

Buckman Direct Diversion

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*A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.*

## Memorandum

**Date:** April 7, 2016  
**To:** Buckman Direct Diversion Board  
**From:** Matthew Sandoval, Interim Operations Superintendent *MS*  
**Subject:** Update on BDD Operations for the Month of March 2016

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**ITEM:**

1. This memorandum is to update the Buckman Direct Diversion (BDD) Board on BDD operations during the month of March 2016. The BDD diversions and deliveries have averaged, in Million Gallons Daily (MGD) as follows:
  - a. Raw water diversions: 4.63 MGD Average
  - b. Finished Drinking water deliveries through Booster Station 4A: 2.75 MGD Average
  - c. Finished Drinking water deliveries through Booster Station 5A: 1.34 MGD Average
  - d. Raw water delivery to Las Campanas at BS2A: 12.11 MG Total.
2. The BDD is providing approximately 80 percent of the water supply to the City and County for the month.
3. Please see the following pages from the Monthly report to the Office of the State Engineer (OSE) for accurate information up to March 15, 2016.
4. Please note all prior years are also included for reference.
5. The current Drought Update Summary is attached and reservoir storage status.



**BACKGROUND AND SUMMARY:**

**Buckman Direct Diversion Monthly SJC and Native Diversions**

**Mar-16**

**In Acre-Feet**

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03106 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	All Partners Conveyance Losses
JAN	378.699	50.475	0.065	328.159	328.159	0.000	3.029
FEB	326.413	66.670	10.811	248.933	248.933	0.000	2.288
MAR	407.714	117.565	4.632	285.518	285.518	0.000	2.655
APR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MAY	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>1,112.827</b>	<b>234.709</b>	<b>15.508</b>	<b>862.610</b>	<b>862.610</b>	<b>0.000</b>	<b>7.972</b>

**In Acre-Feet**

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversions
JAN	50.475	0.065	325.131	325.131	0.000	375.670
FEB	66.670	10.811	246.645	246.645	0.000	324.125
MAR	117.565	4.632	282.863	282.863	0.000	405.059
APR	0.000	0.000	0.000	0.000	0.000	0.000
MAY	0.000	0.000	0.000	0.000	0.000	0.000
JUN	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>234.709</b>	<b>15.508</b>	<b>854.638</b>	<b>854.638</b>	<b>0.000</b>	<b>1,104.855</b>

**Dec-15**

**In Acre-Feet**

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03638 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	All Partners Conveyance Losses
JAN	312.687	66.122	0.000	246.565	246.565	0.000	2.400
FEB	328.880	49.882	6.848	272.150	272.150	0.000	2.358
MAR	358.212	169.870	8.149	180.193	180.193	0.000	1.602
APR	40.134	40.134	0.000	0.000	0.000	0.000	0.000
MAY	465.403	238.729	0.000	226.674	226.674	0.000	2.145
JUN	692.311	128.544	0.000	563.767	452.444	111.323	5.043
JUL	448.317	148.671	0.000	299.646	237.065	62.581	2.701
AUG	493.158	213.727	0.000	279.430	279.430	0.000	2.538
SEP	683.013	130.850	0.000	552.163	552.163	0.000	4.983
OCT	677.884	80.409	0.000	597.475	597.475	0.000	5.300
NOV	494.573	66.158	0.000	428.415	428.415	0.000	3.893
DEC	308.669	111.017	0.000	197.652	197.652	0.000	1.764
<b>TOTAL</b>	<b>5,303.242</b>	<b>1,444.113</b>	<b>14.997</b>	<b>3,844.131</b>	<b>3,670.227</b>	<b>173.904</b>	<b>34.726</b>

**In Acre-Feet**

Month	Native COUNTY	Native Las Campanas	SJC CITY	SJC Las Campanas	All Partners Diversions BDD
JAN	66.122	0.000	244.165	0.000	310.287
FEB	49.882	6.848	269.792	0.000	326.521
MAR	169.870	8.149	178.592	0.000	356.610
APR	40.134	0.000	0.000	0.000	40.134
MAY	238.729	0.000	224.529	0.000	463.258
JUN	128.544	0.000	448.397	110.327	687.268
JUL	148.671	0.000	234.928	62.017	445.616
AUG	213.727	0.000	276.893	0.000	490.620
SEP	130.850	0.000	547.180	0.000	678.030
OCT	80.409	0.000	592.175	0.000	672.585
NOV	66.158	0.000	424.522	0.000	490.681
DEC	111.017	0.000	195.888	0.000	306.905
<b>TOTAL</b>	<b>1,444.113</b>	<b>14.997</b>	<b>3,637.061</b>	<b>172.344</b>	<b>5,268.515</b>

**Buckman Direct Diversion Monthly SJC and Native Diversions**

**Dec-14**

Month	Total SJC Release (AF)	SJC Conveyance Losses (AF)	Total SJC Available at BDD (AF)	SJC Diversion, SP-2847-E (AF)	SJC Diversion, SP-2847-N-A (AF)	Total Native Rio Grande Diversion SP-4842 (AF)	Release of SJC in Elephant Butte (AF)	Total BDD Surface Diversion (all permits)	SJC from SP-2847-E used to offset Buckman Wells RG-20516 (AF)	SJC from SP-2847-N used to offset Buckman Wells RG-20516 (AF)
JAN	383.35	3.74	390.34	390.34	0.00	12.68	0	403.01	0	0
FEB	349.51	3.28	341.55	341.55	0.00	11.38	0	352.93	0	0
MAR	373.88	3.66	381.69	357.07	34.09	148.83	0	530.52	0	0
APR	178.75	1.70	176.78	92.46	84.47	227.22	0	404.00	0	0
MAY	491.46	4.61	480.35	389.13	91.22	374.86	0	855.21	0	0
JUN	427.50	3.96	412.65	295.07	117.58	292.84	0	705.49	0	0
JUL	425.22	4.14	431.96	399.51	32.46	72.32	0	504.28	0	0
AUG	496.68	4.60	479.66	479.66	0.00	96.07	0	575.74	0	0
SEP	552.71	5.40	562.83	562.83	0.00	84.85	0	647.68	0	0
OCT	381.93	3.63	378.30	378.30	0.00	142.46	0	520.76	0	0
NOV	441.14	4.09	426.17	426.17	0.00	11.59	0	437.76	0	0
DEC	423.99	4.13	430.74	430.74	0.00	19.56	0	450.30	0	0
<b>TOTAL</b>	<b>4,926.12</b>	<b>46.93</b>	<b>4,893.03</b>	<b>4,542.84</b>	<b>359.82</b>	<b>1,494.66</b>	<b>0.00</b>	<b>6,387.69</b>	<b>0.00</b>	<b>0.00</b>

**Source of SJC releases in reporting month.** Includes conveyance losses.

Month	Total Release (AF)	ABIQUIU		
		City of Santa Fe (AF)	Santa Fe County (AF)	Club at Las Campanas (AF)
JAN	383.35	383.35	0.00	0.00
FEB	349.51	349.51	0.00	0.00
MAR	373.88	346.37	0.00	27.37
APR	178.75	93.42	0.00	85.41
MAY	491.46	399.41	0.00	92.41
JUN	427.50	307.54	0.00	120.28
JUL	425.22	397.13	0.00	28.09
AUG	496.68	496.68	0.00	0.00
SEP	552.71	552.71	0.00	0.00
OCT	381.93	381.93	0.00	0.00
NOV	441.14	441.14	0.00	0.00
DEC	423.99	423.99	0.00	0.00
<b>TOTAL</b>	<b>4,926.12</b>	<b>4,573.19</b>	<b>0.00</b>	<b>353.55</b>

**Buckman Direct Diversion Monthly SJC and Native Diversions**

**December 2013**

Month	Total SJC Release (AF)	SJC Conveyance Losses (AF)	Total SJC Available at BDD (AF)	SJC Diversion, SP-2847-E (AF)	SJC Diversion, SP-2847-N-A (AF)	Total Native Rio Grande Diversion SP-4842 (AF)	Release of SJC in Elephant Butte (AF)	Total BDD Surface Diversion (all permits)	SJC from SP-2847-E used to offset Buckman Wells RG-20516 (AF)	SJC from SP-2847-N used to offset Buckman Wells RG-20516 (AF)
JAN	439.04	4.24	441.79	441.79	0	44.09	0	485.88	0	0
FEB	261.03	2.47	257.94	257.94	0	10.49	0	268.42	0	0
MAR	353.69	3.30	343.57	343.57	0	75.66	0	419.23	0	0
APR	680.73	6.34	661.33	661.33	0	89.47	0	750.80	0	0
MAY	1045.27	9.88	1030.46	1030.46	0	22.86	0	1053.32	0	0
JUN	817.91	7.85	818.00	734.56	83.44	260.03	0	1078.03	0	0
JUL	606.85	5.90	614.73	397.47	78.83	0.00	0	476.30	83.70	54.73
AUG	108.68	0.91	95.34	41.68	36.91	0.00	0	78.59	5.58	11.18
SEP	136.77	1.43	149.29	63.86	53.76	0.00	0	117.61	25.36	6.32
OCT	255.24	2.46	256.53	213.87	42.66	72.92	0	329.45	0	0
NOV	196.45	1.88	195.50	187.02	8.48	117.33	0	312.83	0	0
DEC	293.76	2.63	274.19	274.19	0.00	12.25	0	286.44	0	0
<b>TOTAL</b>	<b>5195.42</b>	<b>49.29</b>	<b>5138.67</b>	<b>4647.73</b>	<b>304.07</b>	<b>705.09</b>	<b>0.00</b>	<b>5656.89</b>	<b>114.64</b>	<b>72.23</b>

