



AGENDA

CITY CLERK'S OFFICE

DATE 8/24/16 TIME 8:35

The City of Santa Fe SERVED BY [Signature]
And RECEIVED BY [Signature]
Santa Fe County

Buckman Direct Diversion Board Meeting

THURSDAY, SEPTEMBER 1, 2016

4:15 PM

CITY COUNCIL CHAMBERS

CITY HALL

200 LINCOLN AVENUE

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE AUGUST 4, 2016 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF
7. REPORT ON AUGUST 30, 2016 FISCAL SERVICES AUDIT COMMITTEE (FSAC)

INFORMATIONAL ITEMS

8. Monthly Update on BDD operations. (Rick Carpenter)
9. Overview of BDD Insurance Policy and Coverages, presented by Daniel's Insurance, BDDDB Agent and Broker. (George Segura of Daniel's Insurance & Cheryl Warner of Glatfelter Insurance) (Mackie Romero) **VERBAL PRESENTATION**

CONSENT AGENDA

10. Update on 4th Quarter Financial Position FY 15/16. (Mackie Romero)

DISCUSSION AND ACTION

11. Request for approval of Award of Bid No. '17/02/P to Deere & Ault Consultants, Inc. for on-call engineering services in support of FY 2016-2020 Buckman Direct Diversion Rehabilitation and Improvements to the Raw Water Delivery System for the initial amount of \$100,000 plus applicable NMGRT. (Charles Vokes)
 - a. Request approval for authorization of \$108,313 from the Major Repair and Replacement Fund to cover the cost of the contract plus NMGRT.
12. Request for approval of Amendment No. 1 to the contract with Alpha Southwest to build and install four (4) additional raw water pumps at pump station 1A and 2A for the amount of \$466,000 plus NMGRT in the amount of \$38,736.25 for a total amount of \$504,736.25. (Charles Vokes)
 - a. Request approval for authorization of \$504,736.25 from the BDD Major Repair and Replacement Fund to cover the cost of the contract amendment plus NMGRT.

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act NMSA 1978, §10-15-1(H)(7), discussion regarding threatened or pending litigation in which the BDDDB is, or may become, a participant, including without limitation: Discussion regarding Diversion Structure issues. (Nancy R. Long)

End of Executive Session

NEXT MEETING: Thursday, October 6, 2016 @ 4:15pm

ADJOURN

CLERK'S OFFICE: [REDACTED]
DATE

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

September 1, 2016

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Councilor Carmichael Dominguez, Chair, at approximately 4:35 p.m. in the Santa Fe City Council Chambers, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Board Members Present:

Councilor Carmichael Dominguez, Chair
Councilor Peter Ives
Commissioner Henry Roybal [County Alternate]
Ms. Denise Fort

Member(s) Excused:

Commissioner Stefanics
Commissioner Chavez

Councilor Michael Harris [Council Alternate]
Mr. J. C. Helms [Citizen Member alternate]

Others Present:

Charles Vokes, BDD Facilities Manager
Nancy Long, BDD Board Consulting Attorney
Stephanie Lopez, BDD Liaison
Mackie Romero, BDD Finance Manager
Mike Kelley, County Public Works Director
Erminia Tapia, BDD Administrative Assistant
Bruce Frederick, Assistant County Attorney
Don Moya, County
Ed Moreno, County Commissioner-elect
Matthew Sandoval, BDD Interim Operations Supervisor
Cheryl Vokes, Citizen
Rick Carpenter, Public Utilities Division
Ginny Selvin, Las Campanas Water & Sewer Co-op
Mary Erpelding-Chacon, Las Campanas Water & Sewer Co-op
Charlie Nylander, Las Campanas
Cheryl Warner, Glatfelter
George Segura, Daniels Insurance
Steve Crawford, Daniels Insurance

[Exhibit 1: Sign-in Sheet]

3. APPROVAL OF AGENDA

[Exhibit 2: Agenda]

CHARLES VOKES (BDD Facilities Manager): Mr. Chair, members of the Board, I would recommend that item 11 be heard after the executive session, 11 and 11.a.

CHAIR DOMINGUEZ: Okay. Anyone from the Board?

COUNCILOR IVES: Move to approve as amended.

COMMISSIONER ROYBAL: Second.

CHAIR DOMINGUEZ: There's a motion and a second. Any discussion?

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

4. APPROVAL OF CONSENT AGENDA

10. Update on 4th Quarter Financial Position

CHAIR DOMINGUEZ: Anything on the Consent Agenda? What are the wishes of the Board?

COUNCILOR IVES: Move for approval.

COMMISSIONER ROYBAL: Second.

CHAIR DOMINGUEZ: A motion and a second. Any discussion?

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

5. APPROVAL OF MINUTES: August 4, 2016

CHAIR DOMINGUEZ: Any changes from staff?

MR. VOKES: Mr. Chair, no changes.

CHAIR DOMINGUEZ: Okay. The Board?

COUNCILOR IVES: Move to approve.

BOARD MEMBER FORT: Second.

CHAIR DOMINGUEZ: Got a motion and a second. Any discussion?

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

6. MATTERS FROM STAFF

CHAIR DOMINGUEZ: Chuck.

MR. VOKES: Mr. Chair, members of the Board, quickly, I'd like Ms. Padilla to come to give you an update on our education initiatives with the BDD.

BERNARDINE PADILLA (Public Relations): Chair Dominguez, members of the Board, in an effort to continue our public relations outreach we implemented communications outreach to the school systems, reminding teachers that BDD tours are a great opportunity to tie into their science curriculums. I've shared that information in a flyer with the schools, Santa Fe Public Schools, St. Mike's, Santa Fe

Prep, so far, via email and posted on Facebook and Twitter reminding teachers to tour the facility and encourage hands-on education on water-related treatment topics.

