

City of Santa Fe



New Mexico

CITY CLERK'S OFFICE

DATE 12/11/13 TIME 11:34am

BY Stephanie Lopez

[Signature]



AGENDA

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

Buckman Direct Diversion Board Meeting

THURSDAY, DECEMBER 12, 2013

4:30 PM

CITY HALL

CITY COUNCIL CHAMBERS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE NOVEMBER 7, 2013 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF
7. REPORT ON DECEMBER 3, 2013 FISCAL SERVICES AUDIT COMMITTEE

CONSENT AGENDA

8. Update and discussion of BDD operations. (Gary Durrant)
9. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)

DISCUSSION AND ACTION ITEMS

10. Request for approval of Resolution No. 2013-3. A resolution requesting the amendment and extension of the May 13, 2010 Memorandum of Understanding between the U.S. Department of Energy and the Buckman Direct Diversion Board regarding water quality monitoring. (Kyle Harwood and Shannon Jones)
11. Request for approval and BDDB recommendation to Santa Fe County Board of Commissioners and City of Santa Fe's City Council to approve FY 2014/2015 Buckman Direct Diversion Operating Budget. (Shannon Jones/Mackie Romero)
 - a. Presentation of the proposed FY 2013/2014 BDD Operations and Maintenance Budget.
 - b. Report from FSAC meeting of December 3, 2013.
 - c. Public Comments
 - d. Request for review and approval of the proposed FY 2013/2014 BDD Operations and Maintenance Budget.

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: January 2, 2014

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.

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MINUTES OF THE
CITY OF SANTA FE
BUCKMAN DIRECT DIVERSION BOARD
December 12, 2013

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COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BUCKMAN DIRECT DIV MIN
PAGES: 15

I Hereby Certify That This Instrument Was Filed for
Record On The 28TH Day Of March, 2014 at 11:14:05 AM
And Was Duly Recorded as Instrument # 1733168
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy _____ County Clerk, Santa Fe, NM

ITEM**ACTION****PAGE****REQUEST FOR APPROVAL AND BDDB
RECOMMENDATION TO SANTA FE COUNTY
BOARD OF COMMISSIONERS AND CITY OF
SANTA FE'S CITY COUNCIL TO APPROVE
FY 2014/2015 BUCKMAN DIRECT DIVERSION
OPERATING BUDGET**

| | | |
|--|------------------------|-------|
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**MINUTES OF THE
CITY OF SANTA FE
BUCKMAN DIRECT DIVERSION BOARD
December 12, 2013**

1. CALL TO ORDER:

A regular meeting of the Buckman Direct Diversion Board, was called to order on Thursday, December 12, 2013, at approximately 4:30 p.m., by Commissioner Kathy Holian, Chair, in the City Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Commissioner Kathy Holian, Chair
Ms. Consuelo Bokum
Councilor Chris Calvert
Commissioner Miguel Chavez
Councilor Carmichael Dominguez

STAFF PRESENT:

Nancy Long, BDD Board Consulting Attorney
Rick Carpenter, BDD Project Manager
Shannon Jones, BDD Interim Facility Manager and Maintenance Supervisor
Gary Durrant, BDD Chief Operator
Mackie Romero, BDD Financial Manager
Kyle Harwood, BDD Board Counsel
Melessia Helberg, Stenographer

There was a quorum of the membership in attendance.

3. APPROVAL OF SECOND AMENDED AGENDA

A copy of the Second Amended Agenda is incorporated herewith to these minutes as Exhibit "1."

Shannon Jones, Interim Facilities Director, asked that Item #7 be deferred and come under Item

#11.

RECEIVED
CITY OF SANTA FE
CLERK'S OFFICE
DECEMBER 12, 2013

MOTION: Councilor Calvert moved, seconded by Councilor Chavez, to approve the Second Amended Agenda, as amended

VOTE: The motion was approved unanimously on a voice vote [5-0].

4. APPROVAL OF CONSENT AGENDA

MOTION: Commissioner Chavez moved, seconded by Councilor Calvert, to approve the Consent Agenda, as presented

VOTE: The motion was approved unanimously on a voice vote [5-0].

CONSENT AGENDA

8. UPDATE AND DISCUSSION OF BDD OPERATIONS. (GARY DURRANT)

9. DROUGHT, MONSOON AND WATER RESOURCE MANAGEMENT UPDATE. (RICK CARPENTER)

5. APPROVAL OF MINUTES FROM THE NOVEMBER 7, 2013 BUCKMAN DIRECT DIVERSION BOARD MEETING.

MOTION: Councilor Calvert moved, seconded by Commissioner Chavez, to approve the minutes of the meeting of November 7, 2013, as presented.

VOTE: The motion was approved unanimously on a voice vote [5-0].

6. MATTERS FROM STAFF

Mr. Jones said he has updates, beginning with LANL, noting LANL staff has been working well and been very responsive to the BDD in regard to the Early Notification Systems. Cameras have been installed at a Station E-50 and E-60 and currently are in testing phase, and we look to have those on line by the end of this calendar year.

Mr. Jones said the Staff Advisory Group was scheduled to meet last week, but due to the weather that meeting didn't occur and the next scheduled meeting is January 23, 2015, and we do consider the packet to be at 90% completion, and on track to present to the Board in February 2015.

Mr. Jones gave a staffing update. He said, "As of today, the Facility Manager position, Regulatory Compliance and the safety Position currently are being screened. Those positions have closed and H.R. is processing the paperwork to develop a list of eligibles. The vacant Mechanic position closes on December 20, 2013. Additionally, the Public Relations Coordinator position is closed and H.R. also is screening that for qualified applicants. A Water Resource Coordinator Assistant position is scheduled to close on December 16, 2013, and I need to provide a list of interview questions to H.R., and that will move forward."

Mr. Jones noted for the Board that the next BDD Board meeting is scheduled for January 2, 2014. STEP Advisory on January 23, and ready for Board in February.

7. REPORT ON DECEMBER 3, 2013 FISCAL SERVICES AUDIT COMMITTEE.

This item was combined with and heard under Item 11.

DISCUSSION AND ACTION ITEMS

10. REQUEST FOR APPROVAL OF RESOLUTION NO. 2013-3. A RESOLUTION REQUESTING THE AMENDMENT AND EXTENSION OF THE MAY 13, 2010 MEMORANDUM OF UNDERSTANDING BETWEEN THE U.S. DEPARTMENT OF ENERGY AND THE BUCKMAN DIRECT DIVERSION BOARD REGARDING WATER QUALITY MONITORING. (KYLE HARWOOD AND SHANNON JONES)

A copy of proposed Resolution No. 2013-3, is incorporated herewith to these minutes as Exhibit "2."

A copy of the proposed letter to Secretary-Designate Ryan Flynn, New Mexico Environment Department, regarding Draft Discharge Permit DP-1132, Los Alamos National Laboratory's Radioactive Liquid Waste Treatment Facility at Technical Area 50, is incorporated herewith to these minutes as Exhibit "3."

Mr. Jones said, pursuant to a directive given to staff at the last BDD Board meeting, staff has prepared a Resolution and a written request for this Extension. He noted there are representatives from Los Alamos National Laboratories in attendance today, and available for questions.

The Board commented and asked questions as follows:

- Commissioner Chavez asked staff to expand on both components this Resolution is requesting, the amendment and the extension. He said, "I would like staff to touch on the critical points of the amendment, and on the Extension on the timeframe and specifics behind that, for the record and the public in attendance."

Kyle Harwood, BDD Board Counsel said, "What I understand, your question was to review the highlights of the basic MOU itself. Is that right."

- Commissioner Chavez said, "There seems to be two components that jump out at me, and I tried to scratch the surface on both. One is the amendment and the specific details and critical points behind that. And then the extension and timeframe and details behind that."

Mr. Harwood said, "The specific Resolution in the packet this evening is to meet the needs as expressed by Mr. Maggiore, DOE/NNSA, at the previous meeting, which is to have something in writing from the Board. The primary intent behind this particular Resolution is to document the Board's request that the agreement be extended. When we first negotiated this agreement in 2010, it was put together as a 5 year agreement. We're not on the cusp of that ending but we do know there is some work involved in getting an amendment process, particularly by the federal agencies."

Mr. Harwood continued, "The second area that needs to be addressed is that the Early Notification System itself has changed. Those of you remember the September floods taking out E-1099, which is the station we had used as the primary source of flow information. That is when we perceived flows at E-1099 in the L.A. Pueblo Canyon watershed, and the facility was turned off so as not to divert that slug of sediment coming down the L.A. Pueblo Canyon, reaching the Rio Grande and then running the 3 miles down the Rio Grande to the Buckman Direct Diversion site. So we know we have changes to make in order to accommodate the new formulation of the Early Notification System, and as Shannon said, we have been working regularly with the LANL staff, with the site office and other staff members up there at the Lab on that reformulation of the Early Notification System. So those are the two main elements of the existing MOU that this Resolution is asking for changes regarding those two issues."

- Commissioner Chavez said, "Then the amendments would deal more with the administration, the mechanics, the nuts and bolts and the monitoring of the facility and everything that's involved in that."

Mr. Harwood said, "Yes, I think that's right Commissioner." He said, "Just to underscore, the main issue that I think staff, particularly the operations staff, is concerned about is an extension of time for the agreement. As a working group between the staffs of the two organizations, we know that changes need to be made to the technical nuts and bolts of what we anticipate using this coming diversion year."

Mr. Harwood continued, "The extension of time is a much more difficult issue, I think, for the National Nuclear Safety Administration, so that's the one that will take more work."

- Commissioner Chavez said, "So it's one Memorandum of Understanding for everything, for the amendments and the extension, it's all captured in the one MOU."

Mr. Harwood said, "Yes. That's right."

