

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

June 1, 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 4:11 p.m. in the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico. The Chair welcomed the participants to the County Chambers.

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

BDD Board Members Present:

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

Member(s) Excused:

None

Others Present:

Rick Carpenter, BDD Facilities Manager
Nancy Long, BDDDB Legal Counsel
Luke Pierpont, Egolf + Ferlic + Martinez + Harwood, LLC
Bernardine Padilla, BDD Public Relations Coordinator
Delfin Peterson, BDD Administrative Assistant
Randy Sugrue, BDD Operations Superintendent
Monique Maes, BDD Contracts Administrator
Jesse Roach, City Water Division Director
Jay Lazarus, BDDDB Consultant, Glorieta Geoscience, Inc.
Robert Reine, EMLA

3. APPROVAL OF AGENDA

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

4. CONSENT AGENDA

Commissioner Hansen requested the removal of item 7.d.

Commissioner Hansen moved to approve the Consent Agenda as amended. Councilor Villarreal seconded and the motion passed by unanimous voice vote.

Consent Items:

- a. **Request for approval of Amendment No. 2 to Professional Services Agreement #21-0421 with Daniels Insurance, Inc. to extend the term of the agreement and to increase compensation in an amount up to \$160,000.00 plus applicable NMGRT for fiscal year 2024**
- b. **Request for approval of (Sole Source) Professional Services Agreement with Snell & Wilmer, LLP for Legal Services for fiscal year 2024. 1) Request for approval of a Professional Services Agreement with Snell & Wilmer, LLP, for legal services in an amount up to \$200,000.00 plus NMGRT. 2) Request to utilize funds from the Legal Settlement for this contract**
- c. **Request for approval of Amendment No. 2 to the Service Agreement #21-05.21 with Alpha Southwest, Inc. to increase the amount of the agreement by \$33,800.00 for a total contract amount of \$287,633.30 and to extend the term of June 30, 2024. 1) Approval of Budget Authorization Request (BAR) from the Major Repair and Replacement Fund to the Operating Fund in the amount of \$33,800.00**
- d. Removed for discussion

4. APPROVAL OF MINUTES: May 4, 2023

The following changes were noted:

Page 1, Incorrectly identifies Councilor Romero-Wirth as the Chair

Page 2, The County does not use ~~Board~~ PrimeGov

Page 2, Chair ~~Hansen~~ Hamilton

Page 15, Time of adjournment at 4:55~~5~~

Commissioner Hansen moved to approve the May 4, 2023 minutes with the changes as noted above. Mr. Helms seconded and the motion passed by unanimous [5-0] voice vote.

5. PRESENTATION/INFORMATIONAL ITEMS

a. Monthly Update on BDD Operations

RANDY SUGRUE (BDD Operations Superintendent): Madam Chair, members of the Board, this is my update on BDD operations for the month of May, 2023. Raw water diversions have averaged about 7.95 million gallons per day. Our drinking water deliveries through booster stations 4A/5A, around 6.2 million gallons per day. Delivery to Las Campanas at 2A about 1.51 million gallons per day. Leaving onsite

treated and non-treated water storage of about 0.24 million gallons per day. BDD was providing about 59 percent of the water supply to the City and County for the month. And you can see our comparison to our annual average below.

On page 2, the average or approximate daily regional water demand for May around 10.5 million gallons per day, that's increasing certainly. Rio Grande flows averaged around 5,500 cubic feet per second and it peaked a few days ago at over 7,000 cubic feet per second. Now it's back between 6,000 and 6,500 cubic feet per second.

Nichols and McClure storage, this is a couple of weeks ago, 85.5 percent and that has increased somewhat and their inflow remains over 25 to 27 MGD. City/County/Las Campanas storage is updated by partners as of March 13th in Abiquiu SJC storage was around 12,593 acre-feet and we did receive an allocation of SJC water. The City received 1,359 acre-feet out of 5,230 and the County received 97 acre-feet out of 375 acre-feet. I imagine there will be an update in the next 30 to 60 days on that.

Our ENSO summary shows that we are in neutral conditions but there is now a 90 percent or greater chance of El Niño developing and persisting into the fall. So we can expect, I hope, wetter monsoon season.

There is an update at BDD. We've had some maintenance issues that have resulted in us shutting off BDD 4A/5A transmission lines for about the last week. We are going through each individual membrane rack doing pressure testing and sealing on the racks. We are developing some unacceptable pressure leaks and so we just shut it off and decided we need to address this and get it up and running correctly and not try and just stumble along. So actually that is coming along well. I just got a phone call an hour ago that we are on I believe rack number 4. So things are progressing well and I apologize for being off line for such an extended period. I stand for questions.

CHAIR HAMILTON: Excellent. Thank you. Are there questions? I had one. And I should be able to figure this out on my own as we get the numbers every month. It being a little wetter, you know, we're slightly above that, and I know – are we above the average even though it seems a little wetter to me?

MR. SUGRUE: Above average as far as precipitation?

CHAIR HAMILTON: No, no, no the Buckman use.

MR. SUGRUE: The full production?

CHAIR HAMILTON: Yes, production. Is that just a balance between –

MR. SUGRUE: If you look at the graph on page 1, if we would have completed the month without this unanticipated shutdown, I think we would have been somewhat above our 10 year or 12 year average. We're probably still, even with this shutdown, close to that average of 226 million gallons for the month of May. That will remain to be seen in the next few days as I finish the accounting for the month.

CHAIR HAMILTON: So we're a little above average in May; right?

MR. SUGRUE: Yeah. The light blue is the annual average and the dark green is essentially our actual production. May, again, I had to compute this about two weeks ago so there's a little bit of wiggle room there. But I still think we're pretty close to that number because again, the river went over 7,000 cfs in the month but the turbidity is surprising low so the water is essentially pretty easy to treat. We did have a couple of turbidity spikes; one just this morning from a storm event. But other than that we have been diverting every day. Even with our maintenance issues, by the way, we're still pulling our water for Las Campanas for irrigation purposes. So we're not completely off.

CHAIR HAMILTON: Great. And I did interestingly just see globally this is supposed to be one of the strongest El Niños in over a decade – and we’re already getting some very, very big effects in Europe in terms of drought and rain. I just thought that was interesting. Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. So, we’re still releasing water. The water is – I see that Dr. Roach is in the audience, so I’m taking advantage – the reservoirs are still releasing water down the river and –

MR. SUGRUE: I’m going to let Dr. Roach comment on that because they’re on top of that.

COMMISSIONER HANSEN: That’s his department.

MR. SUGRUE: Absolutely.

JESSE ROACH (City Water Division Director): To also move back onto Madam Chair’s question; we have struggled to treat as much water as we would like to treat at Canyon Road because of high inflows and turbidity to Nichols and so that’s part of the reason why the BDD production was above average in May. And then Commissioner Hansen to your question, we are almost full in our reservoirs and now we are on the back side of the hydrograph so the inflows are coming down. So we expect this week to be the last week of big flows in the river and then we’re going to start lowering those releases and expect to be able to treat more of the water as those inflows decline into the reservoirs and the turbidity increases. So we do expect this week to be the last of the real big flow weeks in the Santa Fe River and expect those flows to start going down next week.

COMMISSIONER HANSEN: I asked this question because in my district, I’m happy to have the water run all the way down to San Ysidro and down past there but since San Ysidro is a low-water crossing and we are trying to get money to build a bridge there, it is challenging for residents to cross there and it does concern me because we only really closed that road in a storm event. So I’m happy to get the water. I am not complaining. But I know that my residents are suffering from having to go around some of it. I mean, I wouldn’t drive through it and I have a pretty heavy car. It’s a little dangerous because it is pretty high at San Ysidro.

