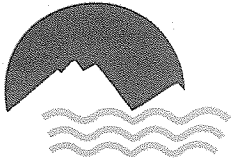


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Buckman Direct Diversion Project

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

MEMORANDUM

DATE: June 19, 2014

TO: Buckman Direct Diversion Board

FROM: Kyle Harwood, BDD Consultant *KH*

VIA: Shannon Jones, Interim BDD Facility Manager *SJ*

ITEM AND ISSUE:

Wild Earth Guardians Notice of Intent to Sue

BACKGROUND AND SUMMARY:

Please see the attached letter from the Army Corps of Engineers concerning their participation in the Rio Grande Silvery Minnow Biological Opinion process. Staff will provide a verbal update on the implications of this letter and the current status of the Notices of Intent to Sue filed by Wild Earth Guardians.





DEPARTMENT OF THE ARMY
ALBUQUERQUE DISTRICT, CORPS OF ENGINEERS
4101 JEFFERSON PLAZA NE
ALBUQUERQUE NM 87109-3435

June 13, 2014

Planning, Project & Program Management Division
Planning Branch

Mr. Wally Murphy
Field Supervisor, New Mexico Ecological Services Field Office
U.S. Fish and Wildlife Service
2105 Osuna Road, NE
Albuquerque, NM 87113

Dear Mr. Murphy:

As you are aware, on November 26, 2013, the U.S. Army Corps of Engineers, Albuquerque District ("Corps") withdrew its *Biological Assessment of U. S. Army Corps of Engineers Reservoir Operation, Middle Rio Grande of New Mexico*, and suspended Consultation #02ENNM00-2013-F-0034. The Corps found it necessary to take this course of action due to indications from your office that the U.S. Fish and Wildlife Service ("Service") was unable to separate the Corps' actions and their potential effects from those of other Federal agencies consulting contemporaneously with the Corps. It was also clear that there were fundamental misconceptions regarding environmental baseline and the Corps' non-discretionary actions. In the intervening months since withdrawal, the Corps has performed a critical and comprehensive reassessment of all its continuing reservoir operations in the Middle Rio Grande.

Each and every specific reservoir-related work item was evaluated during the course of this reassessment. Careful consideration of previously proposed Corps actions was given to:

- 1) verify compliance with law and regulation;
- 2) clearly define the scope of the actions;
- 3) correctly attribute actions to the appropriate agency;
- 4) ensure that non-discretionary actions were excluded from consultation; and
- 5) properly characterize the environmental baseline.

This evaluation included a thorough review of the public laws that authorized the Corps' Middle Rio Grande projects, along with the legislative history that led to the promulgation of those statutes. Authorizing legislation explicitly details the manner in which Corps dams in the Middle Rio Grande shall be operated. Unlike generalized authorities usually associated with Corps reservoirs, the relevant laws are extremely specific. The Corps can operate its reservoirs in the Middle Rio Grande *solely* for the purposes of flood and sediment control. The debate held in Congress prior to the enactment of authorizing legislation made it extremely clear that the Corps *cannot* retain any water whatsoever for any other purpose than flood and sediment control.¹

¹ The exception to this statement is the maintenance of pools at Cochiti and Abiquiu Lakes, but the relevant legislation only permits retention of specified amounts of water sourced from the Bureau of Reclamation's San Juan-Chama project.

Timing and rates of releases are defined by law, and the Corps has no authority to disregard Congress' mandate.

Through this reassessment, it was ultimately determined that the Corps is not required to consult on its reservoir operations in the Middle Rio Grande. I am aware that this varies significantly from the far-reaching scope of past Corps biological assessments. The breadth of past consultations was the result of a number of factors, including:

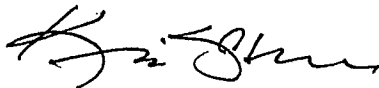
- 1) the fact that consultation was performed jointly with the U. S. Bureau of Reclamation ("Reclamation"), and, therefore it was less important to accurately define individual agency roles and responsibilities;
- 2) an attempt to be over-inclusive and conservative in our assessments; and
- 3) a view of agency discretion that was overly broad, especially in light of intervening court decisions.

