

MINUTES OF THE
THE CITY OF SANTA FE & SANTA FE COUNTY
BUCKMAN DIRECT DIVERSION BOARD
MEETING
May 2, 2024

1. CALL TO ORDER

This meeting of the Santa Fe County & City Buckman Direct Diversion Board meeting was called to order by Carol Romero-Wirth, BDD Board Chair, at approximately 4:00 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:

<u>BDD Board Members Present:</u>	<u>Member(s) Excused:</u>
Councilor Carol Romero-Wirth, Chair	None
Commissioner Anna Hamilton	
Councilor Jamie Cassutt	
Commissioner Anna Hansen	
J.C. Helms, Citizen Member	
Tom Egelhoff, The Club at Las Campanas [non-voting member]	

Alternates Present:

Peter Ives, Citizen Alternate
Justin Greene, County Commission Alternate

Others Present:

Rick Carpenter, BDD Facilities Manager
Nancy Long, BDD Legal Counsel
Kyle Harwood, BDD Legal Counsel
Bernardine Padilla, BDD Public Relations Coordinator
Delfin Peterson, BDD Administrative Assistant
Randy Sugrue, BDD Operations Superintendent
Jesse Roach, City Public Utilities Division Director
Emily Oster, City Finance Director
Monique Maes, BDD Contracts Administrator
Julie Ann Grimm, Egolf + Ferlic + Martinez + Harwood, LLC
Jay Lazarus, Glorieta Geoscience, Inc.
Peter Hunt, Glorieta Geoscience, Inc.
Kim Vigil, County Liaison to Commissioner Hansen
Ralf Schmidt-Petersen, Citizen Member Candidate
Joni Arends, Concerned Citizens for Nuclear Safety

3. APPROVAL OF AGENDA

There being no changes, Commissioner Hamilton moved to approve the agenda as published. Councilor Cassutt seconded and the motion passed by unanimous [5-0] voice vote.

4. APPROVAL OF MINUTES

a. Approval of minutes from the March 7, 2024 Buckman Direct Diversion Board Special Meeting

Mr. Helms noted a correction to page 8, line six, which should read “bases” instead of “basis”. With that change, Commissioner Hamilton moved to approve the minutes as amended. Councilor Cassutt seconded and the motion passed by unanimous [5-0] voice vote.

5. PRESENTATION/INFORMATIONAL ITEMS

a. Monthly Update on BDD Operations

CHAIR ROMERO-WIRTH: We have a packed agenda tonight. We have a number of presentations and we’re going to start with the monthly update on BDD operations.

RANDY SUGRUE (Operations Superintendent): Thank you, Madam Chair, members of the Board. This is our monthly operations report for the month of April 2024. Our water diversions averaged 3.83 million gallons per day. Drinking water deliveries through Booster Station 4A/5A averaged 2.89 million gallons per day. Las Campanas has been diverting an average of .786 million gallons per day. Our onsite storage variation was .18 million gallons per day.

BDD is providing approximately 40 percent of the water supply to the City and County. Our April diversions, as you can see in the graph, are slightly below our 13-year average, for a total of 149.05 million gallons.

Regional drought survey and water overview. The demand for the month of April for the vicinity, approximately 7.2 million gallons per day, and it is rising as the temperatures increase and the irrigation season commences. Rio Grande flows for April 2024 averages approximately 1,500 cubic feet per second. That has risen now to 3,000 cubic feet per second.

The reason for that, and this is just a verbal addition, Abiquiu Reservoir management by the United States Bureau of Reclamation, is releasing more water because of the snowmelt runoff from the southern Rockies. And the snow depth was above average this year which is very good. So they release in the early runoff season their maximum flow, about 1,800 cubic feet per second. And then generally – and they did this year going to what’s called flood operations, because they cannot increase the outflow of that due to the farmland below Abiquiu Reservoir. During flood operations all the water released is considered native water. So we don’t call for any San Juan Chama water during that period. Last year, flood operations went on for several weeks. This year, only about ten days, but they are reserving the right to go back into flood operations. We’ve got lots of native water because of our partnership with the County so we don’t have any issues with diverting native water as long as needed. We could go for several months without using any San Juan Chama water. So that’s why the sudden, you might say, increase in Rio Grande flow.

Storage on Canyon Road, Nichols, a little over 7=67 percent, McClure Reservoir, 2 percent, for 29 percent combined. Watershed inflow, when I did this report about ten days ago, was 23.6 million gallons per day. So certainly we're experiencing significant snow melt runoff in the Canyon Road Watershed, which is great.

City/County/Las Campanas SJC storage as of April 22nd in Abiquiu Reservoir, just a little over 7,000 acre-feet, and of April 1st we did receive our first allocation of San Juan Chama water, 1631 acre-feet and 171 acre-feet for the County. The graph shows the storage at Abiquiu and the El Niño Southern Oscillation summary says El Niño conditions are now observed due to seawater temperatures. The transition from El Niño to ENSO-neutral is, however, still likely, by April to June, an 85 percent chance, and the odds of La Niña developing by June to August a 60 percent chance. That's my report and I stand for questions.

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

COMMISSIONER HANSEN: Just a quick question. Is McClure so low because it's being held low for maintenance or something? Or is that –

MR. SUGRUE: Exactly. I don't have the details but there's going to be a fairly large construction on Nichols Reservoir later on this year.

COMMISSIONER HAMILTON: Thank you.

CHAIR ROMERO-WIRTH: Questions from the Board?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: Thank you. So with the odds of La Niña developing by June or August, is that going to increase our monsoon possibility? Are we better under El Niño or better under La Niña?

MR. SUGRUE: Commissioner Hansen, members of the Board, my general impression is under La Niña, we have more precipitation. There is – Randy's word is not law but generally, we would hope for more precipitation.

COMMISSIONER HANSEN: Thank you.

CHAIR ROMERO-WIRTH: Other questions from the Board? Thank you.

MR. SUGRUE: Thanks very much.

CHAIR ROMERO-WIRTH: Nice to see you.

b. Report from the BDD Facilities Manager

RICK CARPENTER (Facilities Manager): Thank you, Madam Chair. Good evening, members of the Board. I have just a few items to report for the month of May. So the Manager's report, the first bullet in my memo is on major repair and replacement. There were no major projects to report on. The second bullet in my memo, BDD Rebuild Project progress, just very briefly, an update on the RFQ. Good news – it's currently advertised and it has a due date for May 17th.

Moving on to the last bullet, current vacancies. The following positions are vacant and are currently advertised, a journeyman electrician, compliance officer, accounting supervisor, water operator/intermediate, water systems operator/basic. There are three positions that are open and not advertised but I hope to get advertised very soon: automation and security technician, repairman/basic, and repairman/intermediate.

With that, Madam Chair, I will stand for questions.

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

COMMISSIONER HANSEN: Thank you, Madam Chair. So with the rebuild – I guess that’s what you’re calling it now – project, is there any more to say besides what was said last month, or are we – has the RFP actually gone out? It was supposed to go out in May, or March. May 17th is the deadline for people to respond? So it’s out there in the public and people can respond.

MR. CARPENTER: Madam Chair, members of the Board, that is correct.

CHAIR ROMERO-WIRTH: Except, excuse me. It’s not the RFP that’s out. It’s an RFQ.

COMMISSIONER HANSEN: RFQ. So it’s only for –

CHAIR ROMERO-WIRTH: That’s step one.

COMMISSIONER HANSEN: It’s only for the first – the project manager.

NANCY LONG (BDD Legal Counsel): Madam Chair and members of the Board, to your question, I think after our last meeting the RFQ for the design-build for phase 1 was released, and the due date for response to that first phase is May 17th, as Mr. Carpenter reported. The RFP for the owner’s representative has not yet gone out.

COMMISSIONER HANSEN: So are we waiting for it to go out or is it still stuck in Procurement?

MS. LONG: It is still in Procurement but we’re working on a process to get that released. Hopefully soon.

COMMISSIONER HANSEN: It just seems like it takes a really long time. I just wanted to state that for the record and hopefully we can do something about moving that along.

CHAIR ROMERO-WIRTH: Mr. Carpenter, did you have anything you wanted to add?

MR. CARPENTER: No, Madam Chair. Nothing more to add.

