

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

July 8, 2010

This meeting of the Santa Fe County/City Buckman Direct Diversion Board was called to order by Chair Virginia Vigil at approximately 4:13 p.m. in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Members Present:

Commissioner Virginia Vigil
Councilor Rebecca Wurzburger
Ms. Conci Bokum
Councilor Chris Calvert
Commissioner Harry Montoya [for Commissioner Stefanics]

Member(s) Excused:

[None]



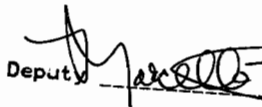
Others Present:

Rick Carpenter, BDD Project Manager
Nancy Long, BDDDB Contract Attorney
Marcos Martinez, Assistant City Attorney
Lynn Komer, PR Team
Patti Watson, Cooney Watson
Dale Lyons, Water Resources Coordinator
Neva Van Peski, League of Women Voters
Pego Guerrerortiz, County Utilities Director
Steve Hoffman, CDM
Tom Widner, ChemRisk
Teresa Martinez, County Finance Director
Todd Kaplan, Parametrix

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

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PAGES: 23

I Hereby Certify That This Instrument Was Filed for
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Deputy )
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM

APPROVAL OF AGENDA

[Exhibit 1: Agenda]

Councilor Wurzburger moved to approve the agenda and Councilor Calvert seconded. The motion carried by unanimous 4-0 voice vote. [Commissioner Montoya was not present for this action.]

SFC CLERK RECORDED 10/25/2010

APPROVAL OF MINUTES: July 8, 2010

Councilor Wurzburger moved to approve the July 8th minutes as submitted and her motion was seconded by Commissioner Calvert. The motion passed by unanimous 3-0 voice vote with Member Bokum abstaining. [Commissioner Montoya was not present for this action.]

APPROVAL OF CONSENT AGENDA

8. **Project Manager's Monthly Project Exception Report (Rick Carpenter)**
9. **Project Manager's Monthly Update Regarding the Financial Status of Contracts (Rick Carpenter)**
10. **Project Manager's Monthly Report on Staffing and Training Program Process (Rick Carpenter)**
11. **BDD Public Relations Report for June 2010 (Lynn Komer)**
12. **Update on Contracts and Purchases Approved by the Project Manager Pursuant to the BDD Board's Delegation of Authority (Rick Carpenter)**
13. **Request for Approval of Amendment No. 1 to the Professional Services Agreement with Santa Fe Community College to Modify the Insurance Indemnification Requirements (Nancy Long)**

Councilor Calvert moved for approval and his motion was seconded by Councilor Wurzburger. The consent agenda was approved by unanimous [4-0] voice vote. [Commissioner Montoya was not present for this action, joining the meeting shortly thereafter.]

MATTERS FROM STAFF

None were presented.

7. Fiscal Services and Audit Committee Report

RICK CARPENTER (Project Manager): Thank you, Madam Chair. The first meeting of the Fiscal Services and Audit Committee was on held on July 6th. There were a number of agenda items that were discussed including conservation surrounding [inaudible] capital funding, ground rules for the committee itself and the advisory committee, one percent fiscal administrative fee, the status of the hiring of the Board fiscal manager and the status of historical financial information has required by the [inaudible] capital budget. The committee will meet again and report back to the Board.

CHAIR VIGIL: Questions? Councilor Wurzburger.

COUNCILOR WURZBURGER: Mr. Carpenter, what is the one percent fiscal fee? Is that something we talked about before?

MR. CARPENTER: Madam Chair, Councilor Wurzburger, the intergovernmental agreement, the FOPA and the [inaudible] call for a one percent fee reimbursement to the fiscal agent for the costs that it incurs [inaudible]

CHAIR VIGIL: Thank you. Any other questions? Seeing none, we will move to Discussion and Action Items.

DISCUSSION AND ACTION ITEMS

- 14. Discussion and Selection of Formal Name for the Buckman Direct Diversion Project Water Treatment Plant**
- a. Santa Fe Regional Water Treatment Plant*
 - b. Buckman Direct Diversion Water Treatment Plant*
 - c. Buckman Regional Water Treatment Plant*
 - d. Westside Regional Water Treatment Plant*
 - e. Caja del Rio Regional Water Treatment Plant*
 - f. Other?*

MR. CARPENTER: Thank you, Madam Chair. The project is progressing nicely. We're over 90 percent complete and the time has come to prepare a formal sign that will be outside of the water treatment plant. So we need a name for the water treatment plant itself, not the entire project. Staff has suggested several names that are listed in the agenda. Our recommendation is the Buckman Regional Water Treatment Plant. We don't feel it's necessary to call it the Buckman Direct Diversion and rather the water treatment plant.

COUNCILOR WURZBURGER: Do we need a vote on that, Madam Chair?

CHAIR VIGIL: Unless there's any discussion or questions of staff.

COUNCILOR CALVERT: If you want a motion, I was going to move to approve staff's recommendation.

CHAIR VIGIL: We have a motion.

COUNCILOR WURZBURGER: Second.

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

- 15. Request for BDD Board Conceptual Approval of the Project Manager's Conceptual Proposal for BDD Board Funding of Approximately \$100,000 per Year for Three Years for a Full-Time Federal Law Enforcement Ranger in Satisfaction of BDD FEIS Record of Decision Item #12 and as an Integral Element of BDD Project Public Safety and Security**

MR. CARPENTER: Thank you, Madam Chair. I'd like to make some introductory comments and then we have Todd Kaplan with us from Parametrix who can make just a brief presentation on some of the more positive aspects of this item. Just to let the Board know, staff thinks that this is a pretty advantageous recommendation to the Board for a number of reasons, the first being that this Board will have to fund a number

of mitigation projects in compliance with the record of decision on the EIS. Some are in-kind and some don't necessarily have to be in-kind. The Bureau of Land Management and the Forest Service have agreed that the Board could receive credit for mitigation through hiring this law enforcement officer. So that's one advantageous aspect.

