



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

Memorandum

Date: March 2, 2017
To: Buckman Direct Diversion Board
From: Erick LaMonda, Interim Operations Superintendent
Subject: Update on BDD Operations for the Month of February 2017

ITEM:

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of February 2017. The BDD diversions and deliveries have averaged, in Million Gallons Daily (MGD) as follows:
 - a. Raw water diversions: 4.23 MGD Average
 - b. Finished Drinking water deliveries through Booster Station 4A: 2.92 MGD Average
 - c. Finished Drinking water deliveries through Booster Station 5A: 1.21 MGD Average
 - d. Raw water delivery to Las Campanas at BS2A: 0.201 MGD Total.
 - e. 2017 Raw water diversions year to date: 263.72 MGD Total
2016 Raw water diversions for the same time period: 223.47 MGD Total
2. The BDD is providing approximately 67 percent of the water supply to the City and County for the month.
3. The current Drought Update Summary and Reservoir Storage Status are attached.



Drought, Monsoon/El Nino, and ESA Update

NOAA has recently updated (2/10/17) ENSO (El Nino/La Niña) status to: **El Nino-neutral conditions have returned and are favored to continue through at least the Northern Hemisphere spring 2017.** However, a few dynamic model forecasts anticipate an onset of El Nino as soon as Spring (March – May). Regional reservoir levels on the Rio Grande and Chama Rivers are still low. Upper Santa Fe River reservoirs are very low so City draw down has been reduced accordingly, with a corresponding increase in BDD diversions from the Rio Grande, and moderate increases in groundwater well use. Preliminary estimates for 2017 are for an approximate 95%-100% delivery of full firm-yield of San Juan-Chama Project (SJCP) water. Year-to-date snow pack in the San Juan watershed as well the upper Santa Fe River watershed is very good (above normal) . There are no water-related Endangered Species Act (ESA) updates, except that a draft Biological Opinion was issued by the US Fish and Wildlife Service in late December. Staff is currently evaluating this document. Updates on ESA issues will be made as needed. Rio Grande Compact Article VII storage restrictions went back into effect 4/22/16, which means the City will not be allowed to impound “native” runoff into Nichols and McClure Reservoirs above the pre-Compact pool of 1,061 acre-feet (AF) (unless an exchange for water is made with the NMISC). Preliminary forecasts are suggesting the possibility of coming out of Article VII perhaps as early as May, 2017. Updates to this condition will be made as needed.

Most current City of Santa Fe SJCP Reservoir Storage:

Heron:

5,029 AF. 2016 deliveries were at about 95% of annual total.

El Vado:

0 AF.

Abiquiu:

10,758 AF SJCP carry-over from previous years, no time limit to vacate due to storage agreement with ABCWUA


TOTAL:

15,787 AF



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Memorandum

DATE: March 2, 2017
TO: Buckman Direct Diversion Board
FROM: Mackie M. Romero, BDD Financial Manager 
SUBJECT: Proposed Fiscal Year 2018 Annual Operating Budget Request

Item & Issue:

Request for approval and recommendation of the BDD Annual Operating Budget & Other Fund Contributions for Fiscal Year 2018.

Background and Discussion:

BDD is pleased to present the proposed Buckman Direct Diversion (BDD) Annual Operating Budget for Fiscal Year 2018 and proposed contributions to our Major Repair & Replacement Fund. The proposed budget accounts for all projected necessary costs to meet the Board's service level objectives and to continue to provide high quality water to our partners, the City of Santa Fe, Santa Fe County, the Club at Las Campanas and the Las Campanas Water and Sewer Cooperative.

In Fiscal Year 2018, the BDD will be in its seventh year of operations. This milestone influenced our analysis of costs as maintenance of our facility will increase due to the age of the equipment and machinery. The BDD actively collaborated with its partners on the development of this budget, and with their support we present this budget request.

Budget Highlights & Considerations:

- Requesting budget approval of \$8,493,378 for FY 2018 Operations (Page 1-2)
 - \$8,164,618 – Partner Reimbursements
 - \$ 142,760 – PNM Solar Rebate Revenue
 - \$ 90,000 – Unrestricted Funds
 - \$ 96,000 – Federal Funds



- FY 2018 Budget Request increased by \$289,575 from the FY 2017 Adopted Budget (Page 2-5)
 - Fiscal Agent Fee - \$315,531 increase of 3%
 - Legal Services- \$1,025,385 for BDDDB's pursuit of claims and possible litigation
 - Vehicle Purchase - \$208,842 to purchase a new SwapLoader truck used to transport solids
 - BDD Reorganization – \$43,858.00 to reclassify two (2) BDD Operator Positions for two (2) BDD Equipment Repairman.
 - Federal Grant Funding of \$96,000 for BDD Storm Water Sampling Program
- Emergency Reserve Fund is fully funded to our target balance of \$2,000,000 (Page 13)
- Major Repair & Replacement Fund - \$626,706 includes an increase in contributions. (Page 14)

Recommended Action:

We would like to request approval and BDDDB recommendation of the BDD Annual Operating Budget for Fiscal Year 2018 and contributions to our Major Repair and Replacement Fund to City of Santa Fe's City Council and Santa Fe County Board of Commissioners.