CHAIR ROMERO-WIRTH: Okay, any other questions from the Board on the report from the Facilities Manager? All right. Thank you.

c. Presentation of the 2022 BDD Audit, and an update of the proposed schedule for completion of the 2023 BDD Audit

CHAIR ROMERO-WIRTH: We have today both the Finance Director for the City of Santa Fe, Emily Oster, and the auditor, Eric Spurlin, a partner with Carr, Riggs and Ingram. He’s the external auditor for the City for both the 22 audit, which he will be presenting, and the 2023 BDD audit which you’ll be hearing an update about on that. So I’ll just turn it over to both of you. I don’t know which order you wanted to take things, but welcome and thank you for being here.

ERIC SPURLIN: Good afternoon, Chair Romero-Wirth, members of the Board. Thank you for having me this afternoon. For those of you who I haven’t had the pleasure of meeting or interacting with previously, my name’s Eric Spurlin. I’m a partner with Carr, Riggs and Ingram who as you know has been working on the FY 22 audit as well as the FY 23 audit. And today, the first thing that I’ll be going through is a presentation of the overarching results of the fiscal year 2022 audit. And so we’ll go through the items here,

the first being the timeline. We'll kind of recap the scope of work, what we were engaged to do as part of the FY22 audit. We'll go over the auditor's reports. I would definitely highlight the auditor's report section of this presentation. Those are the most important pieces of what I'm going to tell you. They really are the overarching result of the FY22 audit. And then we'll go through any questions that you all might have.

So recapping the timeline, initially we had had an entrance conference for both the 2021 and 2022 audit at the same time, which was back in October of 2022. Fast forward to completion of that FY21 audit and the start of 2022. We actually performed our planning procedures in October of 2023. There's a little bit of a time lapse there, and then completed all of our audit required testing in November of 2023, and had an exit meeting to preliminarily disclose the results of the audit prior to its issuance during the exit conference in December of 2023. That's also the date of our auditor's reports. And then that was submitted to the New Mexico State Auditor's Office. Once that's submitted to the State Auditor it is not a public document yet. At that point in time the OSA will be able to review and perform their review procedures and provide us feedback. Once we've responded to that feedback they will formally release the report to the public, posting it to their website, and that took place March of 2024, which bring us to today, the presentation of the FY22 audit.

As to the scope of work, there were two primary objectives that we have as auditors, for FY22, the first is to audit financial statements themselves for the year ending June 30, 2022. In addition to that there are a number of statutes that the State Auditor's Office requires us to test and look into and so we also test compliance with the New Mexico State Audit Rule, which has all of those requirements which we are required to look at.

Moving on to our auditor's reports, the financial statements, audited financial statements were handed out to you at the beginning of the meeting I believe. So the first report I'm going to go over, it's our independent auditor's report. That's on pages 8 through 10 if you feel the need to flip to those pages. And so as auditors we really have two primary deliverables. Those come in two forms. The first is this independent auditor's report, which is a letter included in the audited financial statement itself, and this particular report speaks to the opinion as to whether the financial statements are presented materially correctly in accordance with the applicable framework, which is US GAAP, and the ultimate result for that FY22 audit was an unmodified opinion, which is the best opinion available, which means that we feel that all areas of the financial statements were presented materially correctly.

Additionally, in the back of the financial statement document there's an additional letter that we issue. This one is on pages 46 through 47. This is the report on internal controls and compliance, which is required by Governmental Auditing Standards which are the standards that we're required to perform the audit in accordance with. And so the important thing to know about this letter is that it is a negative assurance report. And what that means is that we're not doing a full audit exhaustive search of compliance and internal controls, but we're reporting to you items that have come to our attention as a result of the audit procedures we are required to do. And within that letter you'll find that there was only one finding for fiscal year 2022, which we'll go over in a little bit more detail here in just a moment. But I will say that it is a State Audit Rule finding, which is to say that it's a finding that came about and was required to be reported based on the local requirements of the State of New Mexico. It's not something that would be required to be reported by the

Governmental Auditing Standards themselves. So New Mexico goes above and beyond and asks for a few additional items to be reported as a result of our audit.

So moving on, the one finding that was included in the report and is included in that letter, Finding 2022-01 is related to the late submission of the audit. Further details on that particular finding are on pages 48 through 49 if you care to look at the details there. With that I will open to questions related to the fiscal year 2022 audit itself.

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

COMMISSIONER HANSEN: Thank you, Madam Chair. So we don't quite have the same page numbers in this report. I guess we do have this –

CHAIR ROMERO-WIRTH: It's in the electronic packet. Sorry about that.

COMMISSIONER HANSEN: But since it's not necessarily our fault that we were late and it was because of the City not being able to do our cash balances, we still get penalized for that?

MR. SPURLIN: Under the State Audit Rule there are required deadlines and as many times as the report is not submitted in accordance with that deadline, the finding is required to be written for any entity. You are correct that the City as well as BDD, your reports have to be issued within the same period due to the interrelated nature of the entities.

COMMISSIONER HANSEN: So in your report that you proceeded with did you find any way that you could separate us from the City?

MR. SPURLIN: So whenever we're auditing BDD we're strictly looking at BDD as it exists at that point in time and we apply the applicable criteria from the reporting standards. So from US GAAP it tell us how to classify things and the interrelated nature of the entity, and that really is all dictated by the joint powers agreement that initially formed BDD and the joint powers board. So that really is where the answer lies. That agreement is what defines the reporting of the entity.

COMMISSIONER HANSEN: Thank you.

CHAIR ROMERO-WIRTH: Other questions from the Board? Okay. Thank you. Thank you for being here.

MR. SPURLIN: Of course.

EMILY OSTER (City Finance Director): Madam Chair, one other item on the 23 audit in relation to this agenda item is that we are continuing to work on the 2023 audit and we are in the wrap-up stage for that. We plan to submit the City's 2023 audit to the State Auditor on May 15th.

CHAIR ROMERO-WIRTH: Great. Questions on this item? Commissioner Hansen.

COMMISSIONER HANSEN: So, Emily; is that right?

CHAIR ROMERO-WIRTH: Director Oster.

COMMISSIONER HANSEN: Director Oster, do you have ideas or suggestions on ways that BDD can be separated from the City so that we don't have late audits?

MS. OSTER: Madam Chair and Commissioner Hansen, I do have another agenda item that I – that's part of the topic for 5. d. Would you like me to answer that question now or do you want to wait?

CHAIR ROMERO-WIRTH: Yes. So let's wait on that. It is, as Director Oster points out, the next agenda item. We'll just make sure there are no further questions on the

audits, either the 2022 audit which has just been presented, or the update on the timing of the submission of the 2023 audit. Seeing nobody waving at me we will then go on.

d. Report from the City Finance Director, Emily Oster, Regarding the Status of the BDD Settlement Funds Investment Strategy, and the Separation of Accounts for BDD

CHAIR ROMERO-WIRTH: A report from our Finance Director for the City of Santa Fe. She's reporting on two things here, the status of the BDD settlement fund investment strategy and separation of accounts for BDD. And I'll let you take it away from there.

MS. OSTER: Thank you, Madam Chair and thank you, members of the Board. It's a pleasure to be with you this afternoon. So the first item that I'm reporting on today is the status of the BDD investment funds. So these are the settlement funds that are currently invested with Principal Financial Group. That has not changed since my last report at this time last year. So there is a separate account at Principal Financial Group that only has BDD settlement fund proceeds in it. It is currently invested in fixed income and money markets in accordance with the City's investment policy.

The balance of the market value as of July 1, 2023 was \$72,293,167.67. The balance has increased substantially by \$2.9 million. At the end of March 2024 the total balance was at \$75,218,25348. So the growth has been positive over the past nine months. I do want to note that there is a small fee for having the funds invested at Principal Financial Group. It's \$125 per quarter, so for the fiscal year year-to-date through March 31st it's been a total fee of \$375.

Madam Chair, I'll pause for any questions on the investments.

CHAIR ROMERO-WIRTH: Can you just briefly comment on how the state regulates the investments of these funds? We can't do just whatever we want. This is a highly regulated area.

MS. OSTER: Madam Chair, members of the Board, that is correct. There are state statutes that govern what types of investments public entities are allowed to invest in, and then the City also has an investment policy that we comply with. And so that limits the type of investments that we can invest in, both for the City funds and for the BDD funds as well. So two of the types of investments that are allowed are fixed income, which is US Treasury bonds and money market accounts. Those types of investments have done very well recently with interest rates being high, which is why we're seeing a high yield of almost \$3 million, \$2.9 million over nine months, which is very good.