MR. ROACH: It should get better starting next week for them.

CHAIR HAMILTON: Okay, I appreciate that. I’m sure they will be grateful also. I mean, everybody loves the water. Everybody loves the water in the river so I’m not complaining about that, I am grateful. As long as it keeps coming, I am good with that. But I do worry about the water getting too high at San Ysidro and I see people shaking their heads around in the audience who might live out in that area. Thank you, Madam Chair.

MR. SUGRUE: Madam Chair, any other questions?

CHAIR HAMILTON: Any other questions? Thank you so much, Randy.

b. Report from the Facilities Manager

MR. CARPENTER: Good afternoon. Thank you, Madam Chair and members of the Board. Just a couple of updates for you. The major repair and replacement item expenditure for the month were \$1,721.60. As far as vacancies, our journeyman electrician position is currently advertised and will close on June 21st. The instrumentation

control tech position and the warehouse maintenance tech position closed on the 28th. We did not get any applicants for the maintenance repair tech. We go one applicant for the planner/scheduler. And with that, Madam Chair, I'll stand for questions.

CHAIR HAMILTON: Any questions? Are you still having some troubles finding applicants for some positions at this point?

MR. CARPENTER: It's an ongoing problem, Madam Chair.

CHAIR HAMILTON: I keep thinking things will get better. Best of luck with that.

7. CONSENT

d. Request Approval of BDD Board comment letter regarding Hexavalent Chromium Environmental Assessment (EA) Scoping, Los Alamos National Laboratory

CHAIR HAMILTON: Commissioner Hansen, you had a question or what did you want to discuss on that?

COMMISSIONER HANSEN: I wanted to basically I wanted to thank Kyle and James Bearzi for writing the letter. I am really grateful that they got that done. I wanted to also share that Santa Fe County has also is submitting a letter on the hexavalent chromium plume. And I think that I'm not going to make any changes to it because I recognize that everyone is out of town. But I am grateful and I just wanted it to be on the record and not part of consent that we are sending a letter on the hexavalent. I mean, it really should say, "hexavalent chromium EA scoping comment" but since they called it chromium I do have an issue with it being called "chromium" because chromium is basically safe. It's hexavalent chromium that is a problem. And if you have chromium 3, that's safe. If you have chromium 6, that's hexavalent.

CHAIR HAMILTON: It says, re: hexavalent chromium EA scoping. It's the same as the Santa Fe County letter.

COMMISSIONER HANSEN: Oh, I'm sorry. Then I need to change this here. But I am talking about this.

CHAIR HAMILTON: Oh, okay.

COMMISSIONER HANSEN: The actual information from Environmental Management does not call it hexavalent chromium. They call it just the chromium interim measure and they should know better by now because I bring this up every single time.

CHAIR HAMILTON: Thank you for getting that out on the record. Do you want to make a motion?

COMMISSIONER HANSEN: Yes. I'll make a motion to approve to approve the letter.

COUNCILOR VILLARREAL: Second.

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

CHAIR HAMILTON: Okay, so just to note, that letter is available to be signed and everybody is signing it. So before you walk out the door, if everybody could sign the letter that would be great.

COMMISSIONER HANSEN: That was the other thing that I thought was really important that everyone on the Board sign the letter.

8. MATTERS FROM THE PUBLIC - None were presented.

9. MATTERS FROM THE BOARD

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes.

COMMISSIONER HANSEN: I wanted to let the Board members know that I am doing a town hall with the Santa Fe National Forest Service on June 8 at the Santa Fe Community College. It will be at 6:30 in the evening and there will be a number of members of the Santa Fe National Forest team there to answer questions and then there will be a short presentation. And then there will be questions and answers for the public and I will be moderating. And I requested this meeting and I hope that all of you can attend. I know that a number of the Commissioners are attending. We have noticed the meeting to be a quorum. And I know Commissioner Hamilton and I believe Commissioner Hughes will be there. So I would love to see some of the City Councilors there. I hope you can make it.

COUNCILOR ROMERO-WIRTH: Thank you, Commissioner.

Unfortunately, we are doing a housing conversation and livability series that same week.

CHAIR HAMILTON: That's a good thing too.

COMMISSIONER HANSEN: That's a good thing also. That's all I have.

CHAIR HAMILTON: Excellent. Any other matters from the Board?

10. NEXT MEETING: Thursday, July 6, 2023 at 4:00 p.m.

11. ADJOURN

Having completed the agenda, Commissioner Hansen moved to adjourn and Chair Hamilton declared this meeting adjourned at approximately 4:32 p.m.

Approved by:

Anna Hamilton, Board Chair

ATTEST TO

KATHARINE E. CLARK
SANTA FE COUNTY CLERK

Respectfully submitted:

Karen Farrell, Wordwork

D R A F T

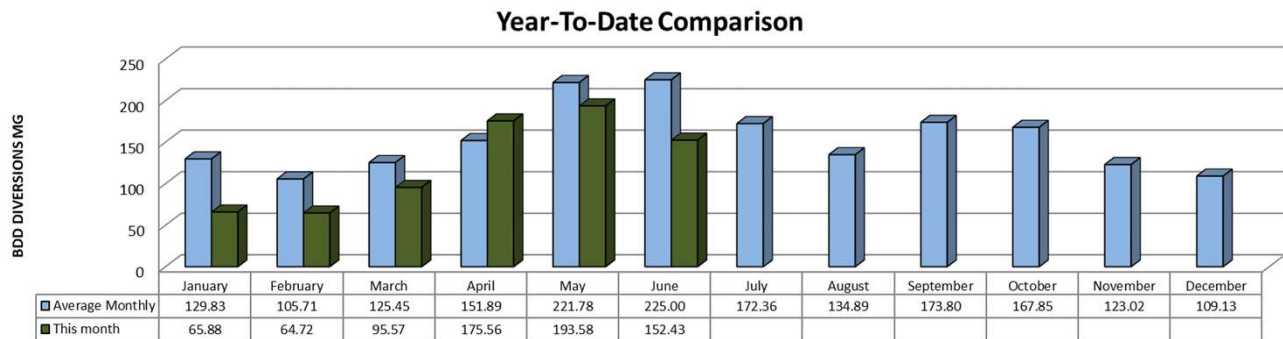
- subject to approval -



Date: July 6, 2023
To: Buckman Direct Diversion Board
From: Randy Sugrue, BDD Operations Superintendent
Subject: Update on BDD Operations for the Month of June 2023

ITEM:

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of June 2023. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD), as follows:
 - a. Raw water diversions: 5.08 MGD.
 - b. Drinking water deliveries through Booster Station 4A/5A: 4.19 MGD.
 - c. Raw water delivery to Las Campanas at BS2A: 1.36 MG
 - d. Onsite treated and non-treated water storage: -0.47 MGD Average.
2. The BDD is providing approximately 35% 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

