



Agenda

**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
200 Lincoln
WEDNESDAY, MAY 4, 2016
REGULAR MEETING – 5:00 P.M.**

CITY CLERK'S OFFICE

DATE 4/27/16 TIME 1:00 PM

SERVED BY [Signature]

RECEIVED BY [Signature]

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE APRIL 6, 2015 PUC MEETING

INFORMATIONAL ITEMS

6. Presentation of the Wastewater Management Division's Five (5) Year Masterplan. (Shannon Jones)
7. Utility Billing Division Update and Presentation on Badger Meter System. (Nick Schiavo) **VERBAL PRESENTATION**
8. Report on Santa Fe Water – Refinancing Scenarios. (Nick Schiavo and Jason Mumm)

CONSENT – ACTION CALENDAR

9. Update on Current Water Supply Status. (Alex Puglisi)
10. Annual Report, Santa Fe River Target Flows & Children's Fishing Derby. (Melissa McDonald and Alan Hook)
11. Wastewater Management Division Monthly Update. (Shannon Jones)

12. Request for approval of Amendment No. 2 with Blue Sky Builders (CES Contractor) for a door replacement at the CRWTP main building for the amount of \$114,859.90 inclusive of NMGRT. (Alex Gamino)

Public Utilities Committee – 5/4/2016
Finance Committee – 5/16/2016
City Council – 5/25/2016

13. Request for approval of Professional Services Agreement with B&D Industries for electrical system improvements at the Canyon Road Water Treatment Plant for the amount of \$319,467.72 inclusive of NMGRT. (Alex Gamino)

Public Utilities Committee – 5/4/2016
Finance Committee – 5/16/2016
City Council – 5/25/2016

14. Request for approval of award of a Professional Services Agreement to PK Relations for specialized and professional assistance in the areas of marketing, public relations, and public outreach/education for the Water Division/Water Resources Section – RFP No. '16/13/P for the amount of \$75,000.00 exclusive of NMGRT. (Rick Carpenter)

Public Utilities Committee – 5/4/2016
Finance Committee – 5/16/2016
City Council – 5/25/2016

15. Request for approval of award of a construction contract to AUI, Inc. for RFB '16/31/B for the Hospital Tank Replacement Project for the amount of \$5,512,554.63 exclusive of NMGRT. (Eric Ulibarri)

Public Utilities Committee – 5/4/2016
Finance Committee 5/16/2016
City Council – 5/25/2016

16. Request for approval of procurement of service, repairs and equipment from James, Cooke and Hobson (JCH) for the Wastewater Treatment Plant over \$50,000.00. (Kenneth Espinoza)

Public Utilities Committee – 5/4/2016
Finance Committee 5/16/2016
City Council – 5/25/2016

17. Request for approval of Change Order No. 2 to the construction contract with AUI, Inc. for the Cerrillos Road Reconstruction Project – Phase IIC - CIP# 810A for the total amount of \$267,933.75 inclusive of NMGRT. (David Quintana)

Public Utilities Committee – 5/4/2016

Finance Committee 5/16/2016
City Council – 5/25/2016

18. Request for approval for re-appropriation of funding for PSA Item # 16-0026 for design and construction management services for the Paseo Real Wastewater Treatment Plant Anaerobic Digester Project for the amount of \$782,588.29 inclusive of NMGR. (Kathleen Garcia)

Public Utilities Committee – 5/4/2016
Finance Committee 5/16/2016
City Council – 5/25/2016

DISCUSSION AND ACTION

19. Request for approval of Bill No. 2016-_____. An Ordinance repealing a Municipal Capital Outlay Gross Receipts Tax. (Councilor Dominguez) (Oscar Rodriguez)

Public Utilities Committee – 5/4/2016
City Council (Request to Publish) – 5/11/2016
Finance Committee – 5/16/2016
City Council (Public Hearing) – 6/8/2016

MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

MATTERS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: Wednesday, June 1, 2016

ADJOURN

**CITY CLERK'S OFFICE: 360-263-6520, FIVE (5) WORKING DAYS BEFORE
THE MEETING DATE.**

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Wednesday, May 4, 2016**

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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, May 4, 2016**

1. CALL TO ORDER

A meeting of the Public Utilities Committee was called to order by Councilor Joseph M. Maestas, Acting Chair, at approximately 5:00 p.m., on Wednesday, May 4, 2016, in the City Council Chambers, 200 Lincoln Avenue.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Joseph M. Maestas, Acting Chair
Councilor Signe I. Lindell
Councilor Renee Villarreal

MEMBERS EXCUSED:

Councilor Christopher M. Rivera, Chair
Councilor Ronald S. Trujillo

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

MOTION: Councilor Villarreal moved, seconded by Councilor Lindell, to approve the Agenda as presented.

DISCUSSION: Councilor Maestas said he wants to cosponsor #19, the Ordinance to repeal the Capital Outlay Gross Receipts Tax.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT – ACTION CALENDAR

- 9. UPDATE ON CURRENT WATER SUPPLY STATUS. (ALEX PUGLISI)**
- 10. ANNUAL REPORT, SANTA FE RIVER TARGET FLOWS & CHILDREN'S FISHING DERBY. (MELISSA McDONALD AND ALAN HOOK)**
- 11. WASTEWATER MANAGEMENT DIVISION MONTHLY UPDATE. (SHANNON JONES)**
- 12. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 WITH BLUE SKY BUILDERS (CES CONTRACTOR) FOR A DOOR REPLACEMENT AT THE CRWTP MAIN BUILDING FOR THE AMOUNT OF \$114,859.90, INCLUSIVE OF NMGR. (ALEX GAMINO) Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**
- 13. *[Removed for discussion by Councilor Lindell]***
- 14. *[Removed for discussion by Councilor Lindell]***
- 15. *[Removed for discussion by Councilor Lindell and Councilor Villarreal]***
- 16. REQUEST FOR APPROVAL OF PROCUREMENT OF SERVICE, REPAIRS AND EQUIPMENT FROM JAMES, COOKE AND HOBSON (JCH) FOR THE WASTEWATER TREATMENT PLANT OVER \$50,000. (KENNETH ESPINOZA). Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**
- 17. *[Removed for discussion by Councilor Maestas]***
- 18. *[Removed for discussion by Councilor Lindell]***

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

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve the minutes of the PUC meeting of April 6, 2016, as presented.

VOTE: The motion was approved unanimously on a voice.

INFORMATIONAL ITEMS

6. PRESENTATION OF THE WASTEWATER MANAGEMENT DIVISION'S FIVE (5) YEAR MASTER PLAN. (SHANNON JONES)

A copy of the *Wastewater Management Master Plan*, for the City of Santa Fe, is incorporated herewith to these minutes as Exhibit "1."

Stan Holland and Kathleen Garcia presented information via power point in this matter. Please see Exhibit "1" for specifics of this presentation.

The Committee commented and asked questions as follows:

- Acting Chair Maestas said there is a City-County team that looks at potential wastewater projects and coordinates with the County to determine whether facilities just outside the City limits should connect with our system.

Mr. Holland said that is the Wastewater Review Team.

- Acting Chair Maestas asked if there are potential County projects that could connect to our system in the 20-year timeframe covered by the Master Plan.

Mr. Holland said there are none covered by the Master Plans, noting they dealt only with the ones that had been approved by both Governing Bodies to the day of this report. He said there are projects in the queue wanting to come in for approval, but they did not bring those in for the analysis.

- Acting Chair Maestas said it seems we're focusing almost solely on concrete. He asked if there are funds set aside for repair of the non-concrete pipes. He said the PVC probably are good.

Mr. Holland said under their Operation Budget they have an on call spot repair that they utilize, noting they tend to use them for clay pipe that is broken or has a piece missing that a spot repair will handle. If a clay pipe has multiple cracks, there is a point where we will say this is beyond just the point of repair, and kick it over automatically to be relined. He said they have relined the clay pipes with the clay pipes in place method. He said they realize with the concrete pipes it is not a

matter of if, but when they will have to be replaced. He said when we look at the clay lines, yes, that is part of the step, the additional \$6 million annually. He said they will see clay lines, and yes, that money would be allocated toward those lines, and that could be part of our ranking system.

- Acting Chair Maestas said in the summary memo, Mr. Holland commented the basis for replacing collection lines would not be capacity-based, it would be condition-based. He thinks that's a good method to avoid the open excavation, but when you reline the older pipes, do you reduce the capacity of them. And if so, is that an issue going forward.

Mr. Holland said the cured in place pipe, typically the liners we're had, most of them are ½ inch or most in total, so you could lose up to 1 inch, and that's only when you get down in the 13 feet or below 10 foot depth. But the beauty is that any diameter lost is typically offset because of the smoothness of the pipe. The way the water throws through with those liners in it is an offset. He said, "No, we're not losing capacity."

- Acting Chair Maestas said there is a category of pipe called non-GIS located and asked him to explain.

Mr. Holland said that means is we use our TV cameras to video the lines and they are looking to get a pole camera where they can video. What this means is we think we know what it is, but we're not 100% sure, and with GIS, when they put the pipe in there, they like to be 100% sure. He said, "What we're saying is there are these are lines that we need to go out and confirm the actual material. I'm saying we don't know. That is part of the plan."

- Councilor Villarreal said Mr. Holland said the cost to rehabilitate the concrete pipes in the next 10 years would cost \$5 million, and asked if that is today's cost.

Mr. Holland said that is today's costs, noting all the costs he has given are today's costs.

- Councilor Villarreal asked about the costs 10 years from now.

Mr. Holland said things tend to go up. He said what is interesting with sewer rehabilitation is the methods are improving, and the competition has increased. He said these are techniques for which the companies held patents for 25 years. He said the market has opened and he thinks the competition will help keep costs more reasonable. Although things increase in cost, he doesn't see the increases as much as you might anticipate.

- Acting Chair Maestas asked if this accounts for the annexation population, noting our population exceeded 80,000 last year.

Ms. Garcia referred the question to Chris Rodriguez,

Chris Rodriguez, HDR Engineering, said for their estimates, they took into account the same services as the Wastewater Treatment Plant, and also coordinated with Land Use Planning in terms of its population projections. He said it includes the annexed territory because it is the presumptive City limits.

- Acting Chair Maestas asked how much capacity the 13 MGD cell will give the City.

Mr. Rodriguez said it will go past 20 years.

- Acting Chair Maestas said he understands the need to have a short term CIP, 3-5 years. He asked if would be helpful to have "a more appraisal level capital improvement plan for the entire 20 years," so we can get an idea of what is coming up, especially any large improvements."

Shannon Jones, Director, Wastewater Division, said absolutely at the staff level they do look that far out. He said the approach they take is the 5 year plan, because it matches the cycle of our permits. So as we start getting further out, we have to make more and more assumptions about what those constituents look like. He said, "As we look forward, absolutely our thoughts and our planning go further than the 5 years."

- Acting Chair Maestas said this is a thorough presentation. He would like Mr. Jones to come back and present the operating budget, an overall sheet with expenditures and revenues, but include the set aside for the CIP Plan so we can see how that plays in. He said he assumes that the recommendations for CIP improvements are balanced annually with the budget. He asked if we can assume that. This is just a recommendation and it still has to be incorporated into the operational budget.

Mr. Jones said currently the operational budget is balanced. He said the CIP looking 5 years out is about \$4 million unfunded, based on current cash capacity. Each one is evaluated each year. These are estimates that go up and down, so as the numbers begin to solidified, they prioritize projects as they push out and look for funding to be available. He said, "Absolutely, I am more than happy to come and I can do a thorough presentation on expenditures and those house projections."

