



Agenda

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, MAY 4, 2011
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 APRIL 6, 2011 MEETING

INFORMATIONAL ITEMS

6. Wastewater Financial Update. **VERBAL** (Brian Snyder)
7. An Ordinance Amending chapter 7 SFCC 1987 Regarding Building and Related Codes; Adopting the 2009 International building Code, the 2009 International Residential Building Code, the 2009 International Existing Building Code the 2009 Uniform Mechanical Code, the 2009 Uniform Plumbing Code, the 2011 National Electric Code and Other Related Codes as Amended by the State of New Mexico and the City of Santa Fe. (Matthew O'Reilly and Stan Holland) (Mayor Coss)

PUC – 5/4/11
FC – 5/2/11
CC – 5/11/11 (Request to Publish)
CC – 6/8/11 (Public Hearing)
8. Public Utilities Department Timeline on Policy Direction. (Brian Snyder)
9. Update on Dry-Year Conditions. (Rick Carpenter)
10. Update on BDD Acceptance Progress and Transition from Construction/PATWU to Final Completion/Ownership and BDD City Operations, Including Future Staff Support Assignments to the BDD Board. **VERBAL** (Rick Carpenter)

CONSENT – INFORMATIONAL CALENDAR

11. Status Report on the Solid Waste Management Division (Includes Report on Financial Status). (Regina Wheeler)
12. BDD Project Manager's Monthly Project Exception Report. (Rick Carpenter)
13. Presentation of Nature Conservancy's Public Opinion Survey Results Concerning the Santa Fe Municipal Watershed Management Project. (Dale Lyons)
14. Fishing Derby Status Report. (Alan Hook)

CONSENT – ACTION CALENDAR

15. Request for Approval of a Professional Services Agreement Between the City of Santa Fe and Environmental Engineering and Technology (EE&T) for the Amount of \$91,830.00 Exclusive of NMGRT for the Performance of a New Initial Distribution System Evaluation that is Inclusive of the Water Supplied by the Buckman Regional Water Treatment Facility. (Alex Puglisi)

PUC – 5/5/11
FC – 5/16/11
CC – 5/25/11
16. Request for Approval of Change Order No. 1 for IC Tech, Inc., in Support of the Water Utility Energy Efficiency Project. (Dale Lyons)

PUC – 5/4/11
FC – 5/16/11
CC – 5/25/11
17. Request for Approval of Sole Source and a Professional Services Agreement Between the City of Santa Fe and Great Southwest Meters for the Amount of \$100,000.00 Exclusive of NMGRT. (Mike Gonzales)

PUC – 5/4/11
FC – 5/16/11
CC – 5/25/11
18. Request for Approval of Amendment No. 1 to the Professional Services Agreement Between the City of Santa Fe and Chavez Security, Inc. for Security Services at the City of Santa Fe Water Facilities for the Amount of \$348,589.12 Exclusive of NMGRT. (Mike Gonzales)
19. Request for Approval of Award of Professional Services Agreements for Engineering Services and for Construction Management Services for Reservoir Infrastructure Improvements Phase I, CIP # 3038, at McClure and Nichols Reservoirs. (Robert Jorgensen)

- A. Engineering Services Under RFP '11/15/P to Santa Fe Engineering Consultants, LLC in the Amount of \$391,655.43 Inclusive of NMGR.T.
- B. Construction Management Services Under RFP '11/16/P to Weaver General Construction Co. in the Amount of \$594,544.41 Inclusive of NMGR.T.
- C. Request for Approval of BAR in the Amount of \$391,655.00.

DISCUSSION ITEMS AND ACTION ITEMS

- 20. Request for Approval for the Wastewater Management Division to Provide a Coupon for "One Free Load of Compost" in the City of Santa Fe Utility Bills as Part of a Compost Marketing Effort. (Bryan Romero)

