



Agenda

DATE 1/28/16 TIME 8:53 a

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
200 Lincoln
WEDNESDAY, FEBRUARY 3, 2016
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 JANUARY 6, 2015 PUC MEETING

INFORMATIONAL ITEMS

6. Status of Current Water Supply. (Alex Puglisi)
7. Utility Billing Division Update. (Diana Catanach)
8. Environmental Services Division Update. (Shirlene Sitton)
9. Wastewater Management Division's Kenneth Espinoza receives New Mexico/Wastewater Association's "2015 Outstanding Operator of the Year" award. (Shannon Jones)
10. Current status of the City's San Juan Chama Project (SJCP) Storage. (Bill Schneider)

CONSENT – ACTION CALENDAR

11. Request for approval of a budget increase from cash balance, for repair and maintenance of residential and commercial collection units for the amount of \$242,802 for the Environmental Services Division. (Lawrence Garcia)

Public Utilities Committee – 3/2/2016

DISCUSSION AND ACTION

12. Request for approval of Bill No. 2016-_____. An ordinance authorizing the execution and delivery of a Water Project Fund Loan/Grant Agreement by and among the New Mexico Water Trust Board (“Water Trust Board”) and the New Mexico Finance Authority (“Finance Authority”), and collectively with the Water Trust Board, the (“Lenders/Grantors”) and the City of Santa Fe the (“Borrower/Grantee”), in the total amount of \$150,000, evidencing an obligation of the Borrower/Grantee to utilize the Loan/Grant amount solely for the purpose of financing the costs of watershed restoration and management, and solely in the manner described in the Loan/Grant Agreement;; providing for payment of the loan amount and an administrative fee solely from net system revenues of the Water Management Fund; certifying that the Loan/Grant amount, together with other funds available to the Borrower/Grantee, is sufficient to complete the project; approving the form of and other details concerning the Loan/Grant Agreement; ratifying actions heretofore taken; repealing all action inconsistent with this resolution; and authorizing the taking of other actions in connection with the execution and delivery of the Loan/Grant Agreement. (Alan Hook) (Councilors Dominguez, Rivera, Trujillo and Lindell)

a. Request for approval of a Budget Increase for \$150,000.00.

Finance Committee – 2/1/2016
Public Utilities Committee – 2/3/2016
City Council (Request to Publish) – 2/10/16
City Council (Public Hearing) – 3/9/2016

13. Request for approval of Bill No. 2016-_____. An ordinance amending Subsection 13-1.7 SFCC 1987 to limit the allowable use of revenues to include only stormwater system operation and maintenance activities directly associated with stormwater drainage infrastructure, excluding such activities in parks and streets. (Isaac Pino) (Councilor Maestas)

Public Utilities Committee – 2/3/2016
Public Works Committee – 2/8/2016
City Council (Request to Publish) – 2/10/2016
Finance Committee – 2/15/2016
City Council (Public Hearing) – 3/9/2016

14. Request for approval of Resolution No. 2016-_____. A resolution directing staff to use the Water Enterprise Fund to repay in full the balance of the 2006 Water Capital Outlay Bond in the amount of thirty-three million six-hundred thousand dollars. (Oscar Rodriguez) (Councilor Maestas)

Public Utilities Committee – 2/3/2016

Finance Committee – 2/5/2016

City Council – 2/24/2016

15. Request for acceptance and approval of the Water Conservation Strategic Marketing Plan. (Rick Carpenter)

Public Utilities Committee – 2/3/2016

MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

MATTERS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: Wednesday, March 2, 2016

ADJOURN

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

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PUBLIC UTILITIES COMMITTEE MEETING
Wednesday, February 3, 2016

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

REQUEST FOR APPROVAL OF BILL NO. 2016- ____.
AN ORDINANCE AUTHORIZING THE EXECUTION
AND DELIVERY OF A WATER PROJECT FUND
LOAN/GRANT AGREEMENT BY AND AMONG THE
NEW MEXICO WATER TRUST BOARD ("WATER
TRUST BOARD") AND THE NEW MEXICO FINANCE
AUTHORITY ("FINANCE AUTHORITY"), AND
COLLECTIVELY WITH THE WATER TRUST BOARD,
THE ("LENDERS/GRANTORS") AND THE CITY OF
SANTA FE, THE ("BORROWER/GRANTEE") IN THE
AMOUNT OF \$150,000, EVIDENCING AN OBLIGATION
OF THE BORROWER/GRANTEE TO UTILIZE THE
LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE
OF FINANCING THE COSTS OF WATERSHED
RESTORATION AND MANAGEMENT, AND SOLELY
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AGREEMENT; PROVIDING FOR PAYMENT OF THE
LOAN AMOUNT AND AN ADMINISTRATIVE FEE
SOLELY FROM NET SYSTEM REVENUES OF THE
WATER MANAGEMENT FUND; CERTIFYING THAT
THE LOAN/GRANT AMOUNT, TOGETHER WITH
OTHER FUNDS AVAILABLE TO THE BORROWER/
GRANTEE, IS SUFFICIENT TO COMPLETE THE
PROJECT; APPROVING THE FORM OF AND OTHER
DETAILS CONCERNING THE LOAN/GRANT AGREEMENT;
RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING
ALL ACTION INCONSISTENT WITH THIS RESOLUTION;
AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN
CONNECTION WITH THE EXECUTION AND DELIVERY OF
THE LOAN/GRANT AGREEMENT

Approved

7-9

REQUEST FOR APPROVAL OF A BUDGET
INCREASE FOR \$150,000.

Approved

7-9

REQUEST FOR APPROVAL OF BILL NO. 2016- ____.
AN ORDINANCE AMENDING SUBSECTION 13-1.7 SFCC
1987, TO LIMIT THE ALLOWABLE USE OF REVENUES TO
INCLUDE ONLY STORMWATER SYSTEM OPERATION
AND MAINTENANCE ACTIVITIES DIRECTLY ASSOCIATED
WITH STORMWATER DRAINAGE INFRASTRUCTURE,
EXCLUDING SUCH ACTIVITIES IN PARKS AND STREETS

Postponed to budget

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<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF RESOLUTION NO. 2016- ____ A RESOLUTION DIRECTING STAFF TO USE THE WATER ENTERPRISE FUND TO REPAY IN FULL THE BALANCE OF THE 2006 WATER CAPITAL OUTLAY BOND IN THE AMOUNT OF THIRTY-THREE MILLION SIX-HUNDRED THOUSAND DOLLARS	Approved	15-16
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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, February 3, 2016**

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, February 3, 2016, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

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

MEMBERS EXCUSED:

Councilor Patti J. Bushee
Councilor Bill Dimas

OTHERS PRESENT:

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

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

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

3. APPROVAL OF AGENDA

Mr. Schiavo said he will be presenting information on Item #7 under Informational Items.

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

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT – ACTION CALENDAR

- 11. REQUEST FOR APPROVAL OF A BUDGET INCREASE FROM CASH BALANCE, FOR REPAIR AND MAINTENANCE OF RESIDENTIAL AND COMMERCIAL COLLECTION UNITS FOR THE AMOUNT OF \$242,802 FOR THE ENVIRONMENTAL SERVICES DIVISION. (LAWRENCE GARCIA) Committee Review: Public Utilities Committee 02/02/16; Finance Committee – 03/15/16; and City Council -03/20/16.**

5. APPROVAL OF MINUTES FROM THE JANUARY 6, 2016 PUC MEETING

MOTION: Councilor Maestas moved, seconded by Councilor Ives, to approve the minutes of the PUC meeting of January 6, 2016, as presented.

VOTE: The motion was approved unanimously on a voice.

INFORMATIONAL ITEMS

6. STATUS OF CURRENT WATER SUPPLY. (ALEX PUGLISI)

Alex Puglisi reviewed the report in the packet, noting it is only through January 21, 2016. Please see this Report for specifics of this presentation. He noted with all the projections "it looks very very good for us to have both a full McClure and a full Nichols by the end of runoff this year.

