

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

**May 4, 2023**

**1. CALL TO ORDER**

This regular meeting of the Santa Fe County & City Buckman Direct Diversion Board meeting was called to order by County Commissioner Anna Hamilton, Chair, at approximately 4:03 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:**

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

**Member(s) Excused:**

None

**Alternate(s) Present:**

Peter Ives, Alternate for Citizen Member

**Others Present:**

Rick Carpenter, BDD Facilities Manager  
Nancy Long, BDDDB Legal Counsel  
Kyle Harwood, BDDDB Legal Counsel  
Bernardine Padilla, BDD Public Relations Coordinator  
Delfin Peterson, BDD Administrative Assistant  
Antoinette Armijo-Rougemont, BDD Accounting Supervisor  
Randy Sugrue, BDD Operations Superintendent  
Emily Oster, City Finance Director  
Jay Lazarus, BDDDB Consultant, Glorieta Geoscience, Inc.

[Chair Hamilton read the agenda captions throughout the meeting.]

CHAIR HAMILTON: Before we move on other business including even before approval of the agenda, I wanted to say something. I kind of want to address the trailing edges of an issue from the last meeting. We had a discussion that got a little out of hand to the detriment of our BDD staff. I really appreciate everybody's willingness to discuss what happened in the interim and to apologize. And to reaffirm our respect for each other and our commitment to show that respect in dealing with each other even when we have differences of opinion. Nevertheless, I want to publicly offer my apology to staff and to the Board because I feel like I failed in my duties as chair to maintain decorum that we all want and that we are all committed to.

I also want to publicly express my admiration and gratitude for the BDD staff and everything that they do for us. In particular, I want to recognize Antoinette Armijo-Rougemont, our BDD Accounting Supervisor, for her dedication, her expertise, her willingness to consistently perform incredibly high-quality work and to do all of that with an incredible amount of patience in serving the BDD and the Board. So, thank you for the opportunity to say that. Thank you, Antoinette, very much.

MR. HELMS: Could I weigh in?

CHAIR HAMILTON: Yes, by all means, Mr. Helms.

MR. HELMS: I was the prime malefactor on that day. I realize that and I did apologize to Antoinette and also to Rick and also to our Chair. And I was aiming my comments at the City because I was angry with our relationship with the City. I did not mean to malign anyone on the BDD staff. I think I have expressed that to all of you. But I do stand corrected; there is no doubt about it.

CHAIR HAMILTON: Thank you very much, Mr. Helms.

### **3. APPROVAL OF AGENDA**

Councilor Villarreal moved to approve the agenda as published. Commissioner Hansen seconded and the motion passed by unanimous [5-0] voice vote.

### **4. APPROVAL OF MINUTES: April 6, 2023**

Commissioner Hansen requested that the packet be delivered as well as an email with packet information earlier than what has occurred. Point out that the County does not use Boardgov, she requested that Sara Smith at Santa Fe County receive the packet information to post on the County website. Chair Hansen said she would work on that with staff.

Mr. Helms moved to approve the April 6, 2023 minutes. His motion was seconded by Chair Hamilton and passed by [4-0] voice vote. [Councilor Villarreal abstained.]

### **5. PRESENTATION/INFORMATIONAL ITEMS**

#### **a. Monthly Update on BDD Operations**

RANDY SUGRUE (BDD Operations Superintendent): Madam Chair, members of the Board, this is my monthly update for the month of April, 2023. BDD

raw water diversions averaged 5.07 million gallons per day. Drinking water deliveries through booster stations 4A/5A, 4.27 million gallons per day. Raw water delivery to Las Campanas from Booster 2, .69 million gallons per day. And onsite treated and non-treated water in storage, .11 million gallons per day on average. BDD was providing about 45 percent of the water supply to City and County for the month. That's increased quite a bit beginning of May. The year-to-date diversions are depicted below. We're pretty much back to meeting our annual monthly average and I think you'll see that that's going to be increasing as we get into the higher demand months.

The daily metered regional water demand for April is about 9.5 million gallons per day and one big reason is that they're turning on the irrigation for City parks. Rio Grande flows for April, they averaged about 2,620 cubic feet per second. When I checked this morning it was about 4,400 cubic feet per second. So there's a lot of melted snow water coming down the river. One plus side to that is that the river has been really clean. We normally see turbidities of three, four, five hundred near our limit on what we like to divert and the turbidity has been less than 200 except for the last couple of days but it makes the water much easier to treat even during those high-flow periods.

Canyon Road reservoir levels, they're a little bit higher than these number combined with 74 percent. Watershed inflow was this morning reported yesterday continuing at about 26 million gallons per day coming into Canyon Road reservoirs. We still maintain about 12,000, close to 12,600 acre-feet in Abiquiu. On April 15<sup>th</sup> US Bureau of Reclamation still kept the allocation at zero. I believe that they are just monitoring again the southern Colorado snowmelt runoff into the Colorado River, watching our diversion basins up off the Colorado River, hedging their bets a little bit and the next allocation announcement will be the real telltale as to whether we're going to get 100 percent allocation or somewhat reduced. So we shall see.

The ENSO summary at the bottom of the page, we remain in neutral conditions but the chances percentage continue to rise that it will turn into an El Niño season towards mid-summer and going into fall. So that may mean, we hope, for increased precipitation. And I stand for questions.

CHAIR HAMILTON: Mr. Ives.

MEMBER IVES: Thank you, Madam Chair. So, Randy, I am ultimately curious how – well, who and how a decision is made to actually allocate San Juan-Chama water.

MR. SUGRUE: It's the Bureau of Reclamation monitoring those reservoirs, small reservoirs relatively speaking, up off the Colorado, the Oso, Blanco dams and such. I think they're hedging their bets. For many years they had a surplus so they could give 100 percent allocation and some left over. Well, that surplus disappeared essentially in the last – it didn't disappear but they utilized it in the last five years and I think very much with this really good runoff year they are hoping to start gaining that savings account back and so they don't want to begin allocating yet.

MR. IVES: And I was just going to ask, do you know the size of those small reservoirs?

MR. SUGRUE: I don't off the top of my head. I'll look into that and I'll pass that on.

MR. IVES: If you wouldn't mind. I'd love to just know and if there is anything that describes the decision matrix for sending our San Juan-Chama water this

way, I'd love to know that too.

MR. SUGRUE: Yeah, I'll look into it.

MR. IVES: Thank you.

MR. SUGRUE: You're very welcome.

MR. IVES: Thank you, Madam Chair.

CHAIR HAMILTON: Are there other questions? Kind of as a follow on, wasn't it mentioned that in April we would know initial allocations or something?

MR. SUGRUE: They essentially they did send out a letter on April 15<sup>th</sup> and it said at this time, April 15<sup>th</sup>, we are still at a zero allocation because they don't give you the whole year's worth.

CHAIR HAMILTON: Right.

MR. SUGRUE: They just do it depending on the conditions. In the past in April, they said you 100 percent of this first subsequent allocation but this time they said zero so they are hedging their bets.

CHAIR HAMILTON: I know between all of what you said and what Mr. Ives just asked and got an answer to, it contains information on why but I definitely missed something because you would think with more water now that they would have more information also.

MR. SUGRUE: I think they really want to begin to build a new surplus. They don't want to make 100 percent allocation to everybody that just gives away everything that they've gained. They want to start to build a buffer for the future if there's enough water and they're not certain yet that the runoff is going to be sustained. That's my feeling.

CHAIR HAMILTON: That makes sense and that's what they're hedging around.

MR. SUGRUE: Yes, in the water business you have to kind of going with a feeling sometimes. Mother Nature doesn't always cooperate.

CHAIR HAMILTON: Right, right. Thanks, Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. So does that actually mean that the water is going to Lake Powell and –

MR. SUGRUE: I would say that that is likely, yeah. They consider this runoff native water and so they are letting it go downstream and probably for similar reasons they are real hopeful to maintain some gains because we've – because they have gotten such a sad state over the last decade.

COMMISSIONER HANSEN: I don't remember to the two reservoirs exactly. I know that Lake Powell is one and – aren't there two?

MR. CARPENTER: Lake Mead.

COMMISSIONER HANSEN: Lake Mead, so are they trying to fill both of them up?

MR. SUGRUE: I would guess that's their intent.

COMMISSIONER HANSEN: I don't know if they can fill them up.

MR. SUGRUE: I'm sure their intent is to be equitable.

KYLE HARWOOD (BDD Counsel): Good afternoon, Madam Chair and members of the Board. So what the Bureau has told us about their annual operating plan this year is that Heron started at 40,000 acre-feet which is 9 percent of capacity. They are hoping for an inflow of 125,000 acre-feet through the Azotea Tunnel and ending the year

at 90,000 acre-feet. So it is a 100 percent increase in Heron's storage from 9 percent to about 25 percent. And it's also said that there's 100 percent chance of 100 percent allocation to all contractors. They will be doing that later in the year because they have just seen the runoff coming through Azotea. As Randy said, all of the native inflow to Heron and El Vado is getting passed as it normally is. El Vado is still under construction and no storage. A lot of water is coming into Abiquiu and frankly a lot of water is getting down to Elephant Butte to try to repay the Rio Grande Compact debit of 90,000 acre-feet. We have gone under Article 7 in the last couple of weeks but because El Vado is under repair no storage can be done there. Powell and Mead are on track to have unprecedented single-year runoff volume increases. Utah has said that they intend to refill Flaming Gorge Bridge – Flaming Gorge Dam, excuse me, that was drawn down in what was called the DROA, Drought Response Operations Agreement. They were bringing water out of Flaming Gorge, parking it in Powell to keep it elevated and they're going to now try and rebuild storage in Flaming Gorge and some of the west slope Colorado reservoirs. There's about six of them.

So things are looking about as different this year as they were at this time last year. I think as we all know both with the summer monsoons, sort of a dryish fall, very heavy winter, sort of a dryish April and now we're getting this incredible runoff. You know, flooding in Taos, flooding in Jemez, flooding along the Chama – but a very good prognosis for the San Juan-Chama project although one year never solves a 20 year drought as we know. I hope that is helpful.

CHAIR HAMILTON: Thank you. Is that good?

COMMISSIONER HANSEN: Yes, thank you very much.

MR. SUGRUE: That's what I meant to say.

CHAIR HAMILTON: Excellent.

MR. SUGRUE: Any other questions?

CHAIR HAMILTON: Yes, Mr. Ives.

MR. IVES: Thank you, Madam Chair. I'm just thinking of other data that might be interesting to know as part of this picture and it might be interesting to know what the Colorado flow is and what the water levels in the various reservoirs are including Powell and Mead –

MR. SUGRUE: I'm sure we could look that up on line. The San Juan-Chama reservoirs again I mentioned it's really hard to find any data on the levels of those reservoirs but Lake Powell and things like that, I'm sure that is easily available on like USGS you can Google, even Otowi flows in front of BDD that's where I get my information. I am sure it's on all the big rivers.

MR. IVES: Thank you. Thank you, Madam Chair.

CHAIR HAMILTON: Thank you. Other questions on his report? Thank you so much, Randy.

MR. SUGRUE: Sure, thanks.

#### **b. Report from the Facilities Manager**

MR. CARPENTER: Good afternoon. Thank you, Madam Chair and members of the Board. We have I think four updates for you. There is a memo in your packet. The first item is in reference to the major repair and replacement policy which will

be coming to this board next month wherein the facility manager is required to report out activity relevant to that policy. There were two expenses in the month of April that are notable: a repair and replacement of the mini-split which is an HVAC part in the advanced water treatment facility and a pump and motor installation at one of the raw – or at the raw water lift station. So we will continue to report out as these projects come forward. There's going to be more and more over time not only with major repair and replacement but also with the legal settlement funds as you know.

The second item is a report on some vandalism that took place the weekend of April 15<sup>th</sup>. It was down at the raw water lift station which is adjacent to the river. On two different nights, large gatherings of people, I guess it was some sort of a social event. Lots of people, lots of vehicle traffic. The activity mostly took place outside of our fence line on Forest Service land; however, there was some broken glass. I think they might have thrown some beer bottles or something over the fence. And then we discovered that someone had shot two bullet holes in one of our roll-up doors. So I am taking that very seriously. We've had several meetings with Condor Security, the security company, we reached out to the Forest Service, we filed a report with Santa Fe County Sheriff's and we continue to look into this to see what else can be done to keep this from happening. It has been a long time since anything like this has happened, years -- it used to happen frequently but it's been five or six years since something like this has happened; but it happened. So I thought it would be approximate to report that out to the Board.

Also on my list is a report on PFAS. I think I indicated at the last Board meeting that we had that we had sent out for samples and those samples came back to us. And raw water and finished water both samples came back non-detect which is good news.

And then the last item is an update on our staffing. The BDD journeyman electrician position as well as maintenance repairman entry were advertised. Maintenance repairman entry actually closed and we have one candidate. Also recently advertised was the warehouse planner tech position and the instrumentation and control tech position and those are currently advertised as well. And that concludes my report. I would be happy to stand for questions.

CHAIR HAMILTON: Excellent. Are there any questions? Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. So was Condor Security, do they not monitor on the weekends?

MR. CARPENTER: Madam Chair, members of the Board, their contract requires them to do that. They did not have an officer on site during this event. So in response to that, I called the regional director and he drove up from Albuquerque and met with me for a long time. He was guarded. They consider it to be an HR issue and they're in the middle of a disciplinary action. But the contract says what the contract says and they did not provide the services on this particular night. So that is under investigation currently.

COMMISSIONER HANSEN: So there was no report to you of any activities so that you couldn't call the Santa Fe County Sheriff's Office.

MR. CARPENTER: Not until our staff discovered it the following morning.

COMMISSIONER HANSEN: Okay, that's unfortunate because I know that the Sheriff does come out there and patrol for BLM because we have a contract with BLM to patrol out on the Caja del Rio. It's not a very extensive one and it's only really on-call sort of speak if there's something happening out there. But that is very unfortunate.

MR. CARPENTER: Agreed.

COMMISSIONER HANSEN: Thank you for reporting it to the Board. I appreciate it very much.

MR. CARPENTER: Yes, ma'am.

CHAIR HAMILTON: Yes.

COUNCILOR VILLARREAL: Thank you, Madam Chair. Thanks for your memo. I think it is helpful to read it. I'm a visual person so thank you for that. I was just curious about PFAS and the samples. There are different ways to test that and there's also different opinions about what is acceptable levels. And I'm just curious about the methods that we use. And when we say "detectable" is that based on like a certain parts per trillion? I'm just curious about how we test that.

MR. CARPENTER: Madam Chair, members of the Board, thank you for that question, Councilor. Yeah, we can detect all the way down to parts per trillion. I think some reports that I have read go all the way down to 3 parts per trillion. I do not know the exact method although it is standard methodology both when we did our grab samples and the laboratory – but I can give you more detailed answer to that either by email or at the next Board meeting.

COUNCILOR VILLARREAL: That would be great via email. I don't know if anybody else is interested but I am interested in the different ways of testing and then the different ways that folks think it is detectable if it is under a certain threshold. I'm just curious about the numbers and what that looks like.

