



Agenda DATE 12/22/14 TIME 4:28pm

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
200 Lincoln
WEDNESDAY, JANUARY 7, 2015
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 DECEMBER 3, 2014 PUC MEETING

INFORMATIONAL ITEMS

6. Update on Current Water Supply Status and McClure Reservoir Construction. (Victor Archuleta, Alex Puglisi and Robert Jorgensen)

CONSENT – INFORMATION ITEMS

7. Status Report on the Environmental Services Division. (Lawrence Garcia)
8. Utility Billing Division Update. (Diana Catanach)
9. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)
10. Basin Study Update. (Andrew Erdmann & Bill Schneider)

CONSENT – ACTION CALENDAR

11. Request for approval of RFB # '15/10/B and award of bid to Yukon & Associates for instrumentation equipment, programming and calibration services for the Water Treatment Plant Facility and the Wastewater Treatment Plant Facility for a four (4) year term for \$120,000.00 exclusive of NMGR. (Alex Puglisi and Luis Orozco)

Public Utilities Committee – 1/7/15
Finance Committee – 1/20/15
City Council – 1/28/15

12. Request for approval of the Water Conservation and Drought Management Plan 2015.
(Alan Hook)

Public Utilities Committee – 1/7/15
City Council – 1/14/15

DISCUSSION AND ACTION ITEMS

13. Request for approval of Bill No. 2015-_____. An ordinance creating a new Chapter 29 SFCC 1987 to establish Santa Fe Public Power, an electric public utility.
(Councilor Ives) (John Alejandro)

Finance Committee – 1/5/15
Public Utilities Committee – 1/7/15
City Council (Request to Publish) – 1/14/15
City Council (Public Hearing) – 2/11/15

MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

MATTERS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: Wednesday, February 4, 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.

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Wednesday, January 7, 2015**

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ITEM**ACTION****PAGE****DISCUSSION AND ACTION ITEMS**

REQUEST FOR APPROVAL OF BILL NO. 2015- ____.
AN ORDINANCE CREATING A NEW CHAPTER 29
SFCC 1987, TO ESTABLISH SANTA FE PUBLIC
POWER, AN ELECTRIC PUBLIC UTILITY

Approved

14-25

MATTERS FROM THE PUBLIC

None

25

MATTERS FROM THE CITY ATTORNEY

None

25

ITEMS FROM STAFF

Information/discussion

25

MATTERS FROM THE COMMITTEE

Information/discussion

25-26

NEXT MEETING: WEDNESDAY, FEBRUARY 4, 2015

Date subject to change

26

ADJOURN

**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, January 7, 2015**

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, January 7, 2015, in the Council Chambers, City Hall, Santa Fe, New Mexico.

1. ROLL CALL

MEMBERS PRESENT:

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

OTHERS PRESENT:

Nick Schiavo, Public Utilities Director
Marcos Martinez, Assistant City Attorney
Elizabeth Martin for 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.

2. APPROVAL OF AGENDA

Chair Rivera said everything which is considered Consent, if approved, even if it is an informational item, is not discussed or looked at, so if you want additional information or have questions on an informational item then you need to pull that item. Otherwise "we will move forward without any discussion on that.

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

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

4. APPROVAL OF CONSENT AGENDA

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

7. *[Removed for discussion by Councilor Bushee]*
8. *[Removed for discussion by Councilor Bushee]*
9. *[Removed for discussion by Councilor Bushee]*
10. *[Removed for discussion by Councilor Bushee]*

CONSENT – ACTION CALENDAR

11. *[Removed for discussion by Councilor Bushee]*
12. **REQUEST FOR APPROVAL OF THE WATER CONSERVATION AND DROUGHT MANAGEMENT PLAN 2015. (ALAN HOOK) Review: Public Utilities Committee 01/07/15; and City Council 01/14/15.**
13. **REQUEST FOR APPROVAL OF THE 2015 PUBLIC UTILITIES COMMITTEE MEETING CALENDAR. (STEPHANIE LOPEZ)**

5. APPROVAL OF MINUTES FROM THE DECEMBER 3, 2014 PUC MEETING

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve the minutes of the PUC meeting of December 3, 2014, as presented.

VOTE: The motion was approved on a voice vote, with Councilor Bushee, Councilor Ives and Councilor Maestas voting in favor, no one voting against, and Councilor Dimas abstaining because he was absent.

INFORMATIONAL ITEMS

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

A copy of the Weekly Water Report for December 28, 2014, entered for the record by Alex Puglisi, is incorporated herewith to these minutes as Exhibit "1."

Mr. Puglisi reviewed the information in Exhibit "1."

Mr. Jorgensen reviewed the information in *McClure & Nichols Reservoirs Infrastructure Improvements CIP Project No. 3038 – Construction and Water Production Update*, which is in the Committee packet. Please see this document for specifics of this presentation.

Mr. Jorgensen said they still are looking for a March 2nd start on McClure at the contractors option, depending on the weather.

The Committee commented and asked questions as follows:

- Councilor Bushee asked the estimated date of completion.

Mr. Jorgensen said November 27, 2016, estimated to be nine months to completion.

- Councilor Bushee asked if they can operate just fine with just Nichols.

Mr. Jorgensen said yes, they will be utilizing as much of the runoff as possible but it "really depends on weather and how quick the runoff comes and what kinds of storms, but it definitely is much harder to operate." He said without storage it is almost impossible to utilize as much as possible, unless there are perfect weather conditions so we can run the plant.

- Councilor Bushee asked if this leaves us with more reliance on Buckman and are we prepared.

Mr. Puglisi said at the October meeting he handed out a chart on production for the year, and if she looks at that chart, we will be operating at 1 million gallons per day at Canyon Road. He said they are stepping up to 3 million gallons per day to prepare for the Spring runoff. He said that will put the City and Buckman in a very good situation for Buckman to handle a good majority of the load when it is needed, and when it is most opportune for them to divert from the River. So when they're sending their flows in the River, we will be curtailing our flows. He said hopefully we can time it such a way that it would prepare us for utilization of the BDD and the San Juan/Chama Flows, the native flows that are captured by that plant.

- Councilor Bushee said she read that Colorado is doing new things with its water and asked if we are going to lose a percentage of our reservoir water as a result.

Mr. Puglisi said, "If we see the types of runoff we saw this past summer, and we are able to handle the Spring runoff as described, and the Spring runoff truly is at 65-69% of normal, I think we would actually treat, distribute and utilize all the water coming into McClure next week during the monsoonal months, if we have a repeat of last year. A lot of areas around the State actually got high to above normal rainfall during August-October 2014. We didn't see that in the watershed. We did not get the large volume rainfalls that happened even in the southern part of Santa and Albuquerque's South Valley. The highest precipitation we saw up there was 0.8 inches. And we were having flows of 2 -5 million a day coming into the reservoir. We can easily treat that or distribute it to irrigation or irrigation deliveries in the summer months actually are 7 million gallons a week. So I don't see that much of a problem handling the monsoonal season and we're doing everything we can't prep for Spring runoff and we think we'll capture most of it, treat it or send it to irrigation under our current obligations."

- Councilor Bushee said she just wants to be sure we are able to cover unforeseen events.

Mr. Puglisi said Mr. Jorgenson said what we're showing here are optimum conditions, but this is an adaptable plan, and we could switch sources as needed during the months – rely more on the Buckman well field or less than projected, and if we receive more than anticipated we can stop production from the Buckman Well field and take over that production at the Canyon Road Plant. The Canyon Road Plant can operate up to 8 million gallons per day, noting we haven't run it at that capacity over the drought years. If both not be able to divert, we'll go back to Canyon Road and Buckman well field to provide water, and then we'll curtail our flows at a point in time where Buckman can take on additional loads.

