



Agenda

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**PUBLIC UTILITIES COMMITTEE
MEETING
CITY COUNCIL CHAMBERS
WEDNESDAY, JUNE 5, 2013
REGULAR MEETING – 5:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE MAY 1, 2013 PUC MEETING

INFORMATIONAL ITEMS

6. Update on Voluntary River Conservation Fund. (Dale Lyons and Brian Drypolcher)
7. Water Conservation Marketing and Website Update. (Laurie Trevizo)
8. Recycling Update: Where we are at now and our plan to expand. (Cindy Padilla)
9. Utility billing account information, property owner versus tenant, update. (Marcos Martinez)

CONSENT – INFORMATION ITEMS

10. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)
11. Status update of Emergency Procurement for material/supply acquisition, engineering services, and construction services related to the repair of the west digester. (Bryan Romero)
12. Status Report on the Environmental Services Division. (Cindy Padilla)
13. Update on Current Water Supply Status. (Victor Archuleta)

CONSENT – ACTION CALENDAR

14. Request for approval of award of CIP Project No. 2029, RFB # '13/16/B to Sasquatch, Inc. for the Hospital Tank Valve Vault Construction for the total amount of \$649,332.50 exclusive of NMGR. (Bill Huey)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

15. Request for approval of a Professional Services Agreement with Great Southwest Meters for water meter testing and repair for the total amount of \$80,000.00 exclusive of NMGR. (Mike Moya)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

16. Request for award of Bid No. '13/29/B, CIP # 947 and approval to contract with TLC Company, Inc. for the FY 13/14 Wastewater Division Publicly Owned Treatment Works Repair, Replacement and Extension Contract for the total amount of \$55,102.06 inclusive of NMGR. (Stan Holland)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

17. Request for approval of Bid No. '13/19/B and award of contract to RMCI for the Santa Fe Reservoir Infrastructure Improvements Project – CIP# 3038 for the total amount of \$5,596,539.38 inclusive of NMGR. (Robert Jorgensen)

- a. Request for Budget Adjustment Request for \$4,832,039.38.

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

18. Request for approval of Sole Source Professional Services Agreement with the Santa Fe Watershed Association in support of the Santa Fe Municipal Watershed Investment Program for the total amount of \$145,210.00 exclusive of NMGR. (Dale Lyons)

- a. Request for approval of a Budget Adjustment Request for \$285,644.00

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

19. Request for approval of second year of Bid No. '12/23/B (WWTP) and No. '12/24/B (Compost) for fiscal year July 1, 2013 through June 30, 2014 with Polydyne, Inc. for Polymer chemicals. (Luis Orozco)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

DISCUSSION ITEMS AND ACTION ITEMS

20. Update on Resolution 2013-_____. A Resolution directing staff to explore the legal options for providing relief from Water Utility Billing for 501(C)(3) local non-profit organizations that use water to provide services to the homeless population in the City of Santa Fe. (Peter Ortega)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

21. Request for approval of Resolution No. 2013-_____. A Resolution amending the City of Santa Fe Utility Billing Administrative Policy No. 7.0.0 relating to Water Leak Credits. (Councilor Bushee) (Peter Ortega)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

22. Request approval of the Utility Billing Collections process for delinquent accounts. (Peter Ortega and Kathy Valdez)

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

23. Request for approval of Resolution No. 2013-_____. A Resolution directing staff to terminate the agreement between Service Line Warranties of America (SLWA) and the city as soon as the contract permits. (Councilor Bushee) (Peter Ortega)

Public Utilities Committee – 5/1/13 - Postponed

Public Utilities Committee – 6/5/13

Finance Committee – 6/17/13

City Council – 6/26/13

EXECUTIVE SESSION:

Discussion of Agreement Lease Abiquiu Reservoir Storage Space between the Club at Las Campanas and the City of Santa Fe, an exception to the Open Meetings Act pursuant to NMSA 1978, sec. 10-15-1(H)(8).1 (Marcos Martinez)

END OF EXECUTIVE SESSION

24. Request for approval of an agreement to lease Abiquiu Reservoir Storage Space between the Club at Las Campanas and the City of Santa Fe. (Marcos Martinez)

Public Utilities Committee – 6/5/13
Finance Committee – 6/17/13
City Council – 6/26/13

MATTERS FROM THE PUBLIC

MATTERS FROM THE CITY ATTORNEY

ITEMS FROM STAFF

MATTERS FROM THE COMMITTEE

NEXT MEETING: WEDNESDAY, JULY 3, 2013

ADJOURN

PERSONS WITH DISABILITIES IN NEED OF ACCOMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 505-955-6520, FIVE (5) WORKING DAYS PRIOR TO THE MEETING

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PUBLIC UTILITIES COMMITTEE MEETING
Wednesday, June 5, 2013

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REQUEST FOR APPROVAL OF AWARD OF CIP PROJECT NO. 2029, RFB #13/16/B TO SASQUATCH, INC., FOR THE HOSPITAL TANK VALVE VAULT CONSTRUCTION FOR THE TOTAL AMOUNT OF \$649,332.50, EXCLUSIVE OF NMGR	Approved	8

ITEM**ACTION****PAGE**

REQUEST FOR APPROVAL OF BID NO.
13/19/B AND AWARD OF CONTRACT TO
RMCi FOR THE SANTA FE RESERVOIR
INFRASTRUCTURE IMPROVEMENTS
PROJECT – CIP #3038 FOR THE TOTAL
AMOUNT OF \$5,596,539.38 INCLUSIVE OF
NMGRt

Approved

9

REQUEST FOR BUDGET ADJUSTMENT
REQUEST FOR \$4,832,039.38

Approved

9

REQUEST FOR APPROVAL OF SOLE SOURCE
PROFESSIONAL SERVICES AGREEMENT WITH
THE SANTA FE WATERSHED ASSOCIATION IN
SUPPORT OF THE SANTA FE MUNICIPAL
WATERSHED INVESTMENT PROGRAM FOR
THE TOTAL AMOUNT OF \$145,210, EXCLUSIVE
OF NMGRt

Approved

9

REQUEST FOR APPROVAL OF A BUDGET
ADJUSTMENT REQUEST FOR \$285,644

Approved

9

DISCUSSION AND ACTION ITEMS

UPDATE ON RESOLUTION 2013- _____. A
RESOLUTION DIRECTING STAFF TO EXPLORE
THE LEGAL OPTIONS FOR PROVIDING RELIEF
FROM WATER UTILITY BILLING FOR 501(C)(3)
LOCAL NON-PROFIT ORGANIZATIONS THAT
USE WATER TO PROVIDE SERVICES TO THE
HOMELESS POPULATION IN THE CITY OF
SANTA FE

No action

10-12

REQUEST FOR APPROVAL OF RESOLUTION
NO. 2013- _____. A RESOLUTION AMENDING
THE CITY OF SANTA FE UTILITY BILLING
ADMINISTRATIVE POLICY NO. 7.0.0,
RELATING TO WATER CREDITS

Approved [amended]

12-16

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF RESOLUTION NO. 2013 ____ A RESOLUTION DIRECTING STAFF TO TERMINATE THE AGREEMENT BETWEEN SERVICE LINE WARRANTIES OF AMERICA (SLWA) AND THE CITY AS SOON AS THE CONTRACT PERMITS	To Council w/o rec.	16-24
REQUEST APPROVAL OF THE UTILITY BILLING COLLECTIONS PROCESS FOR DELINQUENT ACCOUNTS	Approved [amended]	24-27
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<u>DISCUSSION ITEMS AND ACTION ITEMS</u>		
REQUEST FOR APPROVAL OF AN AGREEMENT TO LEASE ABIQUIU RESERVOIR STORAGE SPACE BETWEEN THE CLUB AT LAS CAMPANAS AND THE CITY OF SANTA FE	Approved	27
MATTERS FROM THE PUBLIC	None	27
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**MINUTES OF THE
CITY OF SANTA FE
PUBLIC UTILITIES COMMITTEE
Wednesday, June 5, 2013**

1. CALL TO ORDER

A meeting of the Public Utilities Committee was called to order by Councilor Christopher N. Calvert, Chair, at approximately 5:00 p.m., on Wednesday, June 5, 2013, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Calvert, Chair
Councilor Christopher M. Rivera
Councilor Ronald S. Trujillo

MEMBERS EXCUSED:

Councilor Bill Dimas
Councilor Carmichael A. Dominguez

OTHERS PRESENT:

Nick Schiavo, Public Utilities Director
Stephanie Lopez, Public Utilities
Judith Amer, Assistant City Attorney
Melessia Helberg, Stenographer

At the time the meeting was called to order, there was not a quorum of the membership present for conducting official business, so Chair Calvert started with Item 6 under Informational Items. With the arrival of Councilor Rivera, there was a quorum for conducting official business.

