

Upper Hondo Collaborative Water Group

I. Identification of Collaborative Area: Upper Hondo Collaborative Water Group

- A. Lincoln County
- B. Municipalities and unincorporated communities in the area: Village of Ruidoso and the City of Ruidoso Downs; Alto Lakes
- C. Senate and House
 - Senator Timothy Jennings - District 32
 - Senator Rod Adair - District 33
 - Representative W.C. "Dub" Williams – District 56
 - Representative Daniel R. Foley - District 57
 - Representative Avon W. Wilson – District 59
- D. Map of project area: See Attached Map.

II. Water systems in the area

- A. All water systems in the area are listed below. Participating water systems are shown in bold.

Alpine Village Sanitation District
Alto Alps Condo Assoc.
Alto Lakes W&SD
Alto North Water Coop
City of Ruidoso Downs
Cedar Creek Cabin Owners
Enchanted Forrest Water Corp
Fawn Ridge Property Owners Assoc.

High Sierra Estates Water Assoc.
Loma Grande Estates Water Assoc.
Rancho Ruidoso/Rainmaker
Sun Valley Sanitation District
Tall Pines Water Assoc.
Village of Ruidoso
Bonita Park Nazarene Conference
ABWAM Water Users

- B. Assessment of non-participation:
 - Small water systems with limited resources
 - Continued outreach may lead to involvement in the future

III. Non-water system participants:

Non-water system participants are listed below. (See Attachment 2 for contact information.)
Office of the State Engineer
New Mexico Environment Department
Ranches of Sonterra
LCRWA

IV. Project Team

- A. Facilitator: Carl Moore (The Community Store)
- B. Technical Advisor: Susan Butler (Environmental Finance Center, New Mexico Tech)

V. Process:

- A. Start date: October 25, 2004
- B. Number of meetings: 7 meetings
- C. Nature of the meetings: The group developed a goal for the collaborative process: to develop an economical and feasible way to meet the water demand of the Upper Hondo area with a sustainable water supply. To work towards this goal, the developed a basic agreement which would be signed by all of the participants. In addition, the group developed a scope of work for a planning consultant that incorporates all of the work necessary to develop alternatives for water supply.
- D. Accomplishments:
 - A final Letter of Commitment, a document outlining the management structure, and a Scope of Work for planning study..

VI. Water Related Issues and Concerns

- A. Water supply concerns:
 - Depleting and limited supply
 - Future growth and impact of subdivision approvals on water supply
- B. Water resource issues:
 - Concerns about water rights
- C. Water demand issues:
 - Increased demand
 - Ability to create consistent water conservation measures across area
 - Ability to educate public on gravity of challenge and need for conservation
- D. Wastewater issues:
 - Impact of septic systems in area on groundwater

VII. Foundation for Collaboration

- A. Reason(s) group considered coming together:
 - Recognized need for region-wide collaboration and planning in a sustainable way
 - Agreed that it was important for participation to be voluntary
 - Realized that any potential solution to improving water supply will be expensive and therefore will require greater efficiency and region-wide cooperation and coordination
- B. Was the group aware of the need for collaboration or did they discover the need through the process: Group was extremely aware of need and has begun initial discussions and meeting prior to being approached by the project team.

VIII. Obstacles and Opportunities

- A. Major obstacles to collaboration :
 - Distrust of participants based on past experience
 - Wide variation in supply available to each provider
 - Process is taking place in midst of state-wide water planning
- B. Opportunities associated with collaboration:
 - Planning for growth in a sustainable way
 - Ability to share financial burden

IX. Agreement Reached

- A. Type of agreement signed: Letter of Commitment (See Attachment 3)
- B. Signers to the agreement: Currently, the Village of Ruidoso, Alto Lakes Water and Sanitation District have signed the agreement. The attorney for the City of Ruidoso Downs is currently reviewing the document. Many of the smaller systems are reviewing the agreement.
- C. Issues encountered in signing the agreement: Time for smaller systems to present Letter of Commitment to Boards of Directors and officially sign. Most of the systems have agreed verbally, but because of nature of seasonal population and timing of meetings of Boards of Directors, some have not formally signed. The group drafted a Resolution that could be used by the smaller systems in approving the Letter of Commitment. The City of Ruidoso Downs is currently reviewing the Letter prior to approving and signing.
- D. Purpose of the agreement:
 - To work together to collect information needed to understand the water resources of the area
 - To acquire planning grant to develop options to provide the area with sustainable water supply.
- E. Activities the group wants to undertake after signing the agreement:

- Hold a workshop on funding sources and strategies with representatives from various funding agencies
- Pursue funding opportunities for the Scope of Work which has been drafted.