- Acting Chair Maestas said the approval for the digester project was critical. He said however, he felt it would have been ideal to have the Master Plan done before we set our rates. He would like to see how the revenues are materializing versus what we projected to identify the shortfall. He noted the revenues are based on water use. He asked if we have hit a plateau in terms of water use, commenting we know it's definitely under 100, so it's not good for wastewater revenues. He said we have a new Master Plan and we've initiated a rate increase over 5 years. He asked Mr. Schiavo to explain the recent rate increase we approved for Wastewater.

Mr. Schiavo said Shannon would know the details, but he believes it is 4.9% for the next two years.

- Acting Chair Maestas said the Master Plan is a significant milestone and maybe we can get some context, look at the budget, how much is available for CIP, see how the revenues are coming in under the new rate increases to see what changes are needed, if any. He said if you feel we still can deal with this shortfall, it seems we may be able to continue operating and rehabilitating as revenues are available. We should at least look at the CIP shortfall and look at the revenues from the last increase.

Mr. Jones said, "Absolutely Chair, we can bring that back."

- Acting Chair Maestas said overall, this is great news and a bright spot in our utilities. It's good to see we're okay in terms of capacity. He just wants to get a more clear idea of whether we are equipped to address some of these capital needs, particularly the concrete pipe. He said the degradation with the gasses and such concerns him. He asked if we have other complications or safety issues and such from this about which we should be concerned.

Acting Chair Maestas continued, saying, as alluded to by Mr. Holland, the Division has been very aggressive over the last 5 year in doing conditional assessments, noting a lot of major projects have just been completed on trunk lines. We are now ahead of that curve, as Mr. Holland said. He said now our goal and intention is what we need to do continue to position ourselves to remain in that position.

- Acting Chair Maestas said it is nice when you can your CIP, and the assumption is you won't have any anticipated repairs and capital improvements. He said you have an emergency reserve set aside apart from the CIP to deal with collapses and such.

Mr. Jones said that is correct.

- Acting Chair Maestas asked the amount of the set aside.

Mr. Jones said the total reserve is about \$7 million. He said there are 3 reserve requirements that make up that number, but he doesn't remember 3 the categories.

- Acting Chair Maestas asked Mr. Jones to bring information on the reserves when he presents on the budget, so we can get an idea of how well equipped we are to deal with some of these unanticipated collapses that we can't foresee through a CIP

Mr. Jones said he will do so.

- Acting Chair Maestas thanked him for the presentation

**7. UTILITY BILLING DIVISION UPDATE AND PRESENTATION ON BADGER METER SYSTEM.
(NICK SCHIAVO) VERBAL PRESENTATION**

Mr. Schiavo demonstrated the use of the Eye on Water via overhead projection, commenting this is "ours and the customers' ability to look at water usage on a real time basis." He said there are roughly 29,559 meters on line, with another 2,000 installed which will show up next week on this system. He said he has been able to look at some of the leaks in the system, noting they look at the top 60 leaks every day and knocking on doors. He said a lot of the recent leaks are associated with people turning on their irrigation systems.

Acting Chair Maestas said then we can't determine whether the leak is on the resident's side or the City side, and asked if we assist to find that leak.

Mr. Schiavo said any leaks that are showing up, are on the resident's side, reiterating that it is usually irrigation-related this time of year. He said the City does provide some assistance. He said a 1-5 gallon nagging leak usually is associated with a tablet, so staff has been going out and giving them dye tablets and helping them and working with them to find the leak.

Mr. Schiavo said he has been with this Department for the last 3 years, and this is the first time ever we actually we can get in front of a leak before it goes on for very long. He said this is mostly residential with a few small commercial.

Mr. Schiavo said, the latest on the meter replacement, is they should have received the large meters and begin replacing the meters in the Schools in July, and by the end of the calendar year, all of the meters should have been replaced, so everyone will have access to the real time usage.

Mr. Schiavo said his intent is to push the Eye on Water program out City-wide for anyone interested in being able to log on and see this kind of detail.

Councilor Lindell thanked Mr. Schiavo for being responsive to the email she sends him and to her telephone calls which makes her job much easier. She asked with this kind of system and a definite blip happens, if it alerts her by email, or does she have to check the dashboard continuously.

Mr. Schiavo said once it is set up, the customer sees something that says "set an alert," they click on it and have the ability to get a text message or email if there are continuous flow above whatever gallon they have set.

Councilor Lindell said she is really really happy about this. She has a neighbor who had frozen pipes in March which ran full blast into the house. She said it was a long term decision as to whether to tear down the house or repair it. She said to have something like this will save the City water, commenting it is an astounding service to the customers.

Councilor Villarreal asked Mr. Schiavo if he said for the next 60 days it will be live for any customer, or if we can we log in right now.

Mr. Schiavo said it is a pilot program, and if the Committee knows of anyone who wants to participate in the pilot program, they can email him and he'll get that set up – it takes about 5 minutes to log on, noting all you need to get on is your zip code and your account number.

Councilor Villarreal said she is interested to see how it is working.

Acting Chair Maestas asked once a leak has been identified on the resident's side, if they can get insurance, or is like "no pre-existing conditions," type insurance. He asked Mr. Schiavo to speak to this, commenting there have to be limitations in terms of using the insurance.

Mr. Schiavo said he isn't familiar with the insurance, but he has heard about. He lives just outside the City limits and has a well, so he doesn't have the insurance. He said his guess is if you have a leak and it shows on this list, then there may be a challenge in getting the insurance. He said the feedback he's gotten back from Serviceline Warranty of America, and people who have had it, is that if you develop a leak after you have paid for the insurance, they won't push back and will fix and pay for that kind of thing. He said the older yard lines in town are galvanized and they just rot out over time. He noted in the Tierra Contenta area there are more corrosive soils that seem to go through even the copper lines pretty quickly, so he thinks the insurance would be pretty worthwhile if you live in those areas.

Mr. Schiavo said with regard to the meter replacement, on the residential side we are down to replacing the last 840 meters, noting PMI is the 3rd party that has been doing the installations. They left one person behind is doing cleanup with his T & D staff, on hard to find meters, or one that is set too low. He thinks we are in good shape to begin installing the large meters in July.

Mr. Schiavo said billing seems to be back in good order. He has been working with IT on a contract with BerryDunn who is going to help us look at the North Harris Contract and where we are with that software which will happen over the next two months. We then should be able to get back on track and within 6 months have the new billing software on line. He is confident that will go well.

Mr. Schiavo said Caryn Fiorina has accepted his offer to serve as the new Director of the Utility Billing Division. He said it is a good fit, noting the future of billing is very IT driven. He said all of the reads come in digitally with the new software, and as we know good bills are the way to do. He said to the degree we can send out a very clear and correct bill will serve us well.

Acting Chair Maestas said the information for the new utility system software was entered manually. He asked what we are doing in terms of quality assurance that information was entered correctly and if we are relying on the resident to let us know.

Mr. Schiavo said, without going into the whole history, when a meter is installed, the 3rd party goes out and takes digital photos of the old meter, the new meter when installed, and a picture of the home and

its location, noting they have that data base. That data was given to Badger for provisioning and then to check there on our end with IT, and it is passed to staff. With the macro, that information exchanges in the system the old meter for the new one. The breakdown occurred when the information was given to an employee and it wasn't passed to staff, noting the employee is no longer with the City. He said because that wasn't done, they couldn't use the macro, noting it took them 6-10 minutes per exchange rather than the seconds. This is what caused the billing delay. He said, "I can assure you that I check where we are each day with those exchanges. It was certainly a consideration when they had talked about just giving us a few people to do the exchanges for the commercial meters and taking up to 6 months, I was absolutely fine with that. There is no reason we can't go steady and sure and make sure all those exchanges are done properly."

8. REPORT ON SANTA FE WATER – REFINANCING SCENARIOS. (NICK SCHIAVO AND JASON MUMM)

A copy of Revised Water Fund Scenarios, prepared by Hawksley Consulting, is incorporated herewith to these minutes as Exhibit "2."

Jason Mumm, Hawksley Consulting presented information via power point. Please see Exhibit "2" for specifics of this presentation.

The Committee commented and asked questions as follows:

Acting Chair Maestas asked, for clarification, on the use of cash used to partially repay 2009 Bonds, if the idea is to use whatever balance we can afford from the Water Fund and the rest to be pledged with future revenues, so it really is a revenue bond.

Mr. Mumm said they would literally pay that much of the 2009 Bonds and refinance the rest with a new issue, but the new issue would not have the pledge of the GRT revenue against it. So that would be released. It would be pledged entirely with water revenues.

Acting Chair Maestas asked if "having a law with a maximum of 12% would impact the credit ratings in any way."

Mr. Mumm said he can't say, but his recommendation is to go to 4%.

Acting Chair Maestas said the 2009 bonds aren't callable until 2019, so the early payment penalty is to pay the interest we otherwise would have paid if we wanted until 2019. He asked if it would be better to pay a bigger chunk of those bonds, because we're paying interest on interest in the for of the early payment penalty.

Mr. Mumm said he worked closely with the City's Financial Advisor First Southwest and with Mr. Rodriguez to put these scenarios together. He believes they addressed that in the numbers he had to work with, but he would need to defer the answer to Mr. Rodriguez.

Acting Chair Maestas said that would be his only issue, commenting he can see the reason Scenario 1 would be preferred, in terms of the loans because we can easily negotiate the terms for those loans and it's more difficult in dealing with bonds. He said he is still wondering about the early payment penalty.

Mr. Schiavo said he believes Councilor Maestas is correct, that the penalty is the interest that we should have been paying. He said one thing he found out was that the 2009 Bond was interest only. It was painful to learn we've only been paying interest for the last however many years on that Bond.

Acting Chair Maestas asked when we would start paying principal.

Mr. Schiavo said in 2019. He said we definitely are paying penalty, it's just some kind of sub-prime lone that we're moving forward with, noting it is painful.

CONSENT – ACTION CALENDAR DISCUSSION

13. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH B&D INDUSTRIES FOR ELECTRICAL SYSTEM IMPROVEMENTS AT THE CANYON ROAD WATER TREATMENT PLANT FOR THE AMOUNT OF \$319,467.72, INCLUSIVE OF NMGRT. (ALEX GAMINO) Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**

Councilor Lindell said in the Memorandum it indicates this was bid through the Cooperative Educational Services procurement guidelines. She asked if there is more than one bid on this.

Mr. Puglisi said it was solicited through an RFP process, and we can piggyback on that contract under the City Procurement Code.

Councilor Lindell said then she should have confidence that B&D Industries is giving us the best possible price.

Mr. Puglisi said although they did not have to obtain quotes, actually 3 companies came out and gave us their quotes. "And, yes, Councilor you can be assured they are giving us a good price on this contract."

Councilor Lindell asked it is indicated in the packet that 3 bids were received.

Mr. Puglisi said it wasn't a formal bid process, and they did it to see what reachable companies could provide this service.

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve this request.

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

14. **REQUEST FOR APPROVAL OF AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO PK RELATIONS FOR SPECIALIZED AND PROFESSIONAL ASSISTANCE IN THE AREAS OF MARKETING, PUBLIC RELATIONS AND PUBLIC OUTREACH/EDUCATION FOR THE WATER DIVISION/WATER RESOURCES SECTION – RFP NO. 16/13/P FOR THE AMOUNT OF \$75,000, EXCLUSIVE OF NMGR. (RICK CARPENTER) Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**

Councilor Lindell asked if this proposal is different from the one we saw previously.

Rick Carpenter said no, this is the same proposal.

Councilor Lindell said it is very hard to accept this proposal in these budgetary time, commenting the budget is there to cover these costs. She asked if this contract was put out to bid.

Mr. Carpenter said it was put out to bid and they received 5 proposals.

Councilor Lindell asked if PK Relations was chosen based on price or the proposal – how did that bid process work.

