

City of Santa Fe



New Mexico

CITY CLERK'S OFFICE

DATE 7/2/13 TIME 2:15p

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AGENDA

The City of Santa Fe
And
Santa Fe County

Buckman Direct Diversion Board Meeting

**THURSDAY, JULY 11, 2013
4:00 PM
CITY HALL
CITY COUNCIL CHAMBERS
200 Lincoln**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE JUNE 6, 2013 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF

CONSENT AGENDA

7. Update and discussion of BDD operations. (Gary Durrant)
8. Request for approval to formally adopt the FY 2013/2014 BDD Operation and Maintenance Budget. (Shannon Jones)

INFORMATIONAL ITEMS

9. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)
10. Update on City San Juan Chama storage in Heron, Abiquiu and Elephant Butte Reservoirs. (Claudia Borchert)

DISCUSSION AND ACTION ITEMS

11. Request for approval of Amendment No. 4 to the original PSA with Harwood Consulting for \$60,000.00 exclusive of NMGRT. (Rick Carpenter)
12. Request for approval to direct the Interim BDD Facility Manger to create a Staff Advisory Group to recommend a process for selecting the Project Manager in accordance with Paragraph 13 of the JPA. (Kathy Holian) (Adam Leigland)
13. Request for approval of the Emergency Reserve Fund Policy (ERFP). (Shannon Jones)

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: Thursday, August 2, 2013

ADJOURN

PERSONS WITH DISABILITIES IN NEED OF ACCOMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 505-955-6520, FIVE (5) WORKING DAYS PRIOR TO THE MEETING DATE.

**MINUTES OF THE
THE CITY OF SANTA FE & SANTA FE COUNTY
BUCKMAN DIRECT DIVERSION BOARD MEETING**

July 11, 2013

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Commissioner Kathy Holian Chair, at approximately 4:03 p.m. in the Santa Fe City Council Chambers, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Board Members Present:

Commissioner Kathy Holian, Chair
Councilor Chris Calvert [4:08 arrival]
Commissioner Miguel Chavez
Councilor Carmichael Dominguez

Member(s) Excused:

Ms. Consuelo Bokum

Others Present:

Nancy Long, BDD Board Consulting Attorney
Steve Ross, County Attorney
Stephanie Lopez, Staff Liaison
Shannon Jones, Interim BDD Facility Manager
Rick Carpenter, City Water Resources and Conservation Manager
Claudia Borchert, City Water Resources Coordinator
Adam Leigland, County Public Works Director
Gary Durrant, BDD staff
David S. Rhodes, LANL Liaison
Kyle Harwood, BDD Board Counsel



[Exhibit 1: Sign-in Sheet]

3. APPROVAL OF AGENDA

[Exhibit 2: Agenda]

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BUCKMAN DIRECT DIV MII
PAGES: 23

I Hereby Certify That This Instrument Was Filed for
Record On The 4TH Day Of September, 2013 at 02:50:07 PM
And Was Duly Recorded as Instrument # 1717151
Of The Records Of Santa Fe County

In Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy _____ County Clerk, Santa Fe, NM

CHAIR HOLIAN: Are there any changes to the agenda, staff or Board members?

COUNCILOR DOMINGUEZ: Move to approve.

COMMISSIONER CHAVEZ: Second.

CHAIR HOLIAN: I have a motion for approval of the agenda and a second.

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The motion passed by unanimous [3-0] voice vote. [Councilor Calvert was not present for this action.]

4. APPROVAL OF CONSENT AGENDA

CHAIR HOLIAN: I will just make at this point a few notes out our Fiscal Services and Audit Committee meeting that we had last week. We talked about the budget at that meeting and we noted that originally when the BDD Board considered the budget they made a recommendation that the City and County approve the budget, and indeed, on June 11th the County approved their part of the budget and on May 8th the City approved the Water Division's annual budget, which includes funding for fiscal year 2013/14 BDD operating expenses.

So are there any items from the Consent Agenda that you would like to remove? Is there a motion?

COMMISSIONER CHAVEZ: Move for approval.

COUNCILOR DOMINGUEZ: Second.

CHAIR HOLIAN: I have a motion for approval of the Consent Agenda and a second.

The motion passed by unanimous [3-0] voice vote. [Councilor Calvert was not present for this action.]

4. APPROVAL OF MINUTES: June 6, 2013

CHAIR HOLIAN: Are there any changes?

STEPHANIE LOPEZ (Staff Liaison): I'd just like to note that on Others Present, Nick Schiavo, the correct title is actually the Interim Public Utilities Department and Water Division Director.

CHAIR HOLIAN: And I have a correction. On page 12 in our packet, at the top of the page it says Commissioner Mayfield and I think that should probably actually be Chair Holian. Is there a motion?

COUNCILOR DOMINGUEZ: So Madam Chair, just a point of clarification. I did not attend that meeting. I know that I make the quorum for tonight so I'm not sure if we want to postpone this or I certainly would be willing to vote on it.

CHAIR HOLIAN: Perhaps, Ms. Long, our attorney could comment on that.

NANCY LONG (BDD Contract Attorney): Yes, you may vote on the motion to approve the minutes even if you were not present.

COMMISSIONER CHAVEZ: So then, Madam Chair, I'll go ahead and make a motion to approve the minutes as amended.

COUNCILOR DOMINGUEZ: I'll go ahead and second.

CHAIR HOLIAN: Okay. I have a motion and second to approve the minutes from the June 6th BDD Board meeting.

