



# Agenda

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**PUBLIC UTILITIES COMMITTEE  
MEETING  
CITY COUNCIL CHAMBERS  
WEDNESDAY, SEPTEMBER 5, 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 15, 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. Update on River Check-Off Program (Janine Johnston)
9. Status Report on KopyKaps Delivery (Peter Ortega)
10. Quarterly report on the requests for Domestic Water Service (DWS) and Sanitary Sewer Service (SAS) processed by the Water and Wastewater Review Team (WWRT) – (Stan Holland and Antonio Trujillo)

**CONSENT CALENDAR**

11. Request for Approval of an Memorandum of Understanding between the City of Santa Fe and the State of New Mexico Department of Game and Fish for the Stocking of Rio Grande Cutthroat Trout in Santa Fe Reservoirs (Alan Hook)
12. Request for Approval of a Memorandum of Understanding with Santa Fe Waste Management Agency to Obtain Green Waste Mulch (Bryan Romero)

13. Request for Approval of Amendment No. 4 to Existing Contract – City Wide Sewer Line Point Repairs – Triman Construction (Lisa Sandoval)
  - A) Request for Approval of Budget Increase – Wastewater Revenue Fund
14. Request of Approval of Joint Funding Agreement with the US Department of Interior US Geological Survey for Stream Gaging and Water Level Monitoring (Claudia Borchert)
15. Request for Approval of Bid No. 07/39/B – Pressure Reducing Valve (PRV) SCADA Equipment; Freeman Electric Inc. and Bid NO. 07/40/B – Pressure Reducing Valve (PRV) SCADA Installation: MWI McDade-Woodcock, Inc. (Brian Snyder)
  - A) Request for Approval of Budget Increase – CIP Fund

### **DISCUSSION ITEMS**

16. Request by James Siebert on behalf of Victor Montano to re-allocate his water consumption of 7.22 AFY from his batch plant site at 3964 Agua Fria Road to a consolidated site on Aviation Drive. The Aviation Drive is contiguous to the City and the applicant would like to annex to the City and maintain his allocated water use. (Antonio Trujillo)
17. Discussion on Scheduling a Long Range Water Supply Plan and Water Budget Ordinance Study Session for October 3<sup>rd</sup>, 2007 at 4:30 pm (Claudia Borchert)
18. Request for Approval of Bill No. 2007-\_\_\_\_\_. An Ordinance Amending Section 25-4.2 SFCC 1987 Regarding Water Rate Adjustments (Councilor Chavez, Gary Martinez)
19. Request for Approval of a Resolution Directing Staff to Report on the Highly Visible Electrical Poles (Councilor Bushee, Robert Gallegos)

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

### **ITEMS FROM STAFF**

### **MATTERS FROM THE COMMITTEE**

**NEXT MEETING: SEPTEMBER 19, 2007**

**ADJOURN**

**SUMMARY INDEX  
PUBLIC UTILITIES COMMITTEE  
September 5, 2007**

| <b>ITEM</b>   | <b>ACTION</b>          | <b>PAGE</b> |
|---|------------------------|-------------|
| CALL TO ORDER   | Quorum                 | 1           |
| APPROVAL OF AGENDA  | Approved               | 1           |
| APPROVAL OF CONSENT CALENDAR  | Approved [amended]     | 2           |
| CONSENT CALENDAR LISTING  |                        | 2           |
| APPROVAL OF MINUTES FOR THE<br>AUGUST 15, 2007 PUBLIC UTILITIES<br>COMMITTEE MEETING  | Approved]              | 2           |
| <b><u>INFORMATIONAL ITEMS</u></b>   |                        |             |
| UPDATE ON CURRENT WATER<br>SUPPLY STATUS  | Information/discussion | 3           |
| UPDATE ON SOLID WASTE DIVISION  | Information/discussion | 3           |
| UPDATE ON RIVER CHECK-OFF PROGRAM   | Information/discussion | 3-5         |
| STATUS REPORT ON KOPY KAPS DELIVERY   | Information/discussion | 5-6         |
| QUARTERLY REPORT ON THE REQUESTS<br>FOR DOMESTIC WATER SERVICE (DWS)<br>AND SANITARY SEWER SERVICE (SAS)<br>PROCESSED BY THE WATER AND<br>WASTEWATER REVIEW TEAM (WWRT) | Information/discussion | 6-8         |
| <b><u>CONSENT CALENDAR DISCUSSION</u></b>   |                        |             |
| REQUEST FOR APPROVAL OF A<br>MEMORANDUM OF UNDERSTANDING WITH<br>SANTA FE WASTE MANAGEMENT AGENCY<br>TO OBTAIN GREEN WASTE MULCH  | Approved               | 8-11        |

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**END OF CONSENT CALENDAR DISCUSSION**

