



AGENDA

BUCKMAN DIRECT DIVERSION BOARD
JUNE 01, 2023 AT 4:00 PM
COUNCIL CHAMBERS
CITY HALL
200 LINCOLN AVENUE



PROCEDURES FOR BUCKMAN DIRECT DIVERSION BOARD MEETING

Written Public Comment: Members of the public may submit written comments by clicking on the comment bubble to the right of the meeting on the public portal at <https://santafe.primegov.com/public/portal> three hours prior to the start of the meeting.

The agenda and packet for the meeting will be posted at <https://santafe.primegov.com/public/portal>.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF CONSENT AGENDA**
5. **APPROVAL OF MINUTES**
 - a. Approval of minutes from the April 6, 2023 Buckman Direct Diversion Board Meeting.

6. PRESENTATION/INFORMATIONAL ITEMS

- a. Monthly Update on BDD Operations. (Randy Sugrue, BDD Operations Superintendent, rcsugrue@santafenm.gov, 505-955-4501).
- b. Report from the BDD Facilities Manager. (Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafenm.gov, 505-955-4507).

7. ACTION ITEMS: CONSENT

- a. Request for approval of Amendment No. 2 to Professional Services Agreement # 21-0421 with Daniels Insurance Inc. to extend the term of the agreement and to increase compensation in an amount up to \$160,000.00 plus applicable NMGRT for fiscal year 2024 (Rick Carpenter, Facilities Manager, rrcarpenter@santafenm.gov, Monique Maes, Contract Administrator, 505-955-4508 mmmaes@santafenm.gov)
- b. Request for approval of (Sole Source) Professional Services Agreement with Snell & Wilmer, LLP. for Legal Services for fiscal year 2024. 1. Request for approval of a Professional Services Agreement with Snell & Wilmer LLP for legal Services in an amount up to \$200,000.00 plus NMGRT. 2. Request to utilize funds from the Legal Settlement for this contract. (Monique Maes, Contracts Administrator, 505-955-4508 mmmaes@santafenm.gov)
- c. Request for approval of Amendment No. 2 to the Services Agreement #21-05. 21 with Alpha Southwest Inc. to increase the amount of the agreement by \$33,800.00 for a total contract amount of \$287,633.30 and to extend the term to June 30, 2024. 1. Approval of Budget Authorization Request (BAR) from the Major Repair and Replacement Fund to the Operating Fund in the amount of \$33,800.00. (Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafen.gov)
- d. Request Approval of BDD Board comment letter regarding Hexavalent Chromium Environmental Assessment (EA) Scoping, Los Alamos National Laboratory (Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafenm.gov, 955-4507; Kyle Harwood, BDD Counsel,

kyle@egolfaw.com, 505-629-8999)

8. **MATTERS FROM THE PUBLIC:**
9. **MATTERS FROM THE BOARD**
10. **NEXT MEETING: Thursday, July 6, 2023 at 4:00 PM**
11. **ADJOURN**

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521, five (5) working days prior to meeting date.

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

May 4, 2023

1. CALL TO ORDER

This regular meeting of the Santa Fe County & City Buckman Direct Diversion Board meeting was called to order by County Commissioner Anna Hamilton, Chair, at approximately 4:03 p.m. in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL: Roll was called and a quorum was present as shown:

BDD Board Members Present:

Commissioner Anna Hamilton
Councilor Carol Romero-Wirth, Chair
Commissioner Anna Hansen
Councilor Renee Villarreal
J.C. Helms, Citizen Member
Tom Egelhoff, Las Campanas [non-voting]

Member(s) Excused:

None

Alternate(s) Present:

Peter Ives, Alternate for Citizen Member

Others Present:

Rick Carpenter, BDD Facilities Manager
Nancy Long, BDDDB Legal Counsel
Kyle Harwood, BDDDB Legal Counsel
Bernardine Padilla, BDD Public Relations Coordinator
Delfin Peterson, BDD Administrative Assistant
Antoinette Armijo-Rougemont, BDD Accounting Supervisor
Randy Sugrue, BDD Operations Superintendent
Emily Oster, City Finance Director
Jay Lazarus, BDDDB Consultant, Glorieta Geoscience, Inc.

[Chair Hamilton read the agenda captions throughout the meeting.]

CHAIR HAMILTON: Before we move on other business including even before approval of the agenda, I wanted to say something. I kind of want to address the trailing edges of an issue from the last meeting. We had a discussion that got a little out of hand to the detriment of our BDD staff. I really appreciate everybody's willingness to discuss what happened in the interim and to apologize. And to reaffirm our respect for each other and our commitment to show that respect in dealing with each other even when we have differences of opinion. Nevertheless, I want to publicly offer my apology to staff and to the Board because I feel like I failed in my duties as chair to maintain decorum that we all want and that we are all committed to.

I also want to publicly express my admiration and gratitude for the BDD staff and everything that they do for us. In particular, I want to recognize Antoinette Armijo-Rougemont, our BDD Accounting Supervisor, for her dedication, her expertise, her willingness to consistently perform incredibly high-quality work and to do all of that with an incredible amount of patience in serving the BDD and the Board. So, thank you for the opportunity to say that. Thank you, Antoinette, very much.

MR. HELMS: Could I weigh in?

CHAIR HAMILTON: Yes, by all means, Mr. Helms.

MR. HELMS: I was the prime malefactor on that day. I realize that and I did apologize to Antoinette and also to Rick and also to our Chair. And I was aiming my comments at the City because I was angry with our relationship with the City. I did not mean to malign anyone on the BDD staff. I think I have expressed that to all of you. But I do stand corrected; there is no doubt about it.

CHAIR HAMILTON: Thank you very much, Mr. Helms.

3. APPROVAL OF AGENDA

Councilor Villarreal moved to approve the agenda as published. Commissioner Hansen seconded and the motion passed by unanimous [5-0] voice vote.

4. APPROVAL OF MINUTES: April 6, 2023

Commissioner Hansen requested that the packet be delivered as well as an email with packet information earlier than what has occurred. Point out that the County does not use Boardgov, she requested that Sara Smith at Santa Fe County receive the packet information to post on the County website. Chair Hansen said she would work on that with staff.

Mr. Helms moved to approve the April 6, 2023 minutes. His motion was seconded by Chair Hamilton and passed by [4-0] voice vote. [Councilor Villarreal abstained.]

5. PRESENTATION/INFORMATIONAL ITEMS

a. Monthly Update on BDD Operations

RANDY SUGRUE (BDD Operations Superintendent): Madam Chair, members of the Board, this is my monthly update for the month of April, 2023. BDD

raw water diversions averaged 5.07 million gallons per day. Drinking water deliveries through booster stations 4A/5A, 4.27 million gallons per day. Raw water delivery to Las Campanas from Booster 2, .69 million gallons per day. And onsite treated and non-treated water in storage, .11 million gallons per day on average. BDD was providing about 45 percent of the water supply to City and County for the month. That's increased quite a bit beginning of May. The year-to-date diversions are depicted below. We're pretty much back to meeting our annual monthly average and I think you'll see that that's going to be increasing as we get into the higher demand months.

The daily metered regional water demand for April is about 9.5 million gallons per day and one big reason is that they're turning on the irrigation for City parks. Rio Grande flows for April, they averaged about 2,620 cubic feet per second. When I checked this morning it was about 4,400 cubic feet per second. So there's a lot of melted snow water coming down the river. One plus side to that is that the river has been really clean. We normally see turbidities of three, four, five hundred near our limit on what we like to divert and the turbidity has been less than 200 except for the last couple of days but it makes the water much easier to treat even during those high-flow periods.

Canyon Road reservoir levels, they're a little bit higher than these number combined with 74 percent. Watershed inflow was this morning reported yesterday continuing at about 26 million gallons per day coming into Canyon Road reservoirs. We still maintain about 12,000, close to 12,600 acre-feet in Abiquiu. On April 15th US Bureau of Reclamation still kept the allocation at zero. I believe that they are just monitoring again the southern Colorado snowmelt runoff into the Colorado River, watching our diversion basins up off the Colorado River, hedging their bets a little bit and the next allocation announcement will be the real telltale as to whether we're going to get 100 percent allocation or somewhat reduced. So we shall see.

The ENSO summary at the bottom of the page, we remain in neutral conditions but the chances percentage continue to rise that it will turn into an El Niño season towards mid-summer and going into fall. So that may mean, we hope, for increased precipitation. And I stand for questions.

CHAIR HAMILTON: Mr. Ives.

MEMBER IVES: Thank you, Madam Chair. So, Randy, I am ultimately curious how – well, who and how a decision is made to actually allocate San Juan-Chama water.

