



Agenda

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, AUGUST 15, 2007
5:15 PM**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FOR THE AUGUST 1, 2007 PUBLIC UTILITIES COMMITTEE MEETING

INFORMATIONAL ITEMS

6. Update on Current Water Supply Status. (Michael Gonzales)
7. Update on Solid Waste Division (Bill DeGrande)
8. Irrigation and Technology Upgrades in the City Parks. (Fabian Chavez)
9. Water Budget Update. (Claudia Borchert)
10. Status Report on Kopy Kaps. (Peter Ortega)
11. Report on Stocking of Rio Grande Cut Throat Trout in Santa Fe Reservoirs. (Alan Hook)

CONSENT CALENDAR

12. Request for Approval of Contract Amendment No. 1 to the Professional Services Agreement with Lee Wilson and Associates, Inc. for the Amount of \$90,000 Exclusive of NMGRT. (Dale Lyons)

DISCUSSION ITEMS

13. Request for Approval of Bill No. 2007-_____. An Ordinance Amending Section 25-1.11 SFCC 1987 regarding Water Service for Properties Outside City Limits. (Councilor Chavez)
14. Request for Approval of Bill No. 2007-_____. An Ordinance Amending Section 25-4.2 SFCC 1987 Regarding Water Rate Adjustments. (Councilor Chavez)

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: September 5, 2007

ADJOURN

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PUBLIC UTILITIES COMMITTEE
August 15, 2007**

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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
August 15, 2007**

1. CALL TO ORDER.

A meeting of the Public Utilities Committee was called to order by Councilor Miguel Chavez, Chair, at approximately 5:15 p.m., on August 15, 2007, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

Roll call indicated the presence of a quorum as follows:

MEMBERS PRESENT

Councilor Miguel Chavez, Chair
Councilor Carmichael A. Dominguez
Councilor Karen Heldmeyer
Councilor Ronald S. Trujillo

MEMBERS EXCUSED

Councilor Patti J. Bushee

OTHERS ATTENDING

Costy Kassisieh, Public Utilities
Stephanie Trujillo, Public Utilities
Melessia Helberg, Stenographer

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

3. APPROVAL OF AGENDA

MOTION: Councilor Trujillo moved, seconded by Councilor Heldmeyer, to approve the agenda as published.

VOTE: The motion was approved on a voice vote [absent: Councilor Dominguez].

4. APPROVAL OF CONSENT CALENDAR

MOTION: Councilor Heldmeyer moved, seconded by Councilor Trujillo, to approve the Consent Agenda as presented.

VOTE: The motion was approved on a voice vote [absent: Councilor Dominguez]

CONSENT CALENDAR

12. REQUEST FOR APPROVAL OF CONTRACT AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LEE WILSON AND ASSOCIATES, INC., FOR THE AMOUNT OF \$90,000, EXCLUSIVE OF NMGR. (DALE LYONS)

5. APPROVAL OF MINUTES FOR THE AUGUST 1, 2007 PUBLIC UTILITIES COMMITTEE MEETING.

The following correction was made to the minutes:

Page 8: "MOTION: ~~Commissioner~~ Councilor Dominguez..."

MOTION: Councilor Heldmeyer moved, seconded by Councilor Trujillo, to approve the minutes of the meeting of August 1, 2007 meeting, as amended.

VOTE: The motion was approved on a voice vote, with Councilors Heldmeyer and Trujillo voting in the favor of the motion, Chair Chavez abstaining, and Councilor Dominguez absent.

INFORMATIONAL ITEMS

6. UPDATE ON CURRENT WATER SUPPLY STATUS (Michael Gonzales)

A copy of the Weekly Water Report for the week ending August 12, 2007, is incorporated herewith to these minutes as Exhibit "1."

Mr. Gonzales reviewed the information in Exhibit "1."

Councilor Heldmeyer asked if we're ready for Indian Market week, and Mr. Gonzales responded that we are ready.

7. UPDATE ON SOLID WASTE DIVISION (BILL DeGRANDE)

A Memorandum dated August 15, 2007, to the Public Utilities Committee from William DeGrande, Solid Waste Management Division Director, is incorporated herewith to these minutes as Exhibit "2."

Bill DeGrande reviewed the information in Exhibit "2."

Councilor Heldmeyer said Mr. DeGrande was quoted in the paper about something brought to this Committee for information, with regard to going to a once a week recycling, and if so, if it would be based on a volume-based payment. She said when BRT was getting off the ground, Jason's said the best bang was in the commercial range which would require a rate change, and the passage of an ordinance. She asked the status of this.

Mr. DeGrande said he and Chandra discussed this yesterday, as well as going back to weekly curbside. All of these, including commercial, are tied to pay as you go. He wants to come to this Committee with everything in one package, including a plan for public schools and weekly recycling pickup, and put it all on the table at one time.

Councilor Heldmeyer asked if this would include a green waste recycling separate from what we're doing now.

Mr. DeGrande said he has wanted to do green waste for years, and he probably is about nine months away from that. He is looking at purchasing a new large item pickup which will be used to facilitate green waste, with the older one as a backup. Responding to Councilor Heldmeyer, Mr. DeGrande said it is planned to do this by the end of the year, and by the time it goes through the Committee process, it could be kicked off by April 2008.

Chair Chavez asked, as we continue to increase the volume and flow of recyclables into landfill, how we can know if BRT can keep up with the stream of recyclables. He would hate to see it backup, and asked if an overflow could wind up at the Landfill, and if we are planning ahead to ensure this doesn't happen.

