

Memorandum

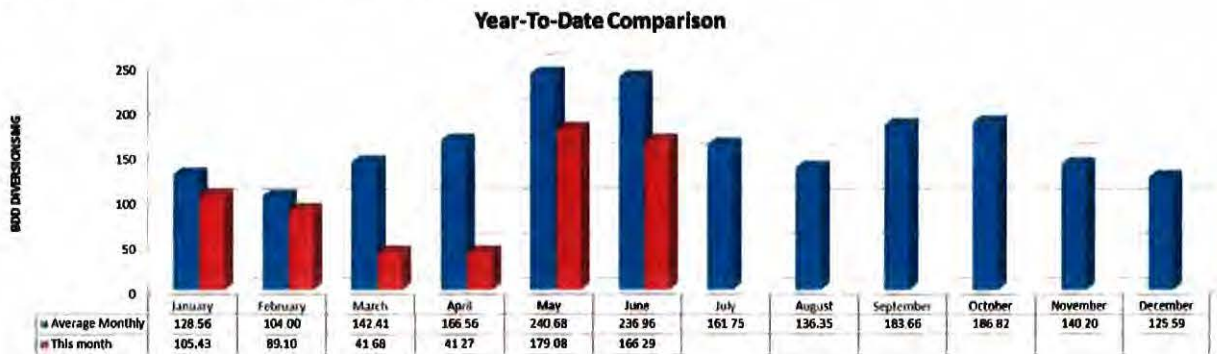


Buckman Direct Diversion

Date: June 17, 2019
To: Buckman Direct Diversion Board
From: Randy Sugrue, BDD Operations Superintendent *RS*
Subject: Update on BDD Operations for the Month of June 2019

ITEM:

- This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of June 2019. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD) as follows:
 - Raw water diversions: 5.543 MGD.
 - Drinking water deliveries through Booster Station 4A/5A: 3.967 MGD.
 - Raw water delivery to Las Campanas at BS2A: 1.143 MGD.
 - Onsite treated and non-treated water storage: .433 MGD Average.
- The BDD is providing approximately 39.3% percent of the water supply to the City and County for the month.
- Monthly Drought Update summary.
- The BDD year-to-date diversions are depicted below:



Drought/Monsoon, Storage, and ESA Update

NOAA has recently updated ENSO (El Nino/La Niña) status to:

El Niño will last through summer (66% chance). The odds that El Niño will persist through fall and winter have declined slightly in the past month (from 55-60% to 50-55%).

Heron, Abiquiu, and El Vado reservoir levels on the Chama River are experiencing heavy spring runoff. Abiquiu Reservoir is in “flood ops,” which means that only native Rio Grande flows can be called for from the reservoir, not SJCP water. Flood ops are expected to continue through June or perhaps early July. Local Upper Santa Fe River reservoir storage volume is increasing and is at or near capacity. The City received over 90% delivery from BoR of full firm-yield of San Juan-Chama Project (SJCP) water for year 2018, and 2019 is projected to be 100% full firm yield - Santa Fe has received 63% of full firm yield to date. Updates on ESA issues will be made as needed. Rio Grande Compact Article VII storage restrictions are not in effect (restrictions on storage were lifted in early May). This means the City is now allowed to impound “native” runoff into Nichols and McClure Reservoirs above the pre-Compact pool of 1,061 acre-feet (AF). Updates to this condition will be made as needed; however, the current absence of Article VII storage restrictions are expected to stay in effect for the foreseeable future.

Most current City of Santa Fe SJCP Reservoir Storage:

Heron:

9,283 AF.

El Vado:

0 AF.

Abiquiu:

5,001 AF. SJCP carry-over from previous years plus 2018 deliveries. No time limit to vacate due to storage agreement with ABCWUA

TOTAL:

14,284 AF

Memorandum cont.

Buckman Direct Diversion Monthly SJC and Native Diversions

Jun-19

In Acre-Feet

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03418 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	All Partners Conveyance Losses
JAN	327.677	56.671	0.000	271.007	271.007	0.000	2.483
FEB	278.357	71.266	0.000	207.090	207.090	0.000	1.908
MAR	134.335	88.610	0.000	45.725	45.725	0.000	3.498
APR	126.924	114.750	0.000	12.175	12.175	0.000	0.110
MAY	550.285	550.285	0.000	0.000	0.000	0.000	0.000
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	1,417.578	881.581	0.000	535.996	535.996	0.000	7.998

In Million Gallons

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversions
JAN	18.460	0.000	87.342	87.342	0.000	105.802
FEB	23.214	0.000	66.739	66.739	0.000	89.953
MAR	28.863	0.000	13.735	13.735	0.000	42.598
APR	37.378	0.000	3.924	3.924	0.000	41.302
MAY	179.246	0.000	0.000	0.000	0.000	179.246
JUN	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	287.160	0.000	171.741	171.741	0.000	458.901

Memorandum cont.

Dec-18		In Acre-Feet					
Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03418 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	All Partners Conveyance Losses
JAN	380.137	77.791	0.000	302.346	302.346	0.000	3.023
FEB	336.287	66.413	0.000	269.874	269.874	0.000	2.699
MAR	362.730	266.898	0.000	95.832	95.832	0.000	0.958
APR	661.333	568.669	0.000	92.664	92.664	0.000	0.927
MAY	933.072	340.260	0.000	592.812	481.647	111.165	5.928
JUN	873.384	44.160	0.000	829.224	693.960	135.264	8.292
JUL	801.077	-6.862	0.000	807.939	719.953	87.986	11.277
AUG	673.552	3.896	0.000	669.656	669.656	0.000	6.697
SEP	741.437	54.635	0.000	686.803	686.803	0.000	6.868
OCT	523.512	60.271	0.000	463.241	454.276	8.964	4.632
NOV	404.169	91.111	0.000	313.058	307.642	5.415	3.131
DEC	358.432	-3.762	0.000	362.193	362.193	0.000	3.622
TOTAL	7,049.120	1,563.479	0.000	5,485.641	5,136.847	348.795	58.054

In Million Gallons (MG)

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversion BDD
JAN	28.160	0.000	98.565	98.565	0.000	126.725
FEB	21.651	0.000	87.979	87.979	0.000	109.629
MAR	96.617	0.000	31.241	31.241	0.000	127.858
APR	185.386	0.000	30.208	30.208	0.000	215.595
MAY	123.174	0.000	193.257	157.017	36.240	316.431
JUN	14.396	0.000	270.327	226.231	44.096	284.723
JUL	-2.484	0.000	263.388	234.705	28.684	260.904
AUG	1.270	0.000	218.308	218.308	0.000	219.578
SEP	19.778	0.000	223.898	223.898	0.000	243.675
OCT	19.648	0.000	151.017	148.094	2.922	170.665
NOV	32.982	0.000	102.057	100.291	1.765	135.039
DEC	-1.226	0.000	118.075	118.075	0.000	116.849
TOTAL	539.352	0.000	1,788.319	1,674.612	113.707	2,327.671

Memorandum cont.

