



Agenda

CITY CLERK'S OFFICE

DATE 5-26-10 TIME 3:30

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AGENDA

**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, JUNE 2, 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 MAY 19, 2010 MEETING

INFORMATIONAL ITEMS

6. Status Report on the Solid Waste Management Division. (Regina Wheeler)
7. Update on Current Water Supply Status. (Victor Archuleta)
8. County of Los Alamos San Juan-Chama Water Project. (Brian Snyder)
9. Santa Fe Water Rate Options Follow-Up. (Brian Snyder and Jason Mumm)
10. Annual Water Report – City of Santa Fe – May 2010. (Amanda King)
11. Rebate Program Update. (Daniel Ransom)
12. Las Campanas Update. (Marcos Martinez) - **VERBAL**

CONSENT CALENDAR

13. BDD Project Manager's Monthly Project Exception Report. (Rick Carpenter)
14. Spring Reservoir Management and Storage Capacities. (Alan Hook) **VIA E-Mail on 6/2/10**
15. Request for Approval of Amendment No. 3 to the Contract Between the City of Santa Fe and Great Southwest Meters for \$70,000.00 Exclusive of NMGRT. (Shannon Jones)

16. Request for Approval of Amendment No. 1 to the Professional Services Agreement Between the City of Santa Fe and Sub Surface Contracting, Inc. to Provide Construction Services for City Wide Utility Construction & Repair Projects – CIP # 2039 for the Total Amount of \$500,000.00 Exclusive of NMGRT. (Bill Huey)
17. Request for Approval of Bill No. 2010-_____. An Ordinance Amending Exhibit A of Chapter XIII SFCC 1987, Stormwater Utility, to Increase the Monthly Stormwater Utility Service Charge. (Mayor Coss) (Chris Ortega)
18. Request For Approval of Bill No. 2010-_____. An Ordinance Repealing Chapter 27 SFCC 1987 and Creating a New Chapter 27 SFCC 1987 Regarding Telecommunications Services. (Kelley Brennan)

DISCUSSION ITEMS AND ACTION ITEMS

19. Request for Approval of Resolution No. 2010-_____. A Resolution Authorizing the Execution and Delivery of a Loan Agreement (“Loan Agreement”) By and Between the City of Santa Fe, New Mexico (the “Governmental Unit”) and the New Mexico Finance Authority, Evidencing a Special Limited Obligation of the Governmental Unit to Pay a Principal Amount of No More Than Two Hundred Fifty Thousand Dollars (\$250,000), Together with Interest, Costs of Issuance and Administrative Fees Thereon, for the Purpose of Financing the costs of a Project Consisting of Upgrades to the City’s Water Utility System, Including Instrumentation of Pumping Sites to Monitor Energy Usage; Providing for the Payment of the Principal of, Interest and Administrative Fees Due Under the Loan Agreement solely From the Pledged Revenues; Setting a Maximum Interest Rate for the Loan; Approving the Form of and Other Details Concerning the Loan Agreement ; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Resolution; and Authorizing the Taking of Other Actions in Connection With the Execution and Delivery of the Loan Agreement 2392-DW 2010. (Dale Lyons)
20. Appeal to the Denial of a Master Water Meter to Serve the Santa Fe Mobile Home Hacienda Pursuant to SFCC§22. (Brian Snyder)

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: WEDNESDAY, JULY 7, 2010

ADJOURN

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

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PUBLIC UTILITIES COMMITTEE MEETING
Wednesday, June 2, 2010**

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ITEM

ACTION

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DISCUSSION AND ACTION ITEMS

REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- ____. A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF A PROJECT CONSISTING OF UPGRADES TO THE CITY'S WATER UTILITY SYSTEM, INCLUDING INSTRUMENTATION OF PUMPING SITES TO MONITOR ENERGY USAGE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT 2392-DW 2010

