

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

July 7, 2022

1. CALL TO ORDER

This regular meeting of the Santa Fe County & City Buckman Direct Diversion Board meeting was called to order by Chair Carol Romero-Wirth at approximately 4:05 p.m. in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

[The microphone system in the Council Chambers was not functioning and the minutes are provided in a summary and verbatim format.]

2. ROLL CALL: Roll was called and a quorum was present as shown:

BDD Board Members Present:

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

Member(s) Excused:

Councilor Renee Villarreal

Others Present:

Rick Carpenter, BDD Facilities Manager
Nancy Long, BDD Legal Counsel
Kyle Harwood, BDD Legal Counsel
Jamie-Rae Diaz, Administrative Manager
Antoinette Armijo-Rougemont, BDD Financial Manager
Monique Maes, BDD Contract Administrator
Randy Sugrue, BDD Operations Superintendent
Bernardine Padilla, BDD Public Relations Coordinator
Alexis Lotero, City Interim Finance Director
Ricky Bejarano, City Interim Assistant Finance Director
Rachel Brown, County Interim Attorney
John Dupuis, County Utilities Director
Michelle Hunter, County Water Resource Manager
Jay Lazarus, Glorieta Geoscience
Cheryl Rodriguez, DOE EM-LA
Joni Arends, CCNS

3. APPROVAL OF AGENDA

Commissioner Hansen requested that item 6.e. be heard following item 6.b.

With that change, Commissioner Hansen moved to approve the agenda as modified. Mr. Helms seconded and the motion passed by unanimous [4-0] voice vote.

4. APPROVAL OF CONSENT AGENDA

Commissioner Hamilton moved to approve the Consent Agenda as published. Her motion was seconded by Commissioner Hansen and passed by unanimous [4-0] voice vote.

Consent Agenda Items:

- a. Request for Approval of Amendment No. 1 to the Service Agreement #21-0521 with Alpha Southwest Inc. to extend the term to a date of June 30, 2023**
- b. Request for Approval of Amendment No. 3 to the Service Agreement #19-0301 with Alpha Southwest, Inc. to extend term to a date of April, 4, 2023 and increase compensation in the amount of \$60,000 plus applicable tax, to provide on-call emergency repair services**
- c. Request formal adoption of the Fiscal Year 2023 Annual Operating Budget in the amount of \$8,235,780 plus \$1,000,000 in contributions to the Major Repair and Replacement Fund**

5. APPROVAL OF MINUTES

- a. June 2, 2022 Buckman Direct Diversion Board Meeting Minutes**

No changes were offered and Mr. Helms moved to approve the minutes as published. Commissioner Hamilton seconded and the motion passed by unanimous [4-0] voice vote.

6. PRESENTATION/INFORMATIONAL ITEMS

- a. Monthly Update on BDD Operations**

RANDY SUGRUE (Operations Superintendent): Thank you, Madam Chair and members of the Board, this is my update on BDD operations for the month of June. Raw water diversions averaged around 7.21 million gallons per day to reflect the City-County demand due to the hot weather. Our drinking water deliveries from Booster Station 4A and 5A combined were around 5.97 million gallons per day. Las Campanas pumped 1.01 million gallons per day on average. The BDD is providing approximately 46 percent of the water supplied within the City-County. That's due to an increase in production from Canyon Road Water Treatment Plant through a significant amount of the month. The year-to-date diversions are noted on the graph. Again, our monthly total of

about 216 million gallons is somewhat below the average, again, due to increased production from Canyon Road.

Our regional demand and drought summary is shown on page 2 and briefly the demand in June when it wasn't raining was a little over 12 million gallons per day. That is moderated, certainly, with our monsoon rains. Rio Grande flows averaged about 500 cubic feet per second. That has increased for the last week or two due to the rains so we are taking advantage of that. Canyon Road storage, Nichols and McClure combined, total storage was about 20 percent. That has increased somewhat, again, due to rainfall. The watershed inflow, and this was over a week ago, 5.56 million gallons per day. That also has been very increased at times due to rain fall. Our San Juan-Chama project storage graph has finally been updated showing somewhat more than 12,000 acre-feet of San Juan-Chama project storage water in Abiquiu. Our ENSO summary that was done on June 20th La Niña is certainly present and projected to continue to the end of year with a 52 percent chance July through September of continuing somewhat dry due to that fact. Our totals are on page 3 and if you have any questions, I am available.