MR. SUGRUE: It's the Bureau of Reclamation monitoring those reservoirs, small reservoirs relatively speaking, up off the Colorado, the Oso, Blanco dams and such. I think they're hedging their bets. For many years they had a surplus so they could give 100 percent allocation and some left over. Well, that surplus disappeared essentially in the last – it didn't disappear but they utilized it in the last five years and I think very much with this really good runoff year they are hoping to start gaining that savings account back and so they don't want to begin allocating yet.

MR. IVES: And I was just going to ask, do you know the size of those small reservoirs?

MR. SUGRUE: I don't off the top of my head. I'll look into that and I'll pass that on.

MR. IVES: If you wouldn't mind. I'd love to just know and if there is anything that describes the decision matrix for sending our San Juan-Chama water this

way, I'd love to know that too.

MR. SUGRUE: Yeah, I'll look into it.

MR. IVES: Thank you.

MR. SUGRUE: You're very welcome.

MR. IVES: Thank you, Madam Chair.

CHAIR HAMILTON: Are there other questions? Kind of as a follow on, wasn't it mentioned that in April we would know initial allocations or something?

MR. SUGRUE: They essentially they did send out a letter on April 15th and it said at this time, April 15th, we are still at a zero allocation because they don't give you the whole year's worth.

CHAIR HAMILTON: Right.

MR. SUGRUE: They just do it depending on the conditions. In the past in April, they said you 100 percent of this first subsequent allocation but this time they said zero so they are hedging their bets.

CHAIR HAMILTON: I know between all of what you said and what Mr. Ives just asked and got an answer to, it contains information on why but I definitely missed something because you would think with more water now that they would have more information also.

MR. SUGRUE: I think they really want to begin to build a new surplus. They don't want to make 100 percent allocation to everybody that just gives away everything that they've gained. They want to start to build a buffer for the future if there's enough water and they're not certain yet that the runoff is going to be sustained. That's my feeling.

CHAIR HAMILTON: That makes sense and that's what they're hedging around.

MR. SUGRUE: Yes, in the water business you have to kind of going with a feeling sometimes. Mother Nature doesn't always cooperate.

CHAIR HAMILTON: Right, right. Thanks, Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. So does that actually mean that the water is going to Lake Powell and –

MR. SUGRUE: I would say that that is likely, yeah. They consider this runoff native water and so they are letting it go downstream and probably for similar reasons they are real hopeful to maintain some gains because we've – because they have gotten such a sad state over the last decade.

COMMISSIONER HANSEN: I don't remember to the two reservoirs exactly. I know that Lake Powell is one and – aren't there two?

MR. CARPENTER: Lake Mead.

COMMISSIONER HANSEN: Lake Mead, so are they trying to fill both of them up?

MR. SUGRUE: I would guess that's their intent.

COMMISSIONER HANSEN: I don't know if they can fill them up.

MR. SUGRUE: I'm sure their intent is to be equitable.

KYLE HARWOOD (BDD Counsel): Good afternoon, Madam Chair and members of the Board. So what the Bureau has told us about their annual operating plan this year is that Heron started at 40,000 acre-feet which is 9 percent of capacity. They are hoping for an inflow of 125,000 acre-feet through the Azotea Tunnel and ending the year

at 90,000 acre-feet. So it is a 100 percent increase in Heron's storage from 9 percent to about 25 percent. And it's also said that there's 100 percent chance of 100 percent allocation to all contractors. They will be doing that later in the year because they have just seen the runoff coming through Azotea. As Randy said, all of the native inflow to Heron and El Vado is getting passed as it normally is. El Vado is still under construction and no storage. A lot of water is coming into Abiquiu and frankly a lot of water is getting down to Elephant Butte to try to repay the Rio Grande Compact debit of 90,000 acre-feet. We have gone under Article 7 in the last couple of weeks but because El Vado is under repair no storage can be done there. Powell and Mead are on track to have unprecedented single-year runoff volume increases. Utah has said that they intend to refill Flaming Gorge Bridge – Flaming Gorge Dam, excuse me, that was drawn down in what was called the DROA, Drought Response Operations Agreement. They were bringing water out of Flaming Gorge, parking it in Powell to keep it elevated and they're going to now try and rebuild storage in Flaming Gorge and some of the west slope Colorado reservoirs. There's about six of them.

So things are looking about as different this year as they were at this time last year. I think as we all know both with the summer monsoons, sort of a dryish fall, very heavy winter, sort of a dryish April and now we're getting this incredible runoff. You know, flooding in Taos, flooding in Jemez, flooding along the Chama – but a very good prognosis for the San Juan-Chama project although one year never solves a 20 year drought as we know. I hope that is helpful.

CHAIR HAMILTON: Thank you. Is that good?

COMMISSIONER HANSEN: Yes, thank you very much.

MR. SUGRUE: That's what I meant to say.

CHAIR HAMILTON: Excellent.

MR. SUGRUE: Any other questions?

CHAIR HAMILTON: Yes, Mr. Ives.

MR. IVES: Thank you, Madam Chair. I'm just thinking of other data that might be interesting to know as part of this picture and it might be interesting to know what the Colorado flow is and what the water levels in the various reservoirs are including Powell and Mead –

MR. SUGRUE: I'm sure we could look that up on line. The San Juan-Chama reservoirs again I mentioned it's really hard to find any data on the levels of those reservoirs but Lake Powell and things like that, I'm sure that is easily available on like USGS you can Google, even Otowi flows in front of BDD that's where I get my information. I am sure it's on all the big rivers.

MR. IVES: Thank you. Thank you, Madam Chair.

CHAIR HAMILTON: Thank you. Other questions on his report? Thank you so much, Randy.

MR. SUGRUE: Sure, thanks.

b. Report from the Facilities Manager

MR. CARPENTER: Good afternoon. Thank you, Madam Chair and members of the Board. We have I think four updates for you. There is a memo in your packet. The first item is in reference to the major repair and replacement policy which will

be coming to this board next month wherein the facility manager is required to report out activity relevant to that policy. There were two expenses in the month of April that are notable: a repair and replacement of the mini-split which is an HVAC part in the advanced water treatment facility and a pump and motor installation at one of the raw – or at the raw water lift station. So we will continue to report out as these projects come forward. There's going to be more and more over time not only with major repair and replacement but also with the legal settlement funds as you know.

The second item is a report on some vandalism that took place the weekend of April 15th. It was down at the raw water lift station which is adjacent to the river. On two different nights, large gatherings of people, I guess it was some sort of a social event. Lots of people, lots of vehicle traffic. The activity mostly took place outside of our fence line on Forest Service land; however, there was some broken glass. I think they might have thrown some beer bottles or something over the fence. And then we discovered that someone had shot two bullet holes in one of our roll-up doors. So I am taking that very seriously. We've had several meetings with Condor Security, the security company, we reached out to the Forest Service, we filed a report with Santa Fe County Sheriff's and we continue to look into this to see what else can be done to keep this from happening. It has been a long time since anything like this has happened, years -- it used to happen frequently but it's been five or six years since something like this has happened; but it happened. So I thought it would be approximate to report that out to the Board.

Also on my list is a report on PFAS. I think I indicated at the last Board meeting that we had that we had sent out for samples and those samples came back to us. And raw water and finished water both samples came back non-detect which is good news.

And then the last item is an update on our staffing. The BDD journeyman electrician position as well as maintenance repairman entry were advertised. Maintenance repairman entry actually closed and we have one candidate. Also recently advertised was the warehouse planner tech position and the instrumentation and control tech position and those are currently advertised as well. And that concludes my report. I would be happy to stand for questions.

CHAIR HAMILTON: Excellent. Are there any questions? Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. So was Condor Security, do they not monitor on the weekends?

MR. CARPENTER: Madam Chair, members of the Board, their contract requires them to do that. They did not have an officer on site during this event. So in response to that, I called the regional director and he drove up from Albuquerque and met with me for a long time. He was guarded. They consider it to be an HR issue and they're in the middle of a disciplinary action. But the contract says what the contract says and they did not provide the services on this particular night. So that is under investigation currently.

COMMISSIONER HANSEN: So there was no report to you of any activities so that you couldn't call the Santa Fe County Sheriff's Office.

MR. CARPENTER: Not until our staff discovered it the following morning.

COMMISSIONER HANSEN: Okay, that's unfortunate because I know that the Sheriff does come out there and patrol for BLM because we have a contract with BLM to patrol out on the Caja del Rio. It's not a very extensive one and it's only really on-call sort of speak if there's something happening out there. But that is very unfortunate.

MR. CARPENTER: Agreed.

COMMISSIONER HANSEN: Thank you for reporting it to the Board. I appreciate it very much.

MR. CARPENTER: Yes, ma'am.

