

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

September 1, 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 4:02 p.m. in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

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
Councilor Renee Villarreal
Tom Egelhoff, Las Campanas [non-voting]

Member(s) Excused:

J.C. Helms, Citizen Member

Others Present:

Nancy Long, BDD Legal Counsel
Kyle Harwood, BDD Legal Counsel
Antoinette Armijo-Rougemont, BDD Financial Manager
Monique Maes, BDD Contract Administrator [via video platform]
Bernardine Padilla, BDD Public Relations Coordinator
Jeff Young, County Attorney
Michelle Hunter, County Water Resource Manager
Alexis Lotero, Interim City Finance Director
Jay Lazarus, Glorieta Geoscience
James Bearzi, Consultant
Joni Arends, CCNS [via video platform]

3. APPROVAL OF AGENDA

NANCY LONG (BDD Legal Counsel): Yes, Madam Chair. With Rick's absence today, I would recommend you remove items 6.a, that was Randy's presentation but Rick was going to make it for him and 6.b. which is report from Facilities Manager.

There were no further changes and Councilor Villarreal moved to approve as amended. Commissioner Hamilton seconded and the motion passed by unanimous [4-0] voice vote.

4. APPROVAL OF CONSENT AGENDA – No items

5. APPROVAL OF MINUTES

a. August 4, 2022 Buckman Direct Diversion Board Meeting Minutes

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

6. PRESENTATION/INFORMATIONAL ITEMS

c. Report on the August 29, 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 meeting on August 29th, 2 o'clock via Zoom. In attendance were Councilor Romero-Wirth, Commissioner Hamilton, John Dupuis, Tom Egelhoff, Ron Spilman, Rick Carpenter, Monique Maes and myself, Antoinette Armijo.

There was only one item on the agenda which we discussed and that was the termination of PNM REC agreements for Booster Station 2A. There is actually two agreements because there's two meters. They are eight-year agreements and both terminated in June. So as of July, we will no longer be receiving those REC credits.

I'm bringing this to your attention is because the main issue that we included \$150,000 in this year's budget as revenue for the REC solar credits. But last year our actual costs for energy was \$885,806 and our budget for this current fiscal year is \$950,000 without the revenue. We will have a solar savings of an estimated at about \$55,000 for the current fiscal year. As with the chemicals that we brought to you previously, we'll continue to monitor these expenses and we'll be reporting to you on a quarterly basis regarding this item.

CHAIR ROMERO-WIRTH: Questions from the committee?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Yes.

COMMISSIONER HANSEN: Thank you, Madam Chair, Antoinette. The agreements were only for eight years?

MS. ARMIJO-ROUGEMONT: Correct. The agreements are in your packet.

COMMISSIONER HANSEN: So I'm just confused. I thought they were for longer than that.

MS. ARMIJO-ROUGEMONT: No, they were for eight years. For the water treatment plant it's 20 years and that one terminates in 2031.

COMMISSIONER HANSEN: Thank you.

CHAIR ROMERO-WIRTH: Other questions? Thank you.

d. Update on LANL MOU Los Alamos-Pueblo Canyon Early Notification System (ENS) gage E110.7

CHAIR ROMERO-WIRTH: Kyle, you're going to be doing this one?

KYLE HARWOOD (BDD Counsel): Yes, Madam Chair and we also have James Bearzi in attendance as well who has been assisting this particular matter.

In your packet, Madam Chair and Board, there is a really short and sweet memo that was current when I wrote it a little while ago. We are able to report out today that E110.7 is operational. That is the late breaking news this Thursday which is great. I know that Rick's staff including Eric Armstrong who some of you may know who does a lot of the data connection, worked very hard on getting that connection up and working. So we have succeeded in that milestone. I know it is later in the summer than we had all hoped, but we are where we are for the reasons that I think you all know which is it is hard to build things and work with other bureaucracies.

So today we can report out that we are making good progress on the MOU and I stand for any questions.

CHAIR ROMERO-WIRTH: Questions from the Board?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. Kyle, congratulations on getting this up and running. I am very, very happy that we now have monitoring there. Do we have any date that they will stop doing this, monitoring, or do we just need to make sure that this will run forever?

MR. HARWOOD: I think the "this will run forever" question is a little tricky because we do have an MOU that runs for a certain number of years which is the one where we talk about the Lab's commitment to maintaining the ENS system. But certainly the construction of the new gage was with some long terms – a long timeframe in mind. But it will be up to this Board to continue to advance the MOU as it comes up on its termination date as we have done in the last 15 years. So hopefully that is responsive to your question.