CHAIR ROMERO-WIRTH: Questions from the Board. Commissioner Hansen.

COMMISSIONER HANSEN: The raw water delivers to Las Campanas, is that normal for you, Tom?

MR. EGELHOFF: We had a little more – I think a little more was delivered at the end of the month. There was a communications problem. I think we were shooting for 700,000 instead of 1 million.

MR. SUGRUE: Yeah, it varies. When it's dry weather they will fill up their reservoirs sometimes and take a few days when river conditions are pretty good and pumping is going well, and they will go maybe 2 million and something in a day just to gain while the gaining is good.

COMMISSIONER HANSEN: Thank you, Madam Chair.

CHAIR ROMERO-WIRTH: Other questions from the Board?

b. Report from the Facilities Manager

RICK CARPENTER (BDD Facilities Manager): Thank you, Madam Chair. Just a couple of updates. We did have two candidates that made the list of eligible for the administrative assistant position. Those interviews were scheduled for Tuesday and one of the candidates did not show up. The other one that did have was very promising and I was really pleased with how the interview went. However, later that day she let me know that another position within the City had made an offer to her so she declined my offer. So we'll start over again.

Another update, on the notice of publication for the return-flow project was in the newspaper today or yesterday. So that is moving along. I will invite the Water Division Director Dr. Roach to the next Board meeting to give the Board an update on the status of that project. So you can look for that on the agenda for next month.

And lastly, just an update on the technical working group. We do continue to meet weekly. We'll meet next Thursday morning again. The focus of the technical working group is how best to utilize the skills and the knowledge that Wright Water Engineers has developed over the last two years. They would have no time at all to get up to speed –

they're already up to speed. They were preparing for a trial that was eventually settled. So the technical working group is focusing on that and will report back out to the Board at the next Board meeting of where we stand. That concludes my report, Madam Chair. I stand for questions.

CHAIR ROMERO-WIRTH: Thank you. Yes, Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. On procurement what's happening with the City's procurement and the process that you're going through to possibly get an engineer on board or are you just relying on Wright Water?

MR. CARPENTER: Madam Chair and Commissioner, that's one of the things that the working group is working on. We have reached out to procurement. We have engaged the legal team to help us get through those matters and I don't believe it will be an unreasonable delay in any case. We'll report that back up to the Board when we have something more.

COMMISSIONER HANSEN: Okay, thank you.

There were no further questions.

- e. **Report and Update regarding the May 26, 2022 Annual Review Meeting pursuant to Section H of the 2022 Memorandum of Understanding between the US DOE, Office of Environmental Management, Los Alamos Field Office and the Buckman Director Diversion Board Regarding Notification of Streamflow and Water Quality Monitoring in Los Alamos and Pueblo Canyons**

MR. HARWOOD: Good afternoon. It is wonderful to see everyone in person. It's really delightful.

So by way of introduction, as many of you remember we did sign a new MOU with LANL earlier this year and Section H of that MOU calls for an annual review meeting of the workings of the MOU. That is Section H. We did not pick a date or a timeframe for performing the annual review so with our colleagues at LANL we decided to try and have a May meeting following the execution of the new MOU going into the summer season and the work that was contemplated in the MOU, most importantly, as many of you will remember, the new gaging station is down very close to the confluence of Los Alamos Pueblo Canyon and the Rio Grande. We used to do these annual review meeting under an earlier version of the MOU. It had dropped out of the most recent MOU that preceded the one we signed earlier this year so I think this was a good addition to put this structurally back in our relationship. And as we had done those previous meetings with our LANL colleague, this is really at a staff-consultant level. So Rick ran the meeting from the BDD side and we did have Mr. Mikolanis who many of you remember from our negotiation, he brought a number of staff. I attended and so did some others. It was a productive conversation. We had a long agenda of items to get through. The memo in your packet summarizes the top level kind of take-away points from the meeting.

