

MINUTES OF THE
THE CITY OF SANTA FE & SANTA FE COUNTY
BUCKMAN DIRECT DIVERSION BOARD MEETING
March 2, 2017

This meeting of the Buckman Direct Diversion Board was called to order by Councilor Peter Ives, at approximately 4:15 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:

Councilor Peter Ives
Commissioner Henry Roybal
Councilor Michael Harris [City Alternate]
Commissioner Anna Hamilton
Ms. Denise Fort
Mr. Tom Egelhoff [non-voting]

Member(s) Excused:

Councilor C. Dominguez, Chair

BDD Board Alternate Members Present:

Commissioner Anna Hansen [County alternate]
Mr. J. C. Helms [Citizen Alternate]
Ginny Selvin [Las Campanas alternate]

Others Present:

Charles Vokes, BDD Facilities Manager
Nancy Long, BDD Board Consulting Attorney
Stephanie Lopez, City Public Utilities Department Office Manager
Mackie Romero, BDD Financial Manager
Erminia Tapia, BDD Administrative Assistant
Erick LaMonda, BDD Interim Operations Superintendent
Bernardine Padilla, BDD Public Relations Coordinator
Greg Shaffer, Santa Fe County Attorney
Michael Kelley, Santa Fe County
Will Kessler, CH2M Hill
Don Moya, Santa Fe County
Mary Chacon, Las Campanas Co-op

Rick Carpenter, City of Santa Fe
 Marcos Martinez, City of Santa Fe
 Paul Karas, CDM Smith
 Warren Ellis, Alpha Southwest, Inc.
 Adrian Garcia, BDD Maintenance Superintendent

Noting that Chair Dominguez was excused from today's meeting, Councilor Ives requested nominations. Councilor Harris nominated Councilor Ives to serve as Chair for this evening's meeting. Ms. Fort seconded and by unanimous voice vote, Councilor Ives was appointed Chair for the meeting.

3. APPROVAL OF AGENDA

COUNCILOR IVES: Any changes from staff?

MR. VOKES: Mr. Chair, members of the Board, we need to remove number four because we do not have any consent agenda items and that would be it.

COUNCILOR IVES: Any changes from anybody on the Board? What is the pleasure of the Board?

COUNCILOR HARRIS: Chair, I would like to move to approve the agenda.

COMMISSIONER ROYBAL: I'll second that.

COUNCILOR IVES: Any further discussion?

The motion passed by unanimous voice vote.

4. APPROVAL OF CONSENT AGENDA: Removed

5. APPROVAL OF MINUTES: February 2, 2017 – BDD Board

COUNCILOR IVES: Any changes from staff?

MR. VOKES: Mr. Chair, no changes.

COUNCILOR IVES: Any changes of the committee? What is the pleasure of the Board?

COMMISSIONER ROYBAL: I'd like to make a motion to approve the minutes from the February 2, 2017 Buckman Direct Diversion Board meeting.

COUNCILOR HARRIS: Second.

COUNCILOR IVES: Any further discussion?

The motion passed by unanimous voice vote.

6. REPORT ON FEBRUARY 27, 2017 Fiscal Services Audit Committee (FSAC)

MACKIE ROMERO (BDD Financial Manager): Mr. Chair, members of the Board, a Fiscal Services Audit Committee meeting was held on Monday, February 27th. In attendance was myself, BDD Finance Manager; Charles Vokes, BDD Facilities

Manager; Erminia Tapia, BDD Administrative Assistant. From the City of Santa Fe we had Rick Carpenter, Acting Water Division Director; Nick Schiavo, City Public Utilities Director; Adam Johnson, City Finance Director. From Santa Fe County we had County Commissioner Anna Hamilton, we had Jeannette Duran, County Accountant; Erik Aaboe, Business Finance Manager; Greg Shaffer, County Attorney; Don Moya, County Finance Director. And for Las Campanas Club we had Tom Egelhoff, Board member and we had from Las Campanas Water and Sewer Cooperative Mary Chacon.

We discussed all financial items on the agenda which will be presented to the Board. I do want to mention that we do appreciate all of the attendance from our partners and the Board and the valuable discussions that we did have during that meeting. And I will see if Commissioner Hamilton would like to add anything for the FSAC update?

COMMISSIONER HAMILTON: Are we going to discuss the –

MS. ROMERO: Yes, we are going to discuss all of the items so I didn't go any further into that.

COMMISSIONER HAMILTON: That would be fine, I have nothing to report on that. Thank you.

MS. ROMERO: Thank you.

COUNCILOR IVES: Questions from the Board?

MS. ROMERO: Thank you.

COUNCILOR IVES: A very good report. And, Commissioner, just for purposes of – I don't know if you have similar items at the County – but pushing that bar there empowers your mic.

COMMISSIONER HAMILTON: Thank you, I knew that.

COUNCILOR IVES: Our court reporters will correct us frequently if we don't. Very good, thank you for that report.

INFORMATIONAL ITEMS

7. Monthly Update on BDD Operations

ERICK LAMONDA (Interim Operations Superintendent): Mr. Chair, members of the Board, our water production for BDD for February averaged 4.13 million gallons per day. This is approximately 67 percent of the water supplied to the City and County. We have also provided 201,000 gallons of raw water to Las Campanas through the booster 2A pump station. The 2017 year-to-date raw water diversion total is 263.72 million gallons which is about 40.25 million gallons more than last year.

A couple of additional operational highlights that I have: over the last two years four of BDD's charge operators have been given the opportunity to assume the duties of Interim Ops Superintendent rotating on a six month timeframe as part of our BDD grow your own philosophy. During this time we have learned and accomplished a variety of leadership and supervisory skills ranging from staff management to project management. I would also like to share that during the past year, the Operations staff has completed over 1,700 work orders. These range from instrument calibrations to participation in the diversion structure repairs and raw water system inspections.

Overseeing projects and being given the opportunity to assume an interim leadership role has been a beneficial learning experience for myself. My tenure ends now on March 10th and I would like to thank the BDD Board, Mr. Schiavo, Mr. Carpenter,

Mr. Vokes for allowing me the opportunity to take on the challenge of being the interim operations superintendent. I will now entertain any questions or concerns?

COUNCILOR IVES: Questions on operations?

COMMISSIONER HAMILTON: I have a small question.

COUNCILOR IVES: Yes.

COMMISSIONER HAMILTON: Just for clarification, on the first page, 1.a is total raw water diversion and then b, c, and d I assume those are finished water through the two different booster stations plus what raw water to Las Campanas and as written those add up to – the output adds up to a 1/10 of a million gallon per day more than the input which I assume is just a small mistake someplace – assuming I didn't add incorrectly.

MR. LAMONDA: So, actually the raw water diversion difference, we may be pulling more or less than what we're putting out. There is an opportunity of that because, if I am understanding the question, the raw water is at 4.23 and I think the production is 4.23 –they're equal.

COMMISSIONER HAMILTON: Well, b and c adds up to 4.13 and that's fine –

MR. LAMONDA: Yes, there's a 1/10 of a difference, so we may be putting out less than what we would be bringing up from the diversion from the Rio Grande because we have the capability of storing water on site. So we have our presed basins and with those presed basins they hold 8 million gallons of water so we have that capability of having that water onsite to be able to have for production that we may need for in the future.

COMMISSIONER HAMILTON: Okay.

MR. LAMONDA: Did I answer the question of what I think you are looking for?

COMMISSIONER HAMILTON: Actually, my thought was that d should also, that raw water to Las Campanas has to come from the raw water intake and when you add .2 to 4.13 you get 4.33 which is more than what you diverted in but your answer might still stand.

MR. LAMONDA: So actually Las Campanas is already calculated into the 4.23 – that is already an actual number that is added into the raw water diversion. So the number that – the 200,000 gallons is already part of your actual raw water diverted.

