



Agenda

DATE 11/20/14 TIME 1:30
PREPARED BY L. J. Mita
REVIEWED BY J. J. J.

**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
200 Lincoln
WEDNESDAY, DECEMBER 3, 2014
REGULAR MEETING – 5:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE NOVEMBER 5, 2014 PUC MEETING

INFORMATIONAL ITEMS

6. Update on Current Water Supply Status and McClure Reservoir Construction. (Victor Archuleta, Alex Puglisi and Robert Jorgensen)
7. Update on single-use bag ordinance implementation report status. (Katherine Mortimer)

CONSENT – INFORMATION ITEMS

8. Status Report on the Environmental Services Division. (Lawrence Garcia)
9. Utility Billing Division Update. (Diana Catanach)
10. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)
11. Water Conservation and Drought Management Plan 2015. (Alan Hook and Laurie Trevizo)

CONSENT – ACTION CALENDAR

12. Request for approval of modifications to the Water Bank Accounting. (Alan Hook)
13. Request for approval of the 2015 Public Utilities Committee meeting calendar. (Stephanie Lopez)

14. Request for approval of Amendment No. 1 to the PSA with Automation Electric for maintenance and repair services for the Canyon Road Water Treatment Plant Transmission & Distribution facilities for the amount of \$20,000.00 exclusive of NMGRT. (Alex Gamino)

Public Utilities Committee – 12/3/14

Finance Committee – 12/1/14

City Council – 12/10/14

15. Request for approval of a Budget Adjustment Request to cover costs for the solar project and for the water line relocation project for CRWTP improvements. (Maya Martinez)

Public Utilities Committee – 12/3/14

Finance Committee – 1/5/15

City Council – 1/14/15

16. Request for approval for the purchase of replacement and expansion vehicles and Budget Adjustment Request as follows:

- a. Wastewater Management Division – ½ Ton Truck (expansion)
- \$22,500.00
- b. Water Division/Source of Supply – Utility Truck (replacement)
- \$75,125.00 and Operator's Truck (replacement) - \$19,614.00
- c. Water Division/Transmission & Distribution – Utility Truck
(replacement) - \$120,000.00
- d. Budget Adjustment Request - \$22,500.00
- e. Budget Adjustment Request - \$214,739.00

17. Request for approval of Resolution No. 2015-_____. A resolution directing staff to explore, research and analyze the next steps identified in the December 2012 *Final Report of a Preliminary Economic Feasibility Assessment of a Publicly-Owned Electric Utility for the City of Santa Fe and Santa Fe County* and report back to the governing body staff's findings related to the next steps, existing City and County policies and other staff considerations. (John Alejandro) (Councilor Maestas and Councilor Rivera)

Public Utilities Committee – 12/3/14

Finance Committee – 1/5/15

City Council – 1/14/15

18. Request for approval of Resolution No. 2014-_____. A resolution establishing City of Santa Fe Legislative Priorities, by Council District, for consideration by the New Mexico State Legislature during the 52nd Legislature – State of New Mexico – First Session, 2015. (Brian Snyder) (Councilor Dominguez)

Finance Committee – 12/1/14

Public Utilities Committee – 12/3/14
Public Works Committee – 12/8/14
City Council – 12/10/14

DISCUSSION AND ACTION ITEMS

19. Request for approval of a Memorandum of Understanding (MOU) between the City of Santa Fe and Santa Fe County for a County Wastewater Collection System discharging into the City of Santa Fe Wastewater Collection and Treatment System. (Stan Holland and Claudia Borchert)

Finance Committee – 12/1/14
Public Utilities Committee – 12/3/14
City Council – 12/10/14

EXECUTIVE SESSION:

Discussion pursuant to NMSA 1978, sec, 10-15-1(H)(7), Pending and Threatened Litigation Relating to the City's Intervention in PRC Case No. 13-0390-UT. (Marcos Martinez)

END OF EXECUTIVE SESSION

MATTERS FROM THE PUBLIC
MATTERS FROM THE CITY ATTORNEY
MATTERS FROM STAFF
MATTERS FROM THE COMMITTEE
NEXT MEETING: Wednesday, January 7, 2015
ADJOURN

PERSONS WITH DISABILITIES IN NEED OF ACCOMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 505-955-6520, FIVE (5) WORKING DAYS PRIOR TO THE MEETING DATE.

SUMMARY INDEX
PUBLIC UTILITIES COMMITTEE MEETING
Wednesday, December 3, 2014

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT – INFORMATION ITEMS LISTING		2
CONSENT – ACTION CALENDAR LISTING		2-3
APPROVAL OF MINUTES FROM THE NOVEMBER 5, 2014 PUC MEETING	Approved	3
<u>INFORMATIONAL ITEMS</u>		
UPDATE ON CURRENT WATER SUPPLY STATUS AND McCLURE RESERVOIR CONSTRUCTION	Information/discussion	3-6
UPDATE ON SINGLE-USE BAG ORDINANCE IMPLEMENTATION REPORT STATUS	Information/discussion	6-8
<u>CONSENT CALENDAR DISCUSSION</u>		
STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION	Information/discussion	8-13
DROUGHT, MONSOON AND WATER RESOURCE MANAGEMENT UPDATE	Information/discussion	13
WATER CONSERVATION AND DROUGHT MANAGEMENT PLAN 2015	Information/discussion	13-14
REQUEST FOR APPROVAL OF MODIFICATIONS TO THE WATER BANK ACCOUNTING	Information/discussion	14-17

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
-------------	---------------	-------------

REQUEST FOR APPROVAL FOR THE PURCHASE
OF REPLACEMENT ANE EXPANSION VEHICLES
AND BUDGET ADJUSTMENT REQUEST AS FOLLOWS:

WASTEWATER MANAGEMENT DIVISION – ½ TON TRUCK (EXPANSION) – \$22,500.	Approved	17-18
---	----------	-------

WATER DIVISION/SOURCE OF SUPPLY – UTILITY TRUCK (REPLACEMENT) – \$75,125 AND OPERATOR'S TRUCK (REPLACEMENT) – \$19,614	Approved	17-18
--	----------	-------

WATER DIVISION/TRANSMISSION & DISTRIBUTION UTILITY TRUCK (REPLACEMENT) – \$120,000	Approved	17-18
---	----------	-------

BUDGET ADJUSTMENT REQUEST – \$22,500	Approved	17-18
--------------------------------------	----------	-------

BUDGET ADJUSTMENT REQUEST – \$214,739	Approved	17-18
---------------------------------------	----------	-------

REQUEST FOR APPROVAL OF RESOLUTION NO.
2015- ____ . A RESOLUTION DIRECTING STAFF TO
EXPLORE, RESEARCH AND ANALYZE THE NEXT
STEPS IDENTIFIED IN THE DECEMBER 2012 FINAL
REPORT OF A PRELIMINARY ECONOMIC FEASIBILITY
ASSESSMENT OF A PUBLICLY-OWNED ELECTRIC
UTILITY FOR THE CITY OF SANTA FE AND SANTA FE
COUNTY AND REPORT BACK TO THE GOVERNING
BODY STAFF'S FINDINGS RELATED TO THE NEXT
STEPS, EXISTING CITY AND COUNTY POLICIES AND
OTHER STAFF CONSIDERATIONS

Approved	18-23
----------	-------

DISCUSSION AND ACTION ITEMS

REQUEST FOR APPROVAL OF A MEMORANDUM
OF UNDERSTANDING (MOU) BETWEEN THE CITY
OF SANTA FE AND SANTA FE COUNTY FOR A
COUNTY WASTEWATER COLLECTION SYSTEM
DISCHARGING INTO THE CITY OF SANTA FE
WASTEWATER COLLECTION AND TREATMENT
SYSTEM

Approved	23-24
----------	-------

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<u>EXECUTIVE SESSION</u>		
DISCUSSION PURSUANT TO NMSA 1978, SEC. 10-15-1(H)7), PENDING AND THREATENED LITIGATION RELATING TO THE CITY'S INTERVENTION IN PRC CASE NO. 13-0390-UT	Approved	24-25
MOTION TO COME OUT OF EXECUTIVE SESSION	Approved	25
MATTERS FROM THE PUBLIC	None	25
MATTERS FROM THE CITY ATTORNEY	None	25
ITEMS FROM STAFF	None	25
MATTERS FROM THE COMMITTEE	Resolution introduction	25-26
NEXT MEETING: WEDNESDAY, JANUARY 7, 2015		26
ADJOURN		

**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, December 3, 2014**

1. CALL TO ORDER

A meeting of the Public Utilities Committee was called to order by Councilor Christopher M. Rivera, Chair, at approximately 5:00 p.m., on Wednesday, December 3, 2014, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Christopher M. Rivera, Chair
Councilor Patti J. Bushee
Councilor Peter N. Ives
Councilor Joseph M. Maestas

MEMBERS EXCUSED:

Councilor Bill Dimas

OTHERS PRESENT:

Nick Schiavo, Public Utilities Director
Stephanie Lopez, Public Utilities
Marcos Martinez, Assistant City Attorney
Melessia Helberg, Stenographer

There was a quorum of the membership present for conducting official business.