The E110.7 is now the name we have given the new station. So that's going to be our new handle. What you may or may not remember is the way that the stream segments are numbered comes from a United States Geologic Service system. So we've had E109.9, E110. We now have E110.7 is the new name. We have been working with folks at LANL

on the implementation of the new station. They did have to do some permitting and some procurement through the spring and early summer. And we have successfully now done most of those issues and we are expecting a construction start date a week from tomorrow. So I know that we have missed some of the monsoons this summer which is unfortunate but these things do take time.

LANL has given themselves a two-week window to complete the construction. I don't think that it is very intense construction but with the monsoons they may need to be out of the drainage and just practical issues with building something essentially in a fairly significant drainage there at the confluence with the Rio Grande.

That is probably the most important update for the Board. We do continue to touch base with our counterparts at LANL on a very regular basis to make sure that we're in good contact and that we're following the terms of the MOU.

On the DOE grant for Rio Grande sampling which as many of you remember was a significant issue in the negotiations, not much of that budget has been used at this point in the year which is not uncommon. But we are developing a plan to even do sort of baseline testing so that we can exhaust that grant as appropriately as possible to make sure that we do exercise those funds that are available to us for water quality sampling.

There are lots of issues up at LANL but on the limited topic on this agenda which is the annual review meeting, I think that completes my summary of the memo. There's other information in the memo and if you have any questions, I would be happy to answer them. Thank you.

Mr. Carpenter had nothing additional to add.

COMMISSIONER HANSEN: Thank you for the update. Everything is moving forward with San I?

MR. HARWOOD: To the best of my knowledge, everything is moving forward with San I and if there's any changes to that, I'll get an update out to the Board directly.

I should have mentioned, I intend to, if it's okay with you Chair, if we have any material news, like there's a delay or a start date for the gage between now and the next Board meeting, I would like to just get that news out to you directly on email; if you like. And if it doesn't rise to the level of an agenda item, we'll have Rick update you under matters from the manager.

CHAIR ROMERO-WIRTH: Okay.

COMMISSIONER HANSEN: So you said a week from Monday?

MR. HARWOOD: A week from Friday, Friday the 15th is when they intend to start construction.

COMMISSIONER HANSEN: So July 15th. Let's hope that happens. Also, where are we on the water quality working – we were going to be working with Lynn Komer, is that her name?

MR. CARPENTER: Madam Chair, Commissioner Hansen, yes, Lynn Komer is her name. We have not brought in yet. We are not yet ready to do that. She is still on deck.

MR. HARWOOD: And just to be clear, that is the source water protection plan. And Ms. Komer was going to do the public involvement part to sort of scope the next

source water protection plan. The one that was done a number of years ago, only looked three miles upstream from the BDD intake cause that was sort of the NMED program at the time that funded that initial study, and yes, as Rick said, it is still on the list.

COMMISSIONER HANSEN: Okay. And then have you been doing sampling during the monsoon further upstream?

MR. HARWOOD: I'm not up to speed on what sampling may have actually occurred.

MR. CARPENTER: Sampling upstream on the Rio Grande or up at LANL?

COMMISSIONER HANSEN: Up on Los Alamos Canyon.

MR. CARPENTER: Well, LANL does that. We would sample during a special storm event and then we take note of that.

COMMISSIONER HANSEN: And there hasn't been any storm events?

MR. CARPENTER: We have not had an early notification system advance of that.

MR. HARWOOD: Which is remarkable given the monsoon; right? But even – as I understand it and I'm not a hydrologist, as I understand it these monsoons have been so gentle that they haven't triggered some flooding where you might think that there had been surface flow.

COMMISSIONER HANSEN: So the monsoons have stayed over the Sangre de Cristos for some reason.

MR. HARWOOD: I think it has rained in the Jemez but just not sufficiently to generate a large flow that would trigger the ENS; is that right, Rick?

