION
IN THE CITY WATER DISTRIBUTION SYSTEM**

The City of Santa Fe ("City"), a home-rule municipality organized under the laws of the State of New Mexico and the County of Santa Fe, ("County") (collectively the "Parties") enter into this Water Supply Agreement. This agreement will be effective as of the date of the last signature.

RECITALS

1. The City and the County entered into a "Water Resources Agreement between the City of Santa Fe and Santa Fe County" ("WRA") on January 11, 2005, which addresses the Wholesale Water Delivery from the City Independent Water System to the County Independent Water System. Under the WRA §11, Points of Delivery, "Additional points of delivery may be requested by the County with the consent of the City, which consent shall not be unreasonably withheld."
2. The County is requesting an additional point of delivery from a six (6) inch meter to provide golf course irrigation water to their customer, the Club at Las Campanas.
3. Under normal operating conditions, the Club is able to divert water for golf course irrigation via a raw water pipeline from the Buckman Direct Diversion (BDD).
4. Under conditions in which the water quality at the BDD is too turbid or otherwise non-divertable, the Club has no access to raw water.

AGREEMENT

1. Quantity. The quantity of water delivered to the County under this agreement shall be deducted from the City's obligation to deliver water to the County under the Water Resource Agreement.
2. Rate. The rate described by the 2005 Water Resources Agreement shall apply.
3. Billing and Payment. The City will bill the County on a monthly basis based on the quantity of water used at the City rates specified above. The County will pay such bills within thirty (30) days of receipt. Any questions on billing will follow the City's standard procedures on billing.
4. Responsibility for water service equipment. The City shall maintain the meter and related equipment for measuring the quantity of water delivered to the County at the new point of delivery. The City and County shall attempt to resolve any inconsistency in billing, metering, or calibration as set forth in § 16, Dispute Resolution, of the 2005 WRA.

5. Interruption of Service. The City reserves the right to interrupt service for a reasonable period for maintenance and repairs to its property or equipment. The City will use reasonable diligence to furnish a regular and uninterrupted supply of water; however, interruptions or partial interruptions may occur or service may be curtailed or fail as a result of circumstances beyond the control of the City, including but not limited to those caused by public enemies, accidents, strikes, legal processes, damages to transmission or distribution facilities of the City, repairs or changes in the City's transmission or distribution facilities. The City will endeavor to give reasonable notice in advance of any planned shutoff.
6. Shortage Sharing for Wholesale Water Delivery. The parties will follow the shortage sharing provisions in the 2005 WRA.
7. Assignment. This Agreement shall not be assigned without the prior written consent of the City. Such approval will not be withheld unreasonably. If so assigned, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.
8. Notice. Notice may be given either in person or by certified U.S. mail, postage paid. Notice shall be considered to have been received within three (3) days after the notice is mailed if there is no actual evidence of receipt.
9. New Mexico Tort Claims Act. Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978 § 41-4-1, et. seq., as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.
10. Third-Party Beneficiaries. By entering into this Agreement, the Parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the County. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third-party beneficiary of this Agreement.
11. Changes to Agreement. Changes to this Agreement are not binding unless made by written amendment, signed by the parties.
12. Construction and Severability. If any part of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement will remain valid and enforceable if the remainder is reasonably capable of completion.
13. Term. The term of this agreement shall be until August 8, 2012. The parties may agree to extend the term by written mutual agreement.
14. Notice. Notice to either party under this agreement shall be by United States Mail, first class, certified, return receipt requested.

Notice to the City shall be to:

City of Santa Fe
Water Division Director
801 W. San Mateo Road
P.O. Box 909
200 Lincoln Ave
Santa Fe, NM 87504

Notice to the County shall be to:

Santa Fe County
Public Works Director
P.O Box 276
Santa Fe, NM 87504

16. Signature of Parties. This agreement is effective upon the signature of all the Parties.

For the City:

David Coss, Mayor
City of Santa Fe

Date

Attest:

Yolanda Y. Vigil, City Clerk

Date

Approved as to Form:

Geno Zamora, City Attorney

Date

Dr. Melville Morgan, Finance Director

Date

For the County:

Virginia Vigil, Chair, Board of Santa Fe
County Commissioners

Date

Approved as to Form:

Stephen C. Ross, Santa Fe County Attorney

Date

Attest:

Valerie Espinoza, Santa Fe County Clerk

Date

Teresa Martinez, County Finance Director

Date

Water Resources Agreement between the City of Santa Fe and Santa Fe County

This Water Resources Agreement ("Agreement") is entered into by and between Santa Fe County ("County"), a political subdivision of the State of New Mexico, and the City of Santa Fe ("City"), a municipal corporation of the State of New Mexico, this 17th day of January, 2005.