NOTE: All items in the Committee packet for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Public Utilities Department.

3. APPROVAL OF AGENDA

MOTION: Councilor Ives moved, seconded by Councilor Bushee, to approve the Agenda as.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF CONSENT AGENDA

Councilor Ives noted he would like to be added as a cosponsor of Item #17.

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve the following Consent Informational Calendar and Consent Action Calendar, as amended.

VOTE: The motion was approved unanimously on a voice vote.

CONSENT – INFORMATION ITEMS

8. *[Removed for discussion by Councilor Ives]*
9. UTILITY BILLING DIVISION UPDATE. (DIANA CATANACH)
10. *[Removed for discussion by Councilor Bushee]*
11. *[Removed for discussion by Councilor Bushee]*

CONSENT – ACTION CALENDAR

12. *[Removed for discussion by Councilor Bushee]*
13. REQUEST FOR APPROVAL OF THE 2015 PUBLIC UTILITIES COMMITTEE MEETING CALENDAR. (STEPHANIE LOPEZ)
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO THE PSA WITH AUTOMATION ELECTRIC FOR MAINTENANCE AND REPAIR SERVICES FOR THE CANYON ROAD WATER TREATMENT PLANT TRANSMISSION & DISTRIBUTION FACILITIES FOR THE AMOUNT OF \$20,000, EXCLUSIVE OF NMGR. (ALEX GAMINO) Review: Public Utilities Committee 12/03/14; Finance Committee 12/01/14; and City Council 12/10/14.
15. REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST TO COVER COSTS FOR THE SOLAR PROJECT AND FOR THE WATER LINE RELOCATION PROJECT FOR CRWTP IMPROVEMENTS. (MAYA MARTINEZ) Review: Public Utilities Committee 12/03/14; Finance Committee 01/05/15; and City Council 01/14/15.
16. *[Removed for discussion by Councilor Bushee]*
17. *[Removed for discussion by Councilor Bushee]*

18. **REQUEST FOR APPROVAL OF RESOLUTION NO. 2014- ____ . A RESOLUTION ESTABLISHING CITY OF SANTA FE LEGISLATIVE PRIORITIES, BY COUNCIL DISTRICT, FOR CONSIDERATION BY THE NEW MEXICO STATE LEGISLATURE DURING THE 52ND LEGISLATURE – STATE OF NEW MEXICO – FIRST SESSION 2015 (COUNCILOR DOMINGUEZ). (BRIAN SNYDER)) Review: Finance Committee 12/01/14; Public Utilities Committee 12/03/14; Public Works Committee 12/08/14; and City Council 12/10/14.**

5. **APPROVAL OF MINUTES FROM THE NOVEMBER 5, 2014 PUC MEETING**

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve the minutes of the PUC meeting of November 5, 2014, as presented.

VOTE: The motion was approved unanimously on a voice vote.

INFORMATIONAL ITEMS

6. **UPDATE ON CURRENT WATER SUPPLY STATUS AND McCLURE RESERVOIR CONSTRUCTION. (VICTOR ARCHULETA, ALEX PUGLISI AND ROBERT JORGENSEN)**

Alex Puglisi noted the items in the packet include a weekly report, a monthly report and an update on the McClure Reservoir construction.

Councilor Ives said he is looking at the right hand column on page 2 of the packet, where it says 8,827.54 afy through November 16, 2014, and asked if that puts us on track to come in at a lower total use figure than last year, which was lower than the year before.

Alex Puglisi said he believes we are still on track for the 10,000 afy, which is dependent on demand for the rest of December, noting we could fall a little short.

Councilor Ives said he certainly wouldn't mind if we used less.

Councilor Bushee asked Mr. Puglisi, "Are you concerned about the reservoirs, I think it was 9% filled."

Mr. Puglisi said they were trying to get the reservoirs up to 78% or possibly 80%, prior to bringing them back down to allow for storage of runoff. He said right now, we're at about 66%, so he isn't too concerned about the reservoirs being too full before we start drawing them down.

Councilor Bushee said she may be referring to something else.

Mr. Puglisi said our plans are to bring up Nichols as far as possible, so when we start back up on December 12, 2014, we'll start treating on the order of 2 to 2.5 million gallons per day. And we'll draw down the reservoir from that point forward, because we're only receiving about 0.9 in inflow into the reservoir. He said their hopes are that we get to a point where the reservoirs are below 20% in the March-April time frame so we can capture runoff.

Councilor Bushee said so you are expecting *el nino*.

Mr. Puglisi said we're looking at weather projections and they keep saying it's going to be a normal *el nino* year, so, "Yes, we are."

Councilor Maestas asked how much San Juan/Chama water do we have in storage.

Mr. Schiavo said we just transferred an additional 8,000 afy from El Vado, noting it was in Elephant Butte and we managed to move it back up where we can make use of it.

Councilor Maestas asked if this was the total storage of San Juan/Chama water that we had in Elephant Butte.

Mr. Schiavo said that is correct, noting 100% of the City's water in Elephant Butte has been moved out.

Councilor Maestas asked the City's policy about using stored San Juan/Chama water.

Mr. Schiavo said we absolutely try to use the BDD to maximum. If water does pass through, in the past it has been stored at Elephant Butte, but we're working on a system with the BOR that if San Juan/Chama water we've called for makes its way past the BDD intake that they will allow us to move it back up. As long as we're doing it on a monthly basis, we won't lose that water, and it won't end up in Elephant Butte ever again.

Councilor Maestas said then it is our desire just to basically hold onto it. He said in one of the Memos, it appears we will get about 89% of our total yield of San Juan/Chama water this year. And it's unprecedented. We've been getting 100% of our yield. He asked if this will require us to look at using some of the stored water since we're working on the reservoirs and bypassing some flows on the Santa Fe River. He asked if this will come into the mix of our conjunctive use strategy.

Mr. Schiavo said, "The fact that we got 89% this year really didn't affect us. We've never been able to use our full allocation. Again, the plan is to get the plant working to optimal capacity and use as much of that water as we can so we can avoid using well water. But the fact that we got 89% this year did not hurt us."

Councilor Maestas asked if we have ever used any San Juan/Chama water to offset pumping from groundwater wells.

Mr. Schiavo said yes, but he doesn't have the numbers, but we have in the past.

Councilor Maestas said for now, the policy is that we're not fully utilizing our yield of San Juan/Chama water in the storage we moved from Elephant Butte to El Vado isn't really necessary right now, and we're just setting it aside for a contingency.

Mr. Schiavo said, "To be clear, yes. The water in Elephant Butte wasn't doing us any good, and in fact we were losing water to evaporation each year. It's now in a much better spot for us, and this will allow us to make use of the water we transferred up and not have to purchase as much in the coming year from the BOR. It is better financially for us."

Councilor Ives said two years ago, we had about 24,000 afy in Elephant Butte and he presumes we've been reducing that over time.

Mr. Schiavo said, "I believe staff told me we were losing about 20% per year to evaporation. You could have been right, that could have been the starting point."

Councilor Ives said he recalls that was a figure he was given after he came on Council and joined Water Conservation Committee.

Mr. Schiavo said he will have to review his notes, but that could have been the total that went past the BDD before it started operation and made its way down to Elephant Butte, and has now evaporated.

Responding to Councilor Ives, Mr. Schiavo said, "We only call for what we need, and staff does its best on a monthly basis, almost weekly, to make those calls with the assumption we are going to be able to pull that water out. If we get rain, the river becomes too turbid and it's very challenging for us to make use of that water. But we wouldn't let our full allocation run down the River knowing that we weren't going to make use of it."

Councilor Ives asked what total water do we have stored at El Vado.