MR. CARPENTER: That's correct.

There were no further questions.

c. Report on the June 30, 2022 Fiscal Services Audit Committee - FSAC

ANTOINETTE ARMIJO-ROUGEMONT (BDD Accounting Supervisor): Good afternoon, Madam Chair and members of the Board. We did hold a FSAC committee meeting on June 30th. In attendance was Chair Romero-Wirth, Rick Carpenter, Tom Egelhoff, John Dupuis, Commissioner Hamilton, Nancy Long, myself, Monique Maes and Ron Spilman. We reviewed five items on the agenda.

The first item was an update regarding the City's audit by Ricky Bejarano and he will be presenting today to the Board. I think they have since met with OSA and he should have some updated information for us today on how the City will be proceeding with the new audit and the City's current cash situation. We also discussed having separate accounts for BDD and SWMA and he mentioned that we should have separate accounts by July 2023.

Our next item was request for approval of amendment #1 to a service agreement with Alpha Southwest to extend the term to 6/30/23. We're going to be carrying over funds from last fiscal year for this project and it's the raw water lift station project.

The third item was request that request for approval of amendment # 3 to the Service Agreement with Alpha Southwest, to extend the term and increase the compensation for fiscal year 23 and this is for on-call emergency repair services.

The fourth items was, request formal adoption of the Fiscal Year 2023 Annual Budget. This was brought to the Board three times prior. In March we were asked to

increase the Major Repair and Replacement Fund amount to \$1 million, which we did. We brought that back in April. And then we were asked by the Chair to increase the salaries from 4 percent to 8 percent. So we brought that back in May for approval. Since then it has been approved both by the City Council and the County Commission and this is for the formal adoption by the Board.

Our fifth item was for request for approval to extend chemical contract bids for an additional year from various vendors for a total of \$791,288 for fy23. The amount included in the budget for this current fiscal year was \$385,000 which was around \$13,000 more than the previous fiscal year. We weren't aware until recently about this large increase and the large price increase is associated with the chemical industry from labor to materials, energy cost, transportation and virtually every cost associated with manufacturing. Per the memo included in your packet from the vendor there is an imbalance in supply and demand causing project shortages worldwide due to various reasons including political reasons and the pandemic. Due to the fact that we currently have inventory on hand, our system will calculate an average weighted cost between the current inventory and then new inventory. So I don't expect the costs to be this high but we will continue to monitor it on a monthly basis but we won't know until we get further to the end of the fiscal year if we'll need to come back with budget request or not. We are going to do everything that we can to purchase locally whenever possible and to absorb the costs in other sections of our budget. Like I said, we don't know if the budget increase will be necessary until the end of the fiscal year. We'll still be able to enter all of our purchase orders because this is an inventory account that hits the balance sheet, so the expenses are incurred as we use the product. This is Monique's item. As we all know, there's unforeseen and unpredictable costs across all industries right now. So Monique will review this with you again and if you have any other questions Rick and Randy will be able to answer those for you.

There were no questions.

d. Buckman Direct Diversion Audit: Update on City of Santa Fe Fiscal Year 2021 Audit

RICKY BEJARANO (Accounting Officer and Acting Assistant Finance Director): Thank you. By way of update, we continue discussions with OSA and DFA primarily DFA since this started. On Tuesday, May 17th, we met with both DFA and the Office of the State Auditor. They provided a listing that had been generated by the auditors that had withdrawn, CliftonLarsonAllen, there were 27 items on that listing of things that they wanted to see. We actually had hundreds of others provided by client items that had been completed up to that point.

On Friday, June 24th we met again with both the Office of the State Auditors and the Department of Finance Administration. The Office of the State Auditors presented a different format that they wanted – it was essentially a Gantt Chart off of AMS project which we have completed and we are ready to submit.

At our behest, we met for a working session with the Department of Finance and Administration since these are operational issues. DFA is helping us and working with us towards that end. We presented the hundreds of items that we had already had ready for

audit. DFA agrees. And DFA agrees that we'll be ready for the readiness for audit assessment on July 15th or thereabouts.