MR. CARPENTER: Happy to do that.

COUNCILOR VILLARREAL: Thank you so much.

CHAIR HAMILTON: Thank you for asking that question because – and for providing the information – because there are lots of different tests methods and to say it is undetectable clearly whether – undetectable maybe the older but you never know which methods are being used so it would be good to know. Certain methods could still be above some recommended thresholds if it is not sensitive enough. So excellent question, thank you. Other questions. Excellent.

**C. Report from the City Finance Director, Emily Oster, Regarding the Status on the BDD Settlement Funds Investment Strategy, as well as the Separation of Funds for BDD**

CHAIR HAMILTON: Welcome, Emily Oster, we really appreciate you coming.

EMILY OSTER (City Finance Director): Good afternoon, Madam Chair and members of the Board, it is great to be here with you this afternoon. I think this my first appearance in front of the BDD Board so I am glad to meet you. I am Emily Oster. I am the Finance Director for the City. I have been onboard about eight months now since September. So I am kind of getting up to speed. I have two areas that I am going to be briefing you on this afternoon. The first is the BDD settlement funds strategy and then the second area is the separation of funds for BDD and that ties into the City's audit status so I'll talk a little bit about where we are with the audits as well as part of that update.

So first, with regard to the BDD settlement funds investment strategy, we still have the \$70 million settlement funds invested with Principal Custody Solutions as the custodian.

That is the same as was reported to last year. The investment was made in accordance with the City Investment Policy and in accordance with the Public Money Act which is in State Statute, Chapter 6, Article 10, relating to public money. There are no changes to the City Investment Policy since last year when it was provided. I did bring a copy with me. If the Board is interested I would be happy to pass it over for review but it has not changed since the last time it was provided.

The focus for the BDD settlement funds is on low-risk investments with high liquidity as it is our understanding that the Board intends to proceed with spending the funds and there is procurement underway. There is a distinct and separate account for the BDD funds. I really want to emphasize that. This is a dedicated account that the only thing that is in here is the \$70 million settlement fund. There is no comingling in this account with City funds or with other BDD funds; just the \$70 million. The investment split is approximately 26 percent in money market funds and 74 percent in U.S. Treasury notes and that is similar to last year. [See below for correction to investment percentages] A money market fund is a kind of mutual fund that invests in highly liquid near-term investments. Examples of those would be cash and cash equivalents and high-credit rating debt-based securities with short-term maturities – that's a long way of saying treasuries. Treasuries and more treasuries. And then money market funds are intended to offer investors high liquidity with low risk. The Treasury note is a U.S. government debt security with a fixed-interest rate and maturities between two and ten years. In this case, the BDD owns U.S. Treasuries with a maturity of two years at a 2.5 percent interest rate. Those were purchased on April 30, 2022 and they mature on April 30, 2024 because they are two-year notes.

The total balance grew from \$70,004,675 to \$71,615,372 which is an increase of about \$1.61 million or 2.3 percent between June 1, 2022 and April 30, 2023. So the information that I am reporting to you is up date as of April 30<sup>th</sup> of this year. And I just want to reiterate on that point, the balance grew about \$1.6 million which is 2.3 percent over that time period which is about what we would expect given that it is mainly in Treasuries and the yield is about 2.5 percent. The total interest income reported on the April statement was \$2,017,136 and that is reinvested. So that is what I have for you as far as the investment strategy and the status of the funds. I'll pause there and see if there's any questions on that portion.

CHAIR HAMILTON: Great idea, thank you. Anybody have any questions on that? Yes, go ahead.

MR. HELMS: Ms. Oster,

COUNCILOR ROMERO-WIRTH: Point of order, he needs to speak into the mic.

MR. HELMS: So sorry. Ms Oster, when you say 74 percent of the \$70 million, more or less, is in Treasuries; is it directly in Treasuries in the name of Buckman or is it through an intermediary?

MS. OSTER: Madam Chair and Member Helms, I want correct that. I actually reversed the numbers when I was reading them. The 74 percent is the money market funds and the 26 percent is the treasury notes and they are all invested through Principal Custody Solutions. That is the custodian. So they are invested in the name of the BDD Settlement Fund with Principal Custody Solutions which is a separate account.

MR. HELMS: So my question is, since we are not directly holding U.S. Treasuries, we do not really have the full faith and credit of the United States government or



the United States of America backing us up. We are subject to the financial strength of the company you mentioned, I don't know their name. What is the strength of that company? Are you happy that that company is good for our \$70 million?

MS. OSTER: Madam Chair and Member Helms, Principal is the custodian for these investments so I think – I don't necessarily agree that their credit worthiness would affect the securities owned by BDD.

MR. HELMS: If the company went under, if whatever they're called again, if are bankrupt what would happen to our \$70 million?

MS. OSTER: Madam Chair and Member Helms, Principal Custody Solutions is a large organization so I think there would probably be federal intervention. Are you concerned about the bank failures that have happened in the last several months?

MR. HELMS: Yes, obviously.

MS. OSTER: Okay. So I think in those cases it is important to be aware that the federal government, the Treasury Department stepped in and seized the deposits of those institutions that were in trouble to prevent them from failing. And the federal government is making those depositors whole over and above the amount of FDIC insurance. So I would imagine that something similar would happen if there were to be an issue with Principal.

MR. HELMS: Yes, but it's not a certain. You're saying that it probably happen. But what you're telling me is that our \$70 million, I'm just talking now about the treasury part but it's probably similar to the other portion of the money market funds which is a much more complicated topic, frankly. If we do not own the treasuries directly as Buckman then we are at risk to the extent that the company we're dealing with does not have the strength of the United States government. Even though it is true that they have stepped in and offered enough and we might get some comfort out of that. But in legal truth we are exposed.

MS. OSTER: Madam Chair and Member Helms, I think that it is extremely common to have securities held with a custodian. Very few people actually hold their own certificates for securities. Most people go through a brokerage or utilize a custodian. So I think there would be the normal level of risk associated with this account with Principal Custody Solutions then there would with any other custodian. I am not aware of any issues with Principal Custody Solutions in relation to their financials.

MR. HELMS: What is the net worth of Principal Custody Solutions?

MS. OSTER: Madam Chair and Member Helms, I don't know. I am happy to research that and get back to you.

MR. HELMS: The topic I am raising is really quite serious. You are quite correct, most people don't concern themselves, they just invest with Merrill Lynch or whoever and street name and all it works out okay. But when the fur starts to fly if your securities are held in street name you might end up with nothing. It is better to own a company through the shares or the United State Treasuries and that's my point here. Well, you've heard my voice I don't have to go any further but I take it quite seriously.

MS. OSTER: Certainly. Madam Chair and Member Helms, securities are assigned a number – it's called a CUSIP – by the federal government. And so the Treasury notes that are owned by BDD that are in the custody of Principal Custody Solutions but are owned by BDD have an identifying number. They have a CUSIP associated with them and so if there were ever any question to ownership we would have documentation showing that

those particular securities are owned by the Buckman Direct Diversion through this account. The money market investments is a fund. That's not specific securities. That is a fund; that is a money market fund.

MR. HELMS: Right.

MS. OSTER: So that's a little bit different. But, again, I would just say that these are extremely low-risk investments and both the state and the city's investment policy require the investment of public funds in this type of very low-risk investment. I think there's risk with any investment. I don't think there's really any way to avoid some level of risk with investment. But on the spectrum with the level of risk, I would say that these investments are very, very safe relative to something like crypto-currency or something else that would be considered to be a high-risk investment.

MR. HELMS: All right.

CHAIR HAMILTON: And then I don't know if the Board is interested but there's kind of a broader general question. Presumably, the City does investment through this company as opposed to through banks or other investment companies that the City is using this for most of their other investments.

MS. OSTER: Yes, Madam Chair, that is correct. The City has other investments in separate accounts through Principal financial group.

CHAIR HAMILTON: Right. And it's a different institution or is this the custodial bank for the City?

MS. OSTER: Madam Chair and members of the Board, the fiscal agent bank for the City is Wells Fargo Bank. This is the custodian for the investments.

CHAIR HAMILTON: Right, right and I think it is similar for the County in terms of having a fiscal agent bank and a custodial bank and whatever. So it's probably – I don't know whether that's actually specified in the investment policy but we're working through custodians but to not do that also means you're not insured. So I think there are rules governing what government entities do in terms of how they do investments. We can certainly check on that if you're interested.

MR. HELMS: Let me mull it over. It's a complicated topic, I know. And we've said enough.

CHAIR HAMILTON: Are there other questions on this piece? Maybe we can move on to the next topic.

MS. OSTER: Certainly, Madam Chair, and I will just note that there is a section included in the City's Investment Policy, it is section 6.11 related to collateralization. So the City does require that the custody bank have collateral to support its deposits so in the event that there was ever any issue, the City would receive the collateral instead of the specific investments.

CHAIR HAMILTON: Thanks for checking on that.

MS. OSTER: All right, so moving on to the next topic, the separation of funds for BDD. So I went back on this and I reviewed the minutes of your May 5<sup>th</sup> Board meeting so I could get up to speed about that conversation. I can report to you that this project is in the planning stages. I think there is agreement on the concept that we would like to have more separation between BDD and the City's other activities in our Munis financial system. Where we're at with this on the City side is that we're focused 100 percent on getting our financial audits caught up and then we can dive more deeply into this. The successful upgrade of our Munis financial system which occurred in January of this

year will help. There is new functionality available and Munis version 2019 that we didn't have available in the old version, the 2011 version, so as far as providing more separation between BDD activities and other City activities, that new functionality will really be important to helping achieve that goal.

And as I mentioned, the first step is for the City is get caught up on our financial audits. So I have an update for you on the status of those audits. We are making steady progress. We are looking for any opportunity to make that progress faster. Our current focus is on finishing our FY21 audit with an anticipated date of 6/30/23, June 30<sup>th</sup> about eight weeks from now, for submission to the State Auditor's Office. And then our auditors, Carr, Riggs, Ingram plan to roll straight through FY22 and then to FY23. So our goal at this stage is to submit the FY23 audit to the State Auditor's Office on time. The deadline is December 15, 2023. We have our auditors, Carr, Riggs, Ingram, and our audit prep consultants, CliftonLarsonAllen, doing their work. In April, we had a number of days where we had both of those groups on-site conducting FY21 substantive test work and working with staff on FY22 items, FY23 preparing for the FY24 close and we're kind of juggling four different years at this point, but we have the right folks onboard and we great support from our audit prep consultants and we have a great team with Carr, Riggs, Ingram working on all of these different audits concurrently.

At this point, as of today, the auditors are working on, as I mentioned, the substantive test work for the City. Substantive test work means that they are taking a sample of the transactions from the general ledger and they're requesting documentation for those transactions and then they review the documentation and if they have questions they will ask us. There is kind of an iterative process back and forth until we get them all of the information that they need. That is a very normal and expected part of the audit. The substantive work for BDD and SWMA is expected to begin this month and continue into next month. The auditors have been in contact with BDD staff to start to talk about scheduling and you all can expect an uptick in activity as we proceed into May and get into June. The auditors from Carr, Riggs, Ingram did request earlier this week that they receive a draft of BDD's financial statements for FY21 by early next week. The CliftonLarsonAllen consultants have prepared a draft that is being reviewed by BDD staff and BDD contractors so I believe we are on track to get that over to Carr, Riggs, Ingram by next week so they can work with that. Our Carr, Riggs, Ingram team consists of four external auditors and our CliftonLarsonAllen team has eight members. Some of those members are remote in both teams and the CliftonLarsonAllen team includes two people who specialize in cash reconciliation which has really been helping us move forward on the reconciliation of the cash for all of the fiscal years.

On the City's audit, we hope to start the quality control review process which is really very close to the end. It's not the last step but it's very close to the point where we would be ready to submit to the State Auditor's Office and we hope to start that for the City in early June with that anticipated date of June 30<sup>th</sup> for submission to the State Auditor's Office. The City staff is focused on working with CliftonLarsonAllen on the consulting side on keeping transactions up to date for FY23 and preparing for the FY23 yearend close.

So with regard to FY23, I wanted to provide you with an update on where we're at with the Munis inventory and general billing modules, I think that you discussed that in a previous meeting. The inventory implementation is in process. That was something that the City has planned to do and we hope to have that functionality available this summer. On the

general billing side, which is what is used for invoicing, the technical build out is nearly complete. We are currently working on the transaction work flow which is the way that the transactions flow through the system and it has to do with the approval process and the internal controls that are built into that. There is also a component that relates to the business process of who enters a transaction, who approves it, how many levels of approval there are – those are the things that we’re working on now with general billing. There is training and testing in process. The BDD team has been involved in that as well as folks from the City Water Department and we really appreciate their time and engagement in that testing and training process that is ongoing for general billing. And we are recording those trainings, those training and testing sessions, so they’ll be available for future reference and review. Some of these things we don’t do every day so it is helpful to have a recording to go back and reference if we’re looking at it a few months later. And my last point on the inventory and general billing implementation is that we expect to have general billing operational by the end of the fiscal year. We hope that it’ll be earlier than that but we are, like I said, in the final stages. The technical functionality is there and now we’re just working on building out the work flow based on business processes and assuring that we have adequate segregation of duties. What that means is that we need to make sure that we have a business process in place to prevent the same person from entering and approving a transaction without having another person involved as a reviewer. That’s something that the City has been working on in Munis and it’s especially important with this general billing implementation.

Madam Chair, I think that that is all that I have. I am happy to take any questions.

CHAIR HAMILTON: That’s just great. So first of all, congratulations on having so much underway and really making progress on it. You might consider taking at least tomorrow night off as it is Cinco de Mayo, maybe get a little bit of a break.

I probably missed it and this is just curiosity, so you think you’ll get 2023 by the end of December, by the end of this calendar year. Would 2022 go with that? You said that after 2021 you’re going to blow right through 2022; is that right?

MS. OSTER: Madam Chair, yeah, okay, so our timeline on FY21 is June 30, 2023. We’re about eight weeks out from that. And as I said we’re wrapping up substantive procedures and hoping to go into quality control by end of this month early next month and then have that submission to the State Auditor’s Office by June 30<sup>th</sup>. FY22 will just continue and then we’ll go straight into FY23 for an on time submission which is the goal and that would be by December 15, 2023.

CHAIR HAMILTON: Of both years, maybe?

MS. OSTER: Madam Chair, I don’t think so. I think that FY22 will be earlier than that. I don’t have a target date on that. I can say that we did hear from our auditors earlier this week that they are optimistic that they will be able to do concurrent test work for FY22 and FY23 which will add some efficiency to the process. I’ve been very focused on making sure that we’re keeping their team busy and that they’re not having to roll staff off to work on other engagements. There is a labor shortage in the accounting field so –

CHAIR HAMILTON: Yeah, we know that. We all know that.

