

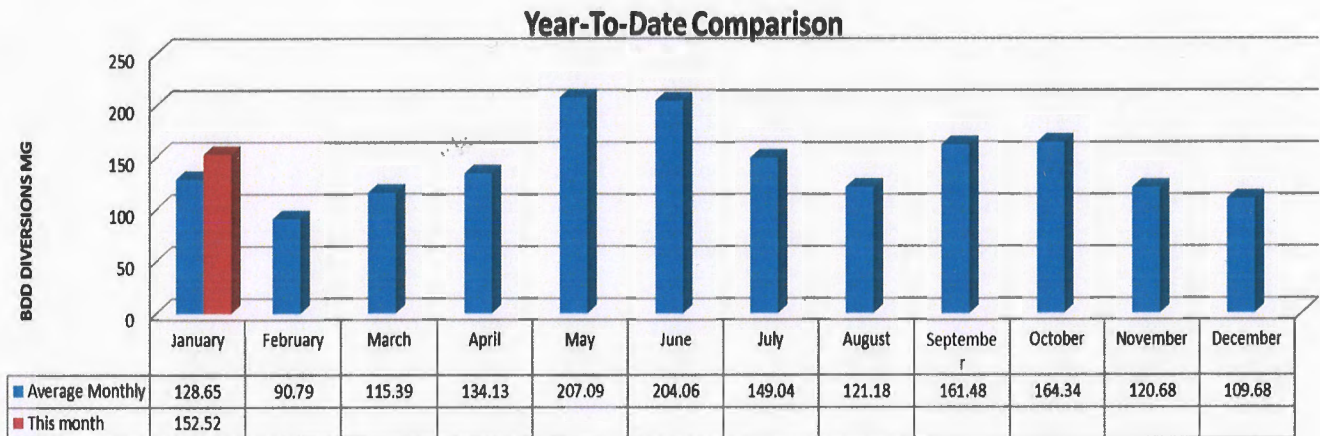


Buckman Direct Diversion

Date: February 6, 2020
To: Buckman Direct Diversion Board
From: Randy Sugrue, BDD Operations Superintendent
Subject: Update on BDD Operations for the Month of January 2020

ITEM:

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of January 2020. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD) as follows:
 - a. Raw water diversions: 4.92 MGD.
 - b. Drinking water deliveries through Booster Station 4A/5A: 4.79 MGD.
 - c. Raw water delivery to Las Campanas at BS2A: 0.0 MGD.
 - d. Onsite treated and non-treated water storage: 0.13 MGD Average.
2. The BDD is providing approximately 80% percent of the water supply to the City and County for the month.
3. Drought Summary.
4. The BDD year-to-date diversions are depicted below:



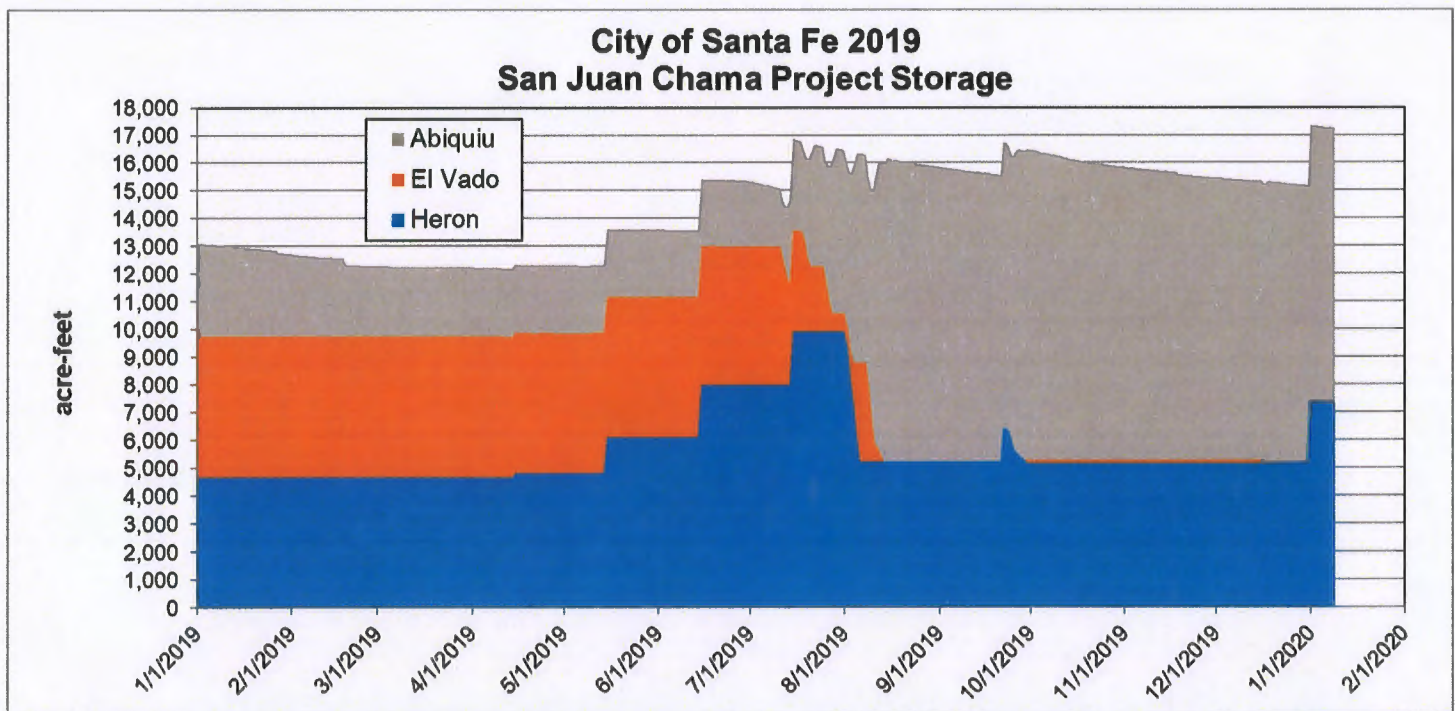


Drought/Monsoon, and Storage

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

ENSO-neutral conditions are present. ENSO-neutral is favored through Northern Hemisphere spring 2020 (~60% chance), continuing through summer 2020 (~50% chance).

Combined storage in Nichols and McClure Reservoirs is 374 acre-feet, or 29.29% of capacity. Rio Grande Compact Article VII storage restrictions are not in effect currently.





Buckman Direct Diversion

Buckman Direct Diversion Monthly SJC and Native Diversions

Jan-20		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	317.095	231.013	0.000	86.083	86.083	0.000	0.811
FEB	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MAR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
APR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MAY	0.000	0.000	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	317.095	231.013	0.000	86.083	86.083	0.000	0.811

In Million Gallons

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversions
JAN	75.248	0.000	27.736	27.736	0.000	102.985
FEB	0.000	0.000	0.000	0.000	0.000	0.000
MAR	0.000	0.000	0.000	0.000	0.000	0.000
APR	0.000	0.000	0.000	0.000	0.000	0.000
MAY	0.000	0.000	0.000	0.000	0.000	0.000
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	75.248	0.000	27.736	27.736	0.000	102.985



Buckman Direct Diversion

Dec-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	546.222	546.222	0.000	0.000	0.000	0.000	0.000
JUL	649.014	23.285	0.000	625.729	519.383	106.345	2.907
AUG	422.340	17.075	0.000	405.265	318.606	86.659	1.912
SEP	518.606	169.956	0.000	348.650	261.901	86.749	1.564
OCT	531.254	15.373	0.000	515.881	477.452	38.429	4.676
NOV	325.023	42.180	0.000	282.843	280.865	1.978	2.936
DEC	334.880	48.808	0.000	286.071	286.071	0.000	2.893
TOTAL	4,744.916	1,744.482	0.000	3,000.434	2,680.275	320.160	24.886

In Million Gallons

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversion
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	177.923	0.000	0.000	0.000	0.000	177.923
JUL	7.585	0.000	201.598	167.635	34.262	209.183
AUG	5.562	0.000	130.586	102.846	27.974	136.148
SEP	55.360	0.000	112.401	84.384	28.017	167.762
OCT	5.008	0.000	166.279	154.168	12.409	171.287
NOV	13.739	0.000	91.045	90.407	0.638	104.785
DEC	15.899	0.000	92.109	92.109	0.000	108.008
TOTAL	568.235	0.000	965.760	863.292	103.299	1,533.995



Buckman Direct Diversion Monthly SJC and Native Diversions

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	383.578	77.954	0.000	305.624	305.624	0.000	2.708
FEB	343.467	75.227	0.000	268.240	268.240	0.000	2.415
MAR	363.780	267.512	0.000	96.268	96.268	0.000	4.036
APR	662.407	569.253	0.000	93.154	93.154	0.000	3.898
MAY	941.240	209.538	0.000	731.702	615.366	116.336	8.171
JUN	912.903	30.894	0.000	882.009	740.070	141.939	8.707
JUL	905.897	0.000	0.000	905.897	816.188	89.709	4.255
AUG	678.383	1.466	0.000	676.917	676.917	0.000	6.087
SEP	694.411	0.000	0.000	694.411	694.411	0.000	6.404
OCT	608.789	0.000	0.000	608.789	599.228	9.560	5.805
NOV	404.616	82.390	0.000	322.226	316.641	5.585	3.196
DEC	369.186	2.966	0.000	366.220	366.220	0.000	3.392
TOTAL	7,268.656	1,317.200	0.000	5,951.456	5,588.327	363.129	59.073

In Acre-Feet

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	All Partners Diversions
JAN	77.954	0.000	302.916	302.916	0.000	380.870
FEB	75.227	0.000	265.825	265.825	0.000	341.052
MAR	267.512	0.000	92.231	92.231	0.000	359.744
APR	569.253	0.000	89.256	89.256	0.000	658.509
MAY	209.538	0.000	723.531	608.494	115.037	933.069
JUN	30.894	0.000	873.302	732.764	140.538	904.196
JUL	0.000	0.000	900.737	811.539	89.198	900.737
AUG	1.466	0.000	670.830	670.830	0.000	672.295
SEP	0.000	0.000	688.007	688.007	0.000	688.007
OCT	0.000	0.000	602.984	593.515	9.469	602.984
NOV	82.390	0.000	319.030	313.500	5.530	401.420
DEC	2.966	0.000	362.829	362.829	0.000	365.794
TOTAL	1,317.200	0.000	5,891.477	5,531.706	359.772	7,208.677



Buckman Direct Diversion

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 Diversion
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: February 6, 2020
To: Buckman Direct Diversion Board
From: Mackie Romero, BDD Financial Manager 
Subject: 2nd Quarter Financial Statements

Information Item:

This report is to update the BDD Board and its partners on the 2nd quarter financial position as of December 31, 2019.

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

- Beginning Budget – FY19/20 Adopted Budget includes any budget adjustments.
- Expended – Expenditures for services and/or goods received as of 12/31/2019.
- Encumbrances – Executed purchase orders for goods and services.
- Projected – Projected salary and benefits as currently staffed, pending requisitions and or contracts to be executed within the fiscal year.
- Available Balance – Represents vacancy savings and uncommitted budget balance.
- Percentage – Represents percentage of projected expended budget balance.

90 Day Cash Reserve Credit – Represents the partners cash reserve credit, which is used to fund current and future obligations as per the BDD Working Capital and Billing Policy.

Fixed & Variable Costs – Expenses to be billed to our partners for services and/or goods received as of December 31, 2019. Billing for project wide costs and variable cost have been allocated based on estimated water usage.

Other Funds - Major Repair & Replacement and Emergency Reserve Fund monthly contributions, cash balances and budget overview of funds authorized by the BDDB for expenditure.

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

If you require any additional information to be included in this report, please contact me.