I continue discussions with the CliftonLarsonAllen firm. I talked to their essentially their auditor in charge, Matt Bone. We are having discussions about when they will be coming in to do the readiness for audit assessment and we're still waiting on that. But it will probably be either July 15th or very shortly the beginning of the week after. With that I stand for questions.

CHAIR ROMERO-WIRTH: A couple of things before we go to the Board. So we're going to be ready for audit July 15th. Can you talk a little bit about who is going to be doing the audit? What's happening with that?

MR. BEJARANO: There are two components to this. The first is the readiness for audit assessment. That definitely will be done by CLA. They have agreed to do that. Once they give us the go ahead, then we are ready to be audited. They may or may not take on the audit at this point. We do have an RFP issued currently that will come due, I believe it's the 17th, and at that point it will be awarded and either if CliftonLarsonAllen declines to do the 21 audit because of their schedule then the auditor selected as a result of the RFP would be conducting the audit. We did the RFP flexible enough so that it can either be an RFP for the three years beginning 21, including 21, 22 and 23. If CliftonLarson decides to do the 21 audit, then the RFP would be for 22, 23 and 24. So we're in a little bit of a holding pattern there but we're confident that we can get it out.

CHAIR ROMERO-WIRTH: And we issued that RFP with the blessing of the Office of the State Auditor.

MR. BEJARANO: Madam Chair, that is correct.

CHAIR ROMERO-WIRTH: I just want everybody to be up to speed with what's been going on and all of the hard work that you all are doing. There was a concern of this Board about the fact that the money – the BDD's chart of accounts is comingled with the City and that's part of what's delayed the audit for this Board and I believe it was referenced in an earlier report and maybe you can speak to that, that you believe we'll be able to have a separate chart of accounts in about a year; correct?

MR. BEJARANO: Yes, our drop dead date for that is June 30th of 2023. And I think that's a reasonable time period. The reason for waiting – well, not necessarily waiting but for hitting that as the target date is so that that can be audited as is and then we start 7/1/23 fresh and with the separation having been done.

CHAIR ROMERO-WIRTH: And then we – and that should resolve this problem that we have of this Board's audit being late because of the City's audit being late. I think what I'm hearing is that the City's audits are going to start to be on time now and in addition, this Board will no longer be attached to the City in that same way. We'll have a separate chart of accounts and we can have on time audits as well.

MR. BEJARANO: Madam Chair, that is correct.

CHAIR ROMERO-WIRTH: That's what I wanted to make sure was clarified. Other questions from the Board?

MR. HELMS: About comingling – at present everything is comingled but what our chair just mentioned is a separate chart of account or number of accounts but that's still comingled even though there may be accounting differences, the money is all in the same pot. Is that correct?

MR. BEJARANO: Madam Chair, Board member that is not correct. By June 30th of 23, we plan to have separate bank accounts and the money completely separated.

MR. HELMS: But presently, there is not a separate bank account; is that correct.

MR. BEJARANO: That is correct.

MR. HELMS: But there will be a separate bank account with everything that goes in and out that is just Buckman stuff and who has the authority over that account?

MR. BEJARANO: That would be BDD.

MR. HELMS: You mean our own person would be writing the checks for our purchases?

MR. BEJARANO: If I may, that still needs to be ironed out. But the plan is even if we continue maintaining the account, it would be a separate bank account and there would have to be internal controls in place with signature authority to authorize us to issue those checks from separate bank accounts.

MR. HELMS: But does the \$70 million that we got stay solely there or is some of it loaned out to the City –

CHAIR ROMERO-WIRTH: If I can. So you're talking about the \$70 million in settlement money.

MR. HELMS: Right.

CHAIR ROMERO-WIRTH: I don't know who can speak to that but that money is in a separate account currently. That is not comingled.

MR. HELMS: Under the control of BDD?

CHAIR ROMERO-WIRTH: Who can answer that?

MR. BEJARANO: It's with the investment firm.