COMMISSIONER HAMILTON: Thank you.

COUNCILOR IVES: Other questions from the Board? I have just a couple. You mentioned 4.5 million gallons more this year than last year.

MR. LAMONDA: Yes, sir.

COUNCILOR IVES: What do you think accounts for that?

MR. LAMONDA: Right now, I guess in my opinion, right now we are running the BDD a lot more consistently. So we are actually putting out more flow through the 4A and 5A, where Canyon Road may have been taking on some of that flow. Right now they're at about a 1.3 MGD flow out of their plant and we could have been supplementing with the Buckman Wells or other areas and right now we do not have to utilize the Buckman Wells. Right now we're just putting more flow through the BDD water treatment plant.

COUNCILOR IVES: So really you just think it's a matter of where we're pulling our water supply from.

MR. LAMONDA: Definitely. BDD is being utilized instead of our Buckman Wells.

COUNCILOR IVES: Okay. And when did you start in your position?

MR. LAMONDA: I started on September 10, 2016.

COUNCILOR IVES: And what's been your greatest challenge while you've been there?

MR. LAMONDA: Probably – you know I found –

COUNCILOR IVES: Besides working with Chuck. [laughter]

MR. LAMONDA: I found that project management is a discipline of initiating, planning, executing and closing the work of a team to achieve specific goals and to meet specific success. So with that it's probably just putting forth my team mentality and my team goal and getting everybody to buy into that.

COUNCILOR IVES: And certainly readily recognize that there's a difference between leading the team, being a team member, although –

MR. LAMONDA: Being a team leader and not a team member.

COUNCILOR IVES: Yes, a new set of duties. Well, I am glad that you've had that opportunity. It sounds like it has been a very beneficial thing so I thank you for reporting on that.

MR. LAMONDA: Thank you.

MS. FORT: Mr. Chairman.

COUNCILOR IVES: Yes.

MS. FORT: I obviously don't have the prior months before me but when we say it's 67 percent of the water supply that the City and the County, if we were to look at a graph for the year on that, I am assuming this would be a fairly low time because there would be less outdoor irrigation. Maybe this is a question for Mr. Vokes and for the City Council members and the County Commissioners here: has the use by the City and County varied very much during this period? Is it because we haven't had much precipitation, obviously?

MR. LAMONDA: The demand has stayed pretty consistent. Right now the demand is 5.8 and we fluctuated probably from 5.8 to 6.5 and that's normal for this time of year.

MS. FORT: Mr. Chairman, members of the City Council and County Commission, would it be helpful to know what the year use and demand has been by the City and County on a yearly basis, month by month on a yearly basis? I'm asking that because we're saying that the City is using a lot more because of drought conditions but the snowpack is very good. So will this Board be alerted if there is a serious spike with use from Buckman water; would that be helpful to know?

COUNCILOR IVES: I always am a fan of always more information than less and if we could just when these figures are presented maybe have the year-to-date but then also compared to last year's, that would be helpful.

MS. FORT: As our utility bills do, thank you.

COMMISSIONER ROYBAL: Mr. Chair.

COUNCILOR IVES: Yes, Commissioner.

COMMISSIONER ROYBAL: I just want to thank Erick for his hard work and for this whole time that you've been in since September. You've done a great job. I'd just like to say, thank you for that.

MR. LAMONDA: Thank you.

COUNCILOR IVES: Hear, hear. Other questions? Very good. Thank you very much for your presentation.

8. Report from the Executive Director

MR. VOKES: Mr. Chair, members of the Board, I would just like to comment that it has been a privilege and a pleasure working with staff. The view on the other side of the fence is quite different, as I think all of them will testify now that they have experienced it. But they all put out a tremendous amount of effort. They were willing to try new ideas and push the staff along. So it's been a great experience. The plan now is that Mr. Mike Dozier will come back into the interim superintend job while we get that role filled. The agreement was to advertise both inside and out once the rotation was completed and so we've got that advertisement out. It will be out for 30 days and it will be 30 days for outside participants to take the WorkKeys and then I figure probably another 30 days for interviews and then the hiring process. So we're looking probably the first of June we should have a permanent superintendent in the operations role.

I'd also like to introduce our new BDD Maintenance Superintendent who started in February, Adrian Garcia. He is here and I wanted him to come forward so you could put a face with the name and just tell you a little about where he comes from.

ADRIAN GARCIA (BDD Maintenance Superintendent): Mr. Chairman, members of the Board, I was asked by Chuck to come to this BDD Board meeting to introduce myself. My name is Adrian Garcia. I am a native New Mexican. I was born and raised in Questa, New Mexico, graduated high school there and went on to college to New Mexico Highlands University. There I earned an Associates of Science degree in electrical technology and currently I have worked in the local government setting for the past 23 years in the public works departments, water, wastewater fields. I currently hold a level 4 in water systems operations and a level 4 in wastewater systems. I started my career as a wastewater operator for the Town of Red River. I was there for two years and during my 16 years with the town I was able to move up to the position of public works director. I was employed by the town for 16 years as I said before moving on to the City of Bloomfield. In the City of Bloomfield I was hired as the assistant operations superintendent and in that field we took care of the streets, maintenance, water distribution, and wastewater collections. I was there for a total of seven years before applying to the City of Santa Fe and was hired here on February 13th was my first day.

I started my employment on the 13th as a maintenance superintendent and I must say, I am pleased to be a part of the BDD family and appreciate the opportunity to work here. I look forward to using my previous managerial experience and expertise in the water, wastewater and the streets department as well as learning the BDD advanced water treatment technology.

I welcome any questions or comments from the Board.

COUNCILOR IVES: Any questions, comments? Councilor Harris.

COUNCILOR HARRIS: Well, I just wanted to welcome you, Mr. Garcia, to the BDD and the City of Santa Fe. I am impressed with your credentials. It sounds like you have the necessary experience and I think you represent yourself well and so I wish you luck.

MR. GARCIA: I appreciate that. Thank you.

COUNCILOR HARRIS: Welcome to the City of Santa Fe.

MR. GARCIA: Thank you.

COUNCILOR HARRIS: As a resident or wherever you may live. Not to the City – I understand it's BDD.

COUNCILOR IVES: Hopefully not Red River. I too would extend Councilor Harris's remarks of welcome. One other question I had is can you describe a typical day – not on a weekend but out at BDD.

MR. GARCIA: A typical day is show up at 6 in the morning, check emails, line up the guys, we have tie-in meetings in the morning, make sure that we go over safety stuff, what the projects are going to be doing and start their day doing their work orders. There's other projects, special projects, just an example, there is the Lakos separation system that is in need of repair and we just removed one of those so that we could start tearing it apart and see what it is going to take to rebuild them. After that we have scheduled for the 8th to do a diversion cell inspection so we will be doing that probably the 8th and the 9th.

COUNCILOR IVES: Thank you.

MR. GARCIA: You're welcome.

COUNCILOR IVES: Yes, Commissioner.

COMMISSIONER ROYBAL: I have a comment. I first want to say congratulations and I look forward to working with you in the future and I am sure you'll do a great job. Thank you.

MR. GARCIA: Thank you.

COMMISSIONER HAMILTON: Mr. Chair.

COUNCILOR IVES: Yes.

COMMISSIONER HAMILTON: Just similarly, I would really like to welcome you and say congratulations and very best of luck on starting this. It should be interesting and a challenge and hopefully fulfilling and fun.

MR. GARCIA: Thank you, I appreciate that. Any other questions or comments?

COUNCILOR IVES: Thank you. Back to you, Chuck.