MS. OSTER: There is capacity constraints on my side within the Finance Department with about a 25 percent vacancy rate. But there are also capacity constraints for the auditors because they have multiple clients. They are not only working on us but they

have let me know that we are on their schedule throughout the summer and all the way through December 15<sup>th</sup> which is really important to keep that momentum and progress going.

So the dates that I am able to talk about are the June 30<sup>th</sup> for FY21 and then continuing straight on through FY22 with the goal of having that and FY23 on time by December 15<sup>th</sup> but in order to do that for FY23, FY22 will need to be done sometime during the fall.

CHAIR HAMILTON: Right and part of the reason – to think about the separation of accounts it sounds like it would be realistic and humane to think about the beginning of 2024 as the first time we could really think about starting that.

MS. OSTER: Madam Chair and members of the Board, you know when I was reviewing the minutes from the May 5<sup>th</sup> meeting from last year where this topic was discussed, I noticed that Mr. Bejarano had recommended that this type of change be implemented either on July 1<sup>st</sup> or January 1<sup>st</sup> of a calendar or fiscal year and I agree with that. I think that this will be a big change and it would have some operational impacts. So implementing it in the middle of a fiscal year would be extremely challenging.

CHAIR HAMILTON: Implementing it at which – the beginning of a fiscal year or the middle?

MS. OSTER: Changing the structure of the BDD information within the Munis system to separate it out more from the City, I would echo Mr. Bejarano's recommendation that that type of change be implemented either on July 1<sup>st</sup> to correspond with the new fiscal year or January 1<sup>st</sup> which would be the start of a calendar year. So as far as timeline goes, I would stick to that recommendation. As we really get going on this project, as we get caught up with our audits and we are able to free up some bandwidth and look into the mechanics of providing more separation between BDD and the City, that we would want to look at implementing that type of change either on July 1<sup>st</sup> or January 1<sup>st</sup>. As far as what year that occurs in, it's a little bit hard to project. I think at the earliest I would say for FY25, but like I said, at this point it's really difficult to say. And I think it would be very important to plan that carefully and to work closely with Mr. Carpenter and with BDD staff because, you know, making a change like that will affect operations.

CHAIR HAMILTON: Absolutely. And I guess I was trying to educate myself and had a little chat with our finance director who said the same thing. Like, there are pros and cons to both, you know, at the middle of the year – when the audit is just completed or at the beginning of the fiscal year, either way you're going to have things to catch up on one way or the other. So frankly my thought and I'm sure people can weigh-in as they want, is we would be looking to you for your recommendation of what your professional and recommendation in terms of workload. I wasn't suggesting that it be implementable January 1, 2024. That was what I was suggesting that that would be the time you'd be able to get to starting to think about it and work on whatever process. So it makes sense for you to say that FY25 would be July 1, 2024; right, do I have that? Good. But either way I think it would be nice to be able to start when you've got the audits under your belt and looking at what needs to be done. I mean, I know at that point Rick was looking at the cash accounts and giving us reports back. I assume you have the stuff he did and it's also at least a year old so I know it's – I think the expression is overtaken by history or overtaken by events – but if we could start looking at it and you could make that

recommendation. That's I think would be really nice to see early next year and obviously the rest is you working with BDD staff and whatever to implement it.

MS. OSTER: Madam Chair and members of the Board, I really appreciate that and I appreciate the support to get the audits caught up. I think that's important for the City and for BDD and just for the community as a whole. So I am really committed to that goal.

CHAIR HAMILTON: Right.

MS. OSTER: I think that this type of project that we're contemplating here with creating more separation between BDD and the rest of the City will require careful planning. So I really appreciate the opportunity to dedicate the time and attention to it that I really feel that it needs and deserves. And I think that no matter how it is done, it will have some operational impacts. So taking the time to carefully plan that out and prepare for it will be really important. So I am optimistic that we'll be in a position to start that planning process around the beginning of the calendar year.

CHAIR HAMILTON: Great. I really appreciate that you started saying that you agreed in principle it's a matter of then being practical and getting there. And that's really, I think, what we're looking for. I'm very glad to hear that and then after that it's like no matter how much we want to do something to still have the practicality of it and if you were overstaffed that would be great but none of us are. The reality of having to do things somewhat sequentially makes sense to me. So are there – Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Emily, very much for your presentation. So you mentioned when you're going to get the City audits done but when are we going to get our audits done? Because most of our audit issues have been with the cash balance?

MS. OSTER: Madam Chair and Commissioner Hansen, Member Hansen, I expect the timeline to be similar to the City. The BDD and SWMA are component units of the City so they're going to be reported as part of the City's financial statement. So in order to finish the City's audit we need to make sure that everything is tied down for BDD and SWMA as well.

COMMISSIONER HANSEN: Okay. Good luck and thank you.

CHAIR HAMILTON: Are there other questions? Great, thank you so much for coming and reporting on this. This was very, very helpful and just what we were looking for.

MS. OSTER: Thank you, Madam Chair and members of the Board. It would be my pleasure to come back whenever you'd like an update.

CHAIR HAMILTON: Thank you. I am sure we'll do that, periodic, not too frequently but periodic would be great, thanks.

## **6. ACTION ITEMS**

None were presented.

## **7. MATTERS FROM THE PUBLIC**

None were presented.

**8. MATTERS FROM THE BOARD**

None were presented.

**9. NEXT MEETING:** Thursday, June 1, 2023 at 4:00 p.m.

**19. ADJOURN**

Having completed the agenda and with no further business to come before the Board, Commissioner Hansen moved to adjourn and Chair Hamilton seconded and declared this meeting adjourned at approximately 4:55 p.m.

Approved by:

---

Anna Hamilton, Board Chair

Respectfully submitted:

Karen Farrell, Wordswork

**ATTEST TO**

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KATHARINE E. CLARK  
SANTA FE COUNTY CLERK

**D R A F T**

**- subject to approval -**

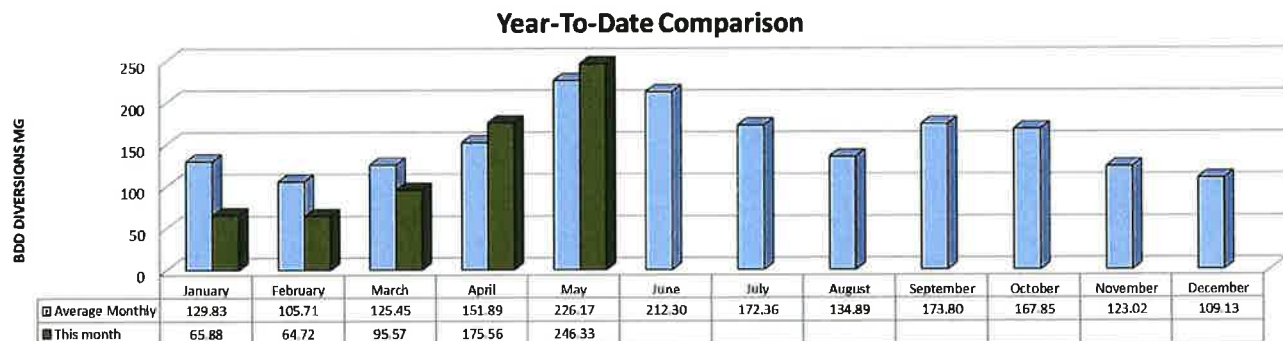




**Date:** June 1, 2023  
**To:** Buckman Direct Diversion Board  
**From:** Randy Sugrue, BDD Operations Superintendent  
**Subject:** Update on BDD Operations for the Month of May 2023

## **ITEM:**

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of May 2023. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD), as follows:
  - a. Raw water diversions: 7.95 MGD.
  - b. Drinking water deliveries through Booster Station 4A/5A: 6.20 MGD.
  - c. Raw water delivery to Las Campanas at BS2A: 1.51 MG
  - d. Onsite treated and non-treated water storage: 0.24 MGD Average.
2. The BDD is providing approximately 59% percent of the water supply to the City and County for the month.
3. The BDD year-to-date diversions are depicted below:



4. Regional Demand/Drought Summary and Storage-see page 2.



## Regional Water Overview

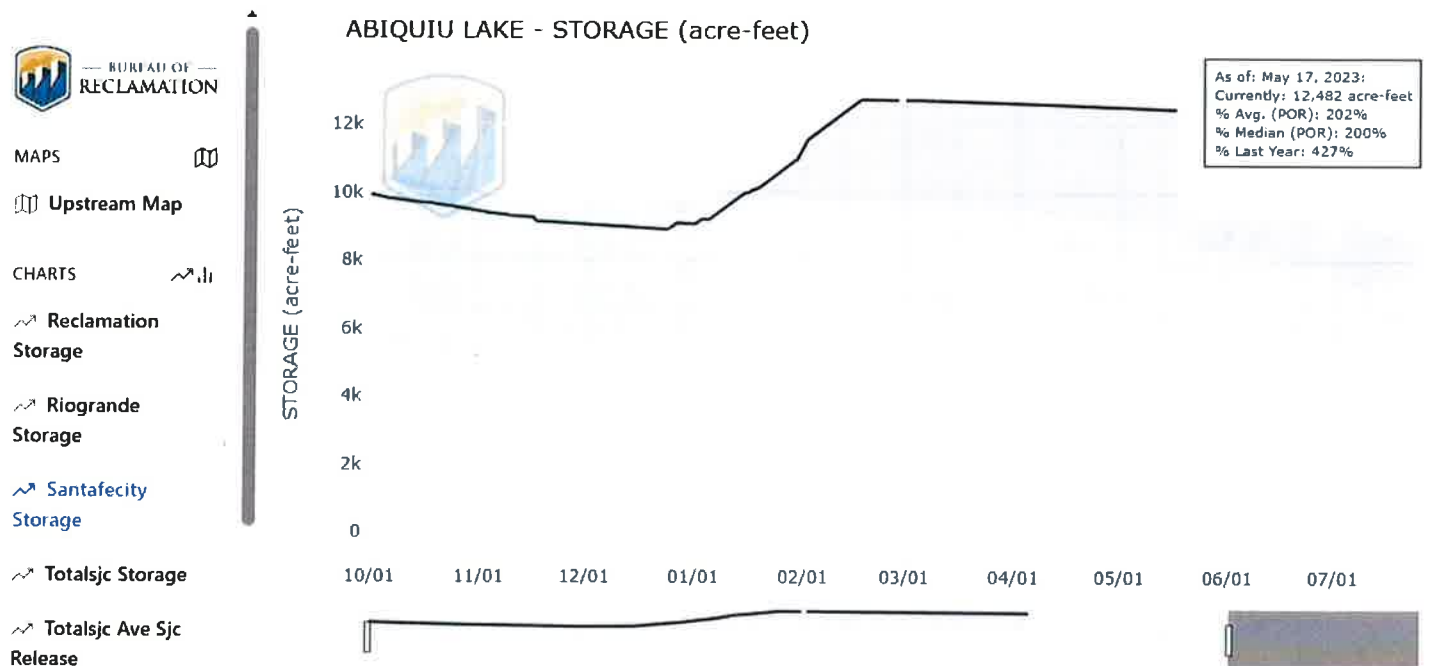
Daily metered regional water demand for the month of May 2023 is approximately 10.5 MGD.

Rio Grande flows for May 2023 averaged approximately 5500 CFS (cubic feet per second.)

CRWTP reservoir storage: Nichols: 95.2%/McClure: 85.8% (87% combined) Watershed Inflow: 27.9 MGD

City/County/LC Storage- as updated by partners. As of Mar. 13, 2023 City of SF Abiquiu/Heron SJC storage is at about 12,593AF.

As of May 1, 2023 the City of Santa Fe has been allocated 1359.0AF of 5230AF and SF County 97.0AF of 375AF of SJCP water.



## ENSO Summary

May 22, 2023

ENSO-neutral conditions are observed.

Equatorial sea surface temperatures (SSTs) are near-to-above average across most of the Pacific Ocean.

A transition from ENSO-neutral is expected in the next couple of months, with a greater than 90% chance of El Niño persisting into the Northern Hemisphere winter.



# Buckman Direct Diversion

## Buckman Direct Diversion Monthly SJC and Native Diversions

May-23

In Acre-Feet

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-04842-A RG Native VIA SFC LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	SP-2847-E SJC Undiverted CITY	All Partners Conveyance Losses
JAN	202.766	170.639	0.000	32.127	32.127	0.000	0.000	0.316
FEB	198.863	198.863	0.000	0.000	0.000	0.000	0.000	0.000
MAR	298.509	283.752	0.000	14.757	-0.183	14.940	0.000	0.148
APR	539.513	456.749	68.929	13.835	13.835	0.000	0.000	0.050
MAY	756.220	612.894	143.326	0.000	0.000	0.000	0.000	0.000
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>1,995.871</b>	<b>1,722.897</b>	<b>212.255</b>	<b>60.719</b>	<b>45.779</b>	<b>14.940</b>	<b>0.000</b>	<b>0.514</b>

In Million Gallons

Month	Native COUNTY	SFC Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	SJC Undiverted CITY	All Partners Diversions
JAN	55.583	0.000	10.347	10.347	0.000	0.000	65.930
FEB	64.776	0.000	0.000	0.000	0.000	0.000	64.776
MAR	92.427	0.000	4.752	-0.059	4.819	0.000	97.179
APR	148.778	22.453	4.484	4.484	0.000	0.000	175.714
MAY	199.640	46.686	0.000	0.000	0.000	0.000	246.326
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>561.204</b>	<b>69.139</b>	<b>19.583</b>	<b>14.772</b>	<b>4.819</b>	<b>0.000</b>	<b>649.926</b>



# Buckman Direct Diversion

## Buckman Direct Diversion Monthly SJC and Native Diversions

Dec-22

In Acre-Feet

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03418 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	SP-2847-E SJC Undiverted CITY	All Partners Conveyance Losses
JAN	511.288	154.905	0.000	356.382	356.382	0.000	0.000	3.203
FEB	421.814	421.814	0.000	0.000	0.000	0.000	0.000	0.000
MAR	376.496	302.219	0.000	74.277	74.277	0.000	0.000	0.758
APR	538.222	408.237	0.000	129.985	129.985	0.000	0.000	1.327
MAY	596.137	596.137	0.000	0.000	0.000	0.000	0.000	0.000
JUN	660.831	300.636	0.000	360.194	360.194	0.000	0.000	2.397
JUL	582.150	122.961	0.000	459.189	459.189	0.000	0.000	2.232
AUG	166.030	0.000	0.000	221.847	221.847	0.000	55.818	1.067
SEP	439.944	30.356	0.000	409.588	383.240	26.348	0.000	1.982
OCT	505.999	25.135	0.000	480.864	456.039	24.825	0.000	4.780
NOV	263.142	0.000	0.000	270.146	259.271	10.875	7.004	2.699
DEC	177.158	9.051	0.000	168.107	168.107	0.000	0.000	1.650
<b>TOTAL</b>	<b>5,239.210</b>	<b>2,371.451</b>	<b>0.000</b>	<b>2,930.579</b>	<b>2,868.532</b>	<b>62.047</b>	<b>62.821</b>	<b>22.095</b>

## In Million Gallons

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	SJC Undiverted CITY	All Partners Diversions
JAN	50.458	0.000	114.878	114.878	0.000	0.000	165.336
FEB	137.399	0.000	0.000	0.000	0.000	0.000	137.399
MAR	98.443	0.000	23.913	23.913	0.000	0.000	122.356
APR	132.976	0.000	41.848	41.848	0.000	0.000	174.825
MAY	194.181	0.000	0.000	0.000	0.000	0.000	194.181
JUN	97.927	0.000	115.951	115.951	0.000	0.000	213.878
JUL	40.052	0.000	147.861	147.861	0.000	0.000	187.914
AUG	0.000	0.000	71.472	71.472	0.000	18.182	71.472
SEP	9.888	0.000	131.951	123.448	8.503	0.000	141.839
OCT	8.187	0.000	154.855	147.123	8.009	0.000	163.042
NOV	0.000	0.000	86.992	83.484	3.508	2.281	86.992
DEC	2.948	0.000	54.143	54.143	0.000	0.000	57.092
<b>TOTAL</b>	<b>772.460</b>	<b>0.000</b>	<b>943.866</b>	<b>924.123</b>	<b>20.020</b>	<b>20.463</b>	<b>1,716.326</b>

# Memorandum



## Buckman Direct Diversion

**Date:** May 24, 2023

**To:** BDD Board

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

RC

**Re:** BDD Facilities Manager Monthly Update to the BDD Board

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### Item and Issue

Below is the monthly update from the BDD Facilities Manager for the BDD June 2023 Board meeting:

- Major Repair and Replacement (MR&R) Fund. The BDD Facility Manager is to provide updates as needed on MR&R fund expenditures or other major expenditures on projects. Expenditures for the month of May were the following:

Ozone coupling seal leak repair. \$1,721.60

- BDD Journeyman Electrician, Instrumentation and Control Tech, Maintenance Planner/Scheduler, and Maintenance Repairman Entry. The BDD re-advertised the position of Journeyman Electrician which closes 6/21/23. The BDD re-advertised the positions of Instrumentation and Control Tech and Maintenance Planner/Scheduler and they closed on 5/28/23. The BDD advertised the position of Maintenance Repairman Entry and received one viable candidate who interviewed but later declined the offer.