MR. HELMS: No, no, not the investment firm. Who at City Hall or Buckman has the authority?

MR. BEJARANO: Currently, I would have to look into that to see who has signatory authority. But currently there is no activity other than it is in that brokerage account.

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Yes.

ALEXIS LOTERO (Interim Finance Director): Madam Chair, members I have a six slide presentation to just kind of show you about where that settlement money is and where it's at. I can't really address any of the specific, I will be honest. Brad Fluetsch was our investment officer and he resigned and has moved on. We are looking at contracting out those duties. We haven't established who we will be contracting with yet. I sent the presentation to Jamie-Rae, did you receive it? We could put it up and show the account if you'd like.

The Chair pointed out that the presentation was not on the agenda and could be on the next agenda.

CHAIR ROMERO-WIRTH: The bottom line is that that money is in a separate account and is not comingled.

MS. LOTERO: Yes, it is in a separate account and you'll be able to see where the account is in total at this point in time. If you'd like, I can send the presentation in advance of the meeting.

CHAIR ROMERO-WIRTH: We'll need to talk about putting it on the agenda and in advance to put it in the packet.

MS. LOTERO: I didn't have an invitation and I wasn't really prepared. So I apologize to everybody.

CHAIR ROMERO-WIRTH: We'll get that on the agenda for next time.

COMMISSIONER HANSEN: I wonder where is the cash balances of the present time for the Buckman Direct Diversion? So where are they at the moment?

MS. LOTERO: I have the current status of accounts for the investments. I don't have the specific information for the other cash balances that belong to BDD. It's comingled and that's probably part of the audit process they'll be able to definitively tell us what those balances are.

COMMISSIONER HANSEN: So we're not going to be able to file our audit until you get your audit done; isn't that correct? Okay, they shook their heads yes. And when do you estimate that you will actually have your audit done?

MR. BEJARANO: That will depend on who does the audit. If it's CliftonLarsonAllen it can be done probably within 90 days. If they decide not to conduct the audit then it will depend on the firm that we hire that is awarded the RFP.

COMMISSIONER HANSEN: Okay, so it's an unknown. I can assume that it's an unknown when we will have the audit finished at the moment.

MR. BEJARANO: Yes.

COMMISSIONER HANSEN: But probably next month you'll have better news for us.

MR. BEJARANO: We hope to.

COMMISSIONER HANSEN: And then as you're going through this process, to help me understand, you get through 21 and the goal is to separate us by June 2023. So as we start this year and you sign the next audit is that when you'll start pulling out and separating the accounts so that you can get your ducks in a row?

MR. BEJARANO: The plan is to actually begin now. As soon as the 21 audit is complete but we're not waiting until it's complete, we'll have a better picture. But the plan is to extricate the accounts now and begin to set up the separate bank accounts, separate accounting, because it is going to take about a year to get everything extricated. And then be ready for audit on June 30th of 23 – it will essentially continue to be comingled but the cutoff is 7/1/23 is when the separate accounting begins to occur in earnest.

COMMISSIONER HANSEN: Okay and once again, Ms. Lotero, you are the interim finance director?

MS. LOTERO: Correct.

COMMISSIONER HANSEN: And you have a presentation that you would like to provide to us at our next meeting.

MS. LOTERO: I had requested that Mr. Fluetsch prepare a presentation for you that I am happy to go through with you and then if there are follow up questions I'm happy to get those answered for you, yes.

COMMISSIONER HANSEN: I would really like to see that. I would also like to request that you come to SWMA and give us the same presentation.

CHAIR ROMERO-WIRTH: Just a point of order. That presentation has to do with the settlement funds only. So it's not relevant to SWMA. It is only relevant to this Board.

COMMISSIONER HANSEN: Okay, I apologize.