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| <b>ITEM</b>   | <b>ACTION</b>                  | <b>PAGE</b>  |
|---|--------------------------------|--------------|
| <b><u>DISCUSSION AGENDA</u></b>   |                                |              |
| <b>REQUEST BY JAMES SIEBERT ON BEHALF OF VICTOR MONTAÑO TO REALLOCATE HIS WATER CONSUMPTION OF 7.22 AFY6 FROM HIS BATCH PLANT SITE AT 3964 AGUA FRIA ROAD TO A CONSOLIDATED SITE ON AVIATION DRIVE. THE AVIATION DRIVE IS CONTIGUOUS TO THE CITY AND THE APPLICANT WOULD LIKE TO ANNEX TO THE CITY AND MAINTAIN HIS ALLOCATED WATER USE</b> | <b>Removed from the agenda</b> | <b>11</b>    |
| <b>DISCUSSION ON SCHEDULING A LONG RANGE WATER SUPPLY PLAN AND WATER BUDGET ORDINANCE STUDY SESSION FOR OCTOBER 3, 2007, AT 4:30 P.M.</b>   | <b>Scheduled</b>               | <b>12</b>    |
| <b>REQUEST FOR APPROVAL OF BILL NO. 2007- _____. AN ORDINANCE AMENDING SECTION 2-4.2 SFCC 1987, REGARDING WATER RATE ADJUSTMENTS</b>  | <b>Postponed to 09/19/07</b>   | <b>12-19</b> |
| <b>REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO REPORT ON THE HIGHLY VISIBLE ELECTRICAL POLES</b>  | <b>Approved</b>                | <b>19</b>    |
| <b>MATTERS FROM THE CITY ATTORNEY</b>   | <b>None</b>                    | <b>19</b>    |
| <b>ITEMS FROM STAFF</b>   | <b>None</b>                    | <b>20</b>    |
| <b>MATTERS FROM THE COMMITTEE</b>   | <b>None</b>                    | <b>20</b>    |
| <b>NEXT MEETING: Wednesday, September 19, 2007</b>  |                                | <b>20</b>    |
| <b>ADJOURN</b>  |                                | <b>20</b>    |

**MINUTES OF THE  
CITY OF SANTA FE  
PUBLIC UTILITIES COMMITTEE  
September 5, 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 September 5, 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 Patti J. Bushee  
Councilor Carmichael A. Dominguez  
Councilor Karen Heldmeyer  
Councilor Ronald S. Trujillo

**OTHERS ATTENDING**

Costy Kassisieh, Public Utilities  
Stephanie Lopez, 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 Dominguez, to approve the agenda as published.

VOTE: The motion was approved on a voice vote [absent: Councilors Bushee and Heldmeyer].

#### **4. APPROVAL OF CONSENT CALENDAR**

MOTION: Councilor Dominguez moved, seconded by Councilor Trujillo, to approve the Consent Agenda as amended.

VOTE: The motion was approved on a voice vote: [Absent: Councilors Bushee and Heldmeyer]

#### **CONSENT CALENDAR**

11. REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA FE AND THE STATE OF NEW MEXICO, DEPARTMENT OF GAME AND FISH, FOR THE STOCKING OF RIO GRANDE CUTTHROAT TROUT IN SANTA FE RESERVOIRS. (ALAN HOOK)
12. *[Removed for discussion by Councilor Chavez]*
13. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO EXISTING CONTRACT – CITY WIDE SEWER LINE POINT REPAIRS – TRIMAN CONSTRUCTION. (LISA SANDOVAL)
  - A) REQUEST FOR APPROVAL OF BUDGET INCREASE – WASTEWATER REVENUE FUND.
14. REQUEST FOR APPROVAL OF JOINT FUNDING AGREEMENT WITH THE U.S. DEPARTMENT OF INTERIOR, U.S. GEOLOGICAL SURVEY FOR STREAM GAGING AND WATER LEVEL MONITORING. (CLAUDIA BORCHERT)
15. REQUEST FOR APPROVAL OF BID NO. 07/39/B – PRESSURE REDUCING VALVE (PRV) SCADA EQUIPMENT; FREEMAN ELECTRIC, INC., AND BID NO. 07/40/B – PRESSURE REDUCING VALVE (PRV) SCADA INSTALLATION; MWI McDADE-WOODCOCK, INC. (BRIAN SNYDER)
  - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – CIP FUND.
5. APPROVAL OF MINUTES FOR THE AUGUST 15, 2007 PUBLIC UTILITIES COMMITTEE MEETINGS.

MOTION: Councilor Dominguez moved, seconded by Councilor Trujillo, to approve the minutes as submitted.

VOTE: The motion was approved on a voice vote [absent: Councilors Bushee and Heldmeyer].

## **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 Dominguez's question here is inaudible.]

### **7. UPDATE ON SOLID WASTE DIVISION (BILL DeGRANDE)**

A Memorandum dated September 5, 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 Chavez asked if we are encouraging people to work their way up the ranks, and if there are career ladders they can pursue.

Mr. DeGrande said three of the open positions are the result of promotions. He said he does want to bring people up through the ranks.

*Councilors Heldmeyer and Bushee arrived at the meeting at this time*

### **8. UPDATE ON RIVER CHECK-OFF PROGRAM (JANINE JOHNSON)**

A copy of a Memorandum dated September 9, 2007, to the Public Utilities Committee, from Janine Johnston, River Coordinator, is incorporated herewith to these minutes as Exhibit "3."

Ms. Johnston reviewed the information in Exhibit "3." She noted there is \$8,045 in the account at this time.

Ms. Johnston announced that she is leaving the City and someone else will take over this job, and she will work with them to ensure a smooth transition.

Councilor Heldmeyer asked if it is the intent of the program that eventually the marketing costs would be paid from the moneys that people donate.

Ms. Johnston said no. The funds accrued in the fund may be used to pay the lawyers' fees and acquire the water rights, but it does not say that outreach will be paid out of the fund.

Councilor Heldmeyer asked Ms. Johnston her expectations for increasing donors to this fund, since at this time, it is costing more to get the donations than we collect.

Ms. Johnston believes this is a really good start, noting it was launched two months ago, and to date 159 people have signed up. She believes it will continue to grow, because there is interest from a number of non-profits to contributing.

Councilor Heldmeyer asked how long the program needs to be run before anyone could say it is successful or it is not successful.

