

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.

Memorandum

Date: March 3, 2016
To: Buckman Direct Diversion Board
From: Randy Sugrue, Interim Operations Superintendent
Subject: Update on BDD Operations for the Month of February 2016

ITEM:

1. This memorandum is to update the Buckman Direct Diversion (BDD) Board on BDD operations during the month of February 2016. The BDD diversions and deliveries have averaged, in Million Gallons Daily (MGD) as follows:
 - a. Raw water diversions: 3.78 MGD Average
 - b. Finished Drinking water deliveries through Booster Station 4A: 2.52 MGD Average
 - c. Finished Drinking water deliveries through Booster Station 5A: 1.12 MGD Average
 - d. Raw water delivery to Las Campanas at BS2A: 0.976 MG Total.
2. The BDD is providing approximately 58 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 February 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

Feb-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	149.811	24.161	0.000	125.650	125.650	0.000	1.128
MAR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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
TOTAL	528.511	74.636	0.065	453.809	453.809	0.000	4.156

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	24.161	0.000	124.522	124.522	0.000	148.684
MAR	0.000	0.000	0.000	0.000	0.000	0.000
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
TOTAL	74.636	0.065	449.653	449.653	0.000	524.354

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
TOTAL	4,926.12	46.93	4,893.03	4,542.84	359.82	1,494.66	0.00	6,387.69	0.00	0.00

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
TOTAL	4,926.12	4,573.19	0.00	353.55

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
TOTAL	5195.42	49.29	5138.67	4647.73	304.07	705.09	0.00	5656.89	114.64	72.23

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
TOTAL	5195.42	4822.62	0.00	372.79

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
TOTALS	5449.67	51.53	5396.51	5306.90	1112.67	0.00	6419.57	89.61

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
TOTALS	5449.67	0.00	48.63	0.00	0.00	5401.04	0.00

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 (02/11/16) 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; however, some models are starting to indicate the possible return of La Nina (hot/dry) conditions beginning in the summer. 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 NM ISC on 02/16/16 which now means the City can begin to impound runoff into Nichols and McClure Reservoirs above the pre-Compact pool of 1,061 AF. Updates to this condition will be made as needed.

City of Santa Fe SJCP Reservoir Storage as of January 15, 2016:

Heron:

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

El Vado:

2,055 AF (Temporary storage, will be moved to Abiquiu as part of environmental winter flow releases)

Abiquiu:

9,335 AF SJCP carry-over from previous years, no time limit to vacate due to storage agreement with ABCWUA

TOTAL:

16,586 AF



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.

Memorandum

Date: March 3, 2016
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager *MR*
Subject: IntraWorks, PSA

Item and Issue:

Request approval to enter into a Professional Services Agreement with IntraWorks for an amount not to exceed \$47,220 inclusive of NMGRT.

Background and Summary:

The Buckman Direct Diversion currently uses IntraWorks for all major upgrades to our security system. We currently have many cameras and DVR's that are nonfunctional and need to be replaced. IntraWorks has provided a quote to remove the selected defective camera and equipment as follows:

- Replace camera #1 (remove #25 and reutilize at camera location #1).
- Replace camera #3 (remove #22 and reutilize at camera location #3)
- IntraWorks shall install new IP cameras at location #29 & 25.
- Camera 22 shall be replaced and new media converter added
- Provide camera and replace intercom at front gate.
- Provide 16 channel licensing for the addition cameras
- 4 Port encoders to be installed at the remote sites to transmit video directly to the command and control center.

In order to operate and maintain this system as well as meet Homeland security requirements, it is imperative that we upgrade obsolete equipment with new equipment that will provide better picture images and that will work with future repairs and upgrades. This project is phase one of our overall security upgrade needs, additional costs has been included in our FY16/17 Budget Request.



Action Requested:

Staff recommends approval of a Professional Services Agreement with IntraWorks in the amount of \$47,220 inclusive of NMGRT. Funding is available in the 2015/2016 operating budget.

BU/LI: Repair & Replacement System Equipment # 7280000.520150.800010.

Approved by BDDDB March 3, 2016

Liz Stefanics, BDDDB Chair

Date

**BUCKMAN DIRECT DIVERSION BOARD
PROFESSIONAL SERVICES AGREEMENT
WITH INTRAWORKS**

THIS AGREEMENT is made and entered into by and between the BUCKMAN DIRECT DIVERSION BOARD (the "BDDDB") and IntraWorks, ("Contractor"). The date of this Agreement shall be the date when it is executed by the BDDDB Chair and Contractor, whichever occurs last.

1. SCOPE OF SERVICES

Contractor shall provide camera and equipment repair, replacement and installation as described in Exhibit "A" attached hereto.

2. STANDARD OF PERFORMANCE; LICENSES

A. Contractor represents that it possesses the experience and knowledge necessary to perform the services described under this Agreement.

B. Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The BDDDB shall pay to Contractor in full payment for services rendered, a sum not to exceed forty seven thousand two hundred twenty dollars (\$47,220), inclusive of applicable gross receipts taxes in accordance with the Fee Schedule provided in Exhibit "B" attached hereto.

B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Invoices for services will be made on a monthly basis. Payment shall be made upon receipt and approval by the BDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the BDDB for the performance of this Agreement. If sufficient appropriations and authorization are not made by the BDDB, this Agreement shall terminate upon written notice being given by the BDDB to Contractor. The BDDB's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the BDDB and terminate on December 31, 2016, unless terminated sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the BDDB upon 10 days written notice to Contractor. In the event of such termination:

(1) Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the BDDB original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, the BDDB shall pay Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, then Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. Contractor and its agents and employees are independent contractors performing professional services for the BDDDB and are not employees of the BDDDB. Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of BDDDB vehicles, or any other benefits afforded to employees of the BDDDB as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by Contractor without the prior written approval of the BDDDB.

9. CONFLICT OF INTEREST

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the BDDDB. Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the BDDDB.

11. RELEASE

Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the BDDDB, the City of Santa Fe, Santa Fe County and, their officers, officials and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. Contractor agrees not to purport to bind the BDDDB to any obligation not assumed herein by the BDDDB unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. Contractor shall not begin the Professional Services required under this Agreement until it has: (a) obtained, and upon the BDDDB's request provided to the BDDDB, insurance certificates reflecting evidence of all insurance required herein; however, the BDDDB reserves the right to request, and Contractor shall submit, copies of any policy upon reasonable request by the BDDDB; (b) obtained BDDDB approval of each company or companies as required below; and (c) confirmed that all policies contain the specific provisions required. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure

to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of Agreement by the BDDB.

B. Further, Contractor shall not modify any policy or endorsement thereto which increases the Board's exposure to loss for the duration of this Agreement.

C. At all times during the term of this Agreement, Contractor shall maintain insurance coverage as follows:

(1) **Commercial General Liability.** Commercial General Liability (CGL) Insurance must be written on an ISO Occurrence form or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all bodily injury, personal injury or property damage providing the following minimum limits of liability.

General Annual Aggregate (other than Products/Completed Operation)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal Injury Limit	\$2,000,000
Each Occurrence	\$2,000.000

(2) **Automobile Liability.** For all of Contractor's automobiles including owned, hired and non-owned automobiles, Contractor shall keep in full force and effect, automobile liability insurance providing coverage at least as broad for bodily injury and property damage with a combined single limit of not less than \$2 million per accident. An insurance certificate shall be submitted to the BDDB that reflects coverage for any automobile [any auto].

(3) **Professional Liability.** For Contractor and all of Contractor's employees who are to perform professional services under this Agreement, Contractor shall keep in full force and effect, Professional Liability insurance for any professional acts, errors or omissions. Such policy shall provide a limit of not less than \$2,000,000 per claim and \$2,000,000 annual aggregate. Contractor shall ensure both that: (1) the policy retroactive date is on or before the date of commencement of the first work performed under this Agreement; and (2) the policy will be maintained in force for a period of three years after substantial completion of the project or termination of this Agreement whichever occurs last. If professional services rendered under this Agreement include work relating to environmental or pollution hazards, Contractors policy shall not contain exclusions for those activities.

(4) **Workers' Compensation.** For all of Contractor's employees who are subject to this Agreement and to the extent required by any applicable state or federal law, Contractor shall keep in full force and effect, a Workers' Compensation policy & Employers Liability policy. That policy shall provide Employers Liability Limits as follows:

Bodily Injury by Accident	\$2,000,000	Each Accident
Bodily Injury by Disease	\$2,000,000	Each Employee
Bodily Injury by Disease	\$2,000,000	Policy Limit

Contractor shall provide an endorsement that the insurer waives the right of subrogation against the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives.

D. Cancellation. Except as provided for under New Mexico law, all policies of insurance required hereunder must provide that the Board is entitled to thirty (30) days prior written notice (10 days for cancellation due to non-payment of premium) of cancellation or non-renewal of the policy or policies. Cancellation provisions in insurance certificates shall not contain the qualifying words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.” In the event Contractors’ insurance carriers will not agree to this notice requirement, Contractor will provide written notice to the Board within four working days of Contractors receipt of notice from its insurance carrier(s) of any cancellation, nonrenewal or material reduction of the required insurance.

E. Insurer Requirements. All insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have rated “A-” and “VII” or better by the A.M. Best Key Rating Guide, that are authorized to do business in the State of New Mexico, and that have been approved by the BDDDB. The BDDDB will accept insurance provided by non-admitted, “surplus lines” carriers only if the carrier is authorized to do business in the State of New Mexico.

F. Deductibles. All deductibles or co-payments on any policy shall be the responsibility of Contractor.

G. Specific Provisions Required.

(1) Each policy shall expressly provide, and an endorsement shall be submitted to the Board, that the policy or policies providing coverage for Commercial General Liability must be endorsed to include as an Additional

Insured, the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives.

(2) All policies required herein are primary and non-contributory to any insurance that may be carried by the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives, as reflected in an endorsement which shall be submitted to the BDDDB.

(3) Contractor agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the BDDDB's exposure to loss.

(4) Before performing any Professional Services, Contractor shall provide the BDDDB with all Certificates of Insurance accompanied with all endorsements.

(5) The BDDDB reserves the right, from time to time, to review Contractor's insurance coverage, limits, and deductible and self-insured retentions to determine if they are acceptable to the BDDDB. The BDDDB will reimburse Contractor for the cost of the additional premium for any coverage requested by the BDDDB in excess of that required by this Agreement without overhead, profit, or any other markup.

(6) Contractor may obtain additional insurance not required by this Agreement.

