

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

May 5, 2016

This meeting of the Santa Fe County/City Buckman Direct Diversion Board meeting was called to order by Councilor Carmichael Dominguez, Chair, 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 Carmichael Dominguez, Chair
Commissioner Miguel Chavez
Councilor Michael Harris [alternate for Councilor Ives]
Ms. Denise Fort

Member(s) Excused:

Commissioner Liz Stefanics

Mr. J. C. Helms [citizen member alternate: non voting]

Others Present:

Charles Vokes, BDD Facilities Manager
Nancy Long, BDD Board Consulting Attorney
Kelly Brennan, City Attorney
Greg Shaffer, County Attorney
Mackie Romero, BDD Finance Manager
Mike Kelley, County Public Works Director
Carole Jaramillo, County Finance Director
Marcos Martinez, Assistant City Attorney
Bruce Frederick, Assistant County Attorney
Bernardine Padilla, BDD Public Relations Director
Erminia Tapia, BDD Administrative Assistant
Matthew Sandoval, BDD Interim Operations Supervisor
Doug Hintze, Los Alamos Environmental Field Manager
David S. Rhodes, DOE EM-LA, Los Alamos Field Office
Ben Underwood, DOE EM-LA
Steven Horak, DOE EM-LA
Kyle Harwood, BDD Board Counsel
Mary Chacon, Las Campanas Co-op

Bryan Romero, Las Campanas Co-op
Will Kessler, CH2M Hill
Don Moya, County Budget Director
Wendell T. Engelhoff, The Club at Las Campanas
Ginny Selvin, Las Campanas Water and Sewer [Exhibit 1: Sign-in Sheet]

3. APPROVAL OF AGENDA

[Exhibit 2: Agenda]

CHAIRMAN DOMINGUEZ: Are there any last minute changes that you have, Charles?

CHARLES VOKES (BDD Facilities Manager): Mr. Chair, members of the Board, I'm not aware of any changes to the agenda.

CHAIRMAN DOMINGUEZ: What are the wishes of the Board?

COMMISSIONER CHAVEZ: Mr. Chair, I'll go ahead and make a motion to approve the agenda as noticed.

MS. FORD: Second

CHAIRMAN DOMINGUEZ: We have a motion and a second. Any discussion? Hearing none.

The motion passed by unanimous [4-0] voice vote.

4. APPROVAL OF CONSENT AGENDA

8. Monthly Update on BDD Operations

9. Request Approval of Amendment No. 1 to the Memorandum of Understanding Between the US Department of Energy and the Buckman Direct Diversion Board Regarding Water Quality Monitoring

10. Update on 3rd Quarter Financial Statements FY 2015/2016

11. Request for Approval of a Budget Adjustment to Move Funds from Electricity to Chemicals in the Amount of \$40,000

CHAIRMAN DOMINGUEZ: Are there any last minute changes from staff?

MR. VOKES: Mr. Chair, members of the Board, there are no changes from staff.

CHAIRMAN DOMINGUEZ: From the Board? Is there anything you want to pull?

COMMISSIONER CHAVEZ: Mr. Chair, I guess the only thing I would note at this time is that some of the items that are on the Consent were discussed at the Fiscal Service Audit Committee and I don't know if you want to do that report. I guess maybe we could have amended the agenda to hear that first. That's my only thought but if there are any questions on the Consent I guess that will come back later.

CHAIRMAN DOMINGUEZ: We're going to have a report on the Audit Committee.

COMMISSIONER CHAVEZ: Okay, so Mr. Chair, I'll go ahead and make a motion to approve the Consent Agenda then.

CHAIRMAN DOMINGUEZ: All right. We've got a motion. Do we have a second?

COUNCILOR HARRIS: Second.

CHAIRMAN DOMINGUEZ: A second by Councilor Harris. Any discussion?

The motion passed by unanimous [4-0] voice vote.

5. APPROVAL OF MINUTES: April 7, 2016

CHAIRMAN DOMINGUEZ: Anything that you want to change, staff?

ERMINIA TAPIA (BDD Administrative Assistant): Mr. Chair, members of the Board, there is no changes.

CHAIRMAN DOMINGUEZ: All right. Committee, or the Board? I'll entertain a motion to approve the minutes.