7. UTILITY BILLING DIVISION UPDATE. (DIANA CATANACH)

Nick Schiavo said Diana Catanach has resigned, and he has taken over as the interim Billing Division Director and started working with staff to get the issues corrected with our bills. He said they will be on track to get billing back on schedule by March 1, 2016. He said they will be sending two billings to all customers this month. He said they will be updating the website, noting he will send out a press release on this. He said they also have put together a manned hotline with a phone number people can dial directly, noting there have been a lot of challenging in dialing to the 4333 extension and long away times. He will be meeting with IT tomorrow to streamline that IVR, how it is set up to get through our voice mail. He said hot line number is now 955-4336, and there will be a person there answering the phone, noting

she already is doing it. He said if there aren't many calls, or any calls, she quickly will address their concern with respect to when the bill will be coming and the amount of the bill. He said, 'If it is anything bigger than that, she is taking the information, typing an email and sending it to the other Customer Service. She is identifying a Customer Service Rep. and working through the list of Customer Services Reps. as she gets those calls.

Mr. Schiavo said they also have a dedicated email address that they will be putting out to the utility customer service at ci.santafe.nm.us, which will be on the website Friday. There is a person who is looking at that every hour and running through those emails addressing peoples' concerns, noting the bulk deal with the account balance because they haven't gotten a bill and asking when they will be getting a bill. It is hope that a lot of calls and issues will go away once we do two bills this month. However, receiving two bills in one month will be alarming to some customers which is the reason for these two ways to contact them quickly.

Mr. Schiavo said he won't be posting this vacancy right away. He said he probably wouldn't want to hire someone interested in the position right now. He wants to spend 3-4 months getting things back in shape and running smoothly, and then post the position.

Councilor Ives said then two bills will be sent in February and Mr. Schiavo said yes.

Councilor Ives asked when those are being mailed.

Mr. Schiavo said there are 4 cycles, and they read 1/4 of the meters each week, so 4 billing cycles, and they will be receiving two separate bills – for cycle 1, one bill at the beginning of February and one bill the third week of February. The first bill be for December, and the second for January. Then the bill that comes at the beginning of March is for February and they're back on track.

Councilor Ives asked if they explain any of what he just explained in the first billing.

Mr. Schiavo said there is space for text and they can do that. He said the way the bills are coded, he can't change the due date at the top. He has worked with staff and the information center, and there is no way to change the hard coding, so they've been putting that in the text. However, most people haven't been looking at the text. He said this morning they discussed whether it is worthwhile to spend money to put an additional paper in the bill, and the consensus was no. He said, "To answer your question, we're absolutely going to put in the text that they will be receiving two bills this month. One for December and one for January, but he does expect a lot of phone calls."

Councilor Ives said he would encourage something like that to broadcast what is happening and why. That way when they get the calls they can tell people this is done to correct some of these problems.

Councilor Maestas said we talked about a customer service plan. He doesn't think people calling with concerns stay on the line, so we probably get hangups. He asked if there is a way to call them back.

Mr. Schiavo said, "Absolutely. The way the hotline will be set up, is that it won't be just one individual, and once it reaches a certain number it will go to other people. I've heard from people over the last several month saying they've tried to call, had a long wait long time and have given up. So if they're not leaving us a voice mail, there's no way we can get back to them. If they have left a voice mail they have been returning the calls. One of the things he saw... on occasion he would dial the hotline from his desk to see what was going on, and he noticed if he wasn't careful about the numbers he was pressing, he could be off-loaded and wait a long time and just cycling over and over. This is the reason for the meeting with IT tomorrow. I want to clean up the primary extension setup so you will get to someone or prompted to leave a message, but they won't be forced to wait and wait and wait."

Councilor Maestas asked about any trends we're seeing with the new meters, and if they consistently are reading higher, or is it a mixed bag.

Mr. Schiavo continued, "It's a little too soon to tell. At this point, I'm able to log onto Badger beacon and see the majority of the 23,000 meters and the status. As you page through, it's a nice portal and you can see whether a person's read from the last month, or it actually goes day by day is trending up or down, and overall what the trend is for consumption and you can set it for the day or the month. So we'll be able to see what's going on with the new meters. There is a lot of seasonal variation also, so it will be tough at the end, once all of these are installed, to do a hard comparison. I can tell you definitely anecdotally, people have called in about the new meters reading higher."

Councilor Maestas said the proposed contract discussed at the previous meeting, pertained to conservation, but thinks we are still in the middle of utility account holder outrage. He asked if he has a PR strategy on the billing, and what are we doing to take the edge off the reaction when the two bills hit the mail.

Mr. Schiavo said he is meeting with Matt Ross tomorrow to discuss how we can update the website. He has some great ideas about how we can address some of the concerns on the social media and how to handle that. He said it's unfortunate the way things have gone with respect to the meters, commenting the meters are working well and reading accurately, which will be a tremendous value to the public. He said once the billing issues are cleared, the message he wants is that the customer portal will be available, noting he is pushing for May or June, and how operations will be changed under the new system.

Councilor Maestas said we took a lot of heat for approving the \$100,000 for overtime, and asked if that will be the only request associated with these issues, and if we are managing that better to avoid additional overtime.

Mr. Schiavo has looked at it, and believes he will have to come back for funds. He said there is no way to address the volume of calls he's still getting through this month and half of next without paying overtime. He said he is doing two jobs, so there is even more salary savings. He said some suggestions that have been thrown at it is to quickly hire some temps, but the reality it does take a little bit of time to get up to speed with the current billing software. He isn't anxious just to hire bodies and want to make sure

anyone receiving a phone call can address the customer's concern. He will have a better idea once things are more tightened down toward the end of the fiscal year.

Councilor Maestas said Mr. Schiavo knows his job best, but going forward it would help to see if he could maximize the use of existing resources, reassign, establish collateral duties only during peak call-in periods – just try to think innovatively as opposed to going to straight overtime. Just keep that in mind.

Councilor Rivera asked if constituent services is receiving calls as well, or is it all to the water company.

Mr. Schiavo said they are getting calls and they will transfer it to him or take a message and send it to him by email.

Councilor Rivera asked if it would be possible for them to help.

Mr. Schiavo talked with the City Manager about them managing the overflow, but at the end of the day if they can't answer the customer's question he doesn't know there is value in asking them to do more. He is asking the person who is handling this right now to let people know if we get a call before 2:00 p.m., it will be addressed that day, but anything after that time will be addressed by noon the following day.

Councilor Rivera asked when the hotline will be up and running, and Mr. Schiavo said it is up and running right now.

8. ENVIRONMENTAL SERVICES DIVISION UPDATE. (SHIRLENE SITTON)

Mr. Schiavo said Shirlene Sitton is out of town, noting he assisted her in preparing the update, and he will answer questions the Committee might have, but there were questions from the Committee.

9. WASTEWATER MANAGEMENT DIVISION'S KENNETH ESPINOZA RECEIVES NEW MEXICO WASTEWATER ASSOCIATION'S "2015 OUTSTANDING OPERATOR OF THE YEAR" AWARD. (SHANNON JONES)

Shannon Jones introduced Kenneth Espinoza from among thousands of operators across the State.

Mr. Espinoza thanked his family, his coworkers who are a great bunch, and appreciates the leadership of Mr. Jones who is a great example for them at the plant.

Chair Rivera wished him congratulations and thanked him for the honor this brings the City. He said they do a great job at the plant, commenting he will be visiting there again soon.

Councilor Ives added his congratulations, and said he appreciates the services you provide. He asked what he thinks set his work apart from the others – what did you bring to the task that made others recognize in you that resulted in giving him this award.

Mr. Espinoza said he shows up every day and works hard, and does what is the best for the plant.

Councilor Maestas added his congratulations, commenting that he is good hands with Mr. Jones. He thanked Mr. Espinoza for his hard work and exemplary performance.