This latter point was the largest single determining factor in this reassessment. It is extremely clear, based on applicable authorizing legislation and the legislative history, that the Corps' discretion to regulate water flows for the benefit of endangered species simply does not exist. In a decision directly on point in this matter, Judge James A. Parker stated it best: "All in all, I find that these provisions do not give the Corps sufficient discretion to bring operation of these reservoir facilities under the consultation requirement of the ESA."²

Accordingly, the Corps will continue with its reservoir operations in the Middle Rio Grande, having complied fully with §7 and §9 of the Endangered Species Act, and will not reinitiate consultation. This should permit the Service to proceed with greater clarity on Reclamation's separate and distinct actions, and provide that agency with its Biological Opinion. The Corps will utilize its authority to continue participating in the Middle Rio Grande Endangered Species Collaborative Program, and remains committed to actively participating in the Recovery Implementation Program once it is in place.

If you have any additional questions, or the need for additional information, please contact me or Mr. William DeRagon of my staff.

Sincerely,



Kristopher T. Schafer, P.E.
Chief, Planning Branch

² *Rio Grande Silvery Minnow v. Keys*, 469 F. Supp. 2d 973, 996-9 (D.N.M 2002). While this decision was vacated by a subsequent decision of the Tenth Circuit, *Rio Grande Silvery Minnow v. Keys*, 601 F. 3d 1096 (10th Cir. 2010), that vacatur did not alter in any way, shape or form the nature and the extent of the Corps' discretionary authority with respect to the operation of dams in the Middle Rio Grande.

Copies Furnished:

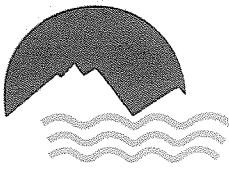
Dr. Benjamin Tuggle
Regional Director, Region 2
U.S. Fish and Wildlife Service
P. O. Box 1306
Albuquerque, NM 87103-1306

Mr. Mike Hamman, Area Manager
U.S. Bureau of Reclamation
Albuquerque Area Office
555 Broadway NE, Suite 100
Albuquerque, NM 87102-235

Mr. Estevan Lopez
Co-Chair, Middle Rio Grande
Endangered Species Collaborative Program
New Mexico Interstate Stream Commission
130 South Capitol Street
Conch Ortiz y Pino Building
P. O. Box 25102
Santa Fe, New Mexico 87504-5102

Mr. Brent Rhees
Deputy Regional Director and Co-Chair, Middle Rio Grande
Endangered Species Collaborative Program
U.S. Bureau of Reclamation
Upper Colorado Region
125 South State Street, Room 6107
Salt Lake City, Utah 84138-1147

Mr. Kevin Cobble, Refuge Manager
Bosque del Apache National Wildlife Refuge
1001 Highway 1
PO Box 280
San Antonio, NM 87832



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: June 23, 2014
To: Buckman Direct Diversion Board
From: Gary C. Durrant, Chief Operator BDD *ACD*
Re: Update on BDD Operations for the month of June 2014

1. This memo is intended to update the BDD Board on BDD operations during the current month of May. BDD diversions and deliveries have averaged, in Million Gallons Daily (MGD) as follows:
 - a) Raw water diversions: 7.591 MGD Average
 - b) Finished Drinking water deliveries through Booster Station 4A: 4.186 MGD Average
 - c) Finished Drinking water deliveries through Booster Station 5A: 2.375 MGD Average
 - d) Raw water delivery to Las Campanas at BS2A: 17.398 MG Total.
2. The BDD is providing approximately 68 percent of the water supply to the City and County for the month.
3. On Peak Pumping: The BDD has been pumping on peak for a portion of the month as we are providing some extra to the City/County beyond what we are able to provide off peak. Las Campanas has also experienced some problems with their pumps and we are making sure to fill up their storage for this critical time of year. Our total for the month of June so far is 42.48 hours on peak.
4. Please see the following pages from the Monthly report to the Office of the State Engineer (OSE) for accurate information for the month of May 2014 and year to date.
5. Please note all prior years are also included for reference.



**Monthly Diversions under SP-2847-E, SP-4842, and SP-2847-N-A
May 2014**

BDD Diversion of San Juan-Chama Water	af	mg
Total SJC water arrived at the BDD diversion site	504.52	164.40
Total SJC diverted at BDD	504.52	164.40
Total SJC available for offsetting depletions under RG-20516.	0	0.00

Total BDD water diverted from all water rights	af	mg
BDD Current Monthly Total	855.21	278.67
<i>SJC Diversion under Permit SP-2847-E</i>	<i>409.48</i>	<i>133.43</i>
<i>City of Santa Fe</i>	<i>409.48</i>	<i>133.43</i>
<i>Santa Fe County</i>	<i>0.00</i>	<i>0.00</i>
<i>SJC Diversion under SP-2847-N-A (CLCI)</i>	<i>95.04</i>	<i>30.97</i>
<i>Rio Grande native water rights (SP-4842;SFCounty)</i>	<i>350.69</i>	<i>114.27</i>

