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AGENDA

The City of Santa Fe
And
Santa Fe County

Buckman Direct Diversion Board Meeting

WEDNESDAY, SEPTEMBER 23, 2015

4:30 PM

CITY HALL

CITY COUNCIL CHAMBERS

200 LINCOLN

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE AUGUST 6, 2015
BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF

CONSENT AGENDA

7. Monthly Update on BDD operations. (Randy Sugrue)
8. Request for approval of Amendment No. 1 to the PSA with Long, Pound & Komer, PA for the amount of \$37,112.11 exclusive of NMGR. (Rick Carpenter)

INFORMATIONAL ITEMS

9. A presentation from Ram Narasimhan of NCS Engineering on the completion of the BDD's Asset Management System. (Charles Vokes)
VERBAL

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. (Nancy Long)

End of Executive Session

DISCUSSION AND ACTION

10. Consideration of matters related to the Appointment of the Citizen Member to the Buckman Direct Diversion Board. (Nancy Long)

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: Thursday, October 8 or 21, 2015

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.**

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

September 24, 2015

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Commissioner Stefanics, Chair, at approximately 4:30 p.m. in the Santa Fe City Council Chambers, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll was called and the following members were present:

BDD Board Members Present:

Commissioner Liz Stefanics, Chair
 Councilor Carmichael Dominguez
 Ms. Consuelo Bokum
 Commissioner Miguel Chavez
 Councilor Joseph M. Maestas

Member(s) Excused:

None

Others Present:

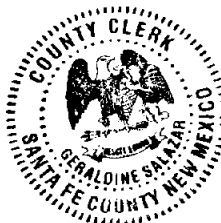
Charles Vokes, BDD Facilities Manager
 Nancy Long, BDD Board Consulting Attorney
 Stephanie Lopez, BDD Staff Liaison
 Mackie Romero, BDD Finance Manager
 Erminia Tapia, BDD Administrative Assistant
 Carole Jaramillo, Santa Fe County Finance Director
 Bernardine Padilla, BDD Public Relations Coordinator
 Randy Sugrue, BDD Interim Operations Superintendent
 Rick Carpenter, City of Santa Fe, Manager, Public Utilities
 Claudia Borchert, Santa Fe County
 Ram Narasimhan, NCS, Principal
 Stephen Jerge, NCS Engineers
 Ray Eldridge, Deere & Ault
 Kyle Harwood, BDD Board Counsel
 Paul Karas, CDM Smith
 Rick Ulibarri, LANL
 Charlie Nylander, Club at Las Campanas

COUNTY OF SANTA FE)
 STATE OF NEW MEXICO) ss

BUCKMAN DIRECT DIV MIN
 PAGES: 18

I Hereby Certify That This Instrument Was Filed for
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 Deputy *Geraldine Salazar* County Clerk, Santa Fe, NM



3. **APPROVAL OF AGENDA**

Charles Vokes, BDD Facilities Manager, requested that Item 10, Consideration of Matters Related to the Appointment of the Citizen Member to the BDD Board, be heard before Executive Session.

There was Board consensus to also move Matters from the Public and Matters from the Board before Executive Session.

Commissioner Chavez moved to approve the agenda as amended. Councilor Maestas seconded and the motion passed by unanimous [5-0] voice vote.

4. **APPROVAL OF CONSENT AGENDA**

Councilor Maestas requested that item 8 be removed from the consent agenda.

Councilor Maestas moved to approve the consent agenda as amended. His motion was seconded by Councilor Dominguez and passed without opposition.

CONSENT AGENDA

7. **Monthly Update on BDD Operations**

8. Request for approval of Amendment No. 1 to the PSA with Long, Pound & Komer, PA for the amount of \$37,112.11 exclusive of NMGRT - REMOVED

5. **APPROVAL OF MINUTES: August 6, 2015**

Councilor Dominguez moved to approve the minutes as presented. Commissioner Chavez seconded and the motion to approve the August 6, 2015 passed by unanimous [5-0] voice vote.

6. **MATTERS FROM STAFF**

MR. VOKES: Madam Chair, members of the Board I have two items. One, I'd like to make you aware of a staffing change. Our new Interim Operations Superintendent is now Randy Sugrue. Mr. Sugrue is in the audience. I wanted to make you aware of that.

COMMISSIONER STEFANICS: Thank you and congratulations.

MR. VOKES: And then Mackie Romero has an update on the audit status.

MACKIE ROMERO (BDD Finance Manager): Madam Chair, members of the Board, so our auditors, accounting and consulting group were on site the last week of August and they did complete the audit of our operations for fiscal year ending June 30, 2015. With the completion of this, this does bring BDD current on all of their audits. So we are just waiting for the final report for the actual financial statements and once that is complete I will come back to the Board and present that. But that does put BDD back on track to yearly audits rather than being behind.

COMMISSIONER STEFANICS: Great. Mackie, let me first ask, are there any upcoming problems that will noted?

MS. ROMERO: The only finding on the first three years was the fact that we were late. The financial statement for the current year that has just ended has not come out yet and from the auditors they did not foresee any but we'll see when that comes out.

COMMISSIONER STEFANICS: Great, thank you so much. Are there others comments or questions for staff or Chuck, or Randy or Mackie? Thank you very much all of you.

MS. ROMERO: Thank you.

8. Request for approval of Amendment No. 1 to the PSA with Long, Pound & Komer, PA for the amount of \$37,112.11 exclusive of NMGRT

COMMISSIONER STEFANICS: Councilor Maestas.

