



Agenda

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
200 Lincoln
WEDNESDAY, MARCH 4, 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 FEBRUARY 4, 2015 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. Report on Low Income Credit Policy Revision. (Diana Catanach)
10. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)

CONSENT – ACTION CALENDAR

11. Request for approval for City of Santa Fe to become a Charter Member of the Rio Grande Wildfire and Water Source Protection Collaborative Program. (Rick Carpenter)

Public Utilities Committee – 3/4/15
City Council – 3/11/15

12. Request for approval of a Sole Source contact with Weaver Construction for construction management services for reservoir improvements for the amount of \$124,913.00 exclusive of NMGRT. (Robert Jorgensen)

Public Utilities Committee – 3/4/15

Finance Committee – 3/16/15

City Council – 3/25/15

13. Request for approval of Resolution No. 2015-_____. A resolution creating a Santa Fe Public Utility Board to advise the governing body through the Public Utilities Committee on behalf of and for the benefit of the residents of Santa Fe, on city utility capital, conservation, financial planning, operations and rate setting. (John Alejandro) (Councilor Maestas)

Public Utilities Committee – 3/4/15

Finance Committee – 3/16/15

City Council – 3/25/15

DISCUSSION AND ACTION ITEMS

14. Request for approval of Bill No. 2015-_____. An Ordinance creating a new section 10-11 SFCC 1987 to prohibit the sale of single serving containers of alcoholic beverages, in sizes of eight ounces or less, within the municipal boundaries of the City of Santa Fe. (Alfred Walker) (Councilors Lindell, Dimas, Dominguez, Ives and Bushee)

Public Works committee (Public Hearing) – 2/23/15

Finance Committee – 3/2/15

Public Utilities Committee – 3/4/15

City Council (Request to Publish) – 3/11/15

City Council (Public Hearing) – 4/8/15

MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

MATTERS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: Wednesday, April 1, 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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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, March 4, 2015**

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, March 4, 2015, 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
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.

3. APPROVAL OF AGENDA

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

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Ives moved, seconded by Councilor Maestas, 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. *[Removed for discussion by Councilor Bushee]*
13. *[Removed for discussion by Councilor Bushee]*

5. APPROVAL OF MINUTES FROM THE FEBRUARY 4, 2015 PUC MEETING

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve the minutes of the PUC meeting of February 4, 2014, as presented.

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

INFORMATIONAL ITEMS

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

Alex Puglisi reviewed the *Weekly Water Report through February 15, 2015*, which is in the packet. Please see this document for specifics of this presentation.

Mr. Puglisi presented information from *Total Production-to-Date City of Santa Fe Water System Inclusive of BDD Imported and Produced Water*, dated February 19, 2015, which is in the packet. Please see this document for specifics of this presentation.

Mr. Puglisi presented information from the packet with regard to the McClure Reservoir construction, and it is hoped they can start work at the tower next week to start demolition, noting the picture in the packet on McClure Reservoir from 1946. He said the roads to the Reservoir have 2 inches of packed ice and below that they are very muddy and it is difficult to get the equipment up there right now.

Responding to Councilor Bushee, Mr. Puglisi said we're not seeing the runoff mainly because of the colder temperatures, but when there is a warming trend, we defiantly will see an increase in runoff.

Responding to Councilor Bushee, Mr. Puglisi said the capacity between the two reservoirs is at 5.9%, the reason being that McClure is totally off line and it is 4/5 of our storage capacity.

Councilor Bushee asked if any of our well fields are currently pumping, and Mr. Puglisi said no, the well fields have not been used in the month of February.

Councilor Bushee asked if there are still issues with the Northwest Well with the State Engineer.

Marcos Martinez, Assistant City Attorney said we are still actively involved in the Northwest well, with both the State and the protestants, and may be giving an update on that next week in Executive Session.

Councilor Bushee asked about the rest of the wells in the City.

Mr. Puglisi said the Baca Street well is under negotiation with the New Mexico Environment Department and Public Service Company of New Mexico. They met with them on December 18, 2014. At that time, PNM committed to entering the Corrective Action Fund (CAF) under the State which is meant mostly for petroleum products, but it is being used for other reasons right now. It is meant to remediate any area that could have been contaminated by petroleum products. In order to enter the CAF, there is a commitment to pay post facto fees for the tanks they had there. As of this date PNM has not paid the fees nor shown any inclination to enter the CAF as it committed to do on December 18, 2014. He said we are in contact with NMED trying to get them to push PNM along. The idea is that we need to come up with a new corrective action plan for the site. The corrective action chosen over 20 years ago hasn't worked and we still have plume with 48 inches of *[inaudible]* moving in a different direction. The well itself was pumping clear water because of the GAC columns, but saw no reason to continue pumping the well because it wasn't serving the purpose it was intended to serve as part of the cleanup plan.

Councilor Bushee asked if we can get an update on the Baca well in executive session, and Mr. Martinez said yes.

Mr. Puglisi said he will follow up with the attorney for PNM, because the Environment Department is just waiting for them to act. He said unfortunately we aren't a party to this and they're already under an enforcement and compliance regime. He said staff will present available options.

Mr. Martinez said the Settlement Agreement is between NMED and PNM as the entity that disclaims causing it, but is agreeing to some measure of responsibility for cleanup.

Responding to Councilor Bushee, Mr. Puglisi said there were no specific deadlines in the Settlement Agreement, and once PNM demonstrate 6 quarters of cone sampling at select wells.... noting there are 38 wells at the site, and they chose a subset of wells. Once PNM could demonstrate 6 quarters of clean sampling at the wells they could close out the Settlement Agreement, and we do consider them in compliance, although they have yet to do that. There are some wells showing decreases in concentration but new conditions have arisen at the site which basically negates the Settlement Agreement and the reason the City asked NMED to push PNM to renegotiate the Settlement Agreement with the City or to enter into some sort of enforcement action. The Settlement Agreements provides if there is any changed condition at the site, the Settlement Agreement can be voided. We found some monitoring wells which weren't contaminated previously which are now contaminated.

Councilor Bushee asked if we can intervene to make this happen.

Mr. Martinez said it is difficult because they already are under a compliance and enforcement regime and the Environment Department has not been very active at the highest levels, and does not seem to be very interested in pushing PNM more than they have to..

Responding to Councilor Bushee, Mr. Martinez said the PRC would have no jurisdiction over us because we are a different type of utility that the PRC doesn't have jurisdiction over us, which is why our remedies probably will be in Court.

Mr. Puglisi noted we will experience more runoff this year than last year which was 60% of normal and we are already above that.

CONSENT CALENDAR DISCUSSION

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

Councilor Bushee thought we would be getting a report on a single stream recycling collection program at the end of February.

Mr. Garcia said we were planning to do that, but "we want to make sure we have all of the information available so we have everything you need to make a positive decisions."

Councilor Bushee would like updates in advance of that date, noting Councilor Lindell is concerned about this as well.

Councilor Bushee asked about commercial recycling.

Mr. Garcia said they have approached some of the larger entities – Blake's, Allsup's – and have them on board. He said once we did the waste audits, it was clear to them it is in their best interest. He said we continue to do the waste audits. He said based on the third party processing, it is believed the increased materials will assist in commercial recycling. At that point, we can put out dumpsters with commingle material, versus cardboard, which will be attractive to more businesses that don't have enough cardboard to warrant a dumpster, but have enough material once the materials are added. He said he believes we'll see a large jump in 2015.

Councilor Bushee asked how many large retail operations they have reached out to.

Mr. Garcia they have reached out to quite a few, but they found some of the smaller commercial businesses are seeing potential savings by going to recycling. He said room for pickup is always a factor in Santa Fe.