CHAIR HAMILTON: Yes.

COUNCILOR VILLARREAL: Thank you, Madam Chair. Thanks for your memo. I think it is helpful to read it. I'm a visual person so thank you for that. I was just curious about PFAS and the samples. There are different ways to test that and there's also different opinions about what is acceptable levels. And I'm just curious about the methods that we use. And when we say "detectable" is that based on like a certain parts per trillion? I'm just curious about how we test that.

MR. CARPENTER: Madam Chair, members of the Board, thank you for that question, Councilor. Yeah, we can detect all the way down to parts per trillion. I think some reports that I have read go all the way down to 3 parts per trillion. I do not know the exact method although it is standard methodology both when we did our grab samples and the laboratory – but I can give you more detailed answer to that either by email or at the next Board meeting.

COUNCILOR VILLARREAL: That would be great via email. I don't know if anybody else is interested but I am interested in the different ways of testing and then the different ways that folks think it is detectable if it is under a certain threshold. I'm just curious about the numbers and what that looks like.

MR. CARPENTER: Happy to do that.

COUNCILOR VILLARREAL: Thank you so much.

CHAIR HAMILTON: Thank you for asking that question because – and for providing the information – because there are lots of different tests methods and to say it is undetectable clearly whether – undetectable maybe the older but you never know which methods are being used so it would be good to know. Certain methods could still be above some recommended thresholds if it is not sensitive enough. So excellent question, thank you. Other questions. Excellent.

C. Report from the City Finance Director, Emily Oster, Regarding the Status on the BDD Settlement Funds Investment Strategy, as well as the Separation of Funds for BDD

CHAIR HAMILTON: Welcome, Emily Oster, we really appreciate you coming.

EMILY OSTER (City Finance Director): Good afternoon, Madam Chair and members of the Board, it is great to be here with you this afternoon. I think this my first appearance in front of the BDD Board so I am glad to meet you. I am Emily Oster. I am the Finance Director for the City. I have been onboard about eight months now since September. So I am kind of getting up to speed. I have two areas that I am going to be briefing you on this afternoon. The first is the BDD settlement funds strategy and then the second area is the separation of funds for BDD and that ties into the City's audit status so I'll talk a little bit about where we are with the audits as well as part of that update.

So first, with regard to the BDD settlement funds investment strategy, we still have the \$70 million settlement funds invested with Principal Custody Solutions as the custodian.

That is the same as was reported to last year. The investment was made in accordance with the City Investment Policy and in accordance with the Public Money Act which is in State Statute, Chapter 6, Article 10, relating to public money. There are no changes to the City Investment Policy since last year when it was provided. I did bring a copy with me. If the Board is interested I would be happy to pass it over for review but it has not changed since the last time it was provided.

The focus for the BDD settlement funds is on low-risk investments with high liquidity as it is our understanding that the Board intends to proceed with spending the funds and there is procurement underway. There is a distinct and separate account for the BDD funds. I really want to emphasize that. This is a dedicated account that the only thing that is in here is the \$70 million settlement fund. There is no comingling in this account with City funds or with other BDD funds; just the \$70 million. The investment split is approximately 26 percent in money market funds and 74 percent in U.S. Treasury notes and that is similar to last year. [See below for correction to investment percentages] A money market fund is a kind of mutual fund that invests in highly liquid near-term investments. Examples of those would be cash and cash equivalents and high-credit rating debt-based securities with short-term maturities – that’s a long way of saying treasuries. Treasuries and more treasuries. And then money market funds are intended to offer investors high liquidity with low risk. The Treasury note is a U.S. government debt security with a fixed-interest rate and maturities between two and ten years. In this case, the BDD owns U.S. Treasuries with a maturity of two years at a 2.5 percent interest rate. Those were purchased on April 30, 2022 and they mature on April 30, 2024 because they are two-year notes.

The total balance grew from \$70,004,675 to \$71,615,372 which is an increase of about \$1.61 million or 2.3 percent between June 1, 2022 and April 30, 2023. So the information that I am reporting to you is up date as of April 30th of this year. And I just want to reiterate on that point, the balance grew about \$1.6 million which is 2.3 percent over that time period which is about what we would expect given that it is mainly in Treasuries and the yield is about 2.5 percent. The total interest income reported on the April statement was \$2,017,136 and that is reinvested. So that is what I have for you as far as the investment strategy and the status of the funds. I’ll pause there and see if there’s any questions on that portion.

CHAIR HAMILTON: Great idea, thank you. Anybody have any questions on that? Yes, go ahead.

MR. HELMS: Ms. Oster,

COUNCILOR ROMERO-WIRTH: Point of order, he needs to speak into the mic.

MR. HELMS: So sorry. Ms Oster, when you say 74 percent of the \$70 million, more or less, is in Treasuries; is it directly in Treasuries in the name of Buckman or is it through an intermediary?

MS. OSTER: Madam Chair and Member Helms, I want correct that. I actually reversed the numbers when I was reading them. The 74 percent is the money market funds and the 26 percent is the treasury notes and they are all invested through Principal Custody Solutions. That is the custodian. So they are invested in the name of the BDD Settlement Fund with Principal Custody Solutions which is a separate account.

MR. HELMS: So my question is, since we are not directly holding U.S. Treasuries, we do not really have the full faith and credit of the United States government or

the United States of America backing us up. We are subject to the financial strength of the company you mentioned, I don't know their name. What is the strength of that company? Are you happy that that company is good for our \$70 million?

MS. OSTER: Madam Chair and Member Helms, Principal is the custodian for these investments so I think – I don't necessarily agree that their credit worthiness would affect the securities owned by BDD.

MR. HELMS: If the company went under, if whatever they're called again, if are bankrupt what would happen to our \$70 million?

MS. OSTER: Madam Chair and Member Helms, Principal Custody Solutions is a large organization so I think there would probably be federal intervention. Are you concerned about the bank failures that have happened in the last several months?

MR. HELMS: Yes, obviously.

MS. OSTER: Okay. So I think in those cases it is important to be aware that the federal government, the Treasury Department stepped in and seized the deposits of those institutions that were in trouble to prevent them from failing. And the federal government is making those depositors whole over and above the amount of FDIC insurance. So I would imagine that something similar would happen if there were to be an issue with Principal.

MR. HELMS: Yes, but it's not a certain. You're saying that it probably happen. But what you're telling me is that our \$70 million, I'm just talking now about the treasury part but it's probably similar to the other portion of the money market funds which is a much more complicated topic, frankly. If we do not own the treasuries directly as Buckman then we are at risk to the extent that the company we're dealing with does not have the strength of the United States government. Even though it is true that they have stepped in and offered enough and we might get some comfort out of that. But in legal truth we are exposed.

MS. OSTER: Madam Chair and Member Helms, I think that it is extremely common to have securities held with a custodian. Very few people actually hold their own certificates for securities. Most people go through a brokerage or utilize a custodian. So I think there would be the normal level of risk associated with this account with Principal Custody Solutions then there would with any other custodian. I am not aware of any issues with Principal Custody Solutions in relation to their financials.

MR. HELMS: What is the net worth of Principal Custody Solutions?

MS. OSTER: Madam Chair and Member Helms, I don't know. I am happy to research that and get back to you.

MR. HELMS: The topic I am raising is really quite serious. You are quite correct, most people don't concern themselves, they just invest with Merrill Lynch or whoever and street name and all it works out okay. But when the fur starts to fly if your securities are held in street name you might end up with nothing. It is better to own a company through the shares or the United State Treasuries and that's my point here. Well, you've heard my voice I don't have to go any further but I take it quite seriously.

MS. OSTER: Certainly. Madam Chair and Member Helms, securities are assigned a number – it's called a CUSIP – by the federal government. And so the Treasury notes that are owned by BDD that are in the custody of Principal Custody Solutions but are owned by BDD have an identifying number. They have a CUSIP associated with them and so if there were ever any question to ownership we would have documentation showing that

those particular securities are owned by the Buckman Direct Diversion through this account. The money market investments is a fund. That's not specific securities. That is a fund; that is a money market fund.

MR. HELMS: Right.

MS. OSTER: So that's a little bit different. But, again, I would just say that these are extremely low-risk investments and both the state and the city's investment policy require the investment of public funds in this type of very low-risk investment. I think there's risk with any investment. I don't think there's really any way to avoid some level of risk with investment. But on the spectrum with the level of risk, I would say that these investments are very, very safe relative to something like crypto-currency or something else that would be considered to be a high-risk investment.

MR. HELMS: All right.

CHAIR HAMILTON: And then I don't know if the Board is interested but there's kind of a broader general question. Presumably, the City does investment through this company as opposed to through banks or other investment companies that the City is using this for most of their other investments.