Mr. Martinez said at some point there will be momentum where these funds are matched by other funds, and once we get to that point we can start leveraging the funds. He believes we will need at least \$100,000 to make a meaningful difference.

Councilor Heldmeyer asked if a foundation has been laid with some of the nonprofits that might do that kind of matching or do its own donation.

Ms. Johnston said it is the same group which was canvassed before this was established, which is still committed to donate to this fund. She said to date, they haven't done that, and they also don't have the tri-fold brochures being produced to go to the business community.

Councilor Heldmeyer looks forward to seeing how this goes in the future, and said at some point it will need to be evaluated to see if it is cost-effective.

Ms. Johnston believes this will need a lot of input from the non-profit community to get it to that point, and without that, she doesn't believe the fund will grow.

Councilor Dominguez said if there is not consistent marketing strategy the contributions will taper off, which concerns him, and he wants to ensure there is some consistent marketing strategy.

Councilor Dominguez asked how difficult it is for somebody to waive their donation for the month.

Ms. Johnston said it is on the monthly bill, and if they don't pay that amount above the bill, then it isn't credited. Ms. Johnston said there is a check and balance between utility bills and accounts receivable, and she believes Erika Duran is helping to check that. However, she doesn't know whether it's foolproof at this point.

Peter Ortega said if someone can't make the payment of, for example \$110, it won't accumulate any finance charges, and the donation won't accumulate until you make the payment. He pointed out that this is fairly new and there are only two months of recurring charges, and people are paying on time. He said to his knowledge there is no one who donated and can't pay.



Councilor Dominguez believes we can sort all of this out.

Councilor Bushee asked who determines what happens with the fund, and if it is not successful, what will happen to the funds. She asked if there is a plan in this event.

Ms. Johnston said it is a public process and there will be a public process to decide what to do. She said there is an annual review by the Council, and the Council will determine how to proceed.

Mr. Buller said this was discussed when this was first established, and doesn't know if they were asked to determine what to do. He believes this would have to be a public process. He said if the donations don't come in, at some point it will be necessary to declare it dead and then decide what to do with the funds.

Responding to Councilor Bushee, Mr. Buller said there was discussion about ways to spend these funds to help the river, and even if there aren't enough funds to purchase water rights, there are other projects which can be done relating to the river.

Councilor Bushee wants some thought given to this so we will have an answer before people sign up, stressing that we do need an exit strategy, and she would like staff to work on this.

Responding to Chair Chavez, Mr. Buller said the funds are in a separate Business Unit line item.

Chair Chavez said this fund is like the concept of an endowment fund which has to be built up before you can use it. He said we know that we are trying to compensate for 100 years of bad river management or riparian management, and we won't do that overnight.

Ms. Johnston said the funds can be used as a source of matching funds for grants for other projects.

## **9. STATUS REPORT ON KOPY KAPS DELIVERY (PETER ORTEGA)**

Mr. Ortega said he spoke with Datamatic and it is moving forward to produce the 100 KopyKaps for testing in October 2007, noting these took into consideration the small modifications which were requested. The KopyKaps should be delivered on October 31, 2007, at the latest.

Responding to Councilor Bushee, Mr. Ortega said the firefly project overall is working very well, although there have been a few glitches. He said at most there were only 100 with problems out of the 24,000 which were installed. He is personally working with the customers to resolve the issues. He asked Committee members to provide specific information on complaints they have experienced in this process. He spoke with Councilor Bushee's constituent this afternoon before coming to the meeting. He said he will have to wait for the profile to pinpoint the problem. He explained to her that the problem could be due to various reasons, and the best bet would be to wait for the profile.

Councilor Bushee doesn't want people to be digging up the street and yard looking for leaks if there aren't any.

Mr. Ortega said there have been problems – the battery is dead or something like that, and Datamatic has been more than happy to replace those defective devices.

Councilor Heldmeyer asked how often we change out the meters.

Mr. Ortega said it should be changed every 10 years, or every 1 million gallons which goes through the meter. He said once the firefly project is in place, he will develop a program and schedule to do this.

Councilor Heldmeyer said we need to see if these are good for the City, and she doesn't want to change out the meters every 3-4 years if it is not necessary.

Mr. Ortega said it takes a long time for residential customers to use 1 million gallons, and in 10 years we will be looking at changing those meters.

Councilor Heldmeyer asked if commercial meters need to be changed more often.

Mr. Ortega said it depends on the size of the meters and the consumption. He said there is a contract with Southwest to calibrate the meters after so many gallons have gone through the meter.

Councilor Heldmeyer said, with regard to the KopyKaps, she hopes we didn't buy "pig in a poke" which needs constant attention, changing out and calibrating because it was a new technology.

Mr. Ortega said, with regard to the firefly, when the meter is changed the firefly can be put on that meter – we aren't replacing the meter and the firefly.

Councilor Heldmeyer asked what we are changing every 3-4 years.

Mr. Ortega said it won't be necessary to change out the firefly or the meters every 3-4 years, and said those should last about ten years.

Responding to Councilor Heldmeyer, Mr. Ortega said, with regard to the KopyKaps, the City is not paying for the 100 beta versions.

**10. QUARTERLY REPORT ON THE REQUESTS FOR DOMESTIC WATER SERVICE (DWS) AND SANITARY SEWER SERVICE (SAS) PROCESSED BY THE WATER AND WASTEWATER REVIEW TEAM (WWRT) – (STAN HOLLAND AND ANTONIO TRUJILLO)**

Anthony Trujillo said the quarterly report is in the Committee packet, summarizing all of the requests.