Mr. Carpenter said a number of evaluation criteria included in the bid package. He said PK was better than all but one proposal, and that bid proposal was very sub-standard. So you take it is a package, the value they bring to the table, and they were by far the high ranked proposal.

Councilor Lindell said she is pained to have to make a commitment for \$300,000 for this type of contract, considering the current budget constraints.

Acting Chair Maestas asked if the clock is running on this bid between bid opening and award.

Mr. Carpenter said no, the costs included in the original proposal have not changed.

Acting Chair Maestas said he didn't vote for this in Council. He said at the time, the community was up in arms about everything was going on, and this effort got caught up in a collection of issues. He said we didn't vote no, and he thought we gave staff direction to identify where we could address some of the work called for in the scope using City services. He asked Mr. Carpenter if he looked into whether the City could do some of this in-house to reduce the cost of this contract.

Mr. Carpenter said that is correct, and he worked with the Conservation Office Manager to identify some areas where we could proceed without the services of the contractor, namely the initial stages of implementing the Strategic Plan, where we could handle this with existing staff. He said, "As a point of clarification when this contract came through the first time it was for 4 years at almost \$300,000. He said this time around staff is requesting one year of services at \$75,000. It can be extended or renewed, but it is only for the first year to kick-start some of the services we don't have in house – the focus data collection, analytics, higher end outreach and strategic planning and messaging.

Acting Chair Maestas said he saw no evaluation component after the first year. He asked if there is any way the Governing Body can assess the progress on this and determine whether or not to continue funding this at the same levels.

Mr. Carpenter said staff will assess one year from now to assess whether or not the contract should be extended and how successful we have been.

Acting Chair Maestas said this is in fact a one-year contract instead of an up-front multi-year contract.

Mr. Carpenter said that is correct.

Acting Chair Maestas said the contract will terminate on June 30, 2017, and asked if we are to presume that the consultant wouldn't begin work until July 1, 2017, or will they start in this fiscal year. He said then the contract will be a little more than a calendar year.

Mr. Carpenter said his preference would have them to begin work as soon as possible and through the term, so slightly more than a year.

Acting Chair Maestas said then there is a change, and it's not a multi-year contract. He said he does want some kind of evaluation at the end of the year. He asked when you intend to come back. He said, for example you like the product provided by the consultant and you are going to recommend renewal, what do you anticipate telling us to convince us to renew it again, instead of making a blanket staff recommendation.

Mr. Carpenter said staff will be back in a year, probably April, or a month or two before the decision has to be made to renew the contract. He said, probably the presentation would be that the metrics for success were the measurements built in currently in the Strategic Plan, and show that data – the type of outreach, its success, the amount of *[inaudible]* that was used. He said that was the whole point of putting it into the Strategic Plan, "so we could do just that."

Acting Chair Maestas asked if we are going encumber 2016 funds in the amount of \$70,000 and not use any 2017 funds, or will it be a split funding.

Maya Martinez said it will be split funded, so if the contract is approved, they will encumber the funds and then go into the next fiscal year.

Acting Chair Maestas asked if we will be getting any change orders.

Mr. Carpenter said, "I wouldn't dare, Mr. Chair."

Acting Chair Maestas said, "Mayor Pro-Tem Lindell, it seems this is a one-year contract, subject to renewal. The previous contract was multiple-year at \$240,000. Was that the total.

Mr. Carpenter said it was just shy of \$273,000.

Councilor Villarreal asked if the Strategic Plan to which he referred is on line. She hasn't seen it.

Mr. Carpenter said he has been told it is not on the website, but it will be tomorrow morning.

Councilor Villarreal said she thinks it would help to see the goals and what metrics he is wanting to achieve with the contract, and then at the end, she is sure he will make a comparison of what was accomplished. She had asked earlier today how the hospitality industry has responded to this, and would be interested "to see if we can get more of that industry, not so much to buy in, but to understand the importance. I think a lot of them do already, but I would like to see that tracked, just to see who has decided this is important to them and that it actually helps their bottom line as well."

Mr. Carpenter said, "Agreed."

MOTION: Councilor Villarreal moved, seconded by Councilor Lindell, to approve this request.

DISCUSSION: Acting Chair Maestas said he wants us to really make it a point to ensure the media understands what we're doing. He understands the entire campaign by Water Conservation, and the importance and urgency around sustaining the progress we have realized. He wants to make sure everyone understands the whole campaign. He hopes we would ensure that the community and the media really understand the vital need for this public relations contract.

Acting Chair Maestas continued, "And Rick, please, if you could, before you recommend another renewal, if you do, before the initial term, I would ask that you will make the presentation on the performance of the consultant relative to its scope of work."

Mr. Carpenter said, "I would be happy to."

Councilor Villarreal asked Acting Chair Maestas if he saying that the messaging piece also would include water conservation, as well as the education around Wastewater reuse and controlled burns. She thinks more people would understand the need if we show it is more encompassing. She said we know there is a need to try to understand and educate people around controlled burns. She asked, "Is that what you're referring to."

Acting Chair Maestas said, "Yes, just an integrated message with all these issues that are going on and helping the public understand a lot of the analytics that go with the new Badger Meter system. And I'm sure there's a lot of sore feelings out there with the whole meter retrofit and the migration to the new utility billing system. And I think we need to maybe start really soft, and very sincere and understanding of the public, in terms of what they've been through, just in the customer service areas. So I think you all know what I'm talking about. There's the pilot, the huge surplus, the customer.... I think the perfect story happened here and we need to be sensitive to that."

Acting Chair Maestas continued, saying he hopes that the contractor is nimble enough in the scope of work to make changes and be sensitive to the current issues, so we can have a good beginning to this effort.

Mr. Carpenter said, "I couldn't agree more, Mr. Chair."

VOTE: The motion was approved on a voice vote, with Acting Chair Maestas and Councilor Villarreal voting in favor of the motion, no one voting against, and Councilor Lindell abstaining.

- 15. REQUEST FOR APPROVAL OF AWARD OF A CONSTRUCTION CONTRACT TO AUI, INC., FOR RFB 16/32/B FOR THE HOSPITAL TANK REPLACEMENT PROJECT FOR THE AMOUNT OF \$5,512,554.63, EXCLUSIVE OF NMGR. (ERIC ULIBARRI) Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**

Councilor Lindell said, "I would like never to hear about this again, that is my opening and closing remark." She said it has been a nightmare. She asked, what is the guarantee on this project.

Eric Ulibarri asked if she is speaking of a construction warranty or something to that effect.

Councilor Lindell said yes, unlike the previous project, commenting she doesn't want to think how much money we put into this failed project. She doesn't think we got any money back.

Mr. Ulibarri said when the construction is completed we will have a one-year warranty bond to cover it in the event we have any issues. He said before the contractor leaves, they will have to meet all the current standards for leak testing, and make sure there is no water loss on this whatsoever or within the acceptable range which is very minimal. He supposes this will be our guaranty.

Councilor Lindell asked if it is the industry standard that all you get is a one year warranty.

Mr. Ulibarri said it is industry standard according to our tank designers who are doing this type of work across the nation. The standard right now is a one year material warranty bond on construction, so to speak, for the actual finished product if we were to have any issues.

Acting Chair Maestas said, "There's got to be some on the tank itself. Right." He asked Mr. Schiavo to speak to this.

Mr. Schiavo asked Mr. Ulibarri to go through what the design looks like, as opposed to this new tank design, the post tensioned concrete.

Mr. Ulibarri said, "The current tank is like an upside down barn, and it's in the ground, so right now it has two straight sides and it's kind of sloped in the middle. So right now, it's not pre-stressed or post-tensioned. So where these corners meet, the water pressure is pushing them out and it has caused multiple cracks throughout the life of the tank and it just leaks and whatnot. And the proposed tank is going to be pre-stressed and post-tensioned. So we will have steel running inside the tank which pulls tension on the concrete, and concrete is really good under compression, but not under tension. So we are creating compression situation so that we don't have future cracks occurring in the tank wall."

Councilor Lindell said, "I see that under the bidding on this, packet page 3, there is a resident and veterans certification. Is it that you get one or the other, you don't get both."

Mr. Ulibarri said, "It is referred to as a Resident Veterans Certificate, and I'm not sure exactly what the qualifications are for that, but it does lower the competitive bid with the other bidders. It doesn't affect what they will be doing in the end of the actual construction project. But, in terms of how they compete with one another, it lowers their bid. So, it could change the bidding order. In this case, it did not."

Councilor Lindell said she understands his answer.

Marcos Martinez, Assistant City Attorney, said, "Mayor Pro-Tem, I believe you can get both, to answer your question."

Mr. Ulibarri said you can get both, reiterating it is called the Resident Veterans Certificate, but he doesn't know why.

Acting Chair Maestas said the local preference is 10% and that's more than 10%.

Councilor Lindell asked if they can get more on top of that.

Mr. Schiavo said, "That is correct, and in this case it is AUI Albuquerque Underground, and they did not get the local preference, it was just the Veteran's. But had it been someone in Santa Fe County and they had the Veterans Preference, then it would be 20%, so they would be deducting 20% off their base bid and that would be their low bid."

Councilor Lindell asked who will be the project manager on this project.

Mr. Ulibarri said, "I will be. And then we also have our design consultant working on it as well. So they will be working with us. They will be working hand-in-hand with the tank designers if there are any technical questions that come up like that, but from the City's side, it will be myself."

Councilor Lindell wished him good luck with it, commenting it is a big project, and she hopes we don't see a lot of amendments on the contract.

Mr. Ulibarri said, "So do I. Thank you."

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve this request.

DISCUSSION: Councilor Villarreal asked how much money we have spent on the patch work, kind of band-aid approach to supporting this tank.

Mr. Ulibarri said he doesn't know, commenting he has been here only for 1½ years, but there is a lot of history to the existing tank, and he doesn't know the exact dollar amount.

Councilor Villarreal asked Mr. Schiavo if he knows.

Mr. Schiavo said, "It's probably approaching what it is costing us to replace it. It has been through a couple of different processes. The first one that failed, Marcos [Martinez] actually helped us get some of the funds back, and they paid it back to us. Unfortunately, the decision was made, before my time, to kind of double down with the funds to try to repair it again, so that money is now gone. Marcos and I have talked about possibly looking a way to get at some of the latest repair that did not work, and see if we could get some of that funding back. The way they were trying to do it was through a coating process, and so they drained, it dried it out, do a great coating job. And just as Eric pointed out, as soon as you put water in it and as soon as you load that, it just pulls away from the walls, and just tore it out. And it was leaking as bad as it ever leaked. It is unacceptable to have that kind of flow going out."

Acting Chair asked if we tried a liner as well.

Mr. Schiavo said, "Yes. The liner that was originally installed actually peeled away from wall and then you had potable water behind the liner, issues with that being stagnant and not flowing in and out, which again was unacceptable and had to be removed."

Acting Chair Maestas said former Councilor Bushee was critical about removing the tennis court which posed a security threat to our infrastructure. He asked for a status report on those tennis courts. He said he thought Councilor Bushee asked for some kind of public involvement before we moved forward in closing them.

Mr. Schiavo said, "We sought permission to remove that as one of the City Parks. And it's my understanding that we are going to put funds toward existing tennis courts, so maybe resurface existing tennis courts, new nets at existing tennis courts, as a way to compensate for the removal of these courts."

Acting Chair Maestas asked if we reached out to those who used the tennis courts that protested our action to close the tennis courts, and let them know what we were going to do as a consolation.

Mr. Schiavo said we had to go before the City Council to remove that park.

Mr. Ulibarri said, "Yes, we went before the Council and the Committees, and we are working with Parks to return much of it, like the chainlink fencing and the nets in other parks so this doesn't go to waste, because a lot of it is still in good condition. He said we also had 3 different public meetings where we did have concerns expressed from the local residents in the area who had been using the tennis courts. He said we explained how we were going to be doing it and how those funds were going to be reallocated to other tennis courts in the area.

