MINUTES OF THE

CITY OF SANTA FE & SANTA FE COUNTY

BUCKMAN DIRECT DIVERSION BOARD MEETING

March 7, 2013

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Commissioner Kathy Holian, Chair, at approximately 4:05 p.m. in the Santa Fe City Council Chambers, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Board Members Present:
Commissioner Kathy Holian
Councilor Chris Calvert
Commissioner Miguel Chavez
Councilor Patti Bushee, alternate [late arrival]

Member(s) Excused:
Councilor Carmichael Dominguez
Ms. Consuelo Bokum

Others Present:
Nancy Long, BDD Board Consulting Attorney
Erika Schwender, Acting Facility Manager
Gary Durrant, BDD staff
Brian Snyder, City Public Utilities
Dale Lyons, City Water Resource Coordinator
Stephanie Lopez, Staff Liaison
Michael Aune, Public
Basia Miller, Public
Nicole de Jurenev, Public
Elana Sue St. Pierre, Public

3. APPROVAL OF AGENDA

[*Exhibit 1: Agenda*]

Upon motion by Councilor Calvert and second by Commissioner Chavez the agenda was unanimously [3-0] approved. [Councilor Bushee was not present for this action.]

4. APPROVAL OF CONSENT AGENDA

Councilor Calvert moved approval and Commissioner Chavez seconded. The Consent Agenda was unanimously [3-0] approved. [Councilor Bushee was not present for this action.]

5. APPROVAL OF MINUTES: February 7, 2013

Councilor Calvert moved approval, Commissioner Chavez seconded, and the minutes were unanimously [3-0] approved as submitted. [Councilor Bushee was not present for this action and arrived shortly thereafter]

6. MATTERS FROM STAFF

ERIKA SCHWENDER (Acting Facility Manager): Madam Chair, members of the Board, outside of giving you a quick update on the current hiring status at the BDD we have no other matters. The safety officer, at this point the recruitment status is that we received the scores from the Work Keys testing.

CHAIR HOLIAN: Maybe we can let the record show that Councilor Bushee is here.

COUNCILOR CALVERT: Yes, for Councilor Dominguez.

MS. SCHWENDER: We received the Work Key scores for the safety officer applicants. HR is reviewing them and we anticipate scheduling interviews within the next couple of weeks for this position. The BDD operator position that is currently vacant, we are in the process of submitting the paperwork to HR and hope to post the position as well in the next few weeks. And the facility manager position has been reposted almost two weeks ago. The posting that closed in February, we did not receive sufficient applicants and to get a better pool of applicants we decided to repost this position.

CHAIR HOLIAN: Thank you, Erika. Any questions?

CONSENT AGENDA

7. Update and discussion of BDD Operations (Gary Durrant)

8. Drought, Monsoon and Water Resource Management Update (Rick Carpenter)

INFORMATIONAL ITEMS

9. Update on the Buckman Bosque Restoration Project Cleanup Event on Saturday, February 23, 2013

MS. SCHWENDER: Madam Chair, members of the Board, I'm pleased to share with you the public a great event that has taken place on the 23rd of February. The

New Mexico Wildlife Federation in conjunction with three other sponsors had organized a volunteer cleanup event down at the river, and it concentrated on the area of the proposed recreational area that will be taking place in the future, and the New Mexico Wildlife Federation is tackling that project.

The cleanup event was very successful. We had about 30 volunteers come and participate in the cleanup activities, and like I mentioned, we had four sponsors, Together Green, Audubon New Mexico, Sierra Club and the City of Santa Fe provided materials and the volunteers provided their energies and time, and it was very successful. It made a huge difference in the area down there. We collected about ¾ full of a full-sized dumpster will all kinds of garbage from tires, sofa beds, and nastier things. But we also were able to actually separate the garbage that was collected and collected a container full of glass and aluminum and sent them to the recycling center. And we're very proud of this community event and how successful it was and we really would like to thank all the volunteers and the sponsors of this event.

CHAIR HOLIAN: Thank you, Erika. Any questions, comments? Well, I would also like to thank the New Mexico Wildlife Federation for organizing the event as well as the local sponsors who helped with the organization and also definitely to thank all the volunteers for their hard work. It's clear from looking at the pictures that a lot was accomplished and I was really glad to see that they made an effort to recycle as much as they could. So this is a very positive thing for our community. And if we had our PIO it seems like it would have been a good thing to have a press release on.

DISCUSSION AND ACTION ITEMS

10. Request for approval of Amendment No. 19 to the professional services agreement between CDM Smith and the Buckman Direct Diversion Board to provide assistance with the renewal process of the sediment return NPDES permit for the amount of $42,873 plus $3,510.22 for the total amount of $46,383.22

MS. SCHWENDER: Madam Chair, members of the Board, I would like to give you a brief introduction to this project. We, the BDD, are required to hold an NPDES permit, which is issued by the EPA. This permit is necessary for our sand discharge which takes place on Booster Station 1-A and the importance of that facility is that we remove the majority of the larger sediment particles down at the river. It's a physical removal process and we're discharging a water, diluted version of those large sediment portions back into the Rio Grande.

Five years ago we had negotiated this permit with the EPA and it involved NMED in that process and it is standard procedure that these permits need to be renewed every five years. Our current permit expires on November 30, 2013 and requirements are that those permit renewal applications are submitted 180 days prior to expiration of the current permit. We would like to ask CDM Smith, who was involved and performed the task and research and negotiations during the initial negotiation of this permit, and while we do have on the full staff the capability and staff on hand to perform those type of renewal processes we are very short-handed at this point and we would like to ask permission to recruit CDM Smith to help us with this task.

CHAIR HOLIAN: Thank you. Any questions for staff? Councilor Bushee, and then Commissioner Chavez.

COUNCILOR BUSHEE: Go ahead and let him. I was waving at someone. But I have a question.

COMMISSIONER CHAVEZ: So then in the future to staff, do anticipate being able to train staff in-house that would do this in the future or will this be a contract we will have to consider from time to time because of the technical aspects of it and what's required?

MS. SCHWENDER: Madam Chair, Commissioner Chavez, we actually have the expertise on staff, which would be me, I'm also the regulatory compliance officer for the BDD, but since I'm also serving at this point as the interim facility manager I would find it very difficult to dedicate the amount of time to this permit renewal process. And in the future, once we fill all positions I will be taking care of those types of activities again.

COMMISSIONER CHAVEZ: Got it. Okay. Thank you.

CHAIR HOLIAN: Councilor Bushee.

COUNCILOR BUSHEE: Thank you. Again, I'm just the alternate so I just sail in here when you need me. I just wonder, since you are the one who could handle this, are there any issues that we should know about in terms of the permit, not so much issuing some money to help you out?

MS. SCHWENDER: Madam Chair, Councilor Bushee, we do not anticipate difficulties in the renegotiation of this permit. We have followed all instructions and our monitoring data is very supportive of all requirements that come with this permit. The permit at this point does not have any limits as many people associate with NPDES permits, but since this was the first issuance of the permit it is more or less a monitoring status and EPA will consider, in the renewal process, the information that we will be providing them. All information that we have received so far has not brought us to believe that there should be an issue in the negotiation of this permit.

COUNCILOR BUSHEE: Okay. So in terms of environmental concerns the Environment Department or anybody else might have had through that five-year period, is there anything notable you could raise with me?

MS. SCHWENDER: Madam Chair, Councilor Bushee, we have not received any negative press or negative comments regarding our permit and permit compliance. We had in 2011 one inspection, which is a routine inspection that is performed by NMED. NMED actually does not issue the permit but is contracted by the EPA to perform those audits, and we had a successful audit. We have not received any questions or concerns from EPA or NMED regarding this audit and everything is on good standing.

COUNCILOR BUSHEE: Okay. I was just wondering, because I know you were shut down a bit last summer, some of it to do with sediment things and I guess I just wondered if there was anything I should be aware of.

MS. SCHWENDER: Madam Chair, Councilor Bushee, the reason for our shutdown or extended shutdown period last year as well as this year are treatment process related, and it was a precautionary shutdown, especially in the first year when we experienced the Las Conchas fire. We were exposed to stormwater that we did not anticipate to be having to deal with in the first year of operation and it carried ash, which

we wanted to make sure that our facility is in a position to handle. It did not impact our return facility, the sediment return facility, which really only deals with what is coming out of the river and is being re-introduced to the river right down at the diversion structure, and the sediment that makes it up to the treatment plant and whether or not we can dewater and separate it enough to have a successful and not too expensive treatment that we would have to follow then.

COUNCILOR BUSHEE: Okay, so there were no problems with the ash in the sediment?