The other is that the Board will still be required to make certain investments in other areas of the upland habitat to make restoration and improvements, and we're concerned, as Mr. Kaplan will go over in more detail, that without law enforcement or security of some type that damage would be incurred to the restoration efforts in those areas. And third, the Board has in its budget already, funds for a security guard that we would anticipate hiring anyway. So we'll get credit for the mitigation, we'll be able to protect our investment, and you were going to hire a security guard anyway. So we feel that it's an advantageous move.

CHAIR VIGIL: Mr. Carpenter, will you introduce the guest.

MR. CARPENTER: Thank you. This is Todd Kaplan with Parametrix and he's going to briefly go over the handout that you should all have in front of you with further details and comments [*Exhibit 2*].

CHAIR VIGIL: Todd, I'll have you do that after I field some questions here. Councilor Wurzburger.

COUNCILOR WURZBURGER: Actually it's a clarification comment based on an earlier meeting. The net result financially is we have a savings by doing this, correct?

MR. CARPENTER: Madam Chair, I'd like for Mr. Kaplan to give some more detail on that, but I think that the cost for one year of a BLM security guard is less than what's in the budget that we're planning on paying for our own security. With regard to what we'd be investing on the habitat, the cost of that restoration effort that could be destroyed if we didn't have security, I'll let Mr. Kaplan speak to that.

CHAIR VIGIL: -- then I'll go with Councilor Calvert.

COUNCILOR CALVERT: Just to clarify, if we fund this at -- what is it? \$100,000 a year, we're paying basically for the federal security person, that would be in lieu of the person that we would have hired? And then at the end of those three years our obligation ceases and then that's when our money goes to our own security person?

MR. CARPENTER: Madam Chair, Councilor Calvert, the first part of your statement is absolutely correct. At the end of those three years we could hire our own security guard or choose to keep funding the ranger at the discretion of the Board.

COUNCILOR CALVERT: Okay.

CHAIR VIGIL: Okay. Please. Go ahead and state your full name for the record.

TODD KAPLAN: Okay. My name's Todd Kaplan. I'm an ecologist with Parametrix and we're leading the effort on the mitigation. And I've prepared a couple of things here just to give a quick highlight of why the security is of the utmost importance in securing and protecting the investment for the mitigation.

So the aquatic-riparian mitigation is shown in blue. It's about seven acres. The upland mitigation is in yellow and is about 25 acres. So it's right next to the river where the diversion is. The mitigation needs to focus specifically on restoring certain ecological functions including different sorts of wildlife habitat, but also soil erosion, and promoting infiltration into the groundwater from rain events and what not. So successful mitigation

really is going to require a change in management down there and also jump-starting some rehabilitation through planting native vegetation or moving the exotics.

There are several activities. If you go to the third page, there's a lot of things that go on down there that are currently unrestricted. A lot of OVR use. There's a significant road network throughout the area, very little grass cover. There's livestock that basically trespass. The BLM works with the allottees but they're having a hard time controlling them because people are cutting the fences. A lot of fireworks and fire pits, etc. So we'd be collaborating with the Forest Service and the BLM to be able to restrict access, but clearly it's going to require enforcement for it to happen, because it's a significant change in use of the area. So it's critical really to the success of the mitigation, both short term and long term.

CHAIR VIGIL: Any questions? Councilor Wurzburger.

COUNCILOR WURZBURGER: Given that this obviously has had a different use, even though it has not been a legal use, this ties into our public information. Are we just going to put signs up and say, Go away, we have a guard? I'm making a hyperbolic statement. Or is there going to be some kind of public education, information about how this is changing and covering the fact that it wasn't legal or whatever, but to get the word out somehow beyond just having a sign, and a guard.

MR. CARPENTER: Madam Chair, Councilor Wurzburger, as part of this specific effort there won't be any interpretive centers or dissemination of information other than the signs that we're going to be putting up, but in a parallel effort, we're working with Alan Hamilton who's come before this Board a number of times to talk to you about plans that they have to further restore this entire corridor that could include trails, interpretive centers, signs, and a lot of public education. And by the way, we are in negotiations or at least we're discussing with them potential future cost sharing for security going into the future for things they've enhanced.

So that is part of the overall plan but not necessarily a part of this specific part.

COUNCILOR WURZBURGER: Thank you.

CHAIR VIGIL: Commissioner Montoya, Councilor Calvert, and then Conci.

COMMISSIONER MONTOYA: Thank you, Madam Chair. Is this individual going to be doing law enforcement and also going to be doing mitigation and land restoration?

MR. CARPENTER: Madam Chair, Commissioner Montoya, no. This is strictly a law enforcement position. Others like Mr. Kaplan's group will be in charge of planning and implementing the actual mitigation measures.

CHAIRMAN MONTOYA: Thank you.

CHAIR VIGIL: Councilor Calvert.

COUNCILOR CALVERT: Yes, so the interpretive part by the other people in that venture is good, but that will sort of bring more attention to the area and I think what we also need is from some of our PR side of our effort to put this information out too that the uses are changing down there and people need to respect that certain things are going on and they won't have the access that they had. I think we need to be pro-active on that front as well so that some of the people will see that hopefully in the paper or whatever and will know maybe they don't even want to go there. They go

somewhere else for a while until things get straightened out. However we want to do that. But I think we need to use that approach as well.

MR. CARPENTER: Councilor Calvert, that's an excellent suggestion. I'll work with our PR folks to implement something like that.

CHAIR VIGIL: Conci.

MEMBER BOKUM: I was just going to suggest that, but wasn't there an article in the paper that had that? There was an article talking about how trashed it was? I think the photographers went out there and there's some amazing pictures that could I think help get the point across about how poorly it's been protected and sort of talk about how important it would be to change behavior out there, and what a valuable resource it is.

MR. CARPENTER: We'll be glad to take that on.

CHAIR VIGIL: Thank you. Are there any other comments? Councilor Calvert.

COUNCILOR CALVERT: I'd just like to move for approval.