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

INFORMATIONAL ITEMS

6. UPDATE ON VOLUNTARY RIVER CONSERVATION FUND. (DALE LYONS AND BRIAN DRYPOLCHER)

Brian Drypolcher said there is a Memo in the packet in this regard, and he will stand for questions.

Chair Calvert said he discussed an option discussed with legal, but he hasn't heard back. He said the City currently is intending to purchase water rights on the Rio Grande in the Socorro area. He said, "The option doesn't solve the problem that water rights purchases were intended, but if we went ahead and used the money we have in the River Fund to purchase those water rights and dedicate them to the Rio Grande, perhaps some of that money we were going to use to purchase those water rights, from another fund, could be transferred into this fund and used for improvements on the River."

Mr. Drypolcher said then you are waiting for a determination about that particular swapping of funds.

Chair Calvert said, "Yes. I don't think the... the part about our purchasing the Rio Grande water rights with this fund is certainly according to the Ordinance. The only other thing which would need Council approval, is using those funds that were designated for water rights purchases to move back, but it is an option."

Councilor Rivera arrived at the meeting

3. APPROVAL OF AGENDA

Stephanie Lopez said Councilor Bushee asked to be added as a sponsor of the Resolution under Item #20.

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

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT – INFORMATIONAL CALENDAR

10. DROUGHT, MONSOON AND WATER RESOURCE MANAGEMENT UPDATE. (RICK CARPENTER)
11. STATUS UPDATE OF EMERGENCY PROCUREMENT FOR MATERIAL/SUPPLY ACQUISITION, ENGINEERING SERVICES, AND CONSTRUCTION SERVICES RELATED TO THE REPAIR OF THE WEST DIGESTER. (BRYAN ROMERO)
12. STATUS REPORT ON THE ENVIRONMENTAL SERVICES DIVISION. (CINDY PADILLA)
13. UPDATE ON CURRENT WATER SUPPLY STATUS. (VICTOR ARCHULETA)

CONSENT – ACTION CALENDAR

14. *[Removed for discussion by Councilor Rivera]*
 15. REQUEST FOR APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH GREAT SOUTHWEST METERS FOR WATER METER TESTING AND REPAIR FOR THE TOTAL AMOUNT OF \$80,000, EXCLUSIVE OF NMGR. (MIKE MOYA) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13.
 16. REQUEST FOR AWARD OF BID NO. 13/29/B, CIP #947 AND APPROVAL TO CONTRACT WITH TLC COMPANY, INC., FOR THE FY 13/14 WASTEWATER DIVISION PUBLICLY OWNED TREATMENT WORKS REPAIR, REPLACEMENT AND EXTENSION CONTRACT FOR THE TOTAL AMOUNT OF \$55,102.06, INCLUSIVE OF NMGR. (STAN HOLLAND) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13.
 17. *[Removed for discussion by Chair Calvert]*
 18. *[Removed for discussion by Chair Calvert]*
 19. REQUEST FOR APPROVAL OF SECOND YEAR OF BID NO. 12/23/B (WWTP) AND NO. 12/24/B (COMPOST) FOR FISCAL YEAR JULY 1, 2013, THROUGH JUNE 30, 2014, WITH POLYDYNE, INC., FOR POLYMER CHEMICALS. (LUIS OROZCO) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13.
5. APPROVAL OF MINUTES FOR THE MAY 1, 2013 MEETING

Councilor Rivera said he has noted several times he has been shown as absent on the Action Sheets on the various items at this Committee, and he asked that staff keep a closer eye on that before it goes to Council.

Ms. Lopez said at the last meeting Councilor Rivera arrived after the Consent Calendars were approved, and the reason he was shown absent.

Councilor Rivera said he believes that he attended the last meeting from the very beginning.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve the minutes of the meeting of May 1, 2013, as submitted.

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

INFORMATIONAL ITEMS

6. UPDATE ON VOLUNTARY RIVER CONSERVATION FUND. (DALE LYONS AND BRIAN DRYPOLCHER)

This item was moved by the Chair to be heard first on the agenda.

7. WATER CONSERVATION MARKETING AND WEBSITE UPDATE. (LAURIE TREVIZO)

A copy of *Save Water Santa Fe*, an insert for the paper, is incorporated herewith to these minutes by reference. Copies can be obtained from the Water Conservation Division.

A power point presentation *Save Water Santa Fe*, on the City's new website, is incorporated herewith to these minutes as Exhibit "1."

Ms. Trevizo presented information from her Memorandum of June 1, 2013, and via power point, on the launch of the Conservation Office's new, user-friendly website. Please see this Memorandum and Exhibit "1" for specifics of this presentation.

Councilor Trujillo said the site is very well designed.

Chair Calvert said the one area needing extra emphasis right now is the outdoor watering. He said even though it is a drought, people don't want their vegetation to die, and it takes even more water during a drought to keep these things alive. He said plant selection is very important in replacing plants, noting they should be drought tolerant plants – what they choose to plant is very important.

Ms. Trevizo said she agrees, saying the ads don't focus on plant material, with regard to no Kentucky Blue Grass, or limited Kentucky Blue Grass mixes. She said in the centerfold of the insert, they did try to identify some of those things, but just emphasized native and xeric plants. She said we probably could focus on that a little more. The Water Conservation Committee has produced a lovely bill insert and she is in the process of getting that in the upcoming bill.

8. RECYCLING UPDATE: WHERE WE ARE NOW AND OUR PLAN TO EXPAND. (CINDY PADILLA)

Ms. Padilla read the Mission Statement from the materials in the packet for Item #12, noting it was developed with a lot of input from the staff. Please see this Memorandum for the text of the Mission Statement.

Chair Calvert noted that Page 2 of Item is missing from the packet. Ms. Padilla said she will provide that information to the Committee.

Ms. Padilla re-introduced Randall Marco, Customer Service Representative, and introduced Armando Gabaldon, the new Recycling Supervisor.

Mr. Gabaldon said he has been with the Department for 10 years, and has been the Supervisor for the past 1½ years. He said he will live by the mission statement, commenting that he hopes to do well on behalf of the City.

Chair Calvert welcomed Mr. Gabaldon.

Ms. Padilla presented a video which was done by the eight grade students at Tierra Encantada Charter Schools, commenting that the kids had a good time filming it.

Ms. Padilla presented the information in her Memorandum of June 5, 2013, which is in the Committee packet. Please see this document for specifics of this presentation.

The Committee commented and asked questions as follows:

- Chair Calvert asked, regarding the new commercial customers, what is that percentage in terms of the percentage of the total commercial customers.

Ms. Padilla said it is about 25%.

Responding to a question from the Chair, Ms. Padilla said recycling containers with a full information packet will be provided to each resident to be serviced in the newly annexed areas from day one.

- Chair Calvert asked how many multi-family units are there to be served.

Ms. Padilla she doesn't have that information readily available, and they are having to call all the multi-family apartment complexes. She hopes to have that information next month, along with the number of households living in the multi-family apartments.

- Chair Calvert said the Water Division should be able to provide information to the extent that any of them are individually metered.

Ms. Padilla said she will double check that, noting some have master bills and some don't.

- Chair Calvert asked, regarding multi-family recycling, what do other cities do in this sector – do they service multi-family units and how did they do it, commenting we don't have to reinvent the wheel. He guesses this is an under-served area in terms of recycling.

Ms. Padilla said the plan is to develop a similar information packet to take to the apartment complexes when the bins are distributed, noting this one of the things Armando has on his to-do list. She said other agencies do similar things in terms of information.

- Chair Calvert asked how it is done logistically.