X. Next Steps

A. Activities next year:

- After receiving funding for the Scope of Work the group will issue an Request for Proposal for planning consultant; select consultant; work with consultant on gathering information and reviewing information; present alternatives/scenarios to public; select alternatives

B. Long term activities

- Create consistent and uniform conservation measures across area
- Educate public on gravity of water resource situation and need for more conservation
- Develop subdivision regulations that promote sustainable water use
- Achieve sustainable water supply for area

C. Obstacles to the short and long term activities of the group:

- Funding for planning study
- Funding for coordinating group

D. Need for on-going assistance

- Need for ongoing facilitation and technical assistance until planning grant is received and management structure is in place.

E. Amount of funding required to complete activities:

- Estimated \$150,000 for planning study

F. Comprehensive water or wastewater planning for the region:

- Locating funding for water planning study is first priority. Wastewater issues and concerns are part of study.

XI. Best Practices in Collaboration

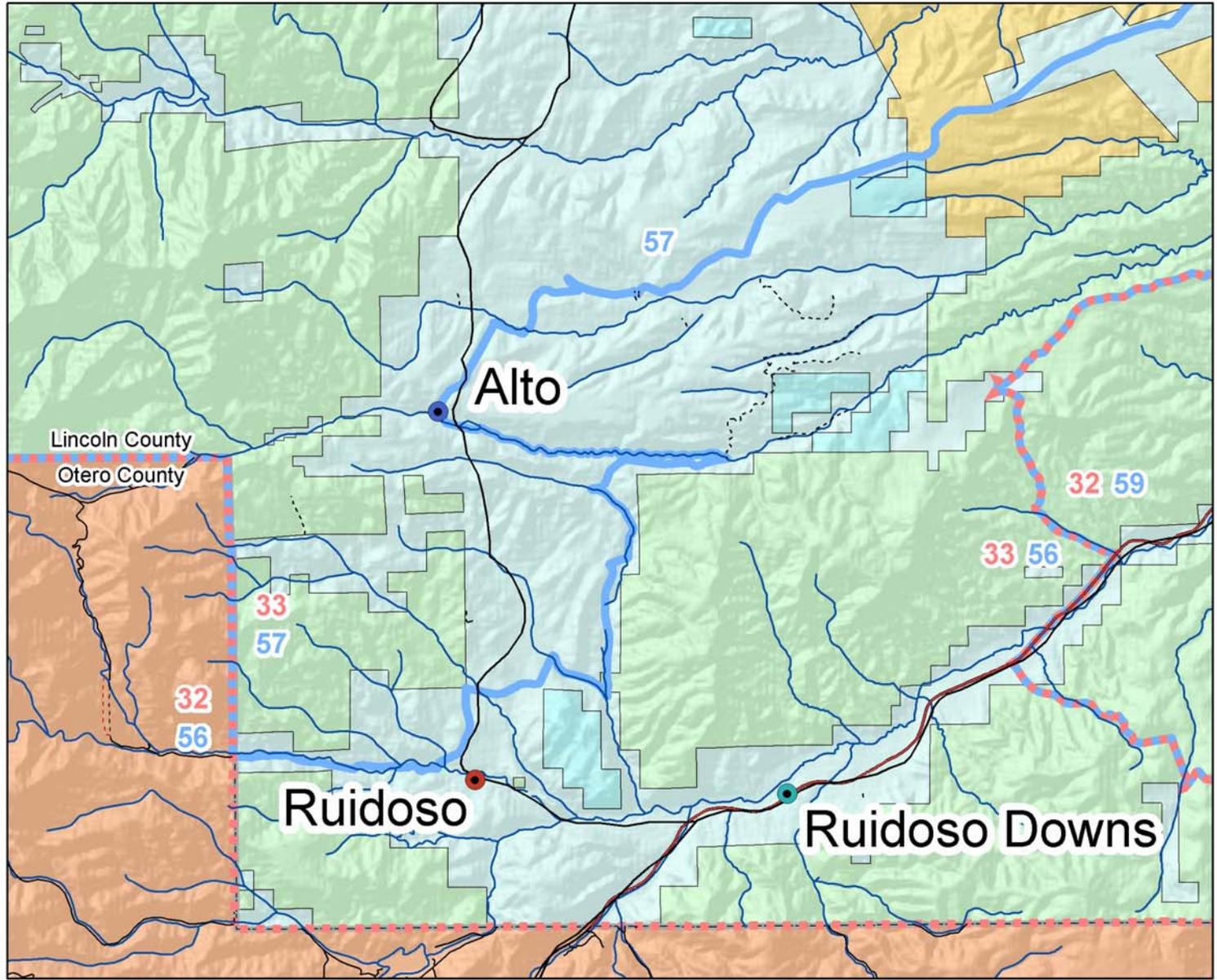
- Pervious experience of participants in collaboration has been positive.
- Participants believe that good planning is benefited by responsible leadership, by effective facilitation of meetings, and by committed staff people who follow through on decisions made by the group.