- Councilor Bushee asked if there is no way of expediting the timeframe for completion the McClure Reservoir.

Mr. Puglisi said they are hoping it will be expedited, but that is the time the contractor has under the contract.

- Councilor Bushee asked if there are incentives to speed it up.

Mr. Jorgensen said the City is offering no incentives, noting that would take a change order. He said there are several factors out of the Contractor's and the City's control, one of which is getting a permit from the State Engineer to store water. He said we have been in contact with the contractor and construction manager on an ongoing bases, to try to explore and see if we can have a structure at a certain point, and see if we have a right to store.

- Councilor Bushee asked if the City needs to help in this regard.

Mr. Jorgensen said they have been working with Bob Kirk, Project Manager RMCI and they're well aware of our need to expedite it. The contract termination date is 11/27/15, but he thinks they may be able to advance that. He said once we get the tower under construction at the base and we start going up we will have a better handle on the schedule.

- Councilor Bushee asked what is the second concern.

Mr. Jorgensen said he doesn't believe the cost incentive is a major issue right now, and thinks we have the commitment, reiterating they meet monthly with the construction manager. He said they also want to finish the construction, noting they don't want to string out the construction and have assured us they want to complete the project and hope they can finish before the deadline.

- Councilor Bushee said, "It just makes me nervous we have to go through potential drought, potential fire season. I was just wondering if there is anything else you hadn't thought about. That's all, I won't probe too much more."

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

CONSENT CALENDAR DISCUSSION

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

Councilor Bushee asked Manuel Sanchez if he going to be handling this from now on.

Mr. Sanchez said only for today, noting Mr. Garcia is out today.

Councilor Bushee would like for him, on Item C, to add commercial under your recycling list and she would like an update today, noting she gets complaints from businesses that don't know we offer them commercial customers.

Mr. Sanchez said he can do that, noting there are quite a few customers on the commercial recycling program.

Councilor Bushee asked if there is a baseline for commercial recycling.

Mr. Schiavo said they can add it to the list.

Councilor Bushee would like him to develop the baseline, commenting she doesn't know the criteria for measuring success. She said complaints from commercial operations about recycling is her baseline, and she needs some real data to go on.

Councilor Bushee said we will get a final report on the Reusable Bag Ordinance, prior to the Council, and would like to get that previous to the actual meeting.

Mr. Sanchez said he will work with Mr. Garcia to get that information.

Councilor Bushee assumes they approved the report on December 16th and is uncertain the reason we can't get that report now, since we hear all the complaints about that Ordinance.

Mr. Sanchez said he doesn't have the update at this point, but he will get it to her as quickly as possible.

Councilor Bushee said, regarding Item # Urban Agriculture Policy, she introduced a Resolution in 2013, saying her draft had more to do with how to develop urban agriculture throughout the City. She said she started this process with former Director O'Reilly, because we have no zoning category for urban agriculture. She said this doesn't look what she had initially. She is concerned that Resolution went into a "giant black hole." She said she would like for Ms. Mortimer to try to understand the direction she was going, and asked that Ms. Mortimer and Mr. Schiavo follow up with her in this regard. She said, "It isn't satisfactory to me that it just became a part of your Food Security Plan. It really was an effort to try to understand how we can promote and have urban agriculture operate within and alongside residential areas. I would love to see where you're going, but would have loved to have been updated along the way."

Ms. Mortimer said she would be happy to share the status this effort and get additional input. She said it very much is based on her original Resolution.

Councilor Bushee said perhaps she can find the original iterations and Mr. Schiavo, Ms. Mortimer and herself can sit and talk about it.

Councilor Bushee asked, with regard to Item F(1) Graffiti on page 4, if the Graffiti Coordinator and Graffiti Manager are one and the same positions, and what the difference is going to be if they are two separate positions.

Mr. Sanchez said, "They are two separate positions. The Graffiti Manager will oversee the Graffiti Program and the Keep Santa Fe Beautiful Program."

Councilor Bushee said there is a whole program outlined and we are about to hire the manager, and she doesn't see a delineation between the two in terms of the duties of the Manager. She asked Mr. Schiavo to bring back a description of the hierarchy and such, noting at the last presentation, Mr. Schiavo said we slow down in the winter. She asked to add that to the list of things she wants to talk about.

Mr. Schiavo said it can be added to the list, but said he was going to recommend that we have a presentation from the Graffiti Manager at the next meeting, outlining plans for the coming year.

Councilor Bushee said she wants to see where that's going, and particularly the down time in the winter.

Mr. Schiavo said that presentation will include more details and what is going to be done seasonally.

Chair Rivera would like to have that presentation at the February meeting and Mr. Schiavo said yes that can be done.

Councilor Bushee asked if we are worried about the concern which has been expressed about the methane gas in the newspaper indicating the landfill has shown signs of collecting methane gas within the monitoring wells at Paseo de Vista. She said however, it is under the levels of concern by the Environment Department, and asked Mr. Schiavo if he is concerned.

Mr. Schiavo said he is not concerned. He said this is normal production, noting we don't get a lot of production of methane from our landfills because we don't have a lot of water feeding bacteria creating the methane. He said it has to be monitored, but it's not a concern at this time.

Councilor Bushee said, regarding Item H(1) Landfill – Frank Ortiz Park, the City has hired another contractor, and she still is trying to understand what they are studying on that one. She said when she goes walking in the arroyo there for the dog park, she still sees old garbage poking out from the edges of the arroyo. She asked what is Sunbelt Geophysics going to do there.

Mr. Sanchez said he hasn't seen the full RFP so he doesn't have all the answers, but it is basically the waste thickness and the soil cover and asked Mr. Puglisi if he has information on that.

Mr. Puglisi said he was in touch with Sunbelt today about the final report. He said basically, Sunbelt was hired to do a geophysical examination, including ground penetrating radar and other forms of geophysical examination to make a determination. He said we know very little about Ortiz, because it was abandoned and covered long before the Solid Waste Regulations went into effect. So we don't even know where the waste was disposed, and what kinds of waste and we need that information. He said we are working with the New Mexico Environment Department on an abatement plan for Ortiz landfill.

Councilor Bushee asked if they are still doing the monitoring wells.

Mr. Puglisi said yes, there is one active monitoring well and two background wells that went dry because the groundwater level dropped, so we may have to install some additional monitoring wells for background. He said we are discussing additional monitoring wells to capture the groundwater flow underneath the landfill, and that's what part of the geophysical examination will tell us. It will tell us what kinds of waste we have – organic, metallic, otherwise – where the greatest concentrations area, as well as the old floor planning under the landfill and where we may find saturated soils. Once we find those saturated cells, we'll determine groundwater direction and install wells to capture whatever may have leached out of the landfill and may be traveling into groundwater.

Mr. Puglisi continued, saying this is being under the State 1 Abatement Plan with the New Mexico Environment Department. The Stage 1 Abatement Plan is basically investigation, and Stage 2 would be cleanup, if necessary.

Councilor Bushee would like an informational board, commenting she got a lot of calls when the State put its monitoring wells in it.

Mr. Puglisi said there was a press release, but he is unsure it ever made it to the newspapers, but it explained what was happening out there. He noted they got quite a few calls about "what that guy was doing out there with that funky machine."

Councilor Bushee would like to have them put up some kind of signage.

Mr. Puglisi said he can do that, commenting he is done with his examination so he won't be out there any more. However, in the future, you might see is a drilling rig out there, and it will be to drill additional monitoring holes or some vapor monitoring holes. Because one of the things we've committed to do with the Environment Department is if we found any VSE's at the landfill we would do vapor sampling to determine if there are concentrations above standards. We would install some dry wells for vapor extraction only so we can monitor vapor, but then we would commit to drilling some groundwater wells. The next stage you'll see will be a drill rig and we definitely can let people know what's happening out there.