MS. SCHWENDER: Madam Chair, Councilor Bushee, no we did not experience any problems.

COUNCILOR BUSHEE: Thank you for your [inaudible]

CHAIR HOLIAN: Councilor Calvert.

COUNCILOR CALVERT: Thank you. So the funding for this, Erika, is this coming out of the current operational budget or is this still eligible for the carve-out budget for the funding source?

MS. SCHWENDER: Madam Chair, Councilor Calvert, that is a very good question. The big difference between this amendment to the CDM contract and the previous amendments is that this activity actually will be funded through the operational budget and it is coming out of professional services that I had actually planned for regulatory compliances as a placeholder in case we do come up with any unexpected circumstances. And since we discussed in previous meetings already that the budgets that were developed in previous years, they were usually higher than what the actual spending was for those years, we have sufficient funds available to actually accommodate the $45,000.

COUNCILOR CALVERT: Okay. With that I'll move for approval.

CHAIR HOLIAN: Is there a second?

COUNCILOR BUSHEE: Second.

CHAIR HOLIAN: I have a motion and a second. Actually I have a question before we – Nancy.

MS. SCHWENDER: Madam Chair, members of the Board, I would like to point out one error in the memo and agreements that were prepared and are included in this package. In Exhibit A, page 3, under schedule, we mention that the application must be submitted to EPA by June 27, 2013. And actually it's in May.

CHAIR HOLIAN: I thought it was in May, wasn't it.

MS. SCHWENDER: Right. Thank you.

CHAIR HOLIAN: Okay. Do we need to make that amendment in the motion?

NANCY LONG (BDDB Contract Attorney): Madam Chair, yes. That would be helpful, that the contract is approved with that amendment, that we will change that date of June 27th in the schedule to – what would that date be, Erika? The end of May?

CHAIR HOLIAN: So is the maker of the motion amenable to that?

COUNCILOR CALVERT: It's a friendly amendment.

COUNCILOR BUSHEE: What is it?

CHAIR HOLIAN: It's changing the date that the application has to be submitted.

MS. LONG: To May 26, 2013.

CHAIR HOLIAN: Is the seconder okay with that amendment?

COUNCILOR BUSHEE: Yes.

CHAIR HOLIAN: I have a question before we vote, and that is, just out of curiosity, what kind of monitoring data do you collect on the sediments that will be included on this application?

MS. SCHWENDER: Madam Chair, members of the Board, that is a very good question because it is a very complex permit that we have been issued. Our monitoring includes actually daily monitoring of the river quality. We monitor the turbidity upriver from our diversion structure and downriver from the effluent where we're actually returning the sediment return flow. On a weekly basis we are also analyzing upriver and downriver from our effluent entry point the total suspended solids, settlable solids and PH. And on a quarterly basis for the first year of this permit we were analyzing for a very large analytical suite which included metals and organics, pesticides, herbicides, radionuclides, various anions and those quarterly reports were submitted to EPA and while the requirement was only for the first quarter the BDD actually chose to continue that type of monitoring on a biannual basis, meaning twice per year.

CHAIR HOLIAN: Thank you, Erika.

COMMISSIONER CHAVEZ: I have a follow-up question to that. Are those reports and the findings available to the committee members and also, more importantly, to the public? It that information that you put out on a regular basis or not?

MS. SCHWENDER: The reports that we submit to EPA are subject to Public Information Act and we're not posting those reports on our website but the public and anyone interested in those reports can contact EPA and if we are asked and we receive requests we provide that type of information. Yes. We can make that easily available to you.

COMMISSIONER CHAVEZ: I guess I would like to see it just for my information. I don't know if it would hurt for us to put that out to the public without them having to ask, because I think people want to know what the quality of that water is now and in the future or on any given day. I think that's a question that's always in the back of many people's minds. So can we be pro-active and put that information out there is my question.

CHAIR HOLIAN: Well, I guess my question is what would it take to do that? What would be the best way to do that? Would it be best to include it in our packet or to post it on the website?

MS. SCHWENDER: Madam Chair, members of the Board, I have seen other organizations post their monthly reports on their website, similar to the reports that we're posting regarding our drinking water analyses results that we receive. So we could definitely arrange for something similar for our NPDES permit. The monthly reports that we are submitting to EPA could be scanned and posted.

COUNCILOR CALVERT: A point on that.

CHAIR HOLIAN: Yes, Councilor.

COUNCILOR CALVERT: But it needs to be made clear that what we're posting right now is the treated water and this is untreated water. Correct?

MS. SCHWENDER: That is absolutely correct.

COUNCILOR CALVERT: And there will be things in there that people won't like, but that's not what they're drinking.

COMMISSIONER CHAVEZ: I think before and after would be the picture that would be the best picture that we could tell, because if we're talking about the health and wellbeing of our community and our water delivery system I think it would be good information to have out there.

COUNCILOR CALVERT: No, I'm not disagreeing. I'm saying it just needs to be made clear when we post it –

COMMISSIONER CHAVEZ: Before and after.

COUNCILOR CALVERT: Yes, because sometimes people see that before and they think that's what they're drinking.

COMMISSIONER CHAVEZ: But Councilor Calvert, I think you're right. It is information and if we are clear in sharing that information I think that it would raise the level of awareness and also I think increase the trust level between the public and their local government.

CHAIR HOLIAN: Okay. And the other thing I wanted to point out is it sounds like, in reading through the packet material that there is going to be a public hearing that's hosted by the EPA on this permit. Is that correct?

MS. SCHWENDER: Madam Chair, members of the Board, that is a possibility. The permit renewal or permit application process can include that and it usually does. The applicant is being issued a draft permit and there is a public comment period and there may or may not be a public meeting to discuss that in person. That should – I would assume happen in the later part of the application process, meaning probably late summer.

CHAIR HOLIAN: Okay. Thank you, Erika.

COMMISSIONER CHAVEZ: Madam Chair.

CHAIR HOLIAN: Commissioner Chavez.

COMMISSIONER CHAVEZ: On that point, Commissioner, Sub-task E18G: Public Hearing is part of the scope, part of the deliverables, and the assumptions are the public hearing will be held in Santa Fe. It doesn't say when or where but I think we can – if it's part of the deliverables that's something that they will have to schedule.

MS. SCHWENDER: Madam Chair, Commissioner Chavez, that is correct; that is scheduled. But usually those are organized through the negotiation process at a later point and EPA usually takes the lead.

COMMISSIONER CHAVEZ: Okay. So that's part of the contract but EPA will be overseeing the contract.

MS. SCHWENDER: Actually, the contract that we're trying to establish is with CDM, the consultant, CDM Smith. They're going to help us with the permit application development and the negotiations and during the public meetings for example. And the actual application is submitted to the EPA and they review issue drafts and they have to follow the process of issuing a draft, for example, then calling for a public comment period, reviewing and responding, and there are established processes in place that are established by the EPA.

COMMISSIONER CHAVEZ: Okay. Thank you, Madam Chair.

CHAIR HOLIAN: Okay. I have an amended motion and a second on the floor.

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

11. Request for approval of a professional services agreement with Smith Engineering Company to serve as the owner's agent and oversee development of the new solar facility at BDD Booster Station 2-A funded by the EPA Drinking Water State Revolving Fund program

DALE LYONS (Water Resource Coordinator): Good afternoon. I think what I'd like to do is briefly describe the procurement process, but I'll provide a little background for this project beforehand. I think it was in 2009 the Buckman Direct Diversion Board directed staff to pursue alternate energy means for the Buckman Direct Diversion project. It could have been in 2008. And since that time staff was involved in looking at alternate means of more renewable sources of power and one of the results of that effort was the construction of the first megawatt of solar at the Buckman Direct Diversion treatment plant, a one megawatt solar facility, which offsets a large portion of the power consumption at the treatment plant.

That project was built under a power purchase agreement where the BDD secured the land from BLM and agreed to purchase power from the solar developer over a 20-year period. So that one megawatt facility is owned by the third-party developer. We basically agreed to buy power. It is a very financially beneficial arrangement. We have a REC that PNM pays us 15 cent per kilowatt-hour for that project and we pay just 15 ½ cents per kilowatt-hour for power that's generated.

This project is sort of a different animal from a funding standpoint. An application was submitted to the New Mexico Finance Authority for EPA State Revolving Fund money under their Drinking Water program. And at the time the application was submitted the NMFA had – or the EPA had a green project set aside. So for projects that were able to mate renewable energy or energy efficiency with a drinking water system there was a 50 percent subsidy for those projects. And so the money that we were awarded in February of 2012 for this project of up to $5 million. The BDD – the County, the City and their partners would have to pay back only half of the resulting project costs, and the terms of the remaining principal are very favorable too. They're at two percent interest over 20 years.

