

Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	09/29/2022	
Media Program:	Water	
Regulatory Program(s)	NPDES	
Company Name:	City of Santa Rosa	
Facility Name:	Santa Rosa Wastewater Treatment Plant	
Facility Physical Location:	1700 North Rock Island Street	
(city, state, zip code)	Santa Rosa, New Mexico	
Mailing address:	244 S 4th St	
(city, state, zip code)	Santa Rosa, NM 88435-2323	
County/Parish:	Guadalupe	
Facility Phone Number	575-799-8007	
Facility Contact:	Onofre Cordova	Wastewater Superintendent
	ocordova@srnm.org	
FRS Number:	110006702899	
Identification/Permit Number:	NM0024988	
Media Identifier Number:	NA	
NAICS:	221320	
SIC:	4952	
Personnel participating in inspection:		
Brian J. Chavez	City of Santa Rosa	Wastewater Operator
David Esparza	R6-ECDWM	Environmental Engineer
EPA Lead Inspector Signature/Date	DAVID ESPARZA Digitally signed by DAVID ESPARZA Date: 2022.12.14 07:44:10 -07'00' David Esparza Date	
Supervisor Signature/Date	ROBERTO BERNIER Digitally signed by ROBERTO BERNIER Date: 2022.12.15 15:08:24 -06'00' Roberto Bernier Date	

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspector David Esparza, PE arrived at the City of Santa Rosa Wastewater Treatment Plant (WWTP) (Santa Rosa) at approximately 12:30 on September 29, 2022, for an unannounced inspection. I met with Mr. Chavez, Wastewater Operator, presented my credentials and informed him that this was an EPA inspection to determine the Santa Rosa WWTP's compliance under the Clean Water Act (CWA). This compliance evaluation inspection (CEI) was conducted under the authority of the National Pollutant Discharge Elimination System (NPDES) permit program, in accordance with the CWA. The generation of this report is based on information supplied by Santa Rosa representatives, observations made by the United States Environmental Protection Agency (US EPA) inspector, and records and reports maintained by the permittee (Santa Rosa), and the US EPA. Before leaving the facility, an exit briefing was held with City of Santa Rosa representative Mr. Onofre Cordova to explain areas of concern noted at the time of the inspection.

FACILITY DESCRIPTION

The existing WWTP was constructed from 2011 to 2013 and is a minor discharger with a design flow of 0.667 MGD (million gallons per day) and an average influent flow of 0.35 MGD (350,000-gallon per day). The facility is located South along New Mexico State Road 91 (SR-91 and James Walls Power Dam Park, Santa Rosa, Guadalupe County, New Mexico (depicted in **Aerial Image #1** below). The facility serves a population of approximately 2,800 residents and is operated by staff within the Public Works Department consisting of 2 full-time equivalent (FTE) positions, during the hours of 7:00 AM to 3:30 PM five (5) days during the regular work week. On-call staff is available on an as needed basis and weekends.



Aerial Image #1: Overall view of the City of Santa Rosa Wastewater Treatment Plant

An older pond based (aerated lagoons and settling ponds) treatment facility was removed in 2011. The WWTP is operated in a nitrification-denitrification (NDN) mode for the removal of nitrogen to meet effluent discharge requirements and provide beneficial use of reclaimed wastewater for parks and golf courses using the process, which is a form of conventional biological nutrient removal activated sludge process. The WWTP components include a headworks (mechanical fine screen and grit removal), primary lift station, Medium Rate Activated Sludge (MRAS) aeration basins, splitter boxes, secondary clarifiers, aerobic digesters, UV disinfection, a blower/pump building and concrete sludge drying beds. There is also an onsite stormwater pond that collects the site's stormwater flows and pumps them into the headworks for treatment processing. After the treatment process, the treated effluent is discharged into El Rito Creek, approximately 500 feet above the confluence with the Pecos River.

The WWTP is an influent gravity flow system with the assistance of six (6) lift stations (LS) (Identified in **Table 1** below), thence into the automatic bar screen and a grinder for large solid removal. A second channel is available with a manual bar screen. Following the bar screens are a set of three (3) pumps that lift the sewage to the aeration basins. The pumps are triggered by floats that sense the water level. The solids removed from the screens are dried and after passing the paint filter test, transported, and disposed of at the City of Tucumcari landfill. The liquid waste is sent to one (1) of two (2) oxidation ditch extended air treatment units. Fine bubble diffusers at the bottom of the basins, provide aeration. The basin is cycled through an aerated phase and an anoxic phase. Mixers are located approximately five (5) feet from the bottom of the basin. Following the oxidation ditches are two (2) secondary clarifiers. Solids are wasted from the bottom of the clarifier to the aerobic digester. Return activated sludge (RAS) is sent back to the head of the treatment plant. Decant from the secondary clarifier is sent to the ultraviolet (UV) disinfection system, consisting of dual parallel channels. Following disinfection is an effluent flow meter, Parshall flume with staff gauge, and an ultrasonic sensor that records the totalized flow.

