

**SANTA FE COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
**SPECIAL MEETING**  
**June 5, 2019**

Anna T. Hamilton, Chair - District 4  
Henry Roybal, Vice Chair - District 1 [Telephonically]  
Rudy Garcia - District 3  
Anna Hansen, Chair - District 2  
Ed Moreno - District 5

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1. A. This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:00 p.m. by Chair Anna Hamilton in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

**B. Roll Call**

Roll was called by County Clerk Geraldine Salazar and indicated the presence of a quorum as follows:

**Members Present:**

Commissioner Anna Hamilton, Chair  
Commissioner Rudy Garcia  
Commissioner Anna Hansen  
Commissioner Ed Moreno  
Commissioner Henry Roybal, Vice Chair [telephonically from 2:15]

**Members Excused:**

None

**C. Approval of Agenda**

Commissioner Hansen moved to approve the agenda as published and Commissioner Moreno second. The motion carried by unanimously. [Commissioner Roybal was not present for this action.]

**2. CAPITAL PLANNING REVIEW**

- A. Overview of Current Process**
- B. Discussion on Proposed Santa Fe County Capital Planning Policy**
- C. Request Direction on Proposed Capital Planning Policy Recommendations**  
[*Exhibit 1: Staff presentation*]

PAUL OLAFSON (Projects/Planning): Madam Chair, Commissioners, I'm going to have a power point presentation that is coming up right now, and in your packets you also have a white paper. This power point reviews and outlines the content of the white paper. So I'll be going through the power point and will also be talking about proposed new processes for capital planning, and then asking in a little bit for direction

from the Board to proceed with some initiatives.

So starting off with the capital planning policy. So just overall, capital improvement plans can be short-range, five years) or even longer, up to 20 years. These are tools that ensure jurisdictions to have capacity and finances to provide infrastructure, public facilities, and general services. And having a good, solid plan ensures that your investments are well placed, well planned and coordinated, and are effective in delivering service and facilities to the public.

The goal then of this presentation is to propose an updated capital planning process that will guide efficient, transparent, systematic, evidence-based, adaptive, and realistic capital planning and budgeting in the County.

Just an overview of what we currently do in Santa Fe County, we have a five-year capital planning process and this is internal within the County and staff are able to enter up to five years in the future capital needs. This can include items for new facilities, replacement of existing capital assets and improvement to existing or new. This is managed annually as part of our current capital planning budget process.

We also have the ICIP, which is the annual plan we turn into the state. It's called an infrastructure capital improvement plan. That's a requirement to turn into the legislature annually to allow for legislators to consider funding capital projects per entity, and that's open to all municipalities throughout the county. This slide here now depicts our current process. We have input from the community, we have County priorities inserted into the ICIP which we submit to the state. Also, ICIP requests are included in our internal five-year capital planning window when we do our annual budgeting process. And through that annual budgeting process we can consider GRT bonds, other revenues, state grants, federal grants and development fees to help fund that five-year window of projects.

An analysis of our current process, the CIP and ICIP are really short term. ICIP includes a look of five years but really it serves as an annual plan and our five-year plan again is a short window of time. It's usually quite reactive to current needs, but it's not pro-active in planning out long range, both as far as what the County needs, what's coming to the County, and what we can actually accomplish.

Oftentimes the requests and the budgets are based on the department requests and don't holistically evaluate what are the Countywide needs.

[Commissioner Roybal joined the meeting telephonically.]

Also, we don't really have a very good system of evaluating projects and requests for projects and often we are unprepared to implement projects, particularly when new projects are put into the mix that we hadn't planned for.

So what we're proposing is to consider some different ways of looking at our capital plan processes here at the County. First of all, we've constructed an infrastructure build-out analysis, and this establishes general infrastructure needs to plan for projected growth, and this is based on both economic projections as well as population projections. And we're also looking at growth patterns, particularly in SDA-1 which is our primary service area and which our Sustainable Land Development Code is designed to help direct development to. The concept there is that you plan and direct development to areas where there's existing infrastructure or easily expandable infrastructure, and that includes roadways, water, wastewater, emergency services, parks, open space and trails. IBA will

also be incorporate with the upcoming water and wastewater master plan that Utilities is conducting.

The next slide just depicts – here is one of the maps that came out of the IBA, and this again shows future roads and potential needs for roads, focused in this example in the Community College District area.

Another new capital planning tool is the 20-year CIP, and this would expand upon our current five-year web-based planning process. It looks to systematically identify and prioritize projects, and is accompanied by a spreadsheet tool that we showed you at the last budget study session to changing growth and financial scenarios. So that tool helps us evaluate projects based on not only the priorities of the development needs but also based on our Countywide goals in the budgeting process.

In the near term these high priority projects for years one through five, medium term projects would be years six to ten, and then long-term projects, years 11 to 20.

Another new capital planning tool is the impact fee study and budget analysis, and this is also what we presented at the last BCC or the last budget study/capital study session. And it provides a summary of existing revenues, analysis of impact fees adopted in other counties and municipalities, and potential revenues from impact fees in Santa Fe County.

So next we have some proposed capital planning policies that we'd like to outline for the Board to consider using as we move forward in our capital planning. One is we would need to adopt planning tools, engage in long-range planning, pro-actively address future needs and formalize means of identifying, prioritizing and programming capital projects. Also, we would like to revise the capital planning framework, consolidate capital planning and budgeting into one integrated system. And also improve the project planning process. This would create a regular schedule for review and scoping of projects and make sure the projects are valid and do-able, and also consider staff capacity before bringing them into a budget process and actually funding them.

Also, as I mentioned earlier, we have the spreadsheet tool that helps evaluate, prioritize, and schedule projects based on available funds, needs, immediate County needs and strategic planning goals: Where do we want to go and where do we want to put things? And the new tool should be integrated into our existing web-based planning platform and that can be done and would allow for not only the five-year window but up to a 20-year window on our future capital needs.

CHAIR HAMILTON: Paul, do we already have this spreadsheet? Are we already using it?

MR. OLAFSON: Madam Chair, no. We have developed it in kind of a beta test environment, and we did present it at the last capital meeting so we have it in hand. We haven't implemented it and started using it.

CHAIR HAMILTON: Thank you.

MR. OLAFSON: Also, we want to talk about revising our capital planning framework and this should lead to more long range and pro-active planning on our capital needs, ensure that needs and priorities are implemented on time and efficiently, look at capital needs and requests included in the overarching 20-year window, and also address basic service needs and high priority projects, particularly in the first five-year window. And as we go to a 20-year window we know that when you're looking out 15 years or

even six years, that's a little bit farther and it needs to be refined and tuned as it goes along, but the first one to three years or one to five years we can have a pretty good idea of where we are, what resources we have what our needs are and how we can address that in a timely and efficient fashion.

And of course this also feeds into the five-year process and the ICIP process. If we can have it clarified and a really clear understanding of what our basic needs are and what our planned goals and priorities are we can then better address our ICIP request, tailor that to what we really want and need, and also look ahead. We know there's a bond cycle every four years. How can we plan that and get things in the pipeline.

CHAIR HAMILTON: Hang on a second.

KATHERINE MILLER (County Manager): Madam Chair, I just wanted to state for the record that Commissioner Roybal is on the phone.

CHAIR HAMILTON: Fabulous. Thank you very much. Welcome Commissioner Roybal.

COMMISSIONER ROYBAL: Thank you.

CHAIR HAMILTON: Are you able to hear everything?

COMMISSIONER ROYBAL: Yes. Loud and clear. Thank you.

CHAIR HAMILTON: Paul, I assume we're going to talk about this last piece again or a bit more under discussion.

MR. OLAFSON: Yes. That will be I think the discussion of policy, but we can have questions now if you have direct questions. I think as the rest of the presentation goes on it may answer some more questions.

CHAIR HAMILTON: Yes. Let's let the presentation go on and get information but clearly that's an important point that we need to deal with.

MR. OLAFSON: Okay. So now moving on, this is slide 14. This is just a diagram that helps kind of depict what I'm talking about in a more visual and graphic sense. So on the right-hand side you have the bigger circle with two smaller circles in it. That's the five-year CIP and the 20-year CIP. Both of those are in the tools to help us plan and look forward as we're moving out in time. Also there's an arrow from the five-year CIP to the ICIP and that was what I was talking about, trying to tailor our ICIP request and that whole process to more clearly match County priorities and needs, and then have that available for review and funding at the state level. We also, if you look to the arrow that's pointing directly to the left and the square box, the five- and the 20-year also looks at our other revenue sources that we have available – the GRT bond revenues, state grants, federal grants and development fees.

So then the two arrows above show how do we feed the five-year and the twenty-year? So we feed it through our capital maintenance and fixed asset needs that we identify internally at the County, and also we have the community requests, growth-driven needs for infrastructure across the county. So we're looking at multiple inputs and multiple areas of need, putting it into the planning process to then hopefully generate more refined and strategic plans for how to implement and fund our capital needs.

So the next slide talks about improving our project planning process. As I stated before, we are aiming to be more realistic and systematic, so we have a clear and replicable process for evaluating projects and putting them into a funding system, and then also a clear and systematic process of identifying how much we can get done and

when we can get it done. And again, it talks to projects being scoped, ranked, scheduled and actually ready to implement.

So as part of this improved project planning process that we're proposing, we would have project proposals from staff, constituents, Commissioners, or others, and using a project request form, and it would include description, justification and rough cost estimate. Non-County organizations, non-profits or others could also submit an application and request forms and applications serve as a preliminary scope, just a very basic scope of what a project might be. And that proposal would be reviewed through our capital planning process, our office planning, and we'd work with Public Works staff who are responsible for implementing the projects to help review that request and say is it do-able? Is it practicable? And what's it really going to take to get it done?

And also we would be able then to maybe refine the scope because someone might want a road from A to B, but they didn't consider there's a need for a bridge or drainage, or other issues, or right-of-way. So working together as a team with different users as well as the people who are responsible for either implementing or maintaining those projects will give us a much better idea of what the project really entails and can we do it? And for how much?

So then the capital planner reviews the proposals, works with staff, and then we compile the list of proposed projects.

Next, again, like I was just talking about, we do better scoping using a committee of staff, and our plan is we meet twice a year, look at the need, any relevant data that would help inform the need or the demand for such a facility, look at cost, capacity internally with us, for either implementing it or maintaining it, and also again, the fiscal impact of the proposed projects. The Scoping Committee should include a capital planner, Projects Division staff, Facilities, Maintenance and Operations staff, the user office or division as appropriate, and the IT Department if that's applicable.

The next step in the planning process would be to determine need, and we could have the Capital Planning Committee we're proposing would meet twice a year to update the CIP, based on the scoped projects and the already evaluated need and determine if the proposal is a basic service – something we need to keep the lights on and keep the County functioning every day, and also evaluating and ranking projects using the prioritization tool. This committee should include, again, the capital planner, the County Manager's Office, Projects Division, Finance, Public Works and Fire, if applicable, and many of our vertical construction projects are Fire-related.

Also, during this evaluation process, we would look at capacity and bandwidth. How can we get the project in the pipeline and get it done? Do we have the staff? Do we have the resources to make this happen? Not only money but people and time. So through this evaluation process the Capital Planning Committee will evaluate the capacity to implement the projects, look at the complexity and staff involved in the project, completion, estimate the project's duration and time needed for staff to fully execute the project from design to close-out, and also compare alongside available hours. So if the project is going to take one person a year and a half, do we have that person and do they have enough room on their plate to add another project?

Another part of this planning process is to look at the projects we have, and this is just a very simple graphic talking about how this could possibly be fit in. So if you look

at a five-year window, and this is 2020 through 2024, and these are proposed pipelines or could be in the pipeline, and then we propose a new project, or three new projects, and we say, okay, as you all did at the last BCC meeting, we had several state-funded projects that came through as grants that we adopted and so now – and those projects have a window, usually of two or four years, depending on the funding source, to get implemented, so we have to look at that window and determine where do these projects fit into the bandwidth of the County to get them executed and if we insert them into the process, you notice one project then moves to the right, meaning it moves out in time. These are just hypothetical examples but in this real world reality that we have so much time, we have so many people to do this, and if we add more in, something's got to move to make space for that project to be completed at that time, or other mechanisms we could apply to get the projects done.

CHAIR HAMILTON: Could I ask a quick question? Clearly a bunch of us, both Commissioners and senior staff recognize this generically. It's a bandwidth problem. If you're doing a series of projects and you add three more projects to be done, unless you're really underworked, something has to give. But specifically, for planning, do we actually – is that something that we would have to add? Even though these graphics are just examples, it is very similar – it's more generic – but it's very similar to what people use to plan. So do we actually plan? Do we have an idea of what our capacity is and we can estimate it currently and get an idea of how much we're pushing off projects when we accept others?

My experience is that our senior staff plan really well, so it's not that I think they're not doing it. I guess I'm just looking for – is this something we can realistically include in the revised planning process? A better, happier planning process?

MR. OLAFSON: Madam Chair, yes. That's what we're proposing. I think you're exactly right. Staff does an outstanding job of trying to execute what they can, but there is a true bandwidth/capacity issue that we can only – it's just like anyone. You have 24 hours in a day and 365 days, so you plan it out. And I think the County has traditionally done very good at making things fit and trying to get them done, but that serves largely as a reactive process and what we're trying to aim for here is a more pro-active process so that things come in, a project comes in, it's already well understood, it has a proposed start and end, and a clear understanding of what is entailed in that, and that we're not just kind of just accepting – starting with an idea and then planning it out. So one of the main points of this proposed process is to help us plan better and get more pro-active.

CHAIR HAMILTON: Absolutely. I just – somehow, when you actually see the names of the projects that aren't going to be started for two more years when we thought – people go, wait a second. That's a project I recognize as being really important and it affects – and so to have that information during the planning process is impactful. Manager Miller.

MS. MLLER: Madam Chair, part of your question was, do we do it now? We do not. Currently we do not say, here's how many man-hours we have and here's how much – and therefore – here's our bandwidth, and then you budgeted so many projects it's double our bandwidth. Or it's triple our bandwidth. And it happened as a result of kind of for years we didn't have much in the way of capital funding, or a lot of it

was tied up in just BDD. So 50 percent of our capital outlay gross receipts tax went to BDD. That wasn't even our project. Yes, we had people who did it but we weren't the project manager.

CHAIR HAMILTON: Lesser bandwidth for the amount of money.

MS. MILLER: Yes. And so now, we have an enormous amount of projects between the Aamodt project, all the stuff that we've done with bonds, and we took the capital outlay GRT and shifted a lot of that back to County-only projects, not regional projects that were managed by other people. And what we've never really done is assess, okay, here we have all of this. Now we have additional money, plus we increased our bonding capacity. We used to do many \$20 million and that's crept up to \$35 million. So we've added \$15 million there. We've added another GRT for doing facilities, which funded these two administration buildings primarily, but also a lot of maintenance projects, so we've added a lot of funding and never really assessed internally how much staff are needed to meet that level of appropriation and are they managing projects as efficiently as they could?

So part of this process is trying to determine what is our current bandwidth? What should it be? Are we doing things efficiently? And then are we short staff and capacity for the kind of funding we get? And then when you have a good legislative session and the state has a lot of money, what does that do? And that's that picture – we're trying to visualize it for you but it's not based on actually, did we go in and say, okay, this project will take this many hours because it's this level of complexity. It's the this dollar amount, and it's starting where we don't even own the land and we have to find the land. So what's the scope of the project? How many man-hours will it take and how long will it take? And therefore what does it do when we get something added to an appropriation, what does it do to our actual schedule?

That's the process that we're trying to do, and we're trying to quantify that with current staff. So what do we have? What happens when we lose an FTE and it takes us three or four months to find somebody to fill that job? What does that do? We piled on a lot of things without really changing our structure and understanding our actual capacity.

CHAIR HAMILTON: I think that's a good summary and while all the things you said are probably intuitively obvious to most of the people in this room, when you actually have to make decisions on them and there are multiples of them, having at least some aspects of it sort of written down so you see a little more specifically what it does, which projects and how long and that. Like I said, I think this would be a good change because it would be very impactful to the decision process.

MS. MILLER: Right. And Madam Chair, Commissioners, we just – those are hypothetical, but it's real. In other words, we just picked those three that we just got appropriations for and then we picked three that we currently have on our plate to do and said, well, if this would be the hours it takes. Look what it does. And we're driven by time limitations on some grants. Whether it's a state or a federal grant they have time limitations. And so what ends up happening is we put off those projects that you funded through GO bonds or GRT, because they money is not as time-limited. Bond money you do want to get spend, but it doesn't actually expire. You just have other issues with not spending bond money, but it doesn't expire and go away.

And so that's part of the challenge here is to say, well, when we accept a grant,

our we truly informed as what that does to projects already on our plate?

CHAIR HAMILTON: Thank you. Commissioner Garcia.

COMMISSIONER GARCIA: Madam Chair, since we're actually going to ask questions during the presentation. I understand. I get it. How do we build a baseball team? How do we determine which guy or woman should be playing shortstop, or should be playing first base? So we're at that point right now as to how do we create a baseball team with the talent we have and with the bandwidth we have, how do we determine bandwidth of employee?