2nd Quarter Financial Statement – Operations (07/01/2019-12/31/2019)

Budget Overview

CATEGORY	BEGINNING BUDGET	EXPENDED 1st Quarter	EXPENDED 2nd Quarter	ENCUMB Thru 12/31/2019	PROJECTED Thru 6/30/2020	TOTAL	BALANCE AVAILABLE	EXP BDGT %
Employee Salaries & Benefits	2,404,610	401,184	454,451	-	1,177,417	2,033,052	371,558	85%
Electricity	1,173,761	186,326	188,384	-	668,127	1,042,837	130,924	89%
Chemicals	1,200,000	227,804	178,789	793,407	-	1,200,000	-	100%
Solids	336,000	109,020	72,231	-	154,749	336,000	-	100%
Materials & Supplies	44,500	24,122	9,738	-	10,640	44,500	-	100%
Other Operating Costs	962,639	34,773	133,246	217,802	294,062	679,883	282,756	71%
Litigation Costs	1,168,255	281,975	193,406	386,341	227,090	1,088,812	79,443	93%
Fiscal Agent Fees	1,990,000	-	1,066,127	923,873	-	1,990,000	-	100%
TOTAL	320,644	-	-	-	320,644	320,644	-	100%
DOE Federal Grant	96,000	-	52,465	43,535	-	96,000		100%

Total Expenses thru 12/31/2019 3,614,041

90-Day Cash Reserve Credit

	Balance
City of Santa Fe	1,674,748
Santa Fe County	536,031
LC - Club	92,191
LC - Coop	18,637
	<u>2,321,607</u>

Fixed & Variable Cost – Operations

July - September	Total	Fixed	Variable (Projected)	Project Wide (Projected)
Partner Revenue				
City of Santa Fe	2,368,546	683,514	344,034	1,340,998
Santa Fe County	1,035,609	240,015	195,147	600,447
LC - Club	118,657	16,852	41,761	60,045
LC - Coop	21,748	21,748	-	-
Total	3,544,561	962,129	580,941	2,001,490
Other Revenue				
PNM Solar Rebate	17,015			
DOE Federal Grant	52,465			
Total	69,480			
Grand Total	3,614,041			





2nd Quarter Financial Statement – Other Funds (07/01/2019-12/31/2019)

Pre-Bills – Major Repair & Replacement Fund (Yearly Contribution)

	Total	City of SF	SF County	Las Campanas Coop	Las Campanas Club
Major Repair Fund	626,706	445,545	156,494	13,898	10,769
	626,706	445,545	156,494	13,898	10,769

Financial Position - Cash

	*Emergency Reserve	Major Repair
Balance at 06/30/2019	2,063,495	1,791,227
19/20 Yearly Contributions - Pending	-	626,706
Total	2,063,495	2,417,933
Beginning Budget		645,147
Projected Cash Balance		1,772,786

* Emergency Reserve Fund has reached the funding target, per the established policy.

Budget Overview – Major Repair and Replacement Fund

CATEGORY	FY19/20 BUDGET	EXPENDED 1st Quarter	EXPENDED 2nd Quarter	ENCUMB Thru 12/31/2019	BALANCE AVAILABLE
Engineering Services	40,000	-	-	40,000	-
System Equipment	605,147	-	370,971	234,176	-
TOTAL	645,147	-	370,971	274,176	-



Memorandum



Buckman Direct Diversion

Date: February 6, 2020

To: Buckman Direct Diversion Board

From: Rick Carpenter, Interim BDD Facilities Manager *rc*

Subject: 2020 Annual Operating Plan

ITEM AND ISSUE:

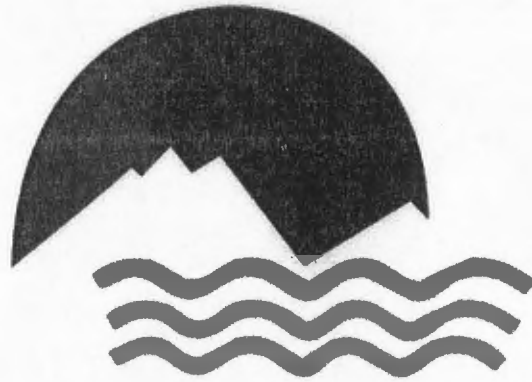
The Buckman Direct Diversion's 2020 Annual Operating Plan

BACKGROUND AND SUMMARY:

The primary purpose of this Annual Operating Plan (AOP) is to collect and summarize the projected wholesale water delivery orders of the City of Santa Fe, Santa Fe County, and The Club at Las Campanas, collectively called the BDD Partners, for the 2020 calendar year. Additionally this AOP sets forth specific procedures and coordination requirements among the BDD Facilities Manager, the BDD Project Manager and BDD Operations. This communication pertains to water orders, water deliveries, water use accounting, water rights, and limitations on diversion for compliance with legal conditions.

The Facility Operations and Procedures Agreement (FOPA), Section 27 requires each BDD Partner to provide its projected daily, weekly, and monthly projected water orders for the upcoming year. The BDD Facilities manager will then distribute the draft AOP containing a delivery schedule with all of the partners' projected water delivery orders and associated procedures to the BDD partners for review and comment by December of each year. The calendar year is the period covered by the AOP to correspond to annual state administration of water rights.





Buckman Direct Diversion

2020 Annual Operating Plan

**BUCKMAN DIRECT DIVERSION
2020 Annual Operating Plan**

Introduction

The Buckman Direct Diversion (BDD) has continued to successfully operate and produce high quality drinking water for the citizens of Santa Fe and Santa Fe County since beginning operations in 2011.

The primary purpose of this Annual Operating Plan (AOP) is to collect and summarize the projected wholesale water delivery orders of the City of Santa Fe (City), Santa Fe County independent water utility (County), and the Club of Las Campanas, Inc. (CLCI), collectively called the BDD Partners, for calendar year 2020. Additionally, this AOP sets forth specific procedures and coordination requirements among the BDD Facilities Manager, the BDD Support Entity, City of Santa Fe (SE), and the BDD Partners pertaining to water orders, water deliveries, water use accounting, water rights, and limitations on diversions for compliance with legal conditions. The intergovernmental agreements designate the City of Santa Fe as the Support Entity through December 1, 2020.

The Facility Operations and Procedures Agreement (FOPA) at Section 27 requires each BDD Partner to provide its projected daily, weekly, and monthly project water orders for the upcoming year by October 1 of each year. The BDD Facilities Manager, as agent of the SE, will distribute the draft AOP containing a draft delivery schedule with all of the Partners' projected water delivery orders and associated procedures to the BDD Partners for review and comment by December 1 of each year. The calendar year is the period covered by the AOP to correspond to annual state administration of water rights.

Policy direction with regard to the AOP is limited to the following items:

1. Status and approval of the Annual Operating Plan. The BDD Facilities Manager will draft and finalize an AOP and will submit it to each partner for review and comment. The AOP subject matter is limited to water orders and the technical and legal requirements of placing orders, assuring diversions complying with water rights and Endangered Species Act requirements, and accounting for diversions and deliveries of water. It does not establish any new authorities or governance policies and therefore will not be submitted for BDD Board Approval. The final version will be approved by signature of an authorized official of each Partner and the BDD Facilities Manager. It may be amended as needed and as agreed. Amendment requires the same four signatures of approval.
2. Water Rights. The BDD Intergovernmental Agreements require that each BDD Partner own and maintain valid water rights to support its orders for diversion and delivery of its water by the BDD. It is important this structure is literally implemented by the BDD Partners such that the BDD Facilities Manager can rely on the Partners to assure that water is legally available for daily diversion in amounts to meet water orders.

BDD Partners 2020 Water Delivery Orders

In accordance with the Project Management and Fiscal Services Agreement (PMFSA) at 6.F., the BDD Facilities Manager requested 2020 water orders from each BDD Partner.

Table 1 provides data regarding the BDD Partners' monthly water orders for 2020 in million gallons (MG) and acre-feet (Ac-Ft).

2020 Buckman Direct Diversion (BDD) Partners' Water Requests

	Santa Fe County	Club Las Campanas (via County)	Club Las Campanas SJC/Native	City of Santa Fe	Total	
					MGD	Acre-ft/year
Jan	0.80	0.05	0.00	2.90	3.75	11.51
Feb	0.90	0.05	0.10	3.00	4.05	12.43
Mar	0.90	0.25	0.20	3.00	4.35	13.35
Apr	0.90	0.35	0.25	3.50	5.00	15.35
May	1.30	0.35	0.75	4.00	6.40	19.65
Jun	1.70	0.35	0.75	5.50	8.30	25.48
Jul	1.80	0.35	0.55	3.00	5.70	17.50
Aug	2.20	0.32	0.35	3.50	6.40	19.65
Sep	1.70	0.35	0.25	6.50	8.80	27.02
Oct	1.50	0.30	0.10	4.90	6.80	20.88
Nov	1.00	0.15	0.00	4.20	5.35	16.42
Dec	0.80	0.10	0.00	4.00	4.90	15.04
Million Gallons Per Year						Acre-ft/year
Annual Total	473.40	91.70	110.85	1,462.30	2,128.25	6,533.73

Figure 1 illustrates the BDD Partners' 2020 water delivery requests per month.

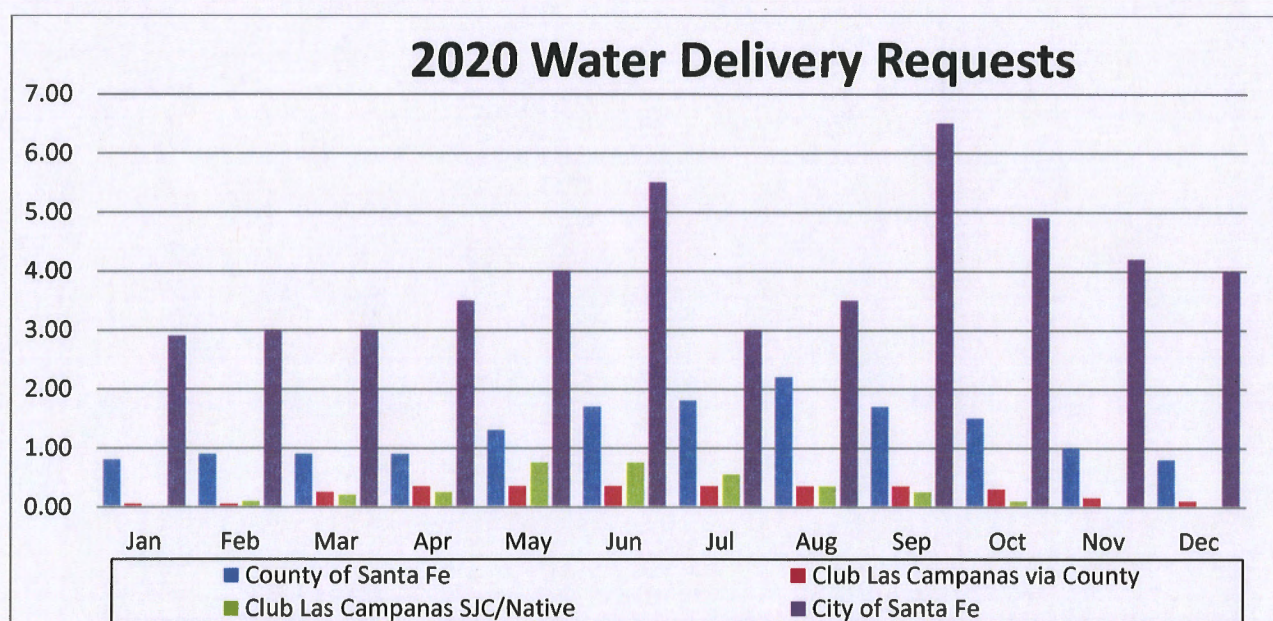
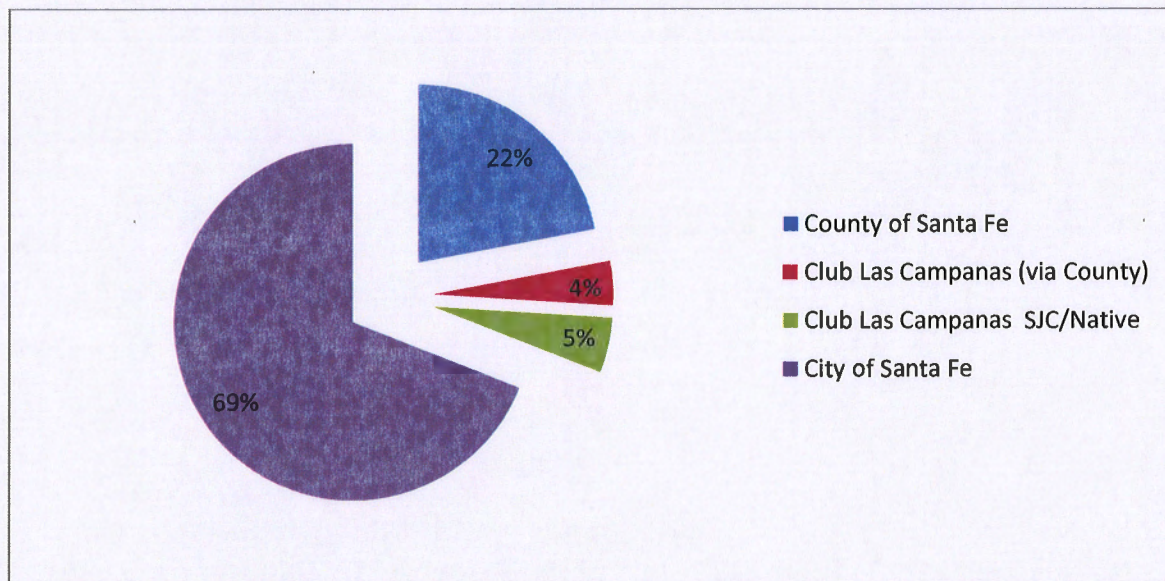


