

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

March 3, 2016

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Commissioner Liz Stefanics, Chair, at approximately 4:15 p.m. in the Santa Fe County Chambers, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Board Members Present:

Commissioner Liz Stefanics, Chair
Councilor Joseph Maestas,
Commissioner Miguel Chavez
Councilor Carmichael Dominguez
Ms. Denise Fort, Citizen Member
Mr. J.C. Helms (Citizen alternate)

Member(s) Excused:

None

Others Present: [*Exhibit 1: Sign-in Sheet*]

Charles Vokes, BDD Facilities Manager
Nancy Long, BDD Board Consulting Attorney
Stephanie Lopez, Staff Liaison
Mackie Romero, BDD Finance Manager
Michael Kelley, County Public Works Director
Carole Jaramillo, County Finance Director
Daniella Bowman, BDD Regulatory Compliance Manager
Bernardine Padilla, BDD Public Relations Coordinator
Erminia Tapia, BDD Administrative Assistant
Matthew Sandoval, BDD Staff
Marcos Martínez, City Attorney
Nick Sciavo, City of Santa Fe
Greg Shaffer, County Attorney
Rudy Garcia, County Manager's Office
Claudia Borchert, County Utilities Director
Bruce Frederick, County Assistant Attorney
Rich Ulibarri, LANL
Mary Chacon, Las Campanas Co-op
Kim Visser, Las Campanas Co-op
Skip Poliner, Las Campanas Water & Sewer Co-op
Ginny Selvia, Las Campanas Water & Sewer Co-op
Rick Carpenter, City of Santa Fe
Kyle Harwood, BDD Board Counsel

CHAIR STEFANICS: I'd like to welcome our new citizen Board members. The first citizen Board member is Denise Fort, and our alternate citizen Board member is J.C. Helms, so welcome to both of you. As you remember if you've been here at the past meetings, we did a public advertising. We had four applicants. We interviewed all four and the selection was two of these people and they were confirmed by the Board at the last meeting, and the City Council and the County Commission have approved the citizen board member and alternate.

NANCY LONG (BDDDB Consulting Attorney): Yes, Madame Chair, and the City will consider the amendment for some technical revisions that were made, but we believe that will get passed hopefully in March and then it will be on to DFA. So I hope by the next meeting all of that is signed off on.

CHAIR STEFANICS: Great. Thank you very much.

3. APPROVAL OF AGENDA

[Exhibit 2: Agenda]

CHAIR STEFANICS: Before we go to Approval of the Agenda, Committee members, I'm going to suggest several items. Under Consent, I only want to leave #8. I would like to remove 9, 10, 11a and b from Consent. And under Discussion and Action, I would like to postpone #13, postpone 14b, c and e. Then we do not have a need for an executive session today, and I would also like to postpone #15. And I'd be happy to answer any questions, and if not I would move those changes.

CHAIRMAN CHAVEZ: Madame Chair, I'll second the motion and then we can have some discussion if necessary.

CHAIR STEFANICS: Discussion on matters to be postponed and removed from the Consent.

MS. FORT: Madame Chair, item 11 will be removed? The funding for the design for the pumps?

CHAIR STEFANICS: It's removed from the Consent. So items 9, 10, 11a and 11b will be removed from Consent and actually presented and discussed.

MS. FORT: Thank you.

CHAIR STEFANICS: Any further questions or discussion?

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

4. APPROVAL OF CONSENT AGENDA

8. Monthly update on BDD Operations

ISOLATED FOR DISCUSSION:

- 9. Request Approval of a Professional Services Agreement with Intra Works for the Amount of \$47,220 Inclusive of NMGRT
- 10. Request for Approval of a Budget Adjustment Request to the Current FY2015/2016 Operating Budget to Move Funds in Several Line Items within the Materials & Supplies Category for \$103,050

- 11. Request for Funding for the Design to Replace the Raw Water Pumps and Air Burst System
 - a. Request for Approval to Budget \$51,807 from the BDD Major Repair and Replacement Fund to Hire a Consultant for the Design to Replace Four Raw Water Pumps and Air Burst Piping
 - b. Request for Approval of a Professional Services Agreement between the Buckman Direct Diversion Board and Deere and Ault Consultants, Inc. for the Amount of \$49,340 Exclusive of NMGRT for the Design of Four Raw Water Pumps and Air Burst Piping

CHAIR STEFANICS: We have one item left.

COUNCILOR MAESTAS: Move to approve as amended.

COUNCILOR DOMINGUEZ: Second.

CHAIR STEFANICS: Okay. There's a motion to approve the amendment Consent Agenda and a second. Any discussion?

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

5. APPROVAL OF MINUTES: February 4, 2016

CHAIR STEFANICS: Committee members, staff?

COUNCILOR DOMINGUEZ: I'll move for approval, Madame Chair.

CHARLES VOKES (Facilities Manager): Madame Chair, members of the Board, there are no changes from staff.

CHAIR STEFANICS: Thank you. We have a motion from Councilor Dominguez.

CHAIRMAN CHAVEZ: A second from Commissioner Chavez. Any discussion?

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

6. MATTERS FROM STAFF

MR. VOKES: Madame Chair, members of the Board, staff has no additional items to add.

CHAIR STEFANICS: Okay. I know we'll be hearing from staff in a few minutes. Thank you very much.

7. REPORT ON MARCH 1, 2016 FISCAL SERVICES AUDIT COMMITTEE (FSAC)

MACKIE ROMERO (Finance Manager): Madame Chair, members of the Board, a Fiscal Services Audit Committee was held on Tuesday, March 1, 2016. In attendance was myself, BDD Finance Manager, Charles Vokes, BDD Facilities Manager, Erminia Tapia, BDD administrative assistant, Councilor Maestas via telephone, Carole Jaramillo, County Finance Director, Skip Poliner, Las Campanas Water and Sewer

Cooperative Representative, Mary Chacon, Las Campanas Water and Sewer Cooperative Controller. We discussed the items on this agenda, which will be discussed in detail as we proceed. So if you have any questions.

CHAIR STEFANICS: Any questions at this moment? As she indicated, some items are going to be discussed as we go through some of the financial requests.

9. Request Approval of a Professional Services Agreement with Intra Works for the Amount of \$47,220 Inclusive of NMGRT

CHAIR STEFANICS: Committee members and the public, Intra Works is for our security system at the Buckman Direct Diversion. So Ms. Mackie Romero.

MS. ROMERO: Madame Chair, members of the Board, we are requesting approval to enter into a professional service agreement. We currently have many cameras and DVRs that are non-functional and need to be replaced. Intra Works has provided a quote to remove and replace five cameras, install one new camera at our front gate. This also includes hardware and software that will allow video to be transmitted to the command and control center. It is imperative that we continue to operate and maintain the system as well as maintain Homeland Security requirements. This project is phase 1 of our overall security upgrade needs and additional funds have been included in next year's budget request. Funding is available in our current operating budget. Is there any questions?

CHAIR STEFANICS: Yes, Commissioner Chavez.

CHAIRMAN CHAVEZ: Thank you, Commissioner Stefanics. So Mackie, on page 18 of our packet, we have Exhibit A, scope of services. Is that scope of services reflective of your presentation?

MS. ROMERO: Yes, that is. The scope of services was in more detail, listing each camera that's to be replaces.

CHAIRMAN CHAVEZ: And what is the timeframe for this work to be done. Do we have an estimated time for completion?

MR. VOKES: Madame Chair, Commissioner Chavez, I believe as soon as we can pull the trigger on this and get approval that they're ready to go. We've been meeting with this company for quite some time and it's just a matter of processing the paperwork. I would estimate that the new system would be up and running within six weeks at the latest.

CHAIRMAN CHAVEZ: And then after that, who will be responsible for the maintenance, update, kind of quality control, to be sure that it's working as we need it to in the future?

MR. VOKES: Madame Chair, Commissioner Chavez, staff is able to do a lot of the maintenance on the cameras and the upgrades. However, there are things that are out of their scope and out of their talents and that's why we've hired Intra Works. I believe that they will continue to consult on improvements. Again, the systems are about five years old. We have had some failures. One of the nice things is that the recording of the cameras will be centralized, so that will be brought into the control building and all that footage will be stored on our server. So we will have access to that. Currently, there are DVRs on each individual camera so as those fail we do lose the ability to go back and see what has happened in the past. So that's one of the main components. And we'll

continue to look at the needs for the cameras, improvements to technology as we go along and improve the system and make it more robust and also more functional.

CHAIRMAN CHAVEZ: Okay. Thank you, Madame Chair.

CHAIR STEFANICS: Thank you. Yes, Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Madame Chair. Just real quickly, can you talk a little bit about the relationship between the security company and their use of this technology and how they kind of interwoven with this contract, if at all?

MR. VOKES: With Chavez Security, sir?

COUNCILOR DOMINGUEZ: Yes.

MR. VOKES: Essentially, Chavez Security provides patrol of the Buckman facilities from 5:00 pm to 8:00 am, overnight, and also all weekend. The command center has the cameras and all the screens that they can watch during the day, but we have 45 cameras and it's impossible for us to monitor everything that's going on. Some of the new technology that's coming out – they do have systems now, and we'll be investigating this – where the system can actually look at the pixels on the camera and identify whether it's a person, whether it's an animal, whether it's a vehicle. So I would look to the future of perhaps looking at that type of a system.

If we were able to do that then we may be able to cut down on the amount of patrols that are going on. But again, right now this is the system we have and we need to bring it back up to at least a minimal functionality. And the future, as the technology improves, we certainly look at those items and also look at the security contract.

COUNCILOR DOMINGUEZ: So there really is no relationship between necessarily this contract and the security company.

MR. VOKES: No, sir. Not currently. They're essentially two stand-alone systems currently.

COUNCILOR DOMINGUEZ: The only reason I ask is because I know that in terms of security, typically those things work hand in hand and with the emergence of technology things can be exciting sometimes is because of the relationship between this kind of technology and the security company. And so just one other question if I can, Madame Chair.

CHAIR STEFANICS: Sure.

COUNCILOR DOMINGUEZ: I guess – is there new software that's also part of this contract? Or is it just a service contract?

MR. VOKES: No, sir. As part of this, the software improvements will allow the cameras to stream the video back to the server, so that that is part of the upgrade. And that is all 45 cameras are included in this project.

COUNCILOR DOMINGUEZ: So I guess, and I don't want to get too technical because I don't know the nature of the operation specifically, but there's not like a new version that's going to come on line the day after we sign this contract?

MR. VOKES: I think as demonstrated by Windows 8, 9 and 10, that there's always new versions of software that are coming on. Again, I feel like we are repairing what we need to repair and improving the system. We can certainly look at software improvements in the future, as I mentioned, to look at the pixilation and the other items. But this is just step one in bringing the system back on line.

CHAIRMAN CHAVEZ: Councilor.

COUNCILOR MAESTAS: Just a quick question. We've had other contracts that require camera installation and monitoring but there's really no resources available to monitor cameras 24/7, but what's done is that some of the video footage is captured and stored for a certain amount of time in case there's any kind of criminal activity that may occur and they may need that footage for some kind of investigation subsequent to any criminal acts. Does this include any kind of video storage and if so, for what duration after it's initially recorded? And where is it stored?