Mr. DeGrande said BRT has a tremendous amount of excess capacity. He said, given that there can, and will, be equipment failures, any backup could go to the landfill, noting currently we are dealing with a capacity of 25 tons per day. He said Albuquerque does 60 tons a day for a much larger City and our equipment is much better. Mr. DeGrande said in the event we do run over 25 tons a day, the alternative is to have a second shift, and there is a capacity to install a second line which will cost little bit of money, but that is a long, long way off.

Chair Chavez said on Monday, he saw a female driver in Truck #558 who was doing an excellent job in collecting garbage on Agua Fria and Baca.

Mr. DeGrande said she is the only female driver and she is a very good worker. He will be putting her on the problem route with low hanging wires and such.

Councilor Dominguez arrived at the meeting at this time

**8. IRRIGATION AND TECHNOLOGY UPGRADES IN THE CITY PARKS.
(FABIAN CHAVEZ)**

Fabian Chavez presented information regarding this matter from his memorandum of August 8, 2007.

Councilor Heldmeyer is glad to see this many parks have been automated. However, she said the City has a 5-year plan to automate all of these by this point in time, and asked what happened.

Mr. Chavez said the initiation of the five-year plan started two years ago, and we are on target to finish within the five years, and if they continue to receive the current level of funds from CIP and maintain the current budget level, all the designated parks will be on automation within the next three years.

Councilor Heldmeyer said there was a lot of discussion about turf reduction, and one of the Resolutions which was passed in this regard provided specifically that the area around City Hall would be a demonstration xeric garden. She understands there has been a push from the public to have turf in certain areas which weren't anticipated. She asked how we are doing in moving away from turf.

Mr. Chavez said a Resolution passed in 2001 said the City shall not exceed its natural turf at that time, until otherwise directed. At this time, there is banked turf. At that time, artificial turf was installed at Alto Park and Salvador Perez, and they have reduced acreage of turf from 2001. He feels there is enough turf banked to develop play areas or small athletic fields and not exceed the turf allocation as of 2001. He said he has looked at the parks records with regard to park acreage and the park turf acreage didn't seem to be correct. This fall, now that they have two GPS hand-held units, staff will be redoing that study to come up with a correct figure for that turf acreage.

Councilor Heldmeyer said the past two years have been wetter than usual, but it is only a matter of time before we have another drought. She pointed out that the delay in the five-year plan was caused by a really bad drought, and we tried some things which didn't work. She wants to see us totally prepared for future droughts. She said complete implementation of the five-year plan is one of her top five priorities for the CIP list. She would like Mr. Chavez to prepare and present to this Committee, in the very near future, a budget to get all parks on automated systems and to do it all at one time.

Chair Chavez said on page 2 it indicates a park which is being watered manually, the Main library downtown, and asked what we are watering there.

Mr. Chavez said that is a really old system with valves which are used to water only the flower bed in front of the Library.

Chair Chavez said there is already a reduction of turf here, and asked if it shouldn't be on a separate list. He asked how many of those on the list have been xeriscaped, and asked what is being watered at Atalaya Park, for example.

Mr. Chavez said he did not break out which parks have no turf, noting Atalaya Park has no turf, but it does have trees and shrubs.

Chair Chavez noted that most of those on this list won't be impacted by public use and such.

Responding to Chair Chavez, Mr. Chavez explained how the natural turf bank works, per the 2001 Resolution.

Responding to Councilor Trujillo, Mr. Chavez said, for example if there is a park with 3 acres of turf, but there one acre of turf around the perimeter which isn't needed, off which the water runs into the street because of topography, this portion is being removed and put into the turf bank, this portion is then xeriscaped. He said Franklin Miles Park, referred to by Councilor Trujillo, is now in master plan, and once the design is received he will present it to the Committee.

Councilor Trujillo asked if there are plans to put artificial turf in other City parks.

Mr. Chavez said he hasn't been given this directive. However, in anticipation of that, he did call providers to get the cost to install natural turf on an all purpose field which could serve both soccer and football. The current figure, depending on drainage, topography and engineering prior to installing the turf, is between \$700,000 to \$1.2 million.

Councilor Trujillo asked about other turf such as buffalo grass, which is used at Rancho Viejo Park which is beautiful.

Mr. Chavez said those specialists with which he has been working say buffalo grass is great, but doesn't wear well with athletic play use, and the reason it isn't used in play areas. It is good and turns brown with less water, but turns green again when watered. He said there is wildflower and native grass mix in all of the open areas which have been disturbed in all of the parks under construction in all the parks currently under construction.

Chair Chavez proposed, with regard to turf banking, an alternative to using the bank to develop other parks in the future. He suggested we might hold some of the natural turf, for example at City Hall, and add existing natural turf to the bank.

Mr. Chavez said this can be done, absolutely.

Councilor Dominguez said a number of parks never had automated systems, and 27 parks are tied to the weather system. He asked the timeline for getting the rest of those parks on that system.

Mr. Chavez said some of the parks don't speak to the weather system, and the expense of a full ICC (Irrinet and F Unit Irrigation controller on remote Scorpio satellite controller) technology system with corresponding technical support can cost between 8,000 and \$17,000 per park for that technology.

Councilor Heldmeyer said when she speaks about xeriscaping, she is not speaking about rocks, but landscaping with things which don't need much water, although there may be a few places where rocks are appropriate. She urged Mr. Chavez to do a demonstration of how this can be done.

Councilor Heldmeyer reiterated that buffalo grass requires little moisture, and asked where we have such native grasses if we are taking into account the amount of moisture it is getting, especially if it is really wet.

