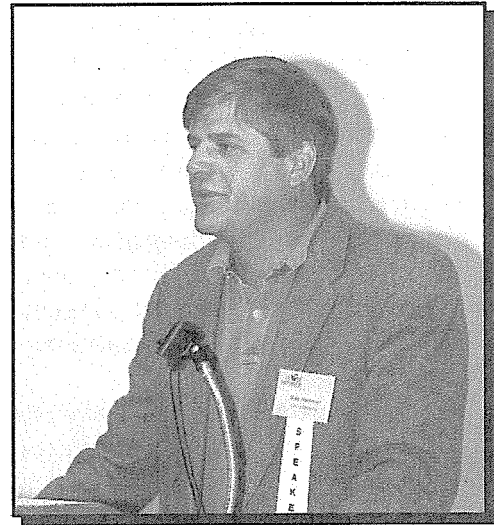
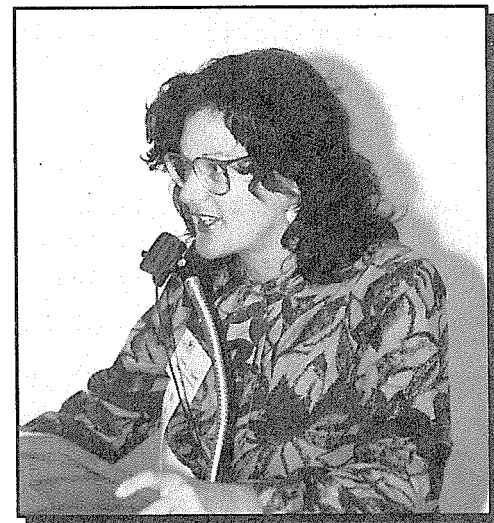


Mike Hamman graduated from UNM and is a registered engineer in New Mexico. He has worked in water resources development and management over the past 15 years. He relocated from his first position with the Bureau of Reclamation in Utah to the Albuquerque office in 1985 where he focused on water-supply management. His duties included the management and accounting of the San Juan-Chama project, from which Santa Fe receives 5,605 acre-feet of water annually, and land and water resources management for eight projects in New Mexico and Colorado. Prior to taking his current position as Director of Water Services for the City of Santa Fe, Mike worked for the NM Interstate Stream Commission as the Regional Water Planning program coordinator.



Sherry Tippett received a B.S. from George Washington University and a J.D. from University of South Dakota. She was staff attorney for the NM State Engineer Office from 1983-1990. While with the SEO, she was lead attorney in the Santa Fe (Anaya) and Taos (Abeyta) adjudications. She also served as co-counsel in the Aamodt and Jemez cases. In 1993, Sherry became Assistant City Attorney for the City of Santa Fe. Most of her time is spent on water rights issues, including regional water issues involving the county. She is certified by the NM Bar Association as a water law specialist.



REGIONAL WATER PLANNING COOPERATION IN TIMES OF NO WATER

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Mike Hamman

Good morning. It is a pleasure to be here in the northwest part of the state. One of the very commonly asked questions in New Mexico these days is, "What the heck is going on in Santa Fe?" Maybe I can share with you, from my perspective, what is going on in Santa Fe lately with the water situation. As you may have been following in the papers, we have had our share of problems with this thing people are calling a drought. I think the term "drought" is probably debatable to a certain extent. If there are no people around, is there really a drought? That is something we could reflect on for a while.

But, in our case in Santa Fe, we have had a rapid rate of population growth in the last ten years. Some of the issues with which we have been dealing concern the fact that we had a private utility managing the water supply situation for a number of years and finally the City of Santa Fe decided it would be better if the utility was a publicly held water system. There had been discussions on the possibility of buying the water system for a number of years. If you are a privately held utility and you hear a threat of takeover—if you want to put it that way—oftentimes it is hard for someone with that threat hanging over their head to actually do some of the long-term planning and infrastructure investment that is needed. I know we have all dealt with a similar situation where

we decide to sell a used car to someone. We don't go out and put new tires on it and rebuild the engine—we just sell it "as is." I'm not insinuating that the Public Service Company of New Mexico necessarily dumped the utility on the City of Santa Fe; however, we are finding that the utility is roughly 4-5 years behind in infrastructure maintenance and development, water rights acquisitions, planning—all the things that should have been going on.