The flyer is there in front of you. From the flyer that I shared last week Lisa Randall from Santa Fe Public Schools invited us to a teachers' resource fair in about two weeks at the botanical gardens, and we're looking forward to participating in that and also the high schools career fairs in the spring thus far. We're also speaking with the City's Youth Services Division to partner with their at-risk children groups, youth groups, to provide tours and mentorships starting as early as next spring, next summer. Do you have any questions?

CHAIR DOMINGUEZ: Questions anyone? Thank you very much for that work. I think that if we can reach out to our youth and get them educated and engaged the future looks bright, maybe.

MS. PADILLA: Definitely.

CHAIR DOMINGUEZ: All right. Thank you very much. Anything else, Chuck?

MR. VOKES: Mr. Chair, members of the Board, I'd like to give you a quick update on – at your stations there's a couple of photographs, just to let you know on Monday, August 8th the BDD was taken offline to allow the cofferdam contractor, ASI, out of Colorado, to begin reinstallation of the upstream and downstream panels of the cofferdam. This was required so that we could safely remove sand and debris that had built up on the diversion as a result of a 7,000 cubic feet per second flood event on the river that happened in the previous weeks.

The cofferdam replacement took until Wednesday. The BDD staff then pumped the water out from behind the cofferdam and ASI actually had the equipment to start removing the sand and debris off of the diversion structure. On August 10th we were able to get into the diversion area. Mr. Ray Eldridge of Deere and Ault Engineers also was able to participate and inspected the outside of the structure. All the screens were intact and showed no damage due to the flood. Staff and Mr. Eldridge spent the next two days performing maintenance and inspections on both the outside and inside of the cells.

Then on Saturday, August 13th, ASI removed the panels from the cofferdam to allow the water to flow back into the structure so that we could return the facility to service. Monday and Tuesday of that week ASI removed the entire cofferdam from the river. This is to prevent future problems with debris at the diversion structure. To remind you, the BDD, we own the cofferdam materials and we will retain them for any future repair projects that we should need. You have a handout and it just shows you what the cofferdam looks like. It's stored and we will keep that for future use. Any questions on that?

CHAIR DOMINGUEZ: Councilor Harris?

COUNCILOR HARRIS: Thanks, Chair. So it's good to hear that basically things went fairly smoothly. That's not a given in these situations, so that's good. Safety – were there any safety issues that occurred?

MR. VOKES: No. Our safety officer was present the entire time and enforcing the safety rules and making sure there were no incidents, and there were none.

COUNCILOR HARRIS: Good. Good. And then what kind of documentation on the inspection and maintenance, did you generate, Mr. Vokes?

MR. VOKES: Generally what staff does is we take photographs. I'm also keeping a running log of any work that's done on the diversion, so I have a word document where I document what happens, what we observe, and then I also link the photographs to that document. Mr. Eldridge, as you know, is keeping his own documentation of his observations.

COUNCILOR HARRIS: Okay. And so, just to remind me if you would, before my time on the Board all the screens were replaced, correct? Did we replace all those screens or is that not the case?

MR. VOKES: We – when we originally installed the cofferdam we were able to get in there. We did find some screens that had some issues. Staff was able to rebuild some of those screens and replace all the screens except for cell one. Cell one, we had a problem with that pump and so that cell actually had the blank installed. During this work we actually did replace that blank with a screen because our contractor, Alpha Southwest had brought that pump back to the facility. So the intent was that then we would have all five screens in place and all five pumps in place so that we would be 100 percent at that facility.

COUNCILOR HARRIS: So the screens have held up well. How long have they been in service, the rebuilt screens? It's been a year? Year and a half?

MR. VOKES: It was April of last year when we did that work.

COUNCILOR HARRIS: Okay. All right. Thanks, Chair.

CHAIR DOMINGUEZ: Anyone else? Okay. Anything else, Chuck?

MR. VOKES: Final update will be from Ms. Romero on the upcoming BDD audit.

MACKIE ROMERO (Finance Director): Mr. Chair, members of the Board, I would like to provide an update on the scheduled audit of BDD financial statements for fiscal year 15/16. The City has procured RPC CPAs and Consultants to perform the BDD audit of fiscal year 15/16 financial statements. An entrance conference is scheduled for next week, September 7th, at which time we will receive a proposed timeline.

The Board members should have received an audit fraud questionnaire from Beth Eatmon of the audit firm. These questionnaires are part of the audit process and assist the auditors in identifying potential concerns of fraud and abuse. These questionnaires are confidential and should be forwarded directly to the auditors. If you did not receive the questionnaires or maybe deleted them because you didn't know what they were please let me know and I can have the auditors resend those out to you. Your participation is greatly appreciated. I will continue to provide updates until the audit is complete and the report is issues. Thank you.

CHAIR DOMINGUEZ: Questions? All right. Thank you.

MS. ROMERO: Thank you.

CHAIR DOMINGUEZ: Okay, Chuck. Anything else?

MR. VOKES: No, Mr. Chair. That's it. Thank you.

7. REPORT ON AUGUST 2, 2016 FISCAL SERVICES AND AUDIT COMMITTEE

MS. ROMERO: Mr. Chair, members of the Board, a Fiscal Services and

Audit Committee was held Tuesday, August 30th. In attendance was myself, Charles Vokes, BDD Facilities Manager, Erminia Tapia, BDD Administrative Assistant, Oscar Rodriguez, City Finance Director, Councilor Harris, Commissioner Chavez, Claudia Borchert, County's Utilities Director, and Mary Chacon, Las Campanas Water and Sewer Cooperative. During our meeting I provided also an update on the status of the audit. We discussed the final expenditure and budget amounts as presented and the fourth quarter financial position statements. This report presents the reconciled accounting transactions and final billings to the partners and it also certifies BDD's readiness to be audit to be audited by the audit firm.

We did go into great detail on discussion and action items 11 and 12, which any questions should be addressed during our presentation of these items to the Board. Is there any specific questions? Thank you.