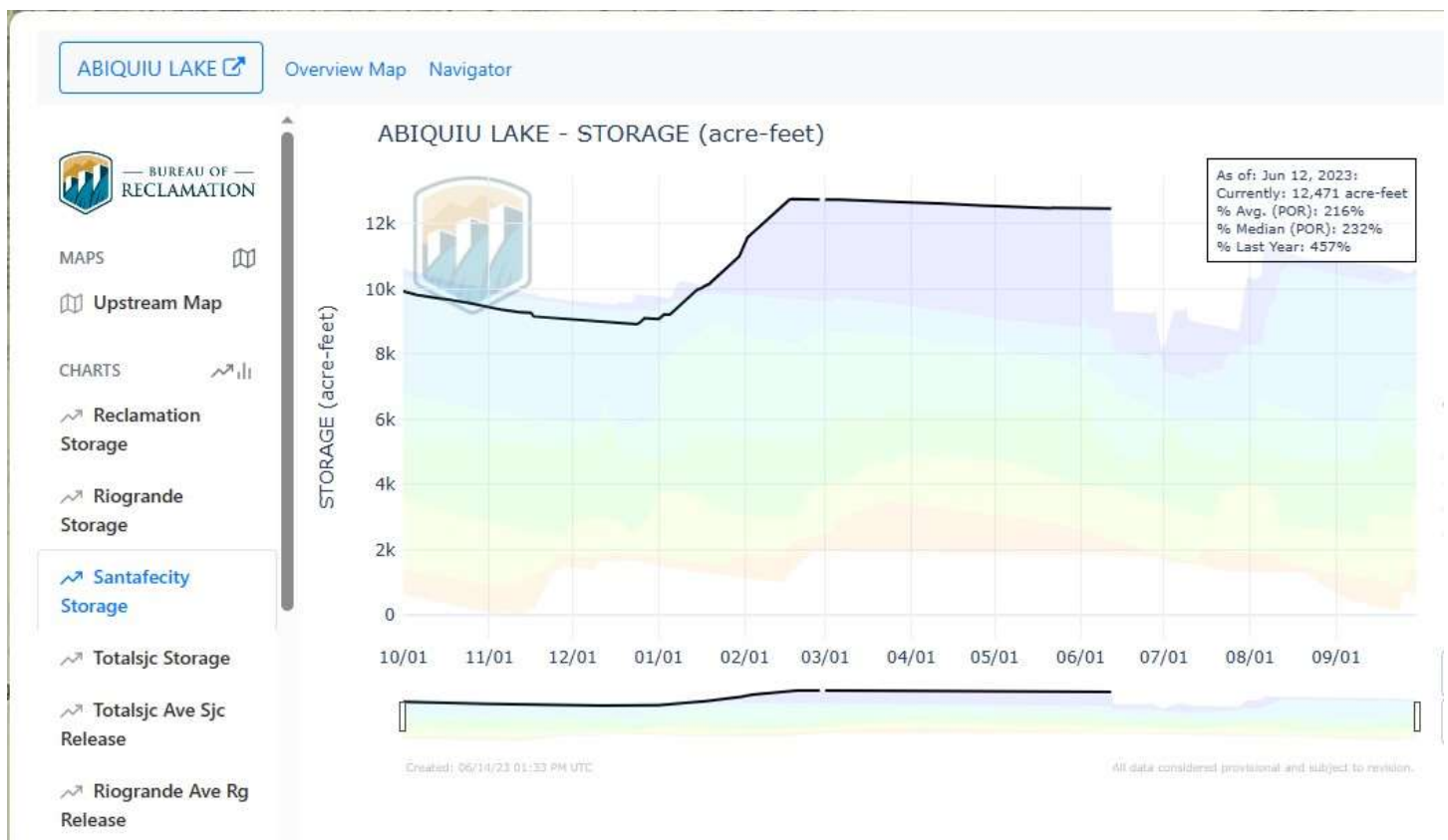
Daily metered regional water demand for the month of June 2023 is approximately 12.0 MGD.

Rio Grande flows for June 2023 averaged approximately 4000 CFS (cubic feet per second.)

CRWTP reservoir storage: Nichols: 90%/McClure: 98% (97% combined) Watershed Inflow: 12.8 MGD

City/County/LC Storage- as updated by partners. As of June 12, 2023 City of SF Abiquiu SJC storage is at about 12,471AF.

As of June 1, 2023 the City of Santa Fe has been allocated 4512.0AF of 5230AF and SF County 323.0AF of 375AF of SJCP water.



ENSO Summary

June 12, 2023

El Niño conditions are observed.*

Equatorial sea surface temperatures (SSTs) are above average across the east-central and eastern Pacific Ocean.

The tropical Pacific atmospheric anomalies are consistent with weak El Niño conditions.

El Niño conditions are expected to gradually strengthen into the Northern Hemisphere winter 2023-24.



Buckman Direct Diversion Monthly SJC and Native Diversions

Jun-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	594.828	462.276	132.552	0.000	0.000	0.000	0.000	0.000
JUN	467.960	343.072	124.888	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
TOTAL	2,302.439	1,915.352	326.369	60.719	45.779	14.940	0.000	0.514

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	150.579	43.176	0.000	0.000	0.000	0.000	193.755
JUN	111.750	40.680	0.000	0.000	0.000	0.000	152.430
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	623.893	106.309	19.583	14.772	4.819	0.000	749.785



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
TOTAL	5,239.210	2,371.451	0.000	2,930.579	2,868.532	62.047	62.821	22.095

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	
TOTAL	772.460	0.000	943.866	924.123	20.020	20.463	1,716.326	



Date: June 28, 2023

To: BDD Board

From: Rick Carpenter, BDD Facilities Manager

RC

Re: BDD Facilities Manager Monthly Update to the BDD Board

Item and Issue

Below is the monthly update from the BDD Facilities Manager for the BDD July 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. There were no expenditures for the month of June. However, staff expects to bring to the BDD Board at the August meeting two significant MR&R Projects that include partial GAC replacement (estimated at approximately \$300,000) and partial membrane rack replacement (estimated at approximately \$1,000,000)





Date: April 6, 2023
To: Buckman Direct Diversion Board
From: Rick Carpenter, BDD Facilities Manager
Subject: Revised Proposed Fiscal Year 2024 Annual Operating Budget Request

ITEM AND ISSUE:

Request for approval and recommendation of the BDD Annual Operating Budget & Other Fund Contributions for Fiscal Year 2024.

BACKGROUND AND SUMMARY:

BDD is pleased to present the proposed Buckman Direct Diversion (BDD) Annual Operating Budget for Fiscal Year 2024 and proposed contributions to the Major Repair & Replacement Fund. The proposed budget accounts for all projected necessary costs to meet the Board's service level objectives and to continue to provide high quality water to our partners, the City of Santa Fe, Santa Fe County, the Club at Las Campanas and the Las Campanas Water and Sewer Cooperative.

The BDD actively collaborated with its partners on the development of this budget, and with their support, we present this budget request.

Budget Highlights & Considerations:

- Requesting budget approval of \$8,290,553 for FY 2024 Operations (Page 2)
 - \$8,061,053 – Partner Reimbursements
 - \$120,000– PNM Solar Rebate Revenue
 - \$96,000 – Federal Funds
- FY 2024 Budget Request increased by \$54,773 from the FY 2023 Adopted Budget (Page 5)
- Emergency Reserve Fund is fully funded to our target balance of \$2,000,000 (Page 10)
- Major Repair & Replacement Fund - \$1,787,500 requested contributions. (Page 11)



Memorandum cont.


ACTION REQUESTED:

Staff recommends approval and recommendation of the BDD Annual Operating Budget for Fiscal Year 2024 and the requested contributions to our Major Repair and Replacement Fund to City of Santa Fe's City Council and Santa Fe County Board of Commissioners.