- Councilor Calvert noted that it doesn't have a specified extension timeframe mentioned. He said, "And I guess, if I were to make a suggestion, I would like to see it extended for at least 3 years beyond the expiration date, because basically, we're starting over with this set-up. And it took us this long to find out that the current setup really wasn't going to work. And that's because you don't know what weather conditions you're going to experience in any one year, so it took us 3 years to get to this point. So I would hope the extension would last, at least until the end of 2018, would be my suggestion at a minimum because we're starting over on this, and it was supposed to be a 5 year MOU, so just adding 5 years to today into 2018."
- Commissioner Chavez said, "Following on that thought, Councilor Calvert, in the Resolution, there's one Whereas that says the May 15, 2010 MOU between the parties will expire on May 13, 2015, so that's the only reference that you see in the Resolution, and so that's a point well taken. Now to follow through, I would want to ask Legal if this could be amended to be date specific, as Councilor Calvert is suggesting, to give us that window... I don't know if it would tie us down to that window, or give us that window of opportunity to look for, making sure that the work is done."
- Chair Holian said, "So, Nancy could we pass the Resolution tonight with an amendment to change the date where it expires."
- Councilor Calvert said, "On that point, this is simply a Resolution requesting the amendment to the MOU, so that amendment will still have to be negotiated, right. I am okay with the Resolution as it is, but would give direction to staff that that would be our intent, or request is that it gets extended at least as long as the original one was intended to be in place."
- Councilor Chavez suggested Councilor Calvert could make that as a part of his motion.
- Chair Holian asked if there was further discussion on this point, and there was none.

MOTION: Councilor Calvert moved, seconded by Commissioner Chavez, to Adopt Resolution No. 2013-3, with direction to staff "that when they are working on this amendment with LANL that it is our wish that we have an MOU that lasts for the same length, in essence, starting now, when the original one was intended, to the end of 2018, *mas o menos*."

DISCUSSION: Commissioner Chavez said, "I agree with the concept that we are trying to get ahead of the planning curve or the mother nature curve or whatever the curve is out there, and try to still be effective with the facility."

VOTE: The motion was approved unanimously on a voice vote [5-0].

11. REQUEST FOR APPROVAL AND BDDB RECOMMENDATION TO SANTA FE COUNTY BOARD OF COMMISSIONERS AND CITY OF SANTA FE'S CITY COUNCIL TO APPROVE FY 2014/2015 BUCKMAN DIRECT DIVERSION OPERATING BUDGET. (SHANNON JONES/MACKIE ROMERO)

A Memorandum dated December 5, 2013, to the Buckman Direct Diversion Chair and Board, with attached *Program Performance Measures, Proposed Annual Operating Budget FY 2014/15, and Five-Year Cost Projection*, regarding proposed FY 14/15 Operating Budget Request, is incorporated herewith to these minutes as Exhibit "4."

A. PRESENTATION OF THE PROPOSED FY 2013/2014 BDD OPERATIONS AND MAINTENANCE BUDGET

Ms. Mackie Romero presented information via slide presentation, first presenting information on *Program Performance Measures Report*, and then summarizing the information in her Board Memorandum and Budget Packet. Please see Exhibit "4" for specifics of this presentation.

Ms. Romero noted that the *Program Performance Measures Report*, since they are in the middle of the current fiscal year, and could provide actuals for only FY 2012/2013 and targets for FY 2014/2015, and therefore they believe it is a work in progress. As we come closer to the end of the Fiscal Year, they can continue to track the measures and report final numbers to the Board at a later date, as this is just more of an informational report.

Councilor Calvert commented this is a good point, because we are comparing apples to oranges with actual budgets to projections and such, and believes it will be more useful if we have "apples to apples," in regard to this.

Ms. Mackie reviewed the proposed FY 2013/2014 BDD Operations and Maintenance Budget, by line item. Please see Exhibit "4" for specifics of this presentation.

Ms. Romero said the last line item is our Fiscal Agent Fee, and as stated in the FOPA it is 1% of our operating budget.

Ms. Romero said, "We are requesting our Operating Budget be funded by our partners for \$6,344,600, and for approval to budget \$180,000 of PNM Solar Rebates. Again, this request is due to the County treatment of the revenue received from PNM. This, in turn, has reduced the amount of requested funding from the City of Santa Fe and Santa Fe County. Las Campanas entities do not share in the benefit of this revenue, so that's where the offset is, since we would be budgeting that revenue as a source."

Ms. Romero said, "There is a change in how the fixed costs are allocated, which was requested by Santa Fe County and Las Campanas. Las Campanas requested that we amend the FOPA to separate the two Las Campanas entities into Las Campanas Water & Sewer Cooperative and The Club at Las Campanas, Inc., which is the reason you see 4 partners instead of 3. The second change would be a change to the capacity allocation as stated in Section 7, requested by the County and Las Campanas, as Las Campanas has purchased 541 afy from Arizona Rights, LLC, which was a party to the FOPA through Las Campanas, LP. The County also entered into a bulk water service agreement, into which the Las

Campanas Water & Sewer Cooperative transferred 332 afy of the permitted capacity. Again, there is no change to the City of Santa Fe's allocation or the total capacity allocation. It only changes the percentage of fixed costs which are allocated between Santa Fe County and Las Campanas, and they are both in agreement with this percentage change."

Ms. Romero asked the Board to go to page 15, Table L. She said, "BDD has also established an Emergency Reserve Fund, which provides immediate reserves for unforeseen events. This fund will be built to a target of \$2 million by the end of FY 13/14, therefore, we will not be requesting any additional contributions from our partners in FY 14/15."

Ms. Romero asked the Board to go to page 14. She said, "This is BDD's other fund which is the Major Repair and Replacement Fund which will give BDD the ability to cover major repair and replacement costs of existing capital access. BDD is requesting that the partners fund \$411,804 in contributions to the Major Repair and Replacement Fund. The Fund will be funded at \$823,624 by the end of FY 13/14. This additional contribution will secure a balance of \$1,235,000 by the end of FY 2015."

Ms. Romero said, "With the budget, we also included a *Five Year Cost Projection Report*, which is the last Report. Chart B, page 2 of the Report, shows the annual budget, we are assuming to be held relatively flat for the foreseeable future at approximately \$6.5 to \$6.6 million. Expenditures were estimated on a monthly average of approximately \$500,000 to \$600,000, based on 24 months of operating history, with an inflation factor of 3.4 to 3.6 percent annually. As each year passes, staff will have more historical data upon which to base its budget request and projection. Again, this is more of an informational item."

Ms. Romero said, "In summary, we request that the Buckman Direct Diversion Board approve and recommend the fund for FY 14/15 Operating Budget of \$6,344,600, plus the annual contribution of \$411,804 for the Major Repair and Replacement Fund, for a total request of \$6,756,404. With your approval, BDD would also budget PNM's solar revenue at \$180,000, which would be used to support our operating budget for a full expenditure budget of \$6,524,600."

The Board commented and asked questions as follows:

- Chair Holian asked the reason(s) for the reduction in the budget.

Ms. Romero said it is a combination of increases and decreases by major categories, and reviewed those increases/decreases by line item as follows:

Salaries and Wages – reduction of \$65,000 mainly due to budgeting some of the vacant positions below mid-range.

Overtime – reduction was due to staffing arrangements.

Benefits – increase due to insufficient budget from prior years. Staff intends to fully request its 35 positions, therefore the request is for 100% of the funding for these positions.

Electricity – increase due mainly to the actuals, as well as a change in the accounting treatment of solar rebates, which in prior years was presented as a reduction to expenses which didn't account for the revenue, therefore they are requesting 100% of the funding for electricity.

Chemicals – reduced by \$109,000, based on actual.

Materials & Supplies – reduced based on actual.

Other Operating Costs – the majority of the reduction occurred in professional service agreements, some of which they will no longer be entering into in 2014/2015. Some of the cost has shifted to maintenance agreements which will be budgeted under Materials & Supplies.

- Responding to Councilor Calvert, Ms. Romero said the credit will be in the revenue portion of the budget. She noted they were able to reduce Other Operating Costs due to allocating expenses by department, such as office supplies, advertising, communications, travel & training, rather than every department budgeted those line items which allowed the reductions.
- Councilor Calvert asked when does the amendment on the change regarding Las Campanas have to come before Board.

Ms. Long said, "The amendment would be reported to the Board, but the Board is not a party to that agreement. The agreement is among the City, the County and Las Campanas, Limited Partnership. So, Las Campanas Limited Partnership assigned its rights under the agreement to those entities."

- Councilor Calvert said, "To the extent that you have to amend the FOPA, is what I'm talking about."

Ms. Long said, "Yes. That is what I'm speaking to."

- Councilor Calvert asked if an amendment to the FOPA has not come before this Board.

Ms. Long said, "It has not come before this Board, and I am not aware that one has been prepared. We have discussed that with the City and the County and indicated that we think it would be wise to amend the FOPA to reflect the current parties to it, and we would, of course, be informing the Board, and presenting the Board with that amendment, but there is not one that I know of that has been approved by either body, or circulated."

- Councilor Calvert said, "I thought the FOPA had to be approved by this Board in the first place, and then by each separate jurisdiction."

Ms. Long said, "I do not believe it is approved by the Board. The Board is not a party to the FOPA, but it certainly would have had some input I believe."

- Councilor Calvert said, "I would think that was something that.... it may be *pro forma*, but I think it probably would be a good idea that we do that and have such amendment come forward, even if it is only for the information of this Board, whoever has to approve it, I guess, what two jurisdictions, because I think we want to keep the documentation current and updated. And so I think it would be a good idea to have that."

Ms. Long said, "I think that's a very good idea and we continue to encourage that, so thank you."

- Ms. Bokum said, "I thought I remembered that we negotiated the FOPA, and the Board was a party to the negotiations."
- Councilor Calvert said, "I thought so too. I don't know if we had to approve it, or we just had to approve recommendation to the Governing Bodies. I don't know how it went, that's like, how many years ago."
- Ms. Bokum said that was before her time.

Ms. Long said, "In 2006, there is a recitation in the FOPA that that the Board voted to recommend the principles of Agreement of the FOPA, and directing their staffs to prepare it."

- Councilor Chavez said, "I think in fairness to the other Board members and to staff, and to the other parties, because we do have to recognize Las Campanas as the third party, even though they aren't a local government. And I think this is the informational piece. The FOPA was the next step to revamp that, and it's more in keeping with how the facility is working at this point. And so I guess I would just add that to the minutes, for what it's worth, and to the discussion. But also, Madam Chair, there are members from Las Campanas community here, and if you would allow them an opportunity at some point to speak to, or answer, or ask any questions that they may have, I would appreciate that."
- Chair Holian said, "Yes. I will allow them that opportunity, but perhaps we should go through the presentations first."

B. REPORT FROM FSAC MEETING OF DECEMBER 3, 2013.

Chair Holian asked for the Report.

Councilor Calvert said, "It's sort of redundant. All we discussed basically was the budget."

Chair Holian said, "Then I can check that off my list."

Councilor Calvert said, "Yes."

