



# Agenda

CITY CLERK'S OFFICE

DATE 6-11-08 TIME 11:40

SERVED BY [Signature]

RECEIVED BY [Signature]

**PUBLIC UTILITIES COMMITTEE  
MEETING  
CITY COUNCIL CHAMBERS  
WEDNESDAY, JUNE 18, 2008  
5:15 PM**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FOR THE JUNE 4, 2008 PUBLIC UTILITIES COMMITTEE MEETING
6. MATTERS FROM THE COMMITTEE

**Outstanding Matters:**

- a. Status Report on River Rund. (Rachel Friedman) **To be presented at July 2<sup>nd</sup> PUC meeting.**
- b. Request for Approval of Bill No. 2008-\_\_\_\_. An Ordinance Repealing Sections 14-8.13, 14-8.16 and 14-8.17 SFCC 1987 Regarding Annual Water Budget, Water Rights Transfer Requirements and Water Rights Banking; Creating a New Section 14-8.13 SFCC 1987 Regarding the City's Water Budget, Development Water Budget Requirements, the Water Rights Transfer Program, and the Retrofit Program; Making Such Other Related Changes as are Necessary. (Dale Lyons) (Councilor Wurzbarger and Councilor Ortiz) **To be presented at 7/17/08 Planning Commission, 7/28/08 Public Work/CIP & Land Use Committee, 8/6/08 Public Utilities Committee, 8/18/08 Finance Committee, 8/25/08 City Council for Request to Publish and 9/24/08 City Council for Public Hearing and Final Approval.**

- c. "Pay As You Throw" Proposal. (Bill de Grande) **To be presented at the 7/2/08 PUC.**
- d. Water Rate Increase (Gary Martinez)

#### **INFORMATIONAL ITEMS**

- 7. Update on Current Water Supply Status. (Victor Archuleta)
- 8. Definition of Acronyms. (List Provided)
- 9. Update on Solid Waste Division. (Bill De Grande)
- 10. Report on the Status of a Water Quality Study to Determine the Impact of Septic Tanks on the Regional Aquifer, Residential Wells and City of Santa Fe Water Supply Wells. (Robert Gallegos)
- 11. Update on Status of Buckman Direct Diversion Project. (Rick Carpenter)
- 12. Report on Non-Compliant Option "B's". (Edward Montoya)
- 13. Report on Water Budget Administrative Office Revenues. (Galen Buller)

#### **CONSENT CALENDAR**

- 14. Request for Approval of Award of Bid # 08/39/B for FY 08/09 for the City Wide Water Utility Pavement Restoration Contract for the Total Amount of \$200,000 to Sub Surface Contracting, Inc. (Shannon Jones)
- 15. Request for Approval of Engineer Directive/Change Order No. 2 with RMCI, Inc. for the Canyon Road Water Treatment Plant Sanitary Sewer Extension. (Michael Gonzales and Brian Snyder)

#### **DISCUSSION ITEMS**

- 16. Request for Resolution No. 2008-\_\_\_\_\_. A Resolution Designating Water Rights for the City's Northwest Quadrant Project. (Kathy McCormick)  
(Councilor Wurzbarger, Councilor Ortiz and Councilor Dominguez)

#### **MATTER FROM THE PUBLIC**

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

#### **MATTERS FROM STAFF**

**NEXT MEETING: WEDNESDAY, JULY 2, 2008**

**ADJOURN**

**SUMMARY INDEX  
PUBLIC UTILITIES COMMITTEE  
June 18, 2008**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Approved	
APPROVAL OF CONSENT AGENDA	Approved	
APPROVAL OF MINUTES FOR THE JUNE 4, 2008, PUBLIC UTILITIES COMMITTEE MEETING	Approved	
<b><u>MATTERS FROM THE COMMITTEE</u></b> <b><u>OUTSTANDING MATTERS</u></b>		
STATUS REPORT ON RIVER FUND	To be presented 7/16/08	
REQUEST FOR APPROVAL OF BILL NO. 2008- ____ . AN ORDINANCE REPEALING SECTIONS 14-8.13, 14-8.16 AND 14-8.17 SFCC 1987, REGARDING ANNUAL WATER BUDGET, WATER RIGHTS TRANSFER REQUIREMENTS AND WATER RIGHTS BANKING; CREATING A NEW SECTION 14-8.13 SFCC 1987, REGARDING THE CITY'S WATER BUDGET, DEVELOPMENT WATER BUDGET REQUIREMENTS, THE WATER RIGHTS TRANSFER PROGRAM, AND THE RETROFIT PROGRAM; MAKING SUCH OTHER RELATED CHANGES AS ARE NECESSARY	To be presented 08/06/08	
"PAY AS YOU THROW" PROPOSAL.	To be presented 07/2/08	
WATER RATE INCREASE	Pending	
<b><u>INFORMATIONAL ITEMS</u></b>		
UPDATE ON CURRENT WATER SUPPLY STATUS	Information	

