

A G E N D A
CITY OF AZTEC
CITY COMMISSION MEETING
August 8, 2017
201 W. Chaco, City Hall
6:00 p.m.

- I. CALL TO ORDER**
- II. INVOCATION**
- III. PLEDGE OF ALLEGIANCE**
- IV. ROLL CALL**
- V. AGENDA APPROVAL**
- VI. CITIZEN RECOGNITION**
- VII. EMPLOYEE RECOGNITION**
- VIII. CONSENT AGENDA**

- A. Commission Workshop Meeting Minutes, July 25, 2017
- B. Council of Governments Agreement

Items placed on the Consent Agenda will be voted on with one motion. If any item proposed does not meet the approval of all Commissioners, a Commissioner may request that the item be heard under "Items from Consent Agenda"

IX. ITEMS FROM CONSENT AGENDA

X. CITIZENS INPUT (3 Minutes Maximum)

(Citizens who wish to speak will sign up prior to the meeting. This is for items not otherwise listed on the agenda)

XI. BUSINESS ITEMS

- A. Intent to Adopt Ordinance 2017-462 Amending Chapter 16, Division 3, Section 16-181 Electric Rates

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 72 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

- B. Intent to Adopt Ordinance 2017-463 Amending Chapter 16, Division 3, Section 16-201 Water Rates
- C. Intent to Adopt Ordinance 2017-464 Amending Chapter 16, Division 3, Section 16-191 WasteWater Rates
- D. Intent to Adopt Ordinance 2017-465 Amending Chapter 16, Division 3, Section 16-211 Solid Waste Rates

XII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

XIII. DEPARTMENT REPORTS

(When this item is announced, all Department Heads who wish to give a report will move to the podium)

XIV. CLOSED SESSION

Closed Session: Pursuant to State Law, Section 10-15-1H (2) Limited Personnel Matters, City Manager Evaluation

XV. ADJOURNMENT

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

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1 CITY OF AZTEC
2 COMMISSION MEETING MINUTES
3 July 25, 2017
4

5 **I. CALL TO ORDER**

6 Mayor Burbridge called the Meeting to order at 6:00 pm at the Aztec City
7 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
8

9 **II. INVOCATION**

10 The Invocation was lead by Commissioner Judge Carlton Gray
11
12

13 **III. PLEDGE OF ALLEGIANCE**

14 The Pledge of Allegiance was led by Electric Director Ken George
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17 **IV. ROLL CALL**

18
19 Members Present: Mayor Sally Burbridge; Commissioner Austin Randall;
20 Commissioner Katee McClure Mayor Pro-Tem Sherri
21 Sipe; Commissioner Sheri Rogers
22

23
24 Members Absent: None
25

26
27 Others Present: City Manager Joshua Ray; City Attorney Larry
28 Thrower; City Clerk Karla Sayler; Project Manager Ed
29 Kotyk (see attendance sheet)
30
31
32

33 **V. AGENDA APPROVAL**

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35 MOVED by Commissioner Randall , SECONDED by Mayor Pro-Tem Sipe to
36 Approve the Agenda as Presented
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38 All Voted Aye; Motion Passed Five to Zero
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40 **VI. CITIZEN RECOGNITION**

41 None
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44 **VII. EMPLOYEE RECOGNITION**

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VIII. CONSENT AGENDA

MOVED by Mayor Pro-Tem Sipe, SECONDED by Commissioner Randall to Approve the Consent Agenda

- A. Commission Meeting Minutes July 11, 2017
- B. Commission Special Meeting Minutes July 18, 2017
- C. Travel Requests
- D. Resolution 2017-1052 Surplus
- E. Memorandum of Understanding with Library and Mosaic Academy
- F. CNF100091 NMDOT Cooperative Agreement-East Aztec Arterial
- G. Resolution 2017-1055 FY 17 Year End Budget Adjustments
- H. Resolution 2017-1056 FY17 4th Quarter Financial Report
- I. Resolution 2017-1058 Public Use Requirements for the East Aztec Arterial

All Voted Aye: Motion Passed Five to Zero

IX. ITEMS FROM CONSENT AGENDA

None

X. CITIZENS INPUT

None

XI. BUSINESS ITEMS

A. Intent to Adopt Ordinance 2017-461 Chapter 26 Land Use Regulations Article III Supplementary Regulations Division 1 Accessory Structures Secs 26-3-132 to 140

Steven mentioned that this is an intent to adopt restrictions on shipping cargo containers within residential areas, commercial and industrial zones for storage. He reviewed a power point of types of cargo containers. He mentioned that these containers are relatively cheap and they are coming from the pacific area primarily used for storage purposes but can be used for residential and commercial buildings. He mentioned that this intent is strictly for storage purposes. Steven mentioned that the proposed ordinance would allow shipping cargo containers on industrial lots, such as the M1, M2, and PUD Districts provided they be screened from public view. Shipping cargo containers on commercial lots, such as C-1 and C-2 Districts would be limited to temporary storage purposes only to support seasonal events, provided they are located in a non-conspicuous area, entirely screed from public view, and do not adversely affect parking. The proposed ordinance

90 would not allow shipping cargo containers to be located within a single-family district (R-1),
91 multi-family district (R-2), Office Professional (O-1), and Mobile Home (MH) or RV parks since
92 the smaller residential lots typically do not have enough land area to properly screen them and
93 provide a buffer area from adjacent residences. Shipping cargo containers would be allowed on
94 A-1 agricultural lots only for storage purposes provided the lots are greater than one acre in
95 size, and proper screening is provided. The total amount of containers also is subject to the
96 overall size of the property. One shipping cargo container is allowed in the A-1 District. The total
97 amount of containers is subject to the overall size of the property in applicable districts. To place
98 a cargo container on industrial commercial or agricultural lots they must be entirely screened
99 and must maintain the setbacks for the structures. The issuance of a Storage Permit would be
100 required to place a shipping cargo container on private property, and the owner would be
101 required to submit the appropriate site plans, details regarding the container, and demonstrate
102 the method of screening. Existing cargo containers that were lawfully permitted on private
103 property but not permitted by the provision of this ordinance would be allowed to continue as a
104 nonconforming use.

105 MOVED by Mayor Pro-Tem Sipe, SECONDED by Commissioner McClure to
106 Approve Intent to Adopt Ordinance 2017-461 to Amend Chapter 26 With the Addition of
107 Section 3-132 Shipping Cargo Containers

108
109 A Roll Call Was Taken: All Voted Aye; Motion Passed Five to Zero

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111 B. Resolution 29017-1057 Fy18 Annual Budget Adoption

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113 Josh mentioned that this item is the actual resolution to approve the FY18
114 annual budget. The State approved the preliminary budget on June 7, 2017. Once
115 approved it will need to be submitted back to the state for final approval by July 31,
116 2017.

117 MOVED by Commissioner Randall, SECONDED by Commissioner McClure to
118 Approve Resolution 2017-1057 FY18 Annual Budget Adoption

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120 A Roll Call Was Taken: Motion Passed Five to Zero

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122 C. Fy18 Funding Applications

123
124 Josh mentioned that this item goes in conjunction with Item B just approved by
125 commission. Inside that document \$40,000 is budgeted for community requests. This
126 year the City received three requests from the Aztec Ruins, Aztec boys & Girls Club and
127 Aztec Museum totaling \$30,680. Commission agreed to approve \$680 to the Aztec
128 Ruins, \$25,000 for Aztec Boys and Girls Club and \$10,000 for the Aztec Museum.