**Source of SJC releases in reporting month. Includes conveyance losses.**

Month	Total Release (AF)	ABIQUIU		
		City of Santa Fe (AF)	Santa Fe County (AF)	Club at Las Campanas (AF)
JAN	439.04	439.04	0	0
FEB	261.03	261.03	0	0
MAR	353.69	353.69	0	0
APR	680.73	680.73	0	0
MAY	1045.27	1045.27	0	0
JUN	817.91	729.30	0	88.60
JUL	606.85	473.27	0	133.58
AUG	108.68	65.21	0	43.47
SEP	136.77	83.87	0	52.90
OCT	255.24	211.15	0	44.09
NOV	196.45	186.31	0	10.15
DEC	293.76	293.76	0	0.00
<b>TOTAL</b>	<b>5195.42</b>	<b>4822.62</b>	<b>0.00</b>	<b>372.79</b>

**Buckman Direct Diversion Monthly SJC and Native Diversions**

**December 2012**

Month	Total SJC Release SP-2847-E (AF)	Conveyance Losses (AF)	Total SJC Available at BDD Diversion (AF)	Total SJC Diversion SP-2847-E (AF)	Total Native Rio Grande Diversion SP-4842 (AF)	Release of SJC in Elephant Butte (AF)	Total BDD Surface Diversion SP-2847-E plus SP-4842 (AF)	SJC used to offset Buckman Wells RG-20516 (AF)
JAN	448.09	4.06	447.00	411.56	5.02	0	416.59	35.44
FEB	210.29	1.97	216.94	208.13	32.21	0	240.34	8.81
MAR	335.75	2.94	323.61	312.85	59.21	0	372.06	10.76
APR	528.63	4.72	519.90	519.90	108.61	0	628.51	0.00
MAY	660.18	6.24	651.05	651.05	145.51	0	796.55	0.00
JUN	722.36	6.79	692.21	692.21	120.92	0	813.12	0.00
JUL	152.03	2.23	191.75	157.16	0.00	0	157.16	34.60
AUG	86.08	0.58	60.90	60.90	239.96	0	300.87	0.00
SEP	637.17	6.05	630.92	630.92	110.07	0	740.99	0.00
OCT	747.21	7.14	744.87	744.87	50.82	0	795.69	0.00
NOV	479.19	4.63	482.65	482.65	120.91	0	603.56	0.00
DEC	442.67	4.17	434.71	434.71	119.44	0	554.15	0.00
<b>TOTALS</b>	<b>5449.67</b>	<b>51.53</b>	<b>5396.51</b>	<b>5306.90</b>	<b>1112.67</b>	<b>0.00</b>	<b>6419.57</b>	<b>89.61</b>

**Source of SJC Releases in reporting month. Includes conveyance losses.**

Month	Total Release (AF)	HERON		EL VADO		ABIQUIU	
		CITY	COUNTY	CITY	COUNTY	CITY	COUNTY
JAN	448.09	0.00	0.00	0.00	0.00	448.09	0.00
FEB	210.29	0.00	0.00	0.00	0.00	210.29	0.00
MAR	335.75	0.00	0.00	0.00	0.00	335.75	0.00
APR	528.63	0.00	0.00	0.00	0.00	528.63	0.00
MAY	660.18	0.00	0.00	0.00	0.00	660.18	0.00
JUN	722.36	0.00	27.21	0.00	0.00	695.15	0.00
JUL	152.03	0.00	21.42	0.00	0.00	130.61	0.00
AUG	86.08	0.00	0.00	0.00	0.00	86.08	0.00
SEP	637.17	0.00	0.00	0.00	0.00	637.17	0.00
OCT	747.21	0.00	0.00	0.00	0.00	747.21	0.00
NOV	479.19	0.00	0.00	0.00	0.00	479.19	0.00
DEC	442.67	0.00	0.00	0.00	0.00	442.67	0.00
<b>TOTALS</b>	<b>5449.67</b>	<b>0.00</b>	<b>48.63</b>	<b>0.00</b>	<b>0.00</b>	<b>5401.04</b>	<b>0.00</b>

*Note: Grey fields indicate revisions to previous monthly report*

## **Drought, Monsoon/El Nino, and ESA Update**

Drought conditions have eased this past year due to the reappearance of a strong El Nino. NOAA's latest update (03/11/16) indicates that El Nino conditions are present, and that El Nino is expected to remain strong through the rest of the winter with a transition to neutral conditions during late spring or early summer 2016, **with close to a 50% chance for La Nina conditions to develop by the fall - (hot/dry) conditions may return.** Dry conditions in 2016 could present significant challenges to all water purveyors, water utilities, and irrigators going forward into the summer/fall if there is not significant filling and carry-over storage in regional reservoirs. Regional reservoir levels on the upper Santa Fe River, Rio Grande, and Chama Rivers are still low but rising slowly due to warmer temperatures and resultant snowmelt runoff. There are no water-related Endangered Species Act (ESA) updates. Updates on ESA issues will be made as needed. Rio Grande Compact Article VII storage restrictions were lifted by the NMISC on 02/16/16 which now means the City has begun to impound runoff into Nichols and McClure Reservoirs above the pre-Compact pool of 1,061 AF. The NMISC estimates that the State could remain outside of Article VII constraints through April. Updates to this condition will be made as needed.

City of Santa Fe SJCP Reservoir Storage as of February 16, 2016:

Heron:

5,196 AF (2015 SJCP water must be vacated by September 31, 2016 pursuant to a BoR waiver).

El Vado:

583 AF (Temporary storage, will be moved to Abiquiu as part of environmental winter/spring flow releases)

Abiquiu:

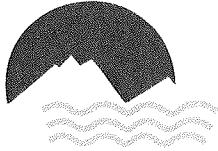
10,364 AF SJCP carry-over from previous years, no time limit to vacate due to storage agreement with ABCWUA

TOTAL:

16,143 AF







Buckman Direct Diversion

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## Memorandum

**Date:** April 7, 2016  
**To:** Buckman Direct Diversion Board  
**From:** Mackie Romero, BDD Financial Manager *[Signature]*  
**Subject:** Budget Adjustment Request

### ITEM AND ISSUE:

Request approval of a Budget Adjustment to the adopted FY15/16 Operating Budget.

### BACKGROUND AND SUMMARY:

The Buckman Direct Diversion prepares monthly budget projections which are used to evaluate current and future spending. These projections assist in determining our financial needs by budgeted line item and major category. Our projections indicate a shortfall in the following category.

#### **Solids Disposal**

- 514150 & 514170 – Landfill Tip Fees & Solid Waste Disposal

Staff is currently working on cleaning out the pre-sediment basin and pops ponds, which were delayed last fall due to weather. Also in previous years our monthly disposals were being limited by a sampling permit weight limitation. This restriction is no longer in place enabling us to dispose of solids more frequently. Based on our updated projections we estimate to spend \$171,800 in solids disposal this fiscal year, which is \$50,000 more than our current budget of \$121,800.

Therefore we request to transfer funds from our vacancy savings, within our Salaries and Benefits category to our Solids Disposal line items, to cover these anticipated costs. These additional funds will allow us to disposal of all solid materials currently stored on site. Any unexpended amounts will remain in the fund as uncommitted budget. The following request will not cause an increase to our current operating budget and is in accordance with our BDD Working Capital and Billing Policy.



**ACTION REQUESTED:**

Staff recommends approval of the attached Budget Adjustments Request to our adopted FY15/16 Operating Budget to move funds from Salaries to the Solids Disposal line items. This request has a zero net effect to our overall operating budget.

<u>Category</u>	<u>Description</u>	<u>Amount</u>
Salaries & Benefits	7280000.500110 Salaries	(\$50,000)
Solids Disposal	7280000.514170 Solid Waste	\$15,000
	7280000.514150 Landfill Tip Fees	\$35,000
<b>FY 2015/2016 Total Budget Net Effect</b>		<b>\$0</b>

Approved by BDDDB April 7, 2016

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BDDDB Chair

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# City of Santa Fe, New Mexico

## BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION / SECTION / UNIT NAME				DATE		
PUBLIC UTILITIES/BUCKMAN DIRECT DIVERSION PROJECT				04/07/2016		
ITEM DESCRIPTION	BU / LINE ITEM	<--(Finance Dept Use Only)-->		INCREASE	DECREASE	
		SUBLEDGER / SUBSIDIARY	DR / (CR)			
Salaries	7280000.500110				(50,000)	
Landfill Tip Fees	7280000.514150.756610			35,000		
Solid Waste Disposal	7280000.514170.750510			15,000		
<b>JUSTIFICATION:</b> <i>(use additional page if needed)</i> <b>--Attach supporting documentation/memo</b>				<b>TOTAL</b>	\$ 50,000	\$ (50,000)

To move vacancy savings to solid disposal line items, to cover projected increase in disposals of solid materials.

Mackie Romero Prepared By _____ Date 04/07/2016	<b>CITY COUNCIL APPROVAL</b> City Council Approval Required <input type="checkbox"/>  City Council Approval Date <input style="width: 80px; height: 20px;" type="text"/>  Agenda Item #: <input style="width: 80px; height: 20px;" type="text"/>	Budget Officer _____ Date _____  Finance Director _____ Date _____  City Manager _____ Date _____
Division Director _____ Date _____		
Department Director _____ Date _____		

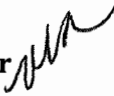




Buckman Direct Diversion

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## Memorandum

**Date:** April 7, 2016  
**To:** Buckman Direct Diversion Board  
**From:** Mackie M. Romero, BDD Financial Manager   
**Subject:** Chavez Security PSA Amendment # 2

### Item and Issue:

Request approval for Amendment #2 to the Professional Services Agreement with Chavez Security to adjust compensation for an increased amount of \$17,500 exclusive of NMGRT.