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



Will Be Available at the  
Meeting.

**BUCKMAN DIRECT DIVERSION BOARD  
AMENDMENT NO. 2 TO  
PROFESSIONAL SERVICES AGREEMENT  
WITH DANIELS INSURANCE INC.  
Item #21-0421, # 22-0330**

THIS AMENDMENT NO. 2 (the "Amendment") to the PROFESSIONAL SERVICES AGREEMENT, dated July 6, 2021, and as subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board ("BDDDB") and Daniels Insurance Inc. ("Contractor"). The effective date of this Amendment shall be the date it is executed by the BDDDB.

**RECITALS**

A. Under the terms of the Agreement, Contractor has agreed to provide insurance brokerage, risk control services and claims management services as described in Exhibit A of the Agreement.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the BDDDB and Contractor agree as follows:

**1. COMPENSATION.**

Article 3, paragraph A of the Agreement is amended to increase the amount of compensation by a total amount of One Hundred Forty-One Thousand Four Hundred Seventy Dollars (\$141,470.00) plus applicable gross receipts tax, so that Article 3, paragraph A reads in its entirety as follows:

A. Compensation under this agreement shall be in an amount not to exceed Four Hundred Two Thousand Four Hundred Twenty-Five Dollars (\$402,425.00), plus applicable gross receipts tax.

B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the BDDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services performed.

**2. TERM AND EFFECTIVE DATE.**

Article 5, of the Agreement is amended to extend the term to terminate on June 30, 2024.

**3. AGREEMENT IN FULL FORCE.**

Except as specifically provided in this Amendment, the Agreement remains, and shall remain, in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the dates set forth below.

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE FOLLOWS]***



**BUCKMAN DIRECT DIVERSION BOARD**

By: \_\_\_\_\_  
BDD Chair, Anna Hamilton

Date: \_\_\_\_\_

**APPROVED AS TO FORM**

*Nancy R. Long*  
Nancy R. Long, BDDB Counsel

**ATTEST**

\_\_\_\_\_  
County Clerk, Katharine Clark

**APPROVED FOR FINANCES**

\_\_\_\_\_  
City Finance Director, Emily Oster

**ATTEST**

\_\_\_\_\_  
City Clerk, Kristine Bustos-Mihelcic

File Date: \_\_\_\_\_

**CONTRACTOR:  
Daniels Insurance, Inc.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

New Mexico Tax & Revenue

CRS# \_\_\_\_\_

City of Santa Fe Business

Registration# \_\_\_\_\_

# Memorandum



## Buckman Direct Diversion

**Date:** May 23, 2023

**To:** BDD Board

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

RC

**Re:** Alpha Southwest Change Order for New Raw Water KSB Replacement Pump

---

### Item and Issue

This is a request for a change order for additional funds for a raw water lift station pump replacement project. This has been an ongoing project (started in 2021) that has been slow to progress, during which time most of the major components experienced significant inflation. Since the parts were originally priced out the costs have increased dramatically. Supply chain issues also caused significant delays because some of the parts are manufactured only in Ukraine. The estimated additional cost to finish the project is \$33,800.00. Funds for this will be derived from the Major Repair and Replacement Fund.

### Recommendation

Approve the requested change order in the additional amount of \$33,800.00



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





205 Rossmoor Rd. SW  
Albuquerque NM 87105  
Ph. 505-877-0287  
Fax. 505-877-0459  
www.alphasw.com

22 May 23

Mr. Rick Carpenter  
BDD Facilities Manager

Rf: BDD – Raw Water KSB Replacement Pump

Rick;

I am requesting a change order for additional funds for the subject project. Please keep in mind that this project was estimated using our old contract rates which had not been raised for around 5 years. The new rates went up an average of 34%. As you know this project was started in late 2021. The pump / motor manufacturing delivery was delayed over 6 months due to supply chain issues (a major component was manufactured in Ukraine). Over this period of time ASW contract rates went up, and we all experienced hyperinflation on pretty much everything that touched this project.

We still need to lift the pump one more time to install the completed suction fabricated fitting. Once that is set, then we can field fit the fabricated discharge fitting, have it coated and installed. Epoxy set the anchor bolts and grout the sole plate. Electrically connect the motor and install the Pump Safe relays in the controls for the pumps.

The following is a conservative estimate to finish the project:

Electrical labor:	96 Hrs. @ \$125.00	\$ 12,000.00
Electrical Material:	Lot:	\$ 1,500.00
Pump Div. labor	170 Hrs. @ \$90.00	\$ 15,300.00
Pump Div. Material	Lot:	<u>\$ 2,000.00</u>
		\$30,800.00
Estimated	Tax:	<u>\$ 3,000.00</u>
		\$33,800.00

Please let me know if you have any comments or questions.

David Yates  
Acting Regional VP; General Manager  
Alpha Southwest



**Date:** May 23, 2023  
**To:** The Buckman Direct Diversion Board  
**From:** Monique Maes, Contracts Administrator  
**Via:** Rick Carpenter, Facilities Manager  
Antoinette Armijo-Rougemont, Accounting Supervisor  
**Subject:** Amendment No. 2 –Alpha Southwest KBS Pump 4

---

### **ITEM**

Request for approval of Amendment No. 2

1. Approval to increase the contract amount by \$33,800.00 and to extend the terms of the Services Agreement with Alpha Southwest Inc to June 30, 2024.
2. Approval of Budget Authorization Request in the amount of \$33,800.00 to access funds from the MRRF account.

### **BACKGROUND AND SUMMARY**

On August 5<sup>th</sup> 2021, the Buckman Direct Diversion Board approved a request to authorize funds from the Major Repair and Replacement Fund to replace pump #4 with a KSB pump at the Raw Water Lift Station in the amount of \$253,833.30. Completion of this project is expecting to continue into fiscal year 2024 as the vendor still needs to lift the pump one more time to install the completed suction fabricated fitting, anchoring, and electrical control set. The reasoning for the on-going completion time is due to a six month delay due to global supply chain and manufacturing issues. The total of this contract including this amendment is \$287,633.30

### **ACTION REQUESTED**

Staff recommends approval of Amendment No. 2 to the Service Agreement with Alpha Southwest, Inc. to extend terms to June 30, 2023 for the KBS pump #4 installation project.

Approved by BDDDB June, 1 2023

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**BUCKMAN DIRECT DIVERSION BOARD  
AMENDMENT No. 2 TO THE  
AGREEMENT  
WITH ALPHA SOUTHWEST, INC.  
21-0521, 22-0329**

THIS AMENDMENT No. 2 (the "Amendment") to the Agreement between Owner and Contractor dated September 9, 2021, and as subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board ("BDDDB") and Alpha Southwest, Inc. ("Contractor"). The effective date of this Amendment shall be the date it is executed by the BDDDB.

**RECITALS**

A. WHEREAS, under the terms of the Agreement, Contractor agrees to provide and install a new KSB pump and the drawings, scheduling, and worksite preparation related to the installation of the pump.

B. Pursuant to Article 7 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the BDDDB and Contractor agree as follows:

**1. COMPENSATION.**

Article 3, paragraph A of the Agreement is amended to increase the compensation by \$33,800.00 due to rate increases not anticipated in the original estimate (as provided in Exhibit A, attached hereto and incorporated herein) so that Article 3, paragraph A reads in its entirety as follows: The total compensation under this Agreement shall not exceed Two Hundred Eighty-Seven Thousand Six Hundred Thirty-Three Dollars (\$287,633.30.) plus applicable gross receipts tax.

**2. TERM AND EFFECTIVE DATE.**

Article 4, of the Agreement is amended to extend the term to terminate on June 30, 2024. The BDDDB reserves the right to renew the contract on an annual basis by mutual agreement not to exceed

a total of four (4) years in accordance with NMSA 1978, 13-1-150 through 152.

**3. AGREEMENT IN FULL FORCE.**

Except as specifically provided in this Amendment, the Agreement remains, and shall remain, in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the dates set forth below.

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE FOLLOWS]***

**BUCKMAN DIRECT DIVERSION BOARD**

**CONTRACTOR:**  
**Alpha Southwest, Inc.**

By: \_\_\_\_\_  
Anna Hamilton, BDDDB Chair

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST**

\_\_\_\_\_  
County Clerk

New Mexico Tax & Revenue

CRS# \_\_\_\_\_

**APPROVED AS TO FORM**

Nancy R. Long  
Nancy R. Long, BDDDB Counsel

City of SF Business

Registration # \_\_\_\_\_

**APPROVED**

\_\_\_\_\_  
City Finance Director

**ATTEST**

\_\_\_\_\_  
City Clerk

File Date: \_\_\_\_\_



EXHIBIT A



205 Rossmoor Rd. SW  
Albuquerque NM 87105  
Ph. 505-877-0287  
Fax. 505-877-0459  
www.alphasw.com

22 May 23

Mr. Rick Carpenter  
BDD Facilities Manager

Rf: BDD – Raw Water KSB Replacement Pump

Rick;

I am requesting a change order for additional funds for the subject project. Please keep in mind that this project was estimated using our old contract rates which had not been raised for around 5 years. The new rates went up an average of 34%. As you know this project was started in late 2021. The pump / motor manufacturing delivery was delayed over 6 months due to supply chain issues (a major component was manufactured in Ukraine). Over this period of time ASW contract rates went up, and we all experienced hyperinflation on pretty much everything that touched this project.

We still need to lift the pump one more time to install the completed suction fabricated fitting. Once that is set, then we can field fit the fabricated discharge fitting, have it coated and installed. Epoxy set the anchor bolts and grout the sole plate. Electrically connect the motor and install the Pump Safe relays in the controls for the pumps.

The following is a conservative estimate to finish the project:

Electrical labor: 96 Hrs. @ \$125.00 \$ 12,000.00  
Electrical Material: Lot: \$ 1,500.00  
Pump Div. labor 170 Hrs. @ \$90.00 \$ 15,300.00  
Pump Div. Material Lot: \$ 2,000.00  
\$30,800.00  
Estimated Tax: \$ 3,000.00  
\$33,800.00

Please let me know if you have any comments or questions.

David Yates  
Acting Regional VP; General Manager  
Alpha Southwest



## CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: Alpha Southwest Inc.

Procurement Title: KSB PUMP Replacement

Procurement Method: State Price Agreement ☒ Cooperative ☐ Sole Source ☐ Other ☐ \_\_\_\_\_

Exempt ☐ Request For Proposal (RFP) ☐ Invitation To Bid (ITB) ☐ Contract under 60K ☐ Contract over 60K ☐

Department Requesting Buckman Direct Diversion Staff Name Monique Maes

### Procurement Requirements:

*A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the purchasing officer, setting forth the reasoning for the contract award decision before submitting to the Committees. .*

### REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING\*

YES	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Memo addressed to BDDDB Buckman Direct Diversion Board
<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	RFP
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Evaluation Committee Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ITB
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bib Tab
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Quotes (3 valid current quotes)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Executed Contracts, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	All documentation presented to BDDDB
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

<u>Monique Maes</u>	<u>Contracts Administrator</u>	<u>05/22/2023</u>
Department Rep Printed Name (attesting that all information included)	Title	Date

Purchasing Officer (attesting that all information is reviewed)	Title	Date
---	-------	------

Include all other substantive documents and records of communication that pertain to the procurement and any resulting contract.

\*

Log # {Finance use <u>only</u> }:	
Journal # {Finance use <u>only</u> }:	

## City of Santa Fe, New Mexico

### BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME PUD/Buckman Direct Diversion					DATE 6/1/2023	
ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE	
<u>EXPENDITURES</u>				{enter as <u>positive</u> #}	{enter as <u>negative</u> #}	
Rep and Maint Build/System Equipment	8000825	570550		33,800		
Interfund transfer out to 800	8010815	755800		33,800		
<u>REVENUES</u>				{enter as <u>negative</u> #}	{enter as <u>positive</u> #}	
Interfund transfer in from 801	8000825	655801		(33,800)		
<b>JUSTIFICATION:</b> (use additional page if needed) --Attach supporting documentation/memo				\$ 33,800	\$ -	

Moving funds from the MRRF to the Operating Fund, per BDDB approval at the June 1, 2023

BDDB meeting - approval of Amendment #2 to the Agreement with Alpha Southwest

Agreement 21-0521, 22-0329, KSB Pump Replacement at Raw Water Lift Station PS10.

