



# Agenda

CITY CLERK'S OFFICE

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## AGENDA

### PUBLIC UTILITIES COMMITTEE MEETING

CITY COUNCIL CHAMBERS  
WEDNESDAY, MAY 5, 2010  
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 SEPTEMBER 2, 2009, JANUARY 6, 2010, MARCH 3, 2010 AND APRIL 7, 2010 MEETINGS

### INFORMATIONAL ITEMS

6. Status Report on the Solid Waste Management Division. (Regina Wheeler)
7. Update on Comprehensive Solid Waste Management Plan. (Regina Wheeler & Randall Kippenbrock)

### CONSENT CALENDAR

8. Update on Current Water Supply Status. (Victor Archuleta)
9. Request for Approval of the Revised 2010 Public Utilities Committee Meeting Schedule. (Stephanie Lopez)
10. Request for Approval of a Water Rights Agreement for Lawrence Vargas Water Rights. (Dale Lyons)
11. Request for Approval of the Santa Fe River 3-Year Stream Gaging Contract with Watershed West for \$60,000. (Claudia Borchert)

12. Request for Approval of the Memorandum of Understanding Between the City of Santa Fe and Santa Fe County for a Sewer Line to be Owned by Santa Fe County and Discharged in the City Wastewater System. (Marcos Martinez and Bryan Romero)
13. Request for Approval of Amendment No. 4 to the Professional Services Agreement Between the City of Santa Fe and Chavez Security for the Total Amount of \$335,397.01 Inclusive of NMGRT. (Michael Gonzales)
14. Request for Approval of a Legal Services Agreement Between the City of Santa Fe and Sheehan, Sheehan & Stelzner for Water Division Matters for the Total Amount of \$100,00.00 Exclusive of NMGRT. (Bill Cassell)

#### **DISCUSSION ITEMS AND ACTION ITEMS**

15. Request for Approval of a Water Supply Agreement Between the City of Santa Fe and the Agua Fria Community Water System (AFCWS). (Brian Snyder) (Mayor Coss)
16. Request for Approval of Bill No. 2010-\_\_\_\_\_. An Ordinance Amending Exhibit B Chapter 21 SFCC 1987 Refuse and Recycling Rate and Fee Schedule in Order to Increase Monthly Charges for Residential and Commercial Customers by 3.1% Per Year for Four Years; and Making Such Other Changes as are Necessary. (Regina Wheeler) (Councilor Romero)

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

#### **ITEMS FROM STAFF**

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

**NEXT MEETING: WEDNESDAY, MAY 19, 2010**

#### **ADJOURN**

**PERSONS WITH DISABILITIES IN NEED OF ACCOMMODATIONS, 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, May 5, 2010

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REQUEST FOR APPROVAL OF A WATER RIGHTS AGREEMENT FOR LAWRENCE VARGAS WATER RIGHTS	Approved	6-7
REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND CHAVEZ SECURITY FOR THE TOTAL AMOUNT OF \$335,397.01, INCLUSIVE OF NMGR	Approved [amended]	7-8
REQUEST FOR APPROVAL OF A LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND SHEEHAN, SHEEHAN & STELZNER FOR WATER DIVISION MATTERS FOR THE TOTAL AMOUNT OF \$100,000, EXCLUSIVE OF NMGR	Approve w/direction to staff	8-9

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

REQUEST FOR APPROVAL OF A WATER SUPPLY  
AGREEMENT BETWEEN THE CITY OF SANTA FE  
AND THE AGUA FRIA COMMUNITY WATER SYSTEM  
(AFCWS)

Approved [amended]

9-14

REQUEST FOR APPROVAL OF BILL NO. 2010- \_\_\_\_.  
AN ORDINANCE AMENDING EXHIBIT B, CHAPTER  
21, SFCC 1987, REFUSE AND RECYCLING RTE  
AND FEE SCHEDULE IN ORDER TO INCREASE  
MONTHLY CHARGES FOR RESIDENTIAL AND  
COMMERCIAL CUSTOMERS BY 3.1% PER YEAR  
FOR FOUR YEARS; AND MAKING SUCH OTHER  
CHANGES AS ARE NECESSARY