MR. VOKES: Mr. Chair, members of the Board, with Adrian's hire and we also have a BDD repairman that hopefully will be starting in the next couple of weeks, we will be at five vacancies. We are going to be starting the interviews for the electrician next week and then we talked about the operations superintendent. We have a fiscal administrator position that is advertised to help Mackie out with some efficiency and tracking money and also maintenance mechanic and an additional repairman. So all of these positions are in process and I'm very optimistic by June 1st we could potentially be fully staffed. So that will be great. Any comments or questions on that?

MR. EGELHOFF: Yes.

COUNCILOR IVES: Yes, please.

MR. EGELHOFF: Chuck, the staff that you rotated through as the BDD's operation superintendent, are they all – do they all qualify for the job and are you going to encourage them to put in for that?

MR. VOKES: Yes, Mr. Chair and Tom, yes, they're all qualified, and, in fact, they all applied initially and we identified that they needed some additional training and that's why we started this program to receive the additional training. But they will be going up against the best that the outside can come up with too. But as you know, with the union contract with the City, the Tier 1s as they're considered they will get the first opportunity to be interviewed. So we're hopeful that we can select from within but if we identify that they're not ready, then we will certainly look at the outside folks too.

MR. EGELHOFF: Thank you.

MR. VOKES: Mr. Chair, the only other thing I wanted to bring to the Board's attention is that we had talked about having a member of the New Mexico Environmental Department do a presentation on their oversight of the DOE site at Los Alamos National Lab, they have asked to postpone until the April meeting. So we will hopefully be bringing forth in April. That concludes my comments.

COUNCILOR IVES: Very good. Any questions for the director?

COMMISSIONER HAMILTON: One question.

COUNCILOR IVES: Yes, please.

COMMISSIONER HAMILTON: Do you have any concerns with that postponement in terms of competing timing for having to make some decisions with Los Alamos and with regard to sampling because I know that there's turnover in the sampling grant for instance. I think it ends in March or I might have that date wrong. But if I do, that is the basis of my question that we won't find stuff out from NMED until after we really want to be working on the follow-on.

MR. VOKES: Certainly. Mr. Chair and Commissioner, I believe that we have a good picture of what their program is. I don't think we'll be surprised by it. And really this was an opportunity for the Board to ask the questions and as we've discussed, look at the policies, look at the absolutes that we want contained in the MOU. Our timing for the grant runs through the year, through this season. So we will have the funding to do the sampling that is needed this season. The MOU expires in December and our goal was to bring forth some recommendations to the Board in May, it could be in June as a result of this but we'll continue that discussion.

COMMISSIONER HAMILTON: Thanks so much, I get it.

COUNCILOR IVES: Other questions? Very good. I don't think we need action; that's informational.

[Councilor Ives introduced and recited each of the agenda captions]

DISCUSSION AND ACTION

9. **Request for approval of a Budget Adjustment Resolution (BAR) to reduce our current operating budget and corresponding revenue contributions to reflect the fiscal agent fee, as per the Project Manager and Fiscal Services Agreement (PMFSA)**

MS. ROMERO: Mr. Chair, members of the Board, in 2014, the Buckman Direct Diversion Board approved a recommendation to enter into a new agreement with the City of Santa Fe to serve as the support agency for the Buckman Direct Diversion. The recommendation also included an annual support service fee of 4 percent of the BDD annual operating budget which is a 3 percent increase from the current fee as stated per the Project Management and Fiscal Service Agreement.

In preparation of these new terms the current adopted budget included a fiscal agent fee of 4 percent of the annual operating budget. Since the new agreement has not been finalized, an adjustment to the current budget is needed to reflect the terms of the agreement that is still in effect.

Therefore, we request approval of a budget amendment resolution. This will reduce the line item, services of other departments, and corresponding revenue reimbursements of our partners. The decrease is \$236,649 which will leave a balance of \$78,883 which is 1 percent of the current adopted budget. Are there any questions?

COUNCILOR IVES: Councilor Harris.

COUNCILOR HARRIS: Thank you, Mr. Chair. I have to ask the obvious question which is – this 4 percent was put in the 2017 budget; was it put in the prior – any of the prior years since this was agreed to in 2014? Or was 2017 the first year that it was included at the 4 percent rate?

MS. ROMERO: Mr. Chair, Councilor Harris, 2017 was the first year that we had put the 4 percent and that was in anticipation that the agreement would get signed and be effective.

COUNCILOR HARRIS: Right. Can you answer, maybe yourself or someone else, I see Mr. Martinez in the back, why the agreement wasn't signed? Are you aware or should we turn that over to Mr. Martinez?

MS. ROMERO: I do believe that the City Attorney's Office is reviewing it. But if Marcos wants to make other comments –

MARCOS MARTINEZ (Assistant City Attorney): Thank you, members of the BDD Board, Councilor Harris, basically the City Council has not approved the amendments to what was called the Project Management and Fiscal Services agreement. Our office, specifically Kelly, needed additional time to review it, however, we have scheduled it to be or we intend to have it considered by the Public Utilities Committee meeting at the next one in the first Wednesday in April and it should move through our committees we anticipate rather quickly to be brought back to the Board.

COUNCILOR HARRIS: Okay. I don't really need to know what went on before but I do want to make sure it gets wrapped up this year so that, in fact, under the proposed budget, it's included in the proposed budget and I want to make sure that all of the agreements are signed and everybody understood. That's my question.

Ms. Long, do you have anything to add to that?

NANCY LONG (BDD Board Counsel): Mr. Chair, members of the Board, Councilor Harris, there was some time in putting the proposed agreement together and we understand that the City is currently looking at it. I anticipate that we will also be involved in any revisions that the City is requesting to the agreement that was presented to them since it will involve the Board being a party to that agreement. But we would like to get it wrapped up as well and we do currently have the PMFSA extending on a

month to month basis so that we can get this done but we would also like to see the new support entity agreement finalized, approved by the City and by this Board.

COUNCILOR HARRIS: So to make sure I understand, we heard Mr. Martinez say that it is going to Public Utilities first, so whatever happens between your office, Ms. Long and the City Attorney's office, does it have to come to the BDD? Will it go through the City process and then back to BDD? What's the mechanics of this?

MS. LONG: My anticipation would be that on a staff and legal end we would have agreement that the form of the agreement is acceptable to both the City and to the Board. Again, that would be at staff and attorney level. Then it would be recommended for your approval but it doesn't mean that you might see some changes that you would like made even though at the staff level we agree to it. But, yes, both bodies have to approve it and it wouldn't be effective until then and so it could be a process if we have to take back anything that you all would like to see that is not acceptable or additional revisions that you would like.

COUNCILOR HARRIS: Right. Well, I understand process. We seem to be all about process too often but it's been a long time and I want to make sure that everybody works diligently. This body I'm sure will look at it closely and I know the City Council will as well but it's time to get it in place.

MS. LONG: And I think if we have agreement at that level as I'm saying with the attorneys and the staff that we don't see that there should be any reason for the bodies to hold it up because we'll be looking at it very thoroughly.

COUNCILOR HARRIS: Okay, okay, and we'll be waiting. Thank you, Chair.

COUNCILOR IVES: Other questions from the Board? Commissioner.

COMMISSIONER HAMILTON: No, thank you.

COUNCILOR IVES: Very good, what is the pleasure of the Board?

MS. FORT: Move approval.

COMMISSIONER ROYBAL: I'll second.

COUNCILOR IVES: Any further discussion?

The motion passed by unanimous voice vote.

- 10. Request for approval and for BDDB recommendation to Santa Fe County Board of County Commissioners and City of Santa Fe's City Council to approve the Fiscal Year 2018 Buckman Direct Diversion Operating Budget and Other Fund Contributions**
 - a. Presentation of the proposed Fiscal Year 2018 BDD Operating Budget**
 - b. Presentation of the proposed Fiscal Year 2018 Fund Contributions**

MS. ROMERO: Mr. Chair, members of the Board, I do just want to remind you about item c which is public comment. As per the JPA, this requires the Board do allow public comment on the proposed budget prior to any action taken by the Board. I just wanted to note that.

