Buckman Direct Diversion Project

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

Date: **December 15, 2011**

To: **Buckman Direct Diversion Chairperson and Board**

From: **Robert Mulvey, P.E. BDD Facility Manager** RM

Via: **Brian Snyder, P.E. Utilities Director, City of Santa Fe**
Patricio Guerrerortiz, P.E. Utilities Director, Santa Fe County

Subject: **Proposed Annual Operating Budget for Fiscal Year 2012-13**

We are pleased to submit the Buckman Direct Diversion Project Proposed Annual Operating Budget for FY 2012-13. The Annual Operating Budget accounts for all functions necessary to meet the Board's service level objectives and provide high quality water supplies to Santa Fe County and City of Santa Fe.

This year, we've taken a different approach to budget preparation. Mirroring the **Best Budget Practices** set forth by the *National Advisory Council on State and Local Budgeting* (NACSLB), this document incorporates ***Outcome-based Budget Principles.*** This type of advanced budgeting links limited resources to key business strategies and performance measurements. In other words, we've shifted the focus from "paying for costs" to "buying results". As local governments struggle with declining revenues, *Outcome-based* budgeting has become an increasingly important national tool for efficiency and accountability.

Budget Highlights

- The FY 2012-13 Proposed Budget represents a $403,890 reduction from the previous year's Board-approved budget. These savings were realized by closer evaluation of electric power projections and determining program-specific funding requirements.
- The proposed budget adds one full time employee (FTE) position: *Budget Analyst.* This action is necessary to support financial program obligations.

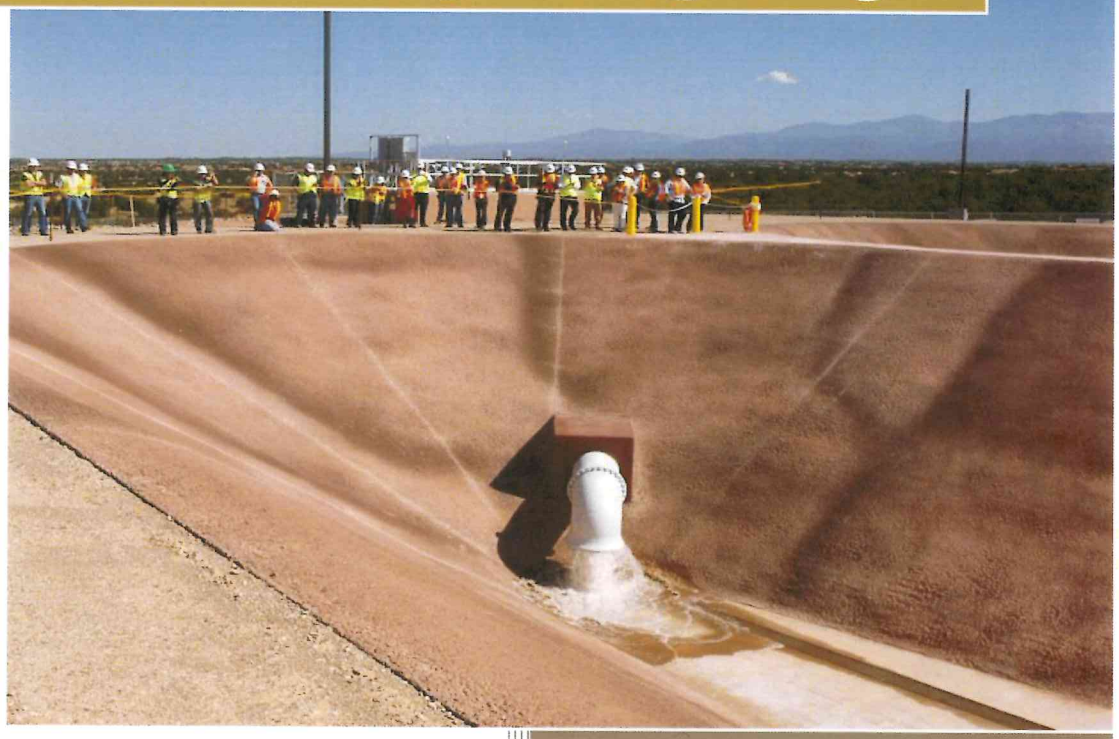
- The BDD budget is divided into five Key Programs. The Key Programs contain the total costs (personnel and overhead) of major business activities. Delineating Programs by major business functions allow stakeholders to better understand how dollars are spent to accomplish specific performance objectives.
- The budget links cost to key performance metrics and strategic initiatives. This outcome-based practice allows stakeholders to assess how well the BDD executes its core business functions and sets the framework for continuous improvement.
- The budget includes new cost allocation calculations for Las Campanas to receive raw water deliveries pursuant to the *Raw Water Supply Agreement* between Santa Fe County and Las Campanas executed in November 2011. The budget also assigns cost to Las Campanas for raw water deliveries taken separate from the new Agreement.

This budget document is intended to promote strengthened partnerships by advancing understanding of the effective budget strategies for the Buckman Direct Diversion Project. We look forward to presenting the FY 2012-13 Proposed Budget and addressing your comments and questions.

Thank you

FY 2012-13

Buckman Direct Diversion Project Proposed Annual Operating Budget



Prepared by: Robert Mulvey, BDD Facilities Manager & Brian Shelton, BDD Financial Manager and Business Administrator

Buckman Direct Diversion Project Annual Operating Budget, FY2012-13

Introduction

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 establish by resolution the Fiscal Year 2012-13 Operating Budget of $8,464,512.

Consistent with documents previously approved by the Board, this Budget includes provisions for an annual contribution of $1,000,000 to the *Emergency Fund* and $411,812 to the *Major Repair and Replacement Fund* bringing the total funding request to $9,876,324.

Best Budget Practices and Outcome-based Budget Strategy

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.

High Performance Organization Principles

The world of water utility management is evolving at a baffling and challenging speed. Local governments are asked to do more with less, Federal and State support is declining, and citizens are demanding a more responsive government. To respond to these forces water utilities must become laboratories for higher performance. *High Performance Organization (HPO) Principles* developed by the University of Virginia, Weldon Cooper Center for Public Service, provide a proactive approach to take organizations confidently into the future. Guided by a collective vision of community building and empowerment, HPO allows leaders to invest time and resources in themselves and their leadership team to create and maintain a continuously improving, learning organization. HPO offers an integrated and comprehensive roadmap to organizational development.

Early on, the *Buckman Direct Diversion Project* recognized the benefits of HPO and devoted significant efforts towards implementation. Through collaborative meetings and training sessions, managers and staff worked on an array of ideas aimed at organizational excellence. While HPO encompasses a broad range of strategic workforce initiatives, this document is the result of basic HPO tenants applied to financial planning. *Outcome-based Budgeting* complements HPO's fundamental continuous improvement philosophies of excellence, transparency and accountability.

Program Overview, Organizational Chart, and Staffing Summary

The BDD Operation and Maintenance (O&M) is divided into five (5) 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.

Key Program	Business Function
Administrative Services	Provides general oversight and management support. (Includes: Management, Accounting and Budget, and Information Systems)
Environmental Health, Safety Transportation and Security	Provide program development and site specific training to comply with State and Federal Health and Safety Regulations
Asset Management (Maintenance)	Provide cost-effective maintenance services to BDD Operation and optimize infrastructure life-cycle costs
Operations	Produce high quality drinking water
Regulatory Compliance and Laboratory Services (Water Quality)	Provide full compliance with State and Federal water quality standards

Figure 1: Key Programs and Cost Allocation Percentages

The relative costs of five Key Programs are given in Figure 2. Total Program funding includes all employee wages and benefits, 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. Later in this document, these costs are linked to specific strategic initiatives and performance metrics.