Mr. Chavez clarified that in the areas being re-seeded with native grasses and plants, where the ground has been disturbed, those areas are not under irrigation.

Councilor Heldmeyer asked about the circle of turf in the walking path at Amelia White Park.

Mr. Chavez said this is native grass.

Councilor Heldmeyer said then that isn't watered.

Mr. Chavez said it is watered, has an irrigation system, but with much less water than in a park with the typical grass blend

Councilor Heldmeyer asked if we can just not water it.

Mr. Chavez said the amount of water to the native grass area will be drastically reduced when it becomes cooler, and it will turn brown. He will explain to the public that once watered, it will become green again.

Chair Chavez asked if the new irrigation system will handle both drip and sprinkler, or if there will be two separate systems.

Mr. Chavez said there will be two separate systems because these are two different kinds of technology.

Chair Chavez asked the dollar amount invested to implement the five-year plan to date.

Mr. Chavez said it is a little more than \$3 million in funds spent or committed to contracts.

Responding to Chair Chavez, Mr. Chavez said, for example, at the Railyard more than ½ of the old, unhealthy Siberian Elms were removed, but they are leaving the large Siberian Elms along River channel and cutting out the “dog hairs.” Wherever Siberian Elms have been removed in the City, staff applies a herbicide to the stump which won’t move into the soil or plants, and which will kill only these Elms. Staff intends to continue doing this.

Responding to the Chair, Mr. Chavez said there hasn’t been good communication between Parks and Streets where a tree is cut down, so he can send someone to do a herbicide application. He said there are five certified herbicide applicators, with 29 taking training and preparing to be tested. In the future, he should be able to loan staff to other departments or divisions which are cutting trees. He said any Siberian Elm which Parks has cut this summer in the streets, drainage, curbs or gutters have been treated.

9. WATER BUDGET UPDATE. (CLAUDIA BORCHERT)

Claudia Borchert presented information regarding this matter from her Memorandum of August 8, 2007, which is in the Council packet.

Councilor Heldmeyer said she asked for this to come back to this Committee. In 2002, there were two very different approaches to a water budget, and what was adopted, by a 5-4 vote, was described at the time by some Councilors, including Councilor Chavez, as an unbudget. She said every six months we get a report which says demand exceeds supply, so we aren’t going to do anything for another six months, and then we pass it. However, we never talk about it nor about what it means. This is the time to be rethinking this issue, and this Committee needs to start this dialogue. She doesn’t want to denigrate the amount of conservation done by this community which is considerable. But there are factors involved in the usage of 12,600 afy in 2001 to 10,100 afy in 2006. She pointed out that 2006 was a wet year. The year before wasn’t quite as wet, and we used more.

Ms. Borchert said the City has been using just over 10,000 afy for 3-4 years.

Councilor Heldmeyer said that doesn’t jive with some of the other numbers the

Committee has been getting. So, there are wet years and dry years. A lot of toilets were retrofitted which haven't yet been used for new building, and have been banked, so that conservation has already taken place but it hasn't been offset by new building. She said we count the toilets the City gave away as the bank for new affordable homes. Both of these banks are going to run out, but every time something is pulled out, there is increased usage in the City, and we don't take this into account. One of the biggest differences is that we renegotiated our contract with Las Campanas and got them to use effluent on its golf course instead of potable water. We have introduced some conservation measures, and put more emphasis on residential than on commercial. We have not done as much with construction and building and runoff and gray water and such, although we have talked about these over the years. We are moving forward with the Buckman Direct Diversion. However, unless we keep pumping the wells in the Buckman field in addition to what we will get from the BDD, we really won't have an increase in available water. We are putting our current rights "in one basket" which is the BDD. To continue to use the well field, we will need new water rights.

Councilor Heldmeyer said we are using less water which is good, but in the past two years, we really haven't had a sober discussion about whether we can continue to do what we are doing forever. She said we really need to sit and have a comprehensive, philosophical conversation which will support with the numbers with regard to what the City will do about water for future growth, and what we want to do for future growth. She said this kind of policy discussion gets lost in the maze, but we need to have that discussion. We need to invite the other Councilors to discuss and determine the next steps before there is a serious situation. She would like the Council to prepare in advance for the next drought years which we know will come.

Councilor Heldmeyer said she presumes staff would first like to present this as an informational item, but in the very near future this needs to be on the agenda as a discussion item and assign ample time to discuss it, and invite the other Councilors.

Councilor Dominguez said he agrees with Councilor Heldmeyer that there will be another major drought and it is better to be prepared, and to be proactive. These are real policy initiatives which need to be discussed and debated.

Councilor Dominguez asked, in view of all the things which have been done, if the numbers of staff have increased.

Ms. Borchert said she can speak to the water resources group, noting the entire Water Division has been working to get all these things done. She said there are five in the water resources group currently.

Councilor Dominguez said there has been an increase in programs with a minimal increase in staff. As we move forward in some of these endeavors, with one or the other philosophical position, we will require more staff.

Councilor Dominguez asked what is meant by, "Promote and lead the region in water resource management (including aquifer management) and conservation."

Ms. Borchert said the new Committee hasn't heard much about the long range water supply plan which is on hold until we get the final EIS. She said this would be an avenue to have a lot of discussions. She said the essential question is how to supply water to Santa Fe for the next 40 years. There are three sources: purchase new water rights, conserve additional water, or take the effluent pipeline to the Rio Grande and divert the water returned to the river as additional water through the BDD.

Ms. Borchert said we need groundwater available to pump in the event the surface water is not available. She said we need to ensure the groundwater isn't pumped out by others.