Table 1: City of Santa Rosa Lift Stations

Lift Station Name	Location	Comments/Status
River Road	River Road and Black Street	Operational
Bob's 66	Historic Route 66 and River Side Drive	Operational
Carolina	River Side Dr and Barela Road	Operational- proposed to be upgraded in 2023
2nd Street	2nd St and Corona Ave.	Operational. No fencing but locked hatchway
Golf Course	Chuck and Dale Lane.	Operational
Assisted Living	Bluehole Road and Reilly Road.	Operational. No fencing but locked hatchway

Note: Only the Golf Course LS has portable back-up (generator) power capability. The portable generator is exercised weekly. All LSs have audible alarms and flashing lights.

In the event of a local power outage, an emergency generator at the WWTP is exercised weekly to operate the facility. This enables the WWTP to continue the treatment process through gravity flow, unabated.

The WWTP also maintains a groundwater discharge permit issued by the New Mexico Environment Department (NMED) Groundwater Quality Bureau under permit number (DP-665).

Currently the one (1) industrial use (IU) discharger, is the Guadalupe County Correctional Facility, located at south Hwy 54 exit 3B Santa Rosa NM 88435 (Appendix 3 Guadalupe County Correctional Facility Service Agreement)

Section II – OBSERVATIONS

I observed or the following was stated on September 29, 2022.

- Currently, Santa Rosa does not have written policies and procedures to address potential sanitary sewer overflow events (SSOs) and maintains minimal standard operating procedures (SOPs) pertaining to facility operations and maintenance (O&M), inclusive of daily (morning and evening) visual checks of the WWTP treatment processes and lift stations.
- The Fats, Oils and Grease (FOG) program consists of an annual FOG test at the treatment plant.
- A Supervisory Control and Data Acquisition (SCADA) system provides around the clock monitoring of WWTP operations.
- The scum box inside the southside clarifier was not operational and needed cleaning and repair. Note: the Northside clarifier was currently offline.
- The sewage within the aeration basins was extremely dark in color and exhibited floatable solids.
- Staffing- initially at the time of the inspection (September 28, 2022)- no operators or WWTP personnel were available. It was necessary to return on the afternoon of September 29, 2022. Given this fact, observation of the LSs were not possible.
- The overall housekeeping of the WWTP of the grounds and ancillary appurtenances appeared to be well maintained and in operational order with exception of the scum box, aeration basin and the visible overflow debris inside the pump room.
- The WWTP did have secure perimeter fencing and lighting; thus, limiting access.

Section III – AREAS OF CONCERN

A review of the ICIS database for the period from January 1, 2020, to September 29, 2022 (**Appendix 2**) indicates NPDES permit excursions.

- A review of the Integrated Compliance Information System (ICIS) indicates several NPDES permit single event violations (August and November 2020) and July 2021; *Escherichia coli* (E coli) (February, March, July 2020), (February, March, April, June, December 2021) and (January, February, March, April, and June 2022); Biological Oxygen Demand (BOD₅) (September 2020); Discharge Monitoring Non-Receipt Violation (DMR) (March 2021)

The following additional areas of concern (AOCs) were identified and/or discussed with the City of Santa Rosa:

- The scum box inside the southside clarifier was not operational and needed cleaning and repair. Note: the Northside clarifier was currently offline. Mr. Cordova stated during a recent telephone call that the scum box had been cleaned, and the pump had been replaced with their back-up pump.
- The sewage within the aeration basins was extremely dark in color and exhibited floatable solids. During the above telephone call, Mr. Cordova stated this basin was slowly being drained and was scheduled to be cleaned and repaired as necessary.
- Staffing- initially at the time of the inspection (September 28, 2022)- no operators or WWTP personnel were available. It was necessary to return on the afternoon of September 29, 2022. Given this fact, observation of the LSs was not possible.

I conducted a closing conference a closing conference at City of Santa Rosa WWTP on September 29, 2022, for the inspection.

Section IV – RECOMMENDATIONS

- Review and update the Service Agreement with the Guadalupe County Correctional Facility- the provided copy circa January 1998 was “draft” agreement.