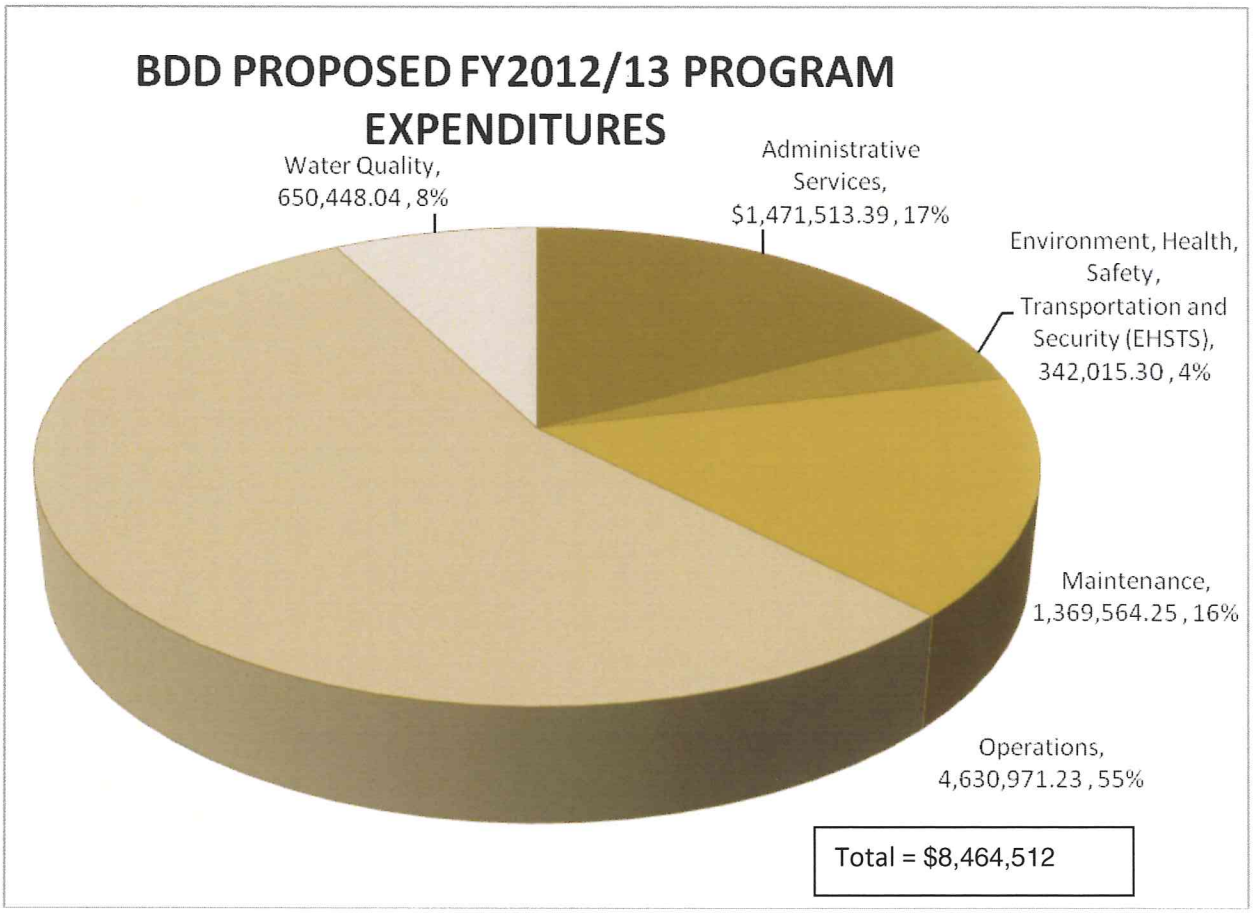


Figure 2: Relative Cost of Key Programs or Business Functions

BDD Programs are supported by 33 existing full time employees as shown in Figure 3. An additional full time employee (*Budget Analyst*) is proposed FY 2012-13. This new position is necessary to assist the *Financial Manager & Business Administrator* in fulfilling financial obligations under applicable agreements. Structural justification for the *Budget Analyst* position will be presented under separate cover.

In 2011, we reclassified one *Advanced Water Treatment Plant Operator* position to an *Administrative Assistant*.

BDD Position Summary

Position/Title	2011-12 Adopted FTE	2012-13 Proposed FTE	Change FTE
Facilities Manager	1	1	0
Automation & Security Administrator	1	1	0
Regulatory Compliance Officer	1	1	0
Financial Manager & Business Administrator	1	1	0
Safety and Training Officer	1	1	0
Facility Equipment and Maintenance Superintendent	1	1	0
Chief Operator	1	1	0
Charge Operator	5	5	0
Advanced Water Treatment Plant Operator	8	8	0
BDD Operator	4	4	0
Laboratory Analyst	1	1	0
Planner / Scheduler	1	1	0
Journeyman Electrician	1	1	0
Industrial Electrician	1	1	0
BDD Equipment Repairman	2	2	0
BDD Maintenance Mechanic	1	1	0
Instrumentation Specialist	1	1	0
Administrative Assistant	1	1	0
Budget Analyst	0	1	+1
Total	**33**	**34**	**+1**

Figure 3: BDD Position Summary

Existing BDD positions are structured according to the Organizational Chart shown in Figure 4.