Dec-17

In Acre-Feet

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03418 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	All Partners Conveyance Losses
JAN	395.248	84.736	0.000	310.512	310.512	0.000	2.717
FEB	383.179	26.107	3.426	353.646	353.646	0.000	3.087
MAR	547.849	17.804	11.643	518.402	518.402	0.000	4.564
APR	592.385	381.170	0.000	211.216	211.216	0.000	1.821
MAY	488.240	478.925	0.000	9.315	9.315	0.000	0.072
JUN	616.871	12.970	0.000	603.900	477.780	126.121	5.517
JUL	626.113	23.719	0.000	602.394	484.406	117.988	5.429
AUG	557.303	17.073	0.000	540.230	540.230	0.000	4.871
SEP	637.339	230.584	0.000	406.755	395.200	11.555	3.873
OCT	444.333	127.611	0.000	316.723	316.723	0.000	2.938
NOV	356.536	107.143	0.000	249.394	203.128	46.266	1.658
DEC	360.218	73.071	0.000	287.147	287.147	0.000	2.321
TOTAL	6,005.614	1,580.910	15.069	4,409.635	4,107.705	301.930	38.868


In Acre-Feet

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversions
JAN	84.736	0.000	307.795	307.795	0.000	392.531
FEB	26.107	3.426	350.559	350.559	0.000	380.091
MAR	17.804	11.643	513.838	513.838	0.000	543.285
APR	381.170	0.000	209.395	209.395	0.000	590.565
MAY	478.925	0.000	9.243	9.243	0.000	488.168
JUN	12.970	0.000	598.383	473.415	124.969	611.354
JUL	23.719	0.000	596.965	480.040	116.925	620.684
AUG	17.073	0.000	535.359	535.359	0.000	552.431
SEP	230.584	0.000	402.883	391.437	11.445	633.466
OCT	127.611	0.000	313.785	313.785	0.000	441.396
NOV	107.143	0.000	247.736	201.777	45.958	354.878
DEC	73.071	0.000	284.826	284.826	0.000	357.898
TOTAL	1,580.910	15.069	4,370.767	4,071.470	299.297	5,966.747

Memorandum



Buckman Direct Diversion

Date: July 11, 2018
To: Buckman Direct Diversion Board
From: Mackie M. Romero, BDD Financial Manager 
Subject: Adoption of BDD Annual Budget

ITEM AND ISSUE:

Requesting formal adoption of the Buckman Direct Diversion Fiscal Year 2020 Annual Operating Budget and Other Fund Contributions.

BACKGROUND AND SUMMARY:

The Joint Powers Agreement between the City of Santa Fe and Santa Fe County, establishing the Buckman Direct Diversion Board, provides that the BDD Board annually prepare and recommend a budget and formally adopt the budget upon approval of the governing bodies.

On February 7, 2019, the Buckman Direct Diversion Board approved the proposed fiscal year 2020 Operating Budget in the amount of \$9,696,409 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund and recommended the budget to be considered and approved by Santa Fe City Council and Santa Fe County Board of Commissioners.

On May 8, 2019, the City of Santa Fe Water Division's annual budget included the funding requested for the FY 2019 BDD Annual Budget and was approved by Santa Fe City Council.

On June 25, 2019, the Santa Fe County Public Utilities Department's annual budget included the funding requested for the FY 2019 BDD Annual Budget and was approved by the Santa Fe County Board of Commissioners.

ACTION REQUESTED:

Staff recommends formal adoption of the Buckman Direct Diversion Fiscal Year 2019 Annual Operating Budget in the amount of \$9,696,409 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund.

REVISED ACTION BY THE BDDB:

The BDD Board has formally adopted the Buckman Direct Diversion Fiscal Year 2020 Annual Operating Budget in the amount of \$9,696,409 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund.