COMMISSIONER CHAVEZ: Mr. Chair, I'll go ahead and make a motion to approve the minutes of April 7th.

COUNCILOR HARRIS: Second.

CHAIRMAN DOMINGUEZ: All right. We've got a motion and a second. Any discussion? Hearing none.

The motion passed by unanimous [4-0] voice vote.

6. MATTERS FROM STAFF

MR. VOKES: Mr. Chair, members of the Board, I have several items to update the Board. First I would like to introduce Doug Hintze who is the Los Alamos Field Officer or Field Manager and he is here with some of his staff, so Doug, would you like to introduce them. They've had a little bit of shuffling of roles there. So I just wanted to point out that they are in attendance.

DOUG HINTZE: My name is Doug Hintze. I'm the manager of the environmental management and field office. About a year ago we split off the federal oversight up there at the National Lab into an environmental management oversight and then the National Nuclear Security Administration. So the MOU with the Board here is now being transferred over to my organization. I've been there about six or seven months. I'm thrilled to be here. It's my first meeting here so it's a pleasure. I'd like to invite everybody up there. If you haven't been up there to look at the environmental management work that we do and how we affect the folks down here.

With me today I have a couple of my staff. I've got my lawyer, Ben Underwood there, my division director in charge of the environmental remediation, David Rhodes, and then I've got my – can't go anywhere without your public affairs officer, so that's Steven Horak over there. I just wanted to say I appreciate being here today and again, come on up. We'd love to have you up there and tour you around the place.

CHAIRMAN DOMINGUEZ: Thank you, Doug.

MR. HINTZE: Anything for me, Chuck? Anybody?

MR. VOKES: Okay, Mr. Chair, members of the Board, the second update I want to do is in the folder that is at your all's places. There is a photograph and the photograph is a picture of the installation of the new radar station, the BDD radar station at the 109-9 location. That is in the lower Los Alamos Canyon. And we did install that on April 20th and we are currently working on the programming and the connection to the BDD so that that will be in service for the rainy season. So I just wanted to make you aware that that was accomplished and our intent is to have it up and running very soon. Any questions from the Board on that item?

The next item, very quickly I'd like to update you on the vacancy situation at the BDD. As you know, the BDD has approximately – well they have exactly 34 positions. Of the 34 we have 8 vacancies. One of those positions is currently being filled in an interim capacity as a way of growing our own, allowing staff to experience that position and train in that position. Once the interim period is over then we intend to re-advertise that position. We do have – we just received today, applications for our mechanic position so we'll be reviewing those and the remaining positions are in progress with the City of Santa Fe Human Resources Department. So we're working very hard to get those positions filled as quickly as possible. Any questions from the Board?

CHAIRMAN DOMINGUEZ: Any questions on this? Great. Oh, we've got one question. Councilor Harris.

COUNCILOR HARRIS: Thank you, Chair. I don't know if I came to the right spot on this but on the upcoming budget, did I understand that we are kind of bumping the salary levels for a couple of the positions that we're trying to fill?

MR. VOKES: Mr. Chair, Councilor Harris, we have through the City HR Department, we have a recommendation and it's being processed to raise the level of the superintendent positions, both the mechanical and the operations superintendent positions. That was in an attempt to attract better candidates. The last go-round we actually had a charge operator who was serving in that capacity that we offered the position to and financially it was not worth his while to take on the additional responsibility. So Gary Bartlett has recommended that we bump that up a level so that there's a greater salary spread there.

COUNCILOR HARRIS: Good. Do you anticipate with that bump that you're going to get the candidates that you hope to?

MR. VOKES: That is our intention and that is our hope that with the additional salary we'll be able to attract –

COUNCILOR HARRIS: And how far afield to do you go for candidates? How do you announce that? Just through the City or is there trade associations? How do you go about that?

MR. VOKES: Currently we are advertising with the American Waterworks Association, which is a national advertisement. We're running that ad for 30 days. We're also posting it with the New Mexico Environmental Department and we've even gone to the Texas Municipal League to try and attract candidates. The TML is a huge website as far as the number of positions that are on there. There are probably about 1,000 positions on there at any time. And of course the numbers in the state of Texas are very large too. So that's where we've been casting our line is through those. Again, we're

opening the positions for a 30-day period rather than just a few weeks in hopes that we are attracting that national pool.