Postponed to 06/02/2010

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MATTERS FROM THE CITY ATTORNEY

None

14

ITEMS FROM STAFF

None

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MATTERS FROM THE COMMITTEE

Discussion/information

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NEXT MEETING: WEDNESDAY, MAY 19, 2010

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ADJOURN

15

**MINUTES OF THE  
CITY OF SANTA FE  
PUBLIC UTILITIES COMMITTEE  
Wednesday, May 5, 2010**

**1. CALL TO ORDER**

A meeting of the Public Utilities Committee was called to order by Councilor Rebecca Wurzburger, Chair, at approximately 5:00 p.m., on Wednesday, May 5, 2010, in the Council Chambers, City Hall, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Councilor Rebecca Wurzburger, Chair  
Councilor Patti J. Bushee  
Councilor Matthew E. Ortiz  
Councilor Ronald S. Trujillo  
[Vacancy]

**OTHERS PRESENT:**

Brian Snyder, Public Utilities Director  
Maya Martinez, Public Utilities  
Marcus Martinez, Assistant City Attorney  
Melessia Helberg, Stenographer

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

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

**3. APPROVAL OF AGENDA**

**MOTION:** Councilor Ortiz, seconded by Councilor Trujillo, to approve the Agenda as published.

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

**4. APPROVAL OF CONSENT AGENDA**

**MOTION:** Councilor Bushee moved, seconded by Councilor Ortiz, to approve the following consent agenda as amended.

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

### **CONSENT CALENDAR**

8. UPDATE ON CURRENT WATER SUPPLY STATUS. (VICTOR ARCHULETA)
9. REQUEST FOR APPROVAL OF THE REVISED 2010 PUBLIC UTILITIES COMMITTEE MEETING SCHEDULE (STEPHANIE LOPEZ)
10. *[Removed for discussion by Councilor Bushee]*
11. REQUEST FOR APPROVAL OF THE SANTA FE RIVER 3-YEAR STREAM GAGING CONTRACT WITH WATERSHED WEST FOR \$60,000. (CLAUDIA BORCHERT)
12. REQUEST FOR APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY FOR A SEWER LINE TO BE OWNED BY SANTA FE COUNTY AND DISCHARGED IN THE CITY WASTEWATER SYSTEM. (MARCOS MARTINEZ AND BRYAN ROMERO)
13. *[Removed for discussion by Councilor Bushee]*
14. *[Removed for discussion by Councilor Ortiz]*
5. APPROVAL OF MINUTES FOR THE ~~SEPTEMBER 2, 2010~~, JANUARY 6, 2010, MARCH 3, 2010 AND APRIL 7, 2010 MEETINGS.

Ms. Helberg said the caption incorrectly includes the approval of the minutes for September 2, 2010, which were approved in October, and should be removed.

**MOTION:** Councilor Trujillo moved, seconded by Councilor Ortiz, to approve the minutes of the meeting of January 6, 2010, March 3, 2010 and April 7, 2010, as submitted.

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

### **INFORMATIONAL ITEMS**

Chair Wurzbarger said Councilor Bushee has requested to add the Update on Current Water Supply Status to the Informational Items on future agendas.

**6. STATUS REPORT ON THE SOLID WASTE MANAGEMENT DIVISION. (REGINA WHEELER)**

Regina Wheeler, Solid Waste Management Director, said she is here to answer questions on the Status Report.

Councilor Bushee said it is a good report and asked where she can insert something about green waste diversion and household hazardous waste collection.

Chair Wurzbarger asked Ms. Wheeler to provide this information at a future meeting.

**7. UPDATE ON COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN. (REGINA WHEELER AND RANDALL KIPPENBROCK)**

Councilor Ortiz distributed a copy of pages 109 through 112, of the City of Santa Fe Budget book. A copy of this document is incorporated herewith to these minutes as Exhibit "1."

Randall Kippenbrock presented information from the Memorandum, with attached SFSWMA Update on Comprehensive Solid Waste Management Plan, dated April 16, 2010, to Mayor Coss and City Council, from Randall Kippenbrock, P.E., SFSWMA Executive Director, which is in the Committee packet. Please see this document for specifics of this presentation.