Approved by BDDB July 11, 2019

Commissioner Anna T. Hamilton, BDDB Chair





Buckman Direct Diversion

FISCAL YEAR 2020

Adopted Annual Operating
Budget & Partner Contributions

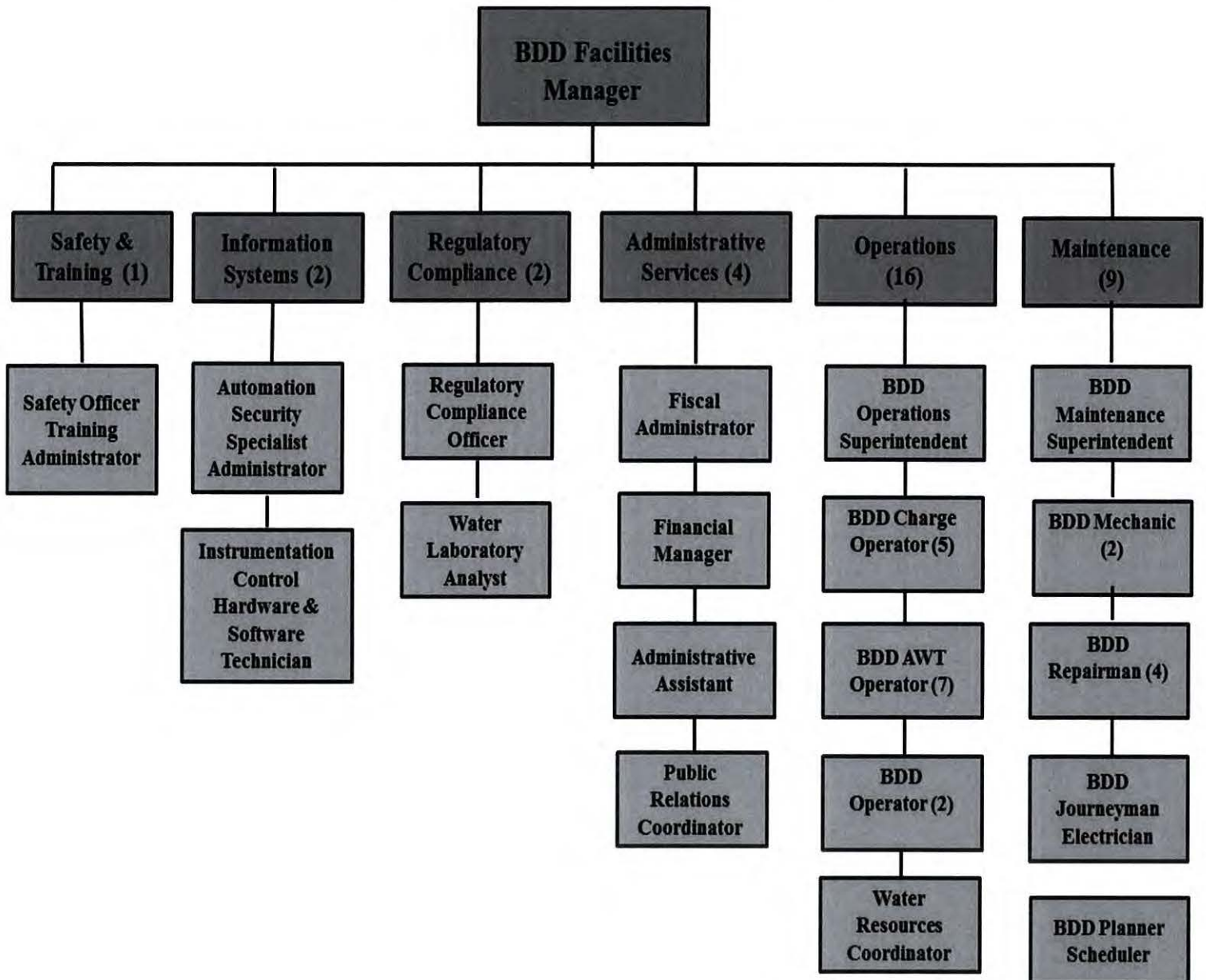


Prepared by:

Mackie M. Romero, BDD Financial Manager
Rick Carpenter, Interim BDD Facilities Manager



BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT
ORGANIZATIONAL CHART





Buckman Direct Diversion (BDD) Adopted Annual Operating Budget

Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget for which the Buckman Direct Diversion Board (BDDDB) has adopted the Fiscal Year 2020 Operating Budget of \$9,696,409.

Budget Revenue/Reimbursement Summary

TOTAL ADOPTED FISCAL YEAR 2020 OPERATING BUDGET

TABLE A

	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>	<u>%</u>
Revenues/Reimbursements by Source:				
Unrestricted Fund Balance	\$ 65,000	\$ -	\$ 65,000	1%
Federal Funds	96,000	-	96,000	1%
PNM Solar Rebates	-	120,000	120,000	1%
City of Santa Fe	5,645,404	1,146,631	6,792,035	70%
Santa Fe County	1,883,143	290,762	2,173,905	22%
Las Campanas (Club)	326,379	47,508	373,887	4%
Las Campanas (Coop)	75,582	-	75,582	1%
Total Revenues by Source	\$ 8,091,508	\$ 1,604,901	\$ 9,696,409	100%
% of overall budget	83%	17%	100%	

This adopted budget consists of fixed and variable costs and includes revenue/reimbursements from several sources. The principle operating revenue of BDD's operating budget is reimbursements from the partners for the cost of operations.

As of June 30, 2018, the BDD had an unrestricted fund balance from miscellaneous refunds and interest earned. These funds will be used to acquire capital equipment, in accordance with the BDD Working Capital Policy.

BDD was granted federal funds from the Department of Energy for the BDD Storm Water Sampling Program. This funding will be used for the collection of samples from the Rio Grande at the BDD in order to make determinations on the water quality of the river during LANL events.

The monthly PNM solar rebates received for the water treatment plant solar array are also accounted for as a source of revenue. The resulting reimbursement requests for American Capital Energy (primary owner of this solar array) to the City of Santa Fe and Santa Fe County will be reduced by the revenue received.

The partner reimbursement revenue is estimated based on projected expenditure types and allocated based on the cost sharing allocations established in the governing documents. Partners are billed in accordance with the BDD Working Capital and Billing Policy.



Budget Expenditure Summary

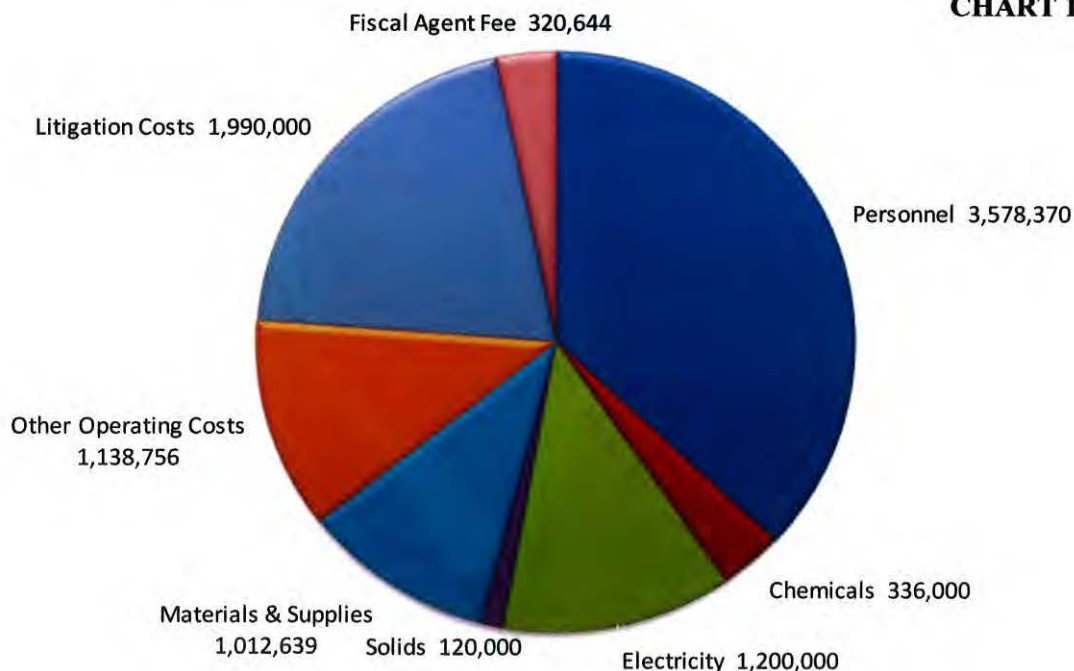
The Buckman Direct Diversion adopted budget consists of seven major categories as presented below. These categories are used to track expenditures for reporting and monitoring our available budget balance. In accordance with our BDD Working Capital and Billing policy, any budget adjustment requests between major categories require board approval. Expenditures are generally recorded when a liability is incurred and are reported in BDD's main enterprise fund.