10. CURRENT STATUS OF THE CITY'S SAN JUAN CHAMA PROJECT (SJCP) STORAGE. (BILL SCHNEIDER)

Disclosure: Councilor Maestas said, "I just want to state for the record, and I think I've stated this before, I work for the Bureau of Reclamation. The Bureau of Reclamation does manage the San Juan-Chama Project, but I do not work on the project at all."

Bill Schneider presented information from his Memo of January 20, 2016, which is in response to the question of the current status of the City's San Juan Chama Project Storage, and if there is a risk of spillage. Please see Mr. Schneider's Memorandum, which is in the Committee packet, for specifics of this presentation.

Mr. Schneider said, "The PUC has my assurances that the San Juan/Chama water is managed as a prime asset and we will not expend any non-revenue water loss, and basically it's one of my highest priorities, and with that, I stand for questions."

Councilor Ives noted in Agenda Item #6, in the Memo on packet page 3, it noted that *Rio Grande Compact Article VII has been invoked, which means the City cannot impound runoff into Nichols and McClure Reservoirs above it's pre-Compact pool of 1,0651 afy*. He said *between them the hold is about 4,200 afy*, and we know it will be a banner snowpack melt year, and we do have about [inaudible] in storage up and down the Rio Grande. He asked if that is a potential tradeoff being considered in the Compact, while maintaining our reservoirs in a fuller state.

Mr. Schneider said, "In brevity, Councilor, the answer is yes and we'll provide a fair amount of detail at the March PUC where we will present the forecast and our strategies based on our projections on how we utilize the various sources of supply."

Councilor Ives said you said previously that water stored in Heron incurs no evaporative loss.

Mr. Schneider said, "In a numeric sense, not in an actual sense."

Mr. Schneider said the losses are incurred by the project, hence by the Bureau of Reclamation, so evaporation does occur up there, it's just that we're not penalized for it.

Disclosure: Councilor Maestas said, "I just want to state for the record, and I think I've stated this before, I work for the Bureau of Reclamation. The Bureau of Reclamation does manage the San Juan-Chama Project, but I do not work on the project at all."

Councilor Maestas said the agreement with the Albuquerque Water Authority calls for a percentage of whatever we store, and asked, "Does your math include that transfer as soon as we store it."

Mr. Schneider said yes.

Councilor Maestas asked what is the percentage, and if it is a fraction of whatever we store.

Mr. Schneider said that is correct, and it is 10% payment wet water. So basically to end every month, he meets with Albuquerque, do the mathematics, the accounting and then submit that information to Reclamation and update the model.

Councilor Maestas said his only issue with the Water Agreement is we have no minimum duration of storage, it's immediate. He asked if the transfer is immediate – as soon as we store the water, they get 10% of west water.

Mr. Schneider said yes, it is based on when the water enters the reservoir, so at the end of the month, they summarize and take that 10% off the top.

Councilor Maestas said perhaps it would be good for us to minimize our transfers.

Mr. Schneider said they follow that strategy because there are slight benefits in keeping the water on the reservoirs about because we're not penalized for the evaporative losses. He said, "You are right. Any water that's called for to go to the BDD has to pass through Abiquiu."

Councilor Maestas commended Mr. Schneider for the good work he does in preserving our water.

CONSENT – ACTION CALENDAR DISCUSSION

No items were removed from consent for discussion.

DISCUSSION AND ACTION

12. **REQUEST FOR APPROVAL OF BILL NO. 2016- _____. AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD ("WATER TRUST BOARD") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY"), AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE ("LENDERS/GRANTORS") AND THE CITY OF**

SANTA FE, THE ("BORROWER/GRANTEE") IN THE AMOUNT OF \$150,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF WATERSHED RESTORATION AND MANAGEMENT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM NET SYSTEM REVENUES OF THE WATER MANAGEMENT FUND; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT. (COUNCILORS LINDELL, DOMINGUEZ, TRUJILLO AND RIVERA). (ALAN HOOK)

a) REQUEST FOR APPROVAL OF A BUDGET INCREASE FOR \$150,000.

Committee Review: Finance Committee 02/01/16; Public Utilities Committee 02/03/16; City Council (request to publish) 02/10/16; and City Council (public hearing) 03/09/16.

Alan Hook presented information regarding this matter from his Memorandum of January 21, 2016, which is in the Committee Packet. He said staff is requesting approval of the proposed Ordinance and the associated Loan Grant Agreement. He said it is \$150,000, of which \$135,000 is a grant and the other \$15,000 is a loan at 0.25% over 20 years, noting it goes toward the Municipal Watershed and the cost share for the City on the 50-50 cost share with the Forest Service. He noted after the packet was submitted, MFOA's Legal Counsel changed the closing date, so it will be different from the Committee packet by one day – a closing date beyond April 15, 2016, instead of April 14th.

Councilor Ives asked if those listed under the Distribution List are working for the various parties, such as the NMFA.

Mr. Hook said he believes Sutin is MFOA's legal counsel, noting there was a change in counsel in December, which is reflected under the Water Trust Board, so they list Brian Otero as the Assistant General Counsel. He said there is Legal Counsel for the Water Trust Board and the Legal Counsel for the New Mexico Finance Authority.

Councilor Ives, referring to page 4 of the Ordinance, the first full paragraph says, '*Additional Funding Amount means the amount to be provided by the Borrower/Grantee which includes the total value of hard or of the soft match, which in combination with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, is sufficient to complete the project. The additional Funding Amount is \$239,000.*' He noted that the \$239,000 is in parentheses and asked if that is additional money the City is bringing in, and if so where is the sources.

Mr. Hook said it is in parentheses just as a listed dollar amount associated with our match. He said in our application, we listed match from the Forest Service, so that's the other half of the cost share agreement. So they'll provide \$180,000 over 3 years, and then there is an additional \$59,000 from the

City, \$30,000 of which is the extra amount we have in the cost share agreement – \$10,000 per year for 3 years and they also will put in for environmental monitoring, so it will be water quality monitoring associated with the prescribed burns which is \$29,000 over 3 years, and totals the \$239,000 we listed as match.

Councilor Ives asked if the \$180,000 is an annual amount, or is that for the full 3 year period.

Mr. Hook said it is for the full 3 years, noting we have a 4-year contract with the Forest Service, but MFOA limits it to 3 years on any project. They are committing \$60,000 per year for 3 years for a total of \$180,000.

Councilor Ives said on page 10 of the Ordinance, line 9, Section 5 indicates that the Ordinance was adopted by an affirmative vote of 3/4 of the Governing Body so it requires a super majority, making sure we are all aware of this.

Mr. Hook said the final approval will be at the March 9, 2015 meeting of the Governing Body.

Councilor Ives asked when new Councilors are sworn in.

Mr. Martinez and Ms. Helberg said it is on the Monday following the election, two days before the meeting where a super majority approval by the Council is needed. He asked staff to educate the new Councilors on this point.

Councilor Ives said on packet page 24, doesn't appear to relate to this project, and talks about the Water Bonds at \$33,690,000.

Mr. Hook said this is related to our revenues.

Councilor Ives said under Community Impact it says, '*This Resolution will save taxpayers almost \$7.9 million a year in interest costs....*' which appears to relate to another matter. He wants to be sure the packet is reoriented when it goes forward. He said we need to strike the first sentence from the FIR and he will be sure that is done before Council.

Councilor Ives said on page 54, Exhibit A, under Pledged Revenue, it indicates *Net System Revenues*, and asked the meaning of that term. Councilor Ives noted there is a definition section on page 10, and it is defined there, so question answered.

MOTION: Councilor Ives moved, seconded by Councilor Maestas, to approve Item 12 and Item 12(a).