CHAIR ROMERO-WIRTH: Just to be clear, the presentation that we're talking about is the \$70 million in settlement funds that the City and County and BDD Board have acquired to do work with the Buckman Diversion project. The presentation is around how those funds are invested and just so you all know, State law dictates very closely what can and can't happen with those funds. So the presentation is just to make you all aware of how that works. There are very tight controls over what can happen with that money. But I think if we talk to Mr. Carpenter he will tell us that the investment of those funds is very important because we have an opportunity to make a little bit of money which is very important given the fact that we have inflationary costs that are making everything more expensive.

So that presentation I thought was on the agenda and I'm very sorry it was not. We will have it on the agenda next meeting so that you all know exactly what is happening with that money. It is in a separate account.

There were no further questions and the presenters were thanked.

8. ACTION ITEMS: DISCUSSION AND ACTION

- a. Request for approval to extend chemical contract bids for an additional year from various awarded vendors for a total amount of \$791,288 for FY22/23**

MONIQUE MAES (Contract Administrator); Madam Chair, members of the Board, I can provide you with information as to how we arrived at these figures. But ultimately I'll have to refer questions to Randy and Rick and Antoinette. We do use an inventory module and we store and use chemicals as we need them. I'll stand for questions.

CHAIR ROMERO-WIRTH: Mr. Carpenter, do you want to answer the question that Commissioner Hansen had about why you were not amending the budget for this and I think we also heard about how we're going to be monitoring this expense. Maybe just a little bit more on that.

MR. CARPENTER: Yes, Madam Chair. So this is in an increase in cost. We will be monitoring the drawdown of chemicals and also the costs that are associated with that and possibly we could bring that back to the Board at some point during the fiscal year. As we approach the end of next fiscal year, we'll have a much better idea of whether or not we might need to bring a BAR back to the Board and at that time –

CHAIR ROMERO-WIRTH: To cover the cost?

MR. CARPENTER: Yes, that's correct.

CHAIR ROMERO-WIRTH: Questions; is that clear as mud?

COMMISSIONER HANSEN: I see this long list of people who we get the chemicals from. I understood from Antoinette that we still have chemicals and so – but we're going to need to purchase chemicals but how soon, we don't know. Is that a good assumption?

MR. SUGRUE: I can answer that. It's a moving target and I think you understand that. Some chemicals we have to budget for but we don't order any because it's a contingent as if needed. If we don't need them, we don't order them. We have some in stock. We base our initial chemical budget on City-County estimates of the water that they may as from us. Those estimates are usually low. The last couple of years we have really focused on surface water use and so we produced over 2 billion gallons a year and therefore our chemical costs are certainly higher. It also depends on water quality in the river. The more mud in the river – to muddy it even more – the more mud, higher the chemical usage to treat that drinking water. So it's a moving target, as I say. The cost of course, unanticipated increases, we just have to make the best of that. And we do as operators foremost in our mind is economy and using the chemicals in the most economic treatment way that we can. That's why we do have a turbidity target in the river, we don't divert water if it's over 600 turbidity units because we know that stuff is going to be more difficult and therefore more costly to treat. So that is always on our mind, to economize our chemical usage.

COMMISSIONER HANSEN: So, Madam Chair, turbidity in the river with the monsoons, as that increased turbidity?

MR. SUGRUE: A couple of times we went over 600 and we shut down therefore because we don't want to pull that much more sediment up into the system. All in all though, it has been a good year for turbidity. There are times when the turbidity would go over 2,000. Right now it's probably around 100 and that water is very treatable. The best turbidity in the winter time might be around 10 and the water looks as clear as a glass out of your closet in your kitchen.

So this has not been a bad year. But we do manage it based on how difficult the water might be to treat.

COMMISSIONER HANSEN: Thank you.

CHAIR ROMERO-WIRTH: I think that was really helpful. Thank you for a little lesson in your world.

MR. SUGRUE: Sure, I am always available, just shoot me an email.

CHAIR ROMERO-WIRTH: We do need to get out there and do a little visit. The pandemic has thrown a wrench in things. I think it is always good to get out there so we'll look forward to doing that. We need a motion to approve.

MR. HELMS: Move to approve.

COMMISSIONER HANSEN: Second.