Recitals

WHEREAS, the City and County entered into the Agreement to Deliver Water (the "1994 City/County Agreement", and commonly referred to as the City/County Wheeling Agreement) on August 10, 1994, which agreement allows the County to take delivery of and pay for up to 500 acre feet of water per year (afy) at enumerated points of delivery and which incorporates by reference the City and County Negotiating Committee Report and Recommendations for Extension of Water Service and Water Delivery dated December 15, 1993; and

WHEREAS, the 1994 City/County Agreement expires July 3, 2005; and

WHEREAS, the City and County desire to supersede the 1994 City-County Agreement with a new agreement; and

WHEREAS, the City and County are parties to a San Juan-Chama Project (SJCP) Contract in the amount of 5,605 afy with the United States of America, Department of the Interior, Bureau of Reclamation, for the furnishing of a municipal water supply for the County and City dated November 23, 1976; and

WHEREAS, the City and County recognize that the use of SJCP water will be directly available to the City and County through the Buckman Direct Diversion (BDD) Project at a time in the future; and

WHEREAS, the City and County have filed a joint application with the Office of the State Engineer to divert the SJCP Contract water using the proposed BDD Project; and

WHEREAS, the SJCP Contract grants to the County and City an exclusive right to allocate, consumptively use and dispose of 5,605 afy and there exists a dispute between the County and City concerning the allocation of water between the parties; and

WHEREAS, the County and City desire to resolve the allocation of the SJCP Contract water; and

WHEREAS, the County and City will continue to cooperate on the funding, permitting and construction of the proposed BDD Project to provide regional water resources; and

1 **WHEREAS**, the County and City will cooperate on the purchase of future water rights
2 for use in the BDD Project.
3

4 **NOW**, therefore, upon the mutual consideration described by this Agreement, including
5 the covenants and promises contained herein, the adequacy of which are acknowledged
6 by the parties, the County and City agree as follows:
7

8 **Definitions.** Capitalized words or phrases used in this Agreement, as defined below,
9 shall have the following meanings:
10

11 **afy** means acre feet per year.
12

13 **Agreement** means this "Water Resources Agreement between the City of Santa Fe
14 and Santa Fe County".
15

16 **BDD Board** means the governing board of directors of the BDD Project as established by
17 the BDD Joint Powers Agreement.
18

19 **BDD Joint Powers Agreement** means the "Joint Powers Agreement between the City of
20 Santa Fe and Santa Fe County Governing the Buckman Direct Diversion Project" which
21 is executed contemporaneously with this Agreement.
22

23 **BDD Project** means the planned Buckman Direct Diversion Project which will divert
24 surface water from the Rio Grande at Buckman, as described in the draft Environmental
25 Impact Statement for the Buckman Direct Diversion Project. The BDD Project has a
26 diversion capacity of 8,730 afy. The BDD Project includes diversion, treatment,
27 transmission and related works used to deliver water to the respective Independent Water
28 Systems of the City and County.
29

30 **BOR** means the federal United States Bureau of Reclamation.
31

32 **Independent Water System** means the respective water works of the City and the
33 County, as such works exist now and as such works may change or expand in the future.
34

35 **ISC** means the New Mexico Interstate Stream Commission.
36

37 **OSE** means the New Mexico Office of the State Engineer.
38

39 **San Juan/Chama Project (SJCP) Contract** means the consumptive use right of 5,605
40 acre-feet per year acquired by the City and the County under contract with the U.S.
41 Bureau of Reclamation, dated November 23, 1976, and as it may be amended, renewed,
42 converted or replaced.
43
44

Agreement

1
2
3 **1. Term.** The term of this Agreement shall be perpetual and shall commence as of the
4 effective date of approval by the respective governing bodies of the City and the County.
5

6 **2. Quantity. Wholesale Water Delivery to the County Independent Water System.**
7 From the effective date of this Agreement until deliveries of water from the BDD Project
8 begin, the City Independent Water System shall provide up to 875 afy to the 3 points of
9 delivery currently serving the County Independent Water System. After deliveries of
10 water from the BDD Project begin, the City Independent Water System shall provide up
11 to 500 afy in perpetuity to the 3 points of delivery of the County Independent Water
12 System. Wholesale Water Delivery shall be subject to Shortage Sharing, Section 9, of
13 this Agreement.
14