Section V – FOLLOW UP

The following information was received by EPA on October 10, 2022, after exiting the Facility on September 29, 2022:

- Email response of the WWTP’s Standard Operating Procedures (SOP), with respect to Sanitary Sewer Overflow (SSO) Protocol and a Fats, Oils and Grease (FOG) program
- The names and/or addresses of the individual Industrial Uses (IUs) discharging to the WWTP (i.e., Guadalupe County Correctional Facility, etc).
- An electronic copy of the applicable Service Agreements with respect to the above IU.
- The names, locations, and status of your five (5) lift stations (i.e., operational, or on-standby)

Additional information and/or clarification was provided via a telephone conversation.

- Do all 6 of the lift stations (LS) have back-up power (generator or quick-connect)?
- If the LS’s have generators how often are they exercised?
- Do all your LS’s have secure fencing (if not secure/locked hatchways), signage and either audible alarms or flashing lights (in the event of failure)?
- Can you provide me with a contact telephone number?

Section V – LIST OF APPENDICES

Appendix 1 – Photo Log – 6 photos taken 9/29/2022

Appendix 2 – Review of the Integrated Compliance Information System (ICIS) Database for the period from January 1, 2020, to September 29, 2022.

Appendix 3 – “Draft” Guadalupe County Correctional Facility Service Agreement

Appendix 1

Photograph Log



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



The scum box inside the southside clarifier was not operational and needed cleaning and repair. (DSCN2358) Photographed by D. Esparza



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



View of the Northside clarifier currently offline. (DSCN2359) photographed by D. Esparza.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



View of the sewage within the aeration basins that was extremely dark in color and exhibited floatable solids. (DSCN2354) Photographed by D. Esparza.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



View of the visible overflow debris inside the pump room looking approximately Northeast. (DSCN2356)
Photographed by D. Esparza.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



Another view of the visible overflow debris inside the pump room looking approximately Southeast. (DSCN2357). Photographed by D. Esparza.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

Location: Santa Rosa Wastewater Treatment Plant		
City: Santa Rosa	County/Parish: Guadalupe	State: New Mexico



View of WWTP's outfall discharge into El Rito Creek. (DSCN2363) Photographed by D. Esparza.

Appendix 2

Review
of the
ICIS database
for
the period
from
January 1, 2020, to September 29, 2022

FE&C

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Search Permits

Related NPDES Violations

ADD SINGLE EVENT VIOLATION

List of Violations Related to the Permit

Record Numbers 1 to 68

Violation Type	Violation Information	Violation Code	Violation Date	RNC Detection Code-Date	RNC Resolution Code-Date	Action
Single Event Violation	A0012 Effluent Violations - Numeric effluent violation	A0012	02/18/2020			Delete
Single Event Violation	A0012 Effluent Violations - Numeric effluent violation	A0012	03/16/2020			Delete
Single Event Violation	A0012 Effluent Violations - Numeric effluent violation	A0012	07/21/2020			Delete
Single Event Violation	A0012 Effluent Violations - Numeric effluent violation	A0012	07/27/2020			Delete
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	02/29/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	02/29/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	03/31/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	03/31/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	07/31/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	07/31/2020			
DMR Non-Receipt Violation	001 A 00310 BOD, 5-day, 20 deg. C Effluent Gross Season ID:0 Q1	D90	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00310 BOD, 5-day, 20 deg. C Effluent Gross Season ID:0 Q2	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00310 BOD, 5-day, 20 deg. C Effluent Gross Season ID:0 C2	D90	09/30/2020	N-11/28/2020	2-01/27/2021	

Violation Type	Violation Information	Violation Code	Violation Date	RNC Detection Code-Date	RNC Resolution Code-Date	Action
DMR Non-Receipt Violation	001 A 00310 BOD, 5-day, 20 deg. C Effluent Gross Season ID:0 C3	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00400 pH Effluent Gross Season ID:0 C1	D90	09/30/2020			
DMR Non-Receipt Violation	001 A 00400 pH Effluent Gross Season ID:0 C3	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00530 Solids, total suspended Effluent Gross Season ID:0 Q1	D90	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00530 Solids, total suspended Effluent Gross Season ID:0 Q2	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00530 Solids, total suspended Effluent Gross Season ID:0 C2	D90	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00530 Solids, total suspended Effluent Gross Season ID:0 C3	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00600 Nitrogen, total [as N] Effluent Gross Season ID:0 C2	D80	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00600 Nitrogen, total [as N] Effluent Gross Season ID:0 C3	D80	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00665 Phosphorus, total [as P] Effluent Gross Season ID:0 C2	D80	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 00665 Phosphorus, total [as P] Effluent Gross Season ID:0 C3	D80	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 50050 Flow, in conduit or thru treatment plant Effluent Gross Season ID:0 C1	D80	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 50050 Flow, in conduit or thru treatment plant Effluent Gross Season ID:0 C2	D80	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 50050 Flow, in conduit or thru treatment plant Effluent Gross Season ID:0 C3	D80	09/30/2020	K-11/28/2020	2-01/27/2021	