PUC – 5/5/11

FC – 5/16/11

CC – 5/25/11

- 21. Request for Approval of Bill No. 2011-_____. An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement by and Between the New Mexico Water Trust Board and the New Mexico Finance Authority (the "Lenders/Grantors") and the City of Santa Fe (the "Borrower/Grantee"), in the Aggregate Amount of One Million Five Hundred Thousand Dollars (\$1,500,000), Being a Loan in the Amount of Three Hundred Thousand Dollars (\$300,000) and a Grant in the Amount of One Million Two Hundred Thousand Dollars (\$1,200,000) Evidencing an Obligation of the Borrower/Grantee to Utilize the Loan/Grant Amount Solely for the Purpose of Financing the Costs of the Planning, Design and Construction of Improvements to the Borrower/Grantee's McClure and Nichols Reservoirs That Feed the Canyon Road Water Treatment Plant, and solely in the Manner Described in the Loan/Grant Agreement; Providing for Payment of the Loan Amount Solely From Pledged Revenues; Certifying That the Loan/Grant Amount, Together With Other Funds Available to the Borrower/Grantee, is Sufficient to Complete the Project; Approving the Form of and Other Details Concerning the Loan/Grant Agreement, Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With this Ordinance; and Authorizing the Taking of Other Actions in Connection With the Execution and Delivery of the Loan/Grant Agreement. (Alan Hook)

- a. Request for Approval of Water Project Fund Loan/Grant Agreement (No. 203-WTB); New Mexico Finance Authority.
- b. Request for Approval of BAR in the Amount of \$1,500,000.

PUC – 5/4/11

FC – 5/16/11

CC – 5/25/11 (Request to Publish)

CC – 6/29/11 (Public Hearing)

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: WEDNESDAY, JUNE 1, 2011

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, May 4, 2011

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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, May 4, 2011**

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, May 4, 2011, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Rebecca Wurzbarger, Chair
Councilor Christopher Calvert
Councilor Matthew E. Ortiz
Councilor Ronald S. Trujillo

MEMBERS EXCUSED:

Councilor Patti J. Bushee

OTHERS PRESENT:

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

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

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

3. APPROVAL OF AGENDA

Mr. Snyder said he would like to postpone Item #13 under the Consent-Informational Calendar, to the June meeting.

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

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Calvert moved, seconded by Councilor Trujillo, to approve the following Consent Action Calendar and Consent Informational Calendar, as presented.

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

CONSENT – ACTION CALENDAR

15. REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND ENVIRONMENTAL ENGINEERING AND TECHNOLOGY (EE&T) FOR THE AMOUNT OF \$91,830.00, EXCLUSIVE OF NMGR T FOR THE PERFORMANCE OF A NEW INITIAL DISTRIBUTION SYSTEM EVALUATION THAT IS INCLUSIVE OF THE WATER SUPPLIED BY THE BUCKMAN REGIONAL WATER TREATMENT FACILITY. Committee Review: PUC – 05/04/11; FC – 05/16/11; and CC – 05/25/11.
16. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 FOR IC TECH, INC., IN SUPPORT OF THE WATER UTILITY ENERGY EFFICIENCY PROJECT. (DALE LYONS) Committee Review: PUC – 05/04/11; FC – 05/16/11; and CC – 05/25/11.
17. REQUEST FOR APPROVAL OF SOLE SOURCE AND A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND GREAT SOUTHWEST METERS FOR THE AMOUNT OF \$100,000.00, EXCLUSIVE OF NMGR T. (MIKE GONZALES). Committee Review: PUC – 05/04/11; FC – 05/16/11; and CC – 05/25/11.
18. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SANTA FE AND CHAVEZ SECURITY, INC., FOR SECURITY SERVICES AT THE CITY OF SANTA FE WATER FACILITIES FOR THE AMOUNT OF \$348,589.12, EXCLUSIVE OF NMGR T. (MIKE GONZALES)
19. REQUEST FOR APPROVAL OF AWARD OF PROFESSIONAL SERVICES AGREEMENTS FOR ENGINEERING SERVICES AND FOR CONSTRUCTION MANAGEMENT SERVICES FOR RESERVOIR INFRASTRUCTURE IMPROVEMENTS PHASE I, CIP #3038, AT McCLURE AND NICHOLS RESERVOIRS. (ROBERT JORGENSEN)

CONSENT – INFORMATIONAL CALENDAR

11. STATUS REPORT ON THE SOLID WASTE MANAGEMENT DIVISION (INCLUDES REPORT ON FINANCIAL STATUS). (REGINA WHEELER)
12. BDD PROJECT MANAGER'S MONTHLY PROJECT EXCEPTION REPORT. (RICK CARPENTER)

13. **PRESENTATION OF NATURE CONSERVANCY'S PUBLIC OPINION SURVEY RESULTS CONCERNING THE SANTA FE MUNICIPAL WATERSHED MANAGEMENT PROJECT. (DALE LYONS)** This item is postponed to the June 2, 2011 Agenda.