Mr. Kippenbrock said Councilor Bushee had asked the amount of waste going into the landfill from the City. He said 66% of the trash generated comes from within the City and 34% from the County area. He said 80% of the green waste to BuRRT is from the County, and about 20% from the City.

Mr. Kippenbrock said, responding to a question from Councilor Bushee at the Finance Committee meeting, last year the landfill collected 70,000 pounds from the May Household Hazardous Waste event, at \$75 per car. He said a permanent facility year-round will give better results, including collection of more HHW.

*The Committee members commented, made suggestions and asked questions as follows:*

Councilor Ortiz said he handed out pages 109-112 from the City budget book [Exhibit "1"]

- Councilor Ortiz said one of the things Mr. Kippenbrock is doing as part of the plan is to do information gather and take it to SWAC for incorporated into the plan.
- Councilor Ortiz said, referring to page 109, it appears the SWMA Board is changing the way it accounts for its fees and will go just with a tipping fee amount and no longer will be doing the break-out of the City/County/other revenues collected at the landfill. He said he would request that SWMA continue to have a break-down of the particular fees, if it was going to change that.

- Councilor Ortiz, referring to page 111, said in the current fiscal year there is a budget line item of \$979,612, and asked if this contains the building for the Hazardous Waste Facility.

Mr. Kippenbrock said the \$979,612, plus the \$67,000, is related to this year's construction of the landfill gas collection system required by the State and federal government, and does not contain funds for the Hazardous Waste Facility..

- Councilor Ortiz, referring to page 112, said there is an encumbrance of \$200,000 for WIP construction and asked what is that.

Mr. Kippenbrock said they normally set aside \$200,000 in the cell construction reserves in the event any work is done internally that is required by GSPI (?) which is related to the construction. That doesn't mean the \$200,00 would be utilized, but is set aside for budgetary purposes.

- Councilor Ortiz said, referring to pages 110 and 111, after a very cursory review of the SWMA budget, he would ask Mr. Kippenbrock to ask SWMA to look at some of its line items. He said the City is faced with the prospect of a rate increase based on what he sees as shrinking revenues being collected. He would recommend to the SWMA Board to look at the line items he underlined [Exhibit "1"], and provide an explanation or more examination as to whether these particular budget items are necessary, noting he highlighted only 6 figure items. He said the City is being asked to shoulder a rate increase, and reiterated he would ask the SWMA board to revisit these items to "squeeze" the amounts down.
- Councilor Ortiz said, in terms of the items for discussion on the rate increase, he proposes to this Committee not to consider the ordinance until sometime in July.

Mr. Kippenbrock said that ordinance is for the Solid Waste Plan, and not related to the fee ordinance. He said the 2010 Fee Ordinance will be considered by the SWMA Joint Powers Board on May 20, 2010, to be effective July 1, 2010.

Chair Wurzbarger said that will give the Finance Committee time to review this.

- Councilor Ortiz said he would make a proposal not to consider that rate increase until the next meeting, and he will be proposing that at that meeting.
- Councilor Ortiz said Mr. Kippenbrock does run a "tight ship," at the landfill, and he hears from City staff that he is running a very fine operation. He said he is asking SWMA in these times when the City is asked to do a lot of things, to consider the same kind of exercise so the City doesn't have to pass on another rate increase to the public.
- Mr. Kippenbrock said he would like to elaborate more on the document Councilor Ortiz just gave him. He said on page 1, where there is \$5.350 million, he said for budgetary purposes, it starts as a lump sum, and then eventually is broken-out into various categories. He said with regard to the



\$300,000 from Maintenance, there was a \$50,000 BAR for a major repair. He said typically they don't utilize the entire line item, and he will look at that more closely. The \$30,000 Fuel Cost is the consumption times the rate of what they burn, which usually is about 100,000 gallons a year. He said the debt service is related to the two loans SWMA is paying, beginning with the past year for Cell 4B which will continue for 5 years.

Mr. Kippenbrock said, regarding the \$979,000, it is related to the Landfill gas collection system. He appreciates that Councilor Ortiz is pointing out these things, noting he had only 15 minutes to look at this.

