

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

August 5, 2010

This meeting of the Santa Fe County/City Buckman Direct Diversion Board was called to order by Chair Rebecca Wurzburger at 4:00 p.m. in the Santa Fe City Council Chambers, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Members Present:

Councilor Rebecca Wurzburger
Board Member Conci Bokum
Commissioner Virginia Vigil
Councilor Chris Calvert
Commissioner Liz Stefanics

Member(s) Excused:

[None]

Others Present:

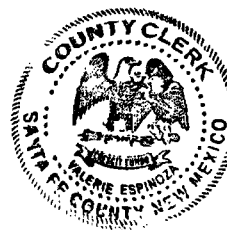
Rick Carpenter, BDD Project Manager
Norm Gaume, BDD Project Consultant
Nancy Long, BDDDB Contract Attorney
Rachel Brown, Assistant County Attorney
Marcos Martinez, Assistant City Attorney
Mike Sanderson, Las Campanas
Mark Ryan, CDM, BDD Board Engineer
Ray Salvy, CH2MH
Brian Snyder, City Utilities
Teresa Martinez, County Finance Director
Neva Van Peski, League of Women Voters

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BUCKMAN DIRECT DIV MII
PAGES: 19

I Hereby Certify That This Instrument Was Filed for
Record On The 4TH Day Of October, 2010 at 04:11:25 PM
And Was Duly Recorded as Instrument # 1612957
Of The Records Of Santa Fe County

Deputy Valerie Espinoza County Clerk, Santa Fe, NM
Witness My Hand And Seal Of Office
Valerie Espinoza



APPROVAL OF AGENDA

[Exhibit 1: Agenda]

There were no changes to the agenda and Commissioner Vigil moved to approve as published. Her motion was seconded by Board Member Bokum and passed by unanimous [3-0] voice vote. [Commissioner Stefanics and Councilor Calvert were not present for this action.]

APPROVAL OF MINUTES: July 8, 2010

There were no changes to the minutes. Commissioner Vigil moved to approve the minutes as published. Her motion was seconded by Board Member Bokum and passed by unanimous [3-0] voice vote. [Commissioner Stefanics and Councilor Calvert were not present for this action.]

APPROVAL OF CONSENT CALENDAR

8. **Project Manager's Monthly Project Exception Report**
9. **Update by Rick Carpenter on Financial Status of Contracts**
10. **Project Manager's Report on Staffing and Training Program Progress**
11. **BDD Public Relations Report for July 2010**

Board Member Bokum moved for approval and her motion was seconded by Commissioner Vigil.. The consent agenda was approved by unanimous [3-0] voice vote. [Commissioner Stefanics and Councilor Calvert were not present for this action and arrived immediately thereafter.]

MATTERS FROM STAFF

RICK CARPENTER (BDD Project Manager): Thank you, Madam Chair; there are two brief matters that I would like to bring to the attention of the Board. In the last several weeks we have been attending a series of meetings at the Water Trust Board pursuant to a grant application that was filed on behalf of this Board in the amount of \$4 million. It is an 80 percent grant and 20 percent loan. We learned last week that that grant is now approved in its total amount so that will be coming.

COMMISSIONER VIGIL: Do you have a total?

MR. CARPENTER: The total is \$4 million.

COUNCILOR WURZBURGER: That's wonderful news. Any questions?

COMMISSIONER VIGIL: I'm just curious as to how much is loan and how much is grant?

MR. CARPENTER: It's 80 percent grant and 20 percent loan. The other item, Madam Chair, as the Board knows there are 31 new positions that we are attempting to fill to staff the project. We're working deficiently towards that goal. I am happy to report that we have completed two managers to-date. One of which is extremely important, the facility manager. He's a very highly qualified individual and also within the last couple of days the fiscal manager for the BDD project. So we're happy to report that.

COMMISSIONER VIGIL: Madam Chair.

COUNCILOR WURZBURGER: Yes.

COMMISSIONER VIGIL: I know in our last meeting it was requested by Councilor Calvert that we get resumes and these would be helpful for these hires not only fiscal wise but for the BDD.

COUNCILOR WURZBURGER: Yes, Commissioner, we will send those to you in advance of the next meeting.

FISCAL SERVICES AND AUDIT COMMITTEE REPORT

MR. CARPENTER: Madam Chair, we did meet last Tuesday. Most of the discussion was centered around items on your agenda today. That would be items 12 and 13, that's the booster station and also discussed operational budget and a little bit about rules and responsibilities vis-à-vis staff and elected officials that are serving on that committee.

COUNCILOR WURZBURGER: Are there minutes of those meetings?

MR. CARPENTER: I do not have formal minutes. We can produce them if you wish.