Approved

8-9

APPEAL TO THE DENIAL OF A MASTER WATER METER TO SERVE THE SANTA FE MOBILE HOME HACIENDA, PURSUANT TO SFCC §22

Appeal denied

9-11

MATTERS FROM THE CITY ATTORNEY

None

11

ITEMS FROM STAFF

None

11

MATTERS FROM THE COMMITTEE

Information/discussion

11

NEXT MEETING: WEDNESDAY, July 7, 2010

11

ADJOURN

12

**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, June 2, 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, June 2, 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
[Vacancy]

MEMBERS EXCUSED:

Councilor Ronald S. Trujillo

OTHERS PRESENT:

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

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

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

3. APPROVAL OF AGENDA

Brian Snyder asked to postpone Item #9 to the next meeting, because Jason Mumm's flight was canceled, and he couldn't be here this evening.

MOTION: Councilor Ortiz, seconded by Councilor Bushee, to approve the Agenda as amended.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT CALENDAR

13. *[Removed for discussion by Councilor Bushee]*
 14. **SPRING RESERVOIR MANAGEMENT AND STORAGE CAPACITIES. (ALAN HOOK) VIA EMAIL ON 6/2/10.**
 15. **REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO THE CONTRACT BETWEEN THE CITY OF SANTA FE AND GREAT SOUTHWEST METERS FOR \$70,000.00, EXCLUSIVE OF NMGR. (SHANNON JONES)**
 16. *[Removed for discussion by Councilor Bushee]*
 17. **REQUEST FOR APPROVAL OF BILL NO. 2010- ____ . AN ORDINANCE AMENDING EXHIBIT A OF CHAPTER XIII SFCC 1987, STORMWATER UTILITY, TO INCREASE THE MONTHLY STORMWATER UTILITY SERVICE CHARGE (MAYOR COSS). (CHRIS ORTEGA)**
 18. **REQUEST FOR APPROVAL OF BILL NO. 2010- ____ . AN ORDINANCE REPEALING CHAPTER 27 SFCC 1987 AND CREATING A NEW CHAPTER 27 SFCC 1987, REGARDING TELECOMMUNICATIONS SERVICES. (KELLEY BRENNAN)**
5. **APPROVAL OF MINUTES FOR THE MAY 19, 2010 MEETING.**

MOTION: Councilor Ortiz moved, seconded by Councilor Bushee, to approve the minutes of the meeting of May 19, 2010, as presented.

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

INFORMATIONAL ITEMS

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

Chair Wurzburger noted Ms. Wheeler is not in attendance, but said there is a Memorandum in the packet from Ms. Wheeler.

Responding to Councilor Bushee, Mr. Snyder said Ms. Wheeler is working on recycling bins at the Railyard with the staff.

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

A copy of "McClure and Nichols Estimated Total Storage 2010," is incorporated herewith to these minutes as Exhibit "1."

Victor Archuleta presented info from the Weekly Water Report for the week of May 23, 2010, which is in the Committee packet.

Councilor Bushee asked how this report differs from Item #13, which is the Spring Reservoir Management which had 92% as an average.

Mr. Archuleta said it is the same and we gained 1%..

Responding to Councilor Bushee, Brian Snyder said this is a more specific report with regard to how we are managing our reservoirs.

Councilor Bushee asked how much longer there will be flows in the River.

Mr. Snyder said the flows were increased over the past several weeks, but they are being cut back because of the fishing derby this weekend.

Mr. Archuleta said there is 3.5 million gallons for the derby – 6 cfs.

Councilor Bushee asked how much longer the river will be flowing after the fishing derby.

Mr. Snyder said the point of increase in the flow for the past several weeks is for reservoir management, realizing that during the fishing derby we don't want the reservoir spilling, so it is dropped to handle the inflow. After the derby this weekend, the flows will return to the 3-5 cfs.

Chair Wurzbarger asked how long the flow will last.

Mr. Snyder said at this time, he doesn't have an impact date.