### Background and Summary:

On September 24, 2014 the BDD released a Request for Bid #15/06/B for security service at the Buckman Direct Diversion, which was awarded to Chavez Security. On April 27, 2015 the BDD Board approved a contract with Chavez Security in the amount of \$118,571.64 exclusive of NMGRT for services through June 30, 2016. However a recent analysis of the service hours needed through the end of the fiscal year indicates a shortfall in our current contractual amount. Therefore we request to increase compensation by \$17,500 plus NMGRT, to continue services through June 30, 2016.

### Scope of Services:

Chavez Security provides patrols along the Buckman Road Corridor in which the Scope of Services shall include:

- Report suspicious activity, security breaches, and unusual findings to the BRWTP Control Room;
- Check locked doors, fencing and gates at the raw water buildings to ensure they are locked and have not been intruded upon;
- Provide on-call service during evening, midnight, and early morning hours to accompany BDD Operators to the river and provide security protection as requested.



- Submit reports at the end of each shift to the BDD office outlining any investigative services and observations.
- Hours of service: week day nights (15 hours) and weekends and holidays (24 hours)

**Action Requested:**

Staff recommends approval of Amendment 2 to PSA # 15-0365 with Chavez Security to increase compensation in the amount of \$17,500 exclusive of NMGRGRT for security service through June 30, 2016. Funding is available in our current FY2015/2016 operating budget.

BU/LI: Service Contracts # 7280000.510310.740010.

Approved by BDDB April 7, 2016

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BDDB Chair

**BUCKMAN DIRECT DIVERSION BOARD  
AMENDMENT No. 2 TO  
PROFESSIONAL SERVICES AGREEMENT WITH CHAVEZ SECURITY**

AMENDMENT No. 2 (the "Amendment") to the PROFESSIONAL SERVICES AGREEMENT, dated December 4, 2014, and as subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board (the "BDDDB") and Chavez Security ("Contractor"). The date of this Amendment shall be effective as of the date it is executed by the BDDDB Chair.

**RECITALS**

A. Under the terms of the Agreement, Contractor has agreed to provide professional security services to the Board.

B. Pursuant to Article 19 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the Board and the Contractor agree as follows:

1. COMPENSATION.

Article 3 of the Agreement is amended to increase the amount of compensation by a total of seventeen thousand five hundred dollars (\$17,500) plus applicable New Mexico Gross Receipts Tax.

2. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains, and shall remain, in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Professional Services Agreement.



**BUCKMAN DIRECT DIVERSION BOARD**

**CONTRACTOR:**

By: \_\_\_\_\_  
BDD Chairperson

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

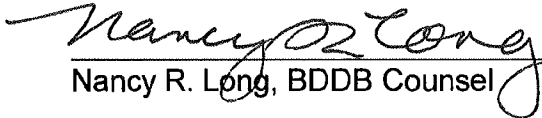
Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Geraldine Salazar, County Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Nancy R. Long, BDDDB Counsel

**APPROVED:**

\_\_\_\_\_  
Oscar Rodriguez, City Finance Director

**ATTEST:**

\_\_\_\_\_  
Yolanda Y. Vigil, City Clerk  
File Date: \_\_\_\_\_

7280000.510310.740010



## Buckman Direct Diversion Board Summary of Contracts, Agreements, & Amendments

**Section to be completed by department for each contract or contract amendment**

1 **FOR:** ORIGINAL CONTRACT  or CONTRACT AMENDMENT

2 Name of Contractor Chavez Security

3 Complete information requested  Plus GRT  
 Inclusive of GRT

Original Contract Amount: \$69,166.79

Termination Date: June 30, 2015

Approved by BDDB Date: December 4, 2014

or by Project Manager Date: \_\_\_\_\_

**Contract is for:** Security Services

Amendment # 2 to the Original Contract# 14-1224

Increase/(Decrease) Amount \$ 17,500

Extend Termination Date to: na

Approved by BDDB Date: Pending

or by Project Manager Date: \_\_\_\_\_

**Amendment is for:** Increase comp through year end

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments)  Plus GRT  
 Inclusive of GRT

Amount \$ 69,166.79 of original Contract# 141224 Termination Date: 06/30/2015

Reason: security services

Amount \$ 118,571.64 amendment # 1 Termination Date: 06/30/2016

Reason: Increase comp and extend term

Amount \$ 17,500.00 amendment # 2 Termination Date: \_\_\_\_\_

Reason: Increase comp

Amount \$ \_\_\_\_\_ amendment # \_\_\_\_\_ Termination Date: \_\_\_\_\_

Reason: \_\_\_\_\_

Total of Original Contract plus all amendments: \$ 205,238



# Buckman Direct Diversion Board Summary of Contracts, Agreements, & Amendments

5 **Procurement Method of Original Contract:** (complete one of the lines)

RFP# 15/06/B Date: October 16, 2014

RFQ  \_\_\_\_\_ Date: \_\_\_\_\_

Sole Source  \_\_\_\_\_ Date: \_\_\_\_\_

Other \_\_\_\_\_

6 **Procurement History:** Year 3 of 4  
example: (First year of 4 year contract)

7 **Funding Source:** \_\_\_\_\_ **BU/Line Item:** 7280000.510310.740010

8 **Any out-of-the ordinary or unusual issues or concerns:**  
none  
(Memo may be attached to explain detail.)

9 **Staff Contact who completed this form:** Maya Martinez

Phone # 955-4271

10 **Certificate of Insurance attached.** (if original Contract)

**Submit to City Attorney for review/signature**

Forward to Finance Director for review/signature  
Return to originating Department for Committee(s) review or forward to City Manager for review  
and approval (depending on dollar level).

**To be recorded by City Clerk:**

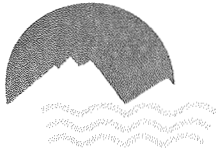
Contract # \_\_\_\_\_

Date of contract Executed (i.e., signed by all parties): \_\_\_\_\_

Note: If further information needs to be included, attach a separate memo.

**Comments:**





Buckman Direct Diversion

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*A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.*

## Memorandum

**Date:** For April 7, 2016 Board Meeting  
**To:** Buckman Direct Diversion Board  
**From:** Nancy R. Long  
**Subject:** Election of Chair and Vice Chair

---

### **ITEM AND ISSUE:**

Election of Chair and Vice Chair to the Buckman Direct Diversion Board (“Board”).

### **BACKGROUND AND SUMMARY:**

The Joint Powers Agreement between the City and the County establishing the Buckman Direct Diversion Board provides that the Board shall annually elect a Chairperson and a Chairperson Pro-Tempore (Vice Chair).

The Rules of Order for the Board, amended in 2015, to change the month in which the election of officers is held (among other terms) provide that:

During the April meeting of each year, a Chair and Vice-Chair of the Board shall be elected. The Chair position shall rotate between a City and County member each year. The Vice-Chair shall be elected from the opposite entity. Elections shall also be held when required to fill any vacancy that occurs in the Chair or Vice-Chair position.

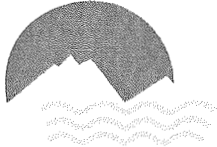
Since the Chair elected at the last election (April 2015) was a County Commissioner, the Chair to be elected at this meeting, shall be a member of the City Council and the Vice-Chair shall be a County Commissioner.

### **RECOMMENDATION:**

It is recommended that the Board elect its officers for the next year.







Buckman Direct Diversion

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*A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.*

## Memorandum

**Date:** For April 7, 2016 Board Meeting  
**To:** Buckman Direct Diversion Board  
**From:** Nancy R. Long  
**Subject:** Appointment of Fiscal Services Audit Committee

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### **ITEM AND ISSUE:**

Consideration and appointment of members to the Fiscal Services Audit Committee (FSAC).

### **BACKGROUND AND SUMMARY:**

FSAC is a committee formed by the Board that meets the Tuesday prior to each Board meeting to review Board financial and audit matters. The composition of the committee, as appointed by the Board Chair, has consisted of one County and one City member. The current County member is Commissioner Chavez and the City member is Councilor Maestas. As Councilor Maestas is no longer on the Board, it is timely to appoint or reappoint members to the FSAC Committee.

### **RECOMMENDATION:**

It is recommended that the Board Chair appoint or reappoint members to the FSAC committee.










*A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.*

## Memorandum

**DATE:** April 7, 2016  
**TO:** Buckman Direct Diversion Board  
**FROM:** Mackie M. Romero, BDD Financial Manager   
**SUBJECT:** Proposed FY16/17 Annual Operating & Maintenance Budget Request

### Item & Issue:

Request for approval and recommendation of the BDD Annual Operating & Maintenance Budget for FY16/17.

### Background and Discussion:

BDD is pleased to present the proposed Buckman Direct Diversion (BDD) Annual Operating Budget for FY16/17 and proposed contributions to our Major Repair & Replacement Fund. The proposed budget accounts for all necessary costs to meet the Board's service level objectives and to provide high quality water to our partners the City of Santa Fe, Santa Fe County and Las Campanas entities.

In fiscal year 2016/2017, the BDD will be in its sixth year of operations. This major milestone was a prime consideration in our analysis of costs as maintenance of our facility will need to increase to sustain the level of operations established by the BDD, as well as to ensure we reduced the gap between actual expenditures and our requested budget amount. The BDD actively collaborated with its partners on the development of this budget and due to valuable discussions and input we were able to come to an agreement on our proposed budget request.

