

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2017-12**

3 **INTRODUCED BY:**

4 Councilor Carmichael A. Dominguez

5 Councilor Peter N. Ives

6 Councilor Mike Harris

7 Councilor Renee Villarreal

8 Councilor Joseph Maestas

9 Councilor Chris Rivera

10 **A RESOLUTION**

11 **APPROVING THE COST-SHARE AGREEMENT BETWEEN THE CITY OF SANTA FE**
12 **AND SANTA FE COUNTY TO PROVIDE MATCHING FUNDS IN ORDER TO**
13 **RECEIVE WATER TRUST BOARD FINANCING IN FY 2017/18.**

14
15 **WHEREAS**, the city of Santa Fe and Santa Fe county own an undivided equal interest in
16 the facilities comprising the Buckman Direct Diversion Project (BDD Project); and

17 **WHEREAS**, it has been determined that additional finished water storage is needed at
18 the BDD Project for those times when the BDD Project cannot divert raw water, in order to
19 provide redundancy and allow for off-peak time pumping; and

20 **WHEREAS**, the additional finished water storage requires the construction of a storage
21 tank with the capacity of four million gallons; and

22 **WHEREAS**, the total construction cost for the tank is estimated to be 2.5 million dollars;
23 and

24 **WHEREAS**, the city of Santa Fe, as the fiscal agent of the BDD Project, has requested
25 \$895,843 of the construction costs from the New Mexico Water Trust Board in the form of

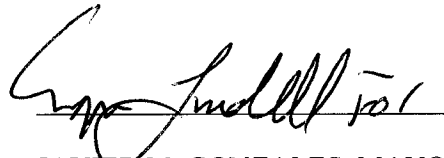
1 loan/grant funds; and

2 **WHEREAS**, the determination of whether the award will be made, the final amount of
3 the award, and how much of the award, if made, will be in the form of a loan or a grant, has not
4 yet been determined by the Water Trust Board; and

5 **WHEREAS**, the parties wish to set forth their agreement as to the payment of the
6 constructions and pre-construction costs for the tank.

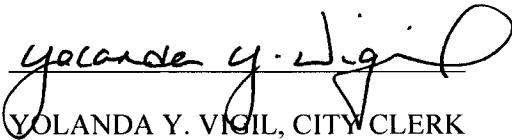
7 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
8 **CITY OF SANTA FE** that the cost-sharing agreement between the city of Santa Fe and Santa Fe
9 county, attached heretofore as Exhibit A, to provide matching funds in order to receive Water
10 Trust Board financing in FY 2017/18, is hereby approved.

11 PASSED, APPROVED AND ADOPTED this 25th day of January, 2017.

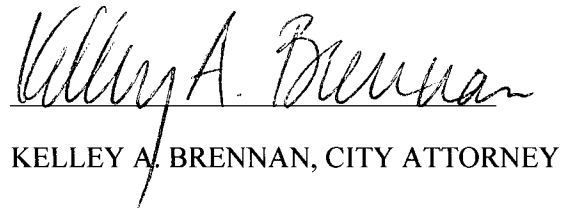
12 

13 JAVIER M. GONZALES, MAYOR

14 ATTEST:

15
16
17 
18 YOLANDA Y. VIGIL, CITY CLERK

19 APPROVED AS TO FORM:

20 
21 KELLEY A. BRENNAN, CITY ATTORNEY

**COST SHARING AGREEMENT
BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY**

This Cost Sharing Agreement (“Agreement”) between the City of Santa Fe (“City”) and Santa Fe County (“County”) shall be effective as of the date of the full execution of this Agreement.

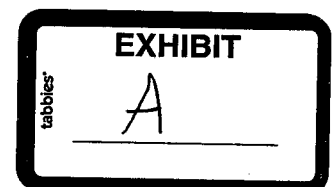
RECITALS

A. The City and the County (collectively, “Parties”) own an undivided equal interest in the facilities comprising the Buckman Direct Diversion Project ("BDD Project"), excluding the Club at Las Campanas Separate Facilities, as provided in that certain Facility Operations and Procedures Agreement (“FOPA”) for the Buckman Direct Diversion Project, effective as of October 16, 2006, as amended by the First Amendment to the FOPA.

B. Subject to the limitations and conditions provided for herein, the Parties have determined that it is in their mutual best interests to jointly fund the construction of a four (4) million gallon storage tank (“Tank”) for finished water at the BDD Project for those times when the BDD Project cannot divert raw water, in order to provide redundancy, and to allow for off-peak time pumping.

C. The total construction cost for the Tank is estimated to not exceed \$2.5 million (“Construction Costs”). The pre-construction costs, including final design, preliminary engineering, and archeological and permitting work (if required), are estimated to be \$54,156.00 (“Pre-Construction Costs”).