Acting Chair Maestas noted the paint color was a big issue "down south," and asked if we will have that controversy here.

Mr. Schiavo said, "We are burying this tank. The piece you will be able to see from the road are a series of retaining walls, which I hope are small enough that they aren't good candidates for tagging."

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

- 17. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 2 TO THE CONSTRUCTION CONTRACT WITH AUI, INC., FOR THE CERRILLOS ROAD RECONSTRUCTION PROJECT – PHASE IIC - CIP #810A FOR THE TOTAL AMOUNT OF \$267,933.75, INCLUSIVE OF NMGR. (DAVID QUINTANA) Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16.**

Acting Chair Maestas said he shared his concerns with Mr. Schiavo prior to the meeting, and apologized for not sending emails. He said first of all the caption doesn't reflect the action that it is a emergency approval. Secondly, he asked what our rules of procedure are, but he wouldn't recommend items like this be on consent, that they be separate to ensure we have a robust discussion about any kind of emergency approval, noting this is a substantial cost. He isn't concerned with the decision to replace it, but how we discovered that this line had to be replaced. He said a lot of the memos in the front of the packet, noting he is talking about the 1,200 foot line and not the smaller one, indicated it was the age of the pipe. He said the final Memorandum by Mr. Quintana that said it is a matter of the elevation of the pipe which is old, but it was the elevation that led to the recommendation and the action to have it replaced. He asked if this was a lapse by the design consultant.

David Quintana said, "During the design process, there was a certain amount of sub-surface utility engineering that was contracted out. A number of potholes were done to identify utilities as much as possible through the corridor prior to construction. In addition, there was an item in our construction documents that called for utility location prior to construction, that required some of the utility owners to come out, in consultation with the contractor, to do additional potholing to identify and locate their existing utilities as they impact our project. It was during that process, that a portion of this line was identified to be within the actual final PMVP grid, the final hot mix grade, which was approximately 600 feet of line that was within that grade that needed to be lowered. That was the emergency part of it, and that decision needed to be made immediately so as not to delay the contract. Since we already had a contractor in the field, we already had the roadway opened, the decision was made subsequently to go ahead and replace the entire structure, the 12 inch line throughout the limits of the product. So that is the impetus of how the additional line got into this change order."

Acting Chair Maestas said this is a latter phase of the Cerrillos Road reconstruction, and asked the policy for replacing aging infrastructure in the earlier phase. Was there a set policy for lines that were 60 years calling for the automatic replacement of them in conjunction with the reconstruction. Was there any policy with regard to utility lines during the Cerrillos Road construction.

Mr. Quintana said his understanding of the past product history is that the water line was upgraded as we were moving down Cerrillos Road, and he thinks it was additional water line infrastructure for the system, and not necessarily the replacement.

Mr. Schiavo said Mr. Jorgensen has the history on this project.

Robert Jorgenson said, "In past projects, we looked at this, we assessed the water main condition. We also make improvements if it is necessary to fill gaps missing tees so we have a contiguous water line. The design on Cerrillos Road, we're doing basically a ladder design, so there is a water main on both sides of the street so there is fire protection because it is a commercial area. And we are doing looping, so it is a mix of improvements. And on this particular project, the water main was located originally outside the 12 inch we're talking about. It looked good. Two potholes were made. One was a little shallow, but it was behind the Baca curb in a landscape area. And then the other one showed it's okay. The water line undulates as a constructed condition. And we evaluated the replacement of all the water line on the north side of Cerrillos Road that feeds all the old Casa Alegre Subdivision, which we have other main replacements in very poor condition. So we did all that. Basically, would have probably included the 12 inch in the original job. The Water Division used the same consulting firm that Public Works uses, and we also bid the job. It is very difficult construction, utility and roadway. So we coordinated from the first. There are some lessons learned on this that I'm sure we'll carry forward into the grade on that of trying to make sure we get surveying that picks up any undulation, especially on a 2 foot cut."

Acting Chair Maestas said, "The way I see it, if we had made the initial decision at the time this was being designed, hey we have a 60-year old line here, let's just replace this since we're reconstructing the roadway. And then we wouldn't have this kind of this shallow final grade of the pipe relative to the new pavement surface. So, if you guys maybe off-line can tell us what our line replacement policy is, especially

when we have these opportunities. Because I agree. I support the decision, but I don't like the way this was all discovered."

Mr. Jorgensen said, "We did do an assessment on the age and the service was excellent, and actually this line is being used in other phases. Whereas the line on the north side had failure rates that were exceeded. So, the point is well taken though, but we did look at the assessment and the grade turned out to be the problem. It would have been left if it had 4 feet of cover, but otherwise with an \$8 million roadway. We could probably have cut and lowered the pipeline in place, but it didn't seem to make economic sense. The pipeline was installed in 1963, so it's 50 years old."

Acting Chair Maestas said, "I want to make sure we don't add insult to injury and incur liquidated damages as the result of this City caused delay. So have we negotiated a solid time extension to avoid that."

Mr. Quintana said, "Yes, we have negotiated the contract to provide a revised CDM, indicating what there impacts were as a part of the day, and we are adding 11 days to the contract. They seem to be making up some of that time, and their schedules that they've shown us, working the last several weekends and what they are anticipating as to how to construct the St. Michael's Interchange may save us some time, so we may recoup that, but right now we're looking at approximately 11 days."

Acting Chair Maestas said then the protocol is that we have City staff there to inspect the newly constructed line as they proceed.

Mr. Quintana said, "Absolutely. Yes."

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve this request.

DISCUSSION: Councilor Villarreal asked when the construction is going to end.

Mr. Quintana said the construction will end in October, noting the original completion date was October 17, 2016, and the revised completion date is October 28, 2016.

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

18. **REQUEST FOR APPROVAL FOR REAPPROPRIATION OF FUNDING FOR PSA ITEM #16-0026 FOR DESIGN AND CONSTRUCTION MANAGEMENT SERVICES FOR THE PASEO REAL WASTEWATER TREATMENT PLANT ANAEROBIC DIGESTER PROJECT FOR THE AMOUNT OF \$782,588.29, INCLUSIVE OF NMGRT. (KATHLEEN GARCIA). Committee Review: Public Utilities Committee 05/04/16; Finance Committee – 05/16/16; and City Council - 05/25/16**

Councilor Lindell said she has no opening remarks, but she has questions. She asked if we received bids from numerous companies on this.

Ms. Garcia said yes, two companies that submitted bids.

Councilor Lindell said she said she didn't see that in the packet.

Ms. Garcia said this was approved by the City Council in January 2016, and we are recommending approval for reappropriation of funding.

Councilor Lindell said she can't tell if the company is from Omaha with a branch in New Mexico.

Ms. Garcia said they have offices throughout the country.

Councilor Lindell noted on packet page 10, under Contractor HDR, that she doesn't think 2155 Louisiana NE is in Santa Fe, and thinks it's in Albuquerque and that should be corrected on the contract.

Ms. Garcia said she will do so.

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve this request.

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

DISCUSSION AND ACTION

19. **REQUEST FOR APPROVAL OF BILL NO. 2016- _____. AN ORDINANCE REPEALING A MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS TAX (COUNCILOR DOMINGUEZ AND COUNCILOR MAESTAS). (OSCAR RODRIGUEZ) Committee Review: Public Utilities Committee 05/04/16; City Council (Request to Publish) - 05/11/2016; Finance Committee - 05/16/16; and City Council (Public Hearing)- 06/08/16.**

MOTION: Councilor Lindell moved, seconded by Councilor Villarreal, to approve this request.

DISCUSSION: Acting Chair Maestas said it isn't every day we get to repeal a tax, but he thinks this is a positive action.

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 matters from the City Attorney.

MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

NEXT MEETING: WEDNESDAY, JUNE 1, 2016.

Acting Chair Maestas said he understood the next meeting would be the tour at Canyon Road.

Mr. Schiavo said that is correct, and they have reserved the Audubon Center and we can meet there. He said if people don't want to drive up, he has arranged for staff to pick up staff or Councilors here and then take them to the Audubon Center for the meeting, and for the tour of the Nichols and McClure Reservoirs.

Acting Chair Maestas asked if there if there is an earlier start time, and Ms. Lopez said it is 3:30 p.m.

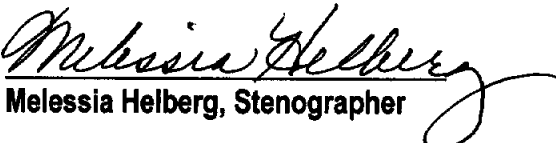
Councilor Lindell asked staff to send out a Memo on that.

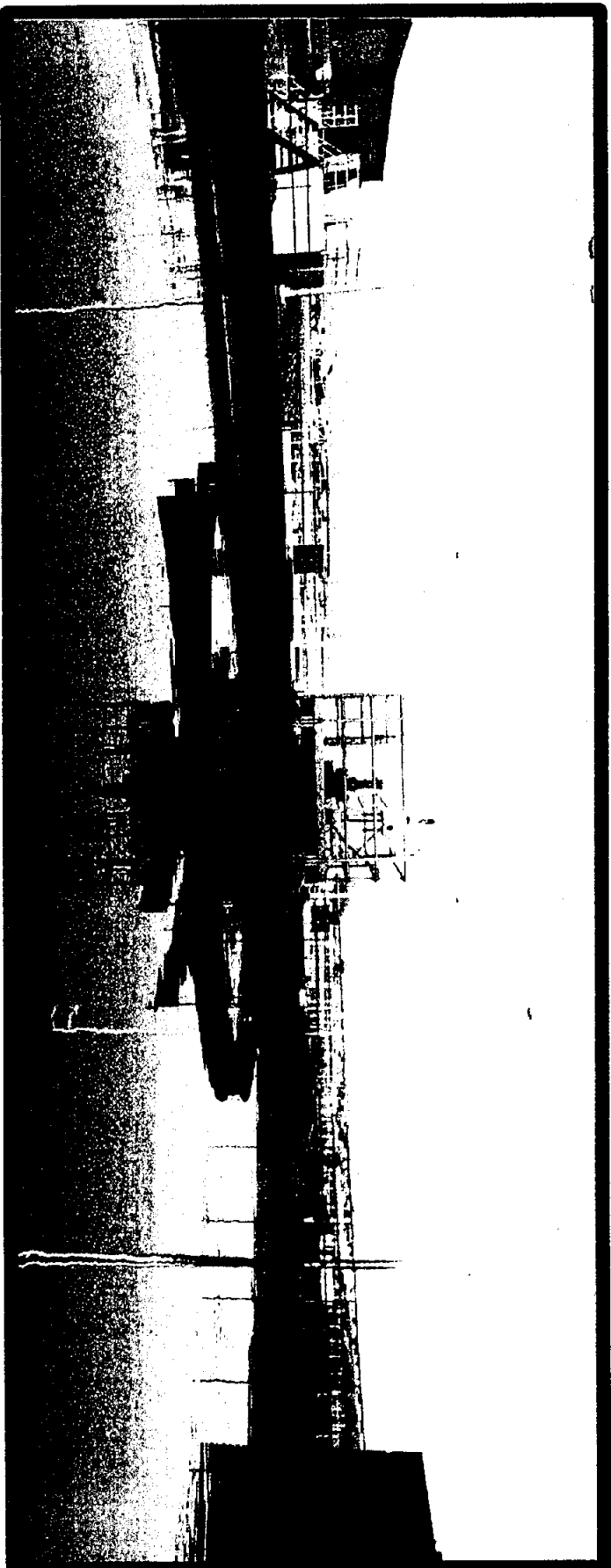
Mr. Schiavo said the start time is 3:30 p.m., and he will send out an email to the Committee.

ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:00 p. m.


Christopher M. Rivera, Chair


Melessia Helberg, Stenographer



Wastewater Management Master Plan



HJR

City of Santa Fe
Public Utilities Department
Wastewater Management Division
2016

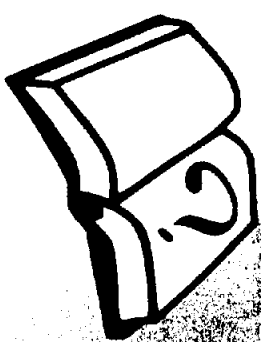
Exhibit "1"

Overview

- **Goals of Master Plan**
- **Sanitary Sewer Collection Component**
- **Wastewater Treatment Facility Component**
- **Highlights of WWM Division 5-Year CIP Plan**



Goals of Master Plan

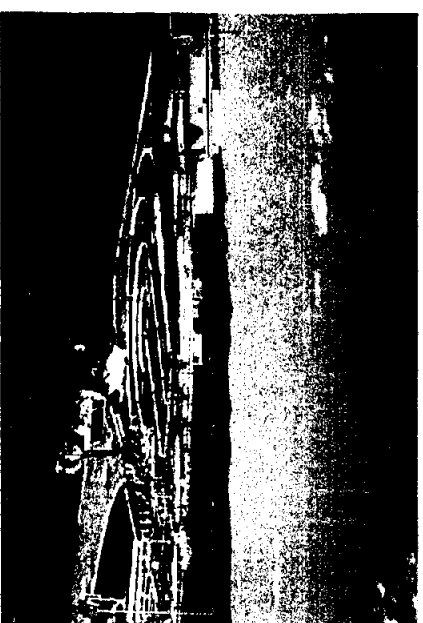


- Evaluate collection and treatment of wastewater flow
- Consider future regulatory water quality standards and population growth
- Provide basis for future improvements for 5-Year CIP Plan

Components of Plan

- **Sanitary Sewer Collection System**

Prepared by WWM Staff



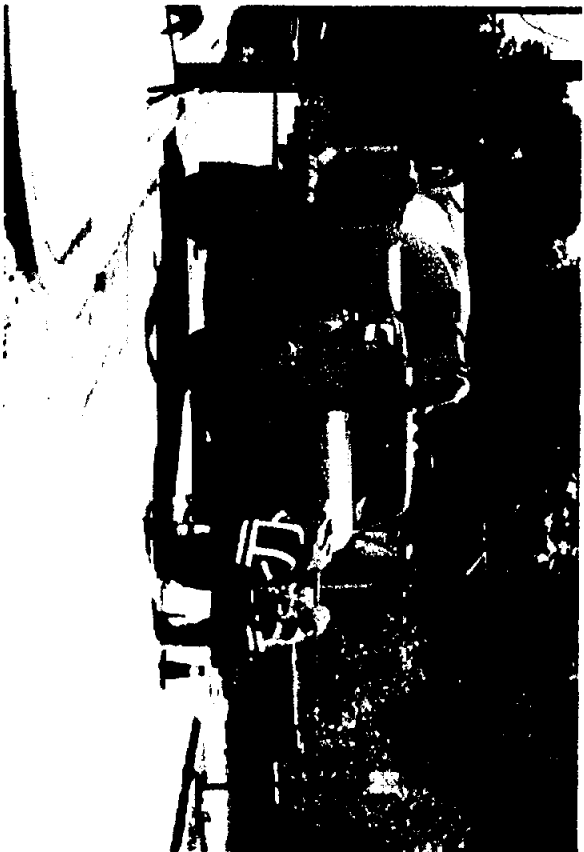
- **Wastewater Treatment Facility**

Prepared by HDR Engineering, Inc.

Wastewater Management Master Plan



Sanitary Sewer Collection System Component of Plan



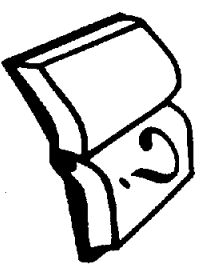
Wastewater Management Master Plan



Sanitary Sewer Collection System

Purpose

- To evaluate and identify capacity and condition deficiencies within the existing sanitary sewer collection system
- The study also presents a condition analysis of the trunk sewer system, concrete pipes and High Impact Areas
- Presents a program for sewer line rehabilitation CIP projects



Sanitary Sewer Collection System

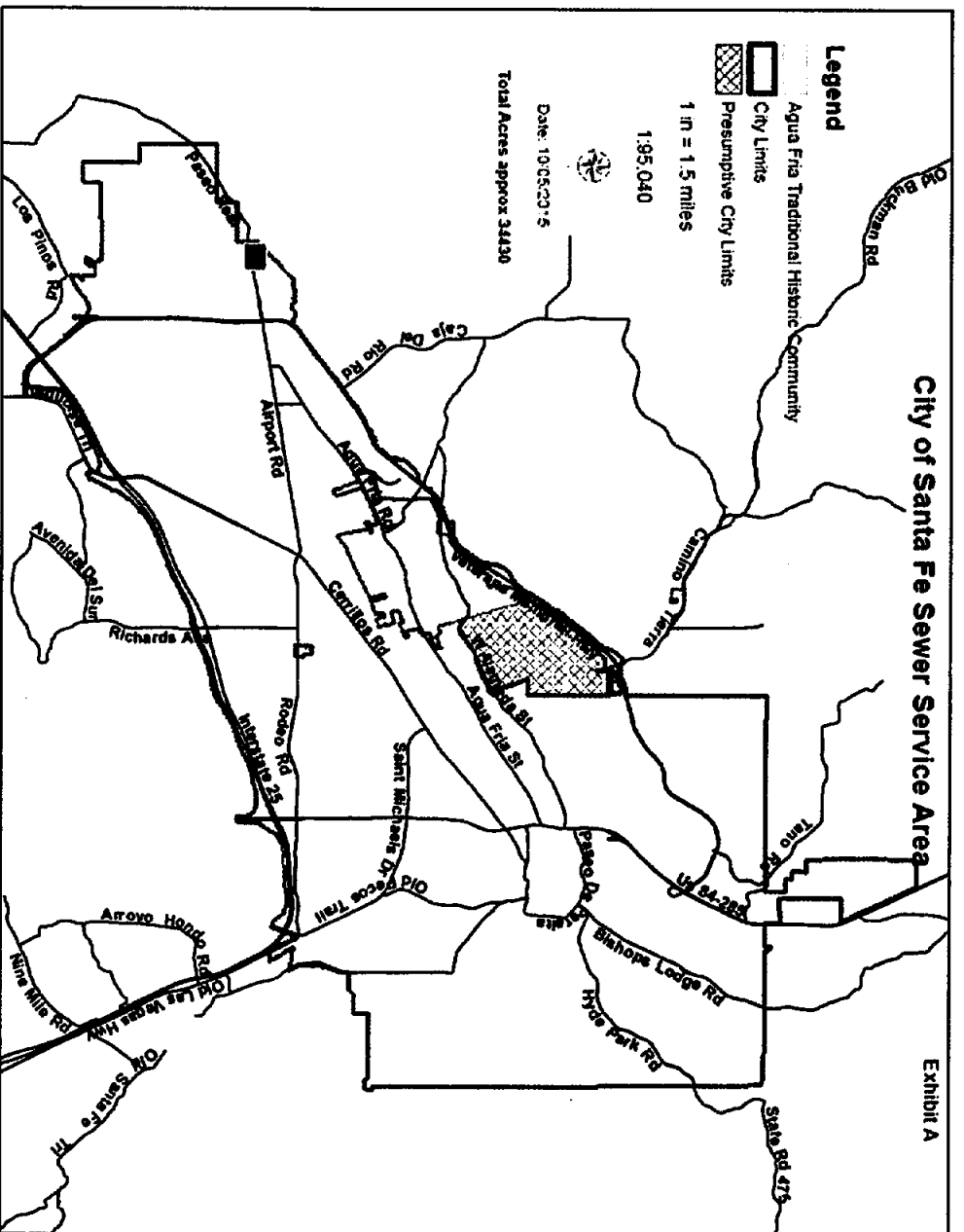
Capacity Analysis of Sewer System

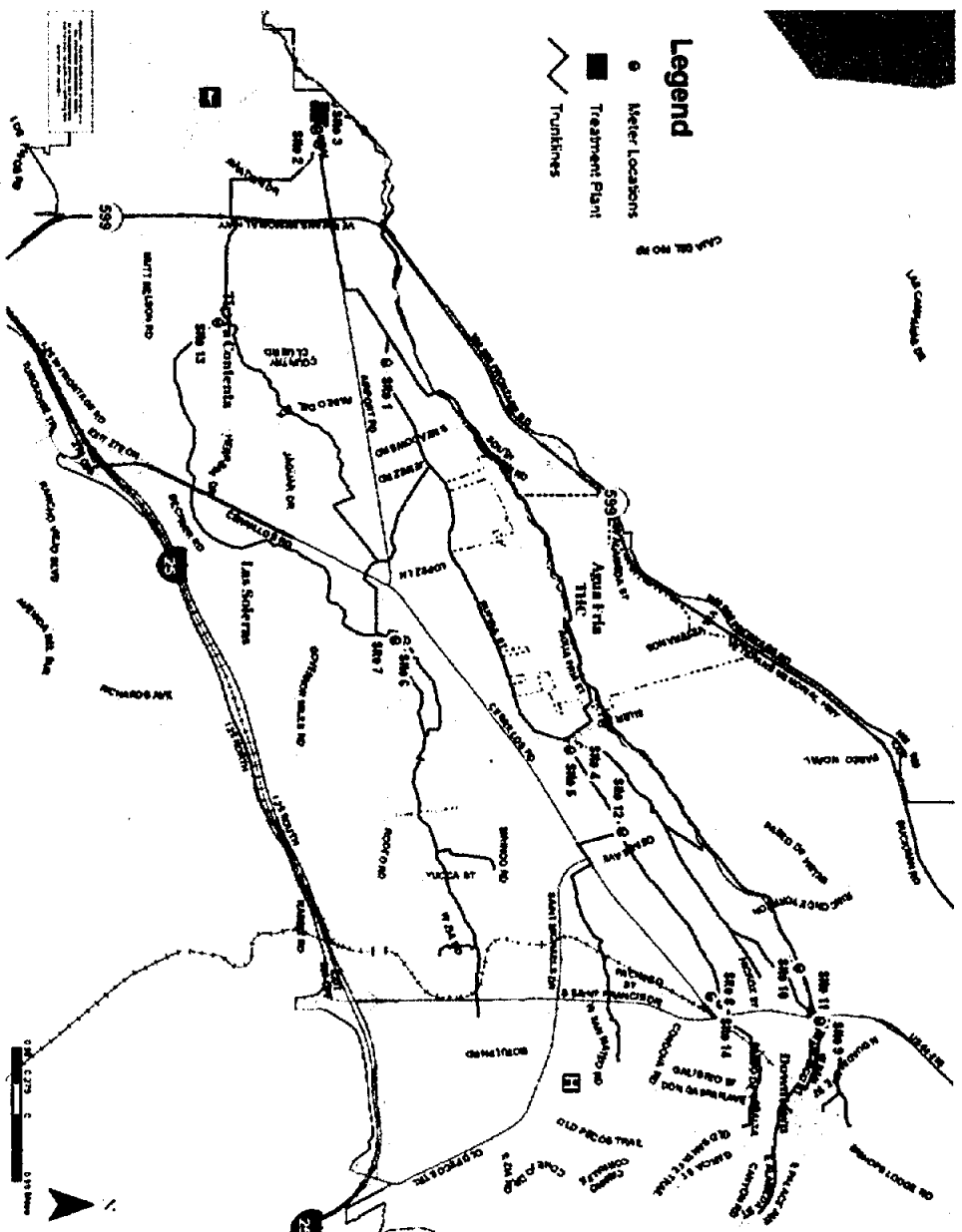
Wastewater Management Master Plan



- Analysis of areas within Presumptive City Limits
- No future flows from areas outside Presumptive City Limits