But I knew this when I took the job. I decided it was going to be fun and a real challenge to get us back on track. Then this little thing called a "drought" came along, and it was one of those situations where you wonder what side of the moon the stars are rising. The drought has occupied a lot of our attention and I would like to give you an idea of where we are concerning our water demand versus supply situation, and the drought has definitely exacerbated the situation.

We have three sources of water supply in Santa Fe, two groundwater sources and a surface source. We currently are highly dependent on a full yield of that surface source because of the population growth we have experienced over the past years. Figure 1 depicts the City's projected annual use. The dashed line is our projected demand. The solid lines are our production capabilities with our current three sources of supply. The top solid line indicates a full supply of

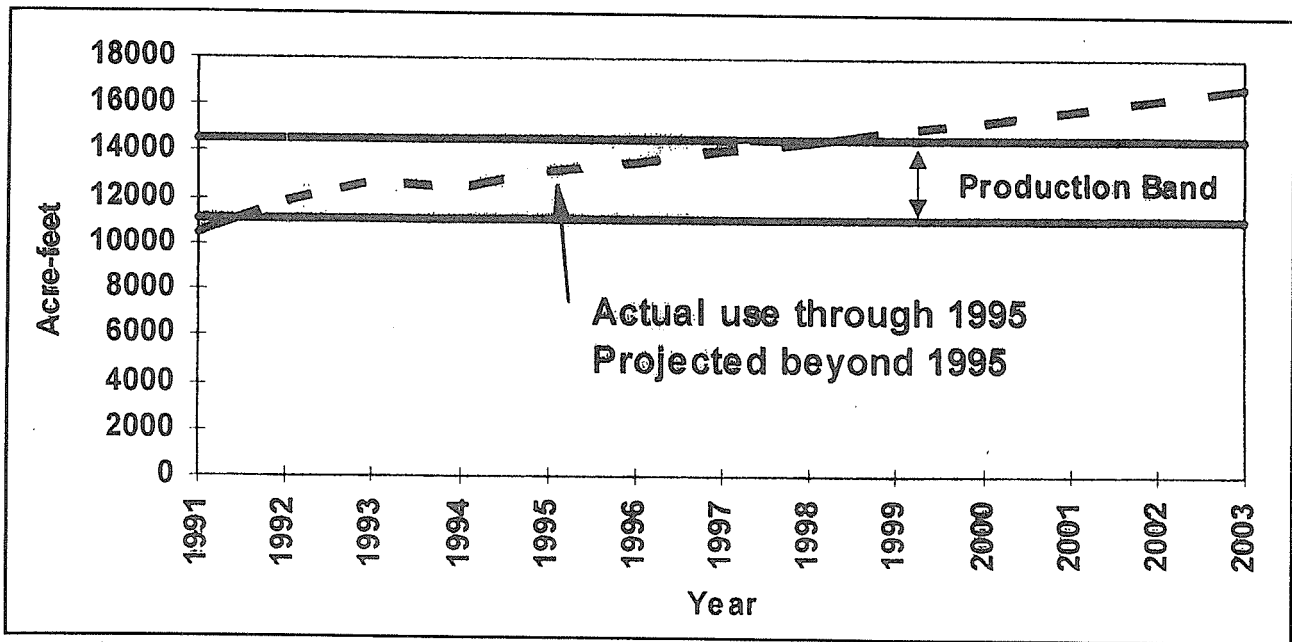


Figure 1. SDCW projected annual use.

surface water, the Santa Fe River reservoir system. The bottom solid line indicates more or less what we have available to us this year. You can see there is a pretty big difference. You will notice the arrow pointing to the demand line is the 1995 demand that we experienced—about 13,300 acre-feet. This year's production capabilities were about 11,500 acre-feet. Thus we had a problem that had to be dealt with and we dealt with it by developing an emergency drought ordinance that was passed in June. We also started a public information campaign in March and asked for voluntary water reductions from our customers.