COMMISSIONER HANSEN: That sounds great. Congratulations everybody. I look forward to seeing some of the data.

MR. HARWOOD: Yes, and I was also going to mention, I think at one point I had said that we would try to bring photos of the station and because of its location on San Ildefonso Pueblo there is a specific process for getting photos released to the public. That's why you don't see those in your packet material. I did want to close the loop on that.

Also, I just wanted to mention that James and I and Rick have been discussing with the Pueblo doing a site visit for the Board and we have tentatively picked a date that is at the end of October. I'd like to just mention that to you. It is Thursday the 27th of October. Thursday afternoon in eight weeks. So we have an October Board meeting between now and then at the beginning of October. This would be a site visit to the new gage and some of the other locations of interest with respect to Los Alamos stormwater issues.

We'll continue to coordinate with you all on that field trip if that is the desire of the Board.

COMMISSIONER HANSEN: Madam Chair. I think that sounds great but how will we arrange that? Will we all just meet there or –

MR. HARWOOD: We'll be relying on our absolute star maven organizer, Bernie, to assist us with that great field trip.

COMMISSIONER HANSEN: Okay. It sounds fantastic. I look forward to the trip.

MR. HARWOOD: Hopefully, this is enough notice that you all can come.

COMMISSIONER HANSEN: I hope that it's early enough in the day because I think –

CHAIR ROMERO-WIRTH: Commissioner Hamilton, you have your hand up.

CHAIR HAMILTON: Thank you, Madam Chair. Kyle, does this installation need a rating curve; have they done that?

MR. HARWOOD: That's a great question for Mr. Bearzi.

CHAIR ROMERO-WIRTH: Nice tennis shoes.

JAMES BEARZI (BDD Consultant): Thank you. They are the only shoes I can fit with my swollen ankle.

Madam Chair, members of the Board, there is not a rating curve because at this particular station it is the first station that is a flow/no-flow station. So when the radar detects any flow it sends a signal to the BDD operators and it shuts it down. So all they need is the distance calibrated from the radar detector to the plate and the cross sectional area and they can figure out how much it is. And it doesn't even matter how much it is because it is yes or no.

[The Board complimented Mr. Bearzi on his high top sneakers.]

CHAIR ROMERO-WIRTH: I know we had a couple of dates. We could see about pushing it into November.

MR. HARWOOD: This is to accommodate other calendars. Let me offer to do this, if it's okay, let me get an email out to the Board and see – we have not started the process of applying for the paperwork yet. We wanted to bring it to you for just his feedback and there may be other alternates and such that want to participate that are not here. So why don't I offer to get an email out and we'll see what the right date is for the Board.

CHAIR ROMERO-WIRTH: Okay, because we do need a permit to go so we need to lock in a date. That sounds good, thank you.

MR. HARWOOD: Thank you. Any other questions?

CHAIR ROMERO-WIRTH: I don't see anybody waving at me. Thank you.

MR. HARWOOD: Thank you.

e. Report regarding termination of PNM Standard Large Solar Renewable Energy Certificate Purchase Agreements for Participation in PNM's Solar REC Incentive Program effective as of June 30, 2022

CHAIR ROMERO-WIRTH: I believe we have Antoinette back for this.

MS. ARMIJO-ROUGEMONT: Madam Chair, I believe I covered all the information during my FASC report so there is really nothing more to report unless there are any further questions?

CHAIR ROMERO-WIRTH: Councilwoman Villarreal.

COUNCILOR VILLARREAL: Thanks for the information and presentation. I was just curious, is this program just completed and PNM is not doing this anymore?

MS. ARMIJO-ROUGEMONT: Correct. We inquired about renewing the agreement but those REC agreements are reserved for brand new solar array REC agreements.

COUNCILOR VILLARREAL: And I am assuming that we looked into other options with them; if they have any other programs that are for existing --

MS. ARMIJO-ROUGEMONT: They don't.

COUNCILOR VILLARREAL: Okay, thank you.

CHAIR ROMERO-WIRTH: This was to incentivize people to get these systems when they were new and now they are not new anymore. Okay, thank you.