MR. OLAFSON: Madam Chair, Commissioner, I don't know that I have an answer of how we determine a bandwidth to an employee, but I think we look at what can reasonably be accomplished and the complexity of a project. And as you know very well, you can have something that sounds like a very basic, simple project, but it still takes hundreds of hours to accomplish it, and you can have a very complex project that's going to take other hundreds of hours. And a complex project might take two or three or four people to work on it together to really accomplish it, whereas a more simple project might take one or two people.

So I don't know that we have a direct answer to your question, but we can look at what we can reasonably expect based on previous experience with our staff and with our projects and say this seemingly simple project still took 18 months. So if we're going to plan for accomplishing it we should look at approximately 18 months, or we look at another means to do it more efficiently or more effectively.

COMMISSIONER GARCIA: So Madam Chair, what's the timeframe to determine the bandwidth for the existing projects that we have? Or are we going to do it as we go along? Or is there a plan to figure out Project A is going to take so long? And whatever is in your presentation here, you have 120 days, two years, three years, for a certain project. Is that actually just for construction? Or does that include the grant, as Manager Miller says, does it include the procurement? Does it include going out to bid? Does it include all this or is that just construction?

MR. OLAFSON: Madam Chair, Commissioner Garcia, yes. We would plan – as we move forward we would implement this. That's what we're kind of asking for direction on today. Should we move forward with this type of process? And then we would have to determine how do we determine that bandwidth. And it should include everything you've described. It has to come from the procurement of a design, and the actual accomplishment of a design, procurement of construction, actual accomplishment of construction through to close-out. It should also look at the impact on the existing staff as if we build this facility will it require more maintenance work, money or people? Will it require custodial work? Etc. So we're really looking at a holistic impact of a proposal versus can we build Project X. And certainly we can build Project X but what are all the ramifications coming off of that?

COMMISSIONER GARCIA: So Madam Chair, back to the baseball team. Back in Projects we just need to figure out as to – we have a lot of talent on the ship, and so you've got to figure out everybody has their expertise in different areas. There was a gentleman that used to work for projects. He used to love to write RFPs, scopes of work. Scott. Sometimes I felt we had him in a different department but if he's excellent and great at writing scopes of work, then we've just got to create a baseball team. However

we do it we've just got to move forward in that direction.

MR. OLAFSON: Madam Chair, Commissioner, that's exactly what we're proposing is how can we do this better and more effectively. And more realistically so that you all as policy makers have a clear picture of what it's going to take to do something, not only the dollars but the time and the effort and the human resources, as well as other impacts to the County.

COMMISSIONER GARCIA: It's real challenging to me because it's –

MR. OLAFSON: To that point, it's not simple. I'm not proposing that it's going to be a little simple color chart like this that will all flow like magic. This is a new process and what we want to do is start moving forward on this path and really get our hands around it. It will not be perfect; it will not fix every single issue or problem, but it will get us in a direction where we're working collaboratively, across departments, across disciplines, and we're working towards a realistic and do-able plan.

COMMISSIONER GARCIA: Madam Chair, this is a planning document, right? It's not a moving target but it has – for example, page 18. So page 18 basically talks about the Capital Planning Committee should include – it says include a capital planner, County Manager's Office - that's not in any particular order, right?

MR. OLAFSON: Madam Chair, Commissioner, no. And this is – again, this is a concept that we want to then bring forward and have you really bless. So we're asking today for direction to continue moving down this path, and then as we develop more solid tools we'll bring that to you as well.

COMMISSIONER GARCIA: Okay. Thank you.

CHAIR HAMILTON: Manager Miller.

MS. MILLER: Madam Chair, I wanted to somewhat address what Commissioner Garcia was talking about a little bit. One of the things we don't do at all right now is we don't look at staff capacity when we have a project as an idea, or it gets thrown on the ICIP, or when we fund it. We look at how much do we think it will cost to do it. But we never say, well how long, how many man-hours will it take to do this project? And do we have – when can we fit that into the schedule? So immediately what's happened over the course of the last few years, as soon as we budgeted something every expected that that project would start. Or as soon as the Board approved – it actually started around 2011, 2012, they said, well, we've got all this money and we want to do all these projects. And it was assumed, I think from many of the Board members, well, that means you'll start them all right away.

Well, that was never possible. We had money in the bank and we had bond money, and all that came in and lots of projects were approved, because when we do the bonds we have to know what we're selling the bonds for. But the minute the voters passed that, that doesn't mean that's when we'll start the project. It likely means we'll start the project in two to four years. But that's not the anticipation or expectation from the public or from the Board, based on the way we present it. It's like do you want to fund these projects? And we don't present – and here's where it will really come on to the Board to start being really worked on as a project and not just an idea, because of staff capacity. Unless you want to add a whole bunch of project managers, spend all that money down, and then let a bunch of project managers go. And part of that issue is that people don't really like term positions, but project money is one-time money, and you

never know when it's going to come in.

And so we've tried to balance having a staffing level of recurring and permanent funded positions for projects as well as some term positions, but it's tough. I can give you an example. We run out of money on certain types of projects because the bond money gets spent like that and then we've got a person – it's like what do we do with them? I can't have them work on something else because they're funded with money specific to specific types of jobs or projects.

And so what we've never done in this process is, okay, if this is going to be funded with this kind of money, and this is when the money's going to come in, and this is the person, the staff capacity for that type of project, and they're already busy. It's not going to happen; we're not going to start on that project for three or four years. So that's one thing. And it's because we haven't been able to quantify that and show it to you.

CHAIR HAMILTON: right.

MS. MILLER: And part of this process, what we're asking to do is say if you, and I think Paul's dead on, this isn't going to be easy, because it is hard to scope a project, not just money and like what's the general scope but how many staff hours is that going to take, and who? And we run into projects that – Let's take Mt. Chal. Who'd think we'd still be working on it how many years later? Fifteen? And stuff well beyond our control to try to get that to be a real project. But chewing up hours, nonetheless, of project managers, because they're doing another thing and another thing and another thing to try to move that forward.

And so if we were to have said to you in the beginning, yes, acquiring this land and doing some cleanup, that will take, oh, I don't know – a thousand man-hours – we'd have been dead wrong, because we've easily used a thousand man-hours and we still don't even own the property and it hasn't really even come to fruition as a project. That said though, it could be adjusted by giving you reports that say, yes, well this one we way underestimated the amount of man-hours it will take, and this one we overestimated so we gained a little time here.

But we don't have a system to do that yet, but we want to have that system and have that system incorporated in the planning process and the appropriating process.

COMMISSIONER GARCIA: Madam Chair, just on that note. I totally understand, Manager Miller, and I'm glad that we're actually going in that direction as indeed we've got to figure out the complexity of our Projects Department or how we're figuring out – because some of the things we need to figure out with this team again. How do we create this team, because some of the things you might want to throw in here is the complexity of the project. How complex is it? Is it very highly complex? Is it not? Is it a sidewalk? Because you can ask ten different project managers how to run a project and they'll give you ten different answers. And so if somehow we can actually get to – maybe we've got to start with the complexity of a project – high, medium, low – and figure out what time of individual is experienced in that type of a project. And then we've got to start figuring out who that team is, what that team – how it works and for lack of a better term, you've got A squad golfers, B squad golfers, C squad golfers and they're all good golfers, right? Because everybody's trying –

So that's – so I understand what you're saying and where we're going.

CHAIR HAMILTON: I think this is very true, but a little down in the

weeds, because I think some of this is what we'll be discussing when we're trying to talk about the details of what we're getting an overview of. Maybe it would be good to get the rest of the overview, because it is, much as I hate the expression, the devil's in the details means we do have to talk about those levels of how you set things up to actually implement them effectively.

MR. OLAFSON: Yes, Madam Chair. That's a great segue into the next – there's only a couple more slides and to your point, Commissioner Garcia, yes, absolutely, the low, medium, high and that's outlined in the white paper as well, and that is definitely part of it, as well as people, as well as funding.

The next slide kind of talks about the overview. So what we're talking about is doing a new capital planning process and it would have a group of individuals across the County, across disciplines, who are working together. You'll looking at compiling a five-year project list, CIP, and the budget. How are we going to pay for it? Is it a grant? Is it GRT? Is it bond? Etc. And then looking at the funding and what the prioritization is and the staff capacity. So that's exactly what you guys have been discussing.

And then trying to tailor – and this is really important I think to your point, the ICIP annual request to be a little more focused and a little more strategically pointed to projects and priorities that we really want or need to implement here at the County, and having the Board have the ability to annually review and adopt not only a budget but also the prioritized project list. And then keeping projects that didn't make that annual round of funding, or biannual if we change that, but the project is still valid and real if it's a need, but it may have to get pushed out a farther year because of whatever the prioritizations are at the time.

The next slide then outlines how that process would potentially be. And this is based again on our fiscal year budgeting. So we start in July and we'd start working with this review committee and in early August we could define GOB projects if that was a GOB year. By the end of August we'd have a CIP update and ICIP. That would be what we submit to the state. And then September/October, we would schedule an evaluation and do the scheduling of projects and evaluating them, and in mid-November we would have the cutoff for non-County projects coming in. That's something that we're going to talk about later on in the agenda.

We'd review and finalize scope for proposed projects, look at potential for evaluating ICIP if needed, based on non-County requests that had come in since, or after the initial ICIP process. Then in January/February, as part of our initial part of the budgeting process, our annual County process, we can do the update to the CIP, saying here's our next five-year, here's our next ten-year, here's the next twenty-year. And we continue through the budget process and then we continue scheduling and evaluating projects and we get back to you, so there's a twice annual kind of review and window to look at where we're at and what we're doing. So this is an iterative and flexible process, so that you're continually looking at what's coming in, what's going out and do we need to adjust? Are we making it? Are we not? Or are we going faster than we thought we could.

CHAIR HAMILTON: So just for clarity, this is a timeline. This is what you're proposing and it would link to all the things, the improvements we're going to talk about and hopefully adopt, and then potentially refine this or adopt it as it is if this looks

good. You were talking about adopting something that we would then try to stick to and make work.

MR. OLAFSON: Yes, Madam Chair. And again, this is the first swing at it. We might have to change it. We'll refine it and work through it. But the point that we're aiming for is that we have a transparent and clear process for everyone – for the public, for staff, for the Board, to know where we are at and how are we doing this? And the first couple swings might be a little slower or a little rougher than we would like but I think after we implement it and it becomes the norm, it becomes the process, then people will have that sense of reliability. And it's really important too to emphasize: this is kind of a change of our – it's a community change within the County. We need to really look at doing this process in a different manner and in a better manner that includes all the different users, all the different expertises that go into this process.

And so if we put in the good effort on the front end, hopefully we have a much better process and product at the out end. And that's not only a plan, that's actually implementing projects and getting things in the dirt.

And that segues and lastly into, I guess, the ask. And on the agenda I know we have discussion and then these are the ask points that we'll ask for direction from the Board to continue on. So first of all, we want to work on the integrated capital planning tool and integrate that into the County's existing web-based platform. And this would require some outside contractor support, but working with our IT Department to ensure that the planning tool that helps us do the evaluation process is included and integrated and user-friendly so that staff and anyone can get into it, use it, and understand the output of it. So that's one of the asks we're asking for.

Next is to refine and adopt this planning kind of framework I'm talking about for capital planning by a resolution, and that's something we would bring back to you at a future meeting. But the question or the request today is: Should we continue down this path?

And then later on we'll be talking about a policy for non-County entities requesting capital support or asking the County to be their fiscal agent and that will outline another item on the agenda. I think it's item 4.

And then finally we're asking for direction from the Board based on our presentation at the last capital budget study session regarding impact fees. The next step to really look at impact fees, and this is governed by the state statutes is to develop an impact fee study and help us look at what are the range of rates that we would want, that the Board could consider, and then how or if the Board would like to move forward with that. But that's a kind of statutory requirement to make the potential of impact fees come to reality.

CHAIR HAMILTON: And this is impact fees, like traditional impact fees. We're not talking about like for handling outside projects or something? Just impact fees?

MR. OLAFSON: Correct.

CHAIR HAMILTON: Cool. Thank you.

MR. OLAFSON: And that would also – we would contract with some consultants to help us develop that and that process moving forward.

CHAIR HAMILTON: Excellent. Commissioner Hansen.

COMMISSIONER HANSEN: Question.

CHAIR HAMILTON: We can entertain some short questions. I think there would be a real benefit in getting through this whole preliminary review as a basis for having further discussion, but yes, by all means.

COMMISSIONER HANSEN: Thank you, Paul and your staff for putting this together. I think it is really important for us to start thinking about all of the elements that go into a capital project. I just wanted to bring up on a number of pages we're talking about roads and wastewater, and this Board and the Board before has brought forward resolutions – lead by example, climate change is an incredible consideration, especially from our constituents. So I feel like what needs to be in this is that it needs to say solar, or climate change, because those are things that we are going to have to determine what that calculation is at the beginning, not at the end. Not at the end when one of the Commissioners says, well, how come we didn't put solar on this building. That that's considered in the beginning.

So I don't see that anywhere. I see roads. I see a list of water and wastewater, but I think that climate change and solar on a building need to be included up front in the beginning. And so I don't see that anywhere in here. So that concerns me because we have a number of resolutions that this Commission has passed. The Paris Accord, meeting certain standards the state has passed to be carbon neutral by 2040, and I don't see that in this capital planning. And so I would like to see that in here somehow so that when we're looking at the triage center, when we're looking at the Turquoise Trail Community Center, how much solar do we need to make it 100 percent?

CHAIR HAMILTON: Can we keep the questions kind of short, because we're a third of the way through the meeting.

COMMISSIONER HANSEN: Okay. But I felt like since some of the main issues that were brought up were basic roads, sewers, I think that solar needs to be one of those basic things.

MR. OLAFSON: Madam Chair, Commissioner Hansen, absolutely. And in our background planning that we've been working on with the different departments we've already identified the need at the beginning of a scoping of a project to include sustainable elements and working with our sustainability group in the planning and scoping of those projects. So it was my slip to not mention that in this presentation but it has already occurred or we are working on that as this rolls out.

COMMISSIONER HANSEN: It needs to be in the beginning.

MR. OLAFSON: Yes. Exactly. So it starts when you're scoping a project, that is one of the elements that we would evaluate, along with bandwidth, along with other do-ability.

CHAIR HAMILTON: I think Commissioner Moreno had a question. Is it short? Because we'll have lots of time for discussion afterwards if we get through these.

COMMISSIONER HANSEN: I'm sorry. I misunderstood. I thought that after this presentation we were doing questions.

CHAIR HAMILTON: It was an important point but we can make the point quickly enough and then move on because we have two other introductory presentations. Commissioner Moreno.

COMMISSIONER MORENO: Thank you. Manager Miller, the sense I'm having is that we're working with a set of people. Does that mean that we're not going to grow the workforce anymore if a need arises? If we need more project managers, solar installers or whatever, is that on the table? Or people.

MS. MILLER: Madam Chair, Commissioner Moreno, I think that's one of the things we do need to assess. We need to assess the existing staff and capacity and like I said, are they doing things as efficiently as they could be? Are the right people doing the right jobs? So in other words if we looked at our projects and said, and really did understand the complexity and the number of man-hours, and we assign them to somebody, where is that going to fit in their workload? What's their capability to take that additional project on? How much time could they dedicate to it?

And then also when we get large sums of money all at once, is that something that the Board wants to consider, and that's hiring some term positions. So for instance, if we do get \$10 million additional from the state in a bunch of projects that we weren't anticipating, do we want to also look at saying to the state, hey, how about some money for a term position to get these projects done, so that we're not taking them off of projects that we have. And I even talked to some legislators about that, about whether they would support something like that, and had some positive reaction to that. I said because it's hard for us when you hand us ten projects that weren't on our list you've put us in kind of a bind.

So I think it is one of the things we have to be able to assess. At what point do we say, you know, there's enough here in additional project funding from grants to support an additional term position for two years and for us to be able to quantify that and ask you for that during a budget process to say, hey, if we want to stay on schedule with what we have we should probably try to fund a term position for two years to take care of all of these new projects. Just for example.

But right now we don't really have an ability to assess that very well and to tell you that we could bring someone in, hire them, train them, get them able to do our process and handle these ten projects and know that they would get done in a two-year timeframe. I can't say that we have that capacity to do that right now. And so that's we want to develop, is a process for evaluating that and a system for training project managers that is relatively quick and efficient as opposed to everybody, as Commissioner Garcia said, you probably ask ten different project managers and they'd say, oh, I would do it this way in ten different ways. We shouldn't be doing that. We should have a manual that says this is the way we handle projects and project manager once handled the least complex and we have this many and there's this many new ones coming on line. Do I need another project manager one for a two-year timeframe or not.

And I will say this too. It's very hard to find project managers. We advertise and advertise and advertise and have a difficult time getting ones on board and sometimes when we've found good ones, no sooner do we give them to someone like Los Alamos who says, hey, we'll pay you more and they're gone in three months. Turnover is always a problem, particularly right now where unemployment is pretty low. Finding good people that actually have project management skills is another challenge.

COMMISSIONER MORENO: One more item. In my fantasy world the legislature would work with us when they are considering projects that they want to do.

And it's kind of irritating when we have to follow the rules. The state of New Mexico says that. But when it comes to the legislature it's all the horses get off the campus – I'm mangling my words here, but they should work with us and not just give us stuff that we can't use. That's my rant.