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

Thank you



Buckman Direct Diversion

FISCAL YEAR 2018

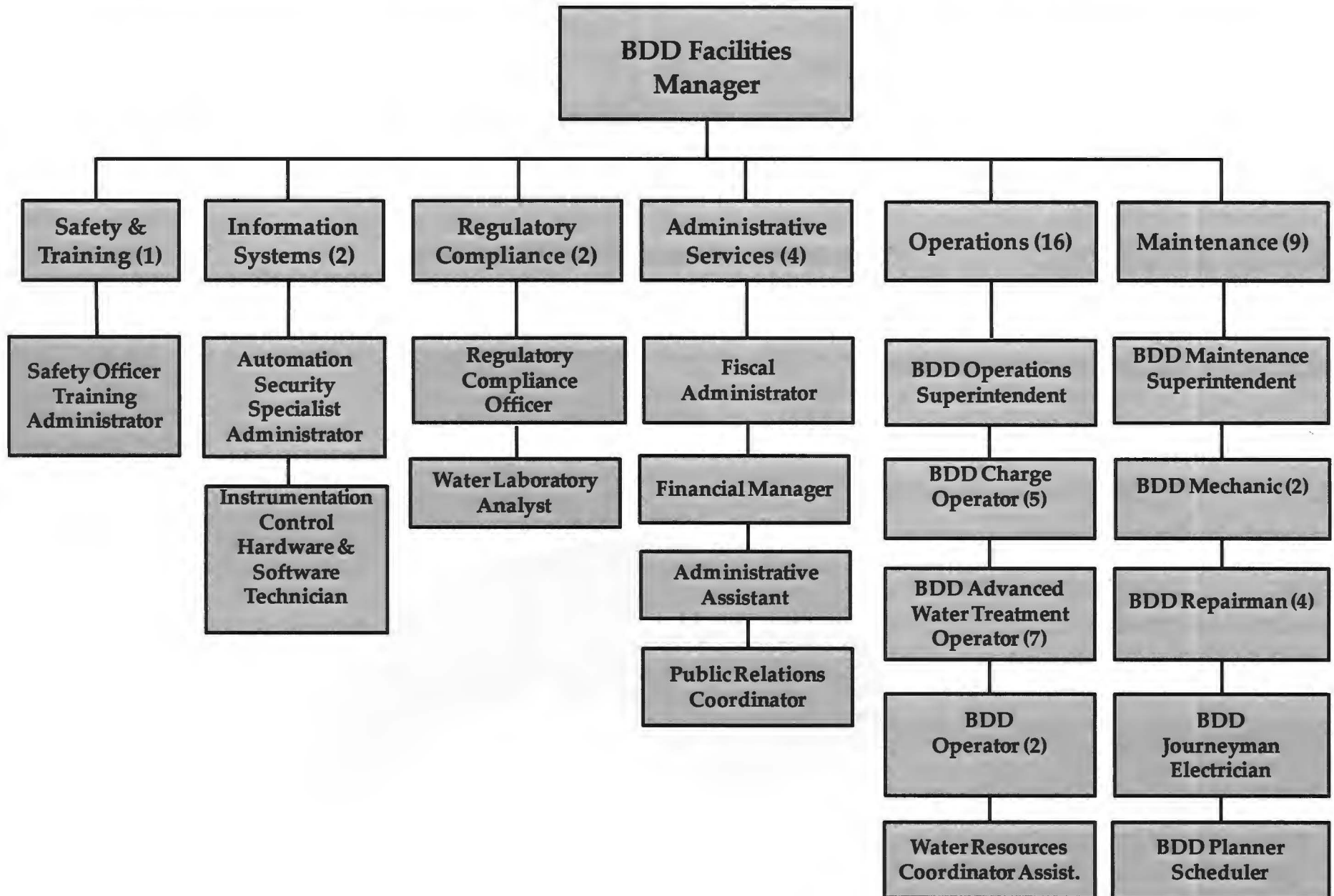


PROPOSED ANNUAL OPERATING BUDGET & PARTNER CONTRIBUTIONS



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

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT ORGANIZATIONAL CHART



Buckman Direct Diversion

Buckman Direct Diversion (BDD) Proposed Annual Operating Budget, Fiscal Year 2018

Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget. With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDDB) approve and recommend the Fiscal Year 2018 Operating Budget of \$8,493,378. This budget request consists of fixed and variable costs and includes revenue/reimbursements from several sources as presented by major expenditure category:

BUDGET REVENUE/REIMBURSEMENT SUMMARY - TOTAL PROPOSED FISCAL YEAR 2018 OPERATING BUDGET - (TABLE A)

	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>	<u>%</u>
Revenues/Reimbursements by Source:				
Unrestricted Funds	\$ 90,000	\$ -	\$ 90,000	1.06%
Federal Funds	96,000	-	96,000	1.13%
PNM Solar Rebates	-	142,760	142,760	1.68%
City of Santa Fe	4,734,823	1,082,706	5,817,530	68.5%
Santa Fe County	1,674,987	319,733	1,994,719	23.5%
Las Campanas (Club)	245,041	54,201	299,242	3.52%
Las Campanas (Coop)	53,127	-	53,127	0.63%
Total Revenues by Source	\$ 6,893,978	\$ 1,599,400	\$ 8,493,378	100%
% of overall budget	81%	19%	100%	

BUDGET EXPENDITURE SUMMARY - PARTNER SHARE OF TOTAL PROPOSED FISCAL YEAR 2018 OPERATING BUDGET - (TABLE B)

Expenditure by Category	<u>City of</u> <u>Santa Fe</u>	<u>Santa Fe</u> <u>County</u>	<u>Las Campanas</u> <u>(Club)</u>	<u>Las Campanas</u> <u>(Coop)</u>	<u>Federal</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Total</u>
Personnel	\$ 2,531,669	\$ 869,403	\$ 106,262	\$ 29,260	\$ -	\$ -	\$ 3,536,594
Electricity	960,407	279,242	56,886	3,465	-	-	1,300,000
Chemicals	208,376	71,624	-	-	-	-	280,000
Solids	89,328	30,672	-	-	-	-	120,000
Materials & Supplies	550,251	237,078	28,020	18,295	-	90,000	923,644
Other Operating Costs	1,361,481	466,797	91,224	2,107	96,000	-	2,017,608
Fiscal Agent Fee	222,261	76,422	16,849	-	-	-	315,532
Total	5,923,772	2,031,237	\$ 299,242	\$ 53,127	\$ 96,000	\$ 90,000	\$ 8,493,378
PNM Solar Rebates	(106,242)	(36,518)					
Total	\$ 5,817,530	\$ 1,994,719					

Budget Summary & Analysis

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

- Fiscal Year 2015 Actual Expenditures \$5,876,350 (with 7 vacant positions) which was \$853,380 lower than our adopted budget.
- Fiscal Year 2016 Actual Expenditures \$6,361,582 (with 7 vacant positions and \$798,668 of unexpended legal fees) which was \$1,541,818 lower than our adopted budget.
- Fiscal Year 2017 Projected to expend \$7,467,191 (with 4 vacant positions) which is \$736,649 lower than our adopted budget.

The BDD has actively collaborated with its partners on the development of this budget and with their support we present the Fiscal Year 2018 budget request, as follows:

- The proposed Annual Operating Budget for Fiscal Year 2018 is \$8,117,846 plus the fiscal agent fee of \$315,532 which represents an increase in our fiscal agent fee of 3%, upon execution of the new support agreement. Other major initiatives include:
 - Legal Services - \$1,025,385 for BDD's pursuit of claims and possible litigation.
 - Vehicle Purchase - \$208,842 to purchase a new SwapLoader truck used to transport solids.
 - BDD Reorganization – \$43,858.00 to reclassify two BDD Operator Positions for two (2) BDD Equipment Repairman.
 - Federal Grant Funding of \$96,000 for BDD Storm Water Sampling Program.

In Fiscal Year 2018, the BDD will be in its seventh year of operations. This major milestone was a prime consideration in our analysis of costs. The BDD also uses yearly volumetric flow predictions provided by each partner for our variable and project wide allocation of expenditures.

The BDD has presented the monthly PNM Solar Rebates received from the Water Treatment Plant Solar Array as a source of revenue. The resulting reimbursement requests for American Capital Energy (primary owner of this solar array) to the City of Santa Fe and Santa Fe County will be reduced by the revenue received.

Per the BDD Working Capital and Billing Policy, interest and other refunds have been accumulating over several years as unrestricted cash, which can be used to fund capital needs. Upon BDD approval, these funds will be budgeted to partially fund the new SwapLoader truck.

In June 2015, BDD was granted federal funds from the Department of Energy, which expires May 31, 2018 for the BDD Storm Water Sampling Program. The collection of samples from the Rio Grande at the BDD is performed for monitoring during LANL events.

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

	FY2015/16				FY2016/17				FY2017/18		\$ Change	
	FY2015/16	Audited	FY2015/16		FY2016/17	FY2017/18	\$ Change		Adopted	Proposed	FY16/17 vs	
	Adopted	Actual	(Under) /		Adopted	Budget			Budget	Budget	FY15/16	%
	Budget	6/30/16	Over Budget	%	Budget	Budget						
Revenues/Reimbursements by Fund:												
Partner Reimbursements	\$ 7,617,400	\$ 6,131,918	\$ (1,485,482)	80%	\$ 7,957,803	\$ 8,164,618	\$ 206,815	3%				
PNM Solar Rebates	190,000	136,074	(53,926)	72%	150,000	142,760	(7,240)	-5%				
Federal Funds	96,000	93,590	(2,410)	97%	96,000	96,000	-	0%				
Unrestricted Funds	-	-	-	0%	-	90,000	90,000	0%				
Total	\$ 7,903,400	\$ 6,361,582	\$ (1,541,818)	80%	\$ 8,203,803	\$ 8,493,378	\$ 289,575	4%				
Expenditures by Category:												
Salaries and Wages	\$ 1,871,450	\$ 1,761,093	\$ (110,357)	94%	\$ 2,035,114	\$ 2,196,994	\$ 161,880	8%				
Overtime / Shift Differential	235,000	225,541	(9,459)	96%	180,000	150,000	(30,000)	-17%				
Benefits	1,037,499	973,682	(63,817)	94%	1,137,673	1,189,600	51,927	5%				
Electricity	1,338,000	1,055,894	(282,106)	79%	1,318,000	1,300,000	(18,000)	-1%				
Chemicals	290,000	276,115	(13,885)	95%	250,000	280,000	30,000	12%				
Solids	171,800	151,375	(20,425)	88%	120,000	120,000	-	0%				
Materials & Supplies*	608,561	529,802	(78,759)	87%	726,004	923,644	197,640	27%				
Other Operating Costs*	2,283,690	1,320,680	(963,010)	58%	2,121,480	2,017,608	(103,872)	-5%				
Total	7,836,000	6,294,182	(1,541,818)	80%	7,888,271	8,177,846	289,575	4%				
Fiscal Agent Fee	67,400	67,400	-	0%	315,532	315,532	0	0%				
Total	\$ 7,903,400	\$ 6,361,582	\$ (1,541,818)	80%	\$ 8,203,803	\$ 8,493,378	\$ 289,575	4%				
* See Table C-1 and C-2 for a detailed summary of Major Category Costs												