COUNCILOR WURZBURGER: I would prefer to have some kind of summary of the highlights of the meeting for those of us who are not on the committee.

MR. CARPENTER: I would be glad to do that.

COMMISSIONER STEFANICS: I'm sorry, Madam Chair, are you asking for minutes from the audit committee?

COUNCILOR WURZBURGER: Yes, just the highlights so that we have more than the verbal report.

DISCUSSION AND ACTION ITEMS

- 12. Request for Approval of Change Order 15 to the Design Build Contract Between the Buckman Direct Diversion Board and CH2M Hill/Western Summit Constructors Joint Venture in the Amount of \$4,849,651.00 plus \$339,500 NMGRT for a Total Amount of \$5,189,151.00 for the Final Design, Permitting and Construction of the Booster Station 3-4 Parallel Pipeline**

MR. CARPENTER: Madam Chair, this is the item that I mentioned earlier. This is a change order to the contract that goes to the contractor in the amount of \$4,849,651 plus GRT for a total of \$5,189,151. This has been before the Board a number of times. The preliminary design change order was approved in June and this is for the final design and construction. I would call the attention of the Board that if the Board chooses to approve this change order, that along with motion that would authorize the project manager to authorize the contractor of notice to proceed provided to the BAR to actually move the funds on a hearing before City Council which would help us to avoid additional \$362,000 in delayed checks.

COUNCILOR WURZBURGER: So we would take it to the finance staff of the City and to the Council. Councilor Calvert.

COUNCILOR CALVERT: Yes, I'd like to hear item 13 along with this since they are so closely related.

COUNCILOR WURZBURGER: Before a motion?

COUNCILOR CALVERT: Yes.

- 13. Request for Approval of Amendment 16 to the Professional Services Agreement between the Buckman Direct Diversion Board and Camp Dresser & McKee, Inc. for the Amount of \$96,255.00 plus \$6,750.00 NMGRT for a Total Amount of \$103,005.00 Providing for the Board Engineer's design and construction monitoring of the EDB Contractor's Change Order 15 for Final Design, Permitting, and Construction of the Booster Station 3-4 Parallel Pipeline**

MR. CARPENTER: Thank you, Madam Chair. This is a change order for the Owners' consultant, CDM. They have been working on this project and overseeing the work of the contractors since the contractor's contract was approved back in March of 2008. This change order is for construction management services and engineering services during the time the contractor will be installing pipelines associated with item number 12.

COUNCILOR WURZBURGER: Okay, questions. May I have a motion for --

COUNCILOR CALVERT: Move for approval of item 12.

COMMISSIONER STEFANICS: I'll second.

COUNCILOR WURZBURGER: Okay, and that would be approval of staff to proceed, correct?

The motion to approve item 12 passed by unanimous [5-0] voice vote

COUNCILOR CALVERT: Move for approval of item 13.

COUNCILOR WURZBURGER: Thank you. And is there a second?

COMMISSIONER VIGIL: Second.

The motion to approve item 13 passed by unanimous [5-0] voice vote.

- 14. Request for Approval of Amendment 17 to the Professional Services Agreement Between the Buckman Direct Diversion Board and Camp Dresser & McKee, Inc. for the amount of \$48,500.00 plus \$3,700 NMGRT for a Total Amount of \$52,200.00 providing for the Board's Engineer's Monitoring and Reporting of Water Quality for the Sediment Return NPDES Permit**

MR. CARPENTER: Thank you, Madam Chair. This is a change order to the Owners' consultant Camp Dresser & McKee to perform required sampling and monitoring under the terms of our NPDES permit -- it's for the sand discharge back into the river. This is something that we have to do as a -- and I will oversee and authorize where and as needed as opposed to a lump sum. And there are two parts of this and that is that this work is within the BD budget, it's a line item that is intended to address this type of environmental permitting.

The other thing I want to point out is that some of this, potentially most of this, I believe is covered under the MOU that this Board entered into with LANL. We were thinking of approaching LANL and negotiating with them to hopefully seek reimbursement for all or most of these expenses.

COUNCILOR WURZBURGER: Thank you, Rick. Any questions about this? May I have a motion please?

COMMISSIONER VIGIL: Move to approve.

COMMISSIONER STEFANICS: Second.

The motion to approve item 14 passed by unanimous [5-0] voice vote.