CHAIR DOMINGUEZ: Very good. Thank you very much.

INFORMATIONAL ITEMS

8. Monthly Update on BDD Operations

MR. VOKES: Mr. Chair, I would like to begin on that. Behind your tab #8 you will see the monthly operations report from the BDD. Our operations have been fairly normal. We did have the short shutdown for the repair work. We have had one incident that took us out of service probably for two days where the turbidity of the river due to the rain had reached a level that we – policy says that we will not treat. And then we did have one LANL event that shut the plant down for approximately eight hours. For your information that is the first LANL even that we have had this year. So you can see the diversions and the treatment not as high as we normally would be that was due to the shut down. So if there are any questions about BDD operations I'll take those or if you have additional questions in regard to the San Juan storage Mr. Carpenter can answer those.

CHAIR DOMINGUEZ: Okay, I'm going to go to Councilor Ives and Board Member Fort.

COUNCILOR IVES: Thank you, Mr. Chair. Just can you give me some of the background on the LANL event and what caused that and what the issues were there?

MR. VOKES: Certainly, Councilor Ives, Mr. Chair, members of the Board. The LANL events occur when there is rainfall in the canyons coming down from Los Alamos. The rain has to reach at least five cubic feet per second and that triggers an event which then we get an early warning at the plant and during that event we allow all that water to bypass the BDD diversion so we don't intake that water. The determination, we have a detention time schedule from once the event stops till how long it will take based on the flow to go by the diversion. So that was a relatively short event. From trigger to beginning of diversion again was approximately eight hours.

And again, it is very unusual with all the rainfall we've been getting but the rain hasn't been coming down those canyons at that five cfs. So that's really the way it works and that's the policy and the design of the system.

COUNCILOR IVES: Yes. I was actually just curious if we do any measurements to determine whether in fact, other than just strictly flow, to determine content within the water in the river during an event like that.

MR. VOKES: Yes, Councilor, also what is also triggered with the event is we have samplers down at the river. When an event is triggered those samplers are also triggered and they collect samples on different rates – an hourly rate, mostly, so every hour we'll have a bottle. Those samples are all submitted to the laboratory as our background study so that we can determine what constituents do flow during that time period. Mostly, when the turbidity in the river returns to normal, that typically happens after that water flow has gone by and so there is really those two factors is the turbidity in the river and then the actual amount of water that's coming down from Los Alamos Canyon and flowing into the river.

COUNCILOR IVES: And what was the day of the event?

MR. VOKES: I would have to look up the actual day and get back to you. I don't recall. I believe it was last week some time.

COUNCILOR IVES: And do we have the analysis of the samples back?

MR. VOKES: The analyses take approximately six weeks to come back from the laboratory.

COUNCILOR IVES: So I take it that's a No. In which case I'd love to see them when you get them back.

MR. VOKES: Certainly. We will make sure that that happens.

COUNCILOR IVES: Thank you.

CHAIR DOMINGUEZ: Member Fort.

BOARD MEMBER FORT: At tab 10, it says please see the following pages from the monthly report to the OSE and then note all prior years are included, and I don't see either of those things.

MR. VOKES: Member Fort, we have met with Chair Dominguez and he has requested that we remove all those specific data tables. We can certainly send those tabled tables to you but what we are trying to do is, if you'll see item 1.e, we have added the diversion to that and if there's any other summary information we could add to that first page, if you would like those tables each Board meeting we can certainly submit those to you.

CHAIR DOMINGUEZ: Board Member Fort, if I may, what I would actually recommend or request is that each of the Board members get together with staff to better define or determine what information it is that they do need or that you all need so that they can include that on a regular basis in the packet. And they can explain to you if there's redundant information that's somewhere else or in some other part of the packet and we can kind of better define that process, so that's going to be my request. But Charles is correct; I asked him not to put that information in there quite yet until we can at least kind of determine what information we need or we all want to have in there. Otherwise they can get – it can get to be pretty interesting. So go ahead.

BOARD MEMBER FORT: Well, I guess in the discussion we had last month about this we were talking about flows in the river, basically, and the availability of water. But I note that last month we had said 28 percent of the City's water – the City and County water supply – came from the project and this month it was 11.5 percent. That would certainly raise the question, not necessarily about the operations of the BDD but maybe a question for Mr. Carpenter and the County person about whether – how we're switching back and forth from water sources. Perhaps it has something to do with

irrigation demands within the city. So – but I just note that that number for this month is quite a bit lower than the number for the previous month.

MR. VOKES: Mr. Chair, Member Fort, the majority of the reason that we didn't treat as much water was because we were down for the week due to the work with the cofferdam. It wasn't an availability of water at all.

BOARD MEMBER FORT: Okay.

MR. VOKES: And again, the coordination between the City and County in determining which diversions we take, that would be addressed by both the County and the City.

BOARD MEMBER FORT: Okay. Thank you, Mr. Chair. I will take advantage of the opportunity to get a context for how the numbers move around in the diversions but I appreciate understanding it's not from the river conditions per se.

CHAIR DOMINGUEZ: Right. Okay. Anything else? Councilor Harris.

COUNCILOR HARRIS: Thank you, Chair. I had a couple questions just for my understanding really. This has to do with the reservoir storage. So I don't know if Mr. Carpenter wanted to answer those.

Good afternoon, Mr. Carpenter. So on Heron it's noted that the 2015 water must be vacated, the 4,839 acre-feet, by September 31, 2016 [sic], and that seems to be pretty clear. But then how does that statement kind of mesh with the next sentence that 2016 deliveries are at 95 percent of annual total as of 7/1/16? Can you provide a little bit more explanation?

RICK CARPENTER (City Water Division): We call for water out of Heron periodically and it's usually 2015 water that we're going to call first. But it can stay there longer. It's supposed to be out by December 31st of the water year in which it arrives in the reservoir but we requested a waiver and we were granted it till September 31st [sic] but there's water coming in and there's water being called for coming out, and so those numbers are always in flux.