Table C presents actual expenses, by major category, for fiscal year ended June 30, 2016, and our current year adopted budget in comparison to our fiscal year 2018 operating budget request. This information includes budget adjustments to our major categories. The BDD staff will continue to closely collaborate with its partners, the City of Santa Fe, Santa Fe County and Las Campanas entities in determining the costs needed to ensure BDD has the funding to properly operate and maintain the facilities to meet the demands of its partners.

BDD Materials & Supplies Detailed Summary

(TABLE C-1)

<u>Description</u>	<u>Amount</u>	<u>Total</u>
Repair & Maintenance Building / Structures - sprinkler, fire alarm, plumbing	17,000	
On-Call HVAC Service Agreement	25,000	
Total		42,000
Repair & Maintenance System Equipment		
General maintenance, repairs and replacement to water system facilities	226,500	
Hach Service Agreement - Yearly calibration of instrumentation	37,000	
Yukon & Assoc - On-call process instrumentation and control systems	5,000	
Wunderlich-Malec - On-call SCADA & computer networking	15,000	
Great Southwest Meters- Annual meter calibration and inspection	12,000	
Subsurface Contracting - On-call repair and replacement to water systems	43,000	
Alpha Southwest - On-call services mechanical & electrical	27,500	
Automation & Electric - On-call SCADA support, software, programming	33,000	
Maintenance Agreement - BS2A Solar Array (Positive Energy)	10,000	
Total		409,000
Repair & Maintenance Grounds/Rd - Landscaping agreements		15,000
Repair & Maintenance Machine & Equipment -Copiers, machinery & equipment		27,000
Operating Supplies -Field supplies maintenance/operations		58,450
Auto Parts, Tires, Gasoline Diesel - Fleet maintenance of vehicles		19,000
Inventory Exempt / IT - Small tools, radios, and phase II of replacement of computers		19,500
Uniforms (\$500 clothing, \$200 boots = \$700 per employee)		23,800
Safety Supplies - First aid, protective gear		14,560
System Equipment - Sediment monitoring equipment (Raw Water)		20,492
Data Processing - Phase II server replacement for SCADA		16,000
Building & Structures - Phase III of security system upgrades		50,000
Vehicle > 1.5 - Purchase new SwapLoader truck		208,842
Total Materials & Supplies Category		923,644

BDD Other Operating Costs Detailed Summary

(TABLE C-2)

<u>Description</u>	<u>Amount</u>	<u>Total</u>
Agreements		
BDDDB Insurance Broker/Agent	9,500	
Chavez Security - provides patrol along Buckman Road Corridor	155,557	
Stenographer Agreement - BDD Board Meetings	3,200	
USDA Collection Agreement - Federal Law Enforcement	30,000	
USGS Operation and Maintenance Agreement of Buckman Sediment Gage	35,194	
BDDDB Independent Counsel	110,479	
BDDDB Litigation Counsel	1,025,384	
Compliance Agreements - Required water sampling, testing, inspection, analysis	181,256	
Audit Professional Services Agreement	11,000	
BDD Board Liability Insurance Premiums	155,482	
Land Leases - BLM Right of Way Agreements	76,756	
Total		1,793,808
Benefits Dept. Assessments - City Benefits Assessment Fees		9,250
General Liability Dept Assessments - City Risk Assessment Fees		9,336
General Liability Third Party - Crime Liability Assessment Fees		50,000
Public Relations - tours, outreach, promotions, website, virtual tour		18,650
Software/Software Subscriptions- Software support and upgrades		25,582
Employee Training - Safety, training, education, dues & registrations		36,032
Advertising - Job postings, RFP, bids		3,950
Office Supplies - General office supplies		7,000
Postage & Mailing Services - Delivery of water samples, correspondence		6,200
Utilities - Cell phones, landlines, data, website, satellite phone, natural gas		57,800
Total Other Operating Costs Category		2,017,608

Budget Fixed & Variable Costs Analysis

The BDD's annual operating budget consists of fixed, variable and project-wide costs, which are determined by percentage allocations contained in the Facility Operations and Procedures Agreement (FOPA). This budget request was prepared with the following approved cost sharing principles.

Cost Sharing

(TABLE D)

<u>Fixed</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>Las Campanas (Club)</u>	<u>Las Campanas (Coop)</u>	<u>Total</u>
Shared Facilities	62.09%	25.61%	5.37%	6.93%	100.00%
Separate Facilities	75.33%	24.67%	0.00%	0.00%	100.00%
<u>Project Wide</u>					
Projected Volumetric Flow	70.44%	24.22%	5.34%	0.00%	100.00%
<u>Variable</u>					
Projected Volumetric Flow	70.44%	24.22%	5.34%	0.00%	100.00%

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

Volumetric Flow History and FY 2018 Predictions

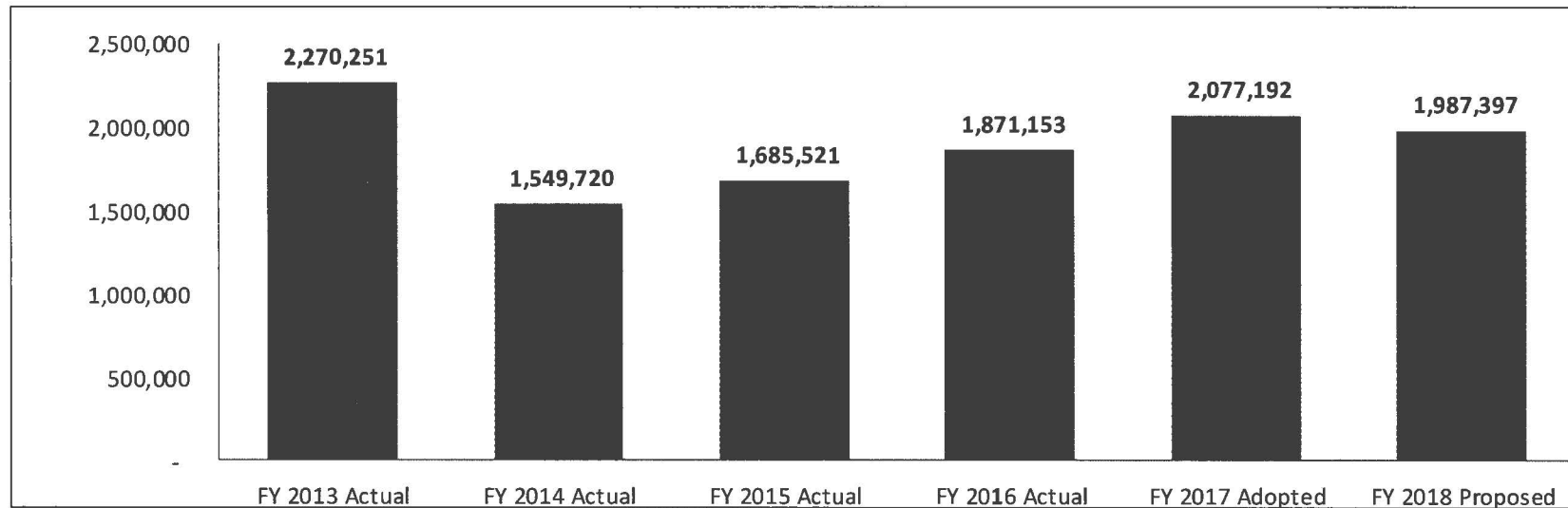
(TABLE E)