The motion passed by unanimous [3-0] voice vote. [Councilor Calvert was not present for this action.]

CHAIR HOLIAN: And I would like for the record to note that Councilor Calvert is here.

6. MATTERS FROM STAFF

SHANNON JONES (Interim Facility Manager): Yes, Madam Chair. If I may I would like to bring forth a staffing update to the Board. The facility manager position has been posted and we'll be monitoring it for qualified applicants for that position. The environmental compliance officer position has been posted, so that position is scheduled to close July 18th and we'll evaluate if we take any candidates for that position. The BDD safety officer position, you may recall – actually the position was offered to an individual. Unfortunately, that individual was not able to complete the hiring process so we have withdrawn the offer and reopened the position for 30 days.

The financial manager has been moved forward. We did conduct interviews. A candidate was selected. That paperwork has been turned in with a recommended start date of July 22nd. I'll also be working to expedite that and get that individual on board. The BDD maintenance planner-scheduler has been filled. That employee started Monday, July 8th. Other positions to post: BDD maintenance mechanic, the paperwork has gone in; the posting should show up next week, that vacancy will post, and the advanced water treatment operator position closed. There were no qualified candidates so that position has been reopened for 30 days. And with that, thank you.

CHAIR HOLIAN: Thank you. Are there any questions?

CONSENT AGENDA

- 7. Update and Discussion of BDD Operations**
- 8. Request for Approval to Formally Adopt the FY 22013/2014 BDD Operations and Maintenance Budget**

INFORMATIONAL ITEMS

- 9. Drought, Monsoon and Water Resource Management Update**

RICK CARPENTER (Water Resources and Conservation Manager): Good afternoon, Madam Chair, members of the Board. There's a short memo in your packet. You see versions of this each month. I won't take a lot of time but I will highlight some of the things that have changed and then some more specific comments. I would invite Mr. Harwood to make with regard to some issues that have come up most recently with critically low flows on the Rio Grande.

So as you all are probably aware we're in the third year of critical drought and local and regional reservoirs are at historic low levels and unless we have real good monsoonal activity and a real good snow we're going to head into next year without any carryover storage. That's a big issue for us.

We do expect to get our full allocation of San Juan/Chama water this year. We hope to be able to access it; there could be issues with that. The low flows in the river is something we're keeping a very close eye on. And example today, the flows in the river were 320 cubic feet per second, which is very, very low.

CHAIR HOLIAN: Mr. Carpenter, does that include the San Juan/Chama water?

MR. CARPENTER: That's everything in the river at the Otowi gauge. And there's different flavors, if you will, of water in the river. It gets a little complicated. Mr. Harwood will speak to that fact. I think maybe if you could come up now.

KYLE HARWOOD: Board and Madam Chair, the flows we see in the river right now are silvery minnow releases and what are called prior and paramount releases of water for downstream pueblos and the water that the BDD is calling for for diversion. As Rick's memo notes, the BDD ceased diverting what we called native New Mexico water rights about two weeks ago ahead of the low flows that we're now seeing in order to essentially take ourselves out of the infighting that's going on in the river right now between – essentially between Heron and Elephant Butte.

I had some additional comments to present about the Wild Earth Guardians' intent to sue and some other topics. I don't know if you'd like me to do those at the end after Rick's finished.

CHAIR HOLIAN: Since it's relevant, why don't you cover those now.

MR. HARWOOD: Okay. Very good. So I believe at the last Board meeting you were informed that on May 13th Wild Earth Guardians filed what's called a notice of intent to sue, a citizen's suit that named the Bureau of Reclamation and the Army Corps of Engineers as defendants in that suit for failure to follow the Endangered Species Act, most particularly the 2003 biological opinion. They alleged a number of violations. Many of them are not hard to argue with. There are things the agencies promised to do in 2003 that have not been done.

There's also under the ESA rules there's something called a take statement. That's the number of fish that may die by human action. And the take statement for this year was very, very low and was very quickly exceeded in June. The biological opinion also has river drying requirements and minimum flows. Many of those requirements we've already had – at least the lawyers affectionately call deviations. It's fair to say that they are violations out of those requirements. Some of those deviations have been in fact agreed to by the agencies but that doesn't change the fact that the biological opinion that was adopted has not been changed and that's the basis of the Wild Earth Guardians' citizen's suit.

The Endangered Species Act requires a citizen's suit – before filing a citizen's suit that the organization or persons must provide the Secretary of the Interior with a 60-day notice of their intent to sue. That 60-day window runs on Monday. So it's not that they have to file on Monday but they've then complied with that provision of federal law that requires that early notice. So I have spoken with their lawyer earlier today and they are working with the agencies on solutions but no one's very – people are excited that there are still discussions going on but it's not looking very helpful because there's just not a lot of water in the system.

So we'll be monitoring those issues. The Rio Grande Collaborative Program Endangered Species Act Executive Committee, which is a really bad acronym, is meeting next week to consider what they call RIP documents – Recovery Implementation Plan documents, and Rick and I have been monitoring development of those documents over time because it's anticipated that the City and/or the County and/or the Buckman Direct Diversion Board will be asked to participate in that program going forward. We are not a

signatory to date and we've sort of not brought a recommendation to you about becoming a signatory to that program until we know what the new biological opinion looks like. The biological opinion terminated in February. It was extended by the agencies on a somewhat unique basis, I should say, and we're not expecting a new biological opinion until after the irrigation season, and so when we know what the new biological opinion looks like at the end of this year we know whether and what grounds Wild Earth Guardians filed suit, we'll understand a lot more about what all of this means for the Buckman Direct Diversion.