So what we have before us tonight are two contracts up for approval. The first one is for construction management services for Smith Engineering. We have two representatives, Jim Spinello, he's going to be the project manager from Smith Engineering, and they are very familiar with the BDD project. They did construction management services for the BDD booster station.

So the procurement, relative to the other procurement, which was a design-build procurement for the solar developer, the procurement for the construction manager proceeded under an RFP where we evaluated qualifications, experience and cost. And Smith Engineering had the best combination of those three categories that we evaluated and we deemed them to have the best value and the necessary qualifications to do this project. And in their role as project manager what they're going to be doing is basically keeping track of the developer to make sure they stay on schedule, the project is built

according to plan and spec and all the permits are adhered to. This project is a little complex because it is going to be built on landowner or administered by the BLM. So the BLM has special permit conditions that we need to adhere to. So it's going to be important we have a construction inspector out there and then also, because we're going to own this facility from the get-go, the City wants to make sure, obviously, that it meets its performance requirements but also that it's quality construction, that it won't fall apart and that quality materials are used.

We are not – we don't have full-time solar inspectors so I think Smith Engineering shows that they have the right experience and qualifications for that project. So with that I will pause for you guys to make your decision and then we'll move on to talk about the second procurement.

CHAIR HOLIAN: Thank you, Mr. Lyons, and I'm interested that you brought up quality control and so on because I just read an article not too long ago that with the cost of solar panels coming way down there now are problems and a lot of panels are not lasting as long as they've been billed to last. And so I think it is important that we really work at getting quality panels installed.

MR. LYONS: That's correct, Madam Chair. I'll just add that I think it's sort of industry standard at this point that all panels have a 25-year warranty. Different panels have different degradation qualities over time, but by the same token, we don't want to be out there replacing panels because they fall apart.

CHAIR HOLIAN: I've heard that some of them are actually – they're cutting corners, some of the companies are now. So you have to be more careful than you did in the past. So are there any questions? Commissioner Chavez.

COMMISSIONER CHAVEZ: Just to follow up on that, has the industry changed at all and to what extent are we able to produce with in the United States, and are we able to purchase – do we have manufacturers locally or within the United States that are producing quality components from top to bottom – panels, switches, whatever you need for that system. Are we able to buy them domestically?

MR. LYONS: Commissioner Chavez, I think a good portion of this project will be domestically sourced. The panels will not. The upper tier panels that were considered as part of the procurement were too expensive.

COMMISSIONER CHAVEZ: To purchase domestically.

MR. LYONS: To purchase domestically. So I think the large majority of the panels are coming from China. That's sort of industry wide. But the racking and inverters and other major electrical components will be sourced nationally. And I should mention that for ARRA funding, for other projects, there was a buy American requirement; for this project there wasn't, nor was there a local preference, because it's federal money.

COMMISSIONER CHAVEZ: Okay. And also, since we're talking about quality and price, is there any correlation between price and quality?

MR. LYONS: Sure. I think what you buy for a more expensive panel that would run you about $2.60 per installed watt as compared with the panel we ended up with, which was closer to $2.11 per installed watt, which, by the way is almost half what it was just a few years ago. So the price has dropped across the board dramatically, and it's actually afforded us to be able to build a system that's basically double in size what we had originally conceived. The booster station has about 5 ½ million kilowatt-hours in

electrical demand per year and this system will generate around 3 million kilowatt-hours per year.

We had originally conceived it as a one megawatt facility and at that time, when the application was submitted to NMFA $5 million would actually buy you a one megawatt facility, so it's actually dropped substantially. But what you buy for a more expensive panel today is a smaller footprint in terms of the generation per square foot, and then also a little bit more durability and less degradation in performance over time.

COMMISSIONER CHAVEZ: Thank you.

CHAIR HOLIAN: Thank you, Mr. Lyons. Also, could you tell me how much area you think will be required for the panels that will be for this project?

MR. LYONS: We have secured about 8 ½ acres of BLM land adjacent to the booster station and we have already gone through all the required NEPA permitting for that property. The next step would be for the developer to actually perform a legal survey and provide that to the BLM along with their plan of development so that the BLM could finalize their appraisal of the property to determine our lease fee. And it's a similar process to what we went through for a portion of the BDD project but also for the other megawatt of solar that was built next to the treatment plant.

CHAIR HOLIAN: Thank you. Are there any other questions? Is there a motion?

COUNCILOR CALVERT: Move for approval.

CHAIR HOLIAN: Is there a second?

COUNCILOR BUSHEE: I second.

CHAIR HOLIAN: Okay. I have a motion and second.

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

12. Request for approval of a professional services agreement with a selected solar developer, Bradbury Stamm Positive Energy as part of a design-build procurement to construct a two megawatt solar photovoltaic facility at the Buckman Direct Diversion Booster Station 2-A

MR. LYONS: Madam Chair, this procurement required a number of approvals, up to and including approval – the City's purchasing manual requires in order to pursue the design-build procurement approach approvals need to be obtained from the City Manager, the Purchasing Director, the City's governing body, and because this facility will be owned and operated by the BDD it was also taken to the Buckman Direct Diversion Board for their approval. The purchasing manual lays out the procurement approach which proceeds in two steps. The first step evaluates largely qualifications and experience, and top ranked proponents out of that phase of the evaluation then were invited to respond to a step 2 proposal RFP which allows the proponents to further demonstrate their qualifications, experience, their project approach, schedule, as well as price – estimated cost for the system.

In that process we allowed developers to basically recommend what they felt was the optimum system size and system characteristics based on the information we provided them: where the site was located, the size of land we had to work with, the

power consumption we have at Booster Station 2-A currently and then also what we project that power demand to be in terms of percentage of on-peak usage. So the developers had to weigh a lot of different factors in coming up with their proposal for the final system.

As you can imagine, evaluating systems that these various developers proposed that were not necessarily all the same size required a fairly sophisticated approach for evaluating their 30-year cost/benefit analysis for the proposed systems. And so we weighted cost per watt, which is a simple way to assess how expensive their system was, against the size of their system. Larger systems were give a little bit more of a little bit more of an advantage because they cut into our overall 30-year energy bill because they produce more power. On the other hand, they cost more money.

So all those things were weighed in the step two process. And then the two top ranked proponents were asked out of that process to submit best and final offers. And Bradbury Stamm Positive Energy was among those two. It didn't actually change the ranking of the step two evaluation process but it did afford the project a bit more cost savings through that process of receiving a best and final offer.

Since the purchasing director approved recommending award at the conclusion of the procurement evaluation on February 6th City staff and BDD operational staff has been engaged in contract negotiations with the selected proponent and we have arrived at a scope of work which itemizes the system components and its performance requirements and also established a reasonable working time frame in which the work is to be performed. That contract is now before you for approval.

CHAIR HOLIAN: Okay. Thank you, Mr. Lyons. Any questions? Councilor Calvert.

COUNCILOR CALVERT: Dale, since this is different from other ones where we didn't own them we didn't have to worry about who operated or maintained them. In this one we will own it so what is the provision for O&M once its built?

MR. LYONS: We estimate the total O&M cost per year will be about $8,000. That includes added insurance costs for this facility. That's separate from the cost for the annual lease fee that we would pay to BLM. But $8,500 we would pay for O&M would go towards weed reduction on side, routine maintenance. The panels wouldn't require anything but more of just an annual cleaning, pressure washing. And that was one of the things that weighed into our considerations in evaluating the various designs. Some proponents proposed tracking systems which are much more complex. There's moving parts. The panels are pivoting with the sun on a daily basis.

The evaluation committee expressed a desire to have a much simpler, much more reliable and easy to maintain system and that was one of the reasons why we selected a fixed tilt system that Positive Energy proposed over other systems that were the tracking systems.

COUNCILOR CALVERT: Okay. So then we can easily pay for that with the money we're saving on this project but who is going to do it? Is that something we're going to have to contract with, somebody like Positive Energy to do?

MR. LYONS: Yes, a lot of the solar developer companies offer O&M services. Part of O&M would also be energy monitoring. One of the developer's responsibilities will be actually to integrate their power monitoring software and system with BDD's telemetry system and bring it all the way to the BDD operator's screen so

they can actually monitor what the output is from the facility. And so the BDD operator will at least be able to see what the output is, but when it comes to actual maintenance, yes, that's the idea, that we would contract with another firm to do O&M, operations and maintenance for the facility. And security would also be expanded for the facility so we would probably potentially amend the existing security contract with whoever that is to include additional site monitoring. In addition to the power monitoring also security monitoring would be integrated with the existing BDD's data and monitoring systems.