Metered Diversions under Permit SP-2847-E and SP-4842					
Meter Serial Number	OSE Meter Number	Current Month Meter Reading	Previous Month Meter Reading	Diversion by Meter	
				ac-ft	mg
CC004816000-Diversion	14113	2166.176	2070.667	293.11	95.51
CC004916000-Diversion	14114	2194.368	2095.890	302.22	98.48
CC004A16000-Diversion	14115	2175.262	2078.993	295.44	96.27
CC000A16000-Return	14255	223.233	211.649	35.55	11.58
Total Metered Diversions				855.21	278.67

Buckman Direct Diversion Monthly SJC and Native Diversions

May 2014

Month	Total SJC Release (AF)	SJC Conveyance Losses (AF)	Total SJC Available at BDD (AF)	SJC Diversion, SP-2847-E (AF)	SJC Diversion, SP-2847-N-A (AF)	Total Native Rio Grande Diversion SP-4842 (AF)	Release of SJC in Elephant Butte (AF)	Total BDD Surface Diversion (all permits)	SJC from SP-2847-E used to offset Buckman Wells RG-20516 (AF)	SJC from SP-2847-N used to offset Buckman Wells RG-20516 (AF)
JAN	383.34	3.74	390.33	390.33	0.00	12.68	0	403.01	0	0
FEB	347.93	3.26	339.99	339.99	0.00	12.94	0	352.93	0	0
MAR	373.81	3.66	381.62	356.93	24.70	148.90	0	530.52	0	0
APR	178.56	1.69	176.59	92.27	84.32	227.41	0	404.00	0	0
MAY	515.88	4.84	504.52	409.48	95.04	350.69	0	855.21	0	0
JUN										
JUL										
AUG										
SEP										
OCT										
NOV										
DEC										
TOTAL	1799.53	17.20	1793.06	1589.00	204.06	752.61	0.00	2545.67	0.00	0.00

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

Month	Total Release (AF)	ABIQUIU		
		City of Santa Fe (AF)	Santa Fe County (AF)	Club at Las Campanas (AF)
JAN	383.34	383.34	0	0
FEB	347.93	347.93	0	0
MAR	373.81	346.36	0	27.45
APR	178.56	93.15	0	85.41
MAY	515.88	419.62	0	96.26
JUN	0.00	0.00	0	0.00
JUL	0.00	0.00	0	0.00
AUG	0.00	0.00	0	0.00
SEP	0.00	0.00	0	0.00
OCT	0.00	0.00	0	0.00
NOV	0.00	0.00	0	0.00
DEC	0.00	0.00	0	0.00
TOTAL	1799.53	1590.41	0.00	209.12

Buckman Direct Diversion Monthly SJC and Native Diversions

December 2013

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

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

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

Buckman Direct Diversion Monthly SJC and Native Diversions

December 2012

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

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

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

Note: Grey fields indicate revisions to previous monthly report

Buckman Direct Diversion End of Month Report

December 2011

Month	Total SJC Release SP-2847-E (AF)	Conveyance Losses (AF)	Total SJC Available at BDD Diversion (AF)	Total SJC Diversion SP-2847-E (AF)	Total Native Rio Grande Diversion SP-4842 (AF)	Release of SJC in Elephant Butte (AF)	Total BDD Surface Diversion SP-2847-E plus SP-4842 (AF)	SJC used to offset Buckman Wells RG-20516 (AF)
JAN	247.17	4.94	242.23	221.46	37.55	0.00	259.98	20.77
FEB	320.95	6.42	314.53	269.13	36.61	0.00	305.74	45.86
MAR	352.04	7.04	345.00	335.37	46.09	0.00	381.46	9.62
APR	585.11	11.70	573.40	573.40	56.64	0.00	630.04	0.00
MAY	568.22	11.36	556.86	440.02	49.23	0.00	488.87	116.84
JUN	765.87	15.32	750.55	655.89	80.66	0.00	736.55	94.67
JUL	641.81	12.84	628.97	407.40	49.86	0.00	457.26	221.58
AUG	182.98	2.07	168.97	86.23	0.00	0.00	86.23	82.75
SEP	568.78	6.83	537.05	515.86	0.00	0.00	515.86	21.19
OCT	555.90	4.85	570.81	555.66	0.00	0.00	555.66	15.16
NOV	431.29	3.93	433.26	433.26	14.60	0.00	447.86	0.00
DEC	437.57	3.90	429.46	450.42	0.00	0.00	450.42	-20.96
TOTALS	5657.68	91.21	5551.11	4944.10	371.25	0.00	5315.94	607.47

January 1, 2011: 1050.8 acre-feet of native Rio Grande water rights in SP-4842; not all are available for diversion- some transfers include leaseback provisions.