Councilor Dominguez said he sees no discussion about specific innovative ways to save water, such as those we hear during campaigns. He asked how that fits with this.

Ms. Borchert said the Green Building Code idea is the way to go, and providing in some way incentives and mandates to use a certain amount of water.

Councilor Dominguez said she isn't talking about mandating certain systems, but giving people options to get to a household budget.

Ms. Borchert said this is her personal opinion, but the decision is that of the Council.

Councilor Dominguez said one of the things we need to consider, in terms of water, is how to ensure that any deficiencies in water planning don't impact our ability to keep the indigenous people of this community in this community. He is glad Councilor Heldmeyer brought up the idea of starting to look at commercial users in terms of conservation. He believes we are moving somewhat in that direction.

Councilor Trujillo wants to continue to pursue artificial turf in more parks as another way to conserve water.

Chair Chavez asked about the San Juan/Chama water, saying it is his impression that we were leasing that water for offset but not for meeting future or current demand.

Ms. Borchert said this is correct, but the 2,000 afy is not the same as the "top of the world" water. The 2,000 afy are owned by the County which it is bringing to the Aamodt settlement. The San Juan/Chama water is part of the water leased to us by the Jicarilla Apache Nation for fifty years, and only for offsetting. Currently, we use the City's San Juan/Chama water to offset the effects on the Rio Grande when we pump the Buckman well field. This 2,000 afy is meant to be a substitute for that to be able to continue to pump the Buckman well field, to store water in the reservoirs, and the Rio Grande Compact would say we can't. This water will be used in the future to compensate for the storage of water.

Chair Chavez asked if this water should be in the water supply or somewhere elsewhere.

Ms. Borchert said this is not “wet water.”

Chair Chavez asked if it is safe to say that quickest, most cost effective source of new water is conserved water, or is that outdated.

Ms. Borchert said she thinks this is true, but she hasn't done the research, and noted the price tag of the Buckman Direct Diversion at a cost of \$181 million.

Chair Chavez said we can't depend solely on conservation, and we have to balance that with whatever new supply we can obtain.

Chair Chavez said the debate, questions and the dilemma remain the same, and in allocating priorities for future green spaces is the same as that in 2002. He spoke about the mistake we made in the decision to stop watering the parks, and the cost to bring those back on line. He spoke about the challenges to supply water during drought and drought cycles.

Chair Chavez said many of the challenges and the discussion of priorities won't be much different from the previous discussions with regard to affordable housing.

Chair Chavez asked the Committee if they are prepared to move forward with this discussion in setting the priorities for the City regarding parks, affordable housing, commercial conservation and such. Or, does the Committee want to deal with this as we move forward.

Councilor Trujillo said we need to deal with this as a Committee, but we do need to invite those Councilors who aren't on PUC to that meeting so they can voice their opinion.

Chair Chavez asked if the Committee would like this at the next PUC meeting.

Councilor Dominguez noted there is a huge learning curve on this issue, saying we haven't spent much time on this issue. He wants to study this, saying he wouldn't be prepared in two weeks to take a position on major policy initiatives or amendments, but he will promise to take the time to study these issues. However, it could be brought for a discussion at the next meeting.

Councilor Heldmeyer said we need to talk about demand, as well as supply. There are some very specific policy issues which feed into the modeling we do of water behavior in this community. Do we intend, once BDD is on line, not to pump the well field to give it a rest, or do we intend to keep pumping, or something in between. This is a policy issue with interesting ramifications whatever we decide. She said this issue has to be discussed this fall to be in place before Spring of next year, which could be another drought year, but if not, sooner or later it will be an issue.

Councilor Dominguez said he agrees, and this is an important discussion we need to have, but it is a very complicated discussion. At some point we have to realize the glass is half empty, and the time may come when we want to be much more proactive. He would leave it to the Chair as to how to formulate the discussion.

Chair Chavez said the water theme has been fairly constant through the last election cycles for the past 8-10 years. He said we don't want to make the same mistakes we made in 2000 and 2002, and the new Councilors have inherited "paying for those mistakes." He said the Council, at that time, wanted to demonstrate to the public that if they were going to lose their trees and grass, then we would lose our parks, and we are paying for that. He doesn't believe this was the best decision we made, and we want to avoid those kinds of mistakes. He doesn't want to limit the discussion, or have undue influence over the discussions because of his preferences. He believes it is the responsibility of the individual Councilors on this Committee to address this. The Long Range Water Supply Plan isn't a new document, and has been on the shelf and in the works for a while. He doesn't think it is in the best interests of all concerned not to pay attention to that right now.

Chair Chavez suggested, at the next meeting that this Committee extend an invitation to Councilors not on this committee, for a preliminary discussion about the future of the water budget and the long range water supply plan. There should be no excuse about why any of us would not be "up to speed" and prepared on these issues, especially if we are anticipating turning on the spigot for the new BDD. How we manage that water with our domestic supply will be critical as we move forward. We need to be ready for that as well.

Ms. Borchert said the recommended decision on the EIS should come out on Friday, and she wonders what the right approach is in light of the lengthy appeal period. She said we could have a discussion about the water budget.

Chair Chavez said we can leave that as a separate component, but talk about one of these, anticipating the other to come right behind it.

Responding to the Chair, Ms. Borchert said the Long Range Water Supply Plan will be available in November, but we can have other discussions.

Chair Chavez asked Ms. Trujillo to contact the other Councilors about this proposed topic for the next meeting.