8. COUNTY OF LOS ALAMOS SAN JUAN/CHAMA WATER PROJECT. (BRIAN SNYDER)

A copy of the power point presentation "San Juan-Chama Water Project," is incorporated herewith to these minutes as Exhibit "2."

Mr. Snyder said staff was approached by Los Alamos County which is looking at doing its own kind of San Juan/Chama Water project, asking to do a brief presentation this evening. He said there are options they want to consider regarding the BDD facility, and the County didn't want to issue an RFP prior to presenting information to this Committee this evening and to the BDD Board tomorrow evening.

Jack Richardson, Senior Engineer for the Los Alamos County Utilities Department introduced County Manager Tony Mortillaro, James Alarid, Utilities Engineering Manager and Tim Glaskow, Deputy Manager of Utilities for GWS.

Mr. Richardson presented information via power point. Please see Exhibit "2" for specifics of this presentation, noting they want to open discussions to see what is possible, and to inform the City about the County's plans prior to issuing an RFP.

Chair Wurzbarger thanked Mr. Richardson for the information, saying we really need to think about this before responding.

Councilor Ortiz thanked the people of Los Alamos County for bringing this to our attention. He said it seems to him, based on the brief presentation, that alternatives #2 and #3 are the kinds of alternatives which have a more immediate benefit to Los Alamos County, and would have a minimal impact on what the City is trying to do with the BDD. He said he knows a little about alternative #1 which is the San Ildefonso well, and alternative #4 seems to be very cost intensive. He said alternatives #2 and #3 are the options which seem to make the most sense. He said, realizing this is a very preliminary situation and the County is just going out to bid on this, he looks forward to future discussions with Los Alamos County to see how our respective interests, if at all possible, can converge and we can have economies of scale on this project.

Councilor Bushee said she has similar sentiments, and asked if Los Alamos County is leaning toward one of the alternatives, and if there is enough information from City staff to consider alternative #2, given that the policymakers haven't weighed-in on this project.

Mr. Richardson said they have had enough discussion with City staff to think that it might be viable and is worth additional discussion. Mr. Richardson would like, once the consultant is hired, to have the consultant and Los Alamos County staff talk with City staff and get into more detail. He said it seems feasible on its face, but once you get into the details, alternatives can fall out. He said this evening he is encouraged that they can move forward as planned, and open the door for additional discussion. He thanked Brian Snyder and Stephanie Lopez for their assistance in arranging the presentation.

Chair Wurzbarger thanked Mr. Richardson for the presentation.

9. SANTA FE WATER RATE OPTIONS FOLLOW-UP. (BRIAN SNYDER AND JASON MUMM)

This item is postponed to July 7, 2010.

10. ANNUAL WATER REPORT – CITY OF SANTA FE – MAY 2010. (AMANDA KING)

Amanda King, consultant to the City, briefly presented information regarding the report from the Memorandum in the packet dated May 25, 2010, to the Public Utilities Committee, regarding The Annual Water Report, May 2010. Please see this Memorandum for specifics of this presentation. Ms. King asked for comments regarding the clarity and content of the report.

Councilor Bushee asked if she used the standard from the State Engineer in calculating the GPCD.

Ms. King said they were not able to get the data in time to produce the 2009 GPCD using the State Engineer's Office data. However, she now has that data, and will produce it when the report is finalized, and it will go on the web with that number.

11. REBATE PROGRAM UPDATE. (DANIEL RANSOM)

Mr. Ransom said presented information from his Memorandum dated May 25, 2010, which is in the Committee packet. He said we are now putting water in the water bank which is available for development, noting there is almost 31 afy in the bank available for purchase.

Responding to Councilor Bushee, Mr. Snyder said the BAR will be for an increase of \$500,000 within the Water Division Budget, and what we are accomplishing here is the same as going out on the street and buying water rights. He said the costs for the retrofits and this program are comparable to the costs to buy 1 afy of water.

Councilor Bushee asked if the Water Division needs these water rights.

Mr. Snyder said there is no anticipation to use the water rights for the offsets at this time.