Mr. Schiavo reiterated he doesn't have that number "off the top of my head." He said Alan Hook is in the audience and he may know that number.

Alan Hook said, "I believe from last year, we had 5,900 afy, but that didn't include what we had in Elephant Butte. We've been able to use all of our stored water for diversions through the facility, but that doesn't mean we're allowing water to bypass the facility at the same time. We just keep it in storage. But it is, as Nick said, a benefit that we're transferring from Elephant Butte because it has a huge evaporative loss amount."

Mr. Puglisi said, "One thing I would also add, is that if you look at the chart that we provided for projected treatment and production, we actually try to maximize the use of the BDD as much possible, even during those months where turbid river flows sometimes make it impossible to divert. And we actually

reduce Canyon Road production as much as possible to allow for that use of San Juan/Chama water. And the only times we bumped it up were during the runoff months when we want to try to make as much of what's coming down the watershed as possible. Otherwise, the BDD is slated to provide the majority of the flow in months, and next year to try to use as much San Juan/Chama water as possible. And you also notice the wellfields are at zero. We're zeroing out of production much as possible."

Chair Rivera thanked Mr. Puglisi, Mr. Archuleta and Mr. Jorgensen for the information.

**7. UPDATE ON SINGLE-USE BAG ORDINANCE IMPLEMENTATION REPORT STATUS.
(KATHERINE MORTIMER)**

Katherine Mortimer presented information from her Memo of November 18, 2014. Please see this Memo for specifics of this presentation. Report done by end of this month, if not before. How our implementation compared, but no similar program where there was no fee on bags.

The Committee commented and asked questions as follows:

- Councilor Bushee said she wished she has included the names of the stores, the size, the capacity. He said her personal experience in shopping at some of these establishments there a lot more paper bags in use. She knows we will be reviewing it in depth in February.

Ms. Mortimer said, "The Environmental Service Division has 4 lists of stores. And we divided the City into 3 sections – downtown, midtown and south of town. In each of those areas, they chose about 10 stores that are smaller mom and pop locally-owned stores to survey. In addition to that, we surveyed an additional 10 supermarket large hardware store kind of things – Trader Joe's, Albertson's, Whole Foods. We didn't go into a lot of the alternative stores that already have a strong program to reduce bags, because that isn't necessarily going to show the effect of this program. So, more the mainstream stores we included."

- Councilor Bushee asked Mr. Martinez, "Has there been any change from your perspective, the legal perspective. I still really lament the removal of the incentive, or disincentive."

Marcos Martinez said, "The City Attorney's Office is looking into ways that we can still provide disincentives for paper bags, but I would be hesitant to articulate those now prior to the final report being done. But hopefully it is something that will be amenable to this Committee and the Council."

- Councilor Bushee said, "So there's an opinion already that perhaps we could impose a fee as a disincentive."

Mr. Martinez said yes.

- Councilor Maestas said, "I had pushed to get a clarification from the Attorney General to clarify our taxing authority regarding a potential bag tax. And I think the protocol is for us to request this through our State Legislative delegation. And when I inquired as to the status... because I think we passed a Resolution as well. And I guess the letter has been sent to members of our State Legislative delegation. When I inquired on the status, they said let's just simply wait for a new Attorney General to take office. And I think we should consider just the opposite. We, dare I say, have a lame duck Attorney General who may want to issue an opinion and clarify our existing taxing authority."

- Councilor Maestas continued, "And we mentioned other possibilities that we're seeking clarification on. So, Marcos are you implying that we don't need the AG's opinion, at least regarding the bag tax, that we think we have the authority. I know you don't want to get into it, but I'm kind of waiting for this opinion from the Attorney General, and I'd rather get it sooner than later. So, has something changed?"

Mr. Martinez said, "Well I think what the City Attorney's Office did was, we stand by our estimation of the original Ordinance. But what we've done is to look at all of the legal authorization that the Council would have to pass, perhaps something under a licensing fee structure that would pass the Constitutional muster, and not be an impermissible tax. So, we're trying to find a way to get to the point that we understood the Council to go, so we wouldn't have to wait for an opinion on this taxing authority. Although I think what you have said is worth pursuing with the Attorney General's office again, and renewing our request for an opinion on that, because, all of the authority we have, I would be happy to invoke."

- Councilor Maestas said, "Would it be the City Manager that would say, our Governing Body passed a Resolution requesting this clarification of our existing taxing authority. We've sent the letters to our State Legislative Delegation. So, shouldn't the City Manager maybe get someone from our State Legislative Delegation to actually send the formal request, because I haven't seen anything. I think it should be our decision whether we want to wait for the new Attorney General to take office. I think the current direction to staff is we want it done now. We don't want to wait until another Attorney General takes office, so could you shed some light on that."

Mr. Martinez said he will follow up with the City Manager and get back to him.

- Councilor Maestas said he thinks it would be good for the Committee to receive a copy of the letter that went out on City letterhead to the State Legislative Delegation, requesting they seek an opinion of the Attorney General on this taxation authority issue.
- Councilor Ives said, "Katherine when you come back next time, I'm hoping there is a lot more rigor in the information. What we're seeing here is a bit loosey-goosey. And I hate, as a policymaker to be sitting up here trying to make decisions with the potential to impact people without real solid and hopefully significant information. I would certainly echo to you hopefully, that that will be how you come back with additional information when the report is finalized. So just one request."

Ms. Mortimer said they certainly will bring all the information they have. She said, "It will not be, though, statistically significant, because that would require a budget first of all, which would be a pretty big deal to do. But certainly we have what I believe is pretty good information and reflective of peoples' experience and talent as they go around and visit stores and observe what's going on. It's pretty consistent across the board. But we want to make sure that information from the first and second survey are well integrated, and that work is going on right now."

- Councilor Ives said, "I would note, at least on page 4, it says that "the increase in reusable bag use varies tremendously, from zero to 65%...." So I'm not sure consistency is reflected anywhere, at least in the information we have so far. And if we can't get statistically significant information, I would like to know what it would take to get that. Again, as policymakers, I hate to leave it to, 'well I was out there at this time,' and who knows whether that's reflective, etc. At least let me know what it would take to get to statistically significant information, including maybe sample sizes within our community, that would be great. Do a little of that analysis so I can understand what we need to do to have good information. Thank you."

CONSENT CALENDAR DISCUSSION

8. STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION. (LAWRENCE GARCIA)

The Committee commented and asked questions as follows:

- Councilor Ives said on C, which was the Sustainable Santa Fe segment, you notice the Promise Zone grant requires partnerships and MOA's with multiple organizations. He asked if she knows who we are looking to partner with, are we really talking partnerships or MOA's, or what.

Mr. Garcia deferred to Ms. Mortimer because she was the one who was working on the Promise Zone grant.

Ms. Mortimer said, "The partnerships, it's fairly broad. This is only the second year and it is a complicated grant which doesn't bring money or technical assistance – it positions the community or area identified to have a higher priority for resources for at least 10 years. So, it has you identify goals and kind of broad things from access to health care, transportation, economic development. There's a number they suggest and then you can write in your own that are of the same ilk. And it's about addressing issues related to poverty. We identified 5 areas of goals – economic development including jobs, access to education and training for jobs, but also the K-12 issue and early childhood education, access to healthy food and exercise opportunities for physical activity. So health, broadly defined and transportation especially as it relates to getting to food because the south side is a food desert. So to address those issues, we look at the various non-profits and other governmental organizations groups, either entire governments or maybe a division within a government, to partner with to address each of those topics."

Ms. Mortimer continued, "And so we've been in conversations with the School District, La Familia, immigration issues is another one, Somos. I think in total there were 12 to 15 organizations we've had some level of engagement with. The Community College is certainly one of those. So we got to the point where we had engaged several of them. A number of them had their own processes they had to do before they could officially say they were included. And we ran out of time before the application was due in order to have those in place. So a decision was made to keep that momentum going and with an eye on next year to submit a very strong proposal, rather than try to put something together more quickly that wouldn't be as thorough."

- Councilor Ives said we get snippets in these reports and they always leave me with 5-6 questions.

Ms. Mortimer said this very complicated and she's still trying to wrap her head around this particular grant application, noting David Chapman has been working on it longer and she came in toward the end and realized it was a bigger deal than we had given it time and hours for, so we needed to regroup.

