



Agenda

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, SEPTEMBER 1, 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 AUGUST 4, 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. Las Campanas Update. (Marcos Martinez) **VERBAL**
9. City Intervention in Case No. 10-086-UT, in the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates. (Marcos D. Martinez and Nicholas Schiavo) **VERBAL**
10. Update on Approval of the Design and Construction Contracts for the BDD Parallel Pipeline Between BS3 and BS4. (Rick Carpenter)
11. BDD Project Recruitment and Hiring Status Report. (Rick Carpenter & Steve Hoffman)

CONSENT CALENDAR

12. BDD Project Manager's Monthly Project Exception Report. (Rick Carpenter)
13. Request for Approval of a Professional Services Agreement Between the City of Santa Fe and Santa Fe Water Association in Support of the City's Watershed Management Project for the Amount of \$339,400.00 Exclusive of NMGR. (Dale Lyons)

14. Presentation, Discussion and Possible Action on the Draft Comprehensive Solid Waste Management Plan – Facts, Conclusions, Recommendations (Santa Fe Solid Waste Management Agency, Zia Engineering) (Regina Wheeler)
15. Request for Approval of Change Order No. 3 to the Contract Between the City of Santa Fe and TLC Plumbing and Utility for the Amount of \$381,172.45 for Final Payment on the Transmission and Distribution System Rehabilitation Project, CIP # 3028 – Bid # '09/29/B. (Stephanie Reynolds)
16. Request for Approval of Procurement Under a City of Albuquerque Contract – Purchase of One (1) Sewer Cleaning Vehicle (Vactor Truck); Pete's Equipment Incorporated. (Bryan Romero)
17. Request for Approval of Amendment No. 3 to the Professional Services Agreement Between the City of Santa Fe and Amy C. Lewis to Provide the Planned Gaging and Infrastructure Improvements and Bathymetry Required in the Water Management Component of the Watershed Management Plan for the Total Amount of \$110,386.00 Exclusive of NMGRT. (Dale Lyons and Claudia Borchert)
18. Request for Approval of Bid No. '11/07/B to Star Paving for the Avenida Cristobal Colon Pavement Restoration Project – CIP # 3035 for the Amount of \$50,310.00 Excluding NMGRT. (Bill Huey)

DISCUSSION ITEMS AND ACTION ITEMS

19. Request for Approval of Resolution No. 2010-_____. A Joint Resolution Urging new Mexico's Congressional Delegation To Support Immediate Congressional Action to Authorize Legislation Allowing Property Assessed Clean Energy Programs (PACE). (Nick Schiavo) (Councilor Bushee, Councilor Romero and Councilor Wurzbarger)
20. Request for Approval of Ordinance No. 2010-_____. An Ordinance Amending Section 25-5.6 SFCC 1987 Regarding Temporary Water Rate Increases in Times of Water Emergencies; Repealing and Readopting Rate Schedules 1C, 1D and 1E of Exhibit B, Chapter 25 SFCC 1987 to Increase Water Rates to Supplement Lost Revenue From Low Income Credit Customers; Creating a Water Rate Charge That Would be Implemented in Times of Water Emergencies; and Amending Rate Schedule 11 of Exhibit B, Chapter 25 SFCC 1987 Regarding Rates and Conditions for the City's Potable Water Fill Station. (Brian Snyder) (Councilor Wurzbarger)
21. Request for Approval of Resolution No. 2010-_____. A Resolution Amending Resolution No. 2010-16 Exhibit A, Guidelines for the City's Rebate Program for the Installation/Retrofit of Efficient Water Conservation Technologies. (Dan Ransom) (Councilor Calvert)
22. Request for Approval of the Water Rights Purchase Agreement Between the City of Santa Fe and Hinkle, Hensley, Shanor and Martin, LLP and Agora II, LLC. (Marcos Martinez)

23. Request for Approval of Bill No. 2010-_____. An Ordinance Creating a New Article 25-13 SFCC 1987 Regarding the Santa Fe River Target Flow For a Living River Initiative. (Brian Drypolcher)(Mayor Coss, Councilor Romero and Councilor Wurzburger)
24. Request for Approval of Resolution No. 2010-_____. A Resolution Adopting Requirements for the Water Conservation Rebate Program for Home Owner Associations and Condominium Associations With Water Master Meters. (Brian Snyder) (Councilor Romero)

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: WEDNESDAY, OCTOBER 6, 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, September 1, 2010

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ITEM**ACTION****PAGE****CONSENT DISCUSSION**

REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE WATERSHED ASSOCIATION IN SUPPORT OF THE CITY'S WATERSHED MANAGEMENT PROJECT FOR THE AMOUNT OF \$339,400.00, EXCLUSIVE OF NMGR

Approved [amended]

9-14

DISCUSSION AND ACTION ITEMS

REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A JOINT RESOLUTION URGING NEW MEXICO'S CONGRESSIONAL DELEGATION TO SUPPORT IMMEDIATE CONGRESSIONAL ACTION TO AUTHORIZE LEGISLATION ALLOWING PROPERTY ASSESSED CLEAN ENERGY PROGRAMS (PACE)

Approved

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REQUEST FOR APPROVAL OF ORDINANCE NO. 2010- _____. AN ORDINANCE AMENDING SECTION 25-5.6 SFCC 1987, REGARDING TEMPORARY WATER RATE INCREASES IN TIMES OF WATER EMERGENCIES; REPEALING AND READOPTING RATE SCHEDULES 1(C), 1(D) AND 1(E) OF EXHIBIT B, CHAPTER 25 SFCC 1987 TO INCREASE WATER RATES TO SUPPLEMENT LOST REVENUE FROM LOW INCOME CREDIT CUSTOMERS; CREATING A WATER RATE CHARGE THAT COULD BE IMPLEMENTED IN TIMES OF WATER EMERGENCIES; AND AMENDING RATE SCHEDULE 11 OF EXHIBIT B, CHAPTER 25 SFCC 1987 REGARDING RATES AND CONDITIONS FOR THE CITY'S POTABLE WATER FILL STATION

Recommend no rate changes

14-16

REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A RESOLUTION AMENDING RESOLUTION NO. 2010-16 EXHIBIT A, GUIDELINES FOR THE CITY'S REBATE PROGRAM FOR THE INSTALLATION/RETROFIT OF EFFICIENT WATER CONSERVATION TECHNOLOGY

Approved w/conditions

16-19

ITEM**ACTION****PAGE**

REQUEST FOR APPROVAL OF RESOLUTION
NO. 2010- _____. A RESOLUTION ADOPTING
REQUIREMENTS FOR THE WATER
CONSERVATION REBATE PROGRAM FOR
HOMEOWNER ASSOCIATIONS AND
CONDOMINIUM ASSOCIATIONS WITH WATER
MASTER METERS

Approved

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REQUEST FOR APPROVAL OF THE WATER
RIGHTS PURCHASE AGREEMENT BETWEEN
THE CITY OF SANTA FE AND HINKLE, HENSLEY,
SHANOR AND MARTIN, LLP, AND AGORA II, LLC.