CHAIR ROMERO-WIRTH: Great. That's great news. Questions from the Board on the settlement funds? Yes, Mr. Helms.

MR. HELMS: I remember being in a meeting here some time ago, and maybe it was you, and I questioned something and I never got a really satisfactory answer to my question. Are the funds held in street name at Principal Financial, or are they in the name of Buckman, or are they in the name of the City?

MS. OSTER: Madam Chair and Member Helms, the account is in the name of City of Santa Fe – BDD Settlements. And there is a separate account for the BDD settlement funds.

MR. HELMS: Okay. But again, when you say held in the name of, are these securities, whatever they may be, held in the name of the City/BDD or are they in street

name?

MS. OSTER: Madam Chair and Member Helms, I don't know what you mean by street name. I can give you the name of the money market funds.

MR. HELMS: Let me explain. If you invest with a typical brokerage house it's much easier if you're going to do a lot of trading that it's held in their name. Receive that if you're buying Exxon or IBM you don't actually receive the certificates unless you request them. That trading is difficult. You don't go down there with this piece of paper and all the rest of it. It's much simpler for everybody if it's held in street name. But if the company goes bankrupt, you lose. That's the problem, and there's been a lot of that going on in the last five, ten years. I don't know how long. I'm a little leery of holdings if I don't know what the financial strength of Principal is. I've never heard of it. I don't know much about them, but even the big boys, the biggest of the big, often go bankrupt. I'm just concerned about that point.

MS. OSTER: Madam Chair and Member Helms. Thank you for that clarification. So under the investment policy there are no securities. The funds are invested only in money market and U.S. Treasuries.

MR. HELMS: Treasuries are a security.

MS. OSTER: Well, the U.S. Treasury notes, so your question is are the U.S. Treasury notes held in the name of the City or Principal Financial?

MR. HELMS: Yes. That's my question.

MS. OSTER: Madam Chair and Member Helms. I don't know the answer. We can follow up on that. I can tell you that on the statement, the account title is City of Santa Fe – BDD Settlements.

MR. HELMS: Sure. I understand that. That's good. Thank you.

CHAIR ROMERO-WIRTH: Other questions on this part of the presentation? Sorry, Commissioner Greene.

COMMISSIONER GREENE: Thank you. Just a question and a follow-up. This is settlement money for the reconstruction, if I am to understand. And what is the timeline horizon for use of this?

MS. OSTER: Madam Chair, members of the Board, I think that question may be best addressed by Mr. Carpenter as it relates to the remediation at the facility.

CHAIR ROMERO-WIRTH: Or Nancy.

MR. CARPENTER: Madam Chair, I'll take a stab at that. We, as we mentioned earlier, we had a RFQ out on the street. That's phase one and we're going to issue an RFP. That's also very time consuming. We have a loose schedule to have that RFP awarded and then go into design phase and then construction. We are currently estimating that that's about probably more than two years and more like three before we get most of that money spent down. It's hard to say at this point in the project.

COMMISSIONER GREENE: So given sort of a horizon of two, three, four, five, maybe six years or wherever that is, are we and the narrow band of investments that we're allowed to do, are we looking at trying to lock in interest rates now, because maybe, knock on wood, we have declining interest rates coming up. But we might say, we don't need this money for three years; let's lock in for three years. This might be an investment strategy that the City handles. This might be us informing the City as to how they want that invested because we know that horizon. I just am wondering if we're being pro-active in looking at that.

MR. CARPENTER: Madam Chair, the City is the fiscal agent for the BDD and I think that's probably something that they would look into. If this Board wants to make recommended suggestions I'm sure that they would be happy to receive them.

COMMISSIONER GREENE: Okay. I'm just an alternate so I will defer to you all.

CHAIR ROMERO-WIRTH: I guess my question to that would be is that something you're allowed to do under the investment policy is make those kinds of – I get the sense there's not a lot we can do.

COMMISSIONER GREENE: Madam Chair, if I may. So there's a portfolio – if you're only allowed these investment vehicles there are – you can buy 30-year treasuries, you can buy 30-day treasuries –

CHAIR ROMERO-WIRTH: I understand that. Hold on, Commissioner. I don't know. Do you want to answer that, Director Oster? Do you have any more information or is that something we'd need to look into?

MS. OSTER: Madam Chair, we will certainly look into it if that's something that the Board would like us to do. I would highlight that the return has been excellent over the last nine months. So I don't think there's cause for concern, I know we're certainly being pro-active about maximizing the return going forward while complying with the investment policy and also recognizing that the proceeds are expended to be expended in the relatively short term on the remediation project. So we'll take that into consideration.

COMMISSIONER GREENE: Thank you very much.

CHAIR ROMERO-WIRTH: Commissioner Hamilton.

COMMISSIONER HAMILTON: At the County they have within the investment policy, constraints. They'll look at things like that and then get an investment plan for the coming six months to a year approved every time. I'm sure the City as fiscal agent does the same thing. There was a period – I don't know what the status is now, without a separate investment council doing it, probably that worked with an investment group you're using. But yes, it's possible that it has to be done within the City's regulations.

CHAIR ROMERO-WIRTH: Director Oster.

MS. OSTER: Madam Chair and Member Hamilton, the Principal Financial Group is managing these investments.

COMMISSIONER HAMILTON: So maybe then it's –

CHAIR ROMERO-WIRTH: I think it's something we can look into. I don't think interest rates – it doesn't sound like interest rates are going down and we may be spending the money before they do. But this is not my wheelhouse and you can definitely ask our professionals for their professional opinions about how best to be investing that money. It's worth checking in on for sure. Other questions on this part?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: Are we going to talk about separation of accounts?

CHAIR ROMERO-WIRTH: We are. Are you ready?

COMMISSIONER HANSEN: I'm ready.

CHAIR ROMERO-WIRTH: All right. Let's go there then.

MS. OSTER: Thank you, Madam Chair. So in regards to separation of accounts for BDD. So what I wanted to share with you this afternoon is what is already

separate. And Mr. Spurlin talked about this a little bit as well. So in the Munis system we have three separate funds that are used exclusively for BDD. They are funds 800, 801, and 802. 800 is Buckman Direct Diversion, 801 is BDD repair and replacement, and 802 is BDD emergency reserve, and those are the funds that are presented in the separate financial statements for BDD that were just reviewed.

CHAIR ROMERO-WIRTH: I'm sorry. There was a little bit of a distraction here and you're talking really fast. And I want to note this down. So would you just go over 800, 801, 802 and what they are again? Let's take it from there.

MS. OSTER: Yes, Madam Chair. I'll slow down. So in our Munis system we have three funds that are exclusively used by BDD. The first one is 800, which is the Buckman Direct Diversion. 801 is BDD repair and replacement, and 802 is BDD emergency reserve. Those are the three funds that are presented in the separate financial statements for Buckman Direct Diversion and that was what Mr. Spurlin just reviewed was the audited financial statements for FY 22.

So within that we have organizations, which some entities might refer to that as a department code. It's like a sub-category within the fund. So we have a number of organizations that are also specifically used by BDD. And they follow a similar numbering convention starting with 800801 which is the Buckman Direct Diversion operations, and there are total of six of those organizations. Would you like me to go through all six?

CHAIR ROMERO-WIRTH: Maybe. Just to give us sort of a broad brush. This is getting really in the weeds but that's okay.

MS. OSTER: Certainly, Madam Chair. So the next one is 800810, which is Buckman Direct Diversion CC; 8000825 is BDD O&M Emergency; 8010815 is BDD Repair and Replacement; 8010816 is BDD Settlement Funds; and 8020820 is BDD Emergency Reserve. So within those three funds we have those six objects that are used only by BDD.

Then we have what we call the three funds, six boards or organization. Those are exclusively used by BDD. Then we have revenue and expense objects that are also established specifically for BDD. Objects are -- of accounts in our chart of accounts. So on the revenue and expense side we have a total of seven revenue and expense objects. Do you want me to go through those? Would you like me to go through those? Would you like the detail on that? Okay. Great.