14. **FISHING DERBY STATUS REPORT. (ALAN HOOK)**

5. **APPROVAL OF MINUTES FOR THE APRIL 6, 2011 MEETING.**

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to approve the minutes of the meeting of April 6, 2011, as submitted.

VOTE: The motion was approved on a voice vote, with Chair Wurzbarger and Councilor Calvert voting in favor, no one voting against, and Councilor Ortiz and Councilor Trujillo abstaining. [STENOGRAPHER'S NOTE: The abstentions go forward as a vote with the majority.]

INFORMATIONAL ITEMS

6. **WASTEWATER FINANCIAL UPDATE. (BRIAN SNYDER)**

A Memorandum dated May 4, 2011, with attachments, to the Public Utilities Committee, from Brian K. Snyder, Public Utilities Department and Water Division Director, is incorporated herewith to these minutes as Exhibit "1."

Mr. Snyder reviewed his Memorandum of May 4, 2011, noting there is a Memo in the packet from Jason Mumm regarding impacts to the Wastewater Fund under a variety of scenarios. Please see Exhibit "1" for specifics of this presentation.

Chair Wurzbarger thanked Mr. Snyder and Mr. Mumm for providing this information.

Councilor Calvert asked for a brief presentation on Mr. Mumm's Memo.

Jason Mumm, StepWise Utility Advisors, viewed the information in his Memorandum dated May 4, 2011. Please see Exhibit #1 for the specifics of this presentation.

The Committee commented and asked questions as follows:

- Councilor Ortiz said then the impact of combining #1 and #4 leads us to what conclusion. He asked, if we were to choose Option 1 under Question #1, and a small immediate rate reduction under Item #4, how would those interplay with each other.

Mr. Mumm said he didn't examine that possibility, and doesn't know the answer to that question. He said what we looked at was one or the other. He said the closest he can give him, "Under Question #1 in the Memo, Option 2, allows you to use the GRT and then eliminate the increases, and that's the closest I could get to mixing those two ideas together."

- Councilor Ortiz said, then the closest you can get to both a rate reduction as well as a redirection of the gross receipts increment is Option 2 under Item #1, and Mr. Mumm said yes.
- Councilor Calvert Option #1 assumes the 30% rate increase we have already implemented will stay in place, and that isn't changed.

Mr. Mumm said yes.

- Councilor Calvert said this option doesn't allow for any kind of decrease in rates now, it does reduce the rate increases going forward.

Mr. Mumm said yes. The Council approved an increase of 4.7%, and Option #1 would reduce it to 2.5%. He said the Council didn't approve any rate increases beyond FY 13/14, in its previous approval, "and our revised plan looks out two more years. The 2.5% increase would extend to those two additional years."

- Councilor Calvert said we really can't compare that to what we have now, because it didn't go out that far.

Mr. Mumm said this is correct. This is what he is trying to say.

- Councilor Trujillo said then, with regard to Question #4, after 2016 there will be no more rate increases, and Mr. Mumm said this is correct.
- Councilor Trujillo asked what will happen to the reserves.

Mr. Mumm said the reserve would be \$10.4 million at that point, at the end of 2015/16, noting this is an estimate.

- Councilor Trujillo asked when we will need another rate increase.

Mr. Mumm said not until at least 2015/2016, because that is how far the financial plan goes out. He said every year, the Wastewater Division will be updating its financial plan which now goes out to 2015/2016. When the next update is done, it will extend out an additional year. He said right now, he knows of nothing which would cause the City to do more than 3%, but he is not sure.

Mr. Snyder said they will do an update every year to the Financial Plan, and there is some variability within rates in the revenues that are collected, based on the water that's consumed under the water revenue side, as well as that the water that is consumed affects the Wastewater revenues. He said there is variability on the way people use and conserve water. In addition, there is an outward looking CIP that has about \$18 million in projects which are planned and funded as part of our Finance Plan.

Mr. Snyder said there also is potential for variability on federal and state mandates. For example, they are looking at the phosphorous level in the River. He said if they reduce the phosphorous level for our discharge, that may require additional CIPs, but we can't predict that right now. This is the reason we ask our consultant Mr. Mumm to update the financial plan annually as well as come back with any updates from the federal or state regulatory level to be incorporated into the plan.