COUNCILOR MAESTAS: Thanks, Madam Chair. Rick, in reading the scope of services for amendment – it's page 1 in the actual amendment of the PSA under scope of services paragraph B, it says, "Review, analysis and evaluation of the 2011 Rio Grande Silvery Minnow NEPA compliance documents as they relate to the Buckman Direct Diversion project and permit approvals," are there any milestones and expiration of permits that are coming up that require these legal services? What's really triggering this that is eminent?

RICK CARPENTER (City of Santa Fe Public Utilities Manager): Madam Chair, Councilor Maestas and members of the Board, that particular sentence relates to the work of the Middle Rio Grande Collaborative Program and the biological recovery implementation plan is coming out and those items are heating up and are going to require a lot of scrutiny and interaction with other agencies. There's a lot of permitting implications. So the item is ripe for a lot of staff time.

COUNCILOR MAESTAS: Now the only thing I am familiar with and I don't work directly with it is kind of the biological assessment for the Middle Rio Grande program and I think it includes the Buckman Diversion, that part of the reach. That has been submitted to the Fish & Wildlife Service, so I'm wondering what's there to do while the Fish & Wildlife Service reviews the biological assessment.

MR. CARPENTER: Madam Chair, Councilor Maestas, there's actually a lot to do. There's a lot of interaction on the federal side. There's the Interstate Stream Commission – making sure that the interaction that we will have with the federal government provides the type of coverage, the umbrella coverage, the broad coverage that we're seeking, the measures for success, the measures by which the agencies within the program are being successful and eventually the money that we're all going to be asked to pay. So there's actually a lot to do.

COUNCILOR MAESTAS: So, should we be aware of anything in that EA that may affect Buckman? I'm not aware of any reasonable and prudent measures that are in the current biological opinion that I think expired in 2013, but I think it is still being recognized. Is there anything in that biological assessment that we should be aware of now that might morph into a reasonable and prudent measure when the biological opinion is renewed?

MR. CARPENTER: -- any of the mitigation measures [inaudible] -- the program improvements [microphone switched off] right now the Buckman Direct Diversion Project is not even a signatory but at some point I suspect we'll be asked to become signatory. So the answer is yes.

COUNCILOR MAESTAS: Madam Chair, my last issue is the collaborative program, as you know, used to be kind of headed by my agency is really no longer active and I'm not involved in the collaborative directly, but I thought that they were going to subcontract the management of the collaborative to a third party. That it was no longer going to be managed by any federal agency. So I thought that the collaborative was dormant and I know that's one of the reasons for this amendment, is I guess, to engage in activities regarding the collaborative. Can you maybe give us a brief status on the collaborative and how that impacts Buckman?

MR. CARPENTER: Sure. The collaborative program is not dormant. They have been discussing for quite some time whether or not to bring in an independent third party to act as an executive director. But BOR, Fish & Wildlife Service, and the Corps will still be very actively engaged in implementing and in being involved in the biological assessment and also recovery implementation plan. That's where the rubber hits the road and that's where the program [inaudible] directs what needs to be done. And the executive director would spearhead those programs, manage the funds and keep things organized. They're still very active.

BDD could be involved at some point if our own biological opinion has reopeners that are triggered and/or if the Board decides to be a signatory to the collaborative program.

COUNCILOR MAESTAS: Okay, thank you, Rick. That's all I had, Madam Chair.

COMMISSIONER STEFANICS: Thank you. Any other questions or comments on this item? Okay, what's the pleasure for action?

COMMISSIONER CHAVEZ: I'll move for approval on this Amendment No. 1 to the PSA with Long, Pound & Komer in the amount of \$37,112,11.

COUNCILOR DOMINGUEZ: Second.

COMMISSIONER STEFANICS: Thank you. Any further discussion?

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

INFORMATIONAL ITEMS

9. **A Presentation from Ram Narasimhan of NCS Engineering on the completion of the BDD's Asset Management System**
[Power point presentation]

RAM NARASIMHAN: Madam Chair, honorable members of the Board and Mr. Vokes, I appreciate the opportunity to make this presentation. I will give a quick overview of the description and then we'll get into the presentation.

COMMISSIONER STEFANICS: Excuse me, do we have printed materials on this?

MR. VOKES: No, ma'am. As you know late last year the Board approved the funds for this project to put together the asset management program. I can provide you additional materials but most of the program is actually online and this is just an overview of what was completed. If you want us to create an actual report, I can do that for the next meeting.

MR. NARASIMHAN: Yes, we have an executive summary and I can email this presentation to you also, Chuck.

COMMISSIONER STEFANICS: Why don't you do that. If you could send the executive summary to Chuck and he can send it to all of us.

MR. NARASIMHAN: I will follow up.

COMMISSIONER STEFANICS: Thank you.

MR. NARASIMHAN: This started last October, notice to proceed and we finished up here at the end of June with the project. Really the vision for this project was to develop this capital asset management plan. You have a relatively new facility, a \$250 million investment and the vision for this was to look at a 20 year plus planning horizon to see that adequate funds are there for proper maintenance and repair and rehabilitation of this. So to this extent we looked at minor rehabilitation of equipment, major rehabilitation activities and then also there were certain longer term capital improvement project or CIP needs and those were identified as well. So those were the three categories. For each of those there is a description of the water system improvements, cost estimates and a prioritization plan to see when they would fit in over 20 years, what that would cost and how we approach this was that this would change over time so rather than just issue – we did issue a report, but this is all logged into a software program so as things change over time that will track the changes so you'll be able to manage the CIP and the financial aspects of this program as they evolve.