COUNCILOR HARRIS: Thank you, sir.

CHAIRMAN DOMINGUEZ: Any more questions on this one? Okay, go ahead.

MR. VOKES: Thank you. Two other items. At the last Board meeting Member Forte had mentioned the desire to look at our solids processes so I'd like to update you on that. Staff has met and we've also met with the Board attorneys to investigate this and we are planning on meeting again this month and look at what the options are with either changing our processes, optimizing our processes, or even getting the nature of our solids redefined through either the EPA or legislation. A couple of states – Colorado and Arizona – I believe, have passed bills where they have pushed for the re-use of the sludge from the wastewater plants and the water plants. So that has opened up some options in those states. So I expect by the June meeting or at the latest the July meeting that we'll be coming forward with the results of that with a recommendation for improvements.

The solids cost this year will probably be in the neighborhood of about \$100,000. So it's a significant cost to us and there have been some issues with being able to dispose of the solids as fast as we generate them. So we're going to look into all those processes. But I wanted to update you all on that.

COMMISSIONER CHAVEZ: Mr. Chair.

CHAIRMAN DOMINGUEZ: Commissioner Chavez.

COMMISSIONER CHAVEZ: Could you be more specific on the solids for the record and I think for the public. We're talking about basically the sediment that's a byproduct of our water treatment plant. Is that an accurate statement? Or define what the solids are in our case.

MR. VOKES: Certainly. Commissioner Chavez, we generate a huge amount of solids from our pre-settling process. We have eight million gallons of storage at the head of the plant and as that water slows down in there, that generates probably about 1,000 tons of sand during a year period. The other source of solids would be in the settling process where we're adding the coagulant and getting the remaining particles to settle. And so that's another contribution to the solids. So it's really those two sources that we're going to address. Is there a beneficial use for those rather than us paying someone to haul them off and that ends up at the landfill. We're going to look at are there other ways to define those solids and are there other methods of disposal that we can look at so that we can reduce that \$100,000 expenditure.

COMMISSIONER CHAVEZ: Thank you, Mr. Chair.

CHAIRMAN DOMINGUEZ: Board member Ford.

MS. FORD: I appreciate your looking into this and just note in terms of the cost there's also a greenhouse gas cost in hauling a bunch of sand to a landfill, no doubt there's cost to the landfill for making more room to put the sand in there. So I'm glad that we're taking a look at whether or not this is necessary.

CHAIRMAN DOMINGUEZ: Anyone else? Okay.

MR. VOKES: One other item. I'd like to ask Bernie Padilla, our public relations coordinator to come and give an update on that.

BERNARDINE PADILLA (Public Relations Coordinator): Chair Dominguez, members of the Board, we in America tend to take water for granted and expect when we get up in the morning that we will have water for showers, be able to flush toilets and make that much needed coffee. The reality is that one in ten people in the world don't have access to safe water. That equates to twice the population of the United States that lives without access to safe, clean water in the world. There are so many great health benefits to having good, safe drinking water and we are very fortunate to live in a community where we have four sources of great tasting water. So we at BDD are recognizing that.

This week is Drinking Water Week and it's through the American Waterworks Association, which we are a member of. It's a nationally organized event in the United States that most cities recognize. We want to recognize and appreciate the importance of water. This year's theme is "Your water: To know it is to love it." We created a "Why do you love your water?" staff campaign where employees share pictures of their kids and family and state why they love water. In front of you in your packet are posters of the BDD staff's kids that they have sent in to me and they state why water is important to them and we've really enjoyed doing this here at work.

So we made posters and I'm listing them on Twitter and Facebook. The conservation department also is sharing them on their Facebook page and Instagram. And we just wanted to recognize that. It's a small effort but it's something that we feel is important and because of the staff at BDD we really appreciate our jobs. We love what we do. We think it's important for the community and this is one of the ways of showing that. We've also posted some pictures of staff working at the plant, cleaning the equipment, working on the equipment. So does anyone have any questions for me on that?