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

13. **REQUEST FOR APPROVAL OF BILL NO. 2016- ____ . AN ORDINANCE AMENDING SUBSECTION 13-1.7 SFCC 1987, TO LIMIT THE ALLOWABLE USE OF REVENUES TO INCLUDE ONLY STORMWATER SYSTEM OPERATION AND MAINTENANCE ACTIVITIES DIRECTLY ASSOCIATED WITH STORMWATER DRAINAGE INFRASTRUCTURE, EXCLUDING SUCH ACTIVITIES IN PARKS AND STREETS (COUNCILOR MAESTAS). (ISAAC PINO)**
Committee Review: Public Utilities Committee 02/03/16; Public Works Committee - 02/08/2016; City Council - 02/10/16 (Request to Publish); Finance Committee – 02/15/16; and City Council (public hearing) 03/09/16.

A copy of *Potential Storm-Water Projects Assessment*, Streets and Maintenance Division, Public Works Department, dated December 2015, is incorporated herewith to these minutes as Exhibit "1."

Councilor Maestas said a little over a year ago he asked about the Stormwater Utility Fee and its use, and that started the ball rolling. He said it has come to light that this was a bridging strategy to pay for City labor for Parks and Streets. The fee generates \$1.5 million annually. He thinks this is one of the bridging strategies we need to address. He noted the allowable uses of the revenue begins on packet page 4. He said if this is a priority, we haven't been doing that and have been using all of the revenues to fund City labor, commenting he thinks this fund has been over-spent.

Councilor Maestas said he asked Mr. Pino to provide a presentation on the needs of the Stormwater system, and the nature of the work being charged to this revenue source. He said Part 6 explains the funding levels, recurring costs and budget units. So, in generally we're spending about \$380,000 on stormwater drainage, all on O & M for the most part, about \$250,000 on labor associated with Parks, and \$924,000 on labor associated with Streets.

Councilor Maestas doesn't think when this law was passed we intended to use the revenues for one use. He isn't advocating its use, and believes it should be spread among the approved uses depending on the appropriate need. He said in the document, Mr. Pino estimated \$12 million in drainage projects which is a very rough estimate. It is not a detailed engineered estimate. He said this proposed Ordinance limits the kinds of O & M and Labor costs that can be charged to it. Instead of trying to curtail and narrow the uses, he is requiring that the allowable uses focus more on the actual stormwater drainage system.

Councilor Maestas noted the case is made that stormwater runoff originates from streets and parks, and we need to maintain our stormwater quality, noting we have a discharge permit – he said, "I understand all that." He said we're overspending the \$1.5 million in total revenues just for labor alone. He said let's assume the labor costs are legitimate – Street, Parks – and directly contributes to the stormwater system, then the revenue source is not enough. There's not enough money for capital improvements or maintenance. We haven't done the *preparation and revision a comprehensive drainage infrastructure monitoring plans* called for on page 2, line 9 of the Ordinance.

Councilor Maestas said Councilor Ives and the Mayor have a bill to take a more comprehensive look at the draining system, which will define our stormwater system for the future, and identify a more appropriate funding source to pay for the stormwater system we need. He said the immediate priority is to correct the bridging strategy which this Resolution does. He is willing to consider a Stormwater Fee increase, but without a comprehensive study and development of an infrastructure plan he would be guessing. He said currently the full \$1.5 million is included in the \$15 million deficit. If we adopt this, we would continue the anticipated maintenance on the drainage program to the tune of \$392,383. So instead of a \$1.5 million hit, it would only be a \$1.2 million hit to this fund, and would preserve the funds for O & M, but it is restricted for O & M or directly into the drainage system.

Councilor Maestas continued, saying this is basically an effort to fix our bridging strategy to actually address the policy issue so we know what to do moving forward. He said perhaps we need to adopt a Stormwater Fee increase, depending on the outcome of Councilor Ives' Resolution.

Isaac Pino, Director, Public Works Department, said the primary thing that staff was looking at were the restrictions now in this particular Resolution. He said, "Let me just make this disclaimer right from the start. I'm not talking about parks. I don't know what the Parks add up to, we just look at the Streets numbers. Without better definition, one assumes what Councilor Maestas just articulated as to what the drainage system is, and it didn't sound like it included streetsweeping and things of that nature. Right now, we're paying 17 employees from the Stormwater Drainage Fund, \$1.23 million. If the definition here is not expanded to include street sweeping and concrete maintenance and other things that are pertinent to the drainage system, then the 17.3 would be defined as drainage applied 14 positions that would no longer be funded out of this fund."

Mr. Pino continued, "Our options for funding include the General Fund which we know couldn't support that, and it includes the Gas Tax which is not intended for the purpose. It includes CIP which is no longer intended for O & M. So what we are left with now, unless we are willing to accept streetsweeping as part of the drainage infrastructure, and the concrete work that gets done pertinent to drainage collection and disbursement into arroyos, and then drainage maintenance in arroyos, the way we see it, it's a *de facto* layoff of about 14 people, because we have no other place to slot them for funding purposes. If that was to happen, or even if it doesn't happen, I think we need to realize that somebody still needs to sweep the streets, and do the concrete work, and do the drainage maintenance. And these are the gentlemen who do it."

Mr. Pino continued, "If we broadened our definition, then the amount of money being paid out of the Drainage Fund would go to \$1 million, so a difference of \$208,000. That's only if the definition is broadened. If it stays narrow the way it reads now, then we have the 14 position difficulty."

Councilor Maestas said, "I wanted to state on that point, Mr. Chairman, that because the total amount of the bridging strategy is included in the deficit, we're actually working to identify the funding for that. So, we are, part of our framework and our underlying assumption, is to identify additional revenues for the General Fund to insure this continues. Because I agree, the streets have to be maintained. I think we need to address the policy issue."

Councilor Maestas continued, "So the fiscal impact is already in the whole budget deficit amount, and I think part of our framework is to plug that gap this year. The funding will be here. And I think looking ahead, we are going to need some amount of revenues. Obviously, \$1.5 million isn't enough. It would be unencumbered and kind of pay as you go for O & M, but we need an amount of those total revenues, enough to give us the bonding capacity to address the \$12 million estimate of all of our watershed and arroyo projects you have identified. And that's probably a low estimate. It could be."

Councilor Maestas continued, "So I don't want to address just the bridging strategy, either, Mr. Chairman. I want us to look at a realistic level of funding to do both. To pay for the O & M, and then to have enough set aside to give us the necessary bonding capacity and revenue stream to float some bonds to build some of these projects. If you look on the list, they're throughout the City and affect every District, wouldn't you say, Ike. So this is not meant to be punitive. It's meant to correct the policy, address the bridging strategy and identify the necessary fund needed to go forward to actually build these capital projects which I think is one of the top priorities, the acquisition, design and construction of a stormwater system. So which should come first, and I'm saying the policy should and the assumption that we need to come up with the \$1.5 million by including it in the \$15 million deficit, I think, is already a commitment, that we're going to find the funding."

Councilor Maestas continued, "And I'm reluctant again, just go back, I'm reluctant to address the fee at this point. I suppose we could. It could be kind of an interim increase to address the immediate O & M needs and begin making headway in moving forward with some capital improvements. I saw some in the ICIP. I think we have some in the CIP Bond. Ike, could you maybe guestimate the funding on our stormwater system right now. Like committed funding. Do we have anything at all."

Mr. Pino said the moment, all we have listed are small projects, where we have trouble with isolated curb and gutter. Obviously, we don't have the money to work on big projects at the moment. So, no, we just have isolated locations.

David Catanach talked about the bank erosion along Arroyo Chamiso which is threatening a lot of the trails, and said they haven't been able to do any kind of work there.

David Catanach said, as part of the 2013 G.O. Bond, we did get money for the arroyo projects, and it's in the final phases of design, and should be let out for bid fairly soon, although we're concerned that they're going to wait to build right in front of the *monsoon*. We identified 9 locations which are really bad, and we have funds to work on the 5 worst ones. He said Melissa McDonald and Leroy Pacheco are working on those real hard right now, so you should see some projects coming out of that in the very near future.