The first item we did was a literature review and that consisted of looking at – BDD had already taken lots of steps for asset management prior to us being under contract so we reviewed those items to look at what deficiencies exist. Based on also other projects that we had done and other NMED and EPA materials we looked at that to develop templates and to develop asset information.

Another big goal of this program was GIS, geographic information system, so everything, all the documentation, all the facilities' assessments were tied back so the plant is now running on a GIS system that can access all of these with a click of a button. And that includes all of the asset management data, the O&M information, the drawings, so it's all there at a fingertip so people can have the information when they need to implement the program.

BDD also had a maintenance management system and so we're able to tie into that so the asset IDs and the information was consistent with the maintenance management. And I'll take a little bit of time here to say, what that does is a preventive O&M, like an oil change, a filter, checking your tire pressure – what we're focusing on here is more extensive rehabilitation. The replacement of the equipment or the more costly items not the routine belt and filter type things which are already in the maintenance management program. So that's the differentiation that we'd like to make between asset management and maintenance management.

The other key item here was criticality. Some components are more critical than others so we had to find out where the weak links were and so along with the condition,

what condition the assets are in, we worked with the staff to look at criticality based on how they operate what level of backup and redundancy there are. What we found there was the critical item for the raw water means finish water storage, booster stations 4A and 5A. The main reasons there is there was a lot of flexibility built into the other processes that if they went down you could still run but on these items, if they went down you'd basically have to shut down. And so between criticality and reliability, redundancy we came up with adjusted criticality and so that's the two factors.

So the 12 items on the left side are the parent process assets which are consistent with the plan so we just followed down from the diversion structure, raw water lift station, raw water transmission main, sediment removal facility – so each of those was called the major process area. And inside of those process areas there are hundreds of smaller pieces of equipment that we evaluated. But you can see the criticality score, the higher the criticality the more critical it is. So, obviously, the diversion structure is very critical. But when you get into some of the process components there's a lot of redundancy built in so those got a little less of a criticality ranking.

So with the criticality which is the left column, we did an adjusted criticality so we factored that into the overall condition assessment program. And those elements were how we prioritized. The adjusted criticality, the higher the score meant the most – it was more critical and that's how it was prioritized.

Condition assessment: the BDD staff accompanied NCS staff. We probably spent two to three weeks on site working with their schedules to get all the assessments done. Worksheets were developed to basically rank all of the components. We went down to a pretty good detail of each valve and pipe so 99 percent of the assets are covered to the piece of equipment. And some of the things that we looked at was operational issues that have occurred. We found some design issues that needed to be addressed. What's the current condition of the equipment and what's the frequency of the rehabilitation replacement. With that information we were able to rate each of the assets from one to five. If it was a one we needed to take some immediate attention. A five meant it was good for at least 20 years. So every piece of equipment was rated that way and that was important so we could factor into the financial planning how critical it needed to be addressed. Then all of that information was put into the database which is the SAMS asset management table that's installed at the facility.

Next up was to develop cost estimates for each of these components. Rehabilitation and the long-term CIP projects so we had basically three sets of cost elements and a total of 13 projects in the CIP which we'll cover briefly here. It was also important – what we had proposed on this project that geographic information data base so all of the information from the asset management system is integrated into GIS. BDD already had a GIS license and so we have a GIS interface which basically takes all the condition assessment and financial information and brings it into the plant on a map view for each process. So this is where we think there will be some long term benefits here to BDD so that as assets change it's a living tool and there will be a lot of interface with the software overtime similar to maintenance management it'll ask them and query what needs to be done this year or this month and make sure the data is entered subsequently so that everything is current. So that information is current and it'll give a living CIP tool as time goes on with an annual update.

And here is just some screen shots where you see the asset details. These are different process areas up on the screen, that's the back wash basin and GAC and so when you click on one you'll get asset detail and the information pops up. That's the software. It's a web-based software and so anyone at the plant that has the security and the passwords to go in can access it just through the PC. And then it is also GIS base related so all the assets show up on the screen in whichever one you point to you'll get all the information on.

One of the important outcomes out of this was the 20 year capital improvement plan for budgeting and financial purposes. There was a number in place currently for budgeting. There was a concern that we needed to adjust that so that we're prepared for the long term. And so, here are some of the programs that we've identified. There's an HVAC system design upgrades project that's needed. Moving on to sediment removal facility, forebay tank, there are some elements that need to be redesigned and replaced along with a sustaining valve, backpressure valve, that needs to be redesigned and replaced. Similarly at booster pump 2A we have some similar elements in the forebay tank and then moving on to the process of the pre sedimentation basin, there's some handrail improvements and some covers needed there to enhance the safety and the operation of that facility along with some generator replacements as well.

Moving on, in the flash mixing area, a new metal building to cover that process right now again for maintenance access. In the GAC we have some manways, there's just some issues with access to the manways and difficulties in removing those so we have some ideas to redesign those. The chemical facility, there's bulk tank ladders that are missing at several locations, again, for maintenance and access. And then we did include some items, the raw water lift station also to upgrade those to improve their functionality. I'll get into the cost of those in the next slide.

So that was the CIP 13 projects rehabilitation plans. There was two sets: the minor rehabilitation activities that occur. The minor ones generally occur at three years and five years and right now everything is indexed to the 2015 Engineering News Record Construction Cost Index, however, as time changes the software adjusts that for that index and you'll get current costs automatically as it is tied back to that index. So everything right now, the information that we're presenting is current but it will be adjusted for future values as time goes on.