To give you an idea about our public information efforts, we have about 22,000 residential customers and about 3,000 commercial customers. Those 22,000 residential customers use about one-half of the water supply and the 3,000 commercial customers use the other half. The majority of the use obviously occurs during the summer months when we have tourists visiting and during a dry summer we use a lot of water for irrigation, which makes up a large portion of our demand. About one-third of our supply is used for summer irrigation. So that was our thrust, to put our efforts into cutting demand and we have received a favorable response. Now we are into Sep-

tember, the vacation visitors have left town having had fun at Indian Market and the like, and our summer irrigation is essentially winding down so demand has fallen off. We made it through the summer and we did it with some pretty drastic demand-side management.

Figure 2 depicts what we had to achieve in demand reduction this past summer. At the top of the graph you can see the summer peak, the outline represents the total demand we anticipated. We had to achieve the reduction shown with demand-side management and we were able to pull it off with a lot of complaining from people who felt they could not save water. We got into the question, "No se puede," or "No se puede." For those of you who do not understand those phrases, they mean "Maybe I can't" or "Maybe I don't want to." Figure 2 also illustrates, in a nutshell, our water supply situation and our three sources of supply.

I've presented the City of Santa Fe's current water situation as a backdrop to the topic at hand—regional water planning and how the City of Santa Fe, Santa Fe County and everybody else in the area fits into this picture. We are participating in a regional planning process through the Interstate Stream Commission.

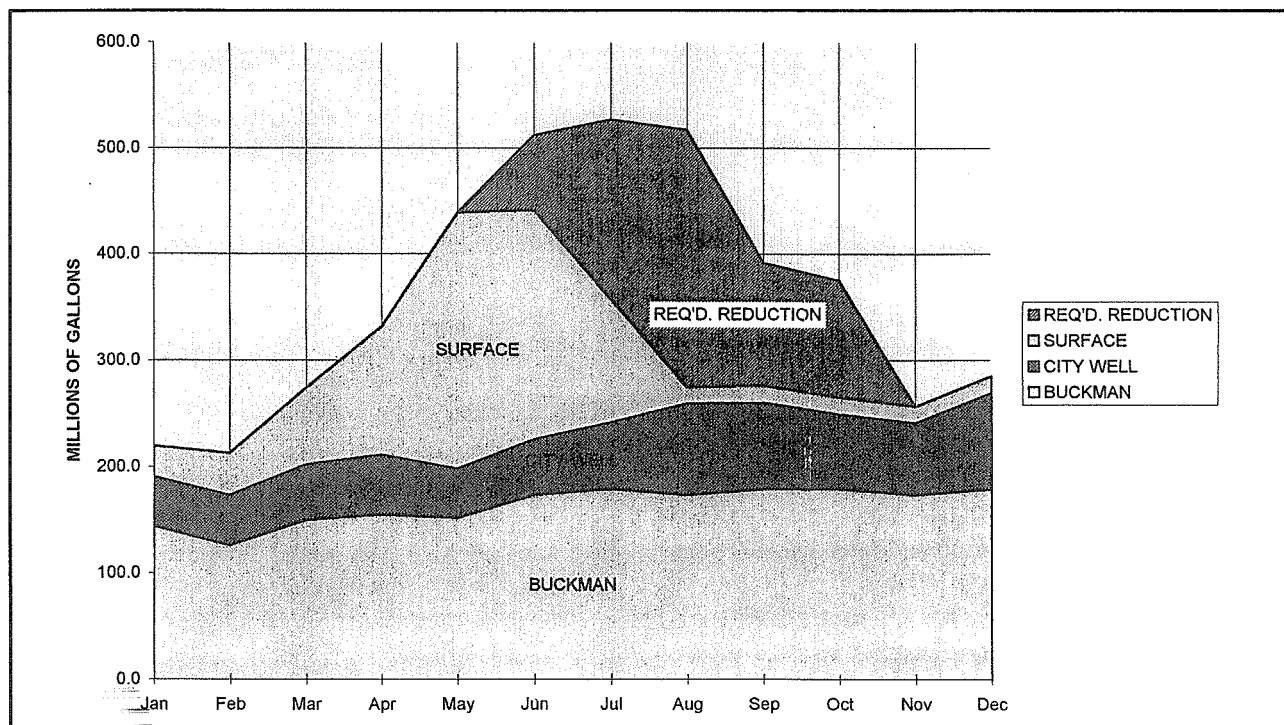


Figure 2. 1996 estimated production capability vs. estimated demand without conservation.