Wastewater Management Master Plan



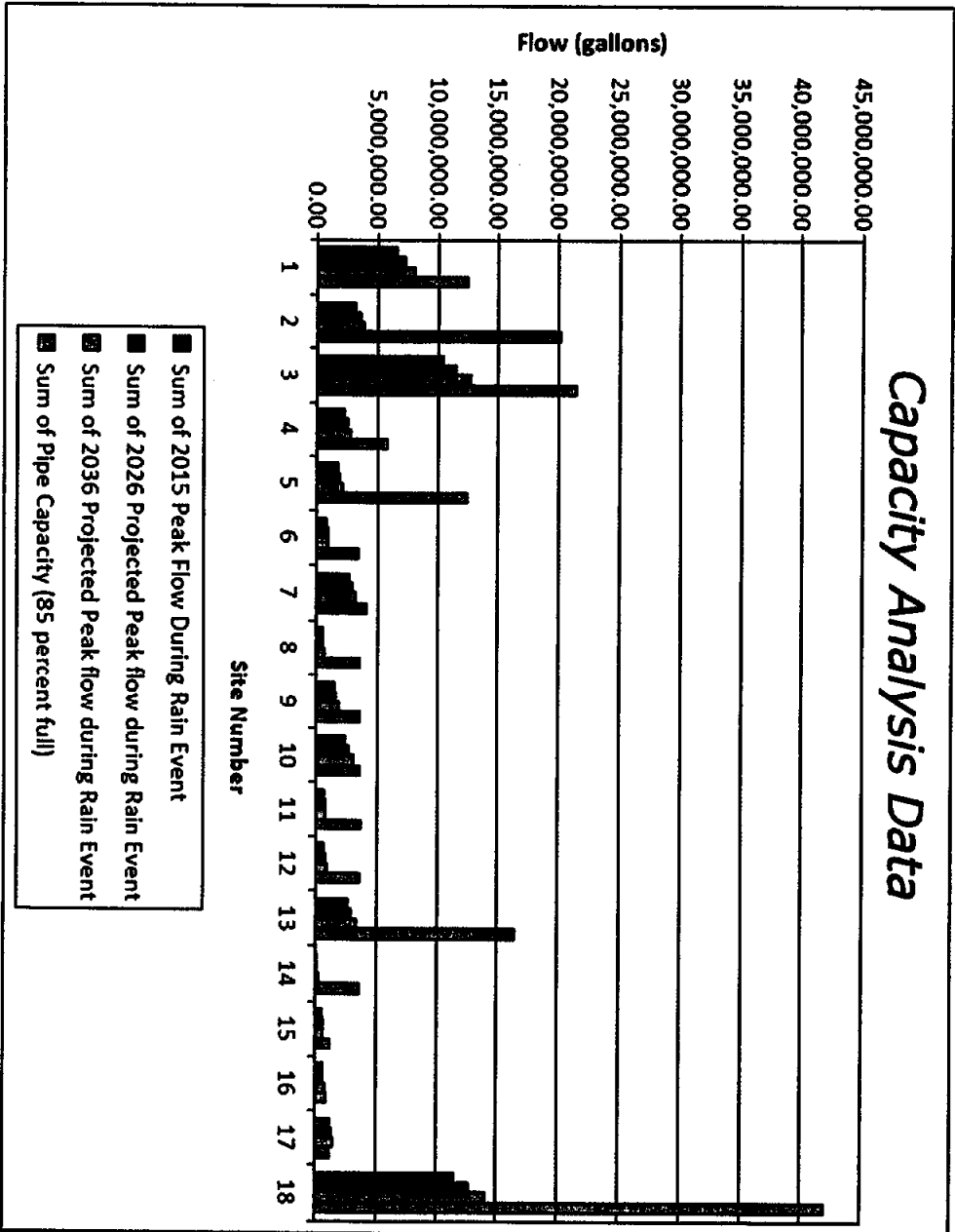


- 14 flow monitors placed within trunk sewer line system
- 3 months flow data (August 7, 2015 to November 23, 2015)

Wastewater Management Master Plan



Capacity Analysis Data



Current, 10 year and 20 year Estimated Flows

Sanitary Sewer Collection System Capacity Analysis Conclusions

- Current, 10 year, 20 year – adequate capacity
- Re-evaluate with next 5 year master plan

Sanitary Sewer Collection System

Condition Analysis of Sewer System

Wastewater Management Master Plan



Sanitary Sewer Collection System

Existing Features

- 359.2 miles of public sewer lines and 8,972 public sewer manholes
- Consists of pipe of different sizes, materials and age

Sanitary Sewer Collection System

PIPE MATERIALS

PIPE MATERIAL	LENGTHS (Feet)	PERCENT OF TOTAL
Clay/Vitrified Clay	430,575	22.70%
Concrete/RCP Concrete	369,593	19.49%
Plastic/Polymer/Metal/ Rehabbed	1,011,330	53.32%
Not GIS Confirmed	85,218	4.49%
Total	1,896,716	100%

Sanitary Sewer Collection System

Conditional Analysis Conclusions: Pipe Materials

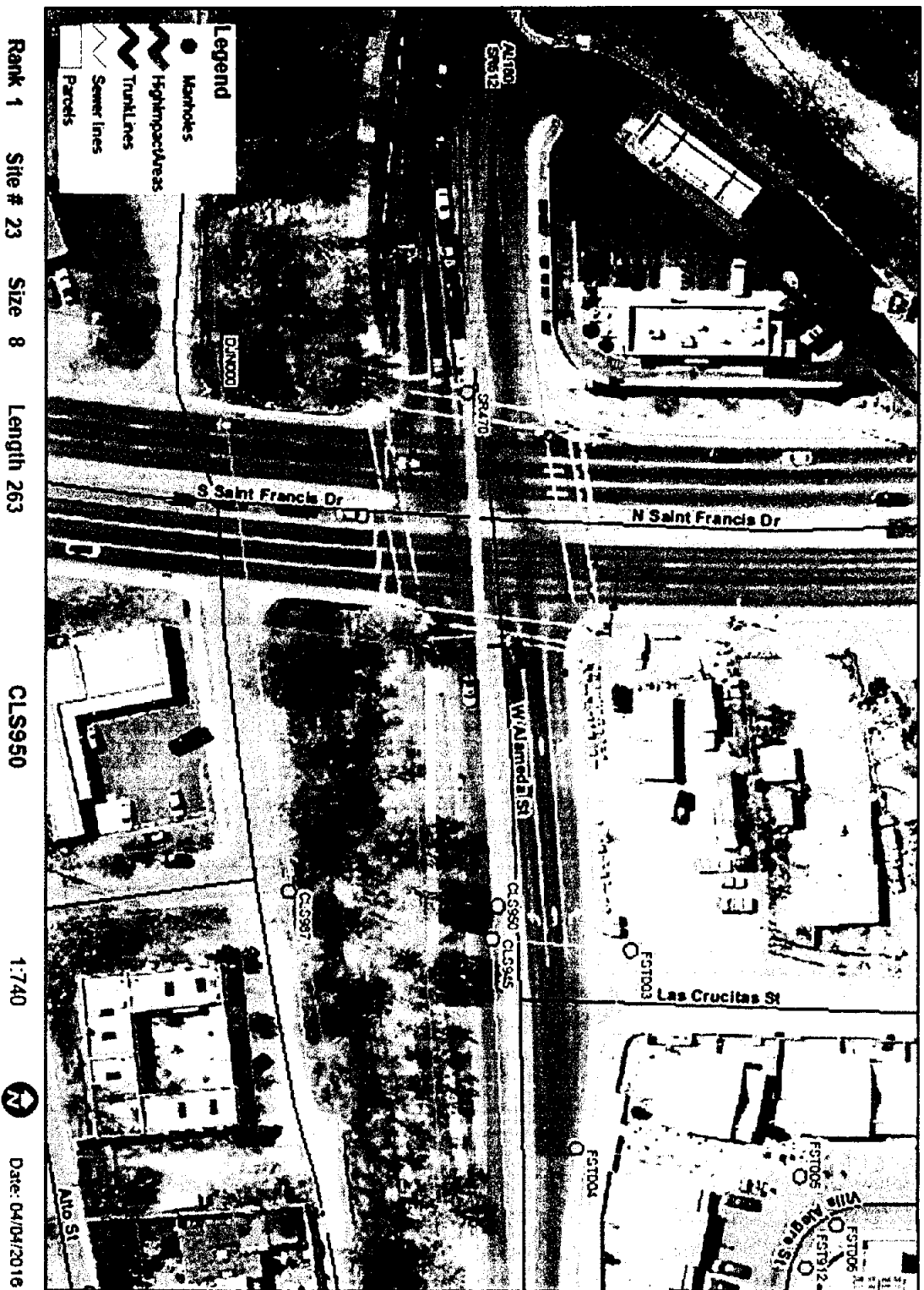
- Plastic and Clay pipes have a long remaining service life
- Concrete pipe the greatest risk and need for rehabilitation for next 20 years

Sanitary Sewer Collection System

Specific Categories of Conditional Analysis

- Trunk Lines
- Concrete Lines
- High Impact Areas

Wastewater Treatment



Sanitary Sewer Collection System

Conditional Analysis: Sewer Line Rehabilitation History

- Utilize trenchless rehabilitation methods
- Primary methods Pipe Bursting and Cured-In-Place-Pipe
- Since 2001 to present, rehabilitated 171,620 feet sewer line costing 10.5 million
- 2011 to 2015, rehabilitated 45,813 trunk sewer costing 5 million
- Since 2004, all rehabilitation projects prepared by WWM staff