- Councilor Ives said when the Promise grants were announced nationally by the administration there was tremendous excitement and it seems people were mobilizing significant resources to try to participate because it provided a gateway for multiple sources of funding. He hopes we are giving it due consideration and staffing, because it could be a significant benefit. He looks forward to hearing more about the process, hopefully before next year at this time.
- Councilor Ives asked, regarding New Mexico Clean & Beautiful, the statewide meeting on Tuesday November 18, 2014. He asked how was the meeting and what happened.

Mr. Garcia said Gilda Montano is the representative for Keep Santa Fe Beautiful and she attended these meetings. He understands there is a new Chair, and they would be looking at their momentum for the upcoming year. He doesn't have all the information, but he can present it in the next report to this Committee, or get the information and send it out via email.

- Councilor Ives said the next report will be fine.
- Responding to Councilor Bushee, Mr. Garcia said we go back and pick it up; even though they don't put them at the curb by 8:00 a.m. The Ordinance provides they can have them out the night before 7:00 p.m. He said once they call the office, the goal is to try to pick it up the same day, and if not, it's usually picked up by the next day. They keep notes in the computer system and they have a hot list. He said if it is the same customer, the supervisors do cold calls, and we do site visits to try to educate the customers. He said they have not yet not serviced waste. The goal is that eventually we will not pick up the waste.
- Councilor Bushee said that is not required by Ordinance, you're just accommodating them – for individuals or a whole street. Her experience in her neighborhood is that recycling comes late in the afternoon, but the trash pickup is on time, really early.

Mr. Garcia said that's correct. It just depends on how the route is scheduled, noting they start at 8:00 a.m., and they usually don't get back to the yard until 3:30 p.m. So, based on where your street falls on the route itself, it very well is that you could be serviced at 8:00 a.m. or at 3:30 p.m.

- Councilor Bushee asked if they do that for trash pickup as well.

Mr. Garcia said yes. He said he tries to instill in the drivers not to switch routes where one week we are there at 8:00 a.m. He said constituents think the truck is there at 10:00 a.m., but we have it out by 9:00 a.m. He said they could have a flat tire, or trouble at the pumps, so they definitely wouldn't be on time.

- Councilor Bushee said her trash pickup is at 7:00 a.m., noting it's noisy and wakes her up. She puts out her trash the night before, and her recycling out at mid-day.

Mr. Garcia apologized, saying the Ordinance says they aren't supposed to collect it until 8:00 a.m.

- Councilor Bushee said she isn't complaining, but she is suggesting it is a serious accommodation to follow up, and seems he should examine that for efficiencies.

Mr. Garcia said if we don't accommodate these customers, there will be an influx of calls. He said he will look at it and discuss it further with Mr. Schiavo.

- Councilor Bushee said under personnel, she would note it says, "The Division has received approval for a graffiti manager and is moving forward."
- Councilor Bushee said, with regard to food composting, she assumes Mr. Schiavo got the concerns addressed of the neighbors next to the operation. She asked if that is a cost effective operation and "are we happy."

Mr. Schiavo asked Mr. Garcia to address the issue with regard to ReUnity.

- Councilor Bushee said she has a lot of questions and he can be very brief.

Mr. Garcia said the food waste was being delivered to Payne's Organic Soils which was having problems with its facility. The State has been to the site and made some changes, so the operation is functioning a lot better in controlling the odors. He said that is part of the regulation. He said they have had no further concerns from neighbors, noting they are looking into removing Payne's Organic Soils to the landfill itself. He said they may be re-siting a food waste composting system there at the Caja del Rio Landfill. And once that happens, they will be pulling that material from Payne's.

- Councilor Bushee asked if there are things we need to do, or if we're good the way it is.

Mr. Garcia said the operation is growing month to month, and he's increasing the number of customers he's servicing. He said the idea was to gather data to see if it is something we wanted to expand. He said right now, we don't want to move too fast because we want it to be a positive program. If the contractor expands too large, it could be problematic.

- Councilor Bushee, referring to Item #4, asked how many special collection dates we have for the new facility for household hazardous waste.

Mr. Garcia said this falls under the realm of SWMA. He understands they are doing twice a year. Noting originally they had an amnesty day where everything was acceptable. They have now broken it down into different sections. He said on December 17, 2014, they will be doing tires, for example. They're doing pieces of the amnesty days so there won't be an influx in traffic and constituents waiting 2-3 hours.

- Councilor Bushee said she is trying to ascertain if it was worth the money to build the facility and how convenient it is. She wonders why we can throw out batteries instead of having some kind of program. She said perhaps she could get a separate report on that facility.

Mr. Garcia reiterated it is managed by SWMA, but he will get with them and get the requested information to her. It is used and the constituents are very happy with the program.

- Responding to Councilor Bushee, Ms. Mortimer said there was a decision as the day was approaching to not submit for the grant, because we realized we weren't going to have a strong application.
- Councilor Bushee asked if she can get help from others whose job is grantwriting.

Ms. Mortimer said that is a brilliant idea.

- Councilor Bushee said she continues to get complaints on a lot of the medians in the adopt-a-median program. She said there are people who adopt them, but don't follow through on maintenance.

Mr. Garcia said Gilda Montano has been meeting with the new Parks Division Director, and they're looking at plans to clean that up. He said one issue is that people don't want to adopt the median because they're in disarray. So they're looking to clean them up so they will be more interesting for adoption.

- Councilor Bushee said she understands we have a new Graffiti Manager as well as an Anti-Graffiti Coordinator and asked if this is a different position.

Mr. Garcia said the Graffiti Manager also will be in charge of the Keep Santa Fe Beautiful program, so that person will be wearing two hats. The Graffiti Coordinator works on the graffiti itself. So she is doing approvals from business for authorization, procurement and those kinds of things.

- Councilor Bushee said the Memo says they can't deal with graffiti in the winter, and that we were storing the power washer. She asked if there is a total of 5 staff persons.

Mr. Garcia said this is correct.

- Councilor Bushee asked what they do in the winter.

Mr. Garcia said the winter is more challenging, and they store the power washer because of the freeze-ups. However, they still do a wipe-off, using erasers, and they are still doing paint. However, they have to be sure that is set up strategically on the days when paint can dry before it freezes. There other kinds of cleanups they are completing through the Graffiti Program. It's just we're not really utilizing the power washing at this point.

- Councilor Bushee continues to see graffiti in her District year-round, in spite of 5 people dedicated to graffiti which is a fair amount of staff. We've had citizens groups, study groups, and a hired contractor to give us an analysis. She wants to know how we can improve on the program, noting they have not hired a new Manager. She suggested perhaps the title be changed, since you have an anti-graffiti coordinator. She said she's directing this more to Mr. Schiavo who is charge of all this to say take a look, see what we can get. She said she may have voted against the 5th position, because we already have 4 dedicated staff.
- Councilor Bushee said somebody needs to proofread the reports, noting there are a series of typographical errors. It needs to be reviewed.
- Councilor Maestas said he was approached by people who are working on establishing an Arts & Creativity Center, and they seem to favor the old Siler Road property which is about 20 acres, but they only need 5 acres. He understands, it was the old Wastewater Plant location and asked if this is correct.

Mr. Garcia said he doesn't know, and deferred to Mr. Schiavo.

- Councilor Maestas said he wants them to make sure the appropriate departments to coordinate that, so that "yes, in fact the City can put this forward as a potential land donation." He said he has a lot of questions about environmental remediation and he doesn't know who is charge of blessing the site for a potential Arts and Creativity Center. It involves Environment remediation, Environmental Assessment, so "I'm asking if you could... this has to go to the City Manager. I want however many departments that should be involved, to coordinate and say yes. Even if they do use 5 acres, they may have to assess the entire site. What does that leave the City with. Are we prepared to donate the rest of it if there's complementary developments after the initial 5 acre

development. But it's got environmental issues, I think, and I want to see the City come up with a coordinated position on that site."

- Councilor Bushee said, "It has also been suggested to be our next homeless shelter/resource center. I don't know if they're compatible."

10. DROUGHT, MONSOON AND WATER RESOURCE MANAGEMENT UPDATE. (RICK CARPENTER)

Councilor Bushee said, "The underlying concerns that Wild Earth Guardians has filed lawsuits and we've also listed the *yellow billed cuckoo* as an endangered species, what does this mean for the City."