{Complete section below if BAR results in a net change to ANY Fund}	
Fund(s) Affected	Fund Balance Increase/(Decrease)
801	(33,800)
<b>TOTAL:</b>	<b>(33,800)</b>

Antoinette Armijo-Rougemont	6/1/2023	{Use this form for Finance Committee/ City Council agenda items ONLY}		
Prepared By {print name}	Date	<b>CITY COUNCIL APPROVAL</b>  <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> City Council  <div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div> Approval Date </div> <div style="text-align: center;"> Agenda Item #:  <div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div> </div> </div>	Budget Officer	Date
Division Director Signature {optional}	Date		Finance Director {≤ \$5,000}	Date
Department Director Signature	Date		City Manager {≤ \$60,000}	Date



# Buckman Direct Diversion Board

## Real Estate Summary of Contracts, Agreements, Amendments & Leases



### Section to be completed by department

1. Munis Contract # **3202915**

Contractor: **Alpha Southwest, Inc.**

Description: **Installation of new KSB pump**

Contract ☐ Agreement ☐ Lease / Rent ☐ Amendment ☒

Term Start Date: **07/01/2022** Term End Date: **06/30/2023**

☒ Approved by BDDDB or ☐ Approved by BDD Facilities Manager Date: **7/2/2023**

### Contract / Lease:

Amendment # **No. 2** to the Original Contract / Lease # **21-0521**

Increase/(Decrease) Amount \$ **33,800.00**

Extend Termination Date to: **June 30, 2024**

☒ Approved by BDDDB or ☐ Approved by BDD Facilities Manager Date: **06/30/2024**

### Amendment is for:

2. **HISTORY of Contract, Amendments & Lease / Rent - Please Elaborate** (option: attach spreadsheet if multiple amendments)  
**21-00521 in the amount of \$253,833.30 end term date 6/30/2022**  
**22-0329 to extend the date of the term to 6/30/2023**

### 3. Procurement History:

Purchasing Officer Review:

Date:

Comment & Exceptions:

4. Funding Source: Org / Object: **8000825.570550**

Budget Officer Approval:

Date:

Comment & Exceptions:

Staff Contact who completed this form: **Monique Maes** Phone # **505-955-4508**

Email: **mmaes@santafenm.gov**

### To be recorded by City Clerk:

Clerk #

Date of Execution:



ALPHSOU-01

THUELSKAMP

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/22/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Cress Insurance Consultants, Inc. 6101 Moon Street NE Suite 1000 Albuquerque, NM 87111	<b>CONTACT NAME:</b> Tonya Huelskamp		
	<b>PHONE (A/C, No, Ext):</b> (505) 822-8114	<b>FAX (A/C, No):</b> (505) 822-0341	
	<b>E-MAIL ADDRESS:</b> thuelskamp@cressinsurance.com		
<b>INSURED</b>  Alpha Southwest, Inc. P O Box 9263 Albuquerque, NM 87119	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Valley Forge Insurance Co		20508
	<b>INSURER B:</b> Continental Insurance Co		35289
	<b>INSURER C:</b> Continental Casualty Company		20443
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			5093812966	10/1/2022	10/1/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			BUA 6081446186	10/1/2022	10/1/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			CUE 5093778091	10/1/2022	10/1/2023	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC 5 93848947	10/1/2022	10/1/2023	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Equipment Floater			C 6081487496	10/1/2022	10/1/2023	Lease/Rented 400,000
C	Installation / Build			C 6081487496	10/1/2022	10/1/2023	Install/Bldrs Risk 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Professional E&O with Pollution, \$3,000,000 Per Occurrence and Aggregate Limit, Policy No. 6018485129 with Columbia Casualty Company, Policy Term is 6.2.2022 to 6.2.2023.

## CERTIFICATE HOLDER

## CANCELLATION

Buckman Direct Diversion  
341 Caja Del Rio Road  
Santa Fe, NM 87506

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



**City of Santa Fe**  
Treasury Department  
200 Lincoln Ave.  
Santa Fe, New Mexico 87504-0909  
505-955-6551

## BUSINESS REGISTRATION

**Business Name:** ALPHA SOUTHWEST, INC  
DBA: ALPHA SOUTHWEST, INC

**Business Location:** 205 ROSSMOOR RD SW  
ALBUQUERQUE, NM 87105

**Owner:** ALPHA SOUTHWEST, INC

**License Number:** 225207

**Issued Date:** February 16, 2023

**Expiration Date:** February 16, 2024

**CRS Number:** 01-711081-005

**License Type:** Business License - Renewable

**Classification:** Out of Jurisdiction Contractor -  
General

**Fees Paid:** \$10.00

ALPHA SOUTHWEST, INC  
205 ROSSMOOR RD SW  
ALBUQUERQUE, NM 87105

THIS IS NOT A CONSTRUCTION PERMIT OR SIGN PERMIT.  
APPROPRIATE PERMITS MUST BE OBTAINED FROM THE CITY  
OF SANTA FE BUILDING PERMIT DIVISION PRIOR TO  
COMMENCEMENT OF ANY CONSTRUCTION OR THE  
INSTALLATION OF ANY EXTERIOR SIGN.

THIS REGISTRATION/LICENSE IS NOT TRANSFERRABLE TO  
OTHER BUSINESSES OR PREMISES.

**TO BE POSTED IN A CONSPICUOUS PLACE**



Date: May 19, 2023

To: Buckman Direct Diversion Board

From: Rick Carpenter  
Kyle S. Harwood

Subject: Hexavalent Chromium EA (Environmental Assessment) Scoping Comment letter  
Los Alamos National Laboratory

---

**ITEM:**

Request approval to send the attached comment letter in response to the EA scoping deadline of June 6, 2023.

**BACKGROUND:**

The comment period for the Hexavalent Chromium (Cr6) Interim Measure EA has a deadline of June 6, 2023. We expect the draft EA will be released in the coming months, which will be a detailed document with its own comment period, and we expect a final EA to be released before the end of 2023. Recognizing the Board's specific scope of interest in groundwater pollution in the vicinity of the Pajarito Plateau the draft scoping comment letter focuses on the scope of the EA, the process and the possible impacts to the Rio Grande in the vicinity of the BDD Project intake.

With respect to the BDD Board Resolution 2022-2, 'A Resolution of the Buckman Direct Diversion Board Concerning the Mission, Goals and Values of the Board Regarding Rio Grande Water Quality' this issue relates to the adopted goals and values described in 1, 2, 3, 6, 7 and 8 of that Resolution.

**Action Requested:**

Staff recommends submittal of the scoping comment letter by June 6, 2023.







## Buckman Direct Diversion

341 Caja del Rio Santa Fe, NM 87506

June XX, 2023

*Via email to: [emla-nepa@em.doe.gov](mailto:emla-nepa@em.doe.gov)*

ATTN: NEPA Document Manager  
U.S. DOE Environmental Management  
Los Alamos Field Office  
1200 Trinity Drive, Suite 400  
Los Alamos, NM 87544

**RE: HEXAVALENT CHROMIUM EA SCOPING COMMENT  
LOS ALAMOS NATIONAL LABORATORY  
BUCKMAN DIRECT DIVERSION BOARD**

To Whom It May Concern:

Herein are comments on the above-captioned matter from the Buckman Direct Diversion (“BDD”) Board, the governing body for the Buckman Direct Diversion. The BDD is a single diversion point on the Rio Grande that the City of Santa Fe, Santa Fe County, and their limited partner, Las Campanas, share to divert their San Juan-Chama and native Rio Grande water rights. Diverted water is treated and introduced into the regional water system. The government entities are represented on the Board.

The BDD is on the Rio Grande, approximately 3 miles downstream of Otowi Bridge, a short distance downstream of the location of the confluence of Los Alamos Canyon and the Rio Grande. Los Alamos Canyon and its tributaries have been contaminated by operations of Los Alamos National Laboratory (“LANL”), and downstream migration of those contaminants to the Rio Grande is well-documented. The Board is therefore understandably concerned about runoff in the Los Alamos Canyon watershed, and about the long-term actions LANL may take that could jeopardize or otherwise fail to protect the Rio Grande.

The Board offers the following comments concerning the scope of the proposed LANL Hexavalent Chromium Interim Measure EA (“EA”):

- The EA should analyze the groundwater/surface water connection, particularly with respect to how the pumping effects of the extraction wells called for in the Interim Measure will deplete Rio Grande surface flows, which are a present and future use of the resource for drinking water. This analysis should include potential cumulative impacts, and how those impacts could affect off-site resources (e.g., the Rio Grande).
- The EA should include an analysis of the method of offset or identifying consumptive use. Depletions upstream of the BDD intake that are not offset may directly affect the



BDD's ability to provide water to its customers, the City of Santa Fe and the County of Santa Fe.

- The EA should analyze whether the Interim Measure under the 2016 Consent Order is an adequate mechanism to assure that the Hexavalent Chromium Plume is sufficiently and timely characterized and, if necessary, remediated to a degree that present and future uses of potentially-affected resources – including the Rio Grande – are protected and sustainable.
- DOE should ensure in the EA that the four options and “Adaptive Site Management” are clearly defined, explained, and contain adequate supporting documentation. Pumping conditions under Option 1 (“Expanded Pump and Treat with Expanded Injection”) should be analyzed and explained. Locations, volumes, and times of Land Application under Option 2 should be clearly delineated.
- DOE subject matter experts struggled at the public scoping meeting on May 8, 2023 to define the assumed conditions that would exist under the “no action alternative,” which normally in an EA process assumes the subject project would not move forward. The Board understands that the “no action alternative” in this case is in fact pumping and extracting at up to 280 gallons per minute as was occurring under the Interim Measure in late 2022. The Board further understands that the Interim Measure would move forward regardless of the outcome of the EA. DOE should ensure the “no action alternative” and this apparent contradiction with its common meaning is clearly explained.
- Generally, the Administrative Record for the EA should be easily available to the public, transparent, and contain all documents (not just links to documents or other websites) upon which DOE is relying.
- The U.S. Environmental Protection Agency (“USEPA”) has devoted significant resources to bolstering the federal and state engagement with stakeholders, particularly tribes, pueblos, local governments, and utilities because such engagement improves the decision-making process attendant to the environmental effects of polluting industries and clean-up. The EA should therefore analyze the positive environmental impacts of improved engagement – including providing these entities with early “previews” of proposed federal, state, and local permitting actions. DOE should consider employing some other these enhanced public engagement practices in the EA process.
- Because of the highly technical issues the EA is expected to address, the keen interest in the subject members of the public have expressed since the contamination was revealed to the public in 2005, and the need and time it takes for government entities to deliberate and make transparent their comments, the Board suggests the draft EA be released for at least a 90-day comment period.

Respectfully,

Commissioner Anna Hamilton  
Santa Fe County Commission District 4  
BDD Board Chairperson

Councilor Carol Romero-Wirth  
Santa Fe City Council District 2  
BDD Board Vice Chairperson

Commissioner Anna Hansen  
Santa Fe County Commission District 2  
BDD Board Member

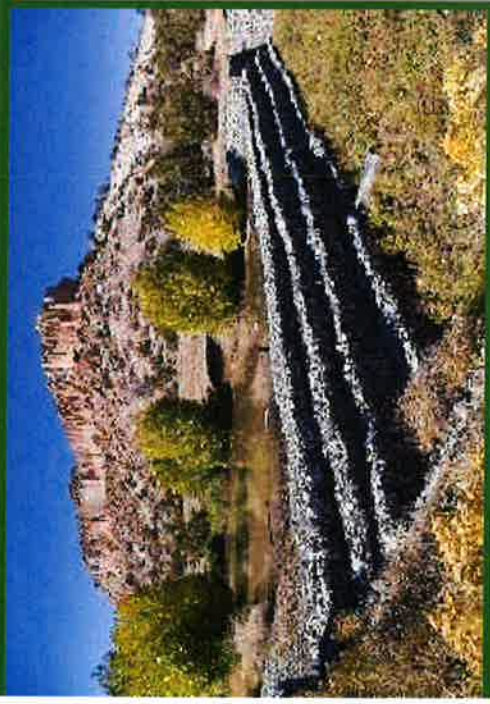
Councilor Renee Villarreal  
City of Santa Fe District 1  
BDD Board Member

JC Helms  
BDD Board Citizen-at-large Member



U.S. DEPARTMENT OF  
**ENERGY**

OFFICE OF  
**ENVIRONMENTAL  
MANAGEMENT**



# Welcome to the Public Scoping Meeting for the Chromium Interim Measures and Final Remedy Environmental Assessment

Public Scoping Meetings  
May 8-9, 2023



ENVIRONMENTAL MANAGEMENT  
SAFETY ♦ PERFORMANCE ♦ CLEANUP ♦ CLOSURE

EM-LA thanks you for your participation.  
The presentation will begin momentarily.



## NEPA Process

- ☐ National Environmental Policy Act (NEPA)
- ☐ Purpose of Public Scoping Meetings
- ☐ Public Scoping Comment Procedures
- ☐ Timeline for Comment Submission
- ☐ How to Submit a Substantive Comment

## Project Background

- ☐ Purpose and Need for Agency Action
- ☐ Potential Alternatives
- ☐ Draft Environmental Assessment (EA)





**NEPA is a Federal law that requires agencies to identify and consider the environmental consequences of implementing proposals**

**The analysis of environmental consequences presented in an EA accomplishes the following objectives:**

Identifies and describes the affected environment

Provides sufficient evidence and analysis for determining whether to prepare an Environmental Impact Statement (EIS) or a Finding of No Significant Impact (FONSI)

Evaluates the potential environmental consequences of reasonable alternatives

**The EA process concludes with a FONSI or decision to proceed with EIS**



## The Purpose of Public Scoping Meetings

Provide the public with information regarding the Chromium Interim Measures (IM) and Final Remedy, and how EM-LA will evaluate proposed alternatives in the EA

Describe the NEPA process and objectives of the EA

Provide an overview of public scoping comment procedures

Receive public input on other options or alternatives and other resources to be considered for the EA

Public scoping is not required for an EA. EM-LA is conducting scoping meetings as part of its stakeholder engagement priority and because there is significant interest in the hexavalent chromium plume.







## Public Scoping is the first stage in the EA Process

The Public Scoping Phase provides EM-LA with the opportunity to identify issues of interest and concern to frame the environmental analysis, and to more effectively shape the alternatives to be considered

EM-LA is seeking feedback from stakeholders, including local, state, and federal agencies; local and state elected officials, pueblos, non-governmental organizations, and the public on the development of the EA

Public scoping comments will be part of the official NEPA record and a summary will be included in the Draft EA.