MR. VOKES: Councilor Maestas, the last item on there is designed to do exactly that, where it's taking the video streams from all 45 cameras and storing them on a server within the BDD facility. It's my understanding that we will have at least 30 days of storage. Again, it depends on how the software is set up. You can take a snapshot every minute or you can take a snapshot every second, and of course that consumes more storage. But it's my understanding, currently we have room available to store at least 30 days worth of information.

CHAIR STEFANICS: Yes.

COUNCILOR DOMINGUEZ: When we met with the Governor of San Ildefonso we were meeting on a separate matter regarding the early warning system and being able to get their permission to put a monitoring station on their land, but he did bring up some trespass issues onto San I land adjacent to Buckman right-of-way. Are any of these cameras situated there to monitor any such activity? I thought that we put up a fence, more of a positive barrier to prevent any kind of off-road enthusiasts and folks from getting into San I land. Will any of these cameras monitor that boundary that was the source of concern by the Pueblo of San I?

MR. VOKES: Recently Daniella Bowman and I had met with the staff at San I and they had mentioned problems with trespassing through a particular gate, but it's quite a ways from our facility. One of the things I indicated to them was that I was going to talk to our security contractor about including a swing by that gate as part of our contract. I don't think it will include any additional cost. It's just a matter of them perhaps driving three or four minutes out of their way during their rounds. And I've asked the Pueblo of San I to identify which gate that is and where the concerns were and I'm still waiting to hear back from them. As soon as I hear from them then I will be meeting with the security company and asking them to include that in their route so that they can assure that that gate is closed and locked and there's no indications that people have gotten in there.

COUNCILOR MAESTAS: Thank you.

CHAIR STEFANICS: Thank you. Commissioner Chavez.

CHAIRMAN CHAVEZ: Thank you, Madame Chair. I'd like to make a motion to approve this PSA with Intra Works and if you look at the PSA it does mention the scope of services. It states that the contractor shall provide camera and equipment repair, replacement and installation as described in Exhibit A. And so Exhibit A, again, is on page 19. I think that based on the discussion, this is going to be one of our components or part of the system that's going to be ongoing. It's going to be in flux. I think staff heard that we're concerned about the length of storage, access to that data, the need to update that data on a regular, consistent basis. So I think that to me says that we want to be pro-active, but to be pro-active we also need to invest in those systems in a timely fashion and not be playing catch-up all the time. We're always behind the eight ball and

that's not a good place to be. So I think that staff has had some good direction. Discussion has been good. I'll make a motion to approve and hope for a second and future discussion.

MS. FORT: Second.

CHAIR STEFANICS: Okay, there's a motion and a second. Further discussion on this item?

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

10. Request for Approval of a Budget Adjustment Request to the Current FY2015/2016 Operating Budget to Move Funds in Several Line Items within the Materials & Supplies Category for \$103,050

MS. ROMERO: Madame Chair, members of the Board, the Buckman Direct Diversion prepares monthly budget projections which are used to evaluate current and future spending. These projections assist in determining our financial needs by budgeted line item and major category. Per the current BDD working capital and billing policy, this policy required Board approval for any budget adjustments exceeding \$50,000 within a budgeted category.

In our materials and supplies category we have several line items that are projected to be expended in different line items than we had originally budgeted. This is just due to internal classification of expenditures. So for example, we have the repair and maintenance of system equipment that's a typically very big line item and we want to move \$103,000 down to equipment and machinery for \$13,000, equipment and machinery – capital, for \$36,000. This was for the purchase of some chemical pumps. We also want to move about \$36,000 to the line item system equipment. This again is going to cover some of the costs to the security system and then \$17,000 to data processing, and this is to purchase a new server.

Is there any questions?

COUNCILOR DOMINGUEZ: That was one of my questions with the data processing.

MS. ROMERO: We do intend to purchase a new server that's going to cost about \$17,000.

CHAIR STEFANICS: Councilor Maestas.

COUNCILOR MAESTAS: Thank you. Mackie, the equipment and machinery, both line items, what were those for?

MS. ROMERO: We just purchased, we're about to purchase some chemical pumps and some of those chemical pumps exceeded the \$5,000 thresholds. That's why you see there's a capital line item, and then just the regular equipment and machinery line item for the rest of the pumps that did not exceed the \$5,000 threshold.

COUNCILOR MAESTAS: So none of these expenditures were associated with any of the repairs that have been made?

MS. ROMERO: No. That is correct.

COUNCILOR MAESTAS: That's all I had. Thank you.

CHAIR STEFANICS: Other questions, comments?

CHAIRMAN CHAVEZ: Madame Chair.

CHAIR STEFANICS: Yes.

CHAIRMAN CHAVEZ: If it's okay I'll go ahead and move for approval on this item as well, a budget adjustment request for the \$103,050.

COUNCILOR DOMINGUEZ: Second.

CHAIR STEFANICS: Okay, there's a motion and a second. Any further discussion?

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

11. Request for Funding for the Design to Replace the Raw Water Pumps and Air Burst System

a. Request for Approval to Budget \$51,807 from the BDD Major Repair and Replacement Fund to Hire a Consultant for the Design to Replace Four Raw Water Pumps and Air Burst Piping

CHAIRMAN CHAVEZ: Madame Chair, I'm confused on the dollar amount. Where do you get the dollar amount?

CHAIR STEFANICS: If you look at the agenda, 11a has one amount; 11b has a different amount.

CHAIRMAN CHAVEZ: Got it.

CHAIR STEFANICS: Mr. Vokes are you going to explain these?

MR. VOKES: Yes. Madame Chair, members of the Board, I'd like to start. This item is related to the approval that was given during the November 5, 2015 Board meeting for the purchase of four raw water pumps. BDD staff has been in conversation with our third party engineer Deere and Ault about the best solutions for replacing these pumps. We've also been meeting with City support staff on how to go about the procurement for the engineering services contract for these pumps.

Included in this is an additional item which is the repair to the air burst piping. As you hopefully remember, last year when we put up the cofferdam and we inspected the diversion facility we found pretty much last minute that several of the pipes that carry the air for the back-washing of the screens had holes in them. So we've asked Deere and Ault for a design contract to address both of these items. As a reminder, the replacement of the four pumps is a critical need. The lead time on building the pumps, once we get the design contract in, once the design is done, then we'll have to go out for a request for bids for those pumps. Once that happens then we'll seek the Board approval. You've already approved the \$500,000 but I want to make sure that everybody's on board with the pumps that we've selected.

And then the building of those pumps can take anywhere from six to eight months. So best case scenario, if we receive the approval for the engineering contract I believe that we would have the pumps sometime in September or October. The four existing pumps that we're running on – two at 1A, two at 2A – those pumps have been subject to the same wear and tear as the four pumps that we are replacing. So this is a critical need to continue to operate the plant. If Mackie would want to add any additional financial information.

MS. ROMERO: Madame Chair, members of the Board, I did just want to go ahead and explain the dollar amount difference. So we are requesting \$51,807. This

includes gross receipts tax for budgeting purposes, and as you know, the professional service contract is written exclusive of New Mexico gross receipts tax, so that is the difference.

This funding is available in our major repair and replacement fund and our policy does allow for any asset replacement of an asset resulting in services, supplies or parts exceeding \$20,000. So we feel this expenditure does meet the criteria established in this policy.

CHAIR STEFANICS: Okay, so Board members, we really have two topics here. One is the financial and one is the operational needs. So are there any questions or discussion regarding this? Councilor Maestas.

COUNCILOR MAESTAS: Thank you, Madame Chair. Mackie, what is the cost share for these items? It's under the shared facilities, correct? But what's the percentage?

MS. ROMERO: Councilor Maestas, you are correct. It is shared facilities and I believe it's City: 62.09 percent, the County is 25.6 percent and Las Campanas entities would share a 12.31 percent.

COUNCILOR MAESTAS: Okay, and that cost share is the same cost share that will apply to the purchase of the pumps that we approved last year, right?

MS. ROMERO: That is correct, Councilor.

COUNCILOR MAESTAS: I just want to state for the record that many of these expenditures are extraordinary expenditures and certainly don't represent, I think, normal wear and tear that would I think apply to the shared facilities cost share. And so I think everyone knows where we're at with regard to this but I do want to state for the record that at some point we're going to have to address cost allocation or cost recovery. It depends on which way this goes but I believe the City's position is that this is a critical need. We need to go forward. We can't afford to have pumps fail and leave the system vulnerable and possible get into a position where we can't pump any raw water. So we definitely don't want that, but I do want to make sure that we approve this with a condition that we go back and reconcile these costs and the sharing of these costs because of the extraordinary nature of some of these premature failures and this is a significant amount of money. The pumps are a half million. This, not so much but I just think that that needs to be understood.

MS. ROMERO: Thank you, Councilor, and you are correct. Any costs that have to do with these we have designated a special cost code, as we do do cost coding for our expenditures so we'll be able to – that's been identified in the budget and we'll be able to pull up all those costs for future discussion and possible recovery.

CHAIR STEFANICS: Thank you. Board member Fort.

MS. FORT: Could you – I'm rusty on the state procurement code, so this particular contractor, did we use an RFP and if not, why not?

MS. ROMERO: Madame Chair, members of the Board, per our procurement code this would be small purchase professional services, under \$50,000. That's the threshold.

MS. FORT: Madame Chair, has there been discussion by Board members – reading something for \$49,000 – at DFA we would have looked at that with some questions if it's just below the RFP. Do we have processes or have policies with respect to RFPs?

CHAIR STEFANICS: Thank you for the question but perhaps because we deal with so many things at the City and the County, the County has not taken anything except \$50,000 and over. I can't speak for the City, to see if you do scrutinize under the \$50,000. Can you identify some of the things here that we might have scrutinized under.

MS. LONG: We do – the City as the procurement officer, the City is the manager for the project access, project manager, and so the City procurement officer would be scrutinizing and advising on all procurements.

MS. FORT: Madame Chair, I guess the question I'd have – perhaps this is a question for management on this. Do we have a long-standing relationship with this firm? Do we have lots of – and I'm really trying to get oriented I think in terms of how we handle engineering questions of this sort. I understand it would have to be through a consultant, not through a staff person but just give me some idea if you would of how procurement did proceed.

CHAIR STEFANICS: Mr. Vokes.

MR. VOKES: Madame Chair, members of the Board, we do have a relationship with Deere and Ault. We had hired them as a third party engineering firm to advise us during the diversion repairs. They are very familiar with the system and when we asked them to look at the raw water pump replacement they were already up to speed on that. And so we felt like if we could we would use them. Again, Mackie and I went and met with the City's procurement officer and discussed the policies and procedures that we would need to do for this particular contract.

We are also looking at future contracts related to the raw water system and I believe we've been advised that most likely, those would be let out for bid. But this particular one fell under the policies and we were advised that we could forward with using this firm.

CHAIR STEFANICS: Thank you. Commissioner Chavez, did you have a question or comment?

CHAIRMAN CHAVEZ: No, I think I was still kind of struggling with the math but I think I'm following it now, and if you look on page 3 under action requested we have a list of the business unit line item descriptions and the categories and the dollar amounts assigned to each of those line items, so that pretty much explains it. And that's also referenced in the PSA I believe. Right, Mackie? The scope of services is part of –

MS. ROMERO: That is correct, and you do see the gross receipts tax in that.

CHAIRMAN CHAVEZ: Right.

CHAIR STEFANICS: Thank you. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Madame Chair. Just real quick, Charles, so part of this is a design, right?