COMMISSIONER CHAVEZ: No questions, just a comment. The only thing I could do is just expand on the importance of public outreach and staff telling the story, because I think sometimes if someone else is telling the story it may not be as accurate as it needs to be. So I think the more we can do that the better off we are because of the importance and the significance of water in the arid area that we're in, being on the dry side of the continental divide, depending on what's really imported water. It presents some challenges, shared challenges and hopefully shared responsibilities and how we keep this project moving forward because it's so vital for us now and even more so for future generations. So I really appreciate that pro-active work that staff is doing on behalf of the BDD Board and the community at large. Thank you, Mr. Chair.

CHAIRMAN DOMINGUEZ: Well, Bernie, thank you very much. I think this is good information to have. I did not even know it was Water Week but now I do. Sometimes we take water for granted, especially in this part of the world and certainly the information that you provided just now is eye-opening. And so hopefully we all remember that and thanks to the staff for lending us their children as well for the poster.

MS. PADILLA: Thank you. I also wanted to give some kudos to the Santa Fe Water Conservation Department. They've been very helpful as well in sharing the information and I'm also working with Marquita Ortiz at Conservation and sharing their information. And along the same lines of the importance of water they just posted their summer water restrictions that just went into effect on May 1st, so please go to their

website to check that out. And that's from May until October that we need to follow those guidelines.

They also just came out with the new 2016 rebate program and they've updated that on their Instagram, Facebook and I've done it on Twitter too, so we are working in collaboration on communication efforts to the public between the both of us. And I really appreciate their help. Thank you.

CHAIRMAN DOMINGUEZ: Thank you very much.

7. REPORT ON MAY 3, 2016 FISCAL SERVICES AND AUDIT COMMITTEE

MACKIE ROMERO (BDD Finance Manager): Mr. Chair, members of the Board, a FSAC meeting was held on Tuesday, May 3rd. In attendance from BDD was myself, BDD Finance Manager, Charles Vokes, BDD Facilities Manager. From the City we had Rick Carpenter, Acting Water Division Director. From Santa Fe County we had Commissioner Chavez, Carole Jaramillo, Finance Director, Don Moya, Budget Director, Greg Shaffer, County Attorney, Claudia Borchert, Utilities Division Director, and from Las Campanas Water and Sewer Cooperative we had Mary Chacon, Controller.

We discussed agenda items 10 and 11. We spent most of our time discussing in great detail the 3rd quarter financial statements. We discussed our quarterly expenses, encumbrances and our projected uncommitted budget balance. We also discussed action items 3 and 4 which will be discussed later in this meeting. I don't know if there are any specific questions or any additional comments from Commissioner Chavez.

COMMISSIONER CHAVEZ: Actually, they are items 12 and 13, aren't they?

MS. ROMERO: Oh, sorry. Twelve and 13.

COMMISSIONER CHAVEZ: I know it's hard keeping track.

MS. ROMERO: So if you had any other questions or comments, Commissioner?

COMMISSIONER CHAVEZ: No, that would be it. Thank you. Thank you, Mackie.

CHAIRMAN DOMINGUEZ: Anyone else? Mackie, thank you very much.

MS. ROMERO: Thank you.

CHAIRMAN DOMINGUEZ: Board member Fort.

MS. FORD: Thank you, Mr. Chair. Just for my understanding, this committee doesn't take action? It's just informative?

MS. ROMERO: That is correct. It's just open discussion.

MS. FORD: Thank you.

CHAIRMAN DOMINGUEZ: Thank you, Mackie.

DISCUSSION AND ACTION

12. Request Approval and BDDB's Recommendation to the Santa Fe County Board of Commissioners and City of Santa Fe City Council to Approve the FY 2016/2017 Buckman Direct Diversion Operating Budget and Other Fund Contributions

MS. ROMERO: Mr. Chair, members of the Board, we are requesting approval and recommendation of our proposed fiscal year 16/17 operating budget for \$8,203,840, plus the annual contribution of \$411,812 for our major repair and replacement fund. Our request has not changed from our April presentations. And if you have any questions.

CHAIRMAN DOMINGUEZ: Any questions by the Board?

COUNCILOR HARRIS: Thank you, Chair. So I had a question on chemicals, and I didn't bring it up on the Consent Agenda where we moved \$40,000 to chemicals. But we're carrying the same number for the upcoming year. Could you give more information on that? Do you think we can still maintain or should we be looking at a \$300,000 line item for chemicals?