Councilor Bushee said if you find anything, it's helpful to inform the public. She said a lot of the waste that poked out the sides of the, essentially, the landfill, end up in the arroyo and then our river. That is compounded by her downstream constituents that tend to dump things down the side of the hill. She would like information to be provided to the public, noting that park is almost overused.

Mr. Puglisi said we can do that, especially because of the concerns raised last year in terms of the use of the area for a dog park. He said currently we work to keep adequate cover on the waste, so if waste is being exposed we do need to know about it, and we do have to have a cap on that landfill and no waste should be coming through.

Councilor Bushee asked if the work done previously is similar to this work.

Mr. Puglisi said the work we've done is mainly in regard to the cap.

Councilor Bushee asked the status of hiring a Division Director.

Mr. Schiavo said 5 individuals applied, and on Friday a team he put together will interview three of those people. He will have more information at the February meeting on how those interviews went.

8. UTILITY BILLING DIVISION UPDATE. (DIANA CATANACH)

Councilor Bushee asked how long we have been working on the billing component for Solid Waste.

[Ms. Catanach's response is completely inaudible]

Councilor Bushee said now we are extending to April which makes it closer to a year, and asked if there is some kind of compensation built into the contract, because it hasn't functioned for the first year..

Ms. Catanach said they haven't gone live this year, because they are building the system.

Responding to Councilor Bushee, Ms. Catanach said, "We bought the software and when she came on board, she thought a year was very aggressive for a conversion of that magnitude, so we're moving toward what is more realistic, and April is still up in the air until we are fully convinced that we can do full integrated testing."

Councilor Bushee said her experience is that software is outmoded after the first year, so she wanted to make sure we are on track and this is working.

Councilor Bushee asked about the emergency plan for winter freeze and asked who talk to about that.

Ms. Catanach said Mike Montoya put the plan together, noting he isn't here this evening. She said the emergency plan is "pretty much a revision of what Shannon had done back in 2008."

Councilor Bushee noted it was updated in 2012, and we have a "whole new vendor, a whole new product." She probed this at the previous meeting, because a lot of meters froze last year, primarily in her District. She asked if there needs to be an update, and tweaking for the new product.

Mr. Schiavo explained, "The new Badger meter we're going to install is not going to change whether the meters are going to freeze or not."

Councilor Bushee said, "You changed the lids out."

Mr. Schiavo said, "We still will end up using plastic lids so the data/information can pulse out. The freezing is due to cold temperatures, cold water, so as you read through this plan, we monitor the water temperatures. We have the ability to turn on wells to bring in warmer water. Typically the meters that end up freezing are those on the north side of a building. They are shaded. This time of the year, the sun sits low in the sky, and they sit cold for a number of days. The meters we've had frozen this year, a dozen or so were related to home, people who went away on vacation."

Councilor Bushee said, "Nick you weren't here for the big freeze and..... well you were here, but not in this position, and so it was attributed to the change in lids, at least in my memory because I got a lot of calls."

Mr. Schiavo said, "I think you're right. It was a couple different things. A metal lid versus the plastic lid, metal conducts cold very well. I think a lot of it was going on as you were seeing the BDD come on line. You were getting some very cold river water, cold water from Canyon Road, extended periods where the daytime high was about 15 degrees, and you just chilled that water down. Our water sits, and we've got a 3 day supply of water sitting in our tanks. That water gets cold, people aren't using it and it's a real problem."

Councilor Bushee said she just wants to avoid a repeat and she is making sure we're doing everything possible.

Chair Rivera asked if Andrew Phelps, Emergency Management Coordinator, has been a part of the process, and reviewed this, looked at it and provided input.

Mr. Schiavo said he hasn't, but that's a great suggestion and he can get it to Mr. Phelps to get his input.

Chair Rivera said he would appreciate that.

Councilor Maestas asked what we do with the \$3 stormwater service charge, and if that is earmarked for a particular capital project or if it goes into the Water Fund in general.

Mr. Schiavo said it goes to the Stormwater Section in Public Works, "And I don't know off the top of my head how it's being used. My guess is it's going toward the Stormwater staff in Public Works."

Councilor Maestas asked if some of it makes it's way to our arroyo and watershed programs, noting there is a significant funding gap in that infrastructure system.

Mr. Schiavo said he doesn't know, but he can check to see how it's being used and follow up with Councilor Maestas.

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

Councilor Bushee said she is reading in the newspaper that Colorado is going to "clamp down on giving their water away," and asked what that means for us.

Mr. Carpenter said he doesn't think what Colorado is planning to do has a lot of impact on the water we would receive from the San Juan/Chama Project, because that is contract water we receive from the BOR and we are guaranteed that water is there – to receive 5,230 afy. We would not receive that only if there was a hydrologic issue that would present the water being in Heron Reservoir in the first place.

Councilor Bushee said the last sentence of his Memorandum says, "The BOR has recently indicated that the San Juan Chama Project deliveries this year will 89% which marks the first time since the inception of the SJCP Project that total firm yield deliveries were not completion." She said, "Given our previous conversation on McClure and Nichols, I'm just checking in."

Mr. Carpenter said he read that as well, and "If there are shortages in the basin overall and the BOR allocates that on a pro rata basis, there wasn't enough inflow into the project this year to meet firm flow deliveries, and this is the first time that's ever happened."

Councilor Bushee said then that has nothing to do with what Colorado plans to do.

Mr. Carpenter said, "No. That would be a Compact issue rather than the San Juan/Chama contracts we have with the Bureau of Reclamation."

Councilor Bushee said, "The last page is the map of climate outlook. I'm just adding all the pieces together and wanted to make sure that we are kept apprised of any changes in our delivery."

Mr. Carpenter said they get regular updates from the BOR, monthly updates, and the annual meeting is coming up in February or March, and "We'll be happy to report back to this Committee what comes out of that."

Councilor Maestas said he was unaware the City had agreed to transfer the water stored in El Vado or Heron Lake.

Mr. Carpenter said, "It was an exchange that we moved water from Elephant Butte up to El Vado and it became San Juan/Chama at that point for purposes of their model and we're negotiating for longer term storage to move that water into Abiquiu so the Buckman Project can then divert that water."

Councilor Maestas said the current storage agreement ends in February and that is the reason we're trying to extend it instead of losing the stored water. He thought there was an expiration on the use of the stored water.

Mr. Carpenter said, "The water that was in Elephant Butte, there was no expiration. Well there is a contract that gets renewed, but we didn't think we couldn't renew it. The issue there was that the water was evaporating at a very high rate. In the absence of an exchange, we couldn't avail ourselves of that water before it evaporated."

Councilor Maestas said the Wild Earth Guardians complained about the lack of perceived transparency in that agreement, and asked if there have been further developments with regard to the transfer of stored water.

Mr. Carpenter said they prepared a letter and sent it to Mike Connan in the Department of the Interior. He understands the Interstate Stream Commission is preparing a more thorough explanation of the Guardian's interpretation versus the Bureau and the City's, and believes that letter will be forthcoming.

10. BASIN STUDY UPDATE. (ANDREW ERDMANN & BILL SCHNEIDER)

Chair Rivera said Mr. Erdmann has asked for time at the next meeting to make a presentation.

Councilor Bushee said she saw that, noting she just wants to get the report before February if it's available, noting it is just awaiting some signatures, and would like to get the Report.

Mr. Erdmann said, "Yes, as soon as we have the report finalized we have to provide copies as I understand. It's been reviewed by the local BOR Office in Albuquerque and by the Office in Salt Lake City, and is now in the Washington office. We are waiting for their comments and then we'll finalize the report."

Chair Rivera asked Mr. Erdmann to forward it to all of the members of this Committee so they can review it before the presentation.