MS. ARMIJO-ROUGEMONT: Thank you.

f. Report on Investment of BDDB Settlement Funds and Investment Strategy [Deferred – See page 11]

7. ACTION ITEMS: Discussion and Action

a. Discussion and Possible Action regarding BDD Board comments to the “Notice of Intent to Prepare a Site-Wide Environmental Impact Statement for Continued Operation of the Los Alamos National Laboratory”

MR. HARWOOD: Thank you, Madam Chair. As your packet material notes, this was a late-breaking listing in the Federal Register just when the agenda was due for this meeting and unfortunately the deadline for submitting scoping comments is the Monday of our October meeting week. So we will not be meeting until Thursday of that week. So, we hustled a little bit to try and get you materials regarding this comment deadline and also, as many of you know, I got a comment letter out to you on email yesterday that I am prepared to talk through. But the hope is to get direction from the Board today on what we will file before October 3rd which is again that Monday before our next Board meeting.

The first two paragraphs of the proposed comment letter is just to give the introduction of the project. Then we have a series of five basic points that I would be happy to talk you through. I think in terms of process, we are prepared to take any feedback you want including wordsmithing, changes or conceptual additional items and with the permission of the Board to go ahead and modify this letter accordingly in order to get it submitted in about a month. So if you would like me to walk you through just the highlights of the bullet points; great.

The first bullet point that we propose that we provide to this scoping comment deadline is that we encourage the Lab to study the numerous pathways that LANL origin contaminants can be transported through to the BDD intake. Obviously, our Los Alamos Pueblo Canyon sediment pathway, which is the topic of our early notification system, is the main one but there are other pathways including going into groundwater and then being discharged to the river in the vicinity of the intake. We'd like to urge LANL to make sure that they specifically analyze that.

So I should probably backup one second just so that everybody understands. The Site-Wide Environment Impact Statement is something that they sometimes do on a schedule of every five to seven years. They haven't done one in many, many more years than that. It is designed to be a look forward to the new facilities that the Lab will be installing and to get environmental coverage for those new facilities. So this is our opportunity as a neighbor, as a local government, as an interested downstream partner to ask them to make sure they analyze these topics as they prepare the Environmental Impact Statement. I'm sorry that I didn't give you that context at the beginning.

So the first is to urge the Lab to study the various pathways for LANL origin contaminants.

The second major point is to ask the Lab to include an analysis of whether or not the 2016 Consent Order is an adequate mechanism to assure LANL and the surrounding areas are adequately and timely characterized and if necessary remediated. This is kind of a pointed question – I think is fair to say. The consent order is controversial. It is something that LANL argued for extensively with the last administration, the last state administration. So this is really asking them to take a hard look at whether that consent order is protective going forward.

The next bullet point is because LANL origin contamination is persistent and DOE proposes not to remove significant portions of that contaminated material, the SWEIS, Site-Wide Environmental Impact Statement, should examine the environmental impacts beyond the 15-year operations windows which is what the Site-Wide Environmental Impact Statement will look at and to look beyond the regulatory 30-year window of post-closure care under the federal RCRA Act, Resource Conservation Recovery Act, in the context, of course, of the 2016 Consent Order. That again, that is a fairly pointed question that we are asking the Lab to review and articulate how those issues will be addressed going forward.

Next to last is, the US EPA has devoted significant resources to bolstering federal and state engagement with stakeholders including tribes, pueblos, local governments and utilities and we would like to urge that this EIS analyze and perhaps to identify ways – and this is not in the draft that you have now but – to analyze and recognize and implement improved engagement around the environmental impacts of those resources. So that is a suggestion that I am making today that I think will address one of the feedback comments that I received on this letter.

And then the last bullet item is to note that the wide ranging scope of the Site-Wide EIS and the highly technical issues that we expect it to address we think that after the EIS is released, we'd like to make sure there is at least a four-month comment period so we don't get jammed like we did or we are getting a little jammed right now with the short time line in light of our monthly board meetings. So we're requesting something like 120-day comment period instead of a 30-day comment period which would be appropriate for what will be a substantial document. When this EIS document is released, it will be a substantial document.

Again, back at 30,000 feet, this is a deadline to provide comments on scoping which is a step under NEPA, this is a step in the preparation of an Environmental Impact Statement. This is designed to solicit from interested stakeholders, such as ourselves in this context, what we think the EIS should focus on and I stand for any questions. Thank you.

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

COMMISSIONER HANSEN: Thank you, Kyle, very, very much for getting this draft to us because they have not given people a very long time. Forty-five days seems totally inadequate even for a scoping session. So I think that we could say that in here somewhere also. But I am grateful that we have comments.