13. INDEMNIFICATION

A. GENERAL INDEMNIFICATION: To the greatest extent permitted by law, Contractor shall indemnify, hold harmless and defend the BDDDB, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance or non-performance under this Agreement as well as the performance or non-performance of Contractor's employees, agents, representatives and subcontractors or any tier:

B. INDEMNIFICATION FOR PROFESSIONAL ACTS, ERRORS OR OMISSIONS.

Except for professional acts, errors or omissions that are the result of established gross negligence or willful or wanton conduct on the part of Contractor or its employees, agents, representatives or sub consultants, the General Indemnification shall not apply to professional acts, errors or omission unless covered by Professional Liability insurance required in this Agreement.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the BDDDB in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The BDDDB and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the BDDDB and Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS, DOCUMENT CONTROL AND AUDIT

A. Contractor shall conform with and participate in the Document Control policies of the BDDDB or the City of Santa Fe. Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, all records that relate to the scope of services provided under this Agreement.

B. Detailed records that indicate the date, time and nature of services rendered shall also be retained for a period of three years after the term of this agreement expires. These records shall be subject to inspection by the City of Santa Fe, the Department of Finance and Administration and the State Auditor. The BDDDB and the City of Santa Fe shall have the right to audit the billing both before and after payment to Contractor. Payment under this Agreement shall not foreclose the right of the BDDDB or the City of Santa Fe to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the BDDDB. In any action, suit or legal dispute arising from this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a

federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

BDDDB: Charles Vokes, BDD Facilities Manager
Buckman Direct Diversion
801 San Mateo
Santa Fe, NM 87504

With a copy to: Nancy R. Long, Esq., BDDDB Counsel
Long, Komer & Associates, P.A.
P. O. Box 5098
Santa Fe, NM 87502-5098

CONTRACTOR: Martin Flores, Special Systems Consultant
Intraworks
7910 Lorraine Ct. NE
Albuquerque, NM 87113

Any such notice sent by registered or certified mail, return receipt, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice sent by facsimile shall be effective only upon actual receipt of the original unless written confirmation is sent by the recipient of the facsimile stating that the notice has been received, in which case the notice shall be deemed effective as of the date specified in the confirmation. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;

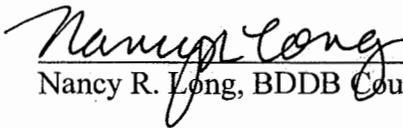
SIGNATURE PAGE FOLLOWS]

BUCKMAN DIRECT DIVERSION BOARD

By: _____
Chairperson

Date: _____

APPROVED AS TO FORM:



Nancy R. Long, BDDDB Counsel

APPROVED:

Oscar Rodriguez, City Finance Director

728000
Business Unit/Line Item

ATTEST:

Yolanda Y. Vigil, City Clerk
File Date: _____

CONTRACTOR:

By: _____
Name: _____
Title: _____
Date: _____

NM Taxation & Revenue
CRS #02-470758-00-9

City of Santa Fe Business
Registration #Pending

“Exhibit A”

SCOPE OF SERVICES

IntraWorks, Inc agrees to remove selected defective cameras and equipment as follows:

- Replace camera #1 (remove #25 and reutilize at camera location #1).
- Replace camera #3 (remove #22 and reutilize at camera location #3)
- IntraWorks shall install new IP cameras at location #29 & 25.
- Camera 22 shall be replaced and new media converter added
- Provide camera and replace intercom at front gate.
- Provide 16 channel licensing for the addition cameras
- 4 Port encoders to be installed at the remote sites to transmit video directly to the command and control center.

IntraWorks, Inc. agrees to provide encoders at the remote sites. The main building command center NVR software shall be upgraded to the next version. This process is a launching point to start the future migration process from the analog to an IP solution for the remainder of the site. IntraWorks will design, furnish, install and program.

“Exhibit B”

COMPENSATION

Video Surveillance & Management System Costs:

Line No.	Description	Amount (USD)
1	Camera # 1 Replace with Camera # 25.	
2	Camera # 18 will have new encoders installed Image will return after new encoders are installed.	
3	Camera # 22 Replace camera and media converters	
4	Camera # 29 Replace with an IP camera	
5	Camera # 25 Replace with an IP camera and media converter	
6	Camera #3 Replace with camera # 22 camera and lens.	
7	Encoders 4 port encoders	
8	Camera 2MP Dome Camera	
9	Netgear 24 Port switch, mount	
10	Intercom IP based Intercom / software 2 microphones on 2 existing workstation in the command center.	
11	Gate Gate intercom / PTZ camera at main entry gate and general view MP camera.	
12	Installation, Fiber, cable, Misc. equipment, material, testing, programming and commissioning. Cable, misc. equipment, material, programming, testing, and commissioning.	
Video Surveillance & Management Systems Sub Total*		43,235.00

Line No.	Description	QTY	Amount (USD)
1	DGP 4 door controller	1	\$819.00
Spare Parts SubTotal*			\$819.00

Taxes & Totals

	Video Surveillance & Management System Sub-Total	\$43,235.00
	Spare Parts Access	<u>819.00</u>

Taxable Sub-Total	\$44,054.00
Tax for 8.313	<u>3,166.00</u>
<i>Final Price (Including Taxes)</i>	<u><u>\$47,220.00</u></u>



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 Intraworks

3 Complete information requested Plus GRT
 Inclusive of GRT

Original Contract Amount: \$47,220.00

Termination Date: December 31, 2016

Approved by BDDB Date: Pending

or by BDD Facilities Manager Date: _____

Contract is for: camera equipment

Amendment # _____ to the Original Contract# _____

Increase/(Decrease) Amount \$ _____

Extend Termination Date to: _____

Approved by BDDB Date: _____

or by Project Manager Date: _____

Amendment is for: _____

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

Amount \$ _____ of original Contract# _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Total of Original Contract plus all amendments: \$ 47,220



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

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

RFP# _____ Date: _____

RFQ _____ Date: _____

Sole Source _____ Date: _____

Other Cooperative procurement CES _____

6 **Procurement History:** _____

example: (First year of 4 year contract)

7 **Funding Source:** BDDB _____ **BU/Line Item:** _____ 72800

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).

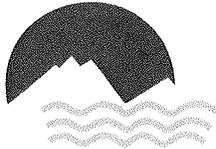
To be recorded by City Clerk:

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

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

Memorandum

Date: March 3, 2016
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager *mm*
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 current BDD Working Capital and Billing Policy, requires BDD Board approval for any budget adjustments exceeding \$50,000 within a budgeted category. In our Materials & Supplies category we have several line items that are projected to be expended in different line items than were budgeted, this is due to internal classification of expenditures. Therefore we request to move funds by line items within this major category:

<u>Category</u>	<u>Description</u>	<u>Amount</u>
Materials & Supplies	Repair & Maintenance of System Equipment	(\$103,050)
Materials & Supplies	Equipment and Machinery	\$13,350
Materials & Supplies	Equipment and Machinery (Capital)	\$36,400
Materials & Supplies	System Equipment	\$36,300
Materials & Supplies	Data Processing	\$17,000
FY 2015/2016 Total Budget Net Effect		\$0



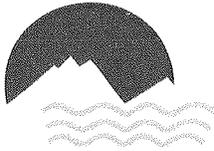
ACTION REQUESTED:

Staff recommends approval of the attached Budget Adjustments Request to our FY15/16 Operating Budget. This request has zero net effect to our overall operating budget.

Approved by BDDDB March 3, 2016

Liz Stefanics, BDDDB Chair

Date



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: March 3, 2016
TO: Buckman Direct Diversion Board
FROM: Mackie Romero, BDD Financial Manager *MR*
SUBJECT: Budget Adjustment Request

ITEM AND ISSUE:

Request approval to budget funds from the Major Repair and Replacement Fund.

BACKGROUND AND SUMMARY:

The BDD requests to budget \$51,807 to make funds available to hire a consultant for the design to replace four raw water pumps and air burst piping.

In November 2015, the BDDDB authorized \$500,000 from the Major Repair and Replacement Fund to purchase four replacement pumps at the Buckman Direct Diversion Booster Station 1A and 2A. Prior to the replacement of this major equipment, the BDD recommends we hire a consultant to assist in reviewing existing data and information to include drawings and technical specifications. The consultant will use these findings to assist in researching the best pump solutions and air-burst piping system as well as prepare the necessary design and technical specifications required for our (RFB) request for bid process.

The Major Repair and Replacement fund policy allows funding to cover any major repair and replacement of an asset resulting in services, supplies, or parts exceeding twenty thousand dollars. We feel this expenditure meets the criteria established in the policy. This request will budget funds in the Engineering Services line item and cash reserves to our partner revenue accounts using the Shared Facilities cost allocation formula.

Upon approval of this budget request, the available balance in the Major Repair and Replacement Fund will be \$1,070,865 as of the current fiscal year, which includes the estimated purchase cost of the new pumps.



ACTION REQUESTED:

Staff recommends approval of the attached Budget Adjustment Request Form to increase Engineering Services and corresponding partner revenue accounts.

<u>Category</u>	<u>Business Unit/Line Item/Description</u>	<u>Amount</u>
Other Operating Costs	72415.510320.991325 Engineering Services	\$51,807
City of Santa Fe	71415.491350 City of Santa Fe	(\$32,167)
Santa Fe County	71415.491010 Santa Fe County	(\$13,263)
Las Campanas	71415.439332 Las Campanas	(\$ 6,377)
	FY 2015/2016 Total Budget Request	\$51,807

Approved by BDDDB March 3, 2016

Liz Stefanics, BDDDB Chair

Date



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.

Memorandum

Date: March 3, 2016
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager *MR*
Subject: Deere & Ault Consultants, Inc., PSA

Item and Issue:

Request approval to enter into a Professional Services Agreement with Deere & Ault Consultants, Inc, for an amount not to exceed \$49,340 exclusive of NMGRT.

Background and Summary:

The Buckman Direct Diversion needs to replace four (4) raw water pumps and redesign of the airburst screen cleaning system. Deere & Ault has provided a quote to perform the following scope of services:

Pumps:

- Review of Existing Information
- Request for Proposal for Replacement of Booster Pumps at Stations 1A and 2A
- Bid Period Services
- Review of proposals and recommendation for award

Air-bust:

- Design of Diversions Structure Screen Supports and Airburst Piping System
- Bid Period Services
- Review of proposals and recommendation for award

Action Requested:

Staff recommends approval of a Professional Services Agreement with Deere & Ault in the amount of \$49,340 exclusive of NMGRT. Upon approval, funding is available in our Major Repair and Replacement Fund.