COUNCILOR HARRIS: So because of the waiver we received that's why we still have 2015 water we're looking at here, but also we've delivered – or it's been delivered to us or to Buckman 95 percent of 2016 annual total.

MR. CARPENTER: That's correct.

COUNCILOR HARRIS: And that annual total is the required amount? When you say – because you say there's a certain requirement.

MR. CARPENTER: What's required is that the water be vacated by a date certain, which is normally December 31st of that year.

COUNCILOR HARRIS: Okay.

MR. CARPENTER: Unless you have the waiver.

COUNCILOR HARRIS: So – okay. Now I have a better understanding how they're connected. And the El Vado acre-feet? Can that just be held similar to the Abiquiu?

MR. CARPENTER: That's an interesting question. The three reservoirs have different rules on how they're operated.

COUNCILOR HARRIS: Right.

MR. CARPENTER: We do not have a formal contract to store water in El Vado, but water is stored in El Vado at the discretion of BOR on its way to Abiquiu. BOR will hold our water in their pool and release it when it's convenient for them,

usually for environmental flows or for recreational flows. But it's in their pool on its way to Abiquiu, and we do have a storage contract in Abiquiu for 15,000 acre-feet of storage.

COUNCILOR HARRIS: So we have a contract for 15,000 feet. We've got 3,000 in there now, approximate, and it's released based on BOR, Bureau of Reclamation.

MR. CARPENTER: Generally, unless we make an explicit request to release it.

COUNCILOR HARRIS: Okay. All right. Then the Abiquiu statement seems fairly straightforward in terms of the carryover from previous years and with no time limit to vacate. So that's our biggest holding pond, if that's the right way to express it.

MR. CARPENTER: Absolutely, and that's why we want to keep the majority of our water anyway because it gets there quicker when we call for it and carriage losses are minimized that way. So we're trying to have that number be the biggest.

COUNCILOR HARRIS: Okay. those are my questions. Thank you. Thank you, Chair.

CHAIR DOMINGUEZ: Anyone else? You're welcome. All right.

COUNCILOR HARRIS: Thank you.

CHAIR DOMINGUEZ: Thank you very much.

9. Overview of BCC Insurance Policy and Coverages presented by Daniels Insurance, BDDDB Agent and Broker

CHAIR DOMINGUEZ: And you have a handout on the dais for your review. Are you going to do this one, Mackie?

MS. ROMERO: Mr. Chair, members of the Board, I know there have been many questions surrounding our current insurance policy and coverages so we have asked Daniels Insurance to come and give you a presentation. Like you said, there is a handout there for you that does summarize the coverages, so I'd to present George Segura of Daniels Insurance and Cheryl Warner of Glatfelter Insurance and they can provide you a presentation.

GEORGE SEGURA: Good afternoon, Chairman, members. How are you this afternoon? Thank you for this opportunity. I just wanted to – we've been requested to come out and give a brief overview of the coverages that we're currently providing for Buckman Direct Diversion Board. The handout that you've been given, like I said, it's just a snapshot of the coverages being provided. If you look at our first line of coverage that is our business auto coverage and that includes a pickup truck and then a Kenilworth tractor that lists our limits of \$1 million. We also have physical damages on those benefits.

Our next line of coverage is our general liability coverage which includes our failure to supply coverage. Those limits are at million dollars for any claim and then you have three million dollars in the aggregate. Now, in the aggregate means it is, no matter how many claims we have throughout the year the maximum the policy supplies is \$3 million. Keep in mind on top of the business auto, the general liability and we'll get into

that, the public official's liability, we also have a \$5 million umbrella that sits on top of that. So in essence you have \$1 million plus \$5 million, and \$3 million plus \$5 million.

Next line would be the commercial property coverage. We have a total of \$178 million coverage. Now that is blanketed. What blanketed means is we have specific limits assigned to each building. However, what a blanket means, to give you the best example would be if we had \$5 million building and we lost it to a covered loss, and there was a shortage of concrete and it cost us \$6 million to rebuild it, we have \$178 million to float wherever we may need it to cover that structure that may cost more to put up.

We also have provided an equipment floater. Now an equipment floater are things that are graders, backhoes, any things that are used for maintenance on the premises or the roads. I know there is a grader out on the roads out there. These are specifically scheduled on the policy. We have a total amount of coverage on those items of \$187,000.

We also have [inaudible]—employee theft, computer fraud. We've got \$10,000 coverage there, and then we have our public officials coverage, where in other words, that's like a D & O policy. But that's for public officials. So that would be for any type of alleged errors, negligence or allegations of breach of duty by any of the Board members.

As much as previously we do have that \$5 million excess policy. That \$5 million excess policy sits above, as I stated before, our general liability, our auto liability and our public officials liability. We have a deductible on our property that's \$75,000. On the equipment floater it's only \$1,000. As far as our general liability is concerned we have a \$5,000 deductible, and on the public officials we have a \$10,000 deductible.

One more important coverage that we include, it's called boiler and machinery coverage. It's an older name. It's now referred to as equipment breakdown coverage. And the limits on that are \$100,000. Now that covers mechanical breakdowns of compressors, pumps, motors, computers, renewable energy items, i.e., our solar array. It covers the cost to repair or replace the damaged equipment. And as I said, that is a brief snapshot of what we have. If anybody has any in-depth questions I've also included my email address there so please feel free to reach out with any in-depth questions that you may have.

I've also brought with me tonight our vice president, Steve Crawford, Daniels Insurance, and of course Cheryl Warner. She's the vice president and regional manager of Glatfelter Insurance. A little background on Glatfelter – they've been around for 64 years and they insure over 3,900 public authorities and water utilities nationwide. We've been the broker for the Board since 2011, when an RFP was originally issued. The RFP was reissued in 2015 for a term going from July 2014 to July 2018. Thank you. May I answer any questions?