I'm just wondering if you want to add a comment about the threat of wild fire because once there is a wild fire there is ash and the ash affects the Buckman Direct Diversion and that is what happened with the Cerro Grande Fire is that the river was quite contaminated from the ash and therefore all operations at the diversion had to shutdown at that time. We didn't have the plant operating at that time but if this happened again, it would have an effect on the Buckman.

MR. HARWOOD: We can certainly add both of those if it is the desire of the Board to suggest that, #1 substantial periods of time are provided in this process including and – I think hopefully that we'll have our comment letter done in time for this deadline and it's straightforward to go ahead and add a reference to analyzing the potential impacts of fire, again, up there.

CHAIR ROMERO-WIRTH: My question would be is the impacts of fire, is that covered in one of these other things already?

MR. HARWOOD: It very much could and should be, Madam Chair.

CHAIR ROMERO-WIRTH In terms of – well, I'd hate to single it out and then if it's broad-brush covered maybe it needs to be – and I'm just wondering which one of these would you think it falls under?

MR. HARWOOD: We have a parenthetical in the first bullet where we reference flood and storm events.

CHAIR ROMERO-WIRTH: There we go.

MR. HARWOOD: We could probably add in fire to that list without it being too disruptive.

CHAIR ROMERO-WIRTH: That would be my preference rather than a separate.

COMMISSIONER HANSEN: I'm okay with that. I just feel that it needs to be referenced because it is a real impact to the Buckman.

MR. HARWOOD: Great.

CHAIR ROMERO-WIRTH: Then I guess my other question would be like I hear you about time period but is that overly nitpicking maybe. We can meet it. We are having to scramble a bit.

COMMISSIONER HANSEN: I'm happy that we are asking for additional time. Are you not asking for additional time at the end?

MR. HARWOOD: What we have asked for is to make sure that the comment period on the draft Environmental Impact Statement itself be a 120-day period. But we're not currently, in this draft of the letter, asking them to extend the current October 3rd deadline. So that I think is the question; do we want to?

CHAIR ROMERO-WIRTH: I guess I would rather save it for the 120 days rather than –

COMMISSIONER HANSEN: I think they're both important because it's a very short window of time, 45 days.

CHAIR ROMERO-WIRTH: Except we're going to make it.

COMMISSIONER HANSEN: I know we're going to make it but there are other people out there that might not.

CHAIR ROMERO-WIRTH: Well, let them complain.

COMMISSIONER HANSEN: They will but it's better to have more voices.

CHAIR ROMERO-WIRTH: Commissioner Hamilton.

COMMISSIONER HAMILTON: I was – I'm not sure that we gain anything by complaining about this deadline. I just think the point about having review time at the end was a very strong one and I agree – I was going to add something similar about the fire. The Site-Wide Impact Statement is not about fire. It is about though including all of the things that intersect with all of – which includes floods and fires, so I actually do support doing it that way.

COMMISSIONER HANSEN: Yes, Madam Chair, I am completely good with that. Just making sure that we get that in there. I don't know if seismic impact on LANL is another element that you might want to consider.

MR. HARWOOD: I think it could be added along with fire into that first bullet point where we have storms, floods, we can add fire and seismic.

COMMISSIONER HANSEN: I think that would be good; if everyone agrees with that. And then also respectfully I would like it if our titles were in front of our names, Councilwoman Carol Romero, Commissioner Hamilton, Commissioner Hansen, Councilwoman Villarreal because they don't also know if we're elected officials or not and I would just like to make sure that they do know that we are elected officials.

MR. HARWOOD: I'm glad you raised that, Commissioner. I didn't know if we wanted to have this drafted for everyone's actual signature which requires some running around which we're happy to do, or whether we just wanted to have it for the Chair's signature and list the balance of the Board. So in other words, this isn't about whether you're all listed with your designations, it's about whether you all actually want to sign it.

COMMISSIONER HANSEN: I want to sign it.

MR. HARWOOD: You do. Very good. We'll get it routed for signature and we'll make sure that your various titles are there.

COMMISSIONER HANSEN: Okay. I appreciate the work on this. Thank you, James. Thank you, Kyle for being so proactive and getting it done. I did share with Commissioner Hamilton and we are also at the County we're working on a letter and she was surprised that they finally decided to do an EIS and it was a little surprising but I think that is the power of elected bodies like the Buckman, like the City and like the County all writing a resolution and saying that we want this. And I think that it is important. Sometimes it might take a little time than we want but it bore fruit. So thank you.