We also looked at how to fund these projects and the recommendation was – there was a couple of options. One is, you know, the curves that we'll show, the costs don't occur evenly so in certain years it is more than other years and so we look at three options. One is funding them as you go and trying to come up with those higher numbers. The other option that was recommended was having some operating cost increases gradually so that you can fund those activities as they come without sudden increases. And that was the recommended option. So you can see here is the rehabilitation costs and they vary. Here's looking at 2017 and then goes on into the next 20 years and you say they start at 10,000, 100,000 but they go up to a million and beyond in several years. So depending on the year these costs can be significant. And they may come sooner than anticipated as well so it would be difficult if you look at a financial curve to fund for these, challenging to fund these as they come. So we did equalize this somewhat and determine the revenues needed to plan for these long term rehabilitation activities.

And here's the findings of those revenues. The total cost for a 20-year period is \$32 million over the whole period but they don't occur – it's very sporadic so how we stacked this was initially there would be a \$900,000/.9 million increase over five years and every five year period that amount would be adjusted to cover the 32 million. And so this would be 900,000 a year, then 1.2 for the next five, 1.7 and 2.5 to cover all the rehab needs. Now that's the initial planning and at the end of five years that can be updated through the software based on what that would be but the initial forecast is 900,000 which is about double I think of what's allocated right now for the rehabilitation and replacement activities.

The other item is the long-term CIP and that we're coming up with about 4.4 million. These are projects that need to be done. Most of them are within the next five years to preserve some of the equipment and that, again, if you annualize that it would be funded at once or have it at \$1 million per year for the next five years to fund those. So there were a couple of different ways to fund those projects here. So that total amount, 32 plus the 4.5 over the 20 years.

So that was the Reader's Digest version of the whole study. And I just want to take some acknowledgements of BDD staff, Chuck, Fred Nash was the project manager, Mackie, Eric and Brian and then the rest of operations staff made this a success. Our project coordinator was Stephen Jerge and I wanted to recognize our team too. And with that we can open up for any questions.

COMMISSIONER STEFANICS: Questions, comments, except the fact that it's quite a bit of money.

COUNCILOR MAESTAS: Well, I think we're going to have to digest this and look at the report. It's quite a shock.

COMMISSIONER STEFANICS: Could you flip back to that page – yes.

COUNCILOR MAESTAS: Have we not had a long-term capital improvement plan in the past? Is this the first ever that we've had?

MR. NARASIMHAN: I think the number is 418 that we're working with there. Mackie, did you want to --

MS. ROMERO: Madam Chair, members of the Board, so currently right now we just have major repair and replacement fund. We never did establish a capital improvement fund and so with these findings that is something that we're definitely going to have to discuss with the partners and the Board and see if that's something that we want to add an additional fund, the CIP fund or extend our major repair replacement fund to incorporate some of this and discuss funding options. When we originally did this project one of the concerns was whether our major repair replacement fund was funded correctly and I think we brought the policy back and it was very vague on how they came up with some of the number so this shows that it is not fully funded and that will probably need to get increased. And we do anticipate all of these discussions with our partners and with the Board in trying to come up with a plan but we did foresee that this was probably going to happen.

COUNCILOR MAESTAS: So I guess the conclusion and I was bragging about our reserves and our policy behind the establishment of the reserve which speaks to how much we should have and which scenarios that we're protecting the facility against. So I guess the conclusion is that those amounts are not enough in the long term. It may help us for us anticipated problem or catastrophe or accident but for long term O&M – I

am all for maximizing the lifecycle of our infrastructure, it's very valuable, but I think this is a major, major topic, a major policy decision. On its face I would say, yes, we need an asset management system and I would say yes we need a capital improvement plan. Now in terms of how we pay for it I think therein lies the real issue and what that entails.

I don't think, they call it PEGO, a pay as you go, is really going to suit us by just looking at the sheer numbers. And so we're going to need some kind of funding beyond just pay as you go. I'm just giving you my initial reaction on this.

The other question I had is it's a policy issue. Sitting on the City Council we approved a resolution basically calling on staff to implement an asset management system for the water enterprise and it was a mandate from the New Mexico Finance Authority through the Water Trust Board. So I want to make sure that if the City is implementing an asset management in its water enterprise and Buckman is too. I assume the County is as well in response to the mandate from NMFA. Is there a need to coordinate these systems and maybe have a consolidated capital improvement plan wouldn't be right with two separate government but I just want to make sure that we're all kind of coordinated and we're not going to be cross ways in terms of the City's asset management system for water, our asset management system for water. I don't know if anyone can speak to that right now.

MS. ROMERO: Councilor Maestas, Teresita did contact me because she was aware initiate this capital asset management plan. I don't think that was BDD's original intent. The original intent was of course the GIS system and trying to figure if we had enough funding for a major repair and replacement fund. But once she heard that – I did supply her the report so she could review it and try to coordinate some of those efforts and she was going to see if there was anything that maybe they could utilize so there wasn't any duplication of work based on what we did.

COUNCILOR MAESTAS: I guess, Madam Chair, I'll yield the floor, but one last comment. I think it's really on infrastructure security when I was looking up there and was looking at the criticality assessment, the components of our infrastructure system where we have no redundancy I think is the most vulnerable from a security standpoint and I know since 911 they've been – I think the federal government and federal homeland security – I think there are certain mandates for infrastructure security and what I would like to see is maybe some recommendations for security management of some of the critical infrastructure. Obviously, part of the infrastructure that is enclosed in the secure facility for the processing, maybe I'm not too worried about. But the diversion structure controlling access to it, controlling or securing the pump stations and the raw water pipelines, just things like that where I think maybe we need some kind of a security vulnerability assessment since we're doing the asset management as well based on the criticality analysis and maybe others are doing that, I don't know.