Chair Ortiz said the reason he gave Mr. Kippenbrock the handout, is so he could take this information back to the SWMA Board to consider as part of the planning process and coming up with the schedule of capital projects.

- Councilor Trujillo said they will be happy to take this back to the SWMA Board for review at the next meeting.
- Councilor Bushee asked if the 34% County waste is primarily transfer tipping fees coming in from the County, or is it pickup loads.

Mr. Kippenbrock said the 34% will be all the private haulers, noting they don't accept small vehicles, and that would be haulers such as Waste Management or private haulers with large trucks, and they tell us the load is coming from the County area.

- Councilor Bushee asked if they are all paying the same tipping fees, and Mr. Kippenbrock said this is correct.
- Councilor Bushee asked if she could she find the hazardous waste collection facility in this line item.

Mr. Kippenbrock said it won't be found in this line item. He said the actual expenditure would be in one of the two reserves, and believes it is in the equipment replacement reserves, approximately \$600,000. Mr. Kippenbrock said this is the City budget which was created from our budget numbers.

Councilor Bushee asked if it would be a line item in one of these. He said no, reiterating that this isn't the SWMA budget.

- Councilor Bushee asked what percentage is retained in reserves.

Mr. Kippenbrock said on the operating side he keeps about 25% in reserves, which is equivalent to three months operating. He the reserves would be \$1.5 to \$1.6 million, noting these are cash reserves, and doesn't include reserves for cell development, landfill gas equipment or equipment.

- Councilor Bushee asked if SWMA is required to keep a certain percentage in reserves.

Mr. Kippenbrock said, not, and this is what his model calls for, which is based on his experience.

- Councilor Bushee asked Councilor Ortiz if the plan is to postpone this item to the next meeting.  
[Councilor Ortiz's response here is inaudible]

Councilor Wurzbarger said, in summary, the City has had to look at reserves as a way of meeting the operational budget, and it was done with great hesitation. She is encouraging SWMA to look at all options to avoid raising the rates at this point in time. She asked, to what degree any capital improvements could be postponed temporarily, which would have resulted in a rate increase. She said this is the guidance she would give to him when he comes back to the Finance Committee – to give him time to come up with items in the SWMA budget to help with the existing situation. She said the question is to what degree capital improvements are reflected in, and causing increases in, the rates.

Mr. Kippenbrock asked the Chair to bear in mind he will be going before the SWMA Board on May 20, 2010.

Councilor Wurzbarger said Mr. Kippenbrock will be coming back to the Finance Budget session on May 11, 2010.

Chair Ortiz said the Finance Committee deferred any action on the Solid Waste Management budget yesterday at the Finance Committee budget meeting, so that probably will be on Tuesday's agenda, but more than likely it will be at the final Finance Committee meeting when we will act on all of the catch-up stuff we won't get to on Tuesday. He said we probably will be considering Solid Waste as a Division as well as the SWMA budget.

Chair Wurzbarger thanked Mr. Kippenbrock for the work he is doing to better understand what SWMA is doing and how it impacts the City and how the City impacts SWMA, and how we can work together.

## **CONSENT DISCUSSION**

### **10. REQUEST FOR APPROVAL OF A WATER RIGHTS AGREEMENT FOR LAWRENCE VARGAS WATER RIGHTS. (DALE LYONS)**

Councilor Bushee asked Mr. Lyons if these people retain and use the land.

Mr. Lyons said the land isn't permitted to be irrigated after the water rights are severed from the land. He said he and Marcos Martinez have noticed a new protocol for the State Engineer. He said what has happened in the past, is that land owners can and have been turning around and leasing water rights from the Middle Rio Grande Conservancy District. He said he and Mr. Martinez came across a separate

notice the other day from the State Engineer regarding a water rights transfer that was approved some months previously, noting the letter was addressed to the landowners directly and stated that the land could not be irrigated from any other source, and the State Engineer would be following up with monitoring to make sure this is the case.

Councilor Bushee wants to be sure that using the land in some other way doesn't reflect on the City.

Mr. Lyons said the City does not own the property, all we're doing is purchasing the water rights.