Figure 2 illustrates the BDD Partners' 2020 water delivery requests per year.



Additional Purposes of this Annual Operating Plan

This ninth year of BDD operations the AOP will address normal operations, unique issues associated with the complex new project's operation, as well as unforeseen and/or one-time need for issues. The BDD Facilities Manager and partners undoubtedly will have to resolve other issues in order for the BDD to fulfill and properly account for Partners' wholesale water delivery orders in 2020 and to provide needed operational flexibility to meet the BDD purposes.

The remainder of this 2020 AOP individually addresses the following topics:

1. BDD Purposes and Adaptive Management to Meet the Partners' Changes to their Orders
2. BDD Facilities Manager Acceptance of LCLP Water Delivery Order
3. Water Rights:
 - a. Description of Partners' Water Rights
 - b. Roles and Responsibilities of Partners Regarding Water Rights
 - c. Native Water Rights Diversion Compliance with the Endangered Species Act
 - d. San Juan-Chama Project Orders, Reservoir Releases Calls and Reconciliation with Actual Use
4. Water Delivery Metering and Accounting
5. Fiscal Responsibilities
6. Adjustment of Daily Water Delivery Orders by the Partners to Reflect Actual Utility Demand
7. Non-Delivery of BDD Wholesale Water Supply Due to Uncontrollable Circumstances
8. Operations Features To Conserve Resources
9. Annual Operating Plan Approval

1. BDD Purposes and Adaptive Management to Meet the Partners Changes to their Orders

BDD purposes include supplying all or part of the public water system base load demand, peak production when needed, and providing a reliable and sustainable source of surface water supply to reduce reliance on groundwater resources. To meet the Partners' water demand, this AOP assumes continuous BDD production whenever the BDD is operational.

This AOP recognizes that actual water deliveries by the BDD will deviate from the BDD Partner water orders. While these deviations require active management, adjustments have become part of daily and weekly operating procedures. Deviations may result from BDD facilities shutdowns (planned and unplanned), adjustments to meet monthly delivery targets, adjustments to meet unanticipated demand needs (often due to precipitation or temperature), and/or to allow the City to conserve water in the municipal reservoirs as a pro-active response to drought mitigation.

The BDD will work with the BDD Partners and the BDD Board to adaptively manage BDD water deliveries to meet changes to Partner orders for BDD water deliveries, stay within the approved annual operating budget, and to resolve associated issues and problems.

The City coordinates water deliveries from the BDD with production from its two groundwater well fields and the Canyon Road Water Treatment Plant to provide drinking water to City and County customers, and, when necessary, wholesale deliveries of bulk water to the County. The 2005 Water Resources Agreement between the City and County provides for delivery of up to 1350 acre-feet of wholesale water to the County; the County currently takes delivery of wholesale water when the BDD is not operating. The 2005 Water Resources Agreement also provides for drought protection water for the County under catastrophic conditions. The Las Campanas Homeowners Water Cooperative Association (Water Coop) is a bulk potable water customer of the County; The Club of Las Campanas Inc. (CLCI) is a raw water customer of the County and the BDD.

2. BDD Facilities Manager Acceptance of CLCI Water Delivery Order

In November 2011, the County entered into a Raw Water Supply Agreement with CLCI to provide up to 600 acre-feet of raw water deliveries for CLCI's golf course irrigation. The County agreed to deliver raw water to Booster Station 2A, where CLCI installed pumps, a 12" pipeline, and meters to convey the water to CLCI's facilities. The raw water delivery system is designed to be operated from both the BDD's and CLCI's SCADA systems. CLCI's maximum pump capacity at BS2A is 3.02mgd (2,100 gpm) and the BDD's minimum raw water pump rate is 4.5mgd (3,125 gpm). The BDD and Partners have developed and agreed on a revised operating plan to assure continued raw water supply for CLCI when the BDD is not diverting water from the Rio Grande for other Partners.

CLCI diversified its water rights portfolio in 2014 by leasing 600acft of San Juan-Chama (SJC) water and expects to have 600 acft in 2020. CLCI has an agreement with the City regarding storage at Abiquiu reservoir to make this water readily available. During 2020 CLCI will utilize their own SJC water rights to receive 350 ac-ft. directly through the BDD and the County will provide CLCI with at least 300 ac-ft. of raw water.

BDD, County, and CLCI staff have developed and established operational procedures to provide CLCI with raw water during times when the BRWTP should choose not to accept raw water but the raw

water quality meets the BDD's policy requirements. Currently CLCI has approximately a thirty (30) day supply in onsite storage capacity.

3. Water Rights

A clear delineation of roles and responsibilities assists in the complex management of water rights and water resources aspects of BDD diversions.

While the BDD is responsible for assuring that its diversions comply with all applicable laws and regulations and accounting of water use associated with cost accounting among BDD Partners, it is the BDD Partners' responsibility to maintain valid water rights to support their water orders.

3a. Description of Partner's Water Rights

The City's BDD Water Rights:

In accordance with the BDD Environmental Impact Statement, the City will divert only San Juan-Chama Project water permitted for BDD diversion by State Engineer Permit SP-2847-E. The City's portion of SP-2847-E is for 5,125.4 ac-ft./yr. For 2020, the City could request the State Engineer to divert up to 1,281.35 ac-ft. of additional San Juan-Chama water at the BDD.

The BDD calls for the City's San Juan Chama water from Abiquiu Reservoir; the released water incurs a 1.1% conveyance loss before arriving at the BDD. However, if the Abiquiu Reservoir has been placed into flood operation mode and therefore no San Juan Chama water can be released, the BDD will divert native water and then substitute the water diverted with San Juan-Chama water stored in Abiquiu.

The City's 2020 water delivery orders total 4,572 acre-feet.

The County's BDD Water Rights:

During 2020, the County will be utilizing native Rio Grande water rights (2,713 ac-ft.) permitted under SP-4842, as well as San Juan Chama Project water (367.5 ac-ft.), permitted under SP-2847-E to deliver water to its customers and to the Club Las Campanas.

The County's 2020 water delivery orders total 1,469 acre-feet.

The Club at Las Campanas BDD Water Rights:

The Club will be utilizing a combination of SJC and native water rights and water purchased from the County for diversion at the BDD to be pumped to their pump station at BS-2A. The Club will utilize San Juan Chama Project Water (up to 600 ac-ft.), permitted under SP-284-N-A, as well as 300 ac-ft. of raw water provided by the County.

Las Campanas's 2020 water delivery orders total 650 ac-ft. This is comprised of 300 ac-ft. provided by Santa Fe County and 350 ac-ft. leased San Juan Chama water rights.

3b. Role and Responsibilities of BDD Partners Regarding Water Rights

The BDD intergovernmental agreements identify water rights permitting, permit compliance, and maintenance as the responsibility of each BDD Partner. The Joint Powers Agreement (JPA) requires each Partner to independently provide water rights in good standing to support its water delivery orders. The BDD Board has a specific limitation of authority stated in JPA *Section 9, Limits of Board Authority*:

The BDD Board's authority and duties do not encompass ... acquisition or permitting of use of water rights or contract water rights.

The JPA also says in *Section 14. BDD Capacity Allocation*:

Each entity's diversions shall be based upon its own water right or contract right and each entity is responsible for acquisition and maintenance of its own water rights.

Therefore, the BDD Facilities Manager, in making actual diversions of water from the Rio Grande, directed by the provisions of the JPA, relies on each of the BDD Partners designating and maintaining sufficient water rights in good standing to support all BDD river diversions required to support the Partners' water delivery orders.

The BDD Facilities Manager will not divert water to partially or wholly satisfy a Partner's water delivery order until that Partner has provided a written list of valid water rights, permitted by the State Engineer to the BDD, that are designated and sufficient for that Partner's water delivery order.

Each Partner, by signature of this plan, agrees to immediately notify the BDD Facility Manager and BDD Chief Operator if those diversions would in any way violate any of the requirements and conditions of any supporting water right (s).

The BDD Facilities Manager, with the cooperation of the Project Manager and the BDD Partners, will report diversions and water right use to the Office of the State Engineer monthly.

The BDD Project Manager is responsible for reviewing and tracking the actual use of water and water rights based on BDD-measured diversions, deliveries, and cost accounting.

Each Partner is responsible for accounting use of specific native Rio Grande water rights as specified under the relevant permit conditions.

The BDD Partners have developed an Optimized Annual Accounting Protocol (Attachment B) to meet project permitting requirements and increase efficiencies of water right accounting and BDD Project Operations.

3c. Native Water Rights Diversion Compliance with the Endangered Species Act

The responsibility of complying with Environmental Impact Statement Record of Decision water diversion requirements falls on the BDD Project Manager. Limitations on the BDD diversions include those provided in the Biological Assessment as submitted by the U. S. Forest Service to the U.S. Fish and Wildlife Service. The BDD Partners have agreed to incrementally curtail diversion of native Rio Grande water under low flow conditions to avoid interference with flows maintained by others for

endangered Rio Grande Silvery Minnow habitat. The curtailment is initiated when the 5-day moving average of Rio Grande flows at the Otowi gage, minus San Juan-Chama Project water ordered for diversion by the BDD and the Albuquerque Drinking Water Project, falls below 325 cfs. The Partners', BDD Facilities Manager's, and BDD Project Manager's roles and responsibilities associated with curtailment are delineated below.

- a. The BDD Facilities Manager will notify relevant BDD Partners if curtailment of their native water diversions is anticipated or has been initiated.
- b. If such a low flow curtailment occurs during a period of time when a Partner's native water rights are being diverted, the BDD will curtail that Partner's diversions in accordance with the project-specific regulatory limits (Attachment A). The BDD Facility Manager will rely on details or changes regarding curtailment requirements provided by those Partners who use Native Rio Grande water rights.
- c. Any Partner with a Native Rio Grande water right order, may with the necessary lead time, replace a native water order with an alternate water source, such as San Juan-Chama Project water. In such a case the BDD Facilities Manager, working with the BDD Project Manager, will place the appropriate San Juan-Chama call with the Bureau of Reclamation.

A copy of the BDD's River Diversion Curtailment Protocol is provided in Attachment A.