Thank you, Madam Chair. Those are my initial reactions to this.

COMMISSIONER STEFANICS: Okay, thank you. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Thank you, Madam Chair. I guess part of my reaction is just really want the City's long range water plan how that fits in with asset management and the fact that we have built into our rate system, BDD operations, you know, I'm just kind of curious to see if there's any way to get that piece parsed out. I

guess it's really consistent with what Councilor Maestas is saying. And I'm not quite sure if the City has that kind of information but we should probably ask.

COMMISSIONER STEFANICS: Thank you. Any other questions or comments before I ask mine? Okay, thank you. How much do we currently have in our major repair/replacement fund? How much are we budgeting per year?

MS. ROMERO: Madam Chair, members of the Board, we've been budgeting about \$412,000 a year. At the end of June 30, 2015 we had roughly about \$1.2 million in that fund.

COMMISSIONER STEFANICS: So we currently have \$1.2 million?

MS. ROMERO: Yes.

COMMISSIONER STEFANICS: Board members this is another reason – the amount of money is quite large but when you get into asset management I expected something large because we just went through this exercise at the County with all of our facilities. This to me is another reason to start looking at a regional water system and I think there is opportunities that can occur when you look at all of the debt and expenditures all together. But I understand that we're not at that place yet.

Anything else? Yes, Councilor Maestas.

COUNCILOR MAESTAS: Just a question I guess, under the current structure and arrangement in cost sharing I realize that cost share for capital than the cost share for O&M. The cost share for O&M is dependent on the volume of water, correct? And I believe the capital cost share is 50-50 based on ownership, right? So –

MS. ROMERO: That is correct.

COUNCILOR MAESTAS: So each government is looking at a 50-50. So then we probably need each respective government to take this back as a potential future fiscal impact and see if it's even possible to establish those kinds of revenue sources to pay for this CIP. I would just – it is a significant financial impact. But, again, Madam Chair, I do support developing a CIP but I think we need to look at the financing model under our current structure as you said. It's nice to send a bill of 50 percent to each government but it's another thing for them to come up with the money to pay for it. I realize this is probably going to require looking at the rate structure as well and that's never popular and the City just finished five consecutive years of rate increases. I think, for those of you have been following current events, the water enterprise has been quite controversial, at least on the City side. I'd call it a hot potato, a political hot potato.

This is daunting. I think it's a daunting challenge but I'm willing to roll up my sleeves and try and find some solutions.

COMMISSIONER STEFANICS: Councilor Maestas, as a follow up I do believe that the City and the County approaches financing quite differently. I would agree with you that looking at capital and how we would approach our 50 percent if that was the method that we continue to use would have different methodologies both from the City and the County.

But, thank you very much for this report and we definitely want it in writing.

MR. VOKES: Madam Chair, if I may.

COMMISSIONER STEFANICS: Yes.

MR. VOKES: I'd like for Ram to address, this is a living model and this is the first, best information that we have. As we go along we will have more information and more experience that we can plug into the model and so it's a manner of

testing the model. This is their best guess as to what's happening. Through the years we will gain more experience. This is a relatively new plant. Can you address some of that, please.

MR. NARASIMHAN: Right. I think the CIP numbers are what they are based on project needs currently but the rest of it is correct. Right now it is 900,000 so it would be – start with 900 and then evaluate through the years and see where it's at. There will be the opportunity that some things may do better than anticipated so they would as part of asset management they would evaluate that and do the asset management test but maybe that cost doesn't go along with it and they would plug it in the software and, Hey, this is good for another three years and we'll re-evaluate then. Yes, it is a book now but it evolves in the software over time and there will be opportunities to adjust that and probably look at it every three years would be reasonable. That number could go up or down. It could go down if things are going well but given that the principal here is an asset replacement reserve fund, okay, that's the terminology. So you have 1.2 in there now but if that just goes out at that rate at 900,000 it will be down to zero very quickly. So you would bump it at 900 and then it at three and see where you're at and what you've been spending and what the model say then and adjust it that way. It's an ongoing process that would be adjusted so it wouldn't be a fixed rate increase for a long period of time.

COMMISSIONER STEFANICS: Yes, Councilor Maestas.

COUNCILOR MAESTAS: Just to follow up. The Buckman Direct Diversion and Treatment Facility doesn't run the entire year. It's sporadic, right? So how much of the entire time of the year is it actually in operation? Is it 100 percent? I don't think it's 100 percent. There's many times where we don't divert but I think we're still processing water based on the raw water reserves. So, Chuck, would you say it's 100 percent in operation?

MR. VOKES: No, Councilor, I don't know what the exact number is. I don't have that experience but I know that we have been off for weeks at a time so maybe 80 percent of the time would be just a guess based on my one year of experience.

COUNCILOR MAESTAS: The reason why I ask is that when you input into the model do you assume it's running year-round or say okay —

MR. NARASIMHAN: No, it's using a utilization rate and I think we had around 8 NGD so I know that it can run up to 15 and —

COUNCILOR MAESTAS: I'm only trying to find a way to bring the number down.

MR. NARASIMHAN: No, that's a good question and we plugged in a utilization rate for this.

COMMISSIONER STEFANICS: All we need is another major breakdown and the prices just keep going up. So if you look at the inflation factors for the future years, you look at any catastrophic events – we have this amount plus more that we need to be planning for.

COUNCILOR MAESTAS: That's all I had.

COMMISSIONER STEFANICS: Anything else on this topic? Thank you very much.