15. Request for Approval of Intervention in the Public Service Company of New Mexico's Renewable Energy Portfolio Procurement Plan for 2011, Case No. 10-00199-UT Filed with the New Mexico Public Regulation Commission on July 1, 2010

NANCY LONG (BDDDB Contract Attorney): Thank you, Madam Chair. We are seeking the Board's approval to allow the Board's intervention as a party in the new PNM filing on renewable energy that just occurred on July 1. Our plan is to coordinate with the City of Santa Fe who we understand that they may also be an intervening party. The plan that was filed really should not be a problem in terms of the solar credit, but we don't know how that might change and how that might impact previous filings as well. At this point, we want to strictly preserve our right to be a party. We don't plan to be very active unless we have to and if do, then we would come back to you and let you know what that plan looks like. If an expert were needed or if we needed more resources to be more actively involved then we will do that. At this point, we just want to preserve the right to jump in if we have to.

COUNCILOR WURZBURGER: Okay, and I believe in our pre-meeting you indicated that Marcos was available and the City is watching this anyway so we felt we could be a party. Is that correct, Marcos.

MARCOS MARTINEZ (City Attorney): That's correct.

COUNCILOR WURZBURGER: Okay, thank you. Any discussion or questions?

COMMISSIONER STEFANICS: Madam Chair, I would move approval.

BOARD MEMBER BOKUM: Second.

The motion to approve item 15 passed by unanimous [5-0] voice vote.

16. Project Manager Recommendation to Address BDD Board Request for SFCC Tuition Reimbursement by BDD Project Trainees Due to Early Resignation from Positions

MR. CARPENTER: Thank you, Madam Chair. This item was before the Board at your last Board meeting it's also based on a recommendation that the Board sent away and questioned that we do a little more research to build more facts in striking a balance between the best ways to protect the Board's interest in terms of investments

made in the perspective candidates and [inaudible] The consultant has done that and there's a memo in your packet that makes that recommendation and basically they have – what their research indicates is that 100 percent reimbursement back to the Board within the first 24 months and 50 percent reimbursement from 24 months to 36 months would be reasonable. The employees – they will discuss this at the time of the interview and will sign an agreement of some sort as a condition of that point.

COUNCILOR WURZBURGER: Okay, questions. Councilor Calvert.

COUNCILOR CALVERT: Thank you. Rick, on the third bullet on that memo it talks about the tuition and payment agreement that will require the employee to pay the BDD Board the books fee and tuition paid to the Santa Fe Community College. I guess, as we had discussed in the past a lot of the training – well, some of the training any ways is going to be hands-on training at the facility itself. How do we account for that?

MR. CARPENTER: Councilor Calvert, the employees will be being paid a normal salary as part of that. I don't know that that's part of the recommendation to try and recover a salary that was paid as opposed to books and tuition.

COUNCILOR CALVERT: Well, I'm not suggesting that we recoup their salary but certain people are there because they are part of the training team I would assume.

MR. CARPENTER: That's correct.

COUNCILOR CALVERT: So I mean we are incurring training costs during that process. I don't know but I just – I don't know what the size of that is but I think it might be significant. I agree with what we've put in here so far but I think that there's more to it than just the classroom is what I would call it training.

MR. CARPENTER: We can certainly look at that and come back. It's a little bit time sensitive because as I mentioned we're already starting to make these hires. The operators they'll be largely the subject of this requirement and maintenance staff probably won't be hired and signing anything maybe before the next Board meeting. No, we could come back.

COUNCILOR WURZBURGER: Let's have a discussion about this and see how the rest of the Board feels and there could be an amendment suggesting that there's a percentage of the cost of the salaries that are going to be training. I encourage the Board to think about that in terms of a motion.

COUNCILOR CALVERT: Another comment. I appreciate the examples of what were given but most of these were in relationship to people that are already employed as opposed to hiring people and training them straight out. So that's why I guess – I certainly would like it to be less than 24 months at 100 percent and I might be persuaded to a higher percentage.

COUNCILOR WURZBURGER: Okay, let's have some further discussion.

COMMISSIONER VIGIL: I'm perfectly satisfied with the recommendation of staff. I think 24 months, 100 percent reimbursement and 50 percent for the remainder is good.

COUNCILOR WURZBURGER: Any other comments?

COMMISSIONER STEFANICS: Madam Chair, I tend to agree with the recommendations as presented. I think it would be hard to quantify the time spent

supervising an individual if you're supervising a group. Unless staff can think of something clear that would not be subjective – I just think what was proposed was better.

MR. CARPENTER: Madam Chair, if I may. I agree with that. I think it would be difficult to break it out and enforce. We put a defined/detailed number on the tuition and books and that sort of thing but group trainings, I'm not sure how feasible that would be to break that out and quantify it.

COUNCILOR WURZBURGER: The only way I could imagine being able to do that is if you had one person who is doing the training or one person who is doing 50 percent of his or her of the training. Is that possible?

MR. CARPENTER: No, Madam Chair. It's a large multi-disciplinary team.