15 **3. Quantity. Delivery to City customers outside the City limits using the City**
16 **Independent Water System.** The Wholesale Water Delivery provided to the County
17 Independent Water System shall not include the quantity necessary to supply City
18 customers outside the City limits using City Independent Water System infrastructure.
19

20 **4. Quantity. Re-delivery to City customers using County Independent Water**
21 **System.** The Wholesale Water Delivery provided to the County Independent Water
22 System shall not include the quantity necessary to supply City customers on the County
23 Independent Water System. The City shall supply the County Independent Water System
24 sufficient water supply to serve the City's customers on the County Independent Water
25 System. The City and County shall jointly prepare a report of 'Re-delivery to City
26 customers using County Independent Water System infrastructure' within 6 months of
27 the effective date of this Agreement and present it to respective governing bodies of the
28 City and County.
29

30 **5. Quantity. Allocation of the City and County jointly owned San Juan Chama**
31 **Project (SJCP) Contract.** The City and County shall cooperate on the amendment,
32 renewal, conversion or replacement of the jointly owned San Juan Chama Project (SJCP)
33 Contract. The City and the County agree that the jointly owned SJCP Contract for 5,605
34 afy shall be allocated as follows; the County's allocation of the SJCP Contract shall be
35 375 afy and the City's allocation of the SJCP Contract shall be 5,230 afy. The City and
36 County shall cooperate and provide notification to the other party of any agreements
37 affecting the jointly owned SJCP Contract which require the signature of the other party.
38 The City and the County agree that this allocation is a complete and full resolution of the
39 SJCP Contract allocation issue. Beginning on January 1, 2005, the County will be
40 responsible for its 2005 SJCP Contract allocation and all future year allocations,
41 including payments to the BOR, storage, permitting and use. The SJCP Contract
42 allocation is separate from the Wholesale Water Delivery, Section 2, of this Agreement.
43

44 **6. Cooperative Water Right Transfers of County Water Rights into the City's**
45 **Buckman Groundwater System for Offset Purposes.** The County may transfer, for
46 offsetting purposes only, up to 1325 afy (1700 afy County BDD Project capacity - 375

1 afy County SJCP Contract water) into the City's Buckman well permit, RG-20516;
2 provided, that the City is a co-applicant on all such transfers and that the County takes
3 responsibility for such transfers, including all costs associated with protested
4 applications. The City shall be advised of all settlement discussions and proposed
5 conditions of approval regarding such applications and shall cooperate with the County
6 on all such transfers provided that such transfers do not adversely affect the City's water
7 rights. The County acknowledges that it shall not obtain water deliveries from the City's
8 Buckman well permit, RG-20516, as a result of such transfers, unless the parties
9 otherwise agree in writing. The County may, at a time in the future, transfer the rights
10 that have been moved to the City's Buckman well permit, RG-20516, to the BDD Project.
11 This paragraph replaces and supersedes the "Water Right Transfer Agreement between
12 the City of Santa Fe and Santa Fe County", dated June 30, 2004.
13

14 **7. Drought Protection for the County Independent Water System.** Under drought /
15 catastrophic conditions (extreme drought, acts of sabotage, water quality restrictions,
16 OSE/ISC restrictions), the City shall provide the County Independent Water System an
17 amount of water not to exceed 50% of the County's total 1,700 afy of diversion capacity
18 from the BDD Project. After the deliveries of water from the BDD Project begin and
19 when the County's diversion of surface water from the BDD Project drops below 850 afy
20 (50% of 1,700 afy), the City Independent Water System shall provide the County
21 Independent Water System the necessary water to maintain deliveries of no less than 850
22 afy. This Drought Protection provision shall not be subject to Shortage Sharing, Section
23 9, of this Agreement. The City and County shall be separately responsible for the
24 acquisition and maintenance of their own water right portfolios and any applicable limits
25 placed on water rights contained in their own water right portfolios. The Drought
26 Protection provision is separate from the Wholesale Water Delivery, Section 2, of this
27 Agreement and the SJCP Allocation, Section 5, of this Agreement.
28

29 **8. Conjunctive Use and Sustainability.** The City and County agree to implement
30 conjunctive use management by relying on surface water when it is available and using
31 groundwater only as necessary. The City and County shall prioritize the allocation of
32 water from the BDD Project for affordable housing using the Regional Planning
33 Authority (RPA) Plan and the Affordable Housing Task Force report.
34