The City and the County were awarded a grant to begin that process by Richard Cheney, who spoke earlier this morning, and the other members of the Interstate Stream Commission. The grant provides us an opportunity to begin the organizational process in a regional area defined by the lower Española Valley, the greater Santa Fe metropolitan area, the Galisteo Basin and Los Alamos County. In terms of water use, we are the biggest cats on the block. Compared to other southwestern cities in the United States, we do pretty well. We have a per capita overall water use of 160 gallons per person per day which is not too bad.

Those in Pojoaque and the Galisteo Basin are looking at us because we are the heaviest water users in the area. We felt it was important to collaborate with the County to provide at least the initial leadership to get an organizational water planning effort started. That currently is our main thrust, however, it is in its infancy. A number of initiatives are coming up and Sherry Tippet will address those as part of this discussion.

Basically, the City and the County are collaborating on a number of projects. One of the major projects we are working on right now is developing a fourth source of supply for the area. One of our three sources of supply comes from the reservoir system on the east side of Santa Fe, that is, our surface supply system. It yields on average about 4,000 acre-feet per year. We have water rights to divert about 5,000 acre-feet. We have a group of wells along the Santa Fe River that could potentially yield about 5,000 acre-feet. We also have the Buckman wellfield that we use to partially take advantage of San Juan-Chama Project water that we have available. For those of you who are not familiar with the project, it is a federal project up on the Rio Chama system. A portion of New Mexico's Colorado River compact allocation comes through that diversion system and is stored on behalf of a number of users within the Rio Grande Basin. We are collaborating with the County on a feasibility study to look at alternate methods of maximizing use of our San Juan-Chama water—some kind of diversion scheme on the Rio Grande to divert water, treat it and bring it in. We have excess capacity within the Buckman pipeline that is underutilized right now and we would like to take advantage of that. Our Buckman wellfield is declining and I think its days are numbered as a long-term

resource. We hope to maximize our surface supplies so that we can reserve our groundwater resources for peak periods and emergency situations as opposed to using groundwater as our primary resource.

Many of our neighbors, particularly to the north in the Pojoaque/Tesuque drainage, are having their own problems with domestic supplies. They are experiencing incidents of nitrate filtration into their shallow alluvial domestic wells as well as some uranium problems. One of the things that we hope we can accomplish through our regional water planning efforts is to put together a regional domestic system that could be supplied jointly by the City, County, pueblos and local irrigation districts. There are a number of options we hope to pursue.

One of the major objectives we are pursuing in the regional planning process is to have the City provide the initial leadership toward the development of a regional water system. A backbone system could be developed off the city system from the north and the east down into the Tesuque Basin, which then could loop north and west into a surface diversion system at the Rio Grande. The Nambe Pueblo also could help supplement a domestic water system with some wells which could be tied into the regional water system. Los Alamos County, just across the river from us, has San Juan-Chama water and they may decide to participate in that system and take advantage of some of their existing pipelines that lie pretty close to the area. Also, there are water banking opportunities with irrigation districts within the area.

We hope that through the regional water planning process, we will be able to organize local government entities and begin to work on evaluating the resource. What do we have available to us and what could be available? We must evaluate demands, area population growth, and what people anticipate in a 40-year water plan. We then mesh our anticipated supply with projected demand and see how well they come together. Subsequently, we identify means by which we can share the resource during times of shortage, or how we might collaborate on large projects that will assist us in resolving our water quantity and quality issues. So our number one objective is to get started, to begin a dialogue. Hopefully we will not be viewed as very threatening, but obviously everyone has their own interests when they come to the table and that is the greatest challenge—to put one's own interests

aside, let the process begin and build some trust. Hopefully we will get a really good, solid regional water plan out of the process.

Sherry Tippett will now comment further on how the City and the County of Santa Fe are working together on other issues.

Sherry Tippett

Good morning. It is very good to be here, especially because I had the same meeting that Mike Hamman had last night—a city council public utilities meeting. I decided to drive up last night rather than wait until the morning because I did not think I could rely on waking up. I almost got an elk on the way. I've already hit a cow so I really didn't want to add that to my slaughter record.