3d. San Juan-Chama Project Orders, Reservoir Release Calls, and Reconciliation with Actual Use

- a) The BDD will closely coordinate all calls, monthly accounting and reporting associated with San Juan-Chama project water use with the BDD Project Manager.
- b) The BDD will rely on the Partners to maintain valid SJC water rights so that the BDD can divert water to fulfill each partner's water orders in full compliance with all applicable water rights conditions and limitations.
- c) Each Partner will fulfill its responsibilities, pursuant to the BDD intergovernmental and internal Partners agreements, to identify in the annual order when SJC Project water is to be used to support its water delivery orders.
- d) Each Partners will inform the BDD of any modifications to its daily SJC water order a week or at a minimum 2 working days in advance.
- e) BDD Partners will coordinate with the BDD and BDD Project Manager regarding use of their San Juan-Chama Project water at the BDD diversion in the event of native water diversion curtailments. Partners will endeavor to inform the BDD of replacement water sources a week or at a minimum 2 working days in advance.
- f) The BDD, in coordination with the BDD Project Manager, will measure, track and account for BDD Partner SJC use, as needed for cost accounting.
- g) The BDD and the BDD Project Manager will track SJC water use to report monthly water usage to the Office of the State Engineer. This process will include monthly reconciliation between the BDD diversion data and the RG accounting model.

- h) Each BDD Partner, independently, is responsible for reconciling the actual use of SJC Project water based on measured diversions and deliveries, including monthly and annual reconciliation of San Juan-Chama Project water releases from reservoirs against diversions and groundwater offsets. Reconciliation will also address communications with federal agencies and the State Engineer about San Juan-Chama Project storage accounts in reservoirs.

4. Water Delivery Metering and Accounting

All water diverted at the BDD facility is measured through three intake and one sediment/water return meter. Raw water deliveries to CLCI are metered at Booster Station 2A. All BDD facility delivered potable water is pumped and measured through booster pump stations 4A and 5A. Additional delivery meters, some owned by the BDD facility (Wild West, 2 meters; South Meadow 10", 1 meter, South Meadow 18" bi-directional, 1 meter; Airport Road, 1 meter), some master meters owned by the City of Santa Fe (Beckner , 2 meters; Richards, 2 meters; and Agua Fria, 2 meters), and County customer meters (WaterCoop domestic, 1 meter; Aldea/Sunflower, 2 meters, Archeological Building, 1 meter), allow the BDD Facilities Manager, the BDD Project Manager, and the Partners to differentiate between potable water delivered to the County versus the City. It is anticipated that Santa Fe County will install three (3) additional master meters to improve efficiencies in the water accounting. These will include a "West Sector Meter, Campo Conejo Meter and Richards East Meter.

For any given period of time, usually a calendar month, the City drinking water deliveries from the BDD facility are calculated as the balance of the BDD facility finished water pumped through booster pump station 4A and 5A minus water delivered to the County independent water utility, The difference between water diverted and water delivered (non-revenue water) is apportioned to each of the BDD Partners according to their respective percentage delivery within an accounting period (usually a calendar month). Under the current accounting method, all non-revenue water (including line flushing, water for system pressurization, etc.) downstream of the BDD delivery location is absorbed by the City; a more equitable way of sharing in non-revenue water may be considered in the future.

The current roles and responsibilities with respect to water delivery metering and accounting are as follows:

- a. The BDD Facilities Manager will measure all diversions of water. These measurements will be continuous. The flows will be recorded and totaled daily.
- b. The BDD Facilities Manager will read those meters associated with bulk water delivery to each Partner as identified above.
- c. The BDD Facilities Manager will calculate the deliveries of water to the Partners.
- d. The BDD Facilities Manager will report the water use to the OSE and to the Partners monthly.
- e. The BDD Facilities Manager will calculate and report annual BDD water use by Partner.
- f. During times when the BDD cannot meet the County's water order because the BDD is unable to divert water, the County's water orders will be satisfied by the County/City 2005 Water Resources Agreement.
- g. On the day on which the BDD cannot deliver water, the BDD Facilities Manager will read the BDD delivery and the City→ County master meters identified above to distinguish between water delivered to the County by the BDD facility versus other City water supply sources.

5. Fiscal Responsibilities

- a. The BDD will bill the Partners—based on its **actual measured deliveries** of raw and/or drinking water during any billing period—for its share, pursuant to the FOPA Partner cost share requirements, of the **actual** fixed and variable costs of BDD OMR&R during that billing period.

The BDD will bill the City for the water deliveries, including all drinking water that is pumped by the BDD finished water pumps and not delivered to the County via the delivery and master meters. Therefore, BDD may bill the City for more or less water than the City ordered and more or less than the BDD intended to deliver, depending on the accuracies of the County and CLCI water orders with respect to actual County and LCLP water use.

Should the BDD be unable to divert and deliver water, the BDD will provide the Partners with City→ County master meter readings so that the City's Utility Billing Division can bill the County for water delivered under the County/City 2005 Water Resources Agreement.

In order to maintain the financial viability of the BDD facility, Partners will promptly pay for water deliveries.

The Partners will reimburse the BDD facility for the actual monthly costs of BDD operations through a series of advance payments for the budgeted cost of monthly operations followed by reconciliation payments if necessary at the end of each month based on actual monthly costs of BDD facility operations.

CLCI will fully cover all variable costs associated with the delivery of raw water from BS2A to the golf course.

If the Partner water demand during 2020 exceeds the Partner water delivery order, it may be necessary for that Partner to appropriate additional funds to the BDD for the additional water and for the BDD Board to amend its operating budget to incorporate the additional funds necessary to cover additional costs.

For 2020 expenses for raw water deliveries from the diversion structure to BS2A will be addressed as follows:

1. Variable costs for raw water ordered by and delivered to The Club will be billed to The Club.
2. Variable costs for raw water ordered by the County and delivered to the Club will be billed to the County.

6. Adjustment of Daily Water Delivery Orders by the BDD Partners to Reflect Actual Utility Demand

Water demand is not precisely predictable. Spring, summer, and fall actual daily retail customer water demand varies with weather and actual amounts of precipitation prior to and during the demand period. Since the 2020 BDD Partners' actual water demand will vary from their projected daily water delivery orders, the following steps will be taken to adjust and reconcile water delivery orders during 2020.

1. The Support Entity will endeavor to maintain the BDD delivery volume at the amount set forth in the AOP by operating its other sources of supply to accommodate the expected difference between its prior delivery order and its expected actual water demand.
2. The City may adjust its daily delivery order for the subsequent day no later than 3:00 pm each day. If the City changes its daily delivery order, the BDD Facilities Manager will operate the BDD facilities to meet the adjusted daily demand. If the change is significant, the BDD Facilities Manager may adjust the SJC call accordingly.
3. The County will endeavor to adjust its daily delivery orders no more frequently than monthly, following its monthly comparison of its actual monthly demand with the previously projected monthly water delivery orders.

7. Non-Delivery of BDD Wholesale Water Supply Due to Uncontrollable Circumstances

The BDD will be unable to meet its wholesale customers' orders for waters from time to time due to circumstances beyond the control of the BDD Facilities Manager or the BDD Partners. For example, the BDD will not operate when suspended solids concentrations in the Rio Grande exceed a threshold value beyond which continued operation is not possible or in conflict with limits recommended by the BDD Board Engineer, might result in damage due to deposition of sediment within the raw water system, or would result in unacceptably high costs for removal and disposal of solids in the water treatment process. Similarly, the BDD may not operate when the Los Alamos National Laboratory Early Notification System indicates the Rio Grande may be influenced by runoff from Los Alamos Canyon. Raw water storage (up to 8 million gallons) and drinking water storage (up to 4 million gallons) may allow the BDD to continue to supply water for a short period of time following temporary curtailment of river diversions due to river water quality or other reasons.

During periods of BDD inability to fulfill water delivery orders, the City will supply both, its own and, in accordance with the 2005 County/City Water Resources Agreement, the County's potable water demands from stored drinking water and its other sources of water supply up to 1350 acre feet.

8. Operations Features To Conserve Resources

To the extent feasible, raw water pumping will be conducted during PNM electricity 'off-peak' hours in order to avoid contributing to PNM peak system demand and higher electric rates.

City orders for BDD water are weighted to the seasons of the year when the river water is generally much better quality. The cleaner, clearer water is the easier and cheaper to treat.

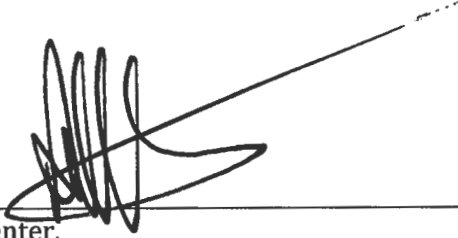
9. Annual Operating Plan Approval

The AOP will be agreed upon and signed by the BDD Partners. The AOP can be modified by mutual agreement of the BDD Partners as the calendar year progresses.

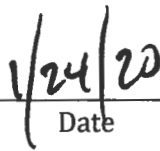
This plan was reviewed and approved by:

John Dupuis,
Utility Director, Santa Fe County

Date



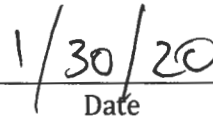
Rick Carpenter,
Interim BDD Facilities Manager



Date



Jesse Roach
Water Division Director, City of Santa Fe



Date

Al Antonez,
General Manager for The Club at Las Campanas

Date

ATTACHMENT A

Buckman River Diversion Curtailment Protocol

**Only native Rio Grande River flows are affected by the curtailment policy
Curtailment will only have to take place on the months between March and October.**

Curtailment requirements are based on a 5-day average

To monitor native Rio Grande flow the BDD operations team at the Buckman Regional Water Treatment Plant registered with the USGS e-mail notification system and set the threshold to 500cfs at the Otowi gauge.

Rio Grande flow is monitored from March to October using the hydrologic model viewer, RiverView, which allows us to see the URGWOM model runs by the U.S. Bureau of Reclamation.

Native Rio Grande River diversion curtailments, which were required by the Biological Opinion, are addressed in the table below:

Native Rio Grande flows (cfs)	March Max Diversion (cfs)	April Max Diversion (cfs)	May Max Diversion (cfs)	June Max Diversion (cfs)	July Max Diversion (cfs)	August Max Diversion (cfs)	September Max Diversion (cfs)	October Max Diversion (cfs)
> 325	3.82	4.6	6.87	8.55	7.95	7.56	6.57	5.09
300	3.05	3.68	5.50	6.84	6.36	6.05	5.26	4.07
280	2.44	2.95	4.40	5.47	5.09	4.84	4.21	3.26
260	1.83	2.21	3.30	4.10	3.82	3.63	3.16	2.44
240	1.22	1.47	2.20	2.73	2.54	3.42	2.10	1.63
220	0.61	0.74	1.10	1.37	1.27	1.21	1.05	0.81
200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

For example:

- If in March the 5 day average flow of Native Rio Grande water is greater than 325 cfs, a maximum 5-day peak of 3.82 cfs Native Rio Grande water can be diverted. On the day the 5 day average flow of Native Rio Grande water of less than 325 cfs is reached, a max of 3.05 cfs of Native Rio Grande water can be diverted.
- If in July the 5 day average flow of Native Rio Grande water is greater than 325 cfs, a maximum 5-day peak of 7.95 cfs Native Rio Grande water can be diverted. On the day the 5 day average flow of Native Rio Grande water of less than 325 cfs is reached, a max of 6.36 cfs of Native Rio Grande water can be diverted.
- If in July the 5 day average flow of Native Rio Grande water is less than 240 cfs, a max of 1.27 cfs of Native Rio Grande water can be diverted.

ATTACHMENT B

OPTIMIZED ANNUAL WATER RIGHTS ACCOUNTING PROTOCOL

Background

One of the principles of the shared nature of the BDD Project is that each of the partners (County, City and Las Campanas Coop 'LC Coop' & The Club at Las Campanas Inc. 'CLCI') provides access to their water rights that they want diverted and delivered to the respective points of interconnection where the BDD Project transmission lines terminate.