COMMISSIONER CHAVEZ: Mr. Chair.

CHAIRMAN DOMINGUEZ: Yes.

COMMISSIONER CHAVEZ: Councilor Harris, give me a reference. What page are you on?

COUNCILOR HARRIS: Oh, I'm sorry.

COMMISSIONER CHAVEZ: Page 5 of the budget?

COUNCILOR HARRIS: Yes, page 5 of the budget. And then under expenditure category, the third line item is chemicals that we've proposed \$250,000.

MS. ROMERO: Councilor Harris, members of the Board, you are correct. Our budget projection was for \$250,000 and that's kind of been our – we've been at that amount for several years. This year our expenses have gone up a little bit just due to operations and some increases in some of our procurement of chemicals and so we will be just monitoring that and see if we need to come back next year and get an additional increase to that and then we would adjust our budget in the future.

COUNCILOR HARRIS: Was \$250,000 a good number in the prior years and this was just an anomaly?

MS. ROMERO: That is correct. The number was good in prior years. I don't know if Mr. Vokes has any other additional comments on the increase.

MR. VOKES: Mr. Chair, members of the Board, in looking at the chemical purchases for the first five years of the BDD one of the factors that has stuck out to me is we actually started the BDD with \$100,000 of inventory. So quite a few of the chemicals are used in small enough quantities to where those have lasted several years rather than being bought on a monthly basis or an annual basis. So as Mackie pointed out I believe the \$250,000 will be an accurate number. We are doing some things differently at the plant under my leadership.

We're also going to be looking at optimization of some of the processes as we go along, but as you know the plant hasn't been operating under normal circumstances and so there have been some impacts due to the nature of the operations. I do feel like this

year we will be close to the \$250,000, maybe over \$10,000 or \$20,000, but it also depends on the volume of water that we produced. In the last three weeks we've been producing almost 100 percent of the city's water because they've been doing maintenance projects at the Canyon Road plant and depending on the calls, the water rights and those factors we may produce more water one year or we may produce less.

So it's certainly something I'm going to be focusing on. You mentioned the staffing. One of the requests for next year's budget is to add another financial position so that we can do some optimization and just look at chemical costs, look at renewals of contracts and see what we can improve.

COUNCILOR HARRIS: Thank you. I have a couple more questions. So now I'm on page 7. Under expenditures by category, materials and supplies, which is a change of \$1,240,278, is that where we would find the approved legal fees?

MS. ROMERO: Councilor Harris, that is correct. That's where the legal services was, and actually that was an error on my part. It should have been under other operating costs. That's typically where those costs get categorized, but that is why there's such a million dollar increase on that category.

COUNCILOR HARRIS: Yes, I assume that's where that \$1.1 million is found.

MS. ROMERO: That is correct.

COUNCILOR HARRIS: But I was surprised to see it in materials and supplies, but normally you would put it in other operating costs?

MS. ROMERO: Yes. We will put it in other operating costs. And we will get that corrected for when we bring back the budget for adoption.

COUNCILOR HARRIS: And is that where we would find the cost for the ongoing legal services provided by Long and Komer?

MS. ROMERO: Yes. That is correct.

COUNCILOR HARRIS: All right. Thank you. Now, Mr. Vokes may want to jump in on this one on page 8. So I would like an explanation of what the sentence means that reads, "In response to a recent audit finding concerning the cost allocation methodologies used in our cost accounting system, a review and recommendation of all cost allocations will be approved by the BDDDB on an annual basis." Can you explain that, either Ms. Romero or Mr. Vokes.

MS. ROMERO: Let me find the page. One second.

COUNCILOR HARRIS: Yes, page 8. It's the first paragraph.

MS. ROMERO: Councilor Harris, members of the Board, there is a clause in the FOPA that the Board is to review cost allocation methodologies and to get that approved periodically, so that is in the FOPA agreement, and I can turn to Nancy Long if she wants to make any additional comments on that.

COUNCILOR HARRIS: What struck me is also the initial phrase, "in response to a recent audit finding concerning cost allocation methodologies."

MS. ROMERO: Councilor Harris, we did receive an audit finding for one of our cost allocation methodologies and that was project-wide, and so that's why this was listed on here.