10. STATUS REPORT ON KOPY KAPS. (PETER ORTEGA)

Peter Ortega presented information regarding this matter to the Committee, and gave a brief history of the Kopy Kaps. He said he called the manufacturer this week, giving them until August 22, 2007, to respond to the latest requests for changes to the Kopy Kap. He said the City should receive a shipment of 100 shortly thereafter to begin testing as a pilot project.

Responding to Councilor Heldmeyer, Mr. Ortega said the approval was given by the Council in June 2006, and after discussion in Water Conservation, the initial order of 1,000 was placed on November 1, 2006, to be delivered on April 1, 2007, but they were delivered 30 days late and only five were delivered. He said we were initially upset, but then glad that we had the opportunity to correct the glitches in the device.

Councilor Heldmeyer asked if there is a penalty clause in the contract.

Mr. Ortega said no, the contract provides that if we're interested in the product, they will provide an initial 100, and the price for each device if we order 10,000 or more would be \$60 each, and above 25,000 would be \$40 each.

Councilor Heldmeyer said presumably these come with an implied warranty of fitness for purpose, but these aren't there yet. She asked at what point we will tell them "fish or cut bait."

Mr. Ortega said he said he wants an estimated date of delivery by the deadline of August 22, 2007. He gave them a list of specific concerns, including that we want a minimum of four buttons on the device and a dedicated reset button.

Councilor Heldmeyer would like a report at the next Committee meeting. If the Kopy Kaps are not ready by then, she believes it is time for Mr. Ortega to talk to the City Attorney. She pointed out that the availability of the Kopy Kap was one of the main considerations in awarding the bid.

Councilor Trujillo said then they are making the prototype, and if it is what we want, then we will be getting 100 of those.

Mr. Ortega said we want to see the design and what has been upgraded from the product.

Chair Chavez said these have been in the development stages, and we have been able to add other things. However, when we put in the order, how do we know that it will work when it gets back.

Mr. Ortega said we will need to test it again.

Chair Chavez said we knew this was the case a year ago and that these were prototypes, but they still are prototypes. We need to decide whether or not this is the right company to design the device we need for our system. He said we do need to keep a tight leash after August 22nd to ensure the manufacturer is meeting its deadlines and our expectations, expressing concern there could be another year in this same debate which he doesn't want.

Responding to Councilor Trujillo, Mr. Ortega said 90% of the Fireflies have been installed, but this is a separate device from the firefly.

Councilor Trujillo asked if the Firefly is compatible with the Kopy Kap, and asked if we can get another company to design something which is compatible with our system.

Mr. Ortega said all this device does is to pick up a radio frequency from the Firefly, but he will have to do research to see if other companies are manufacturing devices which can pick up that signal.

Councilor Trujillo is concerned about the cost to retrofit the system if we don't go with this company, noting the 90% installation status of the Firefly.

Chair Chavez noted the Kopy Kap, in a way, is a luxury for the customer, and we could do away with this idea, while retaining the Firefly to be able to do the remote meter readings. However, the homeowner couldn't monitor their use. If we can't do this in a reasonable time, we need to decide whether to pursue it further either with this manufacturer or with another, and whether or not we need it.

Councilor Heldmeyer said many people don't do this as a luxury and the reason we initially purchased this. She said there are a lot of people who are waiting for this so they can monitor their use, who are being really frugal about water use both for conservation and cost savings, and see this as an important tool in managing their water use.

11. REPORT ON STOCKING OF RIO GRANDE CUT THROAT TROUT IN SANTA FE RESERVOIRS. (ALAN HOOK)

Alan Hook, Water Resources Analyst, reviewed the proposed stocking of the Rio Grande Cutthroat Trout in Santa Fe Reservoirs, as detailed in his memorandum of August 8, 2007, with attachments, which is contained in the Committee packet. He stressed that this project will not use pesticides to poison other fish, and none of those will be introduced into the reservoir area.

Michael Sloan, Chief, Fisheries Division, State Game & Fish, said they understand the primary purpose of the reservoirs is to provide drinking water to the City, and they have no intention that this project will interfere with that. Their project and proposal will work well with the operations of the city. He said the project is to move genetically pure fish which are tagged from the Seven Springs Hatchery to stock the reservoir, and each Spring try to collect a portion either in a trap net, a gill net or with a backpack electro shocker using batteries. The fish will be spawned manually on the shore, and the fertilized eggs taken to the hatchery and use the hatched fish in restoration projects around the state. The tagged fish which have been spawned will be put back into the reservoir to spawn again in the future. He said each year they want to bring 100-500 fish from various stream systems throughout the State, to create a diverse genetic stock in the reservoir. He said because each fish is individually tagged, they will be able to know that they are spawning Stream A with Stream B and to control the genetics as well.

Mr. Sloan said each year in Mid-May through Mid-June, they will be collecting and

spawning fish, and then in the Fall, possibly doing an assessment, although that could be done in conjunction with the spawning. Mr. Sloan said it is a possibility that they will be replacing the non-native fishery with native fishes, in that while they are catching fish to spawn they will catch other fish which could be removed and stocked in Big Tesuque, Rio Medio and such. This is an option for consideration.

Councilor Dominguez said he understands an MOU is being drafted, and asked when that MOU will be ready.

Mr. Hooks said it is being drafted, and the Forest Service, which is in support, said in its letter that it doesn't need to be involved with the MOU. He said he is working in cooperation with the City Attorney with regard to liability and other issues. He said he will bring the MOU forward at the next PUC.

Councilor Dominguez asked if this will be a two year or more project.

Mr. Hooks said he understands it will be ongoing.

Mr. Sloan said they are looking at a 20-25 year project. He said they can't hold enough brood stock at Seven Springs to produce enough fish, but the reservoir can do so.

