

REGIONAL WATER PLANNING IN THE SANTA FE AREA

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I want to thank you for the opportunity to address the 33rd Annual New Mexico Water Conference. My talk this afternoon is divided into three sections as follows: a history lesson to put the Metropolitan Water Board (MWB) in perspective; regional planning for Santa Fe and Santa Fe County, i.e., what we are doing with the Interstate Stream Commission grant; and an assessment of the status of both the study and the MWB.

The MWB began as an operating committee, required by the Bureau of Reclamation, made up of the local signatories to the San Juan Chama Project contract. The operating committee was to make objective, unbiased decisions related to the allocation of project water within the Santa Fe region. The federal contract suggested the formation of a metropolitan water board to succeed the operating committee, and in 1980, a city-county joint ordinance established the MWB.

The original board had the city, county, Sangre De Cristo Water Company and their collective appointees plus three elected representatives. The state statute was changed in 1985 to provide for a seven-member publicly-elected board from three county and four city districts. The 1980 Joint Ordinance still governs the board's powers and duties.

The MWB is a review, recommend and plan type of entity. We have no regulatory authority. No regulatory authority! We are an advisory body! The statute changes of 1985 gave us some limited powers to condemn, operate or own a water utility, but no revenue-raising authority. Our operating revenues come from the city, county and the Sangre de Cristo Water Company. Later, we'll discuss this potential conflict.

In the fall of 1987, the MWB applied for and received a grant from the Interstate Stream Commission for \$68,000 to do a regional water plan, i.e.,

supply and demand forecast with a forty year planning horizon. The MWB elected to have a "Request for Proposal" prepared with the idea of hiring significant consultant expertise to perform much of the technical planning work. Initial cost estimates for the project were around \$250,000. Within sixty days, we had advertised the study, perused eleven proposals, short-listed to three firms, conducted interviews, evaluated cost proposals and selected Harza Engineering and Brown, Bortz, & Coddington of Denver to act as joint technical and financial consultants.

We began our water resources study in mid-January 1988. Our budget was about \$200,000 obtained by using the state money to leverage similar amounts from the city, county and Public Service of New Mexico (PNM).

About six weeks ago we finished Phase I of a one year study. Phase I is largely an inventory document directed to demographics, demand and technical expansion alternatives. This work effort has had a very public approach including a Citizens Advisory Committee, various briefings, and two significant public meetings, which were held jointly with the MWB, city council, county commission, consultants and the public. These meetings were to provide information and serve as a question and answer forum.

Some of the general conclusions from Phase I include:

- Santa Fe is a growth area but currently growing at a slower rate than in the early 1980s.
- Currently, sufficient water has been identified to meet the demand but it requires bringing on-line several additional sources requiring large sums of money, significant ingenuity and perfecting additional rights.
- The available resources will support a regional population of about 300,000 people.

- The U.S. Geological Survey's (USGS) ground water model seems to indicate more water available and withdrawal impacts less than previously thought.
- Santa Fe water rates are among the highest in the country and per capita consumption is low reflecting significant current conservation perhaps due to price considerations.
- The greatest competitor to the existing water system is the growth of private wells, both commercial and domestic.
- Wells are economically attractive given the current water rates.
- Wells are the only source currently available outside the Santa Fe urban area due to the lack of a county regional system and the existing anti-extension policy of the city.
- Santa Fe city staff views water extension as the most convenient and effective way to limit growth to preferred areas and developers.
- County staff views the city staff view of water extensions as the most convenient and effective way to limit the county's tax base.
- There is currently no forum available for public input on how to manage the available resources.
- Indirect costs related to unwise stewardship and poorly conceived legacies have no standing in the rate-making forum.

Well, the above list contains no surprises. You might conclude that this is sort of a ho-hum situation not very different from your region.

Let's digress for a moment and investigate the environment in which we operate in Santa Fe: the city manager formerly directed the Environmental Improvement Division; the mayor was chairman of the state Democratic party; PNM is the largest utility in the state; and PNM and the city have a franchise agreement. Does this sound like everybody will always be willing to play a fair and impartial game with the board's funding and existence? Perhaps not. Your region's political leadership and climate may not differ very much from Santa Fe's.

The real issue with water resources planning at the local level is local politics, especially when an agency is dependent on funding from the local units of government, which have significant vested interests and agendas of their own.

Any agency dependent on the good will of an inherently self-interested and self-serving political body is in for real trouble sooner or later. By definition, to serve the overall public good of several units of government, an agency is put in a conflicting position with one or more of its principal financial supporters. It just doesn't work well.

Let's backtrack a little. In 1987, the MWB was a grantee of the state's Regional Water Planning Grant Program. If all the state wants out of that program is an inventory of supply and local demand, then we have largely accomplished that as we will be finished with the entire study in January. But if there is a need for continued work, whether funded locally or by the state, there may be a problem.

Originally, the MWB was looked at by the state as a capable, regionally oriented, unbiased entity to conduct this planning. If for example, the Interstate Stream Commission requests additional work of the MWB, we believe that work would need to be objective. The MWB could not play favorites with its local funding entities. The board would thereby win fewer friends and put at real risk the attempt to implement anything resulting from the study. Indeed, the MWB's existence would be at risk.

Every city council has its own agenda. Every county commission has its own agenda. Every private and maybe every public utility has its own agenda. It doesn't work to have a planning agency dependent upon the good will of these ever evolving agendas for its funding. I make no criticism of this situation, I just think we have to recognize there is a real potential problem and try to figure out how to work around it.

I believe the state needs to take one more step. That step is to insure that several funding avenues are available to water resource planning entities such as the Metropolitan Water Board. No, I don't mean a general fund appropriation directly from the state. If, as I mentioned before, the state wants more than an inventory, it must help facilitate the longevity of the planning entities by making funding options available.

These options might include: utility surcharges, development permit fees, well permit fees, wellhead pumping fees based on production volume, district taxes, and mil levy. This list isn't all inclusive but intended simply to promote thought on how funding might be made available.

Now that New Mexico has the beginnings of a good regional grant program that can meet both state and local needs, the challenge shifts to one of how the local planning needs can be served by implementing the results of the study phase. Without long-term, politically insensitive funding techniques, the citizens as distinguished from state government itself, get only a partial benefit from this grant program. What I believe is needed is a legislative initiative in the next session to provide these necessary funding options.