BU/LI: Engineering Services # 72415.510320.991325

Approved by BDDDB March 3, 2016

Liz Stefanics, BDDDB Chair



**BUCKMAN DIRECT DIVERSION BOARD
PROFESSIONAL SERVICES AGREEMENT
WITH DEERE & AULT CONSULTANTS, INC.**

THIS AGREEMENT is made and entered into by and between the BUCKMAN DIRECT DIVERSION BOARD (the "BDDDB") and Deere & Ault Consultants, Inc. ("Contractor"). The date of this Agreement shall be the date when it is executed by the BDDDB.

1. SCOPE OF SERVICES

Contractor shall provide Engineering Consulting services for the BDDDB as described in Exhibit "A" Attached hereto.

2. STANDARD OF PERFORMANCE; LICENSES

A. Contractor represents that it possesses the experience and knowledge necessary to perform the services described under this Agreement.

B. Contractor agrees to obtain and maintain, throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The BDDDB shall pay to Contractor in full payment for services rendered, a sum not to exceed forty-nine thousand three hundred forty dollars (\$49,340.00), plus applicable gross receipts taxes in accordance with the Fee Schedule provided in Exhibit "B" attached hereto.

B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Invoices for services will be made on a monthly basis. Payment shall be made upon receipt and approval by the BDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the BDDB for the performance of this Agreement. If sufficient appropriations and authorization are not made by the BDDB, this Agreement shall terminate upon written notice being given by the BDDB to Contractor. The BDDB's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the BDDB and terminate on June 30, 2016, unless terminated sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the BDDB upon 10 days written notice to Contractor. In the event of such termination:

(1) Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the BDDB original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, the BDDB shall pay Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, then Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. **STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS**

A. Contractor and its agents and employees are independent contractors performing professional services for the BDDDB and are not employees of the BDDDB. Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of BDDDB vehicles, or any other benefits afforded to employees of the BDDDB as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

8. **CONFIDENTIALITY**

Any confidential information provided to or developed by Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by Contractor without the prior written approval of the BDDDB.

9. **CONFLICT OF INTEREST**

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the BDDB. Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the BDDB.

11. RELEASE

Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the BDDB, the City of Santa Fe, Santa Fe County and, their officers, officials and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. Contractor agrees not to purport to bind the BDDB to any obligation not assumed herein by the BDDB unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. Contractor shall not begin the Professional Services required under this Agreement until it has: (a) obtained, and upon the BDDB's request provided to the BDDB, insurance certificates reflecting evidence of all insurance required herein; however, the BDDB reserves the right to request, and Contractor shall submit, copies of any policy upon reasonable request by the BDDB; (b) obtained BDDB approval of each company or companies as required below; and (c) confirmed that all policies contain the specific provisions required. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure

to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of Agreement by the BDDDB.

B. Further, Contractor shall not modify any policy or endorsement thereto which increases the Board's exposure to loss for the duration of this Agreement.

C. At all times during the term of this Agreement, Contractor shall maintain insurance coverage as follows:

(1) **Commercial General Liability.** Commercial General Liability (CGL) Insurance must be written on an ISO Occurrence form or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all bodily injury, personal injury or property damage providing the following minimum limits of liability.

General Annual Aggregate (other than Products/Completed Operation)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal Injury Limit	\$2,000,000
Each Occurrence	\$2,000,000

(2) **Automobile Liability.** For all of Contractor's automobiles including owned, hired and non-owned automobiles, Contractor shall keep in full force and effect, automobile liability insurance providing coverage at least as broad for bodily injury and property damage with a combined single limit of not less than \$2 million per accident. An insurance certificate shall be submitted to the BDDDB that reflects coverage for any automobile [any auto].

(3) **Professional Liability.** For Contractor and all of Contractor's employees who are to perform professional services under this Agreement, Contractor shall keep in full force and effect, Professional Liability insurance for any professional acts, errors or omissions. Such policy shall provide a limit of not less than \$2,000,000 per claim and \$2,000,000 annual aggregate. Contractor shall ensure both that: (1) the policy retroactive date is on or before the date of commencement of the first work performed under this Agreement; and (2) the policy will be maintained in force for a period of three years after substantial completion of the project or termination of this Agreement whichever occurs last. If professional services rendered under this Agreement include work relating to environmental or pollution hazards, Contractors policy shall not contain exclusions for those activities.

(4) **Workers' Compensation.** For all of Contractor's employees who are subject to this Agreement and to the extent required by any applicable state or federal law, Contractor shall keep in full force and effect, a Workers' Compensation policy & Employers Liability policy. That policy shall provide Employers Liability Limits as follows:

Bodily Injury by Accident	\$2,000,000	Each Accident
Bodily Injury by Disease	\$2,000,000	Each Employee
Bodily Injury by Disease	\$2,000,000	Policy Limit

Contractor shall provide an endorsement that the insurer waives the right of subrogation against the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives.

D. Cancellation. Except as provided for under New Mexico law, all policies of insurance required hereunder must provide that the Board is entitled to thirty (30) days prior written notice (10 days for cancellation due to non-payment of premium) of cancellation or non-renewal of the policy or policies. Cancellation provisions in insurance certificates shall not contain the qualifying words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.” In the event Contractors’ insurance carriers will not agree to this notice requirement, Contractor will provide written notice to the Board within four working days of Contractors receipt of notice from its insurance carrier(s) of any cancellation, nonrenewal or material reduction of the required insurance.

E. Insurer Requirements. All insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have rated “A-” and “VII” or better by the A.M. Best Key Rating Guide, that are authorized to do business in the State of New Mexico, and that have been approved by the BDDDB. The BDDDB will accept insurance provided by non-admitted, “surplus lines” carriers only if the carrier is authorized to do business in the State of New Mexico.

F. Deductibles. All deductibles or co-payments on any policy shall be the responsibility of Contractor.

G. Specific Provisions Required.

(1) Each policy shall expressly provide, and an endorsement shall be submitted to the Board, that the policy or policies providing coverage for Commercial General Liability must be endorsed to include as an Additional

Insured, the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives.

(2) All policies required herein are primary and non-contributory to any insurance that may be carried by the Board, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives, as reflected in an endorsement which shall be submitted to the BDDDB.

(3) Contractor agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the BDDDB's exposure to loss.

(4) Before performing any Professional Services, Contractor shall provide the BDDDB with all Certificates of Insurance accompanied with all endorsements.

(5) The BDDDB reserves the right, from time to time, to review Contractor's insurance coverage, limits, and deductible and self-insured retentions to determine if they are acceptable to the BDDDB. The BDDDB will reimburse Contractor for the cost of the additional premium for any coverage requested by the BDDDB in excess of that required by this Agreement without overhead, profit, or any other markup.

(6) Contractor may obtain additional insurance not required by this Agreement.

13. INDEMNIFICATION

A. GENERAL INDEMNIFICATION: To the greatest extent permitted by law, Contractor shall indemnify, hold harmless and defend the BDDB, City of Santa Fe, Santa Fe County and their respective elected officials, officers, employees, agents, volunteers and representatives from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance or non-performance under this Agreement as well as the performance or non-performance of Contractor's employees, agents, representatives and subcontractors or any tier.

B. INDEMNIFICATION FOR PROFESSIONAL ACTS, ERRORS OR OMISSIONS.

Except for professional acts, errors or omissions that are the result of established gross negligence or willful or wanton conduct on the part of Contractor or its employees, agents, representatives or sub consultants, the General Indemnification shall not apply to professional acts, errors or omission unless covered by Professional Liability insurance required in this Agreement.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the BDDB in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The BDDB and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

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By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the BDDDB and Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

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B. Detailed records that indicate the date, time and nature of services rendered shall also be retained for a period of three years after the term of this agreement expires. These records shall be subject to inspection by the City of Santa Fe, the Department of Finance and Administration and the State Auditor. The BDDDB and the City of Santa Fe shall have the right to audit the billing both before and after payment to Contractor. Payment under this Agreement shall not foreclose the right of the BDDDB or the City of Santa Fe to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the BDDDB. In any action, suit or legal dispute arising from this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a

federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

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20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

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In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

BDDDB: Charles Vokes, BDD Facilities Manager
Buckman Direct Diversion
801 San Mateo
Santa Fe, NM 87504

With a copy to: Nancy R. Long, Esq., BDDDB Counsel
Long, Komer & Associates, P.A.
P. O. Box 5098
Santa Fe, NM 87502-5098

CONTRACTOR: Deere & Ault Consultants, Inc.
Ray Eldridge, P.E.
3156 S. Brown Way, Ste. 101
Boise, Idaho 83706

Any such notice sent by registered or certified mail, return receipt, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice sent by facsimile shall be effective only upon actual receipt of the original unless written confirmation is sent by the recipient of the facsimile stating that the notice has been received, in which case the notice shall be deemed effective as of the date specified in the confirmation. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

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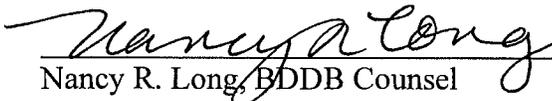
SIGNATURE PAGE FOLLOWS]

BUCKMAN DIRECT DIVERSION BOARD

By: _____
BDDDB Chairperson

Date: _____

APPROVED AS TO FORM:



Nancy R. Long, BDDDB Counsel

APPROVED:

Oscar Rodriguez, City Finance Director

728000
Business Unit/Line Item

ATTEST:

Yolanda Y. Vigil, City Clerk
File Date: _____

CONTRACTOR:

By: _____
Name: _____
Title: _____
Date: _____

NM Taxation & Revenue
CRS #03-317838-00-0

City of Santa Fe Business
Registration #15-00131616

“Exhibit A”

SCOPE OF SERVICES

Task 1 – Review of Existing Information

Consultant will review existing data and information on the vertical turbine pumps at Booster Pump Stations 1A and 2A. This review of information will include design drawings, shop drawings and technical specifications. Consultant will also discuss the operational issues and maintenance issues that have occurred with the pumps since the BDD was placed on-line.

Consultant will review existing data and information regarding the airburst screen cleaning system at the Rio Grande intake. This review of information will include design drawings, shop drawings and photographs from the spring of 2015 dewatering and repairs. Consultant will also discuss the operational issues and maintenance issues that have occurred with the air burst system since the BDD was placed on-line.

Task 2 – Request for Proposals for Replacement of Booster Pumps at Station 1A and 2A

Consultant will draft a Request for Proposals (RFP) for purchase, installation and testing of two new vertical turbine pumps for Booster Pump Station 1A and two new vertical turbine pumps for Booster Pump Station 2A. It is understood that Consultant will prepare the technical portions of the RFP and that the front-end documents will be supplied by BDD and the City of Santa Fe Purchasing Department.