COUNCILOR WURZBURGER: Second.

CHAIR VIGIL: Any further discussion?

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

16. Request for Approval of Amendment #1 to the Independent Peer Review Professional Services Agreement with ChemRisk and Update of the Public Meetings Location to the Santa Fe Convention Center and Public Meeting Dates to August 7th and 8th, and November 30th or December 2, 2010, Regarding the Draft and Final Reports, Respectively (Rick Carpenter and Tom Widner)

MR. CARPENTER: Thank you, Madam Chair, and I would like to let the Board know that Mr. Tom Widner is in the audience. He is with ChemRisk and if it pleases the Board –

CHAIR VIGIL: Tom, you're welcome to join us if you have anything to add to this part of the report.

MR. CARPENTER: I think maybe just four or five minutes giving the Board an update on the status of their work might be helpful. But just real quickly on this item, this too is another cost control item, I think, if you will. Mr. Widner's work has been progressing nicely but there was a lot more effort involved than we had originally anticipated. There's a lot of documents that they're reviewing, and although they're making more than satisfactory progress they're starting to run out of money.

Rather than come back to this Board and ask for a contract amendment to increase the value of that contract, staff is suggesting that the City, with its resources, take over part of what ChemRisk otherwise would have done with regard to organizing the public meetings. We feel that we can plan and host the meetings for little or no cost and use that money that they would have spent to complete their contractual obligations and avoid a contract amendment.

CHAIR VIGIL: Do you have anything to add to that, Tom?

TOM WIDNER: No, not really. We thought that since it had been suggested that future meetings be at the convention center here in Santa Fe that the City might be in a better position to arrange for that.

CHAIR VIGIL: Okay. Any questions or comments?

COUNCILOR CALVERT: Yes, I do.

CHAIR VIGIL: Councilor Calvert.

COUNCILOR CALVERT: I guess speaking them on behalf of the City, have you already sort of cleared this in the schedule with the appropriate individuals to fulfill that commitment? Because I know we always ask for free stuff from the CVB and then turn around and question why they're not profitable. I just want to know that we have that understanding and that commitment.

MR. CARPENTER: Madam Chair, Councilor Calvert, we're aware of that issue and we'll be sensitive to it.

CHAIR VIGIL: This is an action item. What is the pleasure of the Board?

COUNCILOR WURZBURGER: I'll move for approval with the understanding that the dates have to be confirmed as they've indicated with the manager of the CVB.

COUNCILOR CALVERT: I'll second.

CHAIR VIGIL: Any discussion?

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

17. Request for Approval of Intervention, in Cooperation with Albuquerque/ Bernalillo County Water Utility Authority, in the Public Service Company of New Mexico Rate Case Filed with the New Mexico Public Regulations Commission on June 1, 2010 (Rick Carpenter & Nancy Long)

MR. CARPENTER: Thank you, Madam Chair. I'll make some introductory comments and I think Ms. Long would like to address the Board as well. Staff is requesting that the Board give direction to intervene on behalf of the Board and PNM's latest rate case/request for an increase. The requests are significant and quite pronounced. The peak day usage as much as 28 percent, perhaps significantly more than that. We're still analyzing exactly what the cost implications would be. But certainly on the order of at least \$200,000 a year or more. We spent a lot of money designing our project to stay off-peak as much as possible and this latest rate increase would diminish what we would otherwise have built into the project.

So we would like to intervene on behalf of the Board and cooperate also with the City of Santa Fe and with Bernalillo County Water Utility Authority. And with that, maybe Ms. Long would like to add to that.

NANCY LONG (BDD Board Counsel): Madam Chair, members of the Board, Mr. Carpenter has described the case as we know it thus far. It's a recently filed case by PNM and the intervention deadline is August 6th. So we have preliminarily reached out to the Albuquerque Water Utility Authority attorney and we will be talking also to the City of Santa Fe, because there's one tariff that affects the operation of the plant and the diversion, Tariff 11B, that governs the rates that will be charged by PNM

for the project. There are only three customers under that tariff, so for that reason we felt it was important that our voice be heard in the proceeding because there won't be many others. And we feel that we can coordinate on experts and also on briefs and pleadings to try to spread around some of that cost.

I don't have any estimates yet. An expert has been identified by the Albuquerque Water Utility Authority that would specifically address this tariff and whether this rate increase is justified or not. Of course there will be no guarantee that we can win or that we can reduce the proposed rate, but when you have a combination of a 28 percent increase and then an additional increase if they're able to continue to change the definition of peak hours. Now all of a sudden summer is not three months, it's five months under their proposal and then the peak hours are all day now basically. So it really will affect the bottom line on operation of the project. So we feel it's important and we can come back as we are able to get more information about what our expert will cost and some other items to you.

CHAIR VIGIL: Anything else? Did you have a question?

CHAIRMAN MONTOYA: Yes, Madam Chair. That \$50,000, is that per entity or overall cost?

MS. LONG: That is a number that Mr. Gaume came up with. I think it was really just an estimate at this point but he was estimating the cost to the Board, and we would have to coordinate that with any experts that we share. We would certainly try to take a lower amount charged considering the Albuquerque Water Utility Authority uses about 90 percent of the 11B tariff, we might be able to work something out with them. But I think what Norm was doing here was estimating costs just for the Board. We don't know what the other entities may have to pay.

CHAIRMAN MONTOYA: Okay. And then Madam Chair, I'm just a little confused on that first sentence. The Public Service Company of New Mexico filed a rate case with the Public Service Company of New Mexico.

MS. LONG: Oh, yes. That's a good catch. That should be with the Public Regulation Commission. I think, is what Mr. Gaume meant.

CHAIRMAN MONTOYA: Okay.

CHAIR VIGIL: Anything else?

CHAIRMAN MONTOYA: Where would that \$50,000 come from?

MR. CARPENTER: We have a line item in the operating budget for legal fees and presuming that's all lawyers that's where that would come from. If we have to hire an electrical engineer or some other specialist it would come out of the contingency line item.