MR. VOKES: Correct.

COUNCILOR DOMINGUEZ: And then a build?

MR. VOKES: The engineering firm will be making recommendations as to what the pumps should look like that we will be replacing and additionally, what the design of the piping system would be. Again, we spent a lot of time in the diversion looking at those issues.

COUNCILOR DOMINGUEZ: So do we know – because we don't really know what the result is going to be of that recommendation, do we have a good idea of what the costs are going to be for the actual, I guess construction of it.

MR. VOKES: The cost of the pumps again, with Mr. Eldridge's knowledge of the system – he was the one that recommended the \$500,000 that the Board approved. The cost of the repairs of the piping, I believe that staff is quite capable of putting that system together. We are essentially just taking metal pipes and putting them together. Part of the plan, the design of that is such that if we do get any holes in the pipe they are easily removable and replaced by staff. And so currently that's the plan, is we would use staff to put that piping system together so we would simply be paying for the materials rather than the labor on that.

COUNCILOR DOMINGUEZ: So I guess I just want to make sure for the record, Madame Chair, that when staff has done their diligence and they are utilizing their expertise to come up with some of these figures and that after it's all said and done it's not going to be such a fancy design and build that we're going to have to then recalibrate, recharge, rework everything that we thought we had in place so far. Everything that we thought we were going to be able to do we're not going to be able to do it now because the design is so fancy or so complicated.

MR. VOKES: Councilor, one of the things we're looking at that we've discussed with Mr. Eldridge just in conversation is what are the things that have failed in the pump systems and how can we improve that, knowing what we know now. So that will be part of his design. We've discussed using different types of lubrication systems, for example, rather than using the raw water that has the sediment in it, can we use a food-grade oil or can we use a grease in the design of the new pumps to improve the life of the pumps. So that will be part of it.

I am a very big fan of the KISS approach, which is keep it as simple as possible and make sure that staff can maintain whatever we build. That applies to the air burst system where we're designing it such that if there is a failure it's easy for us to go in there and remove a simple pipe. The current air burst system is actually embedded in the frame, so in order to repair that we would have to tear the frame apart and rebuild it, per se. The new system, I will ask that the design be such that it is easy for us to maintain. So both the pumps and the air burst system, that's the goal is that they will last a lot longer than what we have and that they will be easily maintained.

CHAIR STEFANICS: Thank you. Any other questions or comments? Is there a motion?

MS. FORT: Move approval of item a. We're doing it separately?

CHAIR STEFANICS: Yes. We're only doing 11a.

CHAIRMAN CHAVEZ: Second.

CHAIR STEFANICS: There's a motion to approve 11a and a second. Further discussion?

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

COUNCILOR MAESTAS: Just consistent with my earlier remarks that we reconcile the costs when we get to wherever we're going to go. I'm voting yes.

11. b. Request for Approval of a Professional Services Agreement between the Buckman Direct Diversion Board and Deere and Ault Consultants, Inc. for the Amount of \$49,340 Exclusive of NMGRT for the Design of Four Raw Water Pumps and Air Burst Piping

MS. ROMERO: Madame Chair, members of the Board, again, this is just the request for an approval to enter into a professional service agreement with Deere and Ault Consultants. As Mr. Vokes described, there is the scope of work. This is to provide the design and the technical for the four raw water pumps and the air burst screening system. And again, this will be what the funding is for. If there's any questions?

CHAIRMAN CHAVEZ: Madame Chair, I'll make a motion for approval, hope for a second and further discussion.

MS. FORT: Second.

CHAIR STEFANICS: Okay. There is a motion and a second. Further discussion? Councilor Dominguez.

COUNCILOR DOMINGUEZ: Madame Chair, I guess the same principles that Councilor Maestas talked about would be consistent with this as well. And so I just want to make sure that we get that as part of the record if you want to even include it as friendly to the motion, just to make sure that that is clarified.

CHAIR STEFANICS: Thank you. I think we're going to discuss that a little later in the meeting today too. Anything else?

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

INFORMATIONAL ITEM

12. Presentation on the Report: Storm Water Quality Monitoring of the Rio Grande at the Buckman Direct Diversion, 2011-2014

CHAIR STEFANICS: We have Ms. Daniella Bowman, and Mr. Vokes do you want to introduce the presenter please?

MR. VOKES: Certainly. Madame Chair, members of the Board, Daniella Bowman is our regulatory compliance manager. She has dedicated great effort and energy to compiling the data that's collected by our MOUs – memos of understanding – with Los Alamos National Laboratory. She also included data from the Environment Department and other sources in this. So I will allow Ms. Bowman the floor now. Thank you.

CHAIR STEFANICS: Okay, and so the way we're going to proceed with this presentation is Board members and the public, you can see it up on the screen. It's also behind your tab 12 in your book. We'll have Ms. Bowman present, and then if a representative from Los Alamos National Labs wishes to provide any comments before we go to the Board questions and discussion we'll go to that as well. So please go ahead. And welcome.

DANIELLA BOWMAN (Regulatory Compliance Manager): Thank you. Madame Chair, members of the Board, we are presenting to you today the Storm Water Quality Monitoring of the Rio Grande at Buckman Direct Diversion. This is a four-year

report pursuant to the 2010 memorandum of understanding. I would like to start by underlining for you the word storm water. When we refer to storm water flow we mean turbulent conditions which are not the normal ambient conditions of the river flow. Such storm flows are short-lived and the impacts of those flows are short-lived as well. The turbulent flow conditions occur during storm events in the areas and down gradient from the areas where the river flows. Under those stormy conditions the runoff from the surface ends up in the river with sediments and surface contaminants being picked up along the way. Such flow will also pick up sediments from the bottom of the riverbed as the water travels downstream. Most of the time the river is not under those turbulent conditions but it is under ambient base flow conditions with least amount of suspended solids in the flow.

For your convenience this slide lists abbreviations used in the presentation in case you need to refer to those.

The memorandum of understanding between the BDD Board and the DOE/Los Alamos National Laboratory was signed in May of 2010. The implementation of the MOU began during the season of 2011 when BDD operations started so only four seasons were monitored under the first MOU. We will refer to this original MOU as the 2010 MOU. A new and revised MOU was signed in 2015 and we will refer to that MOU as the 2015 MOU. The 2015 MOU provides monitoring for three seasons. The programs of the 2010 MOU are the early notification system, or the ENS for short; storm water quality sampling of the Rio Grande at BDD; and the contaminant fate assessment or CFA. Many times we'll refer to it as just CFA.

The early notification system is one of the programs of the MOU. The ENS is a prevention program that was put in place in 2011 and it was funded jointly by the Board and DOE. The ENS is a prevention system that is placed in action only when there are surface water flows in the Los Alamos Canyon. Los Alamos Canyon is a major canyon on the Pajarito Plateau where Los Alamos National Lab is located. It has two main tributaries – the Guaje Canyon and Pueblo Canyon. During normal, everyday conditions, the Los Alamos Canyon is dry. However, during stormy rain events the Los Alamos Canyon or its tributaries may flow and those flows will enter the Rio Grande below the Otowi Bridge.

This is Otowi Bridge, I wanted to point out for everybody. This is Otowi Bridge, this is Los Alamos Canyon. This is Pueblo Canyon, one of the main tributaries, and this is Guaje Canyon.

If the Los Alamos Canyon flows carry any LANL legacy contaminants with them then there's a potential that those contaminants enter the Rio Grande and reach the BDD. Therefore when there's a flow in the Los Alamos Canyon greater than five cubic feet per second the BDD will stop diverting raw water into the treatment system.

How do we know that there are flows in Los Alamos Canyon? The flows in the Los Alamos Canyon were monitored by Los Alamos National Lab gauge stations E50, E60, and E109.9. Here are the stations. This is 50, it sits in the middle of Los Alamos Canyon. 60, it sits in Pueblo Canyon, and 109.9, it used to be installed here in the lower Los Alamos Canyon. Three Los Alamos National Lab gauge stations participated in a 2010 MOU until September 2013 when gauge station 109.9 was buried by sediments as a result of major flood. Even though this gauge station was a part of the 2010 MOU LANL made the decision not to restore this gauge station for the season of 2014. For the first

three years gauge station 109.9 was the trigger for the BDD to stop diverting raw water, but in 2014 the trigger became gauge stations 50 and 60 which on average flow only 30 percent of the time of lower LA Canyon.

The second program of the MOU is the storm water quality sampling program. The BDD storm water quality sampling is a monitoring program. As such, the program samples storm water and sometimes samples base flow as well. Remember, base flow was when the river flows under normal conditions. The objective of the program was to document what contaminants may occur in the Rio Grande during storm conditions, at what concentrations those contaminants may be present, and what may be the potential sources of those contaminants. Sampling of the Rio Grande at BDD under the MOU has been conducted since 2011, however, the New Mexico Environment Department Oversight Bureau has conducted sampling at BDD since 2008.

The program has been funded by DOE under the original MOU, 2010. Under the current MOU, the program is funded by the DOE and the Board. The program not only samples but also analyzes the sample water for certain constituents. These constituents include suspended sediments, radionuclides, metals and other contaminants. The organics include PCBs, dioxins and [inaudible]

Storm water quality sampling results: The results from the storm water quality program confirm that contaminants from Los Alamos Canyon Watershed enter the Rio Grande during and shortly after storm events in the Los Alamos Canyon. Those contaminants were detected in the river at the BDD intake. The results also confirmed that the results also confirmed that the results concentrations at BDD occur at much lower concentrations than the occurrence in Los Alamos Canyon Watershed, which indicates that dilution by the Rio Grande lowers those contaminant concentrations, which is an expected result.

The program also confirmed that higher flows in Los Alamos Canyon transport more contaminants to the Rio Grande and at higher concentrations. The program found that forest fires can have a significant impact and influence on the contaminants transported from the Los Alamos Canyon. Forest fires may change the properties of the watershed and more contaminants may be released from that canyon and at higher concentrations.

The MOU programs have been a learning process. As the data has been collected and reviewed we have gained a better understanding of the transport processes. The conclusion from the four years of monitoring under the 2010 MOU is that the program needs additional information in order to understand better the transport of contaminants from the Los Alamos Canyon and that the program needs better monitoring systems set up.

Examples of improvements to the program are: There is a need for a gauge station in the lower Los Alamos Canyon similar to Los Alamos National Lab gauge station #109.9 and as close to the Rio Grande as possible. Such a gauge station would measure the discharges in that canyon. There's also a need to sample the storm flows at the lower Los Alamos Canyon. The sampling equipment may be part of the gauge station recommended in the first bullet.

There is also a need for an in situ and continuous measurements of the water quality parameters at the BDD location. We are looking into how to make this possible.

Analytical results from the monitoring: The storm water was monitored for radionuclides, metals and organic as we mentioned earlier. The results again were compared to background levels into the New Mexico Water Quality Control Commission standards for surface water. What are background levels? Background levels are levels that are normally found in a specific area. It could be soil, surface water, groundwater and so on. Background levels could be coming from natural occurring sources or even from man-made sources. We calculated, or should I say recalculated some Rio Grande sediment background levels as part of this study. Radionuclides background levels are usually from naturally occurring sources which in New Mexico are definitely uranium and radium, and from worldwide nuclear weapons testing – definitely plutonium, some cesium 137 and a few others.