COUNCILOR CALVERT: Okay. Is that further integration of the security system, is that included in –

MR. LYONS: Yes, it is.

COUNCILOR CALVERT: And this also includes, I think I read the fencing of the area.

MR. LYONS: Yes. The other thing that's included in training. And so if the City or BDD endeavors to take on O&M for the facility, in the developer's contract is a provision to train City staff.

COUNCILOR CALVERT: So we have that option down the road, whether we do it ourselves or hire somebody to do it.

MR. LYONS: That's right.

COMMISSIONER CHAVEZ: Madam Chair.

CHAIR HOLIAN: Commissioner Chavez.

COMMISSIONER CHAVEZ: On that point, Councilor Calvert, being aware of that, maybe it would be wise of us to identify or establish a line item in the budget and identify a dollar amount that would be needed for that operations and maintenance in the event that we – well, it sounds like we're going to have to contract it out. In that event we're able to identify funding in a specific line item. So maybe we can work on that as we move forward.

CHAIR HOLIAN: Thank you.

COUNCILOR CALVERT: What I think we could ask staff to do is to see if – it doesn't sound like a large amount. See if perhaps our budget for professional services would be able to cover that and yes, we could create a specific line item but I just want to know, since we've already approved the budget for next year if we could anticipate that the amount we have in there should be able to cover this.

CHAIR HOLIAN: Commissioner.

COMMISSIONER CHAVEZ: That's fine.

CHAIR HOLIAN: Thank you, Mr. Lyons. Now, as I understand it, the electric energy being produced by this solar array will only be used directly when there's pumping going on during the daylight hours. And otherwise it's feeding into the grid. Is that correct?

MR. LYONS: That's right. But it is a net metered system. So when it does produce power it will spin the meter backwards. It gets a little complicated how PNM handles the bill. The power that's generated during the on-peak period which is consumed on site, we will receive a REC for, and that's an additional revenue from this project. And also the benefit of having a second megawatt out there, we actually have two meters where we draw power to feed the booster station from two different substations. So we actually are able to have two different interconnections which will be reviewed by PNM at the same time and in the end two REC agreements.

So for that power that comes from the second megawatt it will also be within PNM's REC program for at least as long as it survives the next eight years. And so the power that we generate and consume in the on-peak periods we get REC payments for. Power that we produce and consume in the of – we produce in the on-peak period, obviously, when the sun in shining and then consume in the off-peak period. It goes to off-setting our bill, just like the on-peak power generation does, but we don't receive a REC payment for. Power that we overproduce, over and above what we consume on a monthly basis, PNM will pay us a voided cost on, which is close to two cents per kilowatt-hour.

The system will be a little oversized in probably the first five, maybe even ten years but –

CHAIR HOLIAN: For that booster station.

MR. LYONS: Exactly. For that booster station. But as on-peak demand increases, because the City and the County and Las Campanas become more reliant on the BDD and as overall power consumption increases over time the system will – the BDD will grow into its full capacity. But even as it is overproducing a tiny amount within the first few years we're cash-positive right out of the shoot.

CHAIR HOLIAN: Have you done any estimates on how much it might lower our electricity bills?

MR. LYONS: Yes. It lowers our electrical bills by several thousand dollars per month within the first year, but then after the REC agreement goes away at year eight that number goes down a little bit, but if you include an escalator for energy costs it starts to increase again relatively steadily and then at year 20 when we pay off the drinking water loan then it really increases rapidly to our benefit. And in the end I think that the total benefit over 30 years to have a one megawatt facility out there is – I think it was $2.5 million over 30 years? Don't quote me on that number.

CHAIR HOLIAN: Yes, I think that was presented to us in our of our previous packets.

MR. LYONS: I'm sorry. $4.4 million over 30 years for the entire two megawatt system. Right.

CHAIR HOLIAN: I'm really pleased that this is going forward and I hope that we can find funding sources to extend it to other booster stations.

MR. LYONS: Yes. Every year the state revolving fund requests applications so it's not inconceivable that we could get another project funded.

CHAIR HOLIAN: Commissioner Chavez.

COMMISSIONER CHAVEZ: Here's a number. I don't know if this was the number that you were looking for but it says here that this solar PV system will generate positive cash flow upon interconnection with PNM's grid and will provide BDD with a financial benefit of $4.5 million in 30 years.

MR. LYONS: That's right.

COMMISSIONER CHAVEZ: It's on page – the second page, third paragraph down from the top.

MR. LYONS: Thank you, Commissioner Chavez.

COMMISSIONER CHAVEZ: So that's pretty substantial.

MR. LYONS: Yes, that averages out to about $12,500 per month over 30 years.

CHAIR HOLIAN: Any further questions?
COUNCILOR CALVERT: Move for approval.
COMMISSIONER CHAVEZ: Second.
CHAIR HOLIAN: Okay, we have a motion and a second.

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

MATTERS FROM THE PUBLIC

CHAIR HOLIAN: Is there anyone here from the public who would like to speak about an item that is not on our agenda? Please come forward. And please identify yourself for the record.

MICHAEL AUNE: Madam Chair, Board members, my name is Michael Aune. I'm giving you some information about what's taken place relative to the supply for the Buckman Direct Diversion, and that's the San Juan/Chama project. *[Exhibit 2]* The second full page gives you a summary of the contract information for the San Juan National Forest, which is in Archuleta County and that's where the headwaters of the rivers are that's diverted to the San Juan/Chama project. My communications with them is they have a handful of full-time people and mostly seasonal employees. No one is dedicated to watershed protection in the San Juan/Chama project area.

The Bureau of Reclamation San Juan/Chama project headquarters in Chama basically has eight employees and they outline there what they do, the area they work in, and you know that the area that I'm addressing relates to the dam tender north which oversees all those bundles, circuits and diversions. I'm not going to go into the specifics. And they report directly to the Bureau of Reclamation Office in Durango, Colorado.

This is in reference to a communication that Chairman Holian and I had relative to who the people are, what areas they work in, so you have that contact information. And it really speaks to your agenda item #10 as it related to silt and sediment and the question that was asked here at the Buckman Direct Diversion, and I just wanted to broaden the discussion because that's a major issue in the watershed in southern Colorado and all of the watersheds that originate within the national forest in New Mexico.

As a part of that, back in December I wrote what became House Joint Memorial 24. That's the third page. And I wanted to point out that that requests New Mexico's congressional delegation to get the United States Department of Interior and the United States Department of Agriculture to establish some discussions to promote pro-active best management practices to maintain and preserve the infrastructure of the San Juan/Chama project in southern Colorado.

You'll notice that it was amended to delete all watersheds on federal lands in New Mexico prior to any potential forest fire and resultant debris flow and flooding. The back page of that also had a deletion, which was evaluate the risk from wild fire and flood damage to all watersheds originating on federal lands within New Mexico that provide domestic and agricultural water sources for the people of New Mexico. The fourth page tells why that was deleted. OSE stands for the Office of the State Engineer, and you'll see

down at the bottom where it says Significant or technical issues. And the Office of the State Engineer at that point wanted to prepare a rapid response plan to mitigate and repair the project's infrastructure should a damaging fire occur. That's language from the Office of the State Engineer, which is why they were insistent that it be amended to delete that language that I had in there.

There was significant conversation before the House Agriculture and Water Resources Committee asking the same questions. Why are we deleting all the national forest within New Mexico? When it went before the full House floor I was on the House floor with Representative Carl Trujillo on this. There was also significant conversation about why was the forest within New Mexico deleted and why are we only focusing on the San Juan/Chama project in southern Colorado.

Because of those conversations a couple other people decided they needed to do something about it. The next thing is House Memorial 65 which was written by Yvette Harold who is a Republican from Otero County, and you'll note that this previous information I had provided to Representative Herald regarding that. Her memorial states, requesting the United State Forest Service to engage with New Mexico State agencies and local governments in meaningful watershed health planning and management. And without going into the specifics you can read all the Be it further resolveds. That was a seven-page document and I only included the first and the last pages for you.

Now, basically what it did is it required all of the national forest lands, Bureau of Land Management Lands, Corps of Engineers and Bureau of Reclamation lands be incorporated so that local agencies and state agencies start having conversations. House Memorial 64 was initiated by Nick Salazar, because he was concerned, well, the State Engineer is not going to follow up on national forests. My language was, well, it's kind of like blank spaces on the map, like a whole in the donut, and that's what our national forests were at that particular time to the State Engineer.

