

memo

DATE: October 28, 2013

TO: Public Utilities Committee/Finance Committee/City Council

VIA: Nick A. Schiavo, Public Utilities Department and Water Division Director *NSA*

FROM: Bryan Romero, Interim Wastewater Management Division Director *JRH*

RE: Incorporation of Wholesale Sewer Rates specific to Santa Fe County to serve Properties Located Outside the Presumptive City Limits in Accordance with the Settlement Agreement and Mutual Release of Claims# 08-0832

ITEM

Request approval of an ordinance relating to sewer rates for properties located outside the city limits; amending subsection 22-6.2 SFCC 1987 to establish that the Santa Fe County Housing Assistance Ordinance shall have jurisdiction over properties outside the city limits; and amending Rule 8 A. of Exhibit A of Chapter 22 SFCC 1987, City of Santa Fe Sanitary Sewer Rate, Fee and Penalty Schedule, to establish customer wholesale rates for properties located outside the city limits that are connected to the city sewer system.

SUMMARY

The reason for incorporating wholesale rates into the rate structure is to provide Santa Fe County the ability to establish a Utility that incorporates wastewater services to serve properties located outside the Presumptive City Limits which the City has approved or may approve sewer service in accordance with SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS#08-0832. These wholesale rates are specific to Santa Fe County. The County will serve these properties via their own infrastructure up to the point of connection to the City's sanitary sewer collection system.

MWH, Global, Inc. performed a Cost of Service Analysis (see attached) in order to establish the wholesale rate. The sewer rates are made up of two components. The first is a monthly sewer service charge and the second is the monthly usage charge. The monthly sewer service charge is a fixed charge applied to each bill. The monthly sewer service charge includes utility billing costs, fifty three percent of administration costs, water testing costs, and fifty three percent of engineering costs. The monthly sewer usage charge includes treatment costs, forty seven percent of administration costs, sewer line maintenance costs, forty seven percent of engineering costs, industrial pretreatment program costs and bio-solids handling costs.

Three different scenarios were assumed in providing three separate options in determining wholesale rates. However scenario 1 was found to be impractical since it creates a situation where the customers inside the city limits would be subsidizing the wholesale rate provided to the County and therefore was removed from consideration. In Scenario 1, the County would be charged only one monthly sewer service charge of \$6.45 and would not equitably share in the costs associated with the monthly service charge. Also, no sewer line maintenance and operation costs for line maintenance are included in this scenario.

\\file-svr-1\home\$\naschiavo\Nick PUD\WWMD\PUC MEMO 10-22-13 WASWATER RATE CHANGE for County Wholesale.doc

The following are the scenarios considered in establishing the County Wholesale Sewer Rates:

Note: In both scenarios described below, the monthly sewer usage charge will be charged to the County based on the number of customers connected to the County System that will utilize City facilities for treatment. The residential and commercial customer usage will be determined in the same manner as all other City customers. The County will provide an itemized usage report to the City for billing purposes that shows all water reads and usages for each of its customers. This report will be used to by the City to bill the County.

Scenario 2 – The County will be charged a monthly service charge based on an accumulative sum of each of the County’s individual customers. For example, if the County serves 676 customers via treatment by the City’s system, the monthly service charge to the County would be calculated by multiplying 676 by \$4.30. This would result in a monthly service charge of \$2,906.80. No sewer line maintenance and operation costs are included in this scenario.

Scenario 3 – Is similar to Scenario 2 with the exception that the sewer line operations and maintenance costs for interceptor sewer lines are factored into the rate. An interceptor sewer is any line that has a diameter of 10 inches or greater. Interceptor sewer lines account for fourteen percent (14%) of the sewer system. Scenario 3 is the most equitable for the entire customer base since it incorporates some sewer line operation and maintenance into the wholesale rate.

The wholesale rates based on Scenario 3 are being recommended for the following reasons:

- Each unit being served will have a monthly sewer service fee that will be billed as a lump sum charge to the County. This will allow for the actual costs to be directly proportional to development growth.
- Sewer line operation and maintenance costs for interceptor sewers are incorporated into the rate structure.

The annual decrease in revenues for scenario 3 (based on 676 units) is \$9,320. As shown in table below, Scenario 3 has the least impact to annual revenues in comparison with the other two scenarios.