The metals background levels are usually from normally occurring sources in rocks and soils, and we even have some background levels for organics, specifically PCBs and they come from man-made contaminants. Those background levels were calculated and proposed by Los Alamos National Lab and our results were compared to those levels for organics.

The study found that the concentrations of contaminants in the Rio Grande storm water collected at BDD have exceeded background levels. Also, our results show that the concentration of contaminants exceeded some New Mexico Water Quality Control Commission standards. Our study found that the potential source of radionuclides was predominantly Los Alamos Canyon Watershed, and that the sources of metals and organics were both Los Alamos Canyon Watershed and the Rio Grande Watershed as well.

The contaminant fate assessment is the third program in the MOU. Unfortunately the results from the 2010 MOU CFA were inconclusive. That was due in part of the sampling analysis plan. So we improved the sampling analysis plan and we are currently implementing it under the 2015 MOU. The Board financed this improved sampling plan 100 percent. That improved sampling plan will be conducted over the next three years.

2010 MOU successes: BDD staff placed large effort on meeting the MOU conditions. We purchased part of the sampling equipment. We ran part of the sampling activities and maintained equipment in working order. The plan ceased diversion during storm events exceeding flows of five cfs in Los Alamos Canyon. We also produced the MOU report which is a very extensive study of the data that we collected under the BDD 2010 MOU and also the data that New Mexico Environment Department has collected at the BDD.

The DOE contribution was also quite extensive. DOE provided part of the equipment for the sampling effort, mainly for the first three years they provided 100 percent of the equipment. They uploaded the analytical data to Intellus database, which is accessible and available on public website, and they fully funded 25 sampling events.

2010 MOU shortcomings: The BDD sampling plan for the contaminant fate assessment was not executed successfully. An improved study is underway. Under Los Alamos recommendation BDD sampled only two or three storm events in 2012 and 2013. We did not generate sufficient data for analysis. BDD improved the sampling plan in 2014. LANL restricted the sampling budget in 2014 which forced BDD to restrict its sampling efforts as well. BDD discovered that a contract laboratory for Los Alamos National Laboratory had filtered all BDD samples for radionuclides in 2014, resulting in

no representative storm water data for 2014 at the BDD. LANL has not reached an agreement with San Ildefonso to restore gauge station E109.9 after September 2013, which has proven to be the main indicator of Los Alamos Canyon flows to the Rio Grande.

The BDD staff has a few recommendations in order to improve the monitoring program. The BDD would like to see Los Alamos National Lab participate in restoring station 109.9 or build a similar gauge station in lower Los Alamos Canyon so that BDD can monitor all flows from that canyon going into the Rio Grande. The BDD would like to see Los Alamos National Lab finance a minimum of three additional monitoring seasons as part of the 2015 MOU in order to obtain additional data due to insufficient or deficient data obtained during the years of 2012 through 2014.

BDD intends to work with USGS to establish an in situ and real time water quality equipment to improve monitoring of turbidity and sediments through a cooperative agreement with the USGS. Funding will be needed in order to plan such cooperative agreement, so we want to bring this issue up now in front of the Board.

This is the end of the presentation. If you have any questions I can address those.

CHAIR STEFANICS: Okay, so before we go to questions to you, is there anybody from Los Alamos National Lab who'd like to come up and make a few comments? Yes.

RICK ULIBARRI: My name is Rick Ulibarri, Los Alamos National Lab, Government Relations. I'm not a technical witness. This is an unexpected pleasure, opportunity. Let me give you my thoughts.

CHAIR STEFANICS: Sure. Number one, we're happy to have you as a partner, so thank you for coming today.

MR. ULIBARRI: Actually, I've had a long history with Board iterations. I have a working man's perspective in terms of the history and some interactions with current Board members and previous Board members, but I'm not a technical person so I'm not going to comment on the report itself. What I will say is my strong impression is the DOE is the primary owner of the MOU; it's not the laboratory. Okay? So that's one thing. So in terms of the relationships, in terms of recommendations, it's DOE's arena to respond accordingly; it's not the laboratory. The laboratory as a whole has the strong technical capability. We work alongside with DOE and we provide that input. But the primary relationship is with DOE itself.

So what I would recommend, two possible courses of actions that you may want to do both of them is to have our technical response, the collective technical response, at a future board meeting so that we can get a full breadth of the expertise that's available and have it in a more meaningful presentation than something ad hoc by myself.

The second thing I would offer up is to have the Board members come up to the laboratory and visit the laboratory and do the tour of the laboratory itself so you can see for yourself the infrastructure that has been developed for storm water monitoring. I know that we've had Councilor Maestas up there in the past. We've had a number of previous Board members that have come up. We'd be happy to host you at your convenience there individually or collectively. And I think that when you visit the laboratory especially, you're going to see the rationale that we have for the monitoring configurations. You're going to be able to ask questions of our experts in terms of why we had certain sampling plan recommendations and we can go into greater discussions in

terms of why there isn't a gauge station at E109.9. We've actually had that as discussions here in front of the Board within the last couple of years I believe. I think there was even an attempt by this Board to have conversations directly with San I because we had stepped away from that. So I think there's a history there of working together and trying to work that item out and I think we had an agreement of some sort that we would not have E109 come back on board. But again, I am a working man's representative here tonight.

So with your permission I will take the message back from the Board to DOE, to EM, that you would like to see a representative here next month and a presentation.

CHAIR STEFANICS: I think we would like to invite a representative but I don't know if it will be next month, so we'll hold off on the exact timing of that. But let's go to – if you would stay there we'll go to comments and questions. But first I'd like to let people know that the 247-page report is on line and if anybody would like to see all of the data –

[Speaking from the audience Bernardine Padilla said the information would be on the website the following day.]

CHAIR STEFANICS: Okay, so as of tomorrow. We're not actually – I don't believe we're approving this report. We're just having the presentation. So as of tomorrow this report will be online with quite extensive data available throughout. And I'll pass it around for Board members to just look at and we can always make you a copy if you want, for the Board members. So, questions, comments? We'll start here with Councilor Maestas, and then we'll just go right around.

COUNCILOR MAESTAS: Thank you for the presentation. But E109.9, that was washed out, right? In a flood event? But I think when we made an attempt to re-establish that gauge, because I agree with that recommendation. I really feel that we should re-establish 109.9 in that location or very close to it. It's just right before the confluence of Los Alamos Canyon and the main stem. And at the time it was washed out I believe attempts were made prior to my tenure on the Board to re-establish it and I think the Pueblo of San I basically said no. And I think this was more of a staff exercise and they approached the pueblo and the pueblo said, well, you have to pay a \$25,000 realty application just to even initiate a conversation about re-establishing it on San I property and I think at that time we intervened. I was Chair at the time and Commissioner Stefanics was Vice Chair and we engage in direct discussions with the Pueblo of San I and we were successful in crafting an MOU.

So we have – and we avoided the \$25,000 realty fee, so we do have an MOU in place between the Buckman Direct Diversion project and the Pueblo of San I and it's not that this would set any kind of a precedent. I believe the New Mexico Environment Department has another gauge there in that same location, or they used to.

MS. BOWMAN: Madame Chair, members of the Board, it's just a sampling equipment that samples flows. However, there is no measurement of discharge, and the purpose of the ENS and the sampling cannot be accomplished without we knowing when there are flows in the lower LA Canyon. Currently the triggers are very high up, and as I explained those triggers only flow 30 percent of the time. Historical data has shown that those triggers only flow 30 percent of the time. This means that 70 percent of the times we don't know when there's a flow in the lower LA Canyon and when flows are going into the Rio Grande.

COUNCILOR MAESTAS: So, Madame Chair, I guess just to end my point there is we definitely need to re-establish that. We need to see the cumulative effects of the storm water quality from Pueblo Canyon and Guaje Canyon so I think the sooner the better and I think we have a mechanism through this MOU with San I.

And then the last thing is data was an issue for me because when this system was in the planning stages there was a lot of concern about contamination, radionuclides getting into drinking water and so I think we need to really kind of step up our game in creating better access to the public of this data and make sure it's understandable. And somehow, in this – because I went through the data portal and it was not very user-friendly, and so I want to make sure that going forward that we do establish some kind of an online mechanism that's user-friendly so people can access the data and understand it, and not just understand it but if we can somehow – if we did have an event that triggered a cease in diversion I think it should be in there. We shouldn't just present data without informing members of the public that, well, we took action. This was a trigger per our protocol and it forced us to cease diversion.

So let's kind of paint the entire picture for people instead of having them to kind of figure it out, well, okay, this is the data but what happened as a result of this data. So I think we're making progress, but I want to make sure that we take those necessary steps and improve the accessibility to the public, make sure it's understandable and make sure that we inform them of what we did as a result of the data. Thank you for the presentation.

CHAIR STEFANICS: Thank you. Before I go right down for further questions and comments, I believe I was on the Board when we lost 109, so could we have staff look back at the minutes. It was after a very large storm surge and let's look at our discussion around that. Okay? Thank you. Councilor Dominguez, anything? Thank you. Commissioner Chavez.

CHAIRMAN CHAVEZ: Thank you, Commissioner Stefanics. Nothing, no questions, just comments. Thank you for the presentation. This project has not been easy from the beginning to implement or manage. I think this is one of the features that we're going to have to continue to track and improvements wherever we can find them is going to be critical. And so it's going to be ongoing. I don't think that this part will ever completely end. So just thank you for your presentation and for all the parties that are interested in this. Thank you.

CHAIR STEFANICS: Thank you. Ms. Fort, then we'll go to Mr. Helms.

MS. FORT: This might be where the citizen asks the questions that would be on the citizen's mind. If we learn that there are elevated levels of radionuclides that exceed the state water quality standards, which are relatively lenient on occasion, and I think actually really perhaps my initial questions would be addressed to Mr. Vokes because they're not simply about monitoring. But if we have learned on occasion that we've had exceedences in water quality standards in the source water, and I'm taking it we don't have continuous measurement of water quality parameters. Could you explain what our measurement for radionuclides consists of for the intake water, and then for the product itself? Perhaps this will reassure members of the public, perhaps not.

CHAIR STEFANICS: We've worked very hard to reassure the public.

MR. VOKES: I'd like to add two things and then I'll let Daniella address the question because she's the expert. One of the things I want the public and the Board

to understand is the other trigger that we have during a storm event is the actual turbidity of the river. And it always, if there's a storm event in Los Alamos it triggers a high turbidity and that also causes a plant shut-down and we do not bring the plant back online until the turbidity levels come down. So there's actually two monitoring systems, you could say.

The other thing I'd like to mention, and also to congratulate Ms. Bowman is one of the things that we've been working on is a radar station at 109.9 so that we can actually detect flow. We can't tell how much it is necessarily, but we have been successful in negotiating that with San Ildefonso as the BDD. We actually have a platform already built and sitting in our shop and it's a matter of us putting that out there, and then there will be a signal that comes to the BDD. So we have taken at least one step. We cannot re-install the actual flow monitoring system or the samplers out there. That's a huge expense and it's a huge effort and hopefully we can continue to work with DOE and LANL and re-establish that.

It is also our intention, Councilor Maestas, that these reports start happening annually, and the goal of the reports is for us to provide a summary that is understandable by the public so that they get the picture, this is what's happening. And then if they have the expertise then they can certainly look at the data and we'll have that online. And if you would answer Ms. Fort's question.