MS. OSTER: Yes, Madam Chair, that is correct. The City has other investments in separate accounts through Principal financial group.

CHAIR HAMILTON: Right. And it's a different institution or is this the custodial bank for the City?

MS. OSTER: Madam Chair and members of the Board, the fiscal agent bank for the City is Wells Fargo Bank. This is the custodian for the investments.

CHAIR HAMILTON: Right, right and I think it is similar for the County in terms of having a fiscal agent bank and a custodial bank and whatever. So it's probably – I don't know whether that's actually specified in the investment policy but we're working through custodians but to not do that also means you're not insured. So I think there are rules governing what government entities do in terms of how they do investments. We can certainly check on that if you're interested.

MR. HELMS: Let me mull it over. It's a complicated topic, I know. And we've said enough.

CHAIR HAMILTON: Are there other questions on this piece? Maybe we can move on to the next topic.

MS. OSTER: Certainly, Madam Chair, and I will just note that there is a section included in the City's Investment Policy, it is section 6.11 related to collateralization. So the City does require that the custody bank have collateral to support its deposits so in the event that there was ever any issue, the City would receive the collateral instead of the specific investments.

CHAIR HAMILTON: Thanks for checking on that.

MS. OSTER: All right, so moving on to the next topic, the separation of funds for BDD. So I went back on this and I reviewed the minutes of your May 5th Board meeting so I could get up to speed about that conversation. I can report to you that this project is in the planning stages. I think there is agreement on the concept that we would like to have more separation between BDD and the City's other activities in our Munis financial system. Where we're at with this on the City side is that we're focused 100 percent on getting our financial audits caught up and then we can dive more deeply into this. The successful upgrade of our Munis financial system which occurred in January of this

year will help. There is new functionality available and Munis version 2019 that we didn't have available in the old version, the 2011 version, so as far as providing more separation between BDD activities and other City activities, that new functionality will really be important to helping achieve that goal.

And as I mentioned, the first step is for the City is get caught up on our financial audits. So I have an update for you on the status of those audits. We are making steady progress. We are looking for any opportunity to make that progress faster. Our current focus is on finishing our FY21 audit with an anticipated date of 6/30/23, June 30th about eight weeks from now, for submission to the State Auditor's Office. And then our auditors, Carr, Riggs, Ingram plan to roll straight through FY22 and then to FY23. So our goal at this stage is to submit the FY23 audit to the State Auditor's Office on time. The deadline is December 15, 2023. We have our auditors, Carr, Riggs, Ingram, and our audit prep consultants, CliftonLarsonAllen, doing their work. In April, we had a number of days where we had both of those groups on-site conducting FY21 substantive test work and working with staff on FY22 items, FY23 preparing for the FY24 close and we're kind of juggling four different years at this point, but we have the right folks onboard and we great support from our audit prep consultants and we have a great team with Carr, Riggs, Ingram working on all of these different audits concurrently.

At this point, as of today, the auditors are working on, as I mentioned, the substantive test work for the City. Substantive test work means that they are taking a sample of the transactions from the general ledger and they're requesting documentation for those transactions and then they review the documentation and if they have questions they will ask us. There is kind of an iterative process back and forth until we get them all of the information that they need. That is a very normal and expected part of the audit. The substantive work for BDD and SWMA is expected to begin this month and continue into next month. The auditors have been in contact with BDD staff to start to talk about scheduling and you all can expect an uptick in activity as we proceed into May and get into June. The auditors from Carr, Riggs, Ingram did request earlier this week that they receive a draft of BDD's financial statements for FY21 by early next week. The CliftonLarsonAllen consultants have prepared a draft that is being reviewed by BDD staff and BDD contractors so I believe we are on track to get that over to Carr, Riggs, Ingram by next week so they can work with that. Our Carr, Riggs, Ingram team consists of four external auditors and our CliftonLarsonAllen team has eight members. Some of those members are remote in both teams and the CliftonLarsonAllen team includes two people who specialize in cash reconciliation which has really been helping us move forward on the reconciliation of the cash for all of the fiscal years.

On the City's audit, we hope to start the quality control review process which is really very close to the end. It's not the last step but it's very close to the point where we would be ready to submit to the State Auditor's Office and we hope to start that for the City in early June with that anticipated date of June 30th for submission to the State Auditor's Office. The City staff is focused on working with CliftonLarsonAllen on the consulting side on keeping transactions up to date for FY23 and preparing for the FY23 yearend close.

So with regard to FY23, I wanted to provide you with an update on where we're at with the Munis inventory and general billing modules, I think that you discussed that in a previous meeting. The inventory implementation is in process. That was something that the City has planned to do and we hope to have that functionality available this summer. On the

general billing side, which is what is used for invoicing, the technical build out is nearly complete. We are currently working on the transaction work flow which is the way that the transactions flow through the system and it has to do with the approval process and the internal controls that are built into that. There is also a component that relates to the business process of who enters a transaction, who approves it, how many levels of approval there are – those are the things that we’re working on now with general billing. There is training and testing in process. The BDD team has been involved in that as well as folks from the City Water Department and we really appreciate their time and engagement in that testing and training process that is ongoing for general billing. And we are recording those trainings, those training and testing sessions, so they’ll be available for future reference and review. Some of these things we don’t do every day so it is helpful to have a recording to go back and reference if we’re looking at it a few months later. And my last point on the inventory and general billing implementation is that we expect to have general billing operational by the end of the fiscal year. We hope that it’ll be earlier than that but we are, like I said, in the final stages. The technical functionality is there and now we’re just working on building out the work flow based on business processes and assuring that we have adequate segregation of duties. What that means is that we need to make sure that we have a business process in place to prevent the same person from entering and approving a transaction without having another person involved as a reviewer. That’s something that the City has been working on in Munis and it’s especially important with this general billing implementation.

Madam Chair, I think that that is all that I have. I am happy to take any questions.

CHAIR HAMILTON: That’s just great. So first of all, congratulations on having so much underway and really making progress on it. You might consider taking at least tomorrow night off as it is Cinco de Mayo, maybe get a little bit of a break.

I probably missed it and this is just curiosity, so you think you’ll get 2023 by the end of December, by the end of this calendar year. Would 2022 go with that? You said that after 2021 you’re going to blow right through 2022; is that right?

MS. OSTER: Madam Chair, yeah, okay, so our timeline on FY21 is June 30, 2023. We’re about eight weeks out from that. And as I said we’re wrapping up substantive procedures and hoping to go into quality control by end of this month early next month and then have that submission to the State Auditor’s Office by June 30th. FY22 will just continue and then we’ll go straight into FY23 for an on time submission which is the goal and that would be by December 15, 2023.

CHAIR HAMILTON: Of both years, maybe?

MS. OSTER: Madam Chair, I don’t think so. I think that FY22 will be earlier than that. I don’t have a target date on that. I can say that we did hear from our auditors earlier this week that they are optimistic that they will be able to do concurrent test work for FY22 and FY23 which will add some efficiency to the process. I’ve been very focused on making sure that we’re keeping their team busy and that they’re not having to roll staff off to work on other engagements. There is a labor shortage in the accounting field so –

CHAIR HAMILTON: Yeah, we know that. We all know that.

MS. OSTER: There is capacity constraints on my side within the Finance Department with about a 25 percent vacancy rate. But there are also capacity constraints for the auditors because they have multiple clients. They are not only working on us but they

have let me know that we are on their schedule throughout the summer and all the way through December 15th which is really important to keep that momentum and progress going.

So the dates that I am able to talk about are the June 30th for FY21 and then continuing straight on through FY22 with the goal of having that and FY23 on time by December 15th but in order to do that for FY23, FY22 will need to be done sometime during the fall.

CHAIR HAMILTON: Right and part of the reason – to think about the separation of accounts it sounds like it would be realistic and humane to think about the beginning of 2024 as the first time we could really think about starting that.

MS. OSTER: Madam Chair and members of the Board, you know when I was reviewing the minutes from the May 5th meeting from last year where this topic was discussed, I noticed that Mr. Bejarano had recommended that this type of change be implemented either on July 1st or January 1st of a calendar or fiscal year and I agree with that. I think that this will be a big change and it would have some operational impacts. So implementing it in the middle of a fiscal year would be extremely challenging.

CHAIR HAMILTON: Implementing it at which – the beginning of a fiscal year or the middle?

