



# Agenda

CITY CLERK'S OFFICE

DATE 7/29/15 TIME 11:00am

SERVED BY [Signature]

RECEIVED BY [Signature]

**PUBLIC UTILITIES COMMITTEE  
MEETING  
CITY COUNCIL CHAMBERS  
200 Lincoln  
WEDNESDAY, AUGUST 5, 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 JULY 1, 2015 PUC MEETING

**INFORMATIONAL ITEMS**

6. Update on Current Water Supply Status and McClure Reservoir Construction. (Alex Puglisi and Robert Jorgensen)
7. Status Report on the Environmental Services Division. (Cindy Padilla)
8. Information on Pay As You Throw Rate Structure. (Cindy Padilla)
9. Utility Billing Division Update. (Diana Catanach)

**CONSENT – ACTION CALENDAR**

10. Request for approval of Amendment No. 2 to the software agreement with N. Harris Corporation for \$169,500.00 inclusive of NMGR. (Diana Catanach)
  - a. Request for approval of a BAR for \$169,500.00.

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

11. Request for approval of Award of Bid '15/31/B and a Construction Contract to Sasquatch for Old Filter Plant, Dempsey Booster Station, and 5MG Tank Site Improvements Project for \$472,000.00 exclusive of NMGRT. (Eric Ulibarri)

- a. Budget Adjustment Request for \$511,235.00.

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

12. Request for procurement approval of a Professional Services Agreement #15-0508 with Albion Environmental for laboratory services for the amount of \$45,000.00 exclusive of NMGRT. (Patricia Rosacker)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

13. Request for approval of Award of Proposal RFP '15/46/P to Wunderlich-Malec Systems, Inc. for PRV SCADA engineering and implementation for the amount of \$214,787.00 inclusive of NMGRT. (Eric Ulibarri)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

14. Request for approval of Award of Bid '15/29/B and Construction Contract with Wunderlich-Malec Systems for SCADA Engineering Services for \$200,000.00 exclusive of NMGRT for a term of four (4) years. (Alex Puglisi)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

15. Request for approval of Award of Bid '15/27/B and Construction Contract with Mechanical & Electrical Engineering, Inc. for on-call electric engineering services for the amount of \$80,000.00 exclusive of NMGRT for a term of four years. (Alex Puglisi)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

16. Request for approval for funding for construction required for the compressed Natural Gas (CNG) Time Fill Station for the environmental Services Division for the amount of \$2,028,177.00. (Lawrence Garcia)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

17. Request for approval of Resolution No. 2015-\_\_\_\_\_. A resolution authorizing and approving submission of an application or project approval to the New Mexico State Board of Finance for allocation of qualified Energy Conservation Bonds for the implementation of a Green community Program, Energy Performance contract, and other qualified conservation projects; and directing the City Manager, and City staff to take necessary action in connection with the application to the New Mexico State Board of Finance. (John Alejandro) (Councilor Ives)

Finance Committee – 8/3/15

Public Utilities Committee – 8/5/15

City Council – 8/12/15

## **DISCUSSION AND ACTION**

18. Request for approval to implement the Toilet Retrofit Credit Buy-Back Program. (Andrew Erdmann)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

19. Request for approval of an agreement between the City of Santa Fe and the Albuquerque Bernalillo County Water Utility Authority to Lease Storage Space in Abiquiu Reservoir. (William Schneider and Marcos Martinez)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15

City Council – 8/26/15

20. Request for approval of the Cost Share Agreement between the City of Santa Fe and the USDA, Forest Service, Santa Fe National Forest (USFS), in the amount of \$240,000.00 over four (4) years, for reimbursement of project costs and actual expenses incurred by the USFS in accordance to the vegetation management plan within the 2013 Santa Fe Municipal Watershed Management Plan, passed per Resolution No. 2009-87. (Alan Hook)

Public Utilities Committee – 8/5/15

Finance Committee – 8/17/15  
City Council – 8/26/15

**MATTERS FROM THE PUBLIC**

**MATTERS FROM THE CITY ATTORNEY**

**MATTERS FROM STAFF**

**MATTERS FROM THE COMMITTEE**

**NEXT MEETING: Wednesday, September 2, 2015**

**ADJOURN**

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

**SUMMARY INDEX  
PUBLIC UTILITIES COMMITTEE MEETING  
Wednesday, August 5, 2015**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT – ACTION CALENDAR LISTING		2-3
APPROVAL OF MINUTES FROM THE JULY 1, 2015 PUC MEETING	Approved	3
<b><u>INFORMATIONAL ITEMS</u></b>		
UPDATE ON CURRENT WATER SUPPLY STATUS AND McCLURE RESERVOIR CONSTRUCTION	Information/discussion	3-4
STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION	Information/discussion	4-7
INFORMATION ON PAY AS YOU THROW RATE STRUCTURE	Information/discussion	7-10
UTILITY BILLING DIVISION UPDATE	Information/discussion	10
<b><u>CONSENT – ACTION CALENDAR DISCUSSION</u></b>		
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO THE SOFTWARE AGREEMENT WITH N. HARRIS CORPORATION FOR \$169,500, INCLUSIVE OF NMGR	Approved	10-12
REQUEST FOR APPROVAL OF A BAR FOR \$169,000	Approved	10-12
REQUEST FOR APPROVAL OF AWARD OF PROPOSAL RFP 15/46/P TO WUNDERLICH-MALEC SYSTEMS, INC., FOR PRV SCADA ENGINEERING AND IMPLEMENTATION FOR THE AMOUNT OF \$214,787, INCLUSIVE OF NMGR	Approved	12-14

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL FOR FUNDING FOR CONSTRUCTION REQUIRED FOR THE COMPRESSED NATURAL GAS (CNG) TIME FILL STATION FOR THE ENVIRONMENTAL SERVICES DIVISION FOR THE AMOUNT OF \$2,028,177	Approved	14-15
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF AN APPLICATION FOR PROJECT APPROVAL TO THE NEW MEXICO STATE BOARD OF FINANCE FOR ALLOCATION OF QUALIFIED ENERGY CONSERVATION BONDS FOR THE IMPLEMENTATION OF A GREEN COMMUNITY PROGRAM, ENERGY PERFORMANCE CONTRACT AND OTHER QUALIFIED CONSERVATION PROJECTS; AND DIRECTING THE CITY MANAGER AND CITY STAFF TO TAKE NECESSARY ACTION IN CONNECTION WITH THE APPLICATION TO THE NEW MEXICO STATE BOARD OF FINANCE	Approved	16-17
<u>DISCUSSION AND ACTION</u>		
REQUEST FOR APPROVAL TO IMPLEMENT THE TOILET RETROFIT CREDIT BUY-BACK PROGRAM	Approved	17-20
REQUEST FOR APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY TO LEASE STORAGE SPACE IN ABIQUIU RESERVOIR	Approved	20-26
REQUEST FOR APPROVAL OF COST SHARE AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE USDA, FOREST SERVICE, SANTA FE NATIONAL FOREST (USFS), IN THE AMOUNT OF \$240,000 OVER FOUR (4) YEARS, FOR REIMBURSEMENT OF PROJECT COSTS AND ACTUAL EXPENSES INCURRED BY THE USFS IN ACCORDANCE TO THE VEGETATION MANAGEMENT PLAN WITHIN THE 2013 SANTA FE MUNICIPAL WATERSHED MANAGEMENT PLAN, PASSED PER RESOLUTION NO. 2009-87	Approved	26-28

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
MATTERS FROM THE PUBLIC	None	28
MATTERS FROM THE CITY ATTORNEY	None	28
ITEMS FROM STAFF	None	28
MATTERS FROM THE COMMITTEE	Information/discussion	28-29
NEXT MEETING: WEDNESDAY, SEPTEMBER 2, 2015		29
ADJOURN		29

**MINUTES OF THE  
CITY OF SANTA FE  
PUBLIC UTILITIES COMMITTEE  
Wednesday, August 5, 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, August 5, 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 Bill Dimas  
Councilor Peter N. Ives  
Councilor Joseph M. Maestas

**OTHERS PRESENT:**

Nick Schiavo, Public Utilities Director  
Stephanie Lopez, Public Utilities Division  
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 Ives moved, seconded by Councilor Maestas, to approve the Agenda as presented.

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



#### **4. APPROVAL OF CONSENT AGENDA**

**MOTION:** Councilor Maestas moved, seconded by Council Ives, to approve the following Consent Action Calendar as amended.

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

#### **CONSENT – ACTION CALENDAR**

10. *[Removed for discussion by Councilor Ives]*
11. REQUEST FOR APPROVAL OF AWARD OF BID 15/31/B AND A CONSTRUCTION CONTRACT TO SASQUATCH FOR OLD FILTER PLANT, DEMPSEY BOOSTER STATION AND 5MG TANK SITE IMPROVEMENTS PROJECT FOR \$472,000, EXCLUSIVE OF NMGR. (ERIC ULIBARRI)  
A. BUDGET ADJUSTMENT REQUEST FOR \$511,235.  
Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15
12. REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT #15-0508 WITH ALBION ENVIRONMENTAL FOR LABORATORY SERVICES FOR THE AMOUNT OF \$45,000, EXCLUSIVE OF NMGR. (PATRICIA ROSACKER) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.
13. *[Removed for discussion by Councilor Bushee]*
14. REQUEST FOR APPROVAL OF AWARD OF BID 15/29/B AND CONSTRUCTION CONTRACT WITH WUNDERLICH-MALEC SYSTEMS FOR SCADA ENGINEERING SERVICES FOR \$200,000, EXCLUSIVE OF NMGR FOR A TERM OF FOUR (4) YEARS. (ALEX PUGLISI) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.
15. REQUEST FOR APPROVAL OF AWARD OF BID 15/27/B AND CONSTRUCTION CONTRACT WITH MECHANICAL & ELECTRICAL ENGINEERING, INC., FOR ON-CALL ELECTRIC ENGINEERING SERVICES FOR THE AMOUNT OF \$80,000, EXCLUSIVE OF NMGR FOR A TERM OF FOUR YEARS. (ALEX PUGLISI) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.
16. *[Removed for discussion by Councilor Bushee and Councilor Maestas]*
17. *[Removed for discussion by Councilor Bushee]*

**5. APPROVAL OF MINUTES FROM THE JULY 1, 2015 PUC MEETING**

**MOTION:** Councilor Bushee moved, seconded by Councilor Maestas, to approve the minutes of the PUC meeting of July 1, 2015, as presented.

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

**INFORMATIONAL ITEMS**

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

A copy of *U.S. Drought Monitor New Mexico*, dated July 28, 2015, is incorporated herewith to these minutes as Exhibit "1."

Alex Puglisi reviewed the Weekly Water Report dated July 19, 2015, and the Water Production for July by Facility Source through July 23, 2015, which are in the Committee packet. Please see these document for specifics of this presentation.

Robert Jorgensen reviewed the McClure & Nichols Reservoirs Infrastructure Improvements Construction and Water Production Update, dated July 23, 2015, which is in the Committee packet. Please see this document for specifics of this presentation.

Councilor Ives said we have considered a few budget adjustments over time for design issues. He asked if we are anticipating any more significant changes in terms of funding prospects, and are we running into any issues in that regard at this point in time.

Mr. Jorgensen said the last change order, Change Order No. 8, has enough funding to get them through the completion of the project, noting there are still unencumbered funds there. At this point he anticipates sufficient funding to complete the project.

Councilor Ives said we are on time, and asked the chance of being finished prior November 27, 2015.