Responding to Chair Chavez, Mr. Trujillo said the report includes the quarter ending in July.

Councilor Heldmeyer asked where is the GB Commercial Center.

Mr. Holland said it is off Airport Road by 599 on the north side.

Councilor Heldmeyer said it would be helpful to have the addresses of all of the places which are listed.

Councilor Dominguez said, with regard to the Santa Fe County Youth Shelter and the Head Start Center, there was a condition of approval, and asked the status of that.

Mr. Trujillo said they submitted the letter from the County and it is in the City Attorney's office for review to see if it complies with the conditions placed on it. He said it wasn't clear to him that it did, and this is the reason he sent it to the City Attorney.

Councilor Dominguez said the condition was that they make a request, not that it be approved or the County had to agree to do what we asked.

Mr. Trujillo said the request was that the County look at the water resources agreement and the annexation. He said the letter appeared to him just to address the annexation and not the water resources agreement. However, the verbiage in minutes wasn't clear whether it both, or if it was one or the other. He sent a copy of the minutes, along with the letter to the City Attorney for his interpretation, and he hasn't yet received a response.

Councilor Dominguez asked the condition of approval for Tavelli.

Mr. Trujillo said the Tavelli subdivision was supposed to go back to the County for development plan approval, and he has not come back with an approved plan, which would then come back to the Council.

Councilor Dominguez likes the fact that the disposition is included in the report, and he also would like the condition(s) of approval included and the reason a request was approved or denied.

Councilor Bushee asked when the information was sent to the City Attorney.

Mr. Trujillo said that was August 27, 2007.

Councilor Bushee said she would like a response by the next PUC meeting.

Mr. Trujillo said he followed up with the paralegal today, and that should be done.

Councilor Bushee recalled that the same condition was imposed on the Head Start Center.

Mr. Trujillo said there was a condition, but the condition in the minutes was worded a little differently between the Head Start and the Youth Center.

Councilor Bushee said she understood it was roughly the same, and it was sort of a last minute thing. She understood the County had to say it was to come out of the County's water, and it said either/or and asked what the County said.

Mr. Trujillo said the letter from the County said it was willing to talk about the annexation issues, but did not say anything about the water services agreement.

Councilor Bushee said this needs to be reopened somehow because too much if left to interpretation about what we wanted or didn't want. In the meantime, we are holding up some public service projects. She told Mr. Buller if this comes back to the Council, then she wants a reinterpretation, commenting that this an unfair process. She said by the next Council meeting there needs to be a venue to air this issue.

Mr. Buller asked if she would like it to come back to the next PUC meeting before it goes to the Council.

Councilor Bushee wants this to be on some agenda so that we have a better process than what we did that night, reiterating she believes this was really unfair.

Mr. Buller suggested that it come back to PUC one more time before going to the Council.

Councilor Bushee suggested that both non-profit applicants be available at that meeting.

## **CONSENT CALENDAR DISCUSSION**

### **12. REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH SANTA FE WASTE MANAGEMENT AGENCY TO OBTAIN GREEN WASTE MULCH. (BRYAN ROMERO)**

Councilor Chavez said this went through SWMA. He asked the monthly average the green waste program is processing, noting we are truck green waste from the Buckman Recycling facility to the Wastewater Treatment Plant. He asked where is Point A concentrated.

Justin said Point A is basically the Buckman site, noting all of the green waste operations have been transferred to Buckman. He said all of the green waste mulching is concentrated at the Buckman Road site, and it will stay there.

Councilor Chavez said then once the green waste is mulched it will be transferred to the wastewater treatment plant.

Justin said this is correct.

Councilor Chavez asked if it would make more sense to move the green waste operation to the wastewater treatment plant and eliminate hauling back and forth.

Justin said this issue was raised during discussions on the MOU.

Councilor Chavez understands the wastewater treatment plant will use 90% to 100% of the green waste we are producing.

Justin said it is closer to 100%. He said the reason we have the diversion sites is based on the principle that the BRT site and Buckman Road or SWMA facility are designed to handle residential vehicles in the scale sites. However, the wastewater treatment is not.

Councilor Chavez said he is questioning the number of trucks we will have going back and forth, although this may be the only way we can do it.

Justin said there may be one semi truck a day or every other day, based on need, of green waste mulch from BRT to the wastewater treatment plant. He said you sort of trade semi-trucks for residential traveling to the wastewater treatment plant. They are now funneled through the Buckman Road entrance onto our site.

Justin said this issue has been very well discussed, and the wastewater division made a decision that it didn't want to put residential customers on its facility, because it is an industrial site with chemicals and specialized equipment.

Councilor Heldmeyer asked when it is likely the City will have curbside pickup for green waste.

Justin said this has been discussed for some time, and there has been serious discussion about when the Division could be outfitted and staffed to do this. He said they have been having this discussion with the City Manager's Office.

Councilor Heldmeyer said as we go to volume-based billing we want to encourage recycling. She said, for example, the biggest determination as to whether her bin is full is whether they have been doing pruning and weeding that week. If so, the bin is full, if not, it is only half full. She said if we could recycle that green waste it would make a big difference.

Justin said this is the long term goal of the Division, and there are several other programs related to that, whether it is school recycling or recycling on the Plaza, these are front burner issues with the Solid Waste Division and they hope to see some action.

Councilor Bushee asked if the \$2 per cubic yard cost covers the trucking as well as the labor costs at BRT to process the waste.