Mr. Chair, members of the Board, the BDD is pleased to present to you our proposed fiscal year 2018 operating budget request and other fund contributions. I have

prepared a power point presentation that will highlight some of the tables in your packet. This request is our proposed financial plan for all projected necessary costs to meet the Board service level objectives and to provide high quality water to our partners, the City of Santa Fe, Santa Fe County and Las Campanas entities.

So we will go ahead and begin with page 1 of the budget presentation and this is page 6 of your packets. We are requesting \$8,493,378 for our operating budget. This request consists of fixed and variable costs and includes budgeting of revenue and reimbursements from several sources. We are requesting that we can budget \$90,000 of unrestricted funds. This is cash balance that has accumulated over several years from interest earned and prior year refunds. We had \$96,000 of federal funds; this is for our BDD stormwater sampling program. And then we have projected PNM solar rebate revenue of \$142,760. And then from the table you can see the partner reimbursements; total partner reimbursements are \$8,164,618. The table does show the reimbursement broken out by City, County and our Las Campanas entities. So before I discuss our major initiatives and projected expenditures, are there any specific questions on the revenue sources?

Okay, then we will move on to the next page of the budget request which is page 3 of the budget request. The table in this slide shows a budget summary and comparison from prior fiscal year. Our overall budget request is 4 percent higher than the fiscal year 2017 adopted budget and includes BDD reorganization as we reclassified two BDD operators into two BDD repairmen. This has increased the FTE in our maintenance program to nine. Our budget request also includes a purchase of a new vehicle. The purchase of a swap loader truck is \$208,842. This will be used to transport solids. I did provide you copies of the current truck that BDD currently owns and that's the picture that you guys had on your tables there. That's a 1997 truck that we purchased from the City a couple of years ago. So this purchase will be to replace that.

Our budget also includes \$1 million for legal services as it relates to the Board's pursuit of claims and possible litigation. And we also budgeted the recommended 4 percent fiscal agent fee which is \$315,532. Are there any questions about the increases to our major categories?

COUNCILOR IVES: Commissioner, yes.

COMMISSIONER HAMILTON: I just wondered if – I was at the financial meeting and I'm just not remembering, are we going to go over what funds some of these items come from? Or if we have a particular item we have a question about should we ask it now?

MS. ROMERO: Yes, if you have a particular question about the item you can go ahead and I will do my best to answer.

COMMISSIONER HAMILTON: Can you tell me what the solids truck, the swap truck, what fund that comes out of? Does that come out of the O&M fund or the major repairs fund?

MS. ROMERO: Mr. Chair, members of the Board, the truck will come out of our operating budget and we did request to budget the unrestricted funds which is cash balance and we will use the 90,000 to help support the funding of that truck and the rest of the funding will come from our partners.

COMMISSIONER HAMILTON: So the operating budget is one that is charged proportionately to the partners.

MS. ROMERO: That is correct, Mr. Chair, members of the Board we have several cost structures that we use for allocating costs. This particular cost is classified as a major asset so that would be split City/County 50-50 as we've done with previous purchases.

COMMISSIONER HAMILTON: Even though it is in operating budget?

MS. ROMERO: Correct.

COMMISSIONER HAMILTON: Okay, I do have sort of a standing question about that.

MS. ROMERO: And we can discuss that further if we need to.

COMMISSIONER HAMILTON: Okay, great, thank you.

MS. ROMERO: Again, this is all just projected.

COUNCILOR IVES: Council Member Fort.

MS. FORT: I have a question that I'm sure Mr. Vokes anticipates. We were hoping we could do something for the members who were not on the BDD at this time. I had raised the question of whether we had to truck solids or whether they could – whether we had pushed the issue sufficiently with EPA as to their classification and that was being pursued by legal counsel and we had a little election since that time that probably means that EPA says yes to everything. So where do we stand? Do we really need to buy a new truck to bring sand up to a landfill?

MR. VOKES: Mr. Chair, Member Fort, we did meet with the Environmental Department and the solids that are taken out of the storage basins, the pressed basins, they have reclassified that as non-hazardous. That gives us the opportunity to do other things with it rather than to just send it to the landfill. But that represents about 1,000 tons a year of solids that we will have to do something with. The other source of solids is from our sedimentation process that goes through the centrifuge and is dried. All of those solids have to be moved in some manner out of the facility. Currently, the storage basin is exposed to our treatment chemicals so that is a requirement by the Environment Department is that we do not expose those and what we would have to do is we would have to relocate our recycle stream downstream of those lines. That would take a little bit of engineering and some money and some pipes to do that. We will continue to pursue that but the solids are still going to come into the plant and we still have to dispose of them, move them in some manner. Whether we're trucking those to the landfill or if we find a source that will either come get them or if we have to deliver them, those will all be considered and we're, again, looking at those reductions at some point.

COMMISSIONER HAMILTON: Mr. Chairman.

COUNCILOR IVES: Yes.

COMMISSIONER HAMILTON: So in that regard, I guess I have a follow-up question given the alternatives that Denise Fort just brought up and the possibility of the capital expenditure, have we given some alternative consideration to just continue in what we did previously in having it trucked out and postponing this capital expense? I mean, has the trade-off there been evaluated in terms of why we would invest in this capital piece right now?

MR. VOKES: Mr. Chair, Commissioner, the fact is we had 1,300 loads of solids to put somewhere. What we have been doing is using this antiquated vehicle to actually just locate the solids so that then they can be picked up and driven by the City

over to the landfill. The movement of these – we have 10 yard dumpsters, we've got ten of those and so part of it is moving them around. The current truck is leaking hydraulic fluid and other fluids and really is not safe to drive. The only reason we've been using it is because we can move it around within the facility. But the fact is we will continue to have at least 1,000 loads of solids each year to do something with. And right now I don't like having the truck on the facility because it is polluting the environment and it was in the original project to provide us a vehicle and it got cut out of the project as a cost savings and so I feel like it is needed by the facility. The vehicle that we are buying is also flexible. We could buy a dump-bed for it or a flat-bed for it and use it in other maintenance aspects. But we were just provided with the equipment we need and I felt like the time has come for the Board to go forward and provide the staff with the equipment so that we can start trucking our own solids over to the landfill if we needed.

Currently, I believe the City is charging us \$147 a load. So if you look at all the loads that we've done since the plant opened we could have already bought the vehicle. There's also scheduling issues with the City providing this service. We will call and say we have some loads to get rid of and either they're using the truck or they may have staff that are out that are sick and so we've gotten into this habit of storing mountains of solids in the back of the plant and we're really not suppose to be doing that. So that's why we've looked at it. I feel like over time the vehicle should last 15 or 20 years and we will – it will be well used.

COMMISSIONER HAMILTON: I presume that cost benefit analysis, that time you've estimated that time of payback and I'm just assuming the County will want to look at that when they kick in for this because the County has a procedure for justifying these kinds of major vehicle purchases and that's probably an important piece of input for them. Thank you.

COUNCILOR IVES: Other questions? Councilor Harris.

COUNCILOR HARRIS: I just wanted to confirm under the materials and supplies and then you have asterisk that takes you down to Table C1. So it's gone up 27 percent of \$197,000 and that seems mostly related to the purchase of this new swap loader trucker that we're talking about.

MS. ROMERO: That is correct.

COUNCILOR HARRIS: At \$208,000. And \$90,000 of that is going to come as I understand it, from the unrestricted and you talk about that further down your report where it comes from and you've mentioned it already. So I guess I just wanted confirmation on that that really besides the vehicle purchase everything else is pretty much the same – all of the various contracts and materials, autos, auto parts, tires, those types of things.

MS. ROMERO: Mr. Chair, members of the Board, you are correct. The majority of the increase to the materials supply line item is going to be attributed to the purchase of the new vehicle and like I did mention 90,000 of that will be financed through our cash balances.