Councilor Bushee said small businesses call her about commercial recycling, and asked how we will contact those businesses and is there any incentive we can offer.

Mr. Garcia said they're looking at a lot of different things, education and outreach they're looking at what we've done in the past, what we need to do in the future, and what we can do better so we can target some of these businesses that don't know what is available to them, actually going door to door in some locations. They also are looking to partner with SWMA on outreach and education, noting Gilda Montano will be the top person on that effort on the committee.

Councilor Bushee asked Mr. Garcia to develop a memorandum showing the City's strategy on single stream and which businesses. She asked when he would like to meet on that.

Mr. Garcia said whenever she wants to meet, commenting he does have information from Albuquerque and Silver City which have single stream recycling programs. He would like to see pay as you throw tied to single stream, automated recycling collection, noting there are pros and cons, but we can increase tonnage we are diverting from the landfill.

Councilor Bushee asked if there is a special fee, for example, for Seniors that generate very little trash.

Mr. Garcia said they're looking at 3 size bins and 32 is the smallest, which is one trash bag, so there will be a cost for residents that generate one bag, and there is an assistance program available as well.

Councilor Bushee noted the agriculture policy is going before a Climate Action Task Force which has no authorization through the Council. She generated an Ordinance some time ago. She said, "I'm not at all in the loop on this, and I'm continuing to feel not happy about that."

Mr. Schiavo asked Councilor Bushee if she can meet in the next two weeks.

Councilor Bushee said she will meet with him if he will give her a time.

Mr. Schiavo will work with Mr. Garcia and Ms. Mortimer and set up that meeting as soon as possible.

Councilor Bushee said, "I just find it disappointing that it's going to a task force that's never even really been authorized to exist, so, that's my wrap on that one."

Councilor Bushee asked what's happening at the Frank Ortiz Landfill.

Mr. Garcia said Sunbelt has completed its study, so there won't be any action with Sunbelt at the site. We are working with the NMED Groundwater to see what the next step will be, noting the report was very positive. They found that the depth of garbage was 4 feet and in some areas 2 feet.

Councilor Bushee asked about the monitoring wells.

Mr. Garcia said they have one monitoring well currently, and based on groundwater flow they aren't sure it's in the best spot, but they selected the site. It is possible that the follow to the Stage 1 Abatement Plan could mandate us to install additional wells.

Responding to Councilor Bushee, Mr. Garcia said they came up with a footprint of the landfill and showed us where they believe waste is buried in areas close to the arroyo where there is minimal coverage of waste. And we've actually done the Bank Stabilization Project there which has diverted a lot of that waste from being able to go into the Arroyo de Torreon.

Councilor Bushee asked if they referred to the Regenesis studies that were done out there.

Mr. Garcia said he isn't familiar with that study.

Councilor Bushee said he should find them, so she can see what's changed since we spent a lot of money with that company.

Mr. Garcia said an initial study was done by CDM Smith.

Councilor Bushee said Regenesis may have done the restoration or reparation, noting they did a lot of water work out there.

Mr. Garcia said he will look into it.

Responding to Councilor Bushee's question about staffing, Mr. Schiavo said someone was hired, and a press release is going out tomorrow, noting he handed the resume to Matthew Ross this afternoon. He said Cindy Padilla will be starting on Monday. She has been retired for a year, and she's dedicated and willing to come back to the City for multiple years.

8. UTILITY BILLING DIVISION UPDATE. (DIANA CATANACH)

Councilor asked how the Badger project is rolling out, and asked about any billing issues.

Diana Catanach said they are in the implementation phase with Badger, with May 15, 2015 as our first install, noting we will do 800 in the first phase. She said there have been meetings with Badger, the City and the contractor in place, and there has been a lot of activity with IT to make sure we will connect to the billing system.

Responding to Councilor Bushee, Ms. Catanach said there is an opt out option, noting there is a monthly fee associated with that to have a manual read, although they haven't come up with a monthly fee. She is working with Matt Ross on how to communicate the option to the public, although we want to promote the Badger Meter installation in the beginning.

Councilor Bushee said there are a number of people who don't want the Badger and she hopes the opt-out fee will be minimal. She hopes this system works better than the previous system.

Responding to Councilor Bushee, Ms. Catanach said Badger has a chart to start with 800, starting with the Public Schools which are the hardest to read, and then each phase will have 3,000 to 4,000 meters with installation over a year or year and a half to install all 34,000 Badgers.

Councilor Bushee said she hears complaints about the bins, paying on line and such, and asked Ms. Catanach if she is feeling good about customer service.

Ms. Catanach said yes, noting her approach is to involve staff and get their ideas and buy-in on what they're doing and making the process work for them. She said Patrick Gallagher met with Customer Service Staff to see what tools they need so we can work on things such as telephone etiquette, making sure they have everything at their fingertips for new customers – what things do we need to make sure our customers know so they're not blindsided when they get a bill.

Councilor Bushee asked about the language in paragraph 1 regarding the target date to go live in April 2015.

Ms. Catanach said that date has been pushed out and she wants to first send out a good bill without thousands of incorrect bills. She said before we sign off on anything, she wants to be sure the system is fully functional and we are sure we hit every cycle, every read and everything is going correctly. She said the Core Team is doing an excellent job on testing to make sure all bases are covered and everything looks good.

Councilor Bushee asked if there is a way to get a list of small businesses who have some sort of City utilities with whom we can pursue commercial recycling.

Ms. Catanach said they can work collaboratively, noting IT has a critical role in the generation of data for water, sewer and refuse.

9. REPORT ON LOW INCOME CREDIT POLICY REVISION. (DIANA CATANACH)

Councilor Bushee asked how this has changed from the previous policy.

Ms. Catanach said the only changes are the Federal Poverty Limit Guidelines, and the numbers change based on the annual federal figures.

Councilor Bushee asked what percentage of the customer base qualifies under the new guidelines.

Ms. Catanach said it tends to increase it annually, because the poverty limits go up and the annual income is a little lower. She said it is roughly 15% of our customers and she expects that to increase by about 2%.

Councilor Maestas said a constituent contacted him months ago with a complaint that we require his Section 8 income to be counted as his income, and Section 8 goes to landlord, and asked if that has been corrected.

Mr. Schiavo said we absolutely addressed that, and we got a reading from Mr. Martinez and the City Attorney saying it doesn't need to be counted. We have revised the application, so that gentleman has been helped off.

Councilor Maestas said he had a complaint from someone in one of the City's affordable housing units, perhaps Section 8, that they couldn't get out of the cycle of dependence on Section 8 housing, because affordable housing was counting Section 8 as gross income.

Mr. Schiavo said, "To be absolutely clear, none of the Section 8 funding is being counted toward this person's income or household income, so that person was able to qualify."

Councilor Maestas that same person called him back.

Mr. Schiavo said, "He was calling you back because I think we're still making him complete the application on a quarterly basis. Was that his concern."

Councilor Maestas asked the reason.

Ms. Catanach said the Policy states we have to get a new application ever 3 months, unless you're age 60 or if you have a permanent disability.

Councilor Maestas said this person claims he has a disability, and asked if there is any other credit. He asked if you meet the poverty guidelines and disabled, does he get an additional credit.

Ms. Catanach said no.

Councilor Maestas said his constituent's issue was why he can't get similar discounts for other City services if he is disabled.

Mr. Schiavo said that particular discount was written into the Ordinance, and if you would like to close that by Resolution, staff could review it. He said it is for water, refuse and sewer.

Councilor Maestas said he would contact Mr. Schiavo off-line on the other things.