Ms. Padilla said it depends on the apartment complex itself. In larger cities, they provide the smaller bins for the high rises, and they take it to one central place. She said we will have separate containers at the dumpster site. She said they are going to color the bins and information blue so they will be different from those to be used for trash.

- Chair Calvert asked if space [for the containers] is a consideration for multi-family, and Ms. Padilla said yes.

- Chair Calvert asked, regarding recycling in parks, the Leagues play primarily in Alto, Ragle, Salvador Perez and Franklin Miles, as well as the MRC. He asked if this something the Division can support in terms of manpower and resources to support the opportunity to do more recycling at the parks, especially when the Leagues are playing.

Ms. Padilla said, "The short answer is, with our staff, No. With partnering with parks staff and educating them and having them service the containers and working with them to take recyclable 90 gallon containers to where we can service, yes. And I've met with Ben Gurule several times. We have 60 gallon containers now that are the green color. We put those out at some of the bigger ball fields. They're green and marked, but they're still being contaminated." She said they are going to replace those with 60 gallon blue containers, and put those next to the trash containers, so people will be aware of the difference.

- Chair Calvert said then you have the resources in terms of the containers, and you are going to rely on Parks and Recreation to take the containers to a place where you can service those. He said hopefully, we can rely on volunteer efforts of the Leagues to make it work. He said this is another opportunity to increase recycling and for everybody to work together to get this done.
- Councilor Trujillo asked if we could have banners on each field with the message to please use the designated containers.

Ms. Padilla said they have laminated flyers in this regard to be placed at the concession stands.

- Councilor Trujillo said the Fuego have fans that will stay after the game, pick up trash and sweep the bleachers, and unfortunately the Little League fans haven't been educated to do this.
- Councilor Rivera asked about putting recycling bins in the dugouts.

Ms. Padilla said the feedback is they would be in the way. She said they will be placing them behind the dugouts. She said we can look at getting a supply of clear bags to get them used to the idea of recycling.

- Councilor Rivera asked if the small blue recycle bins get in the way.
- Councilor Trujillo said no, but it is a matter of education. He said when he coached, the kids cleaned up after the games.
- Councilor Rivera said he would like to try putting recycling bins in the dugout.

Ms. Padilla said she will try.

- Chair Calvert said cardboard is a valuable commodity and brings a good price from recyclers, and certain entities understand and will pay something when they pick up the cardboard.

Ms. Padilla doesn't know there are any paying for it in Santa Fe.

- Chair Calvert said he believes Waste Management is paying. He said some of the stores bail their cardboard, noting someone other than the City is picking it up. He said it doesn't have to be market value, but they are getting something. He said this is the reason we aren't seeing a lot of cardboard.

Ms. Padilla said we are picking up cardboard at some grocers, and many are still throwing away "boat loads" of cardboard. She said some businesses are bailing and selling their own cardboard. She said as long as it is being recycled that is fine, but we need to figure out to capture the tonnage as well.

- Chair Calvert said we need to target the stores with lots of cardboard. He said another area where there is a lot of cardboard is when people move. He said we can pick it up, but we have rules about that. He thinks we need to revisit the rules about the form it comes in for residential pickups.
- Councilor Trujillo said Safeway used to have a crusher for cardboard, and asked if the City has a crusher.

Ms. Padilla said no, they don't have a baler or compacter.

- Councilor Trujillo said we might make a deal with the store to pick it up and compact it.

Ms. Padilla said they are looking at increasing drop-off points throughout the City.

- Councilor Rivera thanked Ms. Padilla and staff for pursuing the ideas of this Committee, and said he appreciates how far we have come under her leadership.

9. UTILITY BILLING ACCOUNT INFORMATION, PROPERTY OWNER VERSUS TENANT, UPDATE. (MARCOS MARTINEZ)

Chair Calvert asked the Committee if they have questions on the information provided. The members said no, the information is clear.

CONSENT DISCUSSION

14. REQUEST FOR APPROVAL OF AWARD OF CIP PROJECT NO. 2029, RFB #13/16/B TO SASQUATCH, INC., FOR THE HOSPITAL TANK VALVE VAULT CONSTRUCTION FOR THE TOTAL AMOUNT OF \$649,332.50, EXCLUSIVE OF NMGR. (BILL HUEY) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13.

Councilor Rivera said the lowest bid is from Sasquatch, and on the second page of the Memo it doesn't appear to be the lowest bid and looks like an engineer's estimate.

Chair Calvert said he believes that is City staff's estimate, and it is what we use to judge other bids – a benchmark we use to see if the bidders are in the ballpark, and Mr. Huey said this is correct.

Councilor Rivera said then the only two companies bidding were RMCI and Sasquatch, and Mr. Huey said this is correct.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve this request as presented by staff.

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

17. **REQUEST FOR APPROVAL OF BID NO. 13/19/B AND AWARD OF CONTRACT TO RMCi FOR THE SANTA FE RESERVOIR INFRASTRUCTURE IMPROVEMENTS PROJECT – CIP #3038 FOR THE TOTAL AMOUNT OF \$5,596,539.38 INCLUSIVE OF NMGR. (ROBERT JORGENSEN)**

a) **REQUEST FOR BUDGET ADJUSTMENT REQUEST FOR \$4,832,039.38.**
Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13

A copy of *Exhibit A* is incorporated herewith to these minutes as Exhibit "2."

Chair Calvert Calvert said he pulled this item because of the sheer amount of the contract. He asked if anyone has questions.

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

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

18. **REQUEST FOR APPROVAL OF SOLE SOURCE PROFESSIONAL SERVICES AGREEMENT WITH THE SANTA FE WATERSHED ASSOCIATION IN SUPPORT OF THE SANTA FE MUNICIPAL WATERSHED INVESTMENT PROGRAM FOR THE TOTAL AMOUNT OF \$145,210, EXCLUSIVE OF NMGR. (DALE LYONS)**

a) **REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST FOR \$285,644.**
Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13.

Mr. Lyons said he can make a presentation, or answer any questions the Committee might have.

Chair Calvert said he understands tomorrow is Mr. Lyons' last day with the City, and Mr. Lyons said this is correct.

Chair Calvert thanked Mr. Lyons for the good work he has done for the City and thanked him for service to the City.

Chair Calvert asked if there was something previously in terms of an Adopt a River and Adopt an Arroyo programs, and if that is another PSA.

Mr. Lyons said that is a separate, ongoing contract. The contract before the Committee is just work associated with the Santa Fe Municipal Watershed Association, and not other work the Association has had.

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

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

DISCUSSION AND ACTION ITEMS

20. **UPDATE ON RESOLUTION 2013- _____. A RESOLUTION DIRECTING STAFF TO EXPLORE THE LEGAL OPTIONS FOR PROVIDING RELIEF FROM WATER UTILITY BILLING FOR 501(C)(3) LOCAL NON-PROFIT ORGANIZATIONS THAT USE WATER TO PROVIDE SERVICES TO THE HOMELESS POPULATION IN THE CITY OF SANTA FE. (COUNCILOR BUSHEE). (PETER ORTEGA) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13**

Councilor Trujillo recused himself from participating because his wife serves on the Board of the Interfaith Community shelter, and left the room.

Peter Ortega presented information from the Memorandum dated May 17, 2013, from Jason Mumm to Brian Snyder, regarding this matter. Please see this Memorandum for specifics of this presentation.

The Committee commented and asked questions as follows:

- Chair Calvert said then the scenarios have scenarios – an average and high parts to each scenario, and Mr. Ortega said this is correct.
- Chair Calvert asked to Mr. Schiavo, is if this will have a significant impact. He said there is an FIR in the packet, but what needs to be determined is whether this can be absorbed in the current budget.

Mr. Schiavo asked if he is speaking of the existing revenues of \$58,000 and a total of \$77,000.

- Chair Calvert said yes, and guessing that isn't a huge impact.

Mr. Schiavo said he is correct, and he believes they can absorb that amount in their budget..

- Councilor Rivera asked how the First Presbyterian Church fits into the shelter or aiding the homeless population.

Mr. Schiavo said they have some kind of soup kitchen, but it was flagged as one of the organizations that helps the homeless in some fashion.

- Councilor Rivera would think every church helps the homeless in some sort of fashion, and asked what is the definition to participate in these funds.
- Councilor Bushee said these are all entities that get funding from the City already, and we are subsidizing them to help the homeless community in some way, so it doesn't go randomly to just any institution.