129
130 MOVED by Commissioner Randall, SECONDED by Mayor Pro-Tem Sipe To
131 Approve Funding To Aztec Ruins In The Amount Of \$680; Aztec Boys & Girls Club In
132 The Amount Of \$25,000 And Aztec Museum In The Amount Of \$10,000

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All Voted Aye; Motion Passed Five to Zero

D. Resolution 2017-1054 Travel Policy

Josh mentioned that this resolution will amend the travel policy which will be approved during the annual budget process and will no longer need to come before commission at every commission meeting for approval. He mentioned that all travel requests will go to City Manager for approval. Josh mentioned that travel and training numbers for the past 5 years have not gone over travel budgets. Commissioner McClure mentioned that she is opposed to this and mentioned that if this passes she would like for staff to reference travel in monthly department reports for commission to see.

MOVED by Commissioner Rogers, SECONDED by Mayor Pro-Tem Sipe to Approve Resolution 2017-1054 Travel Policy

Motion Passed Four to One; Commissioner McClure Voted Nay

XII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

Josh mentioned that the rate schedule proposal will be at the next commission meeting. He mentioned that they had discussion with the school district on the solar fee schedule. He mentioned that he will follow up with Larry tomorrow on the water rights attorney and get his recommendation. We have confirmation from Farmington and Bloomfield that they are going to remain with the current attorney that we have all been using.

Mayor Burbridge attended the Legislative Finance Committee Meeting held at San Juan College. She mentioned that on the agenda was the topic of the closing of the San Juan Generating Station and Coal Mine and the economic impacts it will have.

Mayor Pro-Tem Sipe thanked the Chief Heal, Sherri Gurule and the Police Department for another great National Night Out event. She mentioned that she attended a MPO meeting and it was mentioned that the Navajo Dam road has been taken off of the schedule for repairs due to not being a safety project. She mentioned that she will be attending the San Juan County night at Connie Mack on August 2, 2017. Mayor Pro-Tem read a message on Freedom.

Commissioner Rogers mentioned she attended the EDAB meeting. She thanked PD for the NNO event.

174 Commissioner Randall attended Lodgers Tax Meeting and mentioned that
175 Highland Games have a funding request in. He mentioned how it's nice that the parks
176 get used for so many different events and how busy they are. Commissioner Randall
177 mentioned how awesome NNO event is.

178
179 Commissioner McClure thanked the PD for the NNO event as well. She thanked
180 Steven Saavedra for helping with the donut contest and handing out t-shirts. She
181 mentioned that the turn out seemed to be at least 1500 people.

182
183 Larry mentioned that he attended the Employee picnic.

184
185 **XIII. DEPARTMENT REPORTS**

186
187 Chief Heal thanked commission and staff and his employees and all the
188 volunteers for the help at the NNO event.

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190 **XIV. CLOSED SESSION**

191
192 Commission all voted aye and went into closed session pursuant to state law,
193 section 10-15-1H (2) limited personnel matters, City Manager Evaluation at 6:57pm.
194 Commission came out of closed session at 7:50pm with all voting aye and stating no
195 other items were discussed but limited personnel matters per state law section 10-15-
196 1H(2) City Manager Evaluation.

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198 **XV. ADJOURMENT**

199
200 Moved by Mayor Burbridge, **SECONDED** by Commissioner Pro-Tem Sipe to
201 adjourn the meeting at 7:50 p.m.

202
203
204 _____
205 Mayor, Sally Burbridge

206
207 ATTEST:
208 _____
209 Karla Saylor, City Clerk

210
211 MINUTES PREPARED BY

Karla Saylor, City Clerk

Staff Summary Report

MEETING DATE: August 8, 2017
AGENDA ITEM: VIII.CONSENT AGENDA (B)
AGENDA TITLE: Northwest New Mexico Council of Governments Membership Agreement and Board of Directors Appointment

ACTION REQUESTED BY: Staff
ACTION REQUESTED: Approval of Membership Agreement with recommended changes
SUMMARY BY: Sherlynn Morgan

PROJECT DESCRIPTION / FACTS

MEMBERSHIP AGREEMENT

- Northwest New Mexico Council of Governments (NWNM COG) has prepared a Membership Agreement for Fiscal Year 2018
- All provisions of the agreement remain as in previous years with the exception of \$5,000 annual dues instead of the \$3,000 annual dues that the City has paid for the past 4 years
- The FY18 budget includes \$3,000 that was budgeted for NWNM COG annual dues
- The amount in the agreement has been changed to \$3,000 to reflect the amount in the budget

BOARD OF DIRECTORS APPOINTMENT

- During the March 8, 2016 Commission meeting City Manger, Joshua Ray was appointed as the City's representative on the NWNM COG Board and Commissioner, Austin Randall was appointed as the alternate
- As per NWNM COG Board policies, the City must formally identify its official representative to the Board of Directors. This document will be completed by the City Clerk as Commission has completed formal action for representation

SUPPORT DOCUMENTS: NWNM COG Membership Agreement
Board of Directors Appointment Form

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Agreement with Northwest New Mexico Council of Governments with the changes made

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MEMBERSHIP AGREEMENT

with

CITY OF AZTEC

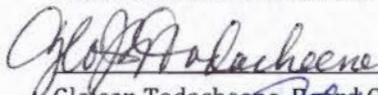
Fiscal Year 2018

This Agreement is entered into by and between Northwest New Mexico Council of Governments (hereinafter "COG") and City of Aztec (hereinafter "MEMBER"), pursuant to the following conditions and terms:

1. COG agrees to provide for the following:
 - a. Performance of professional work in service to the MEMBER, including specific assignments as requested and mutually concurred by the MEMBER and COG throughout the course of this Agreement, drawn from the COG's Menu of Services (attached hereto); such service to include assignment of professional staff to direct Member Services, in alignment with the Member Dues & Services policy adopted by the COG Board of Directors (attached hereto).
 - b. Continued leadership and performance in local and regional development activities, as supported by local, state, federal and philanthropic grants and contracts.
 - c. Competent management and stewardship of the COG's resources and responsibilities, on behalf of its Members.
2. MEMBER agrees to provide for the following:
 - a. To remain a voting member on the COG's Board of Directors, to consist of one (1) representative to the Board and one (1) alternate, and to participate in the COG's governance, policy development and administrative oversight.
 - b. To pay annual dues into the treasury of the COG in the amount of ~~65,000~~ ^{13,000} per annum, such payment to be rendered in quarterly increments for the annual period July 1, 2017 through June 30, 2018.
3. It is mutually understood and agreed that:
 - a. A portion of the Membership dues shall be committed to the support of the COG organization as a whole and to its general operating and overhead expenses, including matching funds as required for certain state and federal grants;
 - b. A portion of the dues shall be available for direct communications with and services to the MEMBER, including specific assignments as requested and mutually concurred by the MEMBER and the COG; and
 - c. For significant tasks and assignments requiring staffing above and beyond the levels specified herein, the COG may negotiate for and/or assist in securing additional funds to supplement this agreement.

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

CITY OF AZTEC

 Date: 06/19/2017
Glojean Todacheene, Board Chairwoman

Sally Burbridge, Mayor

ATTEST:  6/19/17
Jeff Healy, Executive Director

ATTEST: _____
Karla Sayler, City Clerk

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

Board of Directors Appointment Form/FY 2018

Member Government: City of Aztec **Date:** _____

1. The governing body of The City of Aztec (hereinafter Member) has designated

_____ as its official Representative to the Board of Directors of the Northwest New Mexico Council of Governments (NWNMCOG), the organization established by State Statute as New Mexico Planning & Development District I and by the US Department of Commerce as Economic Development District 1.