Councilor Heldmeyer asked if there is a minimum level at the reservoir when you don't want to put fish in it.

Mr. Sloan there probably is, but he doesn't think we've seen that in recent history, and they are willing to take the risk considering the potential benefit. He said they know the fishery in the reservoir has survived during drought, but said they wouldn't be spawning during that time.

Councilor Heldmeyer asked if this could be a potential problem of increasing the trespassing in the watershed.

Mr. Hooks said he doesn't see a problem, and the reason they want to do it here is because it is a secured, closed watershed.

Chair Chavez said someone spoke of the option of moving the non-native fish out, and since this is a 25-year plan, asked if that would be an option, asking how the two species will commingle. He said they eventually will be removed because they will be capturing fish when they harvest. He asked if it would be better in the long run to specialize just in this species and nothing else.

Mr. Sloan said yes, it would be preferable to remove the non-native fish over the long run to create more capacity for holding the cutthroat trout with the side benefit of restoring a more natural ecosystem.

Councilor Trujillo said he considers this a good thing, and asked if this will be the only brood in New Mexico.

Mr. Sloan said yes, they will continue to hold brood stock at Seven Springs Hatchery which is the only one in the State, and over time, it will be the primary egg source. He would like to see some cutthroats in the River in the summer for the kids to catch.

Mr. Sloan said they hope to be able to get to the point to do these kinds of things after protecting the cutthroat from extinction.

Responding to Councilor Heldmeyer, Mr. Hooks said the next step is that the MOU will come back to the next PUC for approval and then move forward for Council approval so they can stock fish in the fall.

Chair Chavez said it will be an action item at the next meeting.

Mr. Hooks would like to include the directive that while they are spawning, they also are withdrawing other fish species, and those will be removed in the watershed.

Chair Chavez would like this to be listed in MOU.

Mr. Hooks said the Game & Fish is filing a special use permit with the Forest Service, and this should be coming through very quickly.

MOTION: Councilor Heldmeyer moved, seconded by Councilor Trujillo, to amend the agenda to hear Item 14 next on the agenda.

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

DISCUSSION AGENDA

14. REQUEST FOR APPROVAL OF BILL NO. 2007- _____. AN ORDINANCE AMENDING SECTION 25-4.2 SFCC 1987, REGARDING WATER RATE ADJUSTMENTS. (COUNCILOR CHAVEZ)

Gary Martinez said Jason Mumm did assist with the language of the ordinance which was forwarded to Ms. Price to work on language for the ordinance change. He said it is still hoped to do some of the work associated with the ordinance. He is hoping to get a study committee in place prior to the following meeting.

Chair Chavez recalled Mr. Martinez said, because of the significance of the work and the possible impact, that he wanted more direction from the Committee, as well as more money to hire Jason Mumm of Brown & Caldwell.

Mr. Martinez said he contacted Mr. Mumm who provided a scope of services today, and he hopes to enter into a small contract with him next week. He also was hoping to have a study session with the Councilors, because there are differences between what they would like to see. He wanted to try to get a collaborative effort between the interested Governing Body members to present an ordinance. Two who had interest were Councilor Wurzbarger and Councilor Heldmeyer. He hasn't scheduled anything, but he did speak with Celeste about scheduling something next Wednesday.

Chair Chavez said he would like to review the concept nature of the Ordinance.

Mr. Martinez reviewed the provisions of Exhibit "B" which will lay the groundwork for the initial thoughts.

Chair Chavez gave the history of this issue.

Responding to Councilor Heldmeyer, Chair Chavez said the proposed ordinance contains amendments to Exhibit B.

Councilor Dominguez asked if an analysis has been made of the possible impact of this language.

Chair Chavez said no, but Mr. Martinez did a preliminary fiscal impact indicating a possible negative fiscal impact by adjusting the rates based on the conversations we've had over the past two months. This ordinance attempts to better understand what the industry might need, the fiscal impact to the system, and how to deal with this.

Councilor Heldmeyer understood there was a bigger attachment to the ordinance which explains the context of how this fits into Exhibit B, and asked where this occurs. Does it occur for commercial customers, all customers.

Chair Chavez said currently it is specifically for commercial customers.

Councilor Heldmeyer said it doesn't say that.

Chair Chavez said it does, quoting from the ordinance, "A change in the actual water meter is not warranted, but rather a rate adjustment establishing a commercial water rate based on a different size meter." He pointed out there is nothing about residential.

Mr. Martinez said Exhibit B was developed specifically "for studying residential budget based water allotments, the governing body adopts alternative rates and charges for those

customers participating in a demonstration project.” He said we were looking at this as being another demonstration project we could do to find out if this is the route, and come back to the Committee and see if it is something which works. This is the way they look at the language and the reason an ordinance change was needed. He said staff didn’t find too many alternatives to the existing ordinance which would take provide other avenues or go in other directions. This is one place staff found to make a change.

Councilor Heldmeyer quoted from page 2, line 2, “(1) The customer seeking an adjustment shall apply to the water division. The application shall demonstrate how the customer has done everything reasonable in his or her power...” She said it doesn’t say “and this applies to this particular set of customers,” and gave an example.

Mr. Martinez said this is just one piece of the documentation they have to provide.

Chair Chavez asked Mr. Martinez to review the proposed ordinance, and then the Committee can debate the provisions.

Mr. Martinez reviewed the proposed ordinance amendment.