MR. HARWOOD: Very good. With the permission of the Board and I think it is appropriate – Nancy, do we want to have them take action on this?

MS. LONG: Yes, I would recommend that we take action on this when you're ready.

CHAIR ROMERO-WIRTH: Hold on, we're skipping to the end too quick here. Commissioner Hansen, is that all you had?

COMMISSIONER HANSEN: At the moment, yes, thank you.

CHAIR ROMERO-WIRTH: Commissioner Hamilton.

COMMISSIONER HAMILTON: It's really well written. But as I was sitting here and you were reading through all of the points, when you read through the point which was well done and I appreciated the subtlety of it when I read it about the Consent Order and you guys should address whether this is adequate; does anybody think that that is too subtle?

MR. HARWOOD: No.

COMMISSIONER HANSEN: I'm always for more direct exposure, Commissioner Hamilton, and a stronger statement.

CHAIR ROMERO-WIRTH: What would you say?

COMMISSIONER HAMILTON: I honestly don't know what to recommend. I mean the 2016 Consent Order is basically inadequate to cover yet there are issues that make it impossible to hold them to certain things; right?

MR. HARWOOD: I think what I'd like to suggest, Commissioner, is that we are informing the scope of the Environmental Impact Statement. How they then choose to address this question we can frankly dig into once we see it.

COMMISSIONER HAMILTON: That's a good point.

MR. HARWOOD: This is recommending, requesting, suggesting that they include this as a topic of scoping and a topic for the EIS.

COMMISSIONER HAMILTON: Okay.

MR. HARWOOD: And then once we see how they, frankly, dispose, I'm sure, of the question we can take that opportunity to point out our substantive issues with how they address it.

COMMISSIONER HAMILTON: Yeah, there's a difference. I agree with that, thank you.

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Can I go to Councilwoman Villarreal and then –

COMMISSIONER HANSEN: I was just going to comment.

CHAIR ROMERO-WIRTH: Okay, on that point, okay.

COMMISSIONER HANSEN: Yes, and just to make the point that the County is also working on a letter and we can add that point and also I did have comments on that. So I just wanted to say that the more of us that comment on the 2016 Consent Order the better.

CHAIR ROMERO-WIRTH: Okay. Councilwoman Villarreal.

COUNCILOR VILLARREAL: Thank you, Madam Chair. I just wanted to thank you for the letter. I think it hits the vital points that we're making. Not just a statement but clarity on the process and I think it's actually really well done and the pieces I thought were really important are in there. So thank you.

The only thing I would change is my last name correction; there's another "r."

MR. HARWOOD: My apologies.

COUNCILOR VILLARREAL: And I do agree with the titles, I think it makes it more powerful. Thank you.

CHAIR ROMERO-WIRTH: Especially since the majority of us are women, we need those titles. Anything else?

Kyle, I want to thank you for doing this. I think it is really important that we see these comments and that we do exactly what we have just done which is give you suggestions on language or other things when you're speaking on our behalf. I just think it's really important that we work with you in drafting these things. I'm glad we had time even if you're in a hurry-up offense sort of speak.

I do have just one tiny question which is on #5 and the four-month comment period. You say four months here and at the podium you're saying 120 days; does it matter whether you're talking days or months? What's the more common reference to the days or to the months?

MR. HARWOOD: To the days typically.

CHAIR ROMERO-WIRTH: Maybe we should change that because I don't know if somebody reads it and says, Oh my god, four months, that's horrible. But if they see 120 days, they say, Oh yeah, that's what we always do. So there's that kind of weirdness that might crop up.

MR. HARWOOD: Thank you for that. We'll make that change as well.

CHAIR ROMERO-WIRTH: Okay. Any other changes? I'm sorry, Nancy, I kind of cut you off but we do want to take action on this.

MS. LONG: Yes, Madam Chair, in the form of a motion to approve it.

CHAIR ROMERO-WIRTH: Okay, so with those changes, is there a motion to approve this letter?

COMMISSIONER HANSEN: Madam Chair, I move to approve the letter with the changes that have been suggested by the Board this evening and move this forward.

COUNCILOR VILLARREAL: Second.

CHAIR ROMERO-WIRTH: We have a motion and a second. Do we need to do a roll call on this?

MS. LONG: No, Madam Chair.