This memo is addressed to those persons at each of the 4 partners who have a role in managing the water rights covered by this policy. This memo will be included in the Annual Operating Plan for the BDD Project reviewed and approved by the BDD Project Partners.

The present accounting process for the diversion from the Rio Grande of SJCP and native NM water rights, and then delivery to each of the BDD Partners, has become inefficient and time consuming. In some cases, the complexity of the current accounting process has led to very significant staff time and reporting errors. The accounting process generally must be coordinated with state and federal agencies and must be done in accordance with BDD Project documents, OSE diversion permits and the Record of Decision for the EIS approval of the BDD Project. The state and federal agency accounting criteria requires the Project to provide detailed reports on volume, and attendant type of water right, that has been diverted.

The methods and procedures for Optimized Annual Water Right Accounting described below are designed to:

1. Lessen the time and resources required of staff to meet Project permitting requirements
2. Move the timing of native NM water rights diversions out of the restrictive time periods when conditions might adversely impact Project operations
3. Generally improve the efficiencies of operations and accounting to federal and state agencies as required by the respective permits
4. Improve the efficiencies of compliance with the City and County SJCP diversion permits
5. Generally optimize the use of SJCP water where appropriate and thereby make that SJCP water available for other purposes.

Introduction

In order to improve the efficiency of operations and the accounting process, staff has identified that an internal accounting process could be developed that changes the timing of diversions of the combined native NM water right portfolio. This proposal does not require the approval of the state and federal agencies and is designed to fit within the existing permit approvals.

For reporting to the state and federal agencies, this approach would show the native NM water rights being diverted at times of the year that avoid or lessen the low flow curtailment constraints described on pages 11-12 of the BDD Project Biological Opinion. By changing the timing of such diversions, the BDD Partners would create additional operational flexibility for the overall benefit of the BDD Project and staff of both the BDD Project and the agencies who monitor compliance with the existing permits.

Several permitting constraints limit the operational flexibility of the BDD Project. During the spring when the Rio Grande is in flood operations, SJCP water cannot be routed through Abiquiu Reservoir and BDD Project diversions of SJCP water can only be permitted by an inefficient process that requires an accounting 'exchange' for downstream stored water in coordination with state and federal agencies. The Biological Opinion limits the diversion of native NM water rights during times when the Rio Grande experiences low flow conditions. The SJCP diversion permits contain a strict rule that requires exact releases from upstream reservoirs and then exact diversions at the intake. The Optimized Annual Accounting method will provide compliance with the federal and state permits while also allowing for greater flexibility in operations for the Project and the BDD Partners.

The Optimized Annual Accounting method allows for some flexibility in the aggregate diversions since native NM water rights are available for diversion without calling for release. This change will allow native NM water rights to be diverted when they are most useful to meeting the combined BDD Project demands, and also allow SJCP water rights to be diverted when they are most useful to meeting the combined BDD Project demands. For example, the native NM water rights owned by the BDD Partners would be diverted during the likely flood operations time period to meet BDD Partner demand...and SJCP water rights owned by the BDD Partners would be diverted during the likely low flow time period to meet BDD Partner demand. A discrete amount of native NM water rights would be identified to balance the SJCP calls for delivery, and actual diversions must be within the native NM diversion flow constraint identified in the Biological Opinion. This will simplify the monthly accounting provided to the agencies and avoid changes to BDD Project operations during this time period. A significant part of the native NM water right portfolio will be scheduled for use during the likely flood operation time period to avoid changes in BDD Project operations during this time period. And the balance of the native NM water right portfolio would be used in the fall in order to preserve the combined SJCP water owned by BDD Partners.

Review of Permit Compliance

OSE permits: The City / County SJCP diversion permit contains the restriction described above, that strictly accounts for upstream reservoir releases and subsequent diversions. From the November 1, 2006 permit:

8. The maximum amount of San Juan-Chama Project water diverted in any day under this permit shall not exceed the amount of the permittees' San Juan- Chama water calculated to be in the Rio Grande at the BDD on that same day. The amount of the

permittees' SJCP water available for diversion at the BDD on a particular day shall be calculated as the amount of water released from either Heron or El Vado Reservoir two days prior to diversion at the BDD, less a 2% conveyance loss or the amount of water released from Abiquiu Reservoir one day prior to diversion at the BDD less a 0.9% conveyance loss. The State Engineer expressly reserves the right to adjust the travel time periods as better information becomes available or based on river channel conditions. The permittees shall notify the State Engineer at the time releases of SJCP water are ordered to be released or are ordered to be discontinued.

9. The permittees' maximum peak daily surface water diversion rate shall not exceed 32.0 cfs. The State Engineer recognizes that other external factors may further limit the actual diversion rate.

Note that 'Otowi Gage native flows' is a defined term from the ROD (discussed below) and is calculated as the total Otowi gage flow less SJCP releases for municipal and industrial uses. This definition of native flow is different from the definition that is used elsewhere in Rio Grande water management.

The proposed Optimized Annual Accounting method does not conflict with the SJCP permit conditions of approval, and is intended to simplify compliance with the permit requirements.

Several native NM water right permits that are permitted for diversion from the BDD were reviewed, and they typically contain two provisions that relate to operations. From a County transfer approved in 2010:

8. The maximum instantaneous rate of diversion from the Buckman Direct Diversion under all permits (San Juan Chama Project water and native water) shall not exceed 32.0 cfs, inclusive of amount of water necessary for sediment removal.

9. Diversion of water under this permit shall be subject to adherence with the Staged Curtailment Schedule (U.S. Department of Interior, Fish and wildlife Biologic Opinion, June 25, 2007 at 12) for the Buckman Project when Otowi Gage native flows are below 325 cfs.

Note that the requirement to comply with the Staged Curtailment Schedule has been the topic of a related work effort, and the OSE will not independently determine compliance with the BO requirement. The proposed Optimized Annual Accounting method does not conflict with the native NM water right permit conditions of approval, and is intended to simplify compliance with the permit requirements.

Staff of the OSE and ISC has indicated that they are not concerned with who is delivered which water rights (under the proposed Optimized Annual Accounting method) as long as the Rio Grande diversions are consistent with the Conditions of Approval of the permits.

BDD Board documents: The BDD JPA, City-County WRA and BDD PMFSA do not contain provisions that relate to the Optimized Annual Accounting method. BDD FOPA, section 8, states:

8. Water Rights and Divertible Water Supply. Each BDD Partner shall divert only that amount of water in the system for which water rights are in good standing with the New Mexico State Engineer, subject to the limitations on diversions at low flow set as forth in the BDD Project EIS or other applicable permits. The BDD Partners each recognize an individual responsibility to maintain their own water rights portfolio and to manage any water rights shortage within that portfolio. No BDD Partner shall make any claim or attempt to use another BDD Partner's water rights without the express written consent of that BDD Partner.

The final sentence of this section requires written consent to use another BDD Partner's water rights. In order to address this condition, staff and counsel recommend that the procedures described below be added to the BDD Project Annual Operating Plan. This Plan is prepared annually by the staff of the City, County and Las Campanas (CLCI and LC Coop), and is signed by the respective water utility directors.

BDD Project Biological Opinion: The Record of Decision issued by the US Forest Service and Bureau of Land Management incorporated the requirements of the Biological Opinion (BO) issued by the Fish and Wildlife Service. In general, the BO prescribes an annual maximum volume of diversion (8,730 ac-ft/yr), an annual maximum volume of SJCP and native NM water rights, and maximum rates of diversion (32 cfs, sediment return/net diversion, RG low flow native NM water right diversion limits). The BO does not contain a provision that limits the Optimized Annual Accounting method, and the proposed method intended to simplify compliance with the permit requirements.

Conclusion

In summary, the proposed Optimized Annual Accounting method provides for the full use of the native NM water right portfolio in the near term (providing the beneficial use requirement) and allows the BDD Partners to preserve as much SJCP water as possible in any given year. It provides a simplified and efficient process for staff and agency review, and is consistent with the permits and agreements for the BDD Project that have been reviewed.

Implementation of revised Optimized Annual Accounting Process

Staff and counsel recommend that the implementation of the revised accounting process be acknowledged by the respective water utility directors of the BDD Partners through inclusion in future year versions of the Annual Operating Plan (as is described in BDD Project documents).

Memorandum



Buckman Direct Diversion

Date: February 6, 2020

To: Buckman Direct Diversion Board

From: Rick Carpenter, BDD Interim Facilities Manager

Subject: Update on Firearms Use in the Proximity of the BDD Facilities

Item and Issue:

The Use of firearms in the proximity of BDD facilities was discussed the last BDD Board meeting. Staff was asked to look into the matter. After reviewing the issue with staff, and also with Chavez security, there are no reported incidents related to the use of firearms and BDD facilities.



Memorandum



Buckman Direct Diversion

Date: January 30, 2020
To: Buckman Direct Diversion Board
From: Kyle S. Harwood, Alex Puglisi *KA*
Subject: Updates and Possible Action on Rio Grande Water Quality issues

Item and Issue:

The list below is organized topically regarding the Rio Grande Water Quality issues that staff and consultants are tracking at the request of the BDD Board.

February, 2020 Comment Deadlines

1. NMED informal comment deadline regarding the 2016 LANL Consent Order (HANDOUT, due date 2/28)
2. EPA formal comment deadline regarding LANL Industrial permit (HANDOUT, 2/27)
3. EPA formal comment deadline regarding LANL Stormwater permit (HANDOUT, 2/27)

BDD Board initiated Rio Grande Water Quality issues

4. Proposed 2020 Schedule and Workplan for the 2021 BDD Board – LANL MOU (VERBAL)
5. Invitation to Doug Hintze, DOE EM, to present to the Board at upcoming meeting (VERBAL)
6. BDD Board response to September 27, 2019 NMED letter (VERBAL)



Other Rio Grande Water Quality issues

7. WOTUS rule status (VERBAL)
8. EPA determination of LAC MS4 permit requirement, and appeal by LAC (VERBAL)
9. NNM CAB status update (VERBAL)
10. Source Water Protection Plan Public Meetings and revisions to Plan (VERBAL)
11. NMED Triennial Review status and schedule (VERBAL)
12. DOE EM Enhanced Public Involvement program and schedule (VERBAL)

Background and Summary:

For background information, all of these topics have been on prior Board agendas and packets.

Action Requested:

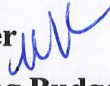
The BDDDB staff and consultants will present recommendations for the 3 comment deadlines.

The BDDDB staff and consultants will present recommendations for the Board to consider on prioritization and level of effort for each of these topics.

Memorandum



Buckman Direct Diversion

Date: February 6, 2020
To: Buckman Direct Diversion Board
From: Mackie M. Romero, BDD Financial Manager 
Subject: Proposed Fiscal Year 2021 Annual Operating Budget Request

ITEM AND ISSUE:

Request for approval and recommendation of the BDD Annual Operating Budget & Other Fund Contributions for Fiscal Year 2021.

BACKGROUND AND SUMMARY:

BDD is pleased to present the proposed Buckman Direct Diversion (BDD) Annual Operating Budget for Fiscal Year 2021 and proposed contributions to our Major Repair & Replacement Fund. The proposed budget accounts for all projected necessary costs to meet the Board's service level objectives and to continue to provide high quality water to our partners, the City of Santa Fe, Santa Fe County, the Club at Las Campanas and the Las Campanas Water and Sewer Cooperative.

In Fiscal Year 2021, the BDD will be in its tenth year of operations. This milestone influenced our analysis of costs, as maintenance of our facilities will increase due to the age of the equipment and machinery. The BDD actively collaborated with its partners on the development of this budget, and with their support, we present this budget request.