CHAIRMAN MONTOYA: Okay. And we have that?

MR. CARPENTER: The operating budget has been approved by this Board.

CHAIRMAN MONTOYA: But the \$50,000 is in –

MR. CARPENTER: Yes.

CHAIRMAN MONTOYA: I move for approval.

COUNCILOR WURZBURGER: Second.

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

18. Request for Approval of Amendment No. 3 to the Professional Services Agreement with Lynn Pitcher Komer for the Amount of \$58,000, Plus \$4,676.25 (NMGRT) for a Total Amount of \$116,201.24 to Provide Public Communications Services and Products through BDD Project Acceptance (Rick Carpenter)

MR. CARPENTER: Thank you, Madam Chair. This Board had obtained the professional services of a public relations firm for the past four years through its contract with Cooney Watson and Associates. That four-year contract has now expired. And although we're ending or coming close to ending this project there are still some specific areas where we could use the skills of an expert in this regard, not the least of which is the effort to start the project up and begin to introduce drinking water into the drinking water system.

Another example which was brought up this evening by Councilor Calvert is an effort that we'll put forth when we begin to restore some of the habitat and have our law enforcement officer out there. So staff is requesting that Ms. Pitcher Komer's contracts be amended to fund those efforts.

CHAIR VIGIL: What is the exact amount that it's being amended by? Is it \$58,000?

MR. CARPENTER: \$58,000 plus NMGRT.

CHAIR VIGIL: Any other questions?

COUNCILOR WURZBURGER: And that's based on a projection of approximately how many months?

MR. CARPENTER: It's 40 hours per month and I believe that's for one year.

COUNCILOR WURZBURGER: A year? Okay. Thank you.

COUNCILOR CALVERT: And this is covered in the existing budget?

MR. CARPENTER: Yes. We have a line item for professional services and public relations as well.

COUNCILOR WURZBURGER: Move approval.

COUNCILOR CALVERT: Second.

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

INFORMATIONAL ITEMS

19. Update on the Ferguson Group Contract

MR. CARPENTER: Thank you, Madam Chair. Just real quickly, staff was given direction at the last Board meeting I believe to stop work with the Ferguson Group. I have done that and we have taken the strong suggestion from Senator Bingaman's staff to work directly with the federal government in Washington, DC as well as the Bureau of Reclamation here at the local Albuquerque office, and we have initiated those efforts and things are going well.

CHAIR VIGIL: Okay. Any questions on this? Thank you for following up on that recommendation.

CHAIRMAN MONTOYA: How much savings is that, Madam Chair?

MR. CARPENTER: Madam Chair, Commissioner Montoya, there was approximately \$21,000 left on the Ferguson Group contract.

CHAIRMAN MONTOYA: And the original amount?

MR. CARPENTER: I believe it was in the neighborhood of \$150,000.

CHAIRMAN MONTOYA: and that was an annual contract?

MR. CARPENTER: It wasn't renewed annually. Actually Ferguson Group, Commissioner, was a sub to the Board engineer, CDM to provide federal lobby services. So to the extent that CDM's contract is renewed every year then they were brought along with that as a sub-consultant. So what I've done issued a stop-work order and we'll reprogram those funds elsewhere.

CHAIRMAN MONTOYA: Thank you.

20. Update on Status Four Issues with Public Service Company of New Mexico in Addition to the June 1, 2010 Rate Case

This item was tabled.

21. Update Regarding Execution of Solar Energy Agreement Between American Capital Energy, Inc., the BDD Board, the City of Santa Fe, and Santa Fe County, and Progress Regarding Arrangements for Interconnections with Public Service Company of New Mexico

DALE LYONS (City Water Resource Coordinator): Madam Chair, we have concluded our negotiations with American Capital Energy and State Street Bank and there were a few last remaining items that took a little time to work through and those included indemnity, early termination and guarantee of payment. And ultimately we agreed to have the City and the County pursue City and County approval of the agreement, much like the City approves funding agreements for the BDD project.

The State Street Bank, the financier for the solar project, acquired a higher level of financial guarantee of payment than just the Buckman Direct Diversion Board. So the City Council approved the solar energy agreement at the last City Council meeting at the end of last month, and the County is scheduled to hear the request for approval at the July 13th County Commission meeting. Currently the agreement is being routed for signature over at City Hall so it will be ready for County signatures as soon as the County approves it.

The project staff has met with PNM and discussed the steps forward for interconnection. We were given assurances by PNM staff that we would see a draft interconnection agreement – well, a draft REC agreement and then a connection agreement pretty soon and we would begin reviewing those as soon as we receive them. But we've clearly laid out a path forward to get the REC agreement secured at the current REC rate of 15 cents per kilowatt-hour which would assure us a highly advantageous financial arrangement.

We held a project kickoff meeting yesterday with American Capital Energy and we went over project deliverables, including the stormwater pollution prevention plan

and submittal of the final plan of development to the BLM to receive BLM authorization to proceed. I think that's about it.

CHAIR VIGIL: Ms. Long, do you have anything to add?

MS. LONG: Madam Chair, I think that Dale has covered the developments since this last came before the Board. We were able with a lot of effort to clean up the legal issues that we faced last month with help from Dale and from Marcos Martinez at the City. So I think we have a much improved agreement that everyone could take then to their respective bodies. So it's ready to be signed and as Dale mentioned, the County will approve it this month. We anticipate it will be on one of your upcoming agendas.

CHAIR VIGIL: My question is once it's executed by the County does that finalize this?

MS. LONG: Yes, Madam Chair. That will be the last step.

CHAIR VIGIL: Okay. Any other questions?

CHAIRMAN MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

CHAIRMAN MONTOYA: What are some of the benefits?