PARTNER SHARE OF ADOPTED FISCAL YEAR 2020 OPERATING BUDGET

TABLE B

Expenditure by Category:	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>Las Campanas (Club)</u>	<u>Las Campanas (Coop)</u>	<u>Federal/ Unrestricted Funds</u>	<u>Total</u>
Personnel	\$ 2,540,361	\$ 865,612	\$ 119,281	\$ 53,116	\$ -	\$ 3,578,370
Electricity	919,722	226,620	50,193	3,465	-	1,200,000
Chemicals	267,557	68,443	-	-	-	336,000
Solids	95,444	24,556	-	-	-	120,000
Materials & Supplies	661,037	227,799	40,869	17,934	65,000	1,012,639
Other Operating Costs	747,431	253,640	40,618	1,067	96,000	1,138,756
Litigation Costs	1,426,233	457,899	105,868	-	-	1,990,000
Fiscal Agent Fee	229,806	73,780	17,058	-	-	320,644
Total	6,887,591	2,198,349	\$ 373,887	\$ 75,582	\$ 161,000	\$9,696,409
PNM Solar Rebates	(95,556)	(24,444)				
Total	\$ 6,792,035	\$ 2,173,905				

CHART 1





Budget Summary & Highlights

In Fiscal Year 2020, the BDD will be in its ninth year of operations. This major milestone was a prime consideration in our analysis of costs. The BDD also uses yearly volumetric flow predictions provided by each partner for our variable and project wide allocation of expenditures.

The BDD has actively collaborated with its partners on the development of this budget and with their support; we present the Fiscal Year 2020 budget request with the following changes:

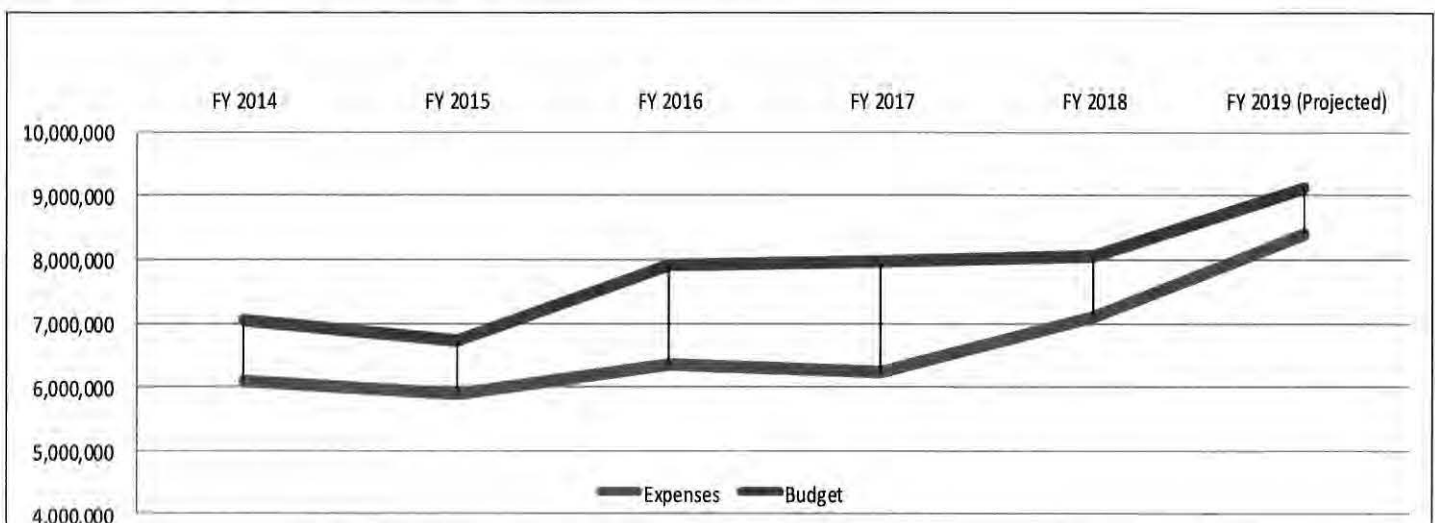
- The annual operating budget for fiscal year 2020 is \$9,375,765 plus the fiscal agent fee of \$320,644, which represents 4.5% of the prior year's annual operating budget, not to include litigation cost, as per the amended Facility Operations and Procedures Agreement (FOPA).

Closing the gap between actual expenditures and budget was considered in the development of the annual operating budget request. This will continue to be factor, to ensure funds are properly allocated to our budgeted line items.

- Fiscal Year 2016 Actual Expenditures \$6,361,582 (with 7 vacant positions and \$798,668 of unexpended legal fees) which was \$1,541,818 lower than our adopted budget.
- Fiscal Year 2017 Actual Expenditures \$6,242,497 (with 6 vacant positions and \$701,988 of unexpended legal fees) which was \$1,724,657 lower than our adopted budget.
- Fiscal Year 2018 Actual Expenditures \$7,112,089 (with 5 vacant positions and \$641,427 of unexpended legal fees) of which \$590,000 was carry forwarded to the FY2019 Adopted Budget.

CUMULATIVE BDD EXPENSES TO ADOPTED BUDGET

CHART 2





Budget Comparisons

Table C presents actual expenses by major category for fiscal year ended June 30, 2018. The change in the fiscal year 2020 operating budget request in comparison to the current 2019 adopted budget, which is an increase of 13% and is primarily due to the following:

- Salaries and Benefits - \$31,760 due to 2% Union increase.
- Materials & Supplies - \$193,204 projected increase due to final phase of Security System Upgrade project, and purchase of a new utility vehicle with attachments.
- Other Operating Costs - \$60,000 for the SQL/Access Server Database Upgrade.
- Litigation Costs – projected increase of \$890,000

The BDD staff will continue to work with its partners, the City of Santa Fe, Santa Fe County and Las Campanas entities, in determining the costs and funding needed to ensure BDD properly operates and maintains the facilities to meet the demands of its partners.