### Budget Highlights & Considerations:

- Requesting budget approval of \$8,203,840 for FY16/17 Operations & Maintenance (Page 1-3)
  - \$7,957,840 – Partner Reimbursements
  - \$150,000 – PNM Solar Rebate Revenue
  - \$96,000 – Federal Funds



- Increased FY16/17 Budget Request by \$1,300,440 from FY15/16 Adopted Budget (Page 2-3)
  - 4% Fiscal Agent Fee
  - Legal Services- \$1,100,000 for BDDDB's pursuit of claims and possible participation in litigation
  - New Position – BDD Fiscal Administrator
  - Increased salary range reclassifications for our two Superintendent Positions
  - Security System Upgrades
  - Federal Grant Funding for BDD Location Sampling Program
- Emergency Reserve Fund will be fully replenished to our target balance of \$2,000,000 (Page 11)
- Requesting \$411,812 in contributions for the Major Repair & Replacement Fund. (Page 12)
- Five-year Cost Projection Report

**Recommended Action:**

We would like to request approval and BDDDB recommendation of the BDD Annual Operating & Maintenance Budget for FY16/17 and contributions to our Major Repair and Replacement Fund to Santa Fe County Board of Commissioners and City of Santa Fe's City Council.

We look forward to presenting the proposed budget and addressing your comments and questions.

Thank you



# Buckman Direct Diversion

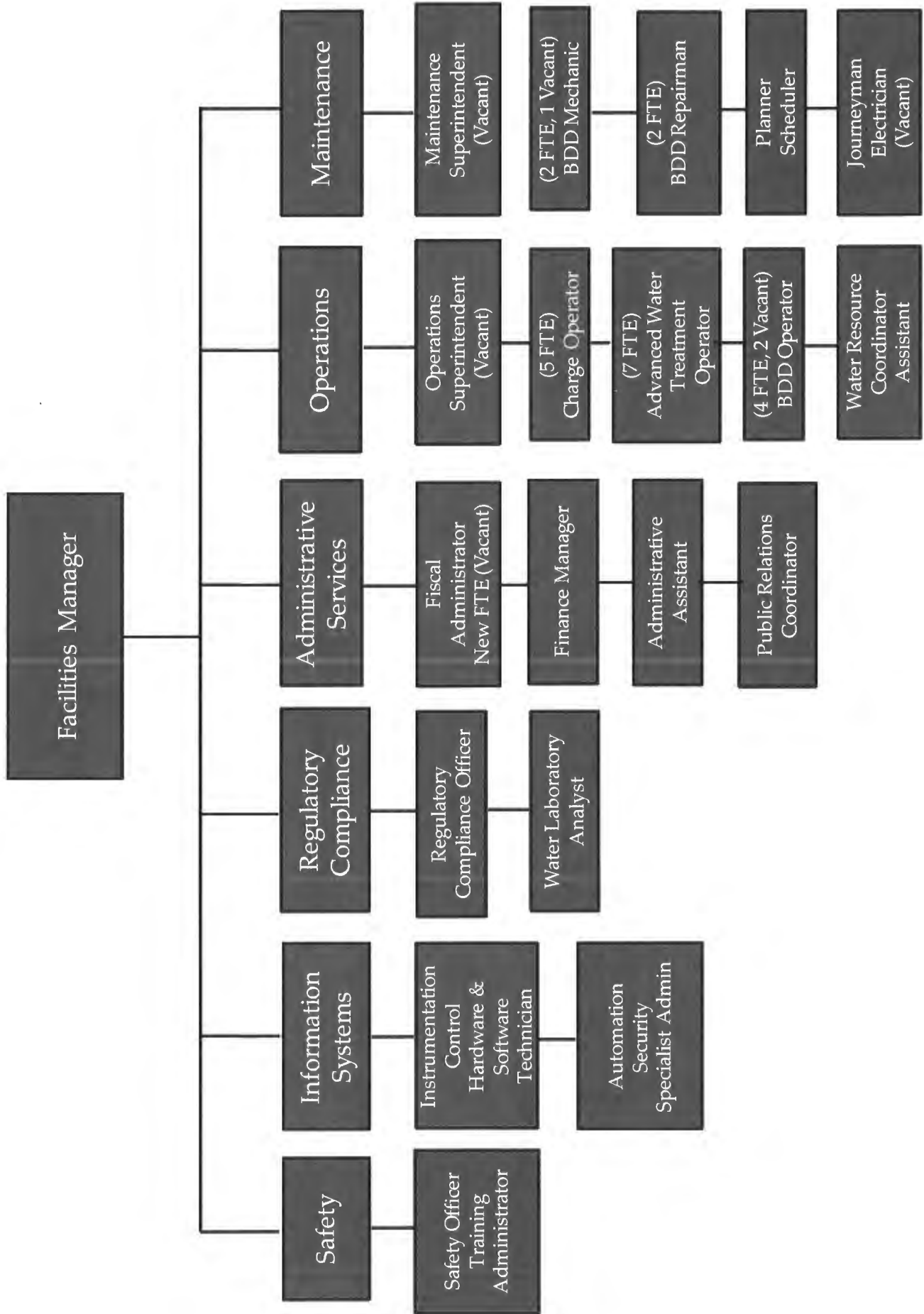
## FY 2016/2017



### PROPOSED ANNUAL OPERATING & MAINTENANCE BUDGET

Prepared by:  
Mackie M. Romero, BDD Financial Manager  
Charles M. Vokes, BDD Facilities Manager

**BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT ORGANIZATIONAL CHART**



# Buckman Direct Diversion (BDD) Proposed Annual Operating Budget, FY2016/2017

## Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget, including a 5-year projection, no later than December 15<sup>th</sup> of each fiscal year. With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDDB) approve and recommended the Fiscal Year 2016-2017 Operating Budget of \$8,203,840. This budget request consists of fixed and variable costs and includes revenue/reimbursements from several sources as presented by major expenditure category:

### BUDGET REVENUE/REIMBURSEMENT SUMMARY - TOTAL PROPOSED FY2016/17 OPERATING BUDGET - (TABLE A)

	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>	<u>%</u>
<b>Revenues/Reimbursements by Source:</b>				
Federal Funds	\$ 96,000	\$ -	\$ 96,000	1.2%
PNM Solar Rebates	-	150,000	150,000	1.8%
City of Santa Fe	4,584,106	1,081,383	5,665,489	69.1%
Santa Fe County	1,637,126	289,677	1,926,803	23.5%
Las Campanas (Club)	138,808	47,940	186,748	2.3%
Las Campanas (Coop)	178,799	-	178,799	2.2%
<b>Total Revenues by Source</b>	<b>\$ 6,634,840</b>	<b>\$ 1,569,000</b>	<b>\$ 8,203,840</b>	<b>100%</b>
% of overall budget	81%	19%	100%	

### BUDGET EXPENDITURE SUMMARY - PARTNER SHARE OF TOTAL PROPOSED FY2016/17 BUDGET - (TABLE B)

<b>Expenditure by Category</b>	<b>City of Santa Fe</b>	<b>Santa Fe County</b>	<b>Las Campanas</b>		<b>Federal Funds</b>	<b>Total</b>
			<b>(Club)</b>	<b>(Coop)</b>		
Personnel	\$ 2,408,443	\$ 834,197	\$ 46,434	\$ 59,812	\$ -	\$ 3,348,886
Electricity	990,422	273,606	50,576	3,396	-	1,318,000
Chemicals	199,250	50,750	-	-	-	250,000
Solids	94,416	25,584	-	-	-	120,000
Materials & Supplies	508,737	181,107	14,813	19,081	-	723,739
Other Operating Costs	1,390,979	525,348	71,324	91,873	96,000	2,175,523
Fiscal Agent Fee	192,792	66,662	3,600	4,638	-	267,692
<b>Total</b>	<b>5,785,039</b>	<b>1,957,253</b>	<b>\$ 186,748</b>	<b>\$ 178,799</b>	<b>\$ 96,000</b>	<b>\$ 8,203,840</b>
PNM Solar Rebates	(119,550)	(30,450)				
<b>Total</b>	<b>\$ 5,665,489</b>	<b>\$ 1,926,803</b>				

## **Budget Summary & Analysis**

Closing the gap between actual expenditures and budget will continue to be considered in development of BDD's operating budget requests.

- FY13/14 Actual Expenditures \$6,095,933, which was \$941,670 lower than our adopted budget
- FY14/15 Actual Expenditures \$5,876,350, which was \$853,380 lower than our adopted budget
- FY15/16 Projected to expend \$6,608,140 with 6 vacant positions, which is \$295,260 lower than our adopted budget

The BDD has actively collaborated with its partners on the development of this budget and because of this collaboration, was able to limit the increase to our current adopted budget, as follows:

- The proposed Annual Operating Budget for FY2016/17 is \$7,888,308 plus the fiscal agent fee of \$315,532 which represents an increase of 18.8% of our current operating budget of 6,903,400, which is due to an increase in our fiscal agent fee of 4%, approved by the BDDB and the following major initiatives:
  - Legal Services - \$1,100,000 for BDDB's pursuit of claims and possible participation in litigation.
  - New Position - BDD Fiscal Administrator \$116,379 in salary and benefits.
  - Salary range reclassifications for our BDD Operations Superintendent Position and Maintenance Superintendent Position.
  - Federal Grant Funding of \$96,000 for BDD Location Sampling Program.

In fiscal year 2016/2017, the BDD will be in its sixth year of operations. This major milestone was a prime consideration in our analysis of costs as maintenance of our facility will need to increase to sustain the level of operations established by the BDD. The BDD also uses yearly volumetric flow predictions provided by each partner for our variable expenditures including chemicals, solids management and electricity.