Approved [correction]

19-20

REQUEST FOR APPROVAL OF BILL NO. 2010- _____.
AN ORDINANCE CREATING A NEW ARTICLE 25-13
SFCC 1987, REGARDING THE SANTA FE RIVER
TARGET FLOW FOR A LIVING RIVER INITIATIVE

Postponed to 11/152010

20-25

MATTERS FROM THE CITY ATTORNEY

None

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ITEMS FROM STAFF

None

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MATTERS FROM THE COMMITTEE

None

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NEXT MEETING: WEDNESDAY, OCTOBER 6, 2010

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ADJOURN

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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, September 1, 2010**

1. CALL TO ORDER

A meeting of the Public Utilities Committee was called to order by Councilor Rebecca Wurzbarger, Chair, at approximately 5:00 p.m., on Wednesday, September 1, 2010, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Rebecca Wurzbarger, Chair
Councilor Patti J. Bushee
Mayor David Coss
Councilor Matthew E. Ortiz
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 removed #18 from the agenda. He asked to move #14 to the Information Agenda after Item #11. He asked that Item #24 be combined with Item #21 for purposes of discussion because the Memorandum references both.

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

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Mayor Coss moved, seconded by Councilor Trujillo, to approve the following consent agenda as amended.

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

CONSENT CALENDAR

12. BDD PROJECT MANAGER'S MONTHLY PROJECT EXCEPTION REPORT. (RICK CARPENTER)
13. *[Removed for discussion by Councilor Bushee]*
14. *[Removed for discussion by staff]*
15. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 3 TO THE CONTRACT BETWEEN THE CITY OF SANTA FE AND TLC PLUMBING AND UTILITY FOR THE AMOUNT OF \$381,172.45, FOR FINAL PAYMENT ON THE TRANSMISSION AND DISTRIBUTION SYSTEM REHABILITATION PROJECT, CIP #3028 – BID # '09/29/B. (STEPHANIE REYNOLDS)
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER A CITY OF ALBUQUERQUE CONTRACT – PURCHASE OF ONE (1) SEWER CLEANING VEHICLE (VACTOR TRUCK); PETE'S EQUIPMENT INCORPORATED. (BRYAN ROMERO)
17. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND AMY C. LEWIS TO PROVIDE THE PLANNED GAGING AND INFRASTRUCTURE IMPROVEMENTS AND BATHYMETRY REQUIRED IN THE WATER MANAGEMENT COMPONENT OF THE WATERSHED MANAGEMENT PLAN FOR THE TOTAL AMOUNT OF \$110,386.00, EXCLUSIVE OF NMGR. (DALE LYONS AND CLAUDIA BORCHERT)
18. REQUEST FOR APPROVAL OF BID NO. '11/07/B TO STAR PAVING FOR THE AVENIDA CRISTOBAL COLON PAVEMENT RESTORATION PROJECT – CIP #3035 FOR THE AMOUNT OF \$50,310.00, EXCLUDING NMGR. (BILL HUEY)
This item was removed from the Agenda

5. APPROVAL OF MINUTES FOR THE August 4, 2010 MEETING.

MOTION: Councilor Ortiz moved, seconded by Mayor Coss, to approve the minutes of the meeting of August 4, 2010, as submitted.

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

INFORMATIONAL ITEMS

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

Ms. Wheeler noted the Status Report is included in the Committee packet, and said she will stand for questions.

Councilor Bushee asked how the new recycling at the Parks and Railyard working.

Ms. Wheeler said it is working well, noting they are expanding cooperation with the Parks Department, understanding more about how the Railyard events happen, and where they can tie into that, as well as increasing consistency in providing recycling in those venues.

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

Mr. Archuleta said his report is in the Committee packet.

Chair Wurzbarger asked that this be placed on the consent agenda for future meetings. .

8. LAS CAMPANAS UPDATE. (MARCOS MARTINEZ)

Mr. Martinez said since the last PUC meeting, Las Campanas has indicated it will send the City a check for \$50,000. Staff has identified a check sent previously to the City by Las Campanas in the amount of about \$41,000. Mr. Martinez said the balance has now been narrowed from about \$350,000, to approximately \$17,000 which is outstanding.

9. CITY INTERVENTION IN CASE NO. 10-086-UT, IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO FOR REVISION OF ITS RETAIL ELECTRIC RATES. (MARCOS D. MARTINEZ AND NICHOLAS SCHIAVO)

Mr. Martinez said the City has intervened in the proposed PNM rate increase case with the Public Regulation Commission, which will impact the City and the BDD project. PNM is proposing to raise the Rate 11B type of rates which are water and wastewater. He said the City's position is almost the same as that of the Albuquerque/Bernalillo County Water Company.

Mr. Schiavo said PNM has proposed an 18.5% increase through the first phase, and 7% in the second phase, for a total increase of 25.5%, noting the final increase is still to be decided.

Mayor Coss asked if this intervention is specific to the water and wastewater pumping rate category.

Mr. Martinez said this is the area of our greatest concern, but it includes all rate classes.

Mr. Schiavo said the rates will increase across the board, but the percentages are different. He said most of the City is broken up between general power, small power, large power and industrial, which range between 10 and 17% in phase one, and 3.4% to 6.3% in phase 2. He said the proposal from PNM would increase rates in all rate classes.

Mayor Coss would like more information on what, in particular, the City will be objecting to, or if we are entering the City as a party so we can participate and be a part of this as it moves forward, commenting that this is an extremely steep rate increase.

Mr. Martinez said it depends on the amount of effort the City is willing to invest in the intervention. He said currently, we are choosing our arguments based on our objection to legal theories PNM is raising, rather than getting heavily involved in the discovery process, which would take an inordinate amount of time. The Albuquerque/Bernalillo Water Authority is heavily involved, and has outside consultants, so he is closely observing their positions to see where we can make an impact by raising legal arguments against PNM's proposed rate increases.

Mayor Coss asked if Council authorization is required to file the intervention.

Mr. Martinez said the intervention has been filed, but staff has made no substantive movements in the case, and at this point are monitoring for information to bring to this Committee and the City Council. He said the deadline for intervention was after the last PUC meeting, so it was felt it was necessary to timely file an intervention.

Councilor Wurzbarger said her recollections from the BDD is that the City was going to file an intervention as long as it didn't cost a lot of money.

Councilor Bushee asked if the County will be intervening in this case as well.

Mr. Martinez said the County chose not to intervene, given the fact that it felt the BDD would be intervening, and the County's interest would be aligned with the BDD.

Responding to Councilor Bushee, Mr. Martinez said the independent counsel for the BDD filed an intervention, which is in addition to the City's intervention. He said the Attorney General has voiced some concerns over the general rate class, and has intervened in this case.

10. UPDATE ON APPROVAL OF THE DESIGN AND CONSTRUCTION CONTRACTS FOR THE BDD PARALLEL PIPELINE BETWEEN BS3 AND BS4. (RICK CARPENTER)

Rick Carpenter presented an update in this matter from his Memorandum dated August 11, 2010, to the Finance Committee and City Council, which is contained in the Committee packet.

11. BDD PROJECT RECRUITMENT AND HIRING STATUS REPORT. (RICK CARPENTER & STEVE HOFFMAN)

Rick Carpenter presented an update in this matter from Steve Hoffman's Memorandum to him, dated August 24, 2010, regarding BDD Staff Recruitment and Hiring Status Update.

Councilor Bushee asked Mr. Carpenter to include the salary with the position in these reports in the future. She asked how many of the BDD employees are union.

Mr. Snyder said 28 of the 31 positions are union.

Chair Wurzbarger asked how many of the new positions hired live in Santa Fe.