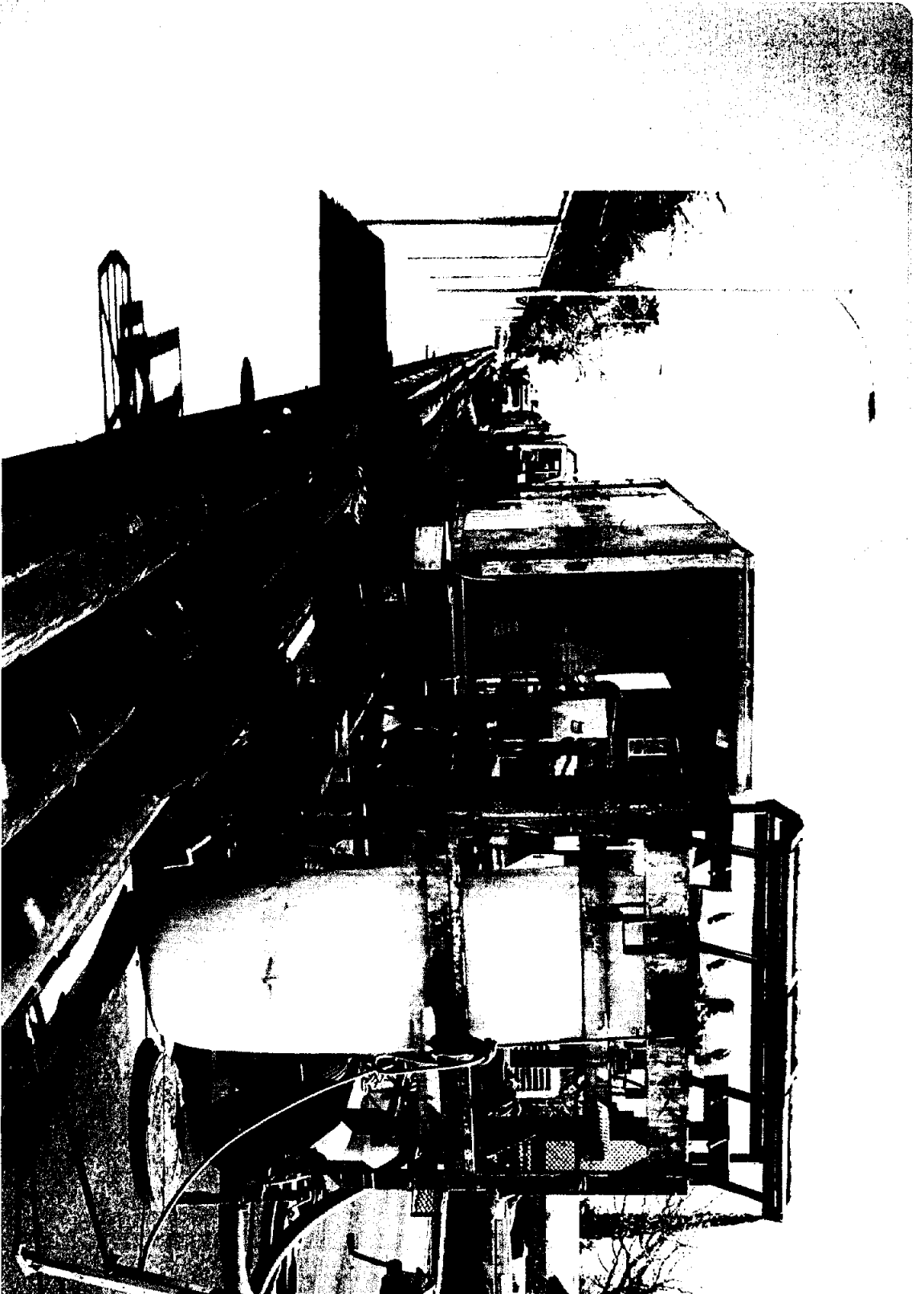
USMH: W/8
DSMH: W/7

Broken Pipe

150.6

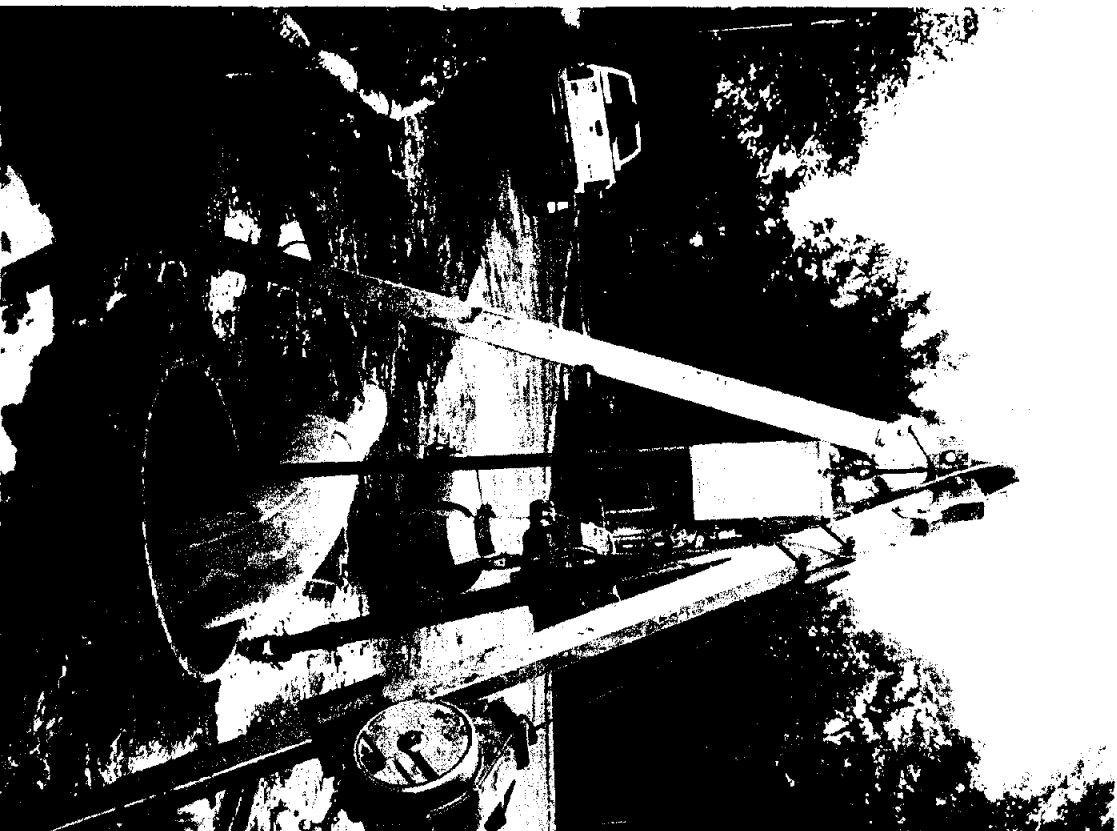
Wastewater Management Master Plan





Wastewater Management Master Plan





Wastewater Management Master Plan



Sanitary Sewer Collection System

Condition Analysis: CIP Programs

Trunk Sewer System

- Approximately 51,000 feet of concrete pipe
- Requires rehabilitation within next 10 years
- Estimated cost of nearly 5 million dollars

Sanitary Sewer Collection System

Condition Analysis: CIP Programs

High Impact Sites

- 26 High Impact identified
- Concrete sewer pipe
- Requires rehabilitation within next 10 years
- Estimated cost of nearly 1 million dollars

Sanitary Sewer Collection System

Condition Analysis: CIP Programs

Small Diameter Concrete Pipe

- Approximately 300,000 feet of concrete pipe
- Sized 10 inches or less
- Requires rehabilitation over next 20 years
- Estimated cost of nearly 20 million dollars

Sanitary Sewer Collection System

CIP Sewer Rehabilitation Program

TOTAL YEARS	0	2	4	6	8	10
FISCAL YEAR	16/17	18/19	20/21	22/23	24/25	26/27
AMOUNT SPENT IN FISCAL YEAR (MILLION)	1.5	2	2	2	2	2
TOTAL CUMULATIVE AMOUNT (MILLION)	1.5	3.5	5.5	7.5	9.5	11.5

At the end of ten years;

- 5.5 million dollars - concrete sewer trunk lines & High Impact
- 6 million dollars - rehabilitation small diameter concrete lines

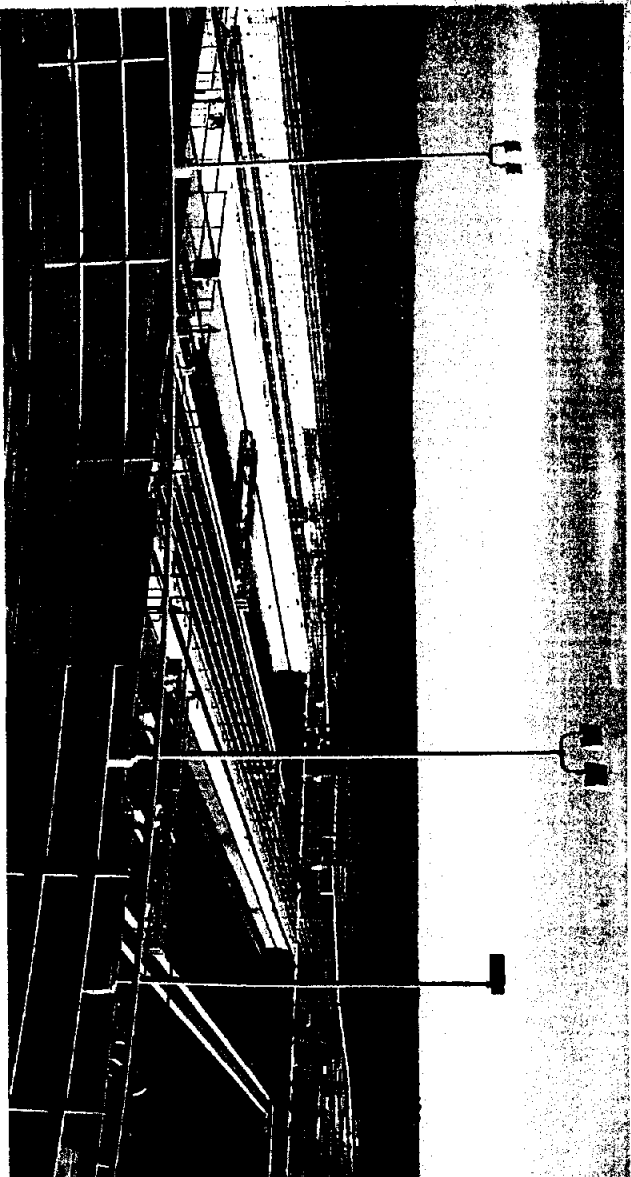


Sanitary Sewer Collection System Sewer System Maintenance & Assessment Program

Looking Ahead.....

- City benefits from prior rehabilitation programs
- Proactive operation, maintenance & assessment program
- Integration and evaluation of data with Geographic Information System (GIS)
- Strategic planning of future CIP rehabilitation projects

Wastewater Treatment Facility Component of Plan



Prepared by HDR Engineering, Inc.

Wastewater Management Master Plan

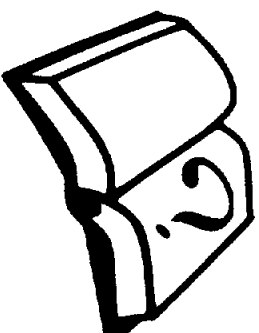


HDR

HDR



Purpose



- Provide the City with a phased implementation program for future improvements
- Consider regulatory water quality standards
- Accommodate population growth
 - 10 and 25 year planning periods
 - Base year 2015



History

- Existing facility constructed in 1963
- Updated over the years to meet local, state and federal requirements
- Primary, secondary, and advanced treatment, anaerobic digestion and biosolids composting
- Current flow near 6 mgd
- Current design capacity 13 mgd
- Regulatory Permits:
 - 1) NPDES Permit (Outfall)
 - 2) Discharge Permit 289 (Treated Effluent)
 - 3) Discharge Permit 135 (Solids Handling)
 - 4) Compost Registration
 - 5) Stormwater Pollution Prevention



**Paseo Real
Treatment Facility**

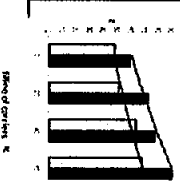
Wastewater Treatment Facility - HIGHLIGHTS of Approach