The technical specifications for the pumps will take into consideration the special conditions (high sediment load) under which the pumps will operate. To that end, Consultant will specify pump seals, bearings, shaft sleeves, and other mechanical parts which are resistant to sediment and/or have replaceable components which provide economical replacement.

The specified pumps will meet the head and flow characteristics of the existing pumps and be able to be installed within the existing pump cans at the booster pump stations. It is also understood that the existing pump motors will be retained and will be installed on the new pump heads and columns.

Consultant’s technical specifications will require the provision of spare parts for each pump, and the provision of shop drawings, installation manuals and O&M manuals for all equipment.

Task 3 – Bid Period Services

Consultant will assist BDD during the bidding period for the pump procurement by answering vendor’s questions, preparing addenda and issuing any additional information required by the BDD or City of Santa Fe Purchasing Department.

Task 4 – Review of Proposals and Recommendation for Award

Consultant will review vendor proposals for adherence to the RFP documents and make a recommendation for award.

Task 5 – Design of Diversion Structure Screen Supports and Airburst Piping System

Consultant will prepare drawings and technical specifications suitable for public bidding for the replacement of the BDD intake screen supports, airburst manifolds and airburst supply piping. The complete system will be designed to:

- a. Provide effective backwash of the screens
- b. Provide ease of removal, maintenance and replacement
- c. Eliminate existing flexible hoses that exist in the current system
- d. Be of sufficient wall thickness to resist abrasion by sediment
- e. Be adaptable for later exterior manifold piping and valving

Consultant will prepare drawings in AutoCAD, using Consultant's standard drawing format and CAD standards. Consultant will prepare technical specifications in CSI format using Consultant's technical specification standards. Consultant will be responsible for reviewing BDD's and the City of Santa Fe's front end contract documents for compatibility with Consultant's work product and make recommendations for any changes. Consultant will provide 50%, 90% and bid ready submittals of the drawings and technical specifications and construction cost estimates for the work with each progress submittal.

Task 6 – Bid Period Services

Consultant will assist BDD during the bidding period for the screen supports and airburst piping by answering bidder's questions, preparing addenda and issuing any additional information required by the BDD or City of Santa Fe Purchasing Department.

Task 7 – Review of Proposals and Recommendation for Award

Consultant will review bids for adherence to the Contract documents and make a recommendation for award.

“Exhibit B”

COMPENSATION

Deere & Ault respectfully requests compensation for the work on a reimbursable basis for the costs incurred of \$49,340 plus New Mexico State Tax of 5%.

Task	Title	Principal 165 (\$/hr)	Senior Engineer 135 (\$/hr)	Staff Engineer 90 (\$/hr)	Senior Designer 115 (\$/hr)	Travel & Lodging (\$)	Task Total
1	Review Existing Information	8	4	24		1,000	\$ 5,020
2	Pump RFP and Technical Specs	16		120	8		\$ 14,360
3	Bid Period Services	4		8			\$ 1,380
4	Recommendation for Award	2					\$ 330
5	Design of Screen Supports and Airburst	16	24	60	120		\$ 25,080
6	Bid Period Services	4	4	8	8		\$ 2,840
7	Recommendation for Award	2					\$ 330
	Subtotals	52	32	220	136	1,000	\$ 49,340

Project Total	\$ 49,340
NM Tax	\$ 2,467
Gross Total	\$ 51,807



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 Deere & Ault Consultants Inc.

3 Complete information requested Plus GRT
 Inclusive of

Original Contract Amount: \$49,340.00

Termination Date: June 30, 2016

Approved by BDDB Date: Pending

or by BDD Facilities Manager Date: _____

Contract is for: engineering services

Amendment # _____ to the Original Contract# _____

Increase/(Decrease) Amount \$ _____

Extend Termination Date to: _____

Approved by BDDB Date: _____

or by Project Manager Date: _____

Amendment is for:

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

Amount \$ _____ of original Contract# _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____
Reason: _____

Total of Original Contract plus all amendments: \$ 49,340



Buckman Direct Diversion Board

Summary of Contracts, Agreements, & Amendments





STORM WATER QUALITY MONITORING OF RIO GRANDE AT BUCKMAN DIRECT DIVERSION

2011-2014 Report
2010 Memorandum of Understanding

Read text on slide.

When we refer to storm water flow, we mean “turbulent” conditions which occur during storm rainy events in the areas where the river flows. Under those conditions, the run off from the surface ends up in the river with sediments and surface contaminants being picked up along the way. Such flow will also pick up sediments from the bottom of the river bed as the water travels downstream. In most of the time, the river will be under ambient, base flow conditions with least amount of suspended solids in it.

Abbreviations in Presentation



- ❖ BDD – Buckman Direct Diversion
- ❖ BDDDB - Buckman Direct Diversion Board
- ❖ DOE – Department of Energy
- ❖ LAC – Los Alamos Canyon
- ❖ LANL – Los Alamos National Laboratory
- ❖ MOU – Memorandum of Understanding
- ❖ NMWQCC – New Mexico Water Quality Control Commission

This slide lists some of the abbreviations that may be used in this presentation for your reference.

BDD Board & DOE/LANL MOU



- ❖ Memorandum of Understanding signed in 2010
 - 2010 MOU – four seasons
 - 2015 MOU – three seasons

- ❖ PROGRAMS OF MOU
 - Early Notification System
 - Storm Water Quality Sampling of the Rio Grande at BDD
 - Contaminant Fate Assessment (3 sites during 1 year)

3

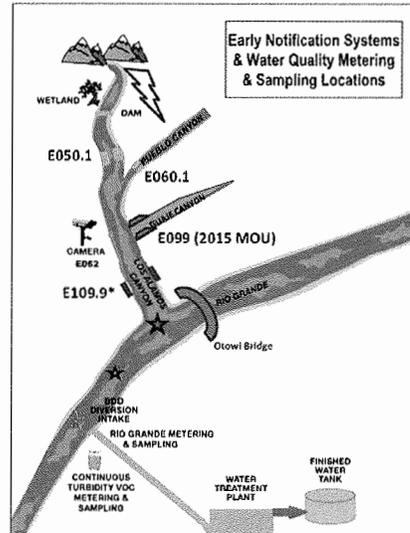
The Memorandum of understanding between BDD Board and DOE Los Alamos National Laboratory was signed in May 2010. The implementation of the MOU began during the season of 2011 when BDD operations started so only four seasons were monitored under the first MOU. We will refer to this original MOU as the 2010 MOU. A new MOU, revised MOU, was signed in 2015, the 2015 MOU. The 2015 MOU provides monitoring for three seasons.

The programs of the 2010 MOU were: read the slide.

Early Notification System



- ❖ It is a Prevention Program.
- ❖ It has been conducted since 2011.
- ❖ It has been funded jointly by BDDB & DOE/LANL.
- ❖ BDD stops diverting when storm flow was present in Los Alamos Canyon.



4 - Section II

The Early Notification System is a Prevention program that put in place in 2011, and was funded jointly by BDD Board and DOE/LANL.

The ENS is a prevention program that is placed in action only when there are surface water flows in the Los Alamos Canyon. Los Alamos Canyon is a major canyon on the Pajarito Plateau where Los Alamos National Lab is located. It has two main tributaries, the Guaje Canyon and Pueblo Canyon. During normal, every day conditions, the Los Alamos Canyon is dry. However, during stormy, rainy events, the Los Alamos Canyon and/or its tributaries may flow, and those flows will enter the Rio Grande below the Otowi Bridge. If the Los Alamos Canyon flows carry any LANL legacy contaminants with them, then there is a potential that those contaminants could reach the BDD. Therefore, when there is a flow greater than 5 cubic feet per second the BDD will stop diverting raw water into the treatment system.

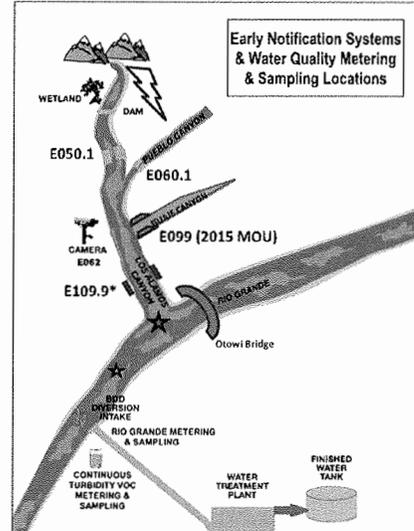
In Report ENS was discussed in Section II.

Early Notification System



❖ The Los Alamos Canyon flows were monitored by E050.1, E060.1, and E109.9*.
(*Non-operational since Sep 2013)

❖ E109.9 was a trigger to stop diverting. In 2014 – E050.1 & E060.1 became the triggers.



The flows in the LAC were monitored by LANL gage stations E050, E060, and E109.9. Three LANL gage stations participated in the 2010 MOU, until in Sep 2013, when gage station E109.9 was buried by sediments as a result of major flood. Even though this gage station was a part of the 2010 MOU, LANL made the decision not to restore this gage station for season 2014. For the first three years, gage station E109.9 was the trigger for BDD to stop diverting raw water, but in 2014 the trigger became E050.1 and E060.1, which on average, only flow 30% of the time.

Storm Water Quality Sampling Program



- ❖ It is a Monitoring Program.
- ❖ It documents contaminants in the Rio Grande during storm events in Los Alamos Canyon.
- ❖ It has been conducted since 2011.

6

The BDD Storm Water Quality Sampling is a monitoring program. As such, the program samples storm water and sometimes samples base flow as well. The objective of the program was to document what contaminants may occur, at what concentrations, and what may be the potential sources of those contaminants.

Storm Water Quality Sampling Program



❖ It has been funded by

- DOE/LANL from 2011-2014 under 2010 MOU
- BDDDB & DOE/LANL from 2015-2017 under 2015 MOU

❖ Contaminants of Concern are Suspended Sediments, Radionuclides, Metals, and Organics

7 – Section III.6

The program also analyzes the sampled water for certain constituents. These include suspended sediments, radionuclides, metals and other contaminants.

Contaminants of Concern were listed in Section III.6.

Storm Water Quality Sampling Results



- During storm events, contaminants from the Los Alamos Canyons Watershed enter the Rio Grande and reach BDD Diversion.
- Dilution by Rio Grande flow lowers the contaminant concentrations from Los Alamos Canyon Watershed.