CHAIR DOMINGUEZ: Any questions? Councilor Harris, Board Member Fort.

COUNCILOR HARRIS: Thank you, Mr. Segura for the overview. So what kind of – in a brief way, talk to us about environmental exclusions. You know, potentially we have some environmental issues there associated with the facility, particularly downstream from a national laboratory, those types of things. So how do you think this policy anticipates environmental issues, exclusions.

MR. SEGURA: We have lots of limited personal liability coverage embedded within that general liability. So if we were to somehow – if chemicals were accidentally released from the plant into the river and it goes downstream we have that

bit under the general liability. So we have that basic limit of \$1 million of coverage, plus the \$5 million in umbrella coverage on top of that. We also have what's called professional liability built into the general liability. That is for the water testing that we may be doing or that we are doing, if we test, we don't see anything wrong, but something gets into the system. People claim they get sick, or worse, deceased, we have commercial liability under the general liability as well.

Exclusions: nuclear hazard. Can't buy it. We can't get it. It's just not available.

COUNCILOR HARRIS: Yes, acts of terrorism.

MR. SEGURA: Terrorism is covered.

COUNCILOR HARRIS: Terrorism is covered.

MR. SEGURA: My thoughts are any type of nuclear materials getting into the water supply; that would be excluded.

COUNCILOR HARRIS: Right. I was actually coming up with a different category that I've seen elsewhere. So, yes, I'm surprised. I think that's –

MR. SEGURA: It's very broad products that Glatfelter provides us. Every year we go out to bid on behalf of the Board. This year a lot of the carriers would not bid because of the size. We've got a lot of property out there, about \$179 million of property. Some of them did not like the fact that we had the amount of end-users, the end that are using the water, and the closest that came was Travelers but they would not provide any type of failure to supply coverage from an excess standpoint. So failure to supply is if we have a mechanical breakdown and we're unable to supply, we're unable to draw from the reservoirs or any other wells and we're held negligent or sued, we have coverage for that built into the liability as well.

COUNCILOR HARRIS: Okay.

BOARD MEMBER FORT: Thank you, Chair and thank you for the presentation. How did we decide on the \$1 million and \$3 million limitation for the liability?

MR. SEGURA: When the RFP was issued there was a consultant involved and when the JPA was issued the JPA required a million dollars. That's it. That was all it required. The way the program is set up is that's how they provide their coverages. It's one million per occurrence and \$3 million per aggregate. Travelers, for example, when they bid on this, provided \$1 million per occurrence with a \$2 million aggregate. So that is how the program is developed or the underlying limits that they have. Then, if we decide we want to buy higher limits they will give us that umbrella policy. The \$5 million was the max we could get at the time. I've now been advised that we can get up to \$10 million in coverage.

BOARD MEMBER FORT: Thank you. Mr. Chair, I wondered what the amount at Flint is so far with the – the Flint, Michigan water utility.

MR. SEGURA: Oh, yes. Huge. Huge.

BOARD MEMBER FORT: I have, Mr. Chair, one more question of great personal importance. Are citizen members of the Board covered under – yes. Thank you.

MR. SEGURA: Definitely. Mr. Chair, it comes under the definition of who's insured. So it's all Board members. Whether you're a citizen at large, City Councilor, County Commissioner, you are covered, as is previous Board members. Okay? And family members, because as you know many times they're going to nail not

only the Board member but they're going to nail each one of your spouses as far as who is insured. Yes, ma'am. You're covered.

BOARD MEMBER FORT: Thank you, Mr. Chair.

CHAIR DOMINGUEZ: Yes, we should have made that clear.

MR. SEGURA: I wouldn't be on a Board unless you had that kind of coverage.

CHAIR DOMINGUEZ: Okay. Anything else? Any other questions? No? Okay, well thank you very much, Mr. Segura.

MR. SEGURA: Thank you.

DISCUSSION AND ACTION

12. **Request for Approval of Amendment #1 to the Contract with Alpha Southwest to Build and Install Four (4) Additional Raw Water Pumps at Pump Stations 1A and 2A for the Amount of \$466,000 plus NMGR in the Amount of \$38,736.25 for a Total Amount of \$504,736.25**
 - a. **Request Approval for Authorization of \$504,736.25 from the BDD Major Repair and Replacement Fund to Cover the Cost of the Contract Amendment, Including NMGR**

MR. VOKES: Mr. Chair, members of the Board, we're requesting approval for an amendment to the contract with Alpha Southwest to construct and install four additional pumps at pump stations 1A and 2A for the amount of the \$466,000 plus New Mexico gross receipts tax.

On August 4th at the Board meeting, the Board authorized funds from the major repair and replacement fund to purchase four new pumps from Alpha Southwest. This contract also addressed alternate bid items which included the additional four pumps to be purchased by the BDD should you do it within the year. The alternate bid was included to provide an option to the Board that should competitive and competent bids be received the Board could move forward with purchasing the additional pumps.

Just to remind you, pump station 1A and 2A each have four pumps for a total of eight pumps. Currently there are four pumps that are out of service at those two pump stations. The remaining four pumps have gone through five years of wear and we have been able to keep those pumps in service. Also to remind you that this contract, it will take up to six months to build these pumps and have them installed. The BDD was designed to have four pumps at each station – three pumps in service and one as a backup. And so the approval to buy the original four pumps would put us at half-strength, so to speak. The remaining pumps, as I said, we've been able to keep those in service but the new pumps aren't going to show up until six months from now. So those pumps may be in rough condition by then.

So I did contact Alpha Southwest and ask them, because they did provide a premium in the alternate for the additional pumps. I think the premium was about almost \$7,000 per pump to hold the price for the year, should we elect to wait that long. But they said if the Board went ahead and moved forward with the purchase of the additional pumps that they would price them at the original cost of the first four pumps that we got.