<u>Volumetric Flow (acft)</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>LC (Raw Water) via County</u>	<u>Las Campanas (Raw Water)</u>	<u>Total Diverted</u>
FY 2012	4,787.09	472.08	123.89	181.11	5,564.17
FY 2013	5,931.78	448.00	504.66	85.23	6,969.67
FY 2014	3,295.24	890.13	25.49	546.78	4,757.64
FY 2015	3,565.50	1,051.72	418.32	139.01	5,174.55
FY 2016	4,127.74	1,077.23	374.33	165.14	5,744.44
<i>FY 2017</i>	<i>4,582.90</i>	<i>1,168.44</i>	<i>300.00</i>	<i>325.64</i>	<i>6,376.98</i>
<i>FY 2018</i>	<i>4,298.00</i>	<i>1,177.68</i>	<i>300.00</i>	<i>325.63</i>	<i>6,101.31</i>
<i>FY 2018 %</i>	<i>70.44%</i>	<i>19.30%</i>	<i>4.92%</i>	<i>5.34%</i>	<i>100%</i>
% Percentage is used in calculation of partner share of variable costs & project wide					

BDD has completed a budget analysis for Fiscal Year 2018, which includes volumetric predictions of 1,987,397 gallons. This is an estimated 4% decrease in water delivery via BDD over the Fiscal Year 2017 predicted water call. The BDD will work with the partners to adaptively manage BDD water deliveries to meet changes to Partner orders for BDD water deliveries.

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

(TABLE F)



BDD's budget development utilizes several complex cost accounting models to determine solids management, electricity, and chemical costs, which make up 17% of the total Fiscal Year 2018 proposed budget. Variable costs are associated with the amount of water delivered and are closely related to raw water quality. Raw water carrying elevated levels of solids require increased chemical dosing, create increased maintenance activities, and result in greater solids management costs. Electricity costs are directly influenced by varying on-peak and off-peak rates.

Cost Analysis

(TABLE G)

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

	FY 2017 Adopted Budget	FY 2018 Proposed Budget	City of Santa Fe	Santa Fe County	Las Campanas Club	Total
Expenditures						
Chemical Expenditures	\$ 250,000	\$ 280,000	\$ 208,376	\$ 71,624	\$ -	\$ 280,000
Solids Expenditures	117,400	117,400	87,369	30,031	-	117,400
Electric Expenditures*	1,168,000	1,153,775	854,165	242,724	56,886	1,153,775
All Other Expenditures*	6,422,403	6,441,474	4,608,199	1,590,919	242,356	6,441,474
Total Operating Expenditures	\$ 7,957,803	\$ 7,992,649	\$5,758,109	\$ 1,935,298	\$ 299,242	\$7,992,649
Operational Costs						
Total gallons raw water in 1,000's	203,792	203,788	-	97,720	106,068	203,788
Total Cost per 1,000 gallons	\$ 3.71	\$ 2.39	\$ -	\$ 1.92	\$ 2.82	
Electric Cost per 1,000 gallons	\$ 0.56	\$ 0.51	\$ -	\$ 0.51	\$ 0.51	
Total gallons finished water in 1,000's	1,873,401	1,783,609	1,400,000	383,609	-	1,783,609
Total Cost per 1,000 gallons	\$ 3.23	\$ 4.48	\$ 4.11	\$ 4.43	\$ -	
Electric Cost per 1,000 gallons	\$ 0.56	\$ 0.64	\$ 0.66	\$ 0.56	\$ -	
Solids Cost per 1,000 gallons	\$ 0.06	\$ 0.07	\$ 0.06	\$ 0.08		
Chemical Cost per 1,000 gallons	\$ 0.13	\$ 0.16	\$ 0.15	\$ 0.19	\$ -	
Monthly Average Costs	\$ 663,153	\$ 666,054	\$ 479,842	\$ 161,275	\$ 24,937	\$ 666,054
*Excludes Federal Funds, Unrestricted Funds, Truck Purchase and LC-Coop						

Programs

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

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

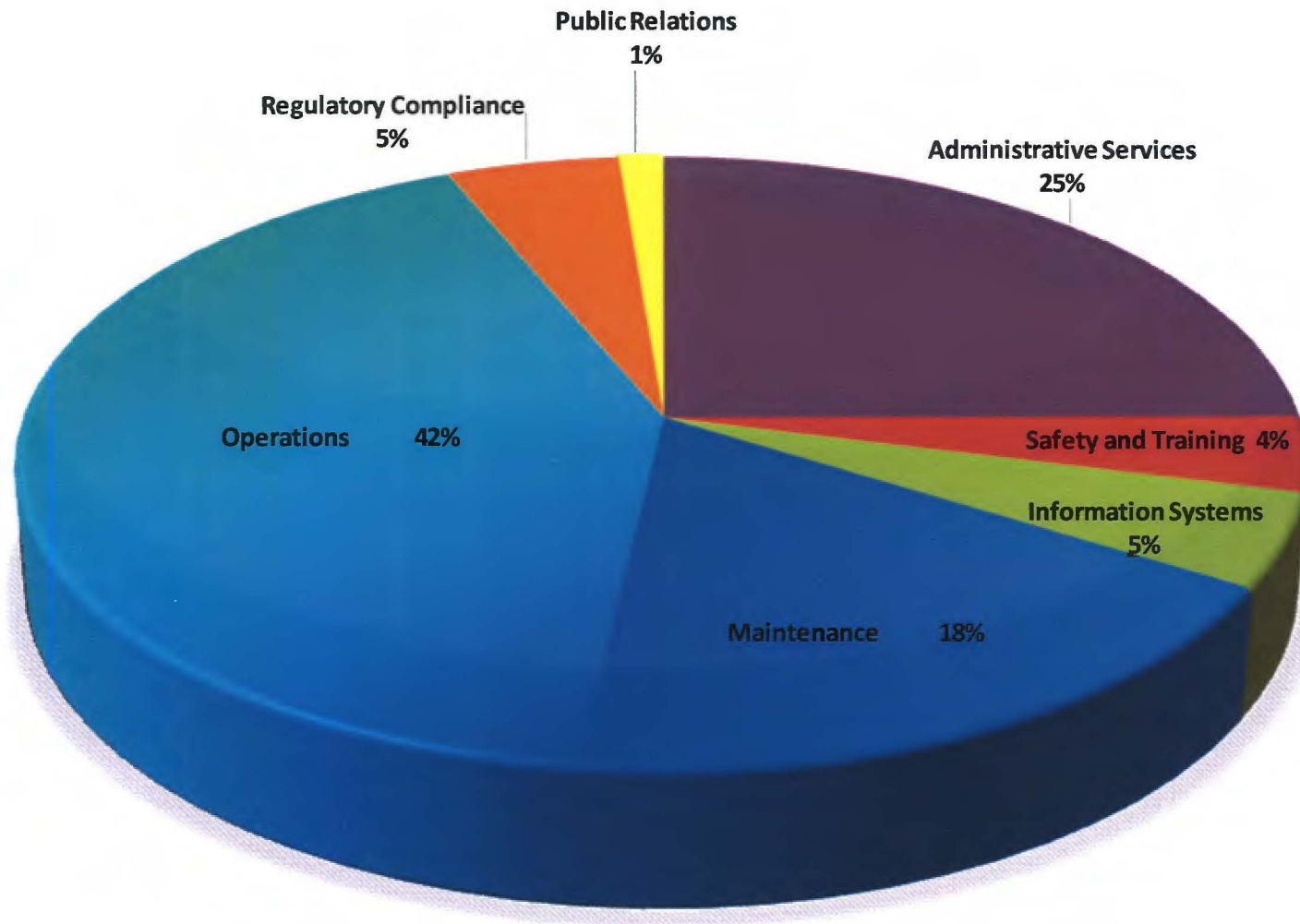
The BDD is divided into seven (7) key programs with explicit business functions as shown in Figure 1. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the regional water treatment plant, maintain full regulatory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