So the first one is a revenue object, the revenue account. It is 439834, Buckman DD reimbursed expense. It's abbreviated, but Buckman DD-reimb-exp. The next one is 439960, BDD cost reimb-fixed – cost reimbursement-fixed. 439961, BDD CRF-City/County/LC. We're still in the revenue accounts here. Then we have 439962, BDD cost reimb-variable, cost reimbursement variable; 439963, BDD C-C/variable; 439964, BDD reimb-project line. And so those are the revenue accounts.

Then we have an expenditure account. It's also used specifically by BDD. 565010, which is BDD source of supply. Then on the balance sheet we have accounts receivable objects or accounts that are specifically used for BDD, and then the investment account. So the BDD investment account is 101720, that's the object code, which is the equivalent of an account code. And then we have the four AR accounts, 108310 is BDD AR City of Santa Fe; 108320, BDD AR Santa Fe County; 108330, BDD AR-Club at Las Campanas; and 108340, BDD AR Las Campanas Co-op.

I wanted to share that information with the Board to highlight that many things are already kept separate for Buckman Direct Diversion. And so that's really the information that

I have to present today. I'm happy to take any questions that you have about further separation of the accounts, but I wanted to share with you what is already established that is specifically for BDD within our accounting system.

CHAIR ROMERO-WIRTH: Can I just ask you – I'm looking through the FY 22 audit financial statement. What you've just read is more detail than what we see in the audit financial statements, right?

MS. OSTER: Madam Chair, that is correct. What I just read is represented in our trial balance which is used to produce the financial statements.

CHAIR ROMERO-WIRTH: Okay. Questions? Commissioner Hansen and then Mr. Helms.

COMMISSIONER HANSEN: Thank you, Madam Chair, Director Oster. I thought one of the problems was the cash account. I didn't hear you mention that. Is there not a cash account any longer for BDD? Wasn't that part of the problem? Or is that only SWMA's problem?

MS. OSTER: Madam Chair and Member Hansen, so the non-settlement funds for BDD are still in the City's cash in common account. We use a pooled cash structure and we have a separate fund for that.

COMMISSIONER HANSEN: So how do we separate that out?

MS. OSTER: Madam Chair, Councilors and Board members, as part of the preparation of the trial balance and the preparation of the financial statements we were able to identify the amount of the cash in common account that's assigned to each of our individual funds.

CHAIR ROMERO-WIRTH: And in fact you would have to in order to be able to audit.

MS. OSTER: Madam Chair, that's correct. Yes. In order to have a complete trial balance that's in balance, we have to have the amount of the cash for each fund.

COMMISSIONER HANSEN: So, Madam Chair, if I remember and understand correctly, that's been where the problem has been with the audit.

MS. OSTER: Madam Chair and members of the Board, I would refer back to Mr. Spurlin's response to this question. The reason that the Buckman Direct Diversion project is reported the way it is is tied to the way that the joint powers agreement is worded.

COMMISSIONER HANSEN: Yes. We have requested that that be updated for quite some time, I think from the beginning of my term. Thank you.

CHAIR ROMERO-WIRTH: Mr. Helms.

MR. HELMS: To ask a simple question and I may come across as stupid. Supposing our Facilities Manager, Mr. Carpenter wants \$2 million for something and the Board agrees to do it. Who actually writes the check? Who controls the flow of funds? Does it go straight through the Board to a check or does the City have something to say about it?

MS. OSTER: Madam Chair and members of the Board, I can go through a typical process that would result in a cash disbursement if that would be helpful. So usually there is some kind of procurement. There has to be some kind of procurement in order to procure goods and services. Once the procurement process is done, the contract is established in our Munis system and a requisition is created. That would typically be done by the entities. In this case that would be done by BDD. The requisition is created. It's submitted to the City's Purchasing team that reviews it and converts that into a purchase order. Once the purchase order is in hand the spending can begin, and then once the vendor starts submitting

invoices the invoices are reseeded in the Munis system and they're paid through the City's accounts payable payment process. The reseeding and the invoicing in the Munis system is typically done by the department, so that would be BDD. The actual issuance of the payment is done through our centralized accounts payable process.

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Commissioner Hamilton.

COMMISSIONER HAMILTON: So I think the key is, what you said, the City operates on a combined cash account, and the problem – and you can tell, any time, you know approximately how much goes to each entity that's included in there, including BDD. Which is fine. But what we were told previously is that once the City was late on its audits, that cash account couldn't be specifically rectified so that BDD could be assured what its portion was so that its audit could be done before the City's audit was completed. That's the whole problem. That was the reason there was like – if everybody's on time, it makes no never mind to anybody that it's a mixed cash account. But if there was a previous opinion by the predecessor that – just like all the other BDD accounts, there was the possibility – in fact he thought it was the appropriate thing to do to not be in the mixed cash account. So that was really – the request was to look into the possibility of splitting out the mixed cash account for BDD so that it could be – and I'm probably using the wrong word, but it could be resolved independently of the City cash account so that the audit could be done independently.

CHAIR ROMERO-WIRTH: Yes, and Director Oster can respond to that but I think there are also other reasons why we are connected/attached/dependent, have to be with the City audit. It's not just the cash. And maybe Director Oster you can speak to that. And I have been asking about this knowing that the Board is interested. We can get more detail but I think Director Oster can probably answer why it is that even if you separated out the cash we still are – we, BDD – are still tied to the City and the timing of the City's audit.

MS. OSTER: Madam Chair and Vice Chair Hamilton. I agree with that. We could create a separate cash account for BDD and remove that BDD funds from the City's cash accounting account. However, in my opinion that would not allow the BDD entity to be audited separately from the City. And that's related to the joint powers agreement, the form of the entity.

COMMISSIONER HAMILTON: Okay. I'm really curious about that because obviously, the City is the fiscal agent, but it would seem that if – and clearly, right now, we are short a person at the BDD that does accounts. So that's a separate issue.

CHAIR ROMERO-WIRTH: Well, maybe you can speak to that too. We actually have a contract with Clifton Larson Allen to backfill that. We don't have a hired FTE but work is still being done through a contract.

COMMISSIONER HAMILTON: But the City is – I'm just curious on where a technical basis and you don't necessarily need to answer it right now of why – there were potentially other reasons the City audits got behind, but it would seem like if all the accounts are separate and the cash account is separate, and BDD is like a simpler audit it could proceed at a different pace than the City's, especially if the City is backed up for a few years, which I know you're catching up on. But that's kind of the issue. So it's just not clear to me why the wording of the JPA, which I used to actually be familiar with – not anymore.

CHAIR ROMERO-WIRTH: We're going to have an orientation pretty soon.

COMMISSIONER HAMILTON: It only lasts for a certain period of time and then it fades away.

CHAIR ROMERO-WIRTH: If you don't use it all the time it does fall away. Because other stuff crowds in.

COMMISSIONER HAMILTON: Exactly.

CHAIR ROMERO-WIRTH: But maybe – I think, and maybe Director Oster and Nancy, I don't know if you want to weigh in here, it's the way we've set up this government structure. So if BDD wants to be a standalone by its own then we, I think, need a different governance structure than what we have. That's my understanding.

COMMISSIONER HAMILTON: Well, maybe that's something to look into in the future. I don't know. We don't need to resolve it all.

CHAIR ROMERO-WIRTH: Well, we're not going to resolve it all because there's a lot of pros and cons how that would work, what it would cost, what the capacity would be. It's an enormous lift. So I don't know if Director Oster or Nancy, anybody wants – I know we're getting into the deep water and may not want to swim out here but I think that's the bottom line.

MS. OSTER: Madam Chair and Vice Chair Hamilton, one thing that you could consider as a Board is asking your contractor that's assisting with the County to present to the Board on a component unit evaluation process. I'm really getting into the weeds, Madam Chair, on this, but there is a process that the accountants go through that they did and that was audited by Carr, Riggs, Ingram that looks at the relationship between entities and applies accounting principles to determine whether or not an entity is a component unit. And the short summary of that is that the result of that analysis was that BDD is a fiduciary component unit of the City. Madam Chair, if it would be of interest to the Board I can also present on that topic at later date, but from my perspective as an accountant it's really about the application of accounting standards to the agreement for the JPA and there's a flow chart that leads you to different conclusions.

COMMISSIONER HAMILTON: That'd be great. Thank you very much.

CHAIR ROMERO-WIRTH: Commissioner Greene.