As of May 30, 2011: 330 ac-ft under SP-4842 A

Correction to Oct Total of SJC Available at BDD. The incorrect value used calculated the SJC released from upstream reservoirs, not that amount that arrived at BDD for diversion.

Source of SJC Releases for BDD diversion in reporting month. Includes conveyance losses.

Month	Total Release (AF)	Conveyance Losses (AF)	HERON		EL VADO		ABIQUIU	
			CITY	COUNTY	CITY	COUNTY	CITY	COUNTY
JAN	247.17	4.94	247.17	0.00	0.00	0.00	0.00	0.00
FEB	320.95	6.42	320.95	0.00	0.00	0.00	0.00	0.00
MAR	352.04	7.04	352.04	0.00	0.00	0.00	0.00	0.00
APR	585.11	11.70	585.11	0.00	0.00	0.00	0.00	0.00
MAY	568.22	11.36	568.22	0.00	0.00	0.00	0.00	0.00
JUN	765.87	15.32	765.87	0.00	0.00	0.00	0.00	0.00
JUL	641.81	12.84	641.81	0.00	0.00	0.00	0.00	0.00
AUG	182.98	2.07	0.00	43.56	0.00	0.00	133.47	5.95
SEP	568.78	6.83	0.00	150.50	0.00	0.00	418.28	0.00
OCT	555.90	4.85	0.00	0.00	0.00	0.00	555.90	0.00
NOV	431.29	3.93	0.00	0.00	0.00	0.00	431.29	0.00
DEC	437.57	3.90	0.00	0.00	0.00	0.00	437.57	0.00
TOTALS	5657.68	91.21	3481.16	194.06	0.00	0.00	1976.51	5.95

MEMORANDUM

TO: City of Santa Fe Public Utilities Committee
City of Santa Fe Water Conservation Committee
Buckman Direct Diversion Board

FROM: Rick Carpenter, Water Resources and Conservation Manager *RC*

VIA: Nick Schiavo, Acting Public Utilities Department and Water Division *NS*
Director

DATE: June 20, 2014

SUBJECT: 34th Monthly Update on Drought and Water Resource Management

CURRENT UPDATE – GENERAL WATER RESOURCE MANGEMENT

As the Committee/Board is aware, our region is still suffering through a drought. Our region has gone through three consecutive years of record drought and heat. It is now apparent that we are in a fourth consecutive year of drought and abnormal heat and wind which will present significant challenges to all water purveyors, utilities, and irrigators going forward into the rest of this year. Weather prediction models had indicated that, at least through the early part of this summer, if not longer, drought conditions in the southwest (especially Arizona and New Mexico) should be neutral to below average precipitation and above average temperatures. There may be some relief in north-central New Mexico. However, many models are now predicting the likelihood of a return of an El Nino weather pattern (75% chance). This could mean increased precipitation for the coming monsoon season, but more likely for the winter months (snow pack). New data show that the water in a section of the ocean called the “El Nino 34” region in the mid-Pacific has reached the +0.5 degree Celsius threshold, typically used to define the start of an El Nino pattern. That figure would have to persist or intensify for the next 5 or 6 months for an El Nino to officially be declared – but there is a very good chance of this happening. Fire season is also expected to be very challenging which could have significant water quality implications for the BDD water treatment plant and/or Canyon Road water treatment plant.

This current drought is bad, but what sets it apart from previous extreme droughts is that, the region will enter into summer without very much carry-over water from the previous year in regional reservoirs – they are at low levels (except for the local McClure reservoir in Santa Fe). For example, Heron reservoir (San Juan-Chama Project water) is currently at about 31% of capacity. However, runoff from the San Juan watershed is substantial and accumulation into Heron from this year’s snow pack is on the rise. BoR is predicting that SJCP contractors should receive at least 85% of normal deliveries (if not more).

