

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

August 6, 2020

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Councilor JoAnne Vigil Coppler, Chair, at 4:00 p.m.

In accordance with the Public Health Emergency Order issued by the State of New Mexico, and pursuant to the New Mexico Attorney General's Open Government Division Advisory during COVID-19, public entities are authorized to conduct virtual meetings.

[For clarity purposes, repetitive identification and confirmations of those on the phone have been eliminated and/or condensed in this transcript.]

Roll was called and the following members were present:

BDD Board Members Present:

Councilor JoAnne Vigil Coppler, Chair
Commissioner Anna Hansen, Vice Chair
Commissioner Anna Hamilton
J.C. Helms, Citizen Member
Councilor Carol Romero-Wirth
Tom Egelhoff, Las Campanas [non-voting]

Member(s) Excused:

None

BDD Board Alternate Members Present:

None

Others Present:

Rick Carpenter, BDD Facilities Manager
Nancy Long, BDD Board Counsel
Mackie Romero, BDD Finance Manager
Bernardine Padilla, BDD Public Relations Coordinator
Randy Sugrue, BDD Operations Superintendent
Rachel Brown, Deputy County Attorney
Jamie-Rae Diaz, City Administrative Assistant
Joe Abeyta, City IT
Jesse Roach, City Water Division Director
Marcos Martinez, City Assistant Attorney
Kyle Harwood, BDD Counsel
Joni Arends, Concerned Citizens for Nuclear Safety (CCNS)
Dan Frost, Snell & Wilbur

3. APPROVAL OF AGENDA [*Exhibit 1: Agenda*]

There were no changes and Commissioner Hansen moved to approve as published. Commissioner Hamilton seconded and the motion passed by unanimous [5-0] roll call vote.

4. APPROVAL OF CONSENT AGENDA

Consent Agenda Items:

- 12. Request for approval to reauthorize unexpended funds approved by the BDDB from the BDD Major Repair and Replacement Fund from FY2020 to FY2021**
 - a. Budget Amendment Resolution for \$210,930.00**
- 13. Request to ratify emergency procurement and approve contract with TLC Company, Inc. in the amount of \$199,455.95 inclusive of NMGRT to replace and install a new chiller unit**
 - a. Budget Amendment Resolution for \$199,455.95**

CHAIR VIGIL COPPLER: Any changes from staff?

RICK CARPENTER (Facilities Manager): Madam Chair, there are none.

CHAIR VIGIL COPPLER: Thank you. Any changes from the Board?

Commissioner Hamilton.

COMMISSIONER HAMILTON: We're on the Consent Agenda, yes? I just thought I have no problem with leaving them both on but it seems like it might be, for informational purposes, useful for a few words said about the second item. I don't think it is worth pulling off for that but –

CHAIR VIGIL COPPLER: Well, we either approve the Consent Agenda or we don't. Do you want to think about it? Do you need to remove it and if you don't have anything really germane to say then you should not remove anything.

COMMISSIONER HAMILTON: Well, if nobody else has questions about it, we had plenty of discussion so I'm fine with it; leave it on.

CHAIR VIGIL COPPLER: Do I have a motion to approve the Consent Agenda.

COUNCILOR ROMERO-WIRTH: Move to approve.

COMMISSIONER HAMILTON: Second.

The motion passed by unanimous [5-0] roll call vote.

5. APPROVAL OF MINUTES: July 2, 2020 BDD Board Meeting

CHAIR VIGIL COPPLER: Anybody have any changes to the minutes?

COMMISSIONER HANSEN: Yes, I do.

CHAIR VIGIL COPPLER: Commissioner Hansen.

COMMISSIONER HANSEN: It's kind of a question. On page 13, Ms. Romero is talking at the top and Ms. Romero says, "I have to double-check the minutes but it was 310." I am wondering whether the 310 should have a dollar sign in front of it.

CHAIR VIGIL COPPLER: Do you want to make a recommendation to amend the minutes to that effect?

COMMISSIONER HANSEN: I do because I think we're talking about money. So I think it would be appropriate; is that correct, Mackie?

MACKIE ROMERO (BDD Financial Manager): Madam Chair, Commissioner Hansen, that is correct.

COMMISSIONER HANSEN: Okay, so I think it should have a dollar sign in front of it.

CHAIR VIGIL COPPLER: Do you want to make a motion to that effect?

COMMISSIONER HANSEN: Yes, I move to approve the minutes with a change on page 13, with those changes.

MEMBER HELMS: Second.

The motion passed by unanimous [5-0] roll call vote.

6. MATTERS FROM THE PUBLIC

CHAIR VIGIL COPPLER: We have one submittal and I think Joni Arends is on the call/screen. Joni, you're unmuted and you'll have two minutes to make your presentation.

JONI ARENDS: Yes. Thank you for this opportunity to speak. I am a co-founder and executive director of Concerned Citizens for Nuclear Safety or CCNS. We formed in 1988 and addressed community concerns about the proposed transportation of radioactive hazardous and toxic waste from Los Alamos National Laboratory to the Waste Isolation Pilot Plant through Santa Fe on St. Francis Drive.

I would like to thank the BDD Board for their leadership to protest a defective and inadequate application of the Department of Energy and Los Alamos County Public Utilities Division to the State Engineer to transfer 679 acre-feet per year in water rights to the hexavalent chromium plume remediation project. While CCNS supports cleanup at LANL, we do not support the incomplete application as the application does not include the required return-flow plan. The impacts to the Rio Grande are unknown.

We believe the State Engineer must deny the application. Thank you, again, Board members for your leadership on this very important issue. And thank you for the opportunity to speak.

CHAIR VIGIL COPPLER: Thank you, Joni. We appreciate your comments. There is no other public comment, Jamie-Rae, as I understand.

JAMIE-RAE DIAZ (BDD Administrative Assistant): No other public comment.

CHAIR VIGIL COPPLER: Okay, I'll close public comment.

INFORMATIONAL ITEMS

7. Report on August 4, 2020 Fiscal Services Audit Committee (FSAC)

MS. ROMERO: Madam Chair, members of the Board, a Fiscal Services and Audit Committee meeting was held on August 4th. In attendance was myself, BDD Financial Manager, Rick Carpenter, BDD Facilities Manager, Chair Vigil Coppler, from

the County, Commissioner Hamilton, John Dupuis, Santa Fe County Utilities Director. From Las Campanas we had Tom Egelhoff and Andrew Resnick. We discussed Consent Agenda item #12 which was to reauthorize funding from the major repair and replacement fund. We discussed Consent Agenda item #13 which was to ratify the emergency procurement and enter into a contract with the TLC Company and we discussed action item #14 which is a request to ratify and adopt the budget. This will also be discussed later in the agenda. Are there any questions regarding FSAC?

CHAIR VIGIL COPPLER: Any questions? Thank you, Mackie.

8. Monthly Update on BDD Operations

CHAIR VIGIL COPPLER: Mr. Sugrue.

RANDY SUGRUE (Operations Superintendent): Thank you. Madam Chair, members of the Board. In the month of July raw water diversions averaged about 8.65 million gallons per day. Our drinking water deliveries through our booster stations averaged about 7 million gallons per day. Our raw water delivery to Las Campanas, about 1.4 million gallons per day. On site treated and non-treated water storage, .15 million gallons per day. BDD is providing approximately 54 percent of the water supply to the City and County for the month.

We do have a regional demand drought summary attached. You can see our year to-date comparison. Our July production and diversions were up somewhat from the average due to availability and Canyon Road water treatment facility backing off their production a bit.

We did have three or four turbidity events in the river due to rainfall upstream. But we did not have any early notification system alerts. The rainfall was merely in the northern part of the state and turbidity washed down the river. That's it; I stand for questions.

CHAIR VIGIL COPPLER: I'm sorry, I have to ask what turbidity is?

MR. SUGRUE: Turbidity is based on a Greek word for cloudiness. Essentially, it is the muddiness of the water. The more cloudy the more sediment is suspended in the water. When rainfall occurs in the northern part of the state or upstream anywhere washes sediment into the river we get the muddy brown color. So the higher the turbidity the harder the water is to treat. At a certain point, we just shut off our diversions. We don't want to be diverting muddy water and incurring higher treatment costs.

CHAIR VIGIL COPPLER: Okay, thank you. I learned a new word. Commissioner Hamilton.