COUNCILOR HARRIS: Right. Okay, and just to note that it looks like on your Table C, I can't help myself, Ms. Romero, but it seems like there's a mistake in the heading where it says the dollar change from FY16/17 versus 15/16; see what I'm looking at?

MS. ROMERO: I knew you would catch that. You are correct. There was an error in the heading there and it should be fiscal year 17/18 comparison.

COUNCILOR HARRIS: All right, very good. And then on Table C2, so the line item under agreements, the BDD Board liability insurance premium, that \$155,000 is that an aggregate for all the coverages that BDD has in place, an aggregate premium?

MS. ROMERO: Mr. Chair, members of the Board, this is the policy that is separate and apart from the partners. So this is the Board's policy and it includes public liability, liability for our buildings and equipment –

COUNCILOR HARRIS: So this is a comprehensive premium?

MS. ROMERO: That is correct.

COUNCILOR HARRIS: I just wanted to make sure – you know the language, BDD Board liability insurance, you know, I wanted to make sure that this is much more than just Board liability coverage.

MS. ROMERO: Yes, that is correct.

COUNCILOR HARRIS: Okay. That's all I have for now, thank you.

MS. ROMERO: Thank you.

COUNCILOR IVES: Other questions from the Board? So where are we in your presentation? Does that complete subsection a?

MS. ROMERO: Yes. There was materials and supplies and the next slide was the other operating costs so if there was any other questions on other operating costs we can go ahead and move forward. Unless there's any other questions concerning the budget I'm going to move –

COUNCILOR IVES: Councilor Harris.

COUNCILOR HARRIS: Yeah, this maybe in the next section, but this would be page 7 of your report, the statement that this is an estimated 4 percent decrease in water delivery via BDD over the fiscal year 2017 predicted water call. I guess I haven't heard that before. Maybe, Mr. Vokes, you want to provide a little background to that statement.

MR. VOKES: Certainly, Mr. Chair, Councilor, we do an annual operating report and we ask the partners how much water they want to run through the BDD and this is what it is based on. They try and project in the future and the County will give us a number and the City will give us a number and Las Campanas will give us a number. That 4 percent decrease is just based on their information gazing into their crystal ball.

COUNCILOR HARRIS: Okay, very good. That answers my questions, thank you, sir.

COUNCILOR IVES: Okay, let's move on.

MS. ROMERO: Okay. So we're going to go ahead and move on to other fund contributions. We're going to start off with the emergency reserve fund and this is page 13 of the budget request. So the emergency reserve fund, the BDD approved the fund and the policy which was created to have immediate resources for unforeseen infrastructure failures. The policy had a target balance of \$2 million. The balance at June 30, 2016 was \$2,012,826; \$12,826 is due to interest earned on the fund and because we have reached our targeted balance there are no additional funding requested from BDD.

MS. FORT: Mr. Chairman, excuse me, I am not finding that table.

COUNCILOR IVES: It's page number 18 but in the presentation it's 13.

MS. ROMERO: Are there any questions on the emergency reserve fund and the targeted balance that the fund contains?

COUNCILOR IVES: Questions?

MS. ROMERO: The next fund that BDD has is our major repair and replacement fund and that is page 14 of the budget request. The major repair and replacement fund policy and yearly contributions was approved by the Board and it is used to support major repair and replacement costs of facility equipment and systems. As of June 30, 2017 the fund will have contributions of \$1,988,847. The Board has authorized expenditures of \$1,117,785 with the authorization of these expenditures it would leave a projected balance of \$871,062. Therefore, this year we are going to request that we increase the contributions by \$214,895. This increase contribution would be \$626,706 would be the total partner contributions. In prior years the contributions from the partners was 411,812. We did feel like the fund does need to be increased. We are currently looking at the policy and we are also looking at the asset management plan and we're hoping to bring to you a revised policy for future increases. Are there any questions on that?

COMMISSIONER HAMILTON: I have a quick question.

COUNCILOR IVES: Commissioners, yes.

COMMISSIONER HAMILTON: I know that in our finance meeting the question was floated about what the minimum purchase size had to be before it fell into this category of major repair and it was \$20,000. Is there an upper limit before it is no longer in major replacement and repair?

MS. ROMERO: Mr. Chair and members of the Board, the way the currently policy was written, it was anything over \$20,000 but of course uses its due diligence to try and use our operating budget before we actually tap into the major repair and replacement fund for purchase of replacement of equipment and systems. That may be something we need to look at when we revise the policy and possibly increase that amount.

COMMISSIONER HAMILTON: Thank you.

COUNCILOR IVES: Other questions?

COUNCILOR HARRIS: I want to make sure I understand the time, Ms. Romero. So the asset management plan has been approved but not really implemented as yet; correct?

MS. ROMERO: We have purchase software so that we can start tracking our assets.

COUNCILOR HARRIS: Right, so you've got the software but you're still in the process of inputting the equipment and dates and kind of the preventative maintenance history, those types of things – so where do you stand on that? How close are you to being complete, Mr. Vokes?

MR. VOKES: Mr. Chair, Councilor, the asset management program was, again, a software program, two members of the staff were working on that when I arrived at the BDD and so the numbers were loaded in. The equipment was loaded in. What needs to happen is now that I have a maintenance superintendent and hopefully with the additional fiscal administrator position I want to tear into that program and challenge the assumptions that the engineering firm made. If you look at the actual plan for this year,

one of the assumptions that the firm made was because of the age of the air conditioning system that take care of our pump electronics, they were recommending that all of that equipment be replaced this year. We paid over I think it was close to \$1 million for the air conditioning system with the original facility and so they were recommending a huge expenditure, and, again, that needs to be challenged. Whether it is just simply replacing a compressor, a compressor and a fan, or replacing the entire unit. Again, I have not really had the resources to really dig into the plan. The original amount that the plan had for 20 years, I believe was \$30 million over 20 years which would be about \$1.6 million or something per year over that 20 years. Again, there are items such as at 20 years we replace or repair roofing. So there's a lot of things that are in there but one of the things that they didn't put in there, as an example, are the vehicles.

My goal, and you can write this down, that by this time next year the asset management plan will be up to date and we will be able to predict to predict more efficiently what our maintenance needs are going to be.

COUNCILOR HARRIS: But, okay, when are you going to – so this time, I am going to make note of that as I'm sure the rest of the Board will. This time next year we're going to have a thorough analysis and a scrubbing of our asset management plan which sounds like we've had for a little while.

But then the proposal to increase the contributions, that would come in, you've got that included in this proposed budget; correct? To increase the contributions from 411 to 626.

MR. VOKES: Mr. Chair and Councilor, we know we have some unique maintenance challenges coming up and rather than wait until we have spent the major repair and replacement fund we felt it was a prudent move to gradually increase that. Again, if you look at the 20 year prediction of the asset management plan of about \$1.6 million I think that the current maintenance budget has close to \$900,000 in it so there is that gap within just the operations maintenance budget per se. So we wanted to recommend that the Board look at that and do an increase this year and then next year we can make that a hard policy because then we will feel like we have better information from the asset management plan and we'll also be further down the road and have more information on our kind of unique challenges that we have in maintenance right now. So that was the thinking behind the recommendation of doing an increase.

COUNCILOR HARRIS: So this is just for 2018; this is not, as you say, not an essentially permanent increase.

MS. ROMERO: That is correct.

COUNCILOR HARRIS: Well, okay. This is kind of like to my way of thinking a little bit – I realize that everybody had a lot to do but this is a little bit similar to the fiscal agency agreement. It's been around for a while and ideally one would have an asset management plan we could look at and review and try and absorb before we increased the contributions. That's my own feeling. Go ahead, Chair, thank you.