We are expecting continued very low flows. We're looking at historic low flows on the river. I'm sure Shannon or Gary can talk about when flows begin to affect diversions, which we're not far from now. You may or may not remember the biological opinion for our project constrains native water right diversions at low flows. We stopped diverting native flows sort of preventively to stay away from any question that we might be diverting native flows as the flows continue to go down.

Somewhat unintuitively, the more it rains in the Middle Valley the less water is released out of Abiqui and the Otowi gauge flows get lower. So while the rain is wonderful and sometimes very powerful, like it was earlier this week, and it's great to see rain and water pooling and the ditches flowing and even the Rio Grande picking up some flow in areas it has the somewhat unintuitive result of further lowering the flows in the Rio Grande because the managed water comes through the system. So it's an issue. I don't know if you have any questions about any of that.

CHAIR HOLIAN: Thank you, Mr. Harwood. Any questions?

COUNCILOR CALVERT: No, you just depressed us so much we can't even think of a question.

MR. HARWOOD: Well, if you do have any questions let me know.

CHAIR HOLIAN: Thank you, Mr. Harwood. Mr. Carpenter, do you have anything to add. I do have a question, actually.

MR. CARPENTER: Madam Chair, I'm happy to answer your question.

CHAIR HOLIAN: I'm just wondering about the City reservoirs and the rainfall that we've had. Has the amount of water in that increased?

MR. CARPENTER: Unfortunately, Madam Chair, that has not been the case. The watershed's just too dry so the little bit of rain we've had just soaks in rather than running off into the reservoirs. So we're at about 31, 31 ½ percent of capacity right now. We have started to use that water as of a couple of weeks ago. We're using between three and four million gallons per day out of the Canyon Road Water Treatment Plant, and at that rate we expect the water that's in there to last through August, maybe the first week of September and that's about it.

CHAIR HOLIAN: Thank you. Yes, Commissioner Chavez.

COMMISSIONER CHAVEZ: A follow-up to that question and then Rick, based on the memo, the reservoirs in the Upper Canyon, Santa Fe River Canyon are at 33 percent? Is that what you're estimating now? Has that changed?

MR. CARPENTER: I think it's about 31.5 percent or so right now. The memo was written a little while ago.

COMMISSIONER CHAVEZ: And then so, it's pretty dire, but I think that drought has always been part of the history of the region that we're in and how we deal with it as we move forward is going to be really challenging. You talked about the

threshold where the flow in the river would be low enough to prohibit diversions into the diversion project itself. Can you expand on that a little bit?

MR. CARPENTER: I'd be happy to, Commissioner. There are two reasons why the BDD would begin to curtail diversions and there's a schedule set out on the biological opinion. So at 325 cfs we have to begin scale back all the way to zero as the water levels get lower and lower. But as a matter of physical practicality in the design of the project, anywhere below about 150 cfs, we just can't pull water out of the river.

COMMISSIONER CHAVEZ: Because –

MR. CARPENTER: It's too low. We just can't pull it out, physically.

COMMISSIONER CHAVEZ: Physically you can't.

MR. CARPENTER: That's correct.

COMMISSIONER CHAVEZ: But if you could, would it still be treatable?

MR. CARPENTER: Well, that's a good question. Probably not. Maybe.

What happens even when we get these little thunderstorms and with the fires from previous years, we would otherwise see a dilution factor in the river, but there's not enough water in the river to dilute it so the turbidity goes way up and total suspended solids go way up. So it's very challenging.

COMMISSIONER CHAVEZ: So in the event that we are not able to use the Buckman Direct Diversion, then our only other option is back on the reservoir and our wellfields, right?

MR. CARPENTER: That's correct. At least through August, as I said, we expect to get between three and four million gallons per day from the Upper Canyon. Our demand will probably be on a peak day around 15 million gallons per day, so the difference would have to come from the Buckman wellfield and the City wellfield.

COMMISSIONER CHAVEZ: What – do the math. You lost me on the numbers. What would the difference be?

MR. CARPENTER: We'll need to make up probably about 11 million gallons a day from groundwater.

COMMISSIONER CHAVEZ: All right. Thank you, Madam Chair.

CHAIR HOLIAN: Thank you. Any further questions?

COUNCILOR CALVERT: I guess I would say the only silver lining is if we do have rain from monsoon and even though it doesn't add to the supplies in the reservoirs and the river, maybe it will keep people from using the water for irrigation, which is accounting for the biggest part of the demand.

MR. CARPENTER: Yes, that's definitely something that could happen that's positive. Demand would go down at least over the two or three days that we receive those rainstorms. It would keep the peak down. That's what we're worried about this time of year is peak demand.

CHAIR HOLIAN: Do you have anything to add, Mr. Carpenter? Okay. Thank you.

MR. CARPENTER: Thank you.

10. Update on City San Juan/Chama Storage in Heron, Abiqui and Elephant Butte Reservoirs

CHAIR HOLIAN: Ms. Borchert.