- Councilor Rivera said so every institution isn't going to want to participate.
- Councilor Bushee said any water use not targeted toward this population would not be considered. These are agencies we already fund, and this is in the service of showers, laundry or providing food. She said some of the water bills are \$40,000, and here we are subsidizing and asking them to do more and the population increases and then we have to turn around and try to find ways to help them out further. She said if we can do this without impacting the overall utility, she feels it's a good effort.
- Chair Calvert asked if there is a copy of the Resolution in the packet.

Mr. Schiavo said it's not in either packet.

- Chair Calvert said then we are just waiving the service charge and not the usage.

Councilor Bushee said, "I thought it was just dealing with the new rate of some sort, trying to make it so the rate across the board was less.

Mr. Schiavo said it would be to waive the service charge while maintaining the water usage charges. He said there are different options in the Memorandum.

- Chair Calvert asked if the options equate to the scenarios.

Mr. Schiavo said yes.

- Chair Calvert said then Scenario 4 is to waive everything. He said we have done this in the past for low income individuals, partly to urge conservation. He said we won't be voting tonight on this issue because of lack of a quorum.
- Councilor Bushee said she wants the non-profits to follow our conservation policies, and that can be built in, but if they are going to reduce customers, that means less homeless populations in most cases. She said, "We can build in something that makes sure they're doing the latest and greatest, and somehow encourage that."
- Chair Calvert said when the City gave El Ice special consideration it was after they proved to us that they had done conservation measures, and asked Mr. Schiavo to speak to what we are waiving.

Mr. Schiavo said you could waive the service charge or keep the water rates at a certain rate structure and we could look at it again. However, it seems waiving the service charge and keeping the charge for water would be the way to go.

- Councilor Bushee said she would like to hear from the service providers before this moves forward to the County – does it cut their bills. She would like to speak with staff after the meeting to see if we can have a meeting with the service providers and see what this means to them – we need to understand as this moves forward what it means to the City, the ratepayers and the service providers.
- Chair Calvert said the Resolution isn't asking for a solution, it's asking staff to do it. He said we could approve the Resolution and still have time to look at the options.
- Councilor Bushee said this shouldn't impact the rates in any way, but she wants to know that it helps enough, and this seemed to make sense to her at the time.
- Chair Calvert said he would caution about doing a separate rate which would complicate the billing system.
- Councilor Bushee wants to be careful in how we define a service provider, and that it is already receiving funds.
- Councilor Rivera asked if the savings from water would be subtracted from other subsidies the City is providing to these service providers.
- Councilor Bushee said no, and gave the example of the Interfaith Shelter.
- Councilor Rivera would like to be a part of the meeting with the non-profits.

No action was taken on this item by the Committee.

Councilor Trujillo returned to the meeting

21. REQUEST FOR APPROVAL OF RESOLUTION NO. 2013- _____. A RESOLUTION AMENDING THE CITY OF SANTA FE UTILITY BILLING ADMINISTRATIVE POLICY NO. 7.0.0, RELATING TO WATER CREDITS (COUNCILOR BUSHEE). (PETER ORTEGA)

Peter Ortega presented information from his Memorandum of May 17, 2013, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

Chair Calvert said he is somewhat confused, because he had two things in his original packet, and asked if we are considering both or only one. He had one titled "Revisions to Water Leak Credit Policy." One -time credit for high consumption due to a leak, and the other was a water leak credit in general.

Mr. Ortega said, "The water leak credit in general is the revised draft that we have."

Chair Calvert said in talking about a water leak credit, a lot of the verbiage is about fixing the leak. When we talk about one-time credit for high consumption due to a leak, it was not necessarily a leak and sometimes it was an unknown cause – sometimes we couldn't find the reason.

Mr. Ortega said the City offers a different type of credit which we aren't talking about now, which is a one time "unknown cause" credit. He said we don't talk about it here, we reference it. He said they sort of are the same, but they are two different policies altogether.

Chair Calvert said then we have a one time credit for our consumption due to a leak, and a one time credit for high consumption due to an unknown cause and Mr. Ortega said this is correct.

Chair Calvert said then we also have a water leak credit area.

Mr. Ortega said the water leak credit is the draft that is placing number 7 – we changed the title of it.

Chair Calvert said then there is no one-time credit for high consumption due a leak, or are you proposing to do away with that.

Mr. Ortega said they are proposing to do away with that.

Councilor Bushee said the conversation came about when we started with the AMR's and billing in general, and then we talked about a way to simplify the water leak credits and follow current industry standard. "He" said it was complicated for the staff and the customer and it was time to update and to simplify.

Chair Calvert said then we are going to allow one leak credit per calendar year, and Mr. Ortega said that is the recommendation.

Councilor Bushee said, "It won't forgive water use, it will just forgive surcharges that happen, once it is determined it is a leak."

Chair Calvert said in Section 6.5, Credit Calculation, it says the customer will be responsible for all of the consumption. He said then the credit is the difference between the first and second tier. He said it is a matter of what you would have been charged for the second tier, will all be charged as first tier, and Councilor Bushee said this is correct.

Chair Calvert said it could be more clear, and perhaps should say, "The consumption will all be billed at the first tier of the water rate structure," so there is no problem.

Councilor Bushee said they didn't finish the conversation on the AMR's. She said they need to have a baseline reading by hand, and she thought of adding a policy to figure out how to change things, but she will bring that separately so as not to confuse the issue.

Chair Calvert said on page 5 of 12, in Section 6.4.1.1, it talks about receipts or repairs performed by a certified plumbing business and then it says, "...or a letter from the plumbing company on the company's letterhead certifying they repaired the leak." He asked the reason we need this revision.

Mr. Ortega said a lot of customers wouldn't have an invoice, and maybe it's just a friend of theirs that replaces it.

Chair Calvert reiterated the provision.

Mr. Ortega said it is the different ways the plumbing companies do business.

Chair Calvert said we talked about this during the rebate program – it starts getting "squirly" and who is going to verify and it makes it harder to verify what you're trying to get done here. He's said he's somewhat concerned about that provision.

Councilor Bushee said that provision can be removed

Chair Calvert said Section 6.3 provides, "The leak must be located and repaired prior to the approval of any leak credit." And later Section 6.3.3 provides, "Should the property owner or party in control of the property refuse to repair the leak in a reasonable time period as determined by the City, the credit may be disapproved." He said they have to repair it.

Mr. Ortega said that provision can be removed just to simplify that.

Chair Calvert said it says in 6.2, the City will evaluate water consumption in 6 months to see if the leak was repaired. If it was determined the leak was not properly repair, the credit may be reversed, and the customer will be responsible for water consumption as previously billed." He asked who is going to reevaluate this, and who will follow up on all of these, noting usage can vary from month to month. He said, although it is well intentioned, it might complicate things and not get us anywhere.

Chair Calvert said Section 6.8 provides, "If the customer's account is determined to be delinquent, the leak credit application will not be accepted until all outstanding delinquent charges have been paid or if a current payment arrangement is on file with Collections." He said, "I get that, I agree with that. Then Section 6.8.1 provides, "Delinquency will be determined by subtracting all charges for water for the months of the reported leak from the account balance." He said that contradicts what it just said, which is you have to bring the account balance current before the City will consider giving a leak credit.

Chair Calvert suggested sticking with Section 6.8, get current and then consider the leak credits. He would like to strike Section 6.8.1 as well.

Chair Calvert said, to clarify, we are eliminating all of the calculations, and Mr. Ortega said this is correct.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve this request, with the proposed amendments.

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

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo to reconsider the previous motion to approve the agenda, to amend the agenda to hear Item #23 next, then return to the regular agenda, and to approve the agenda as amended.

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

23. REQUEST FOR APPROVAL OF RESOLUTION NO. 2013 ____ A RESOLUTION DIRECTING STAFF TO TERMINATE THE AGREEMENT BETWEEN SERVICE LINE WARRANTIES OF AMERICA (SLWA) AND THE CITY AS SOON AS THE CONTRACT PERMITS (COUNCILOR BUSHEE). (PETER ORTEGA) Public Utilities Committee 05/01/13 [Postponed]; Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13

Nick Schiavo presented information from Brian Snyder's Memorandum of May 29, 2013, to the Public Utilities Committee, in this regard, noting this was where we were going to hear from the representative of the NLC. Please see this Memorandum for specifics of this presentation.