2. It is understood that the responsibilities of Board representatives include, but are not necessarily limited to:

- Attendance at four (4) quarterly meetings of the Board of Directors as scheduled and, as needed and feasible, such special meetings as may be called by the Board Chair. Generally, regular meetings are held within the NWNMCOG planning district, rotated county-to-county among Cibola, McKinley and San Juan Counties [one (1) of which is the annual meeting];

[NOTE: Per the NWNMCOG Articles of Agreement: "Should the representative and/or alternate miss three (3) consecutive meetings, the governing body of the respective member shall be asked to appoint another representative to the Board."]

- Voting on Board motions and resolutions;
- Serving on and meeting with such committees or task forces as appointed by the Chairman of the Board and/or as volunteered;
- Serving as Board officer as nominated and elected;
- Representing issues, needs and perspectives of the Member within the Council of Governments forum as applicable and appropriate;
- Staying up-to-date on NWNMCOG issues, primarily (a) as represented in the packet of informational materials prepared by staff for each Board agenda and (b) with respect to direct services performed for the Member;
- Communicating with and reporting to the governing body of the Member regarding NWNMCOG issues, priorities and activities; and
- Assisting in advocating for local and regional issues and projects throughout the year.

3. The governing body has also designated _____ as Board Alternate, whose responsibilities are to assume the duties and authorities of the Representative, including voting on Board motions and resolutions, in the absence of and as delegated by the Representative.

SIGNED: _____ **DATE:** _____

NAME: _____ **TITLE:** _____

Staff Summary Report

MEETING DATE: August 8, 2017
AGENDA ITEM: XI. Business Item (A)
AGENDA TITLE: Intent to Adopt Ordinance 2017-462 Amending Chapter 16, Division 3, Section 16-181 Electric Rates

ACTION REQUESTED BY: Electric Department, Finance Department
ACTION REQUESTED: Approval of Intent to Adopt Ordinance 2017-462
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities.
- Workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities.
- Staff recommends adoption of the electric rate structure as proposed by Raftelis which includes a solar rate structure for multiple classes of customers. The ordinance is drafted to include annual increases as proposed.
- The proposed ordinance amends the Power Cost Adjustment (PCA) base cost to .055/kwh. The current language references the power cost from 2007 of .0755/kwh.
- Actual impact of the electric rate structure will vary for each customer based on the type of customer and their individual usage.
- The current moratorium on customer solar installations will remain in effect until the adoption of the solar rate structure.
- The proposed ordinance currently includes an effective date of October 1, 2017 for the first year and subsequent increases would occur with the start of each fiscal year (July 1) through FY2022.

FISCAL INPUT / FINANCE DEPARTMENT

- The proposed electric rate structure is not anticipated to have significant impacts on electric utility revenues.

SUPPORT DOCUMENTS:

- Ordinance 2017-462
- Raftelis Rate Change Impacts on Customer Classes (from May 8, 2017 workshop)

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Intent to Adopt Ordinance 2017-462 Amending Chapter 16, Division 3, Section 16-181 Electric Rates

ELECTRIC RATES

- » Process similar to water, wastewater
 - Determine overall revenue need (financial plan)
 - Evaluate cost of service by class
 - Align rates with cost of service and industry principles
- » Broad Takeaways:
 - Revenue increases are necessary to avoid debt funding large projects in FY 2021, 2022
 - Class revenue recovery relatively in line with cost of service
 - Structural changes are being recommended to better align rates with industry standards
 - All customers benefit from a reduction in power supply costs

PROPOSED RATES (RESIDENTIAL)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<u>Power Supply (\$/kWh)*</u>	\$ 0.076	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055
<u>Customer Charge (\$/Mo)</u>	\$ 6.44					
<u>Usage Charge (Current) (\$/kWh)</u>						
0-1000 kWh	\$ 0.057					
1001-1500 kWh	0.061					
1501 - 2500 kWh	0.065					
Over 2500 kWh	0.066					
<u>Usage Charge (Proposed) (\$/kWh)</u>						
First 100 kWh		\$ 12.25	\$ 16.75	\$ 21.25	\$ 25.75	\$ 30.00
100-500 kWh		0.065	0.056	0.047	0.038	0.030
Over 500 kWh		0.055	0.050	0.044	0.038	0.030

*Adjusted Monthly via PCA

RESIDENTIAL (IMPACTS)								
kWh	Current	Proposed		FY 2018		FY 2022		
		FY 2018	FY 2022	Change - \$	Annual % Change	Change - \$	Annual % Change	
50	\$ 13.08	\$ 15.00	\$ 32.75	\$ 1.92	14.64%	\$ 19.67	20%	
100	19.73	17.75	35.50	(1.98)	-10.03%	15.77	12%	
200	33.02	29.75	44.00	(3.27)	-9.89%	10.98	6%	
300	46.30	41.75	52.50	(4.55)	-9.83%	6.20	3%	
400	59.59	53.75	61.00	(5.84)	-9.80%	1.41	0%	
500	72.88	65.75	69.50	(7.13)	-9.78%	(3.38)	-1%	
548	79.26	71.03	73.58	(8.23)	-10.38%	(5.68)	-1%	
600	86.17	76.75	78.00	(9.42)	-10.93%	(8.17)	-2%	
700	99.45	87.75	86.50	(11.70)	-11.77%	(12.95)	-3%	
800	112.74	98.75	95.00	(13.99)	-12.41%	(17.74)	-3%	
900	126.03	109.75	103.50	(16.28)	-12.92%	(22.53)	-4%	
1000	139.32	120.75	112.00	(18.57)	-13.33%	(27.32)	-4%	

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PROPOSED RATES (COMMERCIAL)						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Power Supply (\$/kWh)*	\$ 0.076	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055
Small Commercial (<50 kW)						
Customer Charge (\$/Mo)	\$ 16.11	\$ 30.00	\$ 35.00	\$ 40.00	\$ 45.00	\$ 50.00
Usage Charge (\$/kWh)	0.065	0.060	0.059	0.058	0.057	0.056
Large Commercial (50 - 150 kW)						
Customer Charge (\$/Mo)	\$ 26.85	\$ 60.00	\$ 70.00	\$ 80.00	\$ 90.00	\$ 100.00
Usage Charge (\$/kWh)	0.061	0.055	0.055	0.055	0.055	0.055
*Adjusted Monthly via PCA						

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SMALL COMMERCIAL IMPACTS

kWh	Current Bill	Proposed		FY 2018		FY 2022	
		FY 2018	FY 2022	Change - \$	Annual % Change	Change - \$	Annual % Change
100	\$ 30.12	\$ 41.50	\$ 61.10	\$ 11.38	37.79%	\$ 30.98	15%
400	72.14	76.00	94.40	3.86	5.35%	22.26	6%
500	86.15	87.50	105.50	1.35	1.57%	19.35	4%
600	100.16	99.00	116.60	(1.16)	-1.16%	16.44	3%
700	114.16	110.50	127.70	(3.66)	-3.21%	13.54	2%
800	128.17	122.00	138.80	(6.17)	-4.82%	10.63	2%
900	142.18	133.50	149.90	(8.68)	-6.11%	7.72	1%
1,000	156.19	145.00	161.00	(11.19)	-7.16%	4.81	1%
1,500	226.23	202.50	216.50	(23.73)	-10.49%	(9.73)	-1%
2,000	296.27	260.00	272.00	(36.27)	-12.24%	(24.27)	-2%
2,500	366.31	317.50	327.50	(48.81)	-13.32%	(38.81)	-2%
5,000	716.50	605.00	605.00	(111.50)	-15.56%	(111.50)	-3%
7,500	1,066.70	892.50	882.50	(174.20)	-16.33%	(184.20)	-4%