# Timeline and Procedures for Comment Submission

**30-day Public Comment Period Starts  
May 8, 2023**



**Public Scoping Meetings  
May 8-9, 2023**



**30-day Public Comment Period Ends  
June 6, 2023**



**Draft EA Available  
Anticipated for July 2023**



**DOE Announces Findings  
December 2023**

## Provide comments TODAY by:

- Recording a verbal comment with the stenographer
- Submitting a written comment form to the EM-LA representatives

## Submit comments LATER by:

- Submitting comments via email, with "Chromium EA Scoping Comment" in the subject line:

**[emla-nepa@em.doe.gov](mailto:emla-nepa@em.doe.gov)**

- Or submitting comments by U.S. Mail:

**ATTN: NEPA Document Manager  
U.S. DOE Environmental Management  
Los Alamos Field Office  
1200 Trinity Drive, Suite 400  
Los Alamos, NM 87544**

**Comments should be postmarked by June 6, 2023,  
for consideration in the Draft EA**







U.S. DEPARTMENT OF  
**ENERGY**

OFFICE OF  
**ENVIRONMENTAL  
MANAGEMENT**

## Comments

NEPA requires a rigorous process to be followed prior to making a final decision, including consideration of comments

- ☐ Substantive comments identify potential alternatives, information, and analyses relevant to the NEPA evaluation
- ☐ All substantive comments received, whether spoken, written, or electronic, will be given equal consideration

To receive a notice of availability of the Draft EA, please sign up for the notification list by entering your contact information on the meeting sign-in form or sending an email to [emla-nepa@em.doe.gov](mailto:emla-nepa@em.doe.gov)



ENVIRONMENTAL MANAGEMENT  
SAFETY ♦ PERFORMANCE ♦ CLEANUP ♦ CLOSURE



## Purpose and Need

- In accordance with applicable Federal and state regulations, and the 2016 Compliance Order on Consent (Consent Order) between DOE and the New Mexico Environment Department (NMED), EM-LA needs to assess, identify, clean-up, and otherwise address environmental contamination at LANL

- The purpose of the proposed action is to remediate hexavalent chromium contaminated groundwater below Sandia and Mortandad canyons
  - EM-LA needs to evaluate both the Interim Measures and a final remedy

- The primary objective of the IM is to control downgradient migration of the hexavalent chromium plume, with the benefit of removing some chromium mass from the regional aquifer
  - EM-LA now needs to evaluate alternatives for groundwater remediation to achieve compliance with the New Mexico chromium groundwater standard





## No Action Alternative Continue Interim Measures and Plume Characterization

- This alternative is a continuation of the preferred alternative in the *Environmental Assessment for Chromium Plume Control Interim Measure and Plume-Center Characterization, Los Alamos National Laboratory, Los Alamos, New Mexico* (DOE/EA-2005, December 2015) and Finding of No Significant Impact (FONSI, December 2015)
- The 2015 Assessment prioritized the Chromium Plume Interim Measures and Plume Characterization

- Under the No Action Alternative, EM-LA would control plume migration and maintain hexavalent chromium contamination levels within the LANL boundary while long-term corrective action remedies continue to be evaluated and implemented
- EM-LA would continue to further characterize the plume to evaluate the effectiveness and feasibility of implementing a final remedy







## Proposed Action Adaptive Site Management

- Under this alternative, EM-LA would use Adaptive Site Management (ASM) to select and implement remedies to remediate the hexavalent chromium plume
- The goal of ASM is to create a framework of structured and continuous planning, implementation, and monitoring that accommodates new information and changing site conditions to develop effective and efficient cleanup strategies

- In accordance with the 2016 Consent Order, the final remedy will be selected by NMED after EM-LA submits a Corrective Measures Evaluation (CME) Report to NMED
- The CME Report will identify and evaluate potential corrective measures for removal, containment, and/or treatment of the hexavalent chromium plume
- In the CME Report, DOE will also recommend a preferred alternative for remediation
- NMED will then issue a Statement of Basis, engage in a public comment period, and select a remedy





Public scoping, history of the plume, potential alternatives, and other information on the NEPA EA process is provided in the following posters







# EM-LA, N3B, and Leidos

## Introductions

EM-LA Representatives	Contractor Representatives
Lee Bishop, Director, Office of Quality and Regulatory Compliance	Shawn Stone, N3B Environmental Programs and Services Director
Jesse Kahler, NEPA Compliance Officer	Sean Dolan, N3B Cultural Resources Specialist
Hai Shen, NEPA Document Manager	Clark Short, N3B Water Project Manager
Cheryl Rodriguez, Program Manager, Soil and Water Remediation, Office of Cleanup Execution	Mike Erikson, N3B Director, Water Oversight Program
Tom McCrory, Senior Geologist, Office of Cleanup Execution	Troy Thomson, N3B Program Manager, Environmental Remediation
	Jenifer Nordstrom, Leidos, NEPA Support Program Manager







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# Historical Context of the Hexavalent Chromium (Cr) Plume

## Origin of the Hexavalent Cr Plume

- The source of the hexavalent Cr plume was a non-nuclear power plant at Los Alamos National Laboratory (LANL) that periodically flushed water containing potassium dichromate from the plant's cooling towers into Sandia Canyon from 1956-1972.
- Up to 160,000 lbs of hexavalent Cr was released during this period, but most of it did not migrate into the regional aquifer.
- Current measurements estimate the hexavalent Cr plume is ~1 mile long x ½ mile wide.



## Movement of the Hexavalent Cr Plume

- Water containing hexavalent Cr traveled down Sandia Canyon.



- Unsaturated zones in tilted rock formations beneath the canyon allowed hexavalent Cr to infiltrate into the regional aquifer underlying Mortandad Canyon.

## First Samples



- Monitoring Well R-28 was installed in Mortandad Canyon in 2004 to investigate the regional aquifer beneath LANL.
- The first groundwater samples from R-28 contained hexavalent Cr concentrations ~8x the New Mexico drinking water standard.
- EM-LA prepared the Environmental Assessment for Chromium Plume Control Interim Measure and Plume-Center Characterization (DOE/EA-2005) to analyze environmental impacts of actions to limit downgradient migration of the plume edge in the regional aquifer.



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# The Interim Measures (IM) for Hexavalent Chromium Plume Control



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## Primary Goal of the IM

- The goal of the IM is to control migration of the hexavalent chromium (Cr) groundwater plume while long-term corrective action remedies are evaluated.
- Plume control is achieved through extraction and treatment of contaminated groundwater ("pump and treat") and injection of treated (clean) groundwater along the downgradient plume edge.
- The IM includes extraction and injection wells and associated equipment necessary to prevent migration of the hexavalent Cr plume beyond the LANL boundary.



## Key Highlights Associated with IM Design

- Installed Sentinel Wells R-35a and R-35b in 2006 as an early warning signal for hexavalent Cr approaching Los Alamos County supply well PM-3.
- Prior to the IM, 10 regional monitoring wells, 2 perched-intermediate wells, and 6 core holes/ piezometers were installed to define the nature and extent of the plume.
- Hydraulic control successfully moved the southern extent of the hexavalent Cr plume ~500 feet away from the Pueblo de San Ildefonso.



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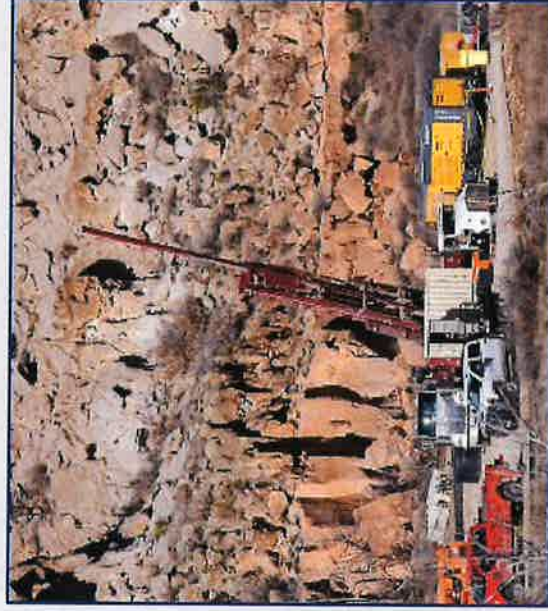




## Potential Alternatives

### No Action Alternative – “Continue Interim Measures and Plume Characterization”

- Under the No Action Alternative, EM-LA would continue to control plume migration and maintain hexavalent chromium contamination levels within the LANL boundary while long-term corrective action remedies continue to be evaluated and implemented.
- EM-LA would continue to further characterize the plume to evaluate the effectiveness and feasibility of implementing a final remedy.



### Alternative 1 – “Adaptive Site Management”

- EM-LA would use adaptive site management to select and implement remedies to remediate the hexavalent chromium plume.
- This approach would create a framework of structured and continuous planning, implementation, and monitoring that accommodates new information, changing site conditions, and public participation.
- EM-LA is considering the following options, or a combination of these options:
  - **Option 1:** Expanded Pump and Treat with Expanded Injection
  - **Option 2:** Expanded Pump and Treat with Land Application
  - **Option 3:** Expanded Pump and Treat with Injection and/or Land Application and In-situ Treatment
  - **Option 4:** Monitored Natural Attenuation







## Adaptive Site Management Options



### Continue Interim Measures and Plume Characterization:

Pump and treat  
contaminated water,  
inject treated (clean)  
water that meets  
the New Mexico  
chromium groundwater  
standard. Continue  
characterization with  
additional monitoring  
wells, studies, and  
modeling.



### Option 1 - Expanded Pump & Treat with Expanded Injection:

Additional extraction and injection  
wells for increased mass removal  
and rates of pump and treat and  
injection into regional aquifer.



### Option 2 - Land Application:

Additional extraction and injection  
wells as in Option 1, and additional  
treated groundwater disposition  
through land application.



### Option 3 - In-Situ Treatment:

Similar to Option 2 in adding extraction and injection wells, but amendments are also deployed in  
groundwater to rely on chemical processes to reduce and immobilize hexavalent chromium without  
removing it from the ground.

In-situ is a remediation strategy for treatment in groundwater that involves manipulating aquifer  
conditions with the goal of converting hexavalent chromium to trivalent chromium within the aquifer.



### Option 4 - Monitored Natural Attenuation:

Viable option following  
operation of other remedial  
actions once concentrations  
of hexavalent chromium meet  
the New Mexico chromium  
groundwater standard.

Relies on natural physical,  
chemical, or biological  
processes to further reduce  
concentrations of  
hexavalent Cr.







## National Environmental Policy Act (NEPA)

### Purpose of the NEPA Environmental Assessment (EA)

- EM-LA is initiating the National Environmental Policy Act (NEPA) process to evaluate potential environmental impacts of continued operations of the Interim Measures (IM) to control migration of the hexavalent chromium plume and to evaluate the environmental impacts of alternatives for the final remedy.
- Public scoping meetings provide interested stakeholders with opportunities to ask questions and submit comments on the considered alternatives for the proposed EA. After public comments are received, EM-LA will prepare a Draft EA.
- The proposed action may include well pad and access road installation and maintenance, piezometer placement, and pipeline placement in the 100-year floodplain in Mortandad and Sandia canyons on LANL.

### NEPA Timeline

**30-day Comment Period Starts**

May 8, 2023



**Public Scoping Meetings\***

May 8-9, 2023



**30-day Comment Period Ends**

June 6, 2023



**Draft EA Notice of Availability\***

Summer 2023



**Final EA Notice of Availability**

Winter 2023

*\*Includes opportunities for public involvement*

### How to Provide Scoping Comments

#### Provide comments **TODAY** by:

- Recording a verbal comment with the court reporter

#### Submit comments **LATER** by:

- **Email:** [emla-nepa@em.doe.gov](mailto:emla-nepa@em.doe.gov)  
Please include "Chromium EA Scoping Comment" in the subject line
- **U.S. Mail** - Mail to:  
ATTN: NEPA Document Manager  
U.S. DDOE Environmental Management  
Los Alamos Field Office  
1200 Trinity Drive, Suite 400  
Los Alamos, NM 87544

Comments should be postmarked  
by **June 6, 2023**,  
for consideration in the Draft EA.







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## Environmental Assessment

### Resources to Be Evaluated



- Cultural Resources
- Ecological Resources
  - » Vegetation
  - » Wildlife
  - » Threatened and Endangered Species
  - » Migratory Birds and Sensitive Species
- Water Resources
  - » Groundwater
  - » Surface Water
- Visual Resources
- Air Quality
- Geology and Soils
- Environmental Justice
- Socioeconomics
- Land Use
- Noise
- Traffic and Transportation
- Utilities and Infrastructure
  - » Electricity
  - » Water
  - » Roads
- Hazardous Materials and Waste Generation
- Human Health and Worker Safety



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# Thank You for participating in the Public Scoping Meeting

EM-LA would like to thank all attendees for their  
interest and participation

A review on how to submit comments outside of this  
meeting is available on the following slide







# Timeline and Procedures for Comment Submission

**30-day Public Comment Period Starts  
May 8, 2023**



**Public Scoping Meetings  
May 8-9, 2023**



**30-day Public Comment Period Ends  
June 6, 2023**



**Draft EA Available  
Anticipated for July 2023**



**DOE Announces Findings  
December 2023**



## Provide comments TODAY by:

- Recording a verbal comment with the stenographer
- Submitting a written comment form to the EM-LA representatives

## Submit comments LATER by:

- Submitting comments via email, with "Chromium EA Scoping Comment" in the subject line:

[emla-nepa@em.doe.gov](mailto:emla-nepa@em.doe.gov)

- Or submitting comments by U.S. Mail:

**ATTN: NEPA Document Manager  
U.S. DOE Environmental Management  
Los Alamos Field Office  
1200 Trinity Drive, Suite 400  
Los Alamos, NM 87544**

Comments should be postmarked by June 6, 2023,  
for consideration in the Draft EA



# BACKUP SLIDES







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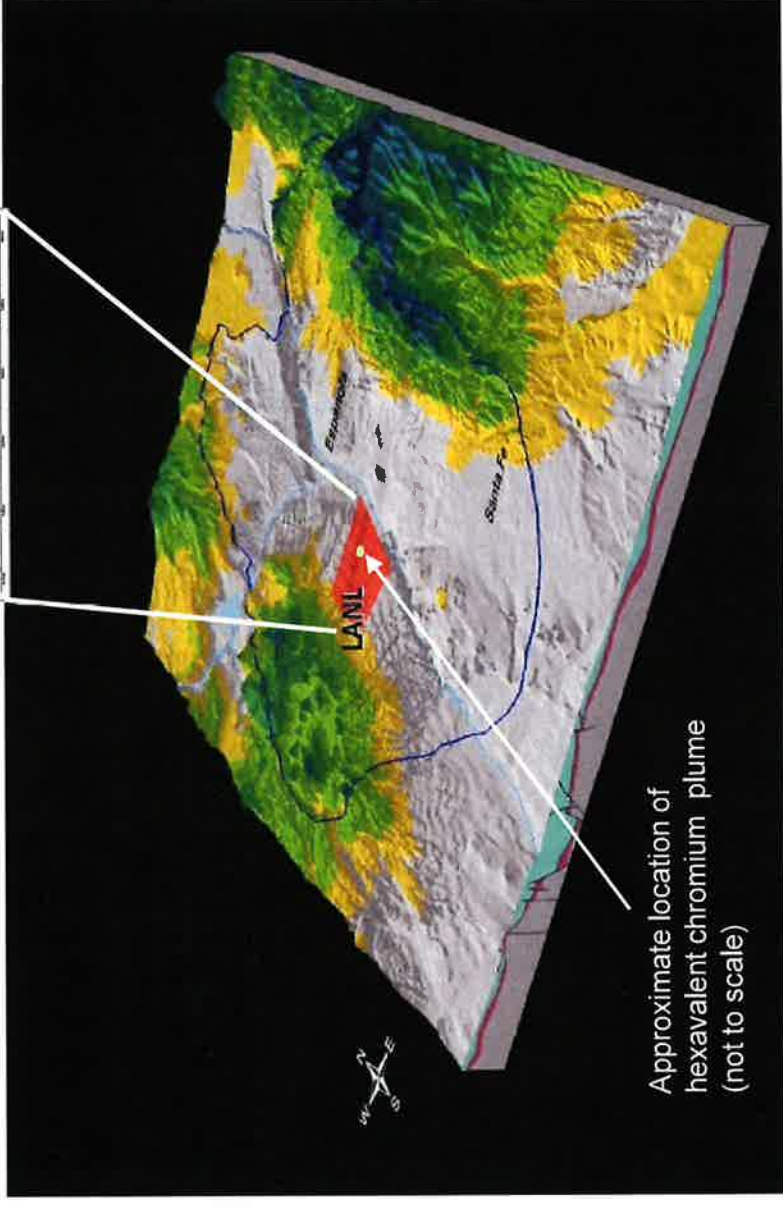
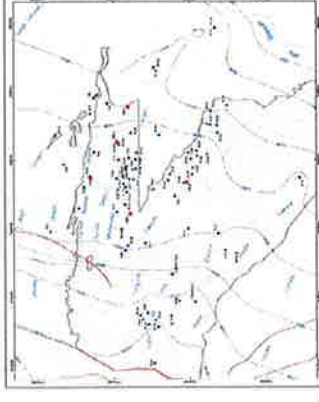
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## Background