FIGURE 1

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

Key Programs and Cost Allocation Percentages

(TABLE H)



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

(TABLE I)

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

	FY 2016 Adopted Budget	FY 2016 Actuals 06/30/2016	FY 2016 Variance to Actual \$ (Under) or Over Budget	FY 2017 Adopted Budget	FY 2018 Proposed Budget	\$ Change FY 2017 vs FY 2018
Expenditures by Program:						
1. Operations (16 FTE)	\$ 3,529,473	\$ 3,149,316	\$ (380,157)	\$ 3,452,340	\$ 3,454,635	\$ 2,295
2. Regulatory Compliance (2 FTE)	419,373	415,422	(3,951)	401,659	422,948	21,289
3. Asset Management & Maintenance (9 FTE)	1,171,590	973,474	(198,116)	1,118,707	1,480,989	362,282
4. Safety and Training (1 FTE)	325,497	316,997	(8,500)	312,571	307,167	(5,404)
5. Administrative Services (4 FTE)	1,920,987	1,015,200	(905,787)	2,106,771	2,022,908	(83,863)
6. Information Systems (2 FTE)	369,629	338,135	(31,494)	393,299	401,059	7,760
7. Public Relations (1 FTE)	99,451	85,638	(13,813)	102,924	88,140	(14,784)
Total Expenditures by Program (35 FTE)	7,836,000	6,294,182	(1,541,818)	7,888,271	8,177,846	289,575
Fiscal Agent Fee	67,400	67,400	-	315,532	315,532	-
Total	\$ 7,903,400	\$ 6,361,582	\$ (1,541,818)	\$ 8,203,803	\$ 8,493,378	\$ 289,575

Emergency Reserve Fund (ERF)

The Project Management and Fiscal Services Agreement, Article 3. (E.) requires the BDD Board create an Emergency Reserve Fund, and establish procedures for its management. The Emergency Reserve 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 Reserve Fund.

The BDD Board approved the Emergency Reserve Fund policy and funding contributions as part of the Fiscal Year 2012 budget request. This policy established target balances, replenishment requirements and funding allocations.

In accordance with the policy, funds were utilized to address immediate concerns surrounding the facilities diversion structure and these funds were replenished by our partners in 2016.

Emergency Reserve Fund Balance

(TABLE J)

Emergency Fund	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Fund Balance as of June 30, 2016	1,314,879	469,155	129,145	99,647	2,012,826

As of June 30, 2016 the Emergency Reserve Fund was fully funded to its targeted balance of \$2,000,000. As per the BDD Working Capital and Billing Policy, these funds are interest bearing and are allocated to the partners based on the percentage of cash held in their respective accounts at the end of each fiscal year.

Major Repair and Replacement Fund (RRF)

The BDD Board also previously approved the Major Repair and Replacement Fund as part of the Fiscal Year 2012 Budget. Per the Major Repair and Replacement Fund policy these funds are to receive yearly contributions held in trust to support major repair and replacement costs of facility equipment and systems.

In 2016, the BDD Board authorized expenditures of \$1,117,785, to purchase eight new raw water pumps and an on-call engineering service contract, these expenditures will reduce the available balance in this fund. The Major Repair and Replacement fund will continue to receive yearly contributions in accordance with the policy.

Major Repair and Replacement Fund Balance

(TABLE K)

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Contributions as of June 30, 2017	1,418,269	493,730	38,828	38,020	1,988,847
Authorized Expenditures	(794,633)	(279,111)	(19,226)	(24,815)	(1,117,785)
Projected Fund Balance	623,636	214,619	19,602	13,205	871,062

Last year the BDD purchased an asset management program, which will be used to identify all assets, estimated life cycle, preventive maintenance and cost replacement analysis. The preliminary data revealed the fund is insufficiently funded based on the current policy contributions. Therefore, we are requesting an initial increase of \$214,895 to our policy contribution for a total request of \$626,706. Upon further analysis of the asset management program, a formal amendment to the policy will be drafted.

Major Repair and Replacement Fund Fiscal Year 2018 Contributions

(TABLE L)

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
2018 Proposed Contributions	445,545	156,494	10,769	13,898	626,706

With the approval of this contribution and no additional expenditures, the fund balance would be \$1,497,768 for 2018.

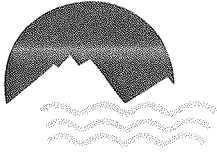
Budget Summary

With this submittal, the Project Manager requests the Buckman Direct Diversion Board to approve and recommend the funding for our Fiscal Year 2018 Operating Budget of \$8,493,378 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund for a total request of \$9,120,084. We appreciate all the input and support from our partners and our Buckman Direct Diversion Board Members.

Fiscal Year 2018 Funding Allocation

(TABLE O)

Funds	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Operating Fund	\$5,817,530	\$1,994,719	\$ 299,242	\$ 53,127	\$ 8,164,618
			PNM Solar Rebate Revenue		142,760
			Unrestricted Funds		90,000
			Federal Funds		96,000
					\$ 8,493,378
Major Repair & Replacement Fund	445,545	156,494	10,769	13,898	626,706
Total Fiscal Year 2018 Request	\$6,263,075	\$2,151,213	\$ 310,011	\$ 67,025	\$ 9,120,084



Buckman Direct Diversion

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

Memorandum

Date: March 2, 2017
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager *MR*
Subject: Budget Amendment Resolution (BAR)

ITEM AND ISSUE:

Request approval of a Budget Amendment Resolution (BAR) to the adopted FY16/17 BDD Operating Budget.

BACKGROUND AND SUMMARY:

In 2014, the Buckman Direct Diversion Board approved recommendations to enter into a new agreement with the City of Santa Fe to serve as the “Support Agency” for the Buckman Direct Diversion. This agreement was to include an annual support service fee of 4% of the BDD Annual Operating Budget.

In preparation for the terms of the new agreement, the current year adopted budget includes a fiscal agent fee of 4% of the annual operating budget. The new agreement for support services has not been finalized. Therefore, the current budget requires an adjustment to reflect the terms of the Project Management and Fiscal Services Agreement (PMFSA), still in effect.

This request will reduce the “Services of Other City Departments” line item and corresponding revenue contributions by \$236,649, leaving a balance of \$78,883, which is 1% of the current operating budget.



ACTION REQUESTED:

Staff recommends approval of the attached Budget Adjustments Resolution to our adopted Fiscal Year 2017 Operating Budget to reflect the terms of the current PMFSA.