Mr. Jorgensen said there might be a slight chance, but it's going to be tough to get there. He said we lost a little bit of time due to the rains, not much, and there's a lot of work at the end for commissioning, so he will stick with the projected completion date.

Councilor Ives asked if there is any change this project would "bleed over" into next spring.

Mr. Jorgensen there is always a chance. He said they have already laid-over one season, and there's nothing good coming out of a layover, and is confident we will meet the Thanksgiving completion date.

Councilor Ives said if it ever looks like that will be the case, we would like to hear it sooner, rather than after the fact.

Mr. Schiavo asked the penalty if they don't finish the project on time.

Mr. Jorgensen said there is a liquidated damage penalty of \$1,000 a day if they don't finish on time.

Mr. Puglisi said there is a drought, monsoon, el Nino and ESA update at the end of the report compiled by Rick Carpenter, and it does talk about expected conditions through winter of this year. He said they are forecasting a drier than normal August, but a wetter than normal Fall with September-December could be wetter than normal.

Mr. Puglisi said they were able to bring Nichols Reservoir through the summer so that we still have about 60% plus storage in Nichols and we're gaining water right now because of the recent rains, noting we are gaining about 5 million gallons a day with a production of 6 million gallons a day. Our runoff has increased to 10-11 million gallons per day.

Councilor Maestas said it is great news on the prospect of getting 100% of our yield on San Juan/Chama water, compared to where we were last year.

Mr. Puglisi said the down side, early projections are for a drier than normal winter and spring, so we'll have to wait how those projections change over time, noting they changed several times over the past year.

## **7. STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION. (CINDY PADILLA)**

Nick Schiavo, Public Utilities Department Director, reviewed the Memorandum dated August 5, 2015, with attachment, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

Councilor Bushee asked Mr. Schiavo how he plans to get the word out about third party processing and additional recycling material that is being accepted.

Mr. Schiavo said he has been brainstorming with staff and they are considering a direct mailer or notes in the utility bills that goes out to all customers. He said we can get the word to the Schools through the program, newspaper ads and other direct ways to get the word to the public. He said before that is fully fleshed out, he will come back here and seek approval of that plan.

Councilor Bushee asked the date when Friedman will be taking over the contract.

Mr. Schiavo said Adam Schlachter is in the audience and he may know.

Councilor Bushee would like "it to coincide so we don't have any missed opportunities." She asked if he is thinking of an insert in the utility bills.

Mr. Schiavo said yes, and they can do so many words for free on the bill itself, or we can do an insert that may be eye-catching at a reasonable cost.

Councilor Bushee asked about a bus wrap.

Mr. Schiavo said he will add that to the list.

Adam Schlachter, SWMA, said, "At this point, we are the processing of wrapping up operations. We have some unfinished *[inaudible]* of commodity we need to work through. So we are in the process of phasing in, moving material to Friedman as we're phasing out of MuRF operations. I would say no more than sixty days, but it really depends on the volume of materials that come in the door so we can complete a load."

Councilor Bushee said, "I know we have single stream on hold in some way, and in some ways, we might just be conducting that with the current bins, because we're going to separate glass out, but we're going to allow for more things. So without going maybe going full on is there a time frame of when we might order new bins, and could the bins be larger, instead of being a fully automated single stream that you could start to replace old bins. Is that a possibility, or is that even part of the plan."

Mr. Schiavo said, "I thought we would talk about the pay-as-you-throw tonight, that's what was requested. I have not considered larger bins and I would need to talk with staff about the pros and cons of that."

Councilor Bushee said she would like to know some of the costs of what that would look like.

Mr. Schiavo said, "Of course."

Councilor Maestas said he is Chair of the SWMA Board, and doesn't know if the lease between the City and Agency for Buckman. He asked, without disclosing any details, if Mr. Schiavo can provide a general update on the negotiation process is to renew that lease.

Mr. Schiavo said, "To the lease. I worked with Legal and Matthew O'Reilly, and so our draft is done, and Matthew released that to Randall Kippenbrock last Thursday or Friday. He also sent a letter at that time extending the current lease on a month-by-month basis for the next 60-90 days. So it's clear there will be time needed to take that before SWMA and City Council for approval."

Councilor Maestas asked if the lease is being extended because you can't reach agreement on the terms.

Mr. Schiavo said, "No. It's being extended because, by taking it through different negotiations, we've run out of time. So I think it actually is set to expire this month. So Matt O'Reilly sent a letter saying the current lease is extended on a month-to-month basis while we take the new proposed lease before the Governing Body and the SWMA Board.'

Councilor Maestas asked if this will interfere with the permitting process – renewing that permit with the State Environment Department.

Mr. Schiavo said it should not.

Councilor Ives asked the difference between wax coated cardboard and milk cartons.

Mr. Schiavo said his understanding is they stopped putting wax on things 20 years ago, and it is a holdover that, whatever the material is, no longer contains wax. He asked Mr. Schlachter if he can provide more detail.

Mr. Schlachter said, "The difference is that wax coated cardboard is typically what fruits and vegetables come in at the supermarket. It's actually waterproof, as opposed to milk cartons which are called poly-coated. As Nick pointed out, it isn't a wax anymore that's on them, it's more of a plastic."

Chair Rivera asked if have we have been distributing more recycle bins now that people are becoming more aware of the added items we can accept.

Mr. Schiavo said the latest numbers he has are from June, which was that there were 276 recycle bins for the month of June, and he can check with staff for the current status.

Chair Rivera said he believes residents are allowed only 2 bins per residence, and asked if we will increase that amount.

Mr. Schiavo said if we need to. He has been the Acting Director for a week, and he has met with staff, and his intention is to go there two days a week. He has asked them to "send me what they're seeing on the routes, and so they have been texting me different photos of what is being put out, as far as recycled materials. Admittedly they're sending me the ones that are very impressive with respect to volume. So I intend, with permission of this Board, to bring back the concept of a single stream and a large container." He said it has been very eye-opening to meet with staff. The individuals who are putting out the volume, the concern about when it rains how material is destroyed, and the cardboard fiber is ruined and not easy to deal with.

Mr. Schiavo continued, "And also the data I have been reviewing showed that when the City switched years ago to automated pickup for trash removal, our incidents of claims for workers compensation went way down. And I think we would also see the number of claims that we have for our manual recycling go way down if we consider doing an automated single stream curbside pickup for recycling materials."

#### **8. INFORMATION ON PAY AS YOU THROW RATE STRUCTURE. (CINDY PADILLA)**

Mr. Schiavo reviewed the Memorandum of July 27, 2015, which is in the packet, noting Ms. Padilla prepared the memorandum. Please see this document for specifics of this presentation.

Responding to Councilor Bushee, Mr. Schiavo said the current bin size is a 96 gallon container.

Councilor Bushee asked how you would sell this to folks. She said some folks just generate one bag of trash, and hers would go up and down, depending on yard waste and such. She asked how this would be marketed.

Mr. Schiavo said the appeal would be for someone who is producing a limited amount of trash, and they would want to opt for the smallest container. He said, "I have not done that great of a study. It is my gut feeling that many people would want a smaller container to pay less money, but that may cause problems with pickup. Right now you are not allowed to pack your container excessively to the point where the lid is popping off. We try to be accommodating to people, we don't cite them. Just off the top of my head, if half the town opted for the smallest container to save money and 1/3 of those people started to pack the containers excessively, that would start to push us to go and site individuals, which is the intent. The intent would be to provide the right size container for people. Or to help them see if they had the right size container, noting it would be an incentive for them to save money on a monthly basis, and also divert more to the recycling containers."

Councilor Bushee said in the Memo, you go from the Town of Silver City and you don't mention that they do single stream and what they do about recycling, and then you go into the City of Albuquerque's cost of recycling and nothing about pay-as-you-throw, because she assumes they don't have it. She asked what Silver City has in terms of options for recycling.

Mr. Schiavo said it has been a couple of weeks since he reviewed this memo, and he doesn't remember off the top of his head how they currently handle recycling.

Councilor Bushee said she assumes Albuquerque doesn't have pay-as-you-throw.

Mr. Schiavo said that is correct.

Councilor Bushee asked if we would have public hearings if we wanted to pursue this. She said larger families were not so pleased with this concept, as much as our seniors who don't generate a lot of waste.

Mr. Schiavo said the last paragraph is the information that she needs. He has been in touch with Hoxley, the ones who do our financial analysis. He said he can push them to get something for September, but for sure they will have it in October. He said in October we will review what the containers would cost, a review of what other cities have experienced when they switch to this, how many 35 gallon and 65 gallon containers he would have to buy at which price, how many individuals would want to participate and what the rates would need to be. He would highly recommend, before we do anything, that he has the financial analysis and comes back with information, up front costs and the pricing. He said to have a conversation before we have the pricing would be very difficult.

Councilor Bushee said he mixed single-stream in here, and asked is there anywhere they have different size containers for recycling.

Mr. Schiavo said because we don't charge for recycling, do we offer more containers. Absolutely. If you need more than 2, we will get you more than 2 containers. He said of the photos sent via text from employees show 5-6 containers and piles of bundled cardboard in front of people's homes. We don't charge for recycle on residential, and thinks we would want to standardize the container size for recycling and offer as many as people need.

Councilor Bushee said the seniors don't like the large containers because they are hard to manage.

Mr. Schiavo said these sizes are standard in the industry, the 35, 65, 95. If the Council wanted to go automated recycling, we could purchase these containers, and it would be clear that the blue would be for recycling and the current color for solid waste.

Councilor Bushee said we have to subsidize it, so you are going to want to raise rates. She asked if he considers that not to be charging for recycling.

Mr. Schiavo said he believes it's important not to charge residential customers to recycle. He said he recently reviewed the commercial rates, and initially the commercial rate was set at half the price of the cost for solid waste. For example, a 96 gallon container for commercial is about \$70 a month for once a week pickup, and it's only about \$28 for recycled material. It's less than half. He said as the prices have increased for commercial trash pickup, the commercial recycle rates have remained frozen, so it's a very good deal our commercial customers to recycle and to have those containers.

Councilor Bushee said she thinks the public thinks they pay for recycling.

Mr. Schiavo said he agrees that you pay for all of it, but there is not an additional charge for more containers.

Councilor Ives said part of the discussion he would like to have eventually on the issue of waste and recycling, is answering the call to arms that has been made internationally and nationally to start reducing consumption of products that produce waste. He doesn't know if we've looked at that seriously in Santa Fe, but he would love to convene a group to begin to look how we might radically reassess how we deal with these issues – make it healthy on the front end so we don't produce so much waste and recycling. He said he will reach out to Nick to convene a group to look at what we can do creatively in this regard.

Councilor Bushee asked how will you treat commercial recycling and pay-as-you-throw. She said there are downtown businesses that are unhappy with how things look, how things are shoved into an alleyway and there's not a convenient, nice clean way of storing stuff until it is picked up. She asked how that might change.

Mr. Schiavo said he is in the process of creating a position for commercial recycling coordinator. He thinks this person will have to clearly understand all the numbers and can quickly explain the value of recycling to commercial customers. They would first visit the site and look at the current setup. He said there is no value to standing there and telling the commercial entity they could have two 4-cubic yard dumpsters when they have space for one. He said there is flexibility with respect to using the 96 containers that can be rolled out. He said this person is going to have to be very good at assessing the situation and quickly helping the commercial customer understand the value of recycling. He said in the waste characterization study, there is a tremendous amount of cardboard going to the landfill. He said, "It's a horrible crime and I think it's because we're not doing a very good job getting to our commercial customers and explaining that value."