MS. BOWMAN: Madame Chair, members of the Board, when it comes to radionuclides, actually the New Mexico Environment Department, the WQCC, does not have standards except for gross alpha. However, gross alpha usually attaches to solid particles. And our system removes a very large percent, 99 maybe. We don't know yet, but a very large percent of the solids are removed. Therefore we expect that the gross – that will not – in exceedences in the source will not compromise the quality of the drinking water. However, as Mr. Vokes indicated, there are two kinds of storm events that happen. You have the river storm events and you have the Los Alamos Canyon storm events. Many times they coincide, so the turbidity starts rising, which means the solid particles content starts rising and we shut off sometimes before even the storm comes to the BDD. But there are occasions when the storm will be localized over Los Alamos Canyon but the river will not have a storm event or vice versa. You may have an event in the river, a storm event, and turbidity will increase, but you do not have a storm event in Los Alamos Canyon. So there's all kinds of scenarios out there.

So the system is very complicated and I apologize. That's why the report is very complicated. It's very hard to write a summary or present data in an easy for the public to understand unless there are presentations like this one or maybe discussion sessions or something like that.

MS. FORT: Madame Chair, so a follow-up question on the radionuclide testing. You do test for gross alpha on occasion in the intake water and then in the product?

MS. BOWMAN: The intake is not monitored but the drinking water is monitored once every three years by the New Mexico Environment Department. However, the BDD has tested three times more the water for the first four years. Now we've tested it twice throughout the year. So we have voluntary monitoring in addition to what the New Mexico Environment Department tests and what is mandatory.

MS. FORT: And is there any discernible levels, Madame Chair, any discernible gross alpha in the produced water?

MS. BOWMAN: No. The levels are more than 90 percent lower than what we see or what might come in. The MCL, the maximum contaminants level. I'm sorry. They're very low. Now, those results are posted in the CCR, that is the report that needs to be published by each water treatment facility, and they are posted on our website throughout the years.

MS. FORT: And Madame Chair, a question with respect to the monitoring, is it not precipitation we'd be – I'm surprised using cfs and using turbidity in the river itself. Couldn't we measure precipitation in the affected canyons? Or is there no mechanism?

MS. BOWMAN: Madame Chair, members of the Board, not all precipitation will cause flow, because if it's at the beginning of the season it will be absorbed right in the canyon bottom, so to speak, by the sediment. So it's always different. Sometimes small amount of precipitation will make the canyons flow and sometimes it needs two or three days of rain in order for the flow to appear in the Los Alamos Canyon, for example. For the river it's all different as well. It will depend on how the storm goes. It's usually from south to north and when it arrives at the BDD it will be different. Every storm is unique.

MS. FORT: Thank you, Madame Chair. And the MOUs to which you've referred, was the 2010 superseded by the 2015 or was that –

MS. BOWMAN: Yes. I believe so.

MR. ULIBARRI: Madame Chair, I kind of believe it expired. It was for five years.

MS. FORT: It expired. Thank you.

CHAIR STEFANICS: Thank you. Mr. Helms.

MR. HELMS: I have one question. From the point of view of a water-drinking resident of Santa Fe what percent of the harmful pollutants come from the Los Alamos Canyon and what from the Rio Grande itself above the confluence?

MS. BOWMAN: Madame Chair, members of the Board, it's very hard to quantify, because this report is on storm water. We usually will not divert water during storm events. Usually that will not happen.

MR. HELMS: Do you have any sense, though of the – how much that we're worrying about is from Los Alamos and how much is just there anyway because we have a big river?

MS. BOWMAN: We need a lot more data in order to make any kind of – in order to quantify that. That is why one of the recommendations is that we need to continue this monitoring. Only with the 2015 three season monitoring range we will not be able to collect such data.

MR. HELMS: Thank you.

CHAIR STEFANICS: Before I go to further questions and comments, could you share with the Board and the public your background to become our regulatory compliance officer?

MS. BOWMAN: Madame Chair, members of the Board, when I was hired I believe the Board meeting was canceled. I was prepared to introduce myself but that did not happen. I have two master degrees in physics. However, I was not able to do research

in physics. Instead, I worked with the Environment Department for about nine years. I worked under the RECRA, environmental law, in the radiation protection regulations. I was a state inspector, licensing specialist and so on.

I also worked with New Mexico Homeland Security Emergency Management and I enforce the EPRA, that's the Emergency Preparedness and Right to Know Act and other environmental law. Most of the times it's emergency preparedness too as well. So I have a total of – I had a total of 11 years of environmental compliance experience when I was hired with BDD. I thought I was very fortunate to get this job. It introduced me to other environmental laws, including the NPDES, the Clean Water Act, because BDD has NPDES permit.

So with this particularly voluntary program I've learned so much about surface water. My previous experience with RECRA and hazardous waste was remediation of soils and groundwater. But this project has given me unique opportunity to familiarize myself with surface water standards and what you do, how you monitor. I get an understanding of the hydrological parameters of the river, so I still feel very fortunate to be working at BDD.

CHAIR STEFANICS: Thank you for that explanation. Other questions, comments? Thank you very much, Ms. Bowman and Mr. Vokes for putting this together and also, Mr. Ulibarri for coming and participating. We will discuss timing of a request for technical discussion because we're in the midst of some budget issues that might take a little time for us to get through. So that's what I'm saying, it might not be the next meeting. But thank you very much, everybody for being here today and for the report. So I'm going to pass this report over to Ms. Fort and maybe Mr. Helms can have that other report if they wish. Board members, we have it online and we can always have our staff print it for us if we want it.

DISCUSSION AND ACTION

13. Request for Approval of FY 2016/2017 Cost Allocation Methodology of Fixed and Variable Costs **POSTPONED**
14. **Request for Approval and for BDDB Recommendation to the Santa Fe County Board of County Commissioners and City of Santa Fe's City Council to approve the FY 2016/2017 Buckman Direct Diversion Operating Budget and Other Fund Contributions**
 - a. **Presentation of the Proposed FY 2016/2017 BDD Operating and Maintenance Budget**

CHAIR STEFANICS: This is a presentation and discussion but no action. Ms. Mackie Romero. And it's about the 2016/2017 BDD operating and maintenance budget.

MS. ROMERO: Madame Chair, yes, there will be a presentation. The actual slides aren't in your books. It's a little bit more detailed in here.

CHAIR STEFANICS: Okay, so before you start, I want to plant an idea in the Board's mind, and we can discuss this later, but we have quite a few decisions to make and we're not making any decisions today about the budget, but my recommendation is that perhaps we have a special budget meeting of the Board and invite the staff from all four entities – the BDD to participate, the City, the County and Las

Campanas so that there can be a full discussion but with the Board present we also – if we notice it, we could also take action. So I'm going to plant that idea for us to discuss later on in the meeting, since we're not going to get to any decision making today. So, Mackie, please go ahead.

MS. ROMERO: Thank you, Madame Chair. Madame Chair, members of the Board, BDD is pleased to present to you our proposed annual operating and maintenance budget. I have provided a few slides that summarize some of the detail that's in your packet. This proposal is our financial plan for all necessary costs to meet the BDD's service level objectives and to provide high quality water to our partners – the City of Santa Fe, Santa Fe County, and Las Campanas entities.

First I would like to note our proposed budget is \$47,692 less than our current adopted budget with a request of \$6,788,308. This does not include our fiscal agent fee. We are in our sixth year of operations and this was a prime consideration in our analysis of costs to sustain our level of operations established by BDD. This request includes funding from our solar rebate program and federal funds from our BDD sampling program. In addition to operations, we are requesting \$267,692 to have funds available to cover our fiscal agent fee, which was increased from one percent to four percent. This increase was approved by the BDD Board in 2014.

As per our current major repair and replacement policy we will continue to seek our yearly allotment of \$411,812 to our major repair and replacement fund. The emergency reserve fund shall be fully replenished in our current fiscal year and therefore requires no additional funding. Our proposal also considered the need to continue to reduce the gap between actual expenditures and our requested budget amount as presented in our chart. If you have your packets you can also see page 3 of the budget and that also shows you our actual expenditures to budget.

Staff will continue to monitor its budget quarterly to ensure our objectives are progressing so that we spend the money that we are requesting. I have provided a summary sheet of expenditure. If you're looking in your packet it's page 4 and it's on the screen. The summary sheet or our expenditures includes our expenses by major category. This also includes prior year expense and budget data for reference. So I will stop here and see if there are any specific questions concerning any major categories from the Board members.

CHAIR STEFANICS: Board members, we're looking at the proposed budget by category.

MS. ROMERO: Yes. Page 4.

CHAIR STEFANICS: Are there any questions for Ms. Romero? Yes, Councilor Dominguez.

COUNCILOR DOMINGUEZ: Just very quickly, Madame Chair, the PNM solar rebates, what kind of history do we have on that?

MS. ROMERO: The PNM solar rebates, these are the solar rebates that get derived from the solar plant that's up at the water treatment plant.

COUNCILOR DOMINGUEZ: That started when, though?

MS. ROMERO: I believe that started in 2012. So we've been receiving revenue since then. In prior years the revenue was accounted for a little bit differently, whereas, for the past three years we've been bringing the revenue as a source to help

accommodate the expenses that we pay American Capital Energy, because we do not own that particular solar –

COUNCILOR DOMINGUEZ: And obviously we have – I guess what I'm asking is how much did we generate since it started?

MS. ROMERO: We had been generating – I guess -- four years. It's typically been about \$190,000 each year. We saw last year that it definitely dropped. You'll see it was only about \$116,000 came in. So that's why our projection kind of dropped also, down to about \$150,000.

COUNCILOR DOMINGUEZ: And then federal funds?

MS. ROMERO: The federal funds is the Department of Energy. This is the BDD sampling program grant that Daniella was talking about. It's part of the MOU. So now our expenditures, now those costs have shifted to BDD and so the expenditures for the sampling program have increased but we have a revenue source to cover those extra costs. And that's why it's included in the budget.

COUNCILOR DOMINGUEZ: And that's not necessarily recurring?

MS. ROMERO: I believe as part of the MOU it's for three years and it is set to expire in 2018.

COUNCILOR DOMINGUEZ: So we still have a couple years.

MS. ROMERO: Yes.

COUNCILOR DOMINGUEZ: That's it for now, Madame Chair.

CHAIR STEFANICS: Thank you. Other questions, comments, concerns?
Councilor Maestas.

COUNCILOR MAESTAS: Just a quick question. I brought this up in Fiscal Services, Mackie, but maybe just for the purposes of transparency, if you look at the last line item under expenditures, it's under the category of Other Operating Costs. It's like the third highest. Can you just maybe mention the primary expenditures that are included in other operating costs?

MS. ROMERO: Madame Chair, Councilor Maestas, yes. Costs in Other Operating Costs consist of professional service agreements, legal services, compliance, audit service, software subscriptions. It also includes our general liability department assessments, benefits assessments. We have employee training and tuition. So that's why that line item is the highest of the major categories.

COUNCILOR MAESTAS: Last thing is we still have about six vacancies, right? And then I guess we'll have seven with the new administrator. But we don't seem to be budgeting any kind of vacancy savings. So how do we reconcile that at the end of the year? I know we had a proposal to maybe use some vacancy savings for other purposes but does it make sense maybe to assume some kind of a vacancy in the budget instead assume that we're fully staffed? Or have you factored that into the personnel budget?