Fiscal Agent Fee	7280000.563100.810010	(\$ 236,649)
City of Santa Fe	71410.491350	(\$ 170,435)
Santa Fe County	71410.491010	(\$ 58,931)
Las Campanas – Club	71410.439332	(\$ 3,183)
Las Campanas – Coop	71410.439332	(\$ 4,100)

FY 2017 Total Budget Net Effect (\$236,649.00)

Approved by BDDDB March 2, 2017

Councilor Carmichael A. Dominguez,
BDDDB Chair

Log # {Finance use <u>only</u> }:	
Batch # {Finance use <u>only</u> }:	

City of Santa Fe, New Mexico

BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME					DATE 03/02/2017	
ITEM DESCRIPTION	BUSINESS UNIT	LINE ITEM	SUBSIDIARY {.000000}	SUBLEDGER {0000}	INCREASE	DECREASE
<u>EXPENDITURES</u>					{enter as <u>positive</u> #}	{enter as <u>negative</u> #}
Svcs of Other City Dept	7280000	563100	810010			(236,649)
<u>REVENUES</u>					{enter as <u>negative</u> #}	{enter as <u>positive</u> #}
City of Santa Fe	71410	491350				170,435
Santa Fe County	71410	491010				58,931
Las Campanas	71410	439332				7,283
JUSTIFICATION: (use additional page if needed) --Attach supporting documentation/memo					\$ -	\$ -

To adjust fiscal agent fee to 1% of annual operating budget, as per the current		{Complete section below if BAR results in a net change to ANY Fund}	
Project Management and Fiscal Services Agreement.			
BDDB Approval March 2, 2017		Fund(s) Affected:	Fund Bal. Increase/ (Decrease):
		7280000	(236,649)
		TOTAL:	(236,649)

Mackie Romero	03/02/2017	{Use this form for Finance Committee/ City Council agenda items ONLY}	
Prepared By {print name}	Date	CITY COUNCIL APPROVAL City Council Approval Date Agenda Item #: 	Budget Officer Date
Division Director {optional}	Date		Finance Director {≤ \$5,000} Date
Department Director	Date		City Manager {≤ \$50,000} Date



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

Memorandum

Date: March 2, 2017
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager *mm*
Subject: IntraWorks, Inc. Professional Services Agreement

Item and Issue:

Request approval to enter into a Professional Services Agreement with IntraWorks, Inc. for an amount not to exceed \$49,818 exclusive of NMGR for the BDD Security System Upgrade project.

Background and Summary:

In 2016, the Buckman Direct Diversion Board approved procurement of Phase I of the BDD Security System upgrade project. In preparation of Phase II, we invited 10 security system integrators, to review the current system and provide quotes and options to gradually upgrade the entire system within the next three years. Of the three vendors who submitted quotes, IntraWorks, Inc. was the lowest bidder and they have a current New Mexico State Price Agreement.

Phase II of the Security System upgrade will consist of the following:

- Replacement and installation of 6 new IP cameras and door access controller at Booster Station 1A.
- Replacement and installation of 4 new IP cameras at Raw Water Lift Station.
- Installation of 1 new IP camera at the Administration Building

Installation shall include cable, misc. equipment, material, license, programming, training, testing and commissioning.

In order to operate and maintain this system, as well as meet Homeland security requirements, it is imperative that we upgrade obsolete equipment with new equipment that will provide better picture images and that will work with future repairs and upgrades. This phase of the project was included in



our FY16/17 Adopted Budget. Future costs of the on-going project will be included in next year's budget request.

Action Requested:

Staff recommends approval of a Professional Services Agreement with IntraWorks, Inc. in the amount of \$49,818 exclusive of NMGR. Funding is available in the operating budget, and will be allocated to the partners using shared facilities and project wide cost allocation.

BU/LI: Repair & Replacement System Equipment # 7280000.520150.150025, 130025, 100025.

Approved by BDDDB March 2, 2017

Councilor Carmichael Dominquez,
BDDDB Chair

**BUCKMAN DIRECT DIVERSION BDDDB
PROFESSIONAL SERVICES AGREEMENT
WITH INTRAWORKS, INC.**

THIS AGREEMENT is made and entered into by and between the Buckman Direct Diversion Board (“BDDDB”) and IntraWorks, Inc. (“Contractor”). The effective date of this Agreement shall be the date when it is executed by the BDDDB.

1. SCOPE OF SERVICES

Contractor shall provide services for the BDDDB as follows:

- A. Replacement and installation of 6 new IP cameras and the door access controller at Booster Station 1A.
- B. Replacement and installation of 4 new IP cameras at the Raw Water Lift Station.
- C. Installation of 1 new IP camera at the Administration Building
- D. Provide all necessary hardware to inter-connect to the existing security system.
- E. Installation shall include all cable, miscellaneous equipment, material, license, programming, training, testing and commissioning.

2. STANDARD OF PERFORMANCE; LICENSES

A. Contractor represents that Contractor possesses the personnel, experience and knowledge necessary to perform the Scope of Services described in this Agreement. Contractor shall perform its services in accordance with generally accepted standards and practices customarily utilized by competent consulting firms in effect at the time Contractor’s services are rendered.

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

3. COMPENSATION

A. Compensation under this Agreement shall be forty-nine thousand eight hundred eighteen dollars (\$49,818.00) plus applicable gross receipts tax, as described in Exhibit A.

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

C. Payment shall be made upon receipt and approval by the BDDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed.

4. APPROPRIATIONS

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

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the BDDDB and terminate June 30, 2017.

6. TERMINATION

A. This Agreement may be terminated by the BDDDB upon 30 days written notice to Contractor. In the event of such termination:

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

(2) If payment has not already been made, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination. If full payment has been made, Contractor agrees to prorate for work accomplished and refund all amounts earned.

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

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

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

C. Contractor shall comply with the City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

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

9. CONFLICT OF INTEREST

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required

under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

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

11. RELEASE

Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the BDDDB, the City of Santa Fe, Santa Fe County, Las Campanas Water and Sewer Cooperative and The Club at Las Campanas; their officers, officials and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. If not completed at the time of final payment, Contractor shall remain obligated to complete the Scope of Services and other obligations of this Agreement. Contractor agrees not to purport to bind the BDDDB to any obligation not assumed herein by the BDDDB unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. Contractor shall not begin the Professional Services required under this Agreement until it has: (i) obtained, and upon the BDDDB's request provided to the BDDDB, insurance certificates reflecting evidence of all insurance required herein; however, the BDDDB reserves the right to request, and Contractor shall submit, copies of any policy upon reasonable request by the BDDDB; (ii) obtained BDDDB approval of each company or companies as required below; and (iii) confirmed that all policies contain the specific provisions required. Contractor's

liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of Agreement by the BDDDB.

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

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

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

General Annual Aggregate (other than Products/Completed Operation)	\$1,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000

(2) **Automobile Liability.** For all of Contractor's automobiles including owned, hired and non-owned automobiles, Contractor shall keep in full force and effect, automobile liability insurance providing coverage at least as broad for bodily injury and property damage with a combined single limit of not less than \$1 million per accident.

An insurance certificate shall be submitted to the BDDDB that reflects coverage for any automobile [any auto].

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

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

Bodily Injury by Accident	\$500,000	Each Accident
Bodily Injury by Disease	\$500,000	Each Employee
Bodily Injury by Disease	\$500,000	Policy Limit

Contractor shall provide an endorsement that the insurer waives the right of subrogation against the BDDDB, City of Santa Fe, Santa Fe County, Las Campanas Water

and Sewer Cooperative and The Club at Las Campanas; their respective elected officials, officers, employees, agents, volunteers and representatives.