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LARGE COMMERCIAL IMPACTS

kWh	Current Bill	Proposed		FY 2018		FY 2022	
		FY 2018	FY 2022	Change - \$	Annual % Change	Change - \$	Annual % Change
1,000	163.83	170.00	210.00	6.17	3.8%	46.17	5.1%
2,000	300.81	280.00	320.00	(20.81)	-6.9%	19.19	1.2%
3,000	437.79	390.00	430.00	(47.79)	-10.9%	(7.79)	-0.4%
4,000	574.76	500.00	540.00	(74.76)	-13.0%	(34.76)	-1.2%
5,000	711.74	610.00	650.00	(101.74)	-14.3%	(61.74)	-1.8%
6,000	848.72	720.00	760.00	(128.72)	-15.2%	(88.72)	-2.2%
7,000	985.70	830.00	870.00	(155.70)	-15.8%	(115.70)	-2.5%
8,000	1,122.68	940.00	980.00	(182.68)	-16.3%	(142.68)	-2.7%
9,000	1,259.66	1,050.00	1,090.00	(209.66)	-16.6%	(169.66)	-2.9%
10,000	1,396.63	1,160.00	1,200.00	(236.63)	-16.9%	(196.63)	-3.0%
11,000	1,533.61	1,270.00	1,310.00	(263.61)	-17.2%	(223.61)	-3.1%
12,000	1,670.59	1,380.00	1,420.00	(290.59)	-17.4%	(250.59)	-3.2%
13,000	1,807.57	1,490.00	1,530.00	(317.57)	-17.6%	(277.57)	-3.3%
14,000	1,944.55	1,600.00	1,640.00	(344.55)	-17.7%	(304.55)	-3.3%
15,000	2,081.53	1,710.00	1,750.00	(371.53)	-17.8%	(331.53)	-3.4%

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PROPOSED RATES (DEMAND)						
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Power Supply (\$/kWh)*	\$ 0.076	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055	\$ 0.055
Medium Demand (150 - 1,000 kW)						
Customer Charge (\$/Mo)	\$ 53.71	\$ 200.00	\$ 225.00	\$ 250.00	\$ 275.00	\$ 300.00
Demand Charge (\$/kW/Mo)		8.00	8.25	8.50	8.75	9.00
Usage Charge (Current) (\$/kWh)						
0-35,000 kWh	\$ 0.060					
Over 35,000 kWh	\$ 0.051					
Usage Charge (Proposed) (\$/kWh)		0.020	0.020	0.020	0.020	0.020
Large Demand (>1,000 kW)						
Customer Charge (\$/Mo)	53.71	\$ 500.00	\$ 514.50	\$ 529.00	\$ 543.50	\$ 558.00
Demand Charge (\$/kW/Mo)	9.27	9.00	9.25	9.50	9.75	10.00
Usage Charge (\$/kWh)	\$ 0.020	\$ -	\$ -	\$ -	\$ -	\$ -
*Adjusted Monthly via PCA						
79 City of Aztec, NM						

MEDIUM DEMAND IMPACTS								
kW	kWh	Current	FY 2018	FY 2022	FY 2018		FY 2022	
					Change - \$	Annual % Change	Change - \$	Annual % Change
20 % Load Factor								
250	36,500	5,002.97	4,937.50	5,287.50	(65.47)	-1%	284.53	1%
275	40,150	5,465.35	5,411.25	5,786.25	(54.10)	-1%	320.90	1%
300	43,800	5,927.73	5,885.00	6,285.00	(42.73)	-1%	357.27	1%
325	47,450	6,390.10	6,358.75	6,783.75	(31.35)	0%	393.65	1%
350	51,100	6,852.48	6,832.50	7,282.50	(19.98)	0%	430.02	1%
375	54,750	7,314.86	7,306.25	7,781.25	(8.61)	0%	466.39	1%
400	58,400	7,777.23	7,780.00	8,280.00	2.77	0%	502.77	1%
40 % Load Factor								
100	29,200	4,024.28	3,190.00	3,390.00	(834.28)	-21%	(634.28)	-3%
110	32,120	4,421.34	3,489.00	3,699.00	(932.34)	-21%	(722.34)	-4%
120	35,040	4,818.02	3,788.00	4,008.00	(1,030.02)	-21%	(810.02)	-4%
130	37,960	5,187.93	4,087.00	4,317.00	(1,100.93)	-21%	(870.93)	-4%
140	40,880	5,557.83	4,386.00	4,626.00	(1,171.83)	-21%	(931.83)	-4%
150	43,800	5,927.73	4,685.00	4,935.00	(1,242.73)	-21%	(992.73)	-4%
200	58,400	7,777.23	6,180.00	6,480.00	(1,597.23)	-21%	(1,297.23)	-4%
60 % Load Factor								
100	43,800	5,927.73	4,285.00	4,485.00	(1,642.73)	-28%	(1,442.73)	-5%
110	48,180	6,482.58	4,693.50	4,903.50	(1,789.08)	-28%	(1,579.08)	-5%
120	52,560	7,037.43	5,102.00	5,322.00	(1,935.43)	-28%	(1,715.43)	-5%
130	56,940	7,592.28	5,510.50	5,740.50	(2,081.78)	-27%	(1,851.78)	-5%
140	61,320	8,147.13	5,919.00	6,159.00	(2,228.13)	-27%	(1,988.13)	-5%
150	65,700	8,701.99	6,327.50	6,577.50	(2,374.49)	-27%	(2,124.49)	-5%
200	87,600	11,476.25	8,370.00	8,670.00	(3,106.25)	-27%	(2,806.25)	-5%

**City of Aztec
Ordinance 2017-462
Amending Chapter 16, Division 3, Section 16-181 Electric Rates**

- WHEREAS:** In August 2016, the City of Aztec contracted to Raftelis Financial Consultants, Inc. to provide a utility cost of service and rate study for the electric, water and wastewater utilities; and
- WHEREAS:** Public workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities; and
- WHEREAS:** Staff recommends adoption of the electric rate structure as proposed by Raftelis which includes a solar rate structure for multiple classes of customers; and
- WHEREAS:** The proposed ordinance amends the Power Cost Adjustment (PCA) base cost for power purchase to .055/kwh; and
- WHEREAS:** Actual impact of the electric rate structure will vary for each customer based on the type of customer and their individual usage; and
- WHEREAS:** The current moratorium on customer solar installations will remain in effect until the adoption of the solar rate structure; and
- WHEREAS:** The proposed ordinance currently includes an effective date of October 1, 2017 for the first year and subsequent increases would occur with the start of each fiscal year (July 1) through FY2022;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Aztec, New Mexico that Ordinance 2017-462 Amending Chapter 16, Division 3, Section 16-181 Electric Rates be adopted as follows:

ARTICLE IV. UTILITY FEES

DIVISION 3. UTILITY RATE FEES

Sec. 16-181. Electric Rates.

Power Cost Adjustment (PCA)

Rate may fluctuate monthly based on cost of purchased power to City. The base cost is established at .055/kwh. Purchase power costs exceeding this amount may be assessed to each electric customer.

1. Class I: Residential and Multi-unit Residential.

Effective Dates:	<u>July 2009</u>	<u>July 2010</u>
(1) Customer Service Charge	6.44	6.44
(2) Usage Charge per kwh		
0—1,000 kwh	-.1329	-.1329
1,001—1,500 kwh	-.1370	-.1370
1,501—2,500 kwh	-.1401	-.1401
2,501— and above kwh*	-.1411	-.1411

*Editor's Note: Typographical error in range discovered in 2016, changed from 2,001 to 2,501.