MS. MILLER: Madam Chair, Commissioner Moreno, I like your fantasy world, because I would agree, it would be nice if they appropriated for the project that we want and that we have the staffing to do. I think developing a process and educating them on our process, and getting some – making sure they understand that we do want to try to accommodate projects that you want to fund, but we need you to work with us and get those in the door so we can assess just what that does to our man-hours, our capacity and how we could do it. I think having a data-driven capital planning process might help us do that.

CHAIR HAMILTON: Thank you. So this should move us along to 2. B which is discussion of Santa Fe County capital planning policy.

COMMISSIONER GARCIA: Madam Chair, just really quick on this. Just Paul, if you could actually keep in mind on page 7 is infrastructure build-out based on the SDA, the growth areas. If we can also just please keep in mind not just the SLDC where growth is planned to go but other communities that don't have water, that don't have proper infrastructure. So can you put that in the larger picture?

MR. OLAFSON: Madam Chair, Commissioner, absolutely. That's part of the evaluation process. And that goes to what Manager Miller was just saying. If we have a transparent and structured process it helps people know when they can get it, how to get in and how long it might take to move forward.

CHAIR HAMILTON: And if you notice, that is in the presentation on the timeline. It is there to have community delivered projects and stuff so all of those things are included. So this is the overview of the whole process.

MR. OLAFSON: I did just want to ask for a last slide here, asking for direction. Is there any –

CHAIR HAMILTON: Oh, I thought you were finished with that one.

COMMISSIONER HANSEN: So, Madam Chair, so on that slide, page 7, it includes roadways, waterway systems, sustainable solar elements, emergency services, parks, open space – I mean that would be the right place to add that word, because I feel like that needs to be up at the top.

MR. OLAFSON: Got it.

CHAIR HAMILTON: Okay. Thank you. So what's your last piece on the slide?

MR. OLAFSON: Just that I think one of our goals of this presentation was to get a sense of the Board on these next steps or last steps is that direction the Board feels we should continue moving down.

CHAIR HAMILTON: Get direction on these proposals?

MR. OLAFSON: To taking these steps, continuing with integrating the capital planning tool into the County's existing web-based platform.

CHAIR HAMILTON: So you want that direction now as opposed to after the –

MR. OLAFSON: I don't want a vote or anything, but is there any, I guess

heartburn or are there problems with moving this forward?

CHAIR HAMILTON: Okay. Great. So Commissioners, Commissioner Hansen.

COMMISSIONER HANSEN: So one thing on here, I didn't see also present is the community input, like how are we going to – like we have the Edgewood Wildlife Center on our CIP that came from constituent down in Edgewood. How are we going to deal with – that's the one thing I haven't quite seen. Maybe I missed it on here.

MR. OLAFSON: On slide 24, the second to last arrow on the right is community requests.

COMMISSIONER HANSEN: And so how would we –

MR. OLAFSON: That would be a similar process to what we're doing. That's actually on your agenda later on today too under item 5, to hear what we're doing.

COMMISSIONER GARCIA: So Madam Chair, a quick answer to that, Commissioner, is whenever you have a constituent –

CHAIR HAMILTON: I think Commissioner Hansen still has the floor.

COMMISSIONER GARCIA: I was going to help her out.

COMMISSIONER HANSEN: I just wanted to make sure that we're going to start this ICIP input next week, beginning on June 10<sup>th</sup> and going through the month of June and I just want to make sure that we have a process for how we're going to filter those community requests, because that is really what we're talking about, you know, like, do we have the capacity to buy a zoo in Edgewood, or a wildlife center? Maybe we don't have the capacity to do that and we have to take that off of the CIP because that's not something we have the capacity for.

MR. OLAFSON: Madam Chair, Commissioner Hansen, that's exactly what this system I'm outlining would help us do to identify challenges such as that.

COMMISSIONER HANSEN: I like the plan and I want you to continue to go forward because I think we really do need to refine how we're going to work on capital outlay.

CHAIR HAMILTON: Excellent. Commissioner Garcia? Commissioner Moreno, do you have input on the next steps? I would certainly add that these specifics are important components. We definitely need the policy. We need the web-based platform. I think it's good that you identified places where we need support in some of the development. We definitely need a policy for all the outside projects that are suggested for us. So is that good, Paul?

- 3. DEVELOPMENT FEE (IMPACT FEES) AND UTILITY EXPANSION CHARGES (UECS)**
  - A. Overview of Impact Fees and UECs**
  - B. Presentation on UECs for Water and Wastewater**
  - C. Request Direction on Next Steps**

MR. OLAFSON: So the next one I'm going to do with John Dupuis. I'm going to kick it off, and just to remind you that in our last capital study session we did review the potential impact fees and so one of our planning processes or planning discussions has been that Utilities is working right now to develop a water and

wastewater master plan and within that process they have also looked at not only impact fees but also utility expansion charges. So the impact fees are developed under one part of state statutes and utility expansion charges are under another.

So an impact fee can be defined for specific activities, like roads, parks, wastewater, sewer, and John is going to help us understand and has a presentation to outline what's the difference between an impact fee that is more the standard way to help pay for future growth or future infrastructure needs based on growth. And John has a different description of what utility expansion charges are. So I'd like to turn it over to him to help elucidate that.

JOHN DUPUIS (Utilities Director): Madam Chair, Commissioners, thank you for the opportunity. I'm going to expand on an impact fee report that was previously presented to you by the County's Planning Division. It includes a summary of options for the impact fees as Paul has described and it did not include the implementation of any of those fees. So in addition to the difference between UECs and impact fees, this will also include a presentation and report which is required for the implementation process.

So through the Utilities master plan project a consultant, HDR, was selected to provide services which included implementation of the development fees for the Utility. We identified that New Mexico law allows for municipalities or counties to assess either UECs or impact fees for water and sewer. The process for UECs is less burdensome. It requires fewer hearings and does not require a review by an advisory committee, so it's a less arduous process for implementation than implementing impact fees.

COMMISSIONER HANSEN: Madam Chair, do you have a handout.

MR. DUPUIS: We have a presentation that will follow mine where HDR presents all of the report and findings.

CHAIR HAMILTON: But do we have something to follow now? A presentation?

MR. DUPUIS: No, ma'am.

CHAIR HAMILTON: Okay. Thank you.

MR. DUPUIS: So additionally, the City of Santa Fe also implements UECs. It's rather standard. I haven't found a community that implements impact fees for water and sewer in New Mexico and my conclusion is that it is very plain to see that UECs are the preferred method to implement development fees for water and sewer.

COMMISSIONER GARCIA: Madam Chair, sorry. I'm a little lost. UECs again, really quick?

MR. DUPUIS: They're predominantly the same thing –

COMMISSIONER GARCIA: What does it stand for?

CHAIR HAMILTON: Utility extension charges, and there's a white paper he did that's in our Board docs, but we don't have the presentation.

COMMISSIONER GARCIA: So Madam Chair, whenever we talk about development, I guess are you talking about somebody building a house? Somebody putting a modular home? Are you talking about a 700-lot subdivision? What is development?

MR. DUPUIS: Madam Chair, Commissioner Garcia, development is predominantly initiated by some division of land. So for whatever purpose the impact that that will have on the water or sewer facilities is accommodated for.

COMMISSIONER GARCIA: Madam Chair, so development in your eyes is a platted subdivision.

MR. DUPUIS: Correct.

COMMISSIONER GARCIA: Brand new. Okay. Thank you.

MR. DUPUIS: So HDR has developed a presentation to explain the County's existing fees. We have some that are similar to a UEC or impact fee but we don't call them back, but we would like to propose a few options to potentially replace those with a UEC, which have studies to substantiate the fee and after HDR's presentation we will be requesting direction on implementation of your option based on that report. So I'd stand for any questions you have before we begin the presentation by HDR.

COMMISSIONER GARCIA: I'm sorry. Tell me the acronyms again. What are UEC?

MR. DUPUIS: Utility expansion charges.

COMMISSIONER GARCIA: And then?

MR. DUPUIS: Impact fees are the other. So Madam Chair, Commissioner Garcia, the authority for impact fees is New Mexico Statutes, Chapter 5-8-1, and the authority for UECs is New Mexico Statute, Chapter 3-26-2 for sewer, and 3-27-4 for water.

CHAIR HAMILTON: Manager Miller, did you have something to add?

MS. MILLER: Madam Chair, maybe I can just help clarify this a little. So when we went forward with the growth management plan, the Sustainable Growth Management Plan, it was always directed by the Commission to staff that we analyze doing impact fees for development. And so Planning has been given that direction to look at what it would take to do impact fees. Part of that requirement to even get to a place of doing impact fees is having a 20-year capital improvement plan.

So why we're bringing these two together is one, we want you to adopt or give us direction to go forward with doing this 20-year capital improvement plan and the tools to build that, and that data is what helps inform what our impact fees could be, if you so choose to do impact fees. But at the same time, John and Utilities have been doing their Utilities master plan and looking at where the growth for water utilities and where the growth for sewer is going to be, and where we would be expanding our system, and as part of that, also looking at how do we pay for that?

So an alternative to impact fees are these utility expansion charges. So we felt like – and from the consultant's perspective as well as Utilities is maybe, rather than doing impact fees for water and wastewater, we do utility expansion charges because they act similar to impact fees, and then for other things we look at impact fees, for the roads and the other services.

So while this is a little complicated, the reason we had to kind of bring it up is because it really makes a difference if we go do an impact fee study, the development fee study, do we want to include water and wastewater because you'd rather do impact fees, or do we exclude them and we move forward with UECs for water and wastewater? Which is probably the more simple process.

So we wanted to make sure you had the information of what the consultants have found and what they're recommending relative to UECs.

COMMISSIONER GARCIA: Perfect. Thank you.

CHAIR HAMILTON: Thanks. So John, how about if we roll along?

MR. DUPUIS: So Gabriel Alvarado with HDR will be presenting on the study that they performed and it will be with a slide presentation.

MS. MILLER: Madam Chair, the slide show is in your packet and it's presented by Judy Dean and Gabriel Alvarado and that is on the first page of the slide presentation, it's your attachment, and they're from HDR.

CHAIR HAMILTON: Welcome, Gabriel. Thank you for coming.

GABRIEL ALVARADO: Thank you for having me, Madam Commissioner, members of the Commission. So I'm Gabriel Alvarado with HDR Engineering. We've also got Judy Dean here with me from our office out of Bellevue, Washington. She did the majority of this work related to the UECs, the utility expansion charges. I'm HDR's project manager for the overall water and wastewater utility master plan project and in conjunction with that we performed the rate study, and then another step beyond that was looking into these utility expansion charges.

So we've got a short presentation for you here today. Again, thank you for having us. So as I mentioned, HDR reviewed the County's current approach to how you handle these development fees or connection fees and we looked at it for both water and wastewater. We also did our own calculations to look at what fees the County could potentially be charging or could consider charging in the future. So in this presentation we're going to review the definition and purpose of why we're establishing these utility expansion charges, a quick overview of the general methodology of how these charges are determined and established, and then give you a quick summary of what we've come up with in terms of the charges for you guys potentially moving forward in the future.

I let you guys know, feel free to interrupt us at any time during the presentation if you have any questions.

CHAIR HAMILTON: That doesn't seem to be a problem.

MR. ALVARADO: But I know you want to get through these so I just wanted to add that before I move ahead here.

So utility expansion charges a brief definition here: they're known as many things, depending on the utility you're dealing with as we just kind of experienced here, a little bit of confusion on the difference between the terms, but they're basically a one-time charge that's assessed and it's a charge that's required for all new customers that are desiring service. So as Commissioner Garcia asked, a new development coming in and asking for service, it's a charge assessed against those new customers, and it could be charges to existing customers that are looking for an increased level of service. So maybe they want to expand facilities or take more water, generate more wastewater, etc. Those customers could be assessed these fees as well.

COMMISSIONER GARCIA: Just really quick. It's for new customers – it's considered a new subdivision. So if we have an existing waterline –

MR. ALVARADO: It could be a new subdivision or it could be there's an empty lot in an existing subdivision and somebody's going to build on that empty lot. That could be considered a new customer as well.

COMMISSIONER GARCIA: Thank you.

MS. MILLER: Madam Chair, also couldn't somebody who has just land

and does a lot split and puts two homes or whatever? It would be then any time they connect.

MR. ALVARADO: Sure. So somebody could have an existing one-inch meter and they want to have you put a new five-inch meter next to the one-inch meter. That's another case where this would apply.

COMMISSIONER GARCIA: So just going fast-forward – Madam Chair, so just going fast-forward through your presentation, I saw you had, depending on the size of the line, there's 3/8", 3/4", 6", whatever else that determines the price.

MR. ALVARADO: Correct. And we'll get into that in the next few slides here. So the last thing on the definition, the charges are determined based on the value of the existing utility infrastructure, plus maybe whatever future infrastructure is needed and how that infrastructure is needed to serve those customers.

So the purpose of the charges, typically these are used to provide equity between existing customers and new connections to the system. The existing customers have already paid for the service that they're being provided, but whenever you build a system you're building it with extra capacity for future customers to make connections to that system in the future. So the existing people have already paid for what they're getting. The fees are also there to help you recoup some of that cost for building that system to allow for those other customers to connect in the future. So it's just equity against the two customers.

So John mentioned this a little bit in his introduction. So all of this is based on state law, so there's state law allowing utilities to assess these charges against your customers. There's a formula for how these charges are determined and we'll get a little bit into that more in the next couple of slides, but at the bottom here, as I mentioned in the definition, it's based on looking at the value of the facilities that the utility has, so in the formula, you take the value, divide it by the capacity of those facilities. That gives you a dollar amount per gallon for each component of the system. That's then multiplied by the amount of usage in the system, so you can determine on a per-customer basis what the fee needs to be that needs to be imposed and that's how you come up with what the utility expansion charge is per customer.

And then as I mentioned earlier, then you look at size. So this is your base fee. Then that gets multiplied looking at capacity, which is typically done on a meter size basis. So this would be your base fee based on the smallest meter, and then the fee is increased for your larger meter sizes. And you'll see more of this on the next slides as we continue here.

CHAIR HAMILTON: Can we go through a few slides and then write your question down and we'll ask them at the end. Because we're losing continuity.

MR. ALVARADO: So this is just going to be a quick overview of what the County is currently doing in terms of these fees. So when we went through the rate study process and looked at the rates that the County is charging, so on the water utility side you're currently imposing – you guys are calling it a water connection fee, and this table has a summary of what that water connection fee is. So for a 5/8" meter, anybody connecting to the system or getting a new 5/8" meter they're going to pay a fee of \$2,750. If it was a 10" meter on the other hand, they're going to pay a fee of \$129,000. So that's where the ratio is applied to increase the fees based on the increased request for capacity.

So these fees were originally determined in 2011. They haven't been updated since then. In July 2018, Ordinance 2018-4, we updated the rates and these fees are currently included in the County's current rate schedule, but there were no changes made to the connection fees when the rates were updated. Another important point here to note and maybe if necessary John can provide some more information on this, the County's not using a 3/4" meter for the most part anymore, so that fee probably – your current fees, everything is really based on that 3/4" meter size, so you can see 3/4", 1", 1 1/2", they're all based on the same fee.

But moving forward, that 3/4" meter fee isn't going to apply because the County's not installing many 3/4" meters anymore. It's just because the capacity of a 5/8", moving from a 5/8" to a 1", a 3/4" doesn't really provide any additional capacity, so if you're going to do a meter you may as well do a 1" if you're going to do a 3/4". So that's really the reason why you're getting away from a 3/4" meter.

So now I'll turn it over to Judy and she'll do a little bit of explanation on those you were your existing fees; Judy will talk about what we came up with for future potential fees.

JUDY DEAN: Good afternoon, Commissioners. Thank you for letting me have the opportunity to discuss this. It happens to be my passion. I do a lot of these studies across the United States so it's always interesting. Everyone is different and unique.'

I wanted to go back to this one slide that Gabe was showing. The reason I have the red highlights is because you can see that the current county meter ratio, that second column, the 3/8", 1", 1 1/2" are all being charged the same amount and the 2" and 3" are being charged the same amount, and when we get to another slide you'll see that gallons per minute ratio difference in them. So I just wanted to follow through on that.

So I am going to give you an overview and I'm going to get a little detailed here because it will make going through sewer a little bit quicker. So actually, this always seems to be kind of a complicated subject matter for people but it's basically a simple formula. You're taking your total cost of infrastructure and dividing it by the total capacity that you can provide to your customers. For example, you might have a \$25 million investment in plants and be able to serve 25,000 customers. Simple math: you've got a \$1,000 per customer investment.

But when you designed and built the system you only have 20,000 existing customers. You still have 5,000 more customers coming on in the next five, ten, twenty years. So what this process is doing is trying to bring your system to a current value for when they hook up to the system because they need to pay back the ratepayers for the amounts that they've been providing for them all along, because they weren't here at the beginning.

As I mentioned, each one takes a special process but there's also documentation that goes with this. We use the Santa Fe County infrastructure build-out analysis, the County infrastructure inventory of your systems by component, County debt service schedules, County CIP plans and also there's some industry – I wanted to kind of preface that. There are documents that back up these calculations along with some industry standards. You might here us talk about AWWA, which is American Water Works Standards and they have standards for gallons per minute for different size meters, and

also to escalate the fees to current day dollars we use ENR, which is the Engineering News Record Construction Cost Index. So these are all reliable sources.