- Councilor Rivera said the City Attorney's office was going to make a determination as to whether we could terminate this contract without violating any rules.
- Chair Calvert said there is no one here from the City Attorney's Office. He said his understanding is we can terminate it according to the contract we signed, which would be whenever that was allowed for under the contract.
- Chair Calvert noted there is information in the Committee packet, the letter which was sent to us by a lawyer on behalf of one plumbing company, and they spoke to it under Items from the Public at the last PUC meeting. He said it is clear where they stand. He said he agreed to offer the gentleman who represents the Company, Utility Service Partners, who provides this service, to speak to this Committee on behalf of the program.

Brian Davis, NLC Serviceline Warranty Program, said he is somewhat confused because he doesn't know the City's position on whether or not to stay in the program.

- Chair Calvert said the Committee has a Resolution before it, sponsored by Councilor Bushee, to terminate this arrangement as soon as the contract would permit, and we will be voting on the Resolution. He said we can't terminate any sooner than the contract allows, unless it was determined somebody violated the contract, per the terms of the contract.

Mr. Davis asked the reason the City would like to terminate the contract.

- Chair Calvert said he thinks Councilor Bushee read the letter and decided that it is not the program we thought it was.
- Councilor Bushee said, "I think it was well intentioned on the part of the sponsors and the Committee in trying to protect consumers. What I can tell you is that once it came out, I don't know if you heard from folks, but I sure did, that it seemed wrong for the City to endorse just one service provider over another, particularly a private company. I even heard from folks that said that your homeowners coverage costs less, and provides more coverage in some cases. The way it came out, it looked like the City was simply providing a step up for one particular private venture. And I understand that it came out of the National League of Cities and what its intention was. And then of course we received the letter from another firm, representing a local company, and in fact the company the City was giving a leg up on and providing the City seal and promoting didn't even live in the State of New Mexico."

Councilor Bushee continued, "Then we heard from a New Mexico company. Their lawyers said we had possible violations of the anti-donation provisions of the New Mexico Constitution, the misuse of the City seal, and other City property and adverse impact on local business. So all combined, I just really actually had to introduce the resolution, or was working on it with staff before the letter came in from the other, more local company. And so again, it was just a matter of... the City had never done it before and it seemed precedent-setting and it didn't seem like a good precedent to me to just provide the City's support and advocacy really for one private company."

Councilor Bushee continued, "So that's why I brought it forward and hope that.... again, when we....I don't when we interpret from a lawyer whether or not it's threatened litigation, but to me, this is as threatening as anything we ever saw in the Railyard for instance, and we managed to work out a lot of things around that. So I would really suggest that we, perhaps, step back and not do that for any particular private company. So, that's my perspective."

- Chair Calvert said, "As a footnote to all that, I will note this was approved unanimously at Council."
- Chair Calvert said there are some legal questions Councilor Rivera would like to ask.
- Councilor Rivera said, "The first question I had and I don't have a copy of the contract, but was there a termination clause in there."

Judith Amer, Assistant City Attorney, said "I do have a copy of the contract, and there is a termination provision in there that provides that if we give at least 90 days notice prior to the end of the term, we can terminate the agreement. That's for no cause. For cause, we can do it with 30 days termination."

- Chair Calvert said, "To the questions that the law firm raised regarding anti-donation and misuse of City resources."

Ms. Amer said, "It is my opinion that this agreement does not violate the Anti-Donation Clause. They are providing a benefit to the City with a program that the City, by Resolution, stated that they wanted. Regarding the use of the City seal, I think the lawyer that wrote this letter misunderstands that the City seal is a stamp that the City Clerk possesses and it is not the same as the City logo. The City logo is something that the City routinely has provided, for instance, like the Rodeo, they use the City logo. So, for programs that the City, by Resolution, already states that they promote, the City has provided their logo for those types of programs. Whether or not they're non-profits or for-profits, they are corporations. That point probably needs further research, but the bottom line is it's a policy decision whether or not the Committee and Council want to continue with this program."

- Chair Calvert said, "So sir, if you would like some questions that I have on why we might want to terminate, I can give you those as well, and then you can respond. One of the assertions by a particular contractor was that the utility service partners, which imposes impossible conditions on these contractors. One to 'indemnify, hold harmless and even pay USP's costs and attorney fees for a broad range of claims that customers, third parties or even the government might bring against USP, and b) to consent to binding arbitration of any disputes with USP with the arbitration to take place in Pittsburgh, Pennsylvania.' Is that correct?"

Mr. Davis said, "I am not familiar with that, so it may very well be correct."

- Chair Calvert asked, "Does that seem reasonable that a local contractor would have to agree to arbitration in Pittsburgh, Pennsylvania?"

Mr. Davis said, "No. What I will say to that, Mr. Chair, is that obviously any types of terms and conditions that we're asking the plumber to adhere to will be in our favor. If they're not comfortable with something in there, they don't have to sign it. And they can even come back to us and say, and we do this a lot, they say, we'd like to change this, we'd like to change that, and we've been very lenient on how we do that. We want a good relationship with the plumber, because if we don't have one, it doesn't help the homeowner, it doesn't help the community."

Mr. Davis continued, "I guess what concerns me... some of the things outlined, I have seen the letter, the way that we go about doing our business.... I'll just tell you that we saw the third highest response from Santa Fe homeowners. We have almost 2,000 households already enrolled. We've had a 30 day period when a homeowner can file a claim so far, and we've already had 7

which is exactly what we expected. Santa Fe has a lot of lateral line issues. I remember when this program was approved and I was presenting it to the Council. One of the Council members, and it's been a while, I think they said they were a mailman and they walk the streets and they said, if you had my job, you would know how many lines I see being dug up. It is a problem here."

Mr. Davis continued, "So that's why you partnered with us. Number one, to make homeowners aware that they are responsible for these lines and they can break, and the City can't do anything about that. And there is no homeowner's insurance policy that covers the lateral service line. You won't find it. It doesn't exist. There are plumbers in town that will come and fix your service lines, but there's not a warranty company in town that will come and do that. What we do, is we're the company that comes in and say, we have a program. You can pay us \$7 a month, and if you have a problem, we come and fix it, and you don't have to pay out of pocket. 99.9% of our repairs are zero dollars out of pocket, no service call charges, and we get the job done fast."

Mr. Davis continued, "One of the complaints that this company made was why would we auger a line and not replace it. Because replacing a line could cost a homeowner out-of-pocket money. It could cost a homeowner over \$4,000 in some cases. What we do instead, is we go in and we try to clean the line out. If that doesn't work, then we'll cut ground, and so for the 7 claims we've already had, we restored all of their lines to working order, and one we actually had to dig and make a repair at the line. If we dig down and that line is bottomed out, we'll replace it. It's not like we don't want to replace a line, but that's a huge expense, and even if all \$4,000 was covered... let's say it was a \$4,000 line replacement and we foot that bill, that's still a huge burden on the homeowner to have their yard dug up, to have their driveway cut through. And if we have to do it, we will, but we're not going to go in and say, well I'm sorry we can't help you. What we agree to do is to restore their line to working order, and we've already done that 7 times here in the first 30 days."

- Chair Calvert said, "On that point, I am that mailman, and I also know that in Casa Solana, a lot of the lines are like clay pipe. Once you have a problem, auguring is not, I don't think, a feasible approach, because you're probably going to do more damage trying to auger those lines than is already there, just by the way they're constructed."

Mr. Davis said, "We also have a technique we use where we hydro-jet with a Warthog drill."

- Chair Calvert said, "When you say we, you're not actually doing anything, right. The plumber is."

Mr. Davis said, "I'm sorry. The plumber that we partnered with. They notify us, here's the problem. For instance, a few weeks ago in one of our partnership cities, a plumber went out, cameraed the line, there was a web of roots right on the lateral line causing a blockage, and they quoted us a \$9,800 repair, which raises a red flag for us. So, we looked at the pictures. We said, with this type of situation, we can do a hydrojet on the main City line, which the City of Green River did, while the plumber pushed and cut through that root, and it caused a vacuum, sucked it through and it was a \$200 repair and we have not had to go back out. That homeowner's line was

restored. Now, if they hadn't been in our program, they would have paid ten grand. Even in our program, they tried to charge ten grand, but we were able to say no, there is another way and an easier way to do this that won't cost the homeowner any out-of-pocket dollars. And it's a quicker and a better way to do it. Now, if they called us back the next day and said we have another problem, then we'd probably have to replace the line. But we know that if we don't make your homeowner happy, they call you and then you will call us."