	<u>October</u> <u>2017</u>	<u>July</u> <u>2018</u>	<u>July</u> <u>2019</u>	<u>July</u> <u>2020</u>	<u>July</u> <u>2021</u>
Power Supply (\$ per kWh)*	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
Usage Charge (\$ per kWh)					
First 100 kWh	\$12.25	\$16.75	\$21.25	\$25.75	\$30.00
100-500 kWh	\$0.065	\$0.056	\$0.047	\$0.038	\$0.030
Over 500 kWh	\$0.055	\$0.050	\$0.044	\$0.038	\$0.030

*Adjusted Monthly via PCA.

2. Class II: Commercial.

Effective Dates:	<u>July 2009</u>	<u>July 2010</u>
(1) Single Phase under 200 amps (50KW)		
Customer Service Charge	\$16.11	\$16.11
Electric Use Charge per kwh	\$0.1401	\$0.1401
(2) Single Phase over 200 amps (50KW)		
Customer Service Charge	\$26.85	\$26.85
Electric Use Charge per kwh	\$0.1370	\$0.1370
(3) Three Phase under 200 amps (50KW)		
Customer Service Charge	\$26.85	\$26.85
Electric Use Charge per kwh	\$0.1401	\$0.1401
(4) Three Phase over 200 amps (50KW)		
Customer Service Charge	\$53.71	\$53.71
Electric Use up to 35,000 kwh	\$0.1360	\$0.1360
Electric Use over 35,000 kwh	\$0.1267	\$0.1267

	<u>October</u> <u>2017</u>	<u>July</u> <u>2018</u>	<u>July</u> <u>2019</u>	<u>July</u> <u>2020</u>	<u>July</u> <u>2021</u>
Power Supply (\$ per kWh)*	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
<u>Small Commercial (<50kW)</u>					

Customer Charge (\$ per month)	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
Usage Charge (\$ per kWh)	\$0.060	\$0.059	\$0.058	0.057	\$0.056
<u>Large Commercial (50 - 150kW)</u>					
Customer Charge (\$ per month)	\$60.00	\$70.00	\$80.00	\$90.00	\$100.00
Usage Charge (\$ per kWh)	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055

*Adjusted Monthly via PCA.

3. Class III: Demand Rate 1 (150kw up to 1000kw).

Effective Dates:	July 2009	July 2010
(1) Three Phase over 150 kw up to 1,000 kw		
Service Charge	\$53.71	\$53.71
Demand Charge per kw	\$12.88	\$12.88
Usage Charge per kwh	\$0.0958	\$0.0958

	<u>October</u> <u>2017</u>	<u>July</u> <u>2018</u>	<u>July</u> <u>2019</u>	<u>July</u> <u>2020</u>	<u>July</u> <u>2021</u>
Power Supply (\$ per kWh)*	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
Medium Demand (150 – 1,000 kW)					
Customer Charge (\$ per month)	\$200.00	\$225.00	\$250.00	\$275.00	\$300.00
Demand Charge (\$ per kW per Month)	\$8.00	\$8.25	\$8.50	\$8.75	\$9.00
Usage Charge (\$ per kWh)	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
Large Demand (>1,000 kW)					
Customer Charge (\$ per month)	\$500.00	\$ 514.50	\$529.00	\$543.50	\$558.00
Demand Charge (\$ per kW per Month)	\$9.00	\$9.25	\$9.50	\$9.75	\$10.00

*Adjusted Monthly via PCA.

4. Class IV: Demand Rate 2 (over 1000kw) Solar Rates.

Effective Dates:	July 2009	July 2010
(1) Three Phase over 1,000 kw		
Service Charge	\$107.43	\$107.43
Demand Charge per kw	\$9.27	\$9.27
Usage Charge per kwh	\$0.0958	\$0.0958

	<u>October</u> <u>2017</u>	<u>July</u> <u>2018</u>	<u>July</u> <u>2019</u>	<u>July</u> <u>2020</u>	<u>July</u> <u>2021</u>
<u>Residential – Limited to 200 amp or less (over 200 considered commercial)</u>					

Power Supply (\$ per kWh) ⁽¹⁾	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
Customer Charge (\$ per month)	\$38.00	\$38.00	\$38.00	\$38.00	\$42.36
<u>Commercial – Limited to 50kW</u>					
Power Supply \$ per /kWh (All kWh) ⁽¹⁾	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
Customer Charge (\$ per month)	\$100.00	\$100.00	\$100.00	\$100.00	\$111.46

DEMAND AND CUSTOMER GENERATION

<u>Small Demand – 50 to 150 kW</u>					
Power Supply \$ per kWh (All kWh) ⁽¹⁾	\$0.055	\$0.055	\$0.055	\$0.055	\$0.055
Customer Charge (\$ per month)	\$100.00	\$100.00	\$100.00	\$100.00	\$111.46
Demand Charge (\$ per kW) ⁽²⁾	\$8.50	\$8.50	\$8.50	\$8.50	\$9.47

<u>Customer Generation Rate – 150 to 500 kW</u>					
(Customer generation must be directly connected to City distribution system)					
Power Supply \$ per kWh (All kWh) ⁽³⁾	\$0.055	\$0.055	\$0.055	0.055	\$0.055
Customer Charge (\$ per month)	\$300.00	\$300.00	\$300.00	\$300.00	\$333.48

- (1) Net - No Purchase of Excess Customer Generation
(2) kW based on maximum customer native load or contracted amount
(3) Rate at which customer generation will be purchased

5. Class V: Institutional Area and Street Lighting.

<u>Effective Dates:</u>	<u>July 2009</u>	<u>July 2010</u>
(1) Single Phase under 200 amps (50KW)		
Service Charge	\$16.11	\$16.11
Usage Charge per kwh	\$0.1401	\$0.1401
(2) Single Phase over 200 amps (50KW)		
Service Charge	\$26.85	\$26.85
Usage Charge per kwh	\$0.1370	\$0.1370
(3) Three Phase under 200 amps (50KW)		
Service Charge	\$26.85	\$26.85
Usage Charge per kwh	\$0.1401	\$0.1401
(4) Three Phase over 200 amps (50KW)		
Service Charge	\$53.71	\$53.71
Usage up to 35,000 kwh	\$0.1360	\$0.1360
Usage over 35,000 kwh	\$0.1267	\$0.1267
<u>Type 1</u>		\$7.50
100 watt HPS		
150 watt HPS		

LED < 150 watt equivalent	
<u>Type 2</u>	\$14.00
250 watt HPS	
LED < 250 watt equivalent	
<u>Type 3</u>	\$25.00
400 watt HPS	
LED < 400 watt equivalent	
<u>New Wood Pole</u>	
35 ' Pole	\$10.00
<u>New Metal Pole</u>	
30' with foundation	\$15.00
<u>CITY OWNED STREET LIGHTS</u>	
175 watt mercury vapor	\$5.37
100 watt HPS	\$5.37
150 watt HPS	\$7.52
250 watt HPS	\$9.66
400 watt HPS	\$11.81
150 watt HPS, new wood pole	\$19.33
City Metered (\$/kWh)	\$0.108

6. Class V: Area Lighting Service:

Effective Dates:	<u>July 2009</u>	<u>July 2010</u>
(1) 175 watt, mercury vapor, with existing pole	\$10.74	\$10.74
(2) 100 watt, high pressure sodium, with existing pole	\$10.74	\$10.74
(3) 150 watt, high pressure sodium, with existing pole	\$13.96	\$13.96
(4) 250 watt, high pressure sodium, with existing pole	\$16.11	\$16.11
(5) 250 watt, high pressure sodium, with existing pole	\$16.11	\$16.11
(6) Customer owned, maintained, non-metered lighting	\$6.77	\$6.77
(7) 100 watt, high pressure sodium, with new pole	\$16.11	\$16.11
(8) 150 watt, high pressure sodium, with new pole	\$19.33	\$19.33
(9) 250 watt, high pressure sodium, with new pole	\$21.49	\$21.49
(10) 250 watt, high pressure sodium, with steel pole (after developer paid installation)	\$18.26	\$18.26