MR. LYONS: Well, with a supplementary power provider to the BDD project we'll be able to save the project, beginning in the first year, about \$250,000 a year in payments that would otherwise have gone to PNM for electrical utility payments. So that's just sort of a partial load, but as the BDD water treatment plant loads increase the amount of savings, especially when you consider pending PNM rate increases, that amount of savings is anticipated to go up significantly over time. And so this is a fixed price. We're paying 15.5 cents per kilowatt-hour for solar power. It doesn't matter the time of day and when we secure the PNM REC agreement we'll receive 15 cents per kilowatt-hour. So essentially we'll be paying half a cent per kilowatt-hour for all power we derive from the solar facility. So it's a really big –

CHAIRMAN MONTOYA: Obviously, PNM is in agreement with all this?

MR. LYONS: It's their program we're going to receive REC payments under. It's a renewable energy incentive program.

CHAIRMAN MONTOYA: Very good. Thank you.

CHAIR VIGIL: Conci.

MEMBER BOKUM: Thank you, Madam Chair. This is another opportunity for a press release. Was there one?

MR. CARPENTER: There was.

MEMBER BOKUM: It got some coverage. I just think it's another thing to celebrate.

22. Project Manager Recommendations to Address BDD Board Request for SFCC Tuition Reimbursement by BDD Project Trainees Due to Early Resignation from Positions (Rick Carpenter)

MR. CARPENTER: Thank you, Madam Chair. If you'll recall at the last Board meeting the very strong suggestion was made by this Board to staff to investigate the possibility of recouping some or all of the tuition that the Board would be investing in

the trainees for this project. We did look into that. We did a little bit of research and spoke with the City Human Resources Department on what is and isn't do-able. We came up with a recommendation that's in the memo in your packet, which is that if within a year the trainees leave the Buckman employ that they would reimburse 100 percent of their cost. If they stay two years or less then it would 50 percent.

That's just a recommendation. If the Board would like to adjust those figures in some way that would be fine but the Human Resources Department signed off on the concept and not necessarily the percentages or the time that would apply.

CHAIR VIGIL: Okay, questions, comments? Councilor Calvert.

COUNCILOR CALVERT: Well, I'll just get to the bottom line. What I wrote down here is "Just two years?" I guess that's sort of my bottom line on this, is we're investing a fair amount and we're taking a fair amount of risk in this approach anyway so I would hope that the commitment would be more than two years. That's my opinion and it doesn't seem like a very long commitment for what we're investing in this and what's at risk in terms of our having to go out and find new people and train them.

CHAIR VIGIL: Conci.

MEMBER BOKUM: I think I'd modify this. Sometimes people don't have control over what happens in their lives so maybe we could step it. Do a percentage. You have to reimburse some percentage at two years and a different percentage –

COUNCILOR CALVERT: You could put some sort of clause if there was some unavoidable circumstance. That happens. I think it's standard in arrangements like this. Families, circumstances change or something like that.

CHAIRMAN MONTROYA: Madam Chair, what is the cost, more or less?

MR. CARPENTER: I almost got out of here without answering all your questions. I don't know what the individual cost is going to be. It's going to vary from employee to employee because different classes require different amounts of training. The contract we have with Santa Fe Community College is I think on the order of \$185,000 for the whole program. There's 31 employees. The operators will be utilizing the bulk of that training because theirs is the most specific to our project. But \$185,000 divided by 31, adjusted for the individual levels of effort.

COUNCILOR CALVERT: Right. If I may, I think that one of the points we made last time is that basically we're covering pretty much all the costs in terms of materials and stuff like that, right?

MR. CARPENTER: Books, curricula, instruction. One thing that we haven't discussed and is not necessarily part of this proposal but it could be, and that is that these are full-time employees, so we're also paying them to be in the classroom as well as paying for the instruction and the classroom materials.

COUNCILOR CALVERT: Right. So I guess one of the facts from the last meeting was if they don't have any investment in it then it's too easy for them to bail or to leave and if we're putting up all the investment then there should be some commitment on their part to honor that investment.

MR. CARPENTER: Madam Chair, Councilor Calvert, we have suggested in the memo that's in the packet that as part of that commitment or to more formalize or memorialize the commitment that the employees be asked to sign some sort of memorandum of agreement that they would agree to this commitment.

CHAIRMAN MONTOYA: So, Madam Chair, just more or less, give or take, it's about \$6,000 per employee.

COUNCILOR CALVERT: I think it might be more than that.

CHAIRMAN MONTOYA: Right.

CHAIR VIGIL: Any other questions? I have a few. Are you done, Councilor Calvert? Rick, was Santa Fe Community College consulted with regard to what is standard in the industry and the student commitment to these kinds of things? I know there are other industries that do this, but they are going to be the curriculum developer and disseminator of that. Were they consulted about this?

MR. CARPENTER: Actually, we have someone in the audience, Mr. Hoffman, that can give a more detailed response to that, Madam Chair. Mr. Hoffman is with CDM and his primary responsibility is designing and implementing the training and certification program.

STEVE HOFFMAN: Hi. I'm Steve Hoffman with CDM, the Board engineer. Could you repeat your question?

CHAIR VIGIL: Was Santa Fe Community College consulted on this, since they're going to be a curriculum deliverer, with regard to the kind of students that will be attracted to this, and whether or not these memorandum of agreements are standard practice in specialized industries?

MR. HOFFMAN: Yes. We talked to Randy Grissom who is with the workforce development part of Santa Fe Community College and a couple of things were done. We profiled the jobs and each perspective employee will be required to go through a skill evaluation before we hire them – actually, before we even interview them. So we're increasing our odds of having a success rate in the classes because of the skill sets we're requiring on the job.

Secondly, Santa Fe Community College has worked with other industries in the area including LANL and Intel and they've done these types of projects before. As far as the specific language of the memo itself or an agreement between an employee and a city, those are going to be drafted by Legal and the Human Resources Department.

CHAIR VIGIL: My recommendation would be that we require a two-year commitment before the 100 percent is paid back. I think one year is too minimal. I think despite all their training in-house, a lot of their training is going to be hands-on at the facility. So I think the first year that they're there is going to be a strong training component also.