8 – Sections VII.4.a, VII.4.b, VII.4.c, and VII.4.d

The results from the Storm Water Quality Program confirmed that contaminants from Los Alamos Canyon Watershed enter the Rio Grande during and shortly after storm events in LAC. Those contaminants were detected in the River at the BDD Diversion. The results also confirmed that the contaminant concentrations at BDD were at much lower concentrations than their occurrence in LAC watershed, which indicates that dilution by the Rio Grande lowers that contaminant concentrations.

Direct comparison of LAC and BDD concentrations were presented in Sections VII.4.a, VII.4.b, VII.4.c, and VII.4.d.

Storm Water Quality Sampling Results



- Higher flows from Los Alamos Canyon transport more contaminants and at higher concentrations.
- Forest fires release more contaminants and at higher concentrations because the fires change the watershed properties.

9 – LANL Annual Report for LA/PCW , Sections VII.2.b, VII.2.d

The Program also confirmed that higher flows in LAC transport more contaminants to the Rio Grande and at higher concentrations. The Program found that forest fires can have a significant influence on the contaminants from the LAC. Forest fires change the properties of the watershed, and more contaminants may be released and at higher concentrations.

LANL Annual Report for LA/PCW support first bullet statement.
Sections VII.2.b and VII.2.d support second bullet.

Storm Water Quality Sampling Results



Conclusion: Program needs more information and need better monitoring system.

Examples of Improvements to Program:

- Need a gage station in lower Los Alamos Canyon similar to E109.9.
- Need sampling of storm flows at lower Los Alamos Canyon.
- Need In-situ & continuous measurements of water quality parameters at BDD (Under investigation).

10

The MOU programs have been a learning process. As the data has been collected and reviewed, we have gained a better understanding of the processes. The conclusion from the 4 years of monitoring under the 2010 MOU, is that the program needs additional information and better monitoring system.

Examples for improvements to the program are:

- There is a need for a gage station in the lower LAC similar to E109.9 and as close to the Rio Grande as possible;
- There is a need to sample storm flows at the lower LAC.
- There is a need for an in-situ and continuous measurements of water quality parameters at BDD location.

Contaminant Monitoring



- ❖ Storm Water was monitored for Radionuclides, Metals, and Organics.
- ❖ Rio Grande sediment background levels were calculated.
 - Radionuclides background levels are from naturally occurring sources and from world wide nuclear weapons testing.
 - Metals background levels are from naturally occurring sources in rocks and soils.
 - Organics are from man-made contaminants.

11

We added a few additional slides in order to provide more details on the Storm Water Quality Programs for some constituents.

Background levels were presented in Appendix 5.

Read the slide.

Contaminant Monitoring



- ❖ Concentrations of contaminants in Rio Grande Storm Water collected at BDD have:
 - Exceeded background levels
 - Exceeded some NMWQCC standards
- ❖ Source of radionuclides was predominantly Los Alamos Canyon Watershed.
- ❖ Sources of Metals and Organics were both: Los Alamos Canyon Watershed and Rio Grande Watershed.

12

We added a few additional slides in order to provide more details on the Storm Water Quality Programs for some constituents.
Exceedances are shown in Sections VII.2.a, b, c, e, and f.

Read the slide.

Contaminant Fate Assessment Results



- ❖ Results from 2010 MOU were inconclusive.
- ❖ Improved Sampling Plan is being implemented under 2015 MOU.
- ❖ 2015 MOU improved study is fully funded by BDD Board; to be conducted over 3 years.

13

Explain what CFA is.....

The third and last program of the MOU was the Contaminant Fate Assessment. The results from the 2010 MOU CFA were inconclusive. BDD has planned and is currently implementing an improved Sampling Plan for this program under the 2015 MOU. This program under the 2015 MOU is fully funded by the BDD Board, and it will be conducted over the period of 3 years.

2010 MOU Successes



BDD staff placed large effort on meeting the MOU conditions

- Purchased part of the sampling equipment
- Ran the sampling activities and maintained equipment in working order
- Ceased diversion of water during storm events exceeding flows of 5 cfs in Los Alamos Canyon
- Produced the MOU Report – 247 pages to be posted on the BDD website with six attachments

14

Read the slide.

2010 MOU Successes



DOE/LANL Contribution

- ❖ Provided part of the equipment for sampling effort
- ❖ Uploaded analytical data to Intellus database which is accessible and available on public web site
- ❖ Funded 25 sampling events

15

Read the slide.

2010 MOU Shortcomings



- ❖ BDD sampling plan for Contaminant Fate Assessment was not executed successfully. An improved study is underway.
- ❖ Under LANL recommendation, BDD sampled 2-3 storm events in 2012 and 2013, which did not generate sufficient data. BDD improved the Sampling Plan in 2014.
- ❖ LANL sampling budget in 2014, forced BDD to restrict sampling efforts.

16

Read slide.

2010 MOU Shortcomings



- ❖ BDD discovered that contract laboratory for LANL “filtered” all BDD samples for radionuclides in 2014 resulting in no representative storm water data for 2014.
- ❖ LANL has not reached an agreement with San Ildefonso to restore the gage station E109.9 after Sept 2013 which has proven to be the main indicator of Los Alamos Canyon flows to the Rio Grande.

17

Read slide.

BDD Recommendations for Improved Monitoring Program



- ❖ BDD would like to see LANL participate in restoring gage station E109.9 or build similar gage station in lower Los Alamos Canyon, so that BDD can monitor all flows from that Canyon.
- ❖ BDD would like to see LANL finance a minimum of 3 additional monitoring seasons as part of the 2015 MOU in order to obtain additional data due to deficient data obtained in 2012, 2013, and 2014.

18

Read slide.

BDD Recommendations for Improved Monitoring Program



BDD intends to work with USGS to establish an in-situ & real time water quality equipment to improve monitoring of turbidity and sediments through a Cooperative Agreement. Funding needs to be planned for such project.

19

Read slide

End of Presentation



Questions? Comments? Concerns?

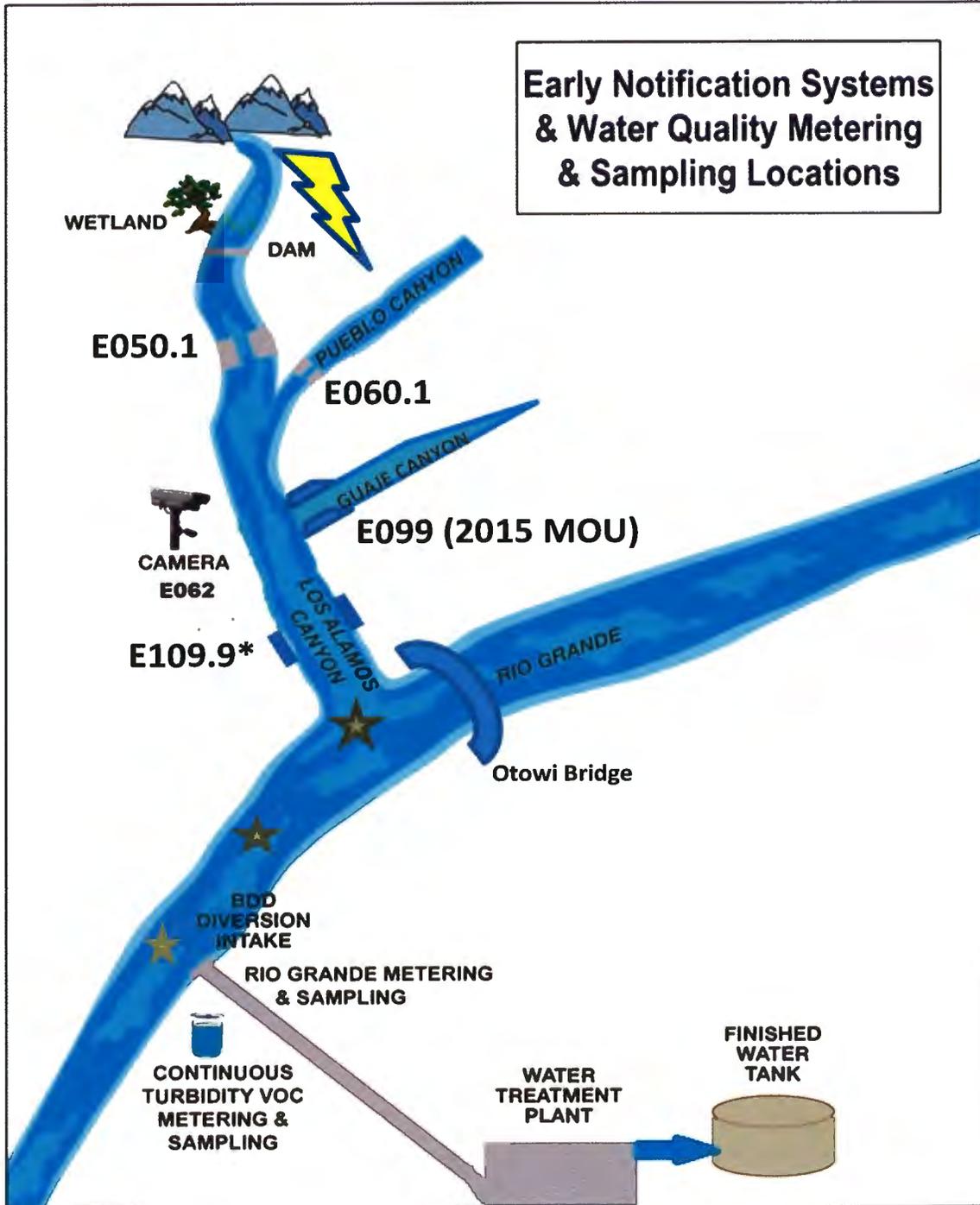
20

Read slide.



Buckman Direct Diversion

Early Notification System





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: March 3, 2016
TO: Buckman Direct Diversion Board
FROM: Mackie Romero, BDD Financial Manager 
SUBJECT: FY 16/17 Cost Allocation Methodology

ITEM AND ISSUE:

Request for approval of FY 2016/2017 Cost Allocation Methodology of Fixed and Variable Costs.

BACKGROUND AND SUMMARY:

In September of 2006, the Facility Operations and Procedures Agreement for the Buckman Direct Diversion Project was entered into among the City of Santa Fe, Santa Fe County and Las Campanas, L.P. This agreement governs the operations and procedures of the BDD project and includes cost sharing principles to be used for operations and maintenance.