It is worth noting, however, the City of Santa Fe has invested in a robust and diverse portfolio of four distinct water supply sources that allows for flexibility in meeting demand: Buckman well field, City well field, Canyon Road Water Treatment Plant on the Upper Santa Fe River, and the Buckman Direct Diversion on the Rio Grande. Supply from these groundwater and surface water sources are expected to be adequate in meeting local demands through the coming high-demand season.

LOCAL CONDITIONS

Source of Supply Utilization Summary

May 2014

City Wells	08.98mg/m	27.57af/m
Buckman Wells	0.00mg/m	0.00af/m
CRWTP	72.27mg/m	221.81af/m
BRWTP	238.39mg/m	731.59 af/m
<i>Other Wells(Osage, MRC, etc)</i>	<i>0.08mg/m</i>	<i>0.24af/m</i>

Upper Santa Fe River/CRWTP

	Total Combined Reservoir Level	Santa Fe Snow Gage	Reservoir Inflow
June 19, 2014	31.90%	0.00 inches	3.23 MGD
5-Year Average for This Date (2009 – 2013)	65.11 %	0.008 inches	3.60 MGD

As of June 19th, and due to the heavy rains in mid-September and some minor winter snow storms, total combined storage in Nichols and McClure reservoirs is up to 31.9% (or about 1,250 acre-feet of storage). Flows are being by-passed due to construction on the new intake facilities. Inflows are expected to continue for the near future and so the reservoirs have been releasing water to allow for acequia deliveries, water treatment plant production, active construction, and draining/drying.

Buckman Regional Water Treatment Plant

Flows in the Rio Grande are relatively low but the BDD Project is able to divert water. Turbidity and suspended solids are relatively low and raw water quality is good. Flows in the Rio Grande were temporarily increase over the second and third week of May to mimic snow melt runoff in order to create advantageous conditions for silvery minnow spawning, and there was a natural spike in flows due to snow melt in early June. As of the date of this memo, Wild Earth Guardians has not filed any legal suites pursuant to their recently filed notices of intent to sue. The seasonal minnow spawn has been good.

REGIONAL CONDITIONS

Rio Grande Basin

Surface flows in the Rio Grande and its tributaries have been well below normal, (except for temporary releases for the silvery minnow spawn), storage levels in regional reservoirs are very low currently. Native flows in the Rio Grande will likely be low to very low through the spring summer, and fall.

San Juan Basin

It should be stressed that, conditions could significantly worsen for San Juan Chama Project deliveries next year, if the drought persists, due to a lack of carry-over storage in Heron Reservoir and other reservoirs in the system. Heron Reservoir is currently at a very low level of 31% of capacity for this time of year. The Bureau of Reclamation has recently indicated that it is very likely that SJCP deliveries this year will be at or near 85% (if not higher) due to good snow pack in the San Juan watershed, high soil moisture, and the storage that was already in Heron at the beginning of the snow melt season.