MR. HOFFMAN: Yes. It's full time.

CHAIR VIGIL: Okay. I actually think two years, and I'd like to see maybe the third year at 75 percent and maybe the fourth year at 50 percent. I'd like to see a graduated incentivized memorandum of agreement so that the students who are entering into this recognize that they are committing to at least two years, that if they commit to longer it creates a larger benefit for them and they won't have to pay the \$6,000 back.

MR. HOFFMAN: Right.

CHAIR VIGIL: So that's a recommendation from me. Councilor Calvert.

COUNCILOR CALVERT: That's fine. And it's not just – I can't emphasize this enough – it's not just the money we have invested, it's the criticality those positions are to the operation of the facility. It's not like you can just – somebody quits and you can hire somebody immediately to replace them. That doesn't happen. So we

need people that are really fully committed because as you know, our timeline is pretty critical and compact and there's not a lot of room for these kinds of people dropping out and replacing them. So that is almost and maybe more critical than the amount of money we're putting into it.

CHAIR VIGIL: That's a recommendation from me. Are there any objections to that? Are there more liberal or conservative recommendations here? Nancy, I think you've worked with universities with regard to these kinds of contracts. Do you have any comments on this?

MS. LONG: I think your input is correct, that one year is not going to really be sufficient and I have seen structures where there is a percentage after a certain number of years, as you have described. So that is something that has been done before. So we can put something together to encourage longer service.

CHAIR VIGIL: Okay. I think that would be part of my recommendation, to give staff direction to create an incentivized memorandum that makes a longer term commitment.

MEMBER BOKUM: I'd like four years.

CHAIR VIGIL: But I also think that – I'm open to suggestion here. I just threw two because I'm a conservative thrower-outer, but the fact of the matter remains that if we start getting turnover because of the demand for the training we're going to be playing catch-up on all of this. So I do have a concern over that. Would four years be unreasonable?

MR. HOFFMAN: In our company the standard agreement is three years. So if we pay a bonus for some sort of training or education. It's just what we're doing. I'm not saying it's right or wrong. I'm just saying that's an example and I think we can probably find some examples of those. We could probably do that at the next meeting and bring that to you.

CHAIR VIGIL: Conci, and then I'll go with Councilor Calvert.

MEMBER BOKUM: Thank you, Madam Chair. I don't have problems with restricting it to four years as long as we step it in percentages. But I would like to make sure that there's some out when somebody doesn't have control. I think actually an additional problem that I have is those employees are going to be very valuable to other people and they're going to be sought after.

MR. HOFFMAN: That's exactly why – it's for the employee that just decides they want to go work somewhere else, not for the employee who has –

MEMBER BOKUM: But those are people who are pressured to go somewhere else and we need to keep them here until –

MR. HOFFMAN: We've had a lot of discussion about that and we want to keep good employees and we don't necessarily foster good employees by forcing them to stay. So there's the other side of the coin. So we just need to be careful and reasonable about what we're asking people to do. And I'm not saying we're not spending a lot of money. We are indeed spending a lot of money. But we've gone to great lengths to make sure we get people who can succeed in the program and they will be worth more money when they get through the program, to someone else.

CHAIRMAN MONTROYA: Madam Chair, who would that someone else be? Albuquerque?

MR. HOFFMAN: The problem in our industry is there are not a lot of feeder programs for trainees and in fact what we're doing is not really a training program. It's a training program for the BDD project but we are hiring people who are already certified. So they're coming from somewhere else, from another utility or even from another state, but most of them, the applications I've seen now are fairly local. So we're recruiting certified operators. And that's the group we're talking about. These people are certified by the State of New Mexico to operate water plants. They're not certified to operate a particular water plant but in order to operate a water plan in New Mexico you have to have a license.

In fact, the BDD water plant requires a Level-4 license so we have five Level-4 operators who are going to represent the Level-4 licensure requirement around the clock at the plant. So those people are valuable to other communities that are required to have certified operators at their plant. If they have a water plant for a public water supply they have to have a certified operator. And so hopefully we can extend our program so that the way it's being designed is it can be taught to other students who might not necessarily be BDD employees and then they could qualify to become licensed and work. But at the end of the day whoever works at BDD has to go through the BDD training because they won't know the BDD plan unless they do the training. So that's the real key to this whole thing.

CHAIR VIGIL: Councilor Calvert.

COUNCILOR CALVERT: Thank you. Also, I understand your comments and I appreciate them and we do have to strike that balance, but what I don't want is for us to be the training ground for everybody to raid and for us to go to all that expense, because the expense as we've discussed isn't just the budget with the Community College, it's all the time and man-hours that go into the hands-on, as you pointed out, Commissioner Vigil. And the other thing, I appreciate your example of three years but I think the difference here is you are a national company and you have more of a pool to pick from, so three years may be more reasonable for you, but we're smaller and local and four might be more appropriate for us, just because we need more lead time and we don't have the resources to pull from.

CHAIRMAN MONTOYA: Madam Chair, I guess there aren't a whole lot of real competitors, then.

COUNCILOR CALVERT: Well, Albuquerque is definitely a competitor.

CHAIRMAN MONTOYA: Yes, but I mean besides Albuquerque – Española's not much, Rio Arriba.

MR. CARPENTER: Madam Chair, Commissioner and Councilor, what we see with our Canyon Road water treatment plant is first of all your potential competitors are generally going to be surface drinking water plants, not groundwater, not wastewater. So that narrows the field. But what we see is the guys will come in maybe at a Level-1 or a Level-2, they work for a year or two and they get a Level-3 or a Level-4 and they're more marketable, and they go to the bigger cities – Denver, Phoenix, places like that with a bigger water treatment plant and the rate base to support bigger salaries.

But what I wanted to re-emphasize is a couple of things. We said before that one of the things we're trying to do at the BDD is instill a culture, if you will, of ownership in this project. It's ground-up, it's a brand new facility, and so that's part of what we're trying to do, but we definitely want to fold into that the financial incentive to stay and the

financial disincentive to go. And so we'd be happy to research other variations on this and the justifications for those and bring that back to the Board in August.