35 The City and the County will develop a 'Comprehensive Joint Conjunctive Use and
36 Sustainability Water Resource Strategy' that places the use of surface water as a higher
37 priority than the use of groundwater and which manages the regional aquifer on a
38 sustainable basis. The Strategy shall include a shortage sharing agreement that will help
39 guide management decisions made by the BDD Board and the Regional Planning
40 Authority. The Strategy shall incorporate the principle that the County and the City will
41 consult prior to the drilling of new wells in the area around the City and County
42 Independent Water Systems, as they exist at the time of signing of this Agreement, so as
43 to encourage cooperation, avoid conflict and avoid the impairment of City or County
44 water rights.
45

1 The County reserves the right to drill in-Basin groundwater wells and commence the
2 permitting of additional groundwater wells. The County shall consult with the City on
3 the location of any proposed groundwater wells.
4

5 **9. Shortage Sharing for Wholesale Water Delivery.** The County agrees to a pro rata
6 reduction in the daily Wholesale Water Delivery in the event of a shortage of water
7 supply to the City Independent Water System. The pro rata reduction in the daily
8 delivery to the County Independent Water System shall be computed from actual use and
9 shall be based on the reduction to other City customers from the City Independent Water
10 System under the City's Water Emergency Management Plan Ordinance, currently in
11 effect or as may be amended in the future. The pro rata reduction in the daily Wholesale
12 Water Delivery shall be implemented at the points of delivery currently serving the
13 County Independent Water System.
14

15 **10. Treated Wastewater Effluent Return Flow.** The City shall gain all interest, right
16 or title to return flow received at the City's wastewater treatment plant. The County shall
17 gain no interest, right or title to any return flow received at the City's wastewater
18 treatment plant. The County shall gain the interest, right or title to water delivered to the
19 County Independent Water System which is not received at the City's wastewater
20 treatment plant.
21

22 **11. Points of Delivery.** The Wholesale Water Delivery shall be delivered to the County
23 Independent Water System at any one (1) or all three (3) points of delivery currently
24 serving the County Independent Water System. Additional points of delivery may be
25 requested by the County with the consent of the City, which consent shall not be
26 unreasonably withheld.
27

28 **12. Rates.** The County shall pay to the City a Monthly Meter charge (\$435.21 / 10 inch
29 meter / month) and a Wholesale Water Delivery rate (\$3.50 / 1000 gallons) as determined
30 by the 2004 Cost of Service Study prepared for the City Independent Water System.
31

32 **13. Adjustment of Rates.** The City may adjust the Monthly Meter charge and
33 Wholesale Water Delivery rate over the term of this Agreement. The City shall provide
34 the County at least one hundred eighty (180) days written notice of its intent to adjust the
35 Monthly Meter charge or the Wholesale Water Delivery rate. The City and County
36 acknowledge that the appropriate methodology for computing the Monthly Meter charge
37 and Wholesale Water Delivery rate shall be based on an embedded cost of service study.
38 The Directors of the City and County Independent Water Systems shall resolve any
39 dispute regarding the adjustment of rates in a manner as set forth in Dispute Resolution,
40 Section 16, of this Agreement.
41

42 **14. Metering.** The City shall maintain the meters and related equipment for measuring
43 the quantity of water delivered to the County Independent Water System at the points of
44 delivery. The City shall read the meters and report the readings in monthly billings to the
45 County. Meter reading reports shall include the meter readings for re-delivery to those
46 City customers connected to the County Independent Water System pursuant to Quantity.

1 Redelivery, Section 4, of this Agreement. Calibration of the meters shall be performed at
2 the request of either the City or the County, not more than once during each twelve (12)
3 month period, and the City and the County shall share the expense of calibration equally.
4 The Directors of the City and County Independent Water Systems shall resolve any
5 inconsistency in billing, metering or calibration in a manner as set forth in Dispute
6 Resolution, Section 16, of this Agreement. Failure to pay any monthly billing within 60
7 days shall initiate the notice provision and related procedures described in Dispute
8 Resolution, Section 16, of this Agreement.
9