The BDD has presented the monthly PNM Solar Rebates received from the Water Treatment Plant Solar Array as a source of revenue. The resulting reimbursement requests for American Capital Energy (primary owner of solar system) from the City of Santa Fe and Santa Fe County will be reduced by the revenue received. Our budget request for electricity has been reduced by \$30,000 due to our new solar array at Booster Station 2A which has been operational for over a year.

In June 2015 BDD was granted federal funds from the Department of Energy for the BDD Location Sampling Program. This funding will be used for collecting samples from the Rio Grande at the BDD in order to make determinations on the water quality of the river. Yearly grant funding of \$96,000 will expire May 31, 2018.

# BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

AUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES

	FY2014/15	FY2014/15	FY2014/15	FY2015/16	FY2016/17	\$ Change
	Adopted	Audited	Variance \$	Adopted	Proposed	FY16/17 vs
	Budget	Actual	(Under) /	Budget	Budget	FY15/16
		6/30/15	Over Budget			
<b>Revenues/Reimbursements by Fund:</b>						
BDD Operating 7280000	\$ 6,549,731	\$ 5,759,617	\$ (790,114)	\$ 6,617,400	\$ 7,957,840	\$ 1,340,440
PNM Solar Rebates	180,000	116,734	(63,266)	190,000	150,000	(40,000)
Federal Funds	-	-	-	96,000	96,000	-
<b>Total</b>	<b>\$ 6,729,731</b>	<b>\$ 5,876,351</b>	<b>\$ (853,380)</b>	<b>\$ 6,903,400</b>	<b>\$ 8,203,840</b>	<b>\$ 1,300,440</b>
<b>Expenditures by Category:</b>						
Salaries and Wages	\$ 1,896,208	\$ 1,717,605	\$ (178,603)	\$ 1,921,450	\$ 2,035,114	\$ 113,664
Overtime and Shift Differential	212,250	211,643	(607)	183,000	180,000	(3,000)
Benefits	1,069,136	990,210	(78,926)	1,089,499	1,133,772	44,273
Electricity	1,378,000	1,139,331	(238,669)	1,378,000	1,318,000	(60,000)
Chemicals	265,000	235,509	(29,491)	250,000	250,000	-
Solids	80,800	64,048	(16,752)	121,800	120,000	(1,800)
Materials & Supplies	623,329	503,311	(120,018)	583,461	1,823,739	1,240,278
Other Operating Costs	1,140,408	950,094	(190,314)	1,308,790	1,027,683	(281,107)
<b>Total</b>	<b>6,665,131</b>	<b>5,811,751</b>	<b>(853,380)</b>	<b>6,836,000</b>	<b>7,888,308</b>	<b>1,052,308</b>
Fiscal Agent Fee	64,600	64,600	-	67,400	315,532	248,132
<b>Total</b>	<b>\$ 6,729,731</b>	<b>\$ 5,876,351</b>	<b>\$ (853,380)</b>	<b>\$ 6,903,400</b>	<b>\$ 8,203,840</b>	<b>\$ 1,300,440</b>

Table C presents actual expenses, by major category, for fiscal year 2014/2015, and our current year adopted budget in comparison to our fiscal year 2016/2017 operating budget request. This information includes budget adjustments to our major categories. The BDD staff will continue to closely collaborate with its partners, the City of Santa Fe, the County of Santa Fe and Las Campanas Entities in determining the best allocation of costs to achieve maximum efficiency of the BDD water treatment facility.

# BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

## AUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES

	FY2014/15		FY2014/15		FY2014/15		FY2015/16		FY2016/17		FY16/17 vs	
	Adopted	Budget	Audited	Actual	Variance \$	(Under) /	Over Budget	Adopted	Budget	Proposed	Budget	FY15/16
<b>Revenues/Reimbursements by Fund:</b>												
BDD Operating 7280000	\$ 6,549,731	\$ 6,549,731	\$ 5,759,617	\$ 116,734	\$ (790,114)	\$ 6,617,400	\$ 7,957,840	\$ 1,340,440				
PNM Solar Rebates	180,000	180,000	116,734	(63,266)		190,000	150,000	(40,000)				
Federal Funds	-	-	-	-	-	96,000	96,000	-				
<b>Total</b>	<b>\$ 6,729,731</b>	<b>\$ 6,729,731</b>	<b>\$ 5,876,351</b>	<b>\$ 853,380</b>	<b>\$ (853,380)</b>	<b>\$ 6,903,400</b>	<b>\$ 8,203,840</b>	<b>\$ 1,300,440</b>				
<b>Expenditures by Category:</b>												
Salaries and Wages	\$ 1,896,208	\$ 1,896,208	\$ 1,717,605	\$ 178,603	\$ 1,921,450	\$ 2,035,114	\$ 113,664					
Overtime and Shift Differential	212,250	212,250	211,643	(607)	183,000	180,000	(3,000)					
Benefits	1,069,136	1,069,136	990,210	(78,926)	1,089,499	1,133,772	44,273					
Electricity	1,378,000	1,378,000	1,139,331	(238,669)	1,378,000	1,318,000	(60,000)					
Chemicals	265,000	265,000	235,509	(29,491)	250,000	250,000	-					
Solids	80,800	80,800	64,048	(16,752)	121,800	120,000	(1,800)					
Materials & Supplies	623,329	623,329	503,311	(120,018)	583,461	1,823,739	1,240,278					
Other Operating Costs	1,140,408	1,140,408	950,094	(190,314)	1,308,790	1,027,683	(281,107)					
<b>Total</b>	<b>6,665,131</b>	<b>6,665,131</b>	<b>5,811,751</b>	<b>(853,380)</b>	<b>6,836,000</b>	<b>7,888,308</b>	<b>1,052,308</b>					
Fiscal Agent Fee	64,600	64,600	64,600	-	67,400	315,532	248,132					
<b>Total</b>	<b>\$ 6,729,731</b>	<b>\$ 6,729,731</b>	<b>\$ 5,876,351</b>	<b>(853,380)</b>	<b>\$ 6,903,400</b>	<b>\$ 8,203,840</b>	<b>\$ 1,300,440</b>					

Table C presents actual expenses, by major category, for fiscal year 2014/2015, and our current year adopted budget in comparison to our fiscal year 2016/2017 operating budget request. This information includes budget adjustments to our major categories. The BDD staff will continue to closely collaborate with its partners, the City of Santa Fe, the County of Santa Fe and Las Campanas Entities in determining the best allocation of costs to achieve maximum efficiency of the BDD water treatment facility.



**Budget Fixed & Variable Costs Analysis**

The BDD's annual operating budget consists of fixed and variable costs, which are determined by percentage allocations contained in the Facility Operations and Procedures Agreement (FOPA). In response to a recent audit finding concerning the cost allocation methodologies used in our cost accounting system, a review and recommendation of all cost allocations will be approved by the BDDB on an annual basis. This budget request was prepared with the following approved cost sharing principles.

**Cost Sharing (TABLE D)**

<b>Fixed</b>	<b>Las Campanas</b>			<b>Total</b>
	<b>City of Santa Fe</b>	<b>Santa Fe County</b>	<b>(Club) (Coop)</b>	
Shared Facilities	62.09%	25.60%	5.38%	100.00%
Separate Facilities	75.33%	24.67%	0%	100.00%
Project Wide				
25% Shared Facilities	15.52%	6.40%	1.35%	25.00%
75% Separate Facilities	56.50%	18.50%	0.00%	75.00%
	72.02%	24.90%	1.73%	100.00%
<b>Variable</b>				
Projected Volumetric Flow	71.90%	23.00%	5.10%	100.00%

Annual volumetric flow predictions provided by the partners are used as the basis for variable costs primarily related to chemicals, electricity, and solids management.

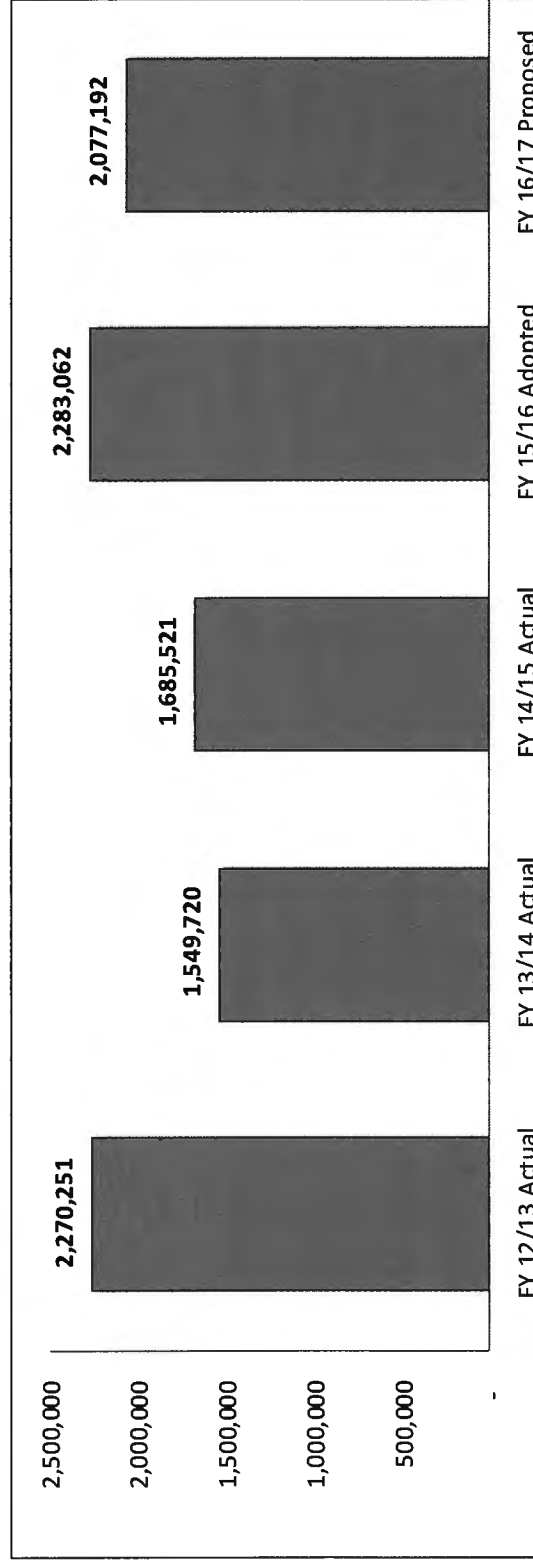
**Volumetric Flow History and FY15-17 Predictions (TABLE E)**