COMMISSIONER HAMILTON: Thanks. First of all, Randy, you get the gold star for the day for getting the Greek etymology of that word. That's perfect.

MR. SUGRUE: Thank you.

COMMISSIONER HAMILTON: I actually have two questions. One of them is for sure for you and I'm not sure about the other one. The first one is that the turbidity was low enough not to trigger a stop of withdrawals but do you think it effects operations –

MR. SUGRUE: Three or four times it was high enough for us to stop diverting for six to eight hours. When the turbidity --

COMMISSIONER HAMILTON: Oh, okay.

MR. SUGRUE: -- above what we call 600 NTUs, Nephelometric Turbidity Units, that's where the Greek word comes in, we do just shut off. Because that would adversely affect the amount of sediment that we bring up to the facility. Otherwise, if the turbidity is less than 600 NTU we still divert. We can deal with the additional sediments. In the wintertime, the turbidity in the river is normally less than 10 and so that very clean water offsets the additional expenses in warm weather. We have much lower treatment cost in the wintertime due to the cleanliness of the water.

COMMISSIONER HAMILTON: Yeah, and the other question, I'm not sure if you want to take this or if we want to wait until Mr. Carpenter makes his report – I'm just understandably curious about how things are going with flows which were down and then we got some monsoons and I don't know if you brought your crystal ball or if anybody else did; I'm just wondering what the prognosis is for diversion.

MR. CARPENTER: Madam Chair, Commissioner, I was planning on getting in that in my report but we have had a lot of discussions around this issue. We have some information to offer. We've got some planning that has been taking place if this does actually occur. I am happy to address any questions you have under this item or we can just delay it until my report.

COMMISSIONER HAMILTON: I'm happy to wait.

CHAIR VIGIL COPPLER: Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. I wanted to thank you, Randy, for working on the map. I appreciate it. I noticed and it makes it much easier to read although I can see that there doesn't seem any water now at El Vado. Thank you for that, I appreciate it.

MR. SUGRUE: You're welcome.

COMMISSIONER HANSEN: And then I did have one question on the El Niño, La Niña it looks like it says it's neutral on La Niña. Does that mean we're going to have the same kind of winter we had last year or will it be a different type of winter?

MR. SUGRUE: If I can defer that to Rick possibly, you have much more experience with interpreting this Rick?

COMMISSIONER HANSEN: Okay, thanks for that.

MR. CARPENTER: Madam Chair, Commissioner Hansen, the short answer to that is when NOAA calls it "neutral" that means they're saying there is an equal chance of above or an equal chance of below normal precipitation. But I wouldn't compare it to last year necessarily; that's not what they mean. They just mean that it's equal chances of slightly above or slightly below.

COMMISSIONER HANSEN: Thank you, Rick.

CHAIR VIGIL COPPLER: Okay, any other comments? I do have one last question now, how do you spell turbidity? It's not popping up in my Google.

MR. SUGRUE: T-u-r-b-i-d-i-t-y. And the units are NTUs, Nephelometric Turbidity Units.

CHAIR VIGIL COPPLER: Thank you for your report.

9. Report from the Facilities Manager

MR. CARPENTER: Thank you, Madam Chair. I originally had many items to report out to the Board under this item but they have translated into specific standalone items later on in the agenda. So there are still a couple of items that I would like to report out to the Board.

The first starts with work furloughs. As most of you already know but if you don't, the operators have been determined to be exempt from the furloughs so they are back to their normal scheduled hours and that will be maintained. And all furloughs, as far as I know, and Mr. Roach may want to chime in on this if he has any updated information, but as far as I know, the furloughs are scheduled to end on September 4th and that would be for all employees not just operators. So that's any update on that.

The second item I have is a follow on to the comment from the public. LANL and Los Alamos County have submitted an application to transfer water rights. I thought it was 672 but maybe it's 679 – anyway, a large amount of water rights of various locations to the remediation site. In speaking with representatives from LANL, Mr. Harwood and myself and representatives from Glorieta Geoscience it was explained to us that, yes, they're going to transfer those water rights and, yes, they're going to use it for injection wells and extraction wells and there's going to be no net depletion. But we don't have any indication of that and it's not in the application: it's not there. So when it was termed early as "incomplete" I think that's probably the right term. That's the term I would use. We didn't make as much progress with the folks from LANL that we had hoped and the deadline to file the protest was Wednesday, yesterday, and since we were running out of time, we filed the protest. The BDD has filed a protest on that application.

Mr. Harwood will probably want to correct me on this, I don't know whether we would want to term it a friendly protest or just a regular old straight-up protest, but we need more information and there's ways to do it. We don't want to stand in the way of the remediation. We don't want to get involved in any emergency measures that they are taking. But the application, in our view, was incomplete and so that protest has been filed with the Office of the State Engineer. The County of Santa Fe has also filed a protest along similar grounds as far as I know.

And, Madam Chair, that concludes my update. I'll stand for questions.

CHAIR VIGIL COPPLER: Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Rick. Thank you, Kyle. I completely appreciate you leading the charge on this and trying to negotiate with LANL on this before the protest was due and talking to them about it. It is true that Santa Fe County did file a protest also. There are at least two protests to their application. I don't know there could be more but I think that is important. Kyle, did you want to say something?

KYLE HARWOOD (BDD Counsel): We'll find out soon whether there are additional protests beyond this Board and Santa Fe County's and I do have a call with NMED general counsel next week to explore both the resolution of the protest as well as get an update on MOU negotiation and I hope that we'll have a substantive agenda item on the September Board meeting so we can give the whole Board a full update on all of these issues and how they are interconnected.

CHAIR VIGIL COPPLER: Thank you, Kyle. Any other questions for Mr. Carpenter? Thank you, Rick.

10. Update on low flow operations at BDD

MR. CARPENTER: Madam Chair, I know that Mr. Roach is listed on this and I welcome him to jump in anytime he wishes but it might be appropriate if you would allow me just to make some introductory comments at a high level on what the intent of this item really is.

CHAIR VIGIL COPPLER: Sure.

MR. CARPENTER: I think it was alluded to earlier in some of the comments. So do we have crystal ball? That's a good way to put it and it may be a little better than a crystal ball but nobody knows for sure. But what we think we're looking at are critically low flows starting pretty soon especially if MRGCD decides not to call for water or they run out of water and there's not a lot of carriage water in the river, we're going to be looking at very low flows, both San Juan-Chama and native flows. It is important to keep that distinction in mind. Probably around maybe the end of August but probably almost certainly into September, possibly even into early October, we don't know – but what we do know is that there is a high likelihood that we're going to have critically low flows. How critical? We may have to shut the BDD down. Below a certain level and we think that's probably around 200 cfs, we probably cannot physically divert the water. There are also permit restrictions and low-flow curtailment criteria where we have to gradually reduce our diversions of native flows as those flows go down as determined at the Otowi gage.

So we'll be monitoring it closely. We are currently not diverting any native flows and I want to make that very clear for the record. The BDD is not diverting native water currently. What we are diverting is imported San Juan-Chama water. But we will be monitoring it closely. The Bureau of Reclamation has come out with a new tool that we hope, we think will be very helpful in measuring native Rio Grande flows so that we can be more precise about when we meet certain thresholds according to our various permits, the biological opinion and the Coordination Act Report that we call the CAR.

So we do have restrictions when we get down to around 200 cfs, certainly not below 150 cfs, we're going to have to stop diversions. We don't know for sure if that's going to happen but we think it's a very high likelihood and we do have plans in place to monitor that. We do have plans in place to do other things and to optimize that and that's the subject of the next agenda item that we can still be more efficient under those conditions. That's my update on that item but if Randy or Kyle, if you want to add to that or correct me if I misspoke please, Madam Chair, if it pleases you.

CHAIR VIGIL COPPLER: Kyle, did you have anything to add?

MR. HARWOOD: I don't think so. There's more detail to note depending on the Board's level of interest. Jesse Roach I think maybe has something to add.

CHAIR VIGIL COPPLER: Right, Jesse, how about you?

JESSE. ROACH (City Water Division Director): I don't at this time, thank you, Chair. I would be happy to help with questions if there is something that I can help with.

CHAIR VIGIL COPPLER: Okay, let's move to questions from the Board, anyone have any questions. Commissioner Hansen.