Budget Highlights & Considerations:

- Requesting budget approval of \$9,659,797 for FY 2021 Operations (Page 2)
 - \$9,443,797– Partner Reimbursements
 - \$120,000– PNM Solar Rebate Revenue
 - \$96,000 – Federal Funds
- FY 2021 Budget Request decreased by \$36,612 from the FY 2020 Adopted Budget (Page 5)



- Emergency Reserve Fund is fully funded to our target balance of \$2,000,000 (Page 14)
- Major Repair & Replacement Fund - \$626,706 requested contributions. (Page 15)

ACTION REQUESTED:

Staff recommends approval and recommendation of the BDD Annual Operating Budget for Fiscal Year 2021 and the requested contributions to our Major Repair and Replacement Fund to City of Santa Fe's City Council and Santa Fe County Board of Commissioners.

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

Thank you





Buckman Direct Diversion

FISCAL YEAR 2021

Proposed Annual Operating
Budget & Partner Contributions

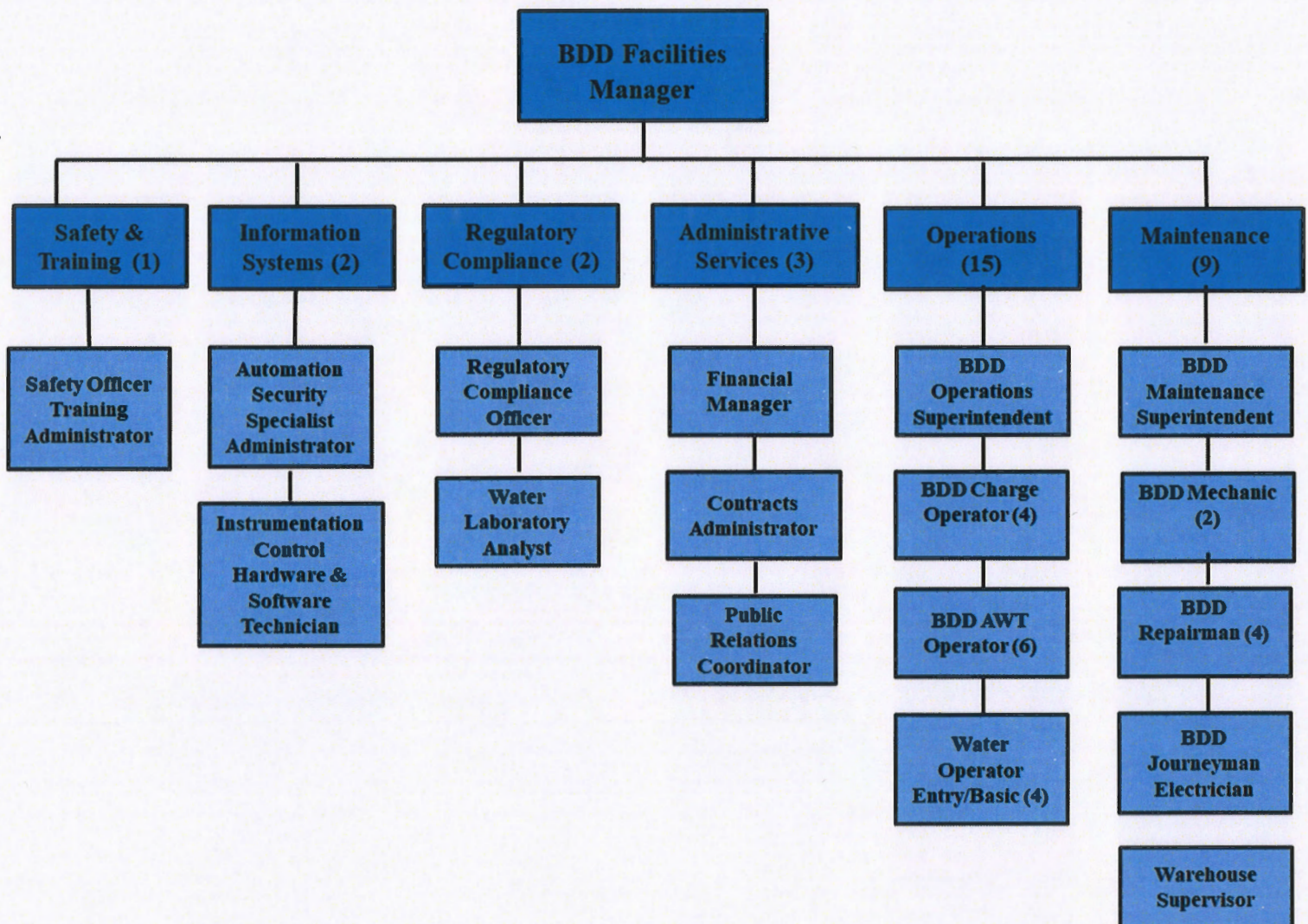


Prepared by:

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



BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT
ORGANIZATIONAL CHART





Buckman Direct Diversion (BDD) Proposed Annual Operating Budget

Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget. With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDDB) approve and recommend the Fiscal Year 2021 Operating Budget of \$9,659,797.

Budget Revenue/Reimbursement Summary

TOTAL PROPOSED FISCAL YEAR 2021 OPERATING BUDGET

TABLE A

	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>	<u>%</u>
Revenues/Reimbursements by Source:				
Federal Funds	\$ 96,000	\$ -	\$ 96,000	1%
PNM Solar Rebates	-	120,000	120,000	1%
City of Santa Fe	5,533,137	1,056,130	6,589,267	68%
Santa Fe County	2,110,119	345,962	2,456,081	25%
Las Campanas (Club)	281,012	40,764	321,776	3%
Las Campanas (Coop)	76,673	-	76,673	1%
Total Revenues by Source	\$ 8,096,941	\$ 1,562,856	\$ 9,659,797	100%
% of overall budget	84%	16%	100%	

This budget request 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.

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

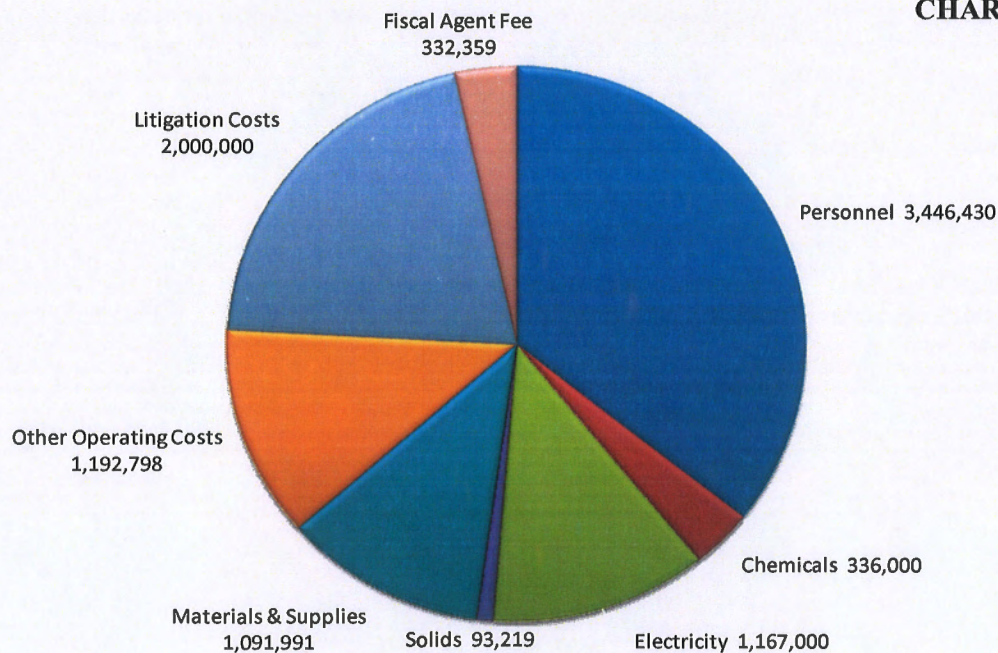
The Buckman Direct Diversion budget consists of seven major categories as presented below. These categories are used to track expenditures for reporting and monitoring our available budget balance. In accordance with our BDD Working Capital and Billing policy, any budget adjustment requests between major 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 TOTAL PROPOSED FISCAL YEAR 2021 OPERATING BUDGET

TABLE B

Expenditure by Category:	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Federal Funds	Total
Personnel	\$ 2,399,730	\$ 883,453	\$ 107,770	\$ 55,477	\$ -	\$ 3,446,430
Electricity	854,378	265,708	43,449	3,465	-	1,167,000
Chemicals	253,814	82,186	-	-	-	336,000
Solids	70,411	22,808	-	-	-	93,219
Materials & Supplies	731,253	317,770	26,789	16,179	-	1,091,991
Other Operating Costs	767,765	294,267	33,214	1,552	96,000	1,192,798
Litigation Costs	1,374,200	531,000	94,800	-	-	2,000,000
Fiscal Agent Fee	228,364	88,241	15,754	-	-	332,359
Total	6,679,915	2,485,433	\$ 321,776	\$ 76,673	\$ 96,000	\$9,659,797
PNM Solar Rebates	(90,648)	(29,352)				
Total	\$ 6,589,267	\$ 2,456,081				

CHART 1





Budget Summary & Highlights

In Fiscal Year 2021, the BDD will be in its tenth 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 collaborated with its partners on the development of this budget and with their support; we present the Fiscal Year 2021 budget request with the following changes:

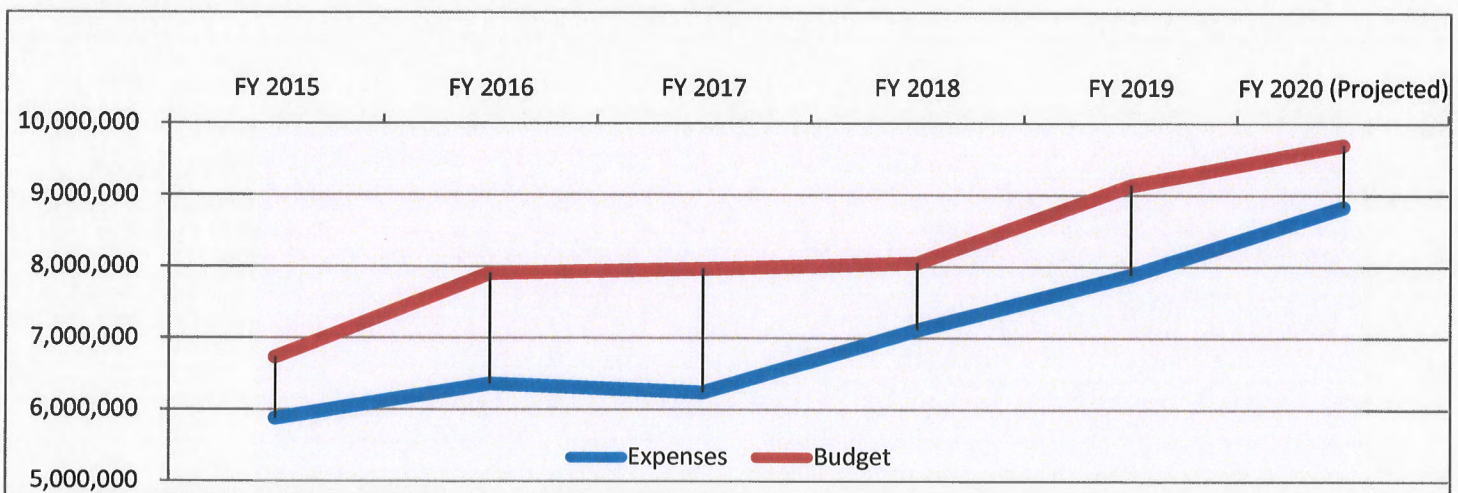
- The proposed annual operating budget for fiscal year 2021 is \$9,327,438 plus the fiscal agent fee of \$332,359, which represents 4.5% of the prior year's annual operating budget as stated in the amended Facility Operations and Procedures Agreement (FOPA).

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 expended for the purposes as requested.