So I'd like to recommend that the Board move forward in providing the four additional pumps. The engineer's estimate of what the four pumps were going to cost, if

you remember, was \$500,000, and we're just slightly over that, so I feel like it's a good bid. It's the equipment that we need to continue to operate the plant the way it was designed to be operated, and so I would recommend approval of the amendment to the contract and then also item 12.a is to approve the funding for this expenditure, and these will be coming out of the major repair and equipment fund. So with that, does the Board have questions?

CHAIR DOMINGUEZ: Questions? Councilor Harris.

COUNCILOR HARRIS: Thank you, Chair. So it seems like there's a couple reasons for doing this. Just being a prudent operator, and I'm talking about the Board, not just staff, is probably the top of the primary reason I would think. But I'm also wondering, has anything changed in the 30 days or so? Because we could have had this conversation a month ago and I'm wondering why we're just having it now, to go ahead and really move forward on eight pumps instead of the four. Or is it – or the second reason is we save approximately \$28,000 and that's real money but given the cost of the pumps it's perhaps less of an issue. So I'm just wondering why we're – what the rationale is for doing it now rather than 30 days ago when we talked about it.

MR. VOKES: Certainly, Councilor Harris, members of the Board. I will confess that we were really pushing hard to get that contract up to the Board and so our concern was getting the initial four pumps ordered. After discussion with our engineer and our staff, both the City and the County staff, we made the recommendation – we made the decision to go ahead and bring these pumps to you 30 days later. But again, we were pushing very, very hard to get that initial contract to you. And so I just don't think we had the time to do our diligence, consider is this the right thing to do? And so that's why what we have done and that's why we are making that recommendation now.

COUNCILOR HARRIS: Right. And I think that's a reasonable answer and I think also as you told us earlier, there was a week of outage, basically. You're dealing with cofferdams and the whole system. You're having to pay a lot of attention to the whole system. So I think this is a prudent step. I was just wondering if something else was going on. So how will this be sequenced? Are they going to install them in phases? Or is the installation in such a brief period of time they can do it in just a few days and shut down the whole system? What's the plan? How will that be documented?

MR. VOKES: Councilor Harris and members of the Board, we assume that – our hope is that they will get one or two pumps ready sooner than later.

COUNCILOR HARRIS: Okay.

MR. VOKES: And so currently we have the four pumps down. The spaces are available. Part of this contract is also for them to take the motors and get those refurbished.

COUNCILOR HARRIS: Right.

MR. VOKES: So that hasn't happened yet but I'm sure that we will be sequencing that soon so that the four pumps that are down, they will be taking those four motors, getting them refurbished and then there will be a phasing in of the new pumps, again, sooner than later would be better, but they will not have all eight pumps built at once. They will have to do the refurbishment on the motors of the pumps and be able to keep us in service in that interim time. So my expectation is they would bring one pump at each pump station, then a month or two months later they would bring the second pump at each pump station, and then, hopefully, a month after that they would be able to

refurbish that third motor at each pump station while we're running on the new pumps. That would be my expectation.

COUNCILOR HARRIS: I think more than an expectation what I would really suggest is that a million dollar contract that should be relatively easy to kind of come to an agreement built into – come to a schedule and build that into the agreement. I think that that would be important. And Alpha Southwest I know has been a vendor of ours, of the Board and the agency for a while, so I think that would be important if you could maybe try and quantify that between now and the next time we get together I'd appreciate it.

And the last question is financial. I notice from the financial report we received earlier, we didn't talk about it but as of the June 30, 2016, the major reserve, major repair reserve had a balance of about \$1.5 [million]. Correct? Ms. Romero?

MS. ROMERO: That is correct.

COUNCILOR HARRIS: And both of these, the original contract and the amendment will draw down that balance?

MS. ROMERO: That is correct. It would draw it back to probably under a million dollars. We have a new allotment for the current fiscal year which will be billed. Sorry. It will drop it down to about \$400,000 and then the new allotment will bring it back up to just under a million dollars. So we have a new contribution for the new fiscal year that will need to get billed as soon as possible to try and replenish some of those funds.

COUNCILOR HARRIS: Oh, the new allotment being the \$411,000 that all of the partners contribute.

MS. ROMERO: That is correct. Yes.

COUNCILOR HARRIS: Okay. All right. So that makes sense. So \$1.5, get it moving, a million dollars, but then when we bill out partners, \$411,000 gets us back around \$900,000.

MS. ROMERO: Exactly.

COUNCILOR HARRIS: Okay. Very good. Thank you, Chair.

CHAIR DOMINGUEZ: Okay. Thank you very much. Anyone else? Okay, let's go ahead and take some action on this item. What are the wishes of the Board?

COUNCILOR HARRIS: Move to approve.

COMMISSIONER ROYBAL: Second.

CHAIR DOMINGUEZ: We've got a motion and a second. Any discussion on this one? Is this for both 12 and 12.a? Can we take them both at the same time or do you want them separate?

NANCY LONG (BDD Board Consulting Attorney): As long as the motion is clear.

CHAIR DOMINGUEZ: One motion.

MS. LONG: Yes. Mr. Chair and Councilor Ives, one motion is fine as long as you specify it's to approve both 12 and 12.a.

CHAIR DOMINGUEZ: Councilor Harris.

COUNCILOR HARRIS: Thanks for the clarification. I move to approve items 12 and 12.a.

MS. LONG: I thought that I heard you make that motion. I'm sorry, Councilor. As long as Councilor Ives is here, you do not make motions. You're the alternate.

COUNCILOR HARRIS: Oh, that's right.

CHAIR DOMINGUEZ: Well, Councilor Ives is like leaving.

MS. LONG: I wasn't sure whose voice that was.

COUNCILOR IVES: I would move to approve the matters in their entirety.

COMMISSIONER ROYBAL: I'll second.