C. PUBLIC COMMENT

Chair Holian asked if the representative from Las Campanas would like to comment at this time.

Charlie Nylander, representing The Club at Las Campanas, said, "I would just note, for the record, that Las Campanas has been very much in favor of amending the FOPA and straightening it out, with reference to the cost sharing and so forth. And at such time when you do, we would hope that the language would be artfully crafted so that, in the future, if there are further assignments or changes, that it could be updated without having it go back to the two body politics. I think it would just make it more convenient for everybody, especially contemplating in December 2015, if there were any partnership changes or any assignments to be made at that time. With that, I just think The Club, and I can say for the Coop as well, that we would endorse and support such an amendment. Thank you."

Ms. Long said, "When you requested it not to come back for approval, I assume that you are talking about adjustments within the Las Campanas piece as a shorthand way of expressing what I'm asking."

Mr. Nylander said, "I think the idea was, if you do go to the trouble to open it up to modify it and reflect the current distribution amongst 4 entities, instead of 3, that you should look at the language carefully to make it possible that if memberships change in the future and there are other assignments, that could be done automatically without having to take it back to the local governments."

Ms. Long said, "Right, I guess my question is, if what we've gone from is one Las Campanas to two. If we go to three, or four or five, and it's all about Las Campanas, then I think it makes sense maybe that we could come up with some language. But I think if it started affecting the other percentages, I'm not so clear that I would want it not to come back to the Board."

Mr. Nylander said, "I'm not saying it wouldn't come back to the Board.."

Ms. Long said, "Or the FOPA. If we're going to do a structural change that goes beyond the Las Campanas piece then I think we're going to be more concerned about it, than if it's what's happening at Las Campanas if things change."

Mr. Nylander said, "That's fine. I understand. Thank you."

Chair Holian thanked Mr. Nylander.

D. REQUEST FOR REVIEW AND APPROVAL OF THE PROPOSED FY 2013/2014 BDD OPERATIONS AND MAINTENANCE BUDGET.

Chair Holian said the presentation of the budget is a public hearing, and asked if there is anyone here from the public who would like to comment on the budget to the Board.

Public Hearing

There was no one speaking for or against this request

The Public Hearing was closed.

MOTION: Commissioner Chavez moved, seconded by Councilor Calvert, that the Board recommend to the Governing Body of the City of Santa Fe, and the Board of Commissioners of the County of Santa Fe, to approve the proposed FY 2013/2014 Buckman Direct Diversion Operations and Maintenance Budget.

VOTE: The motion was approved unanimously on a voice vote [5-0].

Ms. Long said, "Of course, after approval by the County Commission and the City Council, hoping that there is approval from both bodies, it will come back to you for final adoption."

Ms. Bokum said, "I would like to thank the staff. It seems to have gone so well this year, so thank you for all the hard work."

Chair Holian said, "I would like to thank staff for all working together. It was really the BDD, the City, the County and Las Campanas. Thank you Mackie."

MATTERS FROM THE PUBLIC

There were no Matters from the Public.

MATTERS FROM THE BOARD

Commissioner Holian said, "This will be my the meeting on the Buckman Direct Diversion Board. The County Commission makes the decision at the beginning of the year, as to which Boards and commissions the Commissioners will serve on, and the Buckman Direct Diversion Board was the most popular choice. There were four Commissioners who wanted to serve on it, and yet there were only two spots for Commissioners, plus one alternate. I'm afraid I drew the short straw, so I will be leaving. I will, however, next year try again. And I want to thank everybody. This has actually been a lot more fun than I ever thought it was be. I was a little worried about it, but I've learned a lot and I really enjoy the technical aspects of it, and I've enjoyed working with all of you. Commissioner Chavez."

Commissioner Chavez said, "Actually this committee assignment really wasn't the shorter straw, it was really the toss of the dice in a sense, because there were cards in a hat that were either blank or said member, and if you picked member you were on the BDD. There was member and alternate and blank."

Commissioner Holian said, "I got blank."

Commissioner Chavez said, "So you drew blank and I drew member which kept me where I am [inaudible]. It was an interesting process. I just thought I would elaborate on that a bit."

Commissioner Holian said, "And Commissioner Stefanics will be the new member. Councilor Calvert."

Councilor Calvert said, "On that point, my term on this body is not much longer either. So I'm only going to be here for two more meetings, I think. And so, I'm going to suggest, like we've sort of done in the past that we probably wait until after the City election to designate the Chair and Vice-Chair."

Commissioner Chavez said, "And other members as well. Do you think the memberships would change."

Councilor Calvert said, "Absolutely it will change. Well, I know one position will change, at least. So I think it would be a good idea to wait until after the March election and have that designated. I guess you could have it in the March meeting. Who's going to be on it by then. That's only two days after the election."

Chair Holian asked, "When does your term officially end, then."

Councilor Calvert said, "On election day."

Commissioner Chavez said, "You sink or swim the whole way through."

Chair Holian said the Board definitely will be different next year.

NEXT MEETING JANUARY 2, 2014.

ADJOURN

There was no further business to come before the Board.

MOTION: Commissioner Chavez moved, seconded by Councilor Calvert to adjourn the meeting.

VOTE: The motion was approved unanimously on a voice vote, and the meeting was adjourned at approximately 5:15 p.m. [5-0].

Kathy Holian
Kathy Holian, Chair

ATTESTED TO:

N/A
Yolanda Y. Vigil, City Clerk
City of Santa Fe

ATTESTED TO:

Geraldine Salazar
Geraldine Salazar, County Clerk
Santa Fe County
3-28-2014



SUBMITTED BY:

Melessia Helberg
Melessia Helberg, Board Stenographer

RECEIVED 3/28/2014

City of Santa Fe



New Mexico

CITY CLERK'S OFFICE

DATE 12/9/13 TIME 11:34 a

SERIALIZED BY Stephanie Lopez

RECEIVED BY [Signature]



AGENDA

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

Buckman Direct Diversion Board Meeting

THURSDAY, DECEMBER 12, 2013

4:30 PM

CITY HALL

CITY COUNCIL CHAMBERS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM THE NOVEMBER 7, 2013 BUCKMAN DIRECT DIVERSION BOARD MEETING
6. MATTERS FROM STAFF
7. REPORT ON DECEMBER 3, 2013 FISCAL SERVICES AUDIT COMMITTEE

CONSENT AGENDA

8. Update and discussion of BDD operations. (Gary Durrant)
9. Drought, Monsoon and Water Resource Management Update. (Rick Carpenter)

Exhibit "1"

DISCUSSION AND ACTION ITEMS

10. Request for approval of Resolution No. 2013-3. A resolution requesting the amendment and extension of the May 13, 2010 Memorandum of Understanding between the U.S. Department of Energy and the Buckman Direct Diversion Board regarding water quality monitoring. (Kyle Harwood and Shannon Jones)
11. Request for approval and BDDDB recommendation to Santa Fe County Board of Commissioners and City of Santa Fe's City Council to approve FY 2014/2015 Buckman Direct Diversion Operating Budget. (Shannon Jones/Mackie Romero)
 - a. Presentation of the proposed FY 2013/2014 BDD Operations and Maintenance Budget.
 - b. Report from FSAC meeting of December 3, 2013.
 - c. Public Comments
 - d. Request for review and approval of the proposed FY 2013/2014 BDD Operations and Maintenance Budget.

MATTERS FROM THE PUBLIC

MATTERS FROM THE BOARD

NEXT MEETING: January 2, 2014

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.

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2013-__

INTRODUCED BY: A RESOLUTION

REQUESTING CONSIDERATION OF ALTERNATIVES TO LOS ALAMOS NATIONAL LABORATORY'S PROPOSED PLAN OF LEAVING NUCLEAR WASTES BURIED IN PLACE AT TA-54, AREA G; URGING INSTEAD FOR FULL CHARACTERIZATION AND EXCAVATION OF THE WASTES, OFFSITE DISPOSAL OF ANY HIGH-LEVEL, TRANSURANIC, AND MIXED LOW LEVEL RADIOACTIVE WASTES, ; AND DIRECTING THE CITY CLERK TO INFORM THE NEW MEXICO ENVIRONMENT DEPARTMENT AND RELEVANT STATE LEGISLATIVE COMMITTEES.

WHEREAS, the Los Alamos National Laboratory (LANL) has announced its preferred alternative to leave approximately one million cubic meters of radioactive, toxic and hazardous wastes buried in place at Material Disposal Area G in Technical Area-54, which the New Mexico Environment Department must approve or not; and

WHEREAS, Area G is a 63-acre site, which started accepting radioactive, toxic and hazardous wastes in 1957 when record keeping was poor; and

WHEREAS, Area G is located 18 miles from the Santa Fe Plaza, just west of the residential community of White Rock, and 5 miles from the Buckman Well Field near the Rio Grande, which provides drinking water for the City of Santa Fe; and

WHEREAS, Area G is located 0.10 miles from the Pueblo de San Ildefonso boundary, 8.78 miles from the boundary of the Pueblo of Santa Clara, 9.83 miles from the boundary of the

Exhibit "2"

Pueblo of Pojoaque, 11.95 miles from the boundary of the Pueblo of Tesuque , 13.56 miles from the center of the Pueblo of Nambe. 14.1 miles from the boundary of the Pueblo of Ohkay Owingeh; 14.03 miles from the center of the City of Espanola, 17.54 miles from the center of the Village of Tesuque, 54.25 miles from the center of the Town of Taos, 5.44 miles from the center of Los Alamos; and

WHEREAS, LANL was not originally chosen for its geologic qualities as a permanent nuclear waste disposal site; and

WHEREAS, LANL is located in a complex seismic zone above both the Rio Grande and a sole source aquifer providing drinking water for 270,000 people, including the City of Santa Fe; and

WHEREAS, Area G wastes are buried in unlined pits, trenches and shafts dug directly into the volcanic tuff, in contrast to the composite liners and leachate collection systems that the New Mexico Environment Department requires of local governments; and

WHEREAS, LANL has claimed that full cleanup of Area G would cost the inflated sum of 29 billion dollars, but nevertheless recently successfully excavated its smaller Materials Disposal Area B for 136 million dollars; and

WHEREAS, extrapolation from Area B's actual costs demonstrates that full cleanup of Area G could be completed for around 6 billion dollars, or less than the cost of four years' worth of the Lab's nuclear weapons programs that generated the wastes to begin with; and