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

Thank you

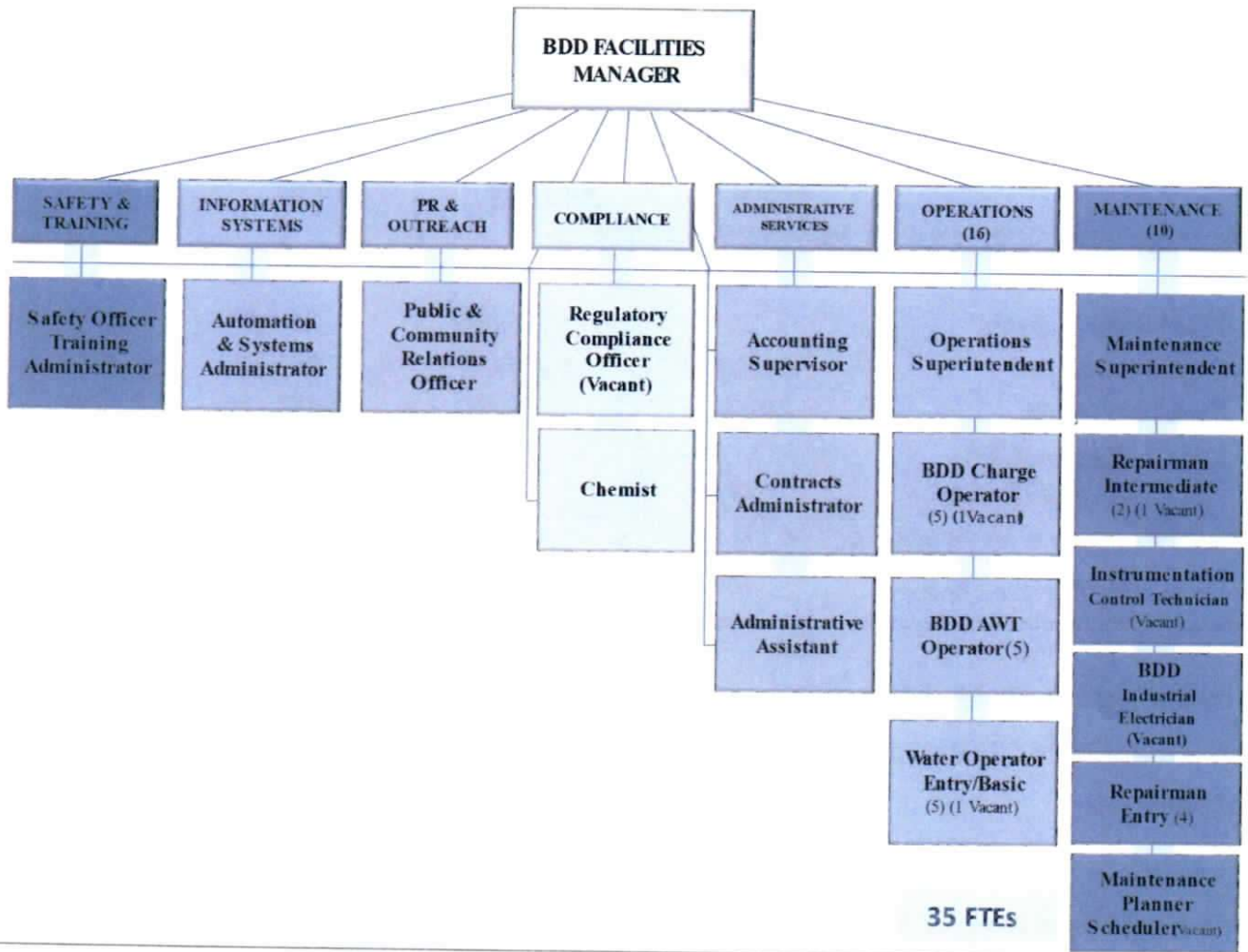
Approved by BDDB April 6, 2023



Anna Hamilton, BDDB Chair



BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT ORGANIZATIONAL CHART





Buckman Direct Diversion (BDD) Proposed Annual Operating Budget for FY24

Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget. With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDDB) approve and recommend the Fiscal Year 2024 Operating Budget of \$8,290,553.

Budget Revenue/Reimbursement Summary

TOTAL PROPOSED FISCAL YEAR 2023 OPERATING BUDGET

TABLE A

	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>	<u>%</u>
Revenues/Reimbursements by Source:				
Federal Funds	\$ 96,000	\$ -	\$ 96,000	1%
PNM Solar Rebates	-	120,000	120,000	1%
City of Santa Fe	4,410,539	1,264,625	5,675,164	68%
Santa Fe County	1,625,515	566,803	2,192,318	26%
Las Campanas (Club)	61,738	65,661	127,399	2%
Las Campanas (Coop)	79,673	-	79,673	1%
Total Revenues by Source	\$ 6,273,464	\$ 2,017,089	\$ 8,290,553	100%
% of overall budget	76%	24%	100%	

This budget request consists of fixed and variable costs and includes revenue/reimbursements from several sources. The principle operating revenue of BDD’s operating budget is reimbursements from the partners for the cost of operations.

BDD was granted federal funds from the Department of Energy for the BDD Storm Water Sampling Program. This funding will be used for the collection of samples from the Rio Grande at the BDD in order to make determinations on the water quality of the river during LANL events.

The monthly PNM solar rebates received for the water treatment plant solar array are also accounted for as a source of revenue. The resulting reimbursement requests for American Capital Energy (primary owner of this solar array) to the City of Santa Fe and Santa Fe County will be reduced by the revenue received.

The partner reimbursement revenue is estimated based on projected expenditure types and allocated based on the cost sharing allocations established in the governing documents. Partners are billed in accordance with the BDD Working Capital and Billing Policy.



Budget Expenditure Summary

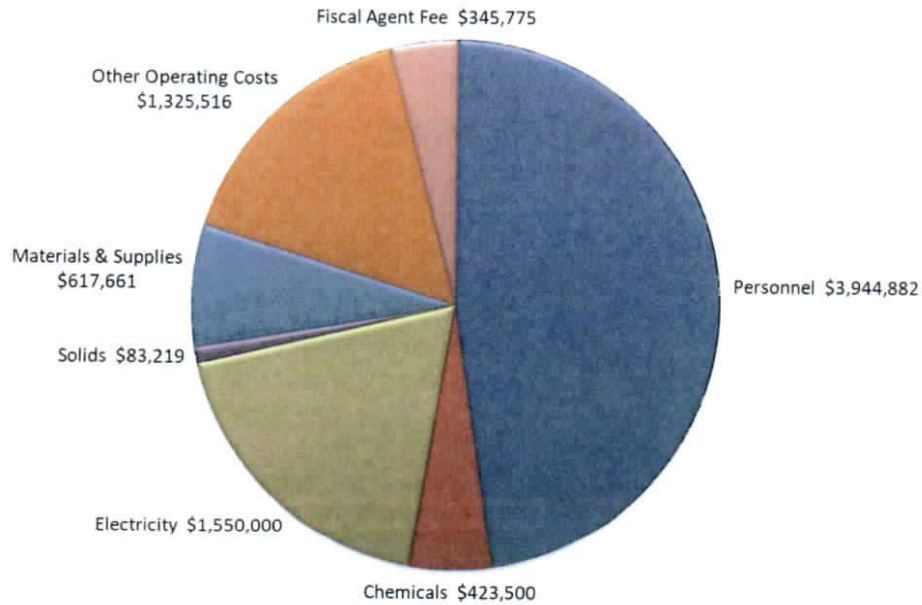
The Buckman Direct Diversion budget consists of seven major categories as presented below. These categories are used to track expenditures for reporting and monitoring our available budget balance. In accordance with our BDD Working Capital and Billing policy, any budget adjustment requests between major categories require board approval. Expenditures are generally recorded when a liability is incurred and are reported in BDD's main enterprise fund.