CHAIR ROMERO-WIRTH: We have a motion and a second to approve this comment on behalf of the Board.

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

MR. HARWOOD: Madam Chair, if I could just mention one other thing. I did field a phone call from Peter Ives when the meeting was starting. He was unable to make comment, I believe, through the Zoom for some reason.

CHAIR ROMERO-WIRTH: Yes, it's a one-way thing.

MR. HARWOOD: So, with the Board's permission, I will check in with him just to see if he had anything that he wanted to be able to say that he wasn't able to say at the last minute.

CHAIR ROMERO-WIRTH: Okay, and maybe if it is super substantive, maybe circle back with me.

MR. HARWOOD: Yes. And, again, I'm not exactly sure what is going on with that communication but he did ask me to mention that.

CHAIR ROMERO-WIRTH: Unfortunately, to have the Zoom link this is what we can do. Sorry about that and technically I was not aware that he was going to be joining by Zoom if I had known that, I might have requested something different. It

really was more of a link for the public to be able to watch and listen then for a Board member to participate.

MR. HARWOOD: Very good. Thank you.

6. f. Report on Investment of BDDB Settlement Funds and Investment Strategy

CHAIR ROMERO-WIRTH: I want to thank you for being here. The person who normally would have done this presentation has left the City and so Alexis had agreed to step in and do this presentation so that we all understand what's going on here.

COMMISSIONER HANSEN: Ricky Bejarano has left the City?

CHAIR ROMERO-WIRTH: No, Brad Fluetsch, he was the investment strategy person. Ricky Bejarano is very much still at the City and working on the audit. So this is about investment strategy and making investments with these particular funds of the BDD settlement money. So, Alexis are you ready.

ALEXIS LOTERO (City Interim Finance Director): Yes.

CHAIR ROMERO-WIRTH: Thank you for being here. I really appreciate it. Just because we have people on Zoom just make sure that you're talking into the mike. I want to make sure that they can hear you. Thank you.

MS. LOTERO: I just wanted to make a few comments before we showed you the power point. Please be aware that this is something that Brad created that we were actually – we should have done it a month ago but there was some confusion and it didn't get presented a month ago. It is a little dated; it is dated July 7th and that is right around the time that Brad moved over to NMFA actually. He is no longer with the City and we do not currently have an investment officer. We are exploring how we are going to manage that. We are setting up a meeting with SIC to see if they can provide those services for the City as well as BDD. I just wanted to let you also know that the City's investment policy is on the finance website, if you want to take a look at that. And that kind of lists out – I know the conversation we have had about that we are limited as to what we can invest. So that gives you the details of what our policy is and I also had Marcos Martinez in the City Attorney's office, he researched and provided me with the statute that governs the investments. So if anybody would like me to email that to them, please let me know.

Just know that I will walk through this. This is not generally my area of expertise but if you have specific questions I am happy to go do some research and get answers for you.

This is the agenda. The power point really is only six or seven slides. It will give you your account status, the balance of investments and who the custodian is. We'll go through the current market conditions but again this was done back in June. It's kind of a strange time in the economy right now. Jobs are good but the Feds raising interest rates – it's kind of a mixed bag of economic indicators – and the investment strategy.

The balance at cost as of May is for all – government, money market fund is \$55 million and the US Treasury is \$14.9 million for a total of \$70 million. I was asked earlier about the accrued interest, it's \$52,785 and then the gain is \$82,068. When I went back to my office after my 3 o'clock meeting I did ask Clarence Romero who is our new Treasury Officer to make sure that he sends the statement from the custodian monthly so that you know where we're at. So there's a contribution of \$34 million that was received on May

13th and then yield on the money market fund where some of the proceeds were placed is at .65 percent and the US Treasury is at 2.8 percent. So the yield as of June is 2.989 percent.

The custodian is Principal Custody Solutions. So we will be sending that – there's the detail and I've also provided the power point in the packet, we'll be making sure that BDD receives these statements on a monthly basis.

Current market conditions: this was done three months ago and we all know that the Federal Reserve has again increased interest rates. This is trying to combat inflation and it's a continued effort. Although it says, expectation of a recession has risen dramatically, I think different sources – some indicators point in that direction and some don't. We'll have, generally we'll have a presentation at the Finance Committee on what the economy conditions are on a quarterly basis and I will provide that if anyone is interested as well when we have Dr. White come give us his assessment.