Councilor Bushee said then we have created a recycling coordinator position.

Mr. Schiavo said, "No, I'm in the process of writing it. I don't feel I have the correct person to do the outreach. I need someone who can quickly convey the value."

Councilor Bushee said she is talking about a different position, the position Nancy Judd had years ago and asked if that was subsumed by SWMA.

Mr. Schiavo said yes, although he doesn't remember who most recently held the position, and he doesn't know the status of that position at SWMA.

Councilor Bushee said she thinks it is low hanging fruit, but she don't want to create more positions.

Mr. Schiavo said he will reclassify a vacant position.

Councilor Bushee asked what he will do with the current position.

Mr. Schiavo said, "I would not want to discuss personnel issues during this meeting."



Mr. Schlachter said that is the position he currently holds with SWMA – Recycling, Outreach & Education Coordinator for the Agency, formerly Lisa's position.

Councilor Maestas said Silver City has 10 different container sizes and a number of pickups per week, noting the first table is collection and the second table is disposal. He said Mr. Schiavo will have to speculate what would be best for Santa Fe in terms of a fee schedule on the commercial side. He thinks we shouldn't leave that out, even if we're making assumptions, in doing the financial analysis.

Mr. Schiavo said, "Absolutely. Thank you."

#### **9. UTILITY BILLING DIVISION UPDATE. (DIANA CATANACH)**

A copy of a map showing Meter Install Status by Council District, is incorporated herewith to these minutes as Exhibit "2."

Diana Catanach introduced Kyle Sager, Project Administrator, Badger Meter Project. She said he was with PNM prior to that and knows the City very well, and said he's doing a "bang-up" job. Ms. Catanach said they have now put in about 5,000 meters, noting the status is on the City portal. She said there was a learning curve on some of the new hires during training.

Councilor Ives thanked her for the update. He said in the Memorandum under Communication Plan it says, *'Website information in place as of June 22, 2015; updated weekly.* He asked what website information is up. He hopes she is going to say there is an URL where citizens can go if they have the new meter to look at their water usage.

Ms. Catanach said at this point they can't go into the beacon system to look at their own usage, saying that won't be up and ready until January 2016. It has to be coordinated with the billing system to bring those in electronically. She said they will have the portal where "we can see it," but to get it out there she wants to do it as one process where they go to the City website, click on utility billing, and they can see their bill, and then click on the next line item and get your water usage and consumption.

Councilor Ives said he is disappointed we can't roll that out sooner. He said the sooner we can get people using that, the happier everybody will be and people understand their water usage and be able to save more water.

#### **CONSENT – ACTION CALENDAR DISCUSSION**

- 10. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO THE SOFTWARE AGREEMENT WITH N. HARRIS CORPORATION FOR \$169,500, INCLUSIVE OF NMGR. (DIANA CATANACH)**  
**A. REQUEST FOR APPROVAL OF A BAR FOR \$169,000.**  
**Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15**

Councilor Ives said he is a little concerned when he sees statements in the Memos that say, *'Unforeseen functionality of the system and out of scope development and other resource related constraints has caused a delay of the project timeline.'* He said to me this means we didn't understand what we were doing when we started the process. He ask what those constraints are and how we're working with ITT to grab hold of that knowledge before we do the contracting that seems to result in amendments.

Councilor Ives continued saying, he looks at the construction of the McClure and the placement of one of the items on the tower that was causing various types of hydrologic flow constraints. He said these all seem to be system engineering questions we wouldn't be confronting now if we had done the best job we could up front.

Ms. Catanach said she wasn't here during the RFP process and the interviews. She said her full understanding of this is that part of the functionality they had trouble with was solid waste. Advanced Utility did not have the software, so they are working through this. She said it took longer to develop than they thought, a lot of configuration that Advance had to do. At this point they are 99% and they've been testing everything and it looks really good. She said right now they're working from spreadsheets and text pictures and such. She said when the Badger meter project came in, having the Beacon software and having it interface with the billing system was the second component. There was a little bit of fallback with the integrated payment system for credit cards and such. They had to make sure they had the right gateway from our bank. She said there are so many pieces and parts to this, they had to make sure they had everything in line.

Councilor Ives said this a plea to hopefully have some projects that do not have to have significant redesign and reassessment dollars during the process if possible. He realizes this is complicated and as referenced in the Memo it was only March 2015 you were assigned a project manager from ITT, so recognizing there were some difficulties.

Councilor Ives said we are to some degree running a pilot project similar to the water meter upgrade on energy consumption. He said that is a project which was started by one of our high school students, Eliza Harrison, who was acquiring measuring devices to be placed on electric meters to understand real time energy use. He said this is being picked up by the City, and Harris's organization. He asked if the system we are putting in place will allow ultimately for the capture of that type of information if we able to expand a similar type of measuring system to electricity as we are doing with the upgrade to the water meters.

Mr. Schiavo said, "The short answer is no.....the water meter absolutely not. The Badger does make a dedicated electric meter that would stay close to the interfaces to the electricity to your home. The software does have a lot of capabilities. If we got that data we could add on to the bill but it probably be an add-on that the company Harris would want to charge to make that add on to the expansion to the software."

Councilor Ives said he is trying to be forward looking, because of the effect of what we are doing on the water side in terms of meters and a system to allow residents to see and understand their real time water use, that that would be a powerful tool for the City, but to empower everyone to understand that use, and act in ways to further conserve water. Energy is the next part of the equation. Hopefully we are capturing that data in intelligent ways. He thinks we should do a pilot project with focused collection of information to be able to project current energy usage for different classes of users. He would love to see that in our thinking in terms of the new billing systems and other new systems so we can capture that information and use it to make our City better.

**MOTION:** Councilor Ives moved, seconded by Councilor Maestas, to approve Items 10 and Item 10(a)

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

13. **REQUEST FOR APPROVAL OF AWARD OF PROPOSAL RFP 15/46/P TO WUNDERLICH-MALEC SYSTEMS, INC., FOR PRV SCADA ENGINEERING AND IMPLEMENTATION FOR THE AMOUNT OF \$214,787, INCLUSIVE OF NMGR. (ERIC ULIBARRI). Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.**

Councilor Bushee asked what is the need to reverse how we have been doing it.

Mr. Schiavo said the current system uses a dial up network with 39 PRVs, and it calls each of those and it takes 18 minutes to make its loop. The challenge is when a PRV goes bad, because often we not getting the text message from this old school dial-up system quick enough. He said we get calls from people saying the water is gushing into the road, and then later we get a text message saying the pressure is too high on the PRV. He said we want to move to a system to give us nearly real time information so we can react quickly rather than waiting for equipment/lines to be damaged.

Councilor Bushee we have been receiving concerns from people in terms of emissions, and asked if there is a way to get the information to the public.

Mr. Schiavo said this will not be a constant feed from a cell phone. It will be on an as needed basis, minimal use, only dial out when there is a challenge with the existing pressure reducing valve.

Councilor Maestas sees it as a water system management issue as well as a fire safety, fire suppression issue.

Mr. Schiavo said this could be problematic in the event of a fire. He said the last thing we want to do is have an issue with the PRV and not be able to provide sufficient water flow. If there was a fire and they are drawing a lot of water, we would receive a message letting us know that the pressure has dropped and we would go check it out.

Councilor Maestas asked what are the emission levels, compared to the Badger meters, saying he has been getting the same emails expressing concerns.

Mr. Schiavo said it is a cell phone set up, so it's 900 Megahertz [MHz], and there are small packets of data going out equivalent to a text message. There are no photographs or large pieces of data associated with it. There will be data loggers storing this stuff. He said, "It's not my intention to have a constant stream of information coming from the PRV, it's not necessary."

Councilor Ives said he is confident that his children produce more text messages in a month than this system probably will in a year.

Chair Rivera said he has received comments asking for a public hearing. He said this wasn't advertised as a public hearing, but he will give people a brief moment to comment if you would like.

*Chair Rivera gave everyone 2 minutes to comment.*

**Arthur Firstenberg** said, "I didn't come prepared to speak because it wasn't a public hearing, but since I've been invited to speak, I do want to say that I would be amazed if you couldn't send the same information over the phone line as over the cell tower network. And that I would some evidence that one is necessarily faster than the other, because I frankly don't believe it. I think that anything you can transmit one way, you can transmit another way. And that initiating and completing the connection to cell towers, depending how many people also send other messages by the same cell towers is not going to be any more reliable necessarily and any quicker. And that's my comment."

Councilor Bushee said, "I'm going to read something from a constituent that just sent it in, '*Hello to Chair Rivera and to [inaudible] telephone land lines connected to these stations have been remotely monitored for 6 years without any radiation. There is ample proof that this is more secure than attaching to cell towers. In the U.S., at least one tower fails a month. They also are the first to disconnect in any severe systems, high winds, etc. If you switch tower system, you will have many many higher bills, forever.* I just thought I would read it."

Councilor Maestas asked Mr. Schiavo to tell him about the technology in this type of SCADA system, and is this accepted technology, or is it unique to Santa Fe, is it state of the practice in the industry.

Mr. Schiavo said, "It is, and this is not unique to Santa Fe. Other jurisdictions have been using this. And if it's okay, if I've answered your question I would like to comment. One of the things I forgot to mention was where we want to be, and as a part of this project, where we'll take out first steps. So we are redoing the pressure reducing valve on Siringo Road. We've stepped up that project, because they are milling it and repaving it. But our intention is, when we redo this PRV, we would have remote access to be able to valve-off, actually actuate mechanical valves. So if there was a break in the middle of the night, we

could have staff who have access to SCADA up at our treatment plant and also out at BDD, we give them the ability to shut these things off remotely. This way damage isn't done to our lines and problems aren't caused to the community and it gives us time to get out there. That to me, is one of the big pieces. We would not be able to do this over a land line. And this is the direction we need to go, the way we value water, and where I want to be as far as minimal interruptions to service and fire flow. That's where we need to be, and with this project, we'll take those first steps to do that."

Councilor Maestas suggested, "Given the heightened nature of concerns by constituents, in the future, for similar technology deployments that we have some kind of an opportunity for the public to weigh in. I don't know if it's necessarily a public hearing in conjunction with this Committee meeting, but maybe there ought to be at least more notice. I would feel better if we give ample notice and we make a decision, I think that will maybe try to tamp down the discomfort, because when you throw in short notice on top of the decision to deploy such technology, I think that's what we want to avoid."

Chair Rivera said he and Mr. Schiavo will keep that on our radar in the future, to make sure we'll take that into consideration, even if it is a public hearing at this level.

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

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

**16. REQUEST FOR APPROVAL FOR FUNDING FOR CONSTRUCTION REQUIRED FOR THE COMPRESSED NATURAL GAS (CNG) TIME FILL STATION FOR THE ENVIRONMENTAL SERVICES DIVISION FOR THE AMOUNT OF \$2,028,177. (LAWRENCE GARCIA) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.**

Councilor Bushee said she was surprised there was no mention that this is a loan from MFA in the title, and she wants to hear about this. She asked if he has worked with Jon Bulthuis, and is this just for Solid Waste, is there need for any kind of increased expansion, and the whole concept of the Siler Road Compound that never really happened.

Mr. Schiavo said they have been working with Jon Bulthuis and staff from the beginning. He said the design from the beginning contemplated a new fill station that would serve both Solid Waste and the Transit facility. He said, "On Jon's side of things, it replaces an existing line that is aged, and there is a lot of value there. On solid waste side, it contemplates a time fill station where individuals can park their Solid Waste vehicle, plug in for the evening and have a full tank of fuel by the morning, and we've sized that at 40 units. So there definitely has been coordination. There has been a very clear split of costs based on which Division needs which components of the system."