COUNCILOR WURZBURGER: Who is doing the training.

MR. CARPENTER: Yes.

COUNCILOR WURZBURGER: And they're not only doing the training.

MR. CARPENTER: That's correct.

COUNCILOR WURZBURGER: Okay, further discussion? May I have a motion, please.

COMMISSIONER VIGIL: Move to approve.

COMMISSIONER STEFANICS: I'll second.

The motion to approve staff's recommendations passed by majority [4-1] voice vote with Councilor Calvert voting against.

INFORMATION ITEMS

17. Update on the NMED WQCC Triennial Review and LANL Water Quality Regulations

MR. CARPENTER: Thank you, Madam Chair. Some good news: sometime ago the Board directed staff to intervene and participate in the triennial review process for water quality at the Rio Grande. We did that and participated in formal testimony. We recently heard back that the items that we requested through that process, the constitutes' concerns, sampling protocol and that sort of thing, everything we asked we received. So we 100 percent successful and I wanted to report that back to the Board.

COUNCILOR WURZBURGER: Thank you, questions about that.

18. Update on the Status of PNM substation at Caja del Rio Site [Exhibit 2: Memo from Rick Carpenter 8/3/10 – Re: Substation; Exhibit 3: Memo from Norman Gaume 8/3/10 – Re: Substation]

MR. CARPENTER: Thank you, Madam Chair. I apologize because there should have been a memo in the packet on this but we could not get it prepared in time to meet the packet deadline. There is a hardcopy handout at your desk. I'll just briefly summarize. This is a memo from me to the Board and basically outlines the issues associated with the substation at the Caja del Rio site and issues subsequent potential issues for building the substation. The memo calls to the attention of the Board that the very long EIS process that began 2002 and culminated with the Record of Decision in

2007 did select the Caja del Rio site as the preferred site and rejected another site that is closer to the water treatment plant. The reason for that rejection was the closer site to the water treatment plant would require a new utility corridor where the Caja del Rio site would not.

However, it turns out that PNM's application to the Board of Commissioners which goes first to the CDRC was not approved and is on appeal to the BCC and will be heard next Tuesday. If this application is denied and alternative site is chosen, for example the one closer to the water treatment plan, PNM estimates that there will be significant costs associated with that, over \$1 million to the substation and there will be ancillary costs as well associated with a brand new permitting application and the risks that go along with that and at least 18 months of delay.

I would also point out to the Board that any of those additional costs are not currently in the BDD budget and there are not funds available for this and additional funds would need to come from elsewhere in the City and County – presumably, general fund budget.

We've identified a temporary solution should the project be delayed to provide with a power source to the water treatment plan site which would be to move some component of the existing Buckman substation directly underneath the existing transmission lines and then run a temporary power line to the water treatment plant for 3/10 of a mile. That too would come with significant costs, potentially up to \$200,000 to \$300,000. PNM had not opened [inaudible] facilities to negotiate that with PNM. They have not said that they would be willing to do but they have not said that they wouldn't be willing to do that but they have concerns with regards to cost and schedule and cost sharing.

There's also a memo that was attached to my memo from Mr. Norman Gaume offered his professional opinion on the advocacy of a temporary solution. Mr. Gaume I believe is here and can answer as well.

COUNCILOR WURZBURGER: Since this was not in our packet, I would ask Mr. Gaume to please come and highlight the substance of his memo.

NORMAN GAUME (BDD Project Consultant): Thank you, Madam Chair and members of the Buckman Direct Diversion Board. I wrote the memorandum to express my professional opinion that the Caja del Rio Substation is a necessary component of the Buckman Direct Diversion project. There were deliberate discussions and decisions made during the conceptual design that included eliminating very possibly emergency generators at the facilities with the substitute, which is not quite as reliable but which we thought would be adequate for every facility at the Buckman Direct Diversion project could be quickly restored to power even of a power failure, with two sources of power with PNM. We have similar redundancies within the plant where any single failure of a major electrical component can be bypassed and you can feed the central public water supply infrastructure from another path.

It's my professional opinion that this is necessary for the project to function as intended. As a result of the County having concerns regarding the site that was selected by the federal agencies for the PNM Caja del Rio substation and the six year EIS process, in the event that the County does not approve that site I think it is necessary to make arrangements with PNM for a temporary source of power that would replace the Caja del Rio substation while we go through the long process to find another site.