7. Class VI: City-Owned Street Lights:

Effective Dates:	<u>July 2009</u>	<u>July 2010</u>
(1) 175 watt, mercury vapor	\$5.37	\$5.37
(2) 100 watt, high pressure sodium	\$5.37	\$5.37
(3) 150 watt, high pressure sodium	\$7.52	\$7.52
(4) 250 watt, high pressure sodium	\$9.66	\$9.66
(5) 400 watt, high pressure sodium	\$11.81	\$11.81
(6) 150 watt, high pressure sodium, new wood pole	\$19.33	\$19.33

~~Effective Dates:~~

~~July 2009~~

~~July 2010~~

~~(7) Metered street lighting electric use per kwh~~

~~\$0.1288~~

~~\$0.1288~~

~~(Ord. 2010-383, eff. 2010 July 01; Ord. 2008-354, eff. 15 July 2008; Code 2007, 16-181)~~

~~8. Class VII: City Departments.~~

~~All electric usage by City departments/facilities will be metered and assessed a per kwh charge equal to the actual cost per kwh of purchased power by the City.~~

~~(Ord. 2010-383, eff. 2010 July 01)~~

~~9. Power Cost Adjustment.~~

~~Rate fluctuates monthly based on cost of purchased power to City. The base cost is established using the average purchased power cost for the calendar year of 2007. This base is compared to the most recent month's purchased power cost and either a charge or credit is assessed to each electric customer.~~

~~(Ord. 2010-383, eff. 2010 July 2010; Ord. 2008-354, eff. 2008 July 15; Code 2007, 16-181)~~

Secs. 16-182 to 16-190. Reserved.

PASSED, APPROVED, SIGNED AND ADOPTED this ____ day of _____ 2017.

By the Aztec City Commission, City of Aztec, New Mexico.

Mayor Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

APPROVE AS TO FORM:

Larry Thrower, City Attorney

ADVERTISED DATE OF FINAL ADOPTION: _____

EFFECTIVE DATE OF ORDINANCE: _____

Staff Summary Report

MEETING DATE: August 8, 2017
AGENDA ITEM: XI. Business Item (B)
AGENDA TITLE: Intent to Adopt Ordinance 2017-463 Amending Chapter 16, Division 3, Section 16-201 Water Rates

ACTION REQUESTED BY: Public Works Department, Finance Department
ACTION REQUESTED: Approval of Intent to Adopt Ordinance 2017-463
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities.
- Workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities.
- Three water rate structures were proposed in the rate study as well as the cost of service study including new debt proposed for three large water capital projects. Until a decision is made on which of the rate structures to implement, staff recommends a flat increase of \$5.65/month to all classes of customers for water capital projects. This increase is not reflected in any of the rate structures proposed by Raftelis.
- This proposed increase would generate an estimated \$100,000 in the current fiscal year (based on January 2018 effective date) and thereafter, \$200,000 per fiscal year. The funds would be used to fund water capital projects and/or provide partial funding for the debt reserve requirements of any new debt. This increase does not address revenue requirements for operations and maintenance and would continue the water utility reliance on electric revenues potentially creating a situation, in 4 to 5 years, resulting the electric utility would be required to assume debt to fund capital projects.
- Actual impact of this proposed increase would be \$5.65/month to all water customers within the municipal limits and \$8.48/month to customers outside the municipal limits.

FISCAL INPUT / FINANCE DEPARTMENT

- The proposed water rate increase, with an effective date of January 2018, would generate approximately \$100,000 in the current fiscal year. An effective date of October 2017 would generate approximately \$150,000 in the current fiscal year.

SUPPORT DOCUMENTS: Ordinance 2017-463

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Intent to Adopt Ordinance 2017-463 Amending Chapter 16, Division 3, Section 16-201 Water Rates

**City of Aztec
Ordinance 2017-463
Amending Chapter 16, Division 3, Section 16-201 Water Rates**

WHEREAS: In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities; and

WHEREAS: Public workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities; and

WHEREAS: Three water rate structures were proposed in the rate study as well as the cost of service study including new debt proposed for three large water capital projects. Until a decision is made on which of the rate structures to implement, staff recommends a flat increase of \$5.65 per month to all classes of customers for water capital projects. This increase is not reflected in any of the rate structures proposed by Raftelis; and

WHEREAS: This proposed increase would generate an estimated \$100,000 in the current fiscal year (based on January 2018 effective date) and thereafter, \$200,000 per fiscal year. The funds would be used to fund water capital projects and/or provide partial funding for the debt reserve requirements of any new debt. This increase does not address revenue requirements for operations and maintenance and would continue the water utility reliance on electric revenues potentially creating a situation, in 4 to 5 years, resulting the electric utility would be required to assume debt to fund capital projects; and

WHEREAS: Actual impact of this proposed increase would be \$5.65 per month to all water customers within the municipal limits and \$8.48 per month to customers outside the municipal limits;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Aztec, New Mexico that Ordinance 2017-nnn Amending Chapter 16, Division 3, Section 16-201 Water Rates to be adopted as follows:

ARTICLE IV. UTILITY FEES

DIVISION 3. UTILITY RATE FEES

Sec. 16-201. Water Rates.

1. Class I: Residential.

Base/System Charge	\$17.20
Water Capital Reserve	\$5.65
	per 1,000 gallons
0 – 5,000 gallons	\$3. ⁰⁰

5,001 – 10,000 gallons	\$3.50
10,001 – 15,000 gallons	\$4. ⁰⁰
15,001 – 25,000 gallons	\$4.50
25,001 – 50,000 gallons	\$5. ⁰⁰
50,001 gallons and over	\$5.50

2. Class II: Mult-Residential.

Base/System Charge	\$15.60
Water Capital Reserve	\$5.65
	per 1,000 gallons
First 4,000 gallons/unit	\$3. ⁰⁰
Excess of 4,000 gallons/unit	\$4. ⁰⁰

3. Class III: Commercial.

Base/System Charge	\$18.90
Water Capital Reserve	\$5.65
	per 1,000 gallons
0 – 10,000 gallons	\$3.50
10,001 – 15,000 gallons	\$4. ⁰⁰
15,001 – 30,000 gallons	\$4.50
30,001 – 100,000 gallons	\$5. ⁰⁰
100,001 gallons and over	\$5.50

4. Class IV: Outside Watering.

Base/System Charge	\$16.20
Water Capital Reserve	\$5.65
Unlimited usage/1000 gal	\$4. ⁰⁰

5. Class V: Industrial.

Base/System Charge	\$23.90
Water Capital Reserve	\$5.65
Unlimited usage/1000 gal	\$4. ⁰⁰

6. Class VI: Institutional.

Base/System Charge	\$16.20
Water Capital Reserve	\$5.65
Unlimited usage/1000 gal	\$3.50

7. Class VII: Residential Special Wholesale Consumption.

Base/System Charge	\$22.80
Water Capital Reserve	\$5.65
Unlimited usage/100 gal	\$0.45

8. Class VIII: Commercial Special Wholesale Consumption.

Base/System Charge	\$26.85
Water Capital Reserve	\$5.65
Unlimited usage/100 gal	\$0.825

9. Class IX: Fire Hydrant Meter User.

Base/System Charge	\$26.85
Water Capital Reserve	\$5.65
Monthly Assessed Fee with no usage	\$500. ⁰⁰
Unlimited usage/100 gal	\$0.825

10. Class X: Non-Metered Department Water.

All water used and not metered, whether the same be used by the Parks, Street, Water and Fire Departments and/or any other Department, the amount of water used for whatever purpose shall be estimated or measured monthly by the Department using the same and a report of said use shall be given in writing to the Finance Director.