- Fiscal Year 2017 Actual Expenditures \$6,242,497 (with 6 vacant positions and \$701,988 of unexpended litigation 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 litigation fees) of which \$590,000 was carry forwarded to the FY2019 Adopted Budget.
- Fiscal Year 2019 Actual Expenditures \$7,882,811 (with 11 vacant positions and \$255,212 of unexpended litigation fees) which was \$1,251,813 lower than our 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, 2019. The change in the fiscal year 2021 operating budget request in comparison to the current 2020 adopted budget. There were several decreases due to one-time projects and reclassification of positions as part of the class and comp study and increases for the following new projects and purchases for a net decrease of \$36,612.

- Materials & Supplies –\$50,000 for HVAC replacement project, \$150,000 to install crane lift at 4A/5A, \$150,000 for phase 1 of GAC Media replacement project.

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 2019	FY 2019					
	FY 2019	Unaudited	Variance \$		FY 2020	FY 2021	\$ Change	
	Adopted	Actual	(Under) /		Adopted	Proposed	FY 2021 vs	
	Budget	6/30/2019	Over Budget	%	Budget	Budget	FY 2020	%
Revenues/Reimbursements by Fund:								
Partner Reimbursements	\$ 8,918,624	\$ 7,636,326	(1,282,298)	86%	\$ 9,415,409	\$ 9,443,797	\$ 28,388	0.3%
PNM Solar Rebates	120,000	151,461	31,461	126%	120,000	120,000	-	0.0%
Federal Funds	96,000	95,024	(976)	99%	96,000	96,000	-	0.0%
Unrestricted Funds	-	-	-		65,000	-	(65,000)	-100%
Total	\$ 9,134,624	\$ 7,882,811	\$ (1,251,813)	86%	\$ 9,696,409	\$ 9,659,797	\$ (36,612)	-0.4%
Expenditures by Category:								
Salaries	\$ 2,222,850	\$ 1,788,831	\$ (434,019)	80%	\$ 2,254,610	\$ 2,119,595	\$ (135,015)	-6%
Overtime	150,000	206,095	56,095	137%	150,000	150,000	-	0%
Benefits	1,198,823	987,944	(210,879)	82%	1,173,761	1,176,835	3,074	0%
Electricity	1,200,000	1,026,577	(173,423)	86%	1,200,000	1,167,000	(33,000)	-3%
Chemicals	336,000	312,691	(23,309)	93%	336,000	336,000	-	0%
Solids	120,000	61,209	(58,791)	51%	120,000	93,219	(26,781)	-22%
Materials & Supplies*	819,435	691,623	(127,812)	84%	1,012,639	1,091,991	79,352	8%
Other Operating Costs*	1,078,756	1,060,590	(18,166)	98%	1,138,755	1,192,798	54,043	5%
Litigation Costs	1,690,000	1,434,788	(255,212)	85%	1,990,000	2,000,000	10,000	1%
Total	8,815,864	7,570,348	(1,245,516)	86%	9,375,765	9,327,438	(48,327)	-1%
Fiscal Agent Fee	318,760	312,463	6,297	98%	320,644	332,359	11,715	4%
Total	\$ 9,134,624	\$ 7,882,811	\$ 1,251,813	86%	\$ 9,696,409	\$ 9,659,797	\$ (36,612)	-0.4%
* 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	28,000	
On-call HVAC Service & Replacement Agreement	100,000	
On-call security system service and repair	10,000	
Total		\$ 138,000
Repair & Maintenance System Equipment		
General maintenance, repairs and replacement to water system facilities	174,000	
Hach Service Agreement - Yearly calibration of instrumentation	42,602	
Eaton Service Agreement - VFD Troubleshooting	10,000	
Yukon & Assoc - On-call process instrumentation and control systems	10,000	
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	20,000	
Positive Energy - Maintenance and service of BS2A Solar Array	7,000	
Total		\$ 385,602
Repair & Maintenance Grounds/Rd - Landscaping agreements		35,000
Repair & Maintenance Machine & Equipment - Copiers, machinery & equipment		39,300
Operating Supplies - Field supplies maintenance/operations		66,000
Auto Parts, Tires, Gasoline & Diesel - Fleet maintenance of vehicles		25,500
Inventory Exempt / IT - Small tools, radios, and phase III replacement of computers		13,439
Uniforms (\$500 clothing, \$200 boots = \$700 per employee)		21,000
Safety Supplies - First aid, protective gear, safety guides, periodicals		12,150
Replacement of GAC media project		150,000
Data Processing - Server replacement for SCADA & Control Room Upgrade		56,000
Capitalized Asset - Installation of crane lift at 4A/5A		150,000
Total		\$ 568,389
Total Materials & Supplies Category		\$ 1,091,991

**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	194,240	
Stenographer Agreement - BDD Board meetings	4,000	
USGS Operation and maintenance agreement of sediment and stream gage	50,852	
BDDDB Independent counsel	170,000	
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 -GAC sampling and analysis	50,000	
Compliance Agreements -Annual fire inspection and compliance	10,000	
Audit professional services agreement	7,500	
BDD Board - Public liability and real property insurance premiums	133,000	
Land Leases - BLM right of way agreements	71,756	
Total		\$ 920,848
Benefits Dept. Assessments - City Benefits Assessment Fees		10,000
General Liability Dept Assessments - City Risk Assessment Fees		9,800
General Liability Third Party - Crime Liability Assessment Fees		98,000
Public Relations - tours, outreach, promotions, website, virtual tour		8,650
Software/Software Subscriptions- Software support and upgrades		34,500
Employee Training - Safety, training, education, travel, dues & registrations		31,000
Advertising - Job postings, RFP bids		2,000
Office Supplies - General office supplies		5,000
Postage & Mailing Services - Delivery of water samples, correspondence		3,200
Utilities - Cell phones, landlines, data, website, satellite phone, natural gas, fees		69,800
Total		\$ 271,950
BDDDB Litigation Costs		\$ 2,000,000
Total Other Operating Costs Category		\$ 3,192,798



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 request was prepared 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)	68.71%	26.55%	4.74%	0.00%	100.00%
<u>Variable</u>					
Projected Volumetric Flow (CCL)	68.71%	26.55%	4.74%	0.00%	100.00%
Projected Volumetric Flow (CC)	75.54%	24.46%	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 2021 Predictions

TABLE E

<u>Volumetric Flow (acft)</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>LC (Raw Water) via County</u>	<u>Las Campanas (Raw Water)</u>	<u>Total Diverted</u>
FY 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
FY 2019	3,116.05	1,392.77	423.08	102.35	5,034.25
<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 2021</i>	<i>4,489.26</i>	<i>1,453.34</i>	<i>281.52</i>	<i>309.61</i>	<i>6,533.73</i>
<i>FY 2021 %</i>	68.71%	22.24%	4.31%	4.74%	100%
% Percentage is used in calculation of partner share (CCL) of variable costs & project wide					

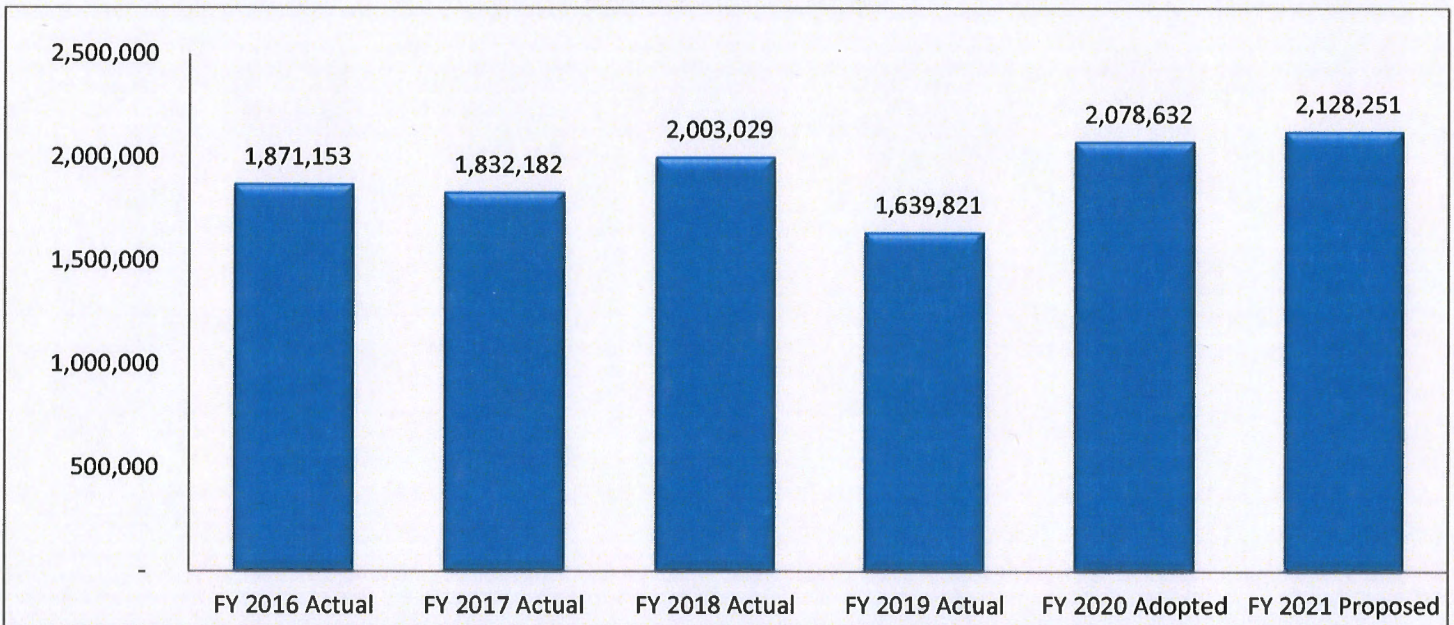


Volumetric Flow History

BDD has completed a budget analysis for fiscal year 2021, which includes volumetric predictions of 2,128,251 gallons. This is an estimated 2.3% increase in water delivery thru BDD over fiscal year 2020 predicted water call. The BDD will continue to work with the partners to adaptively manage BDD water deliveries to meet changes in partner demands.

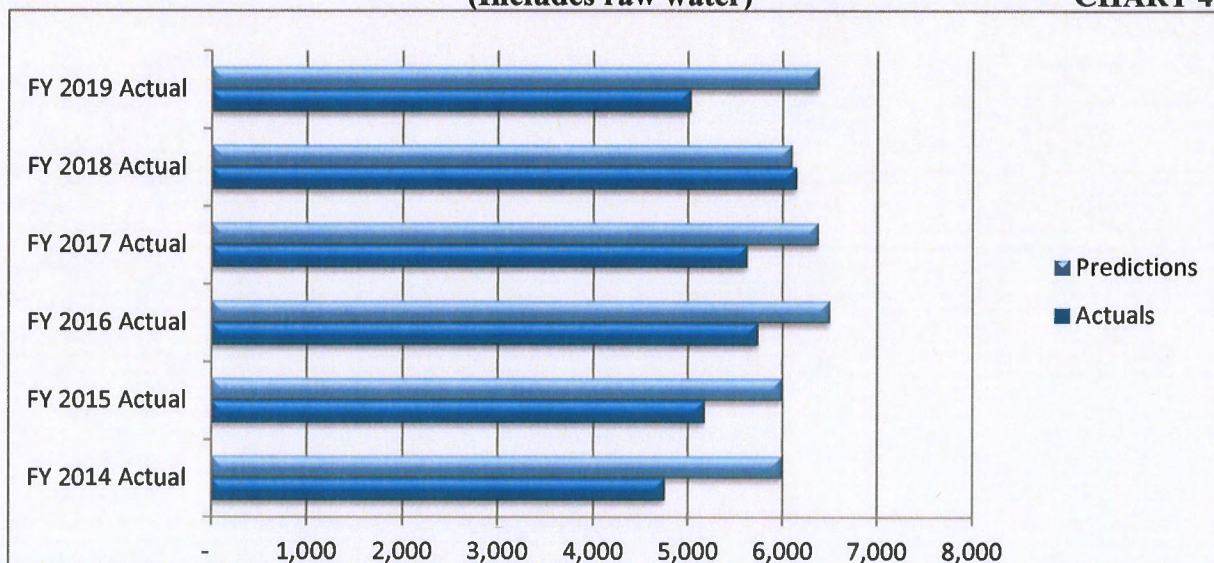
Total gallons delivered in 1,000's
(Includes raw water)