MS. ROMERO: Madame Chair, Councilor Maestas, you are correct and we did factor in some of the vacancy savings. So that's while you see there wasn't too much of an increase overall. For the new position we are requesting an additional FTE for the BDD fiscal administrator but we were able to budget in some of those vacant positions at a minimum range just to try and factor in that vacancy savings whereas before we were doing kind of more of a mid-range so our budget was reduced because of those vacancy savings. So that was a factor.

COUNCILOR MAESTAS: Thank you. That's all I had, Madame Chair.

MS. FORT: Just one question, Madame Chair. The fiscal agent fee, I'm not familiar with that for a governmental entity.

MS. ROMERO: Madame Chair, members of the Board, the fiscal agent fee is a fee that's part of our support entity agreement with the City of Santa Fe because they're our fiscal agent and provide fiscal support and other services. Our agreement was a one percent fee. We're about to negotiate a new agreement and that new agreement will include an increase to the four percent.

MS. FORT: Thank you.

CHAIR STEFANICS: And this Board determines every three years the support entity. We had a study group a year before the end of the agreement to determine whether or not the recommendation would be to move it away from the City to the County, or to envision an independent, quasi-governmental regional entity. And there was discussion and the Board at that time was not prepared to change. But that topic will come up again.

MS. ROMERO: So in closing or in summary, our fiscal year 16/17 budget proposal is for a total of \$7,056,000. This does include the fiscal agent fee, and \$411,812 for major repair and replacement fund. And that is the end of my presentation. Thank you.

CHAIR STEFANICS: Yes, Councilor Dominguez.

COUNCILOR DOMINGUEZ: Real quick, so when I look at this – well, first of all, thank you.

MS. ROMERO: Thank you.

COUNCILOR DOMINGUEZ: I think overall the Board at the BDD is in pretty good shape with regards to its budget. But I think there's a lot of questions that I certainly have that are kind of in all of this information and material. I don't necessarily want to get into them right now but I think that really just in my mind, Madame Chair, it justifies the need to have a study session. And so I would be in support of that. I know we're going to be changing the makeup of the Board here pretty soon. But irregardless, it is something I would advocate for, whether I'm a member of the Board or not. So I think it's good. I think it would be very useful, especially now that we have some of our citizen members on board. And of course the new makeup, it would be kind of beneficial to go through that and understand these a little bit better. Thank you, Madame Chair.

CHAIR STEFANICS: Thank you. Just to clarify, the Board changes leadership once a year from City to County or County to City. The Mayor also appoints the Board members from the City whereas the County self-selects itself at the beginning of the year. So the County Commissioners will not be changing for the year but it is possible that the Mayor will be appointing new Board members next week. This will be probably my last meeting unless we have a budget meeting before we elect the new members. But at the April meeting we elect a City member to be the Chair and a County member to be the Vice Chair.

So there are some changes that will occur or not occur, depending upon the appointments. And there's quite a bit that one learns in the year that they've been on and the County has the ability to be on for a few years and self-selecting, and the City sometimes does but not quite the same methodology.

Other questions about the budget for Ms. Mackie, before we go on to any further discussion about how to handle this. Yes.

COUNCILOR MAESTAS: Just a clarification. So the entity support contract, I know we just had to extend it but I don't remember if we extended it through the end of the fiscal year. It would make sense, right? To have it on a fiscal year basis. Can you clarify that, whether or not the extension coincides with this next fiscal year that relates to the budget?

MS. ROMERO: Madame Chair, Councilor Maestas, you are correct. We did extend it and so it does expire June 30, 2016. So the new agreement has yet to be drafted but it would be effective July 1, 2016, and that would include the four percent fiscal agent fee increase.

COUNCILOR MAESTAS: So my next question is what's the timeframe for developing a new support entity contract to make sure that we have a smooth budget transition.

MS. ROMERO: Madame Chair, Councilor Maestas, that is definitely management's next top priority is to get that agreement executed. We've definitely have had some discussion and some ideas and now it's just a matter of getting that executed before the end of the fiscal year.

COUNCILOR MAESTAS: Okay. Thank you.

CHAIR STEFANICS: Thank you. Commissioner Chavez.

CHAIRMAN CHAVEZ: Just back on the topic of a study session.

CHAIR STEFANICS: Could you hold that for Matters from the Board?

CHAIRMAN CHAVEZ: Sure.

CHAIR STEFANICS: Sorry. Because I'm going to go to Comments from the Public on the budget presentation.

- 14. b. Presentation of the Proposed FY 2016/2017 Fund Contributions **POSTPONED**
- c. Report from FSAC Meeting, March 1, 2016 **POSTPONED**
- d. **Public Comment**

CHAIR STEFANICS: I had indicated that we would maintain 14d. Is there anybody from the public that has any comments about the budget? Thank you. Then we'll move on. And thank you very much for your presentation.

- e. Request for Approval of the Proposed FT 2016/2017 Operating Budget and Other Fund Contributions and Recommendations to Approve by the County Commission and the City Council **POSTPONED**

MATTERS FROM THE PUBLIC

CHAIR STEFANICS: We are now onto general Matters from the Public. Is there any member from the public that would like to speak about any topic related to the BDD?

MATTERS FROM THE BOARD

CHAIR STEFANICS: Now we're on to Matters from the Board and it would be appropriate to take up that topic or anything else. So Commissioner Chavez.

CHAIRMAN CHAVEZ: Yes, just more clarification and may I'd like to flesh out your concept of a study session. I do agree with Councilor Dominguez. I think it's appropriate for a couple of reasons. The new citizen members, the citizens at large, the fact that the Board might change, the structure of the committee or the members might change. So I think timing on that is good. Are you proposing that we have both County staff, Finance staff and full complement of staff in attendance?

CHAIR STEFANICS: I am. My original idea, but this is certainly open to debate and discussion among the entire group, that oftentimes, if we discuss something and then go back to our entities, sometimes the communication flows evening and sometimes it doesn't. So if in fact we had Finance and Budget and Legal and Utilities or Water present from the four entities, then there could be a discussion about whether or not the budget could continue on in the iteration that's been proposed by Ms. Mackie Romero and whether or not the allocations could continue.

The allocations is what has been debated, not necessarily in terms of our ongoing budget but in terms of extra expenses. So that's another topic as well.

CHAIRMAN CHAVEZ: Well, I think that having everyone in the same room at the same time, and maybe – it may require more than one study session, and maybe this is something we need to think about doing on a more regular basis, especially if we're looking at retrofitting or upgrades that we're not real sure about. I think we have some idea on what we're looking at but it's not yet real clear. And so I think for those reasons I think this is good to do it now but not do it and then walk away from it. And so I would just encourage that we do it and maybe think about doing it on a regular basis. Thank you, Madame Chair.

CHAIR STEFANICS: Thank you. Councilor Maestas.

COUNCILOR MAESTAS: I think the idea of having a workshop would be great, especially for our newest members, but I think there's some real milestones that I would recommend we address prior to a workshop and I think this would primarily be a staff exercise and I think it's going to entail some kind of an amendment to the FOPA which is going to speak to the cost allocations and I think we've been talking about how are we going to reconcile some of these costs that we're dealing with today as a result of some of the extraordinary problems that we're experiencing, certainly not normal wear and tear.

And I think everyone is okay for now but I think we're approaching that time where we really need to address kind of cost allocation and reconciliation of previous decisions to make some of these extraordinary repairs. And then I think we need to agree in principle in the direction of Buckman, and I know that we have been considering certain litigation but I think that and other issues we need to make sure that we're all on the same page and agree in principle to proceed as it relates to this budget as well, and I know there are some elements or issues in the budget that are not yet resolved. And so I think Mackie, you said that we need that budget before the end of the fiscal year and I think the protocol is that if don't have a new budget then kind of the old budget, basically – is it by default? Can you just address that, what happens if we don't agree on a new budget, what budget do we have in place on July 1? I think that needs to be an item of

discussion, just at least to know what we're dealing with here. Can you just clarify what happens?

MS. ROMERO: Madame Chair, Councilor Maestas, yes, I believe – I can't remember what agreement – maybe Nancy can help me with what agreement states that if a budget is not approved by the Board then we are to fall back on the previous budget. So if you need to be refreshed on what those amounts are I can -

COUNCILOR MAESTAS: So I guess the reason why I bring that up is that's probably our drop-dead deadline to make a lot of these decisions that we've been speaking about and have the session as well. So it's between now – now is our present day marker and then maybe the deadline would be July 1, assuming that consensus on the proposed budget would be one of the objectives in this workshop. So I'm just trying to get a sense for kind of what milestones need to happen and then when – what would be our general aspirational deadline to get a lot of these things done.

CHAIR STEFANICS: So Board members, in response to Councilor Maestas, the budget that's being presented is really the operational budget. And it's not including some of the other issues that we've been discussing regarding major repair and replacement or possible litigation. It also does get into whether or not the FOPA wants to be renegotiated for cost allocations, but the budget itself, as Ms. Mackie indicated is actually less than the current one. Correct?

MS. ROMERO: That is correct.

CHAIR STEFANICS: So at some point, we, as the Buckman Board, will want to continue the operations in a responsible manner, but there will have to be some other discussions that occur with our staff and also our larger governmental bodies. And the issue is whether or not that can be timely to move this ahead. We're in March, and even though it's the beginning of March this Board only meets once a month. We could meet more often if necessary and we had some resolution from the governmental bodies, but there's really April, May and June, and June is really pushing it for Ms. Romero to do a lot of work.

MS. ROMERO: Madame Chair, not just for me but I believe our governing bodies who also take this budget and recommend it as part of their own internal budget so I do want to make sure that we are in consideration of those time frames, and I'm sure Carole Jaramillo could speak to that.

CHAIR STEFANICS: Okay, so we have Ms. Jaramillo from the County Finance. Do you want to make some comments?

CAROLE JARAMILLO (County Finance Director): Madame Chair, Commissioners and Councilors, members, I'm Carole Jaramillo from Santa Fe County Finance. I did want to mention that we are required to turn in an interim budget to DFA by June 1st and so those would be approved by our Board on a very short deadline, which would be on our May 31st meeting. So having the operating budget and any other budgets associated with the BDD lined up and kind of carved into stone by that day would be the better choice for us and for our planning for our budget going forward.

CHAIR STEFANICS: Okay. So, yes, Councilor Maestas.

COUNCILOR MAESTAS: My next issue is kind of the audit from last year. I know that the audit report basically mentioned or had a finding that there really was no agreed cost share for project-wide costs and I would hate to have that same audit finding occur again. So how can we address that and avoid another audit finding?

MS. ROMERO: Madame Chair, Councilor Maestas, my original idea was that we would get the cost accounting funding formula approved and that's why there was item #13. And so if we had, even if it was just a temporary approval for just the current budget year then that would accommodate – that would help resolve the finding because that is definitely a mechanism to ensure the auditors that all the partners, including the Board are in agreeance with the cost allocations that are being used as a part of the budget in the billing for that one fiscal year. And so that was the original thought behind item 13.

COUNCILOR MAESTAS: And just Madame Chair, I think I'll just reference back to initial discussion. I think we have another kind of area of costs that were unanticipated and it's the costs associated with all the extraordinary repairs and I think that we've agreed to basically process them under the current shared facilities cost share but I think that needs to be the subject at some point of agreeing on some kind of cost share.