- Councilor Calver said, "One of the assertions in this letter was it says, 'USP requires the contractor to warranty its work for one year, while severely limiting the work the contractor can do for its customers. For example, USP limits the work the contractor can do, absent prior approval from USP, to \$1,000 for external sewer lines.' Is that true."

Mr. Davis said, "Right. We have them warranty their work for a year."

- Chair Calvert said, "No no. For example, USP limits the work the contractor can do, absent prior approval from USP to \$1,000 for external sewer lines."

Mr. Davis said, "No, approval is done instantly. They call us and say here's what we have to do and we approve it. We don't want the homeowner to wait. The example they give of auguring the line and then having free augers and us not paying the contractor, that's not how we work. If they have to go back out and auger a line, we pay it, and they don't warranty the auguring of the line."

- Chair Calvert asked, "How do they know that. In other words, we look at the terms in the contract, but then, you're telling me, well we don't do that, and we can work with people on this debt. How does the plumber know that things aren't always set in concrete like they are in a contract that you ask them to sign."

Mr. Davis said, "With the two companies here in town that we partnered with, they called us back and these other companies didn't, and they said, okay, we're willing to learn about this program, how does it work. Well I'm not comfortable with this or I'm not comfortable with that, and we work with them, but we can't do anything if they just tell us no and then write this letter like they did. We are going to say, if Santa Fe... I'll give you an example. There's a city that is smaller than Santa Fe, Prairie Village, Kansas. They only provide sewer, they don't provide water. They have way less households than Santa Fe. They have 8,000 households, and in 2 years, we have already spent \$200,000 on local plumbers that fix and replace lines. Had they not participated and stayed in our program, that's \$200,000 that homeowners would be out of pocket for their lines."

Mr. Davis continued, "You guys are doing a great thing by having a program like this, to educate the public to make them aware and there's a tremendous value and peace of mind to the homeowner. Again, we're not trying to hurt local contractors. We would like to enroll as many as would like to be in our program, but they have to talk to us and they have to at least call us back. I have a list of around 15 City-based plumbers that we called, and only 2 would talk to us, and those 2 are in our program right now, they're based in Santa Fe."

- Councilor Trujillo said, "Well Councilor Bushee, I guess that's my question right there. Who is this company that's bringing this up. That's what I want to know. This letter. The reason you're bringing this forward, I guess. Who spoke to you, because nobody spoke to me on this. Nobody called me."
- Councilor Bushee said, "I actually heard from a lot of constituents. I don't know if Councilor Calvert didn't hear from them, but when this initially came up, because they thought it was a scam. It was a kind of a carbon copy, black and white version of the City seal. We had two mailings, I believe, and it was in the newspaper a couple of times. And I had a lot of concerns. There were a few letters to editor too from folks saying, I think this is a scam. Why did the City lend their name. In other communities, I guess, that offer these kinds of services, they make some kind of money. And so people assumed the City was getting a cut in some way, and that's not true. So I had to call all the folks back and say no, that's not true. And then we got this letter from CaitCo, which I actually hear ads. They came to your last meeting. I have never spoken with them."
- Councilor Trujillo said he was not here for the last meeting.
- Councilor Bushee said, "You can ask your colleagues, but I think a lawyer or somebody came and spoke to you all, and it probably reflects kind of what they sent in the letter which is, why would the City set a precedent.. I can't think, in my entire time of service, of any company that we have loaned our City logo, rather than seal, which was mentioned, it was sort of a splitting hairs point for lawyers. But, to lend our good name, to say that you should consider this service. I mean, this is a private sector company, they're out of state. It seemed like this was not something the City should be in the business of offering. I understand we approved it, and I have a feeling it went through on a consent calendar, and I understand it came from the Municipal League. But, again, I guess you can watch and see what happens with the contract, but for me, I don't see the point. I can see lending the City logo for a non-profit like the Rodeo, to support a traditional cultural tradition, but not one particular private venture over any of the others, particularly an out-of-state company. It doesn't seem like something the City should be in the business of doing."
- Councilor Trujillo said, "Well, I got those calls too about they thought it was a scam, and my first call was to Robert, and then we got the letter."
- Councilor Bushee said, "We got the letter that seemed very threatening to me, at least for the City and I thought, well we're in this, we're not making a dime off of this. Why would we do this. And so, I brought that forward."
- Chair Calvert said, "In response to that, I think the reason we did it is for the reason the gentleman stated. If there isn't a program like this, then a lot of people would have to pay out of pocket and the City was lending its name to help the constituents save money on these repairs."
- Councilor Bushee said, "Why not a competitive bid for any company that offers the services."

- Chair Calvert said, "That's fine. We had this one which came from the National League of Cities. It had been done in numerous cities across the country, and we are a member of the National League of Cities, so it was thought to be a well vetted company in process already."
- Councilor Trujillo asked if there are other companies that do this.
- Councilor Bushee said, "Well CaitCo is a New Mexico company. I think they may even be out of Santa Fe, but I've at least heard ads on local radio here, so I know they're employing local people."
- Chair Calvert said, "So is this company. They hire only local contractors."
- Councilor Bushee said, "Right, I understand they hired two as you mentioned. Again, I think I recall a few years back having... this is ironic because it was Qwest that actually shot their underground cables through my sewer line that I had just replaced at a property I have, but my insurance company.... well, in the end, Qwest paid, but my insurance company dealt with it. And again, I don't know enough about the details of home ownership. I'm opposing the idea that the City just put their name for one service provider."
- Councilor Trujillo said, "My question is to Judy, is when does this contract end."

Ms. Amer said, "It's a one year agreement. I believe it was entered into in May, so it would end in May 2014. And if we terminated it for cause prior to that, I don't know of any cause at this point that allow us to terminate it."

- Councilor Trujillo said, "We'd have to go through the entire contract. Does this CaitCo want to bid. I'm just giving you from me. I'm part of this program. I am. You look at \$7 per month, with the infrastructure we have in Santa Fe, especially in the downtown area – older pipes breaking. My constituents called me as well. Is the \$7 real. Yes it is real. It's something we as a City we backed. Anything we can to lessen the burden on any constituent. If you get a \$4,000 bill to do that, and it's not going to cost them out of pocket. We've only paid for 4 months. That's what I'm looking at, but my thing is this contract in May of next year."

[Ms. Amer's response here is inaudible because she was not at the microphone]

Councilor Rivera said, "But you said we don't have to go for the entire year. We can terminate with 90 days notice without cause. Correct."

- Chair Calvert said, "No. 90 days notice to the one-year anniversary date."

Ms. Amer said, "The agreement was signed on January 14, 2013, so 90 days prior to January 1, 2014, we can give notice to terminate on January 14, 2014. So the contract is a one-year contract. We can terminate it for cause with 30 days notice, but as I stated, right now, I do not know of any cause for terminated. Does that answer your question."

- Chair Calvert and Councilor Rivera said thank you.
- Councilor Bushee said, "Let me just ask Ron. When you did your thing, did you find out if your homeowners' insurance could cover that. I guess what I'm asking, is if we're really interested in this service, maybe we take some percentage, but we put it out to bid and we really vet this and make sure we try and get a local company."
- Councilor Trujillo said, "And I don't have that problem, Councilor. What I'm saying is if we let it lapse, once it's done... we need to determine if we're going out to bid, prior to November-December, so this company and the other company knows that this is the way we're going to do it. I don't have that problem with competition. But the thing is, right now, what I would like to know from this... right now you've only been doing this 3-4 months.. What percentage of people used, how much did it not cost them, how much did it cost them. Because you're saying.... and how much did you make off this, exactly."