COUNCILOR IVES: Other questions from the Board? Commissioner.

COMMISSIONER HAMILTON: Actually, just following up on Councilor Harris's last comment, can you expand on that a little. What would think would be an appropriate thing to do with this budget if not having the asset management plan to compare to is a problem? Are you thinking that there should be some

postponement or further analysis of this recommendation specifically for the increased contribution aspect?

COUNCILOR HARRIS: So it says with the approval of this contribution and no additional expenditures the fund balance would be \$1,497,768 for 2018 but that's after the expenditures that are already authorized.

MS. ROMERO: That is correct.

COUNCILOR HARRIS: That aggregate of \$1,117,000. But you think just – I mean the original plan, this 30 year plan called for approximately a schedule of \$1.9 did you say annually?

MR. VOKES: The total was \$30 million over the 20 years.

COUNCILOR HARRIS: \$30 million over 20 years, so that's 1.5. It seems to me like we'll have some things that will come up and so you know the facility pretty well, I mean, what's critical? What's critical in your mind? I mean you must keep at least in your head, Mr. Vokes, kind of what you're up against.

MR. VOKES: Mr. Chair, all I can say is as you're aware we have some unique maintenance challenges that we know we are going to be addressing over this year, over the next year and my concern is that we will have to perform those maintenance projects and waiting on them will cause further damage to the facility.

COUNCILOR HARRIS: Right.

MR. VOKES: And as far as the numbers, yes, I have quite a few numbers in my head. But, again, all we can do is present those to the Board as we make recommendations. There's some things on the table that we have to see how they proceed.

COUNCILOR HARRIS: Right, right, but it's not like you're going to be completely without resources. You will have approximately \$1,280,000 to work with if we don't increase the contributions. Because you're asking for an increase of \$214,000. You're projecting that with the approval of the contribution, you're going to have 1.497 so just reduce it by 214 and you're going to have \$1,280,000 available in the major repair and replacement fund; is that correct, Ms. Romero?

MS. ROMERO: That is correct.

COUNCILOR HARRIS: Okay. I'm hesitant to really advocate for the increase. I'd like to – I mean if there's something that comes up, you know, we'll end up talking about it but, you know, call it 1.3, I think you've got some resources you can work with. You've got a new maintenance man who seems very experienced and let's let him, get him familiar with the job and let's see what his capabilities are then really – he can add value to your operation, Mr. Vokes, and what this Board thinks in terms of major repair and replacement. So I'm not in favor of increasing the contributions.

COUNCILOR IVES: Other questions from the Board and I would note simply that we have a hard shutdown time of 6 p.m. as the Planning Commission, I believe, is coming in behind us. So we will try and move this forward. We have a public hearing yet to conduct and what I might suggest is that we move to the public hearing directly.

MS. ROMERO: There's a summary page of what the budget request, final total request is and thank you for all of your questions and we can move on.

MS. FORT: Mr. Chairman.

COUNCILOR IVES: Yes.

MS. FORT: Is it appropriate to ask a question at this time?

COUNCILOR IVES: Yes.

MS. FORT: Because if there's going to be a motion to approve the budget but without an increase in the operating funds, I would like to hear just a little more about what the implications of that would be for the project. But understanding is that we would approve any expenditures in any event, any large expenditures in the future, so is it better to put it in now and we're betting that we'll be using it or not or what are the implications of striking that amount or reducing that increase?

MS. ROMERO: Madam Fort and members of the Board, that was exactly what our thought process was. We know the fund needs to be increased. We felt like if we brought an increase at this point it would get us to that number a lot sooner than a lot later. The further we wait for the increase that is eventually is going to be needed the higher the number is going to be and it's going to affect our partners in that way also. So that was really the main thinking behind the increase.

MS. FORT: Thank you, Mr. Chairman.

COUNCILOR IVES: And just so that we're clear, if the increase was not approved presumably that funding for that additional maintenance or whatever it would be directed towards would not be in place so there's the potential for looking at budget adjustments later, if in fact it is needed. This is all based upon assessments and we don't have the asset management in place which might give us a greater sense of that quite frankly.

MS. ROMERO: That is correct.

COUNCILOR IVES: I understand your questions there.

COUNCILOR HARRIS: Right, so for me, without the contribution we would have going into 2018 we would have a major repair and replacement fund to the tune of about \$1.3 million without the contribution and we know that the asset management plan is being scrubbed, that we've got a new maintenance man who I was impressed with his credentials and the way he carried himself, and I think he can really help to inform what needs to be done and so, again, I mean, we have I think certainly money to work with, you know, for now. We may find ourselves having to talk about some sort of increase but I'm just not in favor of it now. But anyways, I'll leave it at that.

COUNCILOR IVES: So potentially we'll come back to this and hopefully we'll come back to this when we consider taking action. At this point in time we'll conduct the public hearing on the budget.

c. Public Comment

COUNCILOR IVES: Is there anybody here to address the Board on the budget? In that case, we can close the public hearing.

d. Request for approval of the proposed Fiscal Year 2018 Operating Budget and Other Fund Contributions and recommendation to approve by the County Commission and the City Council

COUNCILOR IVES: So we're at the point of taking action on this budget request and I will say for my part, obviously a lot of big numbers where we're projecting

things that we think might happen. I know I am interested in a number of things, we see a budget creep where each year we're going up a bit which, again, is something I think we always need to keep an eye on and really understand. What would you describe as the factors that are pushing the budget up in this particular year and it looks like we're talking about a 4 percent increase roughly over last year although I will note that in our prior presentation on the BAR, 1 percent of that budget supposedly was 78,883 and now we're talking about a budget last year that was 82 or 8,200,000 which doesn't seem to correspond with 1 percent of the budget from the prior presentation. But setting that aside. Where do you see the increases? What's driving those?

MS. ROMERO: Mr. Chairman, members of the Board, the majority of the increase, again, is going to be the purchase of the new truck which is the \$208,000. There were some increases in salaries and that had to do with filling positions. We've budgeted positions in the past at minimum range but as Mr. Vokes mentioned we are about to hopefully be fully staffed, and, therefore had to budget those salaries at a rate that we can actually fill the positions. So those are a couple of attributes to the increase. And as you can see from the line item comparison, we were able to shift money around in different line items that we maybe didn't expend in previous years so that we could try and make sure that we reduce that increase to a minimum.

COUNCILOR IVES: Councilor Harris.

COUNCILOR HARRIS: If I could – I realize we are running out of time, but there is still a couple of questions that I have, if I may. So, in the 2017 what did we have in there for the BDDB litigation counsel; how much was in there?

MS. ROMERO: It was about \$1.1 million.

COUNCILOR HARRIS: So we have roughly the same amount of money.

MS. ROMERO: That is correct.

COUNCILOR HARRIS: What's been expended, what's been spent against that amount; can you tell me?

MS. ROMERO: To date we've spent a little less than \$300,000.

COUNCILOR HARRIS: Okay, so we're carrying 700,000 there; is that right?

MS. ROMERO: That is correct.

COUNCILOR HARRIS: And I want to make sure I understand. So but are we proposing to allocate and budget an additional \$1.25 million?

MS. ROMERO: That is correct because the way the operating budget is per fiscal year –

COUNCILOR HARRIS: Right, right. Well –

COMMISSIONER HAMILTON: Question on that point. Which means the \$700,000 would also roll over and it would accumulate; is that true?

MS. ROMERO: Mr. Chair, members of the Board, it would not without the Board's approval. So if it was determined by Nancy Long that those funds were actually going to be needed, let's say we were going to revert \$700,000 in litigation and those funds were going to be needed in the next fiscal year, we would come back to the Board and request that we could carryover those funds but, again, that request would have to be approved by our partners and by the Board otherwise that funding would end and we would start fresh with a new \$1 million.

COUNCILOR HARRIS: So they're not carrying over?