We don't know what's going to happen down the road but if these costs begin to mount in the absence of any kind of settlement then I think we need to address it as well, even though it's – hopefully it won't be a routine issue. It's going to be specific to what we're experiencing now. But I think that's another category of costs that needs to be addressed whether it's the FOPA or some other separate agreement, that's not for me to determine here, but I think that that would be something else that needs to be discussed among staff.

CHAIR STEFANICS: Councilor Dominguez, you had a comment?

COUNCILOR DOMINGUEZ: Real quick, Madame Chair, on Matters from the Board, I wanted to apologize to the Board and staff and the public for being late this afternoon. It was just one of those days. I guess the other thing, with regards to this budget, I would hope, and I'm sure the respective governing bodies, staff members, are going to be briefed and as up to date as they possibly can be with regards to not only the current issues but also I guess the history of agreements and the history of the finances and the history of how things all came to be because as Boards and as governing bodies change sometimes that history can get lost and I think it's important that we don't lose that and forget about that, especially as it pertains to agreements in the FOPA and just everything that is in play. And so some of us probably remember better than others but nonetheless, I think that even staff members need to be reminded of some of that history as well.

And so I wanted to just make that comment. And then I think just real quick, Councilor Maestas, you talked about the Board agreeing in principle the direction of Buckman and I think you're correct. I think that's something that needs to happen at that elevation so that we can hopefully resolve some of the – I guess the internal operational issues that could become very significant by addressing the governance, at least at that level, and hopefully that kind of helps resolve some of the issues that are here today and that we could have in the future.

And so I just wanted to comment, Councilor Maestas, that I agree on that. And I don't think that anything should necessarily be off the table either, when we talk about what we want to agree to in principle. So I just wanted to make that final comment. And then, I'm not sure if I'm going to be on the Board, but if so I may not be at the next Board meeting, so I just wanted to make that known to the staff. Thank you, Madame Chair.

CHAIR STEFANICS: Okay. So, Commissioner Chavez.

CHAIRMAN CHAVEZ: Yes, so in light of our due date to have our budget into DFA, I think that changes our timeline or schedule for this study session. It seems that either we need to condense it and do it sooner, which I don't think is going to work, or postpone it just a bit until we know what the committee assignments will be and I don't know – I'm just wondering how that's going to work. So I wanted to go back to that for a minute or two.

CHAIR STEFANICS: I asked the staff to look at the month of March to see if there are any dates that we wouldn't have conflicts with City Council, County Commission, all the committees at the City, the County level, etc. And they came up with some dates for March as a possible – to have possible time blocks in either the morning or the afternoon. And they were March 17th, March 18th, March 21st and March 23rd. The 17th is a Thursday.

MS. LONG: Yes. Madame Chair, the SWMA Board meets at 5:00 that day.

CHAIR STEFANICS: Okay. And the 18th is a Friday. Now, Commissioner Chavez, you're going to travel.

CHAIRMAN CHAVEZ: There's a chance that I may not be here on those two dates.

CHAIR STEFANICS: Okay, so it looks like the 17th and 18th might be out.

CHAIRMAN CHAVEZ: Right.

CHAIR STEFANICS: And then there's the 21st which is a Monday, and the 23rd, which is a Wednesday. So is there any feedback on those days, if any of those days would work? For your schedules?

COUNCILOR DOMINGUEZ: Madame Chair.

CHAIR STEFANICS: Yes.

COUNCILOR DOMINGUEZ: Monday and Wednesdays are obviously typical difficult for City. We usually have our major committee meetings, although during the day it may be absolutely possible.

MS. LONG: [inaudible]

CHAIRMAN CHAVEZ: So, Madame Chair, I think Monday might work for the Commission. I would maybe propose Monday as a first option. Monday the 21st. Is that okay with you, Councilor?

COUNCILOR MAESTAS: I'd prefer the 23rd. Mondays are real Mondays for me.

COUNCILOR DOMINGUEZ: I think we have a Finance meeting on the 21st, actually.

COUNCILOR MAESTAS: No, it's clear.

COUNCILOR DOMINGUEZ: Yes, but we changed the –

CHAIR STEFANICS: So do you think the 23rd would be okay for you?

COUNCILOR DOMINGUEZ: For me personally it is. I'm not sure –

CHAIR STEFANICS: So what about our citizen Board members? Can you do March 23rd?

MS. FORT: I didn't bring my calendar.

CHAIR STEFANICS: So, Board members, we now are looking at the 23rd. Would you like it the morning, or would you like it the early afternoon?

COUNCILOR DOMINGUEZ: It doesn't make a difference to me.

CHAIRMAN CHAVEZ: I'll go either way.

CHAIR STEFANICS: Councilor Maestas?

COUNCILOR MAESTAS: So could we just maybe go over the objectives of it? Because I'm wondering what our goals are going to be? Is this strictly going to be informational? And then the other cost allocation issues we can maybe – because I'd like to create, maybe empower a staff group to kind of work between our meetings and perhaps help develop the goals and maybe even a framework or a process to guide us in resolving some of these well in advance of the deadline to submit the budget. But if this is strictly informational, then the 23rd is fine. I wasn't sure –

CHAIR STEFANICS: Great question. The reason I suggested having the Board along with the staff is that we could notice it as an open meeting and we could make decisions. If I – I totally agree with you that the staff really are instrumental in coming together to recommend cost allocations, and the staff includes Las Campanas, the City, the County and the BDD. And it is possible that that could be the first meeting and not the Board and that we come back to the April meeting for the main purpose of hearing the recommendations from the staff and moving ahead. We also, integral to this, we have the operations budget and we have other budget items to consider that might – or that not might – that will necessitate some executive session discussion.

And so our meeting could start with an executive session and then move into a budget session. Or we could separate out the operating budget, have the staff meet, negotiate, make their recommendations to us, have us vote on it, and then we move into executive to discuss other budget measures. We have some complicated issues to decide, and it's – everybody's going to have to bite the bullet to make some decisions eventually. It can't go on forever. Commissioner Chavez and then Councilor Maestas.

CHAIRMAN CHAVEZ: Well I guess if we're talking about goals and objectives it seems that the first thing that jumps out at me would be to finish, carry over some of the items that were on the agenda today that we didn't discuss and take action on. I think those would be the first things on my list.

CHAIR STEFANICS: So Commissioner Chavez, let me ask you, would you want the staff to meet ahead of time, and then come to us with recommendations?

CHAIRMAN CHAVEZ: Yes. I think that approach would serve us well, because that way we have some information ahead of us to help us make those decisions and staff has to be critical. It's critical that staff is involved. I don't know. I can't do staff's work, honestly.

MS. ROMERO: And Madame Chair, members of the Board, I do just want to note that staff did have a meeting back in January to go over the cost allocation methods that were presented here. So if that is the direction I really do need lots of support and ideas and things that are going to work moving forward. Because obviously that first meeting was unsuccessful.

CHAIR STEFANICS: And from what I understand there were about 20 people at that meeting?

MS. ROMERO: That is correct, Madame Chair.

CHAIR STEFANICS: Great size work group.

MS. ROMERO: We had all members of all the parties.

CHAIR STEFANICS: Not to make light of it. Councilor.

COUNCILOR MAESTAS: Well, I think we're in a quandary here because on March 9th there's going to be new appointees, possibly, and what if there are new members? That's not going to really serve the Board very well. So I'm trying to figure out how we can maybe create some kind of a transition. And if I am a lame duck, maybe I can show up, but if there's going to be decisions that will be made then obviously only the appointees, the City appointees will have that. So maybe it's something we can work around, or maybe it's not even a factor. Maybe somebody can just step in, whoever is appointed in my place and continue.

But I think it does require some institutional memory if we expect to maybe get certain things done, especially decide on some of the cost allocation issues. And obviously, I think ultimately I would prefer that we amend the FOPA. We don't see any other de facto decision as being I think as formal as the FOPA but again, we don't want to hold the rest of the budget hostage because we don't have an amendment to the FOPA. And we have that audit finding as well, so it's not like this is some unique City preference. This was the subject of the independent audit report and so I think that should be a goal of ours to address that.

CHAIR STEFANICS: Ms. Long, do you have any ideas or suggestions for us?

MS. LONG: Madame Chair and Board members, in response to the latest comment about a possible FOPA amendment, that is certainly one way of handling cost allocation methodologies and the audit concern. Our concern is it's almost certain that could never be done by July 1. We had a FOPA amendment a couple of years ago and that ended up – because we've got three entities, now four, that would have to agree to it. But it's going to take some time.

There will be other amendments that will be of concern that the entities will want to add to it and so I think that concern would be a long-term goal. I think that it should be, but in terms of this budget cycle, I don't think we should hold out for that and expect to get that done by July 1. I do think it would be important to have staff and the Board involved in this process as Ms. Romero pointed out. We have the project-wide cost allocation issue so not for this next year it turned out that that was not accurate. It ended up going back to the entities and they have a chance to look at it as they should and to weigh in on it, and that's going to happen no matter what you do with anything.

But I think if you're involved in the process of giving a direction now you certainly could at this point set a meeting and have staff come forward from all of the organizations, all of the entities [inaudible] with recommendations for how to handle the contingency fund which we shouldn't wait on too much longer [inaudible] as well as the cost allocation methodology. Those are the ones that were not foreseeable, at least in terms of the contingency fund and in terms of the project-wide costs, that is something that does need to be buttoned up in terms of an agreement and maybe re-examined.

So I would encourage that both entities be coming up with a proposal that they think they can live with as well as Las Campanas and then coming to this Board and having that kind of work session, I think it would be more productive to have that, rather than just tossing out idea and have to go back to the entities. So if that work could be done within a couple of weeks, and then you still have that meeting on the 23rd, that could

at least be a starting point. If staff felt like that was not enough time to come forward with recommendations – and again, we’re just talking about the screen issues of the project-wide costs and the contingency fund and maybe the proper use of the major repair and replacement fund. Those are really the issues that are outside of the more easier operating budget issues.

CHAIR STEFANICS: Ms. Long did remind me that it takes a member from the City, a member from the County and a third member to be a quorum, so the County cannot make this decision as the majority; the City cannot make this decision as a majority. So as we proceed with whatever action we want to take, it requires the entities to work together. Now, I’ve heard a couple of ideas. One is that we formally request all the staff to come to work together and to come forward with a recommendation. I’ve heard that we have a possible meeting on the 23rd as the start, and the finish, or icing on the cake occur in April.

COUNCILOR DOMINGUEZ: Just to clarify, Madame Chair.

CHAIR STEFANICS: Certainly.

COUNCILOR DOMINGUEZ: The meeting on the 23rd, was that intended to be the budget study session or – because I think that for sure we need to move forward with a budget session regardless of however complicated the agreements are, because that’s something that is just basic and needs to happen any ways. I think, and this is just my take on it, is to give some clear direction to the respective staffs and even the Board staff to get the ball rolling on opening up or renegotiating some of those agreements, and making it clear that it needs to start happening. Whatever mechanism is in place to bring that out to the public I think is separate in itself from the budget except for the finding, right? But nonetheless, I think that it’s kind of two separate tracks that need to work parallel with each other with the understanding that there’s one that’s probably going to jump ahead of the other one because of the timing issues. We’re not going to be able to get to an agreement by July or even sooner than that because we have to have everything sooner than that.