There's basically four steps to the process. The first is we look at your system planning criteria and we use the County's build-out analysis which showed 360 gallons of peak day per one ERU. The next step was to look at your asset data, and we didn't have the asset data in the detail that we wanted, because we wanted to look at each component by capacity, because that is how you do the calculation and how you implement the fees based on capacity.

So what we did is for storage and transmission and booster stations we looked at a cost per gallon. We knew what your capacity was for each of those items for the County and used current engineering cost per gallon to come up with what a replacement cost would be. Production and treatment is a little bit different here because the production capacity is a lot larger than the treatment capacity but basically your level of service is potable water for the most part, so you would use the treatment capacity for that and we used the actual \$124 million that's current as the cost of production and treatment because part of calculating the fee is to make sure to reduce it for any outstanding debt service.

When a customer pays a connection fee they become a ratepayer and in those rates, or through property taxes, they will be paying for some of the infrastructure or replacement of items. So you want to make sure that you're not including anything in the fee that they're eventually going to pay in as a ratepayer. So I needed to match up apples to apples and that's why the production and treatment is at the current value because our outstanding debt credit is at the current outstanding value, so that would equate to replacement cost.

CHAIR HAMILTON: And just for clarity, that is the capital cost of production and treatment, not annualized operations cost.

MS. DEAN: Correct. Correct. So you add up the existing replacement cost and then there was one future CIP item which was a redundancy item that was considered growth-related, and you subtract out your outstanding debt service and you come up with the maximum allowable fee. So I'll repeat that: the maximum allowed that you can charge. You can as a policy charge something less than that. You just can't go over that fee.

The next slide is what we came up with as options, but first I want to talk about the second column over, which is the safe operating capacity gallons per minute. And you can see under the 3" it shows 300 gallons per minute, which is about a 6 meter ratio, or six times the amount of a 1". In other words, 1" is 50 gallons per meter, times six equals the 300 gallons per meter. And what it's telling you there is a 3" meter potentially could be equal to six single family equivalent units. And that's why we're recommending that the safe operating capacities be kept for each one of those levels of size on meter sizes.

As far as the overall ratios, the County's 10", we're showing 46 and I think the County's was at 43, so it was pretty in line, other than the fact of just making sure each graduated size of meter pays the amount.

So we were looking at options; we came up with three options. The very far right option is that option 3 calculated maximum. That was that maximum level at replacement cost. We know that's a little bit high, partly because of your production costs and

treatment costs being at a level – the production is a little bit higher, and then dividing by the lower treatment capacity amount. Option 1 is your current fee, just taking that and implementing that AWWA meter ratio. So for example, the 2” current fee is \$6,835 and under this option it would be \$10,832.

The option 2, which is the current fee, and we’ve escalated it by that ENR number, that Engineering News Record Construction Cost Index from 2011 to 2018 to come up with an ENR or a current value of the 1” is \$4,105, and again, that is the AWWA ratio. So that option 2 is kind of bringing it up to scale, which a lot of utilities do, is they implement these fees and then just ENR every year up to five years, unless there’s a major change in any of the capital improvement plans or any of their planning documents. But it’s a way for them to keep their value of their existing system at current values.

So those are the three options that we came up with for water, is the one, two and three.

CHAIR HAMILTON: So how did you get maximum allowable, option 3?

MS. DEAN: That was back when we were talking about replacement cost for your pump stations and your transmission booster pumps. We took the capacity times the average engineering cost per gallon. And then we took the production and treatment current values less the outstanding debt to come up with the maximum amount. So we kind of feel that’s a little high. That’s at replacement cost. And that’s usually kind of the maximum level you’d be able to do it. A lot of times you can also do it at original cost when we didn’t have that available to us at that detail.

So on the next chart we show a comparison so you can kind of see how you line up. The first one is your current fee of \$2,750, option 1, keeping that but implementing the AWWA ratios. Option 2 of taking your current fee at 2011 and bringing it up to 2018 dollars, and then option 3 of implementing a maximum allowable fee. You can see that option 2 is pretty much in line with the other green bars of your neighboring cities and counties or utilities, just keeping in mind that you can see in the footnotes, it looks like Santa Fe didn’t update their fee in 2014 and Española in 2016 and ABCWUA in 2007. So it looks like they’re going to probably going to need some updates as well. But the option 2 is in line with your – and that’s part of the policy thing. The maximum sets what you could possibly charge but as a policy you could charge less and a lot of time you look to your criteria of your community, what is happening in your other utilities. So that’s water.

Slide 12 is sewer. Like I said, this will probably be a little bit faster. Same process. We look at your system planning criteria –

CHAIR HAMILTON: So before we move on, did any Commissioners have questions about the water part? Commissioner Garcia.

COMMISSIONER GARCIA: So really quick, I see how you actually came out with a calculation based on the improvement of the utility system. Does that charge, surcharge, actually include maintenance for the future? So like the Commissioner said here, it doesn’t include staff – do we need to get into depth to look at how long the line is going to last, how long the pump stations are going to last? Any of that?

MS. DEAN: Not necessarily, but with a UEC fee you can use the money towards repair and replacement items, whereas some of the impact fee is really restricted

to growth. So the UEC allows you to use the money towards debt or towards maintenance, replacement of items. So it's not as restrictive.

COMMISSIONER GARCIA: Then also this might be for John. If you have a 6" meter you said you could roughly feed four to six dwelling units out of that meter. So is our policy, if you have four to six dwelling units down on a piece of property, can we actually utilize that one meter to fee all four or five of those homes? Or are we requiring an individual meter for each one of those homes?

MR. DUPUIS: Madam Chair, Commissioner Garcia, most likely it would require a single meter for each home.

COMMISSIONER GARCIA: Okay. And then also in regards to page 10, you actually calculated the neighboring communities, cities, are they actually following the UEC, which every year they go up so much? Or are they actually –

MS. DEAN: I know Santa Fe is using the UEC terminology and I believe, I think ABCWUA might be impact. The other two are UEC. For the most part they're UEC.

COMMISSIONER GARCIA: So whenever they pass a policy or a resolution and/or an ordinance, they're actually going to increase it so much per year per year.

MR. ALVARADO: Yes, I don't think they're increasing the fees. As we noted in the footnotes, that's the date they were adopted, so we didn't calculate those fees, we just took whatever they have in their current ordinances. We'd have to go back and research their ordinances to see if there is a cost escalation factor in there. So, yes, I don't know if they are or not.

COMMISSIONER GARCIA: And then also one last –

MR. ALVARADO: I guess the only one that is noted on there is the City of Rio Rancho. They are increasing their fees, and it's noted in the footnotes on the slide there.

COMMISSIONER GARCIA: And then one last question, Madam Chair. Regarding this, actually includes the Buckman Diversion plant, right?

MS. DEAN: Yes.

COMMISSIONER GARCIA: So just one of the hard things that challenged me to that is the majority of customers from BDD are in the city limits, so whenever that little pipeline or a pipeline goes out to the county residents, they're actually paying the cost for this entire system. And when 80 percent or more are actually city customers. So that's just some of the challenges.

MS. DEAN: Right. But on this specifically, we only took the County portion of infrastructure and only the County portion of customers and future customers.

COMMISSIONER GARCIA: Did you take into account the Buckman Diversion pumps, filtering systems, all that?

MS. DEAN: Only the portion that would have been allocated to the County.

COMMISSIONER GARCIA: Okay.

MS. DEAN: So it's only County costs, County capacity, County existing future customers.

COMMISSIONER GARCIA: Thank you.

MS. DEAN: But to go back to one of your comments, a lot of times we've seen within a resolution or ordinance that they include setting the fee for year 2018 and then also providing the next three years adjustments within the fee. Or providing a paragraph that says that to ENR annually on January 1<sup>st</sup>. Because that eliminates having to keep going back.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: So this fee would also impact larger water users?

MS. DEAN: Only depending on – it's not based on usage; it's based on capacity. It depends on the size of meter that you've installed.

COMMISSIONER HANSEN: The size of the meter and the size of the pipe?

MS. DEAN: Yes. It's taking your total infrastructure which is designed based on design capacity, not usage, and implementing it to the customer based on the capacity that they've chosen, meter size that they've chosen for capacity. So you can have a 3" meter and at first may be using it more like a 2", but the fact is they have a 3" so you have to provide that peak day demand for that 3" meter. That's part of the charge.

CHAIR HAMILTON: Thank you.

MR. ALVARADO: If I could add, it would apply to any user, so the user is going to determine what size of meter they need when they connect to the system, so any new user that connects, their fee is going to be based on what size of connection they ask for. It would apply to any user.

CHAIR HAMILTON: But for clarity, this is connection to the County utility. Mutual domestics and –

MR. ALVARADO: And then after this fee, then they still have to pay their normal usage through rates. So this is just the initial fee to connect to the system. After that point they pay their normal usage fee like any other customer connected to the system.

COMMISSIONER HANSEN: So this is not going to apply to existing users; this is only applying to new users.

MS. DEAN: Yes. It's only applied to the existing user if they had a 2" meter and came in and wanted to have a 3" meter, they would have to pay that 2" – 3" difference. I know it's a little confusing but think of it as rates pretty much pay for operation and maintenance type items and these fees pay for infrastructure that you've had to put in to provide the service.

COMMISSIONER GARCIA: Just really one quick – it might be too detailed or if I don't know if you've thought about this or if you've thought about this in other communities. If you had an individual family that actually just installed a \$20,000, a well on their property, and we're trying to save the aquifer in that particular area, and the County waterline goes through the road all of a sudden, is there any way that these people can get compensated, some way, somehow, from not utilizing the aquifer anymore, but yet utilizing the community system?

MS. DEAN: Well, they would have to connect to the community system at some point, so they would pay for a connection charge. But are you saying they should get a credit for having a well?

COMMISSIONER GARCIA: Have you ever seen that done anywhere?

MS. DEAN: Yes, but that's usually separate from this. That's usually like a line extension or an agreement, latecomer agreement type individually. It's kind of unusual for that situation.

COMMISSIONER GARCIA: Because the challenges that we have here in New Mexico, northern New Mexico, nobody wants to connect to the water system until their well goes down. So those are some of the things –

CHAIR HAMILTON: Well, there are requirements for connection in the SLDC if you're in certain areas. So that is partially addressed, but I recognize there are other situations, but there are people who don't even have the option of connecting because they're too far out, spatially disparate from the County utility.

COMMISSIONER GARCIA: Right. But we have to remember there's other parts of the county out there that are not just in the SLDC. There's other communities that aren't in this growth area that have existing waterlines that they possibly may or may not want to connect.

MS. DEAN: And I think part of it comes to that's more of an individual Commission policy on those particular situations is when you're looking at a UEC, we are looking at a system-wide system. We are not geographically looking at individual systems. So that's how the fee is based and implemented.

CHAIR HAMILTON: Okay, let's move on.

MS. DEAN: Sewer is the same methodology, same type of terminology. We have documents specific to the County that we use. It's a four-step process. We look at the system planning criteria and within the infrastructure build-out analysis it should 288 gallons peak day demand for sewer. The asset data again was not in the detail that we wanted so we looked at the replacement cost of the existing infrastructure and we looked at capacity component by component. The existing estimated replacement cost was \$17.3 million. Along with that we looked at the future piece and within the future it had earmarked for replacement of the treatment plant at some point, so we did not include that in this calculation since we've already brought the plant up to replacement value because that would be double-counting. And at this time the sewer does not have any outstanding debt service, so adding the existing replacement cost value we came up with the maximum allowable utility expansion fee.

On page 13 it shows three of the options. Again, currently the sewer fee is a flat \$180. Option 1 would be looking at the City of Santa Fe's current fee, brought up to 2018 dollars. Their fee was in 2014, and option 2 would be looking at the surrounding, neighboring utilities, and then option 3 is the maximum allowed. You can see it's up to \$10,000 which shows that it's pretty accurate to what's looking out on the CIP as far as replacement value.

On slide 14 is kind of a summary of this comparison. You see option 1, the \$960, is based on the Santa Fe – it looked like, remembering back, the City of Santa Fe updated their water in 2011 and just updated their sewer fee in 2014, but it was just an escalation; it wasn't a full UEC calculation. And then option 2 would be the \$2,000, which is kind of the maximum amount that's around in your neighboring utilities. And I think the important thing looking at the sewer is there is the potential for the sewer treatment plant coming on board, that that's going to eventually need to be replaced and at this point the

County is only collecting \$180 as a flat fee. So this is probably the time to start thinking about getting ready to start accumulating some funds to be able to make that capital improvement plan.

So I kind of went quick through sewer. Are there any questions on sewer? If not, I'm going to turn it over to Gabe to summarize.

CHAIR HAMILTON: Thank you.

MR. ALVARADO: So just to summarize, as we went through our analysis, the UECs were determined to establish a reasonable relationship between the value of your utilities, the level of service they are providing, and the fees that are imposed based on those values. They reflect the value of the County's current infrastructure and some capital improvements, as we mentioned, or a limited amount of capital improvements.

The fees that you elect or determine, decide to impose, they can't exceed the calculated value so as Judy mentioned, we came up with what that maximum allowable is. It can't go above that. You can do anything below that but nothing above that. And we would recommend that these fees be updated periodically, based on an industry standard index. Judy mentioned the EMRCCI. There's also the CPI, Consumer Products Index, I guess, or Price Index. So that's another index that could be used over time to gradually increase those fees to keep up with current costs.

So our recommendations in terms of fees that you should consider adopting would be option 2 for both water and sewer. So option 1, take your current fees, escalate them using that ENR index to bring them from the previous level up to current 2018 dollars, 2019 dollars, and then also get the fees aligned with the AWWA meter ratios so that they're set at more of an industry standard. For sewer option 2, we would recommend trying to maintain the level near your neighboring utilities. Your current fee seems to be too low, so try to get it more in line with what's going on in other utilities around here.

So both options, they update the fees, they get them in line with industry standards and they kind of keep you competitive with your neighboring agencies.

So next steps here, we would be looking for recommendations from the Commission and whether or not you want to proceed with scheduling hearings to consider adopting the new fees. And we're open for any other questions that haven't been answered at this point.

CHAIR HAMILTON: Manager Miller.

MS. MILLER: Madam Chair, so why I wanted to make sure the presentation got done is they basically have this information from doing their contracted work with Utilities on the master plan. We've had UECs in place but as I said, we haven't really updated them, and then we're also looking at impact fees. Now, I realize impact fees for water, wastewater or any impact fee you have is for future growth and based upon future growth. So an impact fee study would give you something different here. This is based on cost of what we have already spent, estimated cost of replacement today, and then that gives your maximum allowable cost but if you notice, the recommendation isn't to go to the maximum allowable cost. It's really more of a competitive, palatable cost.

And that's likely to be the same way with impact fees. You're going to come back with something that's a maximum allowable amount for an impact fee, but politically,

probably not where you would set the rate anyway.

So what we're trying to do today is look at whether you want us to continue forward, and I think it's staff's recommendation to say with UECs on water and wastewater, but whether to continue forward with that and bring back an ordinance change with some proposed increases to UECs, or whether you would like us to do an impact fee study and include water and wastewater in that impact fee study, or do the impact fee study exclusive of water and wastewater, because we would look at UECs.

CHAIR HAMILTON: Well, I think I was definitively on board with going with UECs after John Dupuis' intro. I think it's really clear. They act the same. They're a bit more flexible, and otherwise they're calculated in a very similar manner and achieve a similar purpose. So we can go to the other Commissioners but I think to me it makes complete sense, barring any further detailed discussion when you bring it back on what the fees should actually be, the presentation makes the options pretty clear. I would suggest we go with UECs.

One question I have is: are we talking about impact fees for other things besides fire which we already know about?

MS. MILLER: Well, Madam Chair, I think Paul has some information relative to that, but yes. I think that that's something that we have been directed to look at based upon the growth management plan.

CHAIR HAMILTON: Okay. So are there other Commissioners?  
Commissioner Hansen.

COMMISSIONER HANSEN: So I'm interested in having some – looking at impact fees.

CHAIR HAMILTON: For water and wastewater?

COMMISSIONER HANSEN: Yes. And for overall, a bigger umbrella, right; isn't that what you said?

MR. ALVARADO: So first I guess, let's kind of circle back on impact fees versus UECs. As Madam Chair mentioned here, she indicated if we went through the process, and maybe it was Manager Miller here also mentioned it, we could very well go through the process we could very well go through the process of determining what impact fees for water and wastewater are, but they're very likely going to be the same thing that we came up with for UECs. The distinction between impact fees and UECs is the process that you have to go through to get them implemented, and then once they are implemented, what you can do with those fees after they're collected.

CHAIR HAMILTON: Which are much more limited.

MR. ALVARADO: Right.

CHAIR HAMILTON: So it's a harder process and a more limited use of the money.

MR. ALVARADO: Right. And then as far as other fees I guess Paul can answer –

CHAIR HAMILTON: We'll go to that second.

COMMISSIONER HANSEN: That's good. I stepped out and I might have missed that. So I appreciate that. But then when I look at the rates for the utility options for water, you're recommending option 2 which puts us in line, basically with Albuquerque. A little lower, and the City is a little lower and the City is even lower than

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we are right at the moment, so I find that a little bit challenging and I really find it challenging with the sewer options because all of a sudden we're going to be the highest in the entire area.