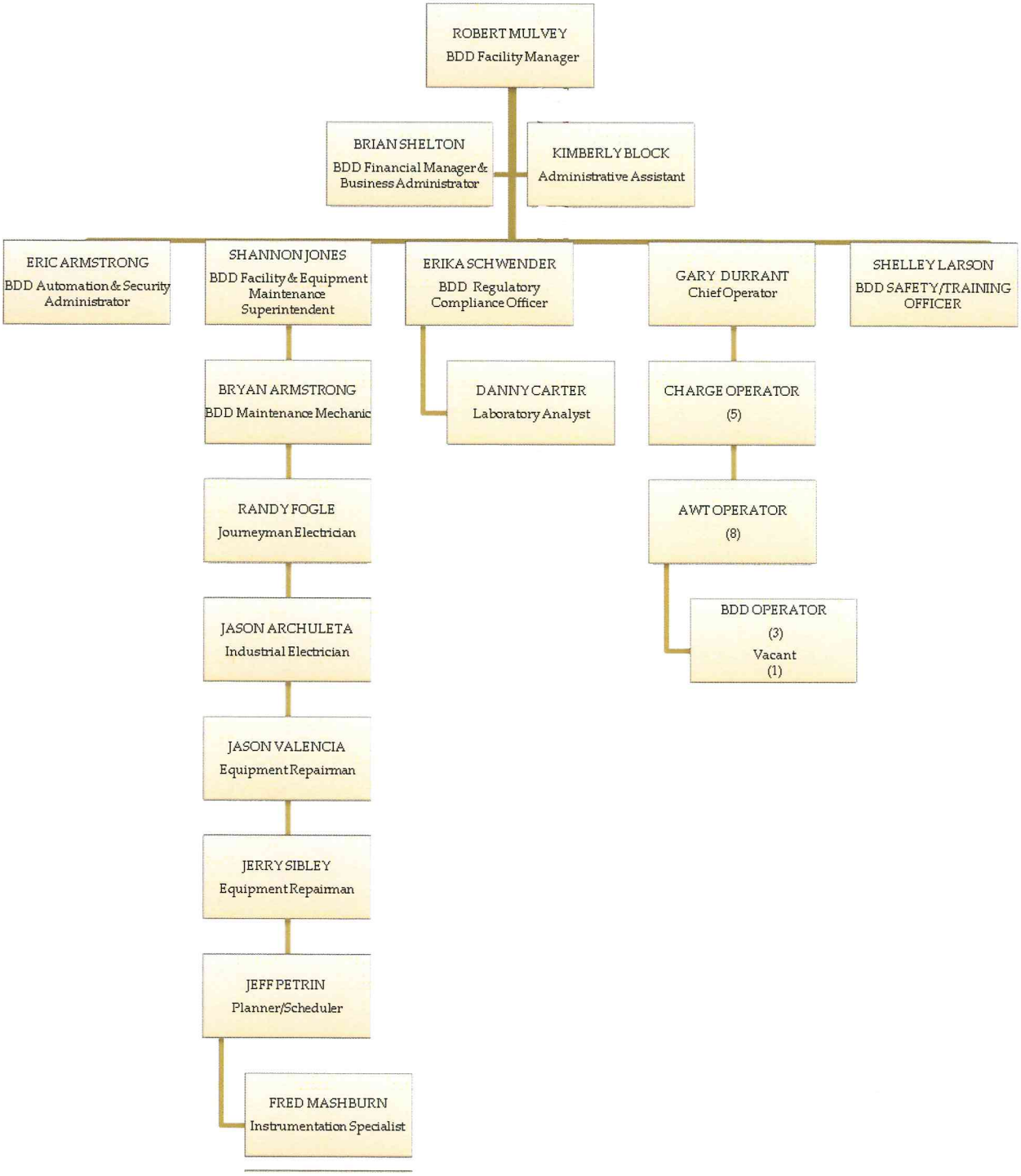


Figure4: BDD Organizational Chart

Fiscal Year 2012-13 Operating Budget

The proposed Annual Operating Budget for Fiscal Year 2012-13 is of 8,464,512. The FY 2012-13 budgets represents a $403,890 reduction from the previous year budget value of $8,868,402. This savings was realized by close review of funding requirements at the "program level", as described later in this document, and refined power and chemical projections based on operating experience. Figure 5 summarizes the partner's fixed and variable costs. These budget values are determined by percentage allocations contained in the *Facility Operations and Procedures Agreement* (FOPA).

FY 2012-13 OMR&R Budget

	Fixed Costs	Variable Costs	Total
City of Santa Fe	$4,317,142	$1,915,749	$6,232,891
Santa Fe County	$1,413,572	$482,855	$1,896,427
Las Campanas	$279,276	$55,918	$335,194
Total	**$6,009,991**	**$2,454,522**	$8,464,512

Figure 5: Fixed and Variable Costs for Partnership

Volumetric Flow Projections and Water Orders

Annual volumetric flow projections provided by the partners give the basis for certain variable costs, primarily chemicals and power. As confirmed through consultation with the partners, Las Campanas potable water flow projections are included in Santa Fe County water orders.

In November 2011, Santa Fe County entered into a **Raw Water Supply Agreement** with Club at Las Campanas (the "Club") whereby the County will supply the Club with up to 600 acre feet per year of raw water. During Fiscal Year 2012-13, the County anticipates delivering 402.0 acre-feet to the Club. The cost to pump water from the Rio Grande to the dedicated Las Campanas pump station located at BS2A is included in the County's variable budget projections per III.B. of the "Agreement". In turn, the County will bill the Club for water taken as a "Wholesale-2" rate class customer.

Las Campanas intends to divert an additional 187 acre-feet of raw water separate and apart from the Raw Water Supply Agreement. During months where Las Campanas receives raw water directly from the BDD, all variable costs associated with delivering raw water to the Club will be billed directly to the Club by the BDD.

Figure 6 gives projected flow values provided by the partners.

Volumetric Flow Provided by Partners

Volumetric Flow	City of Santa Fe	Santa Fe County	Raw Santa Fe County	Raw Las Campanas	Total
Annual Flow (acre-feet/yr.)	4,677.6	714.4	402.0	187.0	5981.0
Annual Flow (million gallons)	1,523.6	232.7	130.9	60.9	1948.1

Figure 6: Volumetric flow projections for FY 2012-13 provided by partners for budget purposes

Fixed and Variable Costs for Shared and Separate Facilities

Figure 7 gives estimated fixed and variable costs for six major budget categories for Shared Facilities. Figure 8 gives similar estimates for Separate Facilities. Shared and Separate Facilities are defined in the *Facility Operations and Procedures Agreement* (FOPA) as follows:

- Shared Facilities – portion of the BDD project that provides raw water to all partners up to and including parts of Booster Station 2A.
- Separate Facilities – portion of the BDD Project including pumping facilities in Booster Station 2A, the raw water pipeline extending from Booster Station 2A to, and including the Regional Water Treatment Plant, and the Finished Water Pipelines to points of City and County interconnection.

BDD Operating Budget, FY 2012-13

Shared Facilities -City of Santa Fe, Santa Fe County, Las Campanas

Category	City of Santa Fe	Santa Fe County	Las Campanas	City of Santa Fe	Santa Fe County	Las Campanas	Total
	Fixed Costs	*Fixed Costs*	*Fixed Costs*	*Variable Costs*	*Variable Costs*	*Variable Costs*	
Personnel	$670,962	$219,692	$189,974				$1,080,628
Chemicals							
Electric Use	$3,781	$1,238	$1,070	$542,988	$135,686	$55,692	$740,456
Solids Disposal							
Materials/Supplies	$174,071	$56,996	$49,286				$280,353
Other Costs	$137,549	$45,037	$38,945	$5,683	$1,435	$225	$228,875
Total	$986,362	$322,963	$279,276	$548,672	$137,120	$55,918	2,330,311

Figure 7- Costs are shown for information purposes. Actual costs will be generated using he Cost Accounting Model

Separate Facilities – City of Santa Fe, Santa Fe County

Category	City of Santa Fe	Santa Fe County	City of Santa Fe	Santa Fe County	Total
	Fixed Costs	*Fixed Costs*	*Variable Costs*	*Variable Costs*	
Personnel	$1,899,503	$621,961			$2,521,464
Chemicals			$384,241	$94,004	$478,245
Electric Use	$25,994	$8,511	$472,802	$117,285	$624,592
Solids Disposal			$487,267	$128,194	$615,426
Materials/Supplies	$451,702	$147,902			$599,605
Other Costs	$953,581	$312,234	$22,767	$6,251	$1,294,833
Total	$3,330,780	$1,090,609	$1,367,077	$345,735	$6,134,201

Figure 8 -Costs are shown for information purposes. Actual costs will be generated by the Cost Accounting Model

Total: $8,464,512

Figures 7 and 8 allow partners to anticipate the relative costs assigned to key expenditure groupings. However, partners will be invoiced the actual cost of BDD Project OMR&R, apportioned by the Cost Accounting Program which resides in the City of Santa Fe JD Edwards Financial Application.

Five Year Budget Projections

Five year budget projections are provided as required by Article 34(D) the *Project Management and Fiscal Services Agreement* (PMFSA). Subsequent fiscal years contain a 3.0% Consumer Price Index adjustment. Figure 9 summarizes five year projections.