Information Gathering



Asset Inventory &
Condition Assessment

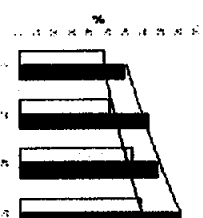


Wastewater Flow and
Loading Analysis

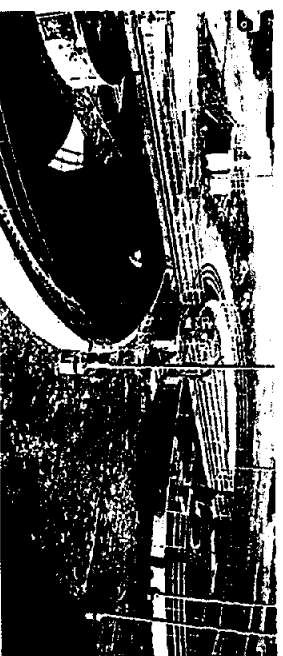


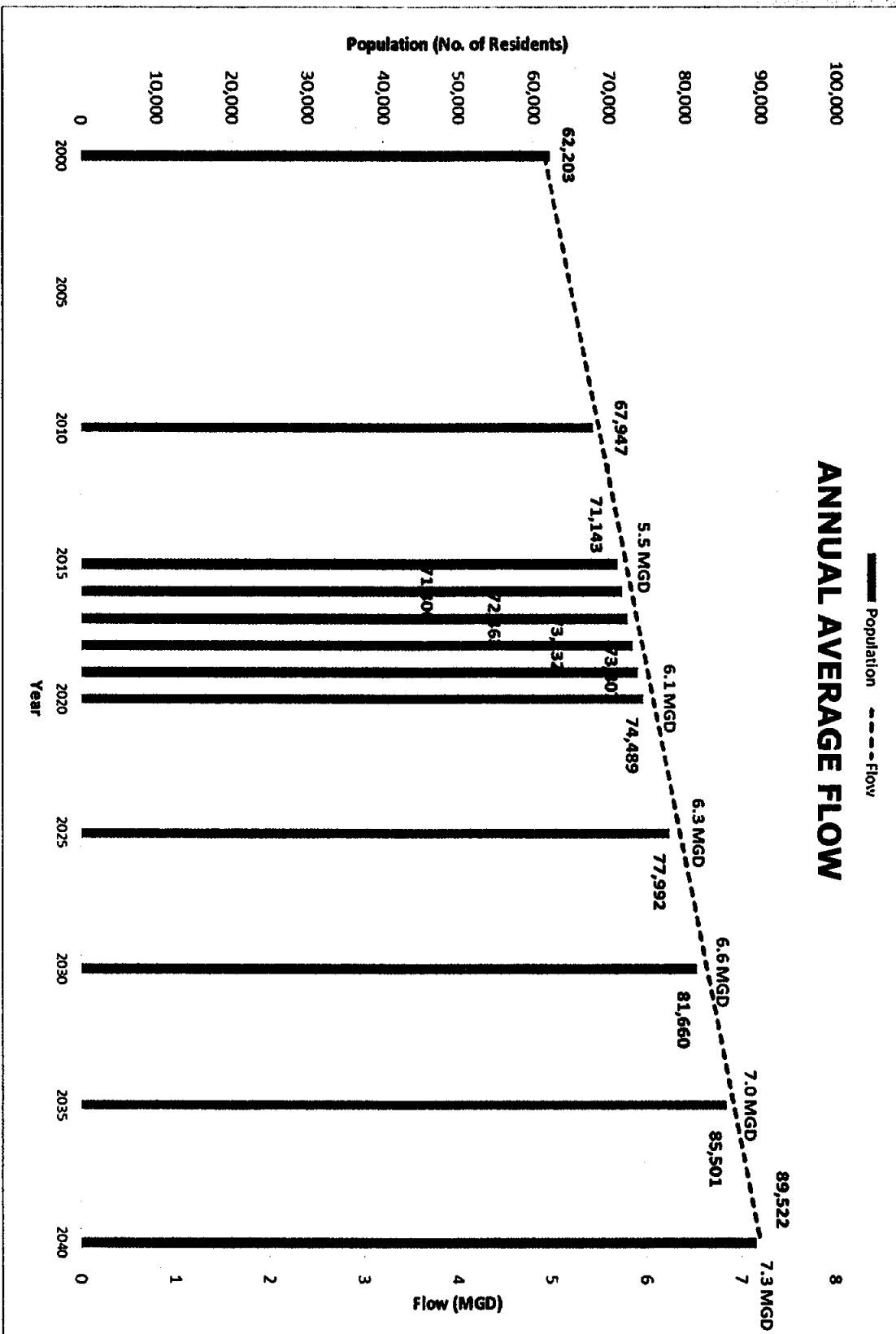
Wastewater Treatment
Plant Process Analysis

APPROACH

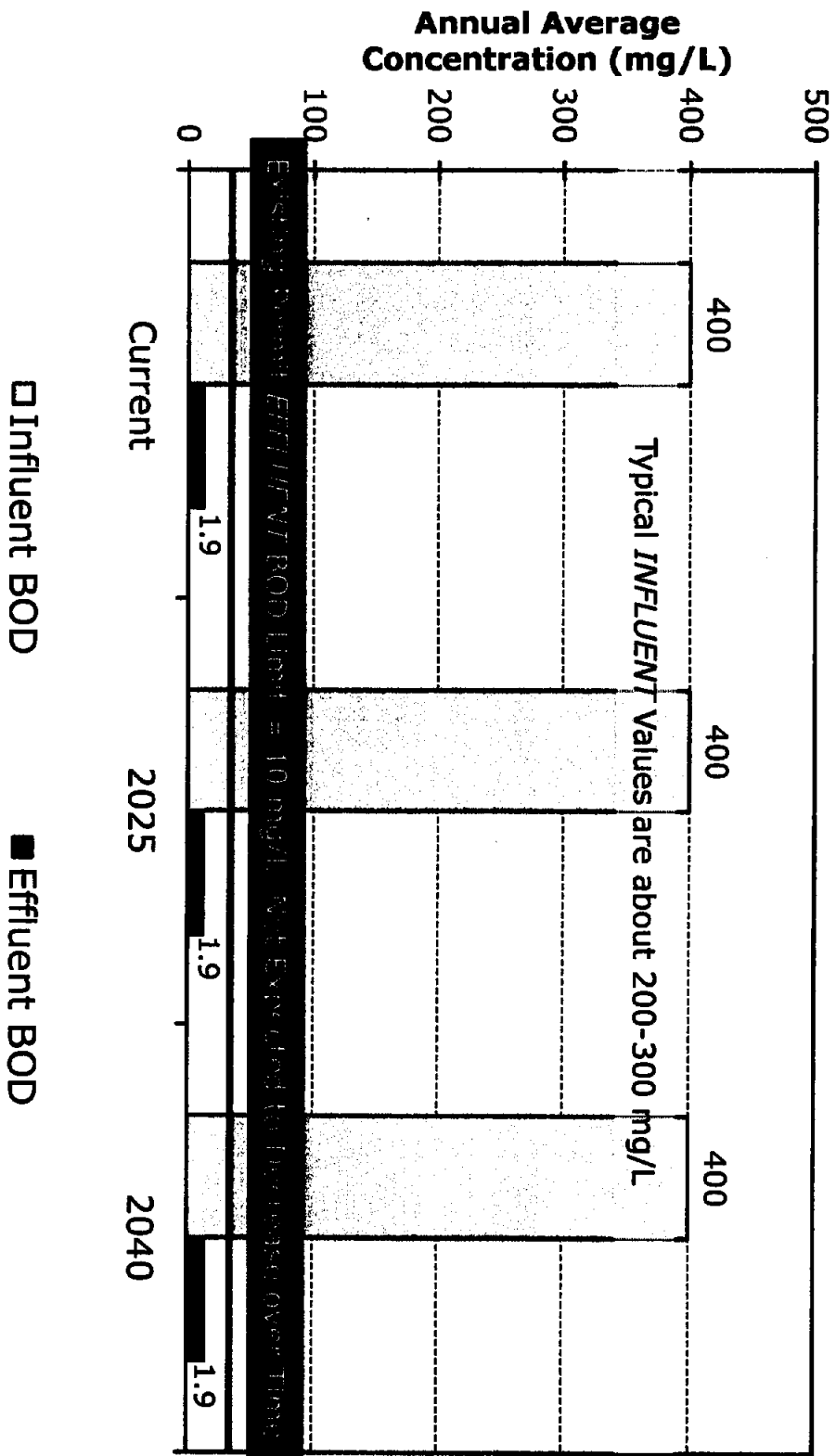


- Historical information evaluated
- Flows and wastewater characteristics determined
 - Existing
 - Projected
- Performed analysis of existing plant process units
 - Capacity
 - Regulatory Conditions





BIOLOGICAL OXYGEN DEMAND (BOD)



Plant BOD Discharge Levels are Well Below Regulatory Limits



Wastewater Treatment Facility

FINDINGS

Long term improvements recommended

- Sidestream management (solids dewatering liquid stream) (5-10 years)
- Additional Aeration basin (liquid stream) (10-20 years)



Wastewater Management Division

5-Year CIP Plan Highlights

2016 WASTEWATER MANAGEMENT FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Description	CURRENT YEAR	5 YEAR OUTLOOK LISTING					
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Master Plan							
Nutrient Criteria Study	\$ 150,000			\$ 350,000		\$ 150,000	
Contaminants of Emerging Concern Study	\$	\$ 150,000					
Sewer Line Rehabilitation	\$ 1,500,000	\$	\$ 2,000,000		\$ 2,000,000		
Aeration Basin rehabilitation/replacement	\$	\$ 245,000	\$ 325,000	\$ 550,000		\$	
Replacement of Return Activated Sludge Pumps	\$	\$ 125,000	\$	\$ 125,000		\$ 125,000	
Primary Clarifier Rehab			\$ 250,000	\$ 250,000			
Existing Digester Rehabilitation					\$ 330,000	\$ 870,000	
Chemical Storage and Feed System Rehabilitation			\$	\$ 325,000	\$ 250,000		
Dewatering Equipment (i.e. Belt Press)	\$	\$ 750,000					
Aeration Basin for Dewatering Facility			\$ 330,000	\$ 660,000			
Additional Filters for Tertiary Treatment			\$	\$ 150,000		\$ 150,000	
New Digester	\$ 3,350,000	\$ 1,150,000					
New UV Banks installed after the Post Aeration Basin				\$ 150,000			
Additional Dump Truck	\$			\$ 100,000			
Sewer Camera Van	\$ 185,000						
Vactor Truck	\$ 380,000	\$	\$ 380,000	\$ 125,000	\$ 380,000	\$ 125,000	
Rodder Truck		\$ 125,000					
Compost Mixers		\$	\$ 100,000				
Solids Disposal Vehicle		\$ 600,000					
SUBTOTAL	\$ 5,565,000	\$ 3,145,000	\$ 3,385,000	\$ 2,785,000	\$ 2,960,000	\$ 1,420,000	



..... April 2016

Exhibit "2"

Revised Water Fund Scenarios

City of Santa Fe, NM Water Division

General Assumptions – Both Scenarios

- **GRT revenue is removed from Water Division**
- **Series 2006a bonds are paid-off (defeased)**
- **\$4.7m is removed from future O&M costs**
- **Increased minimum required cash reserves to 365 days of O&M (increased from 90 days)**
- **Increased statutory minimum debt coverage to 1.5x (up from 1.25x)**
- **4% of operating revenues included as franchise fee transfer out; approximately \$1.4M in FY2016-17**

Scenario 1 – Overview of Results

Description	2016	2017	2018	2019	2020	2021
Ending Cash Balance (\$million)	\$88.0	\$43.1	\$38.6	\$33.7	\$28.2	\$23.2
Days Cash on Hand	1,426	856	749	639	523	420
Debt Service Coverage	2.10	4.87	4.72	4.58	4.44	4.25
Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Bond Proceeds (\$million)		\$51.3				

This alternative can be implemented with no rate increases before 2021. Water will issue \$51.3m (est) new bonds to refinance the 2009 series but will have no other debts.

Scenario 2 – Overview of Results

Description	2016	2017	2018	2019	2020	2021
Ending Cash Balance (\$million)	\$88.0	\$43.5	\$38.8	\$33.5	\$27.8	\$22.5
Days Cash on Hand	1,426	866	753	636	515	407
Debt Service Coverage	2.10	4.49	4.33	4.20	4.07	3.89
Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Bond Proceeds (\$million)		\$39.1				

This alternative can be implemented with no rate increases before 2021. Water will issue \$39.1m (est) new bonds to refinance the 2009 series but will have approximately \$13m in outstanding State loans remaining.