CHAIR DOMINGUEZ: All right. Are we clear on the record? All right. Any discussion?

The motion passed by unanimous [4-0] voice vote. [Councilor Ives left the meeting.]

EXECUTIVE SESSION

CHAIR DOMINGUEZ: I'm going to go ahead and ask Nancy to go ahead and take us into executive session. I just want to remind the Board that we have to be out of here before 6:00 and so we are approaching the two-minute drill.

MS. LONG: Mr. Chair, I would take a motion to go into executive session in accordance with the New Mexico Open Meetings Act, NMSA 1978, Section 10-15-1(H)(7) for discussion regarding threatened or pending litigation in which the BDD is or may become a participant, including without limitation discussion regarding diversion structure issues, and we will be in the Land Use conference room.

COMMISSIONER ROYBAL: So moved.

BOARD MEMBER FORT: Second.

CHAIR DOMINGUEZ: We have a motion and a second by Commissioner Roybal. Any discussion? We need a roll call on this.

The motion to go into executive session pursuant to NMSA Section 10-15-1-H (7) to discuss the matters delineated above passed by unanimous roll call vote as follows:

Councilor Harris	Aye
Commissioner Roybal	Aye
Member Fort	Aye
Chair Dominguez	Aye

[The Board met in closed session from 5:20 to 5:50.]

CHAIR DOMINGUEZ: We can reconvene. We do have a quorum. Board Member Fort is out so you're it until she gets back in. So, Nancy, do you want to bring us out please?

MS. LONG: So a motion to come out of executive session and state for the record only those matters were discussed in executive session as contained in the motion to go into executive session.

BOARD MEMBER HELMS: So moved.

CHAIR DOMINGUEZ: So we have a motion. Do we have a second.

COUNCILOR HARRIS: Second.

CHAIR DOMINGUEZ: Second by Councilor Harris. Any discussion? There she is. So we are in the middle of a motion, Member Fort, just to come out of executive session and just to state for the record that just those items in executive session were discussed. So why don't we go ahead and let Board Member Helms vote.

The motion passed by unanimous [4-0] voice vote with Councilors Harris and Dominguez, Commissioner Roybal and Board Member Helms voting.

CHAIR DOMINGUEZ: I apologize to the Board and the public but I actually did executive session before we did matters from the public. So next on the agenda is item 11.a. Is there anyone from the public who would like to address the Board? Anyone? So there's no one from the public who would like to address the Board. Thank you very much. So we'll go on to Matters from the Board.

11. **Request for Approval of Award of Bid No. '17/02/P to Deere and Ault Consultants for On-Call Engineering Services in Support of FY 2016-2020 Buckman Direct Diversion Rehabilitation and Improvements to the Raw Water Delivery System for the Initial Amount of \$100,000 Plus Applicable NMGR**
 - a. **Request Approval for Authorization of \$108,313 from the Major Repair and Replacement Fund to Cover the Cost of the Contract Plus NMGR**

MR. VOKES: Chair Dominguez, members of the Board, item 11 is a request by the BDD staff for approval of an on-call engineering services contract in support of the fiscal year 2016 through 2020 Direct Diversion rehabilitation and improvements to the raw water delivery system, authorizing an initial amount of \$100,000.

On August 11, 2016 three qualified proposals were received by the Purchasing Department of the City of Santa Fe. An evaluation committee consisting of staff from the BDD, the City and the County of Santa Fe ranked the firms according to the criteria presented in an evaluation criteria form. You have those results on page 2 of item 11. Based on these results the committee unanimously recommended the engineering firm of Deere and Ault be awarded the contract, based on the results the clear-cut winner. The committee elected not to interview the firms but move forward with a recommendation.

So we are recommending that this item be approved, and then item 11.a is the approval for the funding of this contract. With that I will take any questions from the Board.

CHAIR DOMINGUEZ: Questions? Anyone? Councilor Harris.

COUNCILOR HARRIS: Yes, a couple quick questions. Thank you, Chair. I always look at insurance. The document, the PSA calls for \$5 million for professional liability. They did a note to proponents. This would be on page basically 23 of the packet that said – and their certificate just substantiated \$2 million.

CHAIR DOMINGUEZ: What page is it?

BOARD MEMBER FORT: 23.

COUNCILOR HARRIS: 23, and that would be pretty much the second page of their proposal. And then their insurance certificate calls for \$2 million in professional liability but the professional service agreement still lists \$5 million. So that just needs to be reconciled. Do you know if we're really satisfied with \$2 million or are we going to insist upon \$5?

MS. LONG: I think the requirement is for \$5 million. And it is in the contract. So the firm of Deere and Ault agreed with the proposal, as I understand it, that should they be awarded the contract they would obtain \$5 million to meet the requirements.

COUNCILOR HARRIS: Okay. All right.

MS. LONG: They submitted a sample certificate of what they currently had.

COUNCILOR HARRIS: Right. Okay. And then, but then that proponent note also just talked about \$2 million. So that's fine. So we're going to end up with \$5 million.

MS. LONG: Wait. I think that I misspoke.

MR. VOKES: Councilor Harris, we discussed the item and we did send out an amendment to the \$5 million. That \$2 million was acceptable. We discussed this with Robert Rodarte and we felt that the \$2 million was quite adequate. That's the normal amount that most of the large engineering firms carry. So we were quite satisfied with the \$2 million and we did put out an amendment to the proposal stating that they would be required to carry \$2 million.

COUNCILOR HARRIS: Right. And that's what I saw.

MS. LONG: It looks like the contract will have to be changed then.

COUNCILOR HARRIS: Right. Because it still reads \$5 million. My own experience I think that \$2 million would have been what I would have expected but under the circumstances and everything that's swirling about I thought maybe we were going higher. So that clarifies that. And then the contract amount for this initial period to me just represents almost a down payment for the scope of services that are listed. There's quite a bit listed within the scope of services. And clearly there's some language that this is just the first year and move forward.