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

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

**13. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND CHAVEZ SECURITY FOR THE TOTAL AMOUNT OF \$335,397.01, INCLUSIVE OF NMGR. (MICHAEL GONZALES)**

Councilor Bushee is concerned that this is an amendment of \$335,397. She asked if this was done through an RFP and if other people submitted proposals.

Michael Gonzales said the original contract went through an RFP process 3- 4 years ago.

Councilor Bushee said then every year you just keep renewing.

Mr. Gonzales said this is correct, this is a renewal amendment.

Mr. Snyder said this was from a proposal 4 years ago, and this Agreement provides for up to four one-year annual amendments, and this is the fourth year of the 4-year agreement term.

Councilor Wurzbarger said then it will go to RFP after this year, and Mr. Snyder said this is correct.

Councilor Bushee said she would ask in the future that this agreement not be for 4 years, and be for 3 years at the maximum.

Chair Wurzbarger asked for clarification as to how we do this, commenting that we do have many contracts that can be renewed annually.

Councilor Bushee said the amount stands out to her as an amendment. She said she sees that there was a 5% reduction, but in a competitive environment in this economy, we might do better than that. She said we are happy with the contractor, but would like to bid this contract more often.

Mr. Snyder said he understands that we have typically done this contract for 3-4 years, as long as both parties are agreeable. He understands there has been no rate increase, and in fact there was a cut in the price and we are satisfied with the job and the security.

Councilor Bushee would like this contract award to be done in a more competitive manner.

Councilor Ortiz asked if the Committee rejects this request, and asks staff to go out to bid, if we would be able to get a bid packet out and get a bid in time.

Councilor Bushee isn't so worried about this one, but she is just worried about how we do business.

Chair Wurzbarger suggested a motion directing staff in the future, in developing these kinds of contracts in these hard economic times, for this contract in particular, that when this contract comes up for renewal that an RFP will be issued, and the RFP won't be issued the week before renewal.

Mr. Snyder said after this renewal this year, we definitely will have to go out for RFP, and he will speak to Robert Rodarte about the four-year term.

Councilor Bushee said she isn't implying anything is wrong, she just wants the process to be competitive.

**MOTION:** Councilor Trujillo moved, seconded by Councilor Ortiz, to approve this request, with an amendment providing that this contract amendment will run only to mid-year, with direction to staff to go through a bid process so that there is a bid for contract to begin on January 1, 2011, with a maximum 1-2 year term, which is renewable annually, so the service isn't interrupted.

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

**14. REQUEST FOR APPROVAL OF A LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND SHEEHAN, SHEEHAN & STELZNER FOR WATER DIVISION MATTERS FOR THE TOTAL AMOUNT OF \$100,000, EXCLUSIVE OF NMGR. (BILL CASSELL)**

Councilor Ortiz this litigation seems to continue on and on, and we are way passed the amount of coverage, and asked, when this is going to come to an end.

Marcos Martinez said he can't say when it will come to an end. He does know that the trial in the Lone Mountain matter is set for 2011. He said they are well underway in the discovery phase. He said there have been setbacks and successes in this, including a successful Supreme Court Case determination which will allow the City to go after the full amount of the bond, which was for \$650,000.

Councilor Ortiz asked how much the City has spent in Legal fees, noting we already spent about

\$200,000, and with this \$300,000, means we will go after the bond and after legal fees will collect fifty cents on the dollar. He asked, if the City prevails, will the City get its attorneys fees as well.

Mr. Martinez said attorneys fees usually have to be stipulated by contract, and he does not believe the contract for the hospital tank repairs included an attorneys fees provision, and there is no statutory basis for it, so he doubts we will recover attorneys fees. However, he can check this and report back to the Committee.

**MOTION:** Councilor Ortiz moved, seconded by Councilor Trujillo, to approve this request, with direction to staff to provide the requested information with it comes to the City Council.

**DISCUSSION:** Councilor Ortiz said the reason we approved this previously was because there was a settlement conference, and we didn't want to pull the rug "from under our lawyers," but that settlement conference was unsuccessful.