MR. ALVARADO: Well, one thing to note, as indicated on slide 10, the notes down below the charts, so the Albuquerque Water Authority fee, they last went through their fee in 2007. So their fee is now 12 years old. So even though you're potentially adopting a fee that's close to theirs, they're likely going to be updating their fees in the near future or at some point, which would likely make their higher than yours.

COMMISSIONER HANSEN: And is this Albuquerque City or Bernalillo County?

MR. ALVARADO: The Water Authority serves both city and county.

COMMISSIONER HANSEN: Okay. So they have one regional water authority.

MR. ALVARADO: Correct.

COMMISSIONER HANSEN: I'll wait for other questions.

CHAIR HAMILTON: Thank you. Commissioner Moreno.

COMMISSIONER MORENO: Thank you, Madam Chair. What are the dynamics of the pricing? Is it in the County's interest to get more customers? Or make them beg for it, for a raunchy term.

MR. ALVARADO: I guess I can give my opinion on that, but maybe John can answer that question as well. My two cents here, getting customers, that's the only way you get money in the door is through customers, through rates. So if you need additional funds the only way you're raising it is through rates. And so the only way you get more money is more customers paying more rates. Maybe John can add more to what I just said.

MR. DUPUIS: Madam Chair, Commissioner Moreno, the only thing I would add to that is a simple principle to follow is you want to recover expenses to the extent possible. We don't want to chase away development. So if you're neighbor is much less, that's problematic, but otherwise you want to just be competitive. And especially with Commissioner Hansen's concerns, I'm considerate of that. It's one of the things that I'm going to talk to the City's Utilities Director about. We happened to increase our rates prior to him doing his and he thanked me for that because it make the road a little easier, because he can then say, look at the County's rates. I'm proposing this increase and it's just the index over time since the last time that we've increased our rate.

So that helps us to stay competitive in my opinion and that's the intent that I had in the option that's being proposed.

COMMISSIONER MORENO: I had one more question. Is it in the County's interest to connect as in the case you and I worked on at La Pradera where they had a mixture of wells and tanks and god knows what. Is there a point where it all has to come together as a unified system?

MR. DUPUIS: By come together do you mean connect?

COMMISSIONER MORENO: Connecting, yes. Inducing, enticing them to connect.

CHAIR HAMILTON: You mean physically or philosophically?

MR. DUPUIS: Madam Chair, Commissioner Moreno, thank you for

clarifying, Madam Chair, on physically versus philosophically. Physically, they are legally allowed to maintain their system and stay in operation as a self-sufficient system. What we've noticed is that given the three communities that have come and asked us to support them, there is a trend and it has been the trend that I've noticed in other communities as well, where over some extended period of time, homeowner do not like to operate utilities. And they become in a state of disrepair and it's often too late whenever they come to ask us for help, such that they can maintain with some minimal assistance, their own infrastructure.

COMMISSIONER MORENO: Thanks for that.

CHAIR HAMILTON: I also want to clarify for everybody that you're looking for direction on moving forward on these, but it's really to move forward on getting more information and proceeding, and then things will be brought back. So we're not actually approving any particular rates today. We're asking questions and getting information and asking to move forward, giving some direction on moving forward.

MS. MILLER: Madam Chair, that's correct. So if we – if the Board would support us increasing the UECs and staying with the UECs, we would need to come back with an ordinance change. We'd have public meetings and all that. What we were looking for today is direction as to whether that's something that the Board would like us to do, whether the direction we're going, as far as what we're proposing is a palatable rate or if you guys are like, no, make it higher, make it lower, because once we public title and general summary, we'd be putting these out as something proposing to you that we'd like to adopt and having the public hearings for that.

And so we're trying to get some feedback from you today as to whether you'd like us to bring these back in the form of an ordinance, or whether you want to just hold off on that.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: So I think with the UECs, I see with the water utility expansion charge summary seems to be a reasonable rate hike. It's not exorbitant. But with the sewer utility expansion, I as somebody who wants to see people hook up to the sewer, I know like Oshara Village it's exactly right. They're struggling to run their own utility plant and I'm sure they would much prefer not to be doing that. But our fee is way too low; that is clear, at \$180 for everybody across the board, but then is \$2,000 too high? Because the City is at \$854, going up to \$960. Española is \$766. Albuquerque is – and I know that none of these people have raised their rates recently. Everybody is hesitant and waiting for somebody to take the first leap and so I'm just wondering if – I would like some justification for \$2,000.

COMMISSIONER GARCIA: Madam Chair.

CHAIR HAMILTON: Commissioner Garcia.

COMMISSIONER GARCIA: If we have some detailed questions – first of all, is this going to take two public hearings? Madam Chair, Madam Manager?

MS. MILLER: Madam Chair, at a minimum, we first have to request to publish title and general summary. And then we have to have at least one hearing. I personally like to have two hearings on ordinances for purposes of getting as much public input as possible. So if we did, we could potentially bring it back for a request to publish title and general summary in July and then have a hearing end of July and another hearing

in August.

COMMISSIONER GARCIA: Madam Chair, Manager Miller, thank you. So if the Commission up here decides to move this forward, then we could ask all those detailed questions within those next two hearings. The only concerns that I have is I would like to see what the County's next steps are for all the impact fees, whether it's for building permit, fire protection, sewer, water hookup, if somebody has a blank piece of property, what are the overall impact fees in the next two years that we're come forward and ask for? And how we can do that, I don't know.

And some of the other concerns I just have is there's a couple of districts that have a lot of where the growth – my district has a lot of the – one of our five districts has a lot of growth in our area, so it really affects these rates who has the Commissioner at the end there stated, people, whether they want to connect. So the concerns I would have is first of all, all the overall fees we're going to ask for in the future to come, as well as some of our districts are really – it affects our districts more than other districts with all these impact fees because that's where a lot of the growth is going to the south side, to the Community College area, so those are just some of the concerns I have. But if somebody wants to make a motion to move this forward we still have two or three more meetings to go on this and then we can talk about the details.

CHAIR HAMILTON: Okay. Thank you. Commissioner Roybal, do you have any questions? Are you still with us?

COMMISSIONER ROYBAL: Not at this point, but I do want to say that I do have a lot of questions but I think I want to wait for our next meeting.

CHAIR HAMILTON: Okay. Thank you very much. One thing I wanted to add was frankly, a \$2,000 – there are a lot of mutual domestics that have new hookup fees in the \$1,500 range, and that's because it's the real cost of the meters and the new hookup lines and what not and they're covering their costs. I know there's a legacy of some communities not actually charging what it costs to do hookups and that leads to problems, as you mentioned, with respect to not being able to run systems and not being – it puts the County in the same position.

So we're not talking about covering all costs. We're talking about covering some reasonable extension costs. So just in a ballpark, I don't think that's out of line. Did you have something to add?

MR. DUPUIS: Madam Chair, Commissioner Hansen, I would like to answer your question, come back to that if you'd like.

COMMISSIONER HANSEN: Yes, I would like that.

CHAIR HAMILTON: A question about –

MR. DUPUIS: So she asked specifically if I could – maybe restate it for me, please.

COMMISSIONER HANSEN: I'm interested what your reasons are for the \$2,000 fee, going from \$180 to \$2,000. Because I feel very strongly that I want people to hook up to sewers, more than I want a lot of things. I can name the other item I want more than sewers but I think you've already heard that from me. So it concerns me if we're raising this rate, and yes, we can put out title and general summary, but I would rather put out something that I can support and grab on to and hold and support than something that I'm not sure about. So without that justification of the \$2,000 – we're

going from \$180 to \$2,000, that's a big leap.

MS. MILLER: Madam Chair, John, I would suggest – I think we're going to run out of time and I think that that's a question that we need to definitely address for the Commissioner. And I think probably even to have some individual meetings before we would request to publish title and general summary to explain some of this further and find out what kind of concerns they have because maybe we need to adjust our proposal.

COMMISSIONER HANSEN: I would accept that but I'm not ready to publish general title and summary at this point without having those meetings and this is certainly something that can come back and that allows Commissioner Roybal to ask some of his questions also, and we could have this at another meeting is what I would prefer.

COMMISSIONER GARCIA: Madam Chair, I'm okay with that as well. So that way we could move on. We have a lot more stuff.

CHAIR HAMILTON: Yes. Absolutely. There was a study – is there an HDR report on this?

MR. DUPUIS: Madam Chair, yes, there is.

CHAIR HAMILTON: So really, part of the point is these are not arbitrary figures. These are figures that represent justifiable, realistic fees. So part of the issue is getting that information imparted to everybody on the Board in a reasonable time, and that's what we should be looking forward to. Okay. Thank you. So if there's no further action you've gotten feedback. Correct?

MS. MILLER: Correct. We got what we needed on UECs. I think that's the preferred method but you want more information about how we came up with the specifics.

CHAIR HAMILTON: Yes.

MS. MILLER: I think our only other question – so that would leave them out of any impact fee setting. So I think all Paul needs to know, and this will go to what I think Commissioner Garcia was saying, what is it you would do – you want direction on doing the impact fee or development fee study on what items?

MR. OLAFSON: Madam Chair, Commissioners, so what we would look at if we take water and sewer out, because of the concept that UECs are a more functional tool for us. We could still study roads, parks, police and fire under an impact fee or a development fee study. So that would still be included to Commissioner Garcia's point, what else is on the table.

CHAIR HAMILTON: So we had, in some earlier meetings, we had some preliminary presentations on impact fees, but can you clarify, are we talking about having further study, like there's a contract and we're talking about further study on this, so that at some time in the near future we would get information on some similar recommendations – what the possible charges would be, what they'd be based on and all that sort of thing.

MR. OLAFSON: Yes, Madam Chair. That was one of the bullets in the last presentation, next steps. In order to implement this, to even have impact fees under the SLDC and state statutes we have to have the 20-year CIP, and to build that out, that's what we're proposing to bring forward to you soon and then do a development fee study that would say if we wanted to do impact fees, here's a range of options, just similar to

what was presented today on UECs, but with real facts and real numbers and discussion. And that would take some more months to get to you.

CHAIR HAMILTON: Right. So it seems to me what you're saying is that we've heard about UECs and we've given direction. We're going to get more detailed information on impact fees for the other areas outside of water and wastewater, but in fact we're going to be able to proceed with talking about capital planning policy development and procedure development before we get that impact fee assessment, because that's going to take several months.

MR. OLAFSON: Madam Chair, correct.

CHAIR HAMILTON: Is it likely relevant to Commissioner Garcia's question that we'll have some impact fee specific information about the time that we'll be considering water and wastewater UECs? Because it seems like one of our questions is which ones to implement. We don't have to implement any if we didn't want to. So part of the decisions about implementation will be what each of the fees are, what they would help us with and how they compound with each other in terms of impacting constituents. Did I get that?

MR. OLAFSON: Yes, Madam Chair. You're right. The development fee study could consider water and wastewater as an option, and it will take some time. We're talking several months. It's not going to be in short order.

CHAIR HAMILTON: So Manager Miller, it sounds like we won't be able to look at them all at the same time.

MS. MILLER: Madam Chair, you could if you want to just wait on the UECs until the impact fees –

CHAIR HAMILTON: Until the UECs come back.

MS. MILLER: Yes. If you want to wait on those until the impact fee study or development fee study is done – that was part of the reason I wanted to bring that up is that we're ready to do UECs, but you may want to wait until we do the rest of the study.

CHAIR HAMILTON: So we'll get this back and that will be another component of the decision. Thank you. Thank you very much for coming and doing the presentation.

#### **4. OUTSIDE ORGANIZATIONS' PROCESS FOR SUBMITTING CAPITAL OUTLAY PROJECTS REQUESTS**

##### **A. Overview, Discussion and Recommendations on Process for Submitting Capital Outlay Project Requests**

CHAIR HAMILTON: This should be an interesting one.

MR. OLAFSON: It's been a good day so far. So this item is informational, a discussion item, and we talked about this, I believe, at the last BCC and at previous BCCs about there are times where non-profits or other non-County entities may request the County to serve as a fiscal sponsor or basically a pass-through for money to do different capital projects that could be funded through the state. In the past we had adopted a resolution in 2009 that kind of outlined potential procedures for having non-County entities request capital support through the state that would pass through the County.

And of course when that happens there's impacts to the County. The County most typically has to do all of the procurement, all of the construction, and oftentimes participating in the maintenance or management. And that takes people, that takes time. It kind of goes back to our previous discussion about bandwidth and priorities and prioritization. So the Board had talked about in previous meetings re-looking at this resolution and if possible we could look at tweaking it.

So I went back and looked at the previous resolution and looked at some of the policies and procedures that we have in place now or we could have in place, and drafted – it's in your packet that kind of outlines the procedures for collaboration and then also I put together a potential checklist or application questionnaire that we would ask a non-County entity to fill out and complete and we can obviously work with them to help them out with it if needed. But it's to really clarify what a project would be. In that, we'd ask for basic name and et cetera. We could ask for purpose of project, the total funds, all phases, previous funds received from other sources or projects funded through other sources, how the project would benefit residents of Santa Fe County, the number of county residents that would be benefited, names of anticipated sponsors at the legislature, understanding of the New Mexico Anti-Donation Act and what is allowable and not allowable under the Anti-Donation Clause, anticipated role of the County in not only administering the funds but the long-term collaboration on the project that could reflect on management or maintenance and operations, the role of all parties – again, for maintenance and potential future improvements and also a statement of understanding that the County would require payment of some sort of lease or some kind of operational charge.

COMMISSIONER HANSEN: Madam Chair, do we have what you're reading off of, or is this part of the draft?

MR. OLAFSON: This is on the draft.

COMMISSIONER HANSEN: But I only have one page of the draft.

CHAIR HAMILTON: We have the draft but not the attached application. It's not in the packet.

MR. OLAFSON: Okay. Well, tentatively, those are some of the items we would look at. And we will bring this back to you at a future date with a more developed draft and a resolution. So that's what I'm trying to present today is this concept of asking these types of questions and asking them also the process would require that these entities come to us prior to the legislative session in order to be included on that year's list.

And back to my previous presentation on the timeline, we would ask them to come in early, before we submit the ICIP, but sometimes that doesn't happen and this process would require – in order for them to be on next year's legislative table they would have had to come us by early November. That way we have the ability to scope a project, vet it, bring it back to you all for consideration, and then work with DFA to insert it into the ICIP if that was the direction from the Board.

So it's kind of a two-pronged process here, and we're not trying to – the concept here is not to eliminate participation and collaboration with outside entities, because that's often a very beneficial thing for us. But it's also – I think you've had the discussion in previous meetings that that places challenges on the Board when you're being asked to support ideas and concepts that aren't clearly defined or scoped and there's not a clear

understanding of what that potential impact might be on the County.

COMMISSIONER GARCIA: Madam Chair, I think this is fine. You're going to bring it back, right? So we can talk a little bit more about it. This is just your concept as to what's happening or do you want action on it

MR. OLAFSON: No. I just want to make again – check if we're on the right path. Let's keep going.

CHAIR HAMILTON: Okay. Thank you. Commissioner Hansen.

COMMISSIONER HANSEN: I'm good with this but I have a few questions, like if it is an organization that is no impact to us, we just become the fiscal agent, but then there's the impact of us managing the money, or dispersing the money.

CHAIR HAMILTON: And staff time.

COMMISSIONER HANSEN: Then we would still need the timeline to move that forward, and as Commissioner Moreno said, this is part of his dream, that we have a little more oversight over the legislative process and this looks to me like it might help with guiding that in that direction. So I'm good with moving this forward in maybe a little more detail or maybe some exceptions or some ideas like that.

MR. OLAFSON: Yes. Madam Chair, Commissioner Hansen, we can develop it further and have a dialogue as this moves forward.

COMMISSIONER HANSEN: Thank you.

CHAIR HAMILTON: Commissioner Roybal, do you have any questions or comments on this piece?

COMMISSIONER ROYBAL: No, not at this time.

CHAIR HAMILTON: Okay. Thank you. One thing that occurs to me – I think this is great, especially in terms of having – when you insert it in the timeline. Justify as why you want the earlier notification and all that stuff. It working well is sort of contingent upon us having the other pieces set up better as well, which clearly we're planning to do, but we have to have – but that also includes strategic planning for any number of reasons, right? The strategic planning is integral to having a medium and a long-term capital plan. So those things have to be integrated as well.

And I guess the one thing that seems like – you've shown how the ICIP should be linked to the short-term, the five-year capital planning, and in the best of all worlds, which clearly has to include Commissioner Moreno's dream universe, all those things will fall into place. But right now we also have an ICIP that has hundreds of projects, none of which were ever vetted. And it's kind of like the little baby gorilla in the room: what do we do with all those? As a matter of fact Commissioner Hansen alluded to all that when she talked about moving forward but then all these projects that are already on the plan and none of them have been dealt with retroactively. So I think we just need to do something to consider reviewing those as well.

MR. OLAFSON: Madam Chair, correct. The two things fit together. Providing the structure and the transparency also allows the ability to say yea or nay more clearly when things come up. And again, this is starting this off. It's not going to be perfect and it's an iterative process to refine it, but hopefully the conceptual structure is correct and as we move forward and continue these steps it will start to fit a little better.