MS. OSTER: Changing the structure of the BDD information within the Munis system to separate it out more from the City, I would echo Mr. Bejarano's recommendation that that type of change be implemented either on July 1st to correspond with the new fiscal year or January 1st which would be the start of a calendar year. So as far as timeline goes, I would stick to that recommendation. As we really get going on this project, as we get caught up with our audits and we are able to free up some bandwidth and look into the mechanics of providing more separation between BDD and the City, that we would want to look at implementing that type of change either on July 1st or January 1st. As far as what year that occurs in, it's a little bit hard to project. I think at the earliest I would say for FY25, but like I said, at this point it's really difficult to say. And I think it would be very important to plan that carefully and to work closely with Mr. Carpenter and with BDD staff because, you know, making a change like that will affect operations.

CHAIR HAMILTON: Absolutely. And I guess I was trying to educate myself and had a little chat with our finance director who said the same thing. Like, there are pros and cons to both, you know, at the middle of the year – when the audit is just completed or at the beginning of the fiscal year, either way you're going to have things to catch up on one way or the other. So frankly my thought and I'm sure people can weigh-in as they want, is we would be looking to you for your recommendation of what your professional and recommendation in terms of workload. I wasn't suggesting that it be implementable January 1, 2024. That was what I was suggesting that that would be the time you'd be able to get to starting to think about it and work on whatever process. So it makes sense for you to say that FY25 would be July 1, 2024; right, do I have that? Good. But either way I think it would be nice to be able to start when you've got the audits under your belt and looking at what needs to be done. I mean, I know at that point Rick was looking at the cash accounts and giving us reports back. I assume you have the stuff he did and it's also at least a year old so I know it's – I think the expression is overtaken by history or overtaken by events – but if we could start looking at it and you could make that

recommendation. That's I think would be really nice to see early next year and obviously the rest is you working with BDD staff and whatever to implement it.

MS. OSTER: Madam Chair and members of the Board, I really appreciate that and I appreciate the support to get the audits caught up. I think that's important for the City and for BDD and just for the community as a whole. So I am really committed to that goal.

CHAIR HAMILTON: Right.

MS. OSTER: I think that this type of project that we're contemplating here with creating more separation between BDD and the rest of the City will require careful planning. So I really appreciate the opportunity to dedicate the time and attention to it that I really feel that it needs and deserves. And I think that no matter how it is done, it will have some operational impacts. So taking the time to carefully plan that out and prepare for it will be really important. So I am optimistic that we'll be in a position to start that planning process around the beginning of the calendar year.

CHAIR HAMILTON: Great. I really appreciate that you started saying that you agreed in principle it's a matter of then being practical and getting there. And that's really, I think, what we're looking for. I'm very glad to hear that and then after that it's like no matter how much we want to do something to still have the practicality of it and if you were overstaffed that would be great but none of us are. The reality of having to do things somewhat sequentially makes sense to me. So are there – Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Emily, very much for your presentation. So you mentioned when you're going to get the City audits done but when are we going to get our audits done? Because most of our audit issues have been with the cash balance?

MS. OSTER: Madam Chair and Commissioner Hansen, Member Hansen, I expect the timeline to be similar to the City. The BDD and SWMA are component units of the City so they're going to be reported as part of the City's financial statement. So in order to finish the City's audit we need to make sure that everything is tied down for BDD and SWMA as well.

COMMISSIONER HANSEN: Okay. Good luck and thank you.

CHAIR HAMILTON: Are there other questions? Great, thank you so much for coming and reporting on this. This was very, very helpful and just what we were looking for.

MS. OSTER: Thank you, Madam Chair and members of the Board. It would be my pleasure to come back whenever you'd like an update.

CHAIR HAMILTON: Thank you. I am sure we'll do that, periodic, not too frequently but periodic would be great, thanks.

6. ACTION ITEMS

None were presented.

7. MATTERS FROM THE PUBLIC

None were presented.

8. MATTERS FROM THE BOARD

None were presented.

9. NEXT MEETING: Thursday, June 1, 2023 at 4:00 p.m.

19. ADJOURN

Having completed the agenda and with no further business to come before the Board, Commissioner Hansen moved to adjourn and Chair Hamilton seconded and declared this meeting adjourned at approximately 4:55 p.m.

Approved by:

Anna Hamilton, Board Chair

Respectfully submitted:

Karen Farrell, Wordswork

ATTEST TO

KATHARINE E. CLARK
SANTA FE COUNTY CLERK

D R A F T

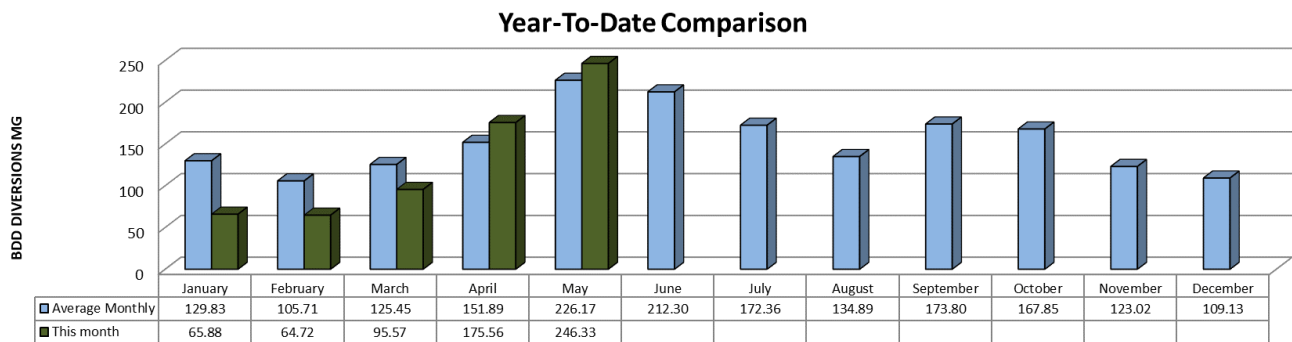
- subject to approval -



Date: June 1, 2023
To: Buckman Direct Diversion Board
From: Randy Sugrue, BDD Operations Superintendent
Subject: Update on BDD Operations for the Month of May 2023

ITEM:

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of May 2023. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD), as follows:
 - a. Raw water diversions: 7.95 MGD.
 - b. Drinking water deliveries through Booster Station 4A/5A: 6.20 MGD.
 - c. Raw water delivery to Las Campanas at BS2A: 1.51 MG
 - d. Onsite treated and non-treated water storage: 0.24 MGD Average.
2. The BDD is providing approximately 59% percent of the water supply to the City and County for the month.
3. The BDD year-to-date diversions are depicted below:



4. Regional Demand/Drought Summary and Storage-see page 2.



Regional Water Overview

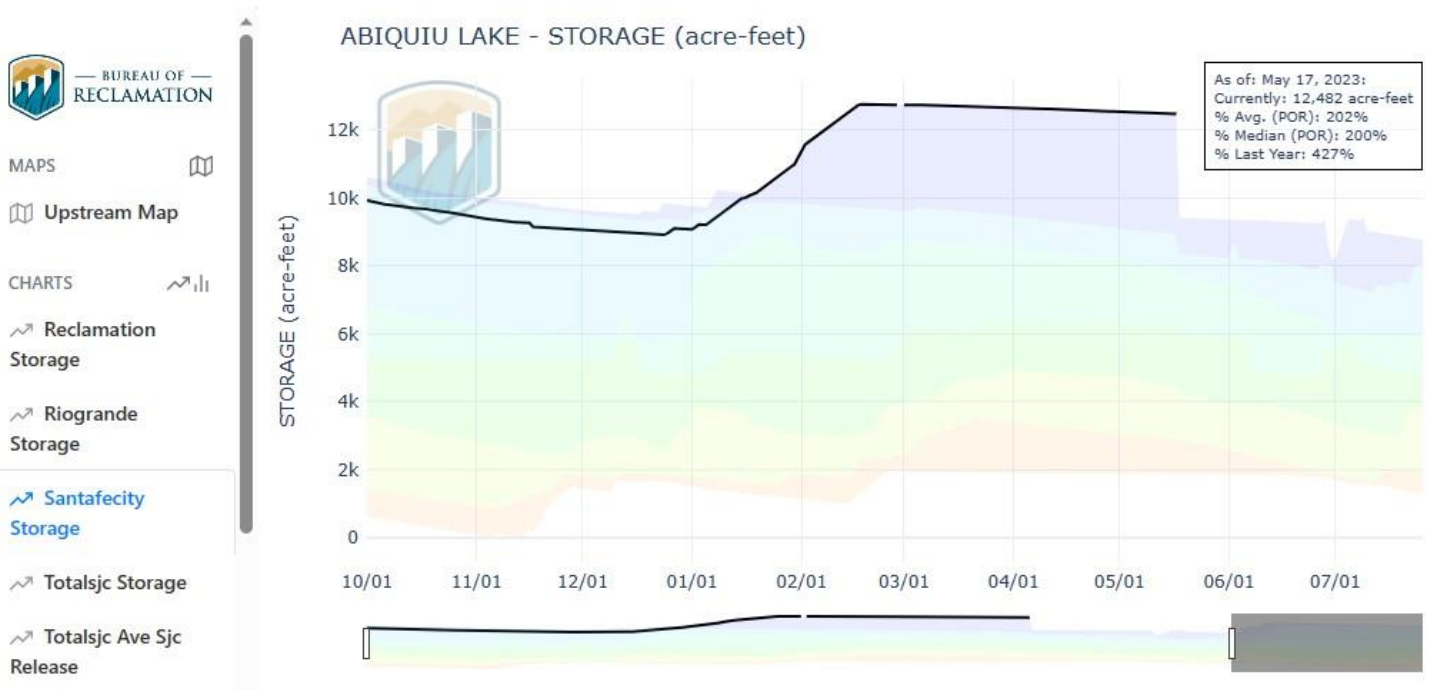
Daily metered regional water demand for the month of May 2023 is approximately 10.5 MGD.