5-Year Operating Budget Projections

Category	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Personnel	$3,602,092	$3,710,155	$3,821,459	$3,936,103	$4,054,186
Chemicals	$478,245	$492592	$507,370	$522,591	$538,269
Electric Use	$1,365,048	$1,405,999	$1,448,179	$1,491,625	$1,536,374
Solids Disposal	$615,462	$633,926	$652,944	$672,532	$692,708
Materials/Supplies	$879,958	$906,357	$933,547	$961,554	$990,400
Other Costs	$1,523,708	$1,569,419	$1,616,502	$1,664,997	$1,715,947
Total	$8,464,512	$8,718,571	$8,980,002	$9,249,402	$9,526,884

Figure 9: Five year budget Projections allow for 3.0% Consumer Price Index adjustments.

Emergency Reserve Fund and Major Repair and Replacement Fund

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 Fund, and the Major Repair and Replacement Fund as part of the FY 2011-12 Budget. The BDD recently began billing partners for these costs.

The *Emergency Fund* will be built to a level of $2,000,000 over a two-year period, and will be replenished as dollars are spent according to a previously approved Board policy.

The *Major Equipment Repair and Replacement Fund* will funded to a level of $3,900,000 over a 10-year period. As actual expenses are incurred, contributions to the fund in "out years" can be adjusted accordingly.

The values shown in Figures 10 and 11, are unchanged from those presented last year in the FY 2011-12 Budget.

Emergency Reserve Fund

Emergency Fund	City of Santa Fe	City of Santa Fe	Las Campanas	Total
FY 2012-13 Contribution	$653,175	$214,975	$131,850	$1,000,000
FY 2013-14 Contribution	$653,175	$214,975	$131,850	$1,000,000
Total Emergency Fund Balance	$1,306,350	$429,950	$263,700	$2,000,000

Figure 10: Emergency Fund / Repair and Replacement Fund

Major Equipment Repair and Replacement Fund

Repair and Replacement Fund	City of Santa Fe	Santa Fe County	Las Campanas	Total
Annual Contribution Repair and Replacement	$291,840	$96,797	$23,175	$411,812

Figure 11: Repair and Replacement Fund

Budget Summary

The total funding requirement of $9,876,324 for Fiscal Year 2012-13 is summarized on Figure 12:

Summary of FY 2012-13 Budget Requirements

	City of Santa Fe	Santa Fe County	Las Campanas	Total
FY 2012-13 Budget	$6,232,891	$1,896,427	$335,194	$8,464,512
Emergency Reserve Fund (1-year)	$653,175	$214,975	$131,850	$1,000,000
Repair/Replacement Fund	$291,840	$96,797	$23,175	$411,812
Total	$7,177,906	$2,208,199	$490,219	$9,876,324

Figure 12: Summary of Total Budget Requirement

Government should monitor and analyze the performance of its service programs to determine whether they are accomplishing program goals and making efficient use of resources.

Program Budgets & Performance Assessments

Program Budgets and Performance Assessments

Evaluating and reporting on program performance on a routine, publicized basis keeps stakeholders apprised of actual results compared to expectations. This document contains our initial efforts to evaluate project performance to determine whether programs are efficiently accomplishing goals. More importantly, this document establishes a *Budget Development Methodology*, whereby performance standards can be periodically evaluated, refined, and adapted to stakeholder priorities. In addition to refining operational metrics, future budgets should include greater City and County goal-setting involvement. Therefore, this budget development process establishes the framework for continuous organizational improvement through enhanced communication, transparency and accountability which are the cornerstones *of High Performing Organizations*.

The following pages contain information on key Programs which include:

- ***Program Purpose*** – defines the mission or the reason the program exists.
- ***Program Expenditures, Budget and Full Time Equivalents (FTE's)*** – gives the total Program costs including the number of employees allocated towards executing the business function.
- ***Strategic Goals Supported by the Program Resources*** – defines strategic initiatives developed to attain high performance standards.
- ***Results and FY 2012-13 Targets*** – contains quantifiable metrics based on actual data to determine whether the business unit is achieving performance goals consistent with its mission and strategic goals.

Operations Program

Program Purpose

The Purpose of the Operations Program is to produce drinking water to the BDD partners so they can have confidence in the quality and quantity of water delivered by the Water Treatment Plant

Program Expenditures, Budget and Full Time Equivalents (FTE's)

	FY 2011/12 Adopted Budget	FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Budget	%Variance FY 2011/12 Adopted to FY 2012/13 Proposed
Expenditure/ Budget	$ 5,207,317	$ 1,700,061	$ 4,130,383	$ 4,630,971	(11%)

Position/Title	2011-12 Adopted	2012-13 Proposed	Change FTE
Chief Operator	1	1	0
Charge Operator	5	5	0
Advanced Water Treatment Plant Operator	8	8	0
BDD Operator	4	4	0
Total FTE	**18**	**18**	**0**

Strategic Goals Supported by Program Resources

1. To ensure that water quality is kept to a very high standard
2. To minimize electric power and chemical costs

Results and FY2012/13 Targets

Performance Measures		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/ Outcome				
• 95% of all turbidity measurements must be less than or equal to 0.3 NTU.*		100% compliance	100% compliance	100% compliance
Output				
• Number of Turbidity Samples Collected		100% continuous	100% continuous	100% continuous

*This is a critical indicator of whether the treatment process is meeting regulatory guidelines for treated drinking water. NTU is a measure of the clarity of drinking water and the effectiveness of water treatment.

Operations

	FY2011/12 Adopted Budget	FY2011/12 Mid-Year Estimate	FY2011/12 Full Year Estimate	FY2012/13 Proposed Budget	$ Change FY 12 vs FY 13	% Change FY12 Adopted to FY13 Proposed
Expenditures by Line Item:						
Salaries and Wages	$ 1,049,832.20	$ 524,916.10	$ 1,049,832.20	$ 1,049,832.20	$ -	0%
Overtime	133,473.80	82,892.64	165,785.28	135,195.67	1,721.87 [1]	1%
Benefits	723,596.36	361,798.18	723,596.36	723,596.36	-	0%
Contractual Services	-	-	-	-	-	0%
Utilities	2,064,681.00	623,096.45	1,570,000.00	1,443,961.00	(620,720.00) [2]	(30%)
Communications	7,520.00	10,173.14	11,273.14	6,520.00	(1,000.00) [3]	(13%)
Landfill Tipping Fees & Solid Waste	567,830.00	24,567.30	150,000.00	615,462.00	47,632.00 [4]	8%
Chemicals	625,933.98	63,855.74	431,396.18	478,245.00	(147,688.98) [5]	(24%)
Materials and Supplies	29,950.00	8,761.35	24,000.00	64,950.00	35,000.00 [6]	117%
Software	1,500.00	-	1,500.00	-	(1,500.00)	(100%)
Books/Subscriptions/Periodicals	3,000.00	-	3,000.00	3,000.00	-	0%
Gasoline and Fuel	-	-	-	-	-	0%
Insurance	-	-	-	-	-	0%
Registration	-	-	-	-	-	0%
Advertising	-	-	-	-	-	0%
Rental	-	-	-	-	-	0%
Employee Training and Tuition	-	-	-	-	-	0%
Interfund charges	-	-	-	-	-	0%
Capital Outlay	-	-	-	50,000.00	50,000.00 [7]	100%
Fiscal Charges	-	-	-	60,209.00	60,209.00 [8]	100%
Transfers to Other Funds	-	-	-	-	-	0%
	5,207,317	1,700,061	4,130,383	**4,630,971**	(576,346)	(11%)
FTE Summary:						
Regular (full & part time)	18.0	18.0	18.0	18.0	0.0	0%
Casual, Student,& Temp.	0.0	0.0	0.0	0.0	0.0	0%
	18.0	18.0	18.0	**18.0**	0.0	0%

[1] The full year FY2011/12 estimate is much higher than originally budgeted because of longer than expected operator learning curves in the first full year of operation. The BDD does not expect this to be a recurring factor in FY2012/13 operations, so the overtime budget is requested to be only slightly greater to account for increases in the base hourly rate of several operators due to skills-based promotions.