COUNCILOR HARRIS: Okay. And since I'm new to the Board, what's the process for this? When do you start addressing these and other issues? Is there a set time or it's just as needed?

MR. VOKES: Councilor Harris, I think our goal has been to bring the budget to the Board around January and so in preparation of that budget I would expect that those allocations, just the projections, all of that would be looked at during that budget process. This year of course has been late in the process, so that would be my expectation is that we would start working on the budget, say, in October and address those needs as necessary.

COMMISSIONER CHAVEZ: Mr. Chair.

CHAIRMAN DOMINGUEZ: Commissioner Chavez.

COMMISSIONER CHAVEZ: I think there's other factors. I think that for the County, in our budget, we need to know what BDD is anticipating so that we can factor that into our budget so I think there's a couple of factors that we need to take into consideration as we're discussing the budget related to the BDD but then also I think there's some impact, obviously, to the City, to the County and to the third party, Las Campanas, so we need to just keep that in mind.

MS. ROMERO: Commissioner Chavez, we do start the budget process very early at BDD. We usually start about October September, and we include all the partners in any of the decisions that need to be made, including the cost allocation, what type of expenses, whether we're going to increase our budget and where we increase our budget. And staff is usually really involved with all our partners in those discussions before we actually bring a budget for your recommendation and approval.

COMMISSIONER CHAVEZ: I appreciate that and I think that's a big part of what makes it work.

CHAIRMAN DOMINGUEZ: Councilor.

COUNCILOR HARRIS: This is probably my last one. This has to do with the asset management program. Is that – there's two tenses used in this sentence: has developed and then will be used. I wonder where we stand on that.

MS. ROMERO: Councilor Harris, members of the Board, as you recall we did purchase an asset management program and we did have a vendor come in and look at all our assets and go ahead and record that. Now, there is a program and we're hoping to start to get to use that program so that we can help determine our future costs for major repair and replacement. And Mr. Vokes can chime in on that.

MR. VOKES: Certainly, Councilor. The asset management plan that was presented was a 20-year plan and the first major repair rehab was projected at like five years out. We've gone back to the vendor and asked them to do some correcting with that. My intention is to look at the plan, start utilizing the plan during next year's budget process. It was a new plan and it still needs tweaking. It's just a plan; it's a roadmap for the 20 years of maintaining the BDD. And those are costs, for example, the membrane systems are projected as needing some rehab I think at year ten during their use.

But those are recommendations. Those aren't specific to what we see at the BDD. So based on our experience and those recommendations at some point we'll be coming back but that asset management plan, I think it projected about – over the 20 years, \$1.8 million in refurbishment and replacement of materials. That represents less than one percent of the cost of the BDD which is actually typically the numbers I've seen throughout my career, are anywhere two to three percent. So we need to look at that. We need to look at the experience we're having and roll that plan into the budget process and hopefully we will do that starting the next budget year.

COUNCILOR HARRIS: Okay. That's what I would expect too and I haven't seen it, obviously, and I've just started to learn your numbers here, but \$1.8 million over 20 years seems relatively low to me.

MR. VOKES: That's an annual cost.

COUNCILOR HARRIS: Oh, that's annual.

MR. VOKES: That's an annual.

COUNCILOR HARRIS: All right. I misunderstood. Okay.

MR. VOKES: Yes. If you look at the cost of the BDD, which is over \$200 million that represents just what it takes to maintain it.

COUNCILOR HARRIS: Right. Annual makes sense. Okay. Thank you. I'm done. Thank you, Ms. Romero.

MS. ROMERO: Thank you.

CHAIRMAN DOMINGUEZ: Other questions? Real quick, Mackie. You're budgeting \$30,000, actually a reduction in electricity?

MS. ROMERO: Yes. Mr. Chair, members of the Board, yes.

CHAIRMAN DOMINGUEZ: So was that what it was for the entire year or was that for more than just one year?

MS. ROMERO: That is for one year from our electrical savings at Booster Station 2A. So last fiscal year was our first year where we started generating those savings and we saw about a \$30,000 savings to that, and so we reduced our electrical line item. We'll continue to monitor those savings as now we're in our second year and we're actually seeing those savings go past the \$30,000. So we'll continue to monitor that and include that in our future projections for that line item.