- ❑ The regional aquifer beneath the Laboratory is part of the Espanola Basin
- ❑ The basin is ~ 50 miles long and ~18 to 40 miles wide
- ❑ Hexavalent chromium plume footprint is approximately 1 mile long and ½ mile wide



Approximate location of  
hexavalent chromium plume  
(not to scale)

Location of the Los Alamos National Laboratory within the Espanola basin (image from Vessilinov et. al 2010)

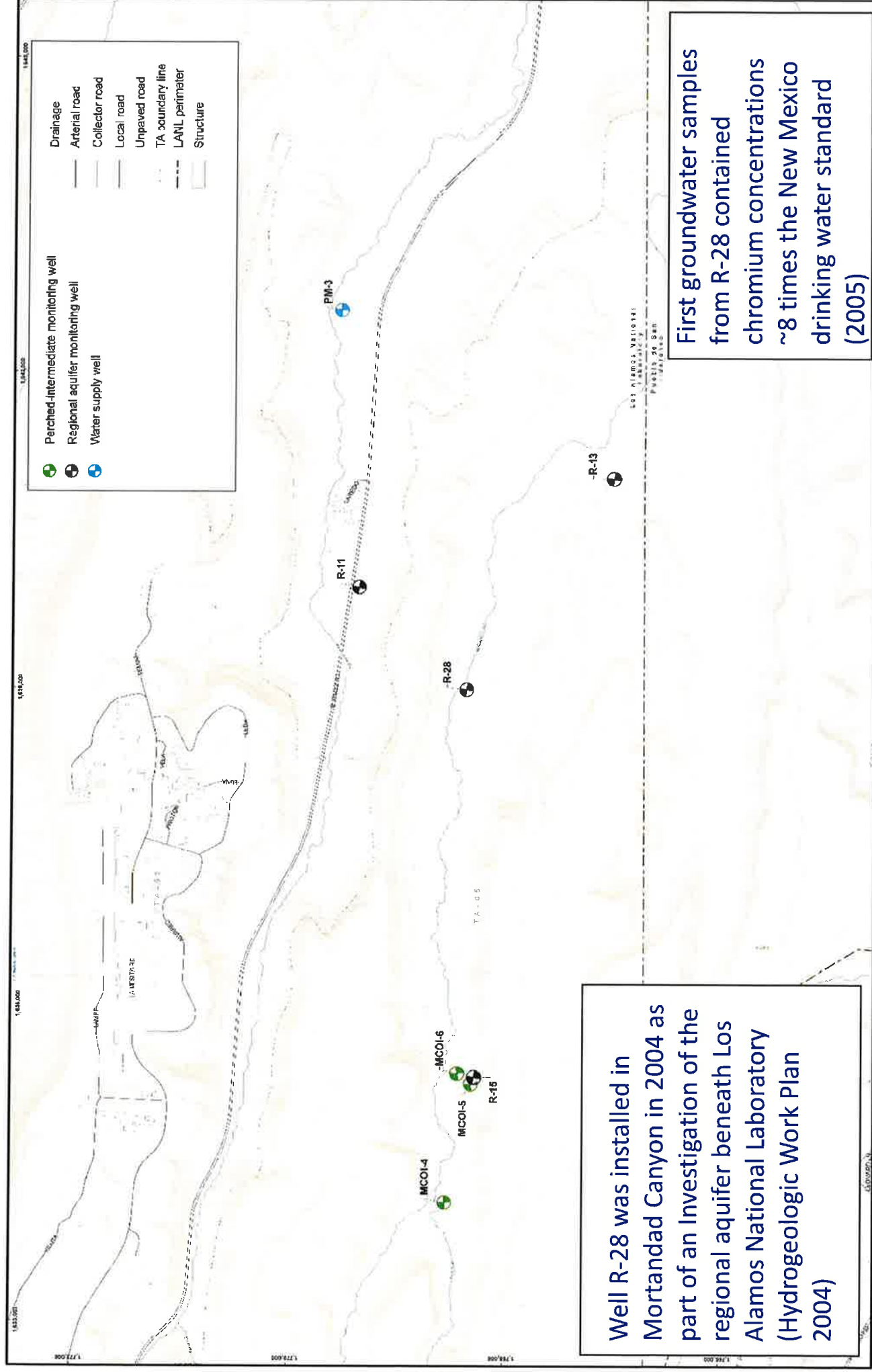


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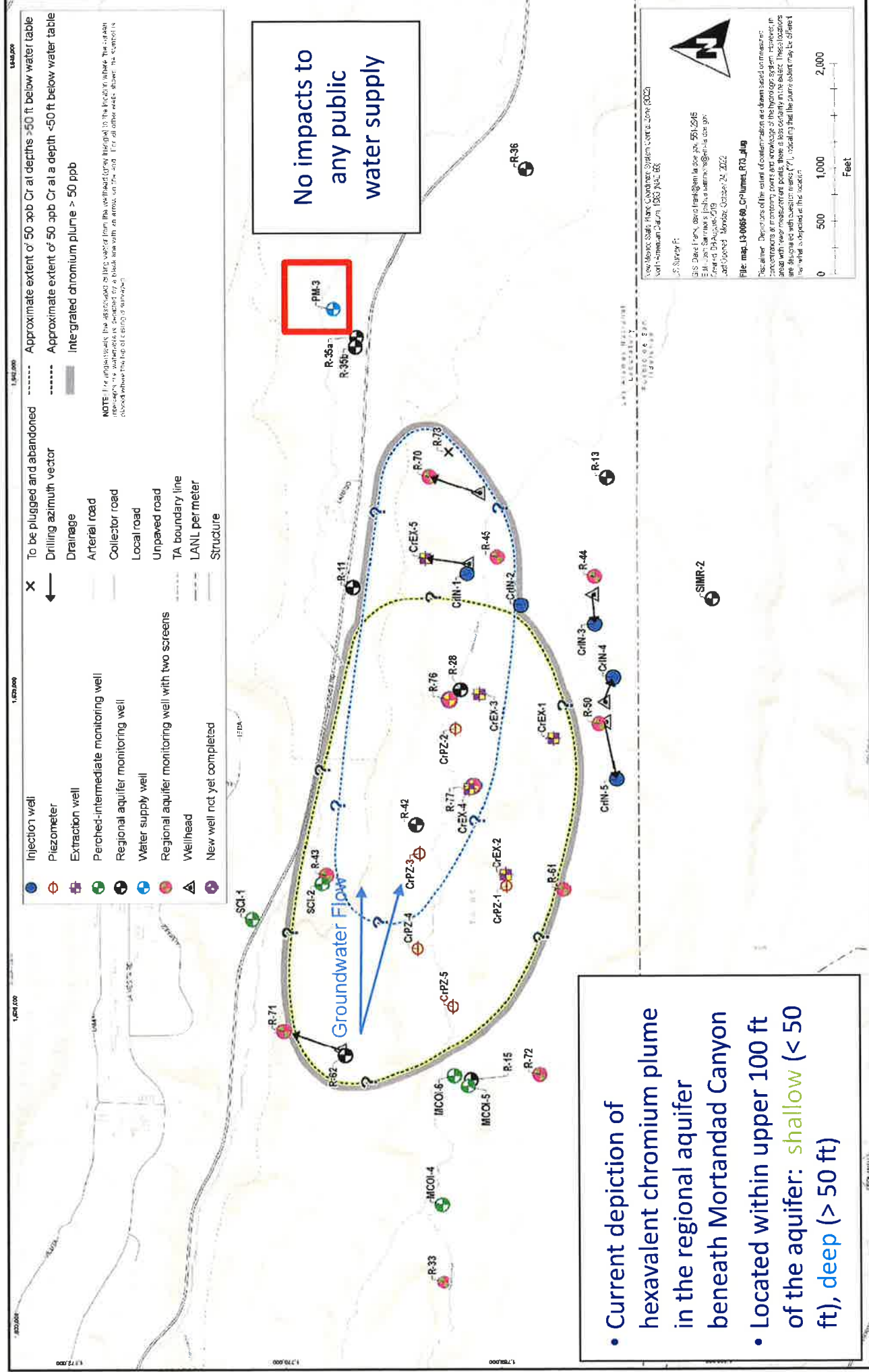
# First Samples at R-28



Well R-28 was installed in Mortandad Canyon in 2004 as part of an Investigation of the regional aquifer beneath Los Alamos National Laboratory (Hydrogeologic Work Plan 2004)

First groundwater samples from R-28 contained chromium concentrations ~8 times the New Mexico drinking water standard (2005)