Councilor Bushee said, "So, not so much sharing with Jon."

Mr. Schiavo said, "We're absolutely sharing with Jon. It would be silly to build two compression stations. The beauty of it is that Solid Waste and Transit are so close together, we can make use of one compression station and of course the economies of scale that goes with that. Jon has already designated time fill slots for all of his buses. And what we will be building is a new time fill station, which essentially amounts to a parking spot with filling ports for 40 vehicles for the Solid Waste vehicles."

Councilor Bushee asked if Solid Waste will be paying back the loan.

Mr. Schiavo said, "If you go to the last page of this, you can see that it spells out the total cost, roughly \$3 million, and how much would be borne by Transit versus Environmental Services."

Councilor Bushee said, "I saw it, I just wanted to make sure it meant that they were going to have some responsibility too."

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

**DISCUSSION:** Councilor Maestas said his concern is the additional debt service taken on by Transit. He doesn't know the amount of the debt service that would be assumed by Transit. He reiterated that we purchased buses with another loan, Public Transit is taking on \$329,000 plus in debt service which is taken out of its operating budget, and thinks this debt service would be as well. He said he introduced a Resolution regarding an evaluation of how we allocated the dedicated municipal GRT, a combination of public transportation, general operations and quality of life. The results were that there is a \$2 million balance in that fund. He asked the reason we can't use part of the balance, for the Transit portion, in the 1/4% GRT Fund, instead of having them take on additional debt. He is assuming that is the case.

Mr. Bulthuis said, "I believe the financing structure is divided similarly to the cost breakdown shown on the sheet here. We are working with the Finance Director to cover the Transit component of Roughly \$1 million from the existing fund balance from the GRT Fund that we collect. Obviously, that's not something we can do on a recurring basis, but this is kind of a one-shot, once every 20 year investment. And that's the direction that we are heading."

Councilor Maestas said then you are going to use cash and ESD is going to borrow the rest, and Mr. Bulthuis said, "That is my understanding." Councilor Maestas said, "Oh okay. If that's the case, then I'm fine with it."

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

17. **REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF AN APPLICATION FOR PROJECT APPROVAL TO THE NEW MEXICO STATE BOARD OF FINANCE FOR ALLOCATION OF QUALIFIED ENERGY CONSERVATION BONDS FOR THE IMPLEMENTATION OF A GREEN COMMUNITY PROGRAM, ENERGY PERFORMANCE CONTRACT AND OTHER QUALIFIED CONSERVATION PROJECTS; AND DIRECTING THE CITY MANAGER AND CITY STAFF TO TAKE NECESSARY ACTION IN CONNECTION WITH THE APPLICATION TO THE NEW MEXICO STATE BOARD OF FINANCE (COUNCILOR IVES, COUNCILOR BUSHEE AND COUNCILOR DOMINGUEZ). (JOHN ALEJANDRO) ) Committee Review: Finance Committee 08/03/15; Public Utilities Committee 08/05/15; and City Council 08/12/15**

Councilor Bushee said she wants to understand this better, and how this will help the City.

John Alejandro presented information from the Legislative Summary which is in the Finance packet. Please see the Committee packet for specifics of this presentation.

Commissioner Bushee asked if the application for these funds has to be specific as to what projects you are pursuing.

Mr. Alejandro said absolutely.

Councilor Bushee said you are not specific in this Resolution.

Mr. Alejandro said that's correct. He said the Resolution as written is part of the application in and of itself. The application is very extensive and detailed as required by the State Board of Finance, includes a checkbox that says, "*Has your Governing Body given you the authorization to even make an application, or are you going to make this application to the State Board of Finance to access QECB.*"

Councilor Bushee asked if there is a reason you couldn't have given us the details. I want to know if other communities are pursuing these, are these low interest bonds, what is the term of the bond, are the projects worth pursuing from her perspective. She is trying to "understand how you're going about this."

Mr. Alejandro said that would be the next step in the process. This step gives us the option to make an application.

Councilor Bushee said the application is not specific.

Mr. Alejandro said if we want to access QECB's, the application is extremely specific and would be developed in great detail, and then presented to the Governing Body for approval before we even made the application.

Councilor Bushee said, "For me, because this is conceptual approval, give me some better understanding, buildings, some of the solar applications, what you have pursued in the past but not through this process, would it mean buying electric vehicles, give me some specifics."

Mr. Alejandro said an example is the GCCC. He said even though the solar ray there offsets energy use of 30%, that building still uses a tremendous amount of energy in a variety of ways. He said some outdated technologies are being used, high humidity in the building, heating is running while the air conditioner is running, there is lighting that is still using a tremendous amount of electricity. He said one of the things they would like to do is to hire an energy services company, vis a vis an energy performance contract who can go into such a facility and give us a real in-depth analysis of what exactly is causing the high energy use in this building, and making recommendations as to what could be replaced to reduce the energy consumption and the associated costs. Then we could decide whether or not we want to pursue that type of program, based on a cost benefit analysis, or selecting certain items from the energy audit we would want to pursue because it would give us the best bang for our buck.

Commissioner Bushee said there is irony in that statement, given that the architect is the author of the 2030 Climate Change Program International. She asked for additional examples, and asked how much will we be applying for.

Mr. Alejandro noted his father and Mr. Mazria go back to the 1970's in implementing some of the first passive solar homes, and he considers him to be a personal family friend, and can appreciate his input into this type of performance contract we're hoping to pursue.

Mr. Alejandro said they also are looking at the Wastewater Treatment facility. They are flaring off gas that could be recaptured for heating of the facilities on site, commenting there are a variety of things there that could be updated and replaced to make that entire facility much more energy efficient and reduce costs associated with the facility.

Commissioner Bushee asked Mr. Alejandro to send her an email with those specifics.

Mr. Alejandro said he will do so.

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

**DISCUSSION:** Chair Rivera and Councilor Bushee asked to be added as cosponsors of the Resolution.

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

### **DISCUSSION AND ACTION**

18. **REQUEST FOR APPROVAL TO IMPLEMENT THE TOILET RETROFIT CREDIT BUY-BACK PROGRAM. (ANDREW ERDMANN) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.**

Andrew Erdman, Water Resources Coordinator, reviewed his Memorandum of July 24, 2015, which is in the Committee packet.



Councilor Bushee asked if they are like black market prices these days – what's happening, because they were getting out of control at the end.

Mr. Erdman said he thinks it's pretty stagnant for several years, and he wouldn't know if some of these had changed unless they tell the City. He said nobody has been telling the City for some time that "they've changed hands." He isn't sure about the individual prices between the holders of these who are selling them privately. He said, as a City, we are going to offer to buy back these back at \$12,000 afy, or \$300 per credit.

Councilor Bushee said that sounds okay. She said this was such a placeholder program before we got our Ordinances in place. She said it was strange scheme. So, we've got a budget. She said people don't like to do FIR, but there is an Ordinance requiring them. She asked if we can get them in the packets, or can you answer those questions.

Mr. Erdman said he will include an FIR in his next submittal and he can answer the questions as well as he can. He said we have funding to start the program, because the Water Budget Accounting Office has been putting aside the money it makes through those sales, so we will use those funds to make the purchases. He said we will use the money from sales to buy future credits.

Councilor Bushee asked if he knows how much we're talking about.

Mr. Erdman said, in terms of number of credits that actually have been consumed and out there, they don't know the total number. He has spoken with some companies that hold significant numbers of these, up to 50 afy.

Councilor Bushee said we're buying them up, plumbers in particular.

Mr. Erdman said 50 afy is an awful lot to hold when they are .025 per credit. He said most holders hold significantly smaller quantities than that. He said the intention is not to spend beyond what is being brought in through the sale of these credits, but to use the money generated through selling them to continue the program.

Councilor Bushee asked if the program is over

Mr. Erdman said the toilet retrofits are no longer being issued.

Councilor Bushee asked if that was by attrition, did we cancel it, and/or do we need to do something official.

Mr. Erdman said it is officially over and when an individual replaces a higher water use appliance with a lower water use appliance, whether it's a toilet or something else, they are issued a credit on the water bill rather than a certificate that took on a life of it's own.

Councilor Bushee said there were different water budgets, and asked if that is over.

Marcos Martinez, Assistant City Attorney, said, "People still have the option to put together an option B water budget. But, over the years the City's quantification on building use has gotten better, so entities stopped trying to beat them, because the City's numbers were too accurate and it was too hard to get it below that threshold. So the number of Option B's dwindled rapidly after we had gotten some experience in it, but it's still an available option under the Code."

Responding to Councilor Bushee, Mr. Erdman said it is 10 afy for residential development, 7.5 afy for mixed use and 5 afy for commercial.

Councilor Bushee asked what we are doing for small projects.

Mr. Erdman said they can purchase, because they will come in under that threshold. If you were going to build a single house, you could buy it from the City. It is only if you are doing a development that will be greater than those quantities, you have to bring in water rights.

Councilor Bushee said you do require it if someone is doing a single family or small project.

Mr. Erdman said, "We require that they purchase the right to use that water from the City. So that's basically the portion we're trying to support with this."

Councilor Bushee said she wants to know when this is done what you will do to capture the small ones.

Mr. Erdman said there are other sources of water that make that available, too. He said when the Conservation Program initially started, it was able to take some really large steps because they're going from 5 gallons of flush to 1.6 gallons, so you're saving more than 3 gallons each flush. He said the Conservation Office is still out there doing rebates and a lot of good work, but the amount of water left to be conserved is less than it was when the appliances were extremely inefficient. So water is still coming in through conservation. We're still actively pursuing water rights purchases when we are able to, but they're not always available just because we have the will to purchase them.

Mr. Erdman continued, saying, so in addition to this program we would continue to make water available for those purchases through these other means. So hopefully, this will take the pressure off for some period of time, be somewhat beneficial for the developers and the City, and that will give us time to build up balances from those other sources as well.

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

**DISCUSSION:** Councilor Maestas asked if the Committee members can get information on the sub-categories of water rights and the water bank. He said there are certain thresholds we don't want to go below, and it would be good to see current information.

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

19. **REQUEST FOR APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY TO LEASE STORAGE SPACE IN ABIQUIU RESERVOIR. (WILLIAM SCHNEIDER AND MARCOS MARTINEZ) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.**

William Schneider reviewed his Memorandum of July 27, 2015, which is in the Committee packet, and requested that the Committee approve this agreement. Please see this Memorandum for specifics of this presentation.

Councilor Ives said he wants to understand the payment terms. It's basically, if we move water into their storage space at Abiquiu, whatever quantity we move in, they're charging us 10% of the total amount as the rental fee. He asked if it is a single time rental fee so we can keep it there as long as we want, and Mr. Schneider said yes.

Councilor Ives asked if we are then subject to any evaporative losses or other calculable losses that occur in any reservoir, or does the 10% cover that type of loss as well.

Mr. Schneider said under the current agreement which is being expanded and replaced with this new, larger agreement, the City and any entity that store water at Abiquiu incur evaporative losses for their quantity of water. So basically, nothing has changed.

Councilor Ives asked loss from evaporation on an annual basis.

Mr. Schneider said obviously, it can vary, but it could be as low as 4% and as high as 10% annually, depending on climate.

Councilor Ives asked, "Is it proportional to the amount of water contained in Abiquiu, or because we're renting.... let me ask, does the elevation at which we are renting our storage have any impact on the evaporative calculation."

Mr. Schneider said ideally, yes in a sense, because our water sits on top.