	Scenario 1	Scenario2	Scenario 3
Annual Revenue Decrease (based on 676 units)	\$ 50,077	\$ 14,391	\$ 9,320

Although there will be a reduction in revenues under any of the three scenarios, there will also be some savings to the Utility Billing Division due the reduction in individual bills that need to be processed and managed. MWH, Global Inc. has begun the financial analysis that re-evaluates all sewer rates utilizing FY 2012/2013 audited financial information.

REQUESTED ACTION

The Wastewater Management Division recommends the approval of an ordinance relating to sewer rates for properties located outside the city limits; amending subsection 22-6.2 SFCC 1987 to establish that the Santa Fe County Housing Assistance Ordinance shall have jurisdiction over properties outside the city limits; and amending rule 8 a. of Exhibit A of Chapter 22 SFCC 1987, City of Santa Fe Sanitary Sewer Rate, Fee and Penalty Schedule, to establish customer wholesale rates for properties located outside the city limits that are connected to the city sewer system.

Wastewater Cost-of-Service

The City of Santa Fe Wastewater Division engaged MWH Global to prepare a wastewater Cost-of-service allocation study for FY2012-13. MWH presented the results of that study in October 2012. The memorandum summarizing the findings and results of that study is attached to this memorandum. Recently the City asked MWH to review the calculated rates for the customers that will be absorbed by Santa Fe County Which the City wastewater utility will provide wastewater treatment as a wholesale customer.

The County of Santa will absorb through annexation about 700 customers that the City of Santa Fe provided full retail services. The County will bill and maintain the collection system of these customers.

The rates developed in October 2012 included a monthly service charge and a volumetric rate per thousand gallons. The monthly service charge includes:

- Billing costs totaling \$754,755 included in the administrative Org 52251
- A 53% of the administrative costs of Org. 52251
- 100% of the costs of Org. 52254 Wastewater Department Wide
- 53% of costs of Org. 52456 Engineering & Environmental

The volumetric service rate per thousand gallons includes:

- Treatment costs Org. 52452
- Collection costs Org. 52455
- Pretreatment costs Org. 52458
- Compost costs Org 52460

We updated our COS calculations assuming three different scenarios:

1. County customers will be bill as a one wholesale customer and will not share any of the collection costs. All the costs included in the service charge are the ones described above but the county will only share those costs as one single unit.
2. In scenario 2 instead of assuming the County as one single customer for all the service charge costs we allocated the billing costs as one single unit but the other costs are allocated assuming the 676 customers the County absorbed. In this scenario the County does not share any collection costs.
3. Scenario 3 is the same as scenario 2 on the service charge. On the volumetric rate there is a portion of O&M collection costs allocated to them. The portion of the O&M collection costs (org. 52455) included are those related to the maintenance of lines 10" or greater. In this case we assumed that of the total O&M collection costs 14% is destined to the maintenance of lines 10" or greater.

The results of these three scenarios are presented in Table 1.

Table 1: Proposed Cost-of-Service Rates October 2012 Study

Item	Existing Rate	October2012 COS Study Full Costs	Scenario 1	Scenario 2	Scenario 3
Inside City Customers					
Monthly Service Charge	\$5.85	\$5.85	\$5.94	\$5.85	\$5.86
Volumetric Rate (per kgals)	\$3.58	\$3.90	\$3.91	\$3.90	\$3.90
High-Strength (per lbs)	\$0.51	\$0.66	\$0.79	\$0.79	\$0.80
Outside City Customers					
Monthly Service Charge	\$5.85	\$6.27	\$6.45	\$2,903.45	\$2,900.35
Volumetric Rate (per kgals)	\$3.84	\$4.99	\$3.75	\$3.78	\$3.95

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2013-40

INTRODUCED BY:

Councilor Calvert

AN ORDINANCE

RELATING TO SEWER RATES FOR PROPERTIES LOCATED OUTSIDE THE CITY LIMITS; AMENDING SUBSECTION 22-6.2 SFCC 1987 TO ESTABLISH THAT THE SANTA FE COUNTY HOUSING ASSISTANCE ORDINANCE SHALL HAVE JURISDICTION OVER PROPERTIES OUTSIDE THE CITY LIMITS; AND AMENDING RULE 8 A. OF EXHIBIT A OF CHAPTER 22 SFCC 1987, CITY OF SANTA FE SANITARY SEWER RATE, FEE AND PENALTY SCHEDULE, TO ESTABLISH CUSTOMER WHOLESALE RATES FOR PROPERTIES LOCATED OUTSIDE THE CITY LIMITS THAT ARE CONNECTED TO THE CITY SEWER SYSTEM.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Subsection 22-6.2 SFCC 1987 (being Ord. #1997-3, §39, as amended

is amended to read:

22-6.2 Properties Outside City Limits.