So Nick Salazar put in there a specific one just to the forest and the Gallinas watershed which is in his district, addressing the same kinds of issues. After much discussion – again, I testified before the House Agriculture and Water Resources Committee on both of these and both passed the full House of Representatives unanimously, as did the original one which was the House Joint Memorial 24. So there's three pieces of legislation that passed the State House of Representatives, and incidentally, HM 64 and 65 just passed this past Friday. So that's how new this was.

So they're acting on the state level acknowledging that we have some major issues. What I presented to you at the last meeting was asking you to consider a joint resolution to do the same thing relative to the United States Bureau of Reclamation asking for a full accounting and report. And while I've been up there, and I was up there most recently this past Tuesday talking to some of the staff. And the staff would say, when I asked them a specific question, what would happen if there is a fire in the watershed there? What would you do? Well, we would turn to the Forest Service to put the fire out. And then I asked, well, what would happen if you have major ash and mud flows like happened in Santa Clara Canyon and like happened in Bandolier and Cochiti Canyon? And they kind of say, we don't know; we hadn't anticipated that.

These guys – there's a small crew there, seven people plus their manager, and they really don't think in those terms. They think in terms of what they do year in and year out, day after day, as their jobs. They don't really anticipate the big picture of what

could happen. So that's why I'm asking you and why I've provided you the additional information on the Bureau of Reclamation in Durango to perhaps look at some kind of joint resolution through this Board asking them to provide you an accountability. You're responsible for 5,600 acre-feet that's heavily depended on by the people of Santa Fe City and Santa Fe County, especially when the City is getting ready to do some work up on the Nichols Reservoir and McClure Reservoir in the Santa Fe National Forest. What would happen if there is a damaging fire?

Everybody remembers there were two major fires in Colorado last year. There were two smaller ones in the Pagosa Springs area. And what if we have another large fire in that area and that infrastructure goes away? What are we going to do in a worst-case scenario for drinking water for people here within Santa Fe and Santa Fe County? So I'm asking you formally, if that's what I need to do, to put it on as a discussion item at your next meeting to at least have a conversation about doing some kind of joint resolution. If you choose not to do a resolution, to provide some directive to your staff asking for this kind of information. You have a fiduciary responsibility to all of us taxpayers and ratepayers who get our water from the system to ensure that the delivery of that water where it originates can be maintained and that those people up there are looking at worst-case scenarios. And I'll stand to answer any questions. The top page is just a summary of all the things that happened and I'm not going to go through all that, but you can see all the other bits and pieces of things that have taken place. So I will answer any questions you may have.

CHAIR HOLIAN: Thank you, Mr. Aune. Is there anyone else that would like to speak from the public? Please identify yourself for the record.

BASIA MILLER: Yes, Madam Chair. My name is Basia Miller. I am a board member of Concerned Citizens for Nuclear Safety and I'm going to talk about the Forest Service Rio Grande Corridor restoration. I was an individual appellant on that case as well.

I guess I'm coming with as many questions as I have comments. The appeal that we filed was returned to us by Maria Garcia saying that she affirmed with instructions the Forest Service decision. Part of her instructions consist of the statement that the district ranger is instructed to complete a floodplain evaluation in accordance with Forest Service Manual 25-27 prior to project implementation. The district ranger should consider certain design elements and then there's a second one that follows up on that. The additional mitigation measures and floodplain evaluation should be evaluated to ensure they are within the existing analysis disclosed by the EA, the environmental assessment.

The Forest Supervisor has asked that this floodplain evaluation be completed prior to project implementation and since we met with Sandy Hurlocker, district ranger, January 15th and tried to resolve some of the differences that we had. We're looking for worker safety and evaluation of alert to people visiting and principally, the problem with herbicides which may affect the water in the Rio Grande which is your responsibility. He said we would have an opportunity to continue talking about those various things. We would plan meetings to see where we agreed and things like that. He wasn't available from the middle of January to the present time. We wrote him again on the 25th of February after the decision came out, indicating our interest in going forward to talk about some more of these things where the water may be at risk. What I passed out to you is his email in response. *[Exhibit 3]*

He responds to all the appellants. I believe we've mentioned that Alan's work is time constrained and needs to happen before spring gets in full swing. So we want to meet the intentions of the instructions that came out with the appeal decision while if possible allowing his work to go forward. So my question, one question is, is the Wildlife Federation not constrained by the environmental assessment? One answer to that was given last month here at the Board meeting when Rick Carpenter spoke about how things were going with the restoration program, and what he said is, The Wildlife Federation forestry treatments are scheduled to move forward as soon as the appeal is resolved, assuming it is resolved.

Well, the supervisor had said the project is not to move forward until all the floodplain evaluation has been completed and these various other things, and clearly, the Wildlife Federation is moving forward with its cleanup out there and apparently, according to Sandy Hurlocker's letter, which you have, it's okay. Now, I don't know – I just don't know what's going on. I had never heard of the project divided into Alan's work and the Forest Service work before. Maybe you know what's going on. But certainly Alan's work, that is the Wildlife Federation, they're involved in making auger holes on the Rio Grande bank six feet deep to plant new trees, probably willows. And it's precisely the six feet depth where there have been some sampling of legacy waste. This is an area where part of it contains the legacy waste. The whole idea was not to disturb the soil and it's surprising to me that the Wildlife Federation is able to move forward in spite of the decision that was affirmed with certain instructions that were to be completed.

I don't know. Should I put a question mark there?

CHAIR HOLIAN: Well, Ms. Miller, I will just say this is Matters from the Public and it's time for the public to comment, but this is not an agenda item so we really can't have back and forth discussion about it because it wasn't noticed for that.

MS. MILLER: I appreciate that. Maybe you can put it on your agenda. Maybe I can request that you put it on your agenda for discussion for April.

CHAIR HOLIAN: I will take that under advisement.

MS. MILLER: All right. Thank you very much.

CHAIR HOLIAN: Is there anyone else from the public who would like to speak?

NICOLE DE JURENEV: Hi. I'm Nicole de Jurenev, president of the Casa Solana Neighborhood Association, and my big concern is there is no long-term plan. There are a great many people who feel that we're going to run out of water. So it's nice to have a photovoltaic and all this stuff up at the Buckman Diversion, but when there's no water it's pretty useless, especially if there was a major forest fire and the whole thing got gummed up with sediment and sludge. Then we would revert of course to the wells, which we may have possibly pumped out most of the aquifer by now.

We had a lengthy discussion with Brian Snyder and one of his plans was to refill the aquifer with treated effluent, which I don't feel is exactly a good plan or a long-term plan or a way to get water. It may be that we're going to run out of water any day now if this drought continues. The experts think possibly it's a ten or 15-year drought. So it's not like Colorado is going to be loaning us water. I mean, what? We're going to pump from Washington State? I don't quite understand. These are nice plans but if we have no water they're useless. The reservoirs are down, what? 20 percent? How can we pump those out?

So I have major, major concerns that nothing is being addressed. The diversion is a good idea but there are obviously horrible problems should the pipes get filled up. And you're not able to backfill properly. So we just feel that if we have no water we have nothing. We're going to have to leave. So this is not a casual comment. I don't feel that there is enough serious attention being addressed to this matter. Thank you.

CHAIR HOLIAN: Thank you, Ms. De Jurenev. Anyone else from the public?

ELANA SUE ST. PIERRE: My name is Elana Sue St. Pierre. I'm spokesperson for Healthy Water Now. I'm representing a network of parents of children with special needs, healthcare advocates who really want to protect pregnant women and children. I've been working with the Board since 2006 and I want to thank you all for being here. It really means a lot that you're here. I'm not being sarcastic. Thank you for being here. The seats that are empty, I miss the people that aren't here because what I have to say I hope people will hear and I don't know if they will hear it when they're not here. So thank you.

I am speaking specifically about the appeal for the restoration project and I will comment also on the floodplain evaluation that this has been acknowledged and it needs to be done. Also, I'll just read this, and this is the recommendations, the letter from Maria Garcia, Santa Fe National Forest Supervisor. And she's recommending to alleviate appellant concerns regarding potential presents of nuclear contaminations I recommend that the responsible officials be instructed to consider implementing the following elements: Install signs to direct and manage location of general public to the intended recreation areas along the chile line loop trail. Install signs to direct public away from known contamination areas as located in the Los Alamos National Laboratories legacy contamination study at the Buckman Diversion project. Ensure all contractors at the site are required to prepare a site-specific health and safety plan, specifically contractors who are installing infrastructure at the project site.

This I do not understand, this one I'm going to read. Conduct a fate and transfer model for known contaminations in the area. And then the rest goes on to say about the floodplain evaluation. It also says please consider restricting use to only day area. They're recognizing that this is an area that the public needs to be warned about. Our concern is that there hasn't been enough testing to say where it begins and where it ends, and so that a trail guide could really clearly show where it is, where it isn't.