Councilor Ives said he's just trying to understand fully, and he may have to have an off line conversation with Mr. Schneider to make sure is clear on everything. He appreciates the cooperative effort. He said as he thought about the administration of the various reservoirs that feed into the City's water supply through the Rio Grande, he wonders if there is some opportunity to change some of the fundamental methodologies used by the Army Corps of Engineer and the Bureau of Recreation, who are in charge of most of these reservoirs, to allow people to be able in years of plenty to store additional water for future use. He said he doesn't see a great amount to be gained by always insisting that folks, whatever

their supply is, that it be released downstream, especially if you're in the circumstance of not being able to use it. He said, I suppose I'll ask the general question: Are we looking at any of those types of options for securing additional storage space throughout the various reservoirs north of here.

Mr. Schneider said it will effectively take an act of Congress. However, discussions are taking place with Cochiti Reservoir being ground zero, to alter the designation for flood control and recreational usages to include some temporary storage for municipal water use. If that happened, and it wouldn't happen overnight, There are conversations happening at Cochiti pueblo to include storage. That will not happen over night, it potentially could free up where Albuquerque could utilize Cochiti and hence create greater opportunity for the City to utilize Abiquiu. He said this is mere speculation.

Councilor Ives said he is almost more interested in Heron and El Vado, in that regard in terms of securing some capacity to store on an extended period as opposed to having it necessarily be drained on a season-by-season basis. He would love to explore that, saying he knows it would take an act of Congress, but they're passing them, perhaps infrequently these days, "but none the less."

Mr. Martinez said, "As Bill alluded to earlier, we have been negotiating this agreement with the Authority for as long as I have been here and this is the first concrete result we've received from them. I would say that El Vado, as you know, is principally operated by the MRGCD, while Heron is more the Bureau of Reclamation. But I would concur that it would take movement by the federal government to change the way Heron is operated. So it's not for lack of desire, or wanting to be able to store and additional options upstream, but really, the City has little ability to effect those changes on its own. But we've always been cognizant of the desire to increase our storage and maximize our ability to use our San Juan/Chama water in the best use way possible."

Councilor Ives said he understands this has been in the works for a significant amount of time, and makes sense in terms of helping assure resiliency in our supplies, so it isn't a criticism of this. He said, "It's really a question of a longer term strategy. Most of those agreements were put in place back in the 1920's and 1930's, in the 1900's. Again, if we never ask, it certainly will never happen. So I'm just wondering if it isn't time, as we begin in the middle of the regional water planning process, I can see those issues being taken up as part of that process. Again, just looking for all the different ways we can secure additional water for our City, especially in times of drought. Additionally, I think ultimately, we're going to need to look at various, new water leasing programs across the State quite frankly, and again, additional storage capacity, leverages the capacity to tackle those issues in ways that create better flexibility for all water users across the State. And I don't see it simply being Santa Fe saying, please please, we want to do this so much as everybody who has skin in this game, which is everybody along the Rio Grande and the Rio Chama. Thank you."

Councilor Bushee said she doesn't see any downside to this, commenting the reservoirs are incredibly full. She said, "That's the playground near my cabin, and all of the boat ramps they've built are covered up. It's different than usual." She asked how did you come to this 10% water rate of the total storage at Abiquiu. What did you do to get us here.

Mr. Schneider said that was a requirement non negotiable by ABQ. Consistent number. Waivers charge 20% or more. I view this a reasonable.

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

**DISCUSSION:** Councilor Bushee asked what changed how did we get here.

Mr. Schneider essentially that was a requirement from Albuquerque. That was essentially a non-negotiable term, and it's a consistent term used by all entities with storage agreements in Abiquiu, so it's a consistent number. He said as a comparison, Reclamation, depending on the type of arrangement and leasing for storage in terms of waivers, charge 20% if not more. .... he views the 10% as reasonable and as part of the cost of doing business.

Councilor Bushee asked again what changed and how did we get here.

Mr. Schneider said that is a long dialogue. He said an olive branch has been extended to Santa Fe from Albuquerque, there are long terms goals and objectives in terms of collaboration in both funding and granting, as well as supporting efforts to potentially expand land acquisition at Abiquiu to increase storage capacity. He can't speak on behalf of Albuquerque, except that they have been hugely supportive in granting us this agreement.

**Disclosure:** Councilor Maestas said, "I want to state for the record, as everyone knows, I work for the Bureau of Reclamation, Albuquerque Area Office, and some of these matters involve water operations in the San Juan/Chama project, and those are two areas that I do not work in my jobs. So I do intend to participation in the deliberations and the vote on this issue. And I want to state also that the Bureau of Reclamations is not a signatory to the Storage Agreement."

Councilor Maestas said it appears there was a previous storage agreement that expired in 2007, and asked how those terms differ from these terms.

Mr. Schneider said they are quite similar. He said we have been going year to year with that expired agreement, and this will place that one. He said there are two additions to the conditions, and both parties will collaborate on some on these future endeavors in support of improving operations at Abiquiu.

Marcos Martinez, Assistant City Attorney, said, "The quantity changed. It was 5,000 afy we could store before, so this is almost tripling it."

Councilor Maestas said he doesn't get a sense for duration of storage. He said it provides we will get advance notice when we have to vacate our storage. He asked if we are assured of a minimum duration under this agreement, or will that be in the long term storage agreement.

Mr. Martinez said, "There is no minimum duration guaranteed here. Our hope is that because we have arrived at this agreement through cooperative effort with the authority that they would not negotiate in bad

faith, and as soon as soon as we put in 5,000 afy of water, tell us to evacuate it within 30 days. It is something the Authority required of the City in order to give us this expanded storage capacity. The only thing I would say to cushion that clause, is that we have a history of working with the Authority, they have allowed us to store after the expiration of the 2007 agreement, and we expect they would deal with the City in good faith and they would realize the position the City would be in if we had to vacate our water. To answer your question, the short answer is there is no minimum guarantee, period."

Councilor Maestas said his only concern is that we're giving advance payment for uncertain terms, in terms of minimum duration of storage. And now that we have a wider range of storage, that 10% is a lot more if we choose to take full advantage of at least the storage range on the high side. He asked Mr. Martinez if he can work on an amendment for 5% initially and then tie the initial transfer of wet water to some minimum storage threshold. He said when you are asked for advance payment, you want to know what you are getting on the back end. He asked if we can still store our own allocation of San Juan/Chama water. He asked if we have a third party arrangement with the San Juan/Chama water which would affect storage, if we have to get their pre-approval.

Mr. Schneider that is correct. He said the language regarding the duration is consistent with the original agreement and with all other lessees coming out of Abiquiu. He said Albuquerque has very strict requirements, and they are going to be resistant to alternative agreements with various parties.

Councilor Maestas asked if we ever received a notice to vacate under the old agreement.

Mr. Martinez said, "No. We did not."

Councilor Maestas said there is a condition that we would have to pursue a permanent easement in Abiquiu, and asked why we would need that in conjunction with this storage agreement.

Mr. Martinez said, "I believe the authority is the entity that is going to be seeking the permanent easement, and maybe.... just by way of background, at one point the City had thought about obtaining a small easement in the bathtub ring around Abiquiu, in order to negotiate with the Authority. And, I'm not saying this agreement is a result of that, they didn't like the idea that we would have one landowner and they would have the rest of it. And so it was our attempt to negotiate a better agreement with them. We never got any formalized agreement with any particular landowners, although we made some inquiries there. I think this is an indication that we would support their attempts to increase the easement ring around Abiquiu, and not interfere with it, so they'll be able to store more water in the event they are able to obtain all of these permanent easements around Abiquiu. Some of the easement were expiring, and so they wanted to replace those temporary easements with permanent ones. And so this also is a reference to the fact that the City would be cooperating with the authority."

Councilor Maestas said then the easements would coincide with whatever area could be theoretically be inundated at the maximum storage elevation. Is that correct.

Mr. Martinez said that is correct.

Councilor Ives asked what is the City's proportionate share of the payment to the Corps of Engineers.

Mr. Schneider said we currently have a separate contract O & M with the Corps. It's relatively nominal, \$3,000 to \$4,000 annually.

Councilor Ives asked if that should that be referenced in Paragraph 9, Page 3 of the Agreement where it talks about the City being responsible for its proportional share of the annual cost for storage calculated on the basis of the total amount of water deposited by the City as a percentage of the total 170,980 afy.

Mr. Schneider said the Corps is a signatory party to this agreement and that point they will recognize we'll have greater storage capacity and will adjust our O & M fee accordingly.

Councilor Ives asked if it is adjusted under our agreement with the Corps, or under the Water Authority.

Mr. Schneider said, "Once we establish the quantity, in this case, 15,000 afy, it is a proportion of the total and so our O & M fee will reflect that value. I would roughly estimate our O & M will go up 3X, since our storage capacity has grown to that quantity."

Councilor Ives said so we anticipate about a \$12,000 fee perhaps.

Mr. Schneider said, "Sure. approximately."

Councilor Ives asked if the Water Authority determines that leased water storage space is not available then all we're doing is letting this go to Elephant Butte, which is where we started this water from.

Mr. Schneider said, "That is the inherent risk. Yes."

Councilor Ives asked, "In terms of our movement of the water from Elephant butte up, did we get afy per afy, in terms of conversion, or did we lose water in connection with that transfer."

Mr. Schneider said, "There was water granted to the Bureau of Reclamation, essentially to provide the value and benefit to the federal government to implement that exchange. So, of the approximately 11,500 afy, the City of Santa Fe agreed to rescind 3,000 afy for the purpose of supporting environmental flows."

Councilor Ives said then that is about 20% of the total amount.

Mr. Schneider said, "Again, the 10% looked more favorable."

Councilor Ives said, "I just don't see anybody doing us many favors in all of this, which is why I, to some degree, find..... while I understand that having water in Elephant Butte probably does us absolutely no damn good, because there is no way we can tap into it unless we buy a fleet of pumping trucks, it...."

Mr. Schneider said, "To give you a sort of a sense and maybe we've had this discussion. I estimated doing linear regression of our water loss to evaporative forces to be roughly, 2,800 afy in Elephant Butte. So I really wanted to essentially push forward with the need to do this exchange and we essentially seized the moment to do that, and in the process evacuated Elephant Butte."

Councilor Ives said, again, he understands the need for that, and he's glad we did it, because it makes it available to us potentially.

Councilor Ives said you say there are other agreements underlying this in terms of additional cooperative efforts. For purposes of our participation in the regional water planning efforts that we are currently in with the Jemez y Sangre, he thinks it's very important to understand what those are, because those very much play into certainly what he understands the Interstate Stream Commission is looking for in terms of policies, projects and programs that impact water supply and demand. He said he will plan on getting with Mr. Schneider hopefully to understand that much better.

Councilor Maestas asked when we store water in Elephant Butte are we assessed or do we incur carriage losses as well, and Mr. Schneider said yes.

Councilor Maestas asked how are those relative to evaporation losses as a percentage – from point of diversion down to storage.

Mr. Schneider said that is correct. He said, "I'm going to put out a number and this is just basically off the top of my head, it is roughly 11%."

Councilor Maestas said then it can exceed the evaporation rate at Abiquiu.

Mr. Schneider said, "And I'm going back to our discussion with respect to the exchange, as we have an agreement with the Bureau that where have terminated our lease in Elephant Butte, so we essentially have evacuated that agreement. And I think it's critical to point out the benefit, as we were exposed to environmental mitigation liability. So when we stored water in Elephant Butte, the habitat was following that water down and creating an area that the Willow Flycatcher and other endangered species were migrating into. And that sort was as unknown variable relative to cost, in terms of the amount of water we had, it just seemed like a very high level of exposure. So, we view that as a strong benefit to terminate that agreement."