10 **15. Conditions of Delivery.** The City Independent Water System shall furnish water to
11 the County Independent Water System at a reasonably consistent supply and pressure at
12 the points of delivery. The City Independent Water System shall at all times operate and
13 maintain the system in a manner and shall take such action as may be necessary to furnish
14 the County Independent Water System with the quality and quantity of water required by
15 this Agreement. Emergency failures of pressure or water supply shall excuse the City
16 Independent Water System from this provision for such reasonable time as may be
17 necessary to restore service. The City Independent Water System shall furnish water to
18 the County Independent Water System of such quality as is required for a residential and
19 a commercial customer under applicable water quality regulations. The County shall
20 bear those costs where unusual and / or special conditions exist (such as elevation,
21 terrain, or other conditions) and which result in increased costs to the City Independent
22 Water System.
23

24 **16. Dispute Resolution.** The City and County agree to use any and all methods of
25 dispute resolution, up to and including binding arbitration, to resolve any conflicts arising
26 under this Agreement, the expenses of which shall be shared equally by the City and
27 County. Disputes shall be first discussed by representatives of each party having the
28 authority, if necessary, to bind the party that they represent. Such representatives shall
29 use their best efforts to amicably and promptly resolve the dispute. If the parties are
30 unable to resolve the dispute through informal mechanisms or mediation within 30 days
31 of the occurrence of the event or circumstances giving rise to the dispute, either party
32 may give notice to the other party that the dispute is to be submitted to binding
33 arbitration. Any dispute requiring notice shall be reported to the next meeting of the
34 respective City and County governing bodies. Such notice shall contain the name of a
35 proposed arbitrator, and in the event the other party does not agree with the proposed
36 arbitrator, the model guidelines of the American Arbitration Association shall be used to
37 select an arbitrator and govern the conduct of the arbitration, rendering of an award and
38 enforcement of the award consistent with New Mexico state law. Within 60 days of
39 notice an arbitrator shall be appointed and within 120 days of notice the arbitrator shall
40 prepare an award. The arbitrator's award shall be binding on the parties.
41

42 **17. Entire Agreement.** This Agreement contains the Entire Agreement between the
43 City and County with regard to the matters set forth herein.
44

45 **18. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of
46 the parties and their respective representatives, successors, and assigns.

1
2 **19. Counsel.** The City and County acknowledge that they have freely entered into this
3 Agreement with the advice of their respective legal counsel.
4

5 **20. Other Documents.** The parties agree to execute such further and other agreements
6 as reasonably may be required from time to time to carry out the provisions of this
7 Agreement.
8

9 **21. Law.** The laws of the State of New Mexico shall govern this Agreement.
10

11 **22. Notices.** Any notice, demand, request, or information authorized or related to this
12 Agreement shall be deemed to have been given if mailed (return receipt requested), hand
13 delivered or faxed as follows:
14

15 **To the City:** Director of the Sangre de Cristo Water Division
16 City of Santa Fe
17 PO Box 909
18 Santa Fe, NM 87501
19 Phone: 955-4200
20 Fax: 955-4352
21

22 **With a copy to:** City Manager
23 City of Santa Fe
24 PO Box 909
25 Santa Fe, NM 87501
26 Phone: 955-6509
27 Fax: 955-6683
28

29 City Attorney
30 City of Santa Fe
31 PO Box 909
32 Santa Fe, NM 87501
33 Phone: 955-6511
34 Fax: 955-6748
35

36 **To the County:** Santa Fe County Utilities Director
37 Santa Fe County
38 205 Montezuma
39 Santa Fe, N.M. 87505
40 Phone: 986-6210
41 Fax: 992-8421
42

43 **With a copy to:** County Manager
44 Santa Fe County
45 P.O. Box 276
46 Santa Fe, N.M. 87504

Phone: 986-6200
Fax: 986-6362

County Attorney
Santa Fe County
P.O. Box 276
Santa Fe, N.M. 87504
Phone: 986-6279
Fax: 986-6362

IN WITNESS WHEREOF, each of the City of Santa Fe, New Mexico, and the County of Santa Fe, New Mexico, has caused this Agreement to be executed and delivered by its duly authorized representatives as of the date specified below.

Chairman,
Board of Santa Fe County Commissioners

1-12-05

Date

Approved as to form
Santa Fe County Attorney

1-11-05

Date

Valerie Espinoza
Santa Fe County Clerk

1/11/05
Date

Mayor
City of Santa Fe Council

1-25-05

Date

Approved as to form
City of Santa Fe Attorney

1/24/05

Date

Galanda y. Nig
City of Santa Fe Clerk
certifying 1/12/05

1-18-05

Date



TWT

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter, "Settlement Agreement" or "agreement") is entered into this 30th day of September, 2003 by and between the City of Santa Fe, a body politic and corporate under New Mexico law ("the City"), and Las Campanas Limited Partnership, a Delaware limited partnership authorized to do business in New Mexico ("Las Campanas").