CHAIR VIGIL: That sounds good. Any other comments or questions? No action required on this.

MATTERS FROM THE PUBLIC

None were presented.

MATTERS FROM THE BOARD

None were presented.

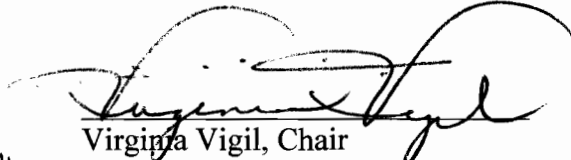
NEXT MEETING: Thursday, August 5, 2010 @ 4:00

MR. CARPENTER: Madam Chair, I believe it will be back – because we'll be back on our normal schedule, first Thursday of the month – I believe we'll be back at City Hall, but I will have confirmation of that sent to all of the Board members and we will advertise it accordingly.

ADJOURNMENT

Having completed the agenda, this meeting was declared adjourned at approximately 5:07 p.m.

Approved by:

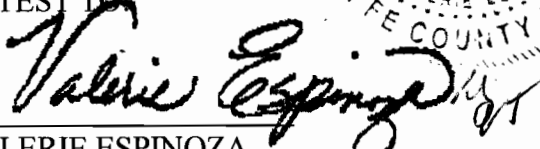

Virginia Vigil, Chair

Respectfully submitted:

Debbie Doyle, Wordsworth



ATTEST TO:


VALERIE ESPINOZA
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA VIGIL
SANTA FE CITY CLERK



AGENDA

THE CITY OF SANTA FE
And
SANTA FE COUNTY

BUCKMAN DIRECT DIVERSION BOARD MEETING

THURSDAY, JULY 8, 2010
4:00 PM
COUNTY COMMISSION CHAMBERS
102 Grant Avenue

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES FOR THE JUNE 3, 2010 BUCKMAN DIRECT DIVERSION BOARD MEETING**
5. **APPROVAL OF CONSENT AGENDA**
6. **MATTERS FROM STAFF**
7. **FISCAL SERVICES AND AUDIT COMMITTEE REPORT - VERBAL**

CONSENT AGENDA

8. Project Manager's Monthly Project Exception Report. (Rick Carpenter)
9. Project Manager's Monthly Update Regarding the Financial Status of Contracts. (Rick Carpenter)
10. Project Manager's Report on Staffing and Training Program Progress. (Rick Carpenter)
11. BDD Public Relations Report for June 2010. (Lynn Komer)

12. Update on Contracts and Purchases Approved by the Project Manager Pursuant to the BDD Board's Delegation of Authority.(Rick Carpenter)
13. Request for Approval of Amendment No. 1 to the Professional Services Agreement with Santa Fe Community College to Modify the Insurance and Indemnification Requirements. (Nancy Long)

DISCUSSION AND ACTION ITEMS

14. Discussion and Selection of Formal Name for the Buckman Direct Diversion Project Water Treatment Plant. (Rick Carpenter) **VERBAL**
 - a. Santa Fe Regional Water Treatment Plant*
 - b. Buckman Direct Diversion Water Treatment Plant*
 - c. Buckman Regional Water Treatment Plan*
 - d. Westside Regional Water Treatment Plant*
 - e. Caja del Rio Regional Water Treatment Plant*
 - f. Other?*
15. Request BDD Board Conceptual Approval of Project Manager's Conceptual Proposal for BDD Board Funding of Approximately \$100,000 Per Year for Three years for a Full-Time Federal Law Enforcement Ranger in Satisfaction of BDD FEIS Record of Decision Item # 12 and as an Integral Element of BDD Project Public Safety and Security. (Rick Carpenter)
16. Request for Approval of Amendment #1 to the Independent Peer Review Professional Services Agreement with Chemrisk and Update of Public Meetings Location to the Santa Fe Convention Center and Public Meeting Dates to August 7th or 8th and November 30 or December 1, 2010, Regarding the Draft and Final Reports, Respectively. (Rick Carpenter and Tom Widner)
17. Request for Approval of Intervention, in Cooperation with Albuquerque/Bernalillo County Water Utility Authority, in the Public Service Company of New Mexico Rate Case Filed with the New Mexico Public Regulation Commission on June 1, 2010. (Rick Carpenter and Nancy Long)
18. Request for Approval of Amendment No. 3 to the Professional Services Agreement with Lynn Pitcher Komer for the Amount of \$58,000 Plus \$4,67.25 (NMGRT) for a Total Amount of \$116,201.24 To Provide Public Communications Services and Products Through BDD Project Acceptance. (Rick Carpenter)

INFORMATION ITEMS

19. Update on The Ferguson Group Contract. (Rick Carpenter) **VERBAL**
20. Update on status four issues with Public Service Company of New Mexico in addition to the June 1, 2010 rate case. (Norm Gaume and Rick Carpenter)
21. Update Regarding Execution of Solar Energy Agreement Between American Capital Energy, Inc., the BDD Board, the City of Santa Fe, and Santa Fe County and Progress Regarding Arrangements for Interconnection with Public Service Company of New Mexico. (Dale Lyons and Nancy Long)
22. Project Manager Recommendation to Address BDD Board Request for SFCC Tuition Reimbursement by BDD Project Trainees Due to Early Resignation from Positions. (Rick Carpenter)

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: THURSDAY, AUGUST 5, 2010 @ 4:00 P.M.