WHEREAS, full cleanup of Area G would be a win-win for New Mexicans, permanently protecting our precious groundwater and the Rio Grande while creating 100's of high paying jobs for twenty years or more;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that the governing body hereby urges the New Mexico Environment Department (NMED) to NOT allow the *de facto* creation of a permanent nuclear waste dump by approving "cap and cover" of the estimated one million cubic meters of radioactive and hazardous wastes at LANL's Area G; and

BE IT FURTHER RESOLVED that the governing body hereby requests that NMED should require full characterization and excavation of the wastes; and offsite disposal of any transuranic or mixed low-level radioactive wastes; and

BE IT FURTHER RESOLVED that in the unlikely event any high-level radioactive wastes are found and excavated, they must be safely isolated in Hardened On-Site Storage (HOSS) until transported offsite to another DOE site or final disposal at a future national high-level waste repository; and

BE IT FURTHER RESOLVED, wastes at TA-54 should be completely excavated with no new disposal of wastes; and

BE IT FURTHER RESOLVED, DOE and LANL closure and post-closure plans for Technical Area-54 must be submitted to NMED prior to NMED's issuance of its Statement of Basis for Area G; and

BE IT FURTHER RESOLVED that NMED should provide for a public hearing as required by the New Mexico Hazardous Waste Act and the federal Resource Conservation and Recovery Act (RCRA) laws and regulations requiring protection of human health and the environment on all matters pertaining to comprehensive cleanup of TA-54; and

BE IT FURTHER RESOLVED that the governing body urges the DOE and LANL to conduct the seismic field studies as required by DOE Orders and industry standards which must be completed before any TA-54 cleanup decisions are made by NMED and to conduct field studies of the groundwater below LANL as recommended in 2007 by the National Academy of Sciences "Plans and Practices for Groundwater Protection at the Los Alamos National Laboratory" and as required by the New Mexico Hazardous Waste Act; and

BE IT FURTHER RESOLVED that the governing body believes an excavation pilot project at Area G to demonstrate feasibility of full cleanup would be prudent, based upon the recent successful completion of Material Disposal Area B; and

BE IT FURTHER RESOLVED that the New Mexico House Radioactive & Hazardous Materials and Senate Energy & Natural Resources Committees should hold public hearings on all matters pertaining to comprehensive cleanup of Area G; and

BE IT FURTHER RESOLVED that the governing body directs the City Clerk to send copies of this resolution to the New Mexico Environment Department, our congressional delegation, our governor, the Department of Energy, the National Nuclear Security Administration , Los Alamos National Security LLC, and the two New Mexico legislative committees referenced herein.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2013.

DAVID COSS, MAYOR
ATTEST:

XX, CITY CLERK

APPROVED AS TO FORM:

XX, CITY ATTORNEY

Date

By email to: ryan.flynn@state.nm.us

Secretary - Designate Ryan Flynn
New Mexico Environment Department
P. O. Box 5469
Santa Fe, NM 87502-5469

Re: Draft Discharge Permit, DP-1132, Los Alamos National Laboratory's
Radioactive Liquid Waste Treatment Facility at Technical Area 50

Dear Secretary-Designate Flynn:

Please require the Department of Energy (DOE) and Los Alamos National Laboratory (LANL) to provide the closure and post-closure plans for the Radioactive Liquid Waste Treatment Facility as part of their application for the groundwater discharge permit DP-1132. The draft permit now out for public comment and review allows DOE and LANL to submit the closure plans in 180 days after the issuance of the permit. This places both the public and your agency at a distinct disadvantage. It also substantially increases the cost of the permitting process at a time when state resources are scarce.

Both the public and the Ground Water Quality Bureau need to review the plans for operation and closure of the 50-year old facility now. This way your agency may craft an appropriate permit and provide the public an opportunity to make informed comments and request a public hearing. Separating the permitting process from the closure process requires two permit proceedings. That will cost your agency and the public additional time and expense. By including the closure and post closure plans with the draft permit -- as regulations give you the authority to require -- both public and agency resources are appropriately conserved. This results in a higher level of informed decision-making. That is a benefit to your agency, and the public it serves. Requiring the closure plans now, prior to issuance of the permit, also saves federal taxpayer dollars. Then DOE and LANL will only need one permitting process.

DOE and LANL have already had more than ample time to prepare the closure plans for this facility. NMED issued a draft discharge permit DP-1132 on June 10, 2005. In response, public comments were submitted. Those comments raised the issue of requiring inclusion of the closure and post-closure plans with the permit application. Eight years is more than a reasonable period of time for DOE and LANL to fulfill those requirements.

Please carefully consider this conservative approach to the permitting of the Radioactive Liquid Waste Treatment Facility. It will save all sides in this matter money and time. Please direct the Ground Water Quality Bureau to require DOE and LANL to submit the closure and post closure plans for agency and public review now, before the issuance of a revised permit.

Thank you for your consideration of this request.

Sincerely,

Exhibit "3"



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.

Memo

DATE: December 5, 2013
TO: Buckman Direct Diversion Chairperson and Board
FROM: Mackie Romero, BDD Financial Manager *MR*
SUBJECT: Proposed FY14/15 Operating Budget Request

Item & Issue:

Request for approval and recommendation of the BDD Operating Budget for FY14/15.

Background and Discussion:

BDD is pleased to present the proposed Buckman Direct Diversion (BDD) Operating Budget for FY14/15 and proposed contributions to our Major Repair & Replacement Fund. The proposed budget accounts for all functions necessary to meet the Board's service level objectives and provides high quality water supplies to City of Santa Fe, Santa Fe County and Las Campanas entities.

Our primary goal was closing the gap between actual expenditures and our requested budget amount. Therefore BDD actively collaborated with its partners on the development of this budget and due to valuable discussions and input we were able to come to an agreement on our proposed budget request.

Budget Highlights & Considerations:

- Requesting budget approval of \$6,524,600 for FY14/15 Operations (Table C)
- Requesting approval of \$411,804 in contributions for Major Repair & Replacement Fund. (Table N)
- Requesting funding from our partners of \$6,344,600 for our operating fund and \$411,804 for our Major Repair & Replacement Fund. (Table O)
- Requesting approval to budget our PNM Solar Rebates as a source of revenue for \$180,000. (Table A)
- Reduced FY14/15 Budget Request by \$513,003 from FY13/14 Adopted Budget (Table C)
- Pending amendment of FOPA, change in percentage allocation of shared fixed cost. (Table E)
- Emergency Reserve Fund will reach its target in FY13/14, therefore no additional contributions will be requested for FY14/15. (Table L)



E. H. H. H. "4"

page 2

- Budget costs are linked to key performance metrics and strategic initiatives. (Program Performance Measures Report)
- Twenty –four months of operations reduces five-year projection plan. (Five-year Cost Projection Report)

Recommended Action:

We would like to request approval and BDDDB recommendation of the BDD Operating Budget for FY14/15 and contributions to our Major Repair and Replacement Fund to Santa Fe County Board of Commissioners and City of Santa Fe's City Council.

We look forward to presenting the proposed budget and addressing your comments and questions. . .

Thank you

Government shall measure and report its performance to provide stakeholders with data for the purpose of evaluating program effectiveness and efficiency.

Program Performance Measures

Program Performance Measures

Publicly reporting actual program performance data on a routine basis apprises stakeholders of results. This document contains performance measures that stakeholders can use to determine whether programs are efficiently and effectively accomplishing goals. Performance standards can be periodically evaluated and refined to adapt to stakeholder priorities. Data driven decision making establishes the framework for continuous improvement, accountability, and transparency. The Buckman Direct Diversion Project is organized into 6 programs which are

1. Administrative Services
2. Safety and Training (Environmental, Health, Safety, Transportation and Security – EHSTS)
3. Information Services
4. Maintenance
5. Operations
6. Regulatory Compliance

This section of the budget presents a performance report for each program organized into subsections as follows

- **Program Purpose** – Presents a cogent statement of program activities, customers, and benefits delivered.
- **Strategic Goals Supported by the Program Resources** – Presents the strategic goals primarily served by program resources.
- **Program Expenditures, Budget and Full Time Equivalents (FTE's)** – Presents program financial and personnel resources.
- **Results FY12/13 and FY 2014-15 Targets** – Presents measurements to describe how the program is achieving its program purpose.

Operations

Program Purpose

The Purpose of the Operations Program is to produce drinking water to the BDD partners so they can have confidence in the quality and quantity of water delivered by the Water Treatment Plant

Strategic Goals Supported by Program Resources

1. To ensure that water quality is kept to a very high standard
2. To minimize electric power and chemical costs

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed vs FY12/13 Actuals |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|--|
| Expenditures/Budget | 3,233,111 | 4,630,971 | 3,651,922 | 34% |
| Full time equivalents (FTEs) | 14 | 18 | 19 | 26% |

Operation Results and FY2014/15 Targets

| Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|---|------------------------------------|--------------------------------|---------------------------------|
| Results/Outcomes | | | |
| 95% of all turbidity measurements less than or equal to 0.3 NTU. | 99.94% | 100% | 100% |
| Maintain total electric power cost per million gallons produced below Upper Control Limit 100% of the time. | 83.3% | 100% | 100% |
| Maintain total chemical cost per million gallons produced below Upper Control Limit 100% of the time. | 100% | 100% | 100% |
| Output | | | |
| Number of turbidity samples collected | 1976 | 1696 | 1696 |

Regulatory Compliance

Program Purpose

The purpose of the Regulatory Compliance Program is to provide sound compliance programs with respect to environmental and water quality regulations as well as compliance and process control lab services to BDD partners, its customers, and regulatory agencies to assure a reliable and high quality drinking water supply.