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BUCKMAN DIRECT DIVERSION BOARD
COUNCILOR CALVERT
CHAIR HOLIAN
MS. BORCHERT
COUNCILOR CALVERT
CHAIR HOLIAN
MS. BORCHERT
CHAIR HOLIAN
COUNCILOR CALVERT

CLAUDIA BORCHERT: (Water Resources Coordinator): Good afternoon, Madam Chair and members of the Board. I believe that there was a question from one of the members of the Board about the City's storage of water, both along the Chama/Rio Grande system so I prepared this report. I also just wanted to preface this information with the recognition that sometimes it is hard for the public to understand where water is and it's easy to get the impression that there's no actual water there, but the Bureau of Reclamation actually does do a model weekly that tracks this water and this is actual physical, wet water. It has nothing to do with water rights. So the information is available and it is tracked pretty closely.

So I could go over these numbers or I could just stand for questions.

CHAIR HOLIAN: Is there any – Councilor Calvert.

COUNCILOR CALVERT: Yes, I'm the one that asked for this because I think the impression that got left at our last meeting, especially by some of the public people commenting was that there was no – we had no water in the reservoirs, and I just wanted to clarify for the record what actually is the situation in terms of what is available. It may be hard to get and access or bring it here but it's still – I just wanted to clarify that there was water. At least the City had water in storage in certain reservoirs.

CHAIR HOLIAN: I have a question. Does any of that water ever get lost due to evaporation?

MS. BORCHERT: Yes, there is a two percent – well, Heron Reservoir, the water does not suffer evaporation losses until it's taken out of the outlet works. The water in Abiqui Reservoir loses at around six percent per year and there's also a two percent conveyance loss, whenever the water is called from Heron all the way to the BDD. And if we send water down to Elephant Butte we sometimes suffer as much as 20 percent conveyance loss for that water. And the water evaporates at a much higher rate at Elephant Butte – 10 to 12 percent.

CHAIR HOLIAN: Per year?

MS. BORCHERT: Per year.

CHAIR HOLIAN: Any other questions? You left us speechless, Claudia.

Thanks.

COUNCILOR CALVERT: At least it wasn't quite a negative as your predecessor.

DISCUSSION AND ACTION ITEMS

11. Request for Approval of Amendment #4 to the Original PSA with Harwood Consulting for \$60,000, exclusive of NMGRT

CHAIR HOLIAN: Mr. Carpenter.

MR. CARPENTER: Thank you, Madam Chair. As you know and probably surmised from the last two presentations there's a lot going on right now. We've been tracking a lot of issues for a year or two pretty closely and very intensely for the last several weeks and that's not going to change any time soon. In fact it's probably going to get worse before it gets better. So specialized services from Mr. Harwood, both legal and policy, and helping us to strategically plan, for example, like keeping our own biological opinion intact would be things that he would be helping us with. Also, the Middle Rio Grande Collaborative Program, he's helping me out a lot with. And another

issue, in fact we just spent several hours with the Bureau of Reclamation just yesterday morning – the Aamodt project is coming on line. They call it the Pojoaque Basin Regional Water Project, and the City is a cooperating agency on that. That's kicking into high gear out there. They're just starting their EIS now.

So the services of Mr. Harwood will be needed more so now than ever. And with that, Madam Chair, I stand for questions.

CHAIR HOLIAN: Thank you. Councilor Calvert.

COUNCILOR CALVERT: Rick, as I understand the memo, this is going to come out of the carve-out budget, which means it comes out of the construction budget, correct?

MR. CARPENTER: Madam Chair, Councilor Calvert, the carve-out budget is an artifact of the capital budget.

COUNCILOR CALVERT: Right.

MR. CARPENTER: And it does have a – it has two different line items within the budget that would pay for this amendment. Well, the original contract there was a specific line item for Harwood Consulting; with the amendment we're exceeding that. There's a contingency line item in the carve-out budget that would fund this.

COUNCILOR CALVERT: So that leads to my next question which is how long can we continue to do this? Is there an end in sight or is it when the budget runs out? I understand you just said you will probably continue to need these services but at some point we will no longer have funds in the capital budget and the carve-out budget. It will have to come from our operating budget, right?

MR. CARPENTER: We could borrow it from the operating budget. We could potentially BAR more money into the carve-out budget, but the contingency line item, and I don't have the exact number in front of me but it's in the hundreds of thousands. It's a couple hundred thousand. So it would last a while.

COUNCILOR CALVERT: And there are no other demands on that? Or is this the only moving forward demand on that what you consider a contingency and a couple hundred thousand is –

MR. CARPENTER: There's only a couple of other line items in the carve-out budget. There's \$987,000 for habitat restoration. There's a little bit of funding left in there for CDM to do residual work, and then Kyle Harwood's original contract and then the contingency. So we haven't eaten into it, to answer your question.

COUNCILOR CALVERT: Okay. So I guess all I would request, and maybe just as an informational item in a future meeting, just a summary, a recap of that particular part of that budget just so we keep track and understand moving forward where we stand with that.

MR. CARPENTER: Councilor, we'll bring an update on the entire carve-out budget back to the next Board meeting.

COUNCILOR CALVERT: And then this one is I guess a sort of rhetorical question. You mentioned Aamodt, my question is where is that water coming from?

MR. CARPENTER: Well, they don't have all the water rights they need currently.

COUNCILOR CALVERT: Even if they had water rights – if there's no water, we'll all be fighting over nothing, right?

MR. CARPENTER: Well, Councilor, that's a really good point. That's one reason why we're staying close to these ancillary issues as well as the project itself. They are our next-door neighbor and they're upstream from our project.

COUNCILOR CALVERT: [inaudible]

MR. CARPENTER: Well, we'd have to default back to the water rights portfolio. They do have a block of water rights that will be coming to the project called Top of the World water rights. I think they've got a pretty high priority dates. They're in the process of buying, transferring and other water rights and Middle Rio Grande water rights so they'll have priority dates that you would expect - I think the feds have some water rights coming to the project as well and I have no idea what the priority date is on those.