Chair Chavez said this was in reaction to the other way to do this which is to do it administratively on a case-by-case, which he didn’t believe what the Committee was encouraging. This is the first attempt to develop a framework of what we could do if we wanted to consider adjusting the water rates in any categories. He is glad we clarified the residential which ties into an earlier discussion about the options of retrofitting single family homes to better deal with their water budget. He said the pilot programs for water harvesting or gray water haven’t been thought through yet.

Chair Chavez asked Mr. Martinez to be thinking of his timeline, and the dollar amount, including the cost to hire a consultant.

Mr. Martinez said a lot will depend on the path the Committee chooses to take and the process. He said the first stab was to change 390 accounts to the next tier, which would result in lost revenue to the City of approximately \$1.3 million. This language is less severe, because it gives the Division an opportunity to evaluate every customer who applies and not the whole 390. They will need justification to do this.

Questions from the Committee

Councilor Heldmeyer understands this is a framework, and should try to avoid a case by case decision by staff. However, this is codifying the case-by-case, but there is nothing in the ordinance which says who these people are and the situations this is designed to cover. As written, it is open ended. She asked what differentiates the people you are trying to help with this, from those who may come in and just want their water rate reduced. She said we knew, as pointed out by Councilor Bushee, this would increase the water rates for some people, and part of

making the commercial rate the same as residential was to try to get more commercial entities to introduce conservation to the extent possible. She assumes you want this to apply only to a small subset of commercial entities, otherwise, this is all you will be doing with your time. There is nothing which details how the small subset is defined, nor the criteria upon which the Water Division Director makes these decisions. This is the missing piece.

Mr. Martinez said usually the large hotels such as the Eldorado, have a large meter which has a different surcharge. Also, they have nothing to complain about, because their bill wasn't increased by 200% plus. The small meter users with large volume uses are those which have been impacted.

Councilor Heldmeyer said because they haven't been impacted, doesn't mean they won't come in and ask, and they probably will. If there is a specific inequity in the law he is trying to address, there should be something defining the inequity or the people to whom it is being applied, and preferably something detailing under what conditions each of the options are appropriate.

Mr. Martinez said even if we are specific with regard to the inequities, he would expect those without a "beef" on equity would be coming in anyway. He said we know the inequities and that it is approximately 390 accounts and adjustments would cost the City \$1.3 million. He said as a utility we have to be careful to keep the water utility stable and revenue neutral in accordance with the direction and action of the Council.

Councilor Heldmeyer asked if there is no reason we can't say this is "for commercial customers who have meters of this size and lower, and if they had a bigger meter would pay x amount less in rates."

Mr. Martinez said it is the criterion which identifies a meter size, and currently one thing to consider is that the criterion is always based on the demand of the customer, whether residential or commercial. When there is a water rate adjustment or water rates adjusted on meter size, you will always get into the issue of inequities. So, you get into the issue of engineering, and good engineering will always to get the meter size which it feels is warranted based on the water rates, and that probably will happen down the road. He said the reason for this situation is because we developed water rates based on meter size.

Councilor Heldmeyer asked if Jason has run these numbers – throwing meter size out of commercial altogether.

Mr. Martinez said although he wasn't involved in the water rate structure, he believes these numbers were presented to the Governing Body, and that was never in the top six choices, and never the Governing Body's choice.

Councilor Heldmeyer said these are her suggestions to make it more specific. She said there may be others who feel inequities. She said the Governing Body didn't want to charge a

lower per gallon rate for commercial than residential, noting IEG's recommendation was to charge more to residential than commercial. She said the Council didn't want to put residents at a disadvantage to commercial, as well as that the meter size didn't get that much discussion. She thinks "meter size" just "came along for the ride."

Responding to the Chair, Mr. Martinez said usually the residential is either a 5/8 or 3/4 inch meter.

Councilor Heldmeyer said she would focus on the inequities intended to be corrected and place the emphasis there.

Councilor Dominguez said Mr. Martinez spoke about "based on the demand of the customer," and he is curious in terms of inequity, if this is the case, why all of the laundries and ice makers aren't in attendance, because there seems to be an existing inequity there. He asked if the meter is based on the business and what it is doing.

Mr. Martinez spoke about two scenarios. The Water Man has a 1½ in. meter, a newer building, and a peak demand which would justify a 1½ in. meter. Conversely, the Ice Plant is in an older building with a 1 in. meter which met their needs, but it is not consistent with what the Water Man has. It may be a situation where the Ice Plant easily can justify a 1½ in. meter based on use, but it would have to pay some UEC fees. However, it wouldn't really help them with the things about which they are complaining. There are other scenarios where someone is renting a commercial building with a 3 in. meter where it wouldn't be an issue.

Councilor Dominguez said then this is an attempt to evaluate the different scenarios.

Mr. Martinez said yes, so the customer can demonstrate they have done everything possible to conserve water, to be efficient with water, and for staff to determine if this is true and to get the engineering groups involved to determine whether or not they have the right meter based on demand for the meter.

Councilor Dominguez likes this direction, but he has a question about how you define what is reasonable, and who will define what is reasonable. Is it based on an industry standard or an individual standard, or what.

Mr. Martinez said the criteria have not been developed, but criteria would need to be developed, based on the direction of the ordinance.

Councilor Dominguez said he presumes the criteria will be established in a broad sense so it doesn't specifically benefit any one customer or business, but there doesn't seem to be that many customers which have raised the issue.

Mr. Martinez said some of the customers had no reason to appear, because they didn't see a drastic increase in their bills.

Councilor Trujillo is glad we're going in this direction, noting it is the meter size, and didn't impact the older houses. He said Mr. Alarid has a 5/8 in meter and he has an older building, and he hates to see businesses such as his which have been here so long to face 200% increases. He asked if this is an action item.