In the paper, I guess it was a couple weeks ago, I saw that there was a cleanup project and this area is so incredibly beautiful. If cannot say that I don't want people going down there picking up garbage and trash and refuse that shouldn't be there. It's a beautiful area but it's the stuff that you don't see that can kill you. They were asked – they were told that they would be provided shovels and spades and rakes. And we are asking that this area not be disturbed, of if it is that people be advised beforehand.

I called the number in the paper and asked them what their site-specific health and safety plan was and they didn't have one. And I asked them if they were aware of what they were going into. And they said, well, yeah, we've been told there's contamination. And I said, are you aware of what the contamination is? And they weren't. This is Mr. Kerry from the Audubon Society. I asked him if he was aware of specifically where it was, if somebody gave him a map, would he have been able to have topographical areas where he knew where it was? He didn't. I asked him if he knew how deep it was. He said,

well, no, I actually don't. I asked him if he was aware that burrowing animals can be bringing up contaminations. He said, I'm sorry, no I don't. I said, would you like any information about that and he said, yes, please.

And so I faxed him the appeal. I faxed him the letter, the draft of the signage, and I asked him to please inform people. And he said he would. I didn't follow up. My concern is that for some reason people are wanting to turn their blind eye to this and it's not appropriate. It's not right. I met a man who had been employed for quite a while and it was a chance meeting. I asked him what he was doing and he said, I'm so excited; I just got a security job. I said, Where? He said at the Buckman Diversion project. I said, wow, do you know what's out there? Do you know what you're protecting? He looked at me really strange. I said has anybody told you that there's nuclear waste buried there at three foot. And he goes, what do you mean?

So I named off some of the things that I know are buried there and he said, you're kidding. He thought I was joking. I said, who's your security firm. He said Chavez Security. I said, And nobody's told you? This is what's happening. I asked him if he wanted information, would he feel comfortable? He said I just got this job; I'm afraid. I need the job.

What do we do? Clearly, people need to be informed. At the meeting with Mr. Hurlocker, Mr. Carpenter was asked have the contractors been informed? He said, the contractors have been informed and it's their responsibility to do what they may with the workers. That's not appropriate. Please, do not turn a blind eye from this area. Standards change. In the paper there was a brand new ad by a lawyer asking people if you want to sue LANL you have a 20-year wider grace period. So it used to be that you could sue for 23 different types of cancer from the 1940s to the 1970s. That's now been increased to 1998.

When will the ads say to 2013? What will this Board be accountable for in years to come? Please, turn your attention to it. Thank you.

CHAIR HOLIAN: Thank you, Ms. St. Pierre. Is there anyone else who would like to speak who is here from the public?

MATTERS FROM THE BOARD

CHAIR HOLIAN: Anything? I don't have anything myself.

NEXT MEETING: Thursday, April 4, 2013

ADJOURNMENT

Having completed the agenda, Chair Holian declared this meeting adjourned at approximately 5:20 p.m.

Approved by:

Kathy Holian, Board Chair

Respectfully submitted:
Debbie Doyle, Wordswork

FILED BY:

GERALDINE SALAZAR
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA VIGIL
SANTA FE CITY CLERK

City of Santa Fe
New Mexico

CITY CLERK'S OFFICE
DATE 2/28/13 TIME 8:35 am
SERVED BY Stephanie A. Lopez
RECEIVED BY

SANTA FE COUNTY

SFC CLERK RECORDED 02/15/2013

AGENDA

The City of Santa Fe
And
Santa Fe County

Buckman Direct Diversion Board Meeting

THURSDAY, MARCH 7, 2013
4:00 PM
CITY HALL
CITY COUNCIL CHAMBERS
200 Lincoln

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE FEBRUARY 7, 2013 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF

CONSENT AGENDA

7. Update and discussion of BDD operations. (Gary Durrant)
8. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)

INFORMATIONAL ITEMS

9. Update on the Buckman Bosque Restoration Project Clean-Up Event on Saturday, February 23, 2013. (Erika Schwender)

DISCUSSION AND ACTION ITEMS

10. Request for approval of Amendment No. 19 to the Professional Services Agreement between CDM Smith (formerly Camp Dresser McKee) and the Buckman Direct Diversion Board to provide assistance with the renewal process of the Sediment Return NPDES Permit for the amount of $42,873.00 plus $3,510.22 (NMGRT) for the total amount of $46,383.22. (Erika Schwender)

11. Request for approval of a Professional Services Agreement with the selected construction manager as part of procurement '13/24/P to serve as the Owner's Agent and oversee development of new solar facility at BDD Booster Station 2A funded by the EPA Drinking Water State Revolving Fund program. (Dale Lyons)

12. Request for approval of a Professional Services Agreement with selected solar developer, Bradbury Stamm Positive Energy as part of a design-build procurement '13/08/P to construct a 2 megawatt solar photovoltaic facility at the Buckman Direct Diversion Booster Station 2A, funded by the EPA Drinking Water State Revolving Fund program. (Dale Lyons)

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: Thursday, April 4, 2013

ADJOURN

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

City of Santa Fe
New Mexico

AGENDA

The City of Santa Fe
And
Santa Fe County

Buckman Direct Diversion Board Meeting

THURSDAY, MARCH 7, 2013
4:00 PM
CITY HALL
CITY COUNCIL CHAMBERS
200 Lincoln

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Anatomy of a Water Bill - analysis & opinion prepared by Michael Aune 3/2/2013 Michael Aune

February 2012 - Carl Trujillo and I discussed the importance of water supply issues.

December 2012 - After Carl was elected to NM House, I wrote draft of what became HJM 24.

early January 2013 - Representative Trujillo distributed draft for public comment.

January 26 – I learned that Office of State Engineer (OSE) rewrote HJM 24 so that it focused only on San Juan Chama Project in southern Colorado and deleted any reference to the watersheds originating in National For within New Mexico. I went with Rep. Trujillo to add those parts back into HJM 24.

January 31 - I testified before the Senate Finance Committee about watersheds and headwaters in National Forests in all of New Mexico and the Colorado part of the San Juan- Chama Project.

February 6 (?) – I was "Expert Witness" before House Agriculture and Water Committee on HJM 24. I found out immediately before this meeting that the Office of the State Engineer (OSE) was going to speak in opposition to HJM 24 unless Rep. Trujillo amended it as the OSE wanted. HJM 24 was amended, though I testified about the need to include all headwaters and watersheds that originate on Federal lands within New Mexico. HJM 24 as amended passed this House Committee with a unanimous vote.

February 7 – I presented draft of Joint Resolution to members of Santa Fe City Council and Santa Fe County Commission on Buckman Direct Diversion Board, calling for full report of San Juan-Chama Project status from Bureau of Reclamation. I will conduct follow-up presentation on March 7.

February 15 - HJM 24 presented before full NM House of Representatives. I was on floor to assist Rep. Trujillo. After debate and discussion, **HJM 24 passed full House with a unanimous vote for approval.**

February 19 & 20 - I learned of drafts of HM 64 (Rep. Nick Salazar) and HM 65 (Rep. Yvette Herrell) and proceeded to go to their offices and get copies. I provided copies to House legislative staffer Ron Gardiner and to Rep. Trujillo with recommendation that Rep. Trujillo support those efforts. HM 64 calls for the U.S. Forest Service to "protect the Gallinas watershed and surface water supply delivered from the watershed and to plan for and minimize the impacts of forest fires on the watershed". HM 65 takes a statewide approach "requesting the U.S. Forest Service to engage with New Mexico state agencies and local governments in meaningful watershed health planning and management".

February 22 - I testified before House Agriculture and Water Resources Committee regarding "Regional and State Water Plan" (HB 566). I stated that plan template should be revised to minimize political (county) boundaries and instead address full natural boundaries of watersheds from their headwaters source within Federal lands. I spoke that too much emphasis is placed by OSE on "DEMAND" and "BENEFICIAL USE" and minimal emphasis is placed on "SUPPLY". I spoke in favor of funding to expand scope of such plans, and cited that the State Water Planner is a one-person office. Two audience members spoke in support of what I said. State Engineer then spoke and for the first time acknowledged publicly that what I said was important, even suggesting that the OSE would consider revising the planning template to include headwaters of watersheds on Federal public lands.

February 22 - I went with staffer Ron Gardiner to get signatures from House members of both parties to support Rep. Herrell's HM 65, hoping to get the initial concept inclusive of all National Forests envisioned within HJM 24 addressed through a different means.

February 26 – I spoke before Senate Conservation Committee on several water-related bills.