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

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

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

G. Specific Provisions Required.

(1) Each policy shall expressly provide, and an endorsement shall be submitted to the BDDDB, that the policy or policies providing coverage for Commercial General Liability must be endorsed to include as an Additional Insured, the BDDDB, City of Santa Fe, Santa Fe County, Las Campanas Water and Sewer Cooperative and The Club at Las Campanas; their respective elected officials, officers, employees, agents, volunteers and representatives.

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

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

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

(c) The BDDDB reserves the right, from time to time, to review Contractor's insurance coverage, limits, and deductible and self-insured retentions to determine if they are acceptable to the BDDDB. The BDDDB will reimburse Contractor for the cost of the additional premium for any coverage requested by

the BDDDB in excess of that required by this Agreement without overhead, profit, or any other markup.

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

13. INDEMNIFICATION

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

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

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the BDDDB in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1, *et seq.*, as amended. The BDDDB and their "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any

limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

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

16. RECORDS, DOCUMENT CONTROL AND AUDIT

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

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

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

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

action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

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

19. SCOPE OF AGREEMENT

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

20. NON-DISCRIMINATION

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

21. SEVERABILITY

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

22. NOTICES

Any notices requests, demands, waivers and other communications given as provided in this Agreement will be in writing and will be deemed to have been given if delivered in person (including by Federal Express or other personal delivery service), or mailed by certified or registered mail, postage prepaid, and addressed to Seller or Buyer at the following addresses:

BDDDB:

Facilities Manager
Buckman Direct Diversion
341 Caja Del Rio Road
Santa Fe, NM 87506
Email: cmvokes@ci.santa-fe.nm.us

With a copy to:

Nancy R. Long, Esq.
BDDDB Independent Counsel
Long, Komer & Associates, P.A.
2200 Brothers Road
P. O. Box 5098
Santa Fe, NM 87502-5098
Email: nancy@longkomer.com

CONTRACTOR:

IntraWorks, Inc.
7910 Lorraine Ct. NE
Albuquerque, NM 87113
Email: mflores@intraworksusa.com

Any such notice sent by registered or certified mail, return receipt, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice sent by email shall be effective only upon actual receipt of the original unless written confirmation is sent by the recipient of the email stating that the notice has been received, in which case the notice shall be deemed effective as of

the date specified in the confirmation. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

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

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]***

BUCKMAN DIRECT DIVERSION BDDB

By: _____
Carmichael Dominquez, BDDB Chair

Date: _____

APPROVED AS TO FORM



Nancy R. Long, BDDB Counsel

APPROVED

Adam K. Johnson, City Finance Director
7280000.520150.(150025, 130025, 100025)

ATTEST

Yolanda Y. Vigil, City Clerk
File Date: _____

CONTRACTOR:
IntraWorks, Inc.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

NM Taxation & Revenue
CRS # _____

City of Santa Fe Business
Registration # _____

Exhibit A

Compensation

Phase II - Video Surveillance & Management System Costs:

Booster Station 1A.

Line No.	Description	Unit	Quantity	Amount
1	Avigilon-VMA-AS1-8P4/8C-ACC5-COR-ENT-UPG 8 PORT 4TB VIDEO APPLIANCE / CORE TO ENTERPRISE UPGRADE	\$ 3,480.00	1	\$3,480.00
2	AGM731F-1 - GBIC LC	\$96.00	12	\$1,152.00
3	987393 - Signax Mini Media Converter	\$282.00	6	\$1,692.00
4	Avigilon-5.0L –H4A-BO1/H4-BO-JBOX1 5MP BULLET CAMERA W/ ANALYTICS/With-mounting brackets	\$1,022.00	4	\$4,088.00
5	Avigilon -2.0W-H2PTZ-DP20 / MNT-PEND-WALL 2MP PTZ CAMERA/MNT-PEND-WALL	\$2,814.00	2	\$5,628.00
6	UTC Access - 1256(4) door Controller	\$857.00	1	\$857.00
7	Installation-Cable, misc. equipment, material, programming, testing, and commissioning			\$12,237.71
Booster Station 1A Proposal Sub-Total				\$29,134.00

Raw Water Lift Station

Line No.	Description	Unit	Quant ity	Amount
1	Avigilon-VMA-AS1-8P4 / 8C-ACC5-COR-ENT-UPG 8 PORT 4TB VIDEO APPLIANCE / CORE TO ENTERPRISE UPGRADE	\$ 3,480.00	1	\$ 3,480.00
2	AGM731F-1 - GBIC LC	\$96.00	6	\$576.00
3	987393 – Signax Mini Media Converter	\$282.00	6	\$1,692.00
4	Avigilon-5.0L –H4A-BO1/H4-BO-JBOX1 5MP BULLET CAMERA W/ ANALYTICS/with mounting brackets	\$1,022.00	2	\$2,044.00
5	Avigilon -2.0W-H2PTZ-DP20 / MNT-PEND-WALL 2MP PTZ CAMERA/MNT-PEND-WALL	\$2,814.00	2	\$5,628.00
6	Installation -Cable, misc. equipment, material, programming, testing, and commissioning			\$6,204.00
Raw Water Lift Station Proposal Sub-Total				\$19,624.00

Administration Building

Line No.	Description	Unit	Quantity	Amount
1	Avigilon-1.0C-H3A-D1 1mp camera indoor dome	\$456.00	1	\$456.00
2	Installation-Cable, misc. equipment, material, programming, testing, and commissioning			\$604.00
Administration Building Proposal Sub-Total				\$1,060.00

Final Taxable Sub-Total	Amount
Phase II Security Upgrade	\$49,818.00



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

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

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

2 Name of Contractor Intraworks, Inc.

3 Complete information requested ☒ Plus GRT
☐ Inclusive of GRT

Original Contract Amount: \$49,818.00

Termination Date: June 30, 2017

☐ Approved by BDDB Date: _____

☐ or by BDD Facilities Manager Date: _____

Contract is for: _____

Amendment # _____ to the Original Contract# _____

Increase/(Decrease) Amount \$ _____

Extend Termination Date to: _____

☐ Approved by BDDB Date: _____

☐ or by Project Manager Date: _____

Amendment is for: _____

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

☐ Inclusive of GRT

Amount \$ 49,818.00 of original Contract# _____ Termination Date: 06/30/2017

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ 1,048,000



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

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

RFP# _____ Date: _____

RFQ ☐ _____ Date: _____

Sole Source ☐ _____ Date: _____

Other New Mexico State Price Agreement

6 Procurement History: _____

example: (First year of 4 year contract)

7 Funding Source: _____ **BU/Line Item:** 7280000

8 Any out-of-the ordinary or unusual issues or concerns:

(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Erminia Tapia

Phone # 505-955-4512

10 Certificate of Insurance attached. (if original Contract) ☐ (permission to waive, attached)

Submit to City Attorney for review/signature

Forward to Finance Director for review/signature

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

To be recorded by City Clerk:

Contract # _____

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


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

Comments:



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

Memorandum

Date: March 2, 2017
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager 
Subject: Amendment #2 Alpha Southwest, Inc.

Item and Issue:

Request approval of Amendment #2 to the contract with Alpha Southwest, Inc. for the BDD Raw Water Pump Project, to increase the contract amount by \$38,527.04 for a total of \$1,047,999.53.

Background and Summary:

In 2016, the Buckman Direct Diversion Board awarded RFB '16/38/B "BDD Raw Water Pump Project" to Alpha Southwest, Inc. to construct and install four (4) raw water pumps at Booster Station 1A and four (4) raw water pumps at Booster Station 2A for a total contract amount of \$1,009,472.50.