So some of these things are current, some of them are changing. Brad put this in here as a visual so you could see how the US Treasuries are doing. They have gone up pretty dramatically. And some comments about what the current conditions do to those yields.

This is the investment strategy as of that time. This is what Brad sought on how the money should be managed: Short-term securities or money market funds if inflation continues to be a problem and to diversify the money market funds into these other two instruments that he's detailed. He has also – continue with if the recession becomes more certain we'll buy another \$15 million in two or three US Treasury Securities.

Like I stated earlier, we'll be meeting with SIC and getting their thoughts on this strategy as well. That's it. It's a very short presentation.

CHAIR ROMERO-WIRTH: And just to be clear, I think it would be a good idea if you sent the statute that governs investments to the Board, maybe send it to Nancy and it can get out.

MS. LOTERO: I'll send it to Antoinette.

CHAIR ROMERO-WIRTH: We have a plethora of people you could send it to.

CHAIR HAMILTON: It would be good to have it.

CHAIR ROMERO-WIRTH: I think it is important for the Board to know, and as we stated before these funds are in a separate dedicated account, the types of investments that can be made are dictated by state law. There are very narrow options and I just want to underscore that. Alexis, I don't know if you want to add to that before I go to questions.

MS. LOTERO: I more thing I noticed when I was going through looking at the investment policy earlier in the week, we are required to review and update every two years, it has not been done since 2014 or 15; so that is now on my radar to get that done as well.

CHAIR ROMERO-WIRTH: Questions from the Board? Commissioner Hamilton.

[There was a light hearted exchange regarding a little confusion with the commissioners having the same initials and first names.]

CHAIR HAMILTON: We are actually really familiar with the local government investment regulations and all of that. So that's all good and fully recognize the issue of losing people and that this is old – but there have been a lot of changes.

Commissioner Hansen and I are both on the investment committee at the County so we just got briefed on the changes in market conditions a couple of hours ago and so I guess my question is, with nobody filling that spot yet, there would be some value in making sure that what is invested in is updated as interest rates change, without being crazy, to maximize the return on the investment and the safety of the investment. Is Principal, PCS doing – are they tracking buying and selling and is anybody at the City tracking that with them?

MS. LOTERO: They are the custodian of these existing investments that we have. What we are attempting to do is to determine – we're going to do a contract with someone to manage the investments. We are required to do that. SIC is actually mentioned in statute as a good alternative and that's why we thought we would reach out to them.

The City has money in the Local Government Investment Pool with the State Treasurer as well but we think we need some expertise. We don't currently have anyone on staff that has the level of expertise in investments that Brad had. We just lost him two months ago and it's just going to take us some time to get – I guess the short answer is that it is not going to be the custodian. It will be a separate entity –

CHAIR HAMILTON: Right. It can't be the custodian. They do what the City tells them to.

MS. LOTERO: Exactly. And that contract I can tell you is not in place yet. We are working to get that.

CHAIR HAMILTON: So it'll be awhile. It would be beneficial to have that managed well. I just wanted to mention that. Thank you.

CHAIR ROMERO-WIRTH: Great. Commissioner Hansen.

COMMISSIONER HANSEN: Along the same line and maybe I missed this but – is it that we have this amount of money that is invested at .650 we don't have anybody to reinvest that now that interest rates have gone up; is that what you're saying?

MS. LOTERO: Commissioner, the interest rates, there has been this steady climb by the Fed. There haven't been huge leaps but it is driving up the interest rates in various spots. We will have somebody. We just lost Brad. We don't want to jump right in. We want to do a little research and educate ourselves and it hasn't been decided. Maybe we do need to hire another investment officer. Those decisions will need to be made over the next couple of months but right now it's sitting in some very safe investments. It's not like you're earning from a few years ago when interest rates were way, way down. It's a little better than that. But, yes, we should be making investment decisions. We shouldn't just be allowing things to sit anywhere long term without doing some analysis and making presentation and having the conversation. That is coming. At the present time it is not happening.

COMMISSIONER HANSEN: Okay. So, I wish you the best in finding somebody to start investment not only the Buckman's money but the City's money too.

MS. LOTERO: The State Investment Council, I've been using the acronym and I don't know if everybody is aware that that's what I was referring to, they do do this for other local public bodies. So they are a realistic and a good alternative to what we have been doing.

COMMISSIONER HANSEN: Thank you, Madam Chair.