A. *Purpose.* The governing body has determined that connections to the city's sewer system should be allowed outside the city limits under certain conditions. The wastewater

1 treatment plant has the capacity for such connections, the effluent is a benefit to the city, and
2 protection of the groundwater is important.

3 B. *Definitions.* As used in this section:

4 *Presumptive City Limits* is defined in the settlement agreement and mutual
5 release of claims entered into by the city of Santa Fe, Santa Fe County and other parties
6 dated May 19, 2008.

7 C. *Connection Prohibited.* Sanitary sewer service line connections and sanitary
8 sewer mainline extensions are prohibited outside the presumptive city limits except as set forth in
9 this section.

10 D. *Existing Agreements.* Sanitary sewer service line connections and sanitary sewer
11 mainline extensions for which there is a valid, written agreement obligating the city to allow
12 connection to the city's sewer system shall be reviewed by the city attorney and may be
13 implemented by the wastewater management division director.

14 E. *Property Owners.* This section shall apply to properties owned by private property
15 owners as well as to properties owned by county, state or federal agencies to the extent allowed
16 by law.

17 F. *Areas of Sanitary Sewer Service.*

18 (1) Requests for sanitary sewer service line connections and sanitary sewer
19 mainline extensions submitted after October 29, 2008, (date of adoption of this
20 Ordinance) for properties located entirely within the areas to be annexed, as defined in
21 the settlement agreement and mutual release of claims entered into by the city of Santa
22 Fe, Santa Fe county and other parties dated May 19, 2008, shall be processed in the same
23 manner as requests for properties within the current city limits. This paragraph shall not
24 apply to those requests described in paragraph D. above.

25 (2) Requests for sanitary sewer service line connections and sanitary sewer

1 mainline extensions for properties outside the presumptive city limits including the Aqua
2 Fria traditional historic community and the county of Santa Fe fairgrounds shall be
3 processed pursuant to paragraph I. below.

4 G. *Affordable Housing.* [~~Section 14-8.11 (D) SFCC 1987 regarding the Santa Fe~~
5 ~~Homes Program~~] The Santa Fe County Housing Assistance Ordinance, Sec. 151.01, Santa Fe
6 County Code of Ordinances shall apply.

7 H. *Conditions of Service.* The property owner and all future owners of the property
8 obtaining city sewer service under this section shall be required to pay all applicable rates,
9 charges and fees for city sewer service. Requirements set forth in Chapters XIV and XXII SFCC
10 1987 and all other rules and regulations pertaining to the use of the city's sewer service are also a
11 condition of service.

12 I. *Water/Wastewater Review Team.*

13 (1) All applications for city sewer service connections for properties outside
14 the presumptive city limits shall be reviewed by the water/wastewater review team
15 (WWRT). The team shall meet regularly and shall be made up of city and county staff
16 from the water division, the wastewater division, the city attorney's office, the county
17 attorney's office, the land use departments and the office of affordable housing. The team
18 shall evaluate the completeness of the application and the feasibility of implementing the
19 connection. Applications shall include the following:

20 (a) A map of the proposed project in relation to the existing city
21 limits and the presumptive city limits;

22 (b) A detailed description of the proposed development including
23 the type and size of proposed land uses;

24 (c) The health, safety, public welfare or other legal reason for the
25 connection;

1 (d) Documentation from the county of Santa Fe that county sewer
2 service is not available; and

3 (e) A certified Santa Fe Homes Proposal as set forth in Section 14-8.
4 11 SFCC 1987.

5 (2) If the WWRT finds the connection feasible and the legal reasons
6 compelling, it shall submit a report to the public utilities committee of the city, the
7 governing body and the board of county commissioners for consideration of an
8 agreement between the city of Santa Fe and Santa Fe county pursuant to Section 2.m. of
9 the settlement agreement and mutual release of claims entered into by the city of Santa
10 Fe, Santa Fe county and other parties dated May 19, 2008.

11 J. *Wastewater Service Agreement.* The property owner obtaining city sewer service
12 under paragraph F.(1) of this section shall enter into a wastewater service agreement with the city.
13 The applicant shall agree to not oppose the annexation of the property upon the request of the city
14 and in accordance with the applicable regulations regarding such annexations. The agreement
15 shall be reviewed and approved by the city attorney's office and the wastewater management
16 division director. The document, which includes a legal description of the property, shall apply to
17 the property and all future owners and shall be recorded at the county clerk's office and retained
18 at the city clerk's office. No connection to the city's sewer system shall be provided until a copy
19 of the recorded document is provided to the wastewater management division director. The
20 requirement to agree to not oppose the annexation of the property shall not apply to property
21 located entirely within the boundary of the Agua Fria traditional historic community.