Councilor Maestas said, "I probably have said enough." He said he thinks streets work needs to be in the Streets budget paid by better dedicated taxes or the General Fund, and the same for Parks. This is an opportunity for us to start correcting the bridging strategies. He said in his framework, he calls for raising Stormwater Fees to help plug the budget gap. He asked the amount of the Stormwater Fee currently.

Mr. Schiavo said for residential, 5/8 " meter it is \$3 per month, and then increases based on the meter size.

Councilor Maestas said fee increases to make this fund whole are in order, but doesn't know how much. He said he had intended to come forward with a fee increase in conjunction with this Ordinance amendment. However, he would defer to Mayor Gonzales' and Councilor Ives' proposal to look at a broader approach. He said he is just trying to address the bridging strategy and target the O & M toward the drainage system, and ensure we have enough money for all of the other uses and not just the one.

Councilor Ives said we've spent a lot of time talking about bridging strategies, and the Finance Director has indicated we have \$6.2 million where we are misaligned where we need to better align our revenues and expenses. He applauds this effort and agrees we need to start doing that. He said he thought the gas tax proposal was the perfect opportunity because it represented a totally new revenue source that had not been available to the City. He agrees with the principle, but his big problem here is with the timing. The Mayor previously urged looking at the gas tax in the context of the general budget discussions, and he intends to keep that as a possible as we look for a systemic solution to our budget crisis. He said he is inclined not to bring this forward as a separate matter, but consider it in the context of the greater budget discussion. The goal is laudable in light of the \$12 million in project needs.

Councilor Ives continued, saying the fee increase could be the most intelligent way to get at these issues, but he wants to have these discussions in the budget discussions. He said he can't vote in favor of this right now, because he wants to make sure we understand what we're doing, noting on Monday the Finance Director talked about the significant cuts we've made already on the approval of the CIP. He said he is unsure if people on the Council understood that in approving the CIP we were saying we were going to cut various expenditures in operations and maintenance by \$6 million. So, we have "bitten off" a significant amount, and he wants to understand that better before shifting funds as proposed, although there would be no problem if it were new revenues such as the gas tax would have been.

Councilor Maestas said he thought the estimated fiscal impact of using City force account crews on CIP work was included in the \$15 million deficit number.

Mr. Rodriguez said, "Yes. But it's a question of debit or credit here. At this stage, when you said no more using bond revenues to pay for O & M, you closed the door on that amount of bridging. The problem is that street sweeping as you very well said, is still a priority and still has to be done, so we've got to find money for that. At this point there is no indication, at least in the framework that it is a priority, and so when we get money that we're going to restore it here."

Councilor Maestas asked Mr. Rodriguez, "Wouldn't you agree, by virtue of adding to the deficit, adding the \$1.5 million for stormwater, adding the total cost of labor that we were charging to CIP into the \$15 million deficit amount that we're assuming that we're ending the bridging strategy. In using that number, we're already setting about to solve this problem, the financial impact of this problem. And all I'm saying is the balance of that labor, about \$1.2 million, will have to be funded by the General Fund. I'm not saying we should stop sweeping the roads, I'm simply saying that function was not really meant to be done

using this revenue stream. By virtue of including all these in the \$15 million deficit we've agreed to address in our framework, we're assuming we're doing away with the bridging expenditures. What I'm saying is we're already working on it."

Councilor Maestas continued, saying if this was an additional bridging strategy not identified in the \$15 million deficit, he could see that is an expenditure we didn't know about and not included in the deficit. He believes we already are addressing the revenue picture, and this cleans up the policy and makes the allowable uses more appropriately dedicated to the stormwater system.

Chair Rivera said, "So, before we move on this, I'll just say, and without harping on this too much, that I agree with Councilor Ives. I think that we need to look at this in the greater context of the budget as a whole. I agree with you that it needs to be done, that these bridging strategies need to stop and we have agreed it needs to stop, but it really forces us, by really pushing an Ordinance, forcing us to increase the revenues or address the General Fund side of it much sooner, which we're taking 3 years to address the \$15 million budget deficit, and yet we're putting this to the forefront as part of that strategy that we're going to address this immediately. And I think we need to have a little more flexibility and more discussion with, obviously the entire Council, to really decide where we're going to go and how we're going to do it, and what we're going to do in year 1, year 2 and year 3. So I would like to keep some of that flexibility at this point."

Councilor Maestas said in response, by not addressing the bridging expenditure from a policy standpoint, then there's no point in including the \$1.5 million in the total \$15 million deficit.

Chair Rivera said he thinks it needs to be addressed, and Councilor Maestas is right that we need to stop these bridging strategies. He said, "But by doing an Ordinance it's saying we stop it right away and address it, because we're not going to do away with the positions that are being funded through this. Those positions that are going to need to remain. So this is forcing us to come up with that additional revenue, by whatever means."

Councilor Maestas said he is open to postponing it and to throw it into consideration by a Committee of the whole, in deliberating the option to raise fees. He thinks this is important to correct the policy. He said if you're confident we can find revenues in the General Fund to pay for the other O & M that we're going to exclude, we can make this effective on July 1st. But if you feel we lack context in the greater discussion. He doesn't want this bill to die, and would like to defer it until the budget hearings. He asked Councilor Ives if he would agree to a postponement.

Councilor Ives said he is agreeable and it makes sense to postpone it to the budget hearings, commenting he doesn't want to create a burden with a drastic change until he understands it in the context of the greater discussion, and where the funding might come from, and over what period of time. He said he would ask Mr. Rodriguez for a summary report on the alignment issues, with complete detail of what we're trying to correct. He said that would be very helpful going into the budget discussions. He said he can't see not tackling these going forward.

Mr. Rodriguez said it is his intention to provide a budget that proposes precisely those new alignments, so they can have those conversations about the use of the proceeds. He said the idea of using the fee to do capital improvements through contractors or existing staff is sound and he recommends that. He reiterated that if that is done, who then who does the street sweeping and who pays for that. At this stage that hasn't been identified as a priority. He said, "You fill this hole, but you leave one behind it."

Councilor Ives said the Ordinance does provide for the maintenance and operation of the stormwater system, which suggests that we aren't doing anything wrong in paying street staff working on this. However, stormwater clearly is a significant issue, and we need to be sure we have sufficient capital funding to address these types of issues. He said if we can do the realignment so Stormwater Fees are a capital project funding source that is where we need to move forward, but "I don't want to leave Streets in any type of precarious position because fundamentally, that is part of our core services and we cannot lose sight of that fact." He said staffing in Streets is down 7 staff since 2008. We have increased streets through annexation, but a smaller staff, and again, we're asking fewer people to do more with less, and he doesn't want to upset that balance without knowing exactly what we're doing because it is such a critical function. Postponing it means great sense.

Councilor Maestas asked the Chair if he is okay with postponing consideration of this item to the "committee of the whole in the context of the budget discussions."

Chair Rivera said, "Definitely. I think that's a good idea."

Councilor Maestas said he doesn't have a date specific.

MOTION: Councilor Maestas moved, seconded by Councilor Ives, "to postpone consideration of this until the beginning of the budget hearings which is a Committee of the whole."

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

- 14. REQUEST FOR APPROVAL OF RESOLUTION NO. 2016- _____. A RESOLUTION DIRECTING STAFF TO USE THE WATER ENTERPRISE FUND TO REPAY IN FULL THE BALANCE OF THE 2006 WATER CAPITAL OUTLAY BOND IN THE AMOUNT OF THIRTY-THREE MILLION SIX-HUNDRED THOUSAND DOLLARS (COUNCILOR MAESTAS, COUNCILOR IVES AND COUNCILOR RIVERA). (OSCAR RODRIGUEZ) Committee Review: Public Utilities Committee 02/03/16; Finance Committee – 02/05/16; and City Council 02/24/16**

Mr. Rodriguez said Spring 2015, the Governing Body adopted a Resolution asking Finance to come up with a plan to make the Water utility self-sustaining, and he came back with recommendations. One was to use the cash in the Water Fund to pay down the debt, so we could extinguish the GRT that is dedicated and from that point forward, the water rates will pay for all operations. One of the first steps that he recommended was to use \$33.6 million from the Fund to call the bonds we can call at this point on June 1, 2016, and pay the outstanding debt. He said formal approval is needed because there are loan

applications through the NMFA and Secretary Clifford has been questioning loans in the face of the existing cash balances.