February 27 - I testified on HM 64 and HM 65 before House Agriculture and Water Resources Committee. I introduced discussion of U.S. Watershed Protection Act relating to National Forests, and answered follow-up questions by Committee. Both HM 64 and HM 65 passed Committee with unanimous approval.

March 1 – Significant House Floor discussion on HM 65, all in favor and citing need. **Both HM 64 and HM 65 passed full House with unanimous votes for approval.**

NOTE: When not busy with the above, I offered "Solutions" to watershed health, including conversations about my drafts for a New Mexico Civilian Conservation Corps which everybody liked, but no one wants to pay for. However, SB 585 (Sen. Phil Griego) originated by David Bacon to initiate CCC-type leadership training program for $2 million at NM Highlands University passed the Senate Conservation Committee on February 26.

State of New Mexico
House of Representatives
Santa Fé

W. KEN MARTINEZ
Speaker of the House
D - Bernalillo, Cibola, McKinley, San Juan, Socorro & Valencia
District 69

Box 730
Grants, NM 87020
Office Phone: (505) 287-8801
E-mail: ken.martinez@nmlegis.gov

COMMITTEES:
Labor & Human Resources
Rules & Order of Business
Voters & Elections

INTERIM COMMITTEES:
Legislative Council
Interim Legislative Ethics
Public School Capital Outlay Oversight Task Force
Advisory Member
Courts, Corrections & Justice
New Mexico Finance Authority Oversight

February 15, 2013

Representative Nick L. Salazar
Chair, Rules and Order of Business Committee
State Capitol
Santa Fe, New Mexico 87501

Dear Representative Salazar:

In accordance with the rules of the House of Representatives, I hereby request that Michael Aune be allowed to be present on the floor of the House on this date to assist Representative Carl Trujillo for the third reading of HJM 24.

Sincerely,

W. Ken Martinez
Speaker of the House

WKM:mg

cc: Rick Miera, Majority Floor Leader
Donald Bratton, Minority Floor Leader
Stephen R. Arias, Chief Clerk
Gilbert Lopez, Sgt.-at-Arms

SAN JUAN-CHAMA PROJECT summary info based on conversations, prepared by Michael Aune

Headwaters of Rio Blanco, Little Navajo and Navajo Rivers are in San Juan National Forest in Archuleta County, Colorado.

San Juan National Forest (U.S. Dept. of Agriculture)
Pagosa Springs Ranger District located in Pagosa Springs, CO 81147
Phone 970-264-2268

- A handful of full-time, year-round employees, mostly summer seasonal part-time.
- No crews dedicated to National Forest watershed protection in San Juan-Chama Project area. Would respond if there is a problem, i.e. fire.

Bureau of Reclamation (U.S. Dept. of Interior)
San Juan-Chama Project
193 W. Pinon Drive
Chama, NM
Phone 575-756-2175

- Manager is Victor Salzar, oversees 7 other employees, including:
- Dam Tender (South) oversees Heron and El Vado Dams and Reservoirs, though Heron is the only designated San Juan-Chama Project reservoir (name is Mike)
- Dam Tender (North) oversees a) Blanco Diversion Tunnel, Blanco Feeder Conduit, and Blanco Tunnel; b) Little Oso Diversion Dam, Little Oso Siphon, and Little Oso Feeder Conduit; c) Oso Diversion Dam, Oso Siphon, Oso Feeder Conduit, and Azotea Tunnel
- Mechanic works as needed in all areas (name is Lanny, goes by "Bo")
- SCADA is the computer system that provides for information gathering at all sites
- No staff are dedicated to headwaters/watershed protection or preservation as these areas are in National Forests and some on private land.

Bureau of Reclamation (U.S. Dept. of Interior)
Colorado Area Office, Southern Division
835 E 2nd Avenue
Durango, CO 81301
Phone 970-385-6500

To: Rep. Carl Trujillo
From: Michael Aline

Keeping You Informed.
2/28/13

February 25, 2013
MONDAY

State of New Mexico

FIFTY-FIRST LEGISLATURE
FIRST SESSION, 2013
SENATE SCHEDULE OF COMMITTEE HEARINGS

Question: HJM 24 in Senate? I've Heard Nothing?

~~FINANCE COMMITTEE~~

CONSERVATION COMMITTEE - Senator Peter Wirth, Chairman

Start @ 5:00pm to 8:45pm
[redacted] or 1/2 hr. after session - [redacted]

4	SB	546	[redacted] FUND FOR ACEQUIAS	(CAMPOS)
3	SB	585	[redacted] WATERSHED INSTITUTE	(GRIEGO)
5	SB	494	[redacted] PRIOR APPROPRIATION RULES	(CERVANTES)
	SB	529	WATER/PRIOR APPROPRIATION ADMINISTRATION	(CERVANTES)
2	SB	563	EXPORT OF WATER FROM CRITICAL MANAGEMENT AREA	(BEFFORT)
1	SM	11	REDUCE WILDLIFE-VEHICLE COLLISIONS	(MORALES)

to Finance

I spoke about "Demand" vs. "Supply" relative to both water supply & financial ($) supply to address irrigation works fund (SB546) as well as wasted legal $ to litigate (SB494 & SB529). SB585 begins training relative to what I wrote NM Civ. Conservation Corps.

STATE OF NEW MEXICO
HOUSE OF REPRESENTATIVES

FIFTY-FIRST LEGISLATURE
FIRST SESSION, 2013

HOUSE SCHEDULE OF COMMITTEE HEARINGS

I spoke → HM 64 & HM65 puts National Forests back in discussion as your HJM 24 originally intended. State Engineer did not oppose. Unanimous approvals by committee.

February 25, 2013
Monday

HOUSE AGRICULTURE AND WATER RESOURCES COMMITTEE - GEORGE DODGE, JR., CHAIRMAN

Michael
Va 10:20
983-7028

Wednesday, February 27, 2013 - 8:30 a.m. - Room 318

5	HB 611	KERR-MCGEE WATER RIGHTS LITIGATION	(MARTINEZ WK)
6 3	HJM 33	SANTA FE WATERSHED RELEASE FOR DOWNSTREAM AREAS	(GARCIA RICHARD)
	HM 42	PARKINSON'S DISEASE & PESTICIDE EXPOSURE	(MCMILLAN)
2	HM 58	KEEP & SUPPORT RURAL POST OFFICES	(MARTINEZ R.)
1	HM 64	TREAT GALLINAS WATERSHED	(SALAZAR N.)
4	HM 65	WATERSHED HEALTH PLANNING & MANAGEMENT	(HERRELL)

Please provide 15 copies of amendments or handouts to the committee secretary the day before the hearing.

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE - HENRY "KIKI" SAAVEDRA, CHAIRMAN

I think I'm done now...

Monday, February 25, 2013 - 1:30 p.m. - Room 307

983-7021

SEC CLERK RECEIVED 02/15/2013

as amended

HOUSE JOINT MEMORIAL 24

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

A JOINT MEMORIAL

REQUESTING NEW MEXICO'S CONGRESSIONAL DELEGATION TO REQUEST THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE UNITED STATES DEPARTMENT OF AGRICULTURE TO ESTABLISH A WORK GROUP OF THE APPROPRIATE WATER, LAND AND EMERGENCY MANAGEMENT AGENCIES OF THE STATE OF NEW MEXICO AND THE UNITED STATES TO DEVELOP AND IMPLEMENT PROACTIVE BEST MANAGEMENT PRACTICES TO MAINTAIN AND PRESERVE THE INFRASTRUCTURE OF THE SAN JUAN-CHAMA PROJECT IN SOUTHERN COLORADO ~~AND ALL WATERSHEDS ON FEDERAL LANDS IN NEW MEXICO PRIOR TO ANY POTENTIAL FOREST FIRE AND RESULTANT DEBRIS FLOW AND FLOODING.~~

WHEREAS, the San Juan-Chama project provides water for domestic and agricultural use for a majority of the population within central New Mexico; and

WHEREAS, the federal bureau of reclamation notified San

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SEC CLERK RECORDED 03/15/2013

Chama project diversion, conveyance and storage facilities from wildfire and flood damage; and

~~B. evaluate the risk from wildfire and flood damage to all watersheds originating on federal lands within New Mexico that provide domestic and agricultural~~ water sources for ~~the people of New Mexico; and~~

C. develop and implement best management practices to reduce and eliminate those risks prior to forest fire, flooding or other disruptions in the watersheds; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the governor and to each member of the New Mexico congressional delegation.