Mr. Hook said, "At this time, it doesn't have an impact, and my understanding, according to Rick's Memo, is that we're not involved as a protestant in this case with the Wild Earth Guardians suit, so we're sort of in a wait and see pattern if this will affect us in the long term. And as Rick's memo points out, it has the possibility of affecting all the San Juan/Chama projects, stakeholders, which we're one of. But at this time, we're not one."

Councilor Bushee said, "I understood that from the Memo, but it says there's some indication that imported San Juan/Chama water could become part of future legal proceedings. So, Marcos, do you have a take on this maybe. Or, is it no comment from the Attorney's office."

Mr. Martinez said, "It's probably no comment from the Attorney's office. I've actually been reviewing the federal defendants' Responses, Motions to Dismiss this case right now. I don't think the City has a great risk in it, but I would prefer not to elaborate that much about it right now."

No action is needed, since this is for information only.

11. WATER CONSERVATION AND DROUGHT MANAGEMENT PLAN 2015. (ALAN HOOK AND LAURIE TREVIZO)

Councilor Bushee said on page 22, she couldn't read the 2013 Treated Effluent Distribution Chart, and would like a color copy. She said it is well done. Ms. Lopez provided a copy.

Mr. Hook said if other Councilors want a color copy, he can print those for them.

Councilor Maestas said, "No discussion, just a request. I'm getting really anxious to see the results of this Title 16 Study which will quantify the impacts of climate change on our surface water. It's a joint City/County study and I don't know what the delay is, but I'm anxious for the results to come before this body. Because, for several reasons Jemez y Sangre Regional Planning District is going to initiate the update of the Regional Water Plan. This is probably going to require an update to our Long Range Water

Plan. It may even make it's way into this drought plan. So I really want to find out what the findings and recommendations are and have a good discussion about how this will impact all of our water planning and our outlook for our future water supply. The federal study was quite ominous. The recommendations were very general. They said that imported water would be reduced about 25%, and native water by as much as 1/3, and we rely a lot on native water. And so I'm anxious to see what that study reveals. Hopefully there will be an appropriate time very soon where we can see the results of those studies and how it will impact our entire water planning and out outlook."

Chair Rivera asked if we need to take action on this since it was advertised as an informational item, even though action is requested in the Memo and Mr. Martinez indicated no.

Chair Rivera asked if there are time constraints on this item.

Mr. Hook said, "Yes, only because we need to get it to the OSE by January 6, 2015, because we're applying for New Mexico Water Board Trust Funding, and that's one of the requirements. They want to review this document, because it goes to them every 5 years. So we were hoping to get it to them by the beginning of January."

Chair Rivera asked if this went to Finance on Monday.

Mr. Hook said no, this is more of an informational item to show it doesn't have any requirements for passage under Governing Body or Ordinance. It's a document we have to give to the OSE, as some of our permit requirements, such as the Buckman Wells.

Chair Rivera said, "Then you don't require us to approve the management plan."

Mr. Hook said, "No. It's strictly informational, but again it is part of our planning documents and we want you to be aware of it, and also that it's part of the requirements we have for the OSE."

Chair Rivera said then there is no action.

Councilor Bushee said, "If you... I don't know if you're the layout person, but you need to take a look at a lot of your graphs starting on page 7 through 12, because a lot of those graphs are really illegible, at least on the copy I have here. I know this was submitted to the OSE, but it's just a copying thing, I think."

12. REQUEST FOR APPROVAL OF MODIFICATIONS TO THE WATER BANK ACCOUNTING. (ALAN HOOK).

Councilor Bushee said she has serious questions. She said in the Memo, under issues, it provides that "small development projects are able to purchase water for development from the Land Use Department in excess of the quantity of bank water available. Preventing the sale of development water

beyond this special could lead to denial of construction permit applications." She said, "That seemed contraindicated to me. I'm trying to understand what you meant by that.

Mr. Hook said, "What's happening there is this is the conserved water credits, in other words, the rebate program through the conservation office. So that amount of acre feet that is being... the space within our system that's allotted, through Land Use under small development. So that's the 10 afy under residential 7.5 afy for mixed used and 5 afy for commercial. They can pay a fee, that's Option B under the Ordinance and utilize those conserved water credits. The problem is, the last couple of years.... two parts. It's really increased on small land use developments, about 16.5 afy per year, and the low hanging fruit, in other words, the Conservation Office is still conserving, so it's decreasing. So we're being successful through the Conservation Office, but the small land use development is overshooting what we're conserving in the system. So that goes back to last month where we transferred the dedication of some of our water rights to that line item in the water bank to cover potential future development."

Councilor Bushee asked if any of those projects fall under affordable housing.

Mr. Hook said affordable housing is a separate accounting.

Councilor Bushee said then none of the small developments would be considered as affordable housing projects that could take from that pot or well.

Mr. Hook said, "I should be careful. There may be some affordable housing in those small land use developments, but that would be determined by the Land Use Department."

Councilor Bushee said she understands why you need to do #2. She said under recommendations, "I'm good with one. It's two, where the cost of banked water sold for development projects should be set annually and based on the combined purchase price and administrative costs requiring water rights. You mention above that it likely will result in subsidies for small scale development. From my experience, some of the largest developments were with developers that were outside the City of Santa Fe, big corporations and I was trying to make a connection to these smaller developments and local builders which is something we've been trying to bring back. So I get how you see this unfairness and this subsidy, but I'm looking at it from the perspective of how we offer a local procurement preference for local companies. And I get from your perspective where you might come up with this policy. But I'm looking from my perspective of how I can keep these small builders in the mix."

Mr. Schiavo said, "At this point, the way it's set up with 10 afy, a small development for residential could be up to 40 homes, so in my mind, it's questionable as to whether 40 homes is a small development or not."

Councilor Bushee suggested a redefinition of small development.

Mr. Schiavo said one of the recommendations is to look at the number of acre feet that would be given.

Councilor Bushee asked how many units is considered to be a large development.

Mr. Schiavo said, "It's subjective. In my mind, 40 homes sounds like a large development."

Councilor Bushee said to compete for the same water and costs, it is a very different animal.

Mr. Schiavo said, "I agree, and so we've given recommendations, and they don't have to be taken as a whole."

Councilor Bushee said she has a note on Recommendation #3, why haven't they done so already – that you're going to sit cooperatively with Land Use to evaluate the current levels. She said, "Because you've already concluded that you want to make them compete and pay the same amount for water, and then you're going to revisit the levels."

Mr. Hook said, "#2 is really stating that we have a disconnection from that fee. In other words, the small development fee is not going back into the cost of the water rights. And then that got into #3 about the levels, and those levels were established probably in 2009 when the Water Bank Ordinance was put together. So we're saying, maybe we should look at that annually in conjunction with land use. So they're more connected to the small developer, and again going to the amounts and also the 25 afy reserve is that how much is needed."

Councilor Bushee said, "I get the reasoning on this. I just think maybe my concern comes from #2, where I would say don't automatically concur that they all need to be paying the same and thought of in the same way. And then #4, do we not currently require that we review annually the reserve. Are you saying that's not enough to have as a reserve, 25 afy."

Mr. Hook said, "No, we're not saying that we don't annually look at it, it's just that we haven't annually looked at it rigorously with Land Use, just to see like, what is the rate they are actually doing small development. Is the reserve appropriate for every year, instead of going in 5-year increments, let's say."

Councilor Bushee said then you'll be reporting back and we'll get to have this discussion again after you've done visiting with Land Use.

Chair Rivera said we were talking about Item #12, even though Item #11 has been pulled from the agenda, so I think you skipped to questions in Item #12. He said, "We were on Item #11, and you skipped to Item #12, but that's okay."

Councilor Bushee said, "I was good with Item #11, actually."

Chair Rivera said he would like to continue with Item #12.

Councilor Ives said he has a request. He said, "I appreciate the effort to try and make sure the way we're currently using that reserve and the fairness of that system, continually trying to make sure it makes sense. If we are keeping 25 afy, and using 16 afy on small developments per year, yes, presumably, we are replenishing that significantly, and I believe we did that recently, last month. I guess my request is, as you come back, and we're doing any of that consideration, I want to have that discussion I broadcast to you before, about resiliency within the system and what's appropriate as a whole, given the best information we have with regard to the impacts of climate. So I would love to see that being a focus or at least part of the language of these discussions, because I think that's how people are addressing those issues these days."

Councilor Ives continued, "Finally, just on #3 and #4, are those going to be ordinance changes, if we are to change anything."