Councilor Ives said he would like to make it as easy as possible for people who are 60 or over or have a medically verified permanent disability to re-up if we believe that is necessary. He said you said they can get the forms on-line, noting many people over 60 with disabilities may not have access to the internet. He said Mr. Schiavo said they can email it back, and asked if they need to print, sign and scan it and then email it back.

Ms. Catanach said it is a cumbersome process and they have to print it to fill it out because it is a pdf format and they can't put information on the form. They would have to scan it and email it back. She said regarding having to reapply every year, is historically people have expired and we're unaware of it. If we didn't have a new application, we would continue to give that discount. Additionally, they send out letters to all of the customers on LIC, with the application attached, noting those go out this month.

Councilor Ives asked if there is a compromise position where people going on line could just check affirming, as opposed to going through the aforementioned cumbersome process. He asked Ms., Catanach to provide a sample of the letter that is set out. He is looking for easier ways to do this for those qualifying for the program, especially those with disabilities which could be extensive.

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

Councilor Bushee said she pulled this to ask about snowpack which has been answered to some degree. She asked about the Wild Earth Guardians.

Rick Carpenter said has heard nothing further on that case since the last update he gave to this Committee.

Mr. Carpenter said he had bad news, but now has better news. He said he had an update from the people at DOI and the Corps, and they were projecting that deliveries from the San Juan/Chama project would be as low as 50% of normal which was bad news. He said a few days after that, we had a series of storms and they are projecting 75% of normal. If we get more snowstorms we could get close to 100%. He said there will be a report on this at the BDD Board meeting tomorrow. He said the Facility Manager is in the process of entering into a series of contracts to do a series of *[inaudible]* so not too much sand is brought in with the water. The plan is to get into the River, make the repairs and get out before April 15th which is when we start running into endangered species constraints and then be able to divert as much water as possible through the high demand season.

Responding to Councilor Bushee, Mr. Carpenter said the turbidity and settlement will come and go, especially with high CFS wells in the River, and it is a balancing act with the rest of the sources of supply.

Councilor Bushee asked about the Silvery Minnow.

Mr. Carpenter said the minnow isn't doing very well this year, regardless of flows. The spawn wasn't very good. The majority of minnows captured and studied are minnows from the refuge and naturally allowed fish. They will be keeping us updated on a monthly basis, and we'll hope for the best through the summer.

Councilor Bushee asked him to add the Silvery Minnow to his next report, and Mr. Carpenter said he would do so.

Councilor Ives said in last month's minutes, there was a statement by a director, that they were trying to put the catch basin in and do that work and complete it by the first of May or mid-May, and the statement was made, "in order to complete it before Spring runoff began." He is concerned the Spring runoff is going to wait until mid-May, given some of the weather we'll be having. He asked if that process can be speeded up if the Spring run-off is going to cause problems to that work, commenting "that may be a bit treacherous."

Ms. Carpenter said the projected date was May 5, 2015, as discussed at the last Board meeting, and generally when you start to see the flows spike up. He said April 15th is more the driver now than the Spring runoff. He said the thinking has evolved in the type of dam being built and what is being contemplated and being designed is more substantial.

CONSENT – ACTION CALENDAR

11. **REQUEST FOR APPROVAL FOR CITY OF SANTA FE TO BECOME A CHARTER MEMBER OF THE RIO GRANDE WILDFIRE AND WATER SOURCE PROTECTION COLLABORATIVE PROGRAM. (RICK CARPENTER) Review: Public Utilities Committee 03/04/15; and City Council 03/11/15.**

Councilor Maestas said he has been getting a lot of emails and is unsure the public really understands what this action is. He thinks it's a charter where they're asking us to be a signatory to collaborate on any kind of future watershed protection projects. He said they work with 600,000 acres, and thinning and control burns. He said there are people out there who are fundamentally against control burns in the vein of watershed protection. He asked if Buckman is pushing this, commenting he sees them as a sponsor, so they could be contributing funding to future projects. He asked the City's role in this project.

Mr. Carpenter said the BDD isn't considered to be a political subdivision of the State, and doesn't set rates and those kinds of things, so it couldn't be asked to contribute, that would have to go through the City or the County, and the reason the City is being asked to sign as a Charter member. The County also could sign up if it wished. He said the 600,000 acres is a "great big blob that has been dropped over the watersheds of concern, Rio Grande, our own watershed up in the Jemez." It doesn't mean that all 600,000 of those acres will be treated, and probably not even a very small portion, noting it is very costly to do that. He said the City gets a seat at the table when it signs as a Charter member, for discussions on regional planning, governance, review of proposals, management of ongoing projects and such. It would surprise him if the organization approached the City in the future asking the City to contribute funds. Mr. Carpenter said there is a flip side that says we can also submit proposals for funding of our own projects.

Councilor Maestas is concerned that the public doesn't understand the overall conservation plan which is referenced in the Charter. He asked if the City had any involvement or input in the development of this Rio Grande Conservation Plan.

Mr. Carpenter said, "Only that I, myself have attended a few meetings to discuss it in concept, and I've watched it evolve and become something other than an amorphous idea, but that's about it."

Councilor Maestas said it is a living plan, so if we have a seat at the table, will we have the opportunity to amend the Plan. He said the people sending him emails are more concerned about controlled burning versus a mechanical setting. He said he could support this, if there is a way we can influence the projects, certainly the projects we want to have to minimize control burning and rely more heavily on mechanical thinning. He thinks we should have had a briefing on the conservation plan first to

get better context before we agree to be a signatory in this collaborative. He didn't get a sense of what the current governance is to implement the plan. He said it seems this group will be advisory.

Mr. Carpenter said there are two levels. There is a technical group that evaluates the technical aspects of planning for the region, sending out RFP's and evaluating those. There is an Executive Committee above that, and that's where the discussions of control burns versus mechanical thinning and such would take place, as well as any amendments to the Charter, the Plan or the governance, bylaws and such would take place there. He said this is the reason he was recommending at some point we should consider becoming a charter member because we would have a seat at the table at that point.

Councilor Maestas said he doesn't know the current governance and how this group can impact the governance and future management of this plan and other facets. He said there probably are funding opportunities for the City, but the downside is a lack of understanding out there and people have the perception we're going to do a 600,000 acre control burn. He asked the urgency to approve this.

Mr. Carpenter said there is no real urgency and it can come back to the next PUC, and he can meet with Councilor Maestas individually if that would help.

Councilor Maestas said people are alarmed, and he doesn't want to slow this down, and he is thinking of a compromise where we get an abbreviated presentation on the plan and governance, as well as a short discussion on how this body will move forward and impact the plan, as well as the decision-making in implementing the plan. We could have a discussion about any preliminary projects in our watershed that we might want to fund under this. The issues are what we will be doing in the Santa Fe area.

Mr. Carpenter said we have submitted a proposal for our own watershed under this program.

Councilor Maestas thinks we lack context. It's an overall good effort, but there are people who are really hot about it, and offered to forward the emails. He thinks we should take a step back, get proper context for this committee, find out everything in the plan, the advisory body, and existing governance and some of our own projects. Then we can really articulate what is happening with the organization to our constituencies. He is unsure he can support this now, commenting it is up to his colleagues.

Councilor Bushee asked if the expectation is for additional funds if we join this organization.

Mr. Carpenter said he doesn't know there is an expectation, but there is an opportunity if the Governing Body wanted to participate and contributing funds, as well as an opportunity to receive funds for our proposals for watershed management.

Councilor Bushee asked who develops the plan.

Mr. Carpenter said it would be the technical community with oversight from the executive committee.

Councilor Bushee asked if this is the group which has not been formed.

Mr. Carpenter there are State and federal agencies, NGO's, water purveyors that are being asked right now to do the same thing they are asking us to do which is to sign the charter and become an actual organization.