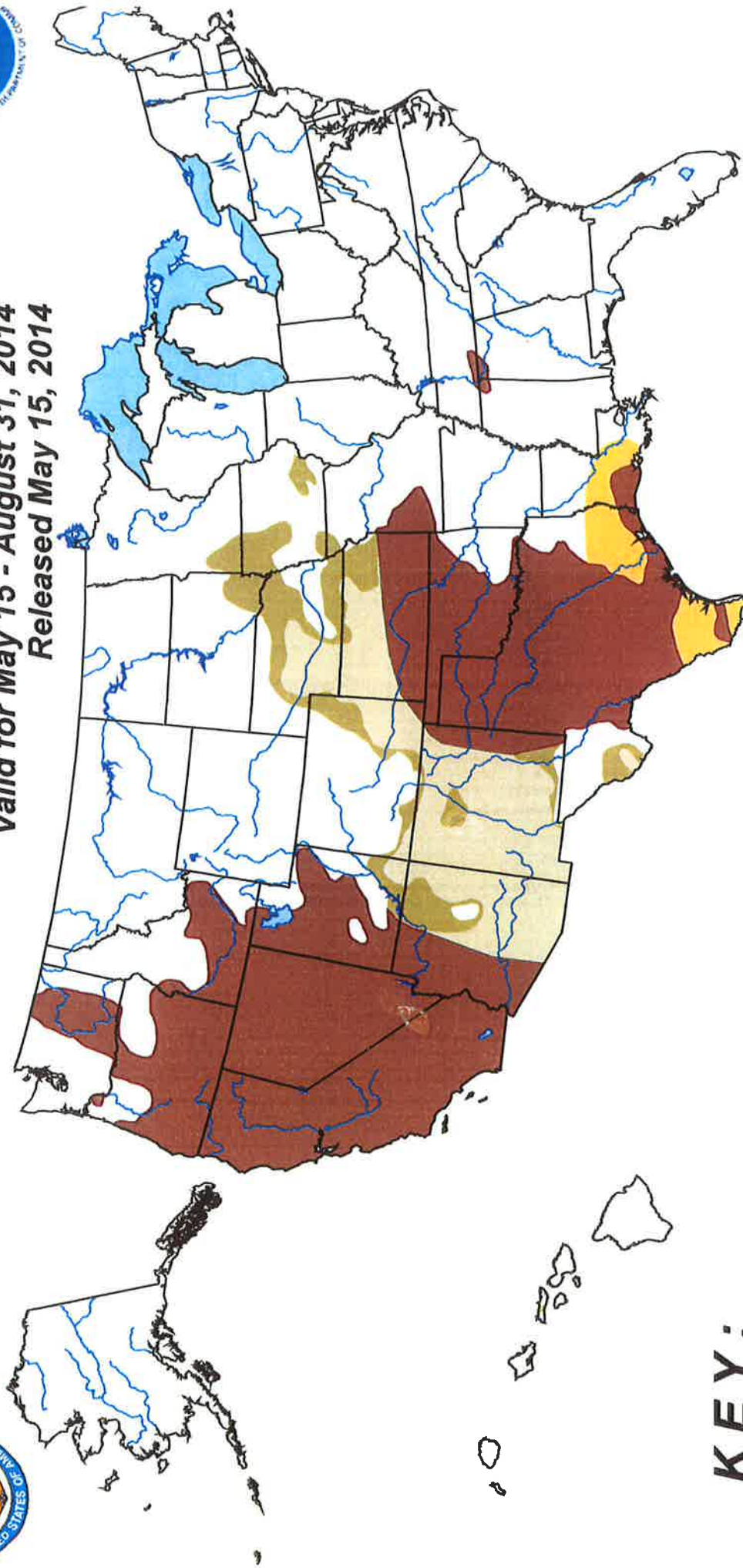


U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for May 15 - August 31, 2014

Released May 15, 2014



KEY:

 Drought persists or intensifies

 Drought remains but improves

 Drought removal likely

 Drought development likely

Author: Rich Tinker, Climate Prediction Center, NOAA

http://www.cpc.ncep.noaa.gov/products/expert_assessment/season_drought.html

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Short-term events -- such as individual storms -- cannot be accurately forecast more than a few days in advance. Use caution for applications -- such as crops -- that can be affected by such events. "Ongoing" drought areas are approximated from the Drought Monitor (D1 to D4 intensity).

For weekly drought updates, see the latest U.S. Drought Monitor.

NOTE: The tan area areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period although drought will remain.

The Green areas imply drought removal by the end of the period (D0 or none)

MEMORANDUM

TO: City of Santa Fe Public Utilities Committee
City of Santa Fe Water Conservation Committee
Buckman Direct Diversion Board

FROM: Rick Carpenter, Water Resources and Conservation Manager *RC*

VIA: Nick Schiavo, Acting Public Utilities Department and Water Division *NS*
Director

DATE: April 22, 2014

SUBJECT: 32nd Monthly Update on Drought and Water Resource Management

CURRENT UPDATE – GENERAL WATER RESOURCE MANGEMENT

As the Committee/Board is aware, our region is still suffering through a severe drought. Our region has gone through three consecutive years of record drought and heat. It is now apparent that we are in a fourth consecutive year of severe drought and abnormal heat which will present significant challenges to all water purveyors, utilities, and irrigators going forward into the rest of this year. Weather prediction models indicate that, at least through the early part of this summer, if not longer, drought conditions in the southwest (especially Arizona and New Mexico) should be neutral to below average precipitation (snow) and above average temperatures, therefore, overall drought conditions will likely still persist at least through July. Fire season is also expected to be very challenging which could have significant water quality implications for the BDD water treatment plant and/or Canyon Road water treatment plant. Runoff into regional river basins and reservoirs is expected to be slightly below normal to significantly below normal. However, some computer models are starting to suggest the possibility that “El Nino” conditions may be setting up in the Pacific Ocean. This could signal the possibility of increased regional precipitation in late summer and heading into Fall/Winter.