[2] Electric usage eliminate a 15% contingency in last year's budget for electricity and corrected Summer On-Peak Rates to correctly occur during the three months June through August instead of 5 months May through August as was used in developing the current year adopted.

[3] Cost sharing on Tesuque Radio contract not recurring in FY2012/13.

[4] Landfill fees were very low for the current year due to extreme climate conditions - low flow in the river, low rainfall runoff levels, low sediment content in the river, and lower than normal flows during the startup period. The higher proposed FY2012/13 budget represents a conservative estimate based on the predictions of expert design engineers for "normal" water year and conditions.

[5] Chemicals budget was reduced due to improved understanding of the relationships among dose, usage, and unit cost.

[6] $35,000 for additional instruments under $5,000 each required for processing improvements

[7] $25,000 for activated carbon part 1 of 5 year replacement cycle, $25,000 for routine replacement of pall membranes

[8] State of New Mexico water conservation fee at 3 cents per 1,000 gallons produced

Electric Power and Chemical Cost Control

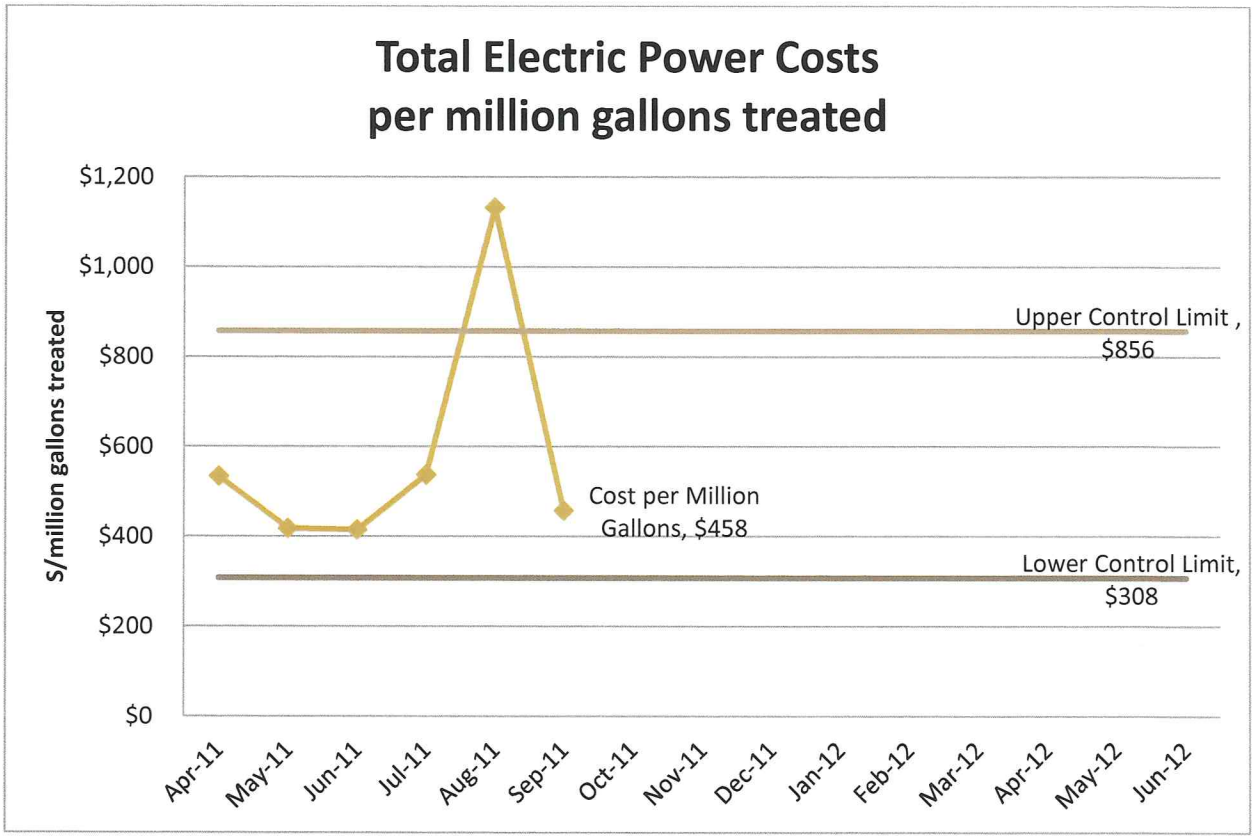
Combined electric power and chemical costs are $1,843,293 accounting for 22% of the total budget. These high "variable" costs deserve attention to ensure resources are being used wisely. The goal is to provide the highest quality water at the best attainable price by optimizing chemical and power usage.

In order to achieve long-term cost savings, the BDD staff has taken initial steps to understand how power and chemical costs impact the treatment process. Work completed to date includes:

- Perform baseline "wire- to- water" efficiency measurements on major pumping systems, and establish subsequent annual testing schedules to track the financial impact of aging equipment.
- Completed training to optimize ozone generation systems. On-site ozone generation systems consume large amounts of electricity in order to convert liquid oxygen to ozone.
- Performed lab studies to predict optimum ferric chloride doses for effective coagulation.
- Minimize off-peak pumping for lower power costs whenever possible.
- Analyze the water's corrosive characteristics using chemical saturation indices to determine appropriate orthophosphate dosing levels.

Data-driven performance indicators are an important process optimization tool. This section contains control charts developed to trend and evaluate on-going power and chemical consumption. This method applies statistical principles to determine target cost ranges. The *Upper Control Limit* and the *Lower Control Limit* represent one standard deviation above and below the mean value. The initial work contained herein provides the basis for long-term continuous improvement as larger data sets are compiled and refined to target cost saving opportunities.