The temporary solution would involve [inaudible] engineers and we have determined is feasible but as Rick said and I want to emphasize has not been agreed by PNM is to locate the old Buckman Substation which has now been replaced for our project. So the old one is available and could be moved to the transmission lines directly adjacent to the treatment plant and with a 3/10 of a mile overhead line to the plant could provide temporary power while the Caja del Rio siting decision is revisited and remade if that is the case. As Rick said, the Caja del Rio site was selected because the federal agency that controls the land where the treatment plant is, the Bureau of Land Management, did not want to encumber currently undeveloped federal land. That was their decision which they have the prerogative to make. They are willing, if the County denies the existing location, to go back and relook at it but it takes an Environmental Assessment, an expensive and uncertain process and it's going to cost a significant amount of money both for the temporary power supply that I think is required for the public's health, safety and welfare and for the cost of finding and building a substation on a new site.

COUNCILOR WURZBURGER: Thank you, Norm. This is an information item for us. As co-chair I would ask that this information be prepared by the staff for informational purposes for our Board as well as the County Commission so that we would have our perspective, staff perspective and our consultant's perspective on the PNM presentation which I've heard. So that this additional information can be considered on next Tuesday.

Are there any questions that we need to discuss?

COMMISSIONER STEFANICS: Madam Chair, I would just ask that staff make sure that they provide these documents to the County Land Use staff to be part of the public record for our decision making next week.

COUNCILOR WURZBURGER: Thank you. Anything further? Thank you very much.

MATTERS FROM THE PUBLIC

CHAIR WURZBURGER: Are there any matters from the public? Are there any matters from the Board?

JEANNETTE YARDMAN (PNM): Good afternoon. My name is Jeannette Yardman. I am a public and regulatory coordinator for the Public Service Company, and I too would like to provide the Board with additional information and just an update as to how our progress is going with the County regarding our permitting of this substation.

As Rick mentioned we are scheduled to go before the Board of County Commissioners –

COUNCILOR WURZBURGER: I think we have a legal issue from the County members hearing this. Would you give us an opinion on this?

COMMISSIONER STEFANICS: I would ask Rachel, or County attorney.

COUNCILOR WURZBURGER: I beg your pardon, I didn't even see Rachel. Yes, please.

COMMISSIONER STEFANICS: Rachel, since we're going to be hearing this case would this not be appropriate to hear this presentation?

RACHEL BROWN (Assistant County Attorney): I don't think that you can decline to hear comments from the public but anything that is going to be considered by the Commission on Tuesday needs to be brought forward during that meeting so that the entire Board can hear the comments. So I would encourage Jeannette to make this presentation to the Board on Tuesday.

COMMISSIONER STEFANICS: And the other question I have is that if we hear this presentation are we subject to a request to recuse ourselves from the vote?

MS. BROWN: There is that risk and again I would encourage that this presentation be made on Tuesday.

MS. YARDMAN: May I ask if the Board has any questions in regards to the report that Mr. Carpenter or Mr. Gaume made that I could answer.

COUNCILOR WURZBURGER: No, I don't think so. Thank you.

MS. YARDMAN: Okay, thank you.

COUNCILOR WURZBURGER: Any other members of the public?

MATTERS FROM THE BOARD

COMMISSIONER VIGIL: Rick wanted to announce and I'm not sure if he did while I was gone, I had an emergency in my district, but we did hear from Senator Bingaman's office that Senator Bingaman will be visiting the Buckman Direct Diversion and that tour date, I believe, has been scheduled and probably needs to be further finalized. What I learned from his office earlier this morning is that Senator Bingaman's office would like to know if all City Councilors would be extended an invitation and if all County Commissioners and state legislative delegation was. He would really like to know who has been extended an invitation and once we get confirmation on attendance; however, who is going to be extended an invitation and the office would like to know by tomorrow.

MR. CARPENTER: Madam Chair and Commissioners, yes, we have been in contact with Pablo Sedillo's office and also Lonnie Trujillo back in Washington DC who is helping to put this together to do exactly as you have suggested and we are working on that now.

COMMISSIONER VIGIL: Thank you and it was just because he mentioned that tomorrow is the deadline I thought we needed to call him and I spoke to him as early as 8 o'clock. I assume you have spoken to him since.

MR. CARPENTER: Yes.

COMMISSIONER VIGIL: Thank you. Thank you, Madam Chair.

COUNCILOR WURZBURGER: You're welcome.

COMMISSIONER STEFANICS: Madam Chair.

COUNCILOR WURZBURGER: Yes, ma'am.

COMMISSIONER STEFANICS: On that point, do you have a suggested date that they are looking at?

COMMISSIONER VIGIL: What they have proposed is August 18th at 10:30.

MR. CARPENTER: Yes, that's correct.

COUNCILOR WURZBURGER: So certainly everybody on the Board is invited.