Councilor Maestas said, "But I think the legislation, the minnow rider really protects and insulates San Juan/Chama water from endangered species, correct, Marcos."

Mr. Martinez said, "Yes. That's correct."

Chair Rivera thanked Mr. Schneider for his presentation and his expertise.

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



Councilor Maestas said, "Great job on the contract, guys, really great job."

20. **REQUEST FOR APPROVAL OF COST SHARE AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE USDA, FOREST SERVICE, SANTA FE NATIONAL FOREST (USFS), IN THE AMOUNT OF \$240,000 OVER FOUR (4) YEARS, FOR REIMBURSEMENT OF PROJECT COSTS AND ACTUAL EXPENSES INCURRED BY THE USFS IN ACCORDANCE TO THE VEGETATION MANAGEMENT PLAN WITHIN THE 2013 SANTA FE MUNICIPAL WATERSHED MANAGEMENT PLAN, PASSED PER RESOLUTION NO. 2009-87. (ALAN HOOK) Committee Review: Public Utilities Committee 08/05/15; Finance Committee 08/17/15; and City Council 08/26/15.**

A copy of *Challenge Cost Share Agreement* between the City of Santa Fe and the USDA, Forest Service Santa Fe National Forest, is incorporated herewith to these minutes as Exhibit "3."

Mr. Hook presented information from his Memorandum which is in the packet, and Exhibit "3." Please see these documents for specifics of this presentation.

Councilor Bushee asked if we are holding any public hearings or doing anything to make sure we receive public input on this, commenting she has been hearing from the public.

Mr. Hook said we have not scheduled a public hearing, but he is sure that could be done at the City Council. He said the actual Loan Grant Agreement is part of the NMFA., and that would go through the Governing Body process also and that would be available for comment.

Councilor Bushee asked the term of the loan.

Mr. Hook said it is 4 years on the Collection Agreement, and then we get 3 years of funding through NMFA.

Councilor Bushee asked when was the last time we had public input on this.

Mr. Hook said the last time there was public input was on the actual Management Plan, done in 2009, as part of the Resolution for the Management Plan, and it was updated in 2013. So there probably was public input in 2009 for the overall Management Plan. So this is just one of four components.

Councilor Maestas said he is getting those emails as well, and he thinks they associate this agreement with control burning to manage our watershed, which is part of the watershed management. He said this is clearly an administrative action, and we're not authorizing any control burn or burning acreage in the existing plan – nothing like that.

Mr. Hook said, "No, we're not adding to this. Basically, this is continuing forward the Management Plan itself, and the planned acreage under that Management Plan. What's significant about this is that we were able to negotiate some targets from the Forest Service on an annual basis, and also a report from the Forest Service every year, so we'll bring that back to you and the Governing Body itself to say how many acres were done this year, how many were prescribed burn, how much was pile burns, how much were broadcast burns. We didn't have that before, and it was just following the overall plan. So we put that in there for information for the public as well as the Committee and Governing Body. This isn't adding more acreage, again, it's just following the overall Management Plan, under the Municipal Watershed Program."

Councilor Maestas asked if it is customary to update the Plan every 4 years, or is this just the way it played out since we adopted it in 2009, and that one expired and we updated it in 2013. He asked if that is rule of thumb recommended frequency for updating a watershed management plan.

Mr. Hook said, "It wasn't a set idea to have it every 4 years, that sort of came about as some of the original financing ideas for funding this occurred. Again, some of the management of how the Forest Service was doing treatments, and the municipal watershed changed and evolved as they moved forward on the project, so therefore that is some of the reasoning of the change in the overall Watershed Management Plan. We may look at updating the plan again, depending on some of our outreach activities."

Mr. Hook continued, "And again, it probably would be a good time to update this because the environmental assessment was approved just approved this spring. That means, and in this Collection Agreement, we've allotted about 20% of the funding. So if there is already something done in the lower watershed around our reservoirs and there is an opportunity for the Forest Service to do prescribed burns in the wilderness area, which is unique because you can't do mechanical thinning in the wilderness area, to do a prescribed broadcast burn. We allow the Forest Service to tap into about 20% of these funds to do that. So, the Watershed Management Plan, as it now exists, talks about doing those treatments in the wilderness part of the upper municipal watershed, it doesn't call out specifically as this Collection Agreement does. So this might be the time to actually update the Watershed Management Plan to reflect this Collection Agreement."

Councilor Maestas said, "Yes. I'd like to see that. I think that would really provide proper context to what we're doing and how this plan is evolving, because it is evolving quite a bit, and I think it would really be a good exercise for our community to come and see this plan and comment on it."

Councilor Maestas asked if there were any conditions associated with the NMFA funding, because typically they do impose conditions on the funding, such as reporting requirements and other kinds of strings, and do they conflict in any way with this cost share agreement.

Mr. Hook said usually the conditions they ask for are a quarterly report of the progress. They did ask for the timeline on an asset management plan, and wanted the Collection Agreement to be executed, noting Condition #5 is attachment number 4. They also wanted to see a projected expenditure of how the Forest Service would draw down these funds. He said that is somewhat difficult, but they will work on that

before September 30, 2015, when NMFA wants documentation on how this would move forward. He said the list of conditions are on page 2 of the NMFA award letter.

Chair Rivera said we started burning two years ago, especially the slash piles that were up there, and asked how many slash piles are still left, if any.

Mr. Hook said there are some piles that are different than hand thinning piles, because they're a little larger, on the north side of the watershed between Nichols and McClure. Those needed time to dry out, and the conditions have not been favorable to burn on the northern side because it could affect Hyde Park Road. This past Spring, a large area of 800 plus acres, they were hoping to treat in May and were ready with crews, outposts, but had to cancel 24 hours ahead of the proposed burn, because the easterly winds would have pushed the smoke toward the City. He said they are hoping to do it in the late fall/early winter. However, as to pile burns, there are a few left on the northern rim, but not a lot.

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

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

#### **MATTERS FROM THE PUBLIC**

There were no matters from the public.

#### **MATTERS FROM THE CITY ATTORNEY**

There were no matters from the City Attorney.

#### **ITEMS FROM STAFF**

There were no items from staff.

#### **MATTERS FROM THE COMMITTEE**

Councilor Bushee asked Mr. Schiavo if he got the folder from Brian after she had the meeting with the downtown businesses that weren't happy with the commercial pickup.

Mr. Schiavo said, "Yes. In this case, that particular commercial business wasn't paying for commercial recycling, so he sent staff out to talk to them about pricing."

Councilor Bushee said she understood it was their neighbors' problem.

Mr. Schiavo said he will follow up.

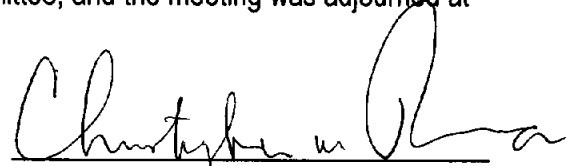
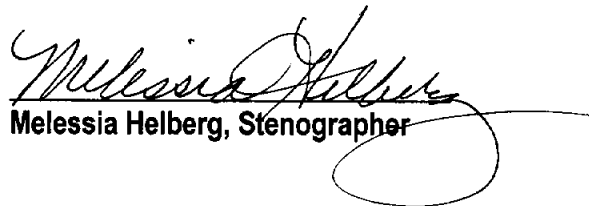
Councilor Bushee said she has the folder in her office if he needs it.

Mr. Schiavo said, "I'll take you up on that Councilor."

**NEXT MEETING: WEDNESDAY, SEPTEMBER 2, 2015.**

**ADJOURN**

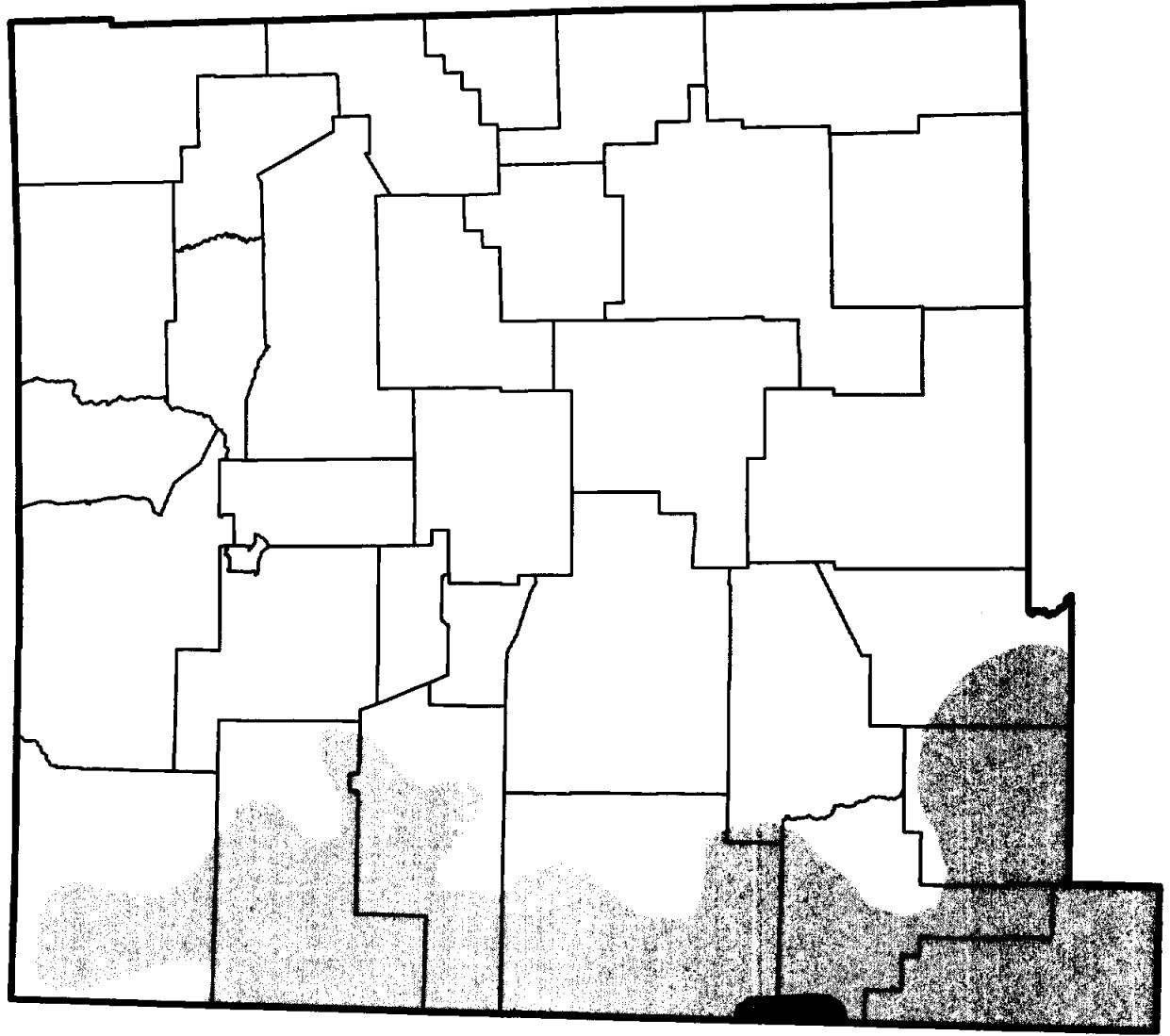
There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:15 p. m.