Mr. Carpenter reported as follows:

- a. Fiscal Manager – Albuquerque.
- b. Facility Manager – Phoenix.
- c. Chief Operator – Utah.
- d. Safety Officer – Seattle
- e. Regulatory Compliance Officer – not local.
- f. Automation and Security Systems Administrator – current City employee.

Also, 3 of the Charge Operators which have been hired are current City employees.

Chair Wurzbarger said she hopes we can hire more locals as we move forward.

Councilor Bushee asked how many of these new employees will live in Santa Fe.

Mr. Carpenter said it is difficult to know, but it is hoped as we move down the hierarchy that a lot of local people will be recruited.

Councilor Bushee asked if those from Albuquerque will be commuting, noting the City can't require its employees to live in Santa Fe.

Mr. Carpenter said he doesn't know at this point, noting a lot of effort was made to recruit locally. He said it is also required to give union employees a "first look."

14. PRESENTATION, DISCUSSION AND POSSIBLE ACTION ON THE DRAFT COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN – FACTS, CONCLUSIONS, RECOMMENDATIONS (SANTA FE SOLID WASTE MANAGEMENT AGENCY, ZIA ENGINEERING). (REGINA WHEELER)

Ms. Wheeler presented an update on the draft Comprehensive Solid Waste Management Plan from materials in the Committee packet.

The Committee commented and asked questions as follows:

- Councilor Bushee said Ms. Wheeler suggested this partnership and plan could result in a cost savings. She said in her experience when waste intake is reduced it has generated a cost to the City as the primary customer of SWMA. She asked Ms. Wheeler to comment on the difference between their experiences.

Ms. Wheeler said there are complex issues in arriving at the bottom line dollar cost. She said, for example, if more is diverted to recycling there can be a concomitant reduction to the landfill which could mean a per ton increase at the landfill, noting they have been dealing with this issue due to the economic downturn. However, there are benefits, as well as costs.

- Councilor Bushee understands the environmental benefits, she just wanted to share her experience, and to send an indirect message that perhaps we need other customers.

Ms. Wheeler said one of the recommendations of the plan is that the landfill become a regional facility to become regional landfill to help to offset per ton costs.

- Councilor Bushee said the only problem with that are the long term cell costs, noting there are no recommendations.
- Chair Wurzbarger noted one of the issues she has with the report is that there are no recommendations, but there is process.

Ms. Wheeler said there are 10 recommendations listed on the last page of the report.

Chair Wurzbarger said then the recommendations are under the Guiding Principles and Priorities.

- Councilor Bushee said in the past she has been concerned that SWMA is inviting new partners, and she isn't opposed to that idea. However, she wants to be sure they buy into the system to the degree that the City has, and the original costs of the system and future cell development are somehow compensated.

Ms. Wheeler said the way the landfill funds its new cell development is that each ton that goes into the landfill pays for closure, new cell development, equipment replacement, environmental compliance and such, noting those costs are included in the per ton price, and a portion of those funds go into reserves for these costs.

- Chair Wurzbarger said the concern is that the original infrastructure costs, which were borne solely by the City, are not reflected in terms of the cost to new partners.

Ms. Wheeler said the former City Finance Director did review this question when we were discussing bringing-in outside waste, and found that the costs of the infrastructure development were paid by the first million tons which were buried in the landfill. She said the City paid up front for that cell development, whereas now, instead of a big up-front fee, it is paid on a per ton fee. She said a new partner would pay its similar share in paying a per ton fee.

Chair Wurzbarger said she would like to have a presentation where the City would be presented with options.

- Ms. Wheeler said they have narrowed the proposed recommendations to the 10 listed, and she is looking for feedback from the Committee prior to drafting the plan.
- Councilor Bushee said perhaps there would be a different rate for new partners in keeping with the market. Her experience is that in the future the City and County would be footing the bill for any newer and large infrastructure. She asked if #8 references hazardous waste, noting that is a concern in considering accepting waste from Los Alamos, for example. She asked if there is a rigid and strict environmental compliance, and if those were found at the landfill, how would those costs be recovered.
- Ms. Wheeler said this is good feedback in consideration of accepting out of County wastes. She said this is a much larger discussion which needs to be held when staff brings forward the recommendations, and details on costs, benefits and such will be provided at this time. She said at this point this is conceptual and staff and SWMA is recommending that it be considered, and staff is requesting feedback with regard to including it in the plan.
- Councilor Bushee likes the idea of a materials reuse/exchange program. She said we have been told in the past this couldn't be possible because of liability issues. She asked if things like ewaste can be done year round. With regard to composting, the City's wastewater treatment plant has a fabulous new composting arrangement, and wants to be sure SWMA is collaborating with them. It is a benefit to the citizens to get good, cheap compost.

Ms. Wheeler said she has similar concerns about the reuse/exchange program, but hopes they can work with the partners to talk about possibilities, such as partnering with Habitat for Humanity where we collect materials based on their specification and work with them to market those and they would come and get them. She said there is quite a bit of work left to be done in

implementing these things. She said the composting is mentioned as a recommendation, and she is partnering with Wastewater to inform the public about this.

- Councilor Bushee asked about banning specific recyclables and separating yard waste, annual household hazardous waste pickup.

Ms. Wheeler said there are bans on yard waste, noting prohibited materials are listed on the website. She said the bans encourage separating materials for recycling – incentivising recycling by making it cheaper to take it to the Buckman Road Transfer station than to the landfill. She said yard waste in regular pickups isn't rejected, but the large single loads of yard waste will be directed to BuRRT. She said the target is to open the household hazardous waste in April 2011, and if it isn't open by then they will look at a single event to provide service until the facility is open.

- Councilor Bushee asked if a cost benefit analysis has been done on building such a facility.

Ms. Wheeler said the SWMA Board has approved this multiple times, and finds it to be the right approach, and there will be a fee for customers who won't have to wait until an annual collection. It will decrease liability at the landfill because it keeps toxic materials out of the landfill. She said it is difficult to do a cost/benefit analysis on a potential risk.

Councilor Bushee said her concerns result from a discussion with Los Alamos and the staffing needed for such a facility. She asked to what level we have a hazardous household waste problem and if it merits a new facility.

Ms. Wheeler said it is not unheard of to have this kind of facility, and the SWMA Board made the decision that it is going to be built, and it is already funded.

Councilor Bushee said she is concerned about the costs which will be passed to the customers of Santa Fe which seems to be funding the whole network system. She will continue not to be happy with this plan if that is a part of it.

- Ms. Wheeler noted SWMA did revisit its costs, and proposes a reduction next year, and all of the costs for the hazardous household waste facility are built into the fee structure.
- Councilor Bushee said she doesn't know if hazardous waste collections have decreased over the years, and she is concerned that we are now building a new building. She asked the number of additional staff which would be required to run that facility, and Ms. Wheeler said no additional staff will be needed.

Chair Wurzbarger said she would like staff to do further work on a cost analysis to go to a full time facility when we have been doing this in two days annually, noting this is conceptually confusing to her. She would like to see the cost analysis which was done by SWMA to be shared with the Committee.

Councilor Trujillo invited Councilor Bushee to attend the SWMA Board meetings or to sit as a member of the Board.

Chair Wurzbarger said she will meet with Ms. Wheeler later to see what information can be shared with this Committee.