Justin said the \$2 fee covers the processing costs, and \$2 was the estimated fee to cover these costs. He said this fee was an effort to give the Division a reasonably priced product. He said there is a

clause which allows reevaluation of that number in the future. The trucking is solely on the wastewater division.

Councilor Bushee believes this fee could be raised, noting the rates were just increased.

Chair Chavez said the benefit is that the end product will be much better, and will be free to the residents.

Justin said he is unsure about the rate schedule, and there is a price for processing. He said the product is valuable for use for stormwater erosion control, as well as to City departments for other uses. He said they are looking to screen the products to meet different needs to produce different types of materials. He believes the fee structure will need to be reviewed in terms of the market. He said there also is an opportunity to sell products to DOT. He said a lot of material reduces during the compost process.

Councilor Chavez asked if the mulch currently is available at no costs and residents can pick it up.

Justin said it is.

Chair Chavez said then there won't be mulch and it will be transferred into this other new product.

Justin said they are looking at 3 to 1 ratio from wood chips to sludge, but believes with the process being considered, will be closer to 2 to 1 or 1 ½ to 1, so that reduces by 1/3 the product.

Chair Chavez said if we are producing green waste, the mulch now used for landscaping and ground cover will not be available in the future. As we incorporate the mulch into the sludge program and refine that, what is the cost to the public and to other departments.

Justin said some of the cost is up to \$7 per cubic yard, noting the DOT gets up to \$7 per cubic yard. He said we are wanting a facility where residential people can come with a truck with a shovel, etc. They are also looking at a more industrial garden type product, where the trucks can go to the facility.

Councilor Bushee said the good stuff sells at \$50, although she doesn't know the composition of this.

Justin said it goes from \$7 to \$25, depending on the use.

Councilor Bushee said we are hauling the bio solids needed to mix it "over there" because you've got a customer operation set up over there. Now you are going to move your customer base for the final product way over to the South Side, so you really aren't eliminating the traffic, or saving any fuel or eliminating carbon. She asked if it wouldn't be easier to dig out more space at BRT and move your stuff over there.

Justin said we are required by EPA to meet certain permit requirements to produce Class A sludge. He said quality assurance needs to take place at our facility, and the sludge is 80% and they are actually watering at the site and then processing at the wastewater treatment plan.

Councilor Bushee asked if there are experimental groups using biomass to heat, and said the more we handle and process this stuff, the more cost there is to everything. She wonders if it is the wisest use of this material, to use it 100% in this manner. She wants the highest and best use in terms of the costs, the process, the end product and how it is delivered.

Justin said engineers always look at the worst case scenario, so there should be some residual for other use. He said Parks grinds a lot of its material on site and use those materials.

Responding to Councilor Bushee, Justin said there may be other points where they could put piles for the public so we don't get so many trips. He is absolutely sure he can't haul his stuff "over there."

Councilor Heldmeyer said the "bloom is off the rose" on biomass as the source of electricity and energy. One of the problems is the consistency of the product which is needed to make biomass successful. Perhaps the new energy person could make a presentation to this Committee about this. She said we have heard about a lot of new and exciting innovations in energy technologies over the past ten years, and some no longer exist because they haven't been effective, or are used sporadically, or some of the people have left town. She said there were a lot of good ideas, some of which "panned out," and some didn't.

MOTION: Councilor Chavez moved, seconded by Councilor Heldmeyer, to approve this request.

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

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**END OF CONSENT CALENDAR DISCUSSION**  
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### **DISCUSSION AGENDA**

- 16. REQUEST BY JAMES SIEBERT ON BEHALF OF VICTOR Montaño TO REALLOCATE HIS WATER CONSUMPTION OF 7.22 AFY6 FROM HIS BATCH PLANT SITE AT 3964 AGUA FRIA ROAD TO A CONSOLIDATED SITE ON AVIATION DRIVE. THE AVIATION DRIVE IS CONTIGUOUS TO THE CITY AND THE APPLICANT WOULD LIKE TO ANNEX TO THE CITY AND MAINTAIN HIS ALLOCATED WATER USE. (ANTONIO TRUJILLO)**

This item was pulled from the Agenda at the request of the applicant because there are some details which need further work, and it will be brought back to the Committee at a later point.

**17. DISCUSSION ON SCHEDULING A LONG RANGE WATER SUPPLY PLAN AND WATER BUDGET ORDINANCE STUDY SESSION FOR OCTOBER 3, 2007, AT 4:30 P.M. (CLAUDIA BORCHERT)**

The Committee discussed scheduling a Study Session on the Long Range Plan on October 3, 2007, at 4:30 p.m. Ms. Borchert said it is her intention to recap what has been learned through the long range water supply plan so far, and where it would take us. She said future meetings would be needed to take us through the adoption of the plan, as well as what kind of ordinances would be needed.

After discussion, it was the consensus of the Committee to schedule a study session on October 3, 2007, 5:15 p.m. to 6:00 p.m., invite the other members of the Governing Body, with the study session to be followed by the regular meeting of the PUC.

Ms. Borchert will work with Stephanie to get the announcement out.

**18. REQUEST FOR APPROVAL OF BILL NO. 2007- \_\_\_\_\_. AN ORDINANCE AMENDING SECTION 2-4.2 SFCC 1987, REGARDING WATER RATE ADJUSTMENTS (COUNCILOR CHAVEZ). (GARY MARTINEZ)**

A Memorandum dated September 4, 2007, to Gary Martinez, Water Division, from Jason Mumm, Brown & Caldwell, regarding background and recommendation for commercial water rates, is incorporated herewith to these minutes as Exhibit "4."