Mr. Martinez said he can get the requested information and determine the best route to inform the Council on the status of this lawsuit, whether in executive session or in open Council session.

Responding to Councilor Ortiz, Mr. Martinez said it turns out that Lone Mountain economically viable and we can go after the bond as well as that the number of defendants has multiplied as Lone Mountain has tried to bring in other co-defendants, including Dow Chemicals, Water Savers and an engineering firm it hired.

Responding to the Chair, Mr. Snyder said the project began in 2003 and wrapped up in late 2003 or early 2004.

Councilor Bushee asked if there were tennis courts involved in this.

Mr. Martinez said there are tennis courts over the hospital tank that would have to be removed if the lining was ever repaired. He said it is hoped that the defendant would pay for that.

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

## **DISCUSSION AND ACTION ITEMS**

### **15. REQUEST FOR APPROVAL OF A WATER SUPPLY AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE AGUA FRIA COMMUNITY WATER SYSTEM (AFCWS) (MAYOR COSS). (BRIAN SNYDER)**

Brian Snyder presented information regarding this matter from his Memorandum of April 28, 2010, which is in the Committee packet. He noted two members of the Agua Fria Community Water System Board are in attendance.

Councilor Ortiz said this will be heard at the next Finance Committee meeting. He would like staff to prepare an FIR on the current value of the commercial rate, as compared to what is proposed, which would be residential rates.

Councilor Bushee said there is an FIR at the bottom of the Memorandum, and Councilor Ortiz said that doesn't include the comparison.

Mr. Snyder said staff typically doesn't prepare a formal FIR for these kinds of Resolutions and the reason he added the last paragraph on page 1, comparing the approximately 1.2 million gallons per month.

Responding to Councilor Ortiz, Mr. Snyder said it is a loss to the City of about \$50,000 for four months, noting Agua Fria would be allotted more gallons during the summer months and the reason for the difference in dollars. He can prepare an FIR.

Councilor Ortiz said he understands the financial implications now, and it isn't necessary to prepare an FIR.

Responding to Councilor Ortiz, Mr. Snyder said this would be a temporary use while the Agua Fria system is off line during the refurbishing of the water tank, and they could need water for up to 4 months.

**Gilbert Tercero, Agua Fria Community Water Association Board Member**, said when Agua Fria entered into this agreement in 1989 with the Sangre de Cristo Water Company, it was to be used as a backup for emergencies, such as the well going down, problems with the tank and things like that. Since 1989, Agua Fria has used this water on only 4-5 occasions which have been true emergencies. He said the amount of money they have paid for 2-4 weeks of use has been exorbitant. He said the current rate allows 10,000 gallons of water per month at the commercial rate, and once that is exceeded, the cost goes "through the roof," to \$17 per 1,000 gallons. He said they are requesting to balance that out so they can more realistically reflect what they may use within a month. He said the conservation rate would allow 1.2 million gallons per month. He said this will be not only a temporary use, but also only in an emergency.

Mr. Tercero said in the next few months, Agua Fria will need to take its tank off line to refurbish it which would take 2-3 weeks, and they would be totally dependent on the City water, noting this is the only use they see in the foreseeable future.

Mr. Tercero said the County will be coming to this Committee in the near future to request a master meter, and once that is approved, the master meter will replace Agua Fria as a customer of the City.

Councilor Ortiz said his concern is that we enter into this agreement and it is something more than a temporary fix with a long standing relationship, it will impact the City's relationship with the County on the City's wheeling Agreement with the County. He said the master meter will be for the Historic Village of

Agua Fria only. He doesn't want to be in the position of entering into an agreement which would impact the City's relationship on its wheeling agreement with the County.

Responding to Councilor Bushee, Councilor Ortiz said he understands this would be used in emergencies and in event the Agua Fria system was taken off line.

Mr. Tercero reiterated that they know it would be taken off line in the near future for 2-3 weeks to refurbish the tank. He understands this will happen prior to the master meter being approved and installed. He said they need to build a new vault for all of the equipment – the meter and the PRV and such – before the master meter can be put in place. He said that is to be coordinated with phase 3 of the Agua Fria Sewer and Wastewater contract, noting the County is bring a sewer line from San Ysidro crossing to Henry Lynch Road. He said the master meter, vault and such is being done in conjunction with that project. He reiterated that while the Agua Fria tank is being repaired, they will be utilizing this agreement with the City.