D. The City has applied for a loan/grant of \$895,843.00 from the New Mexico Water Trust Board for the Construction Costs. The determination of whether the award will be made, the final amount of the award, and how much of the award, if made, will be in the form of a loan or a grant, has not yet been determined by the Water Trust Board.



Handwritten signature or initials

E. The Parties wish to set forth their agreement as to the payment of the Construction Costs and Pre-Construction Costs for the Tank in the event the Water Trust Board awards, and the City accepts, a loan and/or grant for the Construction Costs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. The City shall be solely responsible for the Pre-Construction Costs, which shall serve as the local match funding required for the FY 2017 Water Trust Board application.
2. The City and the County shall each pay (i) one-half (1/2) of the Construction Costs remaining after the application of the Water Trust Board grant or loan funding and, if any of the funding from the Water Trust Board is made in the form of a loan (rather than grant funds), (ii) one-half (1/2) of all loan repayment obligations, including payments of principal, administrative fees, and interest; provided, however, that the County's obligations are contingent upon and subject to the following conditions:
 - a. the County's total cost share under this Agreement, including Construction Costs, gross receipts tax, principal repayments, interest (if any), and administrative and other fees on any Water Trust Board loan, shall not exceed \$940,000. The County may terminate this Agreement without liability if contractor bids, plus a reasonable allowance for contingencies, and Water Trust Board interest and fees are such that the County's cost share will exceed \$940,000;
 - b. the County's cost share shall be payable exclusively from general obligation bond proceeds from bonds sold pursuant to voter authorization to issue general obligation bonds for water projects within the County;

c. any Water Trust Board loan must allow the loan to be prepaid in whole or in part without penalty;

d. the County shall not be liable for any late fees or penalties on any Water Trust Board loan; and

e. the Water Trust Board must announce the award of funding for the Tank by June 30, 2017. If the Water Trust Board has not announced the award of funding for the Tank by June 30, 2017, this Agreement shall automatically terminate.

3. The City will make all required loan payments directly to the Water Trust Board and the County will repay the City for the County's one-half (1/2) share of the loan payments pursuant to a loan repayment schedule agreed upon by the County Manager and the City Manager. At the County's sole discretion, it may prepay its share of any loan, in whole or in part, and the City agrees to cooperate with and process any such prepayment made by the County. The County will reimburse the City for Construction Costs after those costs have been incurred, pursuant to requests for payment submitted to the County by the City with supporting contractor invoices.

4. The Tank, when constructed, shall become part of the BDD Project and owned equally between the City and the County.

5. In the event that BDD is not delivering water from the treatment plant in quantities sufficient to meet the Parties' daily potable water demands, the County and City shall each be entitled to one-half (1/2) of the water stored in the Tank, unless the County Manager and City Manager otherwise agree in writing.

6. This Agreement shall become effective upon the date that it is duly executed by both Parties. Except as provided in Paragraphs 2(a) and 2(e), it shall terminate when the Tank is

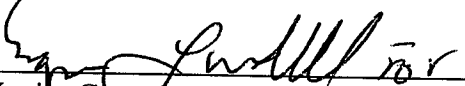
constructed and accepted and the County's share of any loan from the Water Trust Board has been paid in full; provided, however, that Paragraphs 4 and 5 shall survive termination of this Agreement.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

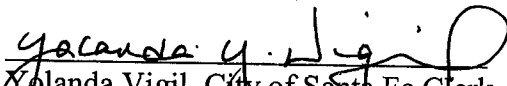
CITY OF SANTA FE



Javier Gonzales, Mayor

1/25/17
Date

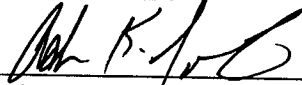
ATTEST:



Yolanda Vigil, City of Santa Fe Clerk
@ mtg. 1/25/17

1-25-17
Date

APPROVED:



Adam Johnson, City Finance Director

1/25/17
Date

APPROVED AS TO FORM:

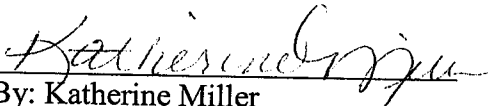


Kelley A. Brennan, City Attorney

1/25/17
Date

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

SANTA FE COUNTY


By: Katherine Miller
Its: County Manager


1-25-17
Date

ATTEST:


Geraldine Salazar, County Clerk

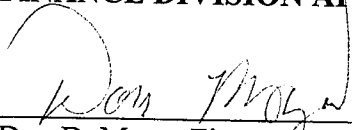
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APPROVED AS TO FORM:


Gregory S. Shaffer
County Attorney

1/25/2017
Date

FINANCE DIVISION APPROVAL


Don D. Moya, Finance Division Director

1-25-17
Date