CHAIR HAMILTON: That's fabulous. I just want to restate my support for this and also that this is a process that would allow us to justify in our bid to the

legislature for capital funding, it will show that we know what we're talking about in terms of when we can do things, how much we can do, if we're asking for funding now, that we can show we can actually use it. Otherwise we can ask for it next year or three years from now. And it also means – it gives us a basis for reviewing a lot of these asks, in different categories from short-term needs and specific community needs to strategic needs, which include things like long-term planning and sustainability and things beyond the immediate basic functions of road maintenance and what not. And so it's a way of integrating that and making sure the things that are asked of us fit into those or not.

MR. OLAFSON: Absolutely.

CHAIR HAMILTON: Any other questions? Thank you. You have what you need on this piece?

MR. OLAFSON: Yes.

**5. COMMUNITY PROCESS FOR SUBMITTING CAPITAL OUTLAY PROJECT REQUESTS**

**A. Overview, Discussion and Recommendations on Proposed Process for Submitting Capital Outlay Project Requests**

CHAIR HAMILTON: I assume that's pretty closely related.

MR. OLAFSON: Yes. The next item is we just wanted to outline we're starting our community outreach for capital planning and it's timed similar to previous years for the ICIP, but with the discussions we're having today we're trying to turn that into more of a more productive discussion with our communities and show them where we're going with capital planning, how to get engaged, when to get engaged and what are the potential results for it. And we're also going to be talking about other planning elements that we're working with different communities on and that are available: transportation, open space, agriculture, etc.

So we'll be having these meetings and they're scheduled right now for starting June 10<sup>th</sup> at the Nancy Rodriguez Community Center, June 18<sup>th</sup> at Nambe Community Center, June 20<sup>th</sup> at the Max Coll Community Center in Eldorado, June 24<sup>th</sup> at the La Cienega Community Center, and July 8<sup>th</sup> at the Edgewood Fire Station.

This is our annual public outreach that in the past has been targeted at ICIP. This year we're trying to change that discussion a little bit and make it a little more part of this whole planning paradigm shift that we've been talking about all afternoon.

CHAIR HAMILTON: That's good to hear. I'll ask a pre-emptive question. How are you achieving that? By presenting the communities with the structure? I know you said a little bit about it but with what strategic planning has suggest so far? Where we stand with other projects?

MR. OLAFSON: Yes. The direction we're heading and how we want to get it, and also taking community input. Saying do you want this road or that center, etc. As we have in the past, but also saying here's the new process that we're working to develop and create and how we're going to vet these projects a little differently, so that we are not – we maybe have a better ability to bring to you all to look at do you want a zoo or a botanical park?

CHAIR HAMILTON: Part of what I was wondering – I think the last

couple of meeting was kind of like everybody get into a room and write down your project suggestions. And we got all that. And so you get all kinds. I wonder if the project could potentially include discussion with the community. Where do you see your community going? What needs do you see? Why do you see them, so that there's some discussion.

MR. OLAFSON: Yes. That's the whole community planning kind of envelope that we try to address. And we don't do that in every single community and every meeting but that's how we try to outline the process and what is the basis of it and what is the expectation of the constituents as to what this does, how do you get involved, and what are the limitations as well as the opportunities?

CHAIR HAMILTON: Other Commissioners? Manager Miller.

MS. MILLER: And I think one of the things we really want to steer away from in these meetings is just because you raised your hand and said I want this, it's not going to go on our ICIP. Because it doesn't mean it's a defined project. And that's one of the things that's happened, and somewhat at the direction of the Board. The Board said, hey, if somebody brought it up, then make sure it gets on our ICIP, but it wasn't a defined project. It was like: run the waterline to Lamy, \$10 million. And it was like that's not a realistic project, yet we just threw it on the ICIP and then you get like a little, you get \$50,000. What do you do with that?

So I think one of the things in these meetings is we want to educate the communities that are bringing up ideas. Like, this is great. We're hearing your ideas but we also need to make them into a real project. That is what would eventually make – it might get onto the CIP, the 20-year, but not onto the ICIP at the five-year/ready for funding.

CHAIR HAMILTON: Right. And that is part of what I was driving at, because if you get questions like a few rural communities pipe us saying we need more public transportation and there's some discussions about what the options might be, it might really be back to the County to be able to say during capital planning, is this something we can consider? Not: it's a project on the ICIP. But it's getting community input on what some real needs are, which, you know, that's one of the things we really want to do.

Commissioner Roybal, do you have any questions? Not to put you on the spot, but it's hard to hear if you're breaking in.

COMMISSIONER ROYBAL: No, I'm just listening. I'll get your attention.

CHAIR HAMILTON: Does anybody else have questions on this section?

MR. OLAFSON: So this was just informational just to let you know we're going out and the dates and times that we're going.

CHAIR HAMILTON: Actually, that's appreciated. This is very timely because it's happening now and I for one am happy to see that it's actually being integrated, that we're trying to modify it to fit in with what we're trying to achieve in terms of a better process. So thank you for that.

MR. OLAFSON: Thank you.

**6. REALLOCATION OF FUNDING FOR CAPITAL PROJECTS**  
**A. Overview, Discussion and Recommendations on Reallocation of Funding for Capital Projects**

MIKE KELLEY (Public Works Director): Yes, Madam Chair, good afternoon. Commissioners, good afternoon. The item before you this afternoon is staff's recommendation for reallocation of funding for capital improvement projects. On March 27<sup>th</sup> a special BCC meeting was held and an update on capital projects was presented at that time. During that meeting some suggestions were discussed for potential repurposing of project funding. During the month of May, the Finance Department and Public Works Department met three times to reconcile all of the capital project improvement budgets.

The item before you represents staff's recommendation for the reallocation of funds for several road, fire, and open space and trails projects. I'll address the road projects first. In 2016 and 2012 the voters approved a total of \$32.6 million in general obligation bond funding for road projects. Between those two bond cycles, 45 projects were approved, 28 of those projects have been completed, eight projects are in design or in construction, three projects were deleted from the list or are being proposed to be repurposed, and six are in need of additional funding.

In total, there is approximately \$1,605,863 available for reallocation in GOB funding for road projects. Staff's approach to reallocating funds for the road projects was to reallocate the available funding such that the projects that were part of the 2012 and 2016 GOB bond questions can be completed. No new projects are being created as part of this recommendation.

Staff recommends the following amounts be reallocated to the following road projects: \$380,000 to CR89; \$20,000 to CR88B; \$412,879 to Camino Pacifico; \$500,000 to CR55A, \$172,532 to Toltec; and \$120,452 to CR50A. That addresses the proposed suggestion for reallocation for road projects.

MS. MILLER: Madam Chair, can we discuss and give the up or down on this? And the reason I'm asking is because anything that you give us up or down on, if you say yes, then we're going to include it in the final budget at the end of the month. And so this one actually, we do need to be specific. So it's probably best if we take this by area.

COMMISSIONER GARCIA: Madam Chair, I'd actually like to thank Manager Miller and her team, Finance team, Public Works Department. I actually looked at all the projects and the funding that we had from all the different general obligation projects and what the memo actually states. I appreciate staff. Thank you. And with that I'd like to make a motion for approval. That way we can give Manager Miller and her team some direction. Make a motion for approval.

CHAIR HAMILTON: Okay. So is that a motion for approval –

MS. MILLER: For these road projects.

CHAIR HAMILTON: For all six of them? For the full recommendation?  
Commissioner?

COMMISSIONER GARCIA: Yes.

CHAIR HAMILTON: Thank you.

COMMISSIONER GARCIA: For staff's recommendation, yes.

COMMISSIONER HANSEN: Second, and question.

CHAIR HAMILTON: Okay, so I have a motion and a second and discussion. Commissioner Hansen, did you have –

COMMISSIONER HANSEN: Yes, I seconded for discussion. I just wanted to know, all these projects are in District 3 and this is money from District 3 that's just staying in District 3?

MR. KELLEY: Madam Chair, Commissioner Hansen, the funding comes from two different sources. Part of it is what the Finance Department determines as investment income, and the other projects are from previously discussed projects like County Road 105A and Camino Sudeste, that we had presented at the March 27<sup>th</sup> meeting and we've had follow-up discussions with Commissioners on those. So that funding of the \$780,000 that fell to cash if you will, \$656,000 of that funding was from Commission District 1 and Commission District 4. So the majority of the remaining funding that fell to cash – I believe it was about \$124,000, the majority of that was from completed project in Commission District 3.

MS. MILLER: Madam Chair and Commissioner Hansen, County Road 89 and 88 would be in District 1. Camino Pacifico and Toltec are in Commission District 4, and County Road 55A and 50A are in District 3. And we tried to the best that we could reallocate from projects that were in the district to projects that are in the district. It's not dollar for dollar. It's almost impossible to do that. But it's very close. And with each Commissioner in those districts, 1, 3 and 4, we talked to them specifically the roads that we would be moving it from to the roads we'd be moving it to.

COMMISSIONER GARCIA: Thank you for the clarification.

CHAIR HAMILTON: Thank you.

COMMISSIONER ROYBAL: Madam Chair.

CHAIR HAMILTON: Yes, Commissioner Roybal.

COMMISSIONER ROYBAL: That was actually my question. I'm glad Manager Miller did clarify that because I know that – I met with Mr. Kelley and so I just wanted to make sure that those were the County roads that we discussed. So I appreciate the clarification and I'm in full support of moving this.

CHAIR HAMILTON: Okay. We'll have a vote soon. Mr. Kelley?

MR. KELLEY: Madam Chair and Commissioner Hansen, our approach, absolutely, was to try to reallocate the funding that was available to finish the questions, the roads that were on those 2012 and 2016 bond questions. So there are no new roads being proposed here. It's just to finish the projects that were approved.

CHAIR HAMILTON: So if there's no further discussion, I have a motion and a second.

**The motion passed by unanimous [5-0] voice vote.**

MR. KELLEY: Very good. Moving on to reallocation for fire projects. In 2016 \$7 million in GO bond funding was approved by the voters for public safety facilities.

COMMISSIONER HANSEN: Do we have this on our BoardDocs?

CHAIR HAMILTON: Yes. It's vertical projects. It's in the same memo; it's just below the roads things.

COMMISSIONER HANSEN: Oh, okay.

MR. KELLEY: And \$1.2 was allocated to the Pojoaque volunteer fire station. Since the property has not been acquired, the Fire Department is requesting, recommending the reallocation of \$660,852 of GOB funding from the Pojoaque fire station to the following fire projects: \$259,160 to the Chimayo fire station; \$251,173 to the Turquoise Trail fire station; and \$150,519 to the Madrid fire station.

COMMISSIONER GARCIA: Madam Chair.

CHAIR HAMILTON: Commissioner Garcia.

COMMISSIONER GARCIA: I'd like to move for approval with staff's recommendations.

CHAIR HAMILTON: Do I have a second?

COMMISSIONER MORENO: I'll second that.

CHAIR HAMILTON: Okay, for discussion. This was actually discussed slightly more generally at our previous budget hearing and if I'm not mistaken.

MR. KELLEY: Madam Chair, you're correct.

CHAIR HAMILTON: And it was partly a timing thing to be able to use the money now and proceed with the other projects. So is that still the case?

MR. KELLEY: Madam Chair, yes. As far as I know it is. If Chief Sperling is in the audience he could speak.

CHAIR HAMILTON: And in the meantime, Commissioner Roybal, did you have an additional question?

COMMISSIONER ROYBAL: I did have a question. It's my understanding, and from what I heard it appears we're moving funding from the Pojoaque fire station, one fire station in District 1 to other fire stations that are not in District 1. Can we have an explanation as to why we're moving that?

CHAIR HAMILTON: Chief Sperling is going to address that.

DAVE SPERLING (Fire Chief): Madam Chair, Commissioner Roybal, so you're correct. We had set aside our request of \$1.2 million for a Jacona fire station but without the acquisition of the property that project has been placed on hold. We thought it was most beneficial to the County overall and to the County Fire Department in particular to request a reallocation of some of those funds to Chimayo fire station project, which is an apparatus bay and much needed storage, and that is in District 1. And then to complete the Turquoise Trail fire station project, which is a replacement of fire station 3 in the Village of Cerrillos. And then the Madrid fire station, which is a much needed training room. All three of these projects have a significant safety component for the volunteer staff who utilize them as all of these projects help alleviate staff overcrowding in the apparatus bays in particular, and then in Madrid in particular also getting the volunteers out of training in the apparatus bay and putting them in a separate space.

So I regarded these as kind of a countywide effort and not specific to districts, and if we could manage this reallocation it would be much appreciated.

CHAIR HAMILTON: I wonder if you could –

MS. MILLER: I was going to add to that. We didn't allocate when we went out in the bond questions and when we look at projects in total. We don't go, okay,

we have \$25 million so we do \$5 million in District 1, \$5 million in District 2, \$5 million in District 3. We just can't. It doesn't work that way. What we do try to do though is address the needs in each Commission district, the highest needs at that time, based on whatever it costs. And so I do want to point out that we also have two other rather large projects in District 1 in fire stations that we're not looking to move any money away from that we hope to complete.

Our biggest barrier here is that we don't own the land and we're working to get the land and we want to leave enough money in this project to get the land for both the transfer station and the fire station and still come back with the request in the next round of funding to get the fire station built. But our goal was to try to get the land acquired and get the groundwork done where we need to move a driveway and leave for sure enough money on the fire side of that project to do that as well as enough to get the transfer station done completely.

And so that's still staying there. We're kind of faced with letting all four projects sit if we don't find some funding for these three.

CHAIR HAMILTON: Thank you for that because I was actually going to ask you to speak a little to that because you're not pulling all of the money out and I just wanted that to be highlighted and there's the reason for it, although we had sort of talked about that earlier too. I just thought that was helpful.

COMMISSIONER ROYBAL: The money that's left over, what percentage, if we do acquire the property, will we be able to complete with that?

CHAIR HAMILTON: What percentage?

COMMISSIONER ROYBAL: Just the acquisition of the property and the driveway?

MS. MILLER: Madam Chair, Commissioner Roybal, as you recall we have \$2.3 million, something like that, in GRT for the transfer station, and what we're trying to do is take that, along with the \$600,000 that would be left in this funding, or \$540,000, and acquire the land, move the driveway as required by DOT and do all the site prep for the fire station, and get the transfer station completed, and water to the site.

COMMISSIONER ROYBAL: As far as the fire station I'm hearing site prep.

MS. MILLER: Land acquisition, site prep, driveway and water.

COMMISSIONER ROYBAL: Okay. Well, I don't agree but we'll see how it goes.

MS. MILLER: Madam Chair, Commissioner Roybal, we don't have enough money, even if we left the money where it is, we don't have enough money to build the station.

COMMISSIONER ROYBAL: But we're further away. So that's fine.

MS. MILLER: But it's our anticipation that that would be the very next station that we fund, so that it would be – about the time we would be ready to build it, we would fund it.

CHAIR HAMILTON: Well, I actually just want to express that I appreciate the thought that was given to be able to complete several project in the face of a time delay which you can predict will take a period of time to do land acquisition and use the money efficiently now and still be able to move forward with this other project.

So if there's no further discussion or questions, we have a motion and a second.

**The motion passed by majority 4-1 voice vote with Commissioner Roybal voting against.**

CHAIR HAMILTON: I assume we have more on this.

MR. KELLEY: Yes, Madam Chair. The last reallocation suggestion that we're bringing forward today is regarding the South Meadows open space project. While for \$337,008 during the reconciliation it was identified that that amount, \$337,008 is available in gross receipts tax in the South Meadows open space project, and while discussions are that a minimal improvement could be made to that facility at that location, there's no guarantee that if we do any improvements on that facility that the City is going to be willing to take it over and maintain it.

So at this time, given that uncertainty, staff is recommending that the – we're proposing that the \$337,000 be reallocated to the Santa Fe River Greenway Trail project for use on the next phase of that project.

COMMISSIONER HANSEN: Madam Chair, I move to approve.

COMMISSIONER GARCIA: Second for discussion. A couple questions, Mr. Kelley. What district is this in?

MR. KELLEY: This is in District 2.

COMMISSIONER GARCIA: And Madam Chair, what will \$337,000 get us?

MR. KELLEY: I will defer to Colleen. I'll let Colleen Baker speak to that.

COLLEEN BAKER (Projects Division): Good afternoon, Commissioners. So the South Meadows open space was purchased in 2001 by the County under the original bond sale that created the open space and trails program. At the time it was recognized that that area of the city – or actually it was the county at that time – was rapidly developing and there really weren't very many parks in that kind of underserved part of the county.

So the original advisory committee recommended acquisition of that property and we did acquire it. We have completed a master plan and a management plan for that property, and it's envisioned as an urban open space, an urban natural area, not a full-blown park, and an outdoor classroom – there's approximately six public schools that are within walking distance of the site.

So for the funding that was allocated in approximately 2010, as Mr. Kelley said, there's about \$337,000 left. We could develop a very simple trailhead. It's actually also on the future alignment of the Acequia Trail that the City is going to develop. We could develop a simple trailhead and outdoor classroom with some nodes where classes can come and kind of just observe the natural landscape. It is a remnant of one of the long lots of the historic agricultural areas. It was served by the Acequia Madre generations ago.

COMMISSIONER GARCIA: So Madam Chair, Ms. Baker, we're going to take this money from this allocated project and we're going to move it down the river. So what are we going to build with \$337,000 down the river? Because that's the request here, to take money from the South Meadows Park and put it over here. So what we

going to build over here with that \$337,000?