**DEFINITION OF ACRONYMS**

**List provided**

**UPDATE ON SOLID WASTE DIVISION**

**Information/discussion**

**REPORT ON THE STATUS OF A WATER  
QUALITY STUDY TO DETERMINE THE IMPACT  
OF SEPTIC TANKS ON THE REGIONAL AQUIFER,  
RESIDENTIAL WELLS AND CITY OF SANTA FE  
WATER SUPPLY WELLS**

**Information/discussion**

**UPDATE ON STATUS OF BUCKMAN DIRECT  
DIVERSION PROJECT**

**Information/discussion**

**REPORT ON NON-COMPLIANT OPTION "B's"**

**Information/discussion**

**REPORT ON WATER BUDGET ADMINISTRATIVE  
OFFICE REVENUES**

**Information/discussion**

**DISCUSSION ITEMS**

**REQUEST FOR RESOLUTION NO. 2008- \_\_\_\_.  
A RESOLUTION DESIGNATING WATER RIGHTS  
FOR THE CITY'S NORTHWEST QUADRANT  
PROJECT**

**Approved [amended]**

**MATTERS FROM THE PUBLIC**

**None**

**MATTERS FROM THE CITY ATTORNEY**

**None**

**ITEMS FROM STAFF**

**None**

**MATTERS FROM THE COMMITTEE**

**None**

**NEXT MEETING: WEDNESDAY,  
~~JULY 2, 2008~~ JULY 16, 2008**

**ADJOURN**

**MINUTES OF THE  
CITY OF SANTA FE  
PUBLIC UTILITIES COMMITTEE  
Wednesday, June 18, 2008**

**1. CALL TO ORDER**

A meeting of the Public Utilities Committee was called to order by Councilor Rebecca Wurzburger, Chair, at approximately 5:15 p.m., on June 18, 2008, in the Council Chambers, City Hall, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Councilor Rebecca Wurzburger, Chair  
Councilor Christopher Calvert  
Councilor Matthew E. Ortiz  
Councilor Rosemary Romero

**MEMBERS EXCUSED:**

Councilor Ronald S. Trujillo E

**OTHERS PRESENT:**

Galen Buller, Public Utilities Director  
Stephanie Lopez, Public Utilities  
Marcus Martinez, Assistant City Attorney  
Melessia Helberg, Stenographer

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

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

**3. APPROVAL OF AGENDA**

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to approve the Agenda as presented.

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

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

MOTION: Councilor Calvert moved, seconded by Councilor Romero, to approve the following consent agenda as presented.

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

#### **CONSENT CALENDAR**

- 14. REQUEST FOR APPROVAL OF AWARD OF BID #08/39/B FOR FY 08/09 FOR THE CITY WIDE WATER UTILITY PAVEMENT RESTORATION CONTRACT FOR THE TOTAL AMOUNT OF \$200,000 TO SUB SURFACE CONTRACTING, INC. (SHANNON JONES)**
  - 15. REQUEST FOR APPROVAL OF ENGINEER DIRECTIVE/CHANGE ORDER NO. 2 WITH RMCI, INC., FOR THE CANYON ROAD WATER TREATMENT PLANT SANITARY SEWER EXTENSION. (MICHAEL GONZALES AND BRIAN SNYDER)**
- 
- 5. APPROVAL OF MINUTES FOR THE JUNE 4, 2008, PUBLIC UTILITIES COMMITTEE MEETING.**

MOTION: Councilor Calvert moved, seconded by Councilor Romero, to approve the minutes of the meeting of June 4, 2008, as submitted.