Councilor Ortiz said this was on the agenda for action but was moved to the Information Agenda, noting he too was expecting specific recommendations. He asked the cost benefit of items 1, 2, 4 and 5. He asked how items 6, 8 and 9 will be implemented, and what are the targets for 7. He said since this is a conceptual presentation, and we aren't acting on any of these recommendations, he hopes that these details and answers to the Councilors' questions will come back to this Committee for a more full discussion. He believes it would be a benefit to somehow reconfigure recycling at BuRRT, and spoke about his experience in trying to recycle paper.

Councilor Ortiz expressed appreciation for the work which has been done and especially appreciates that SWMA took a harder look at its budget and revised the budget to make it more palatable. He now wants to see how those numbers were adjusted and how it will impact it in the future.

Ms. Wheeler noted the City already has targeted a recycling rate of 30%, and we are at 8%, so we have work to go.

Responding to the Chair, Ms. Wheeler said implementation plans and such would follow this process which is making recommendations to SWMA.

Councilor Trujillo said we can work with Councilor Romero, SWMA Chair, to bring answers to these questions back to this Committee.

Randall Kippenbrock, SWMA Director, thanked the Committee for its input, and spoke about the work of SWAC, noting he wants to develop a plan which doesn't sit on the shelf and the idea is to develop a 5-year plan which is reviewed annually by SWAC. He spoke about the recommendation to take out of County waste which could be done by a Joint Resolution between the parties. He said he is suggesting only 2-3 additional entities which wouldn't stress the landfill. He stressed that new programs must have funding. He highlighted bans and how this can be greatly assisted by informing the public about banned materials.

CONSENT DISCUSSION

- 13. REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE WATERSHED ASSOCIATION IN SUPPORT OF THE CITY'S WATERSHED MANAGEMENT PROJECT FOR THE AMOUNT OF \$339,400.00, EXCLUSIVE OF NMGR. (DALE LYONS)**

Councilor Bushee said she pulled this item to find out more about the Santa Fe Watershed Association.

Mr. Lyons said Felicity Brennan, the new Executive Director of the Association, is in attendance this evening.

Councilor Bushee asked if this is an expanded program and funding, and asked where Brian "plays into this."

Mr. Lyons said all hikes in the Santa Fe Watershed which occurred prior to this date were not funded by a NMFA grant nor the City, although the City has paid for things such as "Adopt the River."

Councilor Bushee understood the Association to be a non-profit with which the City partners, but it now seems we are partnering even more in terms of funding.

Mr. Lyons said the Association was essential in developing the Watershed Plan in which we specified that the Watershed Association would have a large role in education and outreach, and funds were identified and requested from the New Mexico Finance Authority with funds to flow through a contract with the City. The \$339,000 will be spent over 3 years, noting the request was for 5 years of funding, and NMFA just advised that the City will have only 3 years to spend the money.

Councilor Bushee said her constituents are confused and it appears that the Association has been speaking for the City which it doesn't. She asked if the Association will be representing the City in this current effort.

Mr. Lyons said an important physical delineation is the upper watershed versus the municipal watershed which is downstream from the watershed which drains into the municipal reservoirs. He said the Watershed Management Plan is just for the upper watershed, so all of the work and funds will go for upper watershed and nothing downstream. He said Mr. Drypolcher has agreed to work on other things and not on the upper watershed.

Mr. Lyons asked about Councilor Bushee's references to issues where the Watershed Association has purported to represent the City.

Councilor Bushee said there were several outreach at Mary Ester Gonzales Center where she tried to express the distinction. She said, "Pamela spoke about the plan, then people were concerned about details and specifics, and really, that wasn't the charge of the Watershed Association in terms of the details and the specifics. They were just sort of the facilitators I guess of the meeting. So, I guess, I see the target audience, you know, its schools, school visits, but it's also the public high schools, and there's some tours through.... and I just want to make sure... I just want to understand the distinction... that Brian is not involved. Brian is not the liaison with them. They're doing a TV production, an insert to the brochure... I'm just trying to, you know... We've had people before that have represented the Watershed Association who've really kind of lobbied for specific things like the River... we got the River declared, you

know, the endangered river that it is. So, I'm trying to make a distinction between.... now it's a new role for the Watershed Association and how will they fill that role. Will it be like the past, or will it be different and how do we make a distinction between this is what the City has as a policy, and this is what goes forth out there in the world."

Mr. Lyons said the essential need for this contract with the Watershed Association is to do two things. One is to educate the ratepayers about the need for additional and ongoing thinning work in the watershed to maintain the reduced fire hazard, in new areas as well those already thinned, including wilderness. The other function is to develop support for payment for ecosystem services which is something new.

Councilor Bushee said in the past Fabian Chavez has been involved so we "didn't mess up the thinning projects." She said people get very attached to trees and things and she's a little concerned.

Mr. Lyons said we are trying to clear the way so there won't be PR issues with the additional thinning work which planned, and this is the reason for the education and outreach component. Mr. Lyons said he and Ms. and Borchert will coordinate this effort, noting the City is the client on the project.

Councilor Bushee asked if the City has to match the NMFA grant funds.

Mr. Lyons said the Water Trust Fund money covers the City's obligations under the 20-year plan for the first five years, and after that they are discussing a slight increase to cover the work required in the Plan, noting the increase is \$4 to \$9 per year per customer.

MOTION: Mayor Coss moved, seconded by Councilor Trujillo, to approve this request.

DISCUSSION: Mayor Coss said Councilor Bushee's points are well taken, and we need to look at the entire watershed, noting this particular project goes back to Paige Grant and the Watershed Association working with the City and Forest Service to initiate this thinning program in the watershed. He doesn't know if they were paid for the education. It was helpful through the NEPA and review process. He said there are always public objections when thinning projects or prescribed burns are done, but these are specific to the upper watershed which is managed primarily by the Forest Service, although the Association has been a part of this for about 10 years. He has found the Association to be very useful in responding to constituents in explaining the science, the policy the background, and to explain this to the school children and the public will be to our benefit, noting they have been doing this for about 10 years.

Councilor Trujillo asked how schools are targeted for the program.

Felicity Brennan, Association Director, said they have been calling individual teachers at as many schools as possible, so "it's very individual at all of the public schools in town, and Pamela has been working with certain teachers through the years, and she's also incorporating a lot of new schools and teachers."

Councilor Trujillo said then it is only certain schools and teachers.

Ms. Brennan said yes, commenting they really are excited about this contract, because it is expanding their reach so much.

Councilor Trujillo would like to see more than just certain schools and teachers, noting his children have been fortunate to be able to go up to the watershed which gave them a better love and understanding. He wants them to target every single school in Santa Fe, especially giving 5th and 6th graders the opportunity to see the watershed.

Chair Wurzbarger spoke about her tour of the watershed, expressing concern that if it often only an elite group which make this tour, and she would like to see a plan to broaden the participation in a targeted way. She said her question is who should be invited to go on those tours, rather than the Councilors, the Watershed Association or people who live on Canyon Road or District 2 people. She wants that participation broadened to reflect more diversity, because it's a wonderful experience. She said she and Councilor Trujillo have talked about the possibility of having a small fishing derby up there in a controlled manner to show the beauty of what is there.

Councilor Ortiz asked if the grant provides that the City pay about 25% for public outreach and education.

Mr. Lyons said this is the amount staff described to the Water Trust Board that we would spend.

Councilor Ortiz asked if it was on a cost basis or a percentage.