COMMISSIONER HANSEN: If we do have to shut the diversion down, how long do you think it will be shut down for?

MR. CARPENTER: We don't know. I'm sorry, Madam Chair and Commissioner Hansen. We don't know. It could be three weeks, four weeks, six weeks, there's just no way to really know. I wouldn't think it would go past mid-October but there are just too many variables to say with any precision of what that might be.

COMMISSIONER HANSEN: I'm sure that it depends on our rainfall and what's released from up above. Okay, thank you.

MR. HARWOOD: It also depends on the reason for the shutdown.

CHAIR VIGIL COPPLER: Any other questions? Thank you all.

11. Potential BDD and Canyon Road summer/fall shutdowns and opportunity for possible "cross training" for staff

MR. CARPENTER: Yes, Madam Chair, and I think Jesse will want to weigh in on this one but I can start things off. In anticipation of the likelihood that the BDD will be shutdown later this summer and also in recognition that Canyon Road will also shut down as part of their operations, different reasons, but they will likely be shutdown in the fall, there is an opportunity to make the best of the situation in ways that we're trying to be creative about. One of those ways, and I think that Dr. Roach will want to weigh in on, is that if BDD happens to be shut down for a month or however long it is, an operator or others could go to the Canyon Road plant and learn more about how that plant is run and sort of cross-train and shadow those employees. Then when later in the fall, Canyon Road shuts down there's a likewise opportunity for one or more operators to come from Canyon Road down to the BDD and learn more about how we run our plant. That's a way to optimize and be efficient and to give our employees an opportunity to learn.

In speaking to Mackie Romero, there are cost-codes that are set aside so that we can keep the time straight and bill the appropriate entity for that time. So that shouldn't be an issue either. So that's just a higher level view of what we're thinking and Dr. Roach if you would like to weigh in, I don't want to take too much of your time.

MR. ROACH: Madam Chair, members of the Board, thank you, Rick, thanks for that introduction. I don't need to get much further into it only to say that, from the City perspective having two water treatment plants, we would like to have the resiliency in place where if something strange happens and a bunch of operators get sick or whatever, there are operators at one plant that might be able to come over and help for a short term. So we would like to improve the knowledge that operators at Canyon Road have about BDD and vice versa. And as Rick mentioned, we typically do shut down Canyon Road for two weeks each year to clean and we're thinking about shutting it down for a month this year and the idea here to get a little bit of feedback from the Board. My thought would be that anytime we shutdown Canyon Road if we send an operator of a certain level for a certain amount of time to BDD to help out and learn about BDD we would try and do the same thing. And when BDD shuts down send a similar operator for a similar amount of time to Canyon Road.

This is an effort to improve the overall skill set of operators at both facilities. I think BDD operators understanding more of how the overall system works and City/Canyon Road operators understanding more of how BDD operates is very advantageous.

CHAIR VIGIL COPPLER: Okay, thank you, Dr. Roach. I'm a real fan of cross training. Anytime an organization can implement it, it does a lot of good for an organization. If that has to happen there is a lot of good that can come out of it. So I am pleased that that is on your radar.

Any other comments? Commissioner Hamilton.

COMMISSIONER HAMILTON: Thanks, I would agree. And just for the record, I think Dr. Roach's crystal modeling is usually better than a crystal ball by at least a little bit. I would agree. What I was going to ask if there isn't a shutdown at BDD, it sounds like you might do one anyway if you needed to, but if there isn't one, do we have plans for being able to achieve some sort of cross training without a shutdown? It sounds like from Canyon Road that you shut that down anyway sometimes – that's sort of my general question. It's a good idea and do we have plans for doing this?

MR. ROACH: Madam Chair, Commissioner Hamilton, thank you for asking that because after I finished talking I realized that after I finished talking I had not mentioned that one of the agreements – and I don't know how much the Board knows about this – but we are working with the County on an agreement on how we can utilize different water resources at BDD at during different times of the year and there's an advantage for the County when we can't divert native but there's a potential advantage there for the City just for operational flexibility. So we would, if we can get that agreement into place and if we establish some framework for this cross training then we could implement what I'm calling discretionary shutdowns at BDD, where we say, we don't have to shut BDD down but we're going to plan to shut BDD down for two weeks to a month during which period we will deep clean or Mr. Carpenter or Mr. Sugrue will decide what's the best thing to do when the plant is off and that may include some cross training, and we're trying to work out an agreement with the County so that the County is not hurt in any way if the City decides, Let's go ahead and shutdown BDD for two weeks or four weeks just because there's these operational flexibilities and advantages that we can achieve.

COMMISSIONER HAMILTON: And I just want to say that I know some that the City and County, that you guys had been working together on that and I really appreciate that you guys are doing that. It's a really good thing that you guys are working together on and cooperating on. And I certainly think and hope it's benefit to the whole – it's got to be a benefit to the whole integrated operation of serving water. Thanks for doing that.

CHAIR VIGIL COPPLER: Mr. Egelhoff.

MR. EGELHOFF: Madam Chair, I have a question for Rick or Randy. Do we have any pressing maintenance opportunities, like maybe cleaning up the forebay or put the coffer box in and check screens? Are you guys looking at any of that while we're down so that wouldn't come up potentially in the future when we're back up?

MR. CARPENTER: Madam Chair and Mr. Egelhoff, yes we are looking at that. We have some larger projects that are more on the maintenance side than the operational side that we've already talked about if we do shutdown that's some of the first things we would do is clean some of the basins, get some things repaired that we've not been able to get to. It's a real opportunity to catch up and we've had those discussions and they are ongoing.

MR. EGELHOFF: Thanks.

CHAIR VIGIL COPPLER: Any other questions? Thank you very much for your reports.

DISCUSSION AND ACTION

14. Discussion of amended Fiscal Year 2021 Annual Operating Budget in the amount of \$8,653,715 plus \$626,706 in contributions to the Major Repair and Replacement Fund

a. Request to ratify and formally adopt the amended FY2021 Annual Operating budget in the amount of \$8,653,715 plus \$626,706 in contributions to the Major Repair and Replacement Fund

MS. ROMERO: Thank you, Madam Chair. Madam Chair and members of the Board, this is a request to ratify and formally adopt the amended Fiscal Year 2021 annual operating budget.

On February 6th, the BDD Board did approve and recommend a budget of \$9,659,797 plus \$626,706 of contributions to the Major Repair and Replacement Fund. Since this recommendation the current pandemic has caused economic hardships on our partners, therefore, BDD staff was tasked with reducing the approved budget without affecting core essential functions. The amended budget that was prepared by BDD staff was approved by Santa Fe City Council on July 29th. On July 14th Santa Fe County Commission approved the amount requested in the approved budget and it did not include the reductions presented today.

The BDD had to evaluate all expenditure line items from the approved budget to determine costs that could be reduced. I do want to note that this reduced budget that is being presented today is not the same budget that was presented to the Board back in June. This is a different version of that budget. So in order for BDD to reduce its budget we had to evaluate all of our costs. The evaluation process that we went through included prior year actual comparisons, delay of billing positions, delay of purchases and reduction of non-essential expenses. During this process we were able to reduce the budget by \$1,006,082. The details of the reduction by major category are presented on page 3 of your packet. This reduction did not adjust any of the partners' water delivery projections and it provides the funding needed to operate and maintain the facilities to meet the demands of the partners. The budget will be monitored closely and funds will be moved as needed.

Even with the reduction as presented today the budget still includes carryover of prior year furlough savings, funding for the HVAC replacement project, and funding to fill one vacant maintenance position. The BDD Board also approved carryover funding of \$310,000 to support projects that could not be completed in fiscal year 2020. This request also continues funding of Major Repair and Replacement Fund for an annual contribution of \$626,706 and with this contribution the estimated cash balance in this fund would be a little bit over \$2.4 million.

With this submittal we request that the BDD Board ratify and formally adopt the Fiscal Year 2021 operating budget request of \$8,653,715 plus the contributions to the Major Repair and Replacement Fund for a total request of \$9,280,420. Are there any questions about the amended budget?

CHAIR VIGIL COPPLER: Commissioner Hamilton.