COMMISSIONER GREENE: A different animal but still worthy of auditing, and I don't know if this is something that we do is the uses of water and the supply of water. Because one of the assets of this Board is water. And so how we use it, how we manage it, whether it's diverted, whether it's County water – it's a complex thing and it might not be something that you actually handle or the auditors handle, but I wonder if that's something that we need to start looking at to say, oh, I've heard in this and a couple meetings that I've been here, we used this type of water in this circumstance, or the County has supplied this much water and there is water that's in balance. And I'm wondering if this chart that I'm being presented here has things like that. We can have charts for those audits. For these things, do we do something – is that something internal? Is that something that the State Auditor requires us to do? Is that part of our audits to show that – Thank you.

MS. OSTER: Madam Chair, Member Greene, I guess the short answer is that that type of audit is not what's in the scope of the financial statement and compliance audit. So that type of audit may be performed. I don't know. I can only say that it's not within the scope of the financial statement and compliance audit, and I definitely don't have the expertise to perform that kind of audit, but I agree it would be possible.

CHAIR ROMERO-WIRTH: So Commissioner Greene, why don't you let us take your questions. Let me find out what we do and don't do and either get you what's happening or maybe it's an area we need to look into. I don't think who you have in front of

you now is going to be able to tell you that.

COMMISSIONER GREENE: Thank you.

CHAIR ROMERO-WIRTH: Mr. Helms.

MR. HELMS: I heard you say a few minutes ago that the Buckman BDD is regarded as a fiduciary agent of the City or something like that? That was your language. I'm not sure that was exactly it but I want to make sure though that I heard that correctly. What did you mean by it?

MS. OSTER: Madam Chair, Mr. Helms, the term I used was fiduciary component unit.

MR. HELMS: Yes. Does that mean – we like to think of Buckman as standing on its own but the conflict with the City runs everything. Are we simply regarded by the City as a subsidiary part of the City apparatus?

CHAIR ROMERO-WIRTH: Let me start here. The City is the fiscal agent for BDD and BDD pays the City to act in that capacity.

MR. HELMS: I got that.

CHAIR ROMERO-WIRTH: And I think, Commissioner Hamilton, it's 4 ½ percent.

MR. HELMS: But does that square with the language that Ms. Oster was using?

CHAIR ROMERO-WIRTH: I'll let her get from where I am to where she is, because she's the expert. She's got incredible credentials.

MR. HELMS: What you said was very clear and that's what I've always understood but –

CHAIR ROMERO-WIRTH: Yes, but I think the way she talks about it and what she has to do on her side she may be using the language that she's using, but for us, the City handles our finances and we pay – we, BDD, BDD Board – pay the City to do that.

COMMISSIONER HAMILTON: Four and a half percent of, I think the running average of the budget without –

CHAIR ROMERO-WIRTH: Yes, and it's all in the agreements, with multiple amendments. Do you want to take where I got us and get to where you are?

MS. OSTER: Thank you, Madam Chair. Yes. Absolutely. I think it's important that I clarify that the component unit evaluation that I mentioned, it's specific to financial reporting. It doesn't talk about the relationship between the City and BDD in a global sense. We're just trying to figure out how to report these entities for financial statement purposes in accordance with government auditing standards and government accounting standards. So that is a very narrow focus. The fiduciary component unit determination relates only to the financial reporting for these entities, not to the global relationship between them.

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Other questions on this? Thank you, Director Oster. Thank you, Mr. Spurlin, for being here. Appreciate it.

e. Presentation of Rio Grande Water Quality Calendar Year 2024 Work Plan pursuant to BDDB Resolution No. 2022-2

CHAIR ROMERO-WIRTH: This is our last one then we have some action

items. We have a number of people here on this. We have Rick Carpenter of course, our facilities Manager, Kyle Harwood, legal counsel, Jay Lazarus, consultant with Glorieta Geoscience – he’s on contract for us. And I don’t know how you – Mr. Lazarus, Mr. Harwood, do you want to walk us through this?

JAY LAZARUS (Glorieta Geoscience): Madam Chair, thank you. I think Rick wanted to start out.

CHAIR ROMERO-WIRTH: However you guys want to do it. I’ll stop talking and let you handle it.

MR. CARPENTER: Madam Chair, my intent was merely to make some introductory comments and explain that this the latest version of what was previously called the Bureau of Groundwater Quality Memo, which has now been turned into a work plan because it’s more specific. There was an effort made to create tiers, tiers 1, 2, and 3 with prioritization of these issues and rules and responsibilities between staff and consultants on how exactly we’re going to get this done and who’s going to do it. That’s really all I wanted to say and I’ll turn it over to Mr. Lazarus and Mr. Harwood.

CHAIR ROMERO-WIRTH: Thank you. Welcome.

MR. LAZARUS: Thank you, Madam Chair. Thank you, Rick. So as Rick said what was previously termed the water quality memo, we’ve turned into a work plan because we believe this best addresses the items that are most important to the Board, and the actual work that will be done, and Rick will agree to it, in the calendar year 2024 pretty well right now , but during calendar year 2024.

We took the original 12 items that were on the previously referred to memo, reduced one of them, kept the remaining 11 on this work plan, but prioritized them based on importance to the Board, both in terms of water quality, operations, and water rights. What I’d like to do is briefly go through each one of these 11, a couple sentences on each one of them, then I’ll be happy to stand for questions.

So Tier 1 issues include the MOU with LANL, the hexavalent chromium water rights protest, PFAS, and then NPDES primacy for New Mexico. The MOU with Los Alamos expires at the end of this year. We plan on having a new MOU in place by December 1st of this year, and we’ll continue working with Los Alamos for scheduling meetings with them to negotiate the MOU that will succeed the existing one after the end of the year.

The hexavalent chromium water rights protest – this is sort of an interesting one because it’s both water rights or water supply, but also related to water quality. And the lab has proposed originally – the original application was for 679 acre-feet per year based on recent meetings and recent reports from the lab. They’re looking at increasing their diversions to over 1,600 acre-feet, which will require another application to the State Engineer.

For PFAS, this also is linked to number five in Tier 2, but right now, we have not experienced any PFAS from the sampling that Rick’s staff is doing at the intake, and we will be doing continuous sampling. I think it’s really important to note for PFAS that we have here; the second paragraph in number 3 in Tier 1 is that the Buckman Direct Diversion treatment system has this component of granulated activated carbon. We call it GAC. Okay. Our parent company has a whole lot of experience with PFAS treatment in multiple states, hundreds of treating systems have been installed and granulated activated carbon is incredibly effective in removing PFAS. So we will be monitoring but we also are set up thankfully to be able to treat it if anything shows up in the samples.

New Mexico NPDES primacy – this has been a hot topic. The Environment Department, I believe got on the order of half a million dollars this last legislative session to set up NPDES primacy group within the Surface Water Quality Bureau and the Board is in support of this. And the City and County have both supported it for the NMED to develop its own regulations through the Water Quality Control Commission.

Tier 2 issues: which are important but don't necessarily need immediate action, but we're going to monitor them. So one important thing about the LANL NPDES permits is that there's agreement with the lab for them to look at PFAS in their monitoring, which they hadn't done before. We're most interested in LA, Los Alamos, and Pueblo Canyon and their tributaries just because of their location discharging immediately into the river above our intake. And EPA has determined – whether or not WOTUS is an issue or not – EPA has determined that discharges from LA Canyon qualify as the Waters of the U.S. because it discharges directly into the main stem Rio Grande which is a Water of the U.S.

Here are three issues: the consent order between NMED and LANL. This just keeps rolling along and that's more because – I'm sorry; I skipped #4. Thank you, Kyle

For the statewide environmental impact statement for the list, #6, we're once again most concerned with impacts that would originate in Los Alamos and Pueblo Canyons and their tributaries. We're still waiting to see the draft and we'll review the draft and report back to the Board when it comes on, specifically on potential impacts originating in LA and Pueblo Canyons and their tribs.

The NMED-LANL consent order, which Kyle pointed out accurately I jumped the gun on. We submitted several sets of comments to NMED on the consent order. There's a series of continuing stays. Last one expired about a month ago and Kyle can speak to that truly better than I can.

Number 8, Tier 3, is the Clean Water integrated report and list of impaired waters. We provided our comments. NMED responded to them. Didn't take our comments into what they submitted to EPA, but that aside, there's no action at issue because they're not going to start any additional work for the 2026-2028 integrated report, 303d to 305d until 2025. We attend all Water Quality Commission meetings on behalf of other clients. We keep Rick informed as to many issues that will affect Buckman, this being one of them.