MS. ROMERO: Not the way it is presented in the budget, it does not.

COUNCILOR HARRIS: Okay, all right. I misunderstood that. Okay. Okay, and I do want to say that we may not have time to talk about it but I like the presentation, you know, the business functions, the seven key areas and then your report against those key areas. I think that is useful. On number 3, asset management and maintenance, the increase of \$362,000, I thought I had that answered at one point but I think I've lost track of it, why is that?

COMMISSIONER HAMILTON: What page are you on?

COUNCILOR HARRIS: This would be page 17 overall of the packet, page 12 of Ms. Romero's report.

MS. ROMERO: Mr. Chair, members of the Board, again, the truck is going to be part of that asset management and maintenance and then we did add the two FTEs we shifted from operations down into maintenance and so that's why there's that increase.

COUNCILOR HARRIS: Yeah, okay, I thought the truck was certainly part of that. Okay, very good, thank you. That's it, Chair.

COMMISSIONER HAMILTON: One more small question.

COUNCILOR IVES: Yes.

COMMISSIONER HAMILTON: I think we asked this the other day and I'm not sure I remember for the increase for projected salaries for this year it's a small increase but does that include the potential City raises that have been announced in the media? Which may not be relevant and I recognize that.

MS. ROMERO: Mr. Chair, members of the Board, that increase does not include any potential increases that the City may authorize through the union contracts.

COMMISSIONER HAMILTON: Okay.

COUNCILOR IVES: Okay. One last question for me and I'm looking at page 8 in the packet, page 3 of your presentation and just looking at the year by year comparison. In the fiscal year 2015/16 we had a budget of \$7,903,400 but we ended up with an audited actual of \$6,361,582 which represents a significant decline, maybe up to 25 percent between the budgeted and the actual. What happened? Was that funding then carried over into the current fiscal year?

MS. ROMERO: Mr. Chair, members of the Board, the majority of that is going to be to our litigation. We had about \$800,000 that was – we had increased \$1 million in operating budget, and that was allocated for litigation and we only spent, I believe, about \$133,000 and so that's why there's a variance there of \$800,000. And that funding did not carry over so that funding was lost or reverted.

COUNCILOR IVES: And to some degree what you're saying is that we'll face a question here as to whether or not to carryover any funding available for litigation at the end of this fiscal year and that could be anywhere from the current balance of about \$700,000 budgeted down to some significant less depending on expenses between now and the end of the fiscal year; correct?

MS. ROMERO: That is correct.

COUNCILOR IVES: Okay. What is the pleasure of the Board?

COMMISSIONER ROYBAL: Mr. Chair, I had one other comment, just to know that the truck is a capital request for needs and we would need to send it through the County process as just to make that note as to the contribution level. Thank you. Oh,

you didn't understand that. I'm just saying that the truck needs to go, the request needs to go through the County process being that it is capital and that we do need to go through the County process as to the contribution level for the truck. We can clarify if Mr. Shaffer could possibly clear anything up. Greg, do you have a comment to that or clarify what the process would be?

Speaking away from a microphone, County Attorney Shaffer said the County has vehicle requests and capital outlay requests that goes through a budget request. As a capital request it would go through a process and be assessed on merits vis-a-vis other County requests.

COMMISSIONER ROYBAL: Thank you, Greg.

COUNCILOR IVES: Councilor Harris.

COUNCILOR HARRIS: I mean, I'm certainly no attorney and I haven't read all of the agreements recently but I thought that all of these agreements in terms of the FOPA would pretty well define this, what the contributions were to be, those percentages. You know, quite frankly I only know the City's at 68 percent but it seems like if the percentages are defined and if we agree on the overall budget and the various elements then it's settled. I mean, that's the way it seems to me. We have not gone back on an individual basis for whether it's a truck or, you know, pump replacements or whatever it may be, I mean, we look at the expenditures that are already approved for the coming – in this year for 1,117,000 and those did not go back individually to the County or to the City so I think it's a little bit unusual, I think, correct me if I'm wrong, Ms. Long.

COUNCILOR IVES: Perhaps I can jump in and simply ask staff as they make presentations to both the City Council and the County Commission on the budget do clarify those processes for us. Of course, this Board changes and so our level of familiarity with some of those processes ebbs and flows. I would be interested in an answer to the questions that Councilor Harris is asking as well. So just as a matter of clarity when it does come in to the City and in to the County if we could have great clarity on those issues agreed to by both the City and the County.

MR. ROMERO: Yes.

COUNCILOR IVES: With Ms. Long's guidance.

MS. LONG: I would happy to assist with that, Mr. Chair and members of the Board. I think you do have a budget process and of course the budget has to go out to the County and to the City for their approval or it is not implemented and the truck is part of that budget process. I think maybe some questions have arisen as to whether it is a capital expense which is usually a 50-50 or has been for all of the capital assets of the project. But the project is owned half by the County and half by the City. So each entity paid one half for all of those capital contributions and I think that's how the staff is seeing the purchase of this truck. It's a capital asset and so it would be paid for 50-50 by the City and the County. There are other funding formulas that Councilor Harris just alluded to in terms of the operational expenses and those are, of course, a different percentage based upon the water for each entity and Las Campanas.

COUNCILOR IVES: Let me go down here first. Tom.

MR. EGELHOFF: The crane truck that was purchased last year to pull pumps, was it part of last year's budget and it didn't go back to either for capital purchase – it's the same kind of deal.

MS. ROMERO: Mr. Chair, members of the Board, I'm not sure how the County was able to get that purchase approved but it was split 50-50 and it was approved by the County but I am not sure what the protocol was for getting that approved.

COUNCILOR IVES: Commissioner.

COMMISSIONER HAMILTON: The pumps that are being replaced, those were also classified as capital asset?

MS. ROMERO: Mr. Chair, members of the Board, no, the pumps are being purchased through the – the Board authorized that through the major repair and replacement fund which has a different funding formula.

COMMISSIONER HAMILTON: Exactly, and I think that illustrates the question the County has whether the truck compared to the million dollars that are being spent on something that is permanently installed why it's not major repair and capital and I think that's part of the question.

MS. ROMERO: Mr. Chair, members of the Board, the replacement truck that we're replacing now we purchased at about \$5,000 and that's why we didn't consider it through the major repair and replacement fund because it didn't meet the threshold dollar amount for that.

COUNCILOR IVES: Good. Why don't we go ahead and get to a vote on this matter. As you can clearly see there is more to come at the City and County on this but we only have a18 more minutes to get through a number of more items. What is the pleasure of the Board?

COMMISSIONER HAMILTON: Well, I have a question about how to move it. I guess, with making note of the questions that had been raised by Councilor Harris about the increase on major repairs and about the classification of the truck, I would otherwise move to approve the budget.

MS. FORT: Second that.

COUNCILOR IVES: Any further discussion?

The motion passed with no opposition and Councilor Harris abstaining.

COUNCILOR HARRIS: I'll abstain to tell you the truth. I mean, my question is, can this postponed? What's the timing on this? I mean, it has to go to the City and the County and I'm also not sure I'm sorry Commissioner Hamilton, I'm not sure I understood the motion.

COMMISSIONER HAMILTON: I can understand that.

COUNCILOR HARRIS: I could get clarity on that.

COMMISSIONER HAMILTON: I think there's room for confusion and I apologize because I don't know – there's an implication to saying that I approve it with the note on the truck I think is clear enough. We can clarify that between the City and the County. But with regard to the asset, it makes it unclear what we're approving – not the asset, my apology, the major repair, the increase of contribution to the major repair fund. So, I might request some friendly help in clarifying that and one possibility would be to

say to that we approve it without that increase and table that increase until such time as additional information is brought forward.

COUNCILOR HARRIS: Thank you, Commissioner Hamilton, that is what I would favor is to move the budget forward but forgoing the contribution increase that is proposed in the budget for the major repair and replacement fund.