PARTNER SHARE OF TOTAL PROPOSED FISCAL YEAR 2024 OPERATING BUDGET **TABLE B**

Expenditure by Category:	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Federal Funds	Total
Personnel	\$ 2,672,036	\$ 1,083,108	\$ 125,118	\$ 64,620	\$ -	\$ 3,944,882
Electricity	1,027,134	450,132	68,749	3,985	-	1,550,000
Chemicals	298,864	124,636	-	-	-	423,500
Solids	58,881	24,338	-	-	-	83,219
Materials & Supplies	410,031	175,137	23,172	9,321	-	617,661
Other Operating Costs	799,429	380,091	48,249	1,747	96,000	1,325,516
Litigation Costs			-			-
Fiscal Agent Fee	219,152	109,023	17,600	-	-	345,775
Total	5,485,528	2,346,465	\$ 282,888	\$ 79,673	\$96,000	\$8,290,553
PNM Solar Rebates	(84,684)	(35,316)				
Total	\$ 5,400,844	\$ 2,311,149				

? 331 62

CHART 1





Budget Summary & Highlights

In Fiscal Year 2024, the BDD will be in its thirteenth year of operations. The BDD also uses yearly volumetric flow predictions provided by each partner for our variable and project wide allocation of expenditures.

The BDD has collaborated with its partners on the development of this budget and with their support; we present the Fiscal Year 2024 budget request with the following changes:

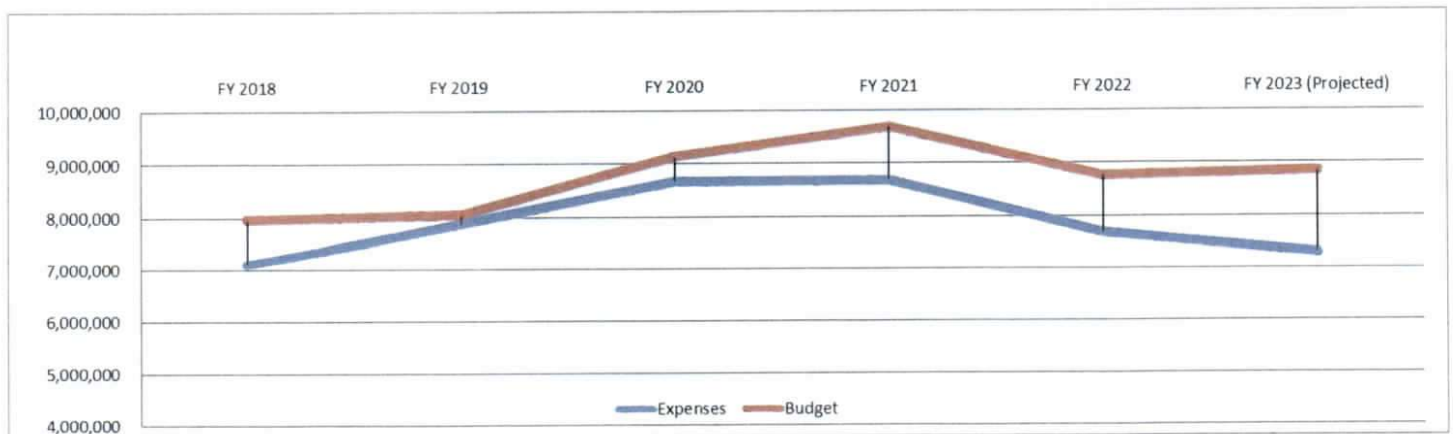
- The proposed annual operating budget for fiscal year 2024 is \$8,290,553 plus the fiscal agent fee of \$345,775, which represents 4.5% of the prior year’s annual operating budget as stated in the amended Facility Operations and Procedures Agreement (FOPA).

Closing the gap between actual expenditures and budget was considered in the development of the annual operating budget request. This will continue to be factor, to ensure funds are properly expended for the purposes as requested.

- Fiscal Year 2018 Actual Expenditures \$7,112,089 (with 5 vacant positions and \$641,427 of unexpended litigation fees) of which \$590,000 was carry forwarded to the FY2019 Adopted Budget.
- Fiscal Year 2019 Actual Expenditures \$7,882,811 (with 11 vacant positions and \$255,212 of unexpended litigation fees) which was \$1,251,813 lower than the adopted budget.
- Fiscal Year 2020 Actual Expenditures \$8,665,134 which was \$1,031,275 lower than the adopted budget.
- Fiscal Year 2021 Actual Expenditures \$8,686,832 which was \$76,883 lower than the adopted budget.
- Fiscal Year 2022 Actual Expenditures \$7,695,417 which was \$1,147,292 lower than the adopted budget.

CUMULATIVE BDD EXPENSES TO ADOPTED BUDGET

CHART 2





Budget Comparisons

Table C presents actual expenses by major category for fiscal year ended June 30, 2022. The change in the fiscal year 2024 operating budget request in comparison to the current 2023 adopted budget. There was an overall increase in the budget estimate of \$54,773, which is 1% of our total operating budget. This increase is due to projected salary and benefit increases. We are also projecting increases to electricity, chemicals, and gas. The new debt solar payment and credits have been accounted for in the Electricity line. We are recommending an increase to the Major Repair and Replacement Fund from \$1,000,000 to \$1,787,500 based on the Major Repair and Replacement Annual Plan for FY2024 (TABLE D). The Major Repair and Replacement Fund is currently underfunded. BDD is also recommending that post-litigation costs and related contracts be expended from the settlement funds. A separate Org code and project ledger code have been established for tracking these costs.

The BDD staff will continue to work with its partners, the City of Santa Fe, Santa Fe County and Las Campanas entities, in determining the costs and funding needed to ensure BDD properly operates and maintains the facilities to meet the demands of its partners.

BUCKMAN DIRECT DIVERSION OPERATING BUDGET

TABLE C

	FY 2022		FY 2022		FY 2023		FY 2024		S Change	
	FY 2022	Unaudited	Variance \$		FY 2023	FY 2024	S Change		FY 2023 vs	
	Adopted	Actual	(Under) /	%	Adopted	Proposed	FY 2023 vs		FY 2024	%
	Budget	6/30/22	Over Budget		Budget	Budget				
Revenues/Reimbursements by Fund:										
Partner Reimbursements	\$ 8,626,711	\$ 7,500,321	(1,126,390)	87%	\$ 8,019,780	\$ 8,074,553	\$ 54,773		1%	
PNM Solar Rebates	120,000	194,811	74,811	162%	120,000	120,000	-		0%	
Federal Funds	96,000	285.00	(95,715)	0%	96,000	96,000	-		0%	
Total	\$ 8,842,711	\$ 7,695,418	\$ (1,147,293)	87%	\$ 8,235,780	\$ 8,290,553	\$ 54,773		0%	
Expenditures by Category:										
Salaries	\$ 2,119,281	\$ 2,012,491	\$ 106,790	95%	\$ 2,405,427	\$ 2,503,551	\$ 98,124		4%	
Overtime	152,025	272,049	(120,024)	179%	230,000	230,000	-		0%	
Benefits	1,078,735	1,011,733	67,002	94%	1,149,581	1,211,331	61,750		5%	
Electricity	1,157,090	1,354,842	(197,752)	117%	1,450,000	1,550,000	100,000		7%	
Chemicals	371,906	380,691	(8,785)	102%	385,000	423,500	38,500		10%	
Solids	63,219	82,017	(18,798)	130%	83,219	83,219	-		0%	
Materials & Supplies*	528,762	531,944	(3,182)	101%	737,114	617,661	(119,453)		-16%	
Other Operating Costs*	1,082,282	840,821	241,461	78%	1,243,540	1,325,516	81,976		7%	
Litigation Costs	2,000,000	919,418	1,080,582	46%	257,000	-	(257,000)		-100%	
Total	8,553,300	7,406,007	1,147,293	87%	7,940,881	7,944,778	3,897		0%	
Fiscal Agent Fee	289,411	289,411	-	100%	294,899	345,775	50,876		-1%	
Total	\$ 8,842,711	\$ 7,695,418	\$ 1,147,293	87%	\$ 8,235,780	\$ 8,290,553	\$ 54,773		1%	



Budget Fixed & Variable Costs Analysis

The BDD's annual operating budget consists of fixed, variable and project-wide costs. These costs are allocated by percentages contained in the Facility Operations and Procedures Agreement (FOPA). This budget request was prepared with the following cost sharing principles.