- Chair Wurzbarger said the range on the cash fund balance is from \$16.4 million to \$10.4 million, and asked if all 3 would work, noting the City has no requirement for a cash balance, and that is our projection of need based on the projects that we plan to do.

Mr. Mumm said the cash balances in the table show what the fund balance is projected to be. He said in financial planning it is necessary to make sure there is some amount of reserve that we aren't dipping below, and for planning purposes right now that amount is approximately \$7.5 million for all 3 options.

- Responding to Councilor Calvert, Mr. Snyder said he asked Mr. Mumm to assume that the \$1.1 million payment from the Water Fund to the General Fund was moved into the column to be used for the budget gap, and to look at it from the vantage point of what would be the impact.
- Councilor Calvert asked if the \$1.7 million and \$2.4 million are on top of the \$8.2 million, or does the "\$8.2 million end before these begin."

Mr. Mumm said the \$8.2 million ends before these begin and then these would come into play at this point.

- Councilor Calvert asked if the repayment from the Water Fund was \$500,000 a year instead of \$1 million, "can you give me a ballpark on what that would be."

Mr. Mumm said it would be marginal, less than 1% or in that range.

- Councilor Calvert said Mr. Mumm said basically the Water Division would have to borrow more money to pay this loan, but that's what they've done to date on the \$8.2 million they have paid back, and the \$8.2 million reflects not having the \$1 million on hand and borrowing extra money, and Mr. Mumm said yes.

- Chair Wurzburger said this proposal will be decided upon at the Finance Committee.
- Councilor Ortiz asked if it is expected we will have this presentation at Finance.
- Chair Wurzburger said no, and this is the reason all of the Councilors were invited to this presentation. She instructed staff, for those who couldn't attend, to contact those Councilors with the information and give them the opportunity to sit and go over the information with them, with the assumption that we won't have this information item again. We would just be including this in the options for balancing the budget. She asked if it fits with his view.
- Councilor Ortiz said yes, and based on the presentation, it sounds like the proposal Councilor Wurzburger introduced at the last Council meeting, that he cosponsored, dovetails to this item. He said that's what we're talking about here – it's really Option #2 under Question #1. The proposal was to scale back the proposed rate increases, and it can fit in Option #2 as presented to us, and would dovetail into the discussion at Finance about reallocating that portion of the GRTs.
- Chair Wurzburger said that's correct.
- Councilor Ortiz said he is still in support of that proposal, as discussed at Finance, and given the additional information, he sees nothing that requires us to reconsider that, and we just need to push that forward, noting it is an Ordinance amendment.
- Councilor Ortiz said he will direct staff to make sure that finds its way to the Agenda on the budget discussion so it can be part of the package of stuff we approve.
- Councilor Calvert said then we are going to give a copy of this to all Councilors, and the opportunity to meet with staff, and Chair Wurzburger said yes.
- Councilor Calvert asked, with regard to Option #2, if we are talking about, "A transfer of \$1.7 million could be sustained for approximately two consecutive years." He asked if this would be for the coming fiscal year and the fiscal year after that, which would be 2011/12 and 2012/13, and Brian Snyder said this is correct.
- Councilor Calvert said then in 2013/14, it would be reduced to \$1 million, and in 2014/15 it would be reduced to \$500,000.

Mr. Snyder said this is correct. He said beginning in 2014/15, it would be sustainable to have the \$500,000 from Wastewater to go into the future.

Chair Wurzburger thanked Mr. Mumm and Mr. Snyder for doing the work to get the information the Committee needed to understand our options.

7. **AN ORDINANCE AMENDING CHAPTER 7 SFCC 1987, REGARDING BUILDING AND RELATED CODES; ADOPTING THE 2009 INTERNATIONAL BUILDING CODE, THE 2009 INTERNATIONAL RESIDENTIAL BUILDING CODE, THE 2009 INTERNATIONAL EXISTING BUILDING CODE THE 2009 UNIFORM MECHANICAL CODE, THE 2009 UNIFORM PLUMBING CODE, THE 2011 NATIONAL ELECTRIC CODE AND OTHER RELATED CODES AS AMENDED BY THE STATE OF NEW MEXICO AND THE CITY OF SANTA FE. (MAYOR COSS) (MATTHEW O'REILLY AND STAN HOLLAND). Committee Review: PUC – 05/04/11; FC – 05/02/11; CC – 05/25/11 (request to publish); and CC 06/08/11 (public hearing).**

A copy of a Fiscal Impact Report with attachment regarding this request is incorporated herewith to these minutes as Exhibit "2."