MR. CARPENTER: Madam Chair, if I may add one more point today. Just before this meeting I was on the phone with Ms. Trujillo and she felt that the Senator would be very much willing to combine his site tour of the water treatment plant with the groundbreaking ceremony for the solar facility which is right next door. So we are looking in the efficacy of that as well. She hadn't checked with him but she suspected that he would very much like to do that so that may be part of what eventually transpires.

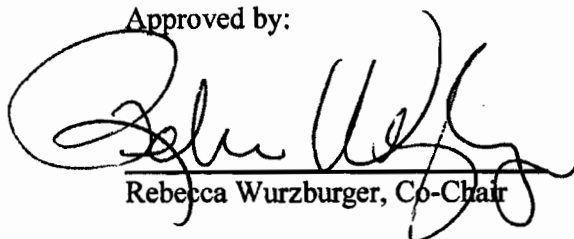
COUNCILOR WURZBURGER: So if you'd like to participate let Rick know as soon as you can if you're available to come to this event. Thank you. Any further comments from the Board.

NEXT MEETING: Thursday, September 2, 2010 @ 4:00 – City Chambers


ADJOURNMENT


Having completed the agenda, this meeting was declared adjourned at approximately 4:35 p.m.

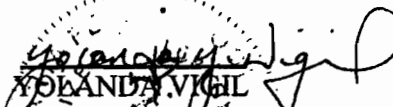
Approved by:


Rebecca Wurzbürger, Co-Chair

Respectfully submitted:


Karen Farrell, Wordswork

ATTEST TO:

VALERIE ESPINOZA
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA VIGIL
SANTA FE CITY CLERK

City of Santa Fe



New Mexico



AGENDA

**THE CITY OF SANTA FE
And
SANTA FE COUNTY**

BUCKMAN DIRECT DIVERSION BOARD MEETING

**THURSDAY, AUGUST 5, 2010
4:00 PM
City Council Chambers
200 Lincoln**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES FOR THE JULY 8, 2010 BUCKMAN DIRECT DIVERSION BOARD MEETING**
5. **APPROVAL OF CONSENT AGENDA**
6. **MATTERS FROM STAFF**
7. **FISCAL SERVICES AND AUDIT COMMITTEE REPORT**

CONSENT AGENDA

8. Project Manager's Monthly Project Exception Report. (Rick Carpenter)
9. Update by Rick Carpenter on 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 July 2010. (Lynn Komer)

DISCUSSION AND ACTION ITEMS

12. Request for Approval of Change Order 15 to the Design Build Contract Between the Buckman Direction Diversion Board and CH2M Hill/Western Summit Constructors Joint Venture in the Amount of \$4,849,651.00 plus \$339,500 NMGR T for a Total Amount of \$5,189,151.00 for the Final Design, Permitting, and Construction of the Booster Station 3-4 Parallel Pipeline (Rick Carpenter and Mark Ryan)
13. Request for Approval of Amendment 16 to the Professional Services Agreement between the Buckman Direct Diversion Board and Camp Dresser & McKee Inc. for the Amount of \$96,255.00 plus \$6,750.00 NMGR T for a Total Amount of \$103,005.00 Providing for the Board Engineer's design and construction monitoring of the DB Contractor's Change Order 15 for Final Design, Permitting, and Construction of the Booster Station 3-4 Parallel Pipeline (Rick Carpenter and Mark Ryan)
14. Request for Approval of Amendment 17 to the Professional Services Agreement between the Buckman Direct Diversion Board and Camp Dresser & McKee Inc. for the Amount of \$48,500.00 plus \$3,700.00 NMGR T for a Total Amount of \$52,200.00 providing for the Board Engineer's Monitoring and Reporting of Water Quality for the Sediment Return NPDES Permit (Rick Carpenter and Mark Ryan)
15. Request for Approval of Intervention in the Public Service Company of New Mexico's Renewable Energy Portfolio Procurement Plan for 2011, Case No. 10-00199-UT Filed with the New Mexico Public Regulation Commission on July 1, 2010. (Rick Carpenter, Jill Cliburn and Nancy Long)
16. Project Manager Recommendation to Address BDD Board Request for SFCC Tuition Reimbursement by BDD Project Trainees Due to Early Resignation from Positions. (Rick Carpenter)

INFORMATION ITEMS

17. Update on the NMED WQCC Triennial Review and LANL Water Quality Regulations. (Rick Carpenter) **VERBAL**
18. Update on Status of PNM Substation at Caja Del Rio Site. (Rick Carpenter)

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: THURSDAY, SEPTEMBER 2, 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.