DISCUSSION AND ACTION

10. Consideration of Matters Related to the Appointment of the Citizen Member to the Buckman Direct Diversion Board

NANCY LONG (BDD Board Counsel): Yes, Madam Chair, members of the Board, your citizen member who is called for in the JPA, her term is up in January. That term does continue for another 60 days should you not have made an appointment by then but we thought it timely to bring to the Board this information, learn from you how you might want to go about selecting another citizen member if that is the way that the Board is heading and I know that it may depend on Ms. Bokum's wishes as well. But additionally the Board previously had on a couple of occasions indicated that it might be helpful to have an alternate member, an alternate citizen member. You have alternate elected official members and the JPA does not provide for that. So if you would want an alternate member we really haven't had quorum problems but it might be something to consider then I would recommend that I prepare that amendment to the JPA. That would go out to the governing bodies for approval and then to Department of Finance and Administration for their approval.

So I could get that process started if that is what the Board wishes but I would bring the amendment back to you to recommend to your respective boards to adopt that for an alternate member.

I was not here when the citizen member was selected last time, when Ms. Bokum was. But I think there was a process that involved soliciting resumes, maybe an advertisement in the paper, there was a subcommittee of the chair and the vice chair that went through those resumes and narrowed those down and then the Board conducted interviews at a meeting. There are a number of ways to do it and you all certainly are used to getting citizen members to serve on your respective citizen and advisory boards. But we just wanted to bring this to the Board to get any input that you might have and we'll be back on this issue and then I can start working on the JPA amendment if that's what you direct.

COMMISSIONER STEFANICS: Thank you, Ms. Long. I would really like to hear from everybody about your pleasure about the couple of ideas that are indicated in the memo behind tab 10. Councilor Maestas, and then we'll just go right down the line.

COUNCILOR MAESTAS: I guess since we're going to revisit the JPA with respect to the composition of the Board, I thought that there was a provision that if the position goes vacate it has to go to District Court – or there's something just absolutely – well, it seems absurd to me. But, maybe, could you explain that provision of the JPA and I'm all for doing away with that and maybe coming up with some common sense process.

MS. LONG: Madam Chair, Councilor Maestas, you are remembering correctly and I do think that would be a good idea to revisit that provision, in fact, it is what occurred many years ago. The reappointment of Ms. Bokum was not made of your citizen member. The 60 days had also passed and still no appointment had been made so we had to go to the Chief Judge of the First Judicial District and sit in his office, it was Judge Hall, and ask him to please reappoint the citizen member which he did.

I think there's probably a better process for doing that if you don't reappoint. It would make sense for the citizen member to continue until you appoint like most provisions addressing that kind of office. I think that's a good point and we could include that in the amendment.

COUNCILOR MAESTAS: Okay and I would support that.

COMMISSIONER STEFANICS: Anything else on the process? Okay, Ms. Bokum.

MS. BOKUM: The first thing is, I did not apply for this position. That may affect what you all think about what the process should be. I don't know.

COMMISSIONER STEFANICS: We are interested in what you think the process should be.

MS. BOKUM: I don't have any – I wasn't around for it so I don't know. I don't have a comment on that actually.

I have felt being here that sometimes I wonder why I'm here. I think this project is a big project and I think it requires good will and agreement on both of parties about how it is going forward. I don't think there should be somebody who is not elected whose vote could go one way or another if the City and County got into a squabble. I always felt really uncomfortable about that. I think it's really important the City and County work together and that they come to agreement on things. I don't think it should be a matter of votes. It has got to get worked out which raises the question of maybe having some clarity about what this person is supposed to do or what the role is or why this person is here. I never understood that.

COMMISSIONER STEFANICS: Great, thank you. Commissioner Chavez.

COMMISSIONER CHAVEZ: That's food for thought for all of us I think to ponder on every once in a while. I'm wondering, Conci and the rest of the Board if that would be another reason to amend the Joint Powers Agreement to better define if there doesn't seem to be a clear definition of what the citizen member is responsible, what their duties and responsibilities are maybe we could work on that a little bit so that it is clear. If it's not clear now we make it clear as we move forward. I think the citizen involvement is critical. I think it's important and I would hope that you would continue to serve and maybe we could flesh the reasons – and so I wouldn't want to lose that component. I think the citizen involvement is critical. And Councilor Maestas in your comments are you suggested that we do amend the Joint Powers Agreement specifically to add an alternate for the citizen member; was that it?

COUNCILOR MAESTAS: I think that is the proposal that is before us. And I think it is only for quorum purposes if I may respond to that. Because I think we as elected officials we have our own alternates so I want to limit this to the quorum issue but I don't want to push aside the need to address the role of the citizen appointee which I think we should do. Maybe we can do that separately. That would be – and in that way changing the JPA would make all of the Board members equal in the fact that we have some redundancy. We have a designated alternate and we can be better assured of having a quorum.

COMMISSIONER CHAVEZ: No, I like that. And the alternate I think for the citizen appointment would have another set of eyes, if you will, reading the minutes and paying more attention than you would normally and I think that could be good. So I

would support amending the Joint Powers Agreement to continue the citizen member and to have the alternate.

COMMISSIONER STEFANICS: Thank you. Councilor Dominguez.

COUNCILOR DOMINGUEZ: Just a couple of things to add on. I think that, first of all I am in favor of opening it up and taking a look at it. I think we probably need to look at the scope, for lack of a better word, and what the role of the citizen might be. We're kind of moving from a project management where we're building a facility to now operations and defining finances and so it's not so much citizens oversight in terms of all the other agreements that are out there and making sure that the citizens have a voice in the construction and the startup of a facility but now that we're deep into the operation and looking at asset management and those sort of things so maybe the role of the citizen could be looked at in that context.