[Mr. Davis's remarks here are inaudible because he was not at the microphone]

Mr. Davis said, "The reason the NLC even promotes this program and uses us to do it, is because we're the only one that will not send a letter and cannot enroll the homeowner without working through the City, because we let you control the letter. You approve the letter that we send. The other two companies will send a letter directly to the homeowners, and it has the State of New Mexico logo on the top, and it says, 'County resident, our records show that you are not covered by this.' They are under investigation from 4 State Attorneys General because they make it appear that it comes from the government, and it doesn't. And they redline, and they say we're going to only send this to the really wealthy part of town and the really elderly part of town, and they have that demographic. We send it to everybody. Anybody can do it, and the difference between us and the company that is complaining is they're not a warranty company. They're a plumbing company that comes and fixes it at \$3,000 or whatever the price is. The homeowner pays it. Our company, you pay your \$7 and when your line breaks, you don't pay anything, we'll come out and fix it. That's the difference."

Mr. Davis continued, "We're licensed to do business in the State of New Mexico [inaudible]. And here's the other difference. The companies that are coming in and sending their letter to you, and it's not us, and it looks like it comes from the City, they get sniffed out and they only get... if you're not partnering with the City, you're only going to have about a 2% response to the letter. With our letter, within 2 years, you'll have 30% of your households enrolled. That's 30% of you folks that when they have problem with the line, they no longer have to call the City to come out and spend time and money to decide whose side the problem is on. We do that. We pay the plumber to go

out. If it's on the City side, we call Mr. Ortega and say there's a problem on the City's side at 202 Main street, for example. If it's on the homeowner's side, we fix it. It's an extreme savings that we're offering to the City to do that. The difference is the awareness. By the City backing this, what you did is you let your homeowners know they are responsible for their line should they break, here's an option. And we get a lot of people that take it, and we're going to spend a lot of money in Santa Fe, probably more than we'd like to, based on the first 30 days, but why we're here and that's what we'll do."

- Councilor Trujillo said Mr. Davis brought up an interesting word, "warranty." He asked if the other companies provide a warranty. He asked Ms. Amer if we let it lapse, and we go out to bid, as Councilor Bushee said, we as a City can write what we want – these are the specifications we want.

Ms. Amer said, "That is correct, we could put it out to bid and we could set the criteria for the program."

- Councilor Bushee said she would like for the staff to investigate what homeowner's policies actually do cover this in the interim. She said it's good if it's a service and it's really helpful, but we should have a competitive process. "I think that's precedent setting. That's the concern I have."
- Chair Calvert said, "The only thing I would say on that, is CaitCo said they definitely would consider offering a similar warranty in their letter. But when this program was advertised and being discussed in Committee and at the Council nobody else came forward. Everybody had an opportunity, until somebody got awarded this, now they all want the same opportunity."
- Councilor Bushee said, "It wasn't a request for proposals like we normally do."
- Chair Calvert said, "I didn't say it was, but if they are in this business, you would think they would know that this was going on and being considered by the Council and such. Sort of like under *caveat emptor*, maybe you should."

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to move this item forward without recommendation.

DISCUSSION: Councilor Rivera said the service being provided is a great service to the constituents and customers we serve. He also agrees with Councilor Bushee in putting one company above another, especially local companies, without a bid process probably wasn't the right way to do. But he said he does agree with Councilor Trujillo that it should be discussed at the Council level.

Chair Calvert said, "I'm not sure there is a local company that provides this service. There are lots of plumbing contractors and they make sure they're using those, but I'm not sure there is a local company that provides this same service."

Responding to a question from Ms. Lopez, Chair Calvert said it is scheduled to be heard by the Finance Committee.

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

22. REQUEST APPROVAL OF THE UTILITY BILLING COLLECTIONS PROCESS FOR DELINQUENT ACCOUNTS. (PETER ORTEGA AND KATHY VALDEZ) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13

Kathy Valdez said there is a draft of the policy in the Committee packet, and reviewed the information in her Memorandum of May 29, 2013, to the Public Utilities Committee, which is in the Committee packet. Please see this Memorandum for specifics of this presentation.

MOTION: Councilor Trujillo moved, seconded by Chair Calvert, for purposes of discussion, to approve this request.

DISCUSSION: Chair Calvert said his understanding is we're basically going from 90 to 66 days, which is better, but believes we could make it more compact.

Chair Calvert said the procedure is based mostly on the billing date, and asked if could be based on the due date.

Ms. Valdez said the problem is that under the Ordinance, an account is not considered delinquent until 15 days after the due date. She said if it was to be changed, they could shorten the amount of days.

Chair Calvert said, "In Step 1 you say, Approximately 30 days after the initial bill was sent and remains unpaid, the second bill will be mailed with a watermark on the bill noted as "past due." But in step 2, you say accounts are considered past due when any charges remain unpaid 15 calendar days from the due date on the customer's utility bill. Those two statements aren't consistent in terms of when we consider it past due.

Ms. Valdez said when the second bill goes out initially, it's not past due, but in between the dates it is past due.

Chair Calvert reiterated his previous statement, noting the two things aren't in agreement. He doesn't think customers pay attention to the bill date. What they look at is the due date. He said if we can't base our procedure on due date, that's fine. It would make more sense to base the procedure on bill date, not due date, it would make more sense to the customer as well. He said if we can do this, he thinks we should. He wants to see a 45 day time frame.

Ms. Valdez will talk to IT about this, and they said the only time they can do that is at the time of billing.

Chair Calvert believes we don't need to wait the 15 days for the 3rd billing cycle. He said, "If, after 30 days we send out another one with past due, and even if we have to send a separate mailing for the 15-day pre-disconnect, we don't have to wait until the 3rd billing cycle to do the 2-day pre-disconnect notice. Even if we don't change any of the steps, we are presently doing, we can still cut this down considerably, because the 2-day pre-disconnect notice is hand-delivered. So we can do that during this 15 day period that we told them they had, and then we don't have to go into a 3rd billing cycle and draw this thing out any more. I'm not saying we don't continue to work with people who want to work with us on paying their bills. But for the people who are just going to string us along and use the system for the maximum amount of days we're going to allow, I think we need to cut down the number of days we allow. And I think what most every billing agency is doing, is shortening that time frame. So I think we can get this down to 45 days, we would eliminate the steps 3 and 4 that you have, and I think we could be done. Step 1 is after normal billing. But anyway, in step 3, I think we need the 2-day disconnect notice hand-delivered, and then I think we're done."

Ms. Valdez said, "That's correct. Step 1 and 2 are really just one step, but I put a Step 1 and Step 2."

Chair Calvert said, "I understand that, but that's okay. I'm just saying for efficiency purposes, if we could send out the 15 day pre-disconnect with the second bill, I think it would save postage."

Ms. Valdez said that could be done easily.

Chair Calvert said, "I don't see why you wouldn't want to do that. I understand that isn't the way it's set up now, but unless there is some challenge, I don't see why you would want to send out two separate billings. You could give them two things, you say this bill is past due and we're giving you a 15 day pre-disconnect notice then. That's step 2, and then step 3, within that 15 days, 2 days from the end you hand deliver the 2-day notice and then you're done. And you've cut in half what we were doing. Not saying we won't work with people who want to work with us on payments. If they want to do that, then we can suspend this process, but those that are just going to string us along, we're going to be in the back of the line, because everybody else is doing something like what I'm proposing, I think."

Mr. Ortega said the purpose of the separate billing is an old process, and we definitely can change that, noting Step 2 and 3 happens at the same time. He said they can work with the new vendor on printing the bills and ask them to insert the 15 day notice in the same bill. He said it is feasible. The thought behind the separate mailing is that the customer pays more attention if they get a second billing.

Chair Calvert, "I think you might be right to a certain extent if all they get is a bill marked past due they might, but if there is also a 15 day pre-disconnect notice in there, I think that should get their attention." He reiterated his thoughts about the reasons we need to do this.

Councilor Rivera said it sounds like there is work that needs to be done, and said perhaps we should send this back to staff and let them come back to the next meeting addressing the Chair's concerns, because that does make sense.

Chair Calvert said we are still months away from a new billing system. The only thing he needs to check right now, is whether the new billing vendor can accommodate the mailings together.

Mr. Ortega said he will do so in the morning. He said perhaps they could put a little more "art in there as far as bolding it, or getting the message out there that it's past due, better than what we currently do right now."