Chair Wurzbarger said that wasn't clear, and she hopes it is made very clear in the agreement.

**MOTION:** Councilor Ortiz moved for the approval of this agreement with the understanding that: 1. The City has the authority to make these kinds of temporary agreements to modify our rate structure, and; 2. This is for this particular work that the Association needs have done for this period of time in which these particular improvements are going to be made.

**QUESTION FROM APPLICANT PRIOR TO SECOND:** Mr. Tercero asked Councilor Ortiz if he would agree to include unforeseen emergencies, and if he would be comfortable with saying this agreement would become voice once the master meter is in place and functioning. It would completely let the City off the hook on this agreement.

Councilor Ortiz said he isn't really keen on losing that amount of money.

**WITHDRAWAL OF MOTION:** Councilor Ortiz withdrew his motion.

Councilor Bushee noted there is no draft agreement in the Committee packet.

Mr. Martinez said the draft agreement is supposed to be in the packet, noting he submitted one, but he can provide that to the Committee.

Councilor Bushee asked if the master meter process can be moved up.

Mr. Snyder said he recently received a letter request from the County for a master meter, and he anticipates bringing that request to the next PUC meeting.

Councilor Bushee asked Mr. Tercero if the work on the tank can wait until the master meter is in place.

Mr. Tercero said they have to get it done as quickly as possible because the Association is using State funds, noting they recently lost \$1 million in capital outlay funds because of the State's financial problems.

Councilor Bushee asked how a master meter work in terms of how the County charges.

Mr. Snyder said he doesn't know.

Councilor Bushee asked, "Why can't they be a wholesale customer."

Mr. Tercero said the existing agreement between Agua Fria and the County, indicates it will be charged wholesale rates.

Councilor Bushee asked, "Why is the City charging them. I mean, they hit over 10,000 gallons per residence and it gets expensive, so my question is... I mean this may not even be a fiscal impact if we were billing it differently, if we were billing it the way we were billing a master meter. Because, we give them that water in a wholesale manner, don't we. It's not like we deliver it... We deliver it to their tank or we deliver it to their emergency setup."

Mr. Snyder said the current setup is to bill Agua Fria as a 3 inch commercial, which allots for 112,000 or 160,000 gallons per month at any time of year and setup as a commercial billing.

Councilor Ortiz said the City charges them, and Agua Fria wheels the water to its residents, and then collect from their residents.

Councilor Bushee said, "So my question is why is it more exorbitant than if we wheel it as a commercial account in sort of a ..... in other words, I'm not sure I understand. The arrangement has always been there for these kinds of situations and I'm wondering why it seems like..."

Chair Wurzbarger said because this is in the nature of our arrangement with Agua Fria.

Mr. Tercero said, going back to 1989, the agreement between Agua Fria and Sangre de Cristo, under the Public Service Company, provided that Agua Fria would be considered as a small commercial user with a 3 inch meter. He said when the City acquired the system, it was transferred as a small commercial user, so the rates charged are for small commercial. He said this agreement will give Agua Fria more of a wholesale status with the City.

Councilor Ortiz said, to be fair to the City, when the City took it over, the system as it was in 1992 was smaller and the system has grown.

Mr. Tercero said Agua Fria has added new customers, but has grown at a rate of no more than 2-3 customers per year.



Chair Ortiz noted the City has turned down two projects because they were in the Historic Village and could have applied to the Agua Fria system, and because the City made a policy decision not to extend water service outside the City limits.

Councilor Bushee asked if the City ends up doing a master meter, we won't get this money anyway.

Mr. Snyder said it is correct in a way, noting it would be a City/County master meter and then the Agua Fria Community Water System would be a customer of the County.

Chair Bushee said the City has a wheeling agreement with the County, and presumes it will still be our water going to the County and then going to Agua Fria, so we will be getting some money for what was wheeled to them.

Councilor Bushee asked if the master meter will cost less for "them."