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

#### **6. MATTERS FROM THE COMMITTEE**

##### **OUTSTANDING MATTERS**

- a. STATUS REPORT ON RIVER FUND (RACHEL FRIEDMAN). To be presented at the July 2, 2008 PUC meeting.**
- b. REQUEST FOR APPROVAL OF BILL NO. 2008- \_\_\_\_\_. AN ORDINANCE REPEALING SECTIONS 14-8.13, 14-8.16 AND 14-8.17 SFCC 1987, REGARDING ANNUAL WATER BUDGET, WATER RIGHTS TRANSFER REQUIREMENTS AND WATER RIGHTS BANKING; CREATING A NEW SECTION 14-8.13 SFCC 1987, REGARDING THE CITY'S WATER BUDGET, DEVELOPMENT WATER BUDGET REQUIREMENTS, THE WATER RIGHTS TRANSFER PROGRAM, AND THE RETROFIT PROGRAM; MAKING SUCH OTHER RELATED CHANGES AS ARE NECESSARY (COUNCILOR WURZBURGER AND COUNCILOR ORTIZ). (DALE LYONS) To be presented at 7/17/08 Planning Commission, 7/28/08 Public Works/CIP & Land Use Committee,**

**8/6/08 Public Utilities Committee, 8/18/08 Finance Committee, 8/25/08 City Council for Request to Publish and 9/24/08 City Council for Public Hearing and Final Approval.**

- c. **"PAY AS YOU THROW" PROPOSAL. (BILL DeGRANDE). To be presented at the 7/2/08 PUC.**
- d. **WATER RATE INCREASE. (GARY MARTINEZ)**

## **INFORMATIONAL ITEMS**

### **7. UPDATE ON CURRENT WATER SUPPLY STATUS. (VICTOR ARCHULETA)**

A copy of the Weekly Water Report for the week ending June 15, 2008, is incorporated herewith to these minutes as Exhibit "2."

Councilor Wurzbarger asked the Committee if it is necessary to have Mr. Archuleta read the water report to the Committee each month, or if they would just like to ask any questions they might have.

Councilor Calvert said it would be more meaningful if there were something unusual to report, but doesn't believe it is needed just for the status quo.

It was the consensus among the Committee that it is not necessary for Mr. Archuleta to present the report unless there is a significant difference in the numbers, or he has something special to report.

Chair Wurzbarger asked if there are any aberrations in the report overall.

Mr. Archuleta said no.

### **8. DEFINITION OF ACRONYMS. (LIST PROVIDED)**

A copy of "Common Abbreviations and Acronyms used in the Water Industry," is incorporated herewith to these minutes as Exhibit "1."

Ms. Lopez noted that the requested list of acronyms is included in the packet, and that item has been removed from Outstanding Matters.

### **9. UPDATE ON SOLID WASTE DIVISION. (BILL DeGRANDE).**

Mr. DeGrande presented information from his memorandum of June 18, 2008, noting he has included the organizational chart as requested by Councilor Ortiz, and the attendance percentages which were requested by the Chair.

Chair Wurzburger said the Council has formally made the decision about the plastic bags, and asked when and how we are going to let the public know about this.

Mr. DeGrande said he hasn't advised the public at this time, but he will be doing some PSAs through Laura Banish and an ad in The Santa Fe New Mexican, letting the public know that the City is no longer distributing bags except for the elderly and handicapped.

Responding to Councilor Romero, Mr. DeGrande said normally an announcement is made about the bags in the utility bills. However, he missed this last billing cycle, but it will be included in the next billing cycle.

Councilor Ortiz said he just received a copy of a report, and he is interested in getting a response from the Division on these allegations, particularly with regard to the pay increases for certain employees within the Division and whether or not there is favoritism involved. Secondly, he doesn't remember approving the position of Assistant Director. He said he wants a response from Mr. DeGrande at the next meeting.

Councilor Wurzburger asked Ms. Raveling to comment on whether the position was approved in the budget and we just didn't realize it.

Ms. Raveling said she would have to go back to the personnel sheet to see if it was included in the original budget, and report back to the Committee.

Councilor Ortiz said he would like to make it very clear that he still wants a response on the report from Mr. DeGrande.