CHAIRMAN DOMINGUEZ: And just to point out that – and it's typical when you have a brand new facility like this you kind of go through those growing pains, actual expenditures are becoming closer and closer to what we're budgeting it, so I think that that speaks well to what it is that we've learned throughout these years in terms of operating that facility, so good job.

MS. ROMERO: Thank you.

CHAIRMAN DOMINGUEZ: Okay, anyone else? What are the wishes of the Board?

COMMISSIONER CHAVEZ: Mr. Chair, unless there's no other comment I'm prepared to make a motion on this item and the motion would approve the budget with the fiscal year 16/17 cost allocation methodology outlined we just discussed, subject to the approval of the Santa Fe County Board of County Commissioners and the City of Santa Fe governing body, and to the outcome of efforts by the three parties to the FOPA – that would be the City, the County and Las Campanas – to establish cost allocation from those for litigation and other cost, to also deal with project-wide cost with such retroactive adjustments as may be established through those efforts.

COUNCILOR HARRIS: Second.

CHAIRMAN DOMINGUEZ: We've got a motion and a second. Any discussion?

MS. FORD: I'd like some explanation as to whether the budget is approved or not, because the second clause is the one that is confusing to me. So it becomes effective –

COMMISSIONER CHAVEZ: Subject to the approval – we approve it here and then it has to go before the Santa Fe County Board of County Commissioners and the City of Santa Fe governing body.

MS. FORD: Insofar as it's subject to the outcome of the discussions? Is that just in terms of timing?

COMMISSIONER CHAVEZ: No, I think the outcomes would be more to the FOPA agreement. Would that be correct, Ms. Long?

NANCY LONG (BDDDB Counsel): Commissioner Chavez and members of the Board, the intent of that motion that you made in terms of any retroactive adjustments for the cost methodology adjustments are for the litigation formula for funding that as well as for the project-wide costs. So the budget would be approved, but it would be subject to the outcome of the discussions that are ongoing among the partners about those formulas. And so there could be adjustments that would be made in the future but it would not undo the approval of the budget. We are seeking to move forward with that approval so that it can go out to the County Commission, to the City Council and Las Campanas for approval. Just the amounts could end up being adjusted depending on the outcome of those discussions.

MS. FORD: I see. Thank you.

CHAIRMAN DOMINGUEZ: It's not the overall amount; it's just –

MS. LONG: Yes. Among the partners.

CHAIRMAN DOMINGUEZ: The parties. Right.

COMMISSIONER CHAVEZ: And that's the FOPA agreement. So, Mr. Chair, I don't know if it would be appropriate at this time to ask the third party, if there's anyone here from Las Campanas that would want to speak to the issue. I know it's your prerogative but I just wanted to run that by the Board before. Once we finalize the vote it will be too late.

CHAIRMAN DOMINGUEZ: What we'll do is we'll give them an opportunity to speak at Matters from the Public, only because this is really the business of the Board.

COMMISSIONER CHAVEZ: I understand that but they a third party and I've always argued that they're part and parcel of our discussions and tied to the FOPA agreement. That's fine.

MS. LONG: And Mr. Chair, Commissioner Chavez, the Las Campanas entities have had input into this process as well as review of the approval that you might consider.

COMMISSIONER CHAVEZ: I understand that but we're here at the moment now and I wanted to give them the opportunity. Thank you, Mr. Chair.

CHAIRMAN DOMINGUEZ: Right. So we've got a motion and a second. Any other discussion?

The motion passed by unanimous [4-0] voice vote.

CHAIRMAN DOMINGUEZ: All right. Finally. Mackie, thank you.

MS. ROMERO: Thank you.

13. Request for Approval of Amendment No. 2 to the LSA Item #15-0153 with Long, Komer & Associates, PA, for the Amount of \$30,000 exclusive of NMGR

MS. ROMERO: Mr. Chair, members of the Board, Long, Komer & Associates serves as legal counsel for the BDD Board and over the current fiscal year their services have increased due to unforeseen legal and policy issues. Therefore we are requesting an increase in their compensation in the amount of \$30,000 exclusive of New Mexico GRT to continue services through the end of the fiscal year. Funding is available in our current year budget. Does the Board have any further questions?