Violation Type	Violation Information	Violation Code	Violation Date	RNC Detection Code-Date	RNC Resolution Code-Date	Action
DMR Non-Receipt Violation	001 A 50060 Chlorine, total residual Disinfection, Process Complete Season ID:0 C3	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 51040 E. coli Effluent Gross Season ID:0 Q1	D90	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	D90	09/30/2020	N-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	D90	09/30/2020	K-11/28/2020	2-01/27/2021	
DMR Non-Receipt Violation	001 A 81010 BOD, 5-day, percent removal Effluent Gross Season ID:0 C1	D90	09/30/2020			
DMR Non-Receipt Violation	001 A 81011 Solids, suspended percent removal Effluent Gross Season ID:0 C1	D90	09/30/2020			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	02/28/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	03/31/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	03/31/2021			
DMR Non-Receipt Violation	TX1 S 22414 Whole effluent toxicity Effluent Gross Season ID:0 C1	D90	03/31/2021			
DMR Non-Receipt Violation	TX1 S 22414 Whole effluent toxicity Effluent Gross Season ID:0 C2	D90	03/31/2021			
DMR Non-Receipt Violation	TX1 S TGP3B Pass/Fail Static Renewal 7 Day Chronic Ceriodaphnia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TGP3B Pass/Fail Static Renewal 7 Day Chronic Ceriodaphnia Effluent Gross Season ID:0 C2	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TLP3B Low Flow Pass/Fail Survival Test Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TLP3B Low Flow Pass/Fail Survival Test Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C2	D80	03/31/2021			

Violation Type	Violation Information	Violation Code	Violation Date	RNC Detection Code-Date	RNC Resolution Code-Date	Action
DMR Non-Receipt Violation	TX1 S TOP3B NOEC Lethal Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TOP3B NOEC Lethal Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C2	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TPP3B NOEC Sub-Lethal Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TPP3B NOEC Sub-Lethal Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C2	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TQP3B Coef Of Var Statre 7Day Chronic Ceriodaphnia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TQP3B Coef Of Var Statre 7Day Chronic Ceriodaphnia Effluent Gross Season ID:0 C2	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TXP3B LOEC Lethal Survival Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TXP3B LOEC Lethal Survival Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C2	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TYP3B LOEC Sub-Lethal Reproduction Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C1	D80	03/31/2021			
DMR Non-Receipt Violation	TX1 S TYP3B LOEC Sub-Lethal Reproduction Static Renewal 7 Day Chronic Ceriodaphnia dubia Effluent Gross Season ID:0 C2	D80	03/31/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	04/30/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	04/30/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	06/30/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	06/30/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	12/31/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	12/31/2021			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	01/31/2022			

Violation Type	Violation Information	Violation Code	Violation Date	RNC Detection Code-Date	RNC Resolution Code-Date	Action
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	01/31/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	02/28/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	02/28/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	03/31/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	03/31/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	04/30/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	04/30/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C2	E90	06/30/2022			
Effluent Violation	001 A 51040 E. coli Effluent Gross Season ID:0 C3	E90	06/30/2022			

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U.S. Environmental Protection Agency 

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Appendix 3

“Draft”

Guadalupe County Correctional Facility Service Agreement

AGREEMENT

This Agreement is between the City of Santa Rosa (hereinafter referred to as the CITY) and Wackenhut Development, Inc. (hereinafter referred to as WDI), for the purpose of allocating charges for: 1) water and wastewater services, provided by the CITY to WDI; and 2) water and wastewater infrastructure construction costs provided by WDI to the CITY. The following Exhibits are hereby made as attachment to this Agreement:

1. Exhibit I: Consideration of Utility User Rates, January 5, 1997 Presentation.
2. Exhibit II: Meeting Notes of January 5, 1997 Presentation.
3. Exhibit III: Original Construction Cost Estimate for Infrastructure by Billingsley Engineering
4. Exhibit IV: Revised Construction Cost Estimate by Red Mountain Engineers
5. Exhibit V: Final Construction Cost Estimate of January 11, 1998 by Red Mountain Engineers
6. Exhibit VI: Agreed to Infrastructure Construction Costs to be paid for by the CITY to WDI.
7. Exhibit VII: Site Plan of Utilities
8. Exhibit VIII: Total Project Cost of Jail Facility