In terms of the alternate, I think it would be good to have that discussion in making sure that we have a quorum but I know that there's ways to recognize it so that alternate has a voice as well because if you're an alternate and the appointee does never, is never absent, than how much of a role does that alternate really have. Of course, they need to be engaged and being paying attention and all of those sorts of things so I'm kind of curious to see how that might work out.

But really I have often wondered how you might vote in a case where the City and the County might be at odds. And, I'm not going to say we've come close but I have certainly had enough experience to kind of see how those things could have happened. It puts the citizen in a tough spot. So I think that just all of those things need to be kind of considered whenever we do open up that, the JPA. That's all, Madam Chair, thank you.

COMMISSIONER STEFANICS: Thank you. I do advocate for citizen member. I do advocate for an alternate to the citizen member specifically so that member has freedom in their lives just like we do by having an alternate. I do think that the citizen member would be at a loss on this board if they had no knowledge of the water, of the function of the board and future financing issues. But I think a citizen member could, in fact, be very valuable in addressing increases in rates or increases in property taxes for the financing of bonds. I think a citizen member, we're all citizens of course, but sometimes we make decisions that aren't popular with the public and I think a citizen member could in fact bring up issues that we're not maybe thinking about. So I would like to see that continue.

As far as a public advertising I think that as Ms. Long mentioned – well, first of all going back to what Ms. Bokum indicated that we should probably tighten up the job description or job expectations for our citizen member and bring it back to this body to amend, adjust or recommend other duties or other focuses and then go to a public advertisement, have some minimal qualifications whether it's interest of involvement in some aspect of the City-County water etc., whatever this Board would choose and then have a small group do some interviews and recommendations.

I think putting any citizen member on the spot for a public interview here at the Board wouldn't be the wisest use of our time. So are there any comments on that? Councilor Maestas.

COUNCILOR MAESTAS: No, not on that.

COMMISSIONER STEFANICS: Okay. Any other comments?

Councilor Maestas.

COUNCILOR MAESTAS: I think Councilor Dominguez makes a good point about establishing some continuity among at least the citizen appointee. I know a – it's a multi-government coalition, it's called the LANL Communities Coalition and they have a primary representative and an alternate but the alternate can participate and vote and attend. Obviously, it is very difficult for elected officials for the primary and the alternate to show up to the meeting but maybe we can at least look at in the case of the citizen appointee to allow the alternate to attend and maybe not vote but allow them to attend and participate in the discussion to maintain that continuity.

What I'm asking is that we at least question the current model of only having the primary show up and maybe consider some kind of a hybrid where the alternate is encouraged, I wouldn't say required, but encouraged to attend along with the primary citizen appointee. And I think that would help because I think that is an issue. I'm on this LANL Coalition, the mayor is the primary, I'm the alternate and I don't have time to attend these so when the mayor goes it's fine but if you were to ask me what's on the radar screen with this coalition as the alternate I would be at a loss for words. And it's not good really in the long run. So just some insight on that issue that Councilor Dominguez brought up as to maybe we can come up with some kind of flexibility so the alternative can be encouraged to attend and stay informed.

MS. LONG: And be informed if they have to attend a meeting in the place of the member. Your rules of order, Councilor Maestas, provide that any alternate, of course, we don't have alternates for the citizen member now but for the elected officials, any alternate can, of course, show up to the meeting and participate. As you said, you all have lots of committees and you don't need to be going to everything that you're an alternate on so maybe we can select out and certainly when we're advertising for the position of alternate that that is the hope and expectation that you would regularly attend meetings, review materials, but by our rules alternates can participate in the discussion, attend the meetings but they cannot vote and I think we should keep it that way.

COUNCILOR MAESTAS: Okay, I agree.

COMMISSIONER STEFANICS: So Board members, I have a – I think it's fine for alternates to attend the meetings but I have an issue with a mandatory requirement for a citizen alternate to attend. It's placing a different standard on the citizen member than the City Councilor or the County Commissioner and I'm not sure that I would agree with that. I think open meeting for coming to participate – I remember that Commissioner Mayfield when he was the alternate came often and I believed he learned a great deal. I believe an alternate member would probably be happy to come to learn and sit at the table with us but –

COUNCILOR DOMINGUEZ: Madam Chair, I guess – I agree. However, I think it would be – it might be difficult if I'm a citizen member and I show up to every meeting and I provide some input and I'm participating but I never get to vote and so I'm not sure if there's models out there that have the -- you have two citizen members and they alternate votes. I have no idea what –

COMMISSIONER STEFANICS: Or they cast a joint vote.

COUNCILOR DOMINGUEZ: Whatever, I'm not sure what the models might be but I think what I would be fearful of is if you have a citizen member that never shows up because the alternate never shows up because the citizen regular is always

there, and so that one time that the alternate needs to be there they're not really up to date and that could put us in a different interesting situation. So you know I'm not – I don't think that we necessarily need to make it mandatory but if there's a model out there that secures or not only just encourages but really recognizes there participation through a vote or whatever the case may be. That's my only concern about an alternate member.

COMMISSIONER STEFANICS: Ms. Long do you think you could find a model or a structure that might accomplish what people are asking for?

MS. LONG: I think so. We can come back with some recommendations. I think there is a way to make the participation encouraged and certainly review of all of your packet materials and it is encouraged that they attend as many meetings as possible, certainly at the beginning, and I think we could come up with some recommendations.

COMMISSIONER STEFANICS: Okay. Is there anything else that we would like for her to look at or to include?