BUCKMAN DIRECT DIVERSION OPERATING BUDGET

TABLE C

	FY 2018 Adopted Budget	FY 2018 Unaudited Actual 6/30/18	FY 2018 Variance \$ (Under) / Over Budget	%	FY 2019 Adopted Budget	FY 2020 Proposed Budget	\$ Change FY 2020 vs FY 2019	%
Revenues/Reimbursements by Fund:								
Partner Reimbursements	\$ 7,809,127	\$ 6,843,869	\$ (965,258)	88%	\$ 8,328,624	\$ 9,415,409	\$ 1,086,785	13%
PNM Solar Rebates	142,760	178,164	35,404	125%	120,000	120,000	-	0%
Federal Funds	96,000	90,056	(5,944)	94%	96,000	96,000	-	0%
Unrestricted Fund Bal	-	-	-	0%	-	65,000	65,000	100%
Total	\$ 8,047,887	\$ 7,112,089	\$ (929,854)	88%	\$ 8,544,624	\$ 9,696,409	\$ 1,151,785	13%
Expenditures by Category:								
Personnel Salaries	\$ 2,196,994	\$ 2,057,692	\$ (139,302)	94%	\$ 2,222,850	\$ 2,254,610	\$ 31,760	1%
Overtime	150,000	162,137	12,137	108%	150,000	150,000	-	0%
Benefits	1,189,600	1,094,575	(95,025)	92%	1,198,823	1,173,760	(25,063)	-2%
Electricity	1,108,000	1,150,726	42,726	104%	1,200,000	1,200,000	-	0%
Chemicals	375,000	384,028	9,028	102%	336,000	336,000	-	0%
Solids	120,000	91,562	(28,438)	76%	120,000	120,000	-	0%
Materials & Supplies*	714,802	719,559	4,757	101%	819,435	1,012,639	193,204	24%
Other Operating Costs*	1,089,224	988,970	(100,254)	91%	1,078,756	1,138,756	60,000	6%
Litigation Costs	1,025,384	383,957	(641,427)	37%	1,100,000	1,990,000	890,000	81%
Total	7,969,004	7,033,206	(935,798)	88%	8,225,864	9,375,765	1,149,901	14%
Fiscal Agent Fee	78,883	78,883	-	0%	318,760	320,644	1,884	1%
Total	\$ 8,047,887	\$ 7,112,089	\$ (935,798)	88%	\$ 8,544,624	\$ 9,696,409	\$ 1,151,785	13%
* See Table C-1 and C-2 for a detailed summary of Major Category Costs								

**BDD Materials & Supplies Detailed Summary****TABLE C-1**

<u>Description</u>	<u>Amount</u>	<u>Total</u>
Repair & Maintenance Building / Structures - sprinkler, fire alarm, plumbing	26,400	
On-Call HVAC Service Agreement	50,000	
Total		\$ 76,400
Repair & Maintenance System Equipment		
General maintenance, repairs and replacement to water system facilities	176,150	
Hach Service Agreement - Yearly calibration of instrumentation	38,000	
Eaton Service Agreement - VFD Troubleshooting	10,000	
Yukon & Assoc - On-call process instrumentation and control systems	5,000	
Wunderlich-Malec - On-call SCADA & computer networking	15,000	
Great Southwest Meters- Annual meter calibration and inspection	10,000	
Subsurface Contracting - On-call repair and replacement to water systems	43,000	
Alpha Southwest - On-call services mechanical & electrical	54,000	
Automation & Electric - On-call SCADA support, software, programming	33,000	
Positive Energy - Maintenance and service of BS2A Solar Array	6,000	
Total		\$ 390,150
Repair & Maintenance Grounds/Rd - Landscaping agreements		35,000
Repair & Maintenance Machine & Equipment -Copiers, machinery & equipment		35,200
Operating Supplies -Field supplies maintenance/operations		68,500
Auto Parts, Tires, Gasoline & Diesel - Fleet maintenance of vehicles		20,000
Inventory Exempt / IT - Small tools, radios, and phase III replacement of computers		22,189
Uniforms (\$500 clothing, \$200 boots = \$700 per employee)		20,000
Safety Supplies - First aid, protective gear, safety guides, periodicals		10,000
Capitalized Equipment - utility vehicle w/attachments		65,000
Equipment - Outdoor water dispenser (public outreach program)		4,200
Data Processing - Phase IV server replacement for SCADA		16,000
System Equipment - Security system upgrades and repairs (Access Control Panel)		250,000
Total		\$ 546,089
Total Materials & Supplies Category		\$ 1,012,639

**BDD Other Operating Costs Detailed Summary****TABLE C-2**

<u>Description</u>	<u>Amount</u>	<u>Total</u>
Agreements		
BDDDB Insurance Broker/Agent	9,500	
Chavez Security - provides facilities patrol along Buckman road corridor	194,200	
Stenographer Agreement - BDD Board meetings	4,000	
USDA Collection Agreement - Federal law enforcement	15,000	
USGS Operation and maintenance agreement of sediment and stream gage	52,694	
BDDDB Independent counsel	108,438	
Consultant for Technical Assistance	50,000	
Compliance Agreements -TREAT Study analysis	30,000	
Compliance Agreements -Stormwater sampling (Federal program)	120,000	
Compliance Agreements -Drinking water, solids analysis	20,000	
Compliance Agreements -Annual fire inspection and compliance	9,000	
Audit professional services agreement	7,000	
BDD Board - Public liability and real property insurance premiums	134,928	
SQL Server Database Upgrade	60,000	
Land Leases - BLM right of way agreements	71,756	
Total		\$ 886,516
Benefits Dept. Assessments - City Benefits Assessment Fees		9,712
General Liability Dept Assessments - City Risk Assessment Fees		9,464
General Liability Third Party - Crime Liability Assessment Fees		71,000
Public Relations - tours, outreach, promotions, website, virtual tour		13,650
Software/Software Subscriptions- Software support and upgrades		39,682
Employee Training - Safety, training, education, travel, dues & registrations		26,032
Advertising - Job postings, RFP bids		2,000
Office Supplies - General office supplies		7,000
Postage & Mailing Services - Delivery of water samples, correspondence		3,700
Utilities - Cell phones, landlines, data, website, satellite phone, natural gas, fees		70,000
Total		\$ 252,240
BDDDB Litigation Costs		\$ 1,990,000
Total Other Operating Costs Category		\$ 3,128,756



Budget Fixed & Variable Costs Analysis

The BDD's annual operating budget consists of fixed, variable and project-wide costs. These costs are allocated by percentages contained in the Facility Operations and Procedures Agreement (FOPA). This budget was adopted with the following cost sharing principles.