Mr. Lyons said this was determined as the amount needed in order to pay the way for ecosystem services and walk the City through another NEPA process for work in the wilderness in areas not contemplated previously.

Councilor Ortiz understood this was a grant to pay for the City's costs to do the work that needed to be done in the upper watershed, the actual thinning work.

Mr. Lyons said yes, the majority goes to the Forest Service through a collection agreement. We pay the Forest Service 50% to the thinning in the upper watershed. There is also a major component for water management which are infrastructure improvements for gauging, telemetry, water quality monitoring and education and outreach.

Councilor Ortiz said then of the \$1.3 million we received, half goes to the Forest Service for thinning work.

Mr. Lyons said it is a little more than half, approximately \$600,000 to \$700,000.

Councilor Ortiz said then \$700,000 goes to the Forest Service and \$369,000 goes to this group, which leaves about \$300,000 for all of the gauging, water quality and such the City has, and Mr. Lyons said yes.

Councilor Ortiz asked if the calculations for this work is in relation to the hard costs for the work the City has to do over 3 years – how did you arrive at these costs.

Mr. Lyons said staff identified the tasks to be accomplished in the plan and then determined the costs, and then developed a budget for 5 years. He said we wanted the Association to cover the City's obligation.

Councilor Ortiz said then our application was somewhat higher than the \$1.3 million and Mr. Lyons said no, it was for \$1.3 and we received everything we requested..

Councilor Ortiz said then we received everything we requested for 5 years, but this is being "chopped down" to 3 years, so in some ways we're receiving a windfall, and the Association is receiving a windfall if we award this contract, because they were going forward with the funds for 5 years.

Mr. Lyons said if we had received a 5-year grant, we would have had 5 years to do the work.

Councilor Ortiz said then if we had received a 5-year grant, we would have contracted with the Association to the same amount of work for 5 years, instead of having the same amount for 3 years.

Mr. Lyons said yes, but it is task driven.

Councilor Ortiz said the contract says, the contractor will develop two classroom programs and one field visit for 10 classes serving approximately 250 students per school year for three years, so that has a cost of whatever the amount is divided by 3 or by 5.

Mr. Lyons said if it was for 5 years, we would have done fewer programs in a given year.

Responding to Councilor Bushee, Mr. Lyons said he still intends for the money to cover the City's obligations for the first 5 years, although it is only for 3 years. He said it is task driven, and he envisions accomplishing the original tasks in 3 years instead of 5 years with the same amount of money.

Mr. Snyder said the reduction to 3 years was not the City's choice, but that of the Water Trust Board. If we exceed the 3 years, we would jeopardize any future funding from the Water Trust Board. He said based on the identified tasks, we had to come back and shrink the time from 5 to 3 years, and accomplish the same things within that time period.

Councilor Ortiz asked if there will be any outstanding tasks in year 4 which the City will be expected to fund outside of this grant, and Mr. Snyder said no, none he is aware of, and Mr. Lyons said there won't be any outstanding things to do in year four which will require additional funds.

Councilor Ortiz said when this comes to the Finance Committee he wants to see the list of tasks and the breakdown of the total grant by year.

Councilor Bushee said she is concerned that when we do the thinning there will be a group of people coming forward saying they don't want anything done in the watershed. She doesn't see that interface built into the plan as a task.

Councilor Ortiz said it is their responsibility to educate the public on the viability of the ecology to do what we need to do, and we can add thinning.

Mr. Lyons said the education and outreach program is also a responsibility of the Forest Service to hold public meetings and address any work in new areas.

Councilor Ortiz said the Watershed Association won't be able to take positions adverse to the Forest Service or the City as they could in the past.

Councilor Bushee said there is a philosophical difference, and there are practical concerns as well, which don't involve teaching school age children, and she would like to see a 50-50 emphasis. Councilor Bushee reiterated all of the problems which have occurred in the past.

Chair Wurzburger said those concerns can be addressed when this comes to Finance with the additional information.

FRIENDLY AMENDMENT: Councilor Bushee would like to "modify the motion to change the direction slightly and still approve the idea of them doing it." **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

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

DISCUSSION AND ACTION ITEMS

19. **REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A JOINT RESOLUTION URGING NEW MEXICO'S CONGRESSIONAL DELEGATION TO SUPPORT IMMEDIATE CONGRESSIONAL ACTION TO AUTHORIZE LEGISLATION ALLOWING PROPERTY ASSESSED CLEAN ENERGY PROGRAMS (PACE) (COUNCILOR BUSHEE, COUNCILOR ROMERO AND COUNCILOR WURZBURGER. (NICK SCHIAVO)**

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

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

20. **REQUEST FOR APPROVAL OF ORDINANCE NO. 2010- _____. AN ORDINANCE AMENDING SECTION 25-5.6 SFCC 1987, REGARDING TEMPORARY WATER RATE INCREASES IN TIMES OF WATER EMERGENCIES; REPEALING AND READOPTING RATE SCHEDULES 1(C), 1(D) AND 1(E) OF EXHIBIT B, CHAPTER 25 SFCC 1987 TO INCREASE WATER RATES TO SUPPLEMENT LOST REVENUE FROM LOW INCOME CREDIT CUSTOMERS; CREATING A WATER RATE CHARGE THAT COULD BE IMPLEMENTED IN TIMES OF WATER EMERGENCIES; AND AMENDING RATE SCHEDULE 11 OF EXHIBIT B, CHAPTER 25 SFCC**

1987 REGARDING RATES AND CONDITIONS FOR THE CITY'S POTABLE WATER FILL STATION (COUNCILOR WURZBURGER). (BRIAN SNYDER)

A Memorandum dated August 30, 2010, from Jason Mumm, StepWise Utility Advisors, to Brian Snyder, City of Santa Fe, regarding Summary of Low-Income Credit and Water Emergency Charges, is incorporated herewith to these minutes as Exhibit "1."

Councilor Ortiz said this is the result of Jason's presentation

Responding to Councilor Ortiz, Mr. Snyder said is at 120% of the current level. Mr. Snyder noted he handed out a Memorandum from Jason Mumm prior to the meeting [Exhibit "1"].

Mumm reviewed the information in Exhibit "1." Please see Exhibit "1" for specifics of this presentation.

Councilor Ortiz said when this was presented previously to this Committee, he thought the Committee asked what would happen if we just kept the status quo – same rates and no change in low income rebate – would there be a need for an additional increase.

Mr. Mumm said no, unless the level of participation in the program was increased. He said this cost of the program is approximately \$30,000 annually and is absorbed in the budget.

Mr. Mumm said 120% of the poverty level is the current qualification, and that stayed the same, and the marking aspect would be the objective as he understands it.

Councilor Bushee said she is unsure why we are doing this. She asked what happens if the City markets and the additional people don't participate.

Mr. Mumm said the objective was to meet the program guidelines and goals for wider participation, but if it doesn't happen, there would be a surplus of funds. The Council would have the discretion as to where to apply those funds, suggesting creating a reserve fund to be set aside for this program.

Councilor Bushee asked how many people have participated in the LIHEAP program.

Mr. Mumm said about 160 households of the eligible estimated 3,900 which could, but don't use the program.

Councilor Bushee is concerned we could have another drought, and in stage orange people are asked to use less water, but we charge them more. She is concerned about the end use. She is concerned we are going down this path at all, and won't be voting for this ordinance.