WHEREAS, the City and Las Campanas are parties to that certain action pending in the State of New Mexico, First Judicial District, Case No. D-0101-CV-2002-01878 ("the Action"); and

WHEREAS, the City and Las Campanas desire to compromise and settle all claims, defenses and counterclaims asserted therein and dismiss the Action with prejudice as to the City and Las Campanas; and

WHEREAS, the City and Las Campanas desire to dismiss the Action without prejudice as to any claims, defenses and counterclaims asserted therein as to Las Campanas and the Board of County Commissioners of Santa Fe County ("the Board");

WHEREAS, the City and Las Campanas have agreed to compromise and settle the Action;

NOW THEREFORE the City and Las Campanas covenant and agree as follows:

I. BUCKMAN PERMIT GROUNDWATER

A. Golf Course Irrigation

1. Quantity. The City shall deliver to Las Campanas for golf course irrigation not more than 322 acre-feet per year ("AFY") of groundwater produced from the Buckman Wells ("Buckman Permit Groundwater").

Exhibit "4"

from going forward with the Buckman Surface Diversion Project in the event the other party is unable or unwilling at any time to proceed with such project.

4. **Lease Suspension.** Except as otherwise provided herein, the obligations of the City and Las Campanas under the Lease and the Management Agreement shall be suspended throughout the terms of this agreement set forth in §I(A)(9) and §I(B)(4), respectively, it being expressly understood and agreed that the City's obligations respecting any and all well pumping, pipeline transportation and delivery of any Buckman Permit Groundwater to Las Campanas shall be governed solely by the terms, provisions and conditions set forth herein.

5. **Total Quantity of Buckman Permit Groundwater.** The total quantity of Buckman Permit Groundwater deliverable by the City to Las Campanas in any year shall not in any event exceed the sum of the quantities as provided in §I(A) and §I(B) above.

II. TREATED EFFLUENT

1. **Quantity.** The City shall sell and deliver to Las Campanas for golf course irrigation only up to 450 AFY of treated effluent for each year of the Initial Term of Section II of this agreement in accordance with the terms hereof.

2. **Delivery Schedule.** The City shall sell and deliver 428 AFY of treated effluent to Las Campanas in accordance with the following Monthly Delivery Schedules and related average GPD Quantity:

	Monthly Delivery Schedule	GPD Quantity
APR	44.2 AF	479,179 GPD
MAY	59.6 AF	623,793 GPD

JUN	70.9 AF	773,769 GPD
JUL	77.25 AF	817,604 GPD
AUG	67.8 AF	714,155 GPD
SEP	58.95 AF	638,732 GPD
OCT	49.3 AF	518,103 GPD

428 AFY

During the months of January, February, March, November and December of each year Las Campanas shall have the right, subject to prior written notice to the City and availability of supply, to purchase an additional 22 AF of treated effluent, such that the total quantity of effluent purchased from the City in any one year may be up to 450 AFY. The total quantity of treated effluent delivered to Las Campanas for golf course irrigation on any one day ("Daily Maximum Quantity") shall not exceed 1,000,000 gallons.

3. **Price.** The price for all treated effluent sold to Las Campanas during the Initial Term shall be the City's average commercial water rate per 1,000 gallons of water less 50% (currently, \$2.05/1000 gallons), as such rate may be changed from time to time, plus New Mexico gross receipts taxes as required by New Mexico law.

4. **Initial Term.** This agreement shall commence on April 1, 2004, and the Initial Term hereof shall terminate on December 31, 2008.

5. **Delay in Start Date.** In the event that Las Campanas shall be unable as of April 1, 2004, to accept delivery from the City of treated effluent as

provided in §II(10) below, as a result of delays not unreasonably caused by Las Campanas, through no fault of its own, then the Initial Term hereof shall not commence until the date that Las Campanas is first able to accept such deliveries. If, through no fault of its own, Las Campanas shall be unable to accept deliveries of treated effluent beginning on April 1, 2004, the City shall deliver Buckman Permit Groundwater to Las Campanas, instead of treated effluent, in accordance with the Delivery Schedule for effluent in set forth §II(2) above and at the Price for effluent set forth in §II(3) above; provided, however, that the obligations of Las Campanas set forth in §II(10) below shall be material to §II of this agreement and time shall be of the essence of Las Campanas' performance of all such obligations.