The MS4 permit #9, Los Alamos County Municipal Stormwater Permit, it is – regardless of what the lab thinks – EPA is going to require LANL to have NPDES permit coverage, as I said before, because it discharges directly into the main stem and we're waiting to see how that comes out and we're once again focusing on LA and Pueblo Canyons and the tribs.

Triennial Review, that process will begin again in 2025, so there's no action to be taken in 2024. And the Waters of the U.S., the NMED guidelines, if the Board and the County have supported this but we don't anticipate any action required in 2024, and we'll be happy to stand for questions. Thank you, Madam Chair and Board.

CHAIR ROMERO-WIRTH: I don't know. This memo is from a whole bunch of you. I don't know if others want to weigh in here. Nancy, your name's on it. Kyle, your name's on it. I appreciate the collaboration on this.

KYLE HARWOOD (BDD Counsel): I think we're here to answer questions, Madam Chair.

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

COMMISSIONER HANSEN: So thank you, Jay, for the report. Thank you, Kyle, Nancy, whoever else worked on this. So who are you working with at EM on the memorandum of understanding?

MR. HARWOOD: We're in contact with John Evans Counsel and Sheryl Rodriguez, who's been a long-time federal contact there.

COMMISSIONER HANSEN: And things are moving along?

MR. HARWOOD: They are.

COMMISSIONER HANSEN: Okay. Then on the water, the 1,600 acre-feet, so where are they getting this water from?

MR. LAZARUS: They wouldn't answer Peter's question at the meeting. I think both you and he attended last week or the week before. Peter attended the briefing meeting in person up at the lab and he asked them, our role is specifically restricted to water rights because we have our protesting on behalf of the Board, and when Peter asked – I'm putting words in Peter's mouth. If I don't say it right, Peter, jump in. Okay. But we specifically asked them about where they're getting their water from. "We're going to look into it." So they don't know. They're going to look at LA County's inventory, whatever else they have there. Los Alamos County, in terms of their water, they've leased their 1,200 acre-feet a year to the Rio Chama Acequia Association for San Juan Chama water. So that water's already spoken for. So it would be, in my estimation right now, it would have to come out of non-San Juan Chama water rights.

COMMISSIONER HANSEN: That was actually where I was going to go. So I was wondering. So they don't know where they're going to get the 1,600 acre-feet.

MR. LAZARUS: That is correct.

COMMISSIONER HANSEN: Okay.

MR. LAZARUS: If I may add, Madam Chair, Commissioner Hansen, in the most recent version of the draft chromium interim measures, they presented four different options for remediation of the plume. One of them is to continue what they're doing, which is defective. Another one is what they're calling natural attenuation, which for those of you who know me well enough is a hallucination. Okay. And another one is to divert 1,600+ acre-feet and re-inject. And another one is land application which would be 100 percent consumptive use of that 1,600 acre-feet with no return flow.

And so when Peter brought up the land application, even though they have it in the draft chromium interim measures document, they immediately shot that down in their response to Peter. Did I get that right? Thank you.

COMMISSIONER HANSEN: I think I was on the same meeting. Okay. Then on PFAS, I agree that granulated activated carbon is the general best practices in the United States. It was talked about at the National Association of Counties, but don't we also have reverse osmosis at Buckman?

MR. CARPENTER: Madam Chair, members of the Board, we do not have reverse osmosis; we have pressure membranes, which is –

COMMISSIONER HANSEN: We have pressure –

MR. CARPENTER: Pressure membranes.

COMMISSIONER HANSEN: So we do not – so reverse osmosis is another way to get rid of PFAS.

MR. CARPENTER: Reverse osmosis is usually used on a smaller scale than a municipal water treatment plant. It's very expensive in energy.

COMMISSIONER HANSEN: Okay. But it does work also, but – I am glad that you’re using granulated activated carbon, GAC. Okay. So on the SWEIS, are they actually going to release this thing? I know they keep saying they are.

MR. HARWOOD: In recent correspondence with the relevant staff on the hill, they have given another extension, which will not come as a surprise to you but we believe it will be released this summer, just about a year and a half late from their initial projection, but it’s soon-ish.

COMMISSIONER HANSEN: Okay. I think I’ll leave it there, but thank you for this report – I really appreciate it and I appreciate you working on all these projects because I think they are very relevant to Buckman and to [inaudible] in Santa Fe County.

MR. LAZARUS: Thank you, Commissioner Hansen.

CHAIR ROMERO-WIRTH: Councilor Ives.

MR. IVES: Thank you, Madam Chair. Mostly I wanted to say thank you for putting this together and summarizing where we stand on all these issues that have been happening over now many years. Much appreciated and I can only hope that as we go forward with meetings there will be a monthly update for items on the list, if there are any sort of significant changes or developments on any of those fronts.

MR. LAZARUS: Madam Chair, Councilor Ives, we will. Thank you.

MR. IVES: Thank you, Madam Chair.

CHAIR ROMERO-WIRTH: Other questions? I just want to say thank you to all of you, everybody who’s listed on this memo. This is something that we’ve been working on, we’ve had a couple different iterations. When I first walked into this room and started hearing about these things, one after another, it was really hard to get a global view kind of from the treetops, and also, particularly as a new person, to understand all the different things that BDD is concerned with, as Commissioner Hansen says, that affect the quality of water which is really important to running this facility, to the water we provide to this community, and I just am thrilled that everybody has worked together to come up with this memo. I like the tiering. That’s new this year. I also like kind of the prioritization of these things and then kind of a little history and where we are and what needs to be done in the coming year. I’m thrilled to see this. I think this is a great piece of work and I really want to thank everybody who played a part in it and getting it done because I think it’s going to be really helpful for us to better track this piece of the work we do as a Board and the work that our consultants do. So I really appreciate it. Other questions? I’m just thrilled to be getting this put forward so everybody can have it and see it, understand it, learn from it. Thank you.

MR. LAZARUS: Thank you, Madam Chair. Thank you, Members.

CHAIR ROMERO-WIRTH: Thank you.

6. ACTION ITEMS: DISCUSSION AND ACTION

- a. Request to approve Budget Amendment Resolution (BAR) in the amount of \$234,000.00 to reallocate projected expenditures for FY24**

CHAIR ROMERO-WIRTH: Okay, we have two action items. We have a request to approve a budget amendment resolution in the amount of \$234,000 to reallocate projected expenditures for FY24. And we have Mr. Carpenter. I’m not sure Monique is here. Oh, there she is. She was hiding in the back. So I don’t know. Take it away. I don’t know how you want to do this.

MONIQUE MAES (BDD Contracts Administrator): Madam Chair, members of the Board. I'd like to formally introduce myself. I am Monique Maes. I'm a contract administrator with the BDD. I've been in, in the absence of the financial supervisor, I've been trying to fill the gap.

So this BAR, its purpose is to reallocate some projected shortfalls. Mainly the shortfall that we're seeing is in the increase of landfill tipping fees. If you have any questions I'll be happy to answer any questions regarding this BAR.

CHAIR ROMERO-WIRTH: Okay. Mr. Carpenter, do you have anything you want to add to this?

MR. CARPENTER: Madam Chair, maybe a little more explanation, especially on the first two bullets. Landfill tipping fees, these have gone up, increased in cost due to simply raising fees. Also though, last year and so far this year, the BDD has produced record amounts of solids, partly because we've been asked to produce so much more water, but also because we've become, each year that passes we're getting much better at processing those zones. So if you're sending more solids to the landfill and they're charging you more for those solids it's going to go up and you're going to have a shortfall.

As far as HVAC is concerned this is becoming an issue. The plant is in its twelfth year now and we're approaching a warmer year at a lot of facilities, especially down at the booster stations, have to be kept relatively cool. If it's 90 degrees outside we're increasingly spending more and more on HVAC. The contractor that we have on board has almost exhausted the current funds and much more will need to be spent. So that's the explanation of those two bullets, Madam Chair.

CHAIR ROMERO-WIRTH: Okay. Thank you. Questions from the Board. Commissioner Hamilton.

COMMISSIONER HAMILTON: So the way I read this is the BAR is to shift things around and this is being taken from salaries. I assume that's from savings on open positions? Did I miss the – BDD salaries, by the same amount to cover projections. So I assume that's from like unfilled position savings.

MS. MAES: Yes. That's from the salary savings.