Councilor Snyder said the City will receive less revenue if these 275 homes were switched to a City/County master meter, because we will sell the water at a wholesale rate to the County, and we won't be collecting the \$4.79 per thousand gallons.

Councilor Bushee said, "All I'm doing in my mind is calling them the County now through this arrangement, not really, but just that it's like a wholesale arrangement."

Chair Wurzbarger said if this were for a longer time she would argue that we might want to look at other arrangements, noting we have a history with Agua Fria that seems to work well. This is a request for a temporary basis. She is concerned about what would happen if the County doesn't do the master meter, but Mr. Snyder said this will be brought to the PUC at the next meeting. She said, without disrespecting the idea that it could be done better in the past, or what we will be doing in the future, the issue are the needs right now so Agua Fria doesn't lost its funds.

Councilor Bushee said she is trying to see it as not being a loss, and Chair Wurzbarger said it is a loss to the City.

**MOTION:** Councilor Ortiz moved, seconded by Councilor Trujillo, to approve the concept of the agreement, with a period of time of not longer than nine months to allow the work to be done, with the understanding that by the end of the year, the City will have some agreement with the County on the Master and then the agreement is done, with direction to staff that the agreement is on the next Finance Committee Agenda.

**DISCUSSION:** Chair Wurzbarger said this needs to be very clear in the agreement.

Councilor Bushee said it is important to help Agua Fria.

Mr. Snyder said the current term proposed in the agreement is two years, which will be modified, before it goes to the Finance Committee.

Chair Wurzburger said that is with the notion that once the 9 months is over, the City is done.

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

Mr. Tercero thanked the Chair and Committee very much.

**16. REQUEST FOR APPROVAL OF BILL NO. 2010- \_\_\_\_\_. AN ORDINANCE AMENDING EXHIBIT B, CHAPTER 21, SFCC 1987, REFUSE AND RECYCLING RTE AND FEE SCHEDULE IN ORDER TO INCREASE MONTHLY CHARGES FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS BY 3.1% PER YEAR FOR FOUR YEARS; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY (COUNCILOR ROMERO). (REGINA WHEELER)**

Councilor Ortiz said, consistent with the discussion on the Information item, and because we will be discussing this at the Finance Committee, he would like to postpone this item.

**MOTION:** Councilor Ortiz moved, seconded by Councilor Bushee, to postpone consideration of this request to first meeting of the Public Utilities meeting in June 2010, and request that Jason Mumm's previous memorandum be included in the packet at that time.

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

**MATTERS FROM THE CITY ATTORNEY**

There were no matters from the City Attorney.

**ITEMS FROM STAFF**

There were no items from staff.

**MATTERS FROM THE COMMITTEE**

Councilor Ortiz asked when Las Campanas will be paying its past membership.

Mr. Martinez said it has been difficult for Finance to get information from them.

It was the consensus among the Committee to give direction to staff to threaten a lawsuit if the past due bill isn't paid by Las Campanas within a certain period of time.

Councilor Trujillo asked Mr. Snyder to arrange meetings with State Game & Fish and the City Water Division so we know what is happening with the Fishing Derby on June 5<sup>th</sup>.

Mr. Snyder said he can, noting Mr. Hook has been meeting with them 2 weeks to make arrangements, and said he will invite Councilor Trujillo to those meetings.

Chair Wurzburger said she and Councilor Trujillo discussed looking at an option of opening the fishing to the public for one day under very controlled conditions, and directed staff to look at that and report back to the Committee.

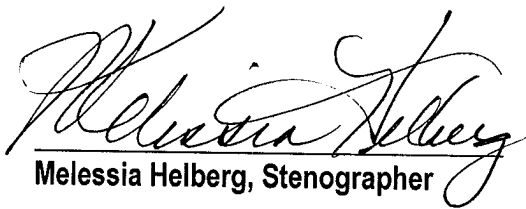
**NEXT MEETING: WEDNESDAY, MAY 9, 2010**

**ADJOURN**

There was no further business to come before the Committee, and the meeting was adjourned at 6:10 p.m.

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**Rebecca Wurzburger, Chair**



**Melessia Helberg, Stenographer**