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REP. HERRELL - I WROTE DRAFT HJM 24 FOR REP. TRUJILLO. THIS IS WHAT STATE ENGINEER DID THAT AMENDED THAT 214B BILL. BE ADVISED. THANK YOU. MICHAEL ALLEN

YOUR HM65

HOUSE DEMOCRATIC LEADERSHIP
BILL ANALYSIS

DATE:	2/13/13	ANALYST:	George Haddad	COMMITTEE/ACTION:	HAGC:
DATE:		ANALYST:		COMMITTEE/ACTION:	
DATE:		ANALYST:		COMMITTEE/ACTION:	

BILL NO: HJM24 **SPONSOR:** Trujillo C. (D) **EMERGENCY:** No

SHORT TITLE: San Juan Chama Water Project Infrastructure

SYNOPSIS OF BILL: HJM24 requests the New Mexico congressional delegation to request the U.S. Department of the Interior and the Department of Agriculture to establish a workgroup of relevant federal and state agencies, including the Office of the State Engineer, the Interstate Stream Commission, the Energy, Minerals and Natural Resources Department and the Homeland Security and Emergency Management Department and the entities which hold contracts with the Secretary of the Interior for annual allocations from the federal San Juan-Chama Project to:

- Evaluate potential risks to Project operations and deliveries from wildfire and flood damage;
- Evaluate the risk from wildfire and flood damage to all watersheds originating on federal lands within New Mexico that provide domestic and agricultural water sources for the people of New Mexico; and [Sponsor proposed amendment would limit this to the San Juan-Chama Project].
- Develop and implement best management practices to reduce and eliminate those risks prior to forest fire.

BILL AMENDMENTS: None

I STILL BELIEVE THIS IS ESSENTIAL + HAVE RECOMMENDED REP. TRUJILLO SUPPORT/COSPONSOR HM65 + HM64. MICHAEL ALLEN

STRENGTHS: HJM24 has the potential to improve watershed conditions and restore stream/river water quality in watersheds that are federally owned.

WEAKNESSES: None identified.

SIGNIFICANT LEGAL ISSUES: None identified.

SIGNIFICANT OR TECHNICAL ISSUES: According to the Office of the State Engineer (OSE):

- HJM24 requests the evaluation of all watersheds originating on Federal lands. This includes essentially all the major mountain ranges within the state and vast acreage managed by the Bureau of Land Management. Doing so in a meaningful and technically defensible manner could be costly and time consuming. [Sponsor proposed amendment addresses this concern].
- It may not be practical or possible to implement best management practices upon such vast acreage and achieve the results envisioned by HJM24.
- OSE recommends amending HJM24 to focus on evaluating and alleviating the risks to the San Juan-Chama Project alone, which provides a critical supplemental supply of water to the Rio Grande valley for municipal, industrial, domestic, tribal and irrigation purposes, and prepare a rapid-response plan to mitigate and repair the Project's infrastructure should a damaging fire occur. [Sponsor proposed amendment addresses this concern].

OSE - REACTIONARY, NOT PRO-ACTIVE

FISCAL IMPACT:

- FIR indicates there would be no fiscal impact associated with HJM24, until there is an appropriation to implement HJM24.
- HM2 does not contain an appropriation.

CONFLICT/RELATIONSHIPS TO OTHER BILLS: N/A

SEC'Y CLERK RECORDED 03/15/2013

(B) THIS IS BASIS FOR PART OF LETTER TO U.S. CONGRESSIONAL DELEGATION.

MICHAEL 983-7021 2/19/2013 2:40pm

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

[As Amended Through P.L. 106–580, Dec. 29, 2000]

AN ACT To authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages, of furthering the conservation, development, utilization, and disposal of water, and the conservation and utilization of land and thereby of preserving, protecting, and improving the Nation's land and water resources and the quality of the environment.

(16 U.S.C. 1001)

SEC. 2. For the purposes of this Act, the following terms shall mean:

The "Secretary"—the Secretary of Agriculture of the United States.

"Works of improvement"—any undertaking for—

(1) flood prevention (including structural and land treatment measures),

(2) the conservation, development, utilization, and disposal of water, or

(3) the conservation and proper utilization of land in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than twelve thousand five hundred acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of $250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolution adopted by the appropriate committees of the Senate and House of Representatives: *Provided,* That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agriculture, Nutrition,

HOUSE MEMORIAL 65

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

A MEMORIAL

REQUESTING THE UNITED STATES FOREST SERVICE TO ENGAGE WITH NEW MEXICO STATE AGENCIES AND LOCAL GOVERNMENTS IN MEANINGFUL WATERSHED HEALTH PLANNING AND MANAGEMENT.

WHEREAS, thirty-eight percent of New Mexico land is managed by the federal government, originally set aside by the Organic Act of 1897; and

WHEREAS, forty-four percent of New Mexico land is owned as private property, and the majority of landowners also own approximately eighty-five percent of the water of the public trust, while maintaining beneficial use through irrigation; and

WHEREAS, twelve percent of New Mexico land is tribal land, protected by the public trust of the United States; and

WHEREAS, unlike the national parks, which were created primarily to preserve natural beauty and provide unique outdoor

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under the Organic Act of 1897, to provide for and protect watershed health in New Mexico's forests; and

BE IT FURTHER RESOLVED that state agencies be requested to integrate local, state and tribal watershed plans and management with those of the United States forest service, the federal bureau of land management, the United States army corps of engineers and the federal bureau of reclamation; and

BE IT FURTHER RESOLVED that the United States forest service, the federal bureau of land management, the United States army corps of engineers and the federal bureau of reclamation be requested to integrate range and forest planning with the New Mexico state water plan and the New Mexico forest and watershed health plan; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the New Mexico congressional delegation, the chief of the United States forest service, the state engineer, the state forester, the secretary of the United States department of the interior and the state director of the federal bureau of land management.

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HOUSE MEMORIAL 64

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

A MEMORIAL

REQUESTING THE NEW MEXICO CONGRESSIONAL DELEGATION TO ENCOURAGE THE UNITED STATES FOREST SERVICE TO FORM A MANAGEMENT, PLANNING AND IMPLEMENTATION PARTNERSHIP AND TO PROVIDE FINANCIAL ASSISTANCE TO PROTECT THE GALLINAS WATERSHED AND THE SURFACE WATER SUPPLY DELIVERED FROM THE WATERSHED AND TO PLAN FOR AND MINIMIZE THE IMPACTS OF FOREST FIRES ON THE WATERSHED.

WHEREAS, the prevalence of forest fires and drought in the state is increasing; and

WHEREAS, it is inevitable that fire and drought conditions will persist into the future; and

WHEREAS, it is critical to begin the process of planning for post-forest fire situations with water supply treatment facilities and methods to ensure the delivery of potable water to the residents within San Miguel county; and

WHEREAS, San Miguel county needs federal partnerships and federal financial assistance to increase forest fire mitigation applications in the Gallinas watershed to address the critical threats to the water supply for a municipal water system that currently serves over five thousand customers in a county with more than twenty-nine thousand residents; and

WHEREAS, the identification and implementation of hazardous fuel reduction treatments and post-catastrophic forest fire treatments on United States forest service properties and outreach efforts to create public awareness about existing fire danger are necessary to ensure that the Gallinas watershed and the water it provides are protected against destruction; and

WHEREAS, the existing conditions and unmitigated trends of forest fires and droughts threaten the health, safety and welfare of the residents of San Miguel county;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the New Mexico congressional delegation be requested to encourage the United States forest service to complete a review of the area and conditions surrounding the Gallinas watershed, commit to forming a management, planning and implementation partnership with and provide financial assistance to all local partners so as to protect the Gallinas watershed and its water supply and implement every possible measure to reduce the impact of forest

Hurlocker, Sandy -FS <shurlocker@fs.fed.us> Mar 1 (5 days ago)

to Joni, Donald, me, drannmcc, ElanaSue

Hi Joni and all,

I believe we've mentioned that Alan's work is time-constrained and needs to happen before spring gets in full swing, and so we want meet the intention of the instructions that came out with the appeal decision, while if possible allowing his work to go forward.

I have reviewed those instructions with the Forest Supervisor's staff and concluded that Alan's part of the project can proceed without affecting the instructions that ask me to consider a number of items to alleviate your concerns about the potential presence of contaminants. To meet those instructions, I will offer up a workshop where we can all share our respective positions and see where we can agree. This is important for both the interpretive signing and the modeling that the instructions call for me to consider.

We plan to call this meeting as soon as we can get everyone together. Donald and I aren't available in the first part of March so it will need to be sometime in late March (after the 25th) or April. I appreciate your working with us and look forward to continuing the discussion.

Sandy Hurlocker

District Ranger

Española Ranger District

505.753.7331