So that would be my recommendation is that we go ahead and we schedule a study session for the budget, and give just clear direction to everyone that we start moving forward on those agreements.

CHAIR STEFANICS: Thank you. Is there somebody here from City Finance?

COUNCILOR DOMINGUEZ: No, there is not.

CHAIR STEFANICS: There’s not. So we have County Finance. We have Buckman. Is there anybody here from Las Campanas finance? Okay. And I see our Legal. Is City Legal here? They left but they were here. So Board members, is it acceptable that we ask Ms. Long to communicate to the different entities that we would like the participation of the legal counsel, the finance, the utilities entity to participate with us on March 23rd after they have – and you can wordsmith whatever I’m coming up with – after they have met to negotiate recommendations to us for cost allocation. Does that serve what we need?

MS. FORT: As a newcomer to this, was that not was attempted and failed?

CHAIR STEFANICS: Well, perhaps it wasn’t as clear as what we needed to do. We weren’t clear about the direction in January. There is a different sense of urgency as the Councilor says.

CHAIRMAN CHAVEZ: And sometimes it doesn't happen the first time around and we have to go back again. That's just how it works.

MS. FORT: Well, I understood at one time you had used a professional mediator. Would there be any sense – or is poor Ms. Long going to be in charge?

MS. LONG: Madame Chair and members of the Board, I don't know that we're at that point yet. I would – I'm encouraged that at least as to some of the cost methodologies, they haven't really been fully vetted with each governing entity and so I think we're hopefully not there at this point.

MS. FORT: Thank you.

CHAIR STEFANICS: So let me ask you a question, Ms. Long. When we changed the bylaws, we modified them, the Chair and the Vice Chair change at the April meeting?

MS. LONG: Yes, Madame Chair, members of the Board. The election is at the April meeting. Typically we have that at the end of the agenda so there's not a handover during the meeting. It just makes it smoother. So they would begin as of the May meeting, at least overseeing the agenda and governing the Board meetings.

CHAIR STEFANICS: Okay. So I just wanted to clarify that I would go ahead and chair the March 23rd meeting. So even if we have new Board members that we'll have some consistency with that. And then I understand what you're saying about the April meeting.

COUNCILOR MAESTAS: Just some additional direction. As a part of the recommendations regarding cost allocation, I'd like a recommendation of how we're going to treat the extraordinary costs associated with the failures of the pumps and all that. And not just going forward but retroactively. So if that can be part of the direction. That's all I had.

CHAIRMAN CHAVEZ: Madame Chair.

CHAIR STEFANICS: Yes, Commissioner.

CHAIRMAN CHAVEZ: Nancy, would you be able to track the committee appointments and follow who's changing, and provide some background or orientation for the new members, so that they're not completely in the dark? Is that something we're comfortable having Nancy do, in addition to the direction that we already gave her?

COUNCILOR MAESTAS: May I respond?

CHAIR STEFANICS: Yes.

COUNCILOR MAESTAS: I was just thinking, maybe Councilor Dominguez and I can approach the Mayor and see if he maybe wants to have a delay in the effective date of the appointment to some date-specific point to at least give us some time to address some of these issues. I don't think there's anything in writing that would prohibit that. It would be solely up to the Mayor and then obviously with ratification from the Council. So if there's a certain date you feel that you think we should stay on – and I don't know. I haven't talked to Councilor Dominguez about this but I think this is really critical, and I think it's possible. It doesn't hurt to ask. Maybe the Mayor just won't do that. He's want a certain date specific for the new members to come on, but I think this is really – we're at a critical juncture here and I think we should be considering extraordinary measures to make sure that we have some good continuity on the Board.

CHAIRMAN CHAVEZ: I would go with either/or. I don't think it can be both, but I think, Nancy, you might have to look at statute that says that the appointments

have to be made during an administrative meeting. I know that was the case with the Mayor pro tem. I think it applies to the other committee assignments as well. So I think we need to just take that into consideration. But I would go with your proposal, Councilor Maestas, but if that doesn't happen then I think we need to try to provide some information to at least the new members as early as possible.

MS. LONG: So we'd be happy to do that, Madame Chair and Commissioner. Certainly, if there are new appointments and those are effective prior to the 23rd we could meet with those Councilors and at least provide as much information as we could and orientation for the specific issues you'll be looking at on the 23rd. Typically, the staff provides a very thorough orientation with the new citizens members which includes a tour and governing documents and a chance for questions, but if there are new Councilors it may have to be done in stages.

CHAIRMAN CHAVEZ: Okay. Thank you. Thank you, Madame Chair.

CHAIR STEFANICS: Yes.

COUNCILOR DOMINGUEZ: I would – I think it would be worthy to have that discussion with the Mayor, Councilor Maestas, because I think that's one of the biggest problems that this Board has is that relatively speaking there is a lot of turnover, or high turnover. There could be. I have served on the Board off and on for the last ten years and quite haven't been able to get a complete grasp of the entire operation and/or the governance of it all. And so certainly the funding either. I think it's a worthy discussion to have to have some of that continuity to be able to get us at least with regards to things that are going on today to get us to a certain point and then be able to have that transition. I can certainly approach the Mayor about that.

CHAIR STEFANICS: The venue for the March 23rd meeting needs to be at the table, versus a podium so that we can have all the players and all the staff at the table together. So if this room is not appropriate then we might need to look at the convention center for booking. And again, members, morning or afternoon? Does anybody care? It's Wednesday the 23rd.

COUNCILOR DOMINGUEZ: 7:00 am.

CHAIR STEFANICS: Oh, I don't think so.

CHAIRMAN CHAVEZ: So you're suggesting the morning, Councilor Dominguez?

COUNCILOR DOMINGUEZ: Either way, I'm okay.

COUNCILOR MAESTAS: I'd prefer late afternoon, but this is important.

CHAIR STEFANICS: Can you do mid-afternoon?

COUNCILOR MAESTAS: Sure.

CHAIR STEFANICS: So 2:00, and we'll prepare for like two to 2 ½ hours of time so that everybody can get out, on the 23rd. And staff will let us know the – as long as we can get everybody at the table together, so we'll have to put in extra [inaudible]

Is there anything else from the Board today? So, Ms. Long, are you clear about what we'd like to do in terms of inviting all of our respective staffs for participation?

MS. LONG: I think so, from the comments that you all have made and the direction I've received, and I've taken some notes. So I will reach out to everyone concerned and have them bring recommendations.

CHAIR STEFANICS: Anything else from the Board? Thank you very much.

EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act, NMSA 1978, §10-15-1(H)(7), discussion regarding threatened or pending litigation in which the BDDDB is or may become a participant, including without limitation: Discussion regarding diversion structure issues **DEEMED NOT NECESSARY**

- 15. Request for Approval of a Budget Adjustment to our Current FY 2015/2016 Operating Budget to Move Funds from Salaries to Legal Services for \$54,094 **POSTPONED**

NEXT MEETING: Wednesday, March 23, 2016 @ 2:00P.M. (Study Session)
Thursday, April 7, 2016 @ 4:00 P.M.

ADJOURNMENT

Having completed the agenda, Chair Stefanics declared this meeting adjourned at approximately 6:27 p.m.

COUNTY OF SANTA FE) BUCKMAN DIRECT DIV MIN
STATE OF NEW MEXICO) ss PAGES: 38

I Hereby Certify That This Instrument Was Filed for Record On The 18TH Day Of April, 2016 at 09:37:41 AM And Was Duly Recorded as Instrument # 1791315 Of The Records Of Santa Fe County

Approved by:

Liz Stefanics, Board Chair

Witness My Hand And Seal Of Office Geraldine Salazar

Deputy County Clerk, Santa Fe, NM

Respectfully submitted:

Debbie Doyle, Wordswork



FILED BY:

GERALDINE SALAZAR
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA Y. VIGIL
SANTA FE CITY CLERK



**BUCKMAN DIRECT DIVERSION
MEETING**

SIGN IN SHEET

March 3, 2016

SFC CLERK RECORDED 04/18/2016

NAME (Please print)	ORGANIZATION
Matthew Sandoval	BDD Staff
Eminia M Tapia	BDD Administrative Assistant
BERNARDINE PADILLA	BDD Public Relations Coordinator
Mackie Romero	BDD Finance Manager
Skip Polinec	Las Campanas W/S Coop
Ginny Selvia	u u
MARCOS MARTINEZ	CITY OF SANTA FE
Dave Englert	Private citizen
Rick Ulibarri	LANL
MICHAEL KELLEY	SANTA FE COUNTY
Mary Chacon	Las Campanas Coop
Jim Visser	Las Campanas Coop.
Bruce Frederic	SF County
Cheryl Vokes	Visitor
J. E. HELMS	BDD
Kyle Harwood	BDD counsel



AGENDA

**The City of Santa Fe
And
Santa Fe County**

CITY CLERK'S OFFICE
DATE 2-24-16 TIME 2:25
SERVED BY [Signature]
RECEIVED BY [Signature]

Buckman Direct Diversion Board Meeting

THURSDAY, MARCH 3, 2016

4:00 PM

**SANTA FE COUNTY ADMINISTRATION BUILDING
COUNTY COMMISSION CHAMBERS
102 GRANT AVENUE**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE FEBRUARY 4, 2016
BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF
7. REPORT ON MARCH 1, 2016 FISCAL SERVICES AUDIT
COMMITTEE (FSAC)

CONSENT AGENDA

8. Monthly Update on BDD operations. (Randy Sugrue)
9. Request for approval of a Professional Services Agreement with Intra Works for the amount of \$47,220.00 inclusive of NMGRT. (Mackie Romero)

SFC CLERK RECORDED 04/18/2016

- 10. Request for approval of a Budget Adjustment Request to the current FY 2015/2016 Operating Budget to move funds in several line items within the Materials & Supplies Category for \$103,050.00. (Mackie Romero)

- 11. Request for funding for the design to replace the Raw Water Pumps and Air Burst System. (Mackie Romero)
 - a. Request for approval to budget \$51,807.00 from the BDD Major Repair and Replacement Fund to hire a consultant for the design to replace four raw water pumps and air burst piping.

 - b. Request for approval of a Professional Services Agreement between the Buckman Direct Diversion Board and Deere and Ault Consultants, Inc. for the amount of \$49,340.00 exclusive of NMGRT for the design of four raw water pumps and air burst piping.

INFORMATIONAL ITEMS

- 12. Presentation on the Report: Storm Water Quality Monitoring of the Rio Grande at the Buckman Direct Diversion, 2011-2014. (Daniella Bowman)

DISCUSSION AND ACTION

- 13. Request for approval of FY 2016/2017 Cost Allocation Methodology of Fixed and Variable Costs. (Mackie Romero)

- 14. Request for approval and for BDDDB recommendation to Santa Fe County Board of County Commissioners and City of Santa Fe's City Council to approve the FY 2016/2017 Buckman Direct Diversion Operating Budget and Other Fund Contributions. (Mackie Romero)
 - a. Presentation of the proposed FY 2016/2017 BDD Operating and Maintenance Budget.
 - b. Presentation of the proposed FY 2016/2017 Fund Contributions.
 - c. Report from FSAC meeting March 1, 2016
 - d. Public Comment
 - e. Request for approval of the proposed FY 2016/2017 Operating Budget and Other Fund Contributions and recommendation to approve by the County Commission and the City Council.