COMMISSIONER HAMILTON: That's the term – salary savings. So that's already realized savings? I assume that it wouldn't threaten the need to fill certain positions in the future as they get filled. We'll still have the budget to pay those people.

MS. MAES: Yes. It's not something we want to be accustomed to doing. We want to be assured that we budget for our landfill tipping fees to cover the shortfall. That's the only place that we can reallocate to cover the expenses.

COMMISSIONER HAMILTON: Again, I was trying to assure – I mean it makes sense because we already have savings. It makes sense to me to use it. I was just trying to assure that between you and the Facility Manager by the time we already would have filled positions that we're looking to fill we're going to maybe be into the next fiscal year, or we still have the budget to fill those positions.

CHAIR ROMERO-WIRTH: I guess – could I ask the question maybe differently?

COMMISSIONER HAMILTON: Yes. Go right ahead.

CHAIR ROMERO-WIRTH: In FY25, the budget we just approved, did we account for, say, the increase in tipping fees to up in the budget at all?

MS. MAES: It did increase a little bit but the average that I'm seeing for the

tip fees is about \$18,000 a month. So we only had four months budgeted. So again, we might see this next year but hopefully we can reallocate it from other areas. We don't have to take it from salary savings. So that's something I can start looking at.

CHAIR ROMERO-WIRTH: Yes, I guess so in the repair and maintenance, that's a one-time cost. I'm sorry, on the HVAC, is a one-time cost?

MR. CARPENTER: Exactly. So Madam Chair, this has been in the budget every year. It is in the budget going forward. We gave some thought for a period of time on reclassifying an existing career position into our own HVAC tech. That may still happen but it hasn't really evolved yet, so we need additional funds to pay this contractor to do the stuff that really must be done.

CHAIR ROMERO-WIRTH: And I guess just one other thing. The landfill tipping fees going up, that happened in this fiscal year, didn't it?

MS. MAES: It happened in 2022 and this year, so we haven't adjusted the budget since the first time.

COMMISSIONER HAMILTON: Okay. I suspect this is one of those things that for several years we very recently in trying to keep budgets really accurate, like not build in like non-specific slop, if you know what I mean. Right? And I suspect because the tipping fees aren't going to go down. The production of excess sediments, that could change based on how much water is produced but I suspect this would have to be re-evaluated even in the FY25 budget at some point. Not to mention it's always bothered me a little bit that this is not a BDD problem but there's no economic alternative to what you can – we're not allowed to just take this sediment out of the river and then put it back where it came from, and that's a little cray-cray. I'm sorry. It's just one of those things. I'm so happy to see Dr. Roach shaking his head.

And we've got all the tip fees for sediment and soil management and composting. There's got to be things that could be done with this. It would be so nice to do it in the slightly longer term to think about a more creative use for the sediment than landfilling it.

CHAIR ROMERO-WIRTH: Yes, a very interesting point.

COMMISSIONER HAMILTON: Even selling it and making it a positive.

Thank you.

CHAIR ROMERO-WIRTH: Other questions from the Board? Councilor Ives.

MR. IVES: Thank you, Madam Chair. So just a quick question following up on Commissioner Hamilton's question. So the salaries line item is being decreased by this \$234,000. How long – have any of these positions where we're realizing, if you will, what usually we call vacancy savings been open for excessively long times?

MR. CARPENTER: Many of them – the short answer, Madam Chair, members of the Board, Board Member Ives, many of them have been open and vacant for a long, long time. To give you an example, one of the positions that's not on this list is our warehouse planner tech. That position was vacant for five years. We just recently, a couple weeks ago filled it. So it was vacant for five years.

A lot of these are just hard to fill. Sometimes, many times we don't get applicants or they want way more money than we can hope to offer.

MR. IVES: It just echoes a little bit of a discussion we had back when I was on the Council, using vacancy savings to create surpluses, as opposed to building in contingencies. At one point we accused him of saying if you don't fill a position within two years, why do we have this position? So perhaps a discussion for a different day. But it's a

particular frustration of mine that we leave positions open for years.

MR. CARPENTER: Madam Chair, members of the Board, Mr. Ives, it does come up from time to time. I think and I hope though that it comes up more in the context of why haven't we tried to fill this position, which is different than you tried to fill this position and you were unsuccessful.

MR. IVES: Thank you, Madam Chair.

CHAIR ROMERO-WIRTH: Councilor Cassutt.

COUNCILOR CASSUTT: Thank you so much, Madam Chair. I'm following up a little bit on that more of a discussion. The City just took a classification and compensation study. I imagine BDD employees were included in that. Are any of these positions getting adjustments based on that study that might indicate that we'll be able to better fill them in the coming fiscal year?

MR. CARPENTER: Madam Chair, members of the Board, my understanding is that two of our positions could be readjusted up as a result of the class and comp study.

COUNCILOR CASSUTT: Okay. Thank you so much. Appreciate it.

CHAIR ROMERO-WIRTH: Okay, other questions on this item? We do need to approve or disapprove this BAR.

COUNCILOR CASSUTT: Move to approve.

COMMISSIONER HANSEN: Second.

CHAIR ROMERO-WIRTH: All right. We have a motion and a second to approve the BAR.

The motion passed by unanimous [5-0] roll call vote as follows:

Councilor Jamie Cassutt	Yes
Commissioner Anna Hansen	Yes
Mr. J.C. Helms	Yes
Commissioner Anna Hamilton	Yes
Chair Carol Romero-Wirth	Yes

b. Citizen Member and Alternate Citizen Member appointments to the BDD Board

CHAIR ROMERO-WIRTH: We are on to our last item here, Citizen Member and Alternate Citizen Member appointments to the BDD Board. I'll go to you, Nancy Long.

MS. LONG: Madam Chair and members of the Board, it is that time for the Board to consider the recommendations from the Interview Committee for the Citizen Member and Alternate Citizen Member appointments. They sit for two-year terms. Our current members are a little bit over that and the last two-year term carried over until another appointment is made.

The Board advertised for the Citizen Member positions and received applications from five very strong candidates. It's a nice problem to have but makes for a very difficult decision and the committee really struggled with that. The five applicants are listed in my memo. After, as my memo says, after a lot of deliberation and thought about this the committee recommends the following individuals for appointment to the Citizen Member and Alternate Citizen Member positions. For the Citizen Member, the Interview Committee

recommends Rolf Schmidt-Petersen, and for the Alternate Citizen Member to continue with Mr. Peter Ives.

CHAIR ROMERO-WIRTH: And do you want to say anything, Mr. Councilor Peter Ives, I don't know if you want to say anything. I don't see the résumés or anything of these two candidates in our packets.

MS. LONG: The résumés should have been provided to you and the applications. Bernardine is saying yes.

CHAIR ROMERO-WIRTH: I'm sorry. So they're not in the packet but they were provided to the Board earlier. That's fine.

MS. LONG: They were provided to the Board. They had information on then that we thought would be better not to be on the public site.

CHAIR ROMERO-WIRTH: Okay.

MS. LONG: And of course you know your members J.C. Helms and Peter Ives. And then Jack Sullivan also applied, former County Commissioner. Ralf Schmidt-Petersen is here this evening and he had a very strong résumé and application and interest in the Board, and then Shann Stringer, also very strong qualifications, background in water, water issues. So as I said, it was – we really enjoyed speaking with everyone in the interviews but any one of them would have served this Board very well.

CHAIR ROMERO-WIRTH: Okay, so I think we need to approve these candidates. Is there a motion?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROMERO-WIRTH: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I'm extremely disappointed that J.C. Helms is not re-recommended because I do believe he has served this Board for quite some time and done it very well, and understands a lot of the issues that are going forward. And so I'm really disappointed. I think that if he wasn't going to be the Citizen Member he should have been the alternate. And I don't understand exactly why and it makes me hesitant to vote for this. I did read Rolf Schmidt-Petersen's résumé and you are very well qualified. Thank you. But it concerns me that J.C. has served this Board very well and I really want to say thank you because I won't vote for this.

CHAIR ROMERO-WIRTH: Okay. Other questions, comments? Is there a motion? We can have a motion and then have further conversation.

COMMISSIONER HAMILTON: Yes. Very, very true. So I will move to approve the committee's recommendation.

COUNCILOR CASSUTT: I will second.