Councilor Bushee said she is speaking of the plan and how we will approach any thinning or efforts, and if there is still an opportunity develop that plan.

Mr. Carpenter said, "It's a work in progress. Yes."

Responding to Councilor Bushee, Mr. Carpenter said the City of Santa is the furthestest one north and other agencies are the U.S. Forest Service, State Forestry, City of Albuquerque, MIGCD, agencies like that.

Councilor Bushee said the City has the most thinning that is needed.

Mr. Carpenter said we have two watersheds that could be impacted positively or negatively by action or inaction – the McClure Reservoir, Upper Canyon Watershed and the BDD with the Jemez watersheds. He said we've already seen what can happen with the BDD after the big fires.

Councilor Bushee asked, if we join this Charter, if we will go through a very public process, noting we have done so previously. She asked if we could join with the caveat that we conduct our own process and add that to the plan which deals with just our watershed.

Mr. Carpenter said this would be a good idea, and would help to foster the development of additional proposal the City could submit to this organization for possible funding assistance.

Councilor Bushee asked Mr. Carpenter if he would suggest postponing this until you have that discussion to see how valid that effort would be. She is inclined to join the organization, but having a public effort around how we're going to do it is always a good thing.

Mr. Carpenter said his suggestion would be to do the two efforts in parallel. He said the Charter is non-binding and we can withdraw at any time. He said personally, he would like to sit at the table with the ground floor of this thing, and in parallel have our own public process.

Councilor Bushee asked if he thinks they would be open to this, and Mr. Carpenter said yes.

MOTION: Councilor Bushee moved, seconded by Councilor Ives, to approve this request, with direction that we move forward with parallel process with a public input process.

DISCUSSION: Councilor Ives said he wants to move forward but he has questions similar to Councilor Maestas. He said he looked at the Rio Grande Water Fund Comprehensive Plan from July 2014 and he doesn't under the relationship between those sorts of efforts which will be forest grants and if this collaborative is meant to support those efforts. He thinks the intent is good and he is happy to move it forward and there is more that he wants to know about its complexities and more of the details. He noted that the Executive Committee "is called to develop criteria to evaluate and recommend proposed forest, grassland and watershed restoration projects." He asked if we intend having someone participate on the Executive Committee.

Mr. Carpenter said that is correct.

Councilor Ives said, if so, should there not be an FIR that covers to some degree that as a new job duty for somebody from the City to this organization.

Mr. Carpenter said there is an FIR that went forward, noting they don't anticipate a lot of staff effort on this. He said they don't know how often they are going to meet, but probably quarterly, so a few hours every 3 months would be the staff effort.

Councilor Ives reiterated he wants this to move forward, especially when it comes time to do thinning across the watershed, noting thinning can increase water supply by allowing more snow to fall to the ground and then be sheltered from evaporation. He said all of these are good goals, but he would love to understand more, and suggested inviting people from the Nature Conservancy to talk about that and how it relates to this organization, saying he would gladly participate.

Mr. Carpenter said he thinks that multiple representatives would be happy to come back and address this Committee.

Councilor Bushee said she wants regular updates at this Committee, if it is approved by the Council.

Councilor Ives said Mr. Carpenter mentioned a technical group, and asked if that is referenced anywhere in this document.

Mr. Carpenter said, "I don't believe the technical group is referenced, but they are a lower level group of hydrologists and soil people that will help develop criteria, help evaluate proposals as they come in for their technical accuracy and how well the proposals are achieving the goals of the group. It is certainly visioned in the by-laws, if I recall. I'm not sure it is in the actual Charter or not. But it definitely envisioned as being a piece of the group"

Councilor Ives said he would like a copy of the By-laws, and would like to better understand the workings of the technical group in the context of this.

Mr. Carpenter said he will provide those documents.

Councilor Ives said he mentioned the City has submitted a proposal relating to thinning of the upper watershed, and he would love to see that as well.

Chair Rivera asked Mr. Carpenter to send all of the requested items to the entire committee.

VOTE: The motion was approved on a voice vote, with Councilor Bushee and Councilor Ives voting in favor of the motion, and Councilor Maestas voting against.

12. REQUEST FOR APPROVAL OF A SOLE SOURCE CONTRACT WITH WEAVER CONSTRUCTION FOR CONSTRUCTION MANAGEMENT SERVICES FOR RESERVOIR IMPROVEMENTS FOR THE AMOUNT OF \$124,913 EXCLUSIVE OF NMGRT (ROBERT JORGENSEN) Review: Public Utilities Committee 03/04/15; Finance Committee 03/16/15; and City Council 03/25/15.

Councilor Bushee said we have had a contract with this company since 2011, and Mr. Jorgensen said this is correct.

Councilor Bushee asked the reason this is a sole source.

Mr. Jorgensen said, "The contract started concurrently with the design of the project, and a large majority of the front end of the project was in the design phase. We went from building anticipated catwalks to the existing towers when a structural analysis was done by the engineering firm. It was determined the towers needed to be replaced. That extended the engineering portion of the project 24 months. So basically, the construction manager was hired to look at value engineering, which they did, but that basically extended the project. And then we had a change order, as you know, to delay construction because we could not drain McClure. So they've done construction management for Nichols. And we feel if we can't finish with the same construction manager, it would not be in the best interest of the City because it would be basically changing horses in the middle of the stream."

Councilor Bushee said, "I'm not suggesting that we do that. But I guess I want to hear, and I'm sorry, it was 4 years, I want to hear that in 2011 there was a bid process. They won the bid fair and square. They were not considered sole source then."

Mr. Jorgensen said, "That's correct. They went through an RFP process. And then purchasing regulations say you cannot extend an RFP past 4 years."

Councilor Bushee said then this will be the last amendment.

Mr. Jorgensen said, "We can't amend it, so on advice of Robert Rodarte that we could look at a sole source. We've looked at two alternatives to sole source, and find that a sole source is in the best interest of the City."

Councilor Bushee said, "If I were another construction management company and saw that as sole source I'd be not happy."

Mr. Jorgensen said, "This was posted pursuant to the Purchasing Regulations, so it was posted for the 30 day period."

Councilor Bushee asked if there is an incentive built-in for them to finish on time, weather permitting.

Mr. Jorgensen said, "Basically a negative incentive on the construction contract of liquidated damages in the amount of \$1,000 per day if they exceed November 27, 2015 end service date. So I guess there is a disincentive. There is no positive incentive. And we discussed that with the contractor, looked at it before, and just feel this is the best possible way to look at the construction complete date without withhold the contract price as bid."

Councilor Bushee said it sounds like we need to do this. "I just get nervous when there are sole source contracts of that amount. I would have expected this is an amendment, because we've used them before, but however you've got to do it. I'm going to let somebody else move for approval."

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

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

13. **REQUEST FOR APPROVAL OF RESOLUTION NO. 2015- ____.** A RESOLUTION CREATING A SANTA FE PUBLIC UTILITY BOARD TO ADVISE THE GOVERNING BODY THROUGH THE PUBLIC UTILITIES COMMITTEE ON BEHALF OF AND FOR THE BENEFIT OF THE RESIDENTS OF SANTA FE, ON CITY UTILITY CAPITAL, CONSERVATION, FINANCIAL PLANNING, OPERATIONS AND RATE SETTING (COUNCILOR MAESTAS). (JOHN ALEJANDRO) Review: Public Utilities Committee 03/04/15; Finance Committee 03/16/15; and City Council 03/25/15

Councilor Bushee said she read through the Resolution, noting the Water Conservation Committee Chair serves on this Committee. She asked how many public members there are on that board.