Section 23 of the FOPA states, "...the BDD Board shall review the allocation methodology of fixed and variable costs as between the City and the County set forth in this section to determine whether the allocation is reasonable and appropriate, and shall explore alternative methodologies."

In response to the audit finding concerning allocation of "project – wide" costs, a meeting was held on January 5, 2016, to discuss the finding, the current allocation and proposed allocation for costs that have been identified in operations as "project – wide" costs. In attendance were several staff members from the City of Santa Fe, Santa Fe County, Las Campanas Water & Sewer Cooperative and The Club at Las Campanas.

The concept of project wide was reviewed, defined and agreed upon by our partners for the allocation of costs in our FY16/17 Operating Budget Request and Reimbursements. These discussions will continue yearly in September, as part of the annual BDD operating budget preparation to ensure all cost allocation methodologies are reasonable and appropriate.



ACTION REQUESTED:

Staff recommends approval of the FY 16/17 Cost Allocation Methodology. This approval provides guidance and concurrence on how costs identified as “project – wide” shall be allocated amongst our partners, in accordance with the cost sharing principles established in the FOPA.



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.

FY 16/17 Cost Allocation Methodology

Fixed Costs:

- Shared Facilities (CCL):** means the portion of the BDD that provides raw water to all BDD Partners (City and County and Las Campanas), as shown in Exhibit A, including all portions of the booster station 2A except for the pumping equipment in booster station 2A that is part of the Las Campanas Separate Facilities or the City/County Separate Facilities.

Shared Facilities (CCL Cost) - Fixed					
(FOPA Section 20)					
	City	County	Las Campanas (Club)	Las Campanas (Coop)	Total
Shared Facilities (CCL Cost)	62.09%	25.60%	5.38%	6.93%	100.00%

- City/County Separate Facilities (CC):** means those portions of the BDD including pumping equipment in booster station 2A, the raw water pipeline extending from pump station 2A to the City/County Water Treatment Plant and the finished water pipelines to the points of interconnection as shown in Exhibit A.

City County Separate Facilities (CC cost) - Fixed					
(FOPA Section 23)					
	City	County	Las Campanas (Club)	Las Campanas (Coop)	Total
Separate Facilities (CC cost)	75.33%	24.67%	0.00%	0.00%	100.00%

- BDD Project Wide (PW):** means the fixed costs of the BDD Water Facilities that is difficult to trace directly to Shared or Separate facilities, however benefits both facilities as it is a common cost and therefore shall be allocated 25% to Shared Facilities (CCL) and 75% to Separate Facilities (CC).

BDD Project Wide Costs - PW					
FY16/17 Allocation					
	City	County	Las Campanas (Club)	Las Campanas (Coop)	Total
Shared Facilities (CCL Cost)	62.09%	25.60%	5.38%	6.93%	100.00%
Separate Facilities (CC cost)	75.33%	24.67%	0.00%	0.00%	100.00%
Project Wide - PW					
25 % Shared Facilities	15.52%	6.40%	1.35%	1.73%	23.66%
75% Separate Facilities	56.50%	18.50%	0.00%	0.00%	75.00%
Total Project Wide	72.02%	24.90%	1.35%	1.73%	100.00%

Variable Costs:

- **Variable Shared Facilities (CCL):** means variable OMR&R costs of Shared Facilities that shall be apportioned between the County, the City, and Las Campanas based on the actual delivery of water to each BDD Partner in accordance with FOPA Section 27. Annual Operating Plan.

Shared Facilities (CCL Cost) - Variable*					
(FOPA Section 21)					
(For Budgeting Purposes Only)	City	County**	Las Campanas (Club)	Las Campanas (Coop)	Total
Shared Facilities (CCL Cost) - Variable	71.90%	23.00%	5.10%	0.00%	100.00%

*Projected percentages based on 2016 Annual Operating Plan.
 **Includes Las Campanas Club raw water 300 acre-feet and Las Campanas Coop 327 acre-feet via the County

- **City/County Separate Facilities (CC):** means Variable OMR&R costs of the City/County Separate Facilities that shall be apportioned between the County and City based on actual delivery of water to each BDD Partner in accordance with FOPA Section 27. Annual Operating Plan.

City County Separate Facilities (CC cost) - Variable					
(FOPA Section 23)					
(For Budgeting Purposes Only)	City	County	Las Campanas (Club)	Las Campanas (Coop)	Total
Separate Facilities (CC cost) - Variable	79.70%	20.30%	0.00%	0.00%	100.00%

*Projected percentages based on 2016 Annual Operating Plan.

- **Major Repair and Replacement Fund:**

BDD Major Repair and Replacement Allocation					
	City	County	Las Campanas (Club)	Las Campanas (Coop)	Total
Shared Facilities (CCL Cost)	62.09%	25.60%	5.38%	6.93%	100.00%
Separate Facilities (CC cost)	75.00%	25.00%	0.00%	0.00%	100.00%
Major Repair and Replacement					
32 % Shared Facilities	19.87%	8.19%	1.72%	2.22%	30.28%
68% Separate Facilities	51.00%	17.00%	0.00%	0.00%	68.00%
Total	70.87%	25.19%	1.72%	2.22%	100.00%

Approved by BDDB March 3, 2016

 Commissioner Liz Stefanics, BDDB Chair





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

Memorandum

DATE: March 3, 2016
TO: Buckman Direct Diversion Board
FROM: Mackie M. Romero, BDD Financial Manager *MMR*
SUBJECT: Proposed FY15/16 Annual Operating & Maintenance Budget Request

Item & Issue:

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

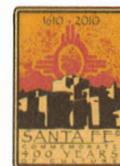
Background and Discussion:

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 \$7,056,000 for FY16/17 Operations & Maintenance (Page 2-4)
 - \$6,810,000 – Partner Reimbursements
 - \$150,000 – PNM Solar Rebate Revenue
 - \$96,000 – Federal Funds



- Increased FY16/17 Budget Request by \$152,600 from FY15/16 Adopted Budget (Page 3-4)
 - 4% Fiscal Agent Fee
 - 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 12)
- Requesting \$411,812 in contributions for the Major Repair & Replacement Fund. (Page 13)
- Requesting additional funding to the BDD Contingency Fund (pending adoption)
- Five-year Cost Projection Report

Recommended Action:

We would like to request approval and BDDB recommendation of the BDD Annual Operating & Maintenance Budget for FY16/17 and contributions to our Major Repair and Replacement Fund and BDD Contingency 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

Fiscal Year 2016/2017 Proposed Operating Budget Request

Liz Stefanics

Chair, Buckman Direct Diversion Board
County Commissioner, District 5

Carmichael A. Dominguez

Vice-Chair, Buckman Direct Diversion Board
City Council, District 3

Miguel M. Chavez

County Member, Buckman Direct Diversion Board
Commissioners, District 2

Joseph M. Maestas

City Member, Buckman Direct Diversion Board
City Councilor, District 2

Denise Fort

At-Large Member, Buckman Direct Diversion Board

Javier M. Gonzales

City Alternate Member, Buckman Direct Diversion Board
City of Santa Fe Mayor

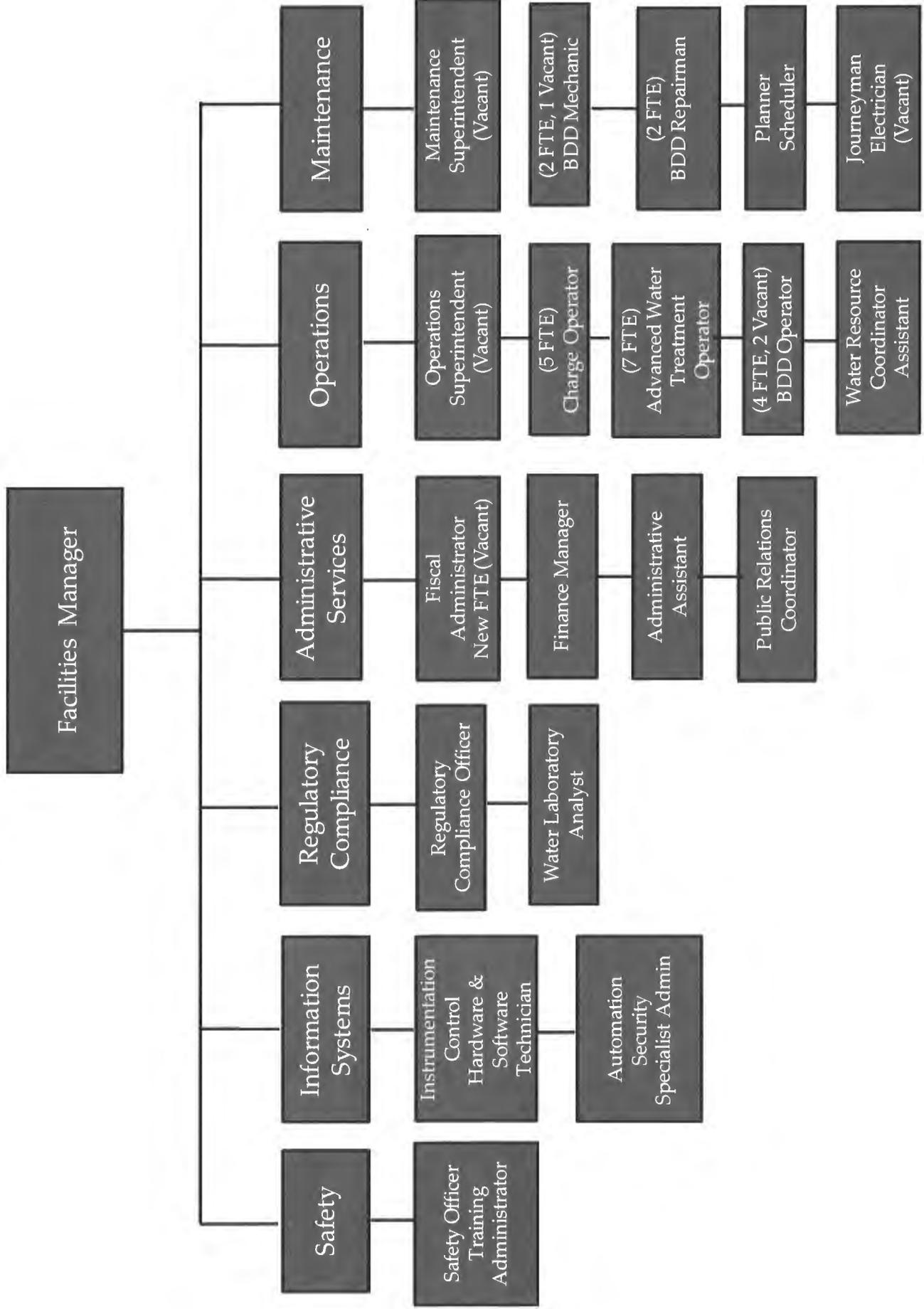
Henry P. Roybal

County Alternate Member, Buckman Direct Diversion Board
County Commissioners, District 1