COMMISSIONER HAMILTON: Thanks. I think it's – you guys clearly did some very good work and we had discussions about it at FSAC about the different items that are listed in the packet, so the different categories. I wonder if we might go through the categories because it seems to me that there are several things that can be postponed, it's reasonable to try to do those savings and there are few things that I would appreciate further discussion on with the possibility of giving the Board the opportunity to request certain re-modifications before approval. So if that's good with you – I can ask that we start with salaries and benefits. I really wanted to get some discussion on the second position that is being postponed which is also relative to maintenance. I think I have general concerns about, as you know, not fully funding staff for things that right now especially in terms of operations and maintenance are so critical for the way BDD operates. You guys indicated and I agree, I have no problem with it, that it will take several months to re-describe that position and even post it. But I think it's a little – I would suggest that it would be better if the estimated time to re-describe that position is up to half-a-year, that we put half-a-year of that salary in the budget because it is an important O & M position. So if we could start with that.

CHAIR VIGIL COPPLER: Okay, that would be fine. I want to start out by saying that we did discuss this certainly at the City's budget hearings and we discussed it at FSAC and what I understand to be the case is that the position title as it is now and the description of duties and you alluded to that, is not what is needed at this point at BDD so obviously taking time to reclassify the position, to study its duties and develop all of the framework that is required will take some time and then getting it through HR. But what I heard, and Mr. Carpenter can correct me, at FSAC and prior to that is that, this is not a position that is right now sorely needed. And I agree with you, if it comes to – we should start at least the preparation for reclassifying it and all of that and really deciding what that position needs to fulfill to help BDD operations and go through the process.

What I also heard during the budget hearings and at City Council discussion of the budget that not only BDD but any organization in City government who comes across needs that haven't been met based on the budget and these are real needs, it's not a stagnant budget and it can be changed and it can be updated. We heard many, many times that we were going to be revisiting the budget and getting updates as time passed and not only the needs expressed by departments and certainly BDD but the needs, the updates on how we are looking as far as the coffers are concerned.

So it's not set in stone and I like the idea that it will be revisited. So I think there is opportunity to determine whether we need that position, how soon we need that position, and, of course, move forward with what is required to get that position up and running and ready in the event we can fund it.

Mr. Carpenter or Mackie, you can correct me if I'm wrong.

MR. CARPENTER: Madam Chair, I think you summarize accurately.

COMMISSIONER HAMILTON: I appreciate what you're saying. I don't think the fact that we're allowed to revisit budget, which is clear, and it's very clear that the typical uncertainties that always are associated with estimating budgets for a whole year of operation whether it's for BDD or the City or the County or any organization are there and they are increased with what we see in COVID – I don't think it takes away the Board's obligation to try to budget accurately. I think when I take it in

total – and my other concern, my other thought is that, what is indicated is that there are additional savings by minimizing overtime.

So the way I understand the way we've budgeted in this revised budget that we're considering now is, that there's a certain amount of predictable overtime that is associated with the fact that you have people that are doing shift work. We have 24-7 operations and if the operators and maybe some other staff work 36-48 there's some overtime by definition in there because of federal law. And that's the only overtime we have in the budget. And I just think that's a little bit too aggressive. I understand that we've had a couple of years where our budgets have always exceeded a little bit from what the actuals are and the goal here is to reduce everything down to what the actuals had been and I respect the need to try and minimize expenses. So if we go through all of these there are places where I agree postponing some of the capital because that risk can be managed if we blew it and there's a big capital piece that we really need we can go back for it. But I think – and I also understand that there's some anticipation that if we shutdown we're going to be saving personnel time doing that. I know that in other parts of the budget where some of the savings for dropping some of the maintenance, you know, the external contracts like for doing grounds maintenance and whatnot are being achieved by saying we're going to be doing that internally so the idea of cutting down to know predictable unexpected overtime just seems inappropriate. And I do come back to the thing that for the previous three years, every single year we had a discussion about operating without certain positions filled that it was a higher risk and we were so relieved like in January, before COVID, but at the beginning of the year that we were finally up to full staffing and I feel like it's fine to take the half-year savings because we'll never get it reclassified in two weeks. Predictably it takes six months and I just don't think it's appropriate to dump all of it or to not put a little bit of overtime.

MS. ROMERO: Madam Chair, Commissioner Hamilton, we did leave overtime in the budget. We have \$110,000. It was reduced by \$40,000. We spent \$206,000 in overtime in 2019 but we weren't fully staffed either. So the estimate is based on the fact that we are fully staffed now and so we do feel that that \$110,000 should be sufficient to cover the built-in overtime that is within the budget. It also gives staff an opportunity to look at the schedules and see if there's any additional opportunity to save in overtime if we were to adjust some of the schedules but the budget was not built with that in mind. It was built in mind with that we are fully staffed now and we should see overtime be reduced from prior years.

COMMISSIONER HAMILTON: But I thought I understood at FSAC that the overtime that was left in the budget was only the predictable overtime having to do with doing shift work.

MS. ROMERO: We budgeted \$110,000 that was related to – you are correct – related to the built-in overtime on their schedules, shifts and graveyard that is all part of that.

COMMISSIONER HAMILTON: Right, so if one operator gets COVID and is out, there is no overtime in the budget that would then be incurred. We're talking about a fairly small amount of money. You guys have done a great job of cutting down a million dollars. If there's 130 hours and we need some contingency overtime the idea of having to come back – that just seems predictable – and the idea of having to come back and resubmit, revise the budget for something that was this predictable.

Anyway, I don't know, if nobody else is concerned about this I will get voted out. I would like to see a little bit of a revision to that. I don't think it makes that big a difference but I just don't see doing – not doing what seems to me to be predictable given that we're in the middle of a pandemic where the idea that somebody could be taken out of circulation for a period of time is higher than normal.

CHAIR VIGIL COPPLER: Okay, Councilor Romero-Wirth and then Commissioner Hansen.

COUNCILOR ROMERO-WIRTH: Thank you, Madam Chair. I guess I'm a little bit confused. Commissioner Hamilton you started off talking about putting in half of what was required for the second position that is frozen and then you ended up putting in more money for overtime. Somewhere in there you shifted and I'm not quite sure what you're advocating, if you're advocating for both those things or one or the other. So that's one question.

COMMISSIONER HAMILTON: So very quickly, I'm actually advocating for both of them. I think a half of year of salary because it's an O & M position and for operators we're up to full staffing but clearly we think that that position is needed and then the overtime is a separate issue. I don't think either of them are very big dollar items.

COUNCILOR ROMERO-WIRTH: Okay. I think it would be important for us to maybe take them one at a time. I did hear that that second position isn't needed at the moment. And given the uncertainty which we're budgeting in it seems we would want to wait and see how our revenues are doing and revisit down the road. I would like if somebody has the budget, I don't know, Mackie, if you do, the graph that shows the actuals versus the budgeted amount.

MS. ROMERO: Madam Chair, Councilor Romero-Wirth, I can share my screen if that's okay.

CHAIR VIGIL COPPLER: Yes, go ahead.

COUNCILOR ROMERO-WIRTH: I just want to point out this graph which shows that for the last five years our expenses have been lower than what we have budgeted and so I'm not sure given this graph that we need to budget more just to budget more. It looks like we have been fine and I think if there needs to be – if that position comes, if folks figure out the classification for that position and how to list it and advertise for it, it seems like there could be some sort of budget adjustment request made and we can see how we're doing. I think the important thing right now is that we get a budget at this point. We are into the fiscal year. I think to do the operations that are required we need to get this budget approved and if there is some tweaking that needs to happen down the road, I think we can do that. I actually would like to take a deeper look at the overtime. I'd like somebody to maybe make a presentation to us about how that overtime works and have a better understanding before we put more money into overtime especially given the fact that the staff has said this is overtime that we think is appropriate now that we are fully staffed. I'm not sure that the rationale is there just to add or pad especially in these uncertain revenue times. I just wanted to make those points. Thank you, Madam Chair.

CHAIR VIGIL COPPLER: Okay –

COMMISSIONER HAMILTON: Madam Chair.

CHAIR VIGIL COPPLER: Did you want to respond to that point?