Chair Calvert said we could pass this, but we could set an effective date in the future to get the chance to work out wrinkles as well as to put out materials to the public to educate them that this policy is changing.

Councilor Rivera asked when we are going to the new billing system.

Mr. Ortega said the RFP should be released next week, and the time is August/September to make a decision on the utility billing system, and we will be making a recommendation.

Councilor Rivera asked if it is reasonable to hold off on this until that time, so a new company could help us.

Chair Calvert said, "I don't think there's anything with our current billing system that we couldn't accommodate, even if we sent these things, the past due and the 15-day in a separate envelope like we're doing currently, if we have to stick with that. That still wouldn't change the timeline that I'm proposing. I see this as fairly pressing with the amount of unpaid bills sitting out there. Maybe we could do better with the new vendor, but that could be the end of the year before we have something up and running.

FRIENDLY AMENDMENT: Chair Calvert, "What I would do is to amend the motion to include the proposal I have, and let me reiterate that to be clear. Step 1 would be as you have it here, "Thirty days after the initial bill was sent and remains unpaid, the third bill will be mailed with a watermark on the bill noted as "Past Due." As part of Step 1, the 15 day pre-disconnect notice will be done in that same mailing, if possible, if not it will be done as a separate mailing. That's all part of Step 1. Then Step 3, forty-three days after the bill date, a 2-day disconnect notice will be hand delivered." **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

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

Chair Calvert thanked Ms. Valdez and Mr. Ortega for their work on this.

Mr. Ortega said, "I just have a quick comment to talk about our new vendor. We did go live with them on May 23rd. Right now, our paperless customers, we haven't gotten that fully going, so our paperless customers will be getting a paper bill for cycle 3 and cycle 4. We're working on getting it to where they don't get a paper bill in the beginning of June."

Chair Calvert said he received comments on some of those by email, so he wants to do the best job we can to prepare our customers for that eventuality using resources available to disseminate information – let them know it's coming, rather than the first time they see it is when they find out about it.

EXECUTIVE SESSION

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to go into executive session for the purpose of discussing a lease of Abiquiu Reservoir Storage Space between the Club at Las Campanas and the City of Santa Fe, in accordance with §10-15-1(H)(8) of the Open Meeting Act, NMSA 1978.

VOTE: The motion was approved on a roll call vote as follows:

For: Councilor Calvert, Councilor Trujillo and Councilor Rivera.

Against: None.

The Committee went into executive session at 8:00 p.m.

MOTION: At 8:10 p.m., Councilor Rivera moved, seconded by Councilor Trujillo, to come out of executive session, stating that the only item which was discussed is the item which is on the published agenda.

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

24. REQUEST FOR APPROVAL OF AN AGREEMENT TO LEASE ABIQUIU RESERVOIR STORAGE SPACE BETWEEN THE CLUB AT LAS CAMPANAS AND THE CITY OF SANTA FE. (MARCOS MARTINEZ) Public Utilities Committee 06/05/13; Finance Committee 06/17/13; and City Council 06/26/13

MOTION: Councilor Trujillo moved, seconded by Councilor River, to approve the proposed agreement as presented by staff.

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

MATTERS FROM THE PUBLIC

There were no matters from the public.

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

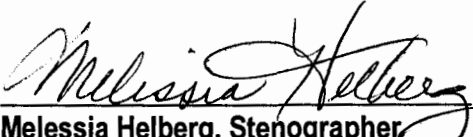
There were no matters from the Committee.

NEXT MEETING: WEDNESDAY, JULY 3, 2013

ADJOURN

There was no further business to come before the Committee and the meeting was adjourned at approximately 8:15 p.m.



Christopher Calvert, Chair

Melessia Helberg, Stenographer



Exhibit "1"



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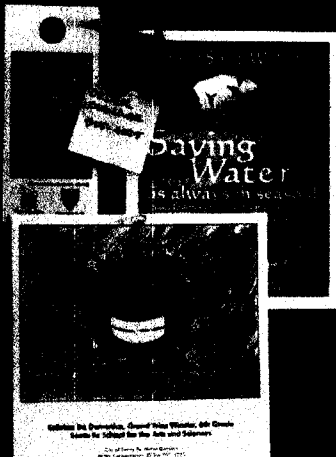
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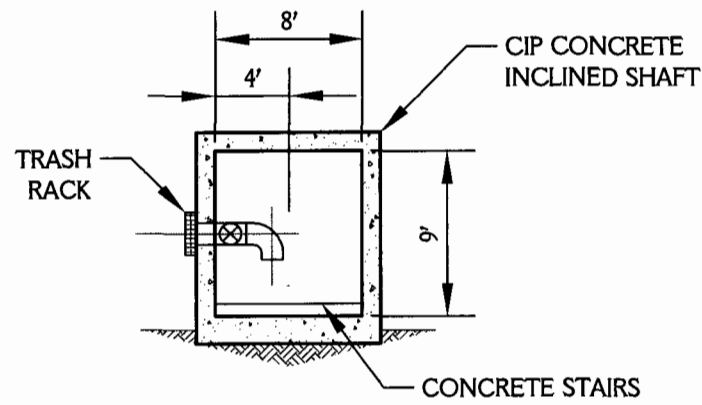
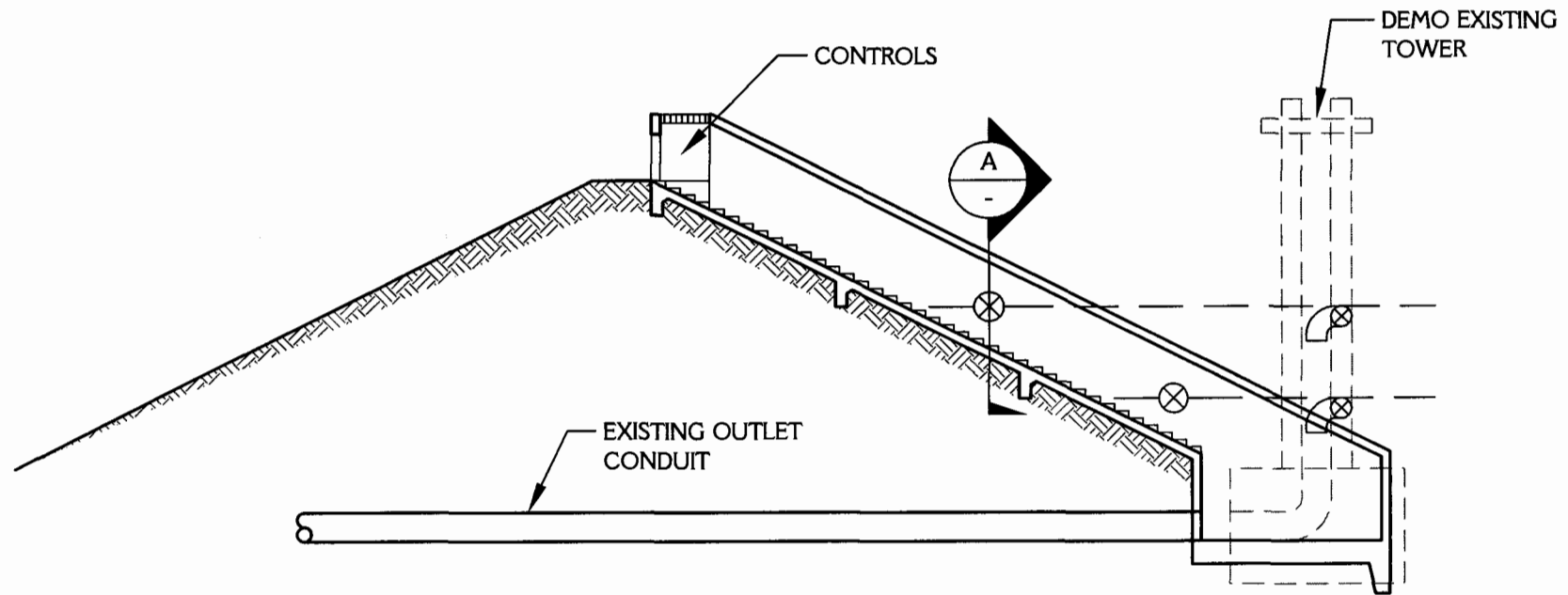
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EXHIBIT A



SECTION A

Exhibit 2