Councilor Ives said they are down one member with Melissa McDonald leaving the Committee, and there are either 11 or 13 people on the Committee. It is a large committee, but we have 5 different working groups that are tackling different issues, and one of the working groups completes its work on a particular project, we find a new area of significance.

Councilor Bushee asked Councilor Ives how he feels about being folded in on this.

Councilor Ives said, "I'm not a fan, obviously. The Water Conservation Committee has done what I

consider to be brilliant work within the City on conservation efforts. Several of the members have been working on an entirely new approach to try to incentivize water savings in construction, developing what is called a WERS system similar to the HERS system on the electric side. And those proposals are under consideration at the Legislature, part of Peter Wirth's measures on tax credits for conservation efforts in water and in building."

Councilor Bushee said, "Then I guess the answer is you do not like this so much."

Councilor Ives said, "I certainly don't like that provision, because I think they're valuable."

Councilor Bushee said the other concern she has is that we have members of the public on the BDD Board, we have the Water Conservation Committee already, with staff running around trying to staff them all. She said in rate setting in the past, we've had subcommittees of either Public Utilities or another Council Committee working on that, but Councilor Calvert was always on them. She said, "Initially, I said okay about this, but I'm less inclined to feel like this is needed. It feels as if the Conservation Committee, which is a very specific thing and the rest of the scope of work is financial planning and operations for the utility. I think we've got that covered at the BDD and with this Committee. I don't have so many questions for you, as I keep reading this. I feel it's duplicative."

Councilor Maestas said going back to the campaign, he received an ear full on the water rates, noting we had just finished a series of water rate increases, and just starting a number of consecutive Wastewater Rate increase. Then throw in the automatic meters and the problems with the previous system and the \$8 million purchase of the Badger systems. He said folks are upset and don't really understand the rate setting process and the actuarial analysis that is behind maintaining a certain minimum water fund, which is 150% above the debt services.

Councilor Maestas said we just had lengthy dialogue about energy and understanding energy markets and looking into the legal framework to establish a public utility which he thought was an advanced dialogue. He said he thought, "Maybe we ought to step back and create a more fundamental forum to allow the public to participate, not just participate, but be a part of providing advice to the City and we can benefit from their expertise through this Public Utility Board. One thing we had done, staff and myself, is I was inspired by the Public Utility Board in Portland. It is comprised of a number of professionals, CPA's, folks that are familiar with financial planning and bonding, and folks in the technical community."

Councilor Maestas continued, "So, I see this Public Utility Board as an opportunity to create that community dialogue that you wanted. I think it will not only provide a forum for public dialogue, it will allow the public to truly understand what goes into managing a public utility and they get to provide us with some advice. We thought about could we consolidate committees, because I'm the last person that wants to create another Committee. And I know we just created a Veterans Advisory Board and it's for a noble cause. We had actually considered sunseting a couple of other committees that we thought would be related or would fall under the overall scope of this Public Utility Board, like the Sustainability Commission, but we felt no, that's much too broad."

Councilor Maestas continued, "But what we did feel would make this budget neutral is it would essentially reconstitute the Water Conservation Committee and rebrand it as a Public Utility Board and broaden its scope. Granted, if we did that, there would be no disruption to the current structure of water conservation. The Public Utility Board Scope would include the scope of the Conservation Committee. So we feel that could be seamless and it's budget neutral in that we're not creating an additional committee, and further extending I think limited staff resources."

Councilor Maestas continued, "This public committee, there are other dialogues going on about other possible, new, emerging utility enterprises like broadband. I know telecom is not in our realm, but we have had a lot of telecom issues. We've talked about possibly imposing a gross receipts tax on telecom. I don't think we've had a dialogue on what we're doing in terms of broadband. So I think this Public Utility Board really has the capacity, if we so choose, to address some of these other emerging issues that affect our community."

Councilor Maestas continued, "Really in summary, I see it as taking a step back. I think if the public sees community members represented on this Board, actively involved in understanding what is behind setting our rates, what is behind our capital purchases such as the Badger meter system, I believe we would gain a lot of public trust. We could benefit from expertise in our community and we wouldn't really require any additional resources. Because this, again, would reconstitute the Water Conservation Committee. That Committee is doing some outstanding work, and I think this action would by no means dilute the work of the Water Conservation Committee."

Councilor Maestas continued, "And in fact, John you might want to explain the conversation that we had when we thought well let's put some explicit language of just reconstituting the Water Conservation Committee. We felt the Resolution really speaks to that, so we didn't want to be that explicit, but we did toss that around. John, add anything you want to add in terms of your research on Public Utility Boards and how they've helped other progressive cities such as Portland, Boulder and I think we looked at some other cities. Anything you want to add."

John Alejandro said in the research looking at different cities, there were a variety of public utility boards. Some were very formal in making recommendations to the Governing Body and overseeing utilities, some were advisory in nature. He said this Resolution reflects an advisory committee composed of various experts as outlined by Councilor Maestas,

[Councilor Bushee's remarks here are inaudible because her microphone wasn't functioning]. She said, "At his juncture, without an electric facility and with the current advisory boards, SWMA on solid waste, the Water Conservation Committee, I feel like this is an over-reach and a duplication and I don't see the point of it. *[Councilor Bushee's remarks here are inaudible because her microphone wasn't functioning].* The former Water Trust Board went by the wayside when we bought the water utility."

Councilor Maestas said we have some other financial issues we're looking at on the Finance Committee, and if the public was involved and advising the City, he thinks that would be of great benefit. He said, "We have been trying to redirect the gross receipts taxes that are funding some of the utility

enterprises and we're looking at whether it would be cost beneficial to do that. And I think the public understood what we are trying to do in terms of redirect funds dedicated to enterprises which should be self sufficient to the General Fund, I think that would be a great public exercise and we would benefit from a better perception, better trust and understanding of some of the issues of the day."

Councilor Maestas continued, "And getting back to Water Conservation. It's not an additional entity, it would be a reconstituted Water Conservation Committee. So the Water Conservation charge would still continue, but they would have a core duty to look at the nuts and bolts of managing a utility enterprise with a focus on capital planning, financial planning and rate setting. Let's face it, a lot of the public doesn't understand. They're thinking we've done so well in conserving water. Our water use per day is probably the lowest it's ever been, but the rates are dependent on water volume, so we had to increase wastewater rates because the community has done such a great job in conserving water, and that probably confounds the general perception."

Councilor Maestas continued saying he sees this as public education and involvement and giving the public the opportunity to advise us using their expertise, and he thinks it's a win-win situation. He said we can start with the basics and expand regionally, or maybe look at other emerging utility issues. He sees many many benefits.

Councilor Ives said he would invite everyone to the Water Conservation Committee meeting next Tuesday, 4:00 to 6:00 p.m., because the members would have comments to share in terms of the modification he proposes. He said in order not to create something new, it sounds as if Water Conservation has been identified as the group that meets that. If it's rate setting and dealing with public financing and business types of things, Business & Quality of Life might be an even better match for it."

Councilor Ives continued, "The Water Conservation Committee is composed, and carefully constructed to include members from the diverse aspects of the water related community, including landscaping, builders, people with water and technical expertise, and this does fundamentally shift those balances that have brought together large segments of public input from various segments of the Santa Fe economy, reaching consensus through the Committee on how we deal with water issues. "So, I think it's not as simple as saying this doesn't change a whole lot, I think it does. Rate setting is different than water conservation. It would mean creating something new. I think that's really functionally what this does, although I know each time, as Councilor Bushee has pointed out, we look at rate increases we are contracting with large dollar contracts to get the expertise needed to look at our system, understand the debt instruments we have to meet, with deep expertise in rate setting for such utilities to come forward with proposals. So, by creating this, I'm not sure we would be changing that at all. And I think public input is always great, that I love. And I'm happy to try to find greater roles to encourage public input on all those issues, and I wouldn't preclude that at this time."