Cost Sharing

TABLE D

<u>Fixed</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>Las Campanas (Club)</u>	<u>Las Campanas (Coop)</u>	<u>Total</u>
Shared Facilities (CCL)	62.09%	25.61%	5.37%	6.93%	100.00%
Separate Facilities (CC)	75.33%	24.67%	-	-	100.00%
<u>Project Wide</u>					
Projected Volumetric Flow (PW)	63.38%	31.53%	5.09%	-	100.00%
<u>Variable</u>					
Projected Volumetric Flow (CCL)	63.38%	31.53%	5.09%	-	100.00%
Projected Volumetric Flow (CC)	70.57%	29.43%	-	-	100.00%

Annual volumetric flow predictions provided by the partners are also used as the basis for project wide costs and variable costs that are primarily related to chemicals, electricity, and solids management.

Volumetric Flow History and FY 2024 Predictions

TABLE E

<u>Volumetric Flow (acft)</u>	<u>City of Santa Fe</u>	<u>Santa Fe County</u>	<u>LC (Raw Water) via County</u>	<u>Las Campanas (Raw Water)</u>	<u>Total Diverted</u>
FY 2018	4,397.40	1,147.92	343.38	260.61	6,149.30
FY 2019	3,300.96	1,207.86	423.08	102.35	5,034.25
FY 2020	3,435.42	1,314.08	156.08	493.44	5,399.02
FY 2021	5,141.85	1,398.75	334.23	159.73	7,034.56
FY 2022	4,465.50	1,270.61	321.83	-	6,057.94
FY 2023	4,973.40	1,600.00	300.00	-	6,873.40
FY 2024	3,733.73	1,557.11	300.00	300.00	5,890.84
<i>FY 2024 %</i>	63.38%	26.43%	5.09%	5.09%	100%

% Percentage is used in calculation of partner share (CCL) of variable costs & project wide



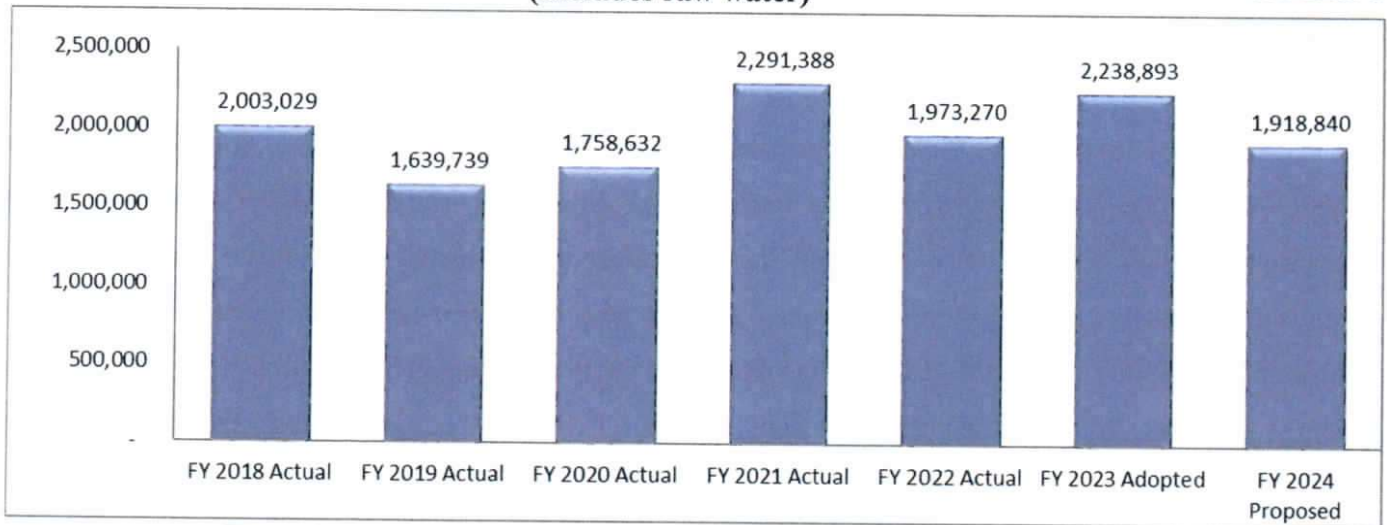
Volumetric Flow History

BDD has completed a budget analysis for fiscal year 2024, which includes volumetric predictions of 1,918,840 gallons. This is an estimated 14.3% decrease in water delivery thru BDD over fiscal year 2023 predicted water call. The BDD will continue to work with the partners to adaptively manage BDD water deliveries to meet changes in partner demands.

Total gallons delivered in 1,000's

(Includes raw water)

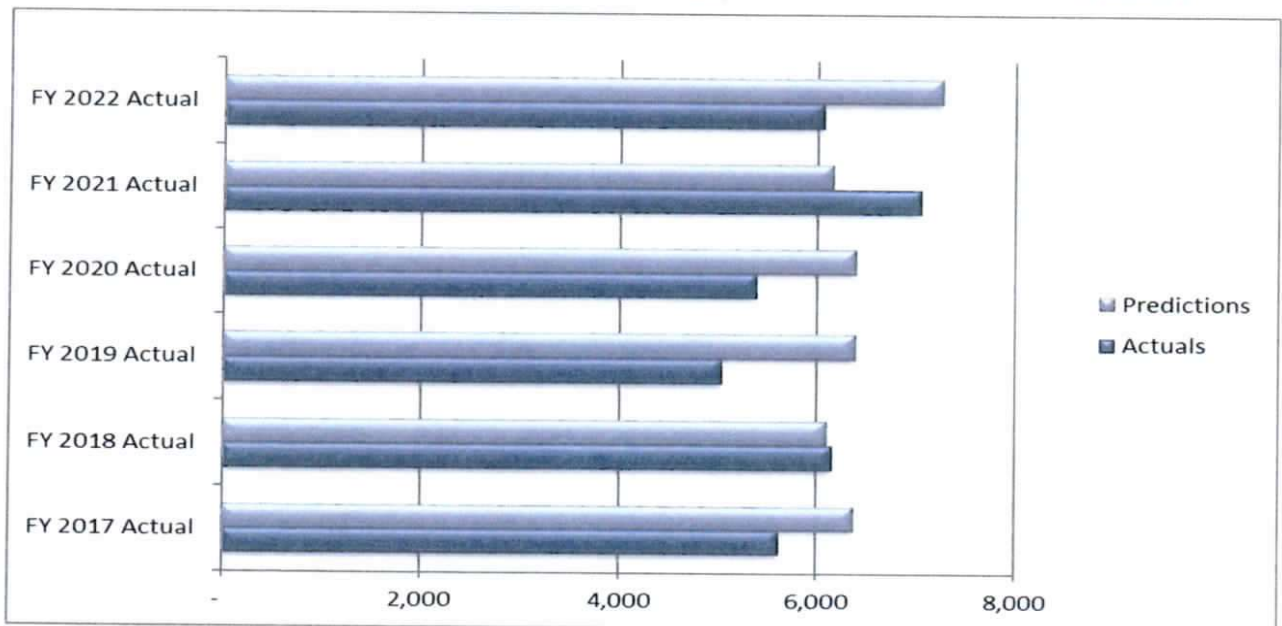
CHART 3



Total gallons delivered vs. volumetric predictions

(Includes raw water)

CHART 4





Programs

As the focal point for key resource decisions, the budget process is a powerful tool. The *National Advisory Council for State and Local Budgeting* (NACSLB) was created in 1997 to provide assistance to governments in improving their budgeting processes. In fulfilling that role, the NACSLB set forth a voluntary framework that provides budgeting guidance for state and local governments. The NACSLB established “Best Budgeting Practices” (BBP) which link budget decisions to desired outcomes consistent with organizational goals. This budget incorporates many BBP’s set forth by NACSLB.