COMMISSIONER HAMILTON: Yes, please. I think they're mostly really good points. I do not want to pad the budget at all. I agree with much of what you're saying. I will point out that last year that cushion that was transferred into litigation costs. So if we're sure that what we have under litigation cost is adequate and we're sure that what we have under personnel time because we're shifting a lot of what had been done under contracts which we haven't gotten to yet in to being done internally because we can do them more efficiently, then, yes, I would agree. If anybody is arguing that we don't need that O & M position when we know that that's a sensitive topic, why was it put in the budget? So in the wash of things, yes, there's a limited liability to having to come back and reinsert things in the budget but I really like these are predictable things that we actually will see the need for that's why I'm suggesting making sure they're in the budget now will save us headaches later and there will be a realistic recognition of what our expenses will be. I don't want to do it to pad the budget just in case. But this has been achieved and many of the things, like I said, I have no problem with doing – this has been achieved by cutting all of the cushion out of the budget. You know, BDD has been operating for awhile and that overtime has never been able to be reduced. If we can look at it and figure out a scheme that works better that reduces overtime further that's great. But we, right now, don't know that that's doable.

So I was just looking toward doing what I frankly think is predictable. Yes, I agree that we have been below -- actuals that is have been below budget and we should definitely take advantage of that under the circumstances but there were just a few items that I brought up that I think are probably being cut a little too aggressively. That's all.

CHAIR VIGIL COPPLER: Thank you. Commissioner Hansen. Mackie, can you stop sharing the screen please, thank you.

COMMISSIONER HANSEN: I think everyone has heard me speak numerous times about the importance of sampling and the TREAT study. I don't want to see that cut from the budget. I consider that really important. It is a perfect example of what has happened with this protest that we just filed is that we have people up the hill who are not taking their jobs as seriously as we are taking ours. I really care about sampling and I really care about making sure that our water is safe and protected. I also care about our MOU and I know that that is going to take time. I do not want to see those things cut from the budget. I understand your consideration Councilor Romero-Wirth about we've overbudgeted but I don't think that we really have over budgeted because we're always very close and tight when it gets down to the end, at least that is what I have seen happen over the years.

I agree with Commissioner Hamilton on the fact of employees. I think if we have to reclassify and we've done this before on some of the operators, we had to reclassify them. If we're cutting our maintenance agreement and bringing it in house then maybe we are going to need more people on staff to deal with the maintenance. There is always two sides to every coin.

I think we need to look more carefully at the budget. I don't think that a million dollar cut is necessary. I think it may be something more like \$500,000 cut to the budget might be more accurate. The City has money in the water fund to pay their budget and pay their bills. Providing water is, as I have said numerous times and I've heard Councilor Romero-Wirth quote me, this is an essential service and we're bringing in money. This is an enterprise fund at the City. This is a separate fund. People are still

paying their water bills; at least I hope they are. I still am paying my water bills and I live in the City. So I think we need to continue to look at this and actually make a better budget because I am not completely satisfied.

CHAIR VIGIL COPPLER: Councilor Romero-Wirth.

COUNCILOR ROMERO-WIRTH: We've heard from staff that these cuts are manageable. That they don't need the position. That they think they have enough in overtime. We've seen the graph that says that we always budget more than our actuals. I think we're going to be coming back to look at this budget long term but I think that it is really important that we get this budget approved and that we have a start to this fiscal year that is already underway.

I would move that we pass this budget as it is.

CHAIR VIGIL COPPLER: I'll second it. Let's have more discussion and Rick I would like to hear from you on this.

MR. CARPENTER: Thank you for the opportunity. A couple of points. Mackie and I have put with input from others a lot of effort into the budget that you have before you. It is certainly not optimum but it is manageable. A couple of points on that that I would just like to remind the Board of, we can come back and revisit the budget and make adjustments if necessary. We can also come back if we run short of an item here or there or something comes up that wasn't anticipated and ask to BAR money. So those are two options that are available to us. We can live with it and I think that Councilor Romero-Wirth characterized it as manageable, I would agree with that.

Then on the water quality topic and sampling and the TREAT study, I have no intention of permanently not doing the sampling that we have done in the past or maybe even increase the sampling, just not right now. We are going to do the sampling that is required. We are going to meet drinking water standards and I wouldn't put one drop of water out of that plant if I thought it was otherwise. As far as the TREAT study is concerned there is no time specific near term driver for the TREAT study. It's something that we've already done several TREAT studies anyway. This is not the first one. So we can delay that. I have every intention of doing it. It is just something that we identified that could be delayed and have it show up in the next year's budget.

Madam Chair, if you have any other questions or if I didn't cover anything that you think I should that is appropriate, please let me know.

MEMBER HELMS: Madam Chair.

CHAIR VIGIL COPPLER: Yes, Mr. Helms.

MEMBER HELMS: I would just like to make a point that vexes me every time we have this discussion. There was this wonderful graph we were looking at a minute ago showing the spread between actual and budgeted but it did not have a line there for income. We're an operation that actually produces a commodity of value which we sell for money and I would like to see a line in a different color showing what we actually produce. It seems to me we produce income far in excess of our expenses and I don't know why we're haggling over expenses. I think the City and perhaps the County too but in particular the City seems to regard Buckman as an income source, the whole amount as an income source and if they have to dig deeper into it one year then they push on our head and force us to go lower. I don't see it that way. I think we should set our own expenses and say this is what we need and then what's left over you get, of course, and that's a lot. We produce a lot of value. I think we're being looked at in the wrong

way. We should be looked at as an independent topic that always produces value. It always produces money. As Commissioner Hansen said, people are still paying their water bills and I think we should not be subject to the same budget pressures as the rest of the City and I would imagine also the County.

CHAIR VIGIL COPPLER: Thank you, Mr. Helms. Councilor Romero-Wirth.

COUNCILOR ROMERO-WIRTH: Could we get a little bit more information on whether people are paying their water bills? I believe I heard that we actually have seen that there is some stress with regard to that. Does anybody have any information on that?

CHAIR VIGIL COPPLER: Mr. Roach, do you?

MR. ROACH: Madam Chair and Councilor Romero-Wirth, I do have that report. It is what we call our “ageing report” and I haven’t looked at those numbers for July. But as of the end of June we have seen an increase of the amount of people not paying their water bill. I don’t have that graph right in front of me but I can pull that up in the background if the Board is interested in seeing that.

COUNCILOR ROMERO-WIRTH: I remember hearing that as well and, again, I would just make the argument that we are in extraordinary times. I think the staff has done a great job in coming up with a budget that we can use to move forward. We should be revisiting it and I think it’s really important that we get them a budget. The fiscal year is already underway, let’s get this done and if guys want to look at income, I think let’s make a special agenda about that. I’d love to have a special agenda item around overtime and how that works. And if there’s some other things that we ought to take a deeper diver into, by all means let’s do it.

CHAIR VIGIL COPPLER: Okay.

COUNCILOR ROMERO-WIRTH: Thank you, Madam Chair.

CHAIR VIGIL COPPLER: You’re welcome. Thank you. I made note of some of those items for the agenda. I’d like Mr. Carpenter to express an opinion as to what Mr. Helms brought up. How does BDD figure out in – I know that the water leads its way into the City coffers and what’s your opinion on this whole topic?

MR. CARPENTER: Madam Chair and members of the Board, I’ll take a stab at this and I know if I mess it up that Mackie will say so. But my opinion is that the BDD puts forward a budget which is a request to encumber funds. The City and the County and Las Campanas place orders for water and we bill them at least quarterly not based on the budget, that’s an estimate. We bill for actuals. So there is cash flow that comes in but it’s based on the amount of water that is ordered and the costs that are associated with that in actual terms not estimated budgetary terms. We cover our costs that way. We can’t run a deficit and we can’t charge more than what we’re allowed to charge. So I guess I’m speaking in a little bit different terms than Mr. Helms but I think that’s really the only way I can respond to that.

Mackie and Madam Chair, Mackie, do you have anything to add?

MS. ROMERO: Madam Chair, members of the Board that is correct. BDD’s expenses matches its revenues and the revenue is from the partners that contribute to those expenses. There is so excess revenue and that’s why there’s never a line showing you the revenue that is coming in because it has to be the same.

CHAIR VIGIL COPPLER: Okay, thank you for that clarification.

Commissioner Hamilton.