Councilor Ortiz said he has heard from two contractors who are opposed to this change, because it will drive out local contractors who are familiar with the old Code, and this is really an attempt to get out-of-state, particularly Texas, contractors to come in and do this work, because Texas has been under this Code for some period of time. He asked Mr. O'Reilly if he has a response.

Mr. O'Reilly said that is incorrect. He said there was some opposition at one point in time when the City was considering adopting the International Plumbing Code and the International Mechanical Code, as opposed to the Uniform Plumbing Code and the Uniform Mechanical Code, noting the City was considering adopting those International Codes in addition to the Uniform Codes. He said this is not the proposal before the Committee this evening. What is before the Committee is to adopt the exact Codes which have been adopted by the State of New Mexico. He said the Codes to which Councilor Ortiz is referring, are the International Plumbing and Mechanical Codes which staff is not recommending for adoption at this time.

Chair Wurzbarger noted this is an informational item.

Mr. Snyder said the reason it is an informational item is that he wanted to bring to your attention the changes to the Code and how it relates to Public Utilities. He said that change is that a back flow prevention device is put on the sewer laterals to accomplish, in staff's opinion, much needed back flow prevention on sewer laterals. He said it's not the whole Code, but how it pertains to utilities as a small component of these changes, specifically in wastewater.

Councilor Calvert said the Memo talks about private sewer service lines, and asked for clarification if we are speaking of streets, such as Juan de Dios, or streets where it hooks into the City's line to the house – this is what private sewer service lines references, and Mr. O'Reilly said this is correct.

Councilor Calvert asked if any of these have anything to do with sprinklers, noting there was quite a discussion when the State was going through its Code revisions. He said we also were looking at Fire Codes as well, which may not be part of what you're talking about, and asked if this included in any of them.

Mr. O'Reilly said this is correct. What is before this Committee this evening are the 2009 family of codes which relate to building. It is not the Fire Codes, which will be before the Council very soon, noting the Fire Department has its own Ordinance, and believes that sprinklers are addressed in the Fire Code and not in the Plumbing and Mechanical Codes. He believes it is most important for Chief Salas to address that.

Councilor Ortiz said a number of systems were approved along Airport Road within the EZ as part of the annexation, which will have an issue to arise regarding private wastewater systems, either as individuals or a unit. He asked how we are preparing to deal with these issues as they "sort of sit on the horizon." He is speaking of the mobile home parks which will be annexed, and some of the subdivisions which were approved that are along or buttressing Airport Road. He asked if we are going to be faced with additional problems.

Bryan Romero said the City has been servicing the County for years with sewer. He said there are some developments, even within the City, which have elected to have private systems and those will remain private. He said currently we do maintain public sewer lines within the County that were built to standard, and will continue to do so, and won't be treated differently than what we do in the City limits. He said, for instance, the Subdivision at Vista Primera is a private system and will remain private. He said development agreements were issued in the 1990s, and each one of those need to be looked at further to see what the requirements are in the development agreement. He said each one has separate conditions, but most of those systems would be acceptable to the City as long they have proper easements and we go through a process to see that they meet City standards.

Councilor Calvert said asked about the fees on page 3 of the FIR. He asked if these are the new fees, and how much do they increase, noting the Memo talks about increases, but there was a range.

Mr. O'Reilly said those are costs to buy new sets of Codes, new sets of documents.

Councilor Calvert asked if he has set out the new fees for these, noting he saw a range in the Memo, and asked if it will change the permit fees or the cost to do it.

Mr. O'Reilly said this is simply adopting new codes that set out standards for construction and it doesn't deal with fees, noting the City's fees are set by ordinance, and those won't change.

8. PUBLIC UTILITIES DEPARTMENT TIMELINE ON POLICY DIRECTION. (BRIAN SNYDER)

Councilor Ortiz asked if this is a listing of all the requests that the Department has received from the Governing Body to pursue, or if this an expected list of projects that will be generated by the Department itself.

Mr. Snyder said at the last meeting, he did a presentation on goals, objectives, and policy direction we would be seeking. He said this is the follow-up to that discussion, and we were requested at that time to provide some anticipated timelines for each of the policy directions which staff came up with. He said these policy direction requests were generated by Public Utilities staff.