Rio Grande flows for May 2023 averaged approximately 5500 CFS (cubic feet per second.)

CRWTP reservoir storage: Nichols: 95.2%/McClure: 85.8% (87% combined) Watershed Inflow: 27.9 MGD

City/County/LC Storage- as updated by partners. As of Mar. 13, 2023 City of SF Abiquiu/Heron SJC storage is at about 12,593AF.

As of May 1, 2023 the City of Santa Fe has been allocated 1359.0AF of 5230AF and SF County 97.0AF of 375AF of SJCP water.



ENSO Summary

May 22, 2023

ENSO-neutral conditions are observed.

Equatorial sea surface temperatures (SSTs) are near-to-above average across most of the Pacific Ocean.

A transition from ENSO-neutral is expected in the next couple of months, with a greater than 90% chance of El Niño persisting into the Northern Hemisphere winter.



Buckman Direct Diversion Monthly SJC and Native Diversions

May-23

In Acre-Feet

Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-04842-A RG Native VIA SFC LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	SP-2847-E SJC Undiverted CITY	All Partners Conveyance Losses
JAN	202.766	170.639	0.000	32.127	32.127	0.000	0.000	0.316
FEB	198.863	198.863	0.000	0.000	0.000	0.000	0.000	0.000
MAR	298.509	283.752	0.000	14.757	-0.183	14.940	0.000	0.148
APR	539.513	456.749	68.929	13.835	13.835	0.000	0.000	0.050
MAY	756.220	612.894	143.326	0.000	0.000	0.000	0.000	0.000
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	1,995.871	1,722.897	212.255	60.719	45.779	14.940	0.000	0.514

In Million Gallons

Month	Native COUNTY	SFC Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	SJC Undiverted CITY	All Partners Diversions
JAN	55.583	0.000	10.347	10.347	0.000	0.000	65.930
FEB	64.776	0.000	0.000	0.000	0.000	0.000	64.776
MAR	92.427	0.000	4.752	-0.059	4.819	0.000	97.179
APR	148.778	22.453	4.484	4.484	0.000	0.000	175.714
MAY	199.640	46.686	0.000	0.000	0.000	0.000	246.326
JUN	0.000	0.000	0.000	0.000	0.000	0.000	0.000
JUL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AUG	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEP	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OCT	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DEC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	561.204	69.139	19.583	14.772	4.819	0.000	649.926



Buckman Direct Diversion Monthly SJC and Native Diversions

Dec-22								
In Acre-Feet								
Month	Total SJC + Native Rights	SP-4842 RG Native COUNTY	SD-03418 RG Native LAS CAMPANAS	SJC Call Total	SP-2847-E SJC Call CITY	SP-2847-N-A SJC Call LAS CAMPANAS	SP-2847-E SJC Undiverted CITY	All Partners Conveyance Losses
JAN	511.288	154.905	0.000	356.382	356.382	0.000	0.000	3.203
FEB	421.814	421.814	0.000	0.000	0.000	0.000	0.000	0.000
MAR	376.496	302.219	0.000	74.277	74.277	0.000	0.000	0.758
APR	538.222	408.237	0.000	129.985	129.985	0.000	0.000	1.327
MAY	596.137	596.137	0.000	0.000	0.000	0.000	0.000	0.000
JUN	660.831	300.636	0.000	360.194	360.194	0.000	0.000	2.397
JUL	582.150	122.961	0.000	459.189	459.189	0.000	0.000	2.232
AUG	166.030	0.000	0.000	221.847	221.847	0.000	55.818	1.067
SEP	439.944	30.356	0.000	409.588	383.240	26.348	0.000	1.982
OCT	505.999	25.135	0.000	480.864	456.039	24.825	0.000	4.780
NOV	263.142	0.000	0.000	270.146	259.271	10.875	7.004	2.699
DEC	177.158	9.051	0.000	168.107	168.107	0.000	0.000	1.650
TOTAL	5,239.210	2,371.451	0.000	2,930.579	2,868.532	62.047	62.821	22.095

In Million Gallons

Month	Native COUNTY	Native Las Campanas	SJC TOTAL	SJC CITY	SJC Las Campanas	SJC Undiverted CITY	All Partners Diversions
JAN	50.458	0.000	114.878	114.878	0.000	0.000	165.336
FEB	137.399	0.000	0.000	0.000	0.000	0.000	137.399
MAR	98.443	0.000	23.913	23.913	0.000	0.000	122.356
APR	132.976	0.000	41.848	41.848	0.000	0.000	174.825
MAY	194.181	0.000	0.000	0.000	0.000	0.000	194.181
JUN	97.927	0.000	115.951	115.951	0.000	0.000	213.878
JUL	40.052	0.000	147.861	147.861	0.000	0.000	187.914
AUG	0.000	0.000	71.472	71.472	0.000	18.182	71.472
SEP	9.888	0.000	131.951	123.448	8.503	0.000	141.839
OCT	8.187	0.000	154.855	147.123	8.009	0.000	163.042
NOV	0.000	0.000	86.992	83.484	3.508	2.281	86.992
DEC	2.948	0.000	54.143	54.143	0.000	0.000	57.092
TOTAL	772.460	0.000	943.866	924.123	20.020	20.463	1,716.326

Memorandum



Buckman Direct Diversion

Date: May 24, 2023

To: BDD Board

From: Rick Carpenter, BDD Facilities Manager

RC

Re: BDD Facilities Manager Monthly Update to the BDD Board

Item and Issue

Below is the monthly update from the BDD Facilities Manager for the BDD June 2023 Board meeting:

- Major Repair and Replacement (MR&R) Fund. The BDD Facility Manager is to provide updates as needed on MR&R fund expenditures or other major expenditures on projects. Expenditures for the month of May were the following:

Ozone coupling seal leak repair. \$1,721.60

- BDD Journeyman Electrician, Instrumentation and Control Tech, Maintenance Planner/Scheduler, and Maintenance Repairman Entry. The BDD re-advertised the position of Journeyman Electrician which closes 6/21/23. The BDD re-advertised the positions of Instrumentation and Control Tech and Maintenance Planner/Scheduler and they closed on 5/28/23. The BDD advertised the position of Maintenance Repairman Entry and received one viable candidate who interviewed but later declined the offer.



Buckman Direct Diversion 341 Caja del Rio Santa Fe, NM 87506





Date: June 1, 2023
To: Buckman Direct Diversion Board
From: Monique Maes, Contracts Administrator
Via: Rick Carpenter, Facilities Manager
Re: Daniels Insurance Inc. Amendment 2

ITEM

Request for approval of Amendment No. 2 to the Professional Services Agreement (PSA) with Daniels, Inc to increase compensation of PSA Agreement #21-0421 in an amount up to \$141,470.00 plus NMGRT for FY2024.

BACKGROUND

Under that *Joint Power's Agreement*, Section 23, the board is required to carry insurance coverage separate and apart from the partner's respective policies.

In June 2021, the BDDDB entered into a four year contract agreement with Daniels Insurance Inc. to serve as its Agent/broker of record for the purpose of providing insurance coverage services. This amendment will be for year three of a four year contract term. This contract includes all commercial lines, boiler and machinery, and broker fees for the three years. The amount for FY2024 will be up to \$141,470.00 pending a price submittal from the agent. The cost for year 1 was \$126,578.00, the cost for year 2, Amendment 1, was \$134,377.00, the total for all three years is \$402,425.00.

Procurement Method: RFP 21/36/P
Munis Contract Number: 3202833
Funding Source: Operating budget
ORG/OBJ: #8000801.555860
PL Code: BDD9000

ACTION

Staff recommends approval of Amendment No. 2, to the PSA with Daniels Insurance Inc.