COMMISSIONER HAMILTON: I want to ask this question because I think this is probably the only time in the agenda that it is appropriate. Right now both the City and the County's water utilities are enterprise funds but the way I understand it the City is reorganizing and you guys did this budget without knowing what or approving that reorganization. I couldn't figure out where the water utility was going to go in that. I don't know but I wonder and I guess that's part of my question, how is that going to impact the relationship with BDD and I'm asking in the context of wondering how it would impact our budget considerations, the BDD's budget considerations?

CHAIR VIGIL COPPLER: Commissioner Hamilton, the way I understand is that we are an independent body and nothing that I heard at least, Councilor Romero-Wirth can correct me if I'm wrong, but nothing that I heard in the budget hearings will have any immediate impact or any impact at all on our operation. Public utilities –

COUNCILOR ROMERO-WIRTH: Is a standalone department.

CHAIR VIGIL COPPLER: Yes, it didn't change

COUNCILOR ROMERO-WIRTH: It's not moving anywhere.

COMMISSIONER HAMILTON: Oh, that's why I couldn't find it, I guess. Of course the information that was in the article was pretty scant.

COUNCILOR ROMERO-WIRTH: It's standing alone. There is nothing happening to it. The reorganization doesn't have anything to do with public utilities or the BDD. And I don't know if our staff has any other insight into that.

CHAIR VIGIL COPPLER: Thank you. Commissioner Hansen.

COMMISSIONER HANSEN: So if we're a standalone agency and we created a budget in June or earlier and we reduced it to some extent and then we produced a new one in June and now we're producing another one that is impacting us because the City doesn't want to pay the amount of money that we originally asked for in the budget or you're not budgeting the amount of the money that we have requested, whereas, the County is willing to pay their part – so we're a standalone agency, why are we bowing to the City's issues about, Well, we can't pay this and so reduce the budget and reduce staff and reduce time here and reduce – and let's not do the TREAT study and let's do other things. I need to hear something that makes me feel better about that because I don't feel good about it.

MEMBER HELMS: Madam Chair.

CHAIR VIGIL COPPLER: Yes, Mr. Helms.

MEMBER HELMS: Ms. Romero made a very precise point which is really quite helpful. She said that whatever our costs are actual that we bill to our customers or our partners or however we describe them, the City, the County, Las Campanas, we bill actual costs which then begs the question; who determines what is cost? We should be doing exactly what we see as correct – never mind what other people say about us – and the cost of it we bill to the customers. It's just that simple. So I think her answer was absolutely correct and it's a wonderful answer.

We should just run our show and when the costs come in, bill them to the customers. That means I'm opposing this reduction in the budget.

CHAIR VIGIL COPPLER: Thank you, Mr. Helms. That brings up a point that I recall during our budget hearing before the City, and by the way that's the

first time we had presented as I recall and as I am told, that's the first time we BDD has gone before the finance committee during budget hearings to discuss who we are and what are legal framework is and then certainly discuss the numbers. And during that meeting, back to Mr. Helms' point and Ms. Romero's point, it was definitely discussed that we do budget based on what our needs are and I recall Ms. Romero you saying that it's not a given that we will spend all of this money. And, again, we only bill for water usage to the partners. So as I listened to the budget hearings I felt comfortable about this and I also want to reiterate that I feel comfortable with the fact that the Board can go back and if our budget shows that we're in a problem state, then we can go back and we can justify what monies we do need and whether those come out of the enterprise water fund or not we know that money is there and I think that's the comfort that we need. It's justifying what you need.

The discussion of BDD staff during the budget hearings was very professional, very well thought out. I wish we had the organizational chart on our materials that Mackie created because it was really good. It showed how things are done. But I feel comfortable knowing that if we have to go back we do have a balance in the City's water fund and if we have to go back I know we can justify it because staff does a really good job about that and I think we have to recognize that this year is a different budgeting animal and we never felt this before. I think that we're erring on the side of caution and that's not always bad in a budget process. I feel like definitely relying on staff and what they know and how they manage is important. We're the Board. We're not in the nooks and crannies everyday like they are. I don't think that staff is telling us what we want to hear because I heard them during them during the budget hearings, I heard them go through some very big time questioning from all of the councilors and there was still discussion about the BDD at the City Council meeting. I hate to bring this up, but this could have been worse. We almost lost our litigation money and we didn't. Staff did a wonderful job saving that discussion about litigation. And so I feel pleased about it. I feel comfortable about the budget. I have always been of the opinion and I still am that BDD is a separate organization. I think we still are. We accomplished a great deal with these budget hearings at the City. Many of the councilors didn't know who we really were and how we were enveloped within the City structure. The way that staff and our attorney, Nancy Long, did a wonderful job presenting how we are organized and how it all works. She did a great job. If you all were sitting in, you would have recognized that and I think you certainly agree with me on Nancy's capabilities.

I feel comfortable with this budget and I feel that we can move forward. I feel that we have points in place where we can go back if need be. I think the City Finance Committee and City Council knows that if we're coming back it's for a good reason. We're not just willy-nilly wanting more money. I think we need to give it a chance and see what happens, see what we can do. It's a different budget year. Next year hopefully it won't be like this. I think we have to do our part.

Mackie and then Councilor Romero-Wirth.

MS. ROMERO: Madam Chair, I just wanted to remind the Board members that I do provide quarterly projections and we can change that and I can provide monthly projections so that the Board can see where we're at. The budget is a plan so this is our plan. That doesn't mean that if things come, we don't say no. If an expense is needed we'll pay for it. We'll bring it back to the Board. So we can do projections. I do

projections any ways every month and I can actually present those to the Board so you can see where we're at and if there's a moment in time where we feel like we might go over and we need to amend this budget, then we can do that. I just wanted to throw that out as an option. Thank you.

CHAIR VIGIL COPPLER: Okay. Councilor Romero-Wirth.

COUNCILOR ROMERO-WIRTH: Thank you, Madam Chair. I just wanted to disagree I guess with one thing you said about the budget hearings and that is that we quote and quote, "almost lost our litigation money." There was absolutely a conversation about the amount that budgeted for the litigation that the case/the lawsuit would come to trial in this fiscal year and a questioning of whether there was enough money in that line item to meet what those costs may be and an understanding that maybe litigation tends when you actually go to trial there's some times that it is more expensive than you anticipate. I think there's absolutely an understanding that this could be a more expensive year. I just want to be clear that there was never any indication that we shouldn't be providing for that line item. So I just wanted to make that clarification, thank you.

CHAIR VIGIL COPPLER: I agree with you. I didn't mean it would go down to zero but I did see some sheets where it was cut and wasn't at the \$2 million mark. So that's what I meant. I was a little over dramatic. I didn't mean it went to zero but it was at one time slashed a little bit.

Okay, Commissioner Hamilton.

COMMISSIONER HAMILTON: Okay, I guess I should say it now, I actually really appreciate what everybody is saying and there are some things I disagree with. First of all, I think next year will be the same as this year. I don't think the economic impact of this is going to go away as fast as even the pandemic will go away. The recovery from that won't be as quick and so I do think we have to budget really carefully each year. I respect the need to try to keep our estimate of what's needed as accurate as possible. I don't think that our responsibility as Board members to budget accurately is obviated by the fact that we can do budget amendments whenever we need them. Thank goodness we can do budget amendments when we need them because none of us have crystal balls and things haven't happened too often to us that have been completely out of the ballpark but we did underestimate litigation expenses last year, just as one example. And we did something about it. I am a little shocked that we are arguing that we don't need our own projected O & M positions. I know, I have so much respect for what Rick and Mackie did, I know that they are trying to cut it to exactly what we need and what we don't need. But when we were arguing about furloughs they also said we would make it through. Of course we were going to make it through. These people would never let, if there's any way to avoid it, would never let the system fail just because we were short a few hours. Of course they would never let that happen. But I still think that that position is in fact needed. Can we struggle through? Yeah, we can struggle through but I'm not sure that's the responsible thing to do when we're talking about a facility that operates at an elevated risk because of poor design. That's my argument for that. There are a bunch of these I think we are not very far apart but there are a bunch of the reductions that I said before and we could go through, but there is no need. There's a bunch of them that I have no problem with putting off because the risk is manageable in different ways. I just don't see the rationale for not – we have done

budget revisions and that's what this process is suppose to be – I don't see why we shouldn't put in what we think is needed. I think a million dollar cut – that's just a rule of thumb. That's a way of looking and thinking about the balance but that's a pretty steep cut and if it impacts personnel, which it does, that's probably questionable. If it impacts sampling that might be questionable. If it impacts some of the other things that we've cut back like projected electric use, the cuts on projected electric use if the plant shuts down for a month might never be seen. We would be fine with that. There is no question that we can cut out the \$70k or whatever it was that we used to have to pay June 30th to PNM. But just because I feel pretty close I don't think it is acceptable not to make some additional revisions.