Chair Wurzburger said, for the record, these were generated at the request of the Chair, so we could see what our work load might be this year.

Councilor Ortiz said he doesn't know what the selection of Las Cienega area water offset alternative is, but believes it has to be related to the TEMP plan which is listed below.

Councilor Calvert said the issue in La Cienega prompted the discussion about the allotment to the race track, and this is coming up very soon. He said Ms. Borchert made a presentation on this issue about having to come up with the offsets for La Cienega.

Councilor Ortiz asked if it based on a claim made by La Cienega, noting he understands our policy historically, is that all of the water that comes out of the treatment facility is considered a City resource. And, to the extent there needs to be offsets, it is permissive, but not required by the State Engineer or anyone else. If that policy has changed, he would like to know.

Councilor Calvert said he understood Ms. Borchert to say the State is requiring that.

Marcus Martinez, Assistant City Attorney, said Councilor Ortiz is correct, and right now we have no obligation to provide effluent to the La Cienega area. However, the Buckman permit does require certain conditions of approval, among them that the groundwater pumping effect of the Buckman Wells is offset. He said there are a number of solutions, one of which are return flow credits. If the City pursues that, then there would be an obligation.

Mr. Snyder said as noted at last month's Public Utility meeting, a special study session on this topic is scheduled immediately prior to the June meeting, to discuss the alternatives, and expanding on what Ms. Borchert and Mr. Martinez talked about at the last meeting.

Councilor Ortiz said then as part of that discussion, options on return flow credits will be presented, and now that we have a diversion plant, we can put that into place, and Mr. Snyder said yes.

Councilor Calvert said it seems that two of the items under Water Division are related and be considered together.

Mr. Snyder said this correct, noting he was following the schedules from the last PUC meeting for the La Cienega projects. The TEMP plan also is following a schedule committed to in previous PUC meetings as to when it should come back to PUC. He said La Cienega is a direct subset of the Treated Effluent Management Plan.

Councilor Calvert said since La Cienega is time sensitive he would suggest moving it under the TEMP at a later date.

Councilor Ortiz said he agrees.

Chair Wurzburger said we might have a discussion earlier in the Fall.

Mr. Snyder said he is unaware of specific deadlines for La Cienega, but in conversations with the LFC, it comes up frequently, but at the same time we are moving forward with updating the TEMP plan.

Councilor Calvert said under the Solid Waste Division it says, "Collecting trash in Annexation II area as of a specified date like August 2012." It then says, "The County adopts Ordinance in August 2011." He asked who will made that decision.

Ms. Wheeler said the County has to adopt an Ordinance authorizing the City to pick up trash in these areas. She said because of the investment that has to be made, it is more appropriate for the County to designate a date by when we can start collecting trash. She said they are working with the County to develop that ordinance so they can adopt it.

Responding to Councilor Calvert, Ms. Wheeler said the capital costs and costs of the operation are included in the budget, but whether it is spent will be contingent on the adoption of the Ordinance.

Councilor Calvert said the last item under Solid Waste says, "Accepting waste from outside Santa Fe County in the Caja del Rio Landfill." He asked if this is that going to be decided by both Governing Bodies and/or SWMA.

Mr. Wheeler said yes, it will be decided by all 3 bodies, as pursued previously. She said this is an item from the Comprehensive Solid Waste Management Plan, and they recommended we look at this as a financial feasibility issue.

Councilor Calvert said it is good to know who is involved on some of these, and it isn't something the City will be doing on its own.

Ms. Wheeler said that can be modified.

9. UPDATE ON DRY-YEAR CONDITIONS. (RICK CARPENTER)

Rick Carpenter reviewed his Memorandum of April 27, 2011, to the Public Utilities Committee, which is in the Committee packet. He noted updated figures are that runoff in McClure Reservoir is at 2.50 million gallons per day, and last year it was 7 million gallons, and the year before at 16.3 million gallons per day, so it is quite dry.

Mr. Carpenter said staff does not believe water restrictions are necessary at this time, but due to the uncertainty of the current drought, and to avoid possible future restriction, they are asking citizens to have heightened awareness on water conservation and water use. He said a press release has gone out to this effect and they plan another.

Councilor Ortiz asked how this Summer is shaping up as compared to the Summer of 2002.