6. **Renewal Terms.** Las Campanas shall have the right in its sole discretion and at its election to extend §II of this agreement for five successive periods as provided below ("Renewal Terms"). Las Campanas shall exercise its right to extend this agreement for each Renewal Term by giving the City written notice thereof no later than the 1st day of July of the year prior to the start of such Renewal Term:

First Renewal Term:	January 1, 2009 to December 31, 2012
Second Renewal Term:	January 1, 2013 to December 31, 2016
Third Renewal Term:	January 1, 2017 to December 31, 2020
Fourth Renewal Term:	January 1, 2021 to December 31, 2024
Fifth Renewal Term:	January 1, 2025 to December 31, 2027

7. **Annual Renewal Term Quantity.** No later than the 1st day of November prior to the start of each calendar year in each Renewal Term, the parties shall agree upon the quantity of treated effluent which shall be subject to purchase and

sale during the forthcoming calendar year ("the Annual Renewal Term Quantity"); provided, however, that in the event the parties are unable to agree on the quantity of treated effluent, the Annual Renewal Term Quantity shall be 450 AFY, or such lesser quantity as Las Campanas shall designate in writing to the City on or before November 1st.

8. Renewal Term Price. The price for all treated effluent sold and delivered to Las Campanas in each Renewal Term shall be the City's average commercial water rate per 1000 gallons of water less 50%, as such rate may be changed from time to time, plus New Mexico gross receipts taxes as required by New Mexico law. In each year of any Renewal Term, Las Campanas shall take and pay for, or failing to take, nevertheless pay for, the Annual Renewal Term Quantity.

9. Point of Delivery. The point of delivery shall be at the outlet of the Storage Tank to be installed at the City's WWTP.

10. Conditions. On or before April 1, 2004, Las Campanas, at its sole cost and expense, shall install all facilities and equipment necessary for the City to store, and for Las Campanas to accept delivery of and transport to the Project all treated effluent subject to purchase and sale under §II of this agreement, and shall obtain all necessary governmental permits and approvals, including any rights-of-way for the performance of §II of this agreement. Such facilities shall include a two million gallon storage tank, including all related equipment and instrumentation necessary to fill, store, monitor, measure and deliver effluent to Las Campanas at the tank outlet ("the Storage Tank"), the specifications of which facilities shall be subject to review and approval by the City, and which shall be installed on the City's WWTP property at a 599- State Road start w/ temp.

location acceptable to the City. Las Campanas, at its sole cost and in its sole discretion, shall install all other pumping, pipeline and any other related or necessary equipment and facilities to accept delivery of, transport, disinfect and deliver such effluent to the Project. Upon written request from Las Campanas, the City and the County shall act reasonably and in good faith to cooperate with Las Campanas in any governmental permitting process necessary for performance of §II of this agreement. Upon fully depreciating the Storage Tank or termination of the effluent agreement, whichever occurs first, Las Campanas shall sell and the City shall purchase the Storage Tank for \$1.00. Throughout the term of §II of this agreement, the City shall, at its sole cost and expense, operate, maintain and repair the Storage Tank for which services the purchase price paid by Las Campanas hereunder shall constitute good and sufficient consideration. The Storage Tank shall be operated consistently with the City's obligations to deliver treated effluent to others and to meet the City's delivery obligations to Las Campanas hereunder; provided, however, that Las Campanas shall have priority for effluent delivered from the Storage Tank. Throughout the term of the effluent agreement, Las Campanas, at its sole cost and expense, shall own, operate, maintain and repair all facilities, including any pumping and pipeline equipment, necessary to accept delivery from the City of all treated effluent subject to purchase at the outlet of the Storage Tank, disinfect such effluent, and transport and use the same for golf course irrigation at the Project.

11. **Interruption in Effluent Delivery.** In the event that the City shall, during the Initial Term or any Renewal Term, be unable to deliver treated effluent to Las Campanas and such inability shall continue for more than 48 consecutive hours,

then the City shall use its best efforts to provide Las Campanas an alternate source of water for golf course irrigation and shall act reasonably and in good faith to cooperate with Las Campanas until the City shall be able to resume the delivery of treated effluent, so as to avoid any unreasonable harm or damage to Las Campanas' golf courses. The City shall provide Las Campanas seven (7) days prior written notice of any planned interruptions in operations.