Councilor Bushee asked if there are additional ARRA funds available.

Mr. Snyder said no, not at this time.

Councilor Bushee asked if the analysis in the Memorandum is since January 2010, and Mr. Ransom said correct.

Councilor Bushee asked if there is a chance to expand the retrofits beyond washing machines and toilets.

Mr. Ransom said there are other rebates in the works, such as the commercial process efficiency rebate, which isn't shown in the memo, noting recently he rebated funds for a water cooled ice machine. The commercial rebate program isn't limited, and if it will save water, we will look at it. There also is an

irrigation efficiency program which would include ET controllers, moisture sensors, rain switches and such to improve efficiency of irrigation.

Councilor Bushee asked if this is the only outdoor possibility, noting Albuquerque has a program for seniors.

Mr. Ransom said the irrigation efficiency program will save a lot of water, because that's where most of the water waste is happening.

Councilor Bushee noted that Seniors often don't have irrigation systems, and asked Mr. Ransom to look at Albuquerque's program and see if we can do something like that in Santa Fe.

Councilor Bushee asked if the proceeds from the sales of water rights from the water bank will come back into the Division budget, and Mr. Ransom said yes

Mr. Snyder said this is the intent of the program, as people conserve, and the City pays rebates and the development community keeps replenishing the fund to allow the rebate program to continue. However, development isn't proceeding right now.

Mr. Ransom said there are limited toilet retrofits which are being used up.

Chair Wurzbarger asked if there is some way to tie this program into the BDD. She said the BDD is 85% completed, and ARRA can't fund something which has already been done, and she wants to figure out a way to get help for the BDD.

Mr. Snyder said he will check this out, and report back to the Committee.

12. LAS CAMPANAS UPDATE. (MARCOS MARTINEZ)

Marcus Martinez said since the last PUC meeting, the City Attorney's office has met twice with the staff in utility billing, and in the Finance Department. He said the Finance staff has been occupied with budget matters, and he has been working with Finance to state with more certainty the amount the City contends is due from Las Campanas.

Mr. Martinez said staff has been working to determine which specific payment were applied to which specific invoices, and how, in spite of those payments, there is a balance due. He said they are trying to pin down the number exactly so they can make more specific demands. He said they need more time to work with Finance, and hopefully to be able to resolve these issues with Las Campanas.

Councilor Bushee would like the reports on this matter to be submitted in writing in the future.

Chair Ortiz said he is sending an email to the City Manager and the Finance Director to prioritize this matter, so we can pin down the amount and send a demand letter to Las Campanas so it can either pay, or the City can sue Las Campanas.

Mr. Martinez said as of the last meeting, Las Campanas believes they owe around \$120,000.

CONSENT DISCUSSION

13. BDD PROJECT MANAGER'S MONTHLY PROJECT EXCEPTION REPORT. (RICK CARPENTER)

Councilor Bushee said she has emails from people who have issues around the substations.

Chair Wurzburger said they are working on it.

Jerry Anderson, BDD Engineer, and said currently staff is evaluating the alternatives, but the CDRC and Santa Fe County denied the application to develop last week.

Chair Wurzburger said the CDRC denied the application, and the BDD is looking at the options.

Councilor Bushee said then they aren't going to build where people were opposed.

Chair Wurzburger said she isn't saying that. She is saying that they are in the process of looking at the options. She said it was denied, but it is now going to the CDRC which is an advisory committee. She has no suppositions about our colleagues in the County. She can provide a further briefing at the next meeting.

Councilor Bushee said under Project Concerns-Previous Issues, #1 provides that the BDD Project team has identified that there are some compliance issues with completion of fiscal agent duties under the BDD Project PMFSA. She asked if these issues have been resolved.

Chair Wurzburger said not yet, but an auditor is working on this.

16. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO THE CONTRACT BETWEEN THE CITY OF SANTA FE AND SUB SURFACE CONTRACTING, INC., TO PROVIDE CONSTRUCTION SERVICES FOR CITY-WIDE UTILITY CONSTRUCTION & REPAIR PROJECTS – CIP #2039 FOR THE TOTAL AMOUNT OF \$500,000.00, EXCLUSIVE OF NMGRT. (BILL HUEY)

A Memorandum dated May 27, 2010, to the Public Utilities Committee/Finance Committee, from Bill Huey, Engineer, Water Division, is incorporated herewith to these minutes as Exhibit "3."

Mr. Snyder reviewed the information in Exhibit "3." He noted this went out to bid, this is the second year of the contract, which is the same as last year, and can be renewed for up to four years in one year increments. He said last year staff negotiated a 5% reduction in wage rates with the contractor, but the material costs are the same as last year.

Councilor Bushee asked if there is a plan to go out for bid.

Mr. Snyder said no, generally the contracts are for one year, and we use the renewal period of one year. He said if there are other dollar figures which lead us to believe the prices in this bid aren't good prices, then they definitely will go out for a request for bids. He said these projects are competitive based on staff review, and the \$500,000 is an upper limit which is used on a work order basis.

Councilor Bushee said there are other contractors of this nature in the area. She said Councilor Ortiz has a conflict of interest and can't talk about this. She wants to see transparency and competitiveness.

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

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

Chair Wurzbarger reminded Councilor Bushee of the discussion at the Finance Committee meeting on Monday, that this issue will be discussed at the next Public Works Committee meeting.

DISCUSSION AND ACTION ITEMS

19. **REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF A PROJECT CONSISTING OF UPGRADES TO THE CITY'S WATER UTILITY SYSTEM, INCLUDING INSTRUMENTATION OF PUMPING SITES TO MONITOR ENERGY USAGE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT 2392-DW 2010. (DALE LYONS)**

Dale Lyons presented information regarding this matter from his memorandum in the packet.

Councilor Bushee asked if they are pursuing solar at the site.

Mr. Lyons said this is utility-wide, so it will be done at every site. He said Albuquerque did a similar project with Bernalillo where its PNM meters were instrumented with telemetry, so they were able to relay real time usage to the control center. They were able to use that information to reduce peak energy usage from 14% to 4%. He said the City utility operates at about 40% on peak usage, primarily because of the topographical features we have to pump up and over, and we don't have an entirely gravity fed system such as Albuquerque. He said we are at a bit of a disadvantage, but there is a lot of room for improvement.

Councilor Bushee asked "what measures would you take."

Mr. Lyons said we'll focus on filling tanks at night when water is cheaper and drawing down those tanks during the day and not operating our pumps. He said the habit has been to keep tanks full all of the time, but this will take the element of human decision out of it to a degree, and automate the functioning of the system, so on peak usage can be minimized.

Responding to Councilor Bushee, Mr. Snyder said all tanks are functional. He believes it will pay for itself. He said there are no other alternatives to pumping, commenting we always take a look at the cheapest source of water at any time, with the pumping that we have to do to deliver water from one part of the system to another. This will allow us to use less energy and lower our overall energy costs.

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

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

20. APPEAL TO THE DENIAL OF A MASTER WATER METER TO SERVE THE SANTA FE MOBILE HOME HACIENDA, PURSUANT TO SFCC §22 (BRIAN SNYDER)

Brian Snyder presented information from his Memorandum of May 24, 2010, and his letter to Jennifer Jenkins of May 14, 2010, both of which are in the Committee packet, noting in his letter of May 14, 2010, to Ms. Jenkins he advised he can't approve this request, outlining the reason, and proposing an alternative.

Jennifer Jenkins, JenkinsGavin Design and Development, on behalf of Santa Fe Mobile Home Hacienda, demonstrated the subject site on an enlarged drawing. She said the property has been there for 40 years. She said in conjunction with the annexation, the property owner has been working with the City for a connection on Hernandez Road, noting there is a platted right-of-way, and a 12 inch water line is being laid as a part of the Entrada Contenta expansion. She said the owner could hook into the water line which is available.