CHAIRMAN DOMINGUEZ: Any questions? What are the wishes of the Board?

COUNCILOR HARRIS: Move to approve.

MS. FORD: Second.

CHAIRMAN DOMINGUEZ: So we've got a motion and a second. Any discussion? Hearing none.

The motion passed by unanimous [4-0] voice vote.

MATTERS FROM THE PUBLIC

CHAIRMAN DOMINGUEZ: Is there anyone from the public who would like to speak to the Board tonight? No? I don't see any. Maybe, maybe not. You can approach us. That's fine.

GINNY SELVIN: I'm Ginny Selvin and I'm a member of the board of the Las Campanas Water and Sewer Co-op and I would just like to respond that we approve the budget subject to that change in allocations that we are discussing, but the budget itself has our approval. I think that's what you were saying. So thank you.

CHAIRMAN DOMINGUEZ: All right. Thank you. Okay, anything else from the public? Okay, the public hearing is closed, or Matters from the Public is closed.

MATTERS FROM THE BOARD

CHAIRMAN DOMINGUEZ: Just real quick, Commissioner Chavez, just so that you know that I have had some preliminary discussions with staff on how it is that we can start to work on Las Campanas and their role. I'll just leave it at that. At some point we'll probably have to decide what it is that we're going to do.

COMMISSIONER CHAVEZ: That's fine. I appreciate that, Mr. Chair, and I think it's a discussion that's been off and on maybe for a couple of years. It's something that I wanted to start again and maybe have everyone engage in that discussion because I think in the past the discussions have taken place maybe in vacuums and maybe not in the best forum. And so I think if we're discussing this in an open forum as we have been I think that would be more productive moving forward. So I appreciate your interest in that and whatever I can do I'll be more than willing to help you on that.

CHAIRMAN DOMINGUEZ: Anything else from the Board? No?

EXECUTIVE SESSION

MS. LONG: Mr. Chair and members of the Board, I would seek a motion from the Board to go into executive session in accordance with the New Mexico Open Meetings Act, NMSA 1978, §10-15-1(H)(7), for the discussion regarding threatened or pending litigation in which the Board is or may become a participant, including without limitation discussion regarding diversion structure issues.

CHAIRMAN DOMINGUEZ: All right. So the Chair will entertain a motion to go into executive session.

COMMISSIONER CHAVEZ: Mr. Chair, I'll make the motion to go into executive session for the limited items that were mentioned by our counsel.

COUNCILOR HARRIS: Second.

CHAIRMAN DOMINGUEZ: Okay, we've got a motion and a second. Any discussion?

The motion carried unanimously by roll call vote as follows:

| | |
|-------------------------------|--------------------|
| Councilor Harris | Aye |
| Commissioner Chavez | Aye |
| Member Fort | Aye |
| Chair Dominguez | Aye |
| Commissioner Stefanics | Not Present |

MS. LONG: And members of the Board, we will be upstairs in the Historic conference room at the top of the stairs.

[The Board met in closed session from 5:00 to 5:30.]

COMMISSIONER CHAVEZ: Do we need a motion to come out of executive session?

CHAIRMAN DOMINGUEZ: Yes, we do.

COMMISSIONER CHAVEZ: So I make the motion to come out of executive session.

CHAIRMAN DOMINGUEZ: We've got a motion. Do we have a second? I'll second it. Go ahead, Nancy, just to clarify.

MS. LONG: That the motion includes that only the matters that were discussed in the motion to go into executive session were discussed and that no action was taken.

CHAIRMAN DOMINGUEZ: Yes. I agree.

The motion passed by unanimous [4-0] voice vote.

NEXT MEETING: Thursday, June 2, 2016 @4:15 pm

CHAIRMAN DOMINGUEZ: Depending on how things go, I'm not quite sure what the Board – how the Board feels about either meeting at 4:00 or 4:30. It's going

to be – I’m going to have a conversation with Councilor Ives just to kind of find out what works for him. Otherwise, for now, in the near future we’ll have it at 4:15, here, same place.

ADJOURNMENT

Having completed the agenda, Chair Dominguez declared this meeting adjourned at approximately 5:32 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. VIGIL
SANTA FE CITY CLERK

DRAFT

subject to approval