Councilor Maestas said, *"I just wanted to clarify for the record that I do work for the Bureau of Reclamation, but I have absolutely nothing with this Basin Study or anything having to do with the City of Santa Fe."*

11. REQUEST FOR APPROVAL OF RFB #15/10/B AND AWARD OF BID TO YUKON & ASSOCIATES FOR INSTRUMENTATION EQUIPMENT, PROGRAMMING AND CALIBRATION SERVICES FOR THE WATER TREATMENT PLANT FACILITY AND THE WASTEWATER TREATMENT PLANT FACILITY FOR A FOUR (4) YEAR TERM FOR \$120,000 EXCLUSIVE OF NMGR. (ALEX PUGLISI AND LUIS OROZCO) Review: Public Utilities Committee 01/07/15; Finance Committee 01/20/15; and City Council 01/28/15.

Councilor Bushee asked if it is standard to do four-year contracts, noting she is always bothered by the term of the contract being so long.

Luis Orozco said, "Yes. We do the four-year contract to save the City the cost of increases if we do this every year."

Councilor Bushee said it's worked conversely in other areas, such as Parking where they had extended four-year contracts, and the economy went down and the competition came in. She said it almost becomes a sole source situation when you go that long "from my perspective." She is trying to understand if there is a need to go beyond three-years, or if it is just convenience."

Mr. Orozco said, "It is to try and save the City money by getting the vendor/contractor to keep their rates at that price so there isn't an increase."

Mr. Schiavo said, "It's not a four-year contract, it's a one-year contract with three one-year contract extensions. So if anytime staff felt we weren't getting a good deal, we're not obligated to go into the next year, and can do another RFP or RFB to get better prices."

Councilor Bushee understands the concept, but it's never been the practice and it becomes a four-year contract.

Mr. Puglisi said we are not required to go through an RFP process which is supposed to ensure that we get the lowest rate. "So, as stated, if we go through an RFP process, the idea is to lock in the rates for a period of 4 years, if possible."

Councilor Bushee said hopefully they are the low rates, noting when the economy declined, we had people locked into high rates.

Mr. Puglisi said staff can look at that, reiterating we always have the option to back off..

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

DISCUSSION: Councilor Maestas asked how we are doing in terms of compliance with water quality standards in terms of plant discharge. He said it seems this is an additional preventive measure to ensure we stay in compliance.

Mr. Puglisi said we have been complying with all Safe Drinking Water Act Standards for at least the prior 6 years, and prior to that he tracked it back to the time when the Environment Department placed us on variance for arsenic standards. That is the only variance from the Safe Drinking Water Act standards he knows that has happened in the last 15 years. So the City is complying with all parameters. The contract just approved is one of our monthly operating reporting requirements. The contractor actually calibrates our in-line turbidity meters at the Canyon Road Water Treatment plant to make sure they are calibrated in compliance with a certified turbidity meter, which we can't do because we're not certified to do that. This is part of our compliance requirements from the NMED and the EPA is that we do certify and calibrate our meters. It is a contract that is necessary for compliance with the Safe Drinking Water Act and the Clean Water Act. I'll let you speak for the Wastewater side in terms of compliance."

Mr. Orozco said they use it for the same purposes in Wastewater to try to meet all compliances of the NMED and the EPA. He said our effluent meters needs to be calibrated as well, all the in-house meters are the inflow meters. He said they also do in-house calibrations just to do spot checks. If they seem to be out of compliance plus or minutes 10%, it is required by EPA that we call the contractor to come in and recalibrate it.

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

DISCUSSION AND ACTION ITEMS

- 13. REQUEST FOR APPROVAL OF BILL NO. 2015- _____. AN ORDINANCE CREATING A NEW CHAPTER 29 SFCC 1987, TO ESTABLISH SANTA FE PUBLIC POWER, AN ELECTRIC PUBLIC UTILITY (COUNCILOR IVES). (JOHN ALEJANDRO)) Review: Finance Committee 01/05/15; Public Utilities Committee 01/07/15; City Council (Request to publish) 01/14/15; and City Council (Public Hearing) 02/11/15.**

Councilor Ives said the effort here is to create an opportunity for the City of Santa Fe to better and further chart its energy future. He said, "The Governing Body knows there is a proceeding at the Public Regulation Commission with regard to the San Juan Coal Plant, the shut-down of two of those units and the replacement of the loss of the coal fired power with additional coal fired power and nuclear power, and the City Council has previously expressed its desire for increasing renewables within the portfolio that PNM has available. The City is actively in the process of exploring new and different ways of trying to increase the capacity to deliver renewable energy sources to the people of Santa Fe. And from the perspective of having, within the City, a defined structural *[inaudible]* through which those various measures could be brought forth and actively engaged in by the City. Again, this is an effort to intelligently try and create that opportunity within the City. Santa Fe Public Power, itself, in creating it, doesn't necessarily dictate that we're trying to buy out PNM. And indeed when I've spoke on that subject, I have pointed out that that particular issue is something which be subject to great additional scrutiny."

Councilor Ives continued, "Councilor Maestas has brought forward a measure to pick up and further study the 2012 Report that was done, and the possibility of buying out the utility and I have joined him as a cosponsor on that measure, because I think looking at those issues is important for Santa Fe's energy future, but the price tags involved in that are still unknown, but are undoubtedly significant. And so, while that is a measure and a possibility in the future, it is certainly not the principle reason behind creating Santa Fe Public Power which is an effort within the City of Santa Fe to let the people of Santa Fe know that we are serious about moving toward a more sustainable and more renewable electric energy future, creating an entity within the City that has the capacity to bring all the efforts across the City platform toward those ends into a common source, and really to try and move this matter forward within the City of Santa Fe. And also, it's an assertion to the people of Santa Fe that the City seriously is looking all the alternatives available to it to try and make the City of Santa Fe's renewable energy, the increase of renewable energies within the City of Santa Fe, all by way of reaching a number of the laudatory goals that already have been passed by the Governing Body, including that of becoming carbon neutral by the year

2040. So let me stop there and turn to John and ask if there is anything he would like to add."

John Alejandro said, "Again, currently, there appears to be no legal conflicts with passing the proposed Ordinance and the creation of the public utility itself. But as all of you are aware, via the legal memo that was sent to all of you and the Mayor, there are several issues the City Attorney would like to explore and research further. As per the action taken by the Finance Committee this past Monday evening, myself, along with the City Attorney's Office will begin to examine those questions as well as what can be done from a technical point, if in the end a municipal utility is created. And with that, I'll just stand for questions."

The Committee commented and asked questions as follows:

- Councilor Bushee said she has no opposition to creating a construct, but wants further information. She said they have an FIR for \$50,000, and asked if that is for another staff person.

Mr. Alejandro said the \$50,000 in the FIR is a good faith effort to quantify the man hours and the costs associated with those man hours to practically implement the framework of the Ordinance to be passed both legally as well as technically. If the Ordinance moves forward and it is passed and adopted by the Governing Body, then the City Attorney's Office and I feel that we will have to practically implement the Ordinance itself to insure it is within the legal parameters of State law and regulations under the Public Utilities Act. So that is a good faith estimate of the amount of time that might be associated with implementing the Ordinance itself."