<b>Volumetric Flow (acft)</b>	<b>City of Santa Fe</b>	<b>Santa Fe County</b>	<b>Las Campanas</b>		<b>Total Diverted</b>
			<b>Water) via County</b>	<b>(Raw Water)</b>	
FY2011/2012	4,787.09	472.08	123.89	181.11	5,564.17
FY2012/2013	5,931.78	448.00	504.66	85.23	6,969.67
FY2013/2014	3,295.24	890.13	25.49	546.78	4,757.64
FY2014/2015	3,565.50	1,051.72	418.32	139.01	5,174.55
FY2015/2016	5,223.00	1,136.00	300.00	350.00	7,009.00
FY2016/2017	4,582.90	1,168.44	300.00	325.64	6,376.98
%	71.9%	18.3%	4.7%	5.1%	100%

% Percentage is used in calculation of partner share of variable costs

BDD has completed a budget analysis for FY2016/17, including historical data. The proposed budget for FY2016/17 is based on volumetric predictions of 2,077,193 gallons. This is a 9% decrease in water delivery via BDD over the FY2015/16 predicted water call.

**Total gallons delivered in 1,000's**  
(Includes raw water)  
(TABLE F)



BDD's budget development utilizes several complex cost accounting models to determine solids management, electricity, and chemical costs, which make up 22% of the total FY2016/17 proposed budget. Variable costs are associated with the amount of water delivered and are closely related to raw water quality. Raw water carrying elevated levels of solids require increased chemical dosing, create increased maintenance activities, and result in greater solids management costs. Electricity costs are directly influenced by varying on-peak and off-peak rates.

**Cost Analysis** (TABLE G)

**BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT**

**\*UNAUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES**

	FY2015/16 Adopted Budget	FY2016/17 Proposed Budget	City of Santa Fe	Santa Fe County	Las Campanas	Total
<b>Expenditures</b>						
Chemical Expenditures	\$ 250,000	\$ 250,000	\$ 199,250	\$ 50,750	\$ -	\$ 250,000
Electric Expenditures*	1,188,000	1,168,000	870,872	243,156	53,972	1,168,000
All Other Expenditures*	5,179,400	6,539,840	4,595,367	1,632,897	311,575	6,539,840
<b>Total Operating Expenditures</b>	<b>\$ 6,617,400</b>	<b>\$ 7,957,840</b>	<b>\$ 5,665,489</b>	<b>\$ 1,926,803</b>	<b>\$ 365,547</b>	<b>\$ 7,957,840</b>
<b>Operational Efficiencies</b>						
<b>Total gallons raw water in 1,000's</b>	<b>211,726</b>	<b>203,792</b>	-	<b>97,720</b>	<b>106,072</b>	<b>203,792</b>
Total Cost per 1,000 gallons	\$ 2.79	\$ 3.71	\$ -	\$ 0.93	\$ 1.76	
Electric Cost per 1,000 gallons	\$ 0.52	\$ 0.56	\$ -	\$ 0.12	\$ 0.51	
<b>Total gallons finished water in 1,000's</b>	<b>2,071,264</b>	<b>1,873,401</b>	<b>1,492,801</b>	<b>380,600</b>	-	<b>1,873,401</b>
Total Cost per 1,000 gallons	\$ 2.91	\$ 3.23	\$ 3.80	\$ 4.05	\$ -	
Electric Cost per 1,000 gallons	\$ 0.52	\$ 0.56	\$ 0.58	\$ 0.61	\$ -	
Chemical Cost per 1,000 gallons	\$ 0.12	\$ 0.13	\$ 0.13	\$ 0.13	\$ -	
<b>Monthly Average Costs</b>	<b>\$ 551,450</b>	<b>\$ 663,153</b>	<b>\$ 472,124</b>	<b>\$ 160,567</b>	<b>\$ 30,462</b>	<b>\$ 663,153</b>
<b>*Excludes Solar Rebate Revenue and Federal Funds Received</b>						

## Programs

As the focal point for key resource decisions, the budget process is a powerful tool. The *National Advisory Council for State and Local Budgeting* (NACSLB) was created in 1997 to provide assistance to governments to improve their budgeting processes. In fulfilling that role, the NACSLB set forth a voluntary framework that provides budgeting guidance for state and local governments. The NACSLB established “Best Budgeting Practices” (BBP) which link budget decisions to desired outcomes consistent with organizational goals. This budget incorporates many BBP’s set forth by NACSLB.

While local governments struggle with declining revenues, *Outcome-based* budgeting has become an increasingly important national budgeting standard. This type of advanced budgeting links resources to key business strategies and performance indicators. This “performance-based” approach connects key financial decisions to interdependent concepts of strategy, planning, business execution and measurement. Hence, this budget document contains more than a tabulation of financial figures. Rather than narrowly focusing on expenditures, we’ve established a structure for measuring the “value” citizens receive for their dollars by quantifying organizational achievement. In other words, the heart of this budget centers on determining how well the BDD executes its core business functions. We’ve shifted the focus from “paying for costs” to “buying results”. In addition, this budget simultaneously unifies our financial planning efforts with the *High Performance Organization* (HPO) principles which have become thriving core values of the BDD’s working culture.

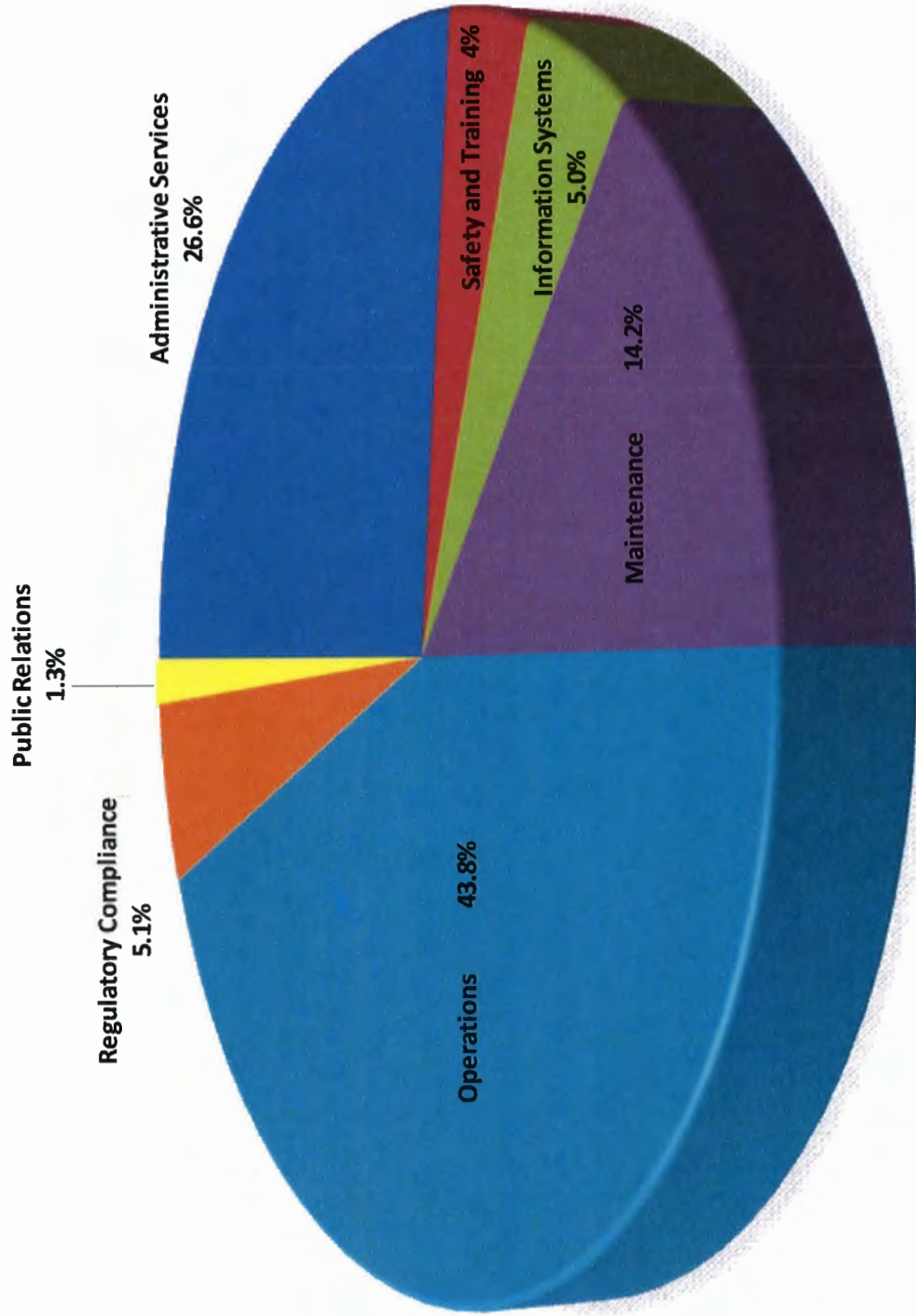
The BDD is divided into six (7) key Programs with explicit business functions as shown in Figure 1. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the regional water treatment plant, maintain full regulatory compliance, execute Fiscal Agent responsibilities, and optimize infrastructure investments through comprehensive asset management.