Buckman Direct Diversion Project

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply



SFC CLERK RECORDED 10/04/2010

SFC CLERK RECORDED <18/4/2818>

MEMORANDUM - DRAFT

Date: August 3, 2010

To: Buckman Direct Diversion Board

From: Rick Carpenter, BDD Project Manager

Subject: Update on the Proposed Caja Del Rio PNM Substation

BACKGROUND

As the BDD Board is aware, PNM's land use approval application with the County of Santa Fe for constructing the PNM Caja Del Rio Substation at the EIS approved location adjacent to Caja Del Rio Road was denied in June 2010 by the County Development Review Commission. Recently, residents near the substation location have raised concerns. That application is now on appeal to the County Board of Commissioners. The application is now scheduled to be heard at the County Board of Commissioners meeting in early August 2010. This is a PNM application for land use approval from the County of Santa Fe for the Caja Del Rio Substation, a facility for which the BDD Board has funded 10% of total costs (the remaining costs to be recovered via current and future PNM customers).

The BDD Project (including the required PNM substation) was approved by the federal government pursuant to the environmental impact statement (EIS) Record of Decision (RoD), a process that began in 2002 and which culminated with the RoD in October of 2007. Substation alternative locations were sited and evaluated in the BDD EIS, like other utility components in the area, because of the ability to locate proposed facility components in the existing utility corridor. The substation site adjacent to Caja Del Rio Road was selected in the federal EIS RoD. An alternative site, near the location of the





Buckman Direct Diversion Project

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.

BDD water treatment plant, was studied in the federal EIS but rejected in the federal decision, because it would require development of currently undeveloped BLM land and a new permanent utility corridor across BLM land, including several new above ground transmission line poles. The BDD FEIS Record of Decision states that:

The selected alternative for the water treatment plant power upgrade is (AGP1A), which allows for placement of the new substation near Caja del Rio Road on the City's Municipal Recreation Complex (MRC) land. A line from the substation would connect to an existing buried line that runs along Caja del Rio Road. Where the access road to the water treatment plant intersects Caja del Rio Road, a line buried in the access road would extend to the water treatment plant. This alternative avoids creating a new utility corridor.

Moving the permanent substation site from the Caja Del Rio location to near the BDD Water Treatment Plant would have several implications:

- BLM officials have stated publicly that moving the site would require a completely new application and NEPA review. BLM would then make a discretionary decision regarding whether or not there is justification to consider a change to the Record of Decision. The time for this initial decision, the NEPA review, a possible outcome from the NEPA review to change the prior federal decision, and the appeal period is unknown but likely would not be less than 18 months, but BLM might decide that nothing material has changed that would alter the federal decision, and refuse any further consideration.
- PNM has estimated that moving the substation site would create a “stranded asset” in that all of the buried power distribution cables have been installed to serve the BDD Water Treatment Plant from two Caja Del Rio Substation feeder circuits. The BDD Project paid PNM for 100% of these costs.
- PNM has estimated that moving the substation location would result in increased costs of more than one million dollars. PNM would share in these increased costs but the cost share that would be the responsibility to the BDD Board is unknown at this time and could be up to several hundred thousand dollars. It is important to note that these potential increased costs are not currently in the BDD capital budget, and the contingency funds in the budget have been expended, so funding for these added costs would necessarily have to come from some other funding source within the City and County, respectively.
 - This funding issue would be exacerbated by the BDD Board's approval of the BS3 – BS4 Parallel Pipeline change order, for final design and construction, which is also on the August 2010 agenda





Buckman Direct Diversion Project

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply

for consideration (a change order for the preliminary design for this pipeline was approved by the BDD Board in June 2010). Funding for this project is likewise not within the BDD Project capital budget and will need to come from some other source of City and County funds.

- In negotiating the BS3 – BS4 Parallel Pipeline project, Santa Fe County staff agreed to partner on another related project called the S-1 Pipeline. This pipeline is needed to help move BDD Project water through the transmission and distribution system to City and County customers. Funding for this project is likewise not within the BDD Project capital budget and will need to come from some other source of City and County funds
- Delays in the implementation of the Caja Del Rio Substation could put the reliability of BDD Project at risk because the purpose of the Caja Del Rio Substation is to provide a redundant power supply should the existing Buckman Substation, that is currently serving the project, go out-of-service for any reason. The Buckman Substation also serves the existing Buckman well field and so, presumably, if this substation were to go out-of-service, then not only would the region not have access to BDD Project water, but the region would also not have access to Buckman well field water.
- The future solar power facility does NOT provide any redundancy. It can operate only when normal PNM power is available, pursuant to NMPRC rules.
- A temporary option has been identified and deemed practical but has not been agreed to by PNM. The old Buckman substation or the PNM mobile substation could be temporarily installed under a PNM transmission line near the BDD water treatment plant with a 0.3 mile temporary overhead distribution line. BLM has indicated it could provide a three-year temporary right-of-way for this purpose. This interim option would thereby provide (on a temporary basis) the redundant power source that was to be provided by the new Caja Del Rio substation, until the permitting issues can be worked out through the County land use approval process. Opting for implementation of a temporary substation near the existing water treatment plant would temporarily solve the power redundancy issue. PNM's agreement would be required and is uncertain. Preliminary discussions with PNM have indicated their concerns regarding cost, schedule, permitting, and cost-share allocation between PNM and the BDD Board. The BDD team has