While local governments struggle with declining revenues, *Outcome-based* budgeting has become an increasingly important national budgeting standard. This type of advanced budgeting links resources to key business strategies and performance indicators. This “performance-based” approach connects key financial decisions to interdependent concepts of strategy, planning, business execution and measurement. Hence, this budget document contains more than a tabulation of financial figures. Rather than narrowly focusing on expenditures, we’ve established a structure for measuring the “value” citizens receive for their dollars by quantifying organizational achievement. In other words, the heart of this budget centers on determining how well the BDD executes its core business functions. We’ve shifted the focus from “paying for costs” to “buying results”. In addition, this budget simultaneously unifies our financial planning efforts with the *High Performance Organization* (HPO) principles which have become thriving core values of the BDD’s working culture.

The BDD is divided into seven (7) key programs with explicit business functions. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the water treatment plant, maintain full regulatory compliance, execute Fiscal Agent responsibilities, and optimize infrastructure investments through comprehensive asset management.



Program Budget Comparison

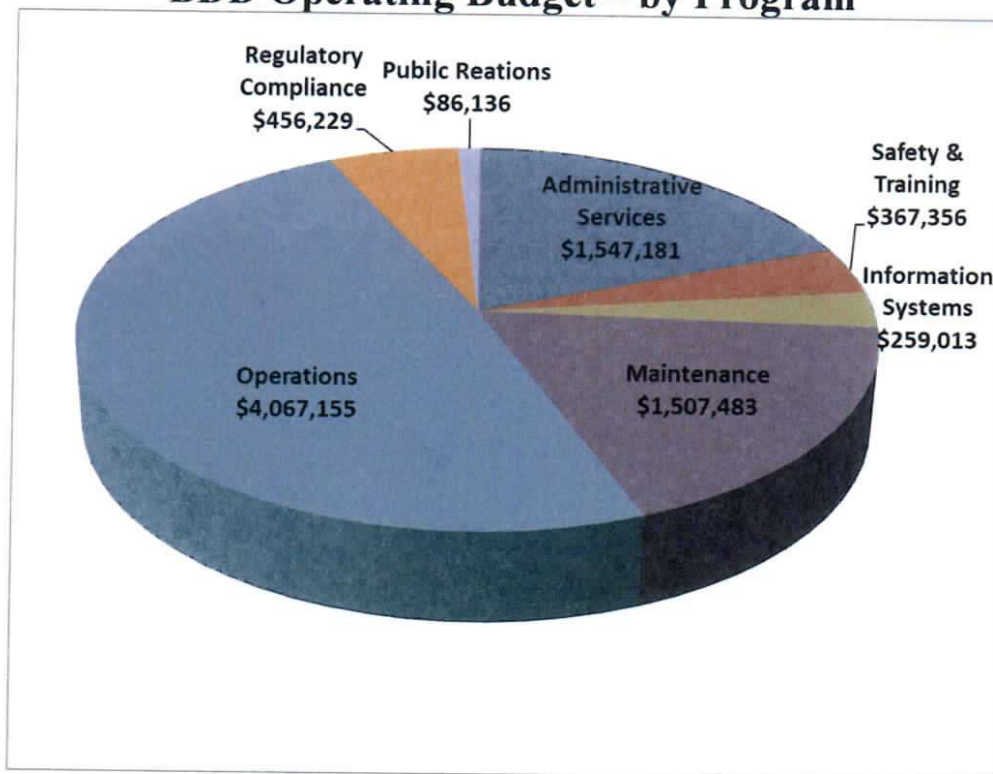
The expenditure budgets for these seven key programs are presented below. Total program funding includes all employee wages and benefits for full time equivalent employees, and associated overhead expenses. These key programs incorporate all business expenses necessary to execute core business functions, and allow the reader to understand how limited resources are allocated within the budget.

Strategic Goals – Supported by program resources

- ✦ **Operations** – To ensure the highest standard of water quality, using the most efficient and up to date water production methods.
- ✦ **Regulatory** – To maintain and improve LANL/DOE monitoring program.
- ✦ **Maintenance** – To equip the staff with the tools and equipment to efficiently and effectively maintain and repair the assets of the BDD.
- ✦ **Safety & Training** – To promote and assure workplace safety and health in preventing workplace injuries.
- ✦ **Administrative Services** – To operate and maintain the BDD within budget and in accordance with the governing documents.
- ✦ **Information Systems** – To maintain and support all automation and security systems.
- ✦ **Public Relations** – To coordinate, create and support key events for the BDD outreach program.

BDD Operating Budget – by Program

CHART 5





Emergency Reserve Fund (ERF)

The Project Management and Fiscal Services Agreement, Article 3. (E.) requires the BDD Board create an Emergency Reserve Fund, and establish procedures for its management. The Emergency Reserve Fund provides immediate reserves for unforeseen or catastrophic infrastructure failures that render facilities unable to deliver water at the needed capacity. The Project Manager, in consultation with the partners, must submit to the BDD Board an analysis of the funds required for an emergency reserve and suggest procedures for creation of and management of the Emergency Reserve Fund.

The BDD Board approved the Emergency Reserve Fund policy and funding contributions as part of the Fiscal Year 2012 budget request. This policy established target balances, replenishment requirements and funding allocations.

Emergency Reserve Fund Balance

TABLE F

Emergency Fund	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Fund Balance at June 30, 2022	1,363,607	486,541	132,291	104,980	2,087,419

As of June 30, 2022 the Emergency Reserve Fund remained fully funded to its targeted balance of \$2,000,000. As per the BDD Working Capital and Billing Policy, these funds are interest bearing and are allocated to the partners based on the percentage of cash held in their respective accounts at the end of each fiscal year.



Major Repair and Replacement Fund (RRF)

The BDD Board also previously approved the Major Repair and Replacement Fund as part of the Fiscal Year 2012 Budget. Per the Major Repair and Replacement Fund policy these funds are to receive yearly contributions held in reserve to support major repair and replacement costs of facility equipment and systems.

The BDD Board has authorized expenditures of \$575,026 for repair and replacement of system equipment in accordance with the policy, for a maintenance truck and for new pumps at BS1A and BS2A. These authorizations, upon expenditure will reduce the available balance in this fund. The Major Repair and Replacement fund will continue to receive annual contributions in accordance with the policy. The policy is currently being re-evaluated by the partners for an amendment and will also address how future contributions are determined. We are proposing to increase the FY2024 contribution from \$1,000,000 to \$1,787,500 to ensure a sustainable fund for the future as much equipment will be reaching its life expectancy, per the asset replacement schedule.