  
**Christopher M. Rivera, Chair**  
**Melessia Helberg, Stenographer**

# U.S. Drought Monitor

## New Mexico

**July 28, 2015**  
 (Released Thursday, Jul. 30, 2015)  
 Valid 8 a.m. EDT








*Exhibit "1"*

*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D3-D4	D4
<b>Current</b>	49.44	50.56	19.35	0.27	0.00
<b>Last Week</b> 7/21/2015	49.44	50.56	21.09	0.27	0.00
<b>3 Months Ago</b> 4/29/2015	25.21	74.79	55.64	17.97	0.00
<b>Start of Calendar Year</b> 12/30/2014	12.01	87.99	65.38	29.10	0.00
<b>Start of Water Year</b> 9/30/2014	16.70	83.30	62.57	30.04	0.00
<b>One Year Ago</b> 7/29/2014	0.00	100.00	95.63	54.47	0.00

**Intensity:**

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.*

**Author:**  
 Richard Heim  
 NCEI/NOAA



**Meter Install Status**

- Completed
- September/October
- Santa Fe City Limits
- District 1
- District 2
- District 3
- District 4

1 0.5 0 1 Miles

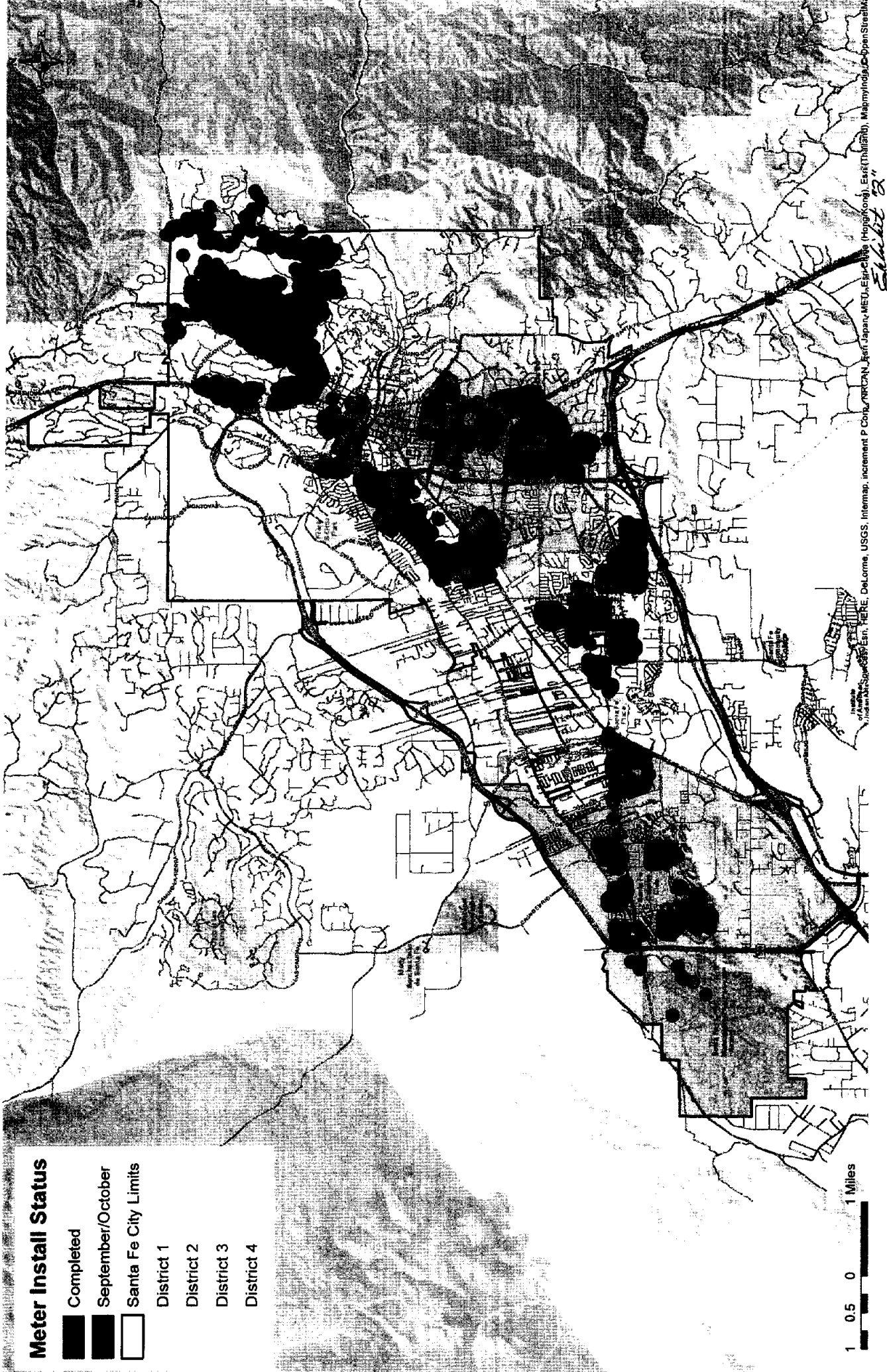


Exhibit 12

FS Agreement No. 15-CS-11031000-003

Cooperator Agreement No. \_\_\_\_\_

**CHALLENGE COST SHARE AGREEMENT**

Between the  
**CITY OF SANTA FE**  
And The  
**USDA, FOREST SERVICE**  
**SANTA FE NATIONAL FOREST**

This Supplemental Project Agreement (SPA) is hereby made and entered into by and between the City of Santa Fe hereinafter referred to as "the City" and the USDA, Forest Service, Santa Fe National Forest hereinafter referred to as the "U.S. Forest Service," under the authority: Department of Interior and Related Agencies Appropriation Act of 1992, Pub. L. 102-154.

Background: Like many cities throughout the western United States, Santa Fe's water supply is dependent upon forest health and protection from catastrophic wildfire. This agreement acknowledges goals and recommendations described in the Santa Fe Municipal Watershed Management Plan (2013), a plan jointly developed between the U.S. Forest Service, the City of Santa Fe and other stakeholders. The Watershed Management Plan (WMP) provides a framework and funding mechanism for the needed long-term stewardship of the Watershed. The WMP provides recommendations for vegetation management, water resource management, public education/outreach, and funding for the work. It is unique in that it seeks to fund forest restoration activities using the Payment for Ecosystem Services model as an insurance policy against future threats, particularly of catastrophic fire, to the municipal water supply.

Title: City of Santa Fe Watershed Projects

**I. PURPOSE:**

The purpose of this agreement is to document the cooperation between the parties to provide a means to support the protection of the Santa Fe Watershed, located on lands administered by the U.S. Forest Service and the City of Santa Fe in accordance with the following provisions and the hereby incorporated Operating and Financial Plan, attached as Exhibit A.

**II. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:**

The U.S. Forest Service and the City recognize that a large portion of Santa Fe's water supply is dependent upon forest health and protection from catastrophic wildfire. With a common vision as described in the Watershed Management Plan, the U.S. Forest Service and the City can most effectively marshal resources to support long-term management to provide for the health of the watershed through targeted prescribed burns within the Santa Fe Municipal Watershed.

*Exhibit "3"*



In Consideration of the above premises, the parties agree as follows:

### III. THE CITY SHALL:

- A. **LEGAL AUTHORITY.** The City shall have the legal authority to enter into this agreement, and the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project, which includes funds sufficient to pay the nonfederal share of project costs, when applicable.
- B. **PAYMENT/REIMBURSEMENT.** The City shall reimburse the U.S. Forest Service for the City's share of agreed upon project costs and actual expenses incurred, not to exceed **\$240,000.00**, as shown in the Financial Plan (Exhibit A). The Department shall make payment upon receipt of the U.S. Forest Service's Bill for Collection.
- C. **AVAILABILITY OF FUNDS.** The Department's funds in the amount of **\$240,000.00** are currently available for performance of this agreement through **06/01/2019**. The Department's obligation for performance of this agreement beyond this date is contingent upon the availability of appropriated funds from which payment can be made. No legal liability on the part of the Department for any payment may arise for performance under this agreement beyond **06/01/2019** until funds are made available to the City and the U.S. Forest Service receive(s) notice of availability to be confirmed in a written modification by the Department.
- D. Participate in the implementation of the Watershed Management Plan (WMP), including but not limited to developing the annual work plan, participating in the vegetation treatments, education/outreach, and other portions of the WMP.

### IV. THE U.S. FOREST SERVICE SHALL:

- A. Perform in accordance with the attached Financial Plan.
- B. **REIMBURSABLE BILLING.** The U.S. Forest Service shall bill the City monthly as of **June 30** for funds sufficient to cover the costs for the specific payment period. All reimbursement billings must be completed within the same fiscal year as U.S. Forest Service expenditures. Overhead is waived as a result of mutual benefit.

Billings must be sent to:

City of Santa Fe Water Division  
Attn: Alan G. Hook or Maya Martinez  
Water Resources & Conservation  
Sangre de Cristo Water Division  
801 W. San Mateo Rd.  
Santa Fe, NM 87504





The U.S. Forest Service is required to issue bills for expenditures incurred under reimbursable agreements at the end of or prior to the end of each fiscal year. Therefore, an out-of-cycle bill may be received by the City.

If payment is not received to the satisfaction of the U.S. Forest Service by the date specified on the Bill for Collection (Form FS-6500-89), the U.S. Forest Service shall exercise its rights regarding the collection of debts owed to the United States. Conditions specified in an associated payment bond guaranteeing payment must also be met.

- C. SPECIAL BILLING REQUIREMENTS – FINANCIAL DOCUMENTATION. The U.S. Forest Service shall provide an itemized statement of actual expenditures to the City with each Bill for Collection.
- D. SPECIAL BILLING REQUIREMENTS – PROGRAM DOCUMENTATION. The U.S. Forest Service Program Manager shall provide the City with a written report that meets City's specific documentation requirements.
- E. Perform in accordance with the attached Financial Plan.
- F. Perform the necessary labor, purchase materials, and tools for the implementation of the work described in the WMP. There will be days when personnel overtime will be needed for prescribed burn preparation, ignition, monitoring, etc. However, expenditures will not exceed the allocated amount identified in the attached Financial Plan.
- 1) Targeted acres per calendar year are identified on lines a thru c by forest treatment type. Due to the time sensitivity of prescribed fire conditions, the targeted acres and related costs may change annually; however, expenditures will be utilized over a four year period according to the Financial Plan.
    - a) 20 acres of thinning and piling vegetation.
    - b) 20 acres of prescribed burn piles.
    - c) 850 acres of prescribed broadcast burning
  - 2) If the targeted acres on line 1.c are not available due to ecological or meteorological conditions, then more resources can be utilized to increase treated acres listed in part III, Section E, lines 1.a and 1.b to continue fuels reduction efforts.
  - 3) Funds may be used for the Pecos Wilderness Prescribed Burn Project within the Municipal Santa Fe Watershed; however, not to exceed 20% of the total, four year Financial Plan and the amount of targeted acres identified on line 1 for the lower Santa Fe Municipal Watershed (non-wilderness area) will still have to be achieved, when prescribed burn conditions are available, by the termination date of the agreement.
  - 4) Personnel listed on the attached Financial Plan may vary depending on availability of USFS & City staff, associated contractors, or any associated sub-contractors; however, personnel and other identified resource expenditures will not exceed the overall costs on the Financial Plan.



- G. In cooperation with the City, develop an annual work plan and report for implementation of the WMP.