CHAIR ROMERO-WIRTH: There is a motion and a second to approve the request to extend chemical contract bids for an additional year from various awarded vendors for a total amount of \$791,288 for FY22/23.

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

9 MATTERS FROM THE PUBLIC – None were presented

10. MATTERS FROM THE BOARD

MR. HELMS: Yes, I have a few questions. Did we make formally a statement to the public regarding the litigation?

NANCY LONG (BDD Counsel): Madam Chair, Mr. Helms, there was not a formal press release issued. There was an article in the *Santa Fe Reporter* and a reporter did call for comments. So it was covered there but it was at a time when we were still wrapping up the settlement in terms of receiving funds so we were careful about it. We did not issue a press release.

MR. HELMS: Thank you for that. I tried to get to that reporter although my browser isn't up to date so I run into that problem.

My second question is, is there an accounting of all of the expenses – money in and a certain amount out for lawyers or whatnot – is there a statement of hours specifying that topic? The economics of that topic? Do you understand what I mean?

CHAIR ROMERO-WIRTH: In terms of what we spent on the law suit.

MR. HELMS: Yes, what did we spend getting to this juicy award; what is our net?

CHAIR ROMERO-WIRTH: It has been reflected in the budget documents but I don't know that we've done a standalone.

MS. LONG: I don't think that we have, Madam Chair and Member Helms. We can calculate the attorney fees that we have spent, the expert fees and costs and that would be the amount expended to get to the settlement amount.

MR. HELMS: I would like for that to be done and I would like to receive a copy of it.

MS. LONG: All right. We can do that.

MR. HELMS: The third was – I guess when we talked about who has control of the money – but I am very interested in seeing that and to follow the money. I don't want it buried in a bunch of different accounts. I'd like it in a specific account.

CHAIR ROMERO-WIRTH: Just a point of clarification, I think when we have a separate charge of accounts and then we have an audit that will tell a lot about the overall operation. Are you talking about the settlement money now or are you talking about –

MR. HELMS: I am talking about the settlement money which is a very discrete topic.

MS. LONG: Madam Chair, yes, the settlement funds are sitting in a separate account and the City of Santa Fe is our fiscal agent in investing those funds. And that's a presentation we'll hear about next month. We have not made any expenditures from that account yet. The plan will be to expend that money on the Buckman –

MR. HELMS: I'm not talking about that. I'm looking at it as sort of the head of a company and I want the economics of that law suit that is now wrapped up. What are the economics? What are the finances of that? It seems to me that we can do that in-house

MS. LONG: I believe that that's correct. We can calculate what the fees have been attributable to that settlement amount since the beginning.

MR. HELMS: We can do that?

MS. LONG: Yes.

MR. HELMS: And will we be doing it? I am requesting it but it's just for me personally –

CHAIR ROMERO-WIRTH: I think we can do it. A one pager or whatever it is of what we spent.

MS. LONG: We can work with Antoinette to come up with that and we can give her names of the law firms and I separate my time attributable to the litigation. So I think with that and our expert costs which came through as sort of a flow through on Snell and Wilmer's invoices, it should not be difficult to put together.

MR. HELMS: Good. Thank you.

CHAIR ROMERO-WIRTH: Commissioner Hansen.

COMMISSIONER HANSEN: Just for clarity sake. BDD paid, the City and the County and Las Campanas paid for all of the lawsuit and everything separately. It did not come out of settlement money.

MR. HELMS: I understand that. But my point was, as a businessman let's put it that way, I have a certain number of employees off doing something and now that it is all over, I want an accounting of that something and want to track that.

MS. LONG: We can do that.

11. NEXT MEETING: Thursday, August 4, 2022 at 4:00 p.m.

12. ADJOURN

Having completed the agenda and with no further business to come before the Board, Chair Romero-Wirth declared this meeting adjourned at approximately 4:56 p.m.

Approved by:

Carol Romero-Wirth, Board Chair

Respectfully submitted:

Karen Farrell, Wordswork

ATTEST TO

KRISTINE BUSTOS-MIHELIC
SANTA FE CITY CLERK