Chair Chavez thanked Mr. Martinez for his efforts in this regard. He then asked Mr. Mumm to walk the Committee through his memorandum.

Jason Mumm reviewed the information in his Memorandum of September 4, 2007 [Exhibit "4"].

Councilor Bushee asked how many ratepayers would be contributing to the loss of revenue in Alternative #3, saying in her mind that would be two. She understands it would be a comfortable hit to hire someone like Brown & Caldwell to do a new cost of service analysis and create a new rate base for commercial or light industrial. However, she wants the City's attorneys to say what we can or cannot do administratively. She said to her, this doesn't mean reopening the rate issues, reiterating there are only two customers who have water as their product.

Mr. Mumm said it has been the focus of himself and staff to try to find an administrative solution without reopening the rate issues.

Councilor Bushee said it indicates #3 would cost as much as #2.

Mr. Mumm said the cost could be zero.



Councilor Bushee reiterated that we are trying to deal with the issues of only two customers, and others will want to be included. She doesn't like the way the ordinance is written, noting the language isn't consistent.

Chair Chavez said he introduced the ordinance, and Mr. Mumm and staff reviewed the ordinance. He said we are reacting to 1-2 customers' requests because they feel their water rates are too high.

Councilor Bushee said he is reacting to at three Councilors on the Committee that want this issue explored, not the two customers who keep coming back.

Chair Chavez understands, but this wouldn't be on the agenda if those customers hadn't come to this Committee. He said it doesn't make a lot of sense to open it up just for two customers. However, we either open it for two customers, or do nothing for two customers.

Councilor Bushee believes there is an administrative remedy. She asked Mr. Mumm how he arrived at the same costs in #3, and how many customers he anticipates will fall under that.

Mr. Mumm said the assumption for #3 is that the policy would be put in place so that any commercial customer could apply for such relief.

Councilor Bushee said, however, the customers would have to meet the criteria established by the City.

Mr. Mumm said this is correct, and whether or not the application is approved would be entirely up to the City Council and staff.

Councilor Bushee asked how you are assuming you would have the same cost with a blanket administrative adjustment as that of the limited criteria.

Mr. Mumm said it most conceivably could be less, but without knowing the exact criteria, or response to the program, he went with the higher number to be conservative to get the higher estimate.

Councilor Bushee said all along, Mr. Katz said he was unsure we could give administrative relief. She asked what Mr. Katz is now saying with regard to some sort of administrative relief with very tight criteria.

Mr. Buller said he has met twice with Mr. Katz to get him to frame a question in which the answer would be that we can do it administratively, but hasn't received an answer. However, Mr. Katz hasn't seen this Memorandum with this specificity. He said the next step, would be to take these proposals to him to get that answer. He said Mr. Mumm's memorandum uses the word "administrative rate relief," and he also says it would be provided by the City, but thinks he means by the Council. To him, this is an amendment to the ordinance, because it would be the Council giving guidance on a change in a rate structure. He doesn't believe this can be done without an ordinance.

Councilor Bushee doesn't think anyone is worried about an ordinance amendment, it is hiring companies like Mr. Mumm's to do this for two years and develop a new rate base.

Mr. Mumm said that would only happen under scenario #4.

Councilor Bushee said it does, but #3 isn't specific and is almost like #2.

Mr. Buller asked Mr. Mumm if there was interest in #3, would it be difficult for him to flesh out different options as to which customer classes that would be and the impacts those classes would have.

Mr. Mumm said, with guidance, they probably could cull through the customer data base and develop a maximum number from that, as long as they know the criteria. He said the burden would be on the applicant to prove they had met the water conservation standards.

Chair Chavez said he understood Mr. Mumm drafted this ordinance based on scenario #3, and that it would be as he described it, with the understanding we added language after the last PUC meeting.

Mr. Mumm said yes, but staff has added more constraints than he proposed under B(2)(c) so staff and Council could add criteria.

Chair Chavez said then it is safe to say that the amendments to the ordinance reflect our best efforts to try to do something administratively, but with the onus on the applicant/customer and have it be very heavy on conservation under the criteria.

Chair Chavez said his intent today wasn't to focus on the ordinance, or the amendments, but to first review Mr. Mumm's Memorandum, because it is broader than what the ordinance currently is speaking to, and is focusing more on scenario #3, than #4. He doesn't know which direction the Committee will want to proceed. We have scenarios, and the ordinance as a reference point. If we agree on the direction, we will have to change the ordinance in some fashion, and this is the first attempt to try to get to that point.

Councilor Bushee said the ordinance was what was advertised, not the amendments.

Chair Chavez said he understands, but the Memorandum was received and we can't do the ordinance without having Mr. Mumm on Board, and he has been working with staff. He said we need Mr. Mumm's presentation, because it gives us more insight and better information so we can determine the next steps.

Councilor Bushee said this is a "chicken and egg" situation, because #3 cannot be defined until the ordinance is clear in its criteria.

Councilor Bushee spoke about problems with the language of the ordinance. For example, page 2, item 2(C) of the ordinance, no one can disagree that conservation is the "litmus" test, but it is an incomplete sentence. Item 3(B) says, "conduct a water audit, " and down below it is called a "water conservation audit." She said the ordinance needs to be refined, and perhaps the new water attorney can

review the ordinance and refine the language. She doesn't disagree with what is needed with the rigorous test to meet the criteria.

Mr. Martinez said this is an effort by staff to present an ordinance for discussion, and it hasn't been given to the City Attorney at this point. It was based on a lot of things which were discussed at the last PUC meeting, which staff tried to incorporate into the ordinance.