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 15th 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 \$7,056,000. 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>
Revenues/Reimbursements by Source:				
Federal Funds	\$ 96,000	\$ -	\$ 96,000	1.4%
PNM Solar Rebates	-	150,000	150,000	2.1%
City of Santa Fe	3,866,662	1,081,383	4,948,045	70.1%
Santa Fe County	1,343,613	289,677	1,633,290	23.1%
Las Campanas (Club)	78,985	47,940	126,925	1.8%
Las Campanas (Coop)	101,740	-	101,740	1.4%
Total Revenues by Source	\$ 5,487,000	\$ 1,569,000	\$ 7,056,000	100%
% of overall budget	78%	22%	100%	

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

Expenditure by Category	City of Santa Fe	Santa Fe County	Las Campanas		Federal
			(Club)	(Coop)	
Personnel	\$ 2,408,443	\$ 834,197	\$ 46,434	\$ 59,812	\$ -
Electricity	990,422	273,606	50,576	3,396	-
Chemicals	199,250	50,750	-	-	-
Solids	94,416	25,584	-	-	-
Materials & Supplies	508,737	181,107	14,813	19,081	-
Other Operating Costs	673,534	231,834	11,501	14,814	96,000
Fiscal Agent Fee	192,792	66,662	3,600	4,638	-
Total	5,067,595	1,663,740	\$ 126,925	\$ 101,740	\$ 96,000
PNM Solar Rebates	(119,550)	(30,450)			
Total	\$ 4,948,045	\$ 1,633,290			\$ 7,056,000

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 \$6,788,308 plus the fiscal agent fee of \$267,692 which represents an increase of 2.2% 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 BDDDB.
- The proposed budget includes the following major initiatives:
 - New Position - BDD Fiscal Administrator \$116,379 in salary and benefits.
 - Salary range reclassifications for our BDD Operations Superintendent Position and Maintenance Superintendent Position.
 - Security System Upgrades \$50,000.
 - 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 Adopted Budget	FY2014/15 Audited Actual 6/30/15	FY2014/15 Variance \$ (Under) / Over Budget	FY2015/16 Adopted Budget	FY2016/17 Proposed Budget	\$ Change FY16/17 vs FY15/16
Revenues/Reimbursements by Fund:						
BDD Operating 7280000	\$ 6,549,731	\$ 5,759,617	\$ (790,114)	\$ 6,617,400	\$ 6,810,000	\$ 192,600
PNM Solar Rebates	180,000	116,734	(63,266)	190,000	150,000	(40,000)
Federal Funds	-	-	-	96,000	96,000	-
Total	\$ 6,729,731	\$ 5,876,351	\$ (853,380)	\$ 6,903,400	\$ 7,056,000	\$ 152,600
Expenditures by Category:						
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	723,739	140,278
Other Operating Costs	1,140,408	950,094	(190,314)	1,308,790	1,027,683	(281,107)
Total	6,665,131	5,811,751	(853,380)	6,836,000	6,788,308	(47,692)
Fiscal Agent Fee	64,600	64,600	-	67,400	267,692	200,292
Total	\$ 6,729,731	\$ 5,876,351	\$ (853,380)	\$ 6,903,400	\$ 7,056,000	\$ 152,600

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 BDDDB on an annual basis. This budget request was prepared with the following approved cost sharing principles.

Cost Sharing (TABLE D)

<u>Fixed</u>	<u>City of Santa Fe</u>	<u>Las Campanas</u>		<u>Total</u>
		<u>Santa Fe County</u>	<u>(Club)</u>	
Shared Facilities	62.09%	25.60%	5.38%	6.93%
Separate Facilities	75.33%	24.67%	0%	0%
Project Wide				
25% Shared Facilities	15.52%	6.40%	1.35%	1.73%
75% Separate Facilities	56.50%	18.50%	0.00%	0.00%
	72.02%	24.90%	1.35%	1.73%
<u>Variable</u>				
Projected Volumetric Flow	71.90%	23.00%	5.10%	0.00%
				100.00%

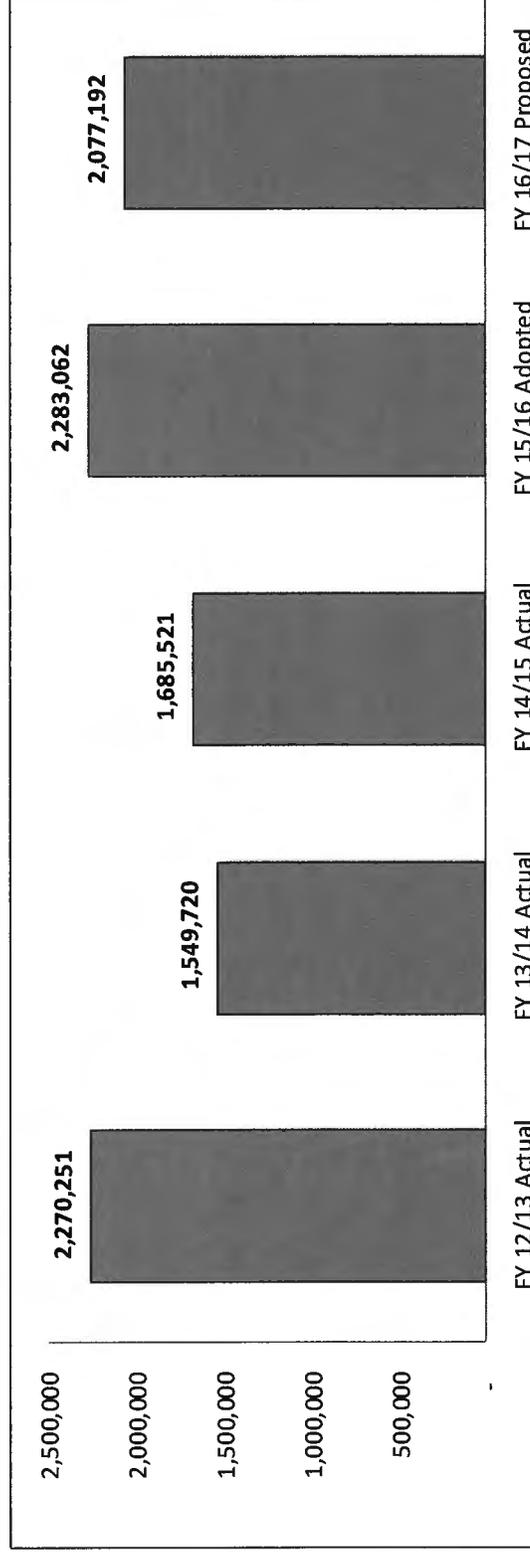
Annual volumetric flow predictions provided by the partners are used as the basis for variable costs primarily related to chemicals, electricity, and solids management.

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

<u>Volumetric Flow (acft)</u>	<u>City of Santa Fe</u>	<u>Las Campanas (Raw Water) via County</u>		<u>Total Diverted</u>
		<u>Santa Fe County</u>	<u>Las Campanas (Raw Water)</u>	
FY2011/2012	4,787.09	472.08	123.89	181.11
FY2012/2013	5,931.78	448.00	504.66	85.23
FY2013/2014	3,295.24	890.13	25.49	546.78
FY2014/2015	3,565.50	1,051.72	418.32	139.01
<i>FY2015/2016</i>	<i>5,223.00</i>	<i>1,136.00</i>	<i>300.00</i>	<i>350.00</i>
<i>FY2016/2017</i>	<i>4,582.90</i>	<i>1,168.44</i>	<i>300.00</i>	<i>325.64</i>
%	71.9%	18.3%	4.7%	5.1%
% Percentage is used in calculation of partner share of variable costs				
				100%

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 in 1,000's
(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
Expenditures						
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	5,392,000	3,877,923	1,339,384	174,693	5,392,000
Total Operating Expenditures	\$ 6,617,400	\$ 6,810,000	\$ 4,948,045	\$ 1,633,290	\$ 228,665	\$ 6,810,000
Operational Efficiencies						
Total gallons raw water in 1,000's	211,726	203,792	-	97,720	106,072	203,792
Total Cost per 1,000 gallons	\$ 2.79	\$ 3.16	\$ -	\$ 0.79	\$ 1.20	
Electric Cost per 1,000 gallons	\$ 0.52	\$ 0.56	\$ -	\$ 0.12	\$ 0.51	
Total gallons finished water in 1,000's	2,071,264	1,873,401	1,492,801	380,600	-	1,873,401
Total Cost per 1,000 gallons	\$ 2.91	\$ 3.29	\$ 3.31	\$ 4.09	\$ -	
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	\$ -	
Monthly Average Costs	\$ 551,450	\$ 567,500	\$ 412,337	\$ 136,108	\$ 19,055	\$ 567,500
*Excludes Solar Rebate Revenue and Federal Funds Received						

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.