COUNCILOR MAESTAS: Do you need a formal motion or do you have enough direction?

COMMISSIONER STEFANICS: Do you have enough direction?

MS. LONG: Yes, I do and I'll come back with a proposed amendment next month.

COMMISSIONER STEFANICS: Okay, so we have a couple of months in which we are holding Ms. Bokum to the chair. If her term expires in January and then there's a 60 day extension I think in the next four to six months – in the next four months we could handle this.

Thank you very much for the discussion.

MATTERS FROM THE PUBLIC

None were presented.

MATTERS FROM THE BOARD

COMMISSIONER CHAVEZ: Madam Chair, I guess I would like to look to my left side here and thank fellow Board member Conci Bokum for participating even though sometimes we don't know exactly the reason or why but I have appreciated your participation and I just wanted to personally thank you for that.

COMMISSIONER STEFANICS: Thank you. Anything else from the Board?

NEXT MEETING: Thursday, November 5, 2015 @ 4:30

COMMISSIONER STEFANICS: So Board members before we have a motion for executive there's a discussion about the next meeting. Thursday October 8th or 21st. Mr. Vokes, what's the comment here?

MR. VOKES: Madam Chair, members of the Board, we would actually like to recommend a possibility of not having an October meeting. We don't feel like there will be enough taking place to have the October 8th meeting and the next meeting

would actually be November 5th and that would put us back on the schedule. So if that pleases that Board, I would like to recommend that.

COMMISSIONER STEFANICS: So, Ms. Bokum, you won't be here November 5th, okay. Other Board members are you okay with not having an October meeting?

COUNCILOR MAESTAS: I'm fine with that.

COMMISSIONER CHAVEZ: I'm okay with it, Madam Chair. If staff really doesn't see a need, I'm comfortable.

COMMISSIONER STEFANICS: Are we not going to need continued discussion regarding our topics in executive session between now and November 5th?

MS. LONG: Madam Chair, that is not anticipated that we will. November 5th is as far as we would like to push it out on some matters that you will be considering possibly for action that date but we feel that is close enough to the date that we would need you to vote. And, of course, we always have the caveat that there's a possibility that we could need a special meeting on short notice but we think we'll be fine with the November date at this point.

COMMISSIONER CHAVEZ: But, Madam Chair, Nancy, didn't we anticipate – we discussed the possibility of a special meeting initially.

MS. LONG: We did and then we ended up pushing this meeting, the September meeting later in the month instead of a special meeting. Certain matters we thought might be ready to bring to you at this meeting are not ready but will be by November 5.

COMMISSIONER STEFANICS: So Board members we already have one board member who cannot make it November 5th, are the rest of you –

COMMISSIONER CHAVEZ: I'll be available.

COUNCILOR DOMINGUEZ: I'll be available.

COMMISSIONER STEFANICS: I am too.

COUNCILOR MAESTAS: I'll be here.

COMMISSIONER STEFANICS: Okay, so we can push it out to November 5th.

MS. LONG: Yes, and that would be your regular meeting date for November.

EXECUTIVE SESSION

In accordance with the New Mexico Open Meetings Act NMSA 1978, Section 10-15-1(H)(7), a discussion regarding threatened or pending litigation in which the BDDB is, or may become, a participant, including without limitation: Discussion regarding Diversion Structure Issues.

COMMISSIONER STEFANICS: Ms. Long, would you explain the purpose for our possibly going into Executive Session. If Board members agree, we would need a motion and a roll call.

MS. LONG: Yes, Madam Chair, I would ask for a motion to go into executive session and that would be in accordance with the New Mexico Meetings Act, NMSA 1978, 10-15-1(H)(7). That is for the discussion regarding threatened or pending

litigation in which the BDDDB is or may become a participant including without limitation diversion structure issues.

COMMISSIONER STEFANICS: Board members, is there a motion?

COMMISSIONER CHAVEZ: Madam Chair, I'll so moved.

COUNCILOR MAESTAS:: Second.

COMMISSIONER STEFANICS: Thank you very much. Roll call please.

The motion to go into executive session passed by roll call vote as follows:

Commissioner Stefanics	Aye
Councilor Maestas	Aye
Ms. Bokum	Aye
Commissioner Chavez	Aye
Councilor Dominguez	Aye

[The BDD Board met in executive session from 5:37 to 6:55.]

COMMISSIONER STEFANICS: Okay, I'm calling the meeting back to order. Is there a motion?

COUNCILOR DOMINGUEZ: So moved.

COMMISSIONER CHAVEZ: Second.

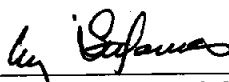
COMMISSIONER STEFANICS: Okay and only present were the Board members, our attorney, our director, our County attorney and Ms. Long's associate. And no decisions were made.

The motion passed without opposition.


ADJOURNMENT

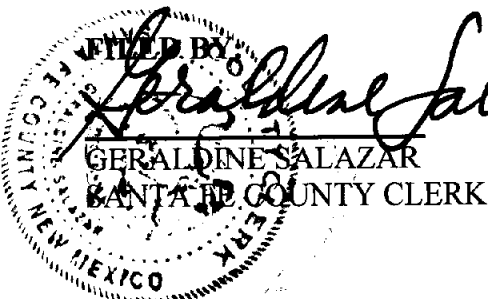
Having completed the agenda, Chair Stefanics declared this meeting adjourned at approximately 6:55 p.m.

Approved by:


Liz Stefanics, Board Chair

Respectfully submitted:


Karen Farrell, Wordswork



ATTEST TO:


YOLANDA Y. VIGIL
SANTA FE CITY CLERK