Councilor Ives continued, pointing out when we change rates we change Ordinances and we have public hearings through a series of committees looking at the issues. He said, "I would be willing to look at having more public hearings at the committee level to engage people in those process. I am unsure you will get more public input in a 9-member commission that we do now. We do need public input on this, but

I suspect most of the input would be 'don't raise my rates'." He sees it as very different than Water Conservation in terms of utility rate setting. He doesn't think SWMA or the Water Division does a bad job of that currently. If the objective is to have greater public input and gather that in a more intelligent way, he is definitely in favor of that.

Councilor Maestas said then it isn't a good mix with the rate setting and financial planning.

Councilor Ives said, "I don't think our folks purport to be rate setters at all and.... they might propose increases, but they would never be the folks doing the analysis."

Councilor Maestas said, "Mr. Chair, I'm happy to withdraw it and certainly look at removing the Water Conservation Committee. And maybe we can vet this through some other committees as well and get public feedback." He asked Mr. Alejandro if this something we can do.

Mr. Alejandro said it definitely is something we can do.

Councilor Rivera asked Mr. Martinez and Ms. Helberg if a motion is needed to withdraw this legislation.

Mr. Martinez said, "It's not clear right now if there is a pending motion."

Councilor Ives asked if there is a motion to withdraw the measure at this point in time and to explore other options, and look at possibly amending it.

Mr. Martinez said, "I think you can always make the motion and there's nothing wrong with it, but the question was whether it was necessary or not. But in the interest of being conservative, I would just suggest you make a motion to withdraw and return at a later date."

MOTION: Councilor Maestas moved, seconded by Councilor Ives, to withdraw this legislation and return with it at a later date to this Committee..

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

DISCUSSION AND ACTION ITEMS

14. **REQUEST FOR APPROVAL OF BILL NO. 2015- _____. AN ORDINANCE CREATING A NEW SECTION 10-11 SFCC 1987, TO PROHIBIT THE SALE OF SINGLE SERVING CONTAINERS OF ALCOHOLIC BEVERAGES, IN SIZES OF EIGHT OUNCES OR LESS, WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE (COUNCILORS LINDELL, DIMAS, DOMINGUEZ, IVES AND BUSHEE). (ALFRED WALKER). Review: Public Works Committee (Public Hearing) 02/23/15; Finance Committee 03/02/15; Public Utilities Committee 03/04/15; City Council (Request to Publish) 03/11/15; and City Council (Public Hearing) 04/08/15**

A copy of a proposed amendment to this bill sponsored by Councilor Signe J. Lindell, is incorporated herewith to these minutes as Exhibit "1."

Disclosure: Councilor Maestas said, "I have a statement to read into the record. I have disclosed that I have an interest in a family business that owns an inter-local dispenser liquor license in Espanola that is currently for sale. And I have recused myself from voting on inter-local license transfer request and from any discussion relating to inter-local transfer licenses in general. At Monday's Finance Committee meeting, I participated in the Committee's consideration of the item that is #14 on this Committee's agenda tonight. I did so in the believe that there was no conflict in part, because the City Attorney had not advised me that there was. Nevertheless I did disclose the interest to assure transparency. A motion on the item failed, so my participation did not influence the outcome. Subsequently, I spoke to the City Attorney who advised that believes there is a conflict requiring recusal. As a result, I will recuse myself from participating in this matter tonight and in the future. That's all Mr. Chairman. I'm going to head out."

Albert Walker, Assistant City Attorney, said he has no presentation and will stand for questions.

Councilor Bushee asked if the amendment handed out would mean it is okay to drink on-site.

Mr. Walker said, "The primary impetus for this insertion was the question that was raised at the original Public Hearing at the Public Works Committee about how this might affect the sale of miniatures in hotel mini-bars. So this was inserted, because this is a litter control issue and the theory is that people that drink in their hotel rooms are probably going to throw them in the trash basket and not out on the street. And I don't know if there are bars that sell miniatures to consumers. A liquor store normally sells only for off-site consumption. It depends on the type of license the establishment has. It's either off-site sales or on-site sales."

Councilor Bushee asked Mr. Walker if he understands her question.

Mr. Walker said, "Yes. I believe that off site and on site are both terms of art. A bar is designed for on-site consumption. Owl's Liquor's is designed for off-site consumption. In fact if you open a bottle of liquor inside Owl's Liquors, you are violating the law. And if the establish knows what's going on, they're violating the Liquor Control Act. So, this is just intended for that situation where, presumably, the hotel would have a license that allowed the on-site consumption of alcohol."

Councilor Bushee said it says, "...shall not be sold or offered for sale for off-site consumption."

Mr. Walker said, "That is correct. So that means it prohibits an establishment from selling miniatures that are intended to be taken out of the establishment to be consumed. It would allow the sale of miniatures that are intended to be consumed on-site, such as in a hotel room."

Councilor Bushee asked what happens if someone in a hotel grabs a miniature and take it in their car.

Mr. Walker said, "They can do that, that's always a possibility. Again, I think the presumption is that somebody who rents a hotel room and buys a miniature in the hotel mini bar for \$5 is probably not renting the hotel room just to buy a miniature. They're probably going to consume it there. Probably are going to leave it there. They could take it out and they could discard it. That's always a possibility. The litter you see on the streets of Santa Fe, these bottles, I suspect the vast majority of them come from convenience stores, liquor stores and not from hotel mini bars."

Councilor Bushee said she attempted this through Mr. Walker some years ago because of the situation at the Railyard, and she was told she could not impede commerce. So this is a tactic to take it as a litter issue, the way you feel we will not be challenged legally."

Mr. Walker said, "I strongly believe that the City can address litter issues in any way that it sees fit. The City has already passed the plastic grocery bag ban as part of that purpose. And litter issues, I believe, should be addressed by the Courts under what is called a rational basis test, which is there a problem the City Council sees and is this a rational way to approach it. And it doesn't have to be a comprehensive way, it doesn't have to be the complete way. It can be one issue. For example, again the plastic grocery bag ban."

Councilor Bushee said Taos just did this.

Mr. Walker said, "I don't know where they are in the process. I know they were looking at it."

Councilor Bushee asked Mr. Walker to follow up with Taos before this comes to the Council, with regard to how Taos accomplished this.

Mr. Walker said he will check with Taos. He said, "My understanding is that it had been proposed. In fact, I was in contact with the Assistant Taos County Attorney, because she had some questions about this, and we discussed ideas. And they're doing it the same way the City is."

Councilor Bushee said she asks because on Face Book, a Former City Attorney, Mark Basham, said the City cannot regulate this.

Mr. Walker said Mr. Basham has called him.

Councilor Bushee said she is in favor of this. She said this is the cheapest and most accessible way for people to get drunk, and adds to our drunk driving problem, and hugely adds to our litter problem. She said the miniature is consumed quickly and tossed. She sees no reason not to consider this, and she doesn't see this as a trivial issue.

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

DISCUSSION: Councilor Ives said this really is a trash issue for him, noting we're not trying to prohibit alcohol sales period, but if you look at the nature and quality of litter in trash in various areas of the City you will frequently see these miniature bottles which is unsightly. It is high time the City did something about it and he supports it wholeheartedly as an effort to remove litter from the streets and beautify our City.

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

MATTERS FROM THE PUBLIC

A copy of a document with the heading *Public Utility Board Resolution – City of Santa Fe – March 4, 2015*, entered for the record by John McFie, is incorporated herewith to these minutes as Exhibit "2."