Mr. Hook said he believes it would have to be ordinance changes, noting there might be changes to the administrative procedures, especially between department and department. It is understanding, especially in terms of policy decisions, that would be an ordinance change.

Mr. Martinez said, "Councilor Ives, you are correct on #3 and #4, those would both have to be ordinance changes."

Councilor Ives said, "Again, whether we need to shift balances between what happens administratively versus what happens by ordinance and approved by Council is always of interest."

MOTION: Councilor Bushee moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

16. **REQUEST FOR APPROVAL FOR THE PURCHASE OF REPLACEMENT AND EXPANSION VEHICLES AND BUDGET ADJUSTMENT REQUEST AS FOLLOWS:**
- A. **WASTEWATER MANAGEMENT DIVISION – ½ TON TRUCK (EXPANSION) – \$22,500.**
 - B. **WATER DIVISION/SOURCE OF SUPPLY – UTILITY TRUCK (REPLACEMENT) – \$75,125 AND OPERATOR'S TRUCK (REPLACEMENT) – \$19,614.**
 - C. **WATER DIVISION/TRANSMISSION & DISTRIBUTION – UTILITY TRUCK (REPLACEMENT) – \$120,000.**
 - D. **BUDGET ADJUSTMENT REQUEST – \$22,500.**
 - E. **BUDGET ADJUSTMENT REQUEST – \$214,739.**

Councilor Bushee said these are all trucks, and asked if we need them to big gas hogs. She said, "As we continue to procure into the future, I'm going to continue to ask those questions of any department, since we are concerned about our climate and our environment."

Mr. Schiavo said, "You know it's a passion of mine. I just drove up today in an electric vehicle. So, wherever I can, I get the most efficient vehicles."

Councilor Bushee said then you need these to be an extended cab, a 4X4 and utility truck size stuff, that's what they're used for.

Mr. Schiavo said, "Yes. I've looked at each one of these vehicles. They're absolutely necessary."

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

17. **REQUEST FOR APPROVAL OF RESOLUTION NO. 2015- ____.** A RESOLUTION DIRECTING STAFF TO EXPLORE, RESEARCH AND ANALYZE THE NEXT STEPS IDENTIFIED IN THE DECEMBER 2012 FINAL REPORT OF A PRELIMINARY ECONOMIC FEASIBILITY ASSESSMENT OF A PUBLICLY-OWNED ELECTRIC UTILITY FOR THE CITY OF SANTA FE AND SANTA FE COUNTY AND REPORT BACK TO THE GOVERNING BODY STAFF'S FINDINGS RELATED TO THE NEXT STEPS, EXISTING CITY AND COUNTY POLICIES AND OTHER STAFF CONSIDERATIONS (COUNCILOR MAESTAS AND, COUNCILOR RIVERA AND COUNCILOR IVES). (JOHN ALEJANDRO). Review: Public Utilities Committee 12/03/14; Finance Committee 01/05/15; and City Council 01/14/15.

Councilor Bushee said, "Again, we've seen many a resolution and press release to date on the [inaudible] grid and the potential purchase. And the one thing I'm very in favor of in this resolution is the fact that it starts with staff to collaborate with Santa Fe County staff to explore, which was missing in the first attempt I read, at least in the newspaper and in press release. But what I would say is still missing, for me, on this front is we keep referencing the final report of a preliminary economic feasibility study. And I'm going to emphasize preliminary, because the study I approved funding for when I served on the RPA on the Energy Committee, was very cursory, very preliminary. In fact it does not outline much in detail, and maybe you could even speak to that Nick, in terms of real economic and costs estimates and figures and assessments."

Councilor Bushee continued, "And so my concern is we proceed from reliance on that report that we paid very little money for and got very little information in, and then we go right into let's go out to the public, ask them if they like this idea. Again, out there again without a lot of information. And I know that maybe the intent of this is to bring back more information, but if you're not starting with good information, then I don't really know what the point of this is. So maybe Nick you could speak briefly to the fact of what a real feasibility study would cost, what it would entail and who would pay for that."

Mr. Schiavo said, "I think it was MSA Capital who did this. I think they did the best they could with the \$30,000 they were given. It would probably be closer to the \$500,000 mark."

Councilor Bushee asked who would pay for that, and Mr. Schiavo said he is unsure.

Councilor Bushee asked what kinds of issues a real feasibility study would address.

Mr. Schiavo said the \$30,000 study covered the same issues, it's just the depth you would have to look at, noting there was no way he was able to do an assessment of all the infrastructure in town for \$30,000. You would really want to run through the financials.

Councilor Bushee asked if it would be necessary to commission an appraisal of infrastructure, commenting there are still so many unknowns. She said everyone is interested in knowing more about this idea conceptually, but she would stress that the devil is in the details on this one. She is concerned about "going off with another resolution that doesn't really address any of the issues I've just raised. So those are my concerns. Not against the concept, but trying to get something that is real before we go out any further to the public." She is asking the sponsors and staff to address that.

Councilor Maestas said, "The reason I sponsored this, is since this study was done, there has been no formal effort to continue this partnership journey to explore a very worthy concept. I think it's a concept with a lot of risks, and for that reason I feel the City shouldn't go it alone. I think we should continue working with the County to pursue this worthwhile concept for several reasons. One is we've already started the formal dialogue. This preliminary assessment was very cursory, but it did not indicate any preliminary fatal flaw. It says this has potential, and we need to further gauge the public's awareness and opinion on this. We need to better assess the costs associated with creating this utility, infrastructure cost, whether lease purchase or combination, acquisition of the infrastructure, the cost of establishing it. I think it's calling for a more detailed engineering grade assessment."

Councilor Maestas continued, "So we are sharing the cost if we go with the County. We share the risks if we stay with the County. We need to 'dance with the one that brung' us when it comes to this. Because as I talk to a lot of advocates and skeptics, they tell me that when you acquired the water company, you promised lower rates and that's not what happened. And so I think that bad taste is still in the mouths of many of our citizens, and for that very reason, I really feel we should not go it alone. We should continue exploring this, but taking real, methodical, logical steps, consistent with the recommendations of the study. Granted, the study is dated. It was completed in 2012, prior to my tenure, but this legislation proposes considering other policy considerations at the City and the County that have been developed or are being talked about informally since this study came to light."

Councilor Maestas continued, "So there's really no objective reason to pull the plug on this concept, but on the other side, there is no reason to move forward unilaterally and take and assume all the risks and potential costs. If this joint City/County staff group decides we need to go to the next level, it's worthy of a more detailed feasibility assessment to get a better handle on costs. I think that is a giant leap forward. And this legislation is not advocating interfacing with the public right now. I think this is part of the formula for success if a City County public utility is feasible and both governments decide to bring this about."

Councilor Maestas continued, "The other reason we need to continue this partnership is, maybe it's not just simply a matter of the feasibility. Maybe both governments need to strategize and identify appropriate regulatory or legislative changes, state-wide legislative changes. We're a home rule city, we have the freedom to adopt our own policy to help create a better climate for the creation of this City/County

electric utility, if in fact it's deemed to be feasible. So I think it's formalizing the continuation of our partnership, but it's methodical, cautious, but yet we're still moving forward. It's not calling for continuing this work under the auspices of the Regional Planning Authority. The Regional Planning Authority is somewhat defunct, so I don't think we really need to do that. I don't think we need to bring back the RPA. I think this can be done *status quo* between appropriate City and County staff. So, with that Mr. Chair, I am very open to any kind of amendments. But I think it's great start."

Councilor Maestas continued, "I have spoken with at least two County Commissioners who intend to introduce a very similar resolution before the Santa Fe County Commission. So Santa Fe County is not only engaged, it is committed to taking formal policy action to continue this partnership, similar to what we're discussing tonight."

Councilor Bushee noted there is no FIR in the packet, and the Resolution talks about everything from surveying the public, to refinement of cost. She said she is trying to get to those details. She said she didn't suggest the RPA was going to lead this effort, but she would suggest that there is a cost and wants to know what these costs are."

John Alejandro said, "In my preliminary discussions with Craig O'Hare at Santa Fe County, he and I concurred that a deep dive research into the initial feasibility study would help to provide answers and insights to many of the questions that you and Councilor Maestas hope to get addressed. He and I took a look at the direction the Resolution provides, and he and I feel fairly confident that we can undertake the study that's being asked of us. However, we are discussing the need for possible additional technical expertise to be brought in to help us determine some of the costs associated with some of the infrastructure that the feasibility study addresses, and the assessment and cost estimation related to that. Those are very technical issues."