III. CONTRIBUTION BY LAS CAMPANAS FOR WATER PURPOSES

Las Campanas shall make a contribution to the City in the amount of \$750,000 to be used for water utility supply and infrastructure and related or comparable purposes. Las Campanas shall make such contribution to the City in five equal annual installments of \$150,000 each, with the first installment being due and payable January 1, 2004, and each succeeding installment becoming due and payable on the first day of January 2005, 2006, 2007 and 2008, respectively.

IV. RELEASES

1. Release of Las Campanas. The City of Santa Fe, a body politic and corporate under New Mexico law, on behalf of itself, its agents, attorneys, successors and assigns hereby releases, acquits and forever discharges Las Campanas Limited Partnership, its attorneys, employees, directors, officers, shareholders, partners, trustees, representatives, predecessors, successors, heirs and assigns, and each and all of them, of and from any and all claims, counterclaims, demands, liabilities, debts, damages, costs, expenses, losses, and causes of action of every kind, nature and description whatsoever, whether at this time known or unknown, anticipated or unanticipated, direct or indirect, fixed or contingent, which may presently exist or which may hereafter arise or become known, for or by reason of any event, transaction,

matter or cause alleged in the Action or which could or might be based upon any fact, matter or issue in the Action, including any claim for compensatory, punitive or exemplary damages, restitution, costs and attorneys' fees; provided, however, that this release shall not apply to any covenant or obligation of Las Campanas under this Settlement Agreement.

2. Release of the City. Las Campanas Limited Partnership, a Delaware limited partnership, authorized to do business in New Mexico, on behalf of itself, its agents, attorneys, employees, directors, officers, shareholders, partners, trustees, representatives, predecessors, successors, heirs and assigns, hereby releases, acquits and forever discharges the City of Santa Fe, a body politic and corporate under New Mexico law, its agents, attorneys, successors and assigns, and each and all of them, of and from any and all claims, counterclaims, demands, liabilities, debts, damages, costs, expenses, losses, and causes of action of every kind, nature and description whatsoever, whether at this time known or unknown, anticipated or unanticipated, direct or indirect, fixed or contingent, which may presently exist or which may hereafter arise or become known, for or by reason of any event, transaction, matter or cause alleged in the Action or which could or might be based upon any fact, matter or issue in the Action, including any claim for compensatory, punitive or exemplary damages, restitution, costs and attorneys' fees; provided, however, that this release shall not apply to any covenant or obligation of the City under this Settlement Agreement.

3. Notice of Dismissal. Upon the execution of this Settlement Agreement, the City and Las Campanas shall promptly file a Notice of Dismissal of the Action. The parties understand and agree that the Board of County Commissioners of Santa Fe

County ("the Board"), is not a party to this Settlement Agreement and that as to the Board the Notice of Dismissal shall be without prejudice. Consistent with the terms of this agreement, the parties further agree that as to the City and Las Campanas the Notice of Dismissal shall be with prejudice.

4. **Compromise.** The parties understand and agree that this Settlement Agreement and the releases contained herein are intended as a compromise of disputed claims, defenses and counterclaims alleged in the Action and that the consideration therefor shall not be construed as an admission of liability on the part of either party, both of whom expressly deny any liability to the other and agree to settle the Action as provided in this Settlement Agreement.

V. MISCELLANEOUS

1. **Assignment.** Las Campanas shall not voluntarily, or by operation of law, assign, transfer or otherwise encumber all or any part of Las Campanas' right, title or interest in this Settlement Agreement, except to a related, successor, club entity or utility association responsible for service on Las Campanas property; ~~provided no such~~ HET

~~assignment shall be made~~ HET without the City's prior written consent, which consent shall not be unreasonably withheld.

2. **Successors and Assigns.** Each and all of the agreement, covenants and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties, their respective representatives, successors, transferees and assigns.

3. **Full Agreement.** This Settlement Agreement constitutes the full and complete agreement between the parties, and there are no representations, promises, terms, conditions, covenants or agreements other than as set forth herein.

4. **Modification.** This Settlement Agreement shall not be modified except as approved in writing by both parties.

WHEREFORE, the parties have executed this agreement this 30th day of September, 2003.

The City of Santa Fe

By Larry A. Delgado
Larry A. Delgado, Mayor

Attest:

By Yolanda Y. Vigil
Yolanda Y. Vigil, City Clerk

Approved As To Form

By Bruce Thompson
Bruce Thompson, City Attorney

Las Campanas Limited Partnership
a Delaware limited partnership

By Las Campanas Corporation
its sole general partner

By Harry Turner
Harry Turner
Vice President and General Manager