Councilor Maestas asked Mr. Rodriguez to confirm that, even when we use these funds, there will be adequate funds to cover the debt service.

Mr. Rodriguez said, "Yes, in fact we will have better coverage as the result."

Councilor Maestas said this action also would free up the entire 1/4% GRT dedicated to the Water Fund.

Mr. Rodriguez said that is correct, and only until those bonds are paid can the GRT be freed-up.

Councilor Maestas believes this is a sound financial strategy to reduce legitimately the large balance in the Water Fund.

Responding to a question from Councilor Maestas, Mr. Rodriguez said, "It will have no financial impact, will free up \$3.5 million, and leave a balance of \$56 million. There will be no change in the City's bond rating."

Councilor Maestas said it is exciting to be able to dedicate the 1/4% GRT to other pressing priorities in 2019, and this is a significant step forward.

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

DISCUSSION: Councilor Ives said he would join as a cosponsor, commenting this is a fiscally sound and intelligent move for all reasons expressed.

Chair Rivera said he agrees and also would join as a cosponsor.

Councilor Rivera asked staff to advise Jesse Guillen that the caption indicates \$33,600,000, but the Resolution says \$33,690,000, and there are areas in the FIR referring to the \$33,600,000. He said all of the numbers should be consistent in the caption, the Resolution and the FIR.

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

15. REQUEST FOR ACCEPTANCE AND APPROVAL OF THE WATER CONSERVATION STRATEGIC MARKETING PLAN. (RICK CARPENTER).

Rick Carpenter said they have been operating under an existing Strategic Marketing Plan dating back to 2012. It is a good plan and received an award. It was structured around general awareness, and picked up most of the low hanging fruit. He said they worked with Lynn Komer, Consultant, over the past

year to come up with a new plan, which would be more focused, more data driven, targeted to specific demographics with measured results. He noted the Plan is in the packet, and will stand for questions.

Councilor Ives asked if there are sections that can be highlighted that speak to how this plan will help to build community across the City. He said it is focused on water conservation, and asked if there are other ways it brings people together as a community.

Mr. Carpenter said he is unsure what he means by community, but when targeting disadvantaged populations they can be more focused and there are metrics for measuring results. He said when they can access through, for example, social media, and have a broader outreach, they believe they can demonstrate results community-wide, but still be focused on specific demographic groups.

Councilor Ives said we heard a good deal of discussion recently about trying to ensure that the impact of this plan is felt and there is specific outreach to the less wealthy in the community. He asked how that is done, and if there are items in the plan focusing on that issue.

Mr. Carpenter said that arose at the last Council meeting. He just spoke with Ms. Komer about this today and she has some data we can discuss. He said what they have found, it turns out that the lower income portions of the community actually use social media, cell phones and iPads, internet and such a lot more than you might think. This is an opportunity they hope to tap into and provide a lot of education and outreach through those media to those folks to help them learn about our programs, access information. He said hopefully when the new billing system is in place and there are website portals where people can log-on and access their own data directly, which will be helpful and eventually help them save money.

Lynn Komer, Consultant, said, "The lower economic populations really have to start from data. Everything that PR does starts and ends from data. In 2002, we had a certain amount of data we were able to utilize. In 2015/2016, with the new system, we have a lot more data. We'll be able to actually map demographics, and really you can pinpoint down to not only zip codes, but to neighborhoods, and be able to figure out exactly where they get their information. We do know they stream more on all social media platforms, so we can do a pre-roll ad that goes exactly where they're watching, at what time they're watching. So there are a lot of different analogs and analytics to use to target and use the data in a way we haven't been able to."

Councilor Ives said this gets to his question about building community, noting the goal is water conservation which is practiced individually. What he hears her saying is that this plan looks at the new capability across the City with its updated meters, its billing systems, etc., and allows people in neighborhoods to come together. He asked if this in the end bring us together more as a unified community with that message of conservation – is this plan geared to further that and cause that to happen.

Ms. Komer said in her opinion, absolutely, based on the data they're using to implement it. She said with this rich data you can understand the behaviors that really drive people, in addition to economic drivers we know exist. She talked about other drivers and using that information to bring neighborhoods together, and gets to community and behaviors that will motivate them to adopt or reject behaviors, or to modify behaviors. So it is very inclusive in bringing the community together along those lines.

Councilor Ives said he likes the plan which is incredibly detailed, very thorough, and accomplishes the right purposes and answering the questions that were asked.

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

DISCUSSION: Councilor Maestas said, "I just want to preface my remarks to say for the record that there is a level of outrage out there that I don't think any one of us handle on just yet, and it doesn't really pertain to water conservation, but it doesn't really matter, I think, to them. And I know this is a separate issue from the more contemporary issues associated with the migration to the new utility billing system and the change over to the Badger meters. So having said that, is this Marketing Plan going to be a part of the PR proposal. Is that going to be part and parcel with.... we were requested to take action on awarding a new PR contract. So is this marketing plan going to be the implementation tool in that effort."

Mr. Carpenter said it is parallel effort, and recognizes the need to have more education and outreach and tie directly into some of the goals and objectives Mr. Schiavo would like to achieve in rolling out the billing system and the marketing plan, but it is still a parallel effort. He said there are a lot of things in this strategy they're rolling out which are separate from, but still related to, billing and metering and those issues. He said it's all part of educating public that there will be a website and a portal, and people can log onto that and learn about the data the new billing system will generate. This certainly crosses between the strategic plan and the goals and objectives of the billing section. He said, "So I would call them parallel but separate efforts."

Councilor Maestas said he was looking for an element in the plan like a contingency work plan element where you respond to unanticipated emerging issues. He looked for that in Section D, Continuing Ongoing General Awareness, News Items and Event Promotions, but he doesn't think it is that. He asked if there a potential for the plan to include a contingency component to help with more contemporary issues that may not be associated with water conservation.

Ms. Komer said, "Absolutely. This was developed under previous scope, and under the RFP/competitive bid, the scope was expanded. But it always includes the red flags that come up that you have to speak to. Water is no longer just water conservation. It is regional, national. The tentacles, you have to talk about them. Expanded wastewater. What happens if that is going to be a reality. These things have to be talked about, so those actually become part of the plan. This is the water conservation component. But it always has been that we address these other issues when we are asked by staff to address those issues, or if we raise the red flag and say this might be on the horizon, here's a trend."

Councilor Maestas said this is a plan and it's hard for him to know how the level of effort varies among the different components, but agrees it's time to take this to the next level which will be more intricate and build on what we've done. He likes this. However, as a side note, we do need to go forward with a new plan, but in terms of our strategy for moving forward with a multi-year contract, if possible, he would like to consider a contract extension.

Mr. Carpenter said this contract has expired due to the four-year limit. The new contract was competitively bid through an RFP process, and it lays out a four-year progression and level of effort. This Strategic Plan also contemplates 3-4 years of level of efforts, again, they're separate but related.

Councilor Maestas wants to come up with a way we can do this for now because of the timing, optics and all of the issues, commenting this is good and we need to think about the next steps to keep this going.

Chair Rivera thanked Mr. Carpenter for presentation. He asked if there is a way to tell how many neighborhoods are using nextdoor.com.

Ms. Komer said she knows there are numerous ones and she can get that data quickly. She said in the past year more and more neighborhoods are using it, noting the Fire Department is now on all the different neighborhoods to give alerts, commenting she believes the Police Department is as well.

Chair Rivera likes this idea, noting he is on nextdoor.com with about 200 of his neighbors that use it to exchange information.