I drove into town last night at midnight and I noticed the sprinklers were on in the median—they were watering the plants—and I thought that was great because our sprinklers go on at noon in Santa Fe. That is one of the things we are working on changing. We have not been diligent about realizing we live in the desert in Santa Fe, but I think we now have the message after last year's drought.

I want to tell you about how the City of Santa Fe got Mike Hamman. I served on the committee that selected the new water services director and we had some very fine candidates. I'm not sure this has been a good year for Mike. He was hired as the water services director for our new water company, and it did not rain for a year after that. It was the first drought in the history of the water company. I think we have come a long way in a very difficult time.

I am here to talk about how Santa Fe's City and County staff are working together. The County has backed out today and Mike and I are here from the City and we had that late night meeting, so I have decided that I can say whatever I want about the County and they have to abide by it because they aren't here to defend themselves. So I'm going to lay out how I think the City and the County ought to be working together.

For those of you who do not know it, Santa Fe is a little bit divisive these days. We are having some internal trouble. We have some very strong nongrowthers and we have our pro-development people, and they are not always civil to each other. One of the first things that happened when we took over the

water company is people said, "All right, we have the water company. Let's just stop all growth. We can do it," and, in effect, we could from a legal standpoint. We could take the position that we do not have any more water, we are not going down to the river to do a direct diversion, and we can stop providing water right there. I think that is a legally sustainable position. The problem is, do you want to plan your growth that way? Do you want to say this is what Santa Fe is going to be, we are not growing anymore, and put the burden on Mike Hamman and myself to stop growth? I do not think so. It would be a very difficult thing to do from a realistic standpoint.

However, there are realistic constraints that need to be addressed. One of the first things we did when we acquired the water company and the subsequent drought—or whatever Mike wants to call it, it felt like a drought to me and I don't have a garden as I think it is very difficult to justify watering a garden when everything seems so dry—was to sit down at the table with the County and admit we had a problem. The County and the City came together in a way they would not have otherwise, so in some respects the drought had a very positive outcome.

The first thing we looked at was the issue of domestic wells and how those wells are very problematic, particularly in the Galisteo Basin and some areas in the EZC, which is the two- and five-mile strip around the city of Santa Fe. We had lengthy conversations with State Engineer Office staff, elected officials, primarily on the County side but some city councilors as well, and a lot of participation and discussion with staff. What we did—and I believe we were the first municipality to do this although I understand now that Ruidoso has done the same thing—was to tie domestic wells, both in the city and the EZC area, to the drought ordinance which would limit outside water use on days of the week that everyone else was limited by.

We have a drought ordinance in place and we are in stage two. We have limitations on what days of the week we can water and at what time. We tied domestic wells to the ordinance because initially when limitations were imposed, we had a fair number of wealthy people who would get a surcharge of \$500 and say, "So what?" There were quotes in the newspaper from some of these people who said they did not care about the drought ordinance, they were going

to sink a domestic well. To them, a well meant free water, it was not connected to anything. The situation got my attention and we decided to tie our domestic well ordinance to the drought ordinance. The County agreed and gave us authority to enforce our domestic well drought ordinance in the EZC area. That is a very good example of the City and County working together to solve a problem. Some people do not want their domestic wells touched and think they have an absolute right to it. I think we will probably be challenged on the ordinance—I would be very surprised if we are not. However, I think it is very important to note the relationship between the domestic well source of supply and our objective of reining people in during a time of shortage.

The next step for the County is to draft their own drought ordinance, or water conservation ordinance, and I think they are very close to doing it. The County also will be limiting domestic wells to .25 acre-feet per year, they will have enforcement authority, and require meters—we are working with the County on that. The County also is working with the State Engineer Office on that issue. You probably are all aware that the state engineer recently issued a notice that municipalities and other local entities—I assume that to be EZC and the counties—have jurisdiction over limitations on domestic wells. It is not a formal order, there was no rule making that went into it, but his decision acknowledged what the City and County have believed to be so.