Approved by BDDDB June 1, 2023

BDD Chair, Anna Hamilton





Date: June 1, 2023
To: Buckman Direct Diversion Board
From: Monique Maes, Contracts Administrator
Via: Rick Carpenter, Facilities Manager
Re: Daniels Insurance Inc. Amendment 2

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ORG/OBJ: #8000801.555860
PL Code: BDD9000

ACTION

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Approved by BDDDB June 1, 2023

BDD Chair, Anna Hamilton



**BUCKMAN DIRECT DIVERSION BOARD
AMENDMENT NO. 2 TO
PROFESSIONAL SERVICES AGREEMENT
WITH DANIELS INSURANCE INC.
Item #21-0421, # 22-0330**

THIS AMENDMENT NO. 2 (the "Amendment") to the PROFESSIONAL SERVICES AGREEMENT, dated July 6, 2021, and as subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board ("BDDDB") and Daniels Insurance Inc. ("Contractor"). The effective date of this Amendment shall be the date it is executed by the BDDDB.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide insurance brokerage, risk control services and claims management services as described in Exhibit A of the Agreement.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the BDDDB and Contractor agree as follows:

1. COMPENSATION.

Article 3, paragraph A of the Agreement is amended to increase the amount of compensation by a total amount of One Hundred Forty-One Thousand Four Hundred Seventy Dollars (\$141,470.00) plus applicable gross receipts tax, so that Article 3, paragraph A reads in its entirety as follows:

A. Compensation under this agreement shall be in an amount not to exceed Four Hundred Two Thousand Four Hundred Twenty-Five Dollars (\$402,425.00), plus applicable gross receipts tax.

B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the BDDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services performed.

2. TERM AND EFFECTIVE DATE.

Article 5, of the Agreement is amended to extend the term to terminate on June 30, 2024.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains, and shall remain, in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the dates set forth below.

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]***

BUCKMAN DIRECT DIVERSION BOARD

**CONTRACTOR:
Daniels Insurance, Inc.**

By: _____
BDD Chair, Anna Hamilton

Signature: _____

Printed Name: _____

Date: _____

Title: _____

Date: _____

APPROVED AS TO FORM

New Mexico Tax & Revenue

Nancy R. Long

Nancy R. Long, BDDB Counsel

CRS# _____

City of Santa Fe Business

ATTEST

Registration# _____

County Clerk, Katharine Clark

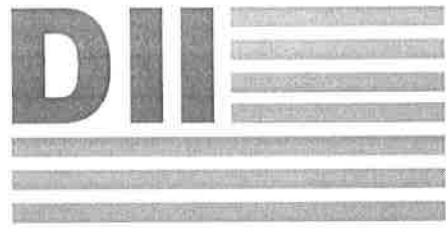
APPROVED FOR FINANCES

City Finance Director, Emily Oster

ATTEST

City Clerk, Kristine Bustos-Mihelcic

File Date: _____



DANIELS INSURANCE INC.
An **Assurex** Global Partner

Proposal Prepared For

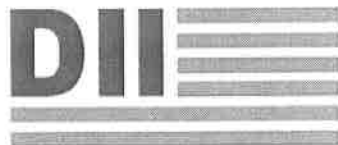
Buckman Direct Diversion Board

Proposed Period
July 1, 2023 - July 1, 2024

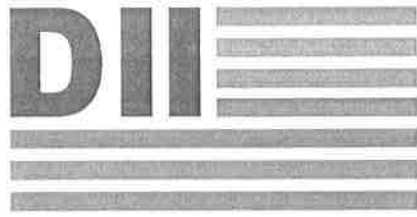
Presented By

Michael Latting
Daniels Insurance, Inc.-Santa Fe
805 St Michaels Drive
Santa Fe, NM 87505

Date: May 31, 2023



DANIELS INSURANCE INC.
An **Assurex** Global Partner



DANIELS INSURANCE INC.
An **Assurex** Global Partner

Table of Contents

Who We Are	2
What We Do	3
Agency of the Future	3
Our Locations	4
Your Daniels Team	4
Disclaimers	5
Flood Insurance Information	5
Premium Summary	6
Proposal Acceptance	7
Named Insureds	8
Mailing Address	8
Insured's Locations	8
Insurance Carrier Terms and Conditions	9
Claims Made Policy Information	10
Insurance Carrier Rating Information	11
Coinsurance Demonstration	12

Who We Are

Since opening our doors in 1937, Daniels Insurance Agency has been dedicated to addressing the diverse insurance needs of businesses and residents throughout New Mexico. From large and complex risks to start-ups, small companies, and Main-Street businesses, we have the experience and expertise to provide specialized coverages to transfer and mitigate risk. As one of the largest independent insurance agencies in the State of New Mexico, we have established longstanding partnerships with leading insurers that enable us to secure custom coverage for many large accounts that have had difficulty finding a home for their insurance along with high limits of liability.

Daniels Insurance Agency is one of the largest independent insurance agencies in the State of New Mexico, with a history of insuring residents and businesses throughout our communities. We have built our impeccable reputation based on the unmatched service our staff offers from our three offices located in Hobbs, Albuquerque, and Santa Fe.

When you partner with Daniels Insurance Agency, you gain an insurance expert looking out for your interests. You can also be assured that Daniels Insurance Agency is as concerned about the long-term success of your company as you are.

As your representative our responsibility is to obtain a comprehensive insurance program that is customized to your needs and is competitively priced. Our strong relationship with many insurance companies allows us to do just that. We work hard to preserve those relationships because, we know that ultimately, they provide access to the largest group of available products and services.

Forming and maintaining relationships is a large part of who we are. Trust, open communication, and listening to our client's needs are at the foundation of everything we do.

What We Do

Our breadth and depth of experience also extends to several key industries including:

- Construction
- Healthcare
- Hospitality
- Energy
- Manufacturing
- Public Entities

We provide critical risk management and loss control to business clients to help improve your risk profile, minimize injuries, and accidents and enhance your overall attractiveness to insurers. We also can help you attract and retain talent with a broad portfolio of employee benefits.

Daniels Insurance provides residents with personal lines insurance, including specialized coverage and services to meet the unique risks of high-value homeowners.

With three locations in Hobbs, Albuquerque and Santa Fe, our staff is ready to provide you with the quality service you should expect from your insurance consultant. All three offices have a number of producers, customer service agents, and staff members. In addition, all our producers are licensed, with several of our customer service agents also licensed and holding special insurance designations such as AAI, CPIW, CIC and CPCU. Our fully automated agency supports our commitment to address your needs on a timely basis.



Daniels Insurance Agency is a proud member of Assurex Global, which partners with the most prominent independent agents and brokers in the world. We're also a member of the Independent Agents & Brokers of America, a national alliance of business owners and their employees who offer a wide range of insurance and financial services products.

Daniels Insurance Agency is poised to help you navigate the risks you face today while assisting you with solutions and strategies to support your business as it expands and grows. We are also an integral part of the communities we serve, understanding the issues of our region to effectively serve our business and individual clients.

Agency of the Future

Daniels uses the most current technologies to maintain your critical information and provide you with up-to-date services. One of these services is the Daniels Client Portal.

Daniels Client Portal provides you, our client, with secure access to your insurance related information real-time. Based on your needs the following may be available to you through our portal.

- Auto ID Cards – These are often lost. No need to call us and wait for it to be re-issued and sent to you. You open the portal and print.
- Certificates of Insurance – These can be available for re-print as you need. If you prefer, someone in your firm can be authorized to issue your needed certificates.
- Electronic copies of your policy documents.
- Contact information on the Daniels team assigned to your account.

The Daniels Client Portal allows us to provide you with sensitive information in a private, secure way. The portal also allows you to provide information back to us. A prime example of this is your company's driver list. This list contains dates of birth and driver license numbers. When these are transmitted by email, they are not secure. However, through the portal they are.

Our Locations

Albuquerque, NM

320 Gold SW., Suite 700
Albuquerque, NM 87102
(800) 848-9643 Toll Free
(505) 766-9676 Phone
(505) 766-9679 Fax

Hobbs, NM

300 North Linam
Hobbs, NM 88241
(800) 530-8885 Toll Free
(575) 393-5191 Phone
(575) 397-4762 Fax

Santa Fe, NM

805 St. Michaels Drive
Santa Fe, NM 87502
(800) 815-2183 Toll Free
(505) 982-4302 Phone
(505) 989-9186 Fax



Your Daniels Team

The Daniels' Team is ready to assist you with your insurance needs. Contacting your Customer Service Agent will provide you access to the quickest service. Your Customer Service Agent will assist you with certificates of insurance and change requests, such as adding or deleting autos, property, equipment, etc. Your producer is often out of the office visiting other clients. Your Customer Service Agent is your first point of contact.