22 **Section 2. Rule 8 A. of Exhibit A of Chapter 22 SFCC 1987 (being Ord. #1997-**
23 **3, Exhibit A, as amended) is amended to read:**

24 **8. Sewer Service Charges.**

25 A. Connected to City Sewer

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1. Single Family Residential Sewer Service Fees and Usage Fees.

Single family residential sewer service fees and usage fees shall apply if a sewer customer is served by city water and meets the single family service classification for water as set forth in Chapter 25 SFCC 1987. If not served by city water, single family residential sewer service fees and usage fees shall apply where the sewer connection serves only one unit* for normal domestic sewage.

a. *In city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.58 per 1000 gallons of water**
July 1, 2012	Not connected to city water	\$5.85/unit*	\$12.88/unit*

b. [~~Outside~~] *Inside presumptive city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.84 per 1000 gallons of water**
July 1, 2012	Not connected to city water	\$5.85/unit*	\$13.82/unit*

c. *Outside presumptive city limits:*

<i>Customer Wholesale Rate for Santa Fe County</i>			
Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2014	Connected to county water	\$4.29/unit*	\$3.95 per 1000 gallons of water**
January 1, 2014	Not connected to county water	\$4.29/unit*	\$14.22/unit*

2. Multi-Family Residential Sewer Service:

The following sewer service fees and usage fees shall apply if a sewer customer is served by city water and meets the multi-family residential service classification for water as set forth in Chapter 25 SFCC 1987. If not served by city water, multi-family residential sewer service fees and usage fees shall apply where the sewer connection serves more than one unit* for normal domestic sewage.

a. *In city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.58 per 1000 gallons of water**
July 1, 2012	Not connected to city water	\$5.85/unit*	\$12.88/unit*

b. [~~Outside~~] *Inside presumptive city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.84 per 1000 gallons of water**
July 1, 2012	Not connected to city water	\$5.85/unit*	\$ 13.82/unit*

c. *Outside presumptive city limits:*

<i>Customer Wholesale Rate for Santa Fe County</i>			
Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2014	<u>Connected to county water</u>	<u>\$4.29/unit*</u>	<u>\$3.95 per 1000 gallons of water**</u>
January 1, 2014	<u>Not connected to county water</u>	<u>\$4.29/unit*</u>	<u>\$14.22/unit*</u>

3. Commercial Sewer Service:

The following sewer service fees and usage fees shall apply where the water meter(s) serves a use not classified as single family residential or multi-family residential sewer service set forth above or where service is provided for a combination of residential and commercial services.

a. *In city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.58 per 1000 gallons of water***
July 1, 2012	Not connected to city water	\$5.85/unit*	\$12.88/unit*

b. [~~Outside~~] *Inside presumptive city limits:*

Effective Date		Monthly Service Fee	Monthly Usage Fee
January 1, 2010	Connected to city water	\$5.85/unit*	\$3.84 per 1000 gallons of water***
July 1, 2012	Not connected to city water	\$5.85/unit*	\$ 13.82/unit*

c. *Outside presumptive city limits:*

<i>Customer Wholesale Rate for Santa Fe County</i>			
<u>Effective Date</u>		<u>Monthly Service Fee</u>	<u>Monthly Usage Fee</u>
<u>January 1, 2014</u>	<u>Connected to county water</u>	<u>\$4.29/unit*</u>	<u>\$3.95 per 1000 gallons of water**</u>
<u>January 1, 2014</u>	<u>Not connected to county water</u>	<u>\$4.29/unit*</u>	<u>\$14.22/unit*</u>

4. Exceptions to Commercial Sewer Service.

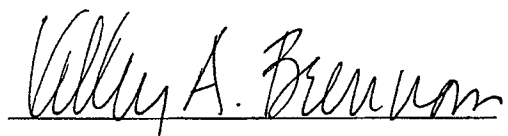
Mobile home parks; commercial greenhouses; churches; properties

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owned by the U.S. government, the state of New Mexico, the city of Santa Fe, the county of Santa Fe and the Santa Fe board of education; and state accredited private elementary and secondary schools and colleges shall not be considered commercial sewer services and shall be considered residential sewer service.