CHAIR VIGIL COPPLER: Any more discussion? Commissioner Hansen.

COMMISSIONER HANSEN: The way I understand the budget on Buckman to work is that it's a negotiation process and the City has come back with paying a lot less and the County is still paying their agreed share. We are paying what we agreed in the beginning. That is what we approved in the June meeting. And now that the budget has been reduced, yes, we're playing less a different amount but we agreed to pay the original budget. I have concerns. I have concerns about the MOU negotiations. And once again sampling is an important issue to me. I have concerns about that. I also have concerns like Commissioner Hamilton said about staffing. We have struggled for the last number of years about staffing and getting us up to adequate staffing and I don't want to see that falling back. This is a negotiation process. If we at the County say this is not where we want to be. We want to look at this and look at maybe there's only a \$500,000 reduction or \$750,000 reduction or \$250,000. I think that this is a negotiation process. I respect the feeling of Councilor Romero-Wirth that, yes, let's get a budget but at the same time let's get a budget that we're going to work with and that we're not having to go to the City and saying, Oh, we need more money from you. Even though there's money now.

CHAIR VIGIL COPPLER: Yes, Councilor Romero-Wirth.

COUNCILOR ROMERO-WIRTH: Mackie are you versed in how the budgeting process works in a regular year? I am looking through my notes but maybe you know. I want to dispel the idea that this is a negotiation.

MS. ROMERO: Madam Chair, Councilor Romero-Wirth, we did put a timeline together for the budget; is that what you're referring to?

COUNCILOR ROMERO-WIRTH: Yes, exactly. I'm trying to find it and I just can't.

MS. ROMERO: The negotiation part of the budget that happened early on that would have been probably around October/November, way in advance of the pandemic and the situation that we're at. That was the budget that was presented to the Board in February, a budget that was brought to staff and the partners, the City and the County and Las Campanas. This is definitely a unique year for us, things happened outside of the budget process and outside of that negotiation timeline. Our timeline stated that we needed to have a budget to the Board so that the partners have time to put it in their budget by December and we did that as of February. Again, the pandemic is requiring us to readjust those negotiations between the partners and reevaluate.

COUNCILOR ROMERO-WIRTH: So we usually have, quote and quote,

we come together in December, the staff, and we work out a budget, right. And then it goes – they what happens? Normally it would go in February to the Board for approval; correct?

MS. ROMERO: Madam Chair, that is correct. I did find the document you're looking for and I'll just kind of read it out.

COUNCILOR ROMERO-WIRTH: That would be great.

MS. ROMERO: The BDD budget process: the BDD staff prepares the budget for the next fiscal year. We typically do that between a September/October time frame and then the BDD staff meets with the partners, the City of Santa, Santa Fe County and Las Campanas. That's typically around November to discuss the budget and negotiate what expenses and we also include water projections which we typically get from the partners in December. And then the BDD then presents the budget request to the BDD Board for approval and recommendation. That was done in February of 2020. Then the partners then take that approved budget or a portion of the budget and include it in their budget. And then in July the BDD staff formally adopts that budget. That's what we had as far as a time line goes.

COUNCILOR ROMERO-WIRTH: Right and this year the County approved that budget that the BDD had approved and then COVID hit and the City found itself in an enormous revenue shortfall and we had to take a deeper look at the budget and so we couldn't do our end of approving what had been submitted. That's when all of this fell apart and we had to figure out what we do in the uncertainty that we're in. We have no idea what's happening to our revenues long term and so we are having to be very conservative in our budgeting and to the Chair's point, Councilor Vigil Coppler saying that we are going to be revisiting budgets as we get a better picture because we can't do what we have normally done which is to rely on historical data. We are basically driving I the dark. We don't know where the road is going to go.

What we're trying to do is be very conservative, be very conscientious and I think the staff has said that we're delaying things. We are not saying that we're not going to do them. We're not saying that we're going to sacrifice water quality by any stretch of the imagination. We are just saying that, Look this is an extraordinary year and we need to do things a little bit differently. And I also want to dispel this notion that somehow the County is paying and the City is not. Maybe you can help me, Mackie, here. Everybody's contribution has been adjusted and is completely in line with our agreements. There's that piece and there's also the piece that we've been talking about which is we get billed, both the City and the County, for the water we use. None of that has changed.

Again, I don't know why – we've been at this almost an hour and a half and I really don't understand why. We've heard from staff that we can operate under this budget. We have heard that we will come back if we need to come back. We have heard, I think, of the stress that the City is under. We have heard that nothing is changing in terms of all of the partners contributing at the levels that our agreements require. We have heard that water quality is not going to be sacrificed. So I really don't – and we need a budget. The fiscal year started July 1st and we are now in the beginning of August and these people need a budget so that they can move forward. We can continue to look at this as we get a better picture of things. This is not the last time that we're going to be talking about budgeting.

CHAIR VIGIL COPPLER: Thank you, Councilor. Commissioner Hamilton and then I think we're going to have to get a vote going. We have a motion on the floor.

COMMISSIONER HAMILTON: Right. Many of those are fair points. I was never, I have never said that the County is paying more or unreasonable compared to what the City is. That is not the issue in the least and I agree with that point.

Everybody has to be conservative and what Rick and Mackie did was to try and cut things as close as they could without jeopardizing. I respect that I just respectfully disagree with selected pieces of it. I feel like – it may not be a negotiation but the process is that the City and the County have every right to look at what the Board sends them, which is what you guys did, it happens the County decided that they weren't going to relook at it they would just sit on it. What came through in billing was going to be perhaps slightly under if the BDD budget is reduced somewhat. That's neither here nor there. You looked at what you felt were reasonable reductions and that budget has been re-proposed. But it still falls to the Board as board members, not County Commissioners and City Councilors, to say we can live with all of that. I can live with a good piece of it. I disagree with not needing a maintenance staff. I understand the – in fact, I think it's a little bit shocking to say we don't that position when we have been understaffed in the past and it's a maintenance position and this is a high-risk facility and we're about to go into litigation where I guarantee one of the things that they're going to say is that you guys waffle on how you operate, you guys don't know what you're doing.

The overtime is something that to me is just easily predictable. There were a few other small things and if we're talking about a couple of hundred thousand dollar difference, you're arguing to me that it's a ridiculous thing for me to argue about. Maybe it is. Maybe it would be the right thing to move forward and then revise this in a couple of months but I just don't feel that I want to vote for eliminating an O & M position under the current circumstances. Otherwise, I completely respect – and honestly we didn't actually make it through the furloughs without having to do some things that the Board shouldn't sanction officially. And so, that's really my position. I think that it is appropriate as part of this process to say, We accept most of your cuts but not these few and we should revise it to that extent. That's my feeling about it. I'm not going to the mat for what seems like a ridiculous thing but I don't think that's what the situation is. I really think it is something where we really do have – my conclusion about what is predictable is just a little bit different. And, yeah, I guess it puts me in the position of respectfully disagreeing with Rick and Mackie on where we go with that. The snarky thing to say is let's just cut the position if we don't need it. There's no need to be snarky. I think we've known for awhile that we need these positions.

If there is concern that we wanted to do a slight modification, that it takes too much time to do a slight modification and it takes too much time to go back to the City and ask them to ratify that, legally we're already on another budget. We're on last year's budget. That's exactly what happened on July 1st. And we don't want to stay there because that doesn't reflect what this year's needs are. Maybe you or the Chair can speak to how long the process would take to do some revisions to this budget and put it back through the City.

COUNCILOR ROMERO-WIRTH: I didn't mean to indicate that what you were saying was ridiculous. All I'm saying is that we've heard from staff that we are

fully staffed. So they have cut the overtime recognizing that they can actually predict that they probably don't need as much overtime because we're fully staffed. So there's that. And I don't think anybody is saying that these two positions aren't necessary. All we're saying is – all they're saying, not me – all they're saying is that these are things we think we can delay and give us a little bit of leeway and again I go back to that graph. The graph says we have budgeted more than we have actually spent for a long time so, again, I think we're okay here and we're going to be revisiting this and we're going to understand better where we are as we move forward and we have a better sense of our revenue pictures.