MS. BAKER: So my understanding is right now we have design and acquisition funded for the next segment of the Santa Fe River Trail, which would be from Siler Road to San Ysidro Crossing. And so that \$337,000 would go into the pot of money for – and I believe the cost estimate, I'm not up on that, but it's in the neighborhood of \$4 million. So that \$337,000 would just go towards the funding for construction the next time the funding is allocated for that project.

MS. MILLER: Madam Chair, Commissioners, when we bought South Meadows it was out in the county; now it's in the city limits. When the City did the annexation we offered the land to the City along with this funding so that they could have a city park. Having a County park inside city limits actually requires permission from the City for us to have a park inside the city limits. We actually went out to bid at some point before this was even annexed to try to do the first phase of development of this park and this funding fell short of it.

So we said to the City, we'll give you the land, we'll give you the money. They said they don't want it. They don't want the land, because they don't want another park, and they didn't want the money. So we could either do what Colleen said, which was minimal development, much, much smaller, just a small parking area and trailhead, or we could take the money and allocate it to the River Trail, which is an ongoing project for us.

COMMISSIONER GARCIA: Madam Chair, Manager Miller, so thank you. You have a motion?

CHAIR HAMILTON: Yes. But under further discussion, would this then be put on hold until some indefinite future time? I don't think this is an issue but it is a question. We just wouldn't act now on the South Meadows.

MS. MILLER: Madam Chair, yes. I would think this is something for discussion between the City Council and the County Commission, whether that's something they want us to develop into a larger park and it's ours, even though it's in the city limits, or whether they want to purchase the land from us. They could purchase it for some other use. If we sell the land we have to sell it for at least what we pay for it and refund the bond funds, because we've spent about \$1,050,000, \$1,075,000 for it or something like that. But we used general obligation bonds for open space. So we would either need to – if it gets used for anything other than open space or trails or something we have to pay the bond fund back.

So I think it's really a matter of whether the County Commission and the City Council want to do something, but we've been sitting on it now for five years.

MS. BAKER: Probably a little longer.

MS. MILLER: Yes. On those funds allocated to that with an offer to the City in our annexation agreement if they wanted it. and Commissioner Hansen and I met with them and they indicated they were not interested in having us turn it over to them.

CHAIR HAMILTON: So we have a motion and a second. Is there any further discussion?

**The motion passed without opposition.**

COMMISSIONER GARCIA: Madam Chair, just really quick, I just have this question for Mr. Kelley, because I've seen these projects here for a few years, a couple years. So the \$1,605,863 will actually cover those six projects?

MR. KELLEY: Madam Chair, Commissioner Garcia, correct.

COMMISSIONER GARCIA: And the same question in regards to the \$660,852 will cover those three projects?

MR. KELLEY: Madam Chair, Commissioner Garcia, correct.

COMMISSIONER GARCIA: Right. And Madam Chair, I understand where we are with the \$337,008. Thank you.

CHAIR HAMILTON: Thank you. Thank you, Mr. Kelley.

## 7. ADA TRANSITION PLAN AND PROJECTS

### A. Overview and Recommendations for Phase 1 of the Santa Fe County ADA Transition Plan and Projects

MR. OLAFSON: Madam Chair, Commissioners, so this item before you is in your packet. You'll find a large spreadsheet that itemizes or lists out potential projects that can be funded for ADA improvements within County facilities. As you'll recall, the County did approve a bond question of \$2 million – or the voters did – for ADA improvements in County facilities. We also completed this ADA transition plan and the Board has adopted it. We used the data and the information from the transition plan to create this list and it's based on priorities as well as short-term priorities.

This plan was developed to have short-term, mid-term and long-term priorities. Short-term is one to five years and those are more important ADA improvements that were important for facilities to be conducted prior to others. So using that list and looking at the prioritization, as well as grouping projects within facilities. So if we're going to go out to – for example, the first one, Bennie J. Community Center Park. If we're going to go there, let's do all the improvements at once. It makes it more efficient and more functional sense to do this.

So we've developed this list. It totals up to – I'm going to say \$1,994,139.16. Also these estimates that were used to put this together were based on national standards. We may have some savings doing some of the work in-house or through local contractors and there may be efficiencies, etc. So this is a preliminary list. We're asking for direction from the Board to move forward. Also, just on the methodology of creating the list, I said we grouped them by facility. We used the ranking of importance for whichever action was needed to get it done. We also tried to focus on high use facilities where a lot of the public goes. And lastly, some of these are gap funding for existing planned projects where we can insert a little bit of money to cover some of the ADA improvements and help that project get fully funded and moving forward.

CHAIR HAMILTON: So it's not clear just from the list itself. Are they listed in priority order?

MR. OLAFSON: Madam Chair, no. I think it's alphabetical. Oh, no. I guess it is priority. Yes.

CHAIR HAMILTON: In our packet.

MR. OLAFSON: Yes. This spreadsheet.

COMMISSIONER GARCIA: Paul, in our packet it starts with Bennie J., Chimayo, El Rancho. It doesn't have no ranking.

CHAIR HAMILTON: So let's not have a free-for-all.

TONY FLORES (Deputy County Manager): So Madam Chair, they're listed in priority rankings and consolidating multiple priorities within a facility. So this is listed alphabetically with the highest utilized facilities, and we combined multiple project. So Bennie J. had three different types of projects, or six different types of projects that had priorities 1, 2, and 3. So Bennie J. being one of the highest ranked priorities, we combined then the priorities 2 and 3 to make one larger project so that we weren't touching Bennie J. twice. So the projects are in alphabetical order, based upon the highest use and the highest priority in this document. This is all the projects. We're given you a list that totaled \$2 million that took all these projects that were priority 1s, 2s and 3s, and we combined them for a facility to gain some efficiencies.

CHAIR HAMILTON: But the facilities themselves are listed in alphabetical order.

MR. FLORES: Correct.

CHAIR HAMILTON: So how much money are we talking about – what kind of direction are you looking for right now? Because this is a great summary but I don't know how much –

MR. FLORES: We're asking for direction to proceed with \$1.994 million in projects on this list.

CHAIR HAMILTON: All of them.

MR. FLORES: Correct.

CHAIR HAMILTON: Got it. Thank you. So further discussion?  
Commissioner Hansen.

COMMISSIONER HANSEN: So I don't see on this list this building. Is this building not included in this list?

MR. OLAFSON: Madam Chair, because this is already planned and programmed through the administrative complex project we took it out because it will get touched when we do the renovations here. So we don't need to allocate funding from the \$2 million bond project to this because ADA improvements here are already funded in the renovation project.

COMMISSIONER HANSEN: But wouldn't it be helpful if we used some of this funding?

MR. FLORES: Madam Chair, Commissioner Hansen, no. This is the same issue with PV that we talked about last week. We have an existing project that has an existing scope. Within that existing scope this was a requirement of that contract. To come back now and add in money complicates matters with the construction design-build contract we have in place. So I appreciate the idea but to add more money in now after we have a contract underway, it doesn't make sense from a construction standpoint. So those were eliminated from this list and we're taking care of it within the existing bond funding.

CHAIR HAMILTON: And in fact the ADA component is already in the project.

MR. FLORES: Yes. And then we can use that money that was identified

in the plan, and we're being able to spread it out with other projects that are listed in here.

CHAIR HAMILTON: Great. Other questions?

COMMISSIONER GARCIA: Madam Chair, move for approval for discussion.

COMMISSIONER MORENO: Second.

COMMISSIONER GARCIA: Madam Chair, Paul, or Mr. Flores, regarding the – let's just use an example, the First Judicial DA's office, I believe the County Commission at the end of 2017 voted on this list. And so the question I have is the DA's building has some money that's set aside for construction remodel. None of that money is being touched from this.

MR. FLORES: Madam Chair, Commissioner Garcia, that's correct. This money and the ADA transition plan, because ADA was a requirement of those renovations, were able, since that building hasn't been let under a construction contract has utilized the funding that we've allocated here, leverage it with the existing funding that's in place to make a project.

COMMISSIONER GARCIA: Madam Chair, Mr. Flores, in regards to the La Cienega ADA, which I understand is down the list, the La Cienega ADA, this money does not conflict with the money that we have sitting in there to redo the parking lot area and drainage. Correct?

MR. FLORES: So Madam Chair, Commissioner Garcia, again, that won't conflict with the existing funding. What it does is it allows us to combine existing funding, leverage it with this money that we're proposing for the ADA improvements, and make one project, hopefully gaining efficiencies with construction. So combining pots of money to make a project.

COMMISSIONER GARCIA: Thank you.

CHAIR HAMILTON: You're welcome. Commissioner Roybal, do you have any questions on the ADA projects? Okay. So I do have a motion and a second, do I not?

**The motion passed by unanimous [4-0] voice vote.** [Commissioner Roybal was not present for this action.]

MR. OLAFSON: Madam Chair, I just wanted to clarify, not every single project that's listed in here is funded through this \$2 million. These are the ones that we have ranked the best to get efficiencies and get them moving. So thank you for your time.

CHAIR HAMILTON: Thank you very much.

COMMISSIONER GARCIA: Madam Chair, Paul, these projects will be completed by the end of the year?

CHAIR HAMILTON: No, no. This is just this month.

MR. OLAFSON: We're working on moving forward. I can't promise you a timeline.

CHAIR HAMILTON: So before we adjourn I want to thank all the department heads and senior staff for spending all this time and doing all the work for these summaries and the good presentations to augment this process. I really think it's valuable for the County and I really appreciate all the time you spent. Manager Miller, is

there any concluding business or announcements or anything?

MS. MILLER: Madam Chair, I just want to thank you and the Board for your time for this. This is always difficult. Capital planning is probably some of the hardest planning that we do and I really appreciate your thoughtful consideration of our recommendations and your support on moving forward on these items.

CHAIR HAMILTON: Thank you. I really commend the County for trying to do an improved process and the suggestions that were made were really well thought out. So it made our job a lot easier.

**8. ADJOURNMENT**

Upon motion by Commissioner Hansen and second by Commissioner Garcia, and with no further business to come before this body, Chair Hamilton declared this meeting adjourned at 5:00 p.m.



Approved by:

*Anna Hamilton*  
Board of County Commissioners  
Anna Hamilton, Chair

ATTEST TO:

*Geraldine Salazar*  
GERALDINE SALAZAR  
SANTA FE COUNTY CLERK

Respectfully submitted:

*Karen Farrell*  
Karen Farrell, Wordswork  
453 Cerrillos Road  
Santa Fe, NM 87501

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss  
I Hereby Certify That This Instrument Was Filed for  
Record On The 2ND Day Of August, 2019 at 08:24:40 AM  
And Was Duly Recorded as Instrument # **1892918**  
Of The Records Of Santa Fe County

BCC MINUTES  
PAGES: 73



Witness My Hand And Seal Of Office  
Geraldine Salazar  
Deputy *Estrella Martinez* County Clerk, Santa Fe, NM

SFC CLERK RECORDED 08/02/2019

# Santa Fe County Capital Planning Policy

June 5, 2019

Special BCC Meeting

EXHIBIT  
1

## Capital Improvement Plans (CIPs)

- Can be short-range (5-years) or long-range (20-years)
- Tools that ensure jurisdictions have capacity and finances to provide:
  - infrastructure,
  - public facilities, and
  - general services
- Ensure investments are well-planned and coordinated

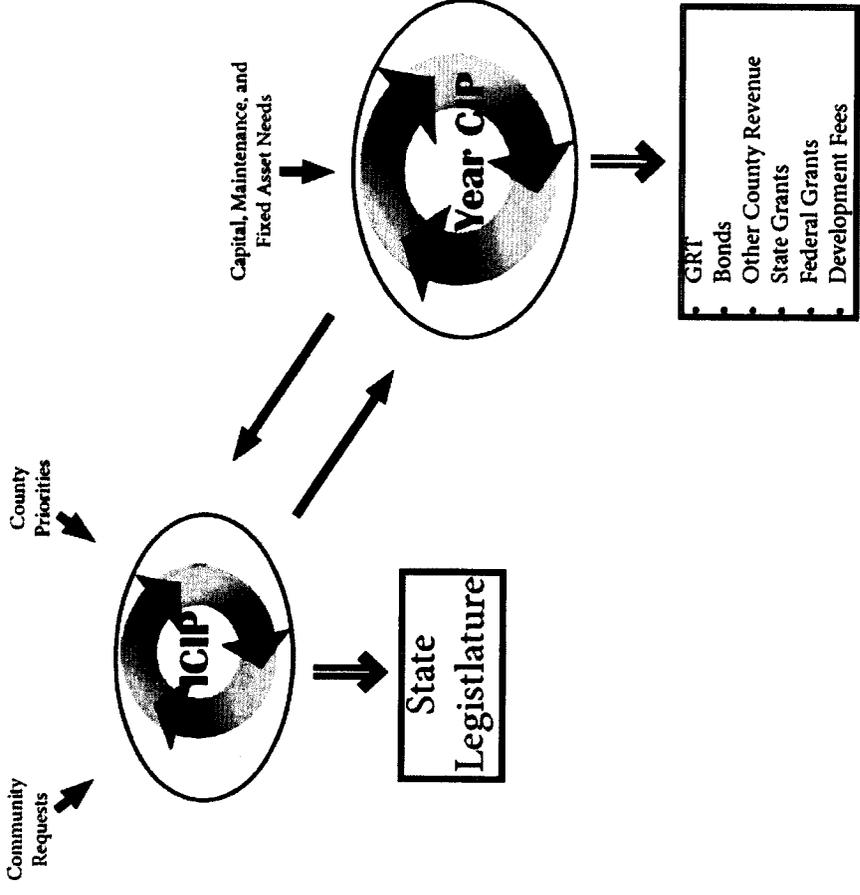
## Goal

- This presentation proposes an updated capital planning process to guide efficient, transparent, systematic, evidence-based, adaptive, and realistic capital planning and budgeting in the County

# Current Capital Planning in Santa Fe County

- **5-Year CIP:**
  - Managed through a web-based database
  - Updated annually with the proposed capital budget
- **Infrastructure Capital Improvement Plan (ICIP):**
  - Updated annually and submitted to the state as capital outlay request
  - All community requests are included and folded into 5-Year CIP

# Current Capital Planning in Santa Fe County



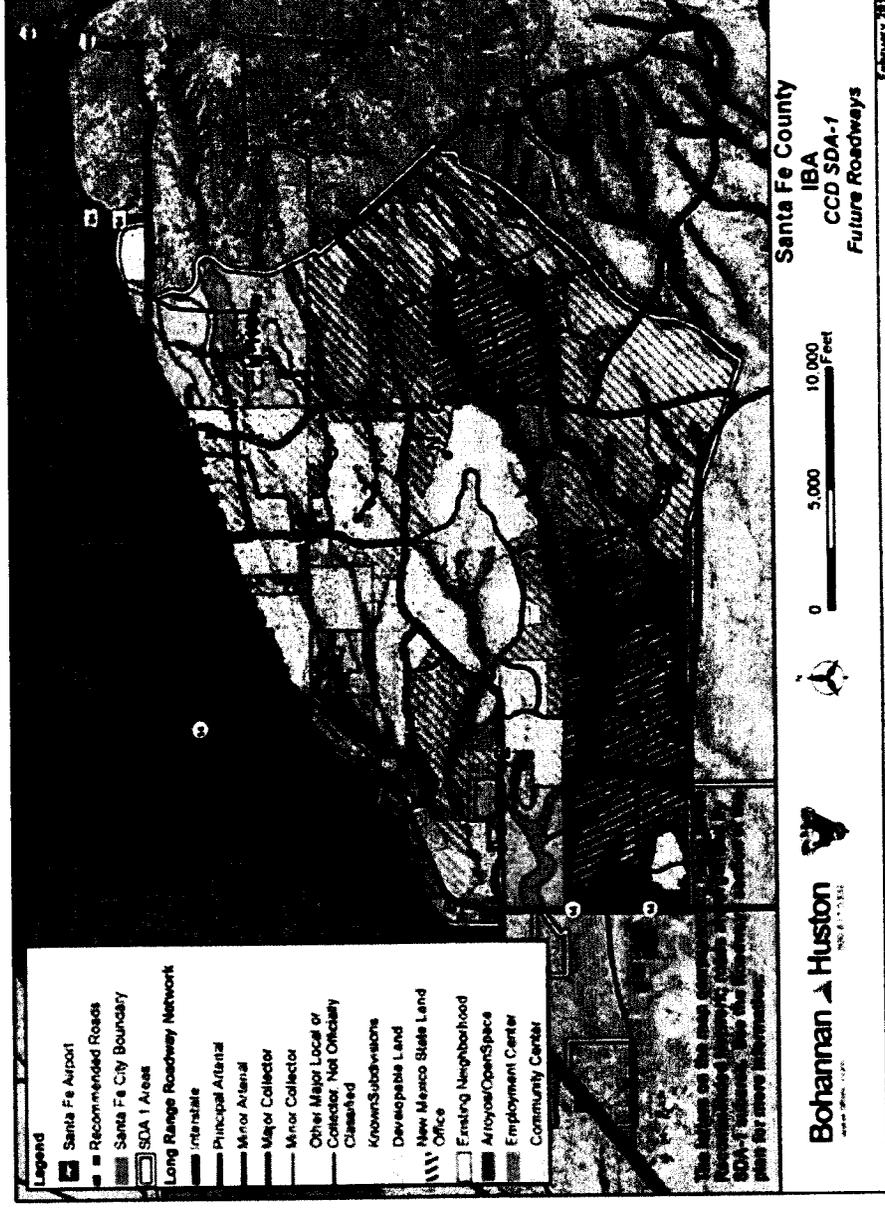
## Current Capital Planning Analysis

- The County's CIP and ICIP are short-term
- Reactive to current needs, but not proactive
- Budgets based on departmental siloes; not evaluated holistically
- No systematic means of evaluating projects
- County is often unprepared to implement projects in CIP or ICIP

