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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2019-__

INTRODUCED BY:

Mayor Alan M. Webber

A RESOLUTION

**ESTABLISHING THE FORWARD LOOK ON WATER TASK FORCE TO EVALAUTE
THE CURRENT WATER RATE STRUCTURE TO ENSURE THE RATE STRUCTURE
SUPPORTS CAPITAL AND OPERATIONAL COSTS OF THE WATER UTILITY AND
THAT THOSE COSTS ARE DISTRUBUTED BETWEEN RATE CLASSIFICATIONS
THAT ALIGN WITH THE OVERALL VISION AND MISSION OF THE UTILITY AND
THE CITY OF SANTA FE.**

WHEREAS, the Water Division, in order to successfully operate, requires stable and sufficient revenues; and

WHEREAS, the Water Division rate structure was last analyzed in 2008; and

WHEREAS, the Water Division’s cost of service study was completed in 2018; and

WHEREAS, the information provided for the cost of service study should be used to evaluate the Water Division’s rate structure; and

WHEREAS, the Governing Body wishes to determine the appropriate distribution of cost of service to rate classifications in a way that supports the vision of the Utility and the City

1 of Santa Fe.

2 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
3 **CITY OF SANTA FE** (“City”) that the Governing Body hereby creates a Water Rate Structure
4 Evaluation Task Force.

5 **Section 1. NAME:** The task force shall be called the Forward Look on Water Task
6 Force (“FLOW Task Force”).

7 **Section 2. PURPOSE:** To review the current water rate structure and examine how
8 capital and operating cost are distributed between rate classes (e.g., residential, commercial,
9 irrigation, and fire service). The Task Force shall also assess whether the current structure
10 supports the values and vision of the utility and the City and make recommendations as needed to
11 support that vision, including water utilization, conservation, and other sustainability programs.

12 **Section 3. DUTIES AND RESPOSIBILITIES:** The FLOW Task Force shall
13 complete an evaluation of the water rate structure and develop and recommendations within six
14 months of its first meeting. The rate structure evaluation shall encompass the following three major
15 components:

- 16 1. the Water Division’s overall revenue requirements and financial plan;
- 17 2. the cost-of-service for each customer class; and
- 18 3. the rate structure design.

19 These components reflect general industry standard cost-of-service methodologies and are
20 intended to address general requirements for equity, sustainability, and fairness.

21 **Section 4. MEMBERSHIP; OFFICERS; TERMS**

22 A. *Membership.* The FLOW Task Force shall consist of seven members appointed
23 by the Mayor with the approval of the Governing Body. The FLOW Task Force will be
24 comprised of two representatives of the City of Santa Fe’s Governing Body, two representatives
25 from the City of Santa Fe’s Public Utilities Department, and three representatives at large who

1 reside within the municipal boundaries of the City.

2 B. *Officers.* The Mayor shall appoint the chairperson. The chairperson shall
3 appoint a vice chairperson.

4 C. *Terms.* Members shall serve until they complete their duties and responsibilities
5 as set forth above or until December 31, 2019, whichever comes first.

6 D. *Compensation.* Members shall serve without compensation.

7 **Section 5. VACANCIES:** Vacancies on the FLOW Task Force shall be filled in the
8 same manner as initial appointments.

9 **Section 6. MEETINGS; DURATION:** The FLOW Task Force shall conduct a
10 series of work sessions and shall report its recommendations to the Public Utilities Committee
11 and the Governing Body in accordance with the Open Meetings Act. Unless further extended by
12 the Governing Body, the FLOW Task Force meetings shall conclude by December 31, 2019.

13 **Section 7. STAFF LIAISON:** Public Utilities Department staff shall serve as the
14 liaisons to the FLOW Task Force.

15 PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2019.

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18 _____
19 ALAN M. WEBBER, MAYOR

20 ATTEST:

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22 _____
23 YOLANDA Y. VIGIL, CITY CLERK
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1 APPROVED AS TO FORM:

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4 ERIN K. McSHERRY, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2019/Forward Look on Water Task Force*