Cost Sharing					TABLE D
<u>Fixed</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>Las Campanas (Club)</u>	<u>Las Campanas (Coop)</u>	<u>Total</u>
Shared Facilities (CCL)	62.09%	25.61%	5.37%	6.93%	100.00%
Separate Facilities (CC)	75.33%	24.67%	0%	0%	100.00%
<u>Project Wide</u>					
Projected Volumetric Flow (PW)	71.67%	23.01%	5.32%	0.00%	100.00%
<u>Variable</u>					
Projected Volumetric Flow (CCL)	71.67%	23.01%	5.32%	0.00%	100.00%
Projected Volumetric Flow (CC)	79.63%	20.37%	0.00%	0.00%	100.00%

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

Volumetric Flow History and FY 2020 Predictions

TABLE E					
<u>Volumetric Flow</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>LC (Raw Water) via County</u>	<u>Las Campanas (Raw Water)</u>	<u>Total Diverted</u>
<u>(Af)</u>					
FY 2015	3,565.50	1,051.72	418.32	139.01	5,174.55
FY 2016	4,127.74	1,077.23	374.33	165.14	5,744.44
FY 2017	3,896.60	1,156.87	273.60	297.73	5,624.80
FY 2018	4,397.40	1,147.92	343.38	260.61	6,149.30
<i>FY 2019</i>	<i>4,582.90</i>	<i>1,177.68</i>	<i>300.00</i>	<i>325.63</i>	<i>6,386.21</i>
<i>FY 2020</i>	<i>4,573.69</i>	<i>1,169.67</i>	<i>298.75</i>	<i>339.29</i>	<i>6,381.40</i>
<i>FY 2020 %</i>	71.67%	18.33%	4.68%	5.32%	100%

% Percentage is used in calculation of partner share (CCL) of variable costs & project wide

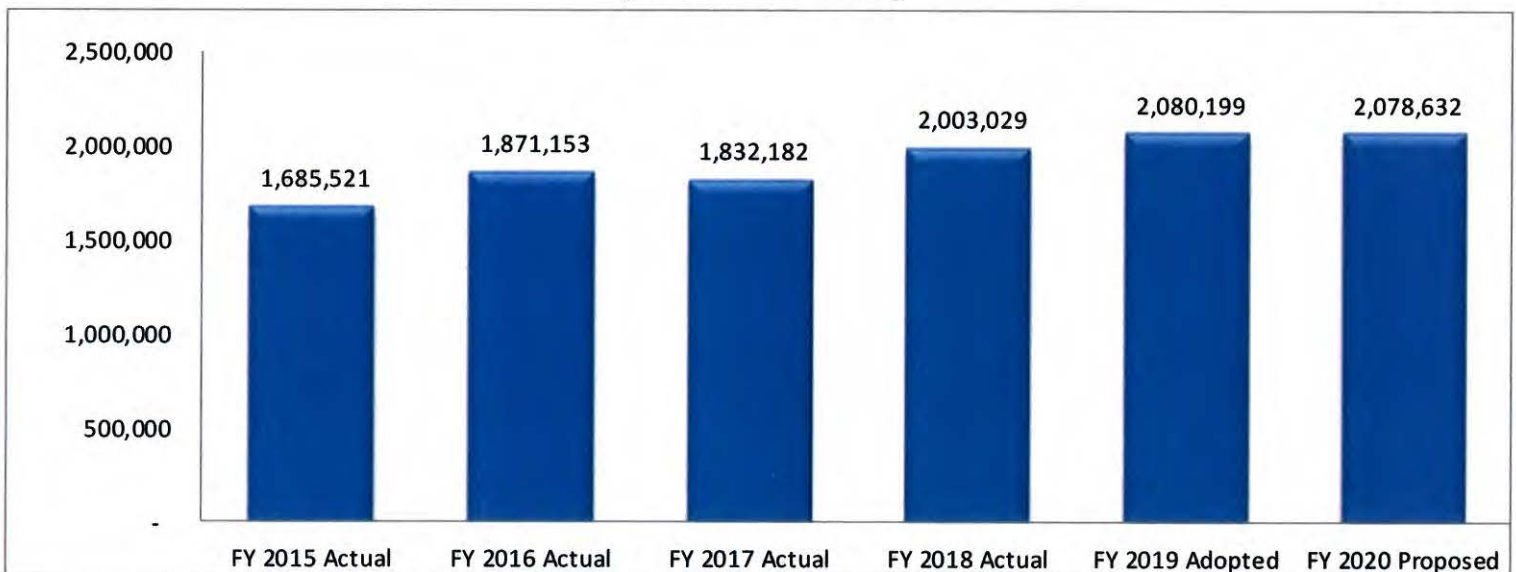


Volumetric Flow History

BDD has completed a budget analysis for fiscal year 2020, which includes volumetric predictions of 2,078,632 gallons. This is an estimated .08% decrease in water delivery thru BDD over fiscal year 2019 predicted water call. The BDD will continue to work with the partners to adaptively manage BDD water deliveries to meet changes in partner demands.

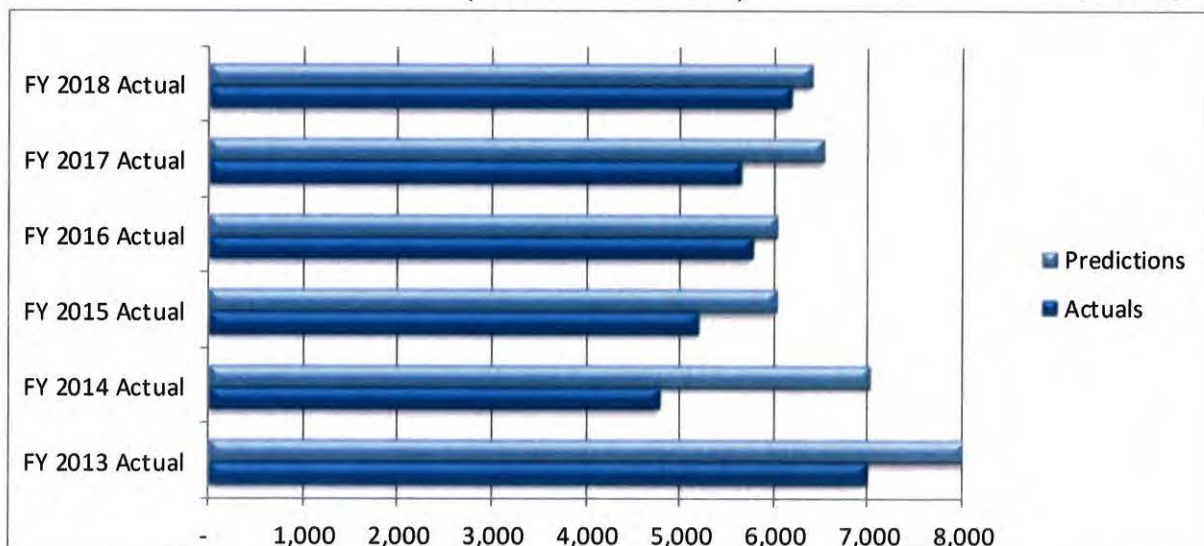
Total gallons delivered in 1,000's
(Includes raw water)