COUNCILOR CALVERT: Yes. I think that will be an interesting aspect to keep apprised of because especially with the current situation, who's going to be able to get water? It was supposed to help solve a problem and I'm not sure if it's going to solve one or create another one or both.

MR. CARPENTER: One facet of their project that might give you some comfort is the current proposed design includes three or four deep ASR wells, or aquifer storage and recovery wells. The intention is, as I understand it is during good years to pump a lot of water into the ground and store it there so that in bad years, even if they can't draft off the river they could put that groundwater. They've got a little bit different geology up there that's conducive to ASR wells, so I think they'll probably be able to do it. They've got one test well drilled already. So it does ameliorate what you're talking about to a degree.

CHAIR HOLIAN: Thank you. Any further questions?

COUNCILOR CALVERT: Okay, so we need a vote, right?

CHAIR HOLIAN: Yes, is there a motion?

COUNCILOR CALVERT: Move for approval.

COUNCILOR DOMINGUEZ: Second.

CHAIR HOLIAN: I have a motion and a second for approval of amendment #4 to the PSA with Harwood Consulting for \$60,000, exclusive of NMGRT.

The motion passed by unanimous [3-0] voice vote. [Commissioner Chavez was not present for this action.]

12. Request for Approval to Direct the Interim BDD Facility Manager to Create a Staff Advisory Group to Recommend a Process for Selecting the Project Manager in Accordance with Paragraph 13 of the JPA

CHAIR HOLIAN: and I would like for Mr. Leigland to come forward and set the groundwork on this item.

ADAM LEIGLAND (County Public Works Director): Madam Chair, members of the Board, Paragraph 13 of the JPA says that unless terminated sooner by the BDD Board the project manager and fiscal services contract with the Sangre de Cristo Water Division will terminate on December 1, 2015. Upon termination the BDD Board shall have authority. Upon termination the BDD Board shall have authority to enter into a

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new project management and fiscal services contract with any of the following: 1) Sangre de Cristo Water Division, 2) the Santa Fe County Water Utility, or 3) a regional entity.

The JPA and all other agreements, including the current project management and fiscal services agreement are silent on exactly how the BDD Board will make that decision, what kind of criteria they would use to evaluate the options, and it's also silent on what the regional entity would look like. So we felt it was necessary in order for this Board to make a reasoned decision to create a process. So what the item before you does is to actually create a staff committee. The staff committee will get together to first create just the evaluation criteria, the process itself, come back to this Board, have this Board approve the recommended process, and then have the committee go back and actually implement the process so that we can come back to this Board with a recommendation.

We figure that we have 2 ½ years; that should be enough time to create a process, implement the process, and if, depending on what is ultimately selected as the successor project manager – and let me clarify. This is a bit confusing. In the County, the project manager is not the same individual as the facility manager. The project manager is the entity, the agency that manages sort of the back support, the fiscal, the HR, the procurement, all those sorts of things. I think in the County there's been some confusion about that so I wanted to clarify. But we figure that we have about 2 ½ years to develop a process. We think that we can come back to this Board in September with sort of a work plan. We can come back at the end of the calendar year with the process. That gives us about a year to go ahead and conduct the process which will be essentially then evaluation and then if it is recommended that the Sangre de Cristo Water Division is not to be retained at the project manager that gives us a year to effect any transition that's necessary.

So we wanted to build in a lot of time. And I think with that I'll stand for any questions.

CHAIR HOLIAN: Thank you. Any questions? Yes, Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Madam Chair. I guess just a real quick question in terms of what work this group will be doing. Is it the intent that it will also come up with a schedule if there are any schedules that need to be established? It says it's just going to be selection criteria and timeline that will be part of the implementation process. But are you going to go as far as to even define what you mention in here, like a regional entity, so that it can also be considered? Or is it just going to be to determine who of the three – or actually who of the two – since there is no definition of regional entity – is going to make a decision out of those two. Or a recommendation, I should say.

MR. LEIGLAND: Madam Chair, Councilor. To answer your first question, yes. We imagine coming up with a timeline. And so I think we can come back with that as soon as September. We expect this by this date and this by this date. To answer your second question I think what we would want to do is identify what the ideal project manager would look like and evaluate all three entities, and so maybe we could construct sort of a hypothetical regional entity.

You're right; it's not specified here. I think the fact that it is in this document – actually, it's even earlier. If you look at the 2004 principles of agreement, a regional entity was identified even at that point. So people have been thinking about a regional

entity for some time. And so I think that it would not be untoward to use this to maybe create what we think that would look like and come back and say maybe that's what the best project manager would look like. The regional entity would have to be created outside this process of course. It would have to be create either in some sort of cooperation between everybody or maybe even some sort of state-enabling –

COUNCILOR DOMINGUEZ: It's going to be a little bit more broad than just kind of working on which of the two might be the project manager?

MR. LEIGLAND: Yes.

COUNCILOR DOMINGUEZ: That's all I had.

CHAIR HOLIAN: Councilor Calvert:

COUNCILOR CALVERT: And I would assume that in consideration of that third option, regional entity, you would define what region that encompasses, right? In other words, a regional entity could include the entire county or it could be parts of that and not necessarily the entire – so that's one consideration. Do you have a notion as to who you think is going to be serving on this advisory group?