11. Class XI: Customers Outside Municipal Incorporated Limits.

Customers living outside the Municipal Incorporated limits shall be billed at 150% of the applicable rate.

12. Class XII: Water User Associations.

Water User Associations rates will be negotiated independently through agreements approved by the Aztec City Commission. These agreements should reflect rate increases associated with the increased cost of facilities and operation, maintenance and capital improvements of the system.

13. Class XIII: Metered Department Water.

All metered water used by City facilities/departments shall be assessed a rate per 1,000 gallons defined established with the annual budget adoption.

(Ord. 2010-384, eff. 2010-July-01; Code 2007)

Sec. 16-202. Water Rights Rates.

1. Rates for Meter Sizes Without and With Return Flow.

	<i>Meter Size</i>	<i>Without Return Flow</i>	<i>With Return Flow</i>
(1)	5/8 inch	\$ 900. ⁰⁰	\$ 600. ⁰⁰
(2)	1 inch	\$ 2,250. ⁰⁰	\$ 1,500. ⁰⁰
(3)	1-1/2 inch	\$ 4,500. ⁰⁰	\$ 3,000. ⁰⁰
(4)	2 inch	\$ 7,200. ⁰⁰	\$ 4,800. ⁰⁰
(5)	3 inch	\$ 14,400. ⁰⁰	\$ 9,600. ⁰⁰

(6) 4 inch
(Code 2007, 16-202)

\$ 22,500.⁰⁰

\$ 15,000.⁰⁰

Secs. 16-203 to 16-210. Reserved.

PASSED, APPROVED, SIGNED AND ADOPTED this ____ day of _____ 2017.

By the Aztec City Commission, City of Aztec, New Mexico.

Mayor Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

APPROVE AS TO FORM:

Larry Thrower, City Attorney

ADVERTISED DATE OF FINAL ADOPTION: _____

EFFECTIVE DATE OF ORDINANCE: _____

Staff Summary Report

MEETING DATE:	August 8, 2017
AGENDA ITEM:	XI. Business Item (C)
AGENDA TITLE:	Intent to Adopt Ordinance 2017-464 Amending Chapter 16, Division 3, Section 16-191 Waste Water Rates

ACTION REQUESTED BY:	Public Works Department, Finance Department
ACTION REQUESTED:	Approval of Intent to Adopt Ordinance 2017-464
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

- In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities.
- Workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities.
- Three waste water rate structures were proposed in the rate study. Common to all were significant increases in FY18 and FY19 necessitated by the new debt for the sewer line construction and ongoing operation/maintenance costs. Until a decision is made on which of the rate structures to implement, staff recommends a flat increase of \$11.45/month to all classes of customers for the new debt reserves and payment requirements in the current fiscal year and \$9.28/month to all classes of customers in FY19 for the debt on wastewater plant. The current improvement fee does not provide sufficient revenue for the existing debt which is then funded from revenues which could be used for operations. This increase is most closely associated with rate structure #3 proposed by Raftelis absent any change to consumption (volume) rates.
- It is anticipated the first debt payment for the sewer line will be due in the fall of 2018, the loan is not anticipated to close until September or October of the current year. The proposed increase, if effective in October 2017, will provide the utility the ability to generate funds sufficient to meet the debt requirements in the fall of 2018.
- This increase does not address revenue requirements for operations and maintenance and would continue the waste water utility reliance on electric revenues potentially creating a situation, in 4 to 5 years, requiring the electric utility to assume debt to fund capital projects.
- Actual impact of this proposed increase, first year, would be \$11.45/month to all waste water customers.

FISCAL INPUT / FINANCE DEPARTMENT

- The proposed waste water rate increase, with an effective date of October 2017, would generate approximately \$362,262 in a twelve month period, fully funding the reserve requirements and debt payment requirement for the new debt.

- If one of the proposed rate structures is not implemented for FY19, the second proposed rate increase of \$9.28 would provide funds for the existing debt on the wastewater plant and approximately \$92,000 for operations.

SUPPORT DOCUMENTS: Ordinance 2017-464

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Intent to Adopt Ordinance 2017-464 Amending Chapter 16, Division 3, Section 16-191 Waste Water Rates

**City of Aztec
Ordinance 2017-464
Amending Chapter 16, Section 16-191 Waste Water Rates**

WHEREAS: In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities; and

WHEREAS: Workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities; and

WHEREAS: Three waste water rate structures were proposed in the rate study. Common to all were significant increases in FY18 and FY19 necessitated by the new debt for the sewer line construction and ongoing operation/maintenance costs. Until a decision is made on which of the rate structures to implement, staff recommends a flat increase of \$11.45/month to all classes of customers for the new debt reserves and payment requirements in the current fiscal year and \$9.28/month to all classes of customers in FY19 for the debt on wastewater plant. The current improvement fee does not provide sufficient revenue for the existing debt which is then funded from revenues which could be used for operations. This increase is most closely associated with rate structure #3 proposed by Raftelis absent any change to consumption (volume) rates; and

WHEREAS: It is anticipated the first debt payment for the sewer line will be due in the fall of 2018, the loan is not anticipated to close until September or October of the current year. The proposed increase, if effective in October 2017, will provide the utility the ability to generate funds sufficient to meet the debt requirements in the fall of 2018; and

WHEREAS: This increase does not address revenue requirements for operations and maintenance and would continue the waste water utility reliance on electric revenues potentially creating a situation, in 4 to 5 years, requiring the electric utility to assume debt to fund capital projects ; and

WHEREAS: Actual impact of this proposed increase, first year, would be \$11.45/month to all waste water customers;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Aztec, New Mexico that Ordinance 2017-464 Amending Chapter 16, Section 16-191 Waste Water Rates to be adopted as follows:

ARTICLE IV. UTILITY FEES

DIVISION 3. UTILITY RATE FEES

Sec. 16-191. Waste Water Rates.

1. Class I: Residential and Multi-unit Residential.

(1) Residential and Multi Unit Base/System Charge (Monthly minimum charge)	\$ 18.00
(2) Waste water Use Charge cost per 1,000 Gallons	\$ 4.00
(3) Customers without base winter usage	\$ 34.00
(4) Wastewater Capital Improvement Fee	\$ 2.50
(5) Sewer Line Debt	\$11.45

2. Class II: Commercial.

(1) Commercial Base/System Charge (Monthly minimum charge)	\$ 19. ⁰⁰
(2) Waste water Use Charge cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

3. Class III: Industrial

(1) Industrial Base/System Charge (Monthly minimum charge)	\$ 22. ⁰⁰
(2) Waste water Use Charge Cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

4. Class IV: Institutional.

(1) Institutional Base/System Charge (Monthly minimum charge)	\$ 18. ⁰⁰
(2) Waste water Use Charge Cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

5. Class V: Customers Outside Municipal Incorporated Limits.

Customers living outside the Municipal Incorporated limits shall be billed at 150% of the applicable rate and capital improvement fee.

6. Class VI: City Departments.

Wastewater fees for city facilities/departments will be calculated using a similar average period as Class I. Residential and Multi-Unit at a rate per 1,000 gallons established with the annual budget adoption.

(Ord. 2013-427, eff. 2013-July-04; Ord. 2010-384, eff. 2010-July-01; Code 2007)

Secs. 16-192 to 16-200. Reserved.