FIGURE 1

Key Program	Business Function
1. Operations	Produce high quality drinking water
2. Regulatory Compliance	Provide full compliance with State and Federal water quality standards
3. Asset Management and Maintenance	Provide cost-effective maintenance services to BDD Operations and optimize infrastructure life-cycle costs
4. Safety and Training	Provides full compliance with State and Federal Health and Safety Regulations
5. Administrative Services	Provides general oversight and management support. Provides accounting, budgeting, procurement and payroll services as well as records
6. Information Systems	Provides automation security and communications services
7. Public Relations	Provides public outreach and awareness

*Key Programs and Cost Allocation Percentages*

(TABLE H)



The expenditure budgets for these seven key programs are presented below. Total program funding includes all employee wages and benefits for full time equivalents employees, and associated overhead expenses. These key programs incorporate all business expenses necessary to execute core business functions, and allow the reader to understand how limited resources are allocated within the project.

(TABLE D)

## BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

### AUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES

	FY2014/15		FY2014/15		FY2014/15		FY2015/16		FY2016/17		FY16/17 vs	
	Adopted		audited		FY2014/15		Adopted		Proposed		FY16/17 vs	
	Budget	6/30/15	6/30/15	6/30/15	Over Budget	Budget	Budget	Budget	Budget	Budget	FY15/16	
<b>Expenditures by Program:</b>												
1. Operations (18 FTE)	\$ 3,593,573	\$ 2,861,371	\$ 2,861,371	\$ (732,202)	\$ 3,589,473	\$ 3,452,340	\$ (137,133)					
2. Regulatory Compliance (2 FTE)	316,567	300,307	300,307	(16,260)	409,373	401,659	(7,714)					
3. Asset Management & Maintenance (7 FTE)	963,385	959,401	959,401	(3,984)	1,191,590	1,118,707	(72,883)					
4. Safety and Training (1 FTE)	285,771	275,089	275,089	(10,682)	305,497	312,571	7,074					
5. Administrative Services (4 FTE)	1,096,769	1,022,829	1,022,829	(73,940)	920,987	2,106,808	1,185,821					
6. Information Systems (2 FTE)	320,222	306,406	306,406	(13,816)	319,629	393,299	73,670					
7. Public Relations (1 FTE)	88,844	86,348	86,348	(2,496)	99,451	102,924	3,473					
<b>Total Expenditures by Program (35 FTE)</b>	<b>6,665,131</b>	<b>5,811,751</b>	<b>5,811,751</b>	<b>(853,380)</b>	<b>6,836,000</b>	<b>7,888,308</b>	<b>1,052,308</b>					
<b>Fiscal Agent Fee</b>	<b>64,600</b>	<b>64,600</b>	<b>64,600</b>	<b>-</b>	<b>67,400</b>	<b>315,532</b>	<b>248,132</b>					
<b>Total</b>	<b>\$ 6,729,731</b>	<b>\$ 5,876,351</b>	<b>\$ 5,876,351</b>	<b>\$(853,380)</b>	<b>\$ 6,903,400</b>	<b>\$ 8,203,840</b>	<b>\$ 1,300,440</b>					

**Emergency Reserve Fund (ERF)**

The Project Management and Fiscal Services Agreement, Article 3. (E.) requires the BDD Board create an Emergency Reserve Fund, and establish procedures for its management. The Emergency Fund provides immediate reserves for unforeseen or catastrophic infrastructure failures that render facilities unable to deliver water at the needed capacity. The Project Manager, in consultation with the partners, must submit to the BDD Board an analysis of the funds required for an emergency reserve and suggest procedures for creation of and management of the Emergency Fund.

The BDD Board previously approved the Emergency Reserve Fund as part of the FY 2011/12 Budget. The BDD pre-bills the partners on a monthly basis for these costs.

In FY14/15 the BDD Board approved \$441,459 in expenses from the emergency reserve fund due to issues with the BDD Diversion structure, which required immediate investigation. The replenishment of these funds is scheduled to be billed to the partner in the current fiscal year, as in accordance with the Emergency Reserve Fund Policy.

**Emergency Reserve Fund (TABLE J)**

Emergency Fund	City of Santa Fe	Santa Fe County	Las Campanas	Balance
Contributions as of FY15/16	1,306,335	466,283	227,382	2,000,000

The Emergency Reserve Fund will be fully replenished to our target balance of \$2,000,000; therefore we will not request any additional contributions in FY16/17.



**Major Repair and Replacement Fund (RRF)**

The BDD Board also previously approved the Major Repair and Replacement Fund as part of the FY11/12 Budget. The BDD pre-bills the partners on a monthly basis for these costs.

In FY15/16 the BDD Board authorized an estimated purchase cost of \$500,000 to replace four raw water pumps. The actual expenditure of this equipment will reduce the balance available in this fund; however will continue to receive yearly contributions in accordance with the policy.

The Major Repair and Replacement Fund will receive the annual contribution of \$411,812 for FY16/17. This will increase the balance from \$1,147,232 to \$1,559,044 by the end of the fiscal year. The BDD has developed an asset management program, which will be used to identify all assets, estimated life cycle, preventive maintenance and cost replacement analysis. This data will be used in to support future increases to the contributions to the Major Repair and Replacement Fund.

**Major Repair and Replacement Fund Balance**

**(TABLE K)**

Major Repair & Replacement Fund	City of Santa Fe	Santa Fe County	Las Campanas Entities	Balance
Contributions as of FY15/16	856,920	284,296	6,016	1,147,232

**Major Repair and Replacement Fund FY16/17 Contributions**

**(TABLE L)**

Major Repair & Replacement Fund	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Annual Contribution	292,770	102,820	7,090	9,132	411,812

**Summary**

With this submittal, the Project Manager requests the Buckman Direct Diversion Board to approve and recommend the funding for our Fiscal Year 2016-2017 Operating Budget of \$7,957,840 plus the annual contribution of \$411,812 for the Major Repair and Replacement Fund for a total request of \$8,369,652. With your approval, the BDD will also budget \$150,000 of the PNM solar rebate revenue and \$96,000 in Federal Funding, increasing our total budget to \$8,615,652. We appreciate all the input and support from our partners and our Buckman Direct Diversion Board Members.

**FY 2016/2017 Funding Allocation**

**(TABLE O)**

Funds	City of		Las		Total
	Santa Fe	Santa Fe County	Campanas (Club)	Las Campanas (Coop)	
Operating Fund	\$5,665,489	\$1,926,803	\$ 186,748	\$ 178,799	\$ 7,957,840
Major Repair & Replacement Fund	292,770	102,820	7,090	9,132	411,812
	<u>\$5,958,259</u>	<u>\$2,029,623</u>	<u>\$ 193,838</u>	<u>\$ 187,931</u>	<u>\$ 8,369,652</u>
			<u>PNM Solar Rebate Revenue</u>		150,000
			<u>Federal Funds</u>		96,000
					<u>\$ 8,615,652</u>

The Project Management and Fiscal Services Agreement (PMFSA) for the Buckman Direct Diversion Project Article 4, paragraph D states "D. Prepare and submit to the BDD Board, the City, the County, and Las Campanas....an Annual Operating Budget which shall include annual and 5 year projected OMR&R costs...."

# Five-year Cost Projection

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# Five-year Cost Projection

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Paragraph D of Article 4 of the Project Management and Fiscal Services Agreement (PMFSA) states that the Annual Operating Budget shall include a five-year projection of OMR&R costs. The purpose of providing this information herein is to aid decision makers and stakeholders in their planning. In future year budget development cycles, staff plans to present more detailed, longer-term projections that would also include potential capital improvements, the operating impacts of such improvements, and detailed requests for sources and uses of funds to construct necessary major repairs and replacements to the facilities.

In Table A (next page), the annual budgets are assumed to increase over the next three years due to the BDD Board's pursuit of claims and possible litigation. After this period the annual budgets will decrease to a normal operating projection, at approximately \$7.3 – \$7.4 million. Additionally, the expenditures are estimated based on a monthly average expenditure of approximately \$500-600k based on 36 months of operating history and should be regarded as a very general and preliminary estimate subject to future refinement and clarification. Annual operating expenditures are forecasted by multiplying them year over year with a very modest inflation factor of 2.4 % annually based on the Gross Domestic Product (GDP) Index. The GDP Index is a board indicator based on major industrial sectors, including utilities. The GDP Index is maintained and published on the World Wide Web by the World Bank. As depicted in Chart B, it is reasonable to expect the trend between annual budget requests and annual expenditures levels to practically converge at some point in the next five years since staff will have more historical data upon which to base its budget requests. The actual figures used are less important than the desired trend being presented by the convergence of the blue (budgets) and red (expenditures) trend lines presented in the subsequent graph.