Strategic Goals Supported by Program Resources

1. Develop, and implement the Safe Drinking Water Act (SDWA) Compliance
2. Develop, and implement the National Pollutant Discharge Elimination System (NPDES) Compliance
3. Develop and implement residual Solids Management and Compliance
4. Develop and Implement the LANL / DOE Monitoring

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed vs FY12/13 Actuals |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|--|
| Expenditures/Budget | 268,564 | 650,448 | 306,817 | 14% |
| Full time equivalents (FTEs) | 1 | 2 | 2 | 50% |

Regulatory Compliance Results and FY2014/15 Targets

| Sub Program | Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|-------------------------|--|------------------------------------|--------------------------------|---------------------------------|
| Results/Outcomes | | | | |
| SDWA | Percent compliance with SDWA monitoring and reporting standards | 100% | 100% | 100% |
| NPDES | Percent compliance with NPDES monitoring and reporting standards | 99% | 100% | 100% |
| SMCP | Protect the environment and maintain 100% compliance with monitoring frequency requirements; 1 sample per 100 cubic yards landfill solids disposal [1] | 100% | 100% | 100% |
| Output | | | | |
| SDWA | Number of SDWA sampling events completed | 4 | 4 | 4 |
| NPDES | Number of NPDES suite sampling events completed | 2 | 2 | 2 |
| NPDES | Number of bio-assay sample events completed | 4 | 4 | 1 |
| NPDES | Number of geomorphic aquatic studies completed | 4 | 4 | 1 |
| SMCP | Number of landfill solids disposal sampling events | 20 | 270 | 9 |

[1] Estimated 4500 cubic yards solids annually for which NMED requires a sample per each 100 cubic yards resulting in 45 sampling events.

Asset Management and Maintenance

Program Purpose

The purpose of the Asset Management and Maintenance Program¹ is to provide reliable, cost-effective maintenance and repair services to BDD Operations for the purpose of minimizing equipment lifecycle costs, maximizing equipment reliability and dependability, and eliminating regulatory actions or water quality violations due to equipment failures.

Strategic Goals Supported by Program Resources

1. Minimize equipment life-cycle costs
2. Maximize equipment reliability and dependability
3. Eliminate regulatory actions or water quality violations due to equipment failures

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Expenditures/Budget | 912,034 | 1,369,564 | 989,163 | 7.8% |
| Full time equivalents (FTEs) | 6 | 7 | 7 | 14% |

Asset Management and Maintenance Program Results and FY2014/15 Targets

| Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|--|------------------------------------|--------------------------------|---------------------------------|
| Output | | | |
| Number of workdays backlog of incomplete work orders | 19 | N/A* | 10 |
| Number of facility and equipment work orders completed | 5061 | 4910 | 5100 |
| Number of corrective work orders | 281 | 118 | 250 |
| Number of emergency work orders completed | 12 | 10 | 10 |

*New performance measures for FY13/14 and FY14/15

Safety and Training/ (EHSTS)

Program Purpose

The purpose of the Safety and Training/ (EHSTS) program is to provide compliance, program development, and site-specific training to BDD Operators and Maintenance personnel in compliance with applicable Federal, State, and local regulations.

Strategic Goals Supported by Program Resources

1. Maintain the OSHA Incident Rate below the industry standard of 3.2%. The OSHA Incident rate tracks the number of work related injuries normalized to the number of person-hours worked.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Expenditures/Budget | 170,092 | 342,015 | 298,203 | 43% |
| Full time equivalents (FTEs) | 0 | 1 | 1 | 100% |

Safety and Training Results and FY2013/14 Targets

| Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|--|------------------------------------|--------------------------------|---------------------------------|
| Results/Outcomes | | | |
| OSHA incident rate | 0% | 0% | 0% |
| Output | | | |
| Number of program policies and procedures reviewed | 3 | 10 | 10 |
| Number of training hours delivered per employee | 36 | 41 | 41 |

Note: The OSHA Incident Rate tracks the number of work related injuries normalized to the number of person hours worked

Administrative Services

Program Purpose

Provide management oversight and supervision to the entire facility, and, in compliance with the Project Management and Fiscal Services Agreement (PMFSA) and the Fiscal Operations and Procedures Agreement (FOPA), assist with the developing and monitoring the use of the annual operating budget; deliver monthly partner invoicing in accordance with Generally Accepted Accounting Principles (GAAP); to perform records management and coordinate procurement and requisition processing in accordance with State and local laws and regulations, and to maintain oversight of expenditures within the working capital fund, the major repair and replacement fund, and the emergency reserve fund.

Strategic Goals Supported by Program Resources

1. Operate and maintain the Buckman Regional Water Treatment Plant within Budget 100% of the time.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Expenditures/Budget | 586,971 | 902,078 | 870,594 | 33% |
| Full time equivalents (FTEs) | 3 | 6 | 4 | 25% |

Accounting and Budget Results and FY2014/15 Targets

| Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|--|------------------------------------|--------------------------------|---------------------------------|
| Results/Outcomes | | | |
| % Compliance with expenditures within adopted budget limits | 100% | 100% | 100% |
| *Processing BDD payments and requisitions within 7 days of receipt | N/A | N/A | 100% |
| Output | | | |
| *Number of days after year end, when funds are reconciled and ready for audit. | N/A | N/A | 90 |
| *Preparation of quarterly financial position reports. | N/A | N/A | 4 |
| Efficiencies | | | |
| *Average days payables outstanding | N/A | N/A | 38 |

* New performance measures for FY13/FY14 and FY14/15

Information Systems

Program Purpose

The purpose of the Information Systems program is to maintain and support all automation and security systems, especially the Supervisory Control and Data Acquisition system (SCADA), so that the BDD can provide reliably clean drinking water.

Strategic Goals Supported by Program Resources

1. Eliminate regulatory actions or water quality violations due to equipment failures caused by software, connectivity, or information systems.

Program Expenditures, Budget and Full Time Equivalents (FTE's)

| | FY2012/13 Year End Actual ** | FY2012/13 Adopted Budget | FY2014/15 Proposed Budget | % Variance FY14/15 Proposed |
|------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Expenditures/Budget | 334,208 | 426,682 | 343,302 | 3% |
| Full time equivalents (FTEs) | 2 | 2 | 2 | 0% |

Information Systems Program Results and FY2013/14 Targets

| Performance Measures | FY2012/13 Year End Actual ** | FY2012/13 Adopted Target | FY2014/15 Proposed Target |
|--|------------------------------------|--------------------------------|---------------------------------|
| Results/Outcomes | | | |
| Percent of time the SCADA system is online | N/A | N/A | 99.9% |
| Percent of time the security system is online | N/A | N/A | 99.9% |
| Percent of time that Antivirus and Windows updates are current | N/A | N/A | 99.9% |
| Percent of time that system backups are current | N/A | N/A | 99.9% |

* FY12/13 had no performance measures for IT. New performance measures for FY13/FY14 and FY14/15

Buckman Direct Diversion Project



Proposed Annual Operating Budget

FY 2014/15

Prepared by:

Shannon Jones, Interim BDD Facilities Manager
Mackie Romero, BDD Financial Manager

Buckman Direct Diversion Project

Fiscal Year 2014/2015 Operating Budget

Kathy Hollan

Chair, Buckman Direct Diversion Project Board
County Commissioner, Vice-Chair, District 4

Chris Calvert

Vice-Chair, Buckman Direct Diversion Project Board
City Councilor, District 1

Carmichael A. Dominguez

City Member, Buckman Direct Diversion Project Board
City Council, District 3

Miguel M. Chavez

County Member, Buckman Direct Diversion Project Board
County Commissioners, District 2

Consuelo Bokum

At-Large Member, Buckman Direct Diversion Project Board

Patti Bushee

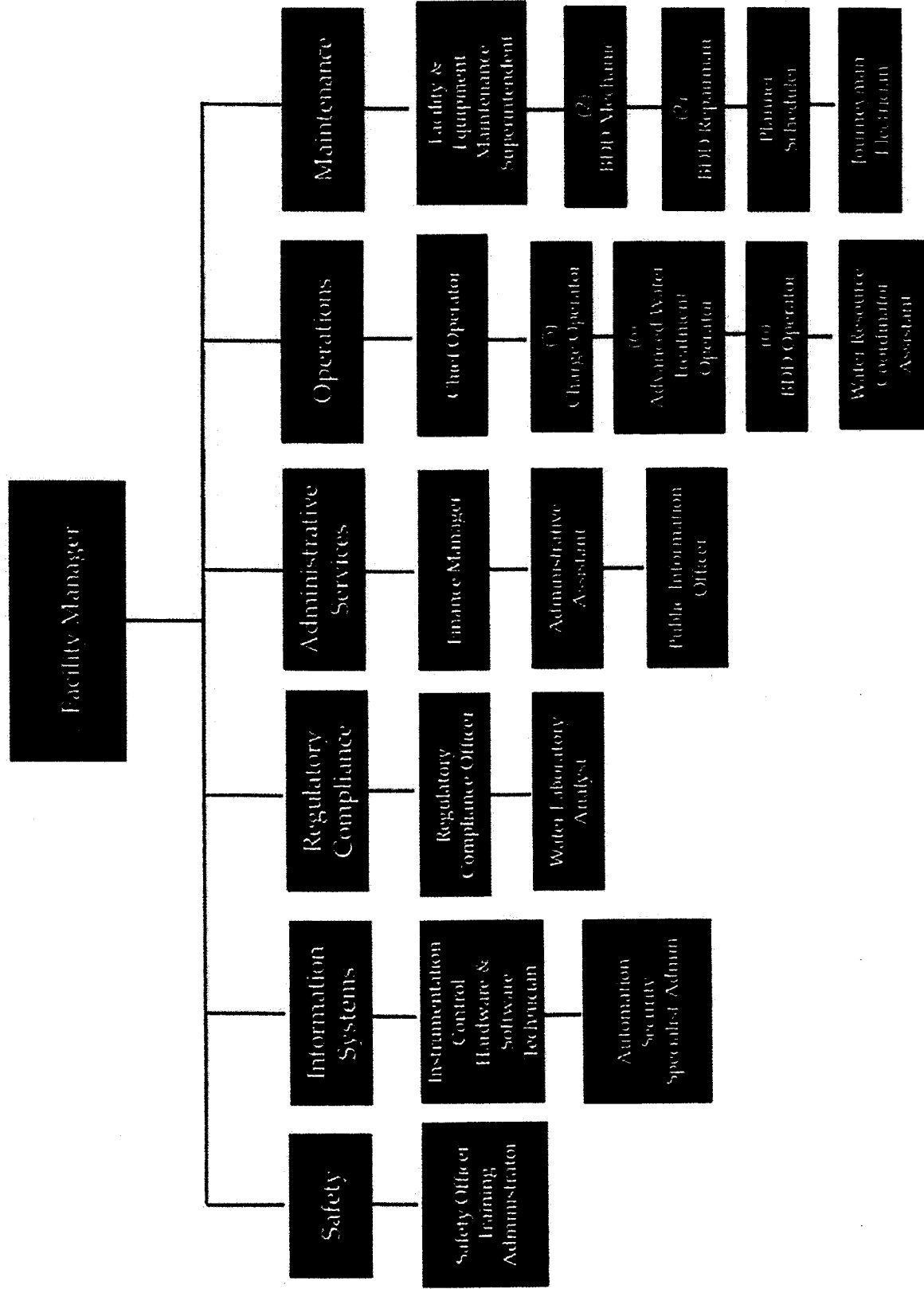
City Alternate Member, Buckman Direct Diversion Project Board
City Councilor, District 1

Daniel Mayfield

County Alternate Member, Buckman Direct Diversion Project Board
County Commissioners, District 1

Shannon Jones, Interim BDD Facilities Manager

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT ORGANIZATIONAL CHART



Buckman Direct Diversion (BDD) Proposed Annual Operating Budget, FY2014/15

Budget Message

The *Project Management and Fiscal Services Agreement* (PMFSA) requires the Project Manager to submit an Annual Operating Budget, including a 5-year projection, no later than December 15th of each fiscal year. With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDB) approve and recommended the Fiscal Year 2014-2015 Operating Budget of \$6,524,600. The portion of fixed vs. variable costs and the partner share by major expenditure category is presented below.