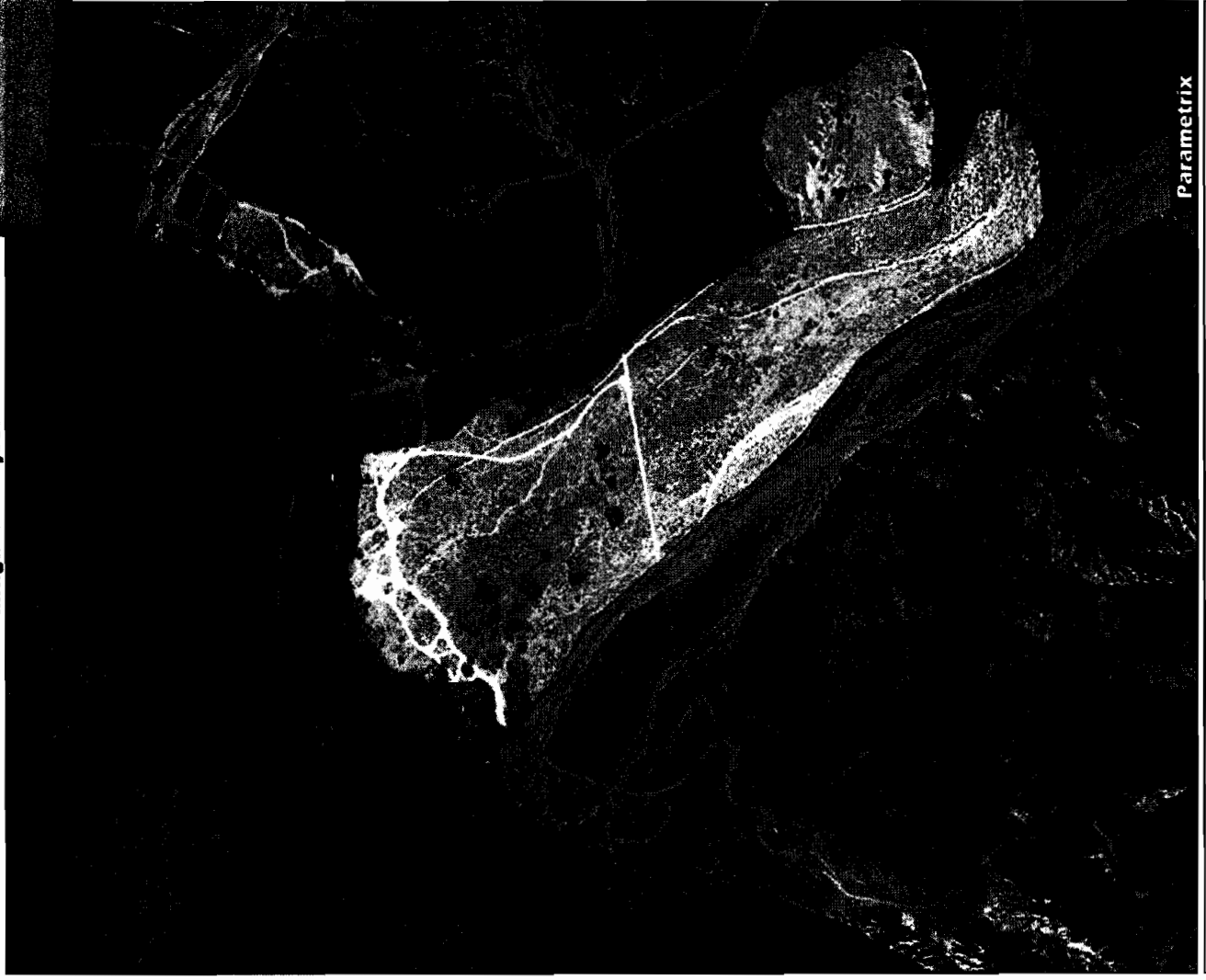
ADJOURN

PERSONS WITH DISABILITIES IN NEED OF ACCOMODATIONS, CONTACT THE CITY CLERK'S OFFICE AT 505-955-6520, FIVE (5) WORKING DAYS PRIOR TO THE MEETING DATE.

Mitigation Area

- Aquatic-Riparian
7-acres
- Upland
25-acres

Mitigation Project Area



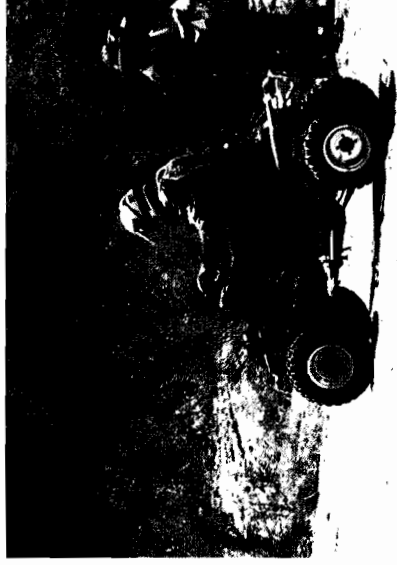
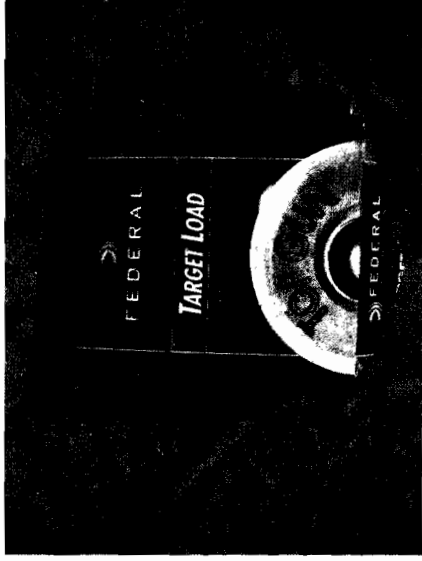
Parametrix



Mitigation Requirements

- Mitigation addresses specific functions:
 - Wildlife habitat
 - Soil erosion
 - Infiltration
- Successful mitigation will require:
 - Planting native vegetation
 - Controlling activities that promote erosion and reduce native plant cover
 - Limiting activities that threaten survival and growth of native plantings.

Current Unmanaged Uses Threaten Successful Mitigation



Management Restrictions Must Be Enforced

- Designated parking
- Control / limit ORV access
- Close roads
- Use restrictions:
 - Fire arms
 - Open dumping
 - Livestock grazing