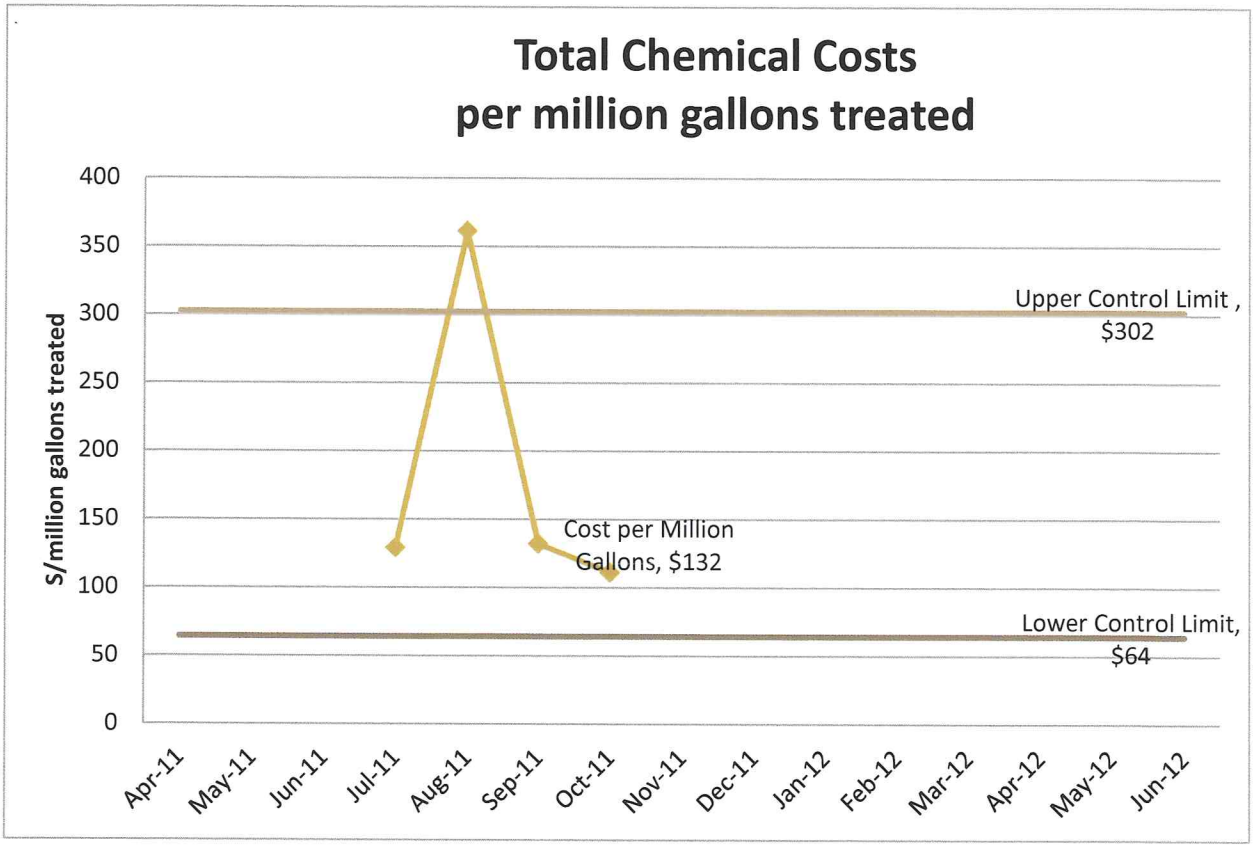
Performance Measures		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/ Outcome				
• Maintain Total Electric Power Cost per 10^6 gallons produced below Upper Control Limit[1] 100 % of the time		83% achieved*	92% achieved	100% achieved



- The BDD Water Treatment Plant was off-line most of August 2011 due to ash run-off caused by fires in the watershed. During this time, Operators re-circulated water within the plant to avoid water quality degradation and related fouling of treatment equipment. This extended shut down increased power and chemical costs relative to the amount of water delivered from the facility, thus, driving up this performance metric in August 2011.

[1] The Upper Control Limit is defined as one standard deviation above the arithmetic mean.

Performance Measures		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/ Outcome				
• Maintain Total Chemical Cost per 10^6 gallons produced below Upper Control Limit[2] 100 % of the time		75% achieved*	92% achieved	100% achieved



- The BDD Water Treatment Plant was off-line most of August 2011 due to ash run-off caused by fires in the watershed. During this time, Operators re-circulated water within the plant to avoid water quality degradation and related fouling of treatment equipment. This extended shut down increased power and chemical costs relative to the amount of water delivered from the facility, thus, driving up this performance metric in August 2011.

[2] The Upper Control Limit is defined as one standard deviation above the arithmetic mean.

Regulatory Compliance and Laboratory Services (Water Quality)

Program Purpose

The Purpose of the *Regulatory Compliance Program* is to provide sound compliance programs with respect to environmental and water quality regulations as well as compliance and process control lab services to BDD partners, its customers, and regulatory agencies to assure a reliable and high quality drinking water supply.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

	FY 2011/12 Adopted Budget	**FY 2011/12 Mid-Year Actual**	**FY 2011/12 Forecast Estimate**	**FY2012/13 Proposed Budget**	**%Variance FY 2011/12 Adopted to FY 2012/13 Proposed**
Expenditure/ Budget	$ 658,797	$200,417	$ 650,179	$650,448	(1%)

Position/Title	**201-12 Adopted FTE**	**2012-13 Proposed FTE**	**Change FTE**
Regulatory Compliance Officer	1	1	0
Laboratory Analyst	1	1	0
Total FTE	**2**	**2**	**0**

Strategic Goals Supported by Program Resources

1. Develop, and implement the Safe Drinking Water Act (SDWA) Compliance Program
2. Develop, and implement the National Pollutant Discharge Elimination System (NPDES) Compliance Program
3. Develop and implement residual Solids Management and Compliance Program
4. Develop and Implement the LANL / DOE Monitoring Program

Safe Drinking Water Program FY2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/Outcome				
• Protect public health and maintain 100% compliance with SDWA monitoring and reporting standards		100% compliance	100% compliance	100% compliance
Output				
• Number of SDWA sampling and reporting events*		2 sample events	4 sample events	4 sample events

*The BDD will collect samples at various times during FY12/13 and analyze them for constituents of interest such as radionuclides, metals, Volatile Organic Compounds, etc.

National Pollution Discharge Elimination Standards Program FY 2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/Outcome				
• Protect the environment and maintain 100% compliance with NPDES monitoring and reporting standards		100% compliance	100% compliance	100% compliance
Output				
• Number of NPDES Suite sampling and reporting events		2 sample events	3 sample events	2 sample events
• Number of Bio-Assay sample and reporting events		2 sample events	4 sample events	4 sample events
• Number of Geomorphic / Aquatic Studies and reports		3 studies	4 studies	4 studies

Landfill Solids Disposal Program FY2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/Outcome				
• Protect the environment and maintain 100% compliance with monitoring frequency requirements: 1 sample per 100 cubic yards of solids disposed to landfill		100% compliance	100% compliance	100% compliance
Output				
• Number of landfill solids disposal sampling and reporting events *		8 sample events	135 sample events	270 sample events

*Based on modeling the BDD is expected to produce 27,010 cubic yards of solids per year. The NMED requires the BDD to collect samples every 100 cubic yards, which results in a total of 270 sampling events to be collected and analyzed during FY12/13.

Water Quality

	FY2011/12 Adopted Budget	FY2011/12 Mid-Year Estimate	FY2011/12 Full Year Estimate	FY2012/13 Proposed Budget	$ Change FY 12 vs FY 13	% Change FY12 Adopted to FY13 Proposed
Expenditures by Line Item:						
Salaries and Wages	$ 134,020.37	$ 67,010.18	$ 134,020.37	$ 134,020.37	$ -	0%
Overtime	7,851.40	2,816.68	5,633.36	7,952.69	101.29	1%
Benefits	80,974.98	40,487.49	80,974.98	80,974.98	-	0%
Contractual Services	290,500.00	72,996.78	290,500.00	305,500.00	15,000.00 [1]	5%
Utilities	-	-	-	-	-	0%
Communications	700.00	350.00	700.00	700.00	-	0%
Landfill Tipping Fees and Solid Waste	-	-	-	-	-	0%
Chemicals	-	-	-	-	-	0%
Materials and Supplies	141,400.00	15,318.76	135,000.00	107,650.00	(33,750.00) [2]	(24%)
Software	-	-	-	-	-	0%
Books Subscriptions and Periodicals	1,350.00	1,040.90	1,350.00	1,150.00	(200.00)	(15%)
Gasoline and Fuel	-	-	-	-	-	0%
Insurance	-	-	-	-	-	0%
Registration	-	-	-	-	-	0%
Employee Training and Tuition	2,000.00	396.00	2,000.00	2,000.00	-	0%
Advertising	-	-	-	8,500.00	8,500.00 [3]	100%
Room Rental	-	-	-	2,000.00	2,000.00 [4]	100%
Interfund charges	-	-	-	-	-	0%
Capital Outlay	-	-	-	-	-	0%
Fiscal Charges	-	-	-	-	-	0%
Transfers to Other Funds	-	-	-	-	-	0%
	$ 658,796.75	$ 200,416.80	$ 650,178.71	**$ 650,448.04**	$ (8,348.71)	(1%)
FTE Summary:						
Regular (full & part time)	2.0	2.0	2.0	2.0	0.0	0%
Casual, Student,& Temp.	0.0	0.0	0.0	0.0	0.0	0%
	2.0	2.0	2.0	**2.0**	0.0	0%