CHAIR ROMERO-WIRTH: Right. So we have a motion and a second. Did you want to say –

COMMISSIONER HAMILTON: Well, I wanted to say not only did we have – was everybody, as Nancy Long said, incredibly well qualified and made great contributions. I also tremendously appreciate everything J.C. Helms has done as Citizen Member. He's made very, very substantial contributions and it was hugely appreciated. And I just want to add that it's a unique opportunity to go forward to get the kind of expertise that Rolf brings at that was a big driving factor for the benefit of the BDD.

CHAIR ROMERO-WIRTH: Other comments, questions? I will just echo that again, it was a competitive pool. I too have enjoyed serving with you, Mr. Helms. Any one that we picked would have been able to do this job. It was a hard decision and it was a hard

decision among a very qualified pool. So I don't think there's any slight to any one of these candidates. Can we get a roll call on this.

The motion passed by majority 3-2 roll call as follows:

Councilor Jamie Cassutt	Yes
Commissioner Anna Hansen	Yes
Mr. J.C. Helms	No
Commissioner Anna Hamilton	No
Chair Carol Romero-Wirth	Yes

CHAIR ROMERO-WIRTH: Yes, Mr. Helms.

MR. HELMS: I voted no because obviously, you've got to vote for yourself in this world and that shouldn't surprise anyone, but I know that Mr. Ives is very competent and that he's a good member of this Board, and I'm sure, Madam Chair, that Mr. Schmidt-Petersen is a very competent person also. So I don't have any problems at all with who's coming on in my place. I guess I just want to say thank you to all of you. I've had one of the great experiences of my life, frankly. I'm getting emotional here. I've really loved the work here. I think that the water supply is the most significant single function of a government, specifically for a desert town. If you don't have water you don't have a town.

Members of the Board and staff and our Councilor, both Councilors, looking at [inaudible] now, and also now that I have been impressed by everybody. I have liked everybody. I really love all of you and I have enjoyed every minute of it. It's been a great experience. Thank you and god bless you.

CHAIR ROMERO-WIRTH: So I was going to do this under Matters from the Board but it seems appropriate to do this now, because this is an emotional part and because you have been such an active and important part of this Board. So again, no slights in the fact that we nominated another person to fill your shoes. But it's, again, no disrespect intended. And you have been a very good and contributing member, and because of that, we have something here. A whole bag of things. So I'm going to give you this, and we have a card for you and then a number of other goodies in this bag to recognize your service and the contributions you've made to this Board and we really, really appreciate it.

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Do you want to open it? It's a jar of water.

MR. HELMS: Madam Chair, thank you.

CHAIR ROMERO-WIRTH: And if there are others who would like to pay tribute to the contributions Mr. Helms has made I think this would be an appropriate time to do that.

MR. HARWOOD: I want to contribute to Mr. Helm's health so in that bottle is water and GAC. And thank you so much for your service, on behalf of everyone. I don't know if any of you want to say anything but it's been an honor.

MR. IVES: Madam Chair, J.C., it has been such a pleasure to work with you over the course of these years. The issues we've faced and some of the most challenging, getting through all of the litigation with its multitude of components. It's sort of high stakes and high risk. You were always cool, calm, and collected and I think always spot on in comments and what you've contributed to the Board. That is something one brings only after years of long experience in business, working with an appreciation for the significance of

water as a resource. I'd like to note that I see you at the cathedral occasionally and I will look forward to seeing some time in the next few weeks to talk about the future. So I look forward to the next chapter.

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Nancy Long.

MS. LONG: I'll weigh in. I too wanted to thank you. Mr. Helms, we've worked together for many years and I consider you to have been such a strong advocate for this Board and so supportive of the Board and certainly throughout the litigation and the difficult decisions and turning points that were involved in that case, you provided some invaluable input and insight from your experience and we couldn't have done it without you. So thank you

MR. HELMS: Thank you.

CHAIR ROMERO-WIRTH: Okay. Yes, thank you for your service.

7. MATTERS FROM THE PUBLIC

CHAIR ROMERO-WIRTH: Matters from the Public. Welcome.

JONI ARENDS: Good afternoon, Joni Arends, Concerned Citizens for Nuclear Safety. I also want to thank Mr. Helms for his technical expertise, for his knowledge, his knowledge over these many years about the Buckman, and experience and the way he informed the Board in many different ways.

And I just want to mention, I'm very concerned that Commissioner Hansen and Commissioner Hamilton will be leaving in December and that there may be a tremendous gap in terms of the institutional knowledge with regard to going forward, especially when you look at the list of issues with regard to the work plan for 2024/25 and dealing with LANL.

I am also very concerned about how the work will go forward and that bringing people up to speed on these issues required dedication and understanding of a broad – dealing with the federal government and water and contamination that – it's very, very important, and I want to thank Mr. Helms again for his knowledge and willingness to serve. Thank you.

I do want to mention about the SWEIS, the LANL SWEIS, that there's been generally, DOE has done a ten-year period of time for the review, the preparation and review of the SWEIS. In 1991 a SWEIS was completed. In 2008 a SWEIS was completed, and as we learned today, it's going to be another year and a half late. Probably, given DOE's timeline it will probably be three years. So the last SWEIS that we're dealing with right now is 2008, and that's before the budget has doubled from about \$2.5 billion to \$5 billion, and we have no analysis going forward.

And CCNS would appreciate the Board looking into that, perhaps writing a letter to the lab, asking where the SWEIS is, because the last one, as I said, is 2008. They're saying now that they're going to do a 15-year analysis so by the time we get the SWEIS it may be a whole other decade has already gone by and completion of the process. And we rely on the SWEIS for how much trash are they making? How much water are they using? How much electricity are they using? How much traffic? How much increased air pollution from all of the transportation that's going on? What's going up the hill? What's coming down the hill? We need to have that information as we make decisions here downwind and downstream of the lab.

I would ask that the Board take a look at that as well as the list of items. And I do want to thank Kyle and Jay, and I guess you're Peter, and others that have contributed to putting the

list together, having the foresight to put the list together and to hold LANL accountable. Because right now they're not being held accountable and they're just going to – more workers are going to get exposed. More workers are going to get hurt. We've seen this before and the Board has a very strong voice and has built strong relationships with the lab. To be able to say those things to them so that they can hear them. So I want to thank you again.

CHAIR ROMERO-WIRTH: Thank you. Any other members of the public?

8. MATTERS FROM THE BOARD

CHAIR ROMERO-WIRTH: Commissioner Hansen.

COMMISSIONER HANSEN: I have a new liaison and she is here at this meeting. Her name is Kim Vigil and she is in the audience and I want to welcome here and I wanted you all to know that she's the new liaison.

CHAIR ROMERO-WIRTH: I wish I had one of those.

COMMISSIONER HANSEN: I wish you had one of those too and I think every elected official, personally, should have staff.

CHAIR ROMERO-WIRTH: Can you say that again?

COMMISSIONER HANSEN: It will be in the paper.

CHAIR ROMERO-WIRTH: All right. Other Matters from the Board. Councilor Ives, welcome back.

MR. IVES: Madam Chair, I just wanted to say thanks for bringing me back and I look forward to serving with everybody and moving the Buckman forward. Thank you.

CHAIR ROMERO-WIRTH: Commissioner Greene.

COMMISSIONER GREENE: Thank you, Madam Chair. I want to give a big thank you to Jay and Peter for giving me and Councilor Cassutt a getting up to speed briefing for a couple hours earlier this week. It was great and no pun intended, it's drinking from a fire hose, and they were very generous to offer another round of that and I really love it and will take them up on it. Thank you very much.

CHAIR ROMERO-WIRTH: Great. I'll come along. I love doing that sort of stuff. You're right. It is a lot to digest, a lot to understand and I learn things every time I'm here. They say different things so your understanding develops. You get more nuanced and greater understanding, so I love that sort of thing. Invite me; I'll come along.

COMMISSIONER GREENE: Excellent.

CHAIR ROMERO-WIRTH: Other Matters from the Board?

9. NEXT MEETING: Thursday, June 6, 2024 at 4:00 p.m.

10. ADJOURN

Having completed the agenda and with no further business to come before the Board, Chair Romero-Wirth declared this meeting adjourned at approximately 5:45 p.m.

Approved by:

Carole Romero-Wirth, Board Chair

Respectfully submitted:

Wordswork

ATTEST TO

GERALYN F. CARDENAS
CITY OF SANTA FE INTERIM CLERK