Chair Chavez said it isn't action item, but Mr. Martinez told him that he needed more times to work things out with Jason Mumm and his group, and asked that we not take action on this tonight, but at least discuss it, and then give him a gauge as to where we want to go. Mr. Martinez can then let the consultant know so they can start planning in this regard.

Responding to the Chair, Mr. Martinez said he would like to have further discussions with the Chair, the City Manager and the consultant. If these discussions could be held next week, he could probably present something the week after. He asked if this will come back to this Committee as a discussion item one more time, or as an action item.

Chair Chavez would like for it to be on the agenda as an informational item one more time at the September 5, 2007, meeting.

Councilor Heldmeyer said if it is amended, then she would like to see it come back to this Committee in its final form and this Committee could either recommend approval, amend it or not recommend approval.

Ms. Stephanie Trujillo suggested it come back as a discussion item, and the Committee can approve it or not.

Chair Chavez said if it is on the agenda at the next meeting for discussion, we could take action if we are ready to do so. He wants to give staff enough time to do the work they need to do. If either staff or the Committee isn't ready to approve it, then we don't move forward on it. He wants to keep this item on the agenda, and hopefully come to a conclusion in the near future.

13. REQUEST FOR APPROVAL OF BILL NO 2007- ___, AN ORDINANCE AMENDING SECTION 25-1.11 SFCC 1987, REGARDING WATER SERVICE FOR PROPERTIES OUTSIDE CITY LIMITS (COUNCILOR CHAVEZ).

Chair Chavez said this Committee directed staff to talk with the County to see if it would be willing to amend the Wholesale Water Agreement to reflect the water the City has been approving to projects in the County. He asked the Committee if it is serious about deducting water the City is allocating to projects in the County from the Wholesale Water Agreement. He hopes the proposed ordinance is self explanatory, noting he wanted to capture the questions which we have all been asking.

Councilor Heldmeyer said she is willing to cosponsor this ordinance. She said is still the case that any granting of water outside the boundaries of the City limits is at the sole discretion

of the Governing Body. This doesn't say that just because they have a letter from the County that we have to approve it. She said some of the requests have been small, some have been large, and some which have been proposed are a lot bigger.

Councilor Heldmeyer said this ordinance provides that, "The county of Santa Fe agrees that the quantity of water set forth in the site water budget shall be subtracted from the quantity of water delivered to the county under the Water Resources Agreement," and lists the conditions of service and talks about what the applicant has to submit. It does exempt them from retrofits or water rights transfers. She said what kind of deal the applicant would have to make with the County in order to get that subtraction of water is the applicant's problem, and not the City's.

Councilor Dominguez said for the most part he likes the ordinance. He asked how this works in conjunction with the current agreement with the County, and if this demonstrate the will that the Governing Body has in negotiating that agreement with County. He believes what we want to accomplish here could be accomplished in that agreement with the County.

Chair Chavez said the Wholesale Water Agreement was for 375 afy, until we did the Diversion project, when that Agreement morphed into the Water Resource Agreement which says the County gets 500 afy in perpetuity. However, if these projects are in the County, but the County can't provide the water, they are coming to the City asking the City to supply them with that water. He said this seems to be double dipping in a way. If it is in the County, he believes it should be the County's responsibility to provide the water service. He doesn't know what it would take to change or amend the Water Resource Agreement, or even if it would be possible. He believes it should be a simple matter of subtracting that allocation from that Agreement.

Councilor Dominguez asked if this finalizes the recent condition of approval by the Committee to one of the applicants.

Chair Chavez said that is a separate discussion and took place on two different proposals before the Committee. He said staff is trying to have that discussion with the County. He said we directed staff to have that discussion to see if the County would amend or change the Water Resource Agreement.

Chair Chavez said he wants to know if this Committee still feels the same, commenting that eventually we will have to amend this ordinance, noting this now is an ordinance which previously was a Resolution under Section 6 dealing with allocating water and sewer into the County. If the County wants to subtract the water delivered to the County from the Water Resources Agreement, it would have to be included here as well. He wants to have this debate here in addition to the debate the staff is having with the County.

Councilor Dominguez said he will support this, but believes it is more complicated than this to make the change, but this helps to identify the will of the Council to deal with these kinds of issues.

Councilor Heldmeyer spoke about the request at the last Council meeting where an applicant had its own water and sewer, but was told to request it from the City anyway.

MOTION: Councilor Heldmeyer moved, seconded by Councilor Trujillo, that the Committee recommend approval of this ordinance amendment and forward it to the Finance Committee.

DISCUSSION: Responding to Councilor Dominguez, Chair Chavez said this will go through the full committee process, including Public Works and Finance, and then to the City Council.

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

Responding to Councilor Dominguez, Chair Chavez said the Committee will go to one meeting a month in October.

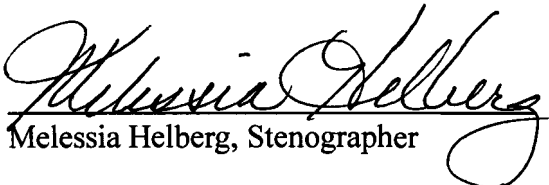
Councilor Heldmeyer would like a short informational item at the next meeting with regard to how much the checkoff for the River has collected, if any. Ms. Trujillo said this already is on the next agenda.

NEXT MEETING: Wednesday, September 5, 2007.

ADJOURN

There being no further business to come before the Committee, and the Committee having completed its agenda, the meeting was adjourned at 8:30 p.m.


Miguel Chavez, Chair


Melessia Helberg, Stenographer