Mr. Snyder said in stage orange we want to curtail 20% of our water use. He said with all of the conservation we sell less water, but we still have infrastructure costs, and we have to have a balance.

Mr. Mumm said the assumption being used to generate this water emergency charge is that the budgeted costs of the division would continue ongoing, noting those primarily are fixed and don't change unless cuts are made, most probably in staffing. He said you wouldn't reduce total costs by 20% if you sold 20% less water, although it come down a little. He said the City would be in a revenue loss situation by selling 20% less water, and the idea behind the charge. However, that is an assumption they had to make to give a charge. The City has the option in these situations to cut costs drastically, but that is the City's own difficult decision.

Councilor Bushee said she isn't in the mood to prepare in that way, and believes we could cut costs. She said, "I honestly don't think we need to raise the rates at this point."

Councilor Trujillo agrees with Councilor Bushee, and doesn't like doing this as a Councilor or as a water user, and he can't vote for the increase.

Councilor Wurzbarger asked Councilor Bushee is against all elements, the low income charges as well as the water emergency charges.

Councilor Bushee said this is like the "toilet tax," where the surplus sits and won't be used and will be this "new little slush fund, and doesn't see the need to go there now. She asked the urgency in raising rates, noting very few people participate currently.

MOTION: Councilor Ortiz moved, seconded by Councilor Bushee, to recommend no change to the current rates.

DISCUSSION: Mayor Coss said with only 160 customers in the LIHEAP program, right now we can afford to wait. He supports staff, noting there are fixed costs we have to pay no matter what, and he believes the public understands that – if we sell less, we still have these costs. He said Mr. Snyder eliminate a lot of positions during the budget process, so they are trying to manage labor costs in the Water Company. He said he is not opposed philosophically, but we don't need to do this right now.

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

21. REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A RESOLUTION AMENDING RESOLUTION NO. 2010-16 EXHIBIT A, GUIDELINES FOR THE CITY'S REBATE PROGRAM FOR THE INSTALLATION/RETROFIT OF EFFICIENT WATER CONSERVATION TECHNOLOGIES (COUNCILOR CALVERT). (DAN RANSOM)

Items 21 and 24 were combined for purposes of presentation and discussion, but were voted upon separately.

Dan Ransom presented information regarding this matter from his Memorandum of August 23, 2010, with attachments, to the Public Utilities Committee, requesting the approval of the Resolution

amending the rebate program guidelines. A copy of the Memorandum and attachments are contained in the Committee packet.

Councilor Bushee asked how Mr. Ransom is changing the emphasis.

Mr. Ransom said some of the rebates will be less because there are less savings on water for some of the rebated purchases.

Councilor Bushee when she brought this up at Council and approving the money, she wanted to know when you will decide the emphasis on new programs. Is this going to be the program, noting the outdoor use is what kills us in the summer and she hasn't seen many new programs in this regard.

Mr. Ransom said it is in place, and when the program comes back, one of his personal goals is to do advertising. He said they found when they put information in the water bills and promoted the program there will be a good response. He said staff wants to promote all the programs so people know about them.

Councilor Bushee asked if we are deciding at this point what the programs will be, or is this just a report on the reemphasis. She was told that would be done here.

Mr. Ransom said this is a refinement, program. He said there is an irrigation program in place which includes the ET weather based controllers, rain switches, efficiency upgrades to irrigation systems.

Councilor Bushee asked at what point do you look at other programs, decide where you get the best bang for the buck and make a radical shift in this program. She is more interested in that than in a "tweaking" at this point.

Mr. Ransom said staff is preparing to update the Water Conservation Plan, and are looking at the WaterTrack software at the Water Efficiency Alliance, and with that we would incorporate a lot of information that would look at programs. He said with that information, you can look at what programs are working well, what programs you would like to implement to help reach your goals, and looking at the goals to reduce the per capita. He said we can look at new programs, what is working well, what to keep and new programs to implement.

Chair Wurzbarger said then we're not there yet.

Mr. Ransom said it is hoped to have those ready for approval in November.

Chair Wurzbarger said this will allow us to move forward with the program for these appliances, and spend less money, and leave money for other programs in the future.

Councilor Bushee said the emphasis is mainly on indoor things. She said the cost/benefit is the urgency for her, noting you can spend a lot of money moving appliances. She doesn't want all of the

money to be spent on washing machines if it isn't generating water savings.

Mr. Snyder said one point is that it is all about the amount of water that is saved, and the goal is to conserve water, whether a washing machine or a toilet. The rebates incentivize those conservations. He said the program isn't being expanded, it is being refined to be more accurate in Santa Fe, and not just based on AWE numbers. He said they do need to expand and update the Water Conservation Plan. However, in the first 7½ months of the year with a similar program they reimbursed \$830,000, which says there is a demand for this kind of program, noting they ran out of fund.

Councilor Bushee said she is in favor of saving water. However, outdoor water use spikes at a certain time of the year, and we aren't headed in this direction, although Mr. Ransom wants to move in that direction. Her concern is that these high dollar items may not save a lot of water, particularly here. She said the tool doesn't just give AWE national figures, it gives you a tool to track water efficiency in your area. She would rather wait and get a serious analysis of the water saved versus the money spent to get there. She feels this should be done before we start spending the money. She has been asking for this for a while, noting she has asked for a pilot programs for seniors who may have large lawns. She is looking for a creative innovative way to exact water savings.

Chair Wurzbarger said it sounds as if there will be a new plan in November.

Mr. Ransom said along with updating the plan, they will be using the water tracking software and they want to use that in updating the Water Conservation Plan.

Mayor Coss said it appears staff wants to start again, and we just approved \$750,000, but the concern is we might spend all of that on low flow washers, when outdoor irrigation efficiencies would have saved more. He asked if it would be helpful to say we want this to come back in November, with direction to staff to spend no more than a certain percentage before that time. He asked if staff can wait until November.

Mr. Snyder said staff can wait, but we get calls daily from customers wanting to know when we will bring the rebate program back. One of the challenges in November is that nobody is irrigating, because it's winter, and when do we roll-out the program again. Mr. Snyder asked if an outdoor irrigation system costing \$15,000 will receive a rebate. He said they may conserve more water, but there has to be a balance.

Councilor Bushee reiterated that she wants to redirect these rebates. She said these are popular items people want, commenting they are expensive. She said, "We've done the toilet thing and then we moved on to... these are the low hanging fruit. It's easy. It's easier to do and it's easier to quantify. I'm just asking that we get more creative. I'm not saying we should stop necessarily, but if... because they are expensive they go out the door fast, we won't have the opportunity to move on to other possibilities. That's my concern."

Chair Wurzbarger suggested perhaps limiting the money to be spent so we can respond to the community that wants to do this.

Councilor Trujillo asked how long it took to use the last rebates.

Mr. Snyder said it took 7½ months to use the \$861,000.

Councilor Trujillo said we are in fall and it will be six months before we start watering again. He asked if we will use all of this money in the next seven months.

Mr. Ransom said he doesn't know. He said there will be a new budget on July 1, 2011, and hopefully there will be some funding from new construction and development to replenish the fund. He said once we get more funding and the retrofit toilets are used, the money will be replenished more quickly.

Chair Wurzbarger suggested, given the timing, we can move forward with half of the money so we don't stop the program because we are getting calls from constituents who do like to do this.