1] The overall increase of $15,000 is based on the $7,500 increase for legal services contract with Harwood Consulting, $1,500 increase for additional LANL related testing, $25,000 increase for General Compliance, which are are offset by a $5,000 decrease in Drinking Water testing expenses, $10,000 decrease related to NPDES testing, $2,000 decrease in NEPA consulting, and $2,000 decrease for River Mitigation consulting.

2] Comprised of a $1,500 increase for NPDES related testing supplies and $7,500 increase for misc. operational supplies, which are offset by $1,000 decrease for soilds testing supplies, $21,000 decrease in LANL sample collection supplies, $2,000 decrease in NEPA related supplies, and $2,000 decrease in River Mitigation related supplies, a decrease of $10,000 in general lab supplies and a decrease of $10,000 that was used for set up of laboratory costs in the prior fiscal year (first full year of operation). There was also an increase of $3,250 in office supplies.

[3] $8,500 to advertise public service announcements for public meetings via radio and print media.

[4] $2,000 increase for room rental for public meetings.

Asset Management Program (Maintenance)

Program Purpose

The purpose of the Asset Management Program[3] is to provide reliable, economical, and sustainable service to Santa Fe citizens.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

	FY 2011/12 Adopted Budget	FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Budget	%Variance FY 2011/12 Adopted to FY 2012/13 Proposed
Expenditure/ Budget	$ 1,224,923	$ 394,788	$1,168,881	$1,369,564	12%

Position/Title	201-12 Adopted FTE	2012-13 Proposed FTE	Change FTE
Facility Equipment and Maintenance Superintendent	1	1	0
Planner / Scheduler	1	1	0
Journeyman Electrician	1	1	0
Industrial Electrician	1	1	0
Mechanic Repairman	2	2	0
Maintenance Mechanic	1	1	0
Total FTE	**7**	**7**	**7**

Strategic Goals Supported by Program Resources

1. Minimize equipment life-cycle costs
2. Maximize equipment reliability and dependability
3. Eliminate regulatory actions or water quality violations due to equipment failures

[3] The transition from a standard maintenance program to "world class" Asset Management is multi-year endeavor requiring the alignment of customer expectations, business processes, technology, and organizational culture. The mission, goals, and metrics defined here represent the initial steps. There are significant improvement opportunities in this area as staff continues to evaluate and develop this important program.

Results and FY2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Result/Outcome				
• Number of Water System Work Orders Completed		1,898	4,270	4,910
• Number of Building & Facilities Work Orders Completed		47	106	118

Maintenance

	FY2011/12 Adopted Budget	FY2011/12 Mid-Year Estimate	FY2011/12 Full Year Estimate	FY2012/13 Proposed Budget	$ Change FY 12 vs FY 13	% Change FY12 Adopted to FY13 Proposed
Expenditures by Line Item:						
Salaries and Wages	$ 399,490.78	$ 199,745.39	$ 399,490.78	$ 399,490.78	$ -	0%
Overtime	47,108.40	11,793.32	23,586.64	47,716.12	607.72	1%
Benefits	275,903.35	137,951.68	275,903.35	275,903.35	-	0%
Contractual Services	230,000.00	-	230,000.00	230,000.00	-	0%
Utilities	-	-	-	-	-	0%
Communications	2,000.00	1,512.19	2,000.00	10,000.00	8,000.00 [1]	400%
Landfill Tipping Fees and Solid Waste	-	-	-	-	-	0%
Chemicals	-	-	-	-	-	0%
Rep and Maint Build/Struct	30,000.00	759.53	30,000.00	30,000.00	-	0%
Rep & Maint System Equipment	60,000.00	-	60,000.00	60,000.00	-	0%
Rep & Maint Grounds/Rd	5,000.00	1,104.64	5,000.00	33,224.00	28,224.00 [2]	564%
Rep & Maint Furn/Fix/Equip	5,000.00	-	5,000.00	5,000.00	-	0%
Rep & Maint Machin & Equip	15,000.00	8,141.49	15,000.00	15,000.00	-	0%
Rep & Maint Vehicles	6,000.00	-	6,000.00	43,500.00	37,500.00 [3]	625%
Materials and Supplies	104,500.00	26,437.12	104,000.00	121,500.00	17,000.00 [4]	16%
Software	-	-	-	-	-	0%
Books/Subscrpts/Periodicals	1,200.00	-	1,200.00	1,200.00	-	0%
Gasoline and Fuel	28,840.00	2,809.65	3,000.00	22,000.00	(6,840.00) [5]	100%
Insurance	-	-	-	3,150.00	3,150.00	100%
Registration	6,180.00	-	-	6,180.00	-	100%
Employee Training/Tuition	8,700.00	4,532.80	8,700.00	8,700.00	-	100%
Advertising	-	-	-	-	-	100%
Rental	-	-	-	5,000.00	5,000.00 [6]	100%
Interfund charges	-	-	-	-	-	0%
Capital Outlay	-	-	-	52,000.00	52,000.00 [7]	100%
Fiscal Charges	-	-	-	-	-	0%
Transfers to Other Funds	-	-	-	-	-	0%
	$ 1,224,922.53	$ 394,787.80	$ 1,168,880.77	**$ 1,369,564.25**	$ 144,641.72	12%
FTE Summary:						
Regular (full & part time)	7.0	7.0	7.0	7.0	0.0	0%
Casual, Student,& Temp.	0.0	0.0	0.0	0.0	0.0	0%
	7.0	7.0	7.0	**7.0**	0.0	0%

[1] $7,300 for cell phones, $408 handheld radios, $2,292 for SCADA radio component

[2] $12,000 installation of 4' fencing around presed basins, $3,500 chained gateways, $12,000 for road maintenance, Associated Ashpalt $2,500, Santa Fe Concrete $2,500

[3] $11,000 for maintenance and auto parts, $5,000 for tire repair/replacement, $18,000 for fuel, and $4,000 for gasoline.

[4] $2,400 12 Volt Submersible Pumps, $900 Backflow Prevention Test Kit, $1,100 Metal Detector, $6,450 Tool Set for Unit 54254 and 54379, $6,150 Laser Aligner

[5] $18,000 fuel for emergency generator, pumps, godwin pump, and $4,000 gasoline for 3 pick up trucks, backhoe, roll-off truck, forklift

[6] $5,000 to rent aerial lift for security camera and street light repair.