This current drought is extreme, but what sets it apart from previous extreme droughts is that, the region will enter into summer without very much carry-over water from the previous year in regional reservoirs – they are at low levels (except for the local McClure reservoir in Santa Fe). For example, Heron reservoir (San Juan-Chama Project water) is currently at about 29% of capacity. However, early runoff forecasts from the San Juan watershed seem to indicate substantial accumulation into Heron from this year’s snow pack.

It is worth noting, however, the City of Santa Fe has invested in a robust and diverse portfolio of four distinct water supply sources that allows for flexibility in meeting demand: Buckman well

field, City well field, Canyon Road Water Treatment Plant on the Upper Santa Fe River, and the Buckman Direct Diversion on the Rio Grande. Supply from these groundwater and surface water sources are expected to be adequate in meeting local demands through the coming high-demand season.

LOCAL CONDITIONS

Source of Supply Utilization Summary

February 2014

City Wells	6.38mg	19.59af
Buckman Wells	0.00mg	0.00af
CRWTP	44.08mg	135.29af
BRWTP	157.58mg	483.59af
<i>Other Wells(Osage, MRC, etc)</i>	<i>0.04mg</i>	<i>0.13af</i>

Upper Santa Fe River/CRWTP

	Total Combined Reservoir Level	Santa Fe Snow Gage	Reservoir Inflow
March 24, 2014	43.1%	30.0 inches	3.81 MGD
5-Year Average for This Date (2009 – 2013)	56.95 %	36.0 inches	9.97 MGD

Heading into September, water resource managers for the City were expecting the Canyon Road Water Treatment Plant to experience significant supply shortfalls later this year and into next year – due in part to severely reduced inflows resulting from the drought, but also due to the planned construction projects inside of the reservoir footprints. However, as of April 21st, and due to the heavy rains in mid-September and some minor winter snow storms, total combined storage in Nichols and McClure reservoirs is up to 43.1% (or about 1,700 acre-feet of storage). Flows are being by-passed due to construction on the new intake facilities. Inflows are expected to continue for the near future and so the reservoirs have been releasing water to allow for water treatment plant production, active construction, and draining/drying.

Buckman Regional Water Treatment Plant

Flows in the Rio Grande are relatively low but the BDD Project is able to divert water. Turbidity and suspended solids are very low and raw water quality is good. Demand in the system has been low to moderate, requiring only 4 to 6 mgd from the BDD Project.

REGIONAL CONDITIONS

Rio Grande Basin

Surface flows in the Rio Grande and its tributaries have been well below normal, storage levels in regional reservoirs are very low currently. The September rains helped river flows and regional reservoirs are receiving needed inflow, but the basin did not receive a good snow pack through the winter and spring. Reservoir levels will still be critically low heading into irrigation season. Native flows in the Rio Grande will likely be low to very low through the spring and summer.

San Juan Basin

It should be stressed that, conditions could significantly worsen for San Juan Chama Project deliveries next year, if the drought persists, due to a lack of carry-over storage in Heron Reservoir and other reservoirs in the system. Heron Reservoir is currently at a historic low level of 23% of capacity for this time of year. It is still too early in the year to quantify with a lot of confidence, but the Bureau of Reclamation has recently indicated that it is very likely that SJCP deliveries this year will be at or near 100% due to good snow pack in the San Juan watershed, high soil moisture, and the storage that was already in Heron at the beginning of the snow melt season. The Bureau of Reclamation will provide an update (quantified percentage) in late April with regard to the projected runoff available to San Juan-Chama contractors this coming year.



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.

Memo

DATE: May 1, 2014
TO: Buckman Direct Diversion Board
FROM: Mackie Romero, BDD Financial Manager *MR*
SUBJECT: 3rd Quarter Financial Statement

PURPOSE:

This memo is intended to update the BDD Board and its partners on our 3rd Quarter financial position as of March 31, 2014.

Budget Overview – A financial plan that quantifies our current and future operations.

- Approved Budget – FY13/14 Adopted Budget, includes approved budget adjustment requests
- Expended – Expenses per quarter for services and/or goods received as of 3/31/2014.
- Encumbrances – Executed purchase orders for goods and services.
- Projected – Projected salary and benefits as currently staffed, pending requisitions and or contracts to be executed within the fiscal year.
- Available Balance – Represents vacancy savings and uncommitted budget balance as of 3/31/2014.