~Upper Hondo Collaborative Water Group~

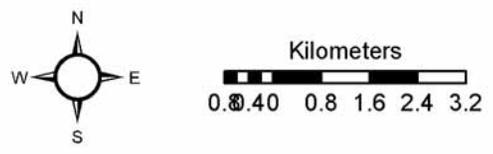


- Land Ownership**
- Bureau of Land Management
 - USDA Forest Service
 - Mescalero Apache Indian Reservation
 - Private (Patented) Land
 - State of New Mexico
 - County Boundary

- Water Systems**
- Alpine Village W & SD
 - Alto Alps Condominium Association
 - Alto Lakes Water Corp.
 - Alto North Water Coop.
 - Cedar Creek Cabin Owners Assn.
 - Enchanted Forest Water Corporation
 - High Sierra Estates Water Assn.
 - Loma Grande Estates Water Assn.
 - Ruidoso Water System
 - Ruidoso Downs Racetrack
 - Ruidoso Downs Water System
 - Sun Valley Sanitation District
 - Tall Pines Water Association



- Districts (number)**
- SENATE** Timothy Jennings (32) Rod Adair (33)
- HOUSE** W.C. "Dub" Williams (56) Daniel Foley (57) Avon Wilson (59)



Attachment 3 - Letter of Commitment
Between the Participants in the
Upper Hondo Collaborative Water Group
Dated _____, 2005

PREAMBLE

WHEREAS, we, the undersigned, a group of public and private providers of potable water who serve the region from Angus through Ruidoso and Ruidoso Downs to Hondo in Lincoln County, New Mexico, have been participating in a facilitated process initiated by representatives of several agencies of the State of New Mexico in order to determine how we can collaborate in order to improve water services to our communities. Our goal is to work together to develop an economical and feasible way to meet the potable water demand of the Upper Hondo area of Lincoln County, New Mexico with a sustainable water supply; and

WHEREAS, we have been motivated to undertake such a process because of a depleting water supply and the likelihood of the current drought continuing into the foreseeable future. We know that any potential solution to improving the water supply will be expensive and will require greater efficiency and region-wide cooperation and coordination. Growth in this area must be planned in a sustainable way that reflects the water reality; and

WHEREAS, we realize that achieving the goal of cooperation to provide a sustainable water supply will meet with obstacles. There is likely to be distrust; in the past water providers have acted independently and this process is acting them to act collaboratively. There is likely to be a wide variation in the supply available to each provider and to the demand by their constituents. This process is taking place in the midst of substantial and uncertain state-wide water planning (including the adjudication of water rights). It is uncertain how to involve water users who are outside the service area but whose actions can influence future planning; and

WHEREAS, this region's experience with previous region-wide collaborative processes informs us that it is possible to do something about natural resources in a collaborative way. Specifically, the signers of this Letter believe that: a crisis motivates action; good planning is assisted by responsible leadership and by committed staff people who follow through on decisions made by the group; effective facilitation of meetings is important, especially when people come together who do not have experiences working together; it is necessary to be flexible about formal policies; and it helps if participation is voluntary, not mandatory; and

WHEREAS, our next step is to acquire a planning grant to enable us to have a clear picture of what is the best option(s) to go forward to provide the area with a sustainable water supply, then we can voluntarily enter into an agreement that stipulates the legal responsibilities of each of the parties to effect the implementation of the best option.

NOW THEREFORE, the participants of the Upper Hondo Collaborative Water Group sign the following Letter of Commitment.