Councilor Bushee said she isn't arguing the direction, but the ordinance isn't clear and concise, reiterating that she thought tonight's hearing was on the ordinance. She wants more specifics on item #3 which is the route which she would like to take. She reiterated that she wants something in writing from the City Attorney, although admitting that Mr. Mumm's firm has attorneys who have done these kinds of things elsewhere. She doesn't want to include every customer who comes through the door, and said the ordinance needs to be clear that they have to prove they fit the City's criteria.

Ms. Price said she has always been confused about who we're talking about. She asked if we are talking about people who produce ice and/or water. If so, we can include that language.

Chair Chavez asked Councilor Bushee her suggestions of how to limit it to just those two.

Councilor Bushee said there is the start of criteria in the ordinance. She is concerned about giving relief to those who use water as an input to some degree. A laundry uses water as its primary function and can't function without water. Without water, there would be no ice. She said the majority of the car washes have conservation efforts.

Chair Chavez said the car washes don't have conservation, but the carwashes are just not complaining.

Councilor Bushee asked if Councilor Chavez, as the sponsor, would like to go to the point where we do nothing.

Councilor Chavez said no, and this ordinance doesn't do that.

Councilor Bushee reiterated that the ordinance is confusing, inconsistent and too many "lines" to follow if you are to achieve it. She wants more explanation of item #3 from Mr. Mumm's memorandum.

Councilor Heldmeyer said we had feedback from various businesses that when the rates went up didn't like it. Were some being treated unfairly by the way the rates increased. If we were in the middle of a rate study, we should do #4, but we're not. The question is how do we determine who is being treated unfairly and how to rectify that inequity.

Councilor Heldmeyer said there are customers from various businesses, some of which use water as a commodity and some don't, and some have small meters and others don't. The question is whether, when the rates were increased, some of those people have been treated unfairly by the way the rates were increased, and if so, how to deal with that. She said Mr. Mumm is right, if we were determining rates now,

we should do item #4, but we're not going to do that. The question then is how to determine who is being treated unfairly, and therefore should get a break on their water rates, and how to do that equitably, and the basis on which we do that.

Councilor Heldmeyer said Mr. Katz is saying it probably isn't legal, and probably not fair, because of who will get the break in the rates. She said this ordinance is an attempt to do this on a more rational basis. This ordinance would limit it to commercial customers who have meters which are 2 in., or less. That is a big change. She said one of the reasons the rates were increased is because the Council wanted to encourage commercial entities to use conservation where they could, so that they would do it.

Councilor Heldmeyer said this is a small subset, and not everyone who complained. It is commercial customers with meters of 2 in. and less. This limits it further, and some things are more defined than others.

Councilor Heldmeyer is concerned about the language which provides, "customers previous twelve month water use consistently incurs high water use charge." She is unsure what that says about seasonal businesses, and some of those to whom Councilors want to offer relief are seasonal – they use more water and do more work in the warm months than in the cold months. She said what we are trying to help people who, because of the size of their meter, relative to amount of water used, are perceived as being treated inequitably and unfairly, and what we can do for those people.

Councilor Heldmeyer said the ordinance provides that they should reasonably minimize water use and use conservation, which is good. She said you can argue about what constitutes "reasonably," but that would be determined by the Director of the Water Division. She said the language provides, "Commercial customers with meters that are 2 in. or less, coupled with the unique circumstances and a consistently high water usage charges." This really limits this. She said if the Council wants to look at the customer base to see who falls in those categories, there will only be dozens or less. She said this would reduce the uncertainty in Mr. Mumm's analysis, because right now, he doesn't know how many people will request relief, and how many will get it. However, we can narrow the pool, and the changes in this ordinance do that.

Councilor Heldmeyer said the ordinance provides what staff has to do, which is the disadvantage which Mr. Mumm points out, noting it is fairly staff intensive. She said the ordinance provides, "After receipt of application, staff shall review application." She would like a cut-off at that point. If the application doesn't meet the criteria in #1 and #2, nothing further has to be done. She said for the small group which remains, we are offering the help of staff to look at the situation, perform a water audit to determine if they have the correctly sized meter. She said for some, changing the meter size would solve the problem. She said when you are letting someone pay less than other people, then you have to define the special circumstances. She would like to see the application evaluated before doing anything else. She said this makes good sense, and the Director can provide the solution.

Councilor Heldmeyer said the next time the rates are reconsidered, she believes Mr. Mumm's #4 needs to be done, but realistically it isn't going to be done now. She said given what we have, it is relatively good and focuses the attention on the small subset of customers on which it should be focused.

Responding to Councilor Trujillo, Mr. Martinez said, with regard to Mr. Alarid, there wasn't much conservation effort.

Councilor Trujillo said, then if we adopt this, Mr. Alarid would fall into the category where there is nothing we can do.

Mr. Martinez said this is correct.

Councilor Heldmeyer said something could be done about the rates, commenting that Mr. Alarid would be a "4(A) under this."

Councilor Trujillo believes we do need to do something.

[Mr. Martinez's remarks here are inaudible.]

Chair Chavez asked Mr. Martinez, regard to Mr. Martinez's site visit to El Ice Plant, if in the evaluation, he determined Mr. Alarid had done everything possible in conservation with the existing system.

Mr. Ransom said he didn't do an actual audit, but he did meet with Mr. Alarid and looked at some of his equipment. He said he has some air cooled ice machines, rather than water cooled, which uses less water. However, he can't say he has done everything possible, but he has a great start. He noted Mr. Alarid was in the newspaper with some violations which means he has leaking water under the floor and such, and he will get those issues resolved.