MOTION: Mayor Coss moved, seconded by Councilor Ortiz, to approve this request, with the condition that no more than half the funds can be used.

FRIENDLY AMENDMENT: Councilor Bushee asked that "part of the motion is that we do have the presentation with the tracking tools by November, so that we have a plan in place for the spring." **THE MOTION WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

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

24. REQUEST FOR APPROVAL OF RESOLUTION NO. 2010- _____. A RESOLUTION ADOPTING REQUIREMENTS FOR THE WATER CONSERVATION REBATE PROGRAM FOR HOMEOWNER ASSOCIATIONS AND CONDOMINIUM ASSOCIATIONS WITH WATER MASTER METERS (COUNCILOR ROMERO). (BRYAN SNYDER)

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

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

22. REQUEST FOR APPROVAL OF THE WATER RIGHTS PURCHASE AGREEMENT BETWEEN THE CITY OF SANTA FE AND HINKLE, HENSLEY, SHANOR AND MARTIN, LLP, AND AGORA II, LLC. (MARCOS MARTINEZ)

Mr. Martinez reviewed the information in his Memorandum of August 19, 2010, to the Public

Utilities Committee regarding this matter. A copy of the Memorandum with attached Water Rights Purchase Agreement is in the Committee packet.

Mr. Martinez noted a typographical error in the Memorandum – the purchase price is \$85,650 and not \$86,650.

Councilor Ortiz asked if the water rights are tied to any particular development or use.

Mr. Martinez said no, that the owner's development "fell through," and they wanted to sell the water rates.

Councilor Ortiz asked if the \$15,000 per afy is a fair price, given the current real estate climate.

Mr. Martinez said yes, and the advantage it is a certain amount because the water transfer already has been completed.

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

DISCUSSION: Mayor Coss noted the Memorandum says, "\$15,000 per Acre-Foot per year," and that doesn't mean we pay that every year, and Martinez said no.

Councilor Bushee asked if these rights will be put into the water bank, and conceivably could be used as a giveaway for economic development.

Mr. Martinez said yes.

Councilor Bushee said, "I buy into this, but we have to get stricter on the other end in how we use it."

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

23. REQUEST FOR APPROVAL OF BILL NO. 2010- _____. AN ORDINANCE CREATING A NEW ARTICLE 25-13 SFCC 1987, REGARDING THE SANTA FE RIVER TARGET FLOW FOR A LIVING RIVER INITIATIVE (MAYOR COSS, COUNCILOR ROMERO AND COUNCILOR WURZBURGER). (BRIAN DRYPOLCHER)

A copy of the proposed Ordinance creating a new Article 25-13 SFCC 1987, regarding the Santa Fe River target flow for a Living River Initiative, which includes amendments, is incorporated herewith to these minutes as Exhibit "2."

Bryan Drypolcher presented information regarding this matter from his Memorandum of August 22, 2010 to the Public Utilities Committee, which is in the Committee packet.

Mayor Coss said Mr. Martinez handed out a new draft of the Ordinance with only him as a sponsor, and said Councilor Wurzbarger, Councilor Trujillo and Councilor Romero are also sponsors of the Resolution. He said he introduced the Ordinance so we can work on it. He said the Long Range Water Supply Plan said we will dedicate the 1,000 afy, which is contingent on the BDD being operational, noting it is expected to be operational next year and the Ordinance wouldn't take effect until then. He said it is important to do this because it formalizes a commitment we made in the Long Range Water Supply Plan, which we have done for the past two years by resolution.

Mayor Coss said the Ordinance gives us a platform to work with the State Engineer, and the Legislature if needed with regard to what we're trying to do to be sure it fits with State law and our permit, as well as with other water rights users in the basin. He said it also gives us a platform to work with the community, and that's what the procedures would be about. He said we don't want to release 1,000 afy and have a down stream user with or without rights to capture the water and use it for something else. He said we will need to work with the community and other water rights users to address this issue. He said the Ordinance does speak to emergencies and other sets of circumstances and for doing something different in those years.

Councilor Ortiz said he sees the revised version, instead of the one in the packet, as actually committing the City, as our first priority, for the first 1,000 afy to send water down the Santa Fe River. He said that 1,000 afy, especially in the revised language commits us do that. He said his recollection of the Long Range Water Supply Plan is that we included language which provided that, while we are committed to seeing a living river, nothing contained therein would somehow limit the ability of the City in drought or other emergencies to make particular changes. He said this language has been in each of the different Resolutions we have adopted, and that language is missing from this Ordinance. He reiterated that the language in the new draft gives first priority to the river, which might have been the intention.

Councilor Ortiz said when we can afford to send water downstream without any compensation or expectation that we would be able to collect on the water which otherwise would be processed and delivered to actual water customers, then we are 100% in sync with the priorities which have been outlined in this ordinance and in the other Resolutions. He said the rub will be is when we have a dry summer, and in that case then we have competing water management strategies. He said we have heard many times that the principal purpose of the Buckman Direct Diversion is not to gain new water or to use new water for new sources, but rather to rest the pumping of the Buckman wells.

Councilor Ortiz said one of the other ways we rest the Buckman wells is to utilize, to the extent possible, the water treatment plant in the canyon. He said the requirement to provide 1,000 afy to be discharged in any circumstance limits our ability to process that water through our water treatment plant. And, if we are limiting our ability to treat and send that water to our customers, we are limiting our ability to collect on that water and our ability to preserve the Buckman Wellfield because we will continue to have increased pumping. He asked, for example, in a dry year, not even a drought year, what would be the effect on our water system if we were to apply the 1,000 afy to circumstances that existed in 2000. He said if this was in place in 2002, the City would have had problems. He realizes we are saying we won't do this until the BDD is done, and punt to the administrative procedures in wet or dry years. However,

administrative regulations are by resolution and can be changed, but this is an Ordinance and harder to change. The 1,000 afy per year becomes the amount we have to discharge each year. He is uncomfortable with having that as a hard and fast amount, until he sees the language of the administrative procedures ties it to the ordinance.

Councilor Ortiz said he can quibble with the revised Ordinance, and asked the rationale for Paragraph C in the Findings, or add a sentence to Paragraph D that says yes, the City's origin was due to the existence of the River and for 400 years we've been drinking water from the Santa Fe River, and drinking water comes first.

Councilor Ortiz said the last sentence in Section 6, which he supposes gets to addressing the point he raises, which provides: "...The Administrative Procedures may provide that in wet or dry years less than the full target flow of 1,000 acre feet be placed into the River." Councilor Ortiz asked how, and in what circumstances. He asked if it is the same process we've been using, which was on the recommendations of staff and expert who know we need to do it, and if it is just for dry years, or are there emergency situations such as when a wellfield goes down, and we had to process more water out of the treatment plant because it is a drought year as well. He wants to see how a drought or emergency situation would be applied.

Mr. Drypolcher said there was an effort to give comfort to those concerns. He said Section 7 directs staff to develop the administrative procedures and stating that "The administrative procedures shall include, but are not limited to, the following:" Item 7(C) provides "Adjustments to the target flow or flow management program, or both, that may be required in conditions of higher or lower than normal water yield from the upper Santa Fe watershed or rainfall during the Target Flow Season." He said further, Item 7(D) provides "Adjustments to the target flow or flow management program, or both, due to an emergency."