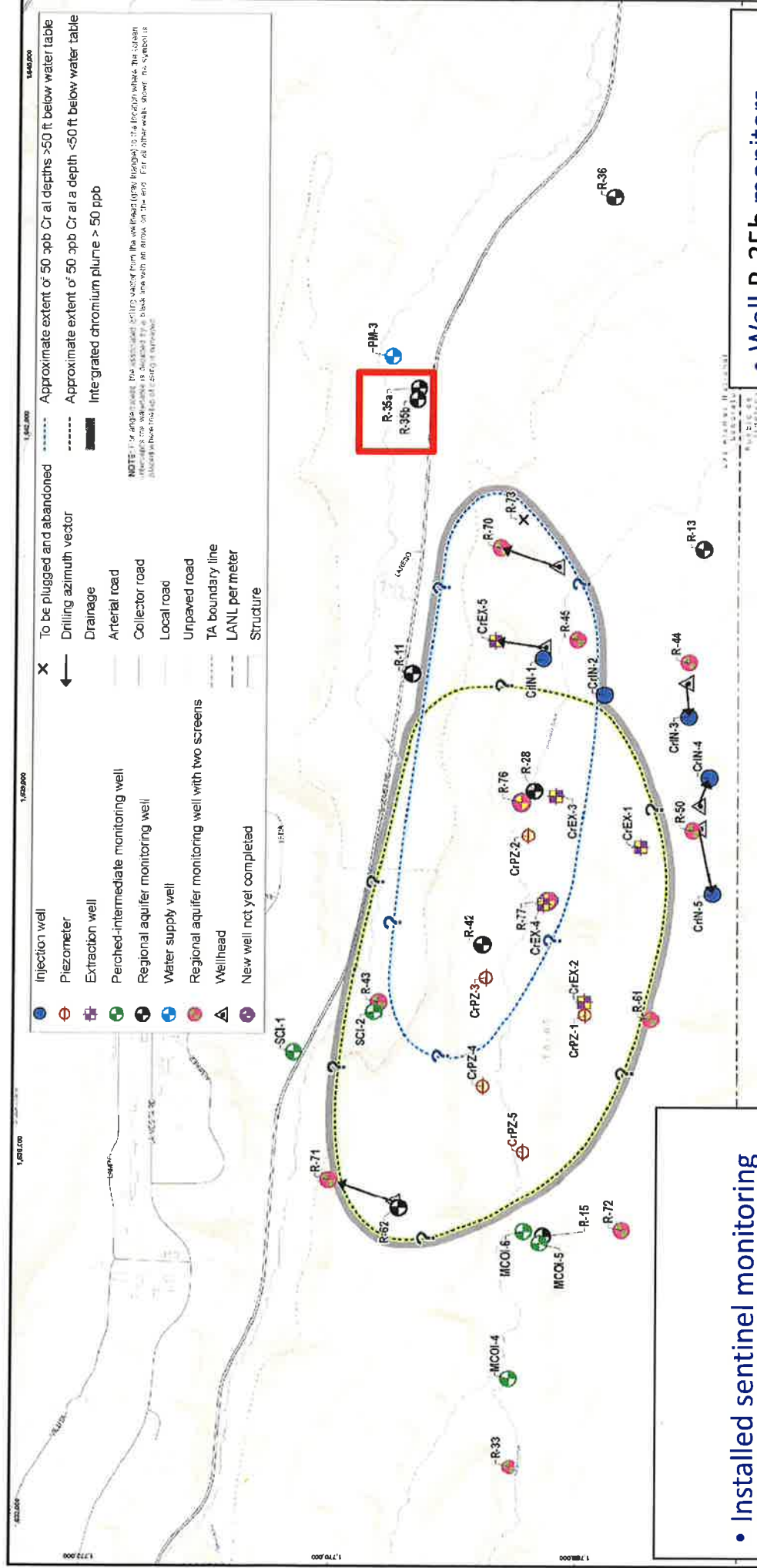
# Hexavalent Chromium Plume







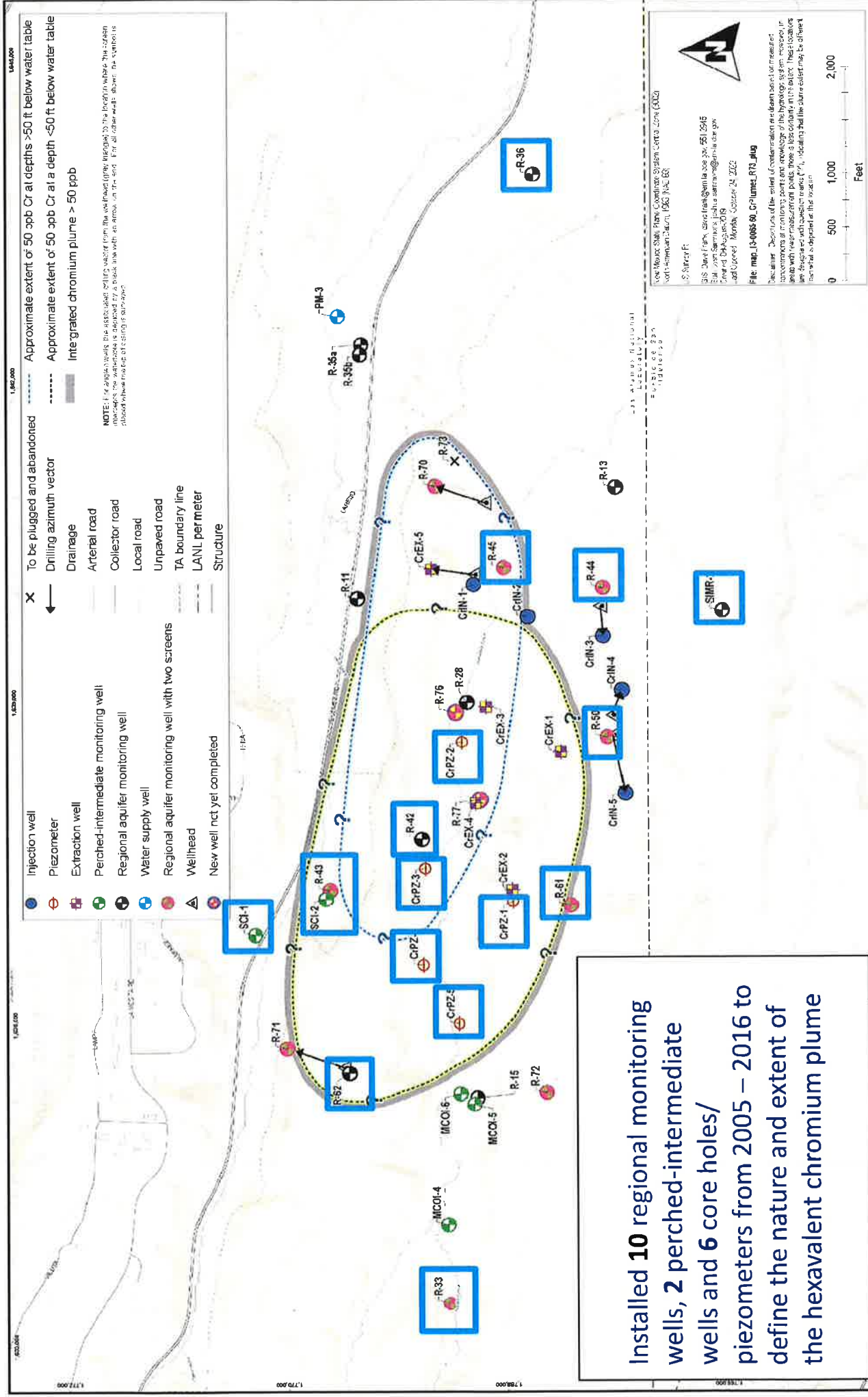
# Sentinel Monitoring Wells



• Installed sentinel monitoring wells R-35a/b to provide early notification of hexavalent chromium approaching county supply well, PM-3

• Well R-35b monitors near the water table

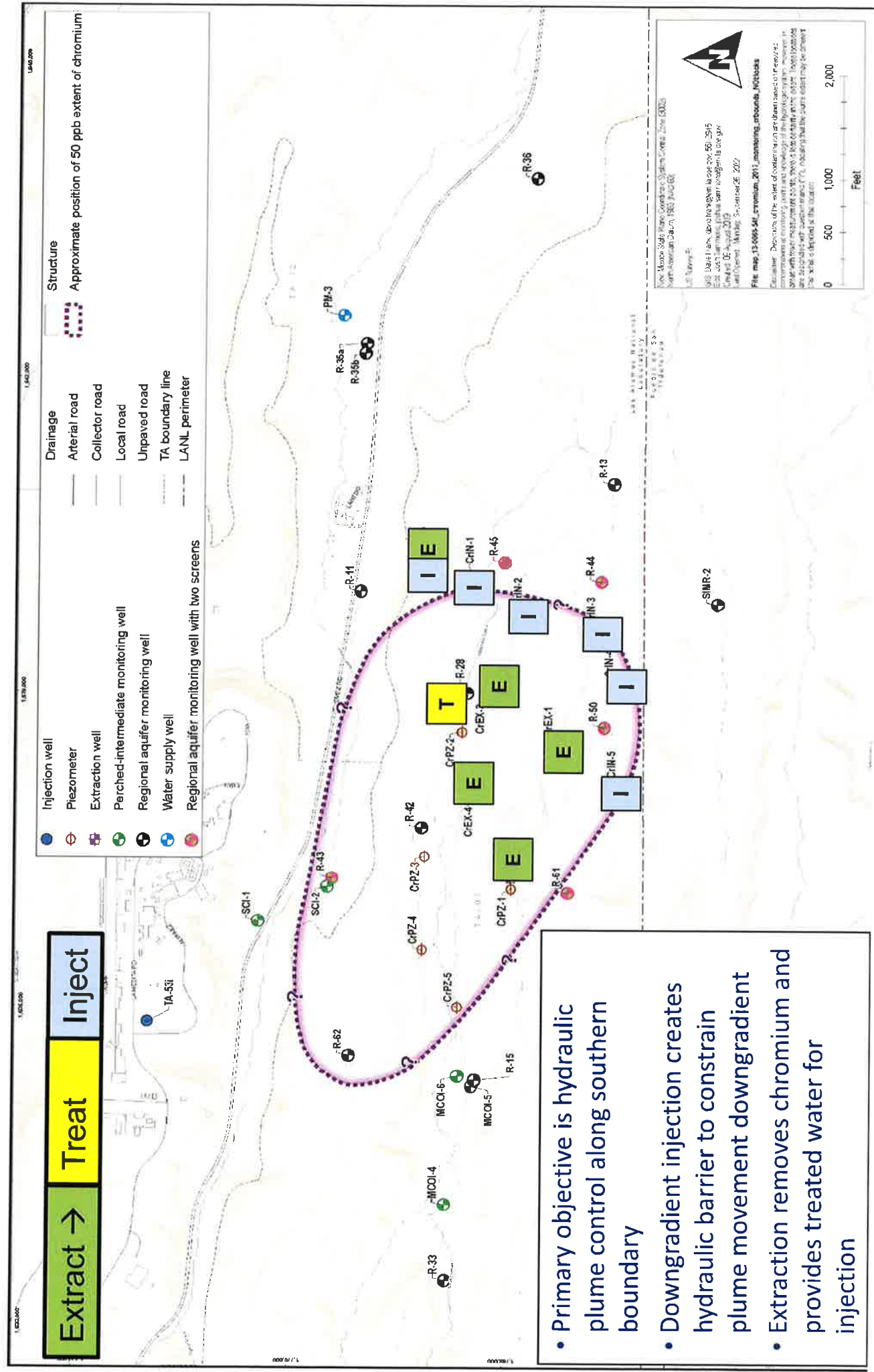
• Well R-35a monitors in the upper portion of the screened interval in well PM-3



Installed **10** regional monitoring wells, **2** perched-intermediate wells and **6** core holes/ piezometers from 2005 – 2016 to define the nature and extent of the hexavalent chromium plume



# Plume Control Interim Measure Configuration

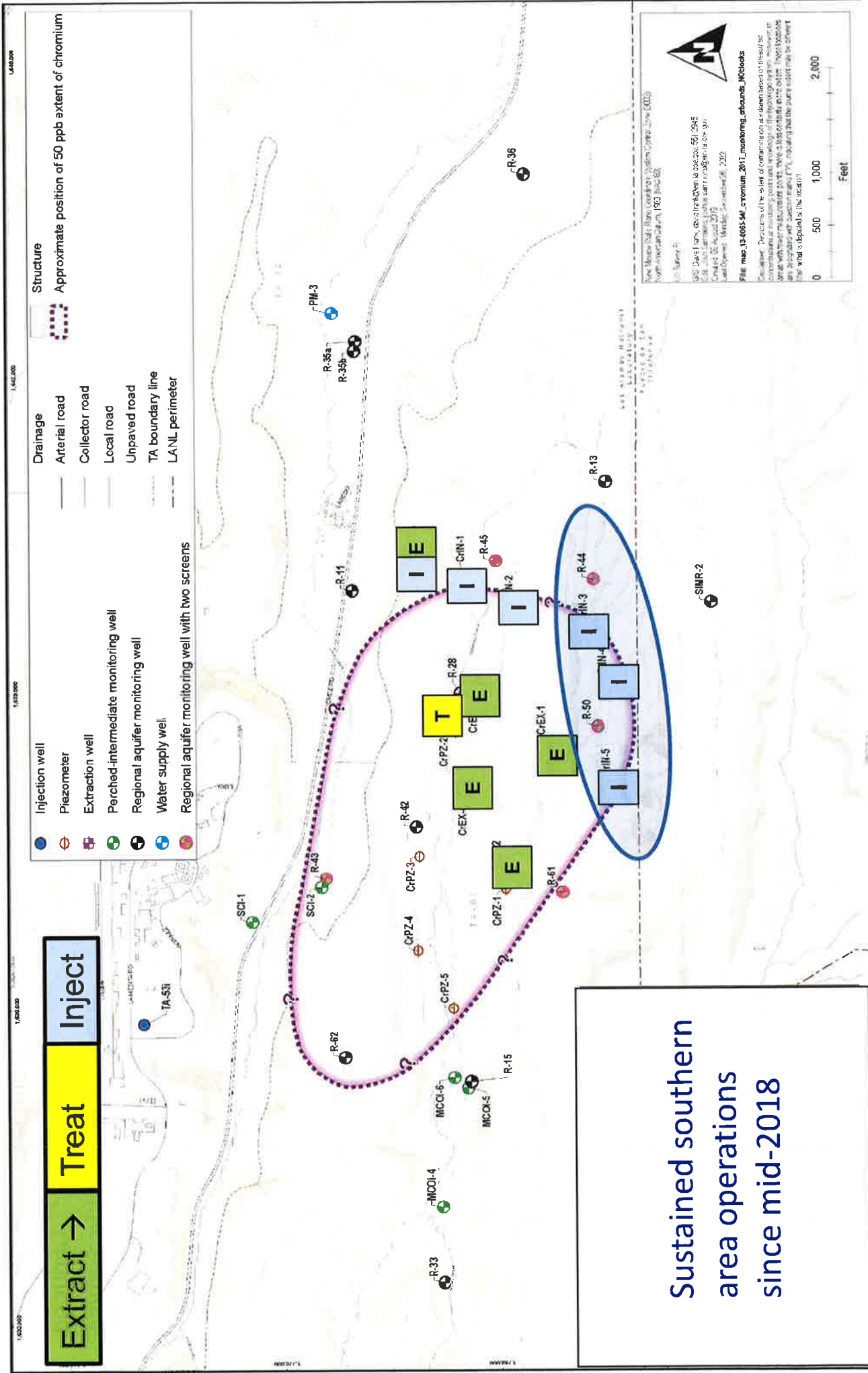


- Primary objective is hydraulic plume control along southern boundary
- Downgradient injection creates hydraulic barrier to constrain plume movement downgradient
- Extraction removes chromium and provides treated water for injection



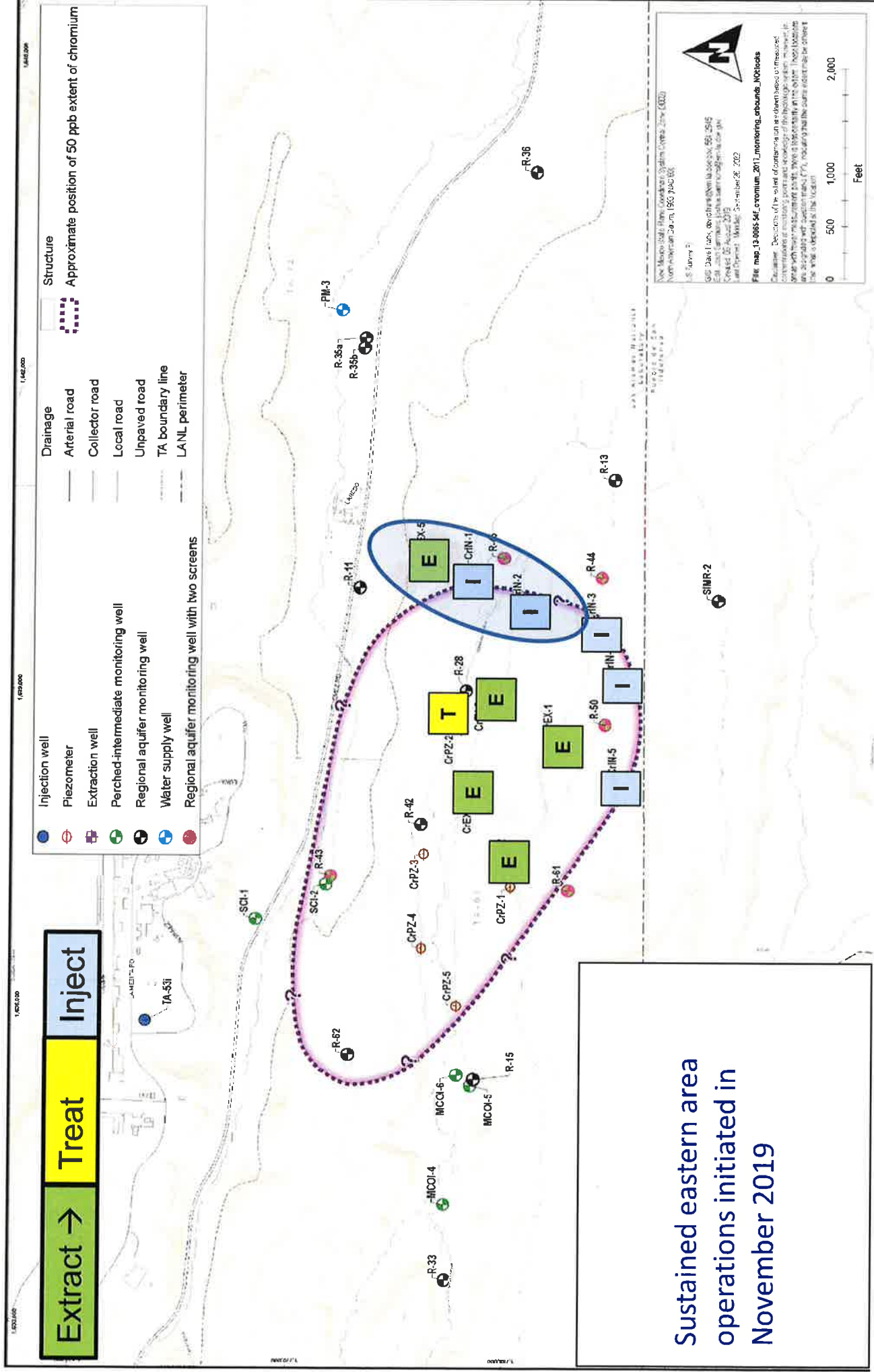
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## Plume Control Interim Measure Configuration





# Plume Control Interim Measure Configuration



Sustained eastern area operations initiated in November 2019