Councilor Calvert asked when the Division might start on some sort of green waste recycling.

Mr. DeGrande said this is one of two items in their strategic planning. He said at the beginning of the next fiscal year he will spec-out another large item pickup truck which is intended to use for green waste. He said that program should begin by the end of the calendar year. He would like to start earlier, but he is limited to one large item truck right now, but it runs regularly and is 12-years old.

Chair Wurzburger said at the Business and Quality of Life Committee meeting today, one of the Committee members from the Eldorado had some major concerns about trying to get some glass recycled from the hotel. She said it took a long time to make it happen, and the hotel then delivered it out there and they were charged for it. She said they thought that isn't a good way to do things if we are trying to encourage business recycling. She said the Committee is requesting that Mr. DeGrande attend the next BQL meeting to provide an update of how this is done, and how recycling could be better facilitated for businesses in Santa Fe.



Councilor Calvert noted some communities around the state are getting awards for the amount of recycling they are doing, some in the 60% range. He asked if there is anything we could learn from those communities to increase our percentage.

Mr. DeGrande said those awards were given at the NM Recycling Coalition Conference, which he attended. He said Councilor Calvert is referring to Lincoln County at 67% diversion. He said their recycling percentage without green waste is 1-2%. He said the other 65% is green waste which is done by Bio Grind on contract and it is not done by Lincoln County.

Responding to Councilor Calvert, Mr. DeGrande said Lincoln County is paying for that contract. He said there were other cities who have achieved above 30%, which is our goal. He said part of the pay as you throw program includes recommendations for business recycling, and how we can boost that and make it more effective which is in the rate analysis he presented at the last meeting. He met recently with officials from the Recycling Coalition, and we have a year-long program culminating in November to boost recycling across the board in the City, since we are going to be the focus city for NMRC this year. He said all of these things will roll out in July.

Councilor Romero said Ruidoso has a grant from the U.S. Forest Service to do a Collaborative Forest Restoration Program, and it has been doing a lot of wildland and wild urban interface restoration and it is in a high mountain area, so its focus has been on wildfire prevention. She said there are also two green businesses that do pallets and shredding for bedding for animals. She said Ruidoso is on the cutting edge of some of the things which are being done nationally, but on a small scale. Ruidoso is "ahead of the curve," because it has been given a lot of money to do these kinds of things.

Councilor Calvert asked if the pay as you throw program could boost recycling as well.

Mr. DeGrande said the standard increase when pay as you throw programs are implemented is between 16-17% in recycling, although some achieve greater increases. He will provide a packet of information about the program which should answer most questions as well as providing background information. He said the standard pay as you throw has proven across the board to reduce waste going to landfills, increase recycling and reduce the carbon footprint. All of this information will be provided to the Committee before they come forward with the resolution.

Councilor Wurzbarger asked Mr. DeGrande, when he has an opportunity, to look at Massachusetts law banning construction waste in landfills.

Mr. DeGrande said two states ban construction waste, white goods, computers and tires, commenting that New Mexico is a bit behind the curve. He can provide information on some of these programs and he certainly is looking at this. He is meeting with BRT, the ultimate recipient of these kinds of things, to work out a program where this can be made available to companies in the Santa Fe area. He said all of this is contingent on whether BRT can gear up to do this. He said he would support it, but it's not his call, but he can help BRT to work on the program.

**10. REPORT ON THE STATUS OF A WATER QUALITY STUDY TO DETERMINE THE IMPACT OF SEPTIC TANKS ON THE REGIONAL AQUIFER, RESIDENTIAL WELLS AND CITY OF SANTA FE WATER SUPPLY WELLS. (ROBERT GALLEGOS)**

Robert Gallegos presented information from his Memorandum of June 10, 2008, with attachments, to the Committee, noting the report indicates that there is no widespread or significant nitrate contamination in the Santa Fe area.

Councilor Calvert asked, with regard to the cone of depression, on the first schematic inside the blue dotted line, there are a lot of non-sewer accounts right along the River where our wells are located. He said he is having trouble believing that sewer is not available to these people. He questions the validity of some of the information. There may have been a record of septic there at some point, and asked if those people are still on septic systems in some of these neighborhoods, noting these are in the City.