Section 1: The CITY agrees to provide water and wastewater services to the Guadalupe County Jail Facility (hereinafter referred to as the JAIL), located within the municipal boundaries of the CITY. The water and wastewater services will be provided to WDI in the form of water and wastewater user rates billed on a monthly basis in the following amounts:

A., Water Services: Base rates of \$2.99/month/bed and \$0.84 per 1,000 gallons of water delivered at the new meter to be installed by WDI. These rates for water services are for the calendar year 1998 and will be adjusted annually thereafter for inflation based on the Consumer Price Index. Gross receipts taxes and other State and Federal mandated charges will be charged in addition to the base rates (see Exhibits I and II for agreements between CITY and WDI).

B., Wastewater Services: Base rates of \$2.81/month/bed and \$1.04 per 1,000 gallons of wastewater discharged calculated at 80% of water delivered on a monthly basis. These rates for wastewater services are for the calendar year 1998 and will be adjusted annually thereafter for inflation based on the Consumer Price Index. Gross receipts taxes and other State and Federal mandated charges will be charged in addition to the base rates (see Exhibits I and II for agreements between CITY and WDI). If WDI's wastewater discharge measures greater than 600 mg/L of Biochemical Oxygen Demand (BOD) and / or greater than 600 mg/L of Total Suspended Solids (TSS), the variable base rate will be increased by a proportionate amount for the next billing cycles until another sample can be taken by the CITY.

Section 2: The CITY, in return for providing access to its water and wastewater utilities, has agreed to accept the ownership and operation of the water and wastewater infrastructure (see Exhibit VII), to be constructed and paid for at WDI's expense, including all piping, valving, tanks, pumping stations, electrical appurtenances, and easements. The CITY will pay WDI for the construction costs associated with the infrastructure based on the amount presented in Exhibit VI. Exhibits III, IV and V are provided to set forth the understanding that the agreed upon construction costs are different than estimates previously provided to the CITY by others, including WDI and its consultants and the CITY and its consultants. The CITY agrees to the following payment and terms to WDI for the constructed facilities:

A., Payment: The CITY agrees to pay _____, as agreed to by the CITY and WDI in Exhibit VI, in 30 equal installment of _____, before the end of each calendar year, beginning in 1998. All of the payments will be considered principal with no interest, unless the payment is made later than December 31st of each calendar year, whereby the CITY will pay WDI simple interest of 8% on the unpaid annual payment amount agreed to.

B., Termination and Assignability: The CITY and WDI agree that this agreement and the rates and payments set forth are by and between and unique to the CITY and WDI. Recognizing this unique relationship, the payments set forth in Section 2.A will cease if and when one of the following two scenarios exist: 1) The CITY pays the full amount in cumulative amounts on or before the 30-year term, including , but not limited to a payment in the form of an annuity representing the future value of the payments to WDI; and 2) WDI sells the facility and recovers the infrastructure construction costs agreed to in Exhibit VI and specified in Section 2.A. If WDI does not recover its infrastructure construction costs as a result of sale or transfer of the facility, then the payments will continue to WDI in accordance with the provisions of this Agreement. The utility rates set forth in Section 1 and charged by the CITY to WDI for water and wastewater services are unique to the CITY / WDI relationship and will cease upon one of the following events occurring: 1) WDI ceases to own the facility; or 2) WDI ceases to operate the facility; or 3) WDI's wastewater discharges and or water use are significantly different than the following expectations: 1) 600 bed level for the facility; or 2) greater than 80,000 gallons per day of water use or wastewater discharge (measured as an average over the year); or 3) greater than 600 mg/L of BOD or TSS or any other objectionable discharge (i.e. grease, floatable solids, nitrogen, phosphorus, etc.) not anticipated by the CITY or capable of harming treatment at the facility.

This AGREEMENT, executed by and between the CITY OF SANTA ROSA AND WACKENHUT DEVELOPMENT, INC. this _____ day of _____, 1998.

EXECUTION:

CITY OF SANTA ROSA, NEW MEXICO

WACKENHUT DEVELOPMENT, INC.

SIGNATURE

SIGNATURE

PRINTED NAME

PRINTED NAME

TITLE

TITLE

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EXPIRATION DATE

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