Major Repair and Replacement Fund Balance

TABLE G

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
Balance as of June 30, 2022	1,585,537	552,408	44,457	41,961	2,224,362
2023 Contributions	710,932	249,708	17,184	22,176	1,000,000
Funds authorized for expenditure	(408,804)	(143,589)	(9,881)	(12,752)	(575,026)
Projected Fund Balance	1,887,665	658,527	51,759	51,385	2,649,336

Major Repair and Replacement Fund Fiscal Year 2024 Contributions

TABLE H

Major Repair & Replacement	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas Coop	Balance
2024 Proposed Contributions	1,270,791	446,353	30,716	39,640	1,787,500

With the approval of this contribution and no additional authorizations, the fund balance will be \$2,649,336 for fiscal year 2024.



Major Repair and Replacement Fund Plan for Remainder of FY2023 and for FY2024

TABLE I

BDD Major Repair & Replacement				
<u>15 Month MR&R Plan</u>	<u>Cost</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Justification</u>
<u>FY 22/23</u>				
1 Replace Media in GAC Contactor	\$175,000	2	\$350,000	Media is exhausted
2 RW KSB Pump Project	\$220,000	1	\$220,000	Replacing failed pump
3 Access Control Update	\$200,000	1	\$200,000	Failing system needing update
4 Modine Replacement ATF (HVAC)	\$51,000	1	\$51,000	Failed unit needs replacement
5 Mini Split Replacement ATF (HVAC)	\$8,500	2	\$17,000	Failed units need replacing
6 Membrane Module Replacement	\$1,200	110	\$132,000	End of expected life span
7 Annual Camera Replacement	\$2,000	10	\$20,000	Failed cameras need replacing
8 F350 Truck Replacement	\$75,000	1	\$75,000	Replacing failed unit
	<u>Total FY 22/23</u>		\$1,065,000	
<u>FY 23/24</u>				
1 1A Pump and Motor Project	\$245,000	1	\$245,000	Replacing failed pump
2 2A Pump and Motor Project	\$245,000	1	\$245,000	Replacing failed pump
3 PLC Replacement	\$150,000	5	\$750,000	Current model obsolete
4 Replace Media in GAC Contactor	\$175,000	1	\$175,000	Media is exhausted
5 Centrifuge VFD Replacement	\$86,500	2	\$173,000	Failed, parts discontinued
6 Mini Split Centrifuge (HVAC)	\$8,500	2	\$17,000	Failed units need replacing
7 Annual Camera Replacement	\$2,000	10	\$20,000	Failed Cameras need replacing
	<u>Total FY 23/24</u>		\$1,625,000	
	<u>Plan Total</u>		\$2,690,000	
FY2024 Recommended Contribution	FY24 Projects		\$1,625,000	
	Plus 10%		\$162,500.0	Contingency
	TOTAL		\$1,787,500	



Budget Summary

With this submittal, the Project Manager requests the Buckman Direct Diversion Board approve and recommend the funding for our Fiscal Year 2024 Operating Budget of \$8,290,553 with the annual contribution of \$1,787,500 for the Major Repair and Replacement Fund, for a total request of \$10,078,053. We appreciate the input and support from our partners and our Buckman Direct Diversion Board Members.

Fiscal Year 2024 Funding Allocation

TABLE J

Funds	City of Santa Fe	Santa Fe County	Las Campanas (Club)	Las Campanas (Coop)	Total
Operating Fund	\$5,400,844	\$2,297,649	\$ 282,888	\$ 79,673	\$ 8,061,053
				PNM Solar Rebate	120,000
				Federal Funds	96,000
				County Conservation Fee	13,500
					\$ 8,290,553
Major Repair & Replacement Fund	1,270,791	446,353	30,716	39,640	1,787,500
Total Fiscal Year 2023 Request	\$6,671,635	\$2,744,002	\$ 313,604	\$ 119,312	\$ 10,078,053

Memorandum



Buckman Direct Diversion

Date: June 29, 2023
To: The Buckman Direct Diversion Board
From: Monique Maes, Contracts Administrator
Via: Rick Carpenter, Facilities Manager
Antionette Armijo-Rougemont, Accounting Supervisor
Randy Sugrue, Operations Superintendent
Subject: FY23 Chemical Award Extensions

ITEM

Request for approval to extend chemical contract bids for an additional year from various vendors for an estimated amount of \$779,865.00

Background

The BDD uses various chemicals to treat surface water in compliance with State and Federal Drinking Water Standards. Quantities purchased are based on anticipated flows and estimated dosages as determined by Operations.

On May 7th 2021, staff awarded RFP '21/39/B, -BDD Water Treatment Chemicals, to various vendors as listed in the chart below.

The BDD is exercising the option to extend the purchase of these goods for an additional year. This is year three of the allowed extension of a four year period. Staff has submitted an extension request to each supplying vendor, in which all extensions have been reviewed and will be renewed upon approval.

Please be advised that due to rising market, energy, manufacturing and transportation costs, as well as supply chain issues, and inflation, we are seeing a dramatic increase in the rates from last year. See attached justification letter from Alan Moss, District Sales Manager with DPC Inc.

Item #	Vendor Name	Description	Unit	Price	Estimated QTY	Total Cost
1	Kemira Water Solutions, Inc.	Ferric Chloride	Price per LB	0.32	800,000.00	\$256,000.00
2	DPC, Inc.	Sodium Hydroxide	Price per LB 25%	0.2625	230,000	\$60,375.00
2	DPC, Inc.	Sodium Hydroxide	Price LB 50%	0.40	185,000.00	\$74,000.00
3	Polydyne Inc.	Polymer	Price per LB	1.50	2,300.00	\$3,450.00
4	Sterling Water Technologies	Zinc Orthophosphate	Price per LB	0.8814	45,000.00	\$44,070.00
5	N/B	Calcium Thiosulfate	Price per LB	N/B	20,000.00	
6	DPC, Inc.	Sulfuric Acid	Price per LB	0.45	15,000.00	\$6,750.00
7	Matheson Tri-Gas	Liquid Oxygen	Price per CU.FT	0.0085	10000000.00	\$85,000.00
8	DuBois Chemicals, Inc.	Hydrofluorosilicic Acid	Price per LB	0.4088	25000.00	\$10,220.00
9	DPC, Inc.	Sodium Hypochlorite	Price per Gallon	3.00	80,000.00	\$240,000.00
				Total		\$779,865.00

Recommendation

BDD Staff recommends approval of award to multiple vendors as listed above for the procurement of water treatment plant chemicals. Funding is available in our approve FY2023 operating budget.

BU/LI Chemicals 800.119999

Approved By BDDDB July 7th, 2022

Anna Hamilton, BDDDB Chair



Mr. Sugrue

Over the last 18 months the chemical world has seen unprecedented cost increases in almost all major chemicals. With these increase across the chlor-alkali market and with the market also seeing tightness in supply we have seen increases in raw material prices, labor costs, energy costs, container costs, transportation costs and virtually every supply cost associated with manufacturing. The chemical world has seen constant and rapid price increase throughout the year, at this time we do not foresee this changing for the immediate future.

The chemical industry overall is continuing to see an imbalance between supply and demand that is causing product shortages worldwide. There are several reasons for the changes in the chemical markets, from the pandemic to transportation to political changes throughout the world. We will continue to make sure all our customers are serviced with the chemicals they need from DPC. I have included several letters from producers for your records. Please feel free to call with any questions, and I would be available for a in person meeting also.

Thank You

Alan Moss

District Sales Manager DPC Inc.

505-877-3883 of.

505-379-5830 cell.



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