COMMISSIONER HAMILTON: That graph is good for general rules of thumb but we didn't end up with a huge budget surplus last year and we're not fully staffed if we're a position down and given exactly what we're in, we will need more than just the overtime that is associated with the 36 hour/48 hour shift work that they do. When you work 48 hours even though it's not overtime in net it still has to be paid in overtime, as soon as somebody comes into that facility and calls in with COVID and we're down some operators we automatically are going to have more overtime than that. It's predictable. Like I said, it may only be a couple hundred thousand dollars difference. And I didn't think what you were saying was that I was being ridiculous but if we're talking about a small enough amount of money. But I think those are predictable things that we need to put in the budget.

CHAIR VIGIL COPPLER: Commissioner Hansen.

COMMISSIONER HANSEN: And Commissioner Hamilton asked how long it would take to get an approval through the City. I feel like let's do it now. Let's include a few more of these items, increase the budget, maybe \$250,000, maybe it's \$300,000 more dollars instead of go back and get this through the City. The JPA does say that if we can't come to terms then we live under last year's budget which is what we are doing right now. I think it would be better if we could come to an agreement and recognize that we have some concerns. And, yes, I understand that we're not going to pay anymore than our particular share but I was saying that we had approved in February the budget that we had approved at the BDD. I understand that it is all being reduced equally.

COUNCILOR ROMERO-WIRTH: Madam Chair.

CHAIR VIGIL COPPLER: Yes.

COUNCILOR ROMERO-WIRTH: If you want to not vote on this budget tonight and have the staff come back and we take a deep dive into overtime and how they came about that number to make sure – again, I feel that – the staff has told us what they can do. I don't know why we're not listening to them. We are superimposing some fears about overtime and about this staff position for what they have said they can do. If you want to give them time to make the case of why they have to have this second position, I don't even know what it is this O & M, this operation and management position and why they absolutely must have it. But that's not what the staff is saying. The staff is saying we can delay this because we can do some other stuff while we're waiting. We can reclassify. We've got some time before we actually need it so delaying it is okay. And if you want to talk about whether that overtime number is the right number of the wrong number then let's have the staff if they're ready now, let's talk about that \$110,000 in overtime that is budgeted. Let's take a deep dive into that number and how they came up

with it. But, again, we have heard from staff also that even though we have two positions that aren't filled, they are basically fully staffed for the first time in a long time. So they're not going to need as much overtime and maybe they did factor in with Commissioner Hamilton is surmising might happen which is somebody will get COVID and then we'll need to pay overtime to pay that position. But maybe that's already in the \$110,000 number. The staff is telling us they can do this. I don't know why the elected officials who are not in the day to day of this are supplanting our ideas for what they're telling us.

CHAIR VIGIL COPPLER: Okay. I am going to jump in here as chair because if I don't take control of this our meeting is going to end whether we like it or not. There is another meeting at six and we're not done.

We have a motion on the floor. I think we need to vote on it and move on. The Planning Commission is next. It doesn't change just because we're on the screen and I would hate to be booted off the screen and then we're done.

Does anybody have one last 30 second comment?

COMMISSIONER HAMILTON: Do you have an estimate of the process of the time it would take to take this back to the City?

CHAIR VIGIL COPPLER: I am going to tell you something. The City has already submitted the budget and Santa Fe County has probably already too to DFA. It's a requirement. So I'm not sure how we get this all back on track whether we go to committees, I'm not sure how it would work.

COMMISSIONER HAMILTON: So it isn't so easy – I'm just pointing out, not easy.

COUNCILOR ROMERO-WIRTH: I'm sure it has to go back to the Finance Committee. Staff would have to come forward with a recommendation. It would have to go back to the Finance Committee. The Finance Committee would have to make a recommendation and then it would go to City Council. So it would probably take a month.

CHAIR VIGIL COPPLER: And that's exactly the way budget updates, and budget requests, and BARs are going to work anyway. That's how the budget is going to be updated. And I think even the City Finance Director said it could even be monthly. It's not our last shot and I was just going to say that we already have testimony from staff about this and it's convincing and I did ask Mr. Carpenter earlier what his impressions are and he gave them. This is not a stuck in the cement budget and there's plenty of opportunities coming up in the future to substantiate any claims for more money that we may need based on real data. The staff has already presented real data and I think it would be hard pressed for them to go back now and say, Oh, we were wrong and we don't have data but we just think we were wrong. So it's too early. I think we need to trust staff. I think they have been very capable all throughout these meeting in the last two years there's never been a problem that I have seen. But there's opportunity to fix it.

I'm wasting time. I'm going to call for the question. I move to call for the question.

MEMBER HELMS: Second.

The motion to call for the question passed by unanimous [5-0] roll call vote.

CHAIR VIGIL COPPLER: Okay, thank you. The next matter is to vote on the main motion which was to approve this budget.

The motion failed by roll call [2-3] vote as follows:

Councilor Romero-Wirth Yes

Member Helms No

Commissioner Hamilton No:

I have a problem. I really feel like the Board's responsibility is to put in the budget that we believe is needed. And although I am almost swayed by staff, I actually disagree on two material points and so I'll vote no.

Commissioner Hansen No:

Regrettably I feel like I have to vote no also. I don't feel like I have been convinced and I feel like also that the staff works for the City and they have been directed by the City to reduce this budget. Dr. Roach got on that at first it was 26 percent and now it's at least 10.5 percent, so I'm voting no. I want more information.

Chair Vigil Coppler Yes

CHAIR VIGIL COPPLER: Okay, I don't have any more to say about this. Staff, I think now the ball is back in your court to determine – and I don't know how you'll do it. Figure out where you think you're short or whether you're still the same as you were when the budget presentation happened. But we'll put this on the agenda for next month. Thank you.

MATTERS FROM THE BOARD

CHAIR VIGIL COPPLER: Are there any matters from the Board? Yes, Commissioner Hansen.

COMMISSIONER HANSEN: Madam Chair, once again I just want to recognize Mr. Carpenter, Kyle Harwood and everyone for protesting this permit to the OSE. Thank you.

CHAIR VIGIL COPPLER: Thank you. Anyone else?

I want to put in the minutes and I'll state for the record and our minutes and I should have done this earlier but I didn't, that the only matter discussed during the executive session of our last Board meeting on July 2, 2020 was the matter as stated in the motion to go into executive session and no action was taken.

And I also want to recognize Bernardine for my nice picture behind me. This is Buckman and she took this picture and I've been using it, plagiarizing it from her Facebook page and I want to thank her publicly again because she's sitting right there. So thank you, Bernardine.

BERNARDINE PADILLA (BDD PR Coordinator): You are welcome.

NEXT REGULAR MEETING: Thursday, September 3, 2020 at 4:00 p.m.

EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act NMSA 1978 Section

10-15-1(H)(7), discussion regarding pending litigation in which the BDDB is a participant, including without limitation: *Buckman Direct Diversion Board v. CDM Smith, et al.*, First Judicial Court Case No. D-101-CV-2018-01610

NANCY LONG (BDD Board Attorney): Yes, Madam Chair, and members of the Board. I will suggest a motion and that's to adjourn this meeting and go into executive session in accordance with the New Mexico Open Meetings Act for discussion regarding pending litigation in which the BDD is a participant, including the Buckman Direct Diversion Board versus CDM case with the case number as stated and described in the caption on the agenda.

CHAIR VIGIL COPPLER: And I so move.

MEMBER HELMS: Second.

The motion to adjourn and go into executive session passed by unanimous [5-0] roll call vote as follows:

Councilor Vigil Coppler	Aye
Commissioner Hamilton	Aye
Commissioner Hansen	Aye
Councilor Romero-Wirth	Aye
Mr. J.C. Helms	Aye

ADJOURNMENT

The Board adjourned and met in executive session at 5:55 p.m.

Approved by:

JoAnne Vigil Coppler, Board Chair

Respectfully submitted:

Karen Farrell, Wordswork

ATTEST TO

YOLANDA Y. VIGIL
SANTA FE CITY CLERK