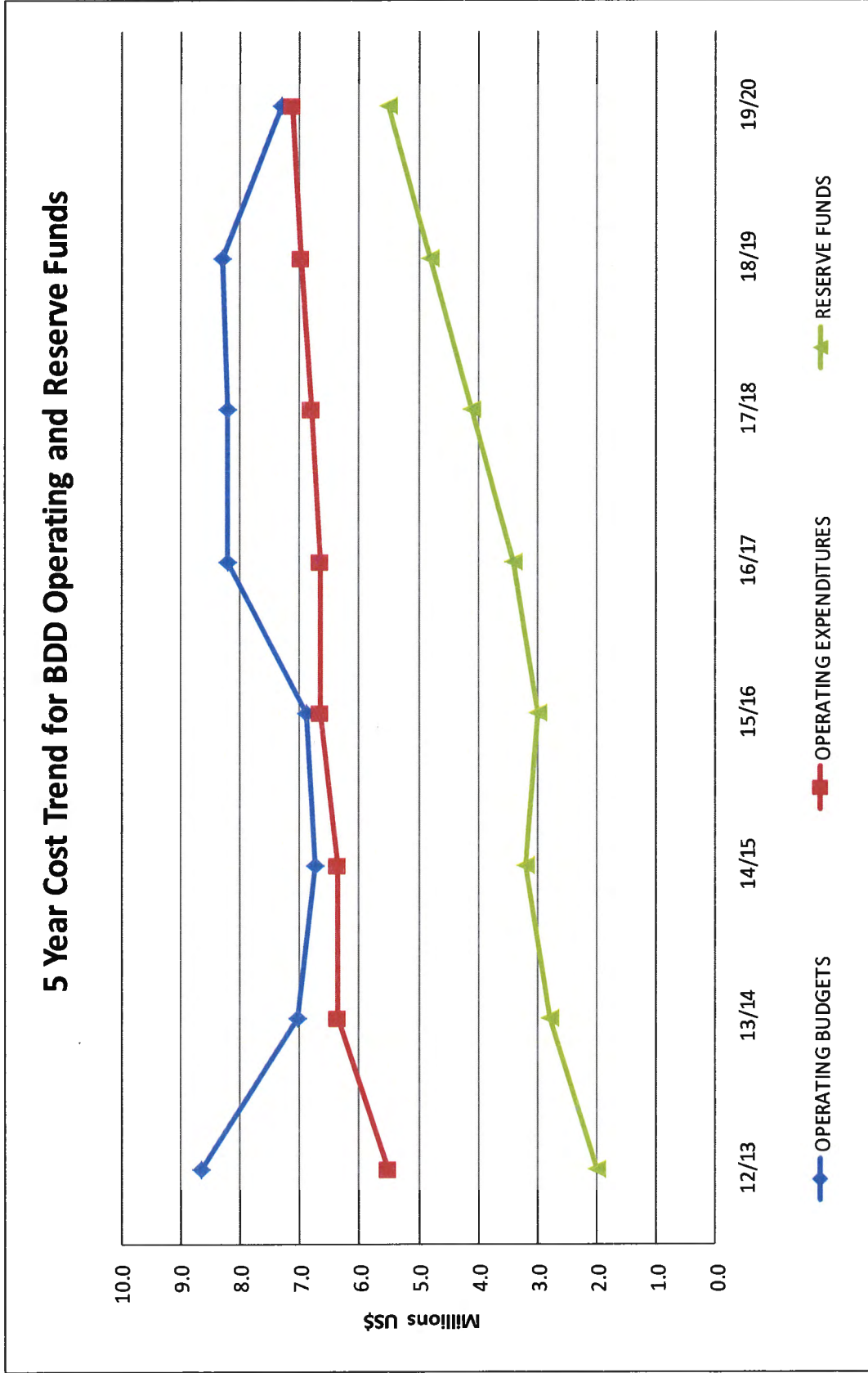
(TABLE A)

## 5 Year Forecast BDD OPERATING Budget in Millions \$U.S.

FORECAST YEAR	Actual	Actual	Actual	Estimate	1	2	3	4	5
FISCAL YEAR	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Budget	8.64	7.04	6.73	6.90	8.2	8.2	8.3	7.3	7.4
Major Repair & Replacement Fund	0.4	0.2	0.4	0.4	0.4	0.7	0.7	0.7	0.7
<b>EXPENDITURES</b>									
ACTUAL EXPENDITURE	5.5	6.37	5.88						
2nd Qtr ACTUAL EXPENDITURE				3.40					
Average (\$/mo.)	0.46	0.53	0.53	0.54	0.55	0.57	0.58	0.59	0.59
X % Inflation Factor***				2.4%	2.7%	2.4%	2.2%	2.2%	2.2%
X MONTHS	12	12	12	6	12	12	12	12	12
<b>=EXPENDITURES</b>	5.5	6.4	6.4	6.7	6.7	6.8	7.0	7.1	7.1
<b>=TOTAL NET EXPENDITURES</b>	5.5	6.4	6.4	6.7	6.7	6.8	7.0	7.1	7.1
Unexpended Budget (budget less net expenditures)	<u>3.1</u>	<u>0.7</u>	<u>0.4</u>	<u>0.2</u>	<u>1.5</u>	<u>1.4</u>	<u>1.3</u>	<u>0.2</u>	<u>0.3</u>

\*\*\*GDP PRICE INDEX: Sources The World Bank

(CHART B)







Buckman Direct Diversion

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.

# Memo

**DATE:** April 7, 2016  
**TO:** Buckman Direct Diversion Board  
**FROM:** Mackie Romero, BDD Financial Manager *MR*  
**SUBJECT:** Budget Adjustment Request

**ITEM AND ISSUE:**

Request approval of a Budget Adjustment Request to our adopted FY15/16 Operating Budget and corresponding revenue reimbursements.

**BACKGROUND AND SUMMARY:**

The BDD requests an increase to its current adopted budget in order to secure resources for the Buckman Direct Diversion Board’s pursuit of claims and possible participation in litigation. This request is for \$1,000,000 to allow expenditures of our Professional Services Agreement between Sheehan & Sheehan, P.A. and the Buckman Direct Diversion Board. This request will increase the legal services line item and corresponding revenue reimbursements accounts. Expenses will be billed to our partners using the “Shared Facilities” cost allocation, as established per the BDD Working Capital and Billing Policy and the Facility Operations and Procedures Agreement.

**ACTION REQUESTED:**

Staff recommends approval of the attached Budget Adjustment Request Form to increase Legal Services and Partner revenue accounts.

<u>Category</u>	<u>Business Unit/Line Item/Description</u>	<u>Amount</u>
Legal Services	7280000.510200.991325 Legal Services	\$1,000,000
City of Santa Fe	71410.491350 City of Santa Fe	(\$620,900)
Santa Fe County	71410.491010 Santa Fe County	(\$256,000)
Las Campanas	71410.439332 Las Campanas	(\$123,100)

**FY 2015/2016 Total Budget Request      \$1,000,000**

Approved by BDDDB April 7, 2016

\_\_\_\_\_  
BDDDB Chair





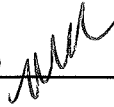
# City of Santa Fe, New Mexico

## BUDGET ADJUSTMENT REQUEST (BAR)

# \_\_\_\_\_

DEPARTMENT / DIVISION / SECTION / UNIT NAME				DATE		
PUBLIC UTILITIES/BUCKMAN DIRECT DIVERSION PROJECT				04/07/2016		
ITEM DESCRIPTION	BU / LINE ITEM	<--(Finance Dept Use Only)-->		INCREASE	DECREASE	
		SUBLEDGER / SUBSIDIARY	DR / (CR)			
Legal Services	7280000.510200.991325			1,000,000		
<b>JUSTIFICATION:</b> (use additional page if needed) --Attach supporting documentation/memo				<b>TOTAL</b>	\$ 1,000,000	\$ -

To increase BDD FY15/16 Adopted Budget to cover additional legal services that were unanticipated as a result of the BDD Board's pursuit of claims and possible participation in litigation. \*BDDDB Approval 04/07/2016\*

Mackie Romero  Prepared By _____ Date 07-Apr-16	<b>CITY COUNCIL APPROVAL</b> City Council Approval Required <input type="checkbox"/>  City Council Approval Date <input type="text"/>  Agenda Item #: <input type="text"/>	Budget Officer _____ Date _____
Division Director _____ Date _____		Finance Director _____ Date _____
Department Director _____ Date _____		City Manager _____ Date _____

# City of Santa Fe, New Mexico

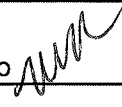
## BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION / SECTION / UNIT NAME PUBLIC UTILITIES/BUCKMAN DIRECT DIVERSION PROJECT	DATE 04/07/2016
--------------------------------------------------------------------------------------------------	--------------------

ITEM DESCRIPTION	BU / LINE ITEM	<--(Finance Dept Use Only)-->		INCREASE	DECREASE
		SUBLEDGER / SUBSIDIARY	DR / (CR)		
City of Santa Fe	71410.491350			620,900	
Santa Fe County	71410.491010			256,000	
Las Campanas	71410.439332			123,100	

<b>JUSTIFICATION:</b> <i>(use additional page if needed)</i> <i>--Attach supporting documentation/memo</i>	<b>TOTAL</b>	\$ 1,000,000	\$ -
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To increase BDD FY15/16 Adopted Budget to cover additional legal services that were unanticipated as a result of the BDD Board's pursuit of claims and possible participation in litigation. \*BDDB Approval 04/07/2016\*

Mackie Romero  Prepared By	04/07/2016 Date	<b>CITY COUNCIL APPROVAL</b> City Council Approval Required <input type="checkbox"/>	
Division Director	Date	City Council Approval Date	Budget Officer Date
Department Director	Date	Agenda Item #:	Finance Director Date
			City Manager Date