Councilor Maestas said in the Plan the accomplishments of previous efforts are summarized, and he is unsure the community at large is aware of what has been done. He asked if we can put out an initial product in the next generation contract that summarize the previous accomplishments of the past 3-4 years. He thinks that would go over quite well with the community.

Ms. Komer said she absolutely will do that, and there's a great story to tell.

Councilor Ives said he has one last comment. He said we've had lots of calls and complaints in this transition. He said it is always helpful in focusing on benefits that will come from this when dealing with our constituents. He said there are always issues in these kinds of transitions, and we need to affirm that this new system will allow everybody to track their water usage, and detecting leaks in 24-48 hours, and should allow us to focus on conservation in a whole new way. We need to affirm that we are sorry about these glitches, and that it is an imperfect world, especially when changing major systems like this. He appreciates all the work the Water Division is doing to get us through this period, but thinks we too need to be sending out that message about the end result.

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

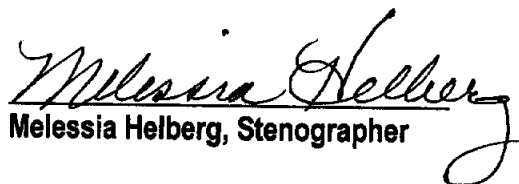
There were no matters from the Committee.

NEXT MEETING: WEDNESDAY, MARCH 2, 2016

Chair Rivera said he is unsure how this will work when the election is the day before, commenting at that point Councilors Bushee and Dimas still will be members of the Committee.

ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 6:50 p. m.

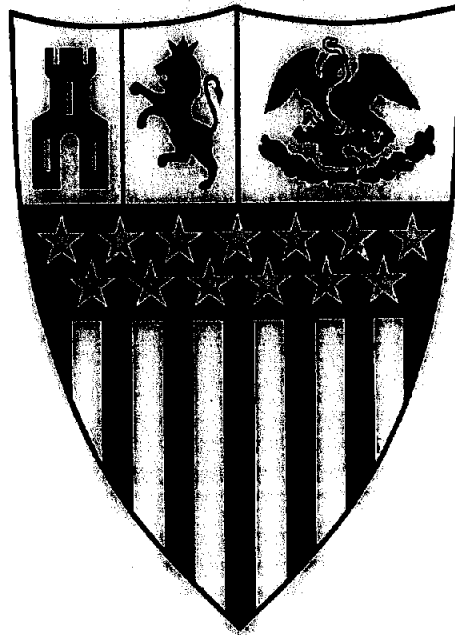

Melessia Helberg, Stenographer


Christopher M. Rivera, Chair

Potential Storm-Water Projects

Assessment

**CITY OF SANTA FE
NEW MEXICO**



PUBLIC WORKS DEPARTMENT
Streets and Drainage Maintenance Division
Potential Storm-Water Projects

December 2015

Exhibit "1"

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I. EXECUTIVE SUMMARY

This assessment identifies 54 potential areas for storm-water related projects. The locations are prone to flooding and require continuous maintenance. The City's storm-water system has been impacted by the increase and severity of summer monsoon storms, erodible arroyos, undersized, aged, and/or lack of infrastructure. Also, expansion due to annexation and increased population are compiling the need.

These projects could provide the opportunity to take steps to help control erosion, slow down storm-water, and promote its absorption into the soil. In addition, the use of green infrastructure design and construction methods can be considered to capture more rainfall, boost aquifers, and promote a safe positive environment.

Current storm-water revenues generate approximately \$1,570,593 per year; however the recurring cost of storm-water related operations and maintenance currently runs approximately \$1,556,459 per year leaving minimal funding for projects.

The cost for the 54 locations is estimated at approximately \$12,000,000 to build, however there is no current funding available. Increasing the storm-water fees could reduce the gap by generating more available funding for storm-water projects.

II. INTRODUCTION

This potential storm-water projects assessment includes discussion of storm-water management operation, maintenance, of areas prone to flooding and liability risk. These areas should be considered for future projects.

The assessment will evaluate and/or review:

- Storm-water management, operations, and maintenance.
- Estimated project costs for preserving, improving, and/or reducing risk for storm-water facilities.

III. OVERVIEW

The following information impacts storm-water related issues;

- Number of city streets segments (+/-) = 1135
- Area of city streets (+/-) = 1004 lane miles
- Unpaved roadways (+/-) = 43 miles
- Total length of storm-water system = unknown
- Storm drain inlets/outlets, not including newly annexed areas (+/-) = 2200
- Culverts/structures = too many to count
- Major arroyos (+/-) = 10
- Arroyo tributaries = too many to count
- Salt/cinders (+/-) = 3000 cubic yards per year
- Sweeper waste (+/-) = 4000 tons per year

IV. STORM-WATER MANAGEMENT

Storm-water management means the planning, design, construction, regulation, improvement, repair, maintenance, and operation of facilities and programs relating to water, flood plains, flood control, grading, erosion, tree conservation, and sediment control.

The Storm-water Management Section is primarily charged with preserving the city's Municipal Separate Storm Sewer Systems (MS4) permit required by the EPA. They provide inspections & enforcement issuance of notice of violations (NOV's), public education on storm-water impacts, specialized training for business & industry, 24 hour illegal dumping hotline, brochures, multi-media awareness, no dump signage, storm-water ordinance updates, drain inlet and outlet mapping, grant applications, partnering and consultation for river and arroyo restoration projects.

V. OPERATIONS AND MAINTENANCE

A major portion of the Storm-water Management is directly related to the operation and maintenance of the city's drainage infrastructure (arroyos, streets, curbs, drainage structures, culverts, erosion, washouts, etc.) minimizing pollutants from entering the storm-water system to maintain compliance with the EPA's Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) and Municipal Separate Storm Sewer System (MS4) permit program.

Maintenance support for drainage infrastructure situated within city right-of-way, parks, open space, arroyos, drainage ways, acequias, culverts, erosion, washouts, etc., reduces pollutants in the city's storm-water system.

Maintenance crews are as follows;

- Sweeping Maintenance - Routine sweeping where pollutants are removed from the street to keep from flowing into the storm-water system.
- Concrete Maintenance - Gutters and drainage infrastructure are repaired to provide proficient flow.
- Drainage Maintenance - Arroyos, drainage channels, storm sewer inlets/lines are maintained to assure efficient movement of storm-water.
- Grading Maintenance - Grading unpaved roads and channels to drain properly to minimize erosion and washout situations.

VI. FUNDING LEVELS AND RECURRING COST

Current storm-water revenues generate approximately \$1,570,593 per year which is currently used towards storm-water management, design, maintenance, and operational matters. The current level of funding does not allow for capital improvements.

Below is the recurring cost breakdown of operations and maintenance for Storm-water business units,

Description	Storm Water Drainage BU 22401	Storm Water for Parks BU 22402	Storm Water for Streets BU 22403	Grand Total
Auto Parts	\$500			\$500
Benefits Dept. Assessmen	\$1,167	\$1,556	\$5,446	\$8,169
Books/Subscrip/Periodica	\$120			\$120
City Share Dental Insura	\$1,246	\$1,586	\$6,112	\$8,944
Communication	\$2,000			\$2,000
Dues	\$300			\$300
Employee Health Insuranc	\$37,351	\$58,760	\$164,035	\$260,146
FICA	\$14,195	\$10,816	\$43,987	\$68,998
Gasoline	\$2,585			\$2,585
In State Training	\$500			\$500
Incentives			\$2,700	\$2,700
Inventory Exempt	\$370			\$370
Office Supplies	\$1,300			\$1,300
Operating Supplies	\$6,190			\$6,190
Other Consulting	\$20,000			\$20,000
Overtime			\$38,000	\$38,000
Registration for Training	\$500			\$500
Rep & Maint Machin & Equi	\$31,710			\$31,710
Retiree Health Care	\$3,711	\$2,828	\$10,702	\$17,241
Retirement (PERA)	\$37,366	\$28,470	\$108,076	\$173,912
Salaries	\$185,555	\$141,380	\$529,735	\$856,670
Service Contracts	\$20,000			\$20,000
Shift Differential			\$5,400	\$5,400
Software-Subscription	\$4,230			\$4,230
Unemployment Insurance	\$258			\$258
Uniform, Clothing, Linen	\$9,840			\$9,840
Workers' Comp	\$1,961	\$3,798	\$10,117	\$15,876
Grand Total	\$382,955	\$249,194	\$924,940	\$1,557,089

VII. LIST OF POTENTIAL STORM-WATER PROJECTS

Below is a list of locations prone to storm-water flooding along with cost estimates. The estimates are based on typical costs of similar type projects of the past. The identified potential projects are estimated at approximately \$12,000,000. This list only includes flood prone areas.