BUDGET REVENUE/REIMBURSEMENT SUMMARY - PARTNER SHARE OF TOTAL PROPOSED FY2014/15 BUDGET - (TABLE A)

| | Fixed | Variable | Total | % |
|---|---------------------|---------------------|---------------------|-------------|
| Revenues/Reimbursements by Source: | | | | |
| PNM Solar Rebates | \$ - | \$ 180,000 | \$ 180,000 | 2.8% |
| City of Santa Fe | 3,491,396 | 1,134,740 | 4,626,136 | 70.9% |
| Santa Fe County | 1,231,818 | 259,560 | 1,491,378 | 22.9% |
| Las Campanas (Club) | 67,029 | 96,500 | 163,529 | 2.5% |
| Las Campanas (Coop) | 63,557 | - | 63,557 | 1.0% |
| Total Revenues by Source | \$ 4,853,800 | \$ 1,670,800 | \$ 6,524,600 | 100% |
| % of overall budget | 74% | 26% | | |

BUDGET EXPENDITURE SUMMARY - PARTNER SHARE OF TOTAL PROPOSED FY2014/15 BUDGET - (TABLE B)

| | City of Santa Fe | Santa Fe County | Las Campanas (Club) | Las Campanas (Coop) | Total |
|-------------------------|------------------|------------------|---------------------|---------------------|------------------|
| Expenditure by Category | | | | | |
| Personnel | 2,433,807 | 869,636 | 55,043 | 52,214 | 3,410,700 |
| Electricity | 1,042,303 | 238,587 | 97,110 | - | 1,378,000 |
| Chemicals | 212,000 | 53,000 | | | 265,000 |
| Solids | 48,640 | 12,160 | | | 60,800 |
| Materials & Supplies | 303,760 | 104,346 | 3,692 | 3,502 | 415,300 |
| Other Operating Costs | 729,626 | 249,649 | 7,683 | 7,841 | 994,800 |
| Total | 4,770,136 | 1,527,378 | 163,529 | 63,557 | 6,524,600 |
| PNM Solar Rebates | (144,000) | (36,000) | | | |
| Total | 4,626,136 | 1,491,378 | | | |

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

(TABLE C)

*UNAUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES

| | FY2012/13 | FY2013/14 | FY2014/15 | \$ Change |
|---|---------------------|---------------------|---------------------|---------------------|
| | Unaudited | Adopted | Proposed | FY14/15 vs |
| | Actual | Budget | Budget | FY13/14 |
| | 6/30/13 | | | |
| Revenues/Reimbursements by Fund: | | | | |
| BDD Operating 7280000 | \$ 5,588,198 | \$ 7,037,603 | \$ 6,524,600 | \$ 513,003 |
| Total | <u>\$ 5,588,198</u> | <u>\$ 7,037,603</u> | <u>\$ 6,524,600</u> | <u>\$ 513,003</u> |
| Expenditures by Category: | | | | |
| Salaries and Wages | \$ 1,548,779 | \$ 2,059,378 | \$ 1,994,021 | \$ (65,357) |
| Overtime and Shift Differential | 224,626 | 217,532 | 192,532 | (25,000) |
| Benefits | 736,235 | 864,941 | 1,224,147 | 359,206 |
| Electricity | 1,466,412 | 1,233,755 | 1,378,000 | 144,245 |
| Chemicals | 242,315 | 374,783 | 265,000 | (109,783) |
| Solids | 48,676 | 77,800 | 60,800 | (17,000) |
| Materials & Supplies | 388,550 | 578,919 | 415,300 | (163,619) |
| Other Operating Costs | 849,387 | 1,526,999 | 930,200 | (596,799) |
| Total | <u>\$ 5,504,980</u> | <u>\$ 6,934,107</u> | <u>\$ 6,460,000</u> | <u>\$ (474,107)</u> |
| Fiscal Agent Fee | 83,218 | 103,496 | 64,600 | (38,896) |
| Total | <u>\$ 5,588,198</u> | <u>\$ 7,037,603</u> | <u>\$ 6,524,600</u> | <u>\$ (513,003)</u> |

The budget development for FY2014/15 presented opportunities for the Buckman Direct Diversion (BDD) staff to closely collaborate with our partners, the City of Santa Fe, the County of Santa Fe, and Las Campanas Entities.

Budget Summary & Analysis

Closing the gap between actual expenditures and budget was a prime consideration in developing BDD's budget for FY2014/15.

- FY11/12 Actual Expenditures \$5,775,863, which was \$3,092,539 lower than our adopted budget.
- FY12/13 Actual Expenditures \$5,588,198, which was \$2,807,314 lower than our adopted budget.
- FY13/14 Projected to expend \$5,557,927 with 9 vacant positions, which is \$1,376,180 lower than our adopted budget.

The BDD actively collaborated with its partners on the development of this budget and, due to valuable discussions with the partners, was able to decrease its proposed budget for FY2014/15.

- The proposed Annual Operating Budget for FY2014/15 is \$6,460,000 plus the fiscal agent fee of \$64,600, which represents \$513,003 in reductions from the previous budget year of \$7,037,603.

BDD has two full years of operating expenditures; this information was used by staff to predict the needs of our operations. BDD also used yearly volumetric flow predictions provided by each partner for our variable expenditures such as chemicals, solids management and electricity.

BDD also changed how we presented the PNM Solar Rebates received monthly. In prior years these credits were presented as a reduction to electricity expenditures, which is not how BDD accounts for these receipts. Therefore we requested 100% of our proposed electricity budget, since we pay and account for 100% of the invoices. The PNM Solar rebates will be accounted for as a revenue source. This means reimbursement requests for American Capital Energy expenses (primary owner of solar system) from the City of Santa Fe and Santa Fe County will be reduced by the PNM revenue received.

Tabular presentation of major budget items for FY14/15 requested in comparison to last year's actual expenditures:

(TABLE D)

| BUDGET SUMMARY of SIGNIFICANT CHANGES FROM FY12/13 ACTUAL TO FY14/15 PROPOSED | | | |
|---|---|---------------|----------|
| Program | Description | Dollar Change | % Change |
| Safety and Training | BDD Safety Officer Training Administrator position has been vacant for 1 year, increase is due to salaries and benefits and operating supplies needed for this position, however is still a 53k decrease from FY13/14 Adopted Budget. | 128,110 | 2.29% |
| Maintenance | Salary and Benefits for BDD Maintenance Mechanic position vacant for 5 months in FY12/13 | 77,129 | 1.38% |
| Operations | Salaries and benefits for vacant positions, operations averaged 5 vacant positions throughout the fiscal year | 394,411 | 7.06% |
| Operations | Increase in chemicals based on actual usage, however 100k less than FY13/14 Adopted Budget | 23,000 | 0.41% |
| Operations | Employee mileage and per diem for out of town training | 1,400 | 0.03% |
| Regulations | Increase for permit and compliance consultants CDM Smith | 30,000 | 0.54% |
| Regulations | Increase in postage and mail service, needed for sample testing | 2,500 | 0.04% |
| Regulations | Inventory exempt, equipment and tools less than 5,000 | 5,000 | 0.09% |
| Regulations | Increase to subscriptions and periodicals | 750 | 0.01% |
| Information Technology | Increase to communications for satellite phone agreement | 1,000 | 0.02% |
| Information Technology | Increase to maintenance on system equipment, for software licenses and support agreements | 8,094 | 0.14% |
| Administrative Services | Salaries and benefits for vacant positions, admin averaged 2-3 vacant positions throughout the fiscal year | 250,008 | 4.5% |
| Administrative Services | Projected increase in general liability insurance | 10,000 | 0.2% |
| Administrative Services | Increase in office supplies | 3,000 | 0.1% |
| Administrative Services | Increase in advertising for RFP and vacant positions | 2,000 | 0.0% |
| Total 2014/15 Budget Increase over FY2012/13 Actual | | 936,402 | 17% |
| TOTAL FY14/15 BUDGET REQUEST | | 6,524,600 | |

Budget Fixed & Variable Costs Analysis

BDD's annual operating budget consists of fixed and variable costs, which are determined by percentage allocations contained in the Facility Operations and Procedures Agreement (FOPA). Santa Fe County has requested that the Facility Operations and Procedures Agreement (FOPA) be amended to change the percentage allocation for "Cost Sharing of Fixed OMR&R (Shared Facilities) – Section 20 of FOPA, due to acquisition of additional acre feet from Las Campanas Water & Sewer Cooperative.