Section 2. **EFFECTIVE DATE.** This Ordinance shall become effective January 1, 2014.

APPROVED AS TO FORM:



KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

**City of Santa Fe
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: X 2013-40 Resolution: _____

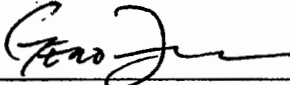
(A single FIR may be used for related bills and/or resolutions)


Short Title(s): An ordinance relating to sewer rates for properties located outside the city limits; amending subsection 22-6.2 SFCC 1987 to establish that the Santa Fe County Housing Assistance Ordinance shall have jurisdiction over properties outside the city limits; and amending Rule 8 A. of Exhibit A of Chapter 22 SFCC 1987, City of Santa Fe Sanitary Sewer Rate, Fee and Penalty Schedule, to establish customer wholesale rates for properties located outside the city limits that are connected to the city sewer system.

Sponsor(s): Councilor Calvert

Reviewing Department(s): Public Utilities – Wastewater Management Division

Person Completing FIR: Bryan Romero/MWH Date: 10-22-13 Phone: 955-4623

Reviewed by City Attorney:  Date: 10/28/13
(Signature)

Reviewed by Finance Director:  Date: 10/31/13
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The Ordinance amends Exhibit A in Chapter 22 by adding a customer wholesale rate specific to Santa Fe County in order for the County to provide sewer service to properties located outside the presumptive city limits and in which the city has approved sewer service in accordance with the SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS #08-0832.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 13/14	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Sewer Usage Fee	\$3,331	R	_____	_____	_____	51450
Sewer Monthly Service Charge	\$(12,651)	R	_____	_____	_____	51450
Total:	\$(9,320)	_____	_____	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

This change is required because Santa Fe County will absorb about 700 retail customers which they will provide billing and collection maintenance for these customers.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff are aware of.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Santa Fe County might decide against absorbing this group of customers if the rates do not reflect the true cost to serve this customers.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

There are no incorrect citations of law, drafting errors or other problems that staff are aware of. No other alternatives are being presented.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

The Ordinance will have an effect on the next cost of service analyses of Wastewater Rates by aligning the rates more closely to the true cost to serve each customer class and type. It will allow the County to grow its Water Utility.

Form adopted: 01/12/05; revised 8/24/05; 4/17/08

**ACTION SHEET
CITY COUNCIL MEETING OF 11/13/13
ITEM FROM FINANCE COMMITTEE MEETING OF 11/04/13**

ISSUE:

24. Request for Approval of an Ordinance Relating to Sewer Rates for Properties Located Outside the City Limits; Amending Subsection 22-6.2 SFCC 1987 to Establish that the Santa Fe County Housing Assistance Ordinance shall have Jurisdiction Over Properties Outside the City Limits; and Amending Rule 8 A. of Exhibit A of Chapter 22 SFCC 1987, City of Santa Fe Sanitary Sewer Rate, Fee and Penalty Schedule, to Establish Customer Wholesale Rates for Properties Located Outside the City Limits that are Connected to the City Sewer System. (Councilor Calvert) (Bryan Romero)

Committee Review:

Public Utilities (scheduled)	11/06/13
City Council (request to publish)	11/13/13
City Council (public hearing)	12/11/13

Fiscal Impact – Yes

FINANCE COMMITTEE ACTION: Approved as Discussion Item

SPECIAL CONDITIONS OR AMENDMENTS

Approved with amendment.

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR BUSHEE	X		
COUNCILOR CALVERT	X		
COUNCILOR DIMAS	X		
COUNCILOR IVES	X		
CHAIRPERSON DOMINGUEZ			

Chair Dominguez would like to include the data in the Whereases. He said it would be helpful if he could provide that information to everyone on the Committee, and asked the data be broken down by both the Teen Center and the Library.

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

DISCUSSION: Chair Dominguez said he will work with Councilor Trujillo on this. If this is to be a teen center, there is a case to be made that in the southwest sector, where the population is the youngest, where the largest schools exist, that you could justify a need for one there as well. His hope is to work with Councilor Trujillo on this.

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

Mr. Pino said, "If I may, I would like to ask the consent of the Committee, absent the entire Council, to go ahead and provide the requested language that you've asked for, and to shoot a draft over to the Public Schools, because we have a joint meeting coming up with them almost about the next time there's a Council meeting. And they've already passed this Resolution I'm told, so I just want them to have the new language that we might propose.