Customer Service Agent

Stefanie Romero
sromero@danielsinsuranceinc.com

Account Executive

Michael Latting
mlatting@danielsinsuranceinc.com

Management

Michael Latting
mlatting@danielsinsuranceinc.com

Claims

Stefanie Romero
sromero@danielsinsuranceinc.com



Disclaimers

Please Note The Following:

This proposal is for "illustration purposes only". Coverage is not bound, and this is a summary of proposed coverages. Once coverage is bound, please refer to the actual policies presented for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. Specimen copies of proposed policies are available for your review prior to the binding of coverage.

In evaluating your exposures to loss, we have depended upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring this information to our attention. Property values have been obtained from you and may not have been independently appraised. Please review your property values carefully.

Should any of your exposures change after coverage is bound, such as new operations, hiring employees in additional states, buying additional property, etc.; please let us know so that we may request appropriate adjustments from your insurance carrier.

Higher limits of liability may be available and will be quoted on request.

Flood Insurance Information

Each year, business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available - primarily through the National Flood Insurance Program - it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.

As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

We are glad to provide you with information on flood insurance that is available in your area.



PREMIUM SUMMARY

NAMED INSURED: Buckman Direct Diversion Board

COVERAGE	INSURANCE CARRIER	PRIOR YEAR PREMIUMS	PROPOSED PREMIUMS
Business Automobile	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$6,152.00	\$11,564.00
	<i>Units</i>	5	
General Liability	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$27,019.00	\$24,257.00
Professional Liability	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$2,023.00	\$2,014.00
Commercial Property	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$53,258.00	\$58,712.00
Equipment Floater	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$589.00	\$586.00
Commercial Crime	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$563.00	\$560.00
\$5M/Excess Liability	<i>National Union Fire Insurance Co Pittsburgh PA</i>	\$11,471.00	\$11,180.00
100M/Boiler & Machinery	<i>Hartford Steam Boiler Inspec and Insurance</i>	\$24,802.00	\$24,097.00
Total Premium		\$125,877.00	\$132,970.00
	Consulting Fee	\$8,500.00	\$8,500.00
	Total	\$134,377.00	\$141,470.00

Proposal Acceptance

Billing: The insured will be billed directly for the premium.

- Prepaid/ Full Pay

Contingencies: Each of the following items is needed in order for Daniels Insurance to order the proposed insurance coverages.

- Signed Proposal Acceptance
- Advise any additional coverage to be quoted at this time.
- Compliance with Loss Control recommendations, if any.
- Other contingencies as required by agency and/or insurance carriers.

Acceptance of Proposal and any modifications to the proposal, Payment Terms and Contingencies:

Signature:

Insured: Buckman Direct Diversion Board

By: _____

Date: _____

Your preferred method of delivery of Policies by Daniels Insurance, Inc.

_____ **Email**

_____ **Mail**

_____ **In Person**

Your preferred method of delivery of all other items by Daniels Insurance, Inc.

_____ **Email**

_____ **Mail**

_____ **In Person**



Named Insureds

Named Insured(s)		Type of Entity
First	Buckman Direct Diversion Board	Other

Mailing Address

General Office
341 Caja del Rio
Santa Fe, NM 87506

Insured's Locations

Loc #	Address
1	341 Caja Del Rio Building 10, Santa Fe, NM 87507
2	Old Buckman Rd Diversion Structure, Santa Fe, NM 87506
3	Old Buckman Rd Sediment Removal Facility, Santa Fe, NM 87506
4	Old Buckman Rd Booster Station 2A, Santa Fe, NM 87506



Insurance Carrier Terms and Conditions

National Union Fire Insurance Co Pittsburgh PA

A.M. Best Rating: A XV

Admitted

Hartford Steam Boiler Inspection and Insurance Company

A.M. Best Rating: A++ XI

Admitted

The following pages are the insurance carrier terms and conditions that Daniels Insurance has requested on your behalf.





BUCKMAN DIRECT DIVERSION BOARD

PRESENTED BY: DANIELS INSURANCE INC
805 SAINT MICHAELS DRIVE
SANTA FE, NM 87502
505.982.4302

EFFECTIVE DATE: 07/01/2023

This quote proposal is valid until the proposed effective date.

PROPOSAL DATE: 05/30/2023

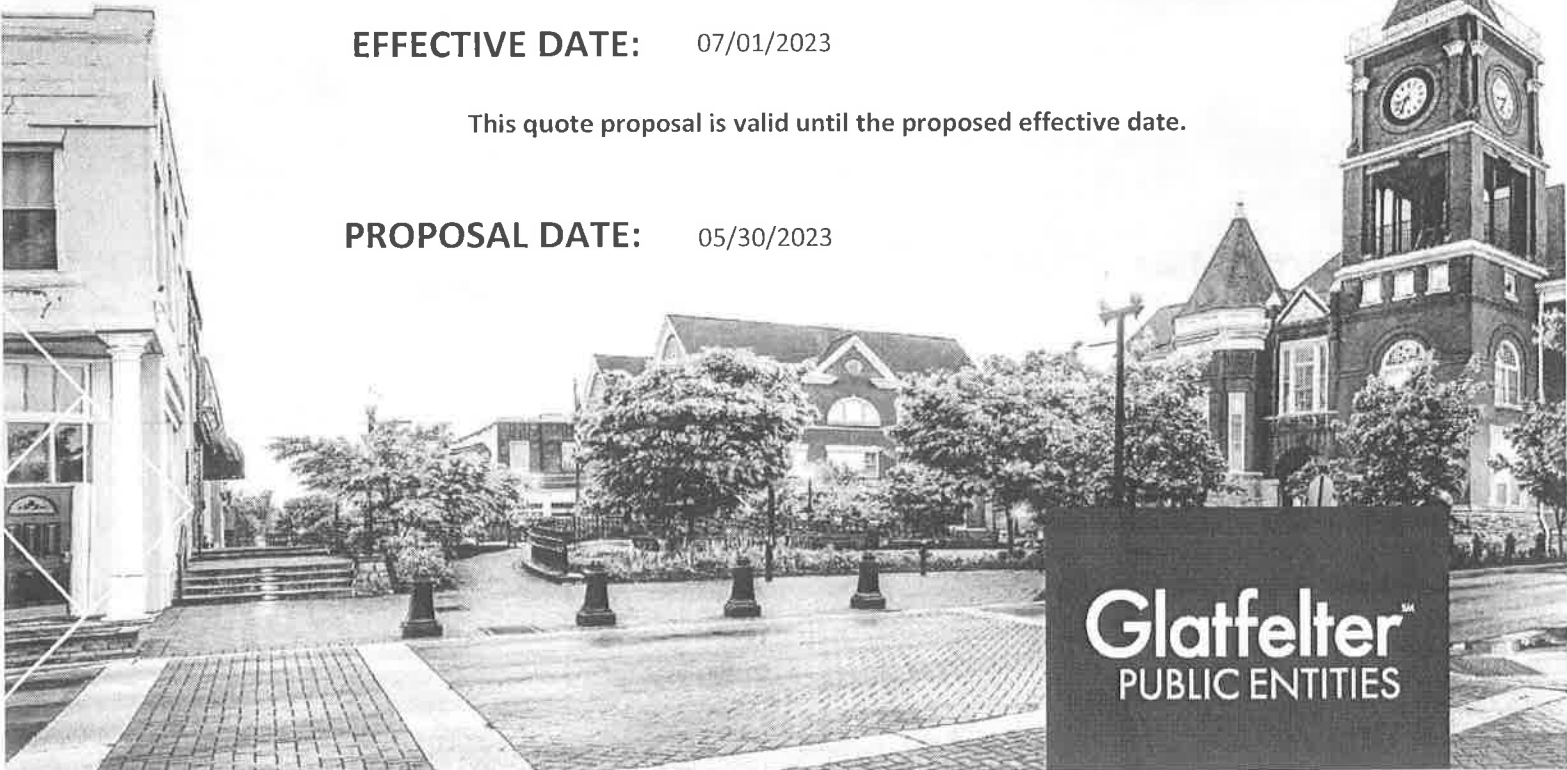


TABLE OF CONTENTS

THANK YOU FOR RENEWING..... 3

GLATFELTER PUBLIC ENTITIES 4

PROPOSAL..... 6

 GENERAL INFORMATION 6

 PROPERTY 7

 CRIME 15

 INLAND MARINE 16

 AUTO 20

 GENERAL LIABILITY..... 22

 PUBLIC OFFICIALS AND MANAGEMENT LIABILITY 25

 EXCESS LIABILITY 30

 PROPOSAL