John McFie, 2712 Sol y Lomas Loop, said he is here to speak in support of the Public Utilities Board proposal. He said, "In communication with Councilor Maestas, he envision a greater public forum to discuss these things in more detail. We envision over the next decade how much more complex this issue is going to become, particularly if we take on the electricity obviously. I have a handout [Exhibit "2"]. I read a wonderful article today from Chattanooga, who has recently put a fiberoptic system throughout the whole City. And they've seen a great economic increase in jobs, because they have dramatically increased the internet and cable services by having a public utility. So in addition to having a public utility, because you guys will be tasked with having not only an electric utility but also a telecommunications utility. And I can't believe I found this article an hour before I came here, which perfectly outlines what a public telecommunications utility would look like, with the example of Comcast takes 25 minutes to download a two hour video and the system in Chattanooga now takes 33 seconds. And obviously that's an enormous attraction to business. City employees, county employees, I'm estimating 8,000 public employees in town if they could all save an hour a day, that's 8,000 hours a day. You guys have County services and City services in the City. [Inaudible]"

David Bacon, 369 Montezuma, said he would second those remarks. He said, "I'm here mostly to talk about the collaborative. I was a history major in College and apparently, I'm always reduced to that level now. I want to talk about the history of the watershed restoration bills that now are being herded into a very simplistic level. And if we can stay complex, these are very complex issues, and they need to stay at that level. Two years ago, Mike and I worked on HJM-24, HM-65, that were passed unanimously. Those engendered a bill last year called the Forest and Watershed Restoration Act, which is now HB-38, which seems to be passing unanimously. What happened was the Nature Conservancy which was never involved in the early and very very good discussions and actions on actual watershed health and restoration came in late in this process, and pretty much grabbed it along with the Forest Industries Association."

Mr. Bacon continued, "I just jotted down several entities that are not included in this collaborative – The Surface Water Quality Bureau of the NMED. They've done all of the work on watershed restoration, not the State Forestry Division. The Vera Coalition which holds probably the best conferences in the world on the mechanics and science and boots on the ground watershed restoration right now, in particular the name Bill Zeedyk has to be in here. He wrote the bible called *Let the Water do the Work on Watershed Restoration*, and is still active. The other entities that aren't involved, as far as I can tell are the Soil & Water Conservation Districts which understand the essential nature and the people actually involved in watershed restoration. The other watershed groups themselves, like the Cimarron Watershed Group, the Porvenir, the Upper Gallina River Watershed Group in Las Vegas."

Mr. Bacon continued, "I would urge you to get... I tried to figure out how you could get good information, but we really need at the City and County level to get this information to get this data to understand the complexity and to understand that watershed restoration is essential. What is happening now, I'm afraid, is we're seeing an extreme simplification of forest thinning, forest burning, and that's really not watershed restoration. It's going a way I feel very strongly is not conducive to the complexity and tremendous benefit to Santa Fe City and County if we could go set this in a basis, a true complexity a true knowledge of what's available now. We have the tools in the toolbox. So I'm waving a red flag. I understand, but I just urge you to.... I don't know how to avail yourself of the knowledge that is available. If you can come up with anything in your legislative minds, I think it would help from the get-go to understand this issue. Thank you."

Jeff Green, 1027-C Canyon Road, said, "I'm a member of the River, Land Management Group of the Climate Action Task Force. And I feel water conservation is very important. I have attended several Water Conservation Committee meetings. I'm not sure why the Public Utilities bill would do away with that function with the Water Conservation Committee. It didn't pass. But I think it's ironic that the sponsor of that argued that it was a good opportunity for public comment and public input and left the meeting before public comment. That seems a little bit political to me. *[inaudible]* "

Chair Rivera said in defense of Councilor Maestas we typically don't have many people that stay for public comment, so "thank you all for sticking around and sharing your thoughts with us.

MATTERS FROM THE CITY ATTORNEY

There were no matters from the City Attorney.

ITEMS FROM STAFF

Nick Schiavo said over the past month, staff has been working with our consultant who helps us do a rate analysis. So at this point, for the Water Division, we won't have to raise rates until after 2020. We won't have to modify rates for Wastewater through 2019, and through 2017 for Environmental Services Division.

Responding to Councilor Bushee, Mr. Schiavo said, "We actually factored single stream in this. The change in 2017 would be working on a C & G fueling station in partnership with the Transit Division, that's why we're proposing to do something in 2017."

MATTERS FROM THE COMMITTEE

Councilor Ives said he appreciates the remarks regarding the complexity of watershed issues. He said if you get a chance to look at the referenced work in the measure that was brought before us, there is a good deal of science that has gone into the proposals that are found there. The City, as it has looked at the upper watershed here, has been very engaged with the Santa Fe Water Association, the U.S. Forest Service and a number of those people who have lived in that area frequently. He appreciates very much the comments, concerns and warnings, and they are well taken and hopefully we are taking those into consideration. His hope is that we will find the funding to be able to do the work in the watershed in the near future than the more distant one.

Councilor Bushee asked if we could have a presentation at some point around the watershed in general.

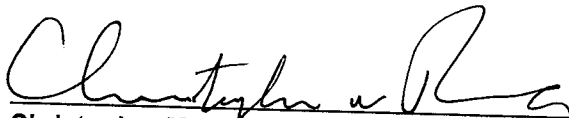
Mr. Schiavo said he will work with Melissa, and perhaps we could have something for the April or May meeting.

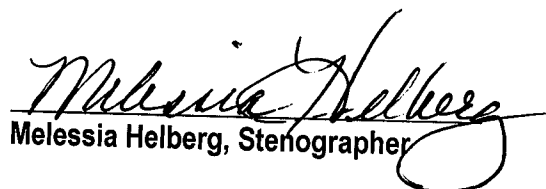
Responding to Councilor Bushee, Mr. Schiavo said, "We've been very fortunate with current monies with regard to thinning in the watershed, and if Mr. Bacon would give me a call, I would love to talk to you about what we have in mind."

NEXT MEETING: WEDNESDAY, April 1, 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

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO BILL NO. 2015-____
(Miniatures)

Mayor and Members of the City Council:

I propose the following amendment(s) to Bill No. 2015-____:

1. On page 2, line 14, after "sale" *insert* "for off-site consumption,"

Respectfully submitted,

Signe I. Lindell, Councilor

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

PUBLIC UTILITY BOARD RESOLUTION – CITY OF SANTA FE – MARCH 4TH, 2015

- 1) Replicating the utility board model of Portland would provide a much more effective venue for the detailed and lengthy discussion of a vast array of issues related to all aspects of the use of water, sewer, and electricity, as well as telecommunications. This would be particularly important given the possibility of and support for establishing an electric utility that could focus more on alternative energy.
- 2) I have included our telecommunications system as a potential public utility, as so many residents and businesses are so frustrated because of our limited selection of services that are also uniformly slow, inadequate for large file transfer, with poor customer service and still relatively expensive. This also has been a major obstacle for economic growth in the city, as businesses, whether home or commercial, are reluctant to relocate to Santa Fe or expand their investment here, with the potential for creating more high quality jobs.
- 3) For consideration of telecommunications as a public utility, there is the option of making a major investment in fiber optics, with bonds and grants, to establish a citywide electronic system that is state of the art, and would be the "landlord" for a range of private services that could potentially pay rent to the city for use of the system, as is being done now in Kansas City and Chattanooga, among others. Again, this network could potentially create hundreds of higher wage jobs, as businesses are seeking the significant competitive edge of fiber optics, which is so much faster than other options.
- 4) The discussion of the appropriate metering products for both water and electricity, with the recent introduction of digital electronic meters, is ongoing and will continue for some time in the future for multiple reasons. This would include reliability of product, public health concerns regarding products due to emissions of electromagnetic radiation, and subsequent liability to the city for any lawsuits related to this issue. The SONAR RE insurance advisory report of 2012 has already rated electromagnetic radiation as "high risk" for the next decade, and most insurance underwriters worldwide have already disclaimed any future liability regarding lawsuits related to public health concerns with the use of wireless products of all kinds, including meters.
- 5) My understanding is that now approximately 40% of the first generation of digital meters purchased for Santa Fe city water system have failed, and the warranty is invalid due to the bankruptcy of the manufacturer. My estimation is that this represents a \$10 million dollar investment for an average of less than five years of use prior to failure, with anticipation of the other 60% of the water meters failing within another five years, or another \$15 million dollar investment for an average of less than ten years of use. Then the decision has been made to simply replace this digital meter product with another similar product called "the Badger", which may expose the city to even more replacement and liability costs in the future, in addition to the current plan for an \$8 million dollar investment this year.
- 6) A very real consideration for the future of replacing the failing digital water meters would be to return to the use of analog meters, as I believe still are used by PNM for the electric meters? My understanding is that digital meters have not proven to be more cost effective than analog for purchase or operation, let alone the liability of health concerns. So in addition to saving the City of Santa Fe millions of dollars in additional investment in digital water meters, and protecting the City against potential future lawsuits regarding, a simply cost analysis might determine that replacing the analog meters used by PNM with digital meters for monitoring electricity would also not be necessary, thereby saving the City millions of dollars in additional investment in that category of utility as well.

Submit "2"

Chattanooga provides publicly owned Internet and cable services

Chattanooga, Tennessee has provided a model for all American towns who want to see their economies and populations grow quickly. And that model is simple – give sub-par internet providers like Comcast some legitimate competition with publicly-owned municipal broadband networks.

"People understand that high-speed Internet access is quickly becoming a national infrastructure issue just like the highways were in the 1950s," Chattanooga mayor Andy Berke told CNN Money. "If the private sector is unable to provide that kind of bandwidth because of the steep infrastructure investment, then just like highways in the 1950s, the government has to consider providing that support."

If you're sick of having only one cable/internet company in your town and have horror stories about dealing with a global corporation that has a monopoly and doesn't care about you, you aren't the only one. According to a 2011 survey by the FCC, 61 percent of Americans have only one cable and internet provider to choose from. And in 2012, Comcast and Time Warner both ranked in the top ten most hated companies. Comcast even took home Consumerist's grand prize of Worst Company in America in 2010 and 2014. This call between an exasperated Comcast customer just trying to cancel his service and a Comcast rep insisting that he keep the service he doesn't want captures how a lot of Americans feel about monopoly cable providers like Comcast.

Even after the FCC voted to uphold net neutrality and classify internet as a public utility, it's still expected that Comcast's proposed merger with Time Warner will be approved by the end of this month, with "company-specific" regulations. This would likely mean that most Americans, who either only have Comcast or Time Warner cable in their area, will be stuck dealing with the same company that treats them like dirt. 74 percent of Americans surveyed by the Consumer Reports National Research Center feared higher prices, and 66 percent feared poorer customer service. And as the potential Comcast-Time Warner megacorporation is allowed to grow larger, expect it to gobble up the smaller remaining cable providers to become the only game in town for the rest of America.

However, by providing municipal broadband internet to residents, Chattanooga, Tennessee, has shown America the best way to beat back Comcast, even if the merger goes through.

In 2008, Chattanooga formed the Electric Power Board, which is a public utility company owned by the city's taxpayers. The EPB got right to work building a "smart grid" to better service the city's power needs in the event of outages, and to provide super-fast, fiber-optic internet to everyone in the city, which launched in September of 2009. Since its launch, the EPB's network has proven to be 50 times faster than the average American's internet connection, delivering 1 gigabit of information per second. A 2-hour video that normally takes 25 minutes to download on a regular broadband network would only take 33

seconds to download on Chattanooga's network. And like other cable providers, EPB offers TV, internet, and phone service as a bundle, and for less than Comcast charges.

Naturally, Comcast and other privately-owned cable companies tried to sue Chattanooga for daring to compete with them. But with the help of a \$111 million grant from President Obama's federal stimulus package, The EPB was formed out of necessity – city officials figured that if Comcast was the only game in town, they would have little incentive to invest money in beefing up its infrastructure to provide reliable service and faster internet to customers. In fact, Verizon FiOs already said it would stop building out its network in 2013.

"It just didn't look like the private sector was going to bring true, high-speed connectivity to this market," EPB spokeswoman Danna Bailey told CNN Money.

Now, Chattanooga's investment in fast internet infrastructure is paying big economic dividends. NerdWallet rated Chattanooga the 6th best city for economic growth for 2009 to 2012, the years immediately following its decision to invest in high-speed public broadband network. In that same time frame, median household income in Chattanooga grew by 13.5 percent and home values increased by 14 percent. This growth happened despite cruel austerity measures imposed by Tennessee's right-wing state government that resulted in roughly 3,000 jobs lost in the government and construction sectors. However, new businesses are rapidly locating to Chattanooga, eager to capitalize on the fastest internet in the United States.

Volkswagen opened a new plant in Chattanooga in 2011, and recently added an SUV line to the factory, creating another 2,000 jobs. Claris Networks, an 85-person company, moved its data center from Knoxville to Chattanooga "just because of the network," according to company representative Hunter Lindsay in CNN Money. The New York Times mentions how Toni Gemayel, owner of a software startup in Tampa, moved his company to Chattanooga after the rollout of the high-speed municipal network. QuickCue, a company that began in Chattanooga in 2011 to help restaurants digitize their processes, grew so successful that OpenTable, a similar company with a larger market share, bought it for \$11 million in 2013.

Chattanooga's EPB didn't cut have to cut out Comcast and impose its own monopoly – it's simply beating them with faster internet and superior customer service. Online reviews for the two companies in Chattanooga speak for themselves. Comcast's services in Chattanooga have an average rating of one star on Yelp. However, Google reviews of EPB's services are overwhelmingly positive.

"The product itself is very poor. Internet is spotty and unreliable, to say the least. We regularly clocked download speeds of 3 MB/second...agonizingly slow," Rusty W. wrote in a 1-star Yelp review of Comcast's Chattanooga services in January of 2014. "I'm nominating Comcast for the Worst "Customer

Service" in the history of customer service award. Zero respect for their customers' time... I could go on and on, but Comcast offers the best punch line. Their advertising campaign says "Don't fall for EPB!" What a joke. Just try Comcast. You won't "fall" for EPB, you'll RUN to EPB!"

"Never going to back comcast. Only ever written about 2 reviews in my life but sooo happy with EPB I had to!" wrote Jen T. in a 5-star Google review of EPB's services in July of 2014. "Customer service is super helpful (and local)."

"EPB puts At&t and Comcast to shame. Once you switch you will never go back," wrote Kyle Simpson in another 5-star review of Chattanooga's public internet provider last August. "If EPB doubled their rates and the other guys offered service for free, EPB would still be the better value."

"Never going back to Comcast! Have had my net connection through epb for 2 years and have never had a outage," Robert Bell wrote in March of 2013. He also gave the company 5 stars.

What's already a reality for Chattanooga may become a reality for more cities and towns in the coming years – the FCC recently overturned local laws in North Carolina and Tennessee, lobbied for by big cable companies, that make it harder for municipalities to create their own broadband networks. Chattanooga has proven to everyone else that having a public option for internet, cable, and phone service is better for consumers. And though the big companies would never admit it, the competition that socialist local broadband networks provide is the heart of the free-market capitalism they claim to espouse.