PASSED, APPROVED, SIGNED AND ADOPTED this ____ day of _____ 2017.

By the Aztec City Commission, City of Aztec, New Mexico.

Mayor Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

APPROVE AS TO FORM:

Larry Thrower, City Attorney

ADVERTISED DATE OF FINAL ADOPTION: _____

EFFECTIVE DATE OF ORDINANCE: _____

Staff Summary Report

MEETING DATE: August 8, 2017

AGENDA ITEM: XI. Business Item (D)

AGENDA TITLE: Intent to Adopt Ordinance 2017-465 Amending Chapter 16, Division 3, Section 16-211 Solid Waste Rates

ACTION REQUESTED BY: General Services Department, Finance Department

ACTION REQUESTED: Approval of Intent to Adopt Ordinance 2017-465

SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- In March 2017, the City contracted with Transit Waste to provide municipal refuse services. The new contract required an increase to customer rates which were effective April 2017. Increases varied depending on the type of service for each customer.
- Not included in the April 2017 rate increases:
 - The city operates the recycling center on Ash Street which includes multi-stream recycling, yard debris dumpster and a position scheduled Wednesday through Sunday to provide support for both the recycling center and park services. The fund has been supporting these services through cash reserves for several years but those reserves are significantly reduced and a rate increase is necessary to continue providing those services to the public. A rate increase to continue these operations would be two phased, the first would be \$2.00/mo all customers and the second (July 2018) would be \$0.45/mo all customers (total \$2.45/mo/customer). Future increases would be the result of changes in operation costs (debris roll off and personnel).
 - Transition from the current multi stream recycling to single stream recycling would require a roll off dedicated to this service. Estimated annual cost for single stream (addition to current costs at recycling facility): \$11,000
 - Curb side recycling was included in the proposal from Transit Waste. The commission delayed a decision on curb side recycling due to the utility rate study which was in process at the time. Transit Waste requires 90 day notification to implement curb side recycling services. Effective date of curb side recycling rates would depend on when 90 day notice is provided to Transit Waste.
- Proposed rate increases to all customers (commission will need to identify which rates or combination of rates would be approved and effective dates for each)
 - Continue debris roll off at recycling center and weekend position
 - January 2018 \$2.00/mo
 - July 2018 inc \$0.45/mo
 - Transition from multi stream to single stream \$0.35/mo
 - Curb side recycling city wide, residential \$3.69/mo
 - Curb side recycling city wide, commercial \$5.69/mo

FISCAL INPUT / FINANCE DEPARTMENT

- For the current fiscal year, without a rate increase to support existing recycle center services, the fund will have a negative cash balance of \$3,742. The proposed increase of \$2.00/mo/account effective January 2018, results in a positive balance of \$29,774. The \$.045/mo/account increase proposed for July 2018 allows the fund to continue to maintain a similar cash balance for future fiscal years. Maintaining this cash balance will allow the fund to operate if costs increase and customer rates are not immediately increased in future periods.
- The transition to single stream recycling at the recycling center is not included in the FY18 Adopted Budget and will require a special budget resolution or mid-year adjustment to provide budget for the additional costs and would require a new revenue source.
- Curb side recycling would be a pass through cost. The City would bill customers and remit to Transit Waste on a monthly basis.

SUPPORT DOCUMENTS: Ordinance 2017-465 (only includes \$2.00/mo increase and would be amended based on commission motion)

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Intent to Adopt Ordinance 2017-465 Amending Chapter 16, Division 3, Section 16-211 Solid Waste Rates including:

Recycling center operation \$2.00/mo effective January 2018

Recycling center operation transition to single stream \$0.35/mo effective _____

Curb side recycling city wide, residential \$3.69/mo effective _____

Curb side recycling, commercial \$5.69/mo effective _____

**City of Aztec
Ordinance 2017-465
Amending Chapter 16, Section 16-211 Solid Waste Rates to Include Recycling Center**

WHEREAS: The City of Aztec recently entered into a new contract with Transit Waste Corporation for solid waste disposal; and

WHEREAS: To continue operations of a Recycling Center, the City of Aztec has determined that a monthly fee must be established;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Aztec, New Mexico that Ordinance 2017-nnn Amending Chapter 16, Section 16-211 Solid Waste Rates to Include a Recycling Center fee be adopted as follows:

ARTICLE IV. UTILITY FEES

DIVISION 4. SOLID WASTE FEES

Sec. 16-211. Solid Waste Rates.

1. Residential Trash Service.

(1) All single family residents, duplexes, and apartments. Each unit – Cart (1 x Week)	\$10.39
(2) Extra Cart (1 x Week)	\$ 5.00
(3) All single family residents, duplexes, and apartments. Each unit – Cart (2 x Week)	\$18.39
(4) Extra Cart (2 x Week)	\$23.39

2. Multi-Unit Residential Trash Service.

(1) All single family residents, duplexes, and apartments. Each unit – Cart (1 x Week)	\$10.39
(2) Extra Cart	\$ 5.00
(3) All single family residents, duplexes, and apartments. Each unit – Cart (2 x Week)	\$18.39
(4) Extra Cart (2 x Week)	\$23.39

3. Commercial Trash Service.

<i>Size</i>	<i>Frequency</i>					
	<i>1 x Week</i>	<i>2 x Week</i>	<i>3 x Week</i>	<i>4 x Week</i>	<i>5 x Week</i>	<i>6 x Week</i>
1 Cart	14.97	26.97	N/A	N/A	N/A	N/A
2 Carts	29.94	53.94	N/A	N/A	N/A	N/A
2 Yard	65.35	102.84	140.31	177.72	215.27	252.09

Size	Frequency					
	1 x Week	2 x Week	3 x Week	4 x Week	5 x Week	6 x Week
3 Yard	75.92	118.41	190.10	247.23	304.37	361.48
4 Yard	90.71	138.83	209.17	268.39	327.69	386.89
6 Yard	118.89	176.53	262.38	334.32	405.75	474.94
8 Yard	158.55	216.83	309.78	385.34	461.00	536.62

4. City Facilities Trash Service

Size	Frequency					
	1 x Week	2 x Week	3 x Week	4 x Week	5 x Week	6 x Week
1 Cart	14.97	26.97	N/A	N/A	N/A	N/A
2 Carts	29.94	53.94	N/A	N/A	N/A	N/A
2 Yard	65.35	102.84	140.31	177.72	215.27	252.09
3 Yard	75.92	118.41	190.10	247.23	304.37	361.48
4 Yard	90.71	138.83	209.17	268.39	327.69	386.89
6 Yard	118.89	176.53	262..38	334.32	405.75	474.94
8 Yard	158.55	216.83	309.78	385.34	461.00	536.62
Roll-Off	Delivery	Exchange				
30 Yard	79.00	405.00				
40 Yard	79.00	474.00				
Treated Sludge Removal (Empty and Return Fee)						
20 Yard	\$400.00 plus fees					

(Ord. 2017-455, eff. 2017-Apr-05; Ord. 2008-359, eff. 2008-Oct-17)

5. Recycling Center

A monthly flat rate of **\$2.00** will be charged to all solid waste customers for purposes of operating the recycling center.

Secs. 16-212 to 16-250. Reserved.

PASSED, APPROVED, SIGNED AND ADOPTED this ____ day of _____ 2017.

By the Aztec City Commission, City of Aztec, New Mexico.

Mayor Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

APPROVE AS TO FORM:

Larry Thrower, City Attorney

ADVERTISED DATE OF FINAL ADOPTION: _____

EFFECTIVE DATE OF ORDINANCE: _____