Mr. Drypolcher said to provide further comfort for contingencies and the idea that all of those details aren't yet worked out within the ordinance, having the provision in Section 10: "Effective Date. This ordinance shall become effective following the governing body's adoption of the administrative procedures and after the Buckman Direct Diversion facility becomes fully operational." Item C, and in D section 10 shall be effective following adoption of administrative procedures. He said so the Ordinance wouldn't kick in until the Governing Body is satisfied that the administrative procedures address the concerns raised this evening.

Councilor Ortiz said, "Then conceivably, since we're pushing off the effective date for a year, we could push off the adoption of the Ordinance until we have both the administrative procedures and the ordinance is in place. Otherwise, why put this in place now. This is not an election year. And, this has been the 'election year' equivalent of two chickens in a pot. That's what the living river has been in the three-four campaign cycles that I have gone through. And, so why do an ordinance that we're not going to adopt for another year, when we don't even have administrative regulations to look at."

Mr. Drypolcher said, "There may be other answers. This provides a platform for a staff understanding of the intentions of the Governing Body and a platform from which we can go forward and execute the other provisions of the Ordinance."

Councilor Ortiz said, "And staff doesn't have sufficient understanding, or even a platform of understanding, based on the Resolutions we've passed previously. Is there something unclear in the Resolutions that the Council has passed for the two previous years."

Mr. Drypolcher said, "Again, it is my interpretation, that those two Resolutions don't provide the same kind of direction that this Ordinance does."

Councilor Ortiz said, "One of the questions I would have as this moves forward, or maybe comes back here, is some staff analysis of what's in this Ordinance that is not within the Resolutions that we have passed. That would be one of my requests. And the second request I would have is some explanation for this new section, Section 9 which provides: The City's identified ecological and social outcomes shall be set forth by Resolution of the City Council based upon recommendations of the Santa Fe River Commission, which shall be made in consultation with City Staff after not less than two public hearings in different locations."

Councilor Ortiz asked if the referred Resolution is this one, or some future resolution that we're going to pass based upon recommendations of the Santa Fe River Commission. He asked if they already have given those recommendations. He asked what is meant by "...in consultation with City Staff after not less than two public hearings in different locations." He asked if all of the predicates in Section 9 have been satisfied.

Mr Drypolcher said, "Now, I'll refer to our tag team. This is new language today that's also a little bit new for me, but there are others who might be able to answer that question."

Chair Wurzbarger asked if there's someone in attendance who can answer this question.

Mayor Coss said that language came from a member of the River Commission. He said the idea is that we need to go through the administrative procedures and a public process, and identify the ecological and social objectives that we want to have with the living river. He said this has been done partially through the Long Range Water Supply Plan and the past two years, through Resolution. He said the River Commissioner wanted to establish that there would be good public participation, and debated whether to include this in the Ordinance. He said we wanted to let the public know what we are doing and that we are planning a vigorous public program about how this will be implemented.

Mr. Martinez said this is his understanding of the proposed Ordinance.

Councilor Ortiz said then this Ordinance anticipates some future resolution that identifies this, so long as it goes through this process – that's what this language means.

Mr. Martinez admitted this language is new to him as well, but believes it was best expressed by the Mayor in that it recognizes a commitment to a public process. He believes that section could be rewritten to more clearly express that intent.

Councilor Ortiz asked if staff, the River Commission or certain River Commissioners are already working on administrative procedures.

Mr. Drypolcher said that is in process, and the deadline they've given themselves is early spring 2011.

Councilor Ortiz asked if it could be done by January 1, 2011, so we can have a discussion of both the Ordinance and the Resolution by January 1, 2011.

Mr. Drypolcher said the process which is anticipated could take a little more time than that.

Councilor Ortiz asked if that is a public process on administrative procedures outside the purview of the Committee structure.

Mr. Drypolcher said yes.

Councilor Ortiz asked if it is stakeholder participation, or an actual public process where the River Commission is going to vet administrative regulations in public meetings – what's being anticipated.

Mr. Drypolcher said it is anticipated that staff, along with the River Commission, would solicit input from the public, including significant stakeholders and others. He said there are a number of different considerations having to do with the flow regime, when to start and end the 1,000 cfs, how it is administered over time, including significant stakeholders and others. There are a number of different considerations being anticipated, including socio-economic consideration. They feel there are a number of stakeholders, including acequias, including those in the downtown area and those along the river, governmental agencies and other constituencies who would like to weigh in on the flow regime and the details of how the 1,000 cfs is administered.

Councilor Bushee said this isn't ready for prime time, noting they are talking about language which isn't in any of the documents before this Committee. She supports the previous Resolutions and wants to know more about this concept, but there are things in here that are "side conversations" which are written into an ordinance. She isn't comfortable with that. She wants to see the original Resolutions and the history of this issue the next time this is discussed before this Committee.

MOTION: Councilor Bushee moved, seconded by Councilor Ortiz, to postpone this item to the November meeting of this Committee, so we can get the information needed to discuss this matter, and direct staff to get a framework of the administrative procedures for discussion which would clarify the relative tradeoffs when we are in other emergency or drought situations, and to get some definitions on the new item that was introduced today, and the comparison between adopting this as an Ordinance instead of a Resolution.

DISCUSSION: Councilor Bushee doesn't see the urgency for the Ordinance, especially before the administrative procedures.

Chair Wurzbarger said she would like to see a draft of the administrative procedures which deal with the issues of what's been added about the ecology. She is also concerned about the issue of the pumping of the Buckman wells and resting. She said the administrative procedures need to thoroughly clarify the hierarchy of how things will happen, and how we deal with what we promised the community with respect to the BDD which needs to be integrated into this.

Councilor Bushee said 1,000 afy of water isn't a living river.

Mayor Coss wants to keep working on this and doesn't want it to stop until November. He said it might be worth \$15 million to the community to have a living river instead of a ditch through downtown. He said we made a commitment to the 1,000 afy when the BDD becomes operational, which addresses the issues of the well fields, because it is surface water through the BDD that we would be using. He is willing to add language discussing emergencies, breakdowns in equipment as well as drought and dry years. He likes the idea of contributing conserved water to the River, which will come out of the City's allotment to manage the reservoirs. He said this is a start. He intends to move forward. He said the issue in providing administrative procedures before we proceed is we want public input before we write those administrative procedures. He is concerned that could short-circuit the public input process.

Councilor Wurzbarger said that isn't her intent. She said this could be part of the public process which could run in the next two months. She said it really isn't clear what this means in terms of resting the wells.

Councilor Ortiz said we have to come up with a water quality system so there is a blend, a mix of water used. He said the use of the River water isn't just for the ecological, esthetic priorities we have established, and there are other considerations, and we need to decide how to blend those priorities for everybody.

Councilor Bushee also wants to explore the concept of using conserved water – if it is possible, and how.

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

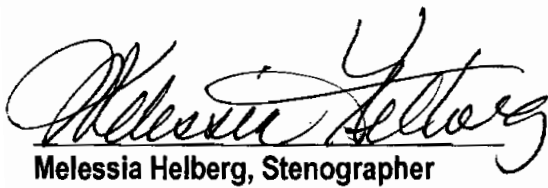
There were no items from the Committee.

NEXT MEETING: WEDNESDAY, OCTOBER 6, 2010

ADJOURN

The meeting was adjourned at approximately 7:25 p.m.

Rebecca Wurzburger, Chair



Melessia Helberg, Stenographer