The scope of work includes manufacturing, installation and testing of the eight new vertical turbine pumps with the use of the existing motors. During the manufacturing phase it was determined the existing motors that are for the raw water pumps at Booster Station 2A needed extra high thrust bearings. These bearings require a change order to the contract for an additional \$38,527.04, which will increase the total amount of the contract to \$1,047,999.52.

The BDDDB also authorized these expenditures from the Major Repair and Replacement fund. Therefore this request includes approval of a Budget Amendment Resolution (BAR) to authorize \$38,527.04 from the Major Repair and Replacement fund to cover the additional cost.



Action Requested:

Staff recommends approval of Amendment #2 to the contract with Alpha Southwest, Inc. to increase the contract amount by \$38,527.04 for a total amount of \$1,047,999.52 and approval of the Budget Adjustment Resolution (BAR) from the Major Repair and Replacement Fund.

Major Repair & Replacement Fund:

System Equipment	72420.570550.991330	\$ 38,527
City of Santa Fe	71420.439960.100	\$ 27,390
Santa Fe County	71420.439960.200	\$ 9,621
Las Campanas – Club	71420.439960.300	\$ 662
Las Campanas – Coop	71420.439960.300	\$ 854

FY 2017 Total Budget Net Effect \$38,527

Approved by BDDDB March 2, 2017

Councilor Carmichael A. Dominguez,
BDDDB Chair

**BUCKMAN DIRECT DIVERSION BOARD
AMENDMENT No. 2 TO THE
AGREEMENT WITH ALPHA SOUTHWEST, INC.**

This AMENDMENT No. 2 (the "Amendment") to the Agreement between Owner and Contractor dated August 4, 2016, and subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board (the "BDDDB") and Alpha Southwest, Inc. ("Contractor"). The effective date of this Amendment shall be the date it is executed by the BDDDB.

RECITALS

WHEREAS, under the terms of the Agreement, Contractor agreed to provide professional services to the BDDDB to remove, construct and install four (4) raw water pumps for the Buckman Direct Diversion's Booster Pump Stations 1A and 2A, pursuant to Bid No. 16/38/B for the BDD Raw Water Pump Project ("the Bid");

WHEREAS, the Bid contained Alternative Bid Items which included up to four (4) additional pumps that could be purchased by the BDDDB within one year of the Agreement;

WHEREAS, pursuant to Amendment No. 1 to the Agreement, the BDDDB elected to purchase four (4) additional pumps as provided for in the Alternate Bid Items;

WHEREAS, Contractor has submitted a request for a change order, for parts needed in the construction of the four (4) 2A raw water pumps for the BDD Raw Water Pump Project;

WHEREAS, the BDDDB wishes to approve the change request and increase the Contract Sum in Article 4, paragraph 4.1;

WHEREAS pursuant to Article 10.22 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the BDDDB and Contractor agree as follows:

1. Change Order

The change order request for parts needed in the construction of the four (4) 2A raw water pumps in the amount of Thirty-Five Thousand Five Hundred Seventy and .25/100 Dollars (\$35,570.25) plus applicable gross receipts tax is approved.

2. Contract Sum

Article 4, Contract Sum, of the Agreement is amended so that Article 4, paragraph 4.1 reads in its entirety as follows:

- 4.1 The Owner shall pay Contractor in current funds for the performance of the Work, subject to additions and deductions by Change Order as provided in the Contract Documents, the Contract Sum of One Million Forty-Seven Thousand Nine Hundred Ninety-nine and .52/100 Dollars (\$1,047,999.52).

The Contract Sum is determined as follows:

Base Bid Price	<u>\$ 932,000.00</u>
Change Order No. 1	<u>\$ 35,570.25</u>
Bid Alternates (0 thru 0) Price	<u>\$ 0</u>
Gross Receipts (8.3125%) Tax	<u>\$ 80,429.28</u>
TOTAL:	<u>\$1,047,999.53</u>

3. Agreement in Full Force

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

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the dates set forth below.

BUCKMAN DIRECT DIVERSION BOARD

By: _____
Carmichael Dominguez, BDDDB Chair

Date: _____

CONTRACTOR:
Alpha Southwest, Inc.

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:



Nancy R. Long, BDDDB Counsel

APPROVED:

Oscar Rodriguez, City Finance Director

ATTEST:

Yolanda Y. Vigil, City Clerk

File Date: _____

Business Unit/Line Item _____



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

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

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

2 Name of Contractor Alpha Southwest, Inc.

3 Complete information requested

☐ Plus GRT

☒ Inclusive of GRT

Original Contract Amount: \$504,736.25

Termination Date: _____

☒ Approved by BDDDB Date: August 4, 2016

☐ or by BDD Facilities Manager Date: _____

Contract is for:

Amendment # 2 to the Original Contract# 16-0797

Increase/(Decrease) Amount \$ 38,527.04

Extend Termination Date to: _____

☐ Approved by BDDDB Date: _____

☐ or by Project Manager Date: _____

Amendment is for:

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

☐ Plus GRT

☐ Inclusive of GRT

Amount \$ 504,736.25 of original Contract# 16-0797 Termination Date: _____

Reason: _____

Amount \$ 504,736.25 amendment # 1 Termination Date: _____

Reason: _____

Amount \$ 38,527.04 amendment # 2 Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ 1,048,000



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

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

RFP# 16/38/B' Date: August 4, 2016

RFQ ☐ _____ Date: _____

Sole Source ☐ _____ Date: _____

Other _____

6 Procurement History: _____
example: (First year of 4 year contract)

7 Funding Source: _____ **7415** **BU/Line Item:** _____ **7415**

8 Any out-of-the ordinary or unusual issues or concerns:

(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Erminia Tapia

Phone # 505-955-4512

10 Certificate of Insurance attached. (if original Contract) ☐ (permission to waive, attached)

Submit to City Attorney for review/signature

Forward to Finance Director for review/signature

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

To be recorded by City Clerk:

Contract # _____

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

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

Comments:

Log # {Finance use only}:	
Batch # {Finance use only}:	

City of Santa Fe, New Mexico

BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME					DATE 03/02/2017	
ITEM DESCRIPTION	BUSINESS UNIT	LINE ITEM	SUBSIDIARY {.000000}	SUBLEDGER {0000}	INCREASE	DECREASE
<u>EXPENDITURES</u>					{enter as positive #}	{enter as negative #}
System Equipment	72420	570550	991330		38,527	
<u>REVENUES</u>					{enter as negative #}	{enter as positive #}
City of Santa Fe	71420	439960	100		27,390	
Santa Fe County	71420	439960	200		9,621	
Las Campanas	71420	439960	300		1,516	
JUSTIFICATION: (use additional page if needed) —Attach supporting documentation/memo					\$ 77,054	\$ -

To budget fund balance from BDD Major Repair and Replacement fund 07415, for amendment #2 to the Alpha Southwest contract for construction and installation of new raw water pumps. Funds will be budgeted and expended in 07420 BDD Special Revenue Fund.

{Complete section below if BAR results in a net change to ANY Fund}	
Fund(s) Affected:	Fund Bal. Increase/ (Decrease):
7415	(38,527)
TOTAL:	(38,527)

BDDB Approval 03/02/17

Mackie Romero Prepared By {print name}	03/02/2017 Date	{Use this form for Finance Committee/ City Council agenda items ONLY}	Budget Officer _____ Date
Division Director {optional} _____ Date		CITY COUNCIL APPROVAL City Council Approval Date	Finance Director {≤ \$5,000} _____ Date
Department Director _____ Date		Agenda Item #:	City Manager {≤ \$50,000} _____ Date