1. PURPOSE

The purpose of this Letter of Commitment is to commit the participating water systems, hereinafter called “PARTICIPANTS,” to plan collaboratively to develop an economical and feasible way to provide a sustainable water supply in the Upper Hondo area.

2. DEFINITIONS

- a. **AUTHORIZED REPRESENTATIVE** – The person designated in writing by a participating water system. This representative has authority to represent said water system in this planning process. An alternate designated by the participating water system may serve in the lace of the AUTHORIZED REPRESENTATIVE.
- b. **FACILITATOR** – The State of New Mexico, dependent upon funding, may continue to provide a FACILITATOR for the Planning Phase of this collaborative effort. A FACILITATOR may also be provided as agreed to by the parties. The facilitator’s responsibility is to manage the meetings of the Upper Hondo Collaborative Water Group, so that they accomplish the “purpose” as defined in the “letter of agreement.” The facilitator is not expected to be an expert on the content.
- c. **FISCAL AGENT** – The entity eligible to apply for and receive grant funding for this planning effort. The FISCAL AGENT will act on behalf of the MANAGEMENT COMMITTEE and upon their direction to be determined by the parties hereto.
- d. **MANAGEMENT COMMITTEE** – A committee elected from authorized representatives and designated to manage the planning effort. This committee and responsibilities are defined in Planning Phase “Method of Management.”

3. PLANNING PHASES

It is anticipated that the approach to the planning effort will include the following Phases:

<u>Phase</u>	<u>Description</u>
Letter of Commitment	The execution of this document constitutes the first phase.
Scope of Work	The PARTICIPANTS will work together to develop a scope of work for a planning consultant(s) (CONSULTANT) who will develop the Plan, as stated in the Preamble, with input from the PARTICIPANTS.

Method of Management

The PARTICIPANTS will work together to elect a MANAGEMENT COMMITTEE to manage the planning process. The makeup, method of member election, and responsibilities of this committee must be determined and agreed to by all PARTICIPANTS. The details of the MANAGEMENT COMMITTEE is specified in Appendix A. Responsibilities of the MANAGEMENT COMMITTEE will include the need to conduct several public meetings regarding the formulation of alternatives and the selection of the best alternative. The FISCAL AGENT will be selected by a majority vote of the MANAGEMENT COMMITTEE from among those parties eligible to serve as fiscal agent by statute. The FISCAL AGENT will continue to function as a PARTICIPANT. The FISCAL AGENT will act on behalf of the MANAGEMENT COMMITTEE and upon their direction. The MANAGEMENT COMMITTEE will approve all expenditures related to the Planning Work.

Secure Grant Funding

The PARTICIPANTS will work together to secure grant funding for the planning from various funding agencies. The MANAGEMENT COMMITTEE and the FACILITATOR will lead this effort with support from all participants. This Letter does not make any financial obligations to or from the participating water systems.

Requests for Proposals

The PARTICIPANTS will use the Scope of Work to solicit proposals from several CONSULTANTS. Upon receiving the proposals, the MANAGEMENT COMMITTEE will select the CONSULTANT, negotiate a scope and fee consistent with the funding secured and see that an appropriate contract is signed. All of this work shall be in accordance with state procurement laws.

Planning Work

The selected CONSULTANT(S) will execute the Scope of Work under the supervision of the MANAGEMENT COMMITTEE. The MANAGEMENT COMMITTEE will supervise the CONSULTANT(S), respond to data requests, provide input and conduct public meetings during the planning process. PARTICIPANTS will

provide the CONSULTANT access to necessary available data.

4. TERM OF LETTER OF COMMITMENT

This Letter of Commitment shall become effective upon signature by the AUTHORIZED REPRESENTATIVES of the PARTICIPANTS. It shall terminate upon completion of the Planning Work Phase described in this letter. All signatory participating water systems agree to participate for the entire planning period except when during the course of the planning effort it is shown that the proposed regional facilities do not include a particular water system. In this case, that water system may withdraw from the planning effort. There are no commitments by any of the PARTICIPANTS after Planning Work Phase is complete.

5. RESPONSIBILITIES OF PARTICIPANTS AND AUTHORIZED REPRESENTATIVES

All PARTICIPANTS and AUTHORIZED REPRESENTATIVES agree to:

1. Make every effort to attend and participate in meetings, workshops and public meetings.
2. Provide available data on water resources and water system to the CONSULTANT.
3. Inform customer base of activities of the regional planning effort.
4. Involve the general public in the decision making process.
5. Support the efforts of the regional planning process.
6. Identify private wells.