Mr. Alejandro continued, "He [O'Hare] and I have not discussed costs in terms of hiring outside expertise. But if we look at Boulder, for example, and if we look to them as a model of how they similarly approached this process, Nick is correct, they spent actually \$800,000 on the second assessment, based on the original feasibility study."

Councilor Bushee asked if it was the City of Boulder, or "this organization that put the effort together that paid that."

Ms. Alejandro said he believes it was a combination of funds coming from the City as well as the organization that put that together.

Councilor Bushee said there is a wonderful video which is inspiring, noting they have gone through the process twice in Boulder. She said, "I'm asking questions of the sponsor, and I'm assuming you wrote this, unless New Energy Economy wrote this, I don't know."

Mr. Alejandro said, "No this was drafted with....."

Councilor Bushee said, "So, this piece about where we launch right into asking the public what they like. Does that happen before, during, after. I just don't see any costs in here. And I'm very specific about this because there have been a lot of press releases, and talk about it, and I seriously want to know what we're getting into."

Mr. Alejandro said, "Sure. I can certainly can parse out the costs that Boulder put towards, both as a City....."

Councilor Bushee said, "Sorry. Right away you jump into we've got to find out what the public thinks. Is the idea to go to the public with this cursory study, or is it to wait until you come back with cost estimates for a technical study, then ask their opinion."

Mr. Alejandro said, "Part of the study on the initial feasibility study report, would be ascertaining public opinion, as to their appetite for a municipal utility."

Councilor Bushee said, "So it's the chicken and egg. Is it before you have the cost estimates of some these answers to the technical questions, the depth you don't have, or is it you going out.... I see the order of things in this Resolution. It says go and ascertain public opinion. I'm asking if you are going out to say, do you like the idea. This is what it costs. It will not save you money. It will save you money. What's the details."

Mr. Alejandro said, "I understand. So Chairman Rivera, Councilor Bushee, those items are not listed in order of priority. Those just happen to align with the recommendations in the initial feasibility study. It was recommendation number one, recommendation number two, recommendation number three. Those are not prioritized in any way. So we can conduct the study in a way that we feel best addresses the questions and provides the answers that we need that are being directed by the Resolution for us."

Councilor Bushee said, "So when you come back to Council with this, by the time it hits Council, I don't know if it's hit Finance already, you'll have some fiscal impacts in here."

Mr. Alejandro said, "Yes."

Councilor Bushee said, "Really you should have one here."

Mr. Alejandro said, "So, Mr. O'Hare and I are completing the FIR based on our estimation of what we think we are able to take on as staff, and then what we may need to do, in terms of hiring outside counsel."

Councilor Bushee said, "Me personally, my motion would be to have this come back to this Committee with a FIR. I don't know if that's an acceptable motion, because I've got two people that want to sponsor this to my right and my left. But honestly, I'm not on Finance. I'm going to have these same concerns at Council, so I'm really disappointed there is no FIR in that."

Melissa Byers said, "I helped Councilor Maestas draft this. So the first Resolved, is just directing City and County staff to review the next steps. And then the second Resolved, directs staff to come back in 60 days after this is adopted and identify any potential fiscal impact."

Councilor Bushee said, "So there is no cost."

Ms. Byers said, "No, not at this point."

Councilor Bushee said we need an FIR in here that says there is no cost.

Ms. Byers said, "Yes, so by the time it gets to Finance, Councilor, it will have a fiscal impact that says no cost. Because it is just, staff go work on this, identify any fiscal impact, other options, or whatever, come back in 60 days and let us know what that may be. So, at this point, I don't believe, Councilor Maestas, there is fiscal impact."

Councilor Bushee said, "And no attempts to go out and speak to the public until you have more details. That's all. I don't want any more confusion out there than there already is."

Councilor Maestas said, "Just on that point. This is entirely a staff collaboration. And I think what we're going to get from staff is really, kind of an affirmation to continue jointly with both governments, and then decide how we want to go about it and what order, and maybe affirm what this cursory study recommended in terms of what are the fundamental elements to a successful public electric utility. So we are going to give joint staff full discretion to come back and make general recommendations to us on how to proceed. Maybe staff will say it's cost prohibitive at this point, both governments don't have the money to invest in a much more detailed, engineering grade study. But let's blow the dust off the study, and dispel that whole myth that we do a study and it goes on the shelf. I think it's a worthy concept, and there's been no overt action by either government to say we don't want to go any further."

Councilor Maestas continued, "I think we all agree this concept is really worthwhile. Let's determine whether we should continue sharing costs, sharing risks and leveraging both governments to move this concept forward if, in fact it is feasible. So let's stop messing around, let's just go formal and start collaborating. And we really haven't done anything in partnership on the large concept with the County. And I think it's time this new Governing Body and this new administration start moving forward. And this is not even a new initiative. It's a continuation of a joint City/County initiative. I think this sends a positive message to the public, beyond the City limits, that we're really deliberate about this, we want to use our public monies wisely, we want to take cautious steps. We want to continue this partnership, because there's really no reason why we shouldn't."

Councilor Maestas continued, "And I want to end, Mr. Chair, by saying I don't think I would advocate the City going it alone. Because a lot of people have told me we have much more fundamental issues. As you know, you sit on Finance Committee with me Mr. Chair. They want us to get the City on firm financial footing, right-size the government since the recession, to start investing in our infrastructure and on and on and on. And I can't defend going it alone on a risky concept like this, when in fact, we've

already started a journey and a partnership with the County to pursue that. I think this is very sound, I'm open to some tweaks, but this is 100% staff effort, no fiscal impact."

MOTION: Councilor Ives moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved on a voice vote, with Councilor Ives, Councilor Maestas and Chair Rivera voting in favor of the motion, no one voting against, with Councilor Bushee abstaining.

Explaining her vote: Councilor Bushee said, "I'm looking for more details before I vote on anything."

Councilor Bushee departed the meeting

DISCUSSION AND ACTION ITEMS

19. **REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY FOR A COUNTY WASTEWATER COLLECTION SYSTEM DISCHARGING INTO THE CITY OF SANTA FE WASTEWATER COLLECTION AND TREATMENT SYSTEM. (STAN HOLLAND AND CLAUDIA BORCHERT).)**
Review: Finance Committee 12/01/14; Public Utilities Committee 12/03/14; and City Council 12/10/14.

Stan Holland presented information from his Memorandum of November 17, 2014, with attachments, to the Public Utilities Committee/Finance Committee/City Council in this matter. Please see this document for specifics of this presentation.

Councilor Ives said he wanted to be clear on the interaction with Thornburg, noting the County is in the process of buying that system from its current owners.

Mr. Holland said the County clearly indicated in its letter to us that it is in negotiations with the Turquoise Trail Maintenance Associate to take over its sewer collection system, its lift station and "all the things there."

Councilor Ives asked if the desire is, over a significant period of time, to deliver wastewater from the brewery into the City system, or is this just a temporary circumstance while the County gets its wastewater treatment facility up and running into the Thornburg Wastewater Collection system.

Mr. Holland said it's in its infancy and it is his understanding that it can't handle the flows from the Brewery, much less than from the Thornburg Development. He said the County stated its long term goal is to be able to take it out there. He knows there was a design done to do a lift station from the Thornburg Development to the Valle Vista Plant, "which currently goes out there." He said, "As I understand it, the County's long range goal is to eventually take this stuff out to their Quill Plant."

Councilor Ives asked the fiscal impact to the City of entering into this agreement.

Mr. Holland asked if that is the fiscal impact in terms of revenue, tax benefits, jobs – in what sense.

Councilor Ives said he's just trying to understand that, because no fiscal issues were addressed.

Mr. Schiavo said, "In wastewater, what will it mean as far as cost."

Mr. Holland said it is 6,000 gallons a day and the City will receive the revenue under the County's bulk rate, and he's have to look up what that works out to. He noted all of this would be metered, so the City would receive that.

Chair Rivera said this question was asked at the Finance Committee, and "I don't believe there is any cost to the City and is just the revenue generated from the waste is my understanding of this."

Mr. Holland said, "Yes, there's no cost to the City as far as putting this in, yes."

Councilor Ives said it sounds as if there is an existing line it is delivered through.

Mr. Holland said, "Yes, the infrastructure is completely in place."