CHART 3



Total gallons delivered vs. volumetric predictions
(Includes raw water)

CHART 4





Cost Analysis

BDD's budget development utilizes several complex cost accounting models to determine solids management, electricity, and chemical costs, which make-up 17% of the total fiscal year 2020 approved budget. Variable costs are associated with the amount of water delivered and are closely related to raw water quality. Raw water carrying elevated levels of solids require increased chemical dosing, create increased maintenance activities, and result in greater solids management costs. Electricity costs are directly influenced by varying on-peak and off-peak rates.

Cost Analysis

TABLE F

	FY 2019 Adopted Budget	FY 2020 Proposed Budget*	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Total
Expenditures							
Chemical Expenditures	\$ 336,000	\$ 336,000	\$ 267,557	\$ 68,443	\$ -	\$ -	\$ 336,000
Solids Expenditures	120,000	120,000	95,444	24,556	-	-	120,000
Electric Expenditures	1,076,535	1,080,000	824,166	202,176	50,193	3,465	1,080,000
All Other Expenditures	6,735,681	7,879,409	5,604,868	1,878,730	323,694	72,117	7,879,409
Total Operating Expenditures	\$ 8,268,216	\$ 9,415,409	\$6,792,035	\$2,173,905	\$ 373,887	\$ 75,582	\$9,415,409
Operational Costs							
Total gallons raw water	203,788	207,831	-	97,313	110,518	-	207,831
Total Cost per 1,000 gallons	\$ 2.59	\$ 2.69		\$ 2.42	\$ 2.93	\$ -	
Electric Cost per 1,000 gallons	\$ 0.45	\$ 0.44		\$ 0.43	\$ 0.45	\$ -	
Total gallons finished water	1,876,410	1,870,801	1,489,801	381,000	-	-	1,870,801
Total Cost per 1,000 gallons	\$ 4.12	\$ 4.73	\$ 4.56	\$ 5.09	\$ -	\$ -	
Electric Cost per 1,000 gallons	\$ 0.52	\$ 0.53	\$ 0.55	\$ 0.42	\$ -	\$ -	
Solids Cost per 1,000 gallons	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ -	\$ -	
Chemical Cost per 1,000 gallons	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ -	\$ -	
Monthly Average Costs	\$ 689,018	\$ 784,617	\$ 566,003	\$ 181,159	\$ 31,157	\$ 6,299	\$ 784,617
*Excludes Federal Funds (\$96,000), PNM Solar Rebates (\$120,00) and Fund Balance (\$65,000)							



Programs

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

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

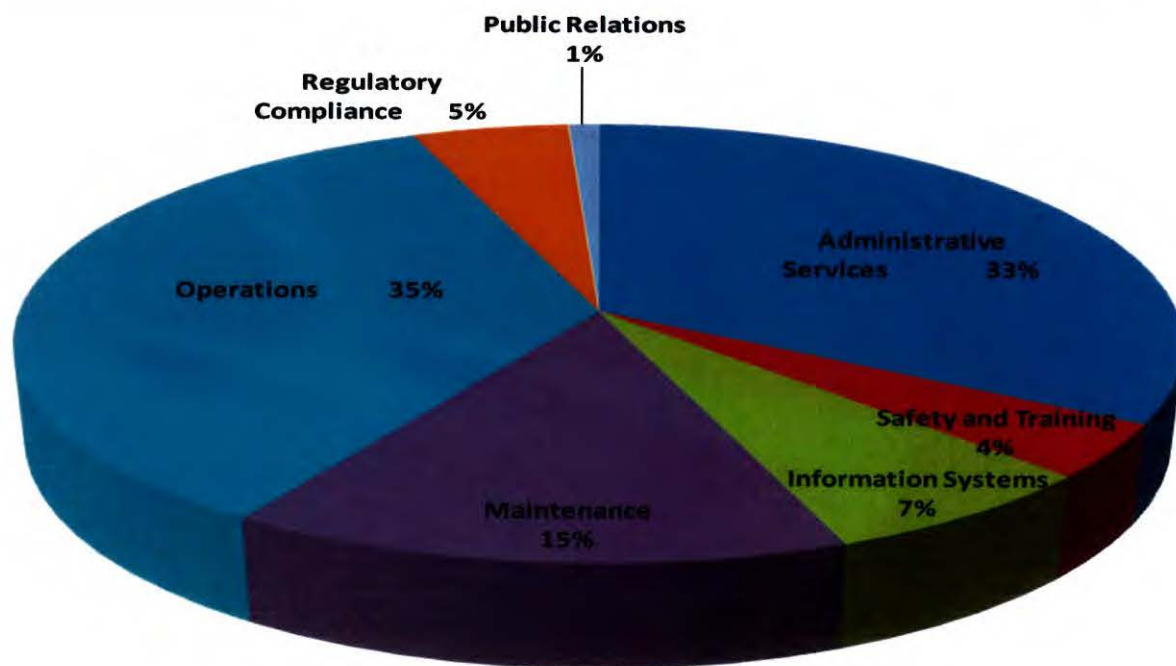
The BDD is divided into seven (7) key programs with explicit business functions as shown in Table G. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the water treatment plant, maintain full regulatory compliance,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



TABLE G

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

CHART 5





Program Budget Comparison

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

Strategic Goals – Supported by program resources

- ✦ **Operations** – To ensure the highest standard of water quality, using the most efficient and up to date water production methods.
- ✦ **Regulatory** – To maintain and improve LANL/DOE monitoring program and renew NPDES Permit.
- ✦ **Maintenance** – To equip the staff with the tools and equipment to efficiently and effectively maintain and repair the assets of the BDD.
- ✦ **Safety & Training** – To promote and assure workplace safety and health in preventing workplace injuries.
- ✦ **Administrative Services** – To operate and maintain the BDD within budget and in accordance with the governing documents.
- ✦ **Information Systems** – To maintain and support all automation and security systems, including security camera replacements.
- ✦ **Public Relations** – To coordinate, create and support key events for the BDD outreach program.