Cost Sharing (TABLE E)

| Partner | Fixed (Shared Facilities) | Fixed (Separate Facilities) | Variable Costs (Projected Volumetric Flow) |
|---------------------|---------------------------|-----------------------------|--|
| City of Santa Fe | 62.09% | 75.33% | 74% |
| Santa Fe County | 28.85% | 24.67% | 16% |
| Las Campanas (Club) | 3.68% | 0% | 10% |
| Las Campanas (Coop) | 5.38% | 0% | 0% |
| | 100% | 100% | 100% |

Annual volumetric flow predictions provided by the partners provide the basis for certain variable costs primarily related to chemicals, power, and solids management

Volumetric Flow History and Predictions (TABLE F)

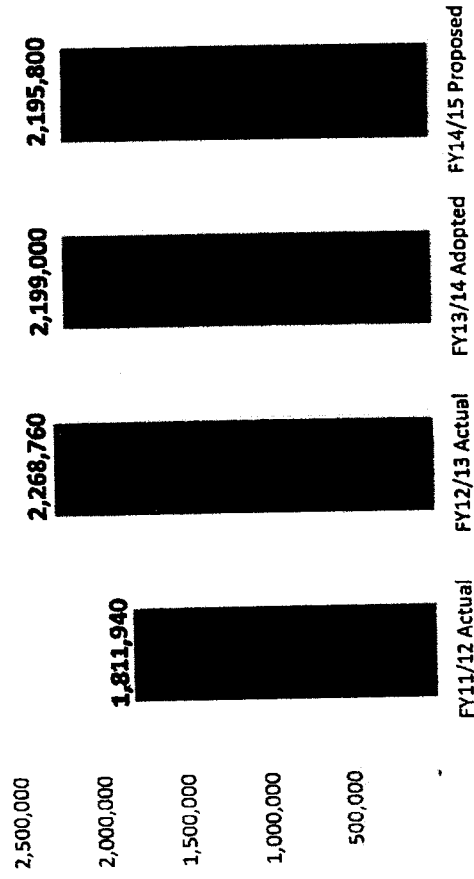
| Volumetric Flow (acft) | City of Santa Fe | Santa Fe County | Las Campanas (Raw Water) | | Total | Delivered | Increase |
|------------------------|------------------|-----------------|-----------------------------|----------|-------|-----------|----------|
| | | | | | | | |
| FY2011/2012 | 4,765.10 | 436.18 | 150.37 | 5,351.65 | 98% | N/A | |
| FY2012/2013 | 4,677.75 | 714.49 | 589.00 | 5,981.24 | 116% | 12% | |
| FY2013/2014 | 5,236.46 | 819.24 | 695.00 | 6,750.70 | N/A | 13% | |
| FY2014/2015 | 4,982.61 | 1,108.27 | 650.22 | 6,741.10 | N/A | -0.14% | |
| % | 74% | 16% | 10% | 100% | | | |

% Percentage is used in calculation of partner share of variable costs

% Percentage is used in calculation of partner share of variable costs

BDD has completed a budget analysis for FY2012/13 and FY2014/15. The total actual cost per one thousand gallons of finished water production for FY2012/13 budget was \$2.46/1,000 gallons, and the total flow was 2,268,760,000 finished gallons, for a total baseline expenditure of \$5,588,198. The proposed budget for FY2014/15 is based on a proposed total flow of 2,195,800,000 finished gallons. This is a .13% decrease in finished water production over the FY2012/13 water call.

Total finished gallons produced in 1,000's
(CHART G)



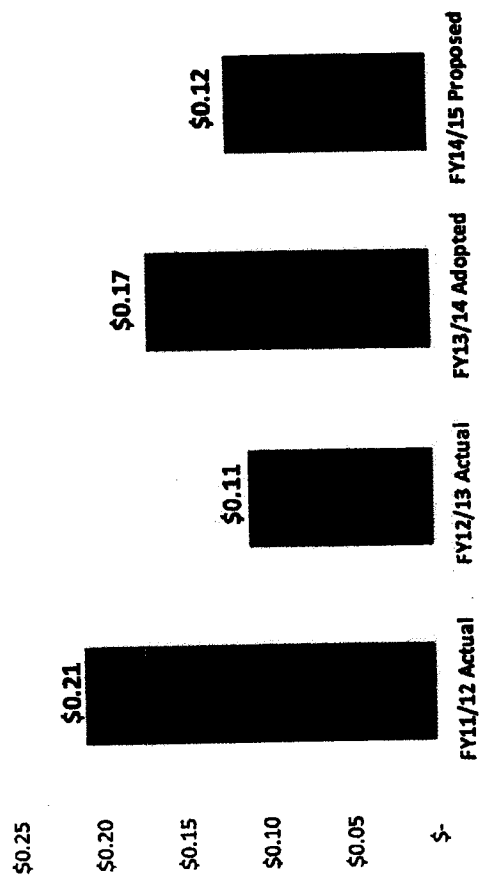
BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

*UNAUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES (TABLE H)

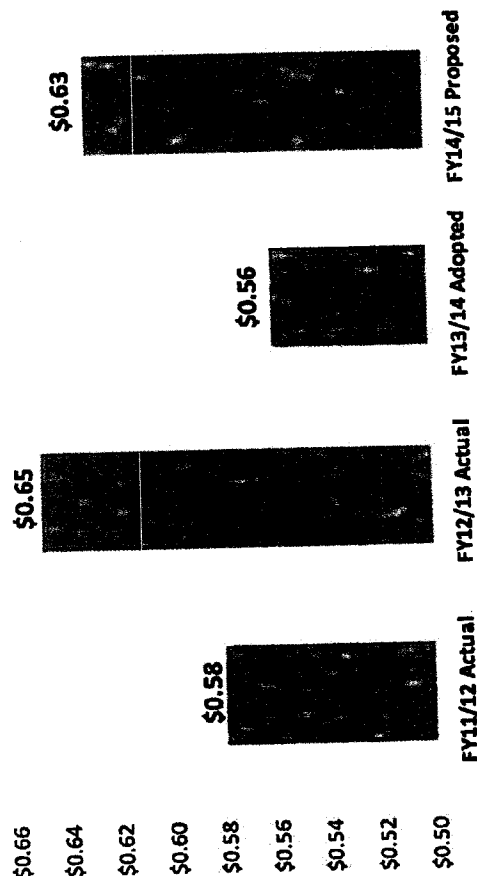
| | FY2012/13 Adopted Budget | FY2012/13 Unaudited 06/30/2013 | FY2013/14 Adopted Budget | FY2014/15 Proposed Budget |
|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|------------------------------|
| Expenditures | | | | |
| Chemical Expenditures | \$ 478,245 | \$ 242,315 | \$ 374,783 | \$ 265,000 |
| Electric Expenditures | 1,426,436 | 1,466,412 | 1,228,798 | 1,378,000 |
| All Other Expenditures | 6,417,077 | 3,879,471 | 5,330,526 | 4,817,000 |
| Total Operating Expenditures* | \$ 8,321,758 | \$ 5,588,198 | \$ 6,934,107 | \$ 6,460,000 |
| Operational Efficiencies | | | | |
| Total gallons delivered in 1,000's | 1,948,100 | 2,268,760 | 2,199,000 | 2,195,800 |
| Total Cost per 1,000 gallons | \$ 4.27 | \$ 2.46 | \$ 3.15 | \$ 2.94 |
| Chemical Cost per 1,000 gallons | \$ 0.25 | \$ 0.11 | \$ 0.17 | \$ 0.12 |
| Electric Cost per 1,000 gallons | \$ 0.73 | \$ 0.65 | \$ 0.56 | \$ 0.63 |
| Monthly "Burn Rate" (Avg. Exp/Month) | \$ 693,480 | \$ 458,748 | \$ 577,842 | \$ 538,333 |

BDD's budget development utilizes several complex engineering models to determine solids management, power, and chemical costs, which make up 26% of the total FY2014/15 proposed budget. Variable costs are associated with the amount of water delivered and are closely related to raw water quality. Raw water carrying elevated levels of solids require increased chemical dosing, create increased maintenance activities, and result in greater solids management costs. Power costs are directly influenced by varying on-peak and off-peak rates. Current partners' requests resulted in a modification of the BDD's operational policy to assure adequate raw water supply to Las Campanas during prolonged periods of impaired river water quality as frequently experienced during monsoon season. This new approach has the potential to significantly increase the overall number of hours of on-peak pumping and may result in increased power expenditures.

Chemical Cost per 1,000 gallons finished water
(CHART J)



Electric Cost per 1,000 gallons finished
(CHART I)



Programs

As the focal point for key resource decisions, the budget process is a powerful tool. The *National Advisory Council for State and Local Budgeting* (NACSLB) was created in 1997 to provide assistance to governments to improve their budgeting processes. In fulfilling that role, the NACSLB set forth a voluntary framework that provides budgeting guidance for state and local governments. The NACSLB established "Best Budgeting Practices" (BBP) which link budget decisions to desired outcomes consistent with organizational goals. This budget incorporates many BBP's set forth by NACSLB.

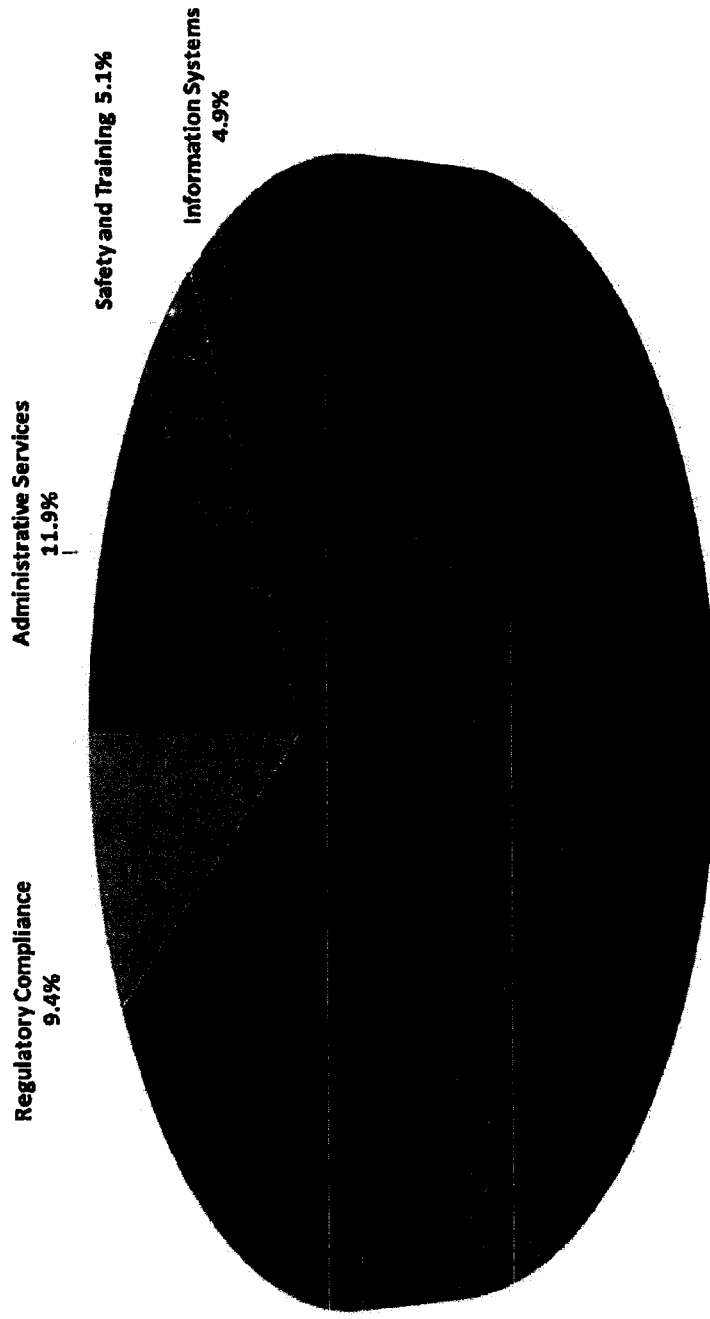
While local governments struggle with declining revenues, *Outcome-based* budgeting has become an increasingly important national budgeting standard. This type of advanced budgeting links resources to key business strategies and performance indicators. This "performance-based" approach connects key financial decisions to interdependent concepts of strategy, planning, business execution and measurement. Hence, this budget document contains more than a tabulation of financial figures. Rather than narrowly focusing on expenditures, we've established a structure for measuring the "value" citizens receive for their dollars by quantifying organizational achievement. In other words, the heart of this budget centers on determining how well the BDD executes its core business functions. We've shifted the focus from "paying for costs" to "buying results". In addition, this budget simultaneously unifies our financial planning efforts with the *High Performance Organization* (HPO) principles which have become thriving core values of the BDD's working culture.