MR. LEIGLAND: Madam Chair, Councilor, yes. When we prepared the memo we imagined that it would be one or two staff members from the County, probably me and Patricio Guerrerortiz who's the Utility Director. Probably Nick Schiavo, Shannon, Rick and probably maybe Kyle and legal counsel. So essentially the people who are at the BDD agenda pre-meetings if you will.

COUNCILOR CALVERT: Okay. The only thing I would caution – nothing against Mr. Harwood but if you include him are you going to have to pay for his time?

MR. LEIGLAND: Noted.

COUNCILOR CALVERT: Keep note of where – because if you're going to try to do that, where that budget's going to come from.

MR. LEIGLAND: Okay.

CHAIR HOLIAN: Thank you. Are there any further questions? Councilor Dominguez? No?

COUNCILOR DOMINGUEZ: Do you need a motion?

CHAIR HOLIAN: Yes, I do.

COUNCILOR DOMINGUEZ: I'll move for approval.

COUNCILOR CALVERT: Second.

CHAIR HOLIAN: Okay, I have a motion and a second for approval of creating a staff advisory group.

COMMISSIONER CHAVEZ: Could we have some discussion?

CHAIR HOLIAN: Oh, yes. Discussion. Commissioner Chavez.

COMMISSIONER CHAVEZ: I had to leave; I apologize. Under scope of services, Adam, I know we're talking about – who would manage – you're setting criteria. Are we looking at all the options that are before us for the ongoing management?

MR. LEIGLAND: Madam Chair, Commissioner, if you're asking me if we're going to look at all of the three options that the JPA specifies, the answer is yes.

COMMISSIONER CHAVEZ: Yes. Okay. That was my basic question, because as the memo pointed out it wasn't real clear but if we look at all of those options and define what that regional entity would do, how it would act, what it would look like, what the accountability would be – I guess that's all part of it, right?

MR. LEIGLAND: Madam Chair, Commissioner, yes. I think that, as I mentioned earlier, I think that we would probably have to construct some sort of hypothetical regional entity and then work to –

COMMISSIONER CHAVEZ: I apologize for having to step out but those were the questions I had, but it sounds like you've got it covered. Those were just thoughts that I had. I'll just mention it for the record. I think this will be a good process to help clarify and then figure out what the next steps might be. Thank you, Madam Chair.

CHAIR HOLIAN: Okay. Thank you, Commissioner.

The motion passed by unanimous [4-0] voice vote.

13. Request for Approval of the Emergency Reserve Fund Policy

CHAIR HOLIAN: The latest version was handed out. *[Exhibit 3]* Mr. Jones.

MR. JONES: Madam Chair, Councilor Calvert, thank you for pointing that out. We did have a new memo; I apologize for that. The deadline for the printing came too quickly, so we made an adjustment. I'd like to point out before we go into the difference, before going to the memo the difference between the two actually resides on the last page with the insertion of two paragraphs.

So under the last section, target balance and maintenance of emergency reserve fund, the two middle paragraphs where it lays out how the funds would be replenished, that is the difference between the two memos.

So with that being said, we are bringing forward this Buckman Direct Diversion emergency reserve fund policy for approval. The intent of the policy is to identify and define the emergencies that this fund would be used for, distribution of funds in that event, and also the target balance and the maintenance of the emergency reserve fund. So with that I will answer any questions.

CHAIR HOLIAN: Councilor Calvert.

COUNCILOR CALVERT: This was also reviewed at the Fiscal Services and Audit Committee, just as a precursor to this meeting, just to give it another check. This seemed like the appropriate – that's where that change came in at the end of the memo.

COMMISSIONER CHAVEZ: So, Madam Chair.

CHAIR HOLIAN: Yes, Commissioner Chavez.

COMMISSIONER CHAVEZ: So then if I could ask, so then the dollar amounts, the number on the last sheet, the expanded language correlates with the chart that's in the front, the dollar amounts and the fiscal year? Everything correlates?

MR. JONES: Yes, that's correct, with the balance due this fiscal year that we're in now, 13/14, does bring that fund to the \$2 million referred to as the balance of that fund.

COMMISSIONER CHAVEZ: Okay.

CHAIR HOLIAN: Any further questions?

COUNCILOR CALVERT: Move for approval.

COMMISSIONER CHAVEZ: Second.

CHAIR HOLIAN: We have a motion and a second for approval of the emergency reserve fund policy.

COMMISSIONER CHAVEZ: Well, if I could, Madam Chair.

CHAIR HOLIAN: Further discussion.

COMMISSIONER CHAVEZ: I guess we should clarify that it's the memo dated June 24th and not the memo in our packet. Do we need to clarify that?

COUNCILOR CALVERT: Yes, it the one that's a handout.

MS. LONG: Yes, that would be helpful to clarify that it is the handout you received today.

CHAIR HOLIAN: So does the maker of the motion agree to that?

COUNCILOR CALVERT: Yes.

The motion passed by unanimous [4-0] voice vote.

MATTERS FROM THE PUBLIC

CHAIR HOLIAN: Is there anyone here from the public who would like to address the Board? This is new.

MATTERS FROM THE BOARD

CHAIR HOLIAN: Seeing none, we will go on to discussion of the next meeting. I would like to suggest – first of all, there's a misprint here. Thursday is actually August 1st. But I would like to suggest that we move the next meeting to August 8th, and the reason for that is that it is actually August 1st there would only be three weeks between the July and August meeting and there will be six weeks between the August and September meeting. So it seems to me like it would be a better spacing if we moved our next meeting to Thursday, August 8th. Are there any comments on this?