[7] $25,000 road grader repairs, $5,600 steam cleaner, $3,200 portapower, $3,200 lawn mower, $800 trimmers, $4,200 boat, $10,000 spare chemical feed pumps

Environment, Health, Safety, Transportation and Security Program

Program Purpose

The Purpose of the *Environment, Health, Safety, Transportation and Security Program* is to provide compliance, program development, and site-specific training to BDD Operators and Maintenance personnel in compliance with applicable Federal, State, and local regulations.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

	FY 2011/12 Adopted Budget	FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Budget	%Variance FY 2011/12 Adopted to FY 2012/13 Proposed
Expenditure/ Budget	$ 298,915	$ 144,809	$298,365	$ 342,015	14%

Position/Title	201-12 Adopted FTE	2012-13 Proposed FTE	Change FTE
Safety and Training Officer	1	1	0
Total FTE	**1**	**1**	**0**

Strategic Goals Supported by Program Resources

1. Maintain the *OSHA Incident Rate* below the industry standard of 3.2%.[4] The OSHA Incident rate tracks the number of work related injuries normalized to the number of person-hours worked.

Results and FY2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/Outcome • OSHA Incident Rate		0%	0%	0%
Input: • Number of Training Hours delivered per employee		9	9	41
• Number of Program Policies and Procedures reviewed		10	10	10

[4] OSHA Incident Rate Industry Standard taken from Bureau of Labor Statistics, U.S. Department of Labor, Oct 2011

Environment, Health, Safety, Transportation and Security (EHSTS)

	FY2011/12 Adopted Budget	FY2011/12 Mid-Year Estimate	FY2011/12 Full Year Estimate	FY2012/13 Proposed Budget	$ Change FY 12 vs FY 13	% Change FY12 Adopted to FY13 Proposed
Expenditures by Line Item:						
Salaries and Wages	$ 61,074.00	$ 30,537.00	$ 61,074.00	$ 61,074.00	$ -	0%
Overtime	-	-	-	-	-	0%
Benefits	38,478.78	19,239.39	38,478.78	38,478.78	-	0%
Contractual Services	177,812.52	88,906.26	177,812.52	197,812.52	20,000.00 [1]	11%
Utilities	-	-	-	-	-	0%
Communication	-	-	-	-	-	0%
Landfill Tipping Fees and Solid Waste	-	-	-	-	-	0%
Chemicals	-	-	-	-	-	0%
Materials and Supplies	21,550.00	6,126.15	21,000.00	44,650.00	23,100.00 [2]	107%
Software	-	-	-	-	-	0%
Books, Subscriptions and Periodicals	-	-	-	-	-	0%
Gasoline and Fuel	-	-	-	-	-	0%
Insurance	-	-	-	-	-	0%
Registration	-	-	-	-	-	0%
Employee Training and Tuition	-	-	-	-	-	0%
Advertising	-	-	-	-	-	0%
Rental	-	-	-	-	-	0%
Interfund charges	-	-	-	-	-	0%
Capital Outlay	-	-	-	-	-	0%
Fiscal Charges	-	-	-	-	-	0%
Transfers to Other Funds	-	-	-	-	-	0%
	$ 298,915.30	$ 144,808.80	$ 298,365.30	$ 342,015.30	$ 43,100.00	14%
FTE Summary:						
Regular (full & part time)	1.0	1.0	1.0	1.0	0.0	0%
Casual, Student,& Temp.	0.0	0.0	0.0	0.0	0.0	0%
	1.0	1.0	1.0	1.0	0.0	0%

[1] Expected increase due to requirements for expanded coordination, reporting, and improved patrol methods. Program plans to issue new RFP in FY2012/13.

[2] Increase includes $1,200 Office Supplies, $3,500 Safety Supplies, $500 First Aid Supplies, $5,000 Environmental Hazmat Supplies, $12,000 in Environmental Emergency Cleanup Supplies, $500 Fire Extinguisher Maintenance Check, and $400 Laboratory Supplies

Administrative Services

Program Purpose

The Purpose of the Administrative Services operational and fiscal management of the Buckman Direct Diversion Project

Program Expenditures, Budget and Full Time Equivalents (FTE's)

	FY 2011/12 Adopted Budget	FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Budget	%Variance FY 2011/12 Adopted to FY 2012/13 Proposed
Expenditure/ Budget	$ 1,478,450	$ 483,435	$1,220,580	$ 1,471,513	0%

Position/Title	201-12 Adopted FTE	2012-13 Proposed FTE	Change Change FTE
Facilities Manager	1	1	0
Automation & Security Administrator	1	1	0
Financial Manager & Business Administrator	1	1	0
Instrumentation Specialist	1	1	0
Administrative Assistant	1	1	0
Budget Analyst	0	1	+1
Total	**5**	**6**	**+1**

Strategic Goals Supported by Program Resources

1. Operate and maintain the Buckman Regional Water Treatment Plant within Budget 100% of the time

Results and FY2012/13 Targets

Performance Measurements		FY 2011/12 Mid-Year Actual	FY 2011/12 Forecast Estimate	FY2012/13 Proposed Target
Results/Outcome • **% Compliance with Budget Limits**		100%	100%	100%

Administrative Services

	FY2011/12 Adopted Budget	FY2011/12 Mid-Year Estimate	FY2011/12 Full Year Estimate	FY2012/13 Proposed Budget	$ Change FY 12 vs FY 13	% Change FY12 Adopted to FY13 Proposed
Expenditures by Line Item:						
Salaries and Wages	355,524	154,757	328,950	398,264	42,740 [1]	12%
Overtime	7,851	-	7,000	7,953	101	1%
Benefits	200,373	90,961	200,373	241,640	41,267	21%
Contractual Services	394,721	37,968	200,071	310,608	(84,113) [2]	(21%)
Utilities	-	-	-	-	-	0%
Communications	2,200	1,530	2,630	4,200	2,000	91%
Landfill Tipping Fees and Solid Waste	-	-	-	-	-	0%
Chemicals	-	-	-	-	-	0%
Materials and Supplies	100,700	4,649	76,950	97,500	(3,200) [3]	(3%)
Software	22,900	-	17,175	22,900	-	0%
Books/Subscriptions/Periodicals	35,400	22,634	35,395	35,395	(5)	0%
Gasoline and Fuel	-	-	-	-	-	0%
Insurance	202,500	172,155	202,155	202,500	-	0%
Registration	-	-	-	-	-	0%
Employee Training and Tuition	1,200	-	800	800	(400)	(33%)
Advertising	7,288	(1,218)	1,288	7,000	(288)	(4%)
Rental	-	-	-	-	-	0%
Interfund charges	-	-	-	-	-	0%
Capital Outlay	-	-	-	-	-	0%
Fiscal Charges	147,793	-	147,793	142,754	(5,039) [4]	(3%)
Transfers to Other Funds	-	-	-	-	-	0%
	1,478,450	483,435	1,220,580	1,471,513	(6,937)	0%
FTE Summary:						
Regular (full & part time)	5.0	5.0	5.0	6.0	1.0	20%
Casual, Student,& Temp.	0.0	0.0	0.0	0.0	0.0	0%
	5.0	5.0	5.0	6.0	1.0	20%

[1] Adding 1.0 FTE to improve accounting internal controls.

[2] Reduction equal to increase in fiscal agent fee plus expected cost of staff augmentation contract equal to amount of budgeted accountant salary and benefits if position is approved. Contract(s) would pay for system study and design for optimal financial procedures and accounting procedures internal to BDD.

[3] Office supplies for facility wide use to be charged to the respective BDD programs next fiscal.

[4] Fiscal agent fee