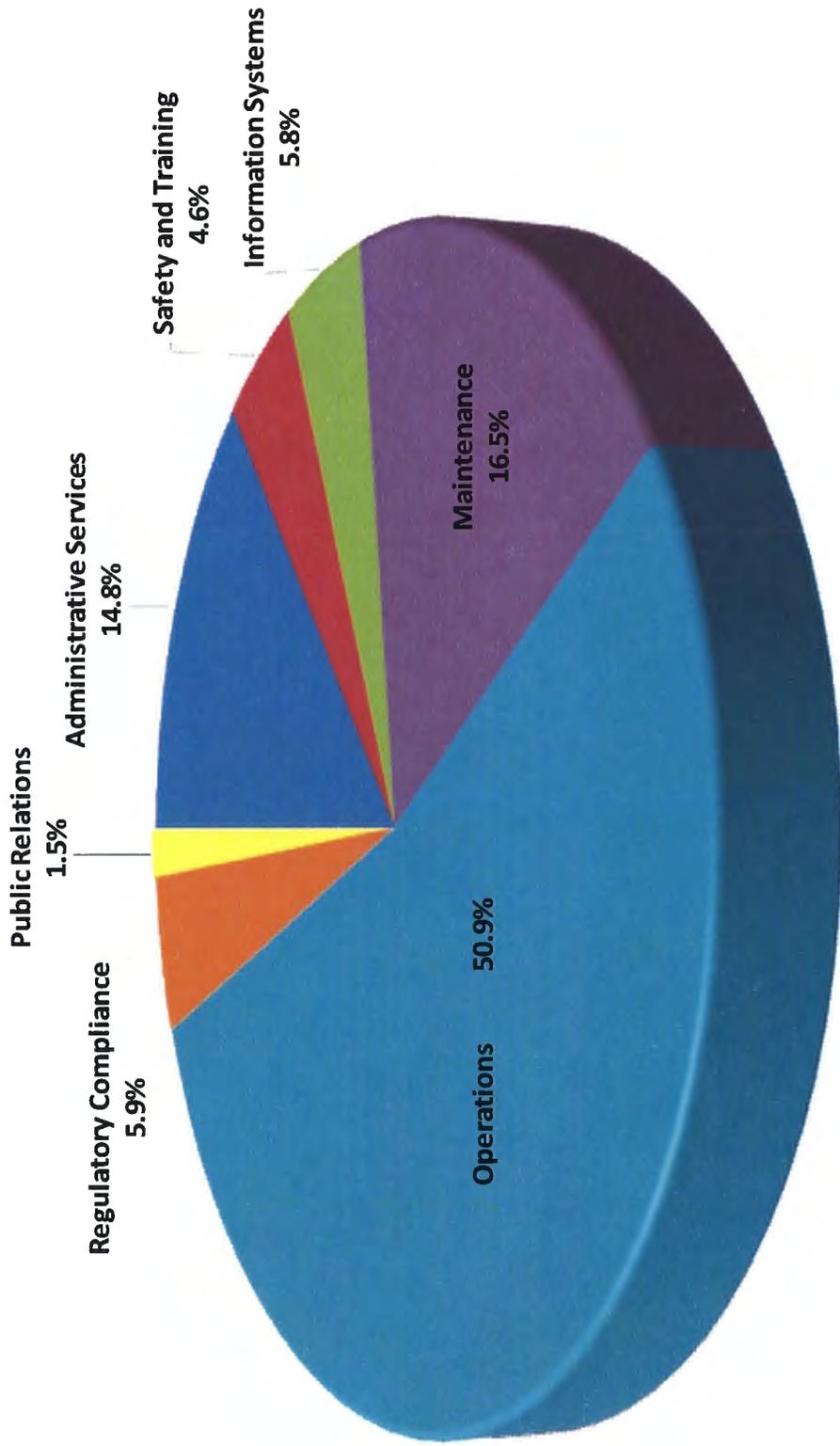
The BDD is divided into six (7) key Programs with explicit business functions as shown in Figure 1. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the regional water treatment plant, maintain full regulatory 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 I)

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

AUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES

	FY2014/15		FY2014/15		FY2014/15		FY2016/17		\$ Change	
	Adopted		FY2014/15		FY2014/15		FY2016/17		FY 16/17 vs	
	Budget		audited		\$ (Under) or	Adopted	Proposed	Budget	FY15/16	
			6/30/15		Over Budget	Budget	Budget			
Expenditures by Program:										
1. Operations (18 FTE)	\$ 3,593,573	\$ 2,861,371		\$ (732,202)		\$ 3,589,473	\$ 3,452,340		\$ (137,133)	
2. Regulatory Compliance (2 FTE)	316,567	300,307		(16,260)		409,373	401,659		(7,714)	
3. Asset Management & Maintenance (7 FTE)	963,385	959,401		(3,984)		1,191,590	1,118,707		(72,883)	
4. Safety and Training (1 FTE)	285,771	275,089		(10,682)		305,497	312,571		7,074	
5. Administrative Services (4 FTE)	1,096,769	1,022,829		(73,940)		920,987	1,006,808		85,821	
6. Information Systems (2 FTE)	320,222	306,406		(13,816)		319,629	393,299		73,670	
7. Public Relations (1 FTE)	88,844	86,348		(2,496)		99,451	102,924		3,473	
Total Expenditures by Program (35 FTE)	6,665,131	5,811,751		(853,380)		6,836,000	6,788,308		(47,692)	
Fiscal Agent Fee	64,600	64,600		-		67,400	267,692		200,292	
Total	\$ 6,729,731	\$ 5,876,351		\$ (853,380)		\$ 6,903,400	\$ 7,056,000		\$ 152,600	

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

Contingency Fund (CF) – pending adoption by governing bodies

The BDD Board approved creation of a Contingency Fund on February 4, 2016. The fund was established to secure resources for the BDDB’s pursuit of claims and possible participation in litigation.

The implementation of this policy is dependent on each respective governing body’s approval of the policy.

Upon approval, the Contingency Fund will receive \$1,000,000 in partner contributions for the current fiscal year. The BDD requests an additional \$1,100,000 in partner contributions for the requested budget FY2016/2017. These contributions will be budgeted and expended in accordance with the policy and billed to our partners for reimbursement on a monthly basis.

Contingency Fund Balance (TABLE M)

Contingency Fund	City of Santa Fe	Santa Fe County	Las Campanas Entities	Balance
Contributions in FY15/16-(Pending)	470,000	470,000	60,000	1,000,000

Contingency Fund FY16/17 Contributions (TABLE N)

Contingency Fund	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Annual Budget Amount	517,000	517,000	39,600	26,400	1,100,000

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

Five-year Cost Projection

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 slightly increase over the foreseeable future, due to increase maintenance costs, all else being equal, at approximately \$7 – \$7.2 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.

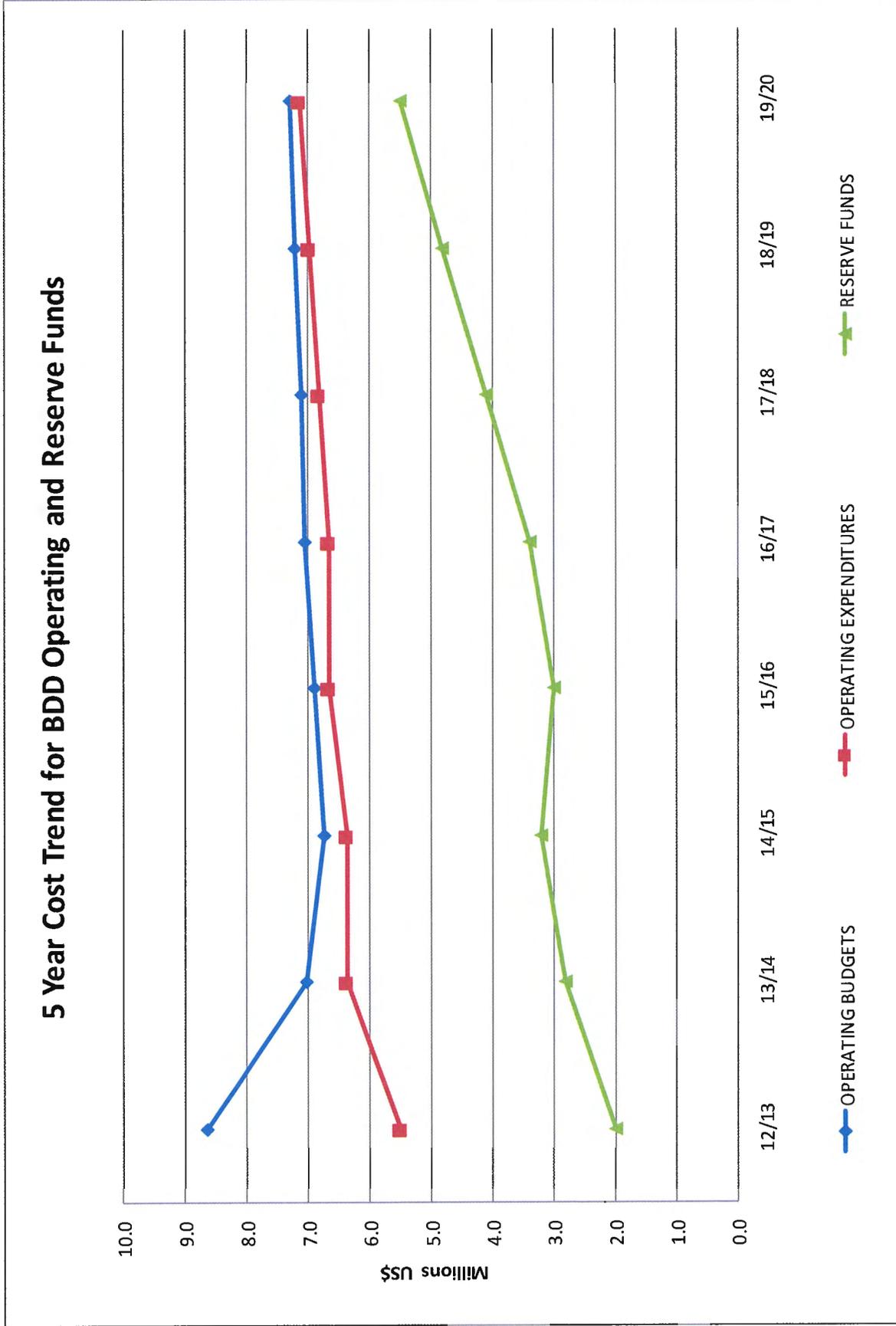
(TABLE A)

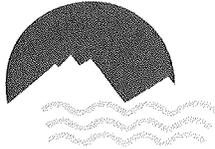
5 Year Forecast BDD OPERATING Budget in Millions \$U.S.

FORECAST YEAR	Actual	Actual	Actual	Estimate	1	2	3	4	5
FISCAL YEAR	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
Operating Budget	8.64	7.04	6.73	6.90	7.1	7.1	7.2	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
EXPENDITURES									
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
=EXPENDITURES	5.5	6.4	6.4	6.7	6.7	6.8	7.0	7.1	7.1
=TOTAL NET EXPENDITURES	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>0.4</u>	<u>0.3</u>	<u>0.2</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.

Memorandum

Date: March 3, 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.

The BDD requests to utilize a portion of our vacancy savings to make funds available in our legal services line item in the amount of \$54,094. This request will allow immediate funding to our current Legal Services Agreement.

<u>Category</u>	<u>Description</u>	<u>Amount</u>
Personnel	Salaries	(\$54,094)
Other Operating Costs	Legal Services	\$54,094
FY 2015/2016 Total Budget Net Effect		\$0

ACTION REQUESTED:

Staff recommends approval of the attached Budget Adjustments Request to our FY15/16 Operating Budget. This request has zero net effect to our overall operating budget.

Approved by BDDDB March 3, 2016

Liz Stefanics, BDDDB Chair