What does the future look like in terms of planning? In Santa Fe we are talking about having the City take control of all utilities, including sewer and water. We are at the beginning stage and have a couple of tiers—the City staff is working on their recommendations and those will be taken to the elected officials for approval. But rather than the City and the County each having their own water company, I think common knowledge on the best way to proceed is for the City to have control of the entire water company with a County franchise. Then we would have uniform design standards and extension policy, lending itself to a more functional system. The City and County are planning to set up a regional water task force, a commission. It would not have teeth, but it would be a mechanism whereby the City and County would make recommendations.

It probably is appropriate now to have questions from the audience for both Mike and me.

Question:

Would meters on the wells apply retroactively?

Sherry:

That is a very hot topic. If you just go prospectively, which is, of course, the easiest way to go, you are not likely to be challenged. If you do not go retroactively, what happens is you create an artificial market. If you have a well in place prior to the date that the County starts to limit the amount to .25 acre-feet per year, you create a huge market for those wells that are pre-1990 or whatever date you start with. That has happened in the Aamodt case where in 1983 Judge Mechem issued an order limiting domestic wells to indoor use only. There is an artificial market for pre-1983 wells. I am doing research right now on that issue and what I would like to do, if it can be legally sustained, is to go back and consider all the wells. I'm not sure it can be done, I think it is problematic, and I would say right now that the County and City are in agreement that we should proceed only prospectively in this matter.

Question:

Who pays for hookups for growth?

Sherry:

That is a very loaded question in Santa Fe—the idea being, should the newcomer who comes in and gets hooked up in the county get a free hookup? Do I have to pay for that cost of growth? We are looking seriously at the issue of hookup charges for newcomers. It would be very expensive. Who will pay to get all the people in the county and in the EZC area on the system and cap their wells? That question is akin to a question we faced during the initial phases of developing the drought management ordinance. The question was, “If I am very cautious about the water I use and I drop my water-use rate by 50 percent, is that water going to be put into a reservoir for storage? Is that water going to be used for additional growth and is that fair?” That question is related to the concern of additional charges for hookup. I think growth has to pay for itself. I don't think that growth should have to pay for infrastructure caused by the system wearing down, but I think

new growth should pay for itself. We are looking at that issue.

Mike:

We will be looking at that issue within the Santa Fe metropolitan area for the next increment of supply. We are looking at increases in utility expansion charges or an impact fee to cover those costs. We will be dealing with the development community to see if it fits within the impact fee law that the State of New Mexico has. The handwriting is on the wall. We have a hookup fee for a 5/8 meter right now of \$181, which is well under market. That charge has been on the books for a long time and has never been adjusted upward. In Albuquerque, I think they charge in the \$2,000-\$3,000 range for both sewer and water impact fees or hookup fees. We are looking at the situation closely right now. To address the question further, as we look toward developing regional systems, we will seek state and federal contributions to get the initial major infrastructure in place. I think that is the only way it'll work in the initial stages. There also will need to be some type of regional water authority or local sanitation and water district that will develop some kind of tax base to get the many local systems hooked up to the regional systems. Initially we are anticipating greater participation from some state and federal agencies as we go about tying all the communities together with the Santa Fe regional water system. It will be a major effort, and perhaps even the Aamodt negotiations and settlement issues will come into play. This thing could take on all kinds of permeations but I anticipate local areas controlling their own hookups and development of a tax base.

Question:

How do you tie domestic wells to the general water system?

Sherry:

We have domestic wells and we have our water system. If the wells are in the city or in the EZC, we limit them at this point not by metering but by our drought ordinance which limits watering by days of the week and outdoor watering during certain times of the day. That is the only leverage we have with them at this time.

Mike:

To further answer that question, there is precedent for people pooling their domestic rights and putting them into a rural water system of sorts. That issue could be addressed on a grander scale if we develop a regional system to cover a lot of the Pojoaque, Tesuque, Española valley area. Possibly, as people retire their domestic rights, the regional system may be able to benefit from those rights in some manner. In the case of Santa Fe, where we are working retrospectively on our own domestic well problem, we may offer an incentive program where the City will hook up somebody to the regional system if they are willing to get off a domestic well. Or perhaps we might institute a phase-out period where well owners are allowed to use their domestic well for outdoor irrigation.

Question:

I do not understand your concern over domestic wells. Does the pumping of these wells impact your supply of water? The more they are pumped, is that drawing from your aquifer for the city supply?