But my question to you, Mr. Vokes would be, even though it reads right now that it will just get billed off the Exhibit A, the rate schedule, I would think that certain of these scope items can be quantified relatively easily and they could provide a fixed fee or a not-to-exceed. Or they can bill against their rate schedule on a not-to-exceed. Have you talked to Deere and Ault about that type of approach?

MR. VOKES: Councilor Harris members of the Board, the contract has a lump sum fee to be negotiated for each task. For example, the first task would be address the vibration within the raw water lift station. I did talk to Ray Eldridge as a representative of Deere and Ault and he said that what he is comfortable with is putting together a scope of services, putting together the hours at that fee schedule, and then sticking with that.

COUNCILOR HARRIS: Okay.

MR. VOKES: Should there be something outside the scope then again we would talk about that.

COUNCILOR HARRIS: Okay.

MR. VOKES: But I'm very comfortable with that approach and that's what's indicated also in the approach to those contracts.

COUNCILOR HARRIS: Yes. I looked for that language. All I found is that – and we could talk later. I'd just like to make sure we have the language that you just referenced because what I only found, or all I found was kind of just billing of a rate schedule. So I would agree with what you proposed. I think that's a reasonable approach. And those are my questions, Chair.

CHAIR DOMINGUEZ: Is that a motion?

COUNCILOR HARRIS: I guess I'm allowed. Yes, that's a motion.

CHAIR DOMINGUEZ: We've got a motion. Do we have a second?

BOARD MEMBER FORT: Second.

CHAIR DOMINGUEZ: A second. Any other questions or discussion anyone has?

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

MATTERS FROM THE PUBLIC

None were presented.

MATTERS FROM THE BOARD

None were presented. .

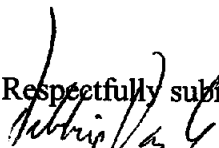
NEXT MEETING: Thursday, October 6, 2016 @ 4:15 pm

ADJOURNMENT

Having completed the agenda, Chair Dominguez declared this meeting adjourned at approximately 6:00 p.m.

Approved by:

Respectfully submitted:


Debbie Doyle, Wordswork

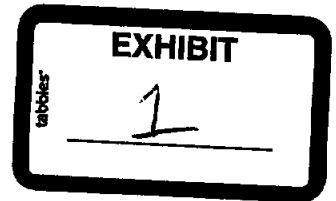
Carmichael Dominguez, Board Chair

FILED BY:

ATTEST TO:

GERALDINE SALAZAR
SANTA FE COUNTY CLERK

YOLANDA Y. VIGIL
SANTA FE CITY CLERK



BUCKMAN DIRECT DIVERSION
MEETING

SIGN IN SHEET

September 1, 2016

NAME (Please print)

ORGANIZATION

Mackie Romero

BDD Financial Manager

Emilia Tapia

BDD Administrative Assistant

Cheryl Warner

Glatfelter

MICHAEL KELLEY

SANTA FE COUNTY

Mary Erpelding-Chacin

Las Campanas Water+Sewer Coop

Ginny Selvin

" " Coops

~~Jeffrey Spang~~

~~Daniel Spang~~

Steve Crawford

Daniel's Insurance

BERNARDINE PADILAS

BDD PR Coord.

Matthew Sandora

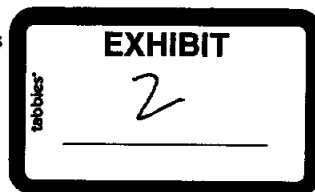
BDD Charge operator

Ed Moreno

County

Don Moya

Santa Fe County



AGENDA

The City of Santa Fe
And
Santa Fe County

CITY CLERK'S OFFICE

DATE 8/26/16 TIME 8:35a

SERVED BY [Signature]

RECEIVED BY [Signature]

Buckman Direct Diversion Board Meeting

THURSDAY, SEPTEMBER 1, 2016

4:15 PM

CITY COUNCIL CHAMBERS

CITY HALL

200 LINCOLN AVENUE

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE AUGUST 4, 2016 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF
7. REPORT ON AUGUST 30, 2016 FISCAL SERVICES AUDIT COMMITTEE (FSAC)

INFORMATIONAL ITEMS

8. Monthly Update on BDD operations. (Rick Carpenter)
9. Overview of BDD Insurance Policy and Coverages, presented by Daniel's Insurance, BDDDB Agent and Broker. (George Segura of Daniel's Insurance & Cheryl Warner of Glatfelter Insurance) (Mackie Romero) **VERBAL PRESENTATION**

CONSENT AGENDA

10. Update on 4th Quarter Financial Position FY 15/16. (Mackie Romero)

DISCUSSION AND ACTION

11. Request for approval of Award of Bid No. '17/02/P to Deere & Ault Consultants, Inc. for on-call engineering services in support of FY 2016-2020 Buckman Direct Diversion Rehabilitation and Improvements to the Raw Water Delivery System for the initial amount of \$100,000 plus applicable NMGR. (Charles Vokes)
 - a. Request approval for authorization of \$108,313 from the Major Repair and Replacement Fund to cover the cost of the contract plus NMGR.
12. Request for approval of Amendment No. 1 to the contract with Alpha Southwest to build and install four (4) additional raw water pumps at pump station 1A and 2A for the amount of \$466,000 plus NMGR in the amount of \$38,736.25 for a total amount of \$504,736.25. (Charles Vokes)
 - a. Request approval for authorization of \$504,736.25 from the BDD Major Repair and Replacement Fund to cover the cost of the contract amendment plus NMGR.

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act NMSA 1978, §10-15-1(H)(7), discussion regarding threatened or pending litigation in which the BDDB is, or may become, a participant, including without limitation: Discussion regarding Diversion Structure issues. (Nancy R. Long)

End of Executive Session

NEXT MEETING: Thursday, October 6, 2016 @ 4:15pm

ADJOURN

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