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 16% of the total fiscal year 2021 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 2020 Adopted Budget	FY 2021 Proposed Budget*	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Total
Expenditures							
Chemical Expenditures	\$ 336,000	\$ 336,000	\$ 253,814	\$ 82,186	\$ -	\$ -	\$ 336,000
Solids Expenditures	120,000	93,219	70,411	22,808	-	-	93,219
Electric Expenditures	1,080,000	1,047,000	763,730	236,356	43,449	3,465	1,047,000
All Other Expenditures	7,879,409	7,967,578	5,501,312	2,114,731	278,327	73,208	7,967,578
Total Operating Expenditures	\$9,415,409	\$ 9,443,797	\$6,589,267	\$2,456,081	\$ 321,776	\$ 76,673	\$9,443,797
Operational Costs							
Total gallons raw water	207,831	192,550	-	91,700	100,850	-	192,550
Total Cost per 1,000 gallons	\$ 2.69	\$ 2.69		\$ 2.20	\$ 2.63	\$ -	
Electric Cost per 1,000 gallons	\$ 0.44	\$ 0.44		\$ 0.40	\$ 0.43	\$ -	
Total gallons finished water	1,870,801	1,935,700	1,462,300	473,401	-	-	1,935,700
Total Cost per 1,000 gallons	\$ 4.73	\$ 4.63	\$ 4.51	\$ 4.76	\$ -	\$ -	
Electric Cost per 1,000 gallons	\$ 0.53	\$ 0.49	\$ 0.52	\$ 0.35	\$ -	\$ -	
Solids Cost per 1,000 gallons	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ -	\$ -	
Chemical Cost per 1,000 gallons	\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.17	\$ -	\$ -	
Monthly Average Costs	\$ 784,617	\$ 786,983	\$ 549,106	\$ 204,673	\$ 26,815	\$ 6,389	\$ 786,983
*Excludes Federal Funds (\$96,000), PNM Solar Rebates (\$120,00)							



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.

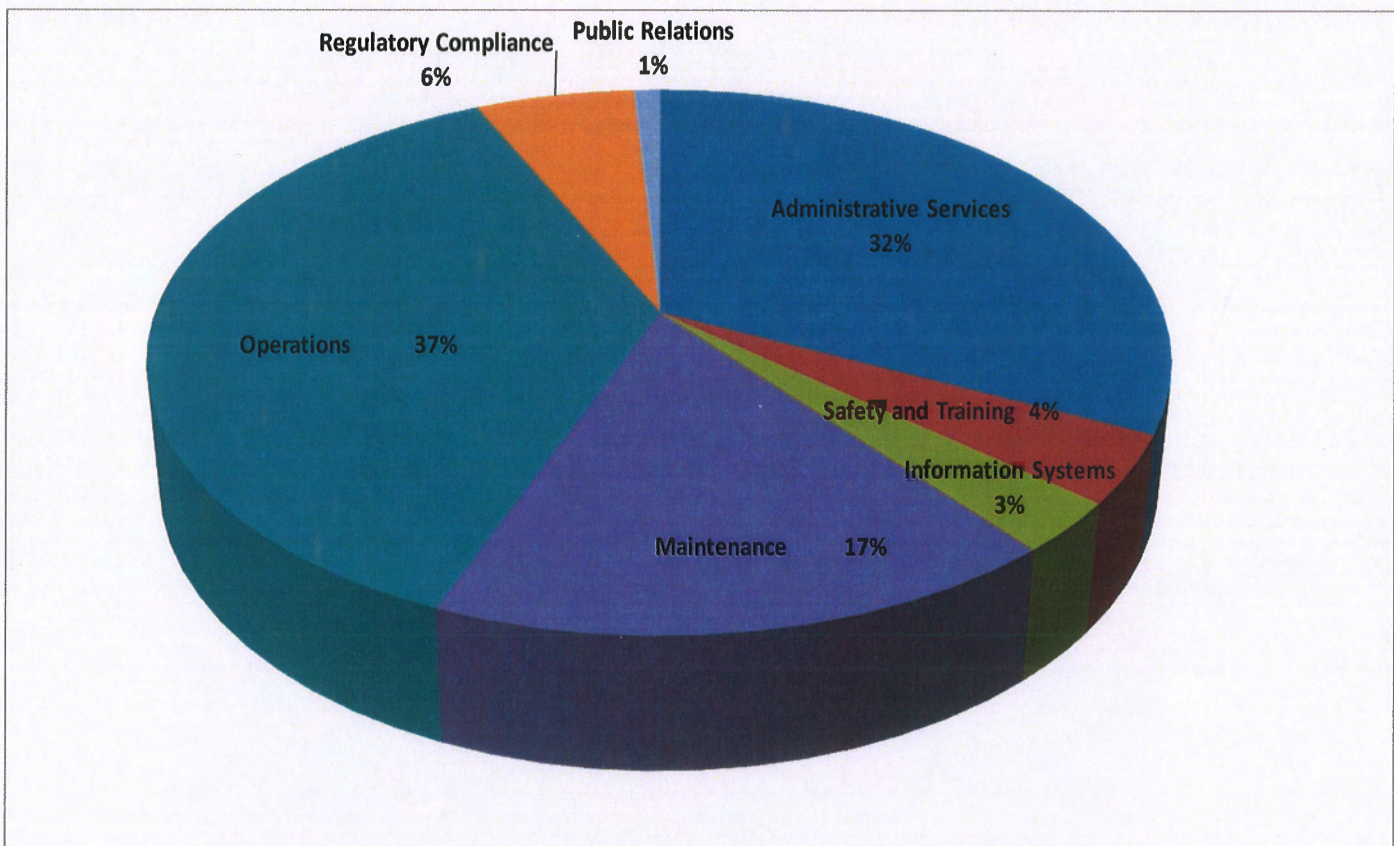
The BDD is divided into seven (7) key programs with explicit business functions as shown in Table G. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the water treatment plant, maintain full regulatory compliance, 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.
-  **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.
-  **Public Relations** – To coordinate, create and support key events for the BDD outreach program.

BDD Operating Budget – by Program

TABLE H

	FY 2019	FY 2019	Variance	FY 2020	FY 2021	\$ Change
	Adopted	Actuals	\$ (Under) or	Adopted	Proposed	FY 2020 vs
	Budget	06/30/2019	Over Budget	Budget	Budget	FY 2021
Expenditures by Program:						
1. Operations (15 FTE)	\$ 3,388,222	\$ 2,955,358	\$ (432,864)	\$ 3,398,845	\$ 3,430,154	\$ 31,309
2. Regulatory Compliance (2 FTE)	482,462	382,301	(100,161)	476,552	531,356	54,804
3. Maintenance (9 FTE)	1,340,872	1,176,055	(164,817)	1,439,561	1,559,367	119,806
4. Safety and Training (1 FTE)	309,084	328,495	19,411	346,587	369,266	22,679
5. Administrative Services (3 FTE)	2,661,697	2,296,503	(365,194)	2,948,410	3,026,657	78,247
6. Information Systems (2 FTE)	538,789	351,836	(186,953)	674,793	328,204	(346,589)
7. Public Relations (1 FTE)	94,738	79,800	(14,938)	91,017	82,434	(8,583)
Total Expenditures (33 FTE)	8,815,864	7,570,348	(1,245,516)	9,375,765	9,327,438	(48,327)
Fiscal Agent Fee	318,760	312,463	6,297	320,644	332,359	11,715
Total	\$ 9,134,624	\$ 7,882,811	\$ (1,239,219)	\$ 9,696,409	\$9,659,797	\$ (36,612)



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	AZ Water Rights	Las Campanas Club	Las Campanas Coop	Balance
Fund Balance at June 30, 2019	1,347,979	505,612	18,981	83,429	107,494	2,063,495

As of June 30, 2019 the Emergency Reserve Fund remained 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 \$645,147 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, 2019	1,280,679	445,305	36,977	32,535	1,795,496
2020 Contributions	445,545	156,494	10,769	13,898	626,706
Funds authorized for expenditure	(458,656)	(161,098)	(11,086)	(14,307)	(645,147)
Projected Fund Balance	1,267,568	440,701	36,660	32,126	1,777,055

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
2021 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 \$1,777,055 for fiscal year 2021.

Capital Assets Management

The BDD staff has begun 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

With this submittal, the Project Manager requests the Buckman Direct Diversion Board approve and recommend the funding for our Fiscal Year 2021 Operating Budget of \$9,659,797 plus the annual contribution of \$626,706 for the Major Repair and Replacement Fund for a total request of \$10,286,503. We appreciate the input and support from our partners and our Buckman Direct Diversion Board Members.

Fiscal Year 2021 Funding Allocation

TABLE L

Funds	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Operating Fund	\$6,589,267	\$2,456,081	\$ 321,776	\$ 76,673	\$ 9,443,797
			PNM Solar Rebate Revenue		120,000
			Federal Funds		96,000
					\$ 9,659,797
Major Repair & Replacement Fund	445,545	156,494	10,769	13,898	626,706
Total Fiscal Year 2021 Request	\$7,034,812	\$2,612,575	\$ 332,545	\$ 90,571	\$ 10,286,503

Memorandum



Buckman Direct Diversion

Date: February 6, 2019
To: Buckman Direct Diversion Board
From: Nancy R. Long
Subject: Appointment of Citizen Member and Alternate Citizen Member

Item and Issue:

Appointment of the citizen member and alternate citizen member to the Buckman Direct Diversion Board (BDDDB), each for a two-year term.

Background and Summary:

The Joint Powers Agreement ("JPA"), as amended, establishing the BDDDB, provides for the appointment of a citizen member and alternate citizen member to the BDDDB by a majority vote of the four other voting members of the BDDDB. The term of the citizen member and alternate citizen member is two years, and the current members were re-appointed for another two-year term in March 2018. The current terms for both the citizen member and alternate citizen member expire on March 3, 2020.

The BDDDB staff advertised for the citizen member position and alternate citizen member position by placing public notices in the *Santa Fe New Mexican*, and on the BDDDB's, the City's and County's websites. The deadline for receiving applications was November 30, 2019 and six applications were received. At the December 5, 2019 meeting, the BDDDB established a committee consisting of the Chair, Councilor Romero-Wirth, Rick Carpenter and Nancy Long to conduct interviews of the applicants. The interviews were conducted on January 31, 2020.

Action Requested:

The interview committee will recommend a Citizen Member and Alternate Citizen Member to be approved by the BDDDB at the board meeting.



Memorandum



Buckman Direct Diversion

Date: February 6, 2020
To: Buckman Direct Diversion Board
From: Nancy R. Long
Subject: Election of Chair and Vice Chair

ITEM AND ISSUE:

Election of Chair and Vice Chair to the Buckman Direct Diversion Board ("Board").

BACKGROUND AND SUMMARY:

The Joint Powers Agreement between the City and the County establishing the Buckman Direct Diversion Board provides that the Board shall annually elect a Chairperson and a Chairperson Pro-Tempore (Vice Chair).

The Rules of Order for the Board regarding the election of the Chair and Vice Chair provide as follows:

During the February meeting of each year, or as soon thereafter as possible a Chair and Vice-Chair of the Board shall be elected. The Chair position shall rotate between a City and County member each year. The Vice-Chair shall be elected from the opposite entity. Elections shall also be held when required to fill any vacancy that occurs in the Chair or Vice-Chair position.

Since the Chair elected at the last election as a County Commissioner, the Chair to be elected at this meeting, shall be a City Councilor and the Vice-Chair shall be a County Commissioner.

ACTION REQUESTED:

It is recommended that the Board elect its officers for the next term.



Buckman Direct Diversion 341 Caja del Rio Santa Fe, NM 87506