Mike:

Yes, that is correct. We have something on the order of 900-1,100 wells in the Santa Fe metropolitan area. We feel we are being impacted by those wells pumping our aquifer—we have had a 200-foot drawdown in the Santa Fe River area due to the combined effects of our pumping and the domestic wells. Some original wells that were drilled 90-100 feet are already dry. It is a problem for a municipal utility when in trying to maximize water rights you have the possibility of protest from domestic well owners when the utility wants to redrill its wells or deepen existing wells. What we would like to do is work toward getting those folks on a regional system. We also are worried about water quality problems because many of the domestic wells are in our wellhead protection area; we know little about how those wells were constructed, and we have potential conduits down into the aquifer. There are a number of issues we are trying to resolve by retroactively pulling those domestic wells into our regional system.

Question:

If the 1997 spring runoff is as unreliable as this past year's, where does Santa Fe turn next year? What additional draconian measures do you have in mind?

Mike:

I don't think we could get any more draconian than we have. We must have one of the highest surcharges ever in the nation under our stage two ordinance. It was even a bit beyond what staff had recommended to the city council. We were thinking on the order of 2-3 times the water bill, but on the upper end of the scale, it is actually closer to 15 times the water bill for people using more than 25,000 gallons in a month. The reason for this is the economic disparity within our community that the council recognized through the implementation of this ordinance. Basically, the council said that an individual was not going to be able to buy their way out of a drought. That is the reason for implementing such severe draconian surcharges—\$50 per thousand gallons for use over 25,000 gallons for residential customers. That is steep! The assumption made was that everyone who uses a lot of water is wealthy—we are finding out that is not the case. I think we will be revisiting this issue very soon. Right now our reservoir storage is down to about 25 percent of the total storage and the normal level this time of year is in the 50-60 percentile range. If we have another low runoff situation next summer, we will be in a much more serious situation concerning our surface supply than we were at this time last spring. On the infrastructure side, we are trying to get our City well production back up. We have a 5,000 acre-feet water right and last year we only produced 2,000 acre-feet, so we have a lot of room to move. We also have some other ideas concerning our water supply. But again, we will have to turn to the demand side of the equation if we have another low runoff year. Stages 3 and 4 will be ready to implement next spring, and those require further tightening. I don't think we can rely on surcharges any more than we already have. But we will have other limitations, such as, an absolute cap on residential water use somewhere on the order of 20,000 gallons per month, plus possibly once-a-week watering instead of the

three days per week allowed right now. If the drought becomes even more severe, we may consider no outdoor watering at all. Those are the other two stages we have available. We also will have more severe penalties if people are caught watering off-hours and off-days. I would like to add that the community really came through this summer. We did get our summer rains that helped quite a bit, but the community really came through and we met and exceeded our 25 percent reduction goal. Because our surcharges did not go out until August, we were able to accomplish a lot just on the odd-day watering program that went into effect along with our public relations effort, which really paid off for us.

Question:

Could you talk a little bit about the role of effluent as a new source of water for the city?

Sherry:

Right now we are having a study completed for us entitled "Treated Effluent Management Plan" (TEMP).

Question:

What new incentives are being offered to residents to conserve water, and what new water conservation measures are being offered in new development areas?

Sherry:

We are in the process of looking at our landscaping ordinance and redoing it. We are working with the County on developing some incentives. Recently Mike Hamman hired a water conservation coordinator. We have decided to give out low-flow devices as part of an incentive program if we can determine that it would not be against anti-donation laws or contrary to any other New Mexico law. We also will require water budget analyses in all new developments.

Mike:

Sherry covered the question pretty well. We have a number of policy issues to implement which are tied to our growth development plan including an ordinance requiring developers to produce water budgets and water conservation plans. We are looking at best management practices (BMPs) for all new facilities along with taking care of our own in-house problems, such as, implementing BMPs with the Parks and Recreation Department

which has over 500 acre-feet of demand for city parks. Our long-term conservation plan is to have an inclining block-rate structure allowing us to fund the program from a portion of revenues collected from the upper end of the block. This will provide a retrofitting program for residents and businesses and move people who already are on the system toward implementing BMPs. You have probably heard what the City of Albuquerque is doing along with other communities to encourage BMPs on an incentive scale. We are looking at a different approach. At the low end of the scale, we may give away a lot of retrofitting devices and actually install them for people. On the higher end of the scale, we may be able to work with folks on their water bill. Most retrofits of low-flow devices pay for themselves within about one year. We may make the initial installment for the customer, charging their water bill, and then the customer pays us back with water savings. Once paid off, the benefit is theirs from that time forward.