COUNCILOR IVES: So a question arises as to whether or not that was the motion initially made and voted on. If that is in the nature of a clarification to the motion made, I think we can proceed as long as that interpretation is acceptable to the second of the motion as a clarification to the motion.

MS. FORT: Mr. Chairman, I certainly want to cooperate but I actually think that we should go ahead and increase that so I had understood it as just a straightforward motion approving the budget as presented. I'm not sure how to help at this moment.

COUNCILOR IVES: We have an unfriendly clarification to the motion.

COUNCILOR HARRIS: We had a motion, a second and a vote just leave it at that. Four yeas and an abstention. Then it goes to various –

COUNCILOR IVES: We can certainly –

COUNCILOR HARRIS: -- bodies, the two governing bodies.

COUNCILOR IVES: We will get clarity there. That's for sure.

COMMISSIONER HAMILTON: That's acceptable.

COUNCILOR IVES: Excellent, very good. Thank you very much. Our budget is approved and off to the City and the County.

MS. ROMERO: Thank you.

11. Request for approval of a Professional Services Agreement with Intra Works for Phase II of the BDD Security System upgrades in the amount of \$49,818.00 exclusive of NMGRT

MS. ROMERO: Yes, Mr. Chair, members of the Board, in 2016 the Buckman Direct Diversion Board approved procurement of Phase I of the BDD security system upgrade project. In preparation for phase II we invited 10 security system integrators companies to review our current and provide quotes and options to gradually upgrade the entire system within the next three years. Of the three vendors that submitted quotes, Interworks was the lowest bidder and so Phase II will consist of replacement, installation of six new cameras and a door access controller and booster station 1A; replacement and installation of four new cameras at raw water lift station and installation at one new camera at the administration building. Their proposal does include installation, miscellaneous equipment, license, programming, training and testing. And the phase of this project was included in our current adopted budget and any future projects will be included in our budget request. Therefore, we recommend approval of the professional service agreement with Interworks for \$49,818.00 inclusive [sic] of New Mexico GRT.

COUNCILOR IVES: Question from the Board. Yes, Council – Board Member Fort.

MS. FORT: A quick question. What is the – under the procurement code, did we go to an RFP on this? The amount is so close to the procurement code amount.

MS. ROMERO: Mr. Chair and members of the Board for this particular phase we did not go out to RFP because it is under \$50,000 but for the future phases they are probably going to exceed that amount and we'll probably issue an RFP for the continuance of those phases.

COUNCILOR IVES: And just on that point for clarification, the \$50,000 limit in that regard includes or does not include gross receipts tax?

MS. ROMERO: Mr. Chair, members of the Board, it does not include New Mexico Gross Receipts Tax. This vendor also does happen to have a state price agreement but we didn't want that to be the basis for awarding it to them.

COUNCILOR IVES: Just so that I am totally clear because I don't procurement code that well: it is the amount without the GRT that is relevant for making that determination?

MS. ROMERO: That is correct.

COUNCILOR HARRIS: Move to approve.

MS. FORT: Second.

COUNCILOR IVES: Any further discussion?

The motion passed by unanimous voice vote.

- 12. Request for approval of Amendment No. 2 to the contract with Alpha Southwest for the BDD Raw Water Pump Project, to increase the contract sum by \$38,527.04 for a total amount of \$1,047,999.53**
 - a. Request for approval for authorization of \$38,527.04 from the Major Repair and Replacement Fund to cover the additional cost**

MS. ROMERO: Mr. Chair, members of the Board, in 2014 the Buckman Direct Diversion Board awarded our request for bid for the BDD raw water pump project to Alpha Southwest. The project was to construct and install four raw water pumps at booster station 1A and four raw water pumps at booster station 2A for a total of eight new pumps. The scope of work included manufacturing, installation and testing of the eight new pumps with the use of our existing motors. During the manufacturing phase it was determined the existing motors for booster station 2A pumps needed extra high thrust bearings. The use of these bearings will require a change order to the current contract for an additional \$38,527.04. The funding for the new pumps was authorized from our major repair and replacement fund; therefore, this request also includes approval of a Budget Adjustment Resolution to authorize the \$38,527.04 from the major repair and replacement fund to cover the additional costs. Any questions?

COMMISSIONER ROYBAL: Mr. Chair, I'd like to move for approval.

COUNCILOR HARRIS: Second.

COUNCILOR IVES: Any further discussion?

The motion passed by unanimous voice vote.

COUNCILOR IVES: Very good. Item number 12 and 12.a are both approved. Thank you for your presentations, Mackie.

13. **Request for approval of a Special BDD Board Meeting in March, 2017 for an Executive Session in accordance with the New Mexico Open Meetings Act NMSA 1978, §10-15-1(H)(7), for discussion regarding threatened or pending litigation in which the BDDB is, or may become a participant, including without limitation: discussion regarding Diversion Structure issues. The date and time proposed for the meeting: Wednesday, March 22, 2017 at 4:15**

MS. LONG: Mr. Chair, members of the Board, I am requesting that the Board approve a date for a special closed BDD meeting for discussion of the matter specified on the agenda. The date proposed for that meeting is March 22, 2017 at 4:15 p.m. That appeared to be a date that was available on the joint calendars of the two bodies with no meetings set. We would ask that if that date gets approved, that you would hold that date until confirmation of the meeting or communication that that meeting would not be needed at this time.

COUNCILOR IVES: Any questions, comments, thoughts, schedule discussions from the Board? If not, what is the pleasure of the Board?

COUNCILOR HARRIS: Move to approve.

COMMISSIONER ROYBAL: I'll second.

COUNCILOR IVES: Very good. Any further discussion?

The motion passed by unanimous voice vote.

COUNCILOR IVES: Very good.

MR. EGELHOFF: And the location of that meeting would be here?

COUNCILOR IVES: I think it may be BDD, but I would plan on here unless you hear otherwise.

MATTERS FROM THE PUBLIC

COUNCILOR IVES: Does anybody wish to address the Board from the public?

MATTERS FROM THE BOARD

COUNCILOR IVES: Matters from anybody, Board member any matters to raise? I have just one item of business myself which is to make this following statement:

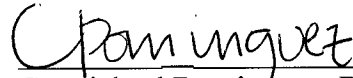
I will state for the record that in our minutes the only matter discussed during the executive session of our last Board meeting on February 2, 2017, was the matter as stated in the motion to go into executive session and no action was taken. The executive session concluded at approximately 6:30 p.m.

NEXT MEETING: Thursday, April 6, 2017 @ 4:15 pm

ADJOURNMENT

Having completed the agenda, Councilor Ives declared this meeting adjourned at approximately 5:55 p.m.

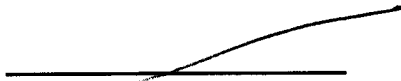
Approved by:


Carmichael Dominguez, Board Chair

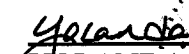
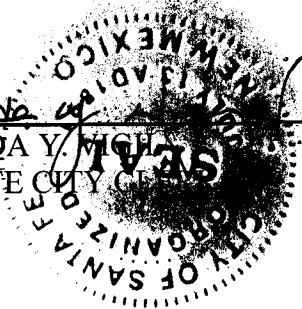
Respectfully submitted:


Karen Farrell, Wordswork

FILED BY:


GERALDINE SALAZAR
SANTA FE COUNTY CLERK

ATTEST TO:


YOLANDA Y. NICHOLS
SANTA FE COUNTY CLERK


COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BUCKMAN DIRECT DIV MIN
PAGES: 26

I Hereby Certify That This Instrument Was Filed for
Record On The 23RD Day Of May, 2017 at 08:16:49 AM
and Was Duly Recorded as Instrument # 1826360
in The Records Of Santa Fe County

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