Buckman Direct Diversion Project

A joint regional project of the City of Santa Fe and Santa Fe County to build a reliable and sustainable water supply.

already completed the required archeological and wildlife reviews. The County also would need to grant a variance for a temporary above-ground power line from the substation to the water treatment plant site, a total distance of 0.3 miles, on the grounds that this line would be temporary and is in an area where there are many existing above ground lines. The cost is uncertain but would probably be less than \$250,000.

See attached memo regarding temporary power.

It is anticipated at this time that the contents of this memo, in addition to being discussed at the August 05, 2010 BDD Board meeting, will also be presented by the BDD Project Manager at the County BCC meeting on August 10, 2010.

Attachments



Norman Gaume, P.E.

P. O. Box 3007 • Albuquerque, New Mexico 87190 • 505 690-7768 • gaume@newmexico.com

MEMORANDUM

August 3, 2010

TO: Rick Carpenter
FROM: Norman Gaume
SUBJECT: Caja del Rio Substation Necessity and BLM Process to Consider a Different Location

PROFESSIONAL OPINION REGARDING FUNCTIONAL REQUIREMENT FOR THE CAJA DEL RIO SUBSTATION

It is my professional opinion that Caja del Rio Substation is functionally necessary to provide power to the BDD Project and that its construction must be expeditiously completed.

The Buckman Regional Water Treatment Plant (BRWTP) was designed with a high reliability external electric power supply and internal distribution system. The design allows the water treatment plant to continue to operate following a major electrical equipment failure, including a failure of a PNM substation. This power supply system reliability is necessary for this essential public water supply infrastructure, especially because we eliminated very large and expensive emergency generators to save money.

Two substations provide direct power to the BRWTP. The new Caja del Rio Substation includes a dedicated feeder circuit, shared by no other PNM customer, as the primary power supply. The Buckman Substation was upgraded to provide back-up electrical power and currently is the only source of electrical power.

Similarly, the diversion, sand separation facility, and the three raw water pump stations receive power from the Buckman Substation. In the event the Buckman Substation fails, PNM indicates the BDD raw water pumping facilities can receive power from the Caja del Rio Substation.

LOCATION OF CAJA DEL RIO SUBSTATION

If the County rejects the Record of Decision site for the Caja del Rio Substation, the BLM decision-maker who signed the ROD will consider alternate locations for the substation. BLM's evaluation of alternatives and decision will be through an Environmental Assessment. The Environmental Assessment will

Consulting Engineer

Water Resources Management and Planning

SFC CLERK RECORDED 10/04/2010

SFC CLERK RECORDED <18/4/2010>

be costly and time consuming, requiring perhaps \$1 million in costs that the BDD Project will be required to pay and about 18 to 24 months of elapsed time.

The BDD Project has paid PNM approximately \$1 million for all of the costs of distribution cables from the Caja del Rio substation site leased to PNM by the City of Santa Fe. The BDD Project would pay the costs of the distribution cables from any alternate approved substation site to the BRWTP. The cost would be approximately \$0.5 to \$1 million. Thus, the total additional cost of a County decision to reject the Caja del Rio substation site would be about \$2 million.

If the County rejects the Record of Decision site, the time delays inherent in selecting an alternative site that is on federal property prior to building the Caja del Rio substation are unacceptable. In that case, it is my professional recommendation that the BDD Board contract with PNM for service from a small temporary substation that would provide power only to the BRWTP in the interim. PNM and BDD Board engineers have determined that such a temporary substation is feasible. BLM has indicated it would probably approve a three-year right-of-way for this temporary substation and the 0.3-mile overhead distribution circuit from the substation to the Water Treatment Plant. The temporary substation and the overhead distribution line would be removed after the Caja del Rio Substation is finished.

QUALIFICATIONS

My qualifications to provide these professional opinions to the Buckman Direct Diversion Project Manager include my State of New Mexico professional engineering license, electrical and civil engineering degrees, 20 years of experience as a water utility engineer and manager, and my continuous technical involvement with the BDD Project since 2004, including involvement with the conceptual power supply requirements.

Please do not hesitate to ask if you have any questions.

c: Nancy Long