COUNCILOR CALVERT: Yes.

CHAIR HOLIAN: Yes, Councilor.

COUNCILOR CALVERT: How does that work for scheduling of this –

MS. LOPEZ: In looking at the other committee meetings, as far as the 2013 meeting calendar for the City, there's nothing that falls on that date. As far as getting a room, that might be a little tricky, but we can figure something out.

COUNCILOR CALVERT: Okay.

CHAIR HOLIAN: Do we need a motion for this?

MS. LONG: Madam Chair, since it was published on the agenda and the date was off, I would recommend that you change the meeting date since we regularly meet on the first Thursday to August 8th.

CHAIR HOLIAN: Is there a motion?

COMMISSIONER CHAVEZ: I'll make a motion to that effect, Madam Chair, and then I guess staff can work on the details and if we have to reschedule or postpone we'll cross that bridge when we get to it.

MS. LOPEZ: Yes, I will find a room and then I will get an email out to all of staff, everybody – Board, everybody. The City Clerk, everybody, and notify you of the new –

REC'D CLERK RECORDED 8/14/13

CHAIR HOLIAN: And Stephanie, we could always use – we can consider the County as well.

MS. LOPEZ: Absolutely. Thank you.

CHAIR HOLIAN: Okay. Is there a second?

COMMISSIONER CHAVEZ: Do we have any conflict on the County side?

CHAIR HOLIAN: I don't know. I'll look.

COMMISSIONER CHAVEZ: So hopefully, we'll be okay with our schedule too but that's one thing you might have to check, Stephanie.

MS. LOPEZ: Yes, looking again, I only have access to our 2013 City meeting calendar and it looks pretty good.

CHAIR HOLIAN: I think for the County chambers the only other thing the main chambers are used for is the CDRC meeting and I think that's the third Thursday.

MS. LOPEZ: Right. If we can't get the chambers here I will certainly call the County next for those chambers.

CHAIR HOLIAN: We have a motion. Do we have a second?

COUNCILOR CALVERT: I'll second it with the caveat that I think everybody will have to check their calendars to make sure it will work.

The motion passed by unanimous [4-0] voice vote.

NEXT MEETING: Thursday, August 8, 2013 @4:00 P.M.

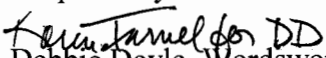
ADJOURNMENT

Having completed the agenda, Chair Holian declared this meeting adjourned at approximately 4:46 p.m.

Approved by:


Kathy Holian, Board Chair

Respectfully submitted:


Debbie Doyle, Wordswork

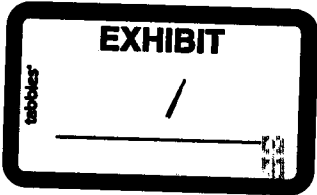


FILED BY:


GERALDINE SALAZAR
SANTA FE COUNTY CLERK
9/4/2013

ATTEST TO:

N/A
YOLANDA VIGIL
SANTA FE CITY CLERK



BUCKMAN DIRECT DIVERSION BOARD MEETING

SIGN IN SHEET

July 11, 2013

NAME (Please print)

ORGANIZATION

Gary Durrant	BDD
David S Rhodes	DOE Los Alamos Field Office
C. Borchert	City of SF
ADAM LEIGLAKA	SF COUNTY
Lyle S. Hayward	BDD Board counsel
Rick Carpenter	City of SF - Water

RECORDED 09/04/2013



CITY CLERK'S OFFICE

DATE FILED: 11/11/11

SENT BY: *Shannon Jones*

RECEIVED BY: *Shannon Jones*

EXHIBIT
2

AGENDA

The City of Santa Fe
And
Santa Fe County

Business/Disposal/Diversion Board Meeting

THURSDAY, JULY 14, 2011

4:00 PM

CITY HALL

CITY COUNCIL CHAMBERS

200 Lincoln

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE JUNE 23, 2011 BUSINESS/ DISPOSAL/ DIVERSION BOARD MEETING
6. MATTERS FROM STAFF

CONSENT AGENDA

7. Update and review of BDD operations. (Cathy Jones)
8. Request to approve and formally adopt the FY 2012 BDD operating budget. (Shannon Jones)

INFORMATIONAL ITEMS

DISCUSSION AND ACTION ITEMS

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NO VEMILITINE (RE: 2011, AUG 12, 2011)

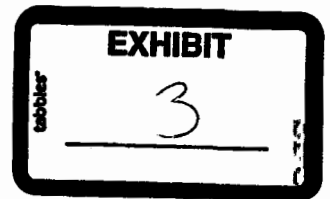
ADDENDUM

PERSONS WITH DISABILITIES IN NEED OF ASSISTANCE SHOULD CONTACT
THE CLERK OF COURTS AT 505 5565, 1000 10TH AVENUE, S.W. ALBUQUERQUE, NM 87102
TO THE MEETING DATE



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.



2013/06/28 09:44 AM RECEIVED

Memo

Date: June 24, 2013

To: Buckman Direct Diversion Board

From: Shannon Jones, Interim BDD Facility Manager *Sh*

ITEM AND ISSUE:

Request Formal Adoption of the Buckman Direct Diversion Emergency Reserve Fund Policy

BACKGROUND AND SUMMARY:

The BDD Project Intergovernmental Agreements require the creation of an Emergency Reserve Fund (ERF). The intent of this fund is to have funding readily available for emergency responses required to protect facilities and equipment from additional damages and to restore the BDD to capacity. While the fund would be replenished as needed, it allows the City of Santa Fe and Santa Fe County secure the money after the emergency has been controlled and applicable insurance claims have been processed.