Mr. Gallegos said he doesn't know the answer to that question. He said he and Councilor Calvert spoke about this previously. He said these are listed by address and he can go out and do some verification.

Councilor Calvert said this would help us to know if this information is correct. If not, he has some serious concerns, and we need to find a way to incentivize these people to hook onto the City's sewer.

Councilor Romero said there are pockets of unincorporated County areas, donut holes, in her district as well as other districts, including in the Arroyo Chamisa area and on West Zia Road. She said a number of people live in these areas who have their own septic systems and own wells. She said these are County properties in the City and asked what we can do about this, particularly in the ACSYL Association area.

Mr. Kasssieh said the City Councilors prohibited any of these people in these pockets in the County from connecting to the City sewer line.

Chair Wurzbarger said there is a precedent for looking at these areas, and it would be good to have a study. She said one could infer logically that it's probably not good for these people to be on septic systems. She said the Committee needs to discuss some sort of proposal to identify the areas we need to deal with. She asked why we would want to have a septic tank by a well.

Councilor Calvert said some of those donut holes will be annexed, and asked what happens when they come into the City.

Mr. Kasssieh said the only time we can do anything about them is when their septic tank fails.

Councilor Romero believes this issue needs to be revisited.

Chair Wurzbarger would like to have a proposal from staff addressing how to do this differently.

Mr. Kasssieh said all it takes is money.

Chair Wurzbarger said we could have interesting conversations about this.

Councilor Romero said some of these areas have million dollar homes and they could afford to connect to the city. She said our goal is to protect the water for the whole City.

Mr. Kasssieh said he never says no to anyone who wants to connect to our sewer system. The thing is that these people in the million dollar homes are the ones who "open their hands and say we can't afford it."

Councilor Calvert asked that Mr. Gallegos send a copy of the report to Mr Dale Coy who was instrumental in pushing this course of action.

#### **11. UPDATE ON STATUS OF BUCKMAN DIRECT DIVERSION PROJECT. (RICK CARPENTER)**

Mr. Carpenter said in March the Design-Build contract was approved for \$180 million, a major milestone. Since then, they have been working on the draft NPDS permit which would allow this project to send the sand back to the river as opposed to taking it to the landfill. He said he is expecting that permit to be released in 2-3 weeks. He said the record of decision was issued in March and that currently is under appeal at the Interior Board of Land Appeals [IBLA] in Washington, D.C. He understands a draft has been written by the IBLA and is being circulated internally on their opinion on whether or not to grant the stay. He expects to hear on this in 1-2 weeks.

Mr. Carpenter said we have received rights of way offers from the BLM for those portions of the project on BLM property and he is working to process those, which is good news and a big step forward. He is also working diligently to expedite the Plan of Development with the BLM and the Forest Service which would allow us to break ground in late August or early September if we are successful.

Mr. Carpenter said staff currently is negotiating an \$11 million electric service agreement with PNM which is going slowly, and hopes to have an executable contract to the BDD Board in July.

Mr. Carpenter said we closed on a 2% interest, \$15 million loan from the NMFA for the project, as well as closing on \$2 million grant in April. The City was recently approved by the Water Trust Board for a \$4 million grant, currently being processed with NMFA and that will be before this Committee in the next weeks or months.

Mr. Carpenter said we are on schedule with the design, noting \$13 million has been spent to date, which leaves a balance on the contract of \$167,943,590. He said the BDD Board meeting has been moved to July 10, 2008.

Mr. Carpenter asked how often the Committee would like a report.

It was the consensus among the Committee to hear from Mr. Carpenter as long as there is something new to report.

Marcus Martinez said he has nothing to add except that we're just waiting for action from IBLA Court in Washington, D.C. regarding the stay.

**12. REPORT ON NON-COMPLIANT OPTION "B's." (EDWARD MONTOYA)**

Edward Montoya presented information from his memorandum of June 10, 2008.

Chair Wurzburger said she recalls the Committee also asked how many people are noncompliant.

Mr. Montoya said there are none at this time.

**13. REPORT ON WATER BUDGET ADMINISTRATIVE OFFICE REVENUES. (GALEN BULLER)**

Kathryn Raveling reviewed the Summary Report which is in the Committee packets. She said there is a separate line for the revenue, and a new business unit was set up at the time for the expenses. She said the money was spent for staff, software and miscellaneous items. She said these expenditures do not include the toilets, and we also contracted with someone to do a study. The study and toilets cost about \$2 million. She said the funds received were used to administer the WBAO program.