Question:

Do you have any provisions for someone who had already installed conservation measures like xeriscape landscaping, drip irrigation, and so forth, and had gone to the maximum in terms of conservation before the ordinance came into affect? Do you have way of recognizing and rewarding that kind of conservation behavior?

Mike:

The drought and water shortage caught us unprepared. We had our hands full with the transition of the water company, plus PNM had a billing system that was geared for electricity and gas and the water billing system was developed as an appendage—it really did not address the problem from a data perspective. We had a 12-month billing history for our customers and no data further back so that is all the information we had about a customer's water-use history. We had to implement the ordinance quickly so we simply went across the board imposing a 25 percent reduction in water use from last year's water bill. As you can imagine, many people asked the same question you are asking. We are rewriting the ordinance so that in the future we will have a 3-year billing history that takes averages. This year

customers got a gold star on their bill if they succeeded in reducing their water consumption by 25 percent. If they did not hit their 25 percent target, we tried to point out the fact that they had implemented good conservation practices in the past and that put them well ahead of others and their 25 percent increment was a lot less than others. Most of the folks who said they could not conserve any more really could, and as I said earlier, "no se quede" or "no se puede" applied. You can always tighten your use just a little bit more and that was proven by a lot of folks.

Question:

Did you have a threshold of 6,500 acre-feet?

Mike:

That is correct. We also instituted base levels where people were essentially free from surcharges—if they happened to be under the base, they had already met the goal. That is a point of contention. When we look at the frequency bill analysis—to give you an idea of the range of water use in Santa Fe—the top five percent of our customers use 20 percent of the water and those folks use over 25,000 gallons per month. We went after that big target first, hence the \$50 per 1,000 gallons surcharge on those users. The next break was at 12,500 gallons and about 40 percent of the water use was above that level. Those were the two breaks that we used for our surcharge targets. Everyone below 12,500 was allowed to appeal based on a lot of circumstances, such as the number of people in their home. The scale slides on up and those folks are treated fairly equitably. That is about the best we could do within our short time constraints.

Question:

What is your basic rate per 1,000 gallons and also what is the City of Santa Fe's water loss?

Mike:

Our basic rate is on the order of about \$2.40 for the first 5,000 gallons and then it goes up to \$3.49 for every 1,000 above 5,000. Right there you can see there is not much disincentive as it is actually cheaper per unit to be out on the upper end of the water-use scale than it is for someone under 6,000 gallons—we also have a base service charge of about \$7.00. If you use less than 4,000 gallons you pay more per-unit cost than someone

using 25,000 gallons and more, and that is something we are looking at. We estimate our system losses to be approximately 8-10 percent. When we look at our unbilled water use, that unaccounted losses column, it is in the 15 percent range. We have done some spot checks in town listening for leaks. Another five percent we think is either over-metered or under-metered—over-metered on the production side or perhaps under-metered on the sales side, or perhaps some combination. We really aren't sure where the 5-7 percent is, but our total unaccounted loss is about 15 percent.

Question:

How much do you get for return flow credits?

Mike:

We get zero return flow credit right now. Some downstream water rights are senior to our rights and they have first rights on the effluent, and we are trying to figure out how much that is. Also, there are serious channel losses downstream and estimates indicate perhaps less than ten percent of the water actually leaving the treatment plant makes it to Cochiti Dam or the Rio Grande. We are not getting any return flow credit at this point but we are looking at the situation closely to see whether we can take advantage of return flow.

Sherry:

I would like to add that this issue is addressed in the Anaya adjudication of the Santa Fe River and we will be adding to our claim for water rights return flow credits, but we are waiting for the TEMP (treated effluent management plan) that I mentioned earlier. Each source of supply has a different return flow credit, whether it is from the Rio Grande or the Buckman system or the canyon. We need to do a very thorough study. A portion of the water is from the river and a portion is from Buckman and they will both be addressed in the Anaya adjudication.