The BDD Operation and Maintenance (O&M) is divided into six (6) key Programs with explicit business functions as shown in Figure 1. Each Program was developed to support specific goals and objectives. These business activities encompass all functions necessary to operate the regional water treatment plant, maintain full regulatory compliance, execute Fiscal Agent responsibilities, and optimize infrastructure investments through comprehensive asset management.

FIGURE 1

| Key Program | Business Function |
|---|---|
| 1. Administrative Services | Provides general oversight and management support. Provides accounting, budgeting, procurement and payroll services as well as records management |
| 2. Information Services | Provides automation, security, and communications services |
| 3. Environmental Health, Safety Transportation and Security | Provides full compliance with State and Federal Health and Safety Regulations |
| 4. Asset Management (Maintenance) | Provide cost-effective maintenance services to BDD Operation and optimize infrastructure life-cycle costs |
| 5. Operations | Produce high quality drinking water |
| 6. Regulatory Compliance | Provide full compliance with State and Federal water quality standards |

Key Programs and Cost Allocation Percentages



The expenditure budgets for these six key programs are presented below and in the Performance Report. Total program funding includes all employee wages and benefits for full time equivalents employees, and associated overhead expenses. These key programs incorporate all business expenses necessary to execute core business functions, and allow the reader to understand how limited resources are allocated within the project. In the Performance Reports section, expenditure budgets are linked to specific strategic initiatives and performance measures.

BUCKMAN DIRECT DIVERSION REGIONAL WATER PLANT

*UNAUDITED RESULTS - ACCRUAL BASIS - BEST ESTIMATES (TABLE K)

| | FY2012/13 | FY2012/13 | FY2012/13 | FY2012/13 | FY2013/14 | FY2014/15 | \$ Change |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|------------------|-------------|
| | Adopted | Unaudited | Variane to Actual | \$ (Under) or | Adopted | Proposed | FY 14/15 vs |
| | Budget | 6/30/13 | Over Budget | | Budget | Budget | FY13/14 |
| Expenditures by Program: | | | | | | | |
| Administrative Services (4 FTE) | \$ 902,078 | \$ 586,971 | \$ (315,107) | \$ 821,834 | \$ 870,594 | \$ 48,759 | |
| Safety and Training (1 FTE) | 342,015 | 170,092 | (171,924) | 351,757 | 298,203 | (53,554) | |
| Information Systems (2 FTE) | 426,682 | 334,208 | (92,474) | 341,053 | 343,302 | 2,249 | |
| Maintenance (7 FTE) | 1,369,564 | 912,034 | (457,530) | 1,194,195 | 989,163 | (205,032) | |
| Operations (19 FTE) | 4,630,971 | 3,233,111 | (1,397,860) | 3,576,576 | 3,651,922 | 75,346 | |
| Regulatory Compliance (2 FTE) | 650,448 | 268,564 | (381,884) | 648,691 | 306,817 | (341,874) | |
| Total Expenditures by Program (35 FTE) | 8,321,758 | 5,504,980 | (2,816,779) | 6,934,107 | 6,460,000 | (474,107) | |
| Fiscal Agent Fee | 142,754 | 83,218 | (59,536) | 103,496 | 64,600 | (38,896) | |
| Total | \$ 8,464,512 | \$ 5,588,198 | \$ (2,876,315) | \$ 7,037,603 | \$ 6,524,600 | (513,003) | |

Major Repair and Replacement Fund (RRF)

The Major Repair and Replacement Fund will receive the annual contribution of \$411,812 for FY14/15. This will increase the balance from \$823,624 to \$1,235,428 by the end of fiscal FY2014/15. As actual expenses are incurred, contributions to the fund in "out years" can be adjusted accordingly.

Major Repair and Replacement Fund

(TABLE M)

| Major Repair & Replacement Fund | City of Santa Fe | Santa Fe County | Las Campanas | Balance |
|---------------------------------|------------------|-----------------|--------------|---------|
| Contributions as of FY13/14 | 583,690 | 199,972 | 39,962 | 823,624 |

Major Repair and Replacement Fund FY14/15 Contributions

(TABLE N)

| Major Repair & Replacement Fund | City of Santa Fe | Santa Fe County | Las Campanas (Club) | Las Campanas (Coop) | Total |
|---------------------------------|------------------|-----------------|---------------------|---------------------|---------|
| Annual Contribution | 291,840 | 106,162 | 7,083 | 6,719 | 411,804 |

Summary

With this submittal, the Project Manager requests the Buckman Direct Diversion Board (BDDB) to approve and recommended the funding for our Fiscal Year 2014-2015 Operating Budget of \$6,344,600 plus the annual contribution of \$411,804 for the Major Repair and Replacement Fund, for a total request of \$6,756,404. With your approval, BDD will also budget \$180,000 of the PNM solar rebates, increasing our expenditure budget to \$6,524,600. We appreciate all the input and support from our partners and our Buckman Direct Diversion Board members.

Funding Allocation

(TABLE O)

| Funds | City of Santa Fe | Las Campanas | | Total |
|---------------------------|------------------|-----------------|---------------|-----------|
| | | Santa Fe County | (Club) (Coop) | |
| Operating Fund | 4,626,136 | 1,491,378 | 163,529 | 6,344,600 |
| Repair & Replacement Fund | 291,840 | 106,162 | 7,083 | 411,804 |
| Total | 4,917,976 | 1,597,540 | 170,612 | 6,756,404 |

The Project Management and Fiscal Services Agreement (PMFSA) for the Buckman Direct Diversion Project Article 4, paragraph D states "D. Prepare and submit to the BDD Board, the City, the County, and Las Campanas....an Annual Operating Budget which shall include annual and 5 year projected OMR&R costs...."

Five-year Cost Projection

Five-year Cost Projection

Paragraph D of Article 4 of the Project Management and Fiscal Services Agreement (PMFSA) states that the Annual Operating Budget shall include a five-year projection of OMR&R costs. The purpose of providing this information herein is to aid decision makers and stakeholders in their planning. In future year budget development cycles, staff plans to present more detailed, longer-term projections that would also include potential capital improvements, the operating impacts of such improvements, and detailed requests for sources and uses of funds to construct necessary major repairs and replacements to the facilities.

In Table A (next page), the annual budgets are assumed to be held relatively flat for the foreseeable future, all else being equal, at approximately \$6.5 - \$6.6 million. Additionally, the expenditures are estimated based on a monthly average expenditure of approximately \$500-600k based on 24 months of operating history and should be regarded as a very general and preliminary estimate subject to future refinement and clarification. Annual operating expenditures are forecasted by multiplying them year over year with a very modest inflation factor of 3.4 - 3.6 % annually based on the Gross Domestic Product (GDP) Index. The GDP Index is a board indicator based on major industrial sectors, including utilities. The GDP Index is maintained and published on the World Wide Web by the Congressional Budget Office. As depicted in Chart B, it is reasonable to expect the trend between annual budget requests and annual expenditures levels to practically converge at some point in the next five years since staff will have more historical data upon which to base its budget requests. The actual figures used are less important than the desired trend being presented by the convergence of the blue (budgets) and red (expenditures) trend lines presented in the subsequent graph.

(TABLE A)

5 Year Forecast BDD OPERATING Budget in Millions \$US

| FORECAST YEAR | Actual | Actual | Estimate | 1 | 2 | 3 | 4 | 5 |
|--|---------|--------|----------|-------|-------|-------|-------|-------|
| FISCAL YEAR | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
| Major Repair & Replacement Fund | | | | | | | | |
| | \$ 0.2 | 0.4 | 0.2 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| EXPENDITURES | | | | | | | | |
| ACTUAL EXPENDITURE | 5.8 | 5.5 | | | | | | |
| 1st Qtr ACTUAL EXPENDITURE | | | 1.26 | | | | | |
| BURN RATE (\$/mo.) | \$ 0.49 | 0.46 | 0.47 | 0.47 | 0.49 | 0.50 | 0.50 | 0.52 |
| X % Inflation Factor*** | | | | 3.4% | 3.4% | 3.5% | 3.6% | 3.6% |
| X MONTHS | 12 | 12 | 9 | 12 | 12 | 12 | 12 | 12 |
| EXPENDITURES | 5.8 | 5.5 | 5.7 | 5.7 | 5.8 | 6.0 | 6.0 | 6.2 |
| TOTAL NET EXPENDITURES | \$ 5.8 | 5.5 | 5.7 | 5.7 | 5.8 | 6.0 | 6.0 | 6.2 |
| EXCESS REIMBURSEMENT | | | | | | | | |
| REVENUE TO CREDIT PARTNERS | | | | | | | | |
| (budget less net expenditures) | \$ 3.1 | 3.1 | 1.3 | 0.9 | 0.8 | 0.6 | 0.6 | 0.3 |

***GDP PRICE INDEX: Sources Congressional Budget Office

(CHART B)

5 Year Cost Trend for BDD Operating Fund