## New Capital Planning Tools

- **Infrastructure Buildout Analysis (IBA)**
  - Establishes general infrastructure needs to support expected growth
  - Based on estimated growth patterns and levels of service in SDA-1
  - Includes roadways, water and wastewater systems, emergency services, parks, open space, and trails
  - Integrate with upcoming water and wastewater master plan

# New Capital Planning Tools



# New Capital Planning Tools

- **20-Year CIP**
  - Expands on 5-Year CIP to meet future growth needs
  - Includes methodology to systemically identify and prioritize projects
  - Accompanied by spreadsheet tool adaptive to changing growth and financial scenarios
  - Near-term project list: high-priority projects scheduled in years 1-5
  - Medium-term project list: projects scheduled in years 6-10
  - Long-term project list: non-priority projects scheduled in years 11-20

## New Capital Planning Tools

- **Impact Fee Study and Budget Analysis**
  - Summary of existing revenues
  - Analysis of impact fees adopted in other counties and municipalities
  - Potential revenues from impact fees in Santa Fe County

# Proposed Capital Planning Policy

- **Adapt Planning Tools**
  - Engage in long-range planning
  - Proactively address future needs
  - Formalize means of identifying, prioritizing and programming capital projects
- **Revise Capital Planning Framework**
  - Consolidate capital planning and budgeting into integrated system
- **Improve Project Planning Process**
  - Regularly scheduled process
  - Ensure projects are scoped and evaluated
  - Staff capacity considered before budgeting

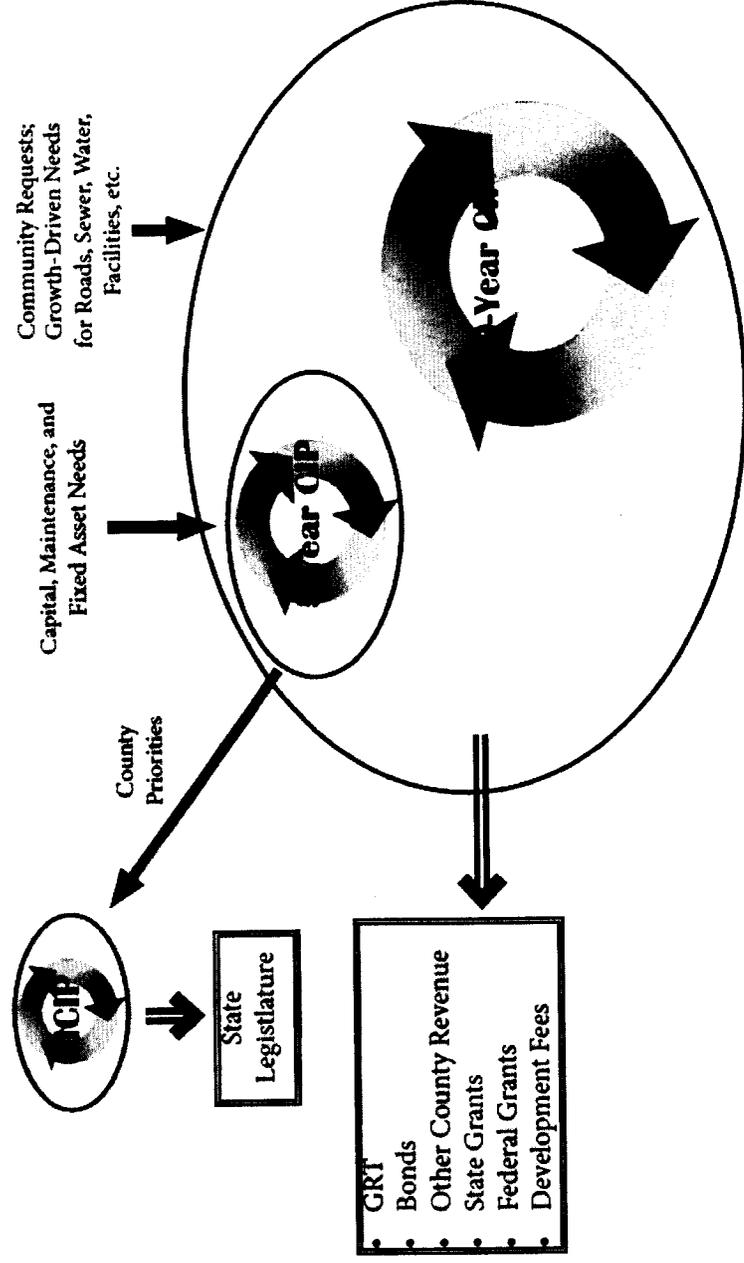
## Adapt Planning Tools

- Spreadsheet tool evaluates, prioritizes, and schedules projects based on:
  - Available budget,
  - Immediate County needs, and
  - Strategic planning goals
- New tool should be integrated into the County's existing web-based capital planning platform

## Revise Capital Planning Framework

- Should facilitate long-range, proactive capital planning
- Ensure needs and priorities are implemented on time and efficiently
- Capital needs and requests included in overarching 20-Year CIP
- Basic service needs and high-priority projects in 5-Year CIP
- 5-Year CIP feeds into annual budget and ICIP

# Revise Capital Planning Framework



## Improve Project Planning Process

- Should be realistic and systematic
- Result in projects that are scoped, ranked, scheduled and ready to implement

# Improve Project Planning Process

- **Project Proposal**
  - Staff, constituents, or commissioners use project request form to propose a project
  - Includes description, justification, and rough cost estimates
  - Non-County Organizations submit an application
  - Request forms and applications serve as preliminary scope
- **Review**
  - Capital Planner reviews proposals
  - Works with PW staff and project requestor(s) to refine and strengthen proposal
  - Compiles list of proposed projects

## Improve Project Planning Process

- **Scoping**
  - Scoping Committee meets twice a year to examine need, relevant data, cost, capacity, and fiscal impact of proposed projects
- Scoping Committee should include:
  - Capital Planner
  - Projects Division
  - Facilities maintenance and operations
  - User office/division as appropriate, and
  - IT Department, if applicable

# Improve Project Planning Process

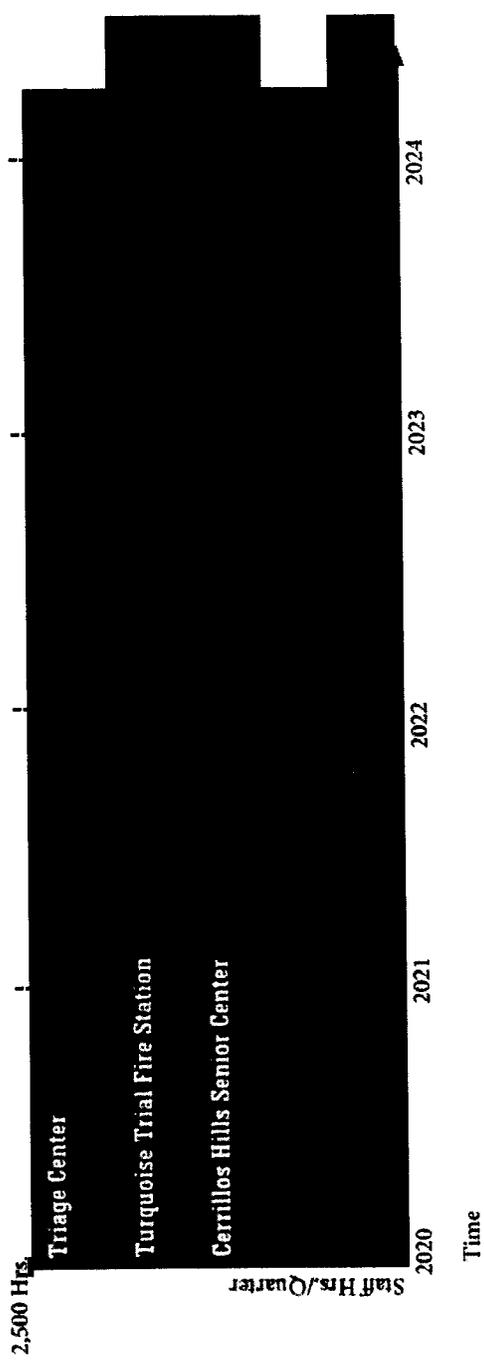
- **Need Determination**
  - Capital Planning Committee will meet twice a year to update CIP
  - Determine if proposed project is a basic service
  - Evaluate and rank projects using prioritization tool
- **Capital Planning Committee should include:**
  - Capital Planner
  - County Manager's Office
  - Projects Division
  - Finance Department
  - Public Works Department, and
  - Fire Department, if applicable

# Improve Project Planning Process

- **Capacity and Bandwidth**
  - Capital Planning Committee will evaluate the County's capacity to implement CIP projects
  - Evaluate complexity and staff involved in project completion
  - Estimate the project's duration and staff time needed to fully implement
  - Compare alongside available staff hours to develop a reasonable schedule for initiation and completion

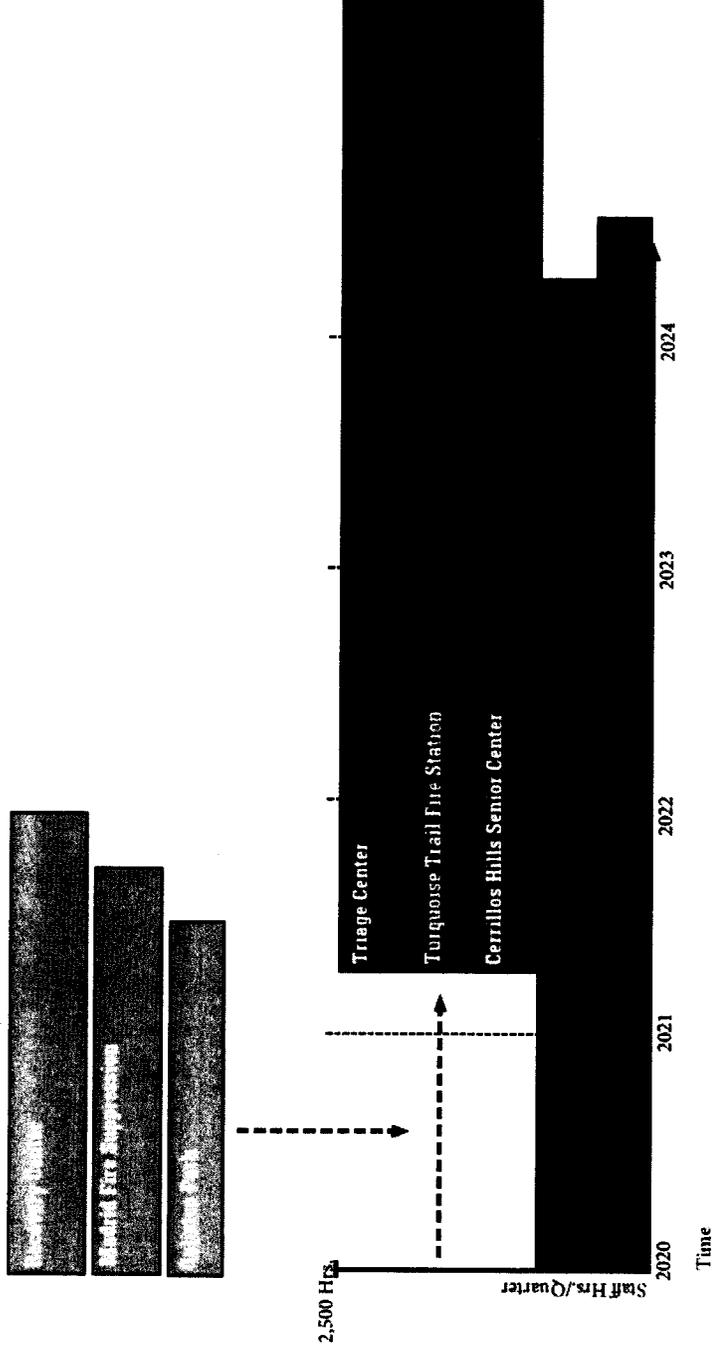
# Improve Project Planning Process

- A simplified example of a project implementation schedule for 5-Year project list



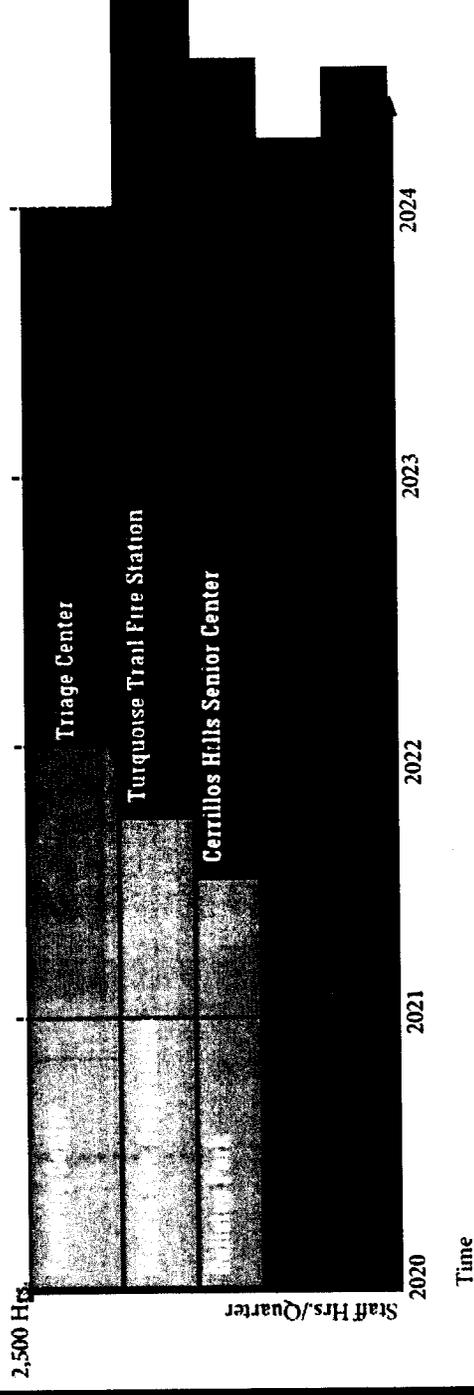
# Improve Project Planning Process

- When unanticipated projects are approved...



# Improve Project Planning Process

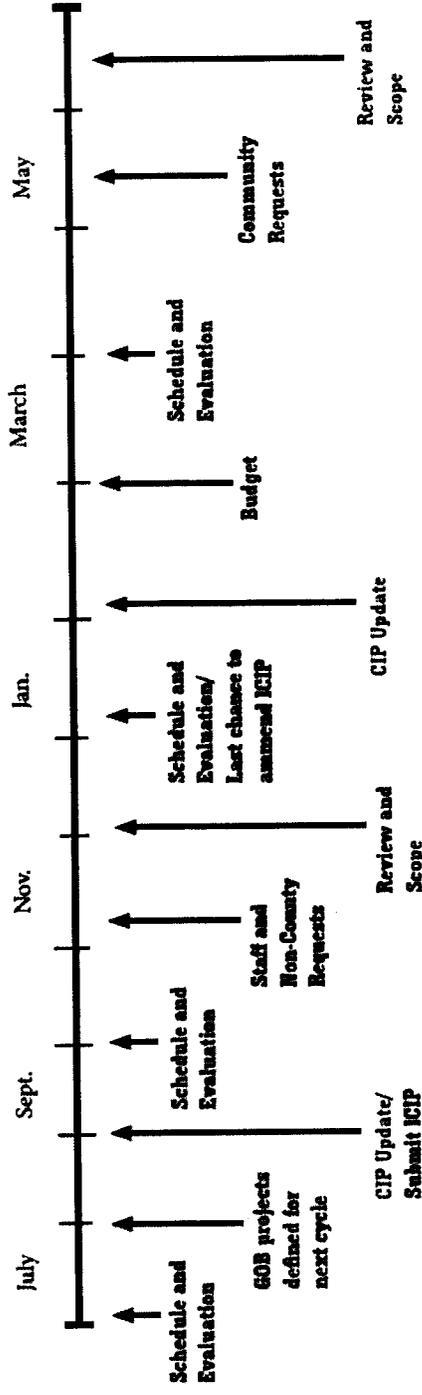
- They will delay implementation of planned County priorities



## Improve Project Planning Process

- **CIP Update and Budget**
  - Capital Planning Committee will compile a 5-Year CIP and proposed capital budget
  - Considers available funding, project prioritization, and staff capacity
  - ICIP will include high-priority projects from this list
  - BCC reviews and adopts budget and ICIP
  - Remaining projects will be considered in future CIP annual updates

# Capital Planning Calendar



## With Board Direction, Next Steps

- Integrate Capital Planning tool into County's web-based platform with contracted support
- Refine and adopt proposed capital planning policy by resolution
- Adopt policy for Non-County Organizations requesting that the County act as fiscal agent
- Create a development fee study with contracted support