Councilor Calvert said then there is a balance of \$25,000.

Responding to the Chair, Ms. Raveling said the \$25,000 is the difference between the budget and the actual and it stays in the general fund. She said the concept of the general fund is not to isolate money and spend it for particular things. She said if you want to do that, then you put it into a special revenue fund which is where the study and the contract went.

Responding to Councilor Calvert, Ms. Raveling said creating an enterprise fund is another way to segregate funds, and that depends on revenues coming from outside sources such as water, wastewater or such. She said smaller amounts usually are placed in a special revenue fund.

Responding to the Chair, Ms. Raveling said there were 5 people in WBAO originally, and there are now two employees.

Responding to the chair, Ms. Lopez said currently there are two employees, Edward and Amanda.

Chair Wurzburger would like clarification of the number of employees and the salaries for those positions, and the reason the number of employees was reduced for presentation at the next meeting.

## **DISCUSSION ITEMS**

**16. REQUEST FOR RESOLUTION NO. 2008- \_\_\_\_\_. A RESOLUTION DESIGNATING WATER RIGHTS FOR THE CITY'S NORTHWEST QUADRANT PROJECT (COUNCILOR WURZBURGER, COUNCILOR ORTIZ AND COUNCILOR DOMINGUEZ). (KATHY McCORMICK).**

Ms. McCormick presented information regarding this matter to the Committee.

Councilor Calvert understands this is an area where we are deficient in inventory in the "step up" area.

Ms. McCormick said this is correct, and through the housing needs assessment it was shown that the primary group of the work force we're losing is earning 120-150% of the area median incomes. These are the homes which are priced between \$250,000 to \$450,000 and considered to be mid-price in today's market in Santa Fe.

Councilor Calvert said we are talking about \$50,000 per afy for water, which seems a little steep. He suggested we might want to do a range and each year choose what it will be for that year. He believes we need more flexibility if we want to fill the need in this area.

Ms. McCormick said it is done to show that we have put that amount in the Pro Forma. She said they were anticipating this project wouldn't be in the ground for three years, and the cost to purchase water would add to that cost.

Councilor Calvert said you need to try to get commitments from people quickly, even though it isn't built right away.

Ms. McCormick said we could include something which says "up to our current market rate otherwise."

MOTION: Councilor Ortiz moved, seconded by Councilor Calvert to approve this request with the amendment suggested by staff.

DISCUSSION: Councilor Calvert quoted from lines 12-14 of the Resolution as follows:

"(4)...Revenues generated from the payment of this fee will be used to acquire additional water rights that may be allocated to other affordable housing projects that produce homes meeting the Santa Fe Homes Program requirements or as directed by the governing body."

Councilor Calvert believes this is too general, and should provide that its focus is affordable housing.

Ms. McCormick said the intention is to say that any dollars collected through the sale of the step

up units would be used to acquire water for affordable housing that we could use for the Santa Fe Homes Program – to say we collect it and then it is used for more affordable housing.

**Friendly amendment:** Councilor Calvert said we need to say “Or as directed by the Governing Body for affordable housing needs.” **The amendment was friendly to the maker of the motion.**

DISCUSSION: Responding to Councilor Calvert, Ms. Borchert said there are three different categories of water which could be available for the housing pool: (1) the housing credit pool which is from the Water Wise Retrofit Program which is where housing draws currently. We don't know how much is in that pool, it is less than 100 afy; (2) the 131.9 which is identified now; and (3) the 7 afy from the Romero purchase which is in the transfer process.

Councilor Calvert asked if we will ever have a handle on the balance of these.

Ms. Borchert said Land Use and Water need to get together and have an understanding.

Ms. McCormick said last year staff spent a lot of time looking at how much water was left in the retrofit pool against all the projects coming on line.

Councilor Calvert said he thought some of the water in the first area is whatever we have, but a lot has been committed.

Ms. McCormick said they look at how much water was there and then subtract the water for every approved affordable housing agreement. She believes there is about 50 afy left in that category.