6. COMPLIANCE WITH STATE AND FEDERAL LAWS AND REGULATIONS:

The planning work shall comply with all applicable state and federal statutes, rules, and regulations.

7. DISPUTE RESOLUTION:

Disagreements or disputes among the PARTICIPANTS shall be addressed and shall be resolved by a majority vote of the MANAGEMENT COMMITTEE.

8. AMENDMENTS AND ASSIGNMENTS:

This letter shall not be altered, changed, amended, or assigned except by written instrument executed by all AUTHORIZED REPRESENTATIVES from each participating water system.

9. LIABILITY:

None of the parties shall be responsible for liability incurred as a result of another party's acts or omissions in connection with this Letter of Commitment. Any liability incurred in connection with this Letter of Commitment is subject to the immunities and limitation of the New Mexico Tort Claim Act.

10. GOVERNING LAW

This Letter of Commitment constitutes a commitment by the signatory water systems to carry out the purposes and goals stated in the Letter and is not legally binding on the parties. To the extent that the Letter of Commitment may legally bind the signing parties, the Letter of Commitment is governed by the laws of the State of New Mexico.

IN WITNESS WHEREOF, the participants have executed this Letter of Commitment, which becomes effective as of _____, 2005.

<u>Water System</u>	<u>Authorized Representative</u>	<u>Date</u>
Alpine Village Sanitation District	_____	_____
Alto Alps Condo Association	_____	_____
Alto Lakes Water Corp./Alto Lakes WSD	_____	_____
Alto North Water Coop	_____	_____
Bonito Park Nazarene Conference	_____	_____
Cedar Creek Cabin Owners Association	_____	_____
Enchanted Forest Water Corporation	_____	_____
Fawn Ridge Property Owners Association	_____	_____
High Sierra Estates Water Association	_____	_____
Loma Grande Estates Water Association	_____	_____
Rainmakers Utilities	_____	_____
City of Ruidoso Downs	_____	_____
Village of Ruidoso	_____	_____

Sun Valley Sanitation District

Tall Pines Water Association

Appendix A: Method of Management

- The Management Committee will consist of 9 voting members appointed by the participants as follows:
 - Alto Lakes W&SD 2 members 1,064 connections
 - Ruidoso 3 members 6,675 connections
 - Ruidoso Downs 2 members 900 connections
 - Other 2 members 1,096 connections

Note: the above is an attempt to weigh various factors including number of connections and number of participants. The 3 members for Ruidoso recognizes that it is the largest purveyor in the area. The 2 members each for Ruidoso Downs and ALWSD recognizes a rough parity in connections, and the 2 members for the Others recognizes the need to encourage broad participation by small systems.

Name	Pop	#Con
Alpine Village San. District	195	78
Alto Alps Condo Assn	200	123
Alto Lakes Water Corp	2,100	1,064
Alto North Water Coop	75	40
ABWAM Water Users Inc.	20	18
Bonito Park Nazarene Conference	100	107
Cedar Creek Cabin Owners Assn	450	181
Enchanted Forrest Water Corp	200	79
Fawn Ridge Property Owners Assn	74	74
High Sierra Estates Water Assn	55	30
Loma Grande Estates Water Assoc	50	25
Rancho Ruidoso/Rainmaker	395	158
Ruidoso Downs Water System	2,500	900
Ruidoso Water System	10,001	6,675
Sun Valley San. District	380	165
Tall Pines Water Assn	67	18
16 Utilities	16,862	9,735

- 6 votes shall be required to approve decisions of the Management Committee. **Note: this is intended to insure that no 2 entities can control the Management Committee.**
- Management Committee appointees shall serve for a term of two years. There shall be no term limit on the number of terms which an appointee may serve.
- The Management Committee shall elect, from among its members, a Chair who shall preside over meetings, a Vice-Chair who shall preside over meetings in the absence of the Chair, and a Secretary who shall keep minutes of the meetings.
- The Management Committee shall appoint a member entity as Fiscal Agent from among those entities which are eligible to receive State and/or Federal grant monies and which declares a willingness to serve as Fiscal Agent.
- The Fiscal Agent shall appoint a non-voting member to the management committee. **Note: this is intended to facilitate communications between the Committee and the Fiscal Agent while separating the functions of management and fiscal agent.**