Voting District	Location	Type	Estimated Cost
1	Arenal Court off Gonzales Road.	Drainage Improvements	\$20,000
1	Arroyo Canada Ancha (Cerro Gordo Road to SF River)	Drainage Improvements	\$200,000
1	Arroyo Canada Ancha (Upstream from Lorenzo Road)	Erosion / Flooding / Structure Issues	\$300,000
1	Arroyo de la Piedra (along Barranca Subdivisions, Sierra Del Norte Subdivision)	Erosion / Flooding / Structure Issues	\$150,000
1	Arroyo Mascaras	Erosion / Flooding / Structure Issues	\$250,000
1	Arroyo near Camino Real in Sierra Del Norte	Drainage Improvements	\$200,000
1	Arroyo Rosario	Erosion / Flooding / Structure Issues	\$200,000
1	Arroyo Salz	Erosion / Flooding / Structure Issues	\$200,000
1	Bishops Lodge at Valley Drive	Drainage Improvements	\$250,000
1	Camino de Las Cruces, Dog Park to St Francis Drive	Drainage Improvements	\$300,000
1	Camino Real / Paseo De Sur at the Arroyo Crossing	Drainage Improvements	\$175,000
1	Cerro Gordo, entire length	Drainage Improvements	\$400,000
1	Downtown Historic Area	Drainage Improvements	\$500,000
1	Los Lobatos, Los Arboles, Calle Estado on the steep grades	Erosion / Flooding / Structure Issues	\$200,000
1	Otero Street from Palace Avenue to Nusbaum Street	Drainage Improvements	\$100,000
1	Santa Fe River	Erosion / Flooding / Structure Issues	\$500,000
2	Arroyo Cabra (Cristo Rey Area)	Erosion / Flooding / Structure Issues	\$100,000
2	Arroyo En Medio (Along Rodeo Road E of St. Francis Dr)	Erosion / Flooding / Structure Issues	\$150,000
2	Arroyo Mora (Upper Canyon Road)	Erosion / Flooding / Structure Issues	\$150,000
2	Cadiz Road and Seville Road at the water crossing	Low Water Crossing Improvements	\$50,000
2	Calle Colibre at Zia Road	Drainage Improvements	\$50,000
2	Calle Halcon at the low water crossing	Low Water Crossing Improvements	\$50,000
2	Calle Militar at Upper Canyon Road	Drainage Improvements	\$50,000
2	Calle Pava at the low water crossing	Low Water Crossing Improvements	\$50,000
2	Calle Pinonero at the low water crossing	Low Water Crossing Improvements	\$25,000
2	Calle Tablas at the low water crossing	Low Water Crossing Improvements	\$50,000
2	Calle Tecolote at the culvert crossing	Drainage Improvements	\$50,000
2	Camino Santander at the arroyo crossing	Drainage Improvements	\$30,000
2	Cloudstone Arroyo	Erosion / Flooding / Structure Issues	\$200,000
2	Conejo Drive at the low water crossing	Low Water Crossing Improvements	\$50,000
2	East Booth Street at Wood Gormly Elementary drainage improvements	Drainage Improvements	\$150,000
2	Fort Union Drive at the low water crossing	Low Water Crossing Improvements	\$50,000
2	Gallisteo Street at Santa Fe Ave.	Drainage Improvements	\$180,000
2	Garcia Street between Acequia Madre and Canyon Road	Drainage Improvements	\$350,000
2	General Sage at the low water crossing	Low Water Crossing Improvements	\$50,000
2	Lorenzo Road, entire length	Drainage Improvements	\$400,000
2	Old Arroyo Chamiso Road at the arroyo crossing	Bridge/Large Culverts	\$400,000
2	Old Santa Fe Trail at Mountain Road	Drainage Improvements	\$40,000
2	Old Santa Fe Trail at Teddy Bear Road (behind Quail Run)	Drainage Improvements	\$100,000
2	Rodeo Road (south side) just west Old Santa Fe Trail near Calle Pava and Calle Tablas	Drainage Improvements	\$250,000
2	San Miguel Subdivision - Particularly Brother Abden Way (just south of St. Michaels High)	Drainage Improvements	\$50,000
2	Sawmill/Ventoso	Drainage Improvements	\$200,000
2	South Capital Neighborhood	Drainage Improvements	\$500,000
3	Acequia crossing at Harrison Road	Drainage Improvements	\$50,000
3	Acequia crossing at Henry Lynch Road	Drainage Improvements	\$50,000
3	Acequia crossing at Maes Road	Drainage Improvements	\$30,000
3	Arroyo Chamiso throughout the entire length	Erosion / Flooding / Structure Issues	\$2,000,000
3	West Alameda from Camino Alire to the West City Limit	Erosion / Flooding / Structure Issues	\$400,000
4	Arroyo de los Pinos	Erosion / Flooding / Structure Issues	\$300,000
4	Arroyo De Los Pinos - just south of Los Americas	Erosion / Flooding / Structure Issues	\$350,000
4	Nava Ade Subdivison	Drainage Improvements	\$450,000
4	Second Street at the Arroyo Crossing near Espinditas	Drainage Improvements	\$100,000
4	Siringo Road at Marc Brandt Park	Drainage Improvements	\$300,000
4	Siringo Road at the Arroyo De Los Pinos crossings just west of Yucca Street	Drainage Improvements	\$300,000
Total -->			\$12,000,000

VIII. ADDITIONAL FUNDING LEVELS FOR STORM-WATER

Current storm-water revenues generate approximately \$1,570,593 per year which is currently used towards storm-water management, design, maintenance, and operational matters. The current level of funding does not allow for capital improvements designated for the capital improvement program.

To reduce the gap, increasing the storm-water fees could generate more available funding for capital projects;

Current Funding	% Fee Increase	Potential Capital Funding	Total Available Revenue
\$1,570,593.00	0%	\$0	\$1,570,593.00
\$1,570,593.00	25%	\$392,648	\$1,963,241.25
\$1,570,593.00	50%	\$785,297	\$2,355,889.50
\$1,570,593.00	75%	\$1,177,945	\$2,748,537.75
\$1,570,593.00	100%	\$1,570,593	\$3,141,186.00

IX. COST BREAKDOWN - BY VOTING DISTRICT

	Voting Dist 1	Voting Dist 2	Voting Dist 3	Voting Dist 4	Grand Total
Bridge/Large Culverts					
Sum of Estimated Cost		\$400,000			\$400,000
Project Count		1			1
Drainage Improvements					
Sum of Estimated Cost	\$2,145,000	\$2,400,000	\$130,000	\$1,150,000	\$5,825,000
Project Count	9	14	3	4	30
Erosion / Flooding / Structure Issues					
Sum of Estimated Cost	\$1,750,000	\$600,000	\$2,400,000	\$650,000	\$5,400,000
Project Count	7	4	2	2	15
Low Water Crossing Improvements					
Sum of Estimated Cost		\$375,000			\$375,000
Project Count		8			8
Total Sum of Estimated Cost	\$3,895,000	\$3,775,000	\$2,530,000	\$1,800,000	\$12,000,000
Total Project Count	16	27	5	6	54