CHAIR ROMERO-WIRTH: Thank you. Is it fair to say that market changes we should absolutely be paying attention to but these are not things that – it's not like you go everyday and go, Oh my god what did they do. Let's move money around.

There's a window of time in which you can and should act. It's not like you've got to be there every day moving stuff around.

MS. LOTERO: Yes, my background, I started out with my first job out of college was working for Michael Milken anyone who is old enough to remember that.

CHAIR ROMERO-WIRTH: He's still a thing. He's doing good stuff.

MS. LOTERO: And he's a brilliant guy and he's one of the nicest people to work for ever, actually.

It's not like we're doing day trades. We're limited as to what we can invest in. They're very safe and secure instruments. So it's not something that you move around a lot. If we were in a different situation – you know, if we were aggressively managing something that was going to give us far better returns because it is risky, it would be a different story. But governments and non-profits and entities like us do not – you know, in New Mexico we are not allowed to.

CHAIR ROMERO-WIRTH: I think that is important to understand. I didn't have the right language, we are not day traders.

MS. LOTERO: Well, I will tell you that I was on the trading floor during one of the crashes and we had teachers calling crying. It was excruciating.

CHAIR ROMERO-WIRTH: And that kind of stuff is very risky.

MS. LOTERO: Yes and you know the rule of thumb and it's very basic, the higher the return the higher the risk. So if you're not getting a great return it is also generally a safer investment.

CHAIR ROMERO-WIRTH: Good point. All right, other questions from the Board? I don't see any. Thank you. I really appreciate your time on this and let's stay on it.

MS. LOTERO: We'll keep you posted as to what our solution is.

CHAIR ROMERO-WIRTH: Terrific, I appreciate that.

8 MATTERS FROM THE PUBLIC

BERNARDINE PADILLA (BDD Public Relations Coordinator): I do have a comment that was sent in.

CHAIR ROMERO-WIRTH: Okay, terrific.

MS. PADILLA: We have a public comment from Joni Arends, Concerned Citizens for Nuclear Safety. She says, "I thank the Buckman Direct Diversion, BDD Project, Board members, Buckman managers and staff and the City's IT department staff of their efforts to expand public accessibility to the BDD Board meeting through virtual means. For people like me, with compromised immune systems that have been aggravated by the pandemic, it is essential to have virtual access to the workings of government. As you may know, I have been involved in this project for over 20 years now and it is important for me as a representative of CCNS to attend the monthly meetings. I am grateful for your efforts to make the BDD Board meetings available through Zoom. Please continue to ensure that the BDD Board monthly meetings are virtually accessible to all. Thank you, Joni."

CHAIR ROMERO-WIRTH: Thank you. And we don't have anyone in the chamber.

9. MATTERS FROM THE BOARD

CHAIR ROMERO-WIRTH: Commissioner Hansen.

COMMISSIONER HANSEN: Thank you very much. I would like to introduce our new County Attorney. He is sitting in the back, Jeff Young, for those of you who have not met him. He has joined the County in the last few months and we are really happy to have him. So since he was here I just wanted to introduce him.

CHAIR ROMERO-WIRTH: Great. Other matters from the Board?

10. NEXT MEETING: Thursday, October 6, 2022 at 4:00 p.m.

CHAIR ROMERO-WIRTH: And we will be working on the visit to the new station that we talked about earlier and I also do want to get us out to the facility itself and maybe –

COMMISSIONER HANSEN: Madam Chair, Bern sent an invite for September 22nd but I don't know if that's what it was meant to be.

MS. PADILLA: I sent some options out and I don't think I got any comments back.

CHAIR ROMERO-WIRTH: I don't think I got it.

COMMISSIONER HANSEN: I got it just a little while ago. It says September BDD Board meeting September 22nd. Was that meant to be a date to go to the facility?

MS. LONG: Madam Chair, I think that was for a field trip, not for a Board meeting. Madam Chair, if I understand your suggestion is that we have one of our regular upcoming Board meetings out at the facility and we can look at that for October and November.

CHAIR ROMERO-WIRTH: I don't know but can we Zoom from there for the public?

MS. PADILLA: We don't have that capability in our conference room.

CHAIR ROMERO-WIRTH: Okay, let's talk about that and we'll let you all know. But I would like to get us out there.

MS. PADILLA: I think I sent an email like it was a month or more ago so I don't remember –

CHAIR ROMERO-WIRTH: I'll go back and look for that.

11. 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-MIHELICIC
SANTA FE CITY CLERK