Responding to Councilor Calvert, Ms. Borchert said the 131.9 afy was “freed up by the Jicarilla lease water.”

Ms. Borchert said the 131.9 afy is part of assets purchased by the city at the time of the purchase of the water company and it has been in the offset portfolio since the purchase in 1995. She said you could say that by having the alternative 3,000 afy of Jicarilla water frees it for use.

Councilor Calvert said his concern about that aspect is that is a long term lease contract, and comes with a big price tag and we continually debate whether we are going to continue it as a long term agreement. He asked if that is what freed-up this water, and if using that water commits us to stick with that lease.

Ms. Borchert said all water the developers are bringing right now fits the same category water as the 131 afy. All of that developer water is going into our offset portfolio. It is not water that under the current EIS agreement and the current BDD agreements which can be diverted from the Rio Grande and provided as a water supply. It is a very important contribution to our overall portfolio. So, in that sense, water the developer brings to us is equal to the 131 afy which is in the portfolio already. We can build the offset portfolio to the point where we no longer need our Jicarilla lease water, and in 5-10 years do a supplemental EIS which allows us to divert additional water through the BDD for actual supply. She sees this water as being the same category as what we expect developers to bring us, and we can also wean

ourselves from the Jicarilla lease even if we do these kinds of allocations to the affordable credit water pool.

Councilor Calvert understands the purpose of this Resolution is to do some planning and make some reassurances for the Northwest Quadrant. He asked when we realistically will break ground.

Ms. McCormick said within two years from approval of the master plan. She said it is planned to be done over 10 years, but it is anticipated a master developer will come in and ask to shorten that time frame, so it would be more 6-7 years.

Councilor Calvert said this is sort of a "meat axe" approach to planning. He believes real planning would have you do it and allocate this so you could accommodate your needs, but you would also have some to accommodate projects which will happen in the interim time frame and over that period of time. He said we're locking this up for 8 years, while there are a lot of other things we might want to do in affordable housing – maybe we'll get the water for them and maybe not. Perhaps we should do more allocation in steps, rather than in one lump sum from the start.

Ms. McCormick said in this particular instance, the City is acting as developer. She said she is trying to honor as much as possible the same rules we require of all developers, although we are requesting the master developer to bring water for the market rate units in this particular project. She understands the Council has adopted a policy that all of the water has to be in place and held, even though a project might be built-out over 10-20 years.

Councilor Wurzbarger said she lived through the process of the original water budget and data collection showed us we had made more promises than we could keep. She said the historical precedent for this is the debate in 2002, where the Council said it is time to move forward with not making commitments unless the water is there. This has the underlay of our approach to water policy since that time. She understands Councilor Calvert's concerns. However, she feels strongly we should keep with this policy that was a turning point in the City's history that says we no longer are going to build and hope it works out. She believes we should stay with current policy until the diversion project is built and we have a better handle on the actual amount of water.

Ms. Borchert said, in the sense of offset waters, these are useful to us in the present time, even though we aren't providing them to a development until eight years from now.

VOTE: The motion, as amended, was approved on a voice vote with Councilors Ortiz and Romero voting in favor of the motion and Councilor Calvert against.

## **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**

The Committee discussed rescheduling the July 2<sup>nd</sup> meeting of the Committee. Chair Wurzburger asked if there are issues which need to be addressed which can't wait two weeks, and there was no response.

It was the consensus among the Committee to not have the July 2<sup>nd</sup> meeting, and the next meeting will be July 16, 2008.

## **MATTERS FROM THE COMMITTEE**

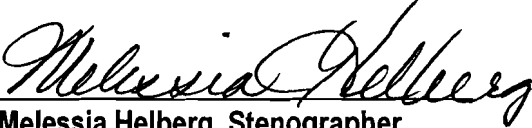
**NEXT MEETING: WEDNESDAY, ~~JULY 2, 2008~~ JULY 16, 2008.**

## **ADJOURN**

There being no further business to come before the Committee, and the Committee having completed its agenda, Councilor Romero moved, seconded by Councilor Ortiz, to adjourn. The motion was approved unanimously on a voice vote, and the meeting was adjourned at 6:10 p.m.

---

Rebecca Wurzburger, Chair

  
Melessia Helberg, Stenographer