Chair Dominguez said, "That's fine. It's really just information, there is no action necessarily in the language that I proposed, so okay."

24. **REQUEST FOR APPROVAL OF AN ORDINANCE RELATING TO SEWER RATES FOR PROPERTIES LOCATED OUTSIDE THE CITY LIMITS; AMENDING SUBSECTION 22-6.2 SFCC 1987 TO ESTABLISH THAT THE SANTA FE COUNTY HOUSING ASSISTANCE ORDINANCE SHALL HAVE JURISDICTION OVER PROPERTIES OUTSIDE THE CITY LIMITS; AND AMENDING RULE 8A. OF EXHIBIT A OF CHAPTER 22, SFCC 1987, CITY OF SANTA FE SANITARY SEWER RATE, FEE AND PENALTY SCHEDULE, TO ESTABLISH CUSTOMER WHOLESALE RATES FOR PROPERTIES LOCATED OUTSIDE THE CITY LIMITS THAT ARE CONNECTED TO THE CITY SEWER SYSTEM (COUNCILOR CALVERT). (BRYAN ROMERO) Committee Review: Public Utilities (scheduled) 11/06/13; and City Council (scheduled) 11/13/13. Fiscal Impact – Yes.**

A copy of a proposed amendment sheet to this bill, proposed by staff, is incorporated herewith to these minutes as Exhibit "1."

Bryan Romero noted an amendment sheet was passed out to the Committee [Exhibit "1"]. He said this corrects an error on page 7, which is it should be \$3.95 instead of \$3.78 per 1000 gallons. He will stand for questions regarding this item.

MOTION: Councilor Calvert moved, seconded by Councilor Ives, to approve this request, as amended.

DISCUSSION: Mr. Romero said this will be heard at the Public Utilities Committee on Wednesday.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

26. OTHER FINANCIAL INFORMATION:

A. STATUS OF THE CITY'S CASH AND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2013. (HELENE HAUSMAN)

Helene Hausman presented information from her Memorandum of November 4, 2013, which is in the Committee packet. Please see this Memo for specifics of this presentation.

Ms. Hausman said she met with Washington Federal today and they seem interested in the possibility of a \$250,000 Certificate of Deposit, commenting they don't want to go any more than the FDIC insured right now. She said she thinks it was a positive meeting and we'll see where things go.

B. UPDATE OF PROPOSED GROSS RECEIPTS (HOLD HARMLESS REVENUE REPLACEMENT). (MARCOS TAPIA)

Marcos Tapia said these are scenarios we are examining with regard to the hold harmless, noting he will have a timeline for the City Manager to review. This looks to see what it would produce if it were to be enacted and what it would affect. He said he did another calculation if we just did 2/8, noting Las Cruces enacted the full increment. He said the LFC met on this and they are talking about bringing this up again in the next Legislative Session, because it was rushed and not well thought out on some areas. For example, Los Alamos County is a Class H City/County, so both would be hit with the 3/8. He said Corrales would make money off this, potentially 10 times the amount.

Chair Dominguez said then there will be changes by the Legislature, but we don't know what those will be.

Mr. Tapia said this is correct, but he doesn't think they will pull the whole thing. However, he believes they will correct what they already have.

Chair Dominguez asked how does the Hold Harmless work.

Mr. Tapia said it is by percentage, starting at 94%, pro-rated over the next 15 years, until we get nothing. He said the first year we will lose about \$630,000. It will be a little less each month.

ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 11/6/13

ISSUE NO. 19

Request for approval of Bill No. 2013-_____. An ordinance relating to sewer rates for properties located outside the city limits; amending subsection 22-6.2 SFCC 1987 to establish that the Santa Fe County Housing Assistance Ordinance shall have jurisdiction over properties outside the city limits; ;and amending Rule 8A of Exhibit A of Chapter 22 SFCC 1987, City of Santa Fe Sanitary Sewer Rate, Fee and Penalty Schedule, to establish customer wholesale rates for properties located outside the city limits that are connected to the city sewer system. (Councilor Calvert) (Bryan Romero)

Finance Committee – 11/4/13
 Public Utilities Committee – 11/6/13
 City Council – 11/13/13 (Request to Publish)
 City Council – 12/11/13 (Public Hearing)

PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 11/13/13 City Council.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR CALVERT, CHAIR	X		
COUNCILOR TRUJILLO	X		
COUNCILOR DOMINGUEZ	X		
COUNCILOR DIMAS	X		
COUNCILOR RIVERA	X		