As of June 30, 2013 the Emergency Reserve Fund has been funded to;

	FY 2011/2012	FY 2012/2013	Balance Due FY 2013/2014
City of Santa Fe	\$272,158	\$682,075	\$352,117
Santa Fe County	\$89,570	\$228,190	\$112,190
Las Campanas	\$54,934	\$118,646.44	\$90,119.56

In order to access these funds, BDD Staff, City of Santa Fe Staff, and Santa Fe County Staff have work together to develop the Buckman Direct Diversion Emergency Reserve Fund Policy. This policy addresses the following;

- Purpose of the policy
- Reiterates the Target Balance of the Fund
- Defines "Emergency"
- Criteria to access funds
- Purchasing Authority of the Project Manager
- Procedure for accessing the funds
- Procedures for replenishing fund

ACTION REQUESTED:

Staff recommends Formal Adoption of the Buckman Direct Diversion Emergency Reserve Fund Policy





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

Buckman Direct Diversion Emergency Reserve Fund Policy

In accordance with the BDD Project intergovernmental agreements and in order to secure resources assuring the BDD's timely response to emergencies, which could potentially threaten, reduce, or eliminate the BDD's capacity to meet its customers' demands, the BDD established an Emergency Reserve Fund (ERF) in the amount of two million dollars (\$2,000,000).

While insurance may provide reimbursement of costs associated with some emergency situations, the ERF will provide an immediate infusion of the funds that will be necessary to address the situation without having to first solicit funding from the BDD partners.

The purpose of this policy is to clarify what constitutes an emergency, how to obtain access to the funds, and how the ERF will be replenished once the funds had been utilized.

Definition of Emergency:

An emergency is defined as an Act of God or an unforeseeable equipment or facilities failure that renders the project inoperable or unable to deliver water at the required capacity or quality. The following is a detailed but not all inclusive summary of possible emergency scenarios:

1. Rio Grande flood
 - a. River channel relocation
 - b. Diversion structure being inundated with sediment
 - c. Raw water pump station flooding
 - d. Raw water pumps and pipelines filled with sediment
2. Local Arroyo flood
 - a. Access road destruction
 - b. Facilities damage or destruction
 - c. Pipeline exposure and / or damage
3. Contamination of raw water supply requiring remediation or additional treatment
4. Fire
 - a. Wildfire
 - b. Facilities fire
 - c. Electrical fire in switch gear or motor control center
5. Destructive failure of plant equipment or facilities resulting in major damage
 - a. In-plant mechanical break-down, explosion, electrical malfunction, or complete





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.

- computer breakdown or loss
 - b. Sabotage
 - c. Errors or omissions by O&M staff
 - d. Earthquake, flood and other natural phenomena
 - e. Chemical spill
6. Broken raw water or finished water pipeline and appurtenances
 7. Design errors and or omissions

Disbursement of funds:

The ERF shall be designated as a restricted reserve fund. The purpose of the ERF is to provide available cash flow to ensure immediate emergency response without having to first secure funding from the BDDB partners. It is intended that the ERF be sufficient to cover any emergency situation resulting in services, supplies, or parts exceeding \$25,000. In case of an emergency situation, the BDD Project Manager is authorized to approve services and purchases without prior approval of the BDD board and/or partners for purposes of restoration and/or maintenance of service levels in response to a natural disaster and/or emergency. To access the necessary funds in case of an emergency situation the following steps shall be followed:

1. The BDD Project Manager will identify and evaluate the emergency.
2. The BDD Facilities Manager and BDD Project Manager will develop an initial plan of action.
3. The BDD Project Manager will contact the BDD Board Chair within 24 hrs of the occurrence of the emergency and explain the nature of the emergency and initial plan of action.
4. The BDD Project Manager will declare the emergency
5. The BDD Project Manager will access the ERF in accordance with the BDD Project Manager's procurement policy. While certain emergencies do not require the processing of an Emergency Purchase Order (EPO) prior to initiation of emergency response activities, the EPO should be requested within 24 hours of service recruitment or purchases.





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.

6. After the initiation of the emergency response and access to the ERF, the BDD Facilities Manager and BDD Project Manager shall notify the BDDB partners within 24 hours and provide verbal monthly updates to the BDD Board for the duration of the event. Upon resolution of the emergency, the BDD Facilities Manager and BDD Project Manager shall provide a written report to the BDD Board.

Target balance and maintenance of the Emergency Reserve Fund:

The approved target balance for the Emergency Reserve Fund is \$2,000,000.00 and will be fully funded by the end of FY2013/14. The BDDB partners shall replenish the ERF according to the schedule below. Expenditures from the designated ERF which are subsequently recovered, either partially or fully from insurance and/or any other services, shall be utilized solely for the purpose of refunding the ERF.

Should the ERF balance fall below \$2,000,000 but is greater than \$1,000,000, contributions from all BDDB partners shall bring the ERF balance back to \$2,000,000 at the beginning of the following fiscal year.

Should the ERF balance fall below \$1,000,000, contributions from all BDDB partners shall bring the ERF balance back to \$2,000,000 within 2 Fiscal Years.

All funds will be monitored by the Project Manager and accrue interest that will be added to the fund and accounted for every fiscal year. Interest earned will be credited proportionately to each BDDB partner's required contribution.