Chair Chavez said this is hard on businesses. He said the City is providing a water service as well being expected as to supply the community with new water as the City grows. He said it won't be easy for these businesses to open its doors for an audit, but it has to be done if the City is to do its part. He said this is the first attempt to get our arms around this issue. He would like input from staff, and then the Committee can decide what direction to take. The ordinance can be approved, moved forward without recommendation, or it can be amended. However, he believes he will take it back to the Committee.

Councilor Dominguez asked which one of the options in Mr. Mumm's memorandum are closest to the ordinance.

Chair Chavez said it is #3.

Councilor Dominguez said it appears to him that the ordinance could be too subjective. For example, on page 2, line 4, #2, how does staff determine what is reasonable. He said there needs to be more dialogue and discussion between the City Attorney and some of the customers. He doesn't think there are a great number of people to whom this would be applied administratively. He believes some of this is premature.

Councilor Heldmeyer said, given what is in the draft ordinance, it will be narrowed considerably.

Mr. Mumm said they have been looking at this, and the \$1.3 million revenue loss is based on his analysis of customers which fit that exact definition. He doesn't have the count here, but the number range examined was 200 to 500. There are hundreds of affected customers in this group. He said the narrow definition they were seeking in #3 was to get past the hundreds to the dozens, making it incumbent on the applicant to demonstrate their commitment to the City's conservation goals, recognizing the City would want to establish those goals.

Councilor Heldmeyer asked if he looked at 2(B) that the customer's previous 12-month water use consistently incurred high water usage charges.

Mr. Mumm said yes, and this is how he got the "hundreds." He said the concentration of customers in a class from 5/8 inch to 2 inches is closest to the customer class.

Councilor Heldmeyer said she would love to see the numbers, given that he has done the analysis.

Mr. Mumm said a memorandum was provided to staff.

Mr. Buller will provide a copy to the Committee.

**MOTION:** Councilor Bushee moved, seconded by Councilor Trujillo, to have this item come back to PUC at the next meeting, ask the City attorneys to give an opinion on administrative relief, and to hone the criteria more to get to those specific businesses to whom we might be able to provide administrative relief.

**DISCUSSION:** Councilor Bushee believes we are looking at a very unique set of circumstances. She would really like to know the objective and the intent and ask the City Attorney to review this.

Councilor Heldmeyer said we are speaking about two different groups of people: those who sell water, liquid or frozen, and then those who sell water as part of a service such as a laundry or a carwash. These two are very different. She would like, in Mr. Mumms' analysis, for staff to highlight how many of each of the subgroups there are.

Chair Chavez said Mr. Mumm is under contract because whatever decision we make will have unintended consequences. In almost any scenario discussed in Mr. Mumm's memorandum, there will be some degree of fiscal impact, but we don't know how much. We do know it has to be revenue neutral. He said this process will be ongoing. He asked about Mr. Mumm's contract.

Mr. Martinez said the length of the contract will depend on the Governing Body. The current contract is for one year at \$20,000. He thinks we can make it on that amount if we are very conservative.

**CLARIFICATION:** The motion is to bring this back to this Committee at the next meeting, ask the attorneys to provide an opinion on the legality of administrative relief and hone the criteria.

Chair Chavez asked Councilor Bushee who she would like to do the honing.

Councilor Bushee said the lawyers, water staff, Mr. Mumm and such. Responding to the Chair, Councilor Bushee said she is speaking about "everyone in this room and one that's not."

Mr. Buller said, especially 2(C) on page 2 dealing with minimization, some of these other criteria are begging for regulations to back them up. He said this might be another case where the criteria would be fleshed out through the regulations. He staff could begin working on the regulations, because he believes this is what the criteria are requesting.

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

**19. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO REPORT ON THE HIGHLY VISIBLE ELECTRICAL POLES. (COUNCILOR BUSHEE, ROBERT GALLEGOS)**

Councilor Bushee said all she wants is for staff to see what can be done with the appropriate regulatory bodies to see if there is any way to prevent the proliferation of the monstrous electrical poles.

Mr. Gallegos said staff can look at this issue and do what the ordinance asks it to do. He reminded the Committee that the City has a Facility Plan which it negotiated with PNM. He said staff can look at that Plan in the light of this Resolution, evaluate her questions, and get answers to those questions.

Councilor Bushee said she understands this is a structural issue for PNM, but believes the City has to have a way to do this.

Mr. Gallegos introduced Nick Shiloh, the new energy specialist.

Mr. Shiloh said Mr. Romero contacted him regarding this resolution. He said he won't officially start work until September 24<sup>th</sup>, but he has been working with Katherine Mortimer on some issues.

Responding to Councilor Bushee, Mr. Shiloh said he currently is an engineer at the Wastewater Division, and previously served as the Chief Engineer for the Public Utility Commission in Hawaii.

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

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

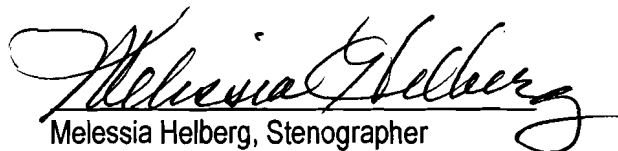
There were no matters from the Committee.

**NEXT MEETING: Wednesday, September 19, 2007**

## ADJOURN

There being no further business to come before the Committee, and the Committee having completed its agenda, the meeting was adjourned at 7:25 p.m.

  
Miguel Chavez, Chair

  
Melessia Helberg, Stenographer