BDD Annual Operating Budget – by Program

TABLE H

	FY 2018 Adopted Budget	FY 2018 Actuals 06/30/2018	Variance \$ (Under) or Over Budget	FY 2019 Adopted Budget	FY 2020 Proposed Budget	\$ Change FY 2019 vs FY 2018
Expenditures by Program:						
1. Operations (16 FTE)	\$3,454,635	\$ 3,234,912	\$ (219,723)	\$3,388,222	\$ 3,398,845	\$ 10,623
2. Regulatory Compliance (2 FTE)	422,948	503,653	80,705	482,462	476,552	(5,910)
3. Maintenance (9 FTE)	1,272,147	1,158,696	(113,451)	1,340,872	1,439,561	98,689
4. Safety and Training (1 FTE)	307,167	304,892	(2,275)	309,084	346,587	37,503
5. Administrative Services (4 FTE)	2,022,908	1,314,297	(708,611)	2,071,697	2,948,410	876,713
6. Information Systems (2 FTE)	401,059	430,116	29,057	538,789	674,793	136,004
7. Public Relations (1 FTE)	88,140	86,640	(1,500)	94,738	91,017	(3,721)
Total Expenditures (35 FTE)	7,969,004	7,033,206	(935,798)	8,225,864	9,375,765	1,149,901
Fiscal Agent Fee	78,883	78,883	-	318,760	320,644	1,884
Total	\$8,047,887	\$ 7,112,089	\$ (935,798)	\$8,544,624	\$9,696,409	\$ 1,151,785



Emergency Reserve Fund (ERF)

The Project Management and Fiscal Services Agreement, Article 3. (E.) requires the BDD Board create an Emergency Reserve Fund, and establish procedures for its management. The Emergency Reserve Fund provides immediate reserves for unforeseen or catastrophic infrastructure failures that render facilities unable to deliver water at the needed capacity. The Project Manager, in consultation with the partners, must submit to the BDD Board an analysis of the funds required for an emergency reserve and suggest procedures for creation of and management of the Emergency Reserve Fund.

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

Emergency Reserve Fund Balance

TABLE I

Emergency Fund	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Fund Balance at June 30, 2018	1,347,979	480,965	130,775	103,777	2,063,495

As of June 30, 2018 the Emergency Reserve Fund was fully funded to its targeted balance of \$2,000,000. As per the BDD Working Capital and Billing Policy, these funds are interest bearing and are allocated to the partners based on the percentage of cash held in their respective accounts at the end of each fiscal year.



Major Repair and Replacement Fund (RRF)

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

The BDD Board has authorized expenditures of \$617,870 for repair and replacement of system equipment in accordance with the policy. These authorizations, upon expenditure will reduce the available balance in this fund. The Major Repair and Replacement fund will continue to receive yearly contributions in accordance with the policy.

Major Repair and Replacement Fund Balance

TABLE J

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Balance as of June 30, 2018	1,120,973	389,210	33,118	27,553	1,570,854
2019 Contributions	445,545	156,494	10,769	13,898	626,706
Funds authorized for expenditure	(439,264)	(154,287)	(10,617)	(13,702)	(617,870)
Projected Fund Balance	1,127,254	391,417	33,270	27,749	1,579,690

Major Repair and Replacement Fund Fiscal Year 2019 Contributions

TABLE K

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
2020 Proposed Contributions	445,545	156,494	10,769	13,898	626,706

With the approval of this contribution and no additional authorizations, the fund balance will be \$2,206,396 for fiscal year 2020.

Capital Assets Management

During fiscal year 2018, the BDD staff began work on maintaining our capital asset and replacement system with software upgrades, data verification and vehicle replacement schedule and policy. Our goals and initiatives are to continue to work on development of a multi-year projected asset plan, funding requirements, and related replacement/disposal policy.



Budget Summary

The Buckman Direct Diversion Board has adopted the funding for our Fiscal Year 2020 Operating Budget of \$9,696,409 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund for a total request of \$10,323,115. We appreciate the input and support from our partners and our Buckman Direct Diversion Board Members.

Fiscal Year 2020 Funding Allocation

TABLE L

Funds	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Operating Fund	\$6,792,035	\$2,173,905	\$ 373,887	\$ 75,582	\$ 9,415,409
			PNM Solar Rebate Revenue		120,000
			Federal Funds		96,000
			Unrestricted Fund Balance		65,000
					\$ 9,696,409
Major Repair & Replacement Fund	445,545	156,494	10,769	13,898	626,706
Total Fiscal Year 2020 Request	\$7,237,580	\$2,330,399	\$ 384,656	\$ 89,480	\$ 10,323,115

Memorandum



Buckman Direct Diversion

Date: July 11, 2019
To: Buckman Direct Diversion Board
From: Mackie M. Romero, BDD Financial Manager
Subject: Trade-in of vehicles

ITEM AND ISSUE:

Request for approval to trade-in two vehicles to Power Ford for a total value of \$13,000.00.

BACKGROUND AND SUMMARY:

On November 1, 2018 the Buckman Direct Diversion Board approved the request to purchase two new replacement vehicles, in accordance with the BDD Vehicle Replacement Policy. The two vehicles approved for replacement, were evaluated by Power Ford of Albuquerque for the following trade-in values:

- Asset #55176 – 2011 Ford Ranger 4x4 Super Cab
 - Mileage 42,174
 - Vin # 1FTLR1FE7BPA33406
 - Trade-in Value \$7,000
- Asset #55177 – 2011 Ford Ranger 4x4 Super Cab
 - Mileage 54,581
 - Vin #1FTLR1FE5BPA33405
 - Trade-in Value \$6,000

This request will provide the approval needed to request the City of Santa Fe, as fiscal agent, release vehicle title to Power Ford, 1101 Montano Rd NE, Albuquerque, NM 87107. The trade-in value of the vehicles shall either reduce the purchase price of the new vehicles which is \$69,342 or funds will be deposited into the BDD Major Repair and Replacement Fund.

ACTION REQUESTED:

Staff recommends approval to trade-in two vehicles to Power Ford for a total value of \$13,000.

Approved by BDDB July 11, 2019

Commissioner Anna T. Hamilton, BDDB Chair