MOTION: Councilor Ives moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved on a voice vote, with Councilor Ives, Councilor Maestas and Chair Rivera voting in favor of the motion, no one voting against, and Councilor Bushee absent for the vote.

EXECUTIVE SESSION

20. DISCUSSION PURSUANT TO NMSA 1978, SEC. 10-15-1(H)(7), PENDING AND THREATENED LITIGATION RELATING TO THE CITY'S INTERVENTION IN PRC CASE NO. 13-0390-UT. (MARCOS MARTINEZ.

Marcos Martinez said, as noted on the agenda, there is a request to go into executive session to discuss pending threatened litigation, relating to the City's intervention in PRC Case No. 13-0390-UT, pursuant to §10-15-1(H)(7) NMSA 1978.

MOTION: Councilor Ives moved, seconded by Councilor Maestas, that the Public Utilities Committee go into Executive Session for discussion of pending and threatened litigation relating to the City's intervention in PRC Case No. 13-0390-UT, in accordance with §10-15-1(H)(7) NMSA 1978.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Maestas, Councilor Ives and Chair Rivera.

Against: None.

Absent for the vote: Councilor Bushee

The Public Utilities Committee went into Executive Session at 6:40 p.m.

MOTION TO COME OUT OF EXECUTIVE SESSION

MOTION: At 6:50 p.m., Councilor Ives moved, seconded by Councilor Maestas, that the Public Utilities Committee come out of Executive Session and stated that the only items which were discussed in executive session were those items which were on the agenda, and no action was taken.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Maestas, Councilor Ives and Chair Rivera.

Against: None.

Absent for the vote: Councilor Bushee.

MATTERS FROM THE PUBLIC

There were no matters from the public.

MATTERS FROM THE CITY ATTORNEY

There were no matters from the City Attorney.

ITEMS FROM STAFF

There were no items from staff.

MATTERS FROM THE COMMITTEE

A copy of "Bills and Resolutions scheduled for introduction by members of the Governing Body," for the Public Utilities Committee meeting of December 3, 2014, is incorporated herewith to these minutes as Exhibit "1."

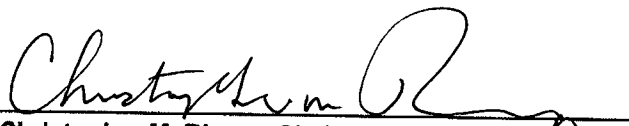
Councilor Ives introduced a Resolution supporting the "Interim Jobs Council: 2014 Legislative Agenda to be considered by the New Mexico State Legislature during the 52nd Legislature, State of New Mexico, First Session 2015. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "2."

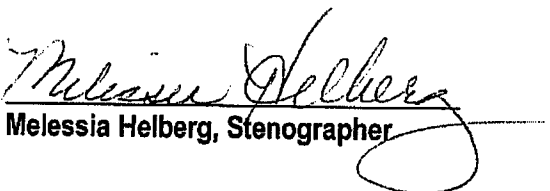
Chair Rivera wished everyone a very Merry Christmas and Happy Holidays. He thanked the staff for their due diligence every time we meet, and Ms. Helberg for the work she does.

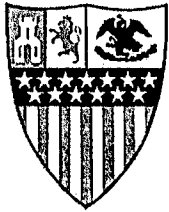
NEXT MEETING: WEDNESDAY, JANUARY 7, 2015.

ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:00 p. m.


Christopher M. Rivera, Chair


Melessia Helberg, Stenographer



PUBLIC UTILITIES COMMITTEE MEETING OF
December 3, 2014
BILLS AND RESOLUTIONS SCHEDULED FOR
INTRODUCTION BY MEMBERS OF THE GOVERNING BODY

Mayor Javier Gonzales		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Patti Bushee		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Bill Dimas		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Carmichael Dominguez		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Peter Ives		
Co-Sponsors	Title	Tentative Committee Schedule
	A RESOLUTION SUPPORTING THE "INTERIM JOBS COUNCIL" 2014 LEGISLATIVE AGENDA TO BE CONSIDERED BY THE NEW MEXICO STATE LEGISLATURE DURING THE 52 ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015.	City Council - 12/10/14
Councilor Signe Lindell		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Joseph Maestas		
Co-Sponsors	Title	Tentative Committee Schedule

Councilor Chris Rivera		
Co-Sponsors	Title	Tentative Committee Schedule
Councilor Ron Trujillo		
Co-Sponsors	Title	Tentative Committee Schedule

Introduced legislation will be posted on the City Attorney's website, under legislative services. If you would like to review the legislation prior to that time or you would like to be a co-sponsor, please contact Melissa Byers, (505)955-6518, mdbyers@santafenm.gov or Rebecca Seligman at (505)955-6501, rxseligman@santafenm.gov .

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014-____

INTRODUCED BY:

Councilor Peter Ives

A RESOLUTION

SUPPORTING THE "INTERIM JOBS COUNCIL" 2014 LEGISLATIVE AGENDA TO
BE CONSIDERED BY THE NEW MEXICO STATE LEGISLATURE DURING THE 52ND
LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015.

WHEREAS, New Mexico's economic prosperity is crucial to all its residents and the
achievement of the important economic goals of attracting quality jobs, development and
enhancing rural opportunities is in the best interest of all New Mexicans; and

WHEREAS, in 2013, the New Mexico Legislature created the Interim Jobs Council to
develop a framework for identifying job creation opportunities and begin building bi-partisan
job creation legislative measures with the executive branch to stimulate job creation within the
next ten years; and

WHEREAS, in 2013, the Interim Jobs Council found that the State of New Mexico has
to create more than 160,000 new economic base jobs by 2024 to recover from pre-recession
employment levels; and

WHEREAS, on July 23, 2014, the Interim Jobs Council discussed and approved
economic legislative initiatives to be recommended for approval by the New Mexico Legislature

at the 2015 legislative session.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that the Governing Body supports the goal of the Interim Jobs Council to stimulate the creation of new economic base jobs and improve the economic viability of New Mexico and supports the following Interim Jobs Council legislative agenda to be considered by the New Mexico State Legislature during the 2015 Legislative Session::

- **Job Training Incentive Program (JTIP) Funding**

Funding in the amount of \$12 million for a non-reverting appropriation to the State's Economic Development Reimbursement Program for recruiting companies and supporting new jobs for New Mexicans.

- **Local Economic Development Act (LEDA)**

Funding in the amount of \$50 million for a non-reverting appropriation to the New Mexico Economic Development Department to be used as a Job Creation Fund. LEDA Projects can be used for land, building and infrastructure.

- **New Mexico Economic Development Partnership**

Funding an additional amount of \$500,000 in FY-2016 and \$1 million in FY-2017. This is the business recruitment and marketing organization for the State of New Mexico.

- **Co-op Advertising and Marketing Funding**

Funding in the amount of \$2 million to the New Mexico Economic Development Department for cooperative marketing and advertising of local economic development initiatives.

- **Business Incubators**

Provide an appropriation of \$150,000 to support the development and operations of business incubators in communities across New Mexico.

1 • **Economic Development Grant Fund**

2 Provide an appropriation of \$4.5 million to fund the Economic Development Grant
3 Fund which was approved in the 2014 Legislative Session. The grant fund will be
4 used to provide staff augmentation funds for local economic development staff.

5 • **Solo Work Program**

6 Provide funding in the amount of \$500,000 to the New Mexico Economic
7 Development Department to establish a new economic base job creation program
8 focused on solo and independent workers.

9 • **Forrest Restoration Economic Development Assistance**

10 Provide funding in the amount of \$250,000 to the New Mexico Economic
11 Development Department to create jobs and establish economic hubs of forest
12 thinning and wood product manufacturing in areas of New Mexico with high
13 wildfire.

14 • **Broadband Needs and Solution**

15 Provide funding in the amount of \$300,000 to the New Mexico Department of
16 Information Technology to conduct a regional assessment of broad band in New
17 Mexico.

18 • **Workforce Gap Analysis**

19 Provide funding in the amount of \$125,000 to the New Mexico Higher Education
20 Department to identify current and future worker needs to improve the workforce
21 skills of workers in New Mexico.

22 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
23 resolution to the City of Santa Fe lobbyist and the City of Santa Fe State Legislative Delegation.

24 PASSED, APPROVED, and ADOPTED this ____ day of December , 2014.

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

KELLEY A. BRENNAN, CITY ATTORNEY