90 Day Cash – Represents the cash target for the FY13/14 adopted budget year as per BDD Working Capital and Billing Policy.

Cash Balance – Cash receipts held by the fiscal agent, to pay current and future obligations.

Pre-Bills – As per the BDD Working Capital and Billing Policy, each partner is billed 1/12 of their share of the adopted budget.

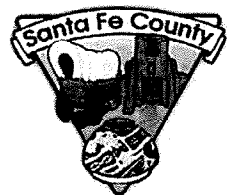
Actual Expenses - Expenses for services and/or goods received as of March 31, 2014.

Outstanding Accounts Receivables - Represents the dollar amount owed by each partner as of March 31, 2014 for the monthly pre-bills.

Other Funds – The Major Repair and Emergency Reserve funds have reached the targeted budget for the fiscal year. The Major Repair and Replacement Fund will continue to be billed beginning July 1, 2014.

BDD will continue to provide quarterly updates with useful financial information to provide the highest level of transparency to our partners and the Buckman Direct Diversion Board.

If you feel any additional information should be included in our report, please contact me.





Buckman Direct Diversion Project

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3rd Quarter Financial Statement – Operations (Cumulative) (Unaudited 07/01/2013-3/31/2014)*

Budget Overview

CATEGORY	APPROVED	EXPENDED	EXPENDED	EXPENDED	ENCUMB	PROJECTED	TOTAL	BALANCE
	BUDGET	1st Quarter	2nd Quarter	3rd Quarter	Thru 03/31/2014	EXPEND		AVAILABLE
Salaries & Benefits	2,706,248	651,376	699,224	551,316	-	663,095	2,565,011	141,237
Electricity	1,361,255	269,013	246,339	298,313	544,871	-	1,358,536	2,719
Chemicals	327,283	36,089	48,702	42,396	-	200,000	327,186	97
Solids	121,800	20,006	50,316	11,914	-	39,500	121,736	64
Materials & Supplies	763,529	54,414	96,806	150,391	273,832	118,471	693,914	69,615
Other Operating Costs	1,653,992	208,053	182,494	274,060	556,392	431,745	1,652,744	1,248
Fiscal Agent Fees	103,496	25,874	25,874	25,874	-	25,874	103,496	-
TOTAL	7,037,603	1,264,825	1,349,755	1,354,264	1,685,502	1,478,685	6,822,624	214,979

90-Day Cash Target

	Total
City of Santa Fe	1,285,334
Santa Fe County	365,466
Las Campanas	84,499
	1,735,299

Cash Balance*

	Balance
Cash at 3/31/2014	1,269,189

Pre-Bills - Operations

	Total	1st Quarter	2nd Quarter	January	February	March
City of Santa Fe	3,900,278	1,386,125	1,285,648	382,065	383,609	462,831
Santa Fe County	1,163,256	435,120	368,704	119,623	118,994	120,815
Las Campanas	170,041	77,142	48,560	13,871	13,878	16,591
	5,233,576	1,898,387	1,702,912	515,559	516,481	600,237

Actual Expenses – Operations

	Total	1st Quarter	2nd Quarter	January	February	March
3rd Quarter Expenses	3,968,843	1,264,825	1,349,754	309,167	457,411	587,686

*Outstanding Accounts Receivable

	as of 3/31/14
City of Santa Fe	-
Santa Fe County	-
Las Campanas	-
	-

*Note: FY12/13 Ending balances have not been included in presentation of statement, except for cash.



Buckman Direct Diversion Project

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3rd Quarter Financial Statement – Other Funds (Cumulative) (Unaudited 07/01/2013-3/31/2014)

Pre-Bills – Major Repair & Emergency Reserve Funds

	Total	1st Quarter	2nd Quarter	City of SF	SF County	Las Campanas
Major Repair Fund	240,219	102,951	102,951	24,320	8,646	1,351
Emergency Reserve Fund	583,339	250,002	250,003	54,431	21,218	7,686
	823,558	352,953	352,954	78,751	29,864	9,036

Financial Position

	Emergency Reserve	Major Repair
Balance at 06/30/2013	1,416,678	583,389
1st Quarter Billing	250,002	102,951
2nd Quarter Billing	250,003	102,951
3rd Quarter Billing	83,317	34,333
Total	2,000,000	823,624
Target Balance	2,000,000	823,624
Remaining Balance	-	-

*Outstanding Accounts Receivable

	as of 3/31/14
City of Santa Fe	-
Santa Fe County	-
Las Campanas	-
	-