**V. CONTACTS & TIME LIMITS:**

- A. PRINCIPAL CONTACTS. Individuals listed below are authorized to act in their respective areas for matters related to this agreement.

**Principal Department Contacts:**

Department Program Contact	Department Administrative Contact
Name: Alan G. Hook Address: 801 W. San Mateo Rd. City, State, Zip: Santa Fe, NM 87504 Telephone: (505) 955-4205 FAX: (505) 955-4205 Email: aghook@santafenm.gov	Name: Nick Schiavo Address: 801 W. San Mateo Rd City, State, Zip: Santa Fe, NM 87504 Telephone: (505) 955-4201 FAX: (505) 955-4205 Email: naschiavo@santafenm.gov

**Principal U.S. Forest Service Contacts:**

U.S. Forest Service Program Manager Contact	U.S. Forest Service Administrative Contact
Name: Sanford Hurlocker, District Ranger Address: P.O. Box 3307 City, State, Zip: Española, NM. 87533 Telephone: 505-753-7331 FAX: 505-753-9411 Email: shurlocker@fs.fed.us	Name: Kileen Mitchell Grants Management Specialist Address: 11 Forest Lane City, State, Zip: Santa Fe, NM 87508 Telephone: 575-758-6296 Email: kileenbmitchell@fs.fed.us

- B. LIABILITY AND INDEMNITY. The United States shall not be liable to the City for any costs, damages, claims, liabilities, and judgments that arise in connection with the performance of work by the U.S. Forest Service or its contractors under this collection agreement, including but not limited to fire suppression costs and damage to any property owned by the City or any third party. The City shall indemnify, defend, and hold harmless the United States for any costs, damages, claims, liabilities, and judgments in favor of any third party that arise in connection with the performance of work by the U.S. Forest Service or its contractors under this cost share agreement.
- C. NOTICES. Any notice given by the U.S. Forest Service or the City will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in the grant.



To the City, at the City's address shown in the grant or such other address designated within the grant.

Notices will be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

- D. PARTICIPATION IN SIMILAR ACTIVITIES. This agreement in no way restricts the U.S. Forest Service or the City from participating in similar activities with other public or private agencies, organizations, and individuals.
- E. ENDORSEMENT. Any of the City's contributions made under this agreement do not by direct reference or implication convey U.S. Forest Service endorsement of the City's products or activities.
- F. USE OF U.S. FOREST SERVICE INSIGNIA. In order for the City to use the U.S. Forest Service insignia on any published media, such as a webpage, printed publication, or audiovisual production, permission must be granted from the U.S. Forest Service's Office of Communications. A written request must be submitted and approval granted in writing by the Office of Communications (Washington Office) prior to use of the insignia.
- G. MEMBERS OF U.S. CONGRESS. Pursuant to 41 U.S.C. 22, no United States member of, or United States delegate to, Congress shall be admitted to any share or part of this agreement, or benefits that may arise therefrom, either directly or indirectly.
- H. NONDISCRIMINATION. The City shall comply with all applicable Federal statutes relating to nondiscrimination. This includes all applicable requirements of all other Federal laws, regulations, and policies. These include but are not limited to Title VI of the Civil Rights Act of 1964 as amended, which prohibits discrimination on the bases of race, color and national origin; Title IX of the Education Amendments of 1972 which prohibits discrimination based on sex in educational programs and activities; Age Discrimination Act of 1975, as amended, prohibiting age discrimination; and 504 of the Rehabilitation Act of 1973 as amended, which prohibits discrimination on the basis of disability.
- I. ELIGIBLE WORKERS. The City shall ensure that all employees complete the I-9 form to certify that they are eligible for lawful employment under the Immigration and Nationality Act (8 USC 1324a). The City shall comply with regulations regarding certification and retention of the completed forms. These requirements also apply to any contract awarded under this agreement.
- J. SYSTEM FOR AWARD MANAGEMENT REGISTRATION REQUIREMENT (SAM). The City shall maintain current information in the System for Award Management (SAM) until receipt of final payment. This requires review and update to the information at least annually after the initial registration, and more frequently if required by changes in information or agreement term(s). For purposes of this



agreement, System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a Cooperative. Additional information about registration procedures may be found at the SAM Internet site at [www.sam.gov](http://www.sam.gov).

K. TERMINATION BY MUTUAL AGREEMENT. This agreement may be terminated, in whole or part, as follows:

1. When the U.S. Forest Service and the City agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
2. By 30 days written notification by the City to the U.S. Forest Service setting forth the reasons for termination, effective date, and in the case of partial termination, the portion to be terminated.

If, in the case of a partial termination, the U.S. Forest Service determines that the remaining portion of the agreement will not accomplish the purposes for which the agreement was made, the U.S. Forest Service may terminate the agreement in its entirety.

Upon termination of an agreement, The U.S. Forest Service shall not incur any new obligations for the terminated portion of the agreement after the effective date, and shall cancel as many outstanding obligations as possible. The City shall allow full credit to the U.S. Forest Service for the City's share of the non-cancelable obligations properly incurred by the U.S. Forest Service up to the effective date of the termination. Excess funds must be refunded within 60 days after the effective date of termination.

L. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS. The City shall retain all records pertinent to this agreement for a period of no less than 3 years from the expiration or termination date. As used in this provision, records include books, documents, accounting procedures and practice, and other data, regardless of the type of format. The City shall provide access and the right to examine all records related to this agreement to the U.S. Forest Service Inspector General, or Comptroller General or their authorized representative. The rights of access in this section must not be limited to the required retention period but must last as long as the records are kept.

If any litigation, claim, negotiation, audit, or other action involving the records has been started before the end of the 3-year period, the records must be kept until all issues are resolved, or until the end of the regular 3-year period, whichever is later.

Records for nonexpendable property acquired in whole or in part, with Federal funds must be retained for 3 years after its final disposition.



- M. FREEDOM OF INFORMATION ACT (FOIA). Public access to agreement records must not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to Freedom of Information regulations (5 U.S.C. 552).

Public access to culturally sensitive data and information of Federally-recognized Tribes may also be explicitly limited by P.L. 110-234, Title VIII Subtitle B §8106 (2009 Farm Bill).

- N. TEXT MESSAGING WHILE DRIVING. In accordance with Executive Order (EO) 13513, "Federal Leadership on Reducing Text Messaging While Driving," any and all text messaging by Federal employees is banned: a) while driving a Government owned vehicle (GOV) or driving a privately owned vehicle (POV) while on official Government business; or b) using any electronic equipment supplied by the Government when driving any vehicle at any time. All recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging when driving company owned, leased or rented vehicles, POVs or GOVs when driving while on official Government business or when performing any work for or on behalf of the Government.

- O. PUBLIC NOTICES. It is the U.S. Forest Service's policy to inform the public as fully as possible of its programs and activities. The City is encouraged to give public notice of the receipt of this agreement and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"Forest Protection of the U.S. Forest Service, Department of Agriculture."

The City may call on the U.S. Forest Service's Office of Communication for advice regarding public notices. The City is/are requested to provide copies of notices or announcements to the U.S. Forest Service Program Manager and to the U.S. Forest Service's Office of Communications as far in advance of release as possible.

- P. PROPERTY IMPROVEMENTS. Improvements placed on National Forest System land at the direction or with the approval of the U.S. Forest Service becomes property of the United States. These improvements are subject to the same regulations and administration of the U.S. Forest Service as would other National Forest improvements. No part of this agreement entitles the City to any interest in the improvements, other than the right to use them under applicable U.S. Forest Service Regulations.
- Q. PURCHASE OF ASSETS. Any assets (such as equipment, property, or improvements) purchased by the U.S. Forest Service with the City's contributions shall become the property of the U.S. Forest Service.
- R. OFFSETS, CLAIMS AND RIGHTS. Any and all activities entered into or approved by this agreement will create and support afforestation/ reforestation efforts within the

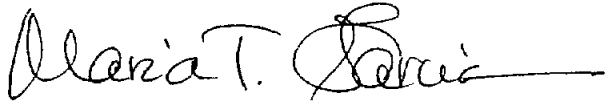





National Forest System without generating carbon credits. The U.S. Forest Service does not make claims of permanence or any guarantees of carbon sequestration on lands reforested or afforested through partner assistance. The U.S. Forest Service will provide for long-term management of reforested and afforested lands, according to applicable Federal statute regulations and forest plans.

- S. ALTERNATE DISPUTE RESOLUTION – PARTNERSHIP AGREEMENT. In the event of any issue of controversy under this agreement, the parties may pursue Alternate Dispute Resolution procedures to voluntarily resolve those issues. These procedures may include, but are not limited to conciliation, facilitation, mediation, and fact finding.
- T. DEBARMENT AND SUSPENSION. The City shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the federal government according to the terms of 2 CFR Part 180. Additionally, should the City or any of their principals receive a transmittal letter or other official federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.
- U. APPROPRIATIONS. The parties acknowledge that the City's appropriations for reimbursement under this agreement will comply with the Bateman Act, NMSA 1978, § 6-6-11.
- V. TORT CLAIMS. Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.
- W. MODIFICATIONS. Modifications within the scope of this award shall be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change.
- X. COMMENCEMENT/EXPIRATION DATE. This award is executed as of the date of the last signature and is effective through 05/30/2019 at which time it will expire, unless extended by an executed modification, signed and dated by all properly authorized, signatory officials.

**VI. APPROVAL**

- A. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this agreement. In witness whereof, the parties hereto have executed this agreement as of the last date written below.

City of Santa Fe	
JAVIER GONZALES, Mayor City of Santa Fe d/b/a City of Santa Fe Water Division	Date
ATTEST: YOI.LANDA Y. VIGIL, City Clerk	Date
APPROVED AS TO FORM: KELLEY BRENNAN, City Attorney	Date
OSCAR S. RODRIGUEZ, Director of Finance  Business Unit/Line Item 52359.510300	Date
U.S. Forest Service	
MARIA T. GARCIA, Forest Supervisor U.S. Forest Service, Santa Fe National Forest 	Date 
The authority and format of this agreement have been reviewed and approved for signature.	
KILEEN B. MITCHELL, U.S. Forest Service, Grants & Agreements Specialist  P.L. 102-154 15C011031000-003	Date 



## Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.





United States  
Department of  
Agriculture

Forest  
Service

Santa Fe National Forest

Supervisor's Office  
11 Forest Lane  
Santa Fe, New Mexico 87508  
PH 505-438-5300 FAX 505-438-5390

File Code: 1580

Date: July 29, 2015

Route To: **Alan G. Hook**  
Water Resources Coordinator Assistant  
Water Resources & Conservation  
Sangre de Cristo Water Division  
801 W. San Mateo Rd.  
City of Santa Fe, NM 87504

RE: Agreement No: 15-CS-11031000-003  
City of Santa Fe Municipal Watershed Projects

GRANTS & AGREEMENTS TRANSMITTAL LETTER

- ☒ Enclosed are 2 originals of the referenced Agreement document for your review/signature.
- ☒ Please return 1 fully executed original for our files to the address listed below
- ☒ The U.S. Forest Service fiscal year ends September 30, 2015. Any business occurring after September 20, 2015 will be finalized in FY16.

Please direct any inquiries regarding the above referenced document to the Grants Management Specialist for the Carson and Santa Fe National Forests:

Kileen B. Mitchell  
U.S. Forest Service Grants and Agreements  
208 Cruz Alta Rd  
Taos, NM 87571  
(575) 758-6296

Received

AUG 3 2015

City of Santa Fe Water Division  
ALAN G. HOOK 5:00pm MST