Ms. Jenkins said, however, there is an on site requirement for individual metering, and to do this would mean ripping out all existing on-site infrastructure, and replacing the infrastructure for individual metering. She said to replace the existing infrastructure would cost about \$1 million.

Ms. Jenkins said, as an alternative, they are requesting a master meter, and to allow the existing infrastructure to stay in place, noting the individual metering already is being done by a private company. She said Santa Fe Mobile Home Hacienda is proposing to pay the expansion charge. She said they believe this is a waste of infrastructure, resources and money to go through the process required by the City. She said there currently is a shared well with separate infrastructure to the existing units.

Responding to Councilor Bushee, Mr. Snyder said the City's ordinance/policy would require the property to be brought to City standards in terms of infrastructure and metering.

Mr. Snyder said the proposed alternative would get to the same goal of allowing the current system to remain in place. He said the proposal is to accept the existing water system but they would have to comply with the items as outlined in his letter to Ms. Jenkins. Please see page 3 of the letter for the details of a preferred alternative/recommendation of staff for Hacienda to consider moving forward and swapping out the meters with City meters, which would be eligible under the City's rebate program.

Ms. Jenkins, responding to Councilor Bushee, agrees that the City staff is trying to work with them to resolve the issue.

Councilor Bushee reiterated that whatever is done has to be done to City Standards.

Mr. Snyder said an additional item, referenced in his May 14th letter is a maintenance agreement, with regard to City staff response in the event of a major water leak, which is part of the alternative..

Councilor Bushee asked Mr. Snyder if he is comfortable with following the alternative he proposes in his letter.

Mr. Snyder said he would have to evaluate the condition of the system, the water tightness and such, along with the cost to the City, before recommending this alternative to the City Council..

Councilor Ortiz asked the reason that the staff proposed alternative is unsatisfactory to the applicant, and asked the reason for this course of action..

Ms. Jenkins said the first preference is the master meter, although the alternative has merit. She said the purpose of this course of action was to go through the process and to get this on the agenda for consideration and a decision.

Councilor Ortiz asked if the mobile homes lots are rented.

Ms. Jenkins said the spaces are rented, noting that the company that owns the water also owns

the mobile home park. She said the meters are read monthly, remotely by Valley Computer Service, and then the residents pay the amount billed to them to the Hacienda Management.

Responding to a question from Councilor Ortiz, Gail Acock, Hacienda Manager, indicated to Ms. Jenkins that Hacienda matches the City's rates in what it charges the residents for water use, and Hacienda has been using the City rates since the late 1970's or early 1980's.

Councilor Bushee expressed concern about setting precedent with whatever we do, pointing out that this is just the beginning of these kinds of requests which will come about more frequently as the result of the annexation and the residents of the presumptive City limits become more acquainted with the requirements of the City. She pointed to the City water bank which can be used to provide water. She said it is the responsibility of the individual property owner to use its proceeds to capitalize the amount needed to improve its infrastructure in this situation, just as the City has to do with its own water infrastructure and other infrastructure of the City.

MOTION: Councilor Ortiz moved, seconded by Councilor Bushee, to deny this request and uphold the decision of staff, with direction to staff to give further clarity on the staff approved alternative, if the applicant wants to drop the appeal.

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 matters from staff.

MATTERS FROM THE COMMITTEE

Councilor Ortiz noted the PUC is going to a once a month meeting schedule.

Mr. Snyder, responding to questions from the Committee, said his understanding is that SWMA approved the rate increase, but the rates as published in the proposed Ordinance were the same as the current rates, and that SWMA will now have to go back through the process of adopting an Ordinance increasing the rates.

Chair Wurzburger would like an update in this regard on the next PUC agenda.

NEXT MEETING: WEDNESDAY, July 7, 2010

Councilor Bushee said she won't be able to attend next month's meeting.

ADJOURN

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

Rebecca Wurzbarger, Chair


Melessia Helberg, Stenographer