Mr. Carpenter said it not quite as dry, noting the issue in 2002 was that the reservoir was almost empty. The other difference is the infrastructure – the 5 new Buckman Wells and the BDD project.

10. UPDATE ON BDD ACCEPTANCE PROGRESS AND TRANSITION FROM CONSTRUCTION/PATWU TO FINAL COMPLETION/OWNERSHIP AND BDD CITY OPERATIONS, INCLUDING FUTURE STAFF SUPPORT ASSIGNMENTS TO THE BDD BOARD. (RICK CARPENTER)

Mr. Carpenter noted the BDD was completed on December 1, 2010, on schedule and under budget. He said a contractual construct, to which they refer as PATWU [Pre Acceptance Testing Warm Up], began on January 1, 2011, and lasted through March 31, 2011. He said this was a ramp-up period for the contractor to bring the plant up. He said a 30 day acceptance period began thereafter, and a more rigorous 7-day acceptance testing period wrapped-up successfully on May 1, 2011, and the biggest milestone of the project began that day – the transfer from the contractor to City employees as of this Monday.

Mr. Carpenter said there are another series of less significant milestones as they transition into substantial and final completion, which is scheduled September 15, 2011. He said tomorrow they will begin closing out the capital budget, and will be finished with that in the September time frame.

CONSENT DISCUSSION

No Consent items were removed for discussion.

DISCUSSION ITEMS AND ACTION ITEMS

20. REQUEST FOR APPROVAL FOR THE WASTEWATER MANAGEMENT DIVISION TO PROVIDE A COUPON FOR “ONE FREE LOAD OF COMPOST” IN THE CITY OF SANTA FE UTILITY BILLS AS PART OF A COMPOST MARKETING EFFORT. (BRYAN ROMERO)

Bryan Romero presented information regarding this matter from his Memorandum of April 25, 2011, to the Public Utilities Committee/Finance Committee/City Council.

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

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

21. **REQUEST FOR APPROVAL OF BILL NO. 2011- ____ . AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS") AND THE CITY OF SANTA FE (THE "BORROWER/GRANTEE"), IN THE AGGREGATE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), BEING A LOAN IN THE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS (\$300,000), AND A GRANT IN THE AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE PLANNING, DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO THE BORROWER/GRANTEE'S McCLURE AND NICHOLS RESERVOIRS THAT FEED THE CANYON ROAD WATER TREATMENT PLANT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS, CONCERNING THE LOAN/GRANT AGREEMENT, RATIFYING ACTIONS HERETOFORE TAKEN; REPEATING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT. (ALAN HOOK)**
- A. REQUEST FOR APPROVAL OF WATER PROJECT FUND LOAN/GRANT AGREEMENT (NO. 203-WTB); WITH NEW MEXICO FINANCE AUTHORITY.**
- B. REQUEST FOR APPROVAL OF BAR IN THE AMOUNT OF \$1,500,000.**
- Committee Review: PUC – 05/04/11; FC – 05/16/11; CC – 05/25/11 (request to publish); and CC 06/29/11 (public hearing).**

Alan Hook presented information regarding this matter from his Memorandum of April 28, 2011, to the Public Utilities Committee, which is in the Committee packet.

Councilor Ortiz asked what kinds of improvements we need to make to the reservoir.

Mr. Snyder said this is money we received through the Water Trust Board in the last fiscal year, and it is just now going through the process. He said there have been very few infrastructure improvements at the reservoir. These funds are to improve towers, valves, piping, safety related issues, metering and they are considering building a catwalk to the tower for maintenance and operation of valves. He said there is a Watershed Management Plan that dovetails with this, and they will be doing a lot of work in the watershed area with infrastructure and thinning.

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

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

22. MATTERS FROM THE CITY ATTORNEY

There were no matters from the City Attorney.

23. ITEMS FROM STAFF

There were no items from staff.

24. MATTERS FROM THE COMMITTEE

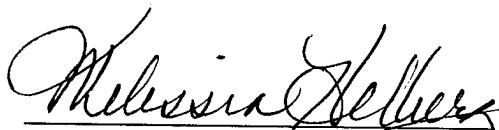
There were no matters from the Committee.

25. NEXT MEETING: WEDNESDAY, JUNE 1, 2011.

26. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 6:00 p.m.

Rebecca Wurzbarger, Chair



Melessia Helberg, Stenographer