- Councilor Ives said at Finance we discussed with our new Finance Director, part of the fact that there is potentially being undertaken a new approach to FIR's within the City. He noted that Councilor Maestas' Resolution had an FIR and the Resolution called for staff to interact with the County about possible avenues of moving forward.
- Responding to Councilor Bushee, Councilor Ives said that he has an Ordinance and Councilor Maestas has a Resolution. He noted there is an FIR of \$5,000 with Councilor Maestas's Resolution. There was another Resolution which directed staff in certain measures which had no fiscal impact identified on the FIR, so it is a policy that is arguably in development. He has asked the Finance Director to give additional input as to what his intent is with this policy when we ask staff to undertake various matters on behalf of measures passed by the Governing Body to trying and list what the staff impact in terms of time might be. So in his mind, this is a new approach.
- Councilor Bushee said we keep passing resolutions that provide the potential for doing something about climate change and greenhouse gas emissions, and our carbon footprint, noting she is "guilty of having passed or introducing many of them." She said she never sees, including Councilor Maestas' Resolution to revisit a very cursory study we did, anybody coming forward to say we really want to do this, they're rarely willing to "pony up the money," or to willing to get a full-on appraisal. This is an Ordinance, so it's law, so she has to look at it within the context. She is getting the memo sent to her. She said, "We've been hearing from Legal staff forever that we

don't have the right to eminent domain, PNM is not a willing seller and it will cost a lot of money. Nobody is willing to quantify that. We aren't even close to going out to the voters to bond for any money to say this is something we want to do. Nobody has even said whether it would be a non-profit or the City that ponies up the million dollars to begin the possibility of an appraisal or an analysis."

- Councilor Bushee continued, "I am still looking for looking for less than good sounding, well intended ordinances or resolutions that say this is the path we want to take. I feel like the public is getting more and more confused now as to what it is we want to do and why we want to do it, and when we want to do. So I am sincerely asking that we stop. Under new material it says:

The powers and the duties of Santa Fe Public Power shall" (1) sell its products and services to public and private corporations.....; (2) construct and operate generating plants, transmission distribution and other facilities; (3) set rates and service policies and regulations; construct and operate generating plants, transmission, distribution and other facilities; (4) adopt regulations on governing the extension of service...."

- Councilor Bushee continued, "I've been.... when we took on the utility from PNM for water. It took it forever to get it up and running and there were costs associated, but we went into it knowing what those costs were and then eventually..... never mind what the potential is with rates, the question really is, what will it cost to try to do this. I learned from David Bacon recently, that they have a construct like this on the books in Rio Rancho, because an attorney there was willing to pursue that. I don't know how long it's been on the books but nothing has happened. I do not want to provide one more measure out of this Governing Body that says and provides false hope for something that we may never ever do. I would really like and I'm generally asking the sponsors. I know yours isn't on the agenda. I wasn't there at Finance, but what, and by when and how much are we willing to put behind this effort. Because \$50,000 is just your time and Legal time, does not get me any further than another nice sounding intention."
- Councilor Bushee continued, "So that's really where I'm coming from on this. I keep trying to understand. I'm sick of saying we're going to do something and then we really don't, because whether energy sovereignty is going to tie the hands of local governing bodies. Intervening at the PRC makes us feel better, but the members never get anywhere and usually let PNM have their way. So I'm still back at the place of you know... and I know you're new to this and the politics is wired thick on all of this stuff and lots of promises, but no real action. So I view this the same way right now. I don't again oppose the construct, putting it on the books, but then you get into under Item 6(b) the acquisition of real and personal property rights and franchises, the financing, construction and operation of plants, buildings, transmission, distribution and other facilities. It just does on from here saying we can do these things. Really the real question is when will we have that discussion and dialogue."

- Councilor Bushee continued, “I don’t want any more feel good measures. I want to actually do something, so if this is the direction the Governing Body collectively wants to go, then we should be putting in real Fiscal Impact Statements. Real costs. We should be willing to pony up the money and say this is our number one priority. I feel that the environmental issues demand immediate attention, but I also know where the City is fiscally and have other competing needs. But to be honest, I have seen a measure coming from you Councilor Ives saying we needed to raise property taxes. I’m also looking back at this year, starting this year, three-quarters of a million dollars is going to by the wayside. I don’t want to see a food tax put on there. I don’t want to see measures that really harm people that can’t afford it. And the way PNM seems to be thinking, when you read the paper in terms of taking *[inaudible]* when it comes to renewables. They would like to see the real costs funded and to not see Santa Fe subsidized by the rest of them. I read that and I think okay, so is Santa Fe willing to do what they did in Boulder and pony up and actually have a tax. Do we have the legal authority to that.”

- Councilor Bushee continued, “I feel like none of that is built into this Ordinance. So if I go along with and approve the structure, am I just going along with one more feel good measure with no real following the docket up, no real action steps to back it up. we’re not getting to that conversation at the Committee level that I can see. And so I’m asking that we start that dialogue here, because I’m not opposed to the construct, but I’m not seeing any real steps to deliver what this potential construct could deliver. And then I’ve got my attorneys telling me you can’t do it this way. I watch what other communities are doing – El Paso Electric and Las Cruces – they went so far and then retreated, and we bought off from my perspective. I also watch what’s going on in Boulder and the \$8.5 million they’ve spent to date, and no generation of any electricity that I can see. So I would like us to put our money where our mouth is. If this truly our priority, I would like to see some piece of legislation that reflects that.”

- Councilor Ives said, “In response, and pleased to say that I think you will be seeing various measures coming forward that could function through this entity that would have specific benefits for our community. The Mayor’s Climate Action Task Force convened by the Mayor, part of the groups involved in that have been actively involved in discussions about future possibilities in that regard. My understanding is that hopefully by the end of the month there will be specific and concrete proposals being put forth in time for us to engage in budget discussions about financing them. The intent here is very real. The intent is to bring forward various measures that create those opportunities is very real and will be here hopefully very soon. It takes time, obviously for the Climate Action Task Force to get up and operating. There are folks bringing tremendous levels of expertise to this discussion, and the effort of the Task Force is to bring forth measures for consideration by the Governing Body. There will be specifics being brought forward to look at, consider and to try and figure if we want to fund. So what you’re speaking of is going to be specifically addressed in the near future and brought forward.”

- Councilor Bushee said, "You didn't really answer my question Councilor Ives and I want to clarify, you are creating a law to create a Santa Fe Power mini-grid essentially, and nowhere is there a real fiscal impact report as to what that would mean, what that would cost. I think it's fair to go into the discussion and not confuse the public any further as to what the real costs are of this initiative. And I have no understand why you would pursue a new law or create this construct without knowing what that would look like."
- Councilor Ives said, "Our City staff which has deep expertise in such matters, have done their best effort at estimating a personnel cost associated with bringing this matter forward. As additional matters dealing with specific opportunities are brought forward, those too will have specific Financial Impact Reports prepared for them. So, unfortunately, I can't give you everything at once, as is often the case in an ongoing and developing circumstance, but I think that is all in the pipeline. And correct me if I'm saying anything incorrect here, John."

Mr. Alejandro said, "The Ordinance does exactly that. It creates the utility on paper. If the Ordinance becomes law, the big question after that is what does the City do. What do we create, how do we fund it, how much is it going to cost. Staff would prefer, as directed by the Finance Committee on Monday, to aim first and then shoot. We would prefer to go back and take a look at what can be legally created, how it can be funded to get some accurate costs, what are our options technically under this law. Can we create utility scale solar farms. Can we create utility scale wind farms to power the utility, and if so, how much will that cost. Can we legally do this under State law and the existing regulations at the federal, State and local levels. That is the direction we were given from Finance on Monday. And that is the route we would prefer to take at this point."

- Councilor Bushee said, "But they directed you to postpone this effort. Yes."

Mr. Alejandro said, "They directed us to come up with a study within 60 days, looking at our options, how much they would cost, what we are able to do technically as well as legally and to present them in 60 days to a hearing."

Councilor Bushee asked, "Then why are we hearing this tonight. Because, again, I've been looking for the magic number of what a real appraisal would cost, because, even if you could construct the entity on paper, still nobody has given me a real figure. You've still got to distribute the energy somehow and you have to work on the non-willingness of PNM to sell the infrastructure. Nobody has even given me a number as to what it would look like to get a real appraisal. I know you reference that in the study. I helped support the small amount of money that it took to do the very limited study, but again, it doesn't answer any questions about what this will cost, what this will mean. I'm asking why this is on the agenda tonight, if staff is even indicating that they would like some more time to come back with some more answers."

Chair Rivera said, "That was my decision in discussion with the author of the Ordinance, and we felt it would be best just to continue the discussion and see if there was any additional information

that staff would need in order to address the future requests from the Finance Committee, so obviously, not everyone..... a few of us were at the Finance Committee, but Councilor Bushee, Councilor Dimas, you're not on the Finance Committee. So if there are additional requests, or additional information that needs to be brought up and again, to show our support for at least the initial, we supported, at this Committee, Councilor Maestas's Resolution which was postponed at Finance Committee as well."

- Councilor Bushee said, "Can I follow-up then with Marcos [Martinez]. Are you aware of the fact that Rio Rancho has this construct on the books."

Mr. Martinez said he was not aware of that, "although I'm going to be looking into that."

- Councilor Bushee said she learned that from David Bacon and there was an attorney, that she can't remember her name, that apparently perceived that, but had never taken it anywhere. We were you aware of it."

Mr. Alejandro said, "I'm aware that Albuquerque created their municipal utility on the books in the mid-1970's. And as such it has been on the books for quite some time, but never exercised that authority to created a natural municipal utility. From what I have been told in conversations, the attorney at the time who still works for the City of Albuquerque has indicated they have decided not to pursue a municipal utility due largely to costs. And that's why that authority has never been exercised."

- Councilor Bushee said, "For me, I get the enthusiasm and the idea of oh let's have it on the books, but I just don't want to provide any more false hope that we actually are going down this road without a complete conversation. I think it should be a community conversation and should be more complete than what we have before me. I understand where Councilor Lindell is coming from on the abstention. I don't usually like to abstain, but you don't have the full picture here. And so I'm asking... Me personally, I think we need to put our money where our mouth is and say that this is a priority, a number one priority financially, and pursue and fund a real appraisal of how to go about doing it. And knowing that it may end up in a legal, protracted battle, I don't know."
- Councilor Bushee continued, "But before you even green light the construct, you've got to be aware of all the possibilities and discuss those. I think we look like we're doing one more resolution or ordinance..... I love.... and I've done it myself many times... by 2030 by 2040 carbon neutral, we want a carbon tax, I mean all of these things. At least in Boulder, they passed a Climate Action Plan Tax, and I would like to add that to the mix of questions to be pursued as well. Do we have the authorizing capability to pass such a tax, if that's what we want to do. Because all the initiatives, every single initiative we've all brought forward, they have a cost to them. Have we decided as a community that this is a priority and we are willing fund and pay for any of those initiatives. And that includes.... I think we can work our way through PNM to get *[inaudible]*, but they're going to oppose Santa Fe being subsidized by the rest of the State."

- Councilor Bushee continued, “So it may mean we have to have a source of revenue to pursue it. Even if we get virtual net metering, in the end and they’re going to work at taking away the incentive as we move forward. This has just been.... I just feel like we’re really confusing people, because we’ve sort of defined it as drawing a line in the sand and you’re either for this or you are against helping the environment. And that is not the scenario we’re working with. It is very clearly, you know.... I think everybody wants to go to the same place. It’s how you get there and how soon and at what cost and nobody is defining the cost. ”
- Councilor Bushee continued, “I think we have a great cost if we do nothing in terms of our environment and our climate. But at the same time, I don’t want to just pass one more measure that says, we’re going to do something about it, but we’re not going to fund anything. So that’s where I’m coming from.”
- Councilor Maestas said, “I realize my Resolution is not on the agenda, but I disagree with some of the comments of Councilor Bushee. It’s not just a feel good resolution, it’s advocating for picking up where left off. It’s for trying to leverage, albeit a small investment, but an investment nevertheless, in looking at the entire concept from an assessment standpoint. I think comments were made that the respective governments never ratified or legitimized the recommendations of the preliminary assessment that was done in 2012. Yes, it’s old, it was done in 2012, but no one has really refuted the recommendations. And why not instill confidence in the public’s eyes that we don’t just do studies to have them die. We ought to maybe pick up where we left off, have the respective City and County staffs look at these recommendations and determine which are legitimate and which should be advanced.”
- Councilor Maestas continued, “And the question also remains is there’s a new County administration, there’s a new County Commission. The dialogue was started, not on my watch, but has there been any formal expression or position by either government to say we don’t want to continue this dialogue or set ourselves on a path to some partnership to explore and share the risks and the cost of creating a public utility; that hasn’t been done. So my effort is not feel good, it’s to say let’s pick up where we left off, let’s leverage all the staff effort and investment that’s been done. Let’s explore the concept of continuing. This is a big deal and it presents great risks and costs. And should the City go it alone. I’m not prepared to really strongly advocate for that, although Councilor Ives’ legislation legally creates this entity. Beyond that, there’s not much we can do until we go back to assessing this.”
- Councilor Maestas continued, “And I agree with Councilor Bushee in this regard that if we’re really going to commit to it, we have to pay up front, do the necessary assessment, appraise the existing infrastructure. But either way, we’re looking at a negotiated purchase. At least that’s one conclusion I gathered from the City Attorney’s memo is that we don’t have the authority to acquire by eminent domain any existing electric utility infrastructure. At best, we’re looking at a negotiated purchase in that regard, if we’re looking at the end result, the end game. And so, yes, we’re taking steps. I couldn’t say that investing in a municipal electric utility is my top priority. I think we have more bread and butter issues, public infrastructure, public safety, right-sizing our government, I

think a greater fiscally responsible City. So I see much higher priorities, that's why I opt for taking a more pragmatic, logical step and picking up where we left off, instead of starting something totally different from scratch and so that's where I'm coming from."

- Councilor Maestas said, "Councilor Ives, I support this. I support this in concept. I think there's a lot that needs to be done. But I want to commend Councilor Bushee for having this debate, because I think the policy needs to originate here. This is our established policy development process. I appreciate all the work done by all these *ad hoc* task forces, but this is where the rubber meets the road. So I really invite this kind of in-depth discussion about the pros and cons of some of these initiatives, particularly something as substantial as this. So I'm advocating for getting it done right here, but I do appreciate the advice and involvement from the public. And I will introduce a Resolution, hopefully, that will help create that community conversation. So I'll yield the floor, Mr. Chairman."
- Councilor Bushee said, "There have been a lot of sidebar conversations, let's just lay it all out. Does anybody have a number between John and Nick as to what a real true appraisal of infrastructure if we to even consider moving forward with this construct, so we know what we're getting into."

Mr. Alejandro said, "So the question is do we have a ballpark of what we would be looking at to pay for the utility infrastructure as it exists right now."

- Councilor Bushee said, "No. An actual appraisal like that they've had to do everywhere they've even pursued this."

Mr. Alejandro said, "We do not."

- Councilor Bushee said, "A feasibility study, because I've heard numbers ranging upwards of a million dollars. We've got to start somewhere and put some money to it."

Mr. Alejandro said, "I believe the 2012 Feasibility Study was referenced in Councilor Maestas' Resolution. I believe they put the number at around \$125 million."

Councilor Bushee said, "No, I'm talking about the actual appraisal of the assessment of the Feasibility Study, what that would cost. Boulder spent \$8, 500,000. I can't remember what they spent in Las Cruces when they were dealing with El Paso electric. I've heard numbers from you Nick. Somebody give me some real figures, because it's going to be a negotiation. We know they're not a willing seller, and we know it will take some money to try and assess any kind of purchase of any kind of infrastructure."

Mr. Alejandro said, "When it comes to our specific situation, no we don't have a specific number in mind. You've given me one on the sidebar, I'm trying to put it on the table."

Mr. Schiavo said, "The number you're searching for is how much we would have to pay a consultant to go and add up all the number of utility poles, transformers and all that. I don't think it's out of the realm to spent \$500,000, \$400,000, to actually go and do that appraisal to see everything that's there."

- Councilor Bushee said, "If that's the number we're looking at to actually start this ball rolling, anybody have any ideas of where we can get that money. And why wouldn't that be part of the FIR, if you were sincerely trying to move this initiative forward."
- Councilor Ives said, "Again, in my opening remarks, I suggested that is not an effort to buy out PNM which appears to be the only direction that the discussion wants to take this. Although that is an option I think Councilor Maestas's measure is designed to begin that process in a prudent and reasonable way to further assess that. I think the City has many other opportunities to assert and promote renewable energies across the City without buying out PNM, which seems to be the focus of your questions, in terms of wanting to know how much. If you wanted to introduce a Resolution saying that the City should negotiate with PNM to buy it out, that would be a great place for you to start down that pathway. And then we could do an FIR that look at that specific question."
- Councilor Ives continued, "This is creating within the City, under a common construct, to examine all the different programs and possibilities available to the City to try to get additional renewable energy across the City. If in the richness of time and study, a possible purchase with PNM was something in the future the City determined to undertake, that would be fine at that point in time. Again if you want to get that ball rolling, please introduce a measure to do that. That's not what this measure is attempting to do. It creates an entity which has the power certainly to look at that, if and when that time comes, but I don't suggest we are at that point at this moment in time."
- Councilor Bushee said, "I just have to reference the Ordinance that is before us tonight. The title is, '*An Ordinance creating a new Chapter 29, SFCC 1987, to establish Santa Fe Public Power, an electric public utility.*' The rest of the material talks about how we would go about operating a utility, what we would have to do, what we would be able to do under this construct. I think exactly what is needed here is to say, if you really want to pursue this construct of a Santa Fe Power, an electric public utility, which is all this Ordinance does, then it does have to involve what the costs were going to look like, if you were going to distribute power, and the whole Ordinance and the whole Ordinance is about a mini-grid. And so if that's the case, more than having it be just what all we want to pursue, we can pursue all those other grid options for more renewables without creating this construct. So I don't understand why there is not a cost affixed to what it might really take to produce this, rather than a piece of paper."
- Councilor Ives said, "In brief response, on page 3 of the draft Ordinance, under Establishment of Santa Fe Public Power, for instance, you would note that it suggests we do seem to rely on some fossil fuels by focusing on sustainable alternatives and seeking new opportunities for producing clean energy. Additionally, if you look at Item (6), looking at top programs, policies and rates when developing programs for low income customers. The intent is more broad than just trying to

compete with PNM in the production of power and to buy out PNM. And I'm sorry you don't read it that way, that is certainly not the intent. That has yet to be determined by measures such as those that others may introduce to negotiate or try and negotiate with PNM a buyout of it's system. But from my point of view, we are not at that point yet, we are not likely to be at that point anywhere in the near future. And I understand the desire to raise that as an issue to suggest that it is just a 'feel good,' but creating the opportunity within the City, creating a construct where we can focus our energies in terms of renewable future for the City of Santa Fe. This is a step to start that process, to move that process along, to send a signal to the people of Santa Fe that we are serious and to move this process forward.

- Councilor Bushee reiterated that she thinks we have confused the public.

Chair Rivera said, "This is an action item, and we already know what Finance Committee did. So in my eyes we can either support this the way the Finance Committee has, or have it as a stand alone and show our support of it, knowing it still needs to go through the process that Finance decided on."

Councilor Ives said, "I believe there will be opportunities in the future to look at specific measures that would feed into this. I think this is ripe for consideration now."

MOTION: Councilor Ives moved, seconded by Councilor Maestas for purposes of discussion, to approve this request.

DISCUSSION: Councilor Maestas said, in terms of the Rules of Procedure, I think we talked about that Nick, but he should clarify that. "If we have a particular piece of legislation on a policy track and it runs into a buzz-saw in one of the committees, can it progress, and if so are there any conditions under which it can progress all the way to the City Council."

Mr. Schiavo said, "Your Resolution passed at the last PUC meeting, even though the recommendation was to hold off from finance Monday night, you are welcome to take that to the next City Council meeting. And if this Resolution passed this evening, Councilor Ives could take his item before City Council also."

Councilor Maestas said, "My preference, if the sponsor is willing to roll the dice, as I am with mine, is to go all the way to the Council, I don't think we ought to deprive the sponsor of that. This is messy and I realize this is causing confusion. But I think we have a proliferation of all these *ad hoc* committees and *ad hoc* task forces, and the conversation gets away from us, we have to bring it back. And I think this is our way of bringing it back, albeit with different approaches. We're not quite there yet, and this is democracy, and democracy can be messy."

Councilor Maestas continued, "I've already kind of stated my points about my piece of legislation, but I think that Councilor Ives has been very active. He's a very active member. I think you're co-chair of the Climate Action Task Force."

Councilor Maestas continued, "And I think he is representing the task force, and I know this is a mayoral initiative. So I think if the Mayor and his Task Force are willing to roll the dice and have this go all the way to the Council, I don't want to stand in the way of it. I support the concept, but I have other concerns about it, and I'll let folks know what my concerns are, but at this point, I'm prepared to support it."

Chair Rivera said, "John [Alejandro] as this moves, whether it's through the Study through the Finance Committee, as you continue to research on this, will you look into whether there are other communities in the country that have taken a regional approach to municipal utilities. We're talking about discussions with the County, but should our discussion be broader. Would we have more of a foot to stand on if we included Albuquerque, Rio Rancho and other larger communities. Have there been any other communities that have taken that approach. If you can continue with that in your research, that would be great."

Mr. Alejandro said, "Yes, absolutely."

Councilor Maestas said, "Some parting shots. My effort does call for having staff study the regulatory and legislative environment. When governments have an advantage, they have some impact and some sway in changing the environment. I realize the status quo is very limiting to what we want today, but that doesn't mean we can't change the status quo and create a better regulatory and legislative environment for a publicly owned utility whether it is City, County or just City. I think it's all inclusive. I look forward to the debate."

VOTE: The motion, as amended, was approved on the following Roll Call vote:

For: Councilor Maestas and Councilor Ives.

Against: Councilor Dimas.

Abstain: Councilor Bushee.

The result of the vote was a tie vote, and the Chair voted in favor of the motion.

Explaining her vote: Councilor Bushee said, "My concern is, again, if this had a real fiscal impact attached to it, and it said half a million dollars instead of fifty thousand dollars, and that the City was really, truly intent on pursuing this construct, I would be all in, but I am going to say that this, for me, is just one more piece of paper that really all it's achieved to date without a real cost affixed to it, is to confuse the public even more as to what we are intend or what we intend to pursue. So I am going to abstain and hope by the next time this comes before it, it has a true picture that's been painted about what we want to do, and not just a construct."

Explaining his vote: Councilor Dimas said, "Very simply, no. And my comment would be that I think we have more important issues that the City needs to undertake. Our streets are falling apart, our infrastructure is falling apart. We need to look at raising the salaries of our employees with the City. We have officers living in Albuquerque, because they can't afford to live in Santa Fe,

and we need to raise wages so they can afford to live here in Santa Fe. I think we have a lot more important issues than this particular one that is going to cost millions of dollars, and we're probably going to go in the hole for it. So my vote is no."

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

Mr. Schiavo said it appears there is a potential conflict with our next PUC meeting on February 4, 2015, noting the Mayor has scheduled his presentation at 5:30 p.m. on that same time.

Chair Rivera asked if that has been confirmed.

Mr. Schiavo said he found out about two hours before the meeting, and said "I think it's confirmed. I have a text message into Matt Ross."

Chair Rivera asked staff to double check before we make any changes, and then said he and Mr. Schiavo will have a discussion and hopefully we can email the rest of the Committee to find an alternative date before or after, or possibly earlier, based on what the Mayor is going to do."

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 January 7, 2015, is incorporated herewith to these minutes as Exhibit "2."

Councilor Maestas reiterated his position on this issue, and that we need to have the community conversation about things as important as public utilities and the issues surrounding utilities, the long range financial planning, rate setting, design and process, the true financial reasons for rate setting. He believes the public needs to see a forum that is objective, comprehensive, representative, so they can feel at ease that they are being represented and that the general public has a seat at the table about all the issues regarding public utilities. He said the Resolution he is introducing helps us to take a step back and look at the way we discuss these issues, and perhaps sunset a few of the existing committees that deal with these

issues, and try and consolidate those efforts into one Public Utility Board. He noted he will have a draft Resolution by the end of the week.


Councilor Maestas introduced a Resolution creating a Santa Fe Public Utility Board to advise the Governing Body, on behalf of and for the benefit of the residents of Santa Fe, on City Utility Capital, conservation, financial planning, operating, rate setting; and sustainability programs, projects and policies.


NEXT MEETING: WEDNESDAY, FEBRUARY 4, 2015 [POSSIBLY SUBJECT TO CHANGE]

Chair Rivera said he will be in contact with the Committee to find an appropriate date if there is going to be a change in the meeting date.

ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 p. m.


Christopher M. Rivera, Chair


Melessia Helberg, Stenographer

Weekly Water Report
December 28, 2014

Total Acre Feet Used
Year to Date

City Well Field	Design (Gallons per Minute)	Gallons in Millions	Acre Feet	Acre Feet Allocated	
Agua Fria	823	0.000	0.00	4865.00	34.51
Santa Fe	183	0.000	0.00		0.00
Torreon	413	0.000	0.00		192.71
Ferguson	200	0.000	0.00		88.96
Alto	195	0.000	0.00		108.62
Northwest	957	0.000	0.00		394.69
Osage	201	0.000	0.00	25.70	0.00
Well Production Total	2972	0.000	0.00	4890.70	819.49

Buckman Well Field	Design (Gallons per Minute)	Gallons in Millions	Acre Feet	Acre Feet Allocated	
# 1	542	0.000	0.00	1500 acft/yr/well	54.03
# 2	852	0.000	0.00		0.00
# 3	319	0.000	0.00		81.58
# 4	357	0.000	0.00		33.97
# 5	256	0.000	0.00		29.46
# 6	744	0.000	0.00		134.59
# 7	715	0.000	0.00		53.67
# 8	525	0.000	0.00		20.63
# 9	400	0.000	0.00		70.81
#10	800	0.000	0.00		0.00
# 11	770	0.000	0.00	1500 acft/yr/well	29.76
# 12	800	0.000	0.00		40.50
# 13	800	0.000	0.00		25.89
Buckman Production Total	7880	0.000	0.00	10000.00	574.89

Well Production Total	0.000	0.00	1,394.38
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Production from Buckman Regional Water Treatment Plant					
Location	Design (Gallons per Minute)	Gallons in Millions	Acre Feet	Acre Feet Allocated	
Buckman Reg. Treatment Plant	10410	25.072	76.94	5230.00	5,514.70

Production from St. Michael's & Canyon Water Treatment Plant					
Location	Design (Gallons per Minute)	Gallons in Millions	Acre Feet	Acre Feet Allocated	
St. Michael's	0	0.000	0.00	5040.00	166.470
Canyon Treatment Plant	5552	13.995	42.95		2,521.67
Canyon Plant & St. Michael's Total	5552	13.995	42.95		2,688.14

Treatment Plant Production Total	39.067	119.89	8,202.84
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Total Production of Complete System			
Gallons in Millions	Acre Feet		
39.067	119.89		9,597.22

Weekly Averages				
Date	Total Consumption/Demand		Las Campanas	
	Gallons in Millions per Day	Acre Feet per Day	Gallons in Millions per Day	Acre Feet per Day
12/21/2014	5.977	18.34	0.067	0.21
12/28/2014	6.241	19.15	0.091	0.28
Reservoir Information				
Date	Total Capacity	Useable Capacity	Useable Gallons in Millions	Useable Acre Feet
12/21/2014	13%	-8%	-96.300	-295.53
12/28/2014	12%	-8%	-105.288	-323.12
Reservoir Inflow Wkly Avg (Estimated)				
Date	Gallons in Millions per Day	Acre Feet per Day		
12/21/2014	1.197	3.67		
12/28/2014	1.097	3.37		

Exhibit "I"

Summary of Weekly Data Comparisons vs Previous Years

City Well Field	Gallons in Millions per Day	Acre Feet per Day
2012	0.310	0.95
2013	0.000	0.00
December 28, 2014	0.000	0.00

Buckman Well Field	Gallons in Millions per Day	Acre Feet per Day
2012	0.000	0.00
2013	0.433	1.33
December 28, 2014	0.000	0.00

Buckman Water Plant	Gallons in Millions per Day	Acre Feet per Day
2012	6.250	19.18
2013	4.723	14.49
December 28, 2014	3.582	10.99

Canyon Plant & St. Michael's	Gallons in Millions per Day	Acre Feet per Day
2012	0.000	0.00
2013	1.251	3.84
December 28, 2014	1.999	6.14

Total Consumption/Demand	Gallons in Millions per Day	Acre Feet per Day
2012	6.520	20.01
2013	6.381	19.58
December 28, 2014	6.241	19.15

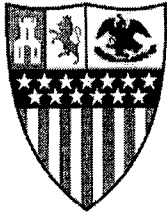
Las Campanas Consumption	Gallons in Millions per Day	Acre Feet per Day	Golf Course in Million Gallons per week	Domestic in Million Gallons per week
2012	0.100	0.30	0.000	0.629
2013	0.086	0.26	0.000	0.575
December 28, 2014	0.091	0.28	0.0	0.640

Reservoir Information	Total Capacity %
2012	29%
2013	64%
December 28, 2014	12%

Reservoir Inflow Wkly Avg (Estimated)	Gallons in Millions per Day
2012	0.530
2013	2.161
December 28, 2014	1.097

Data Peak Day	Gallons in Millions per Day	Acre Feet per Day
2012(August 2)	17.12	52.54
2013(September 7)	16.10	49.41
2014(June 30)	14.022	43.03

Total Production of Water System	Acre Feet per Year
2004	10,379
2005	10,035
2006	10,108
2007	10,043
2008	10,192
2009	9,978
2010	10,043
2011	10,406
2012	10,442
2013	9,946



PUBLIC UTILITIES COMMITTEE MEETING OF
January 7, 2015
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
Councilor Signe Lindell		
Co-Sponsors	Title	Tentative Committee Schedule

Councilor Joseph Maestas		
Co-Sponsors	Title	Tentative Committee Schedule
	A RESOLUTION CREATING A SANTA FE PUBLIC UTILITY BOARD TO ADVISE THE GOVERNING BODY, ON BEHALF OF AND FOR THE BENEFIT OF THE RESIDENTS OF SANTA FE, ON CITY UTILITY CAPITAL, CONSERVATION, FINANCIAL PLANNING, OPERATING, RATE SETTING: AND SUSTAINABILITY PROGRAMS, PROJECTS, AND POLICIES.	Public Utilities Committee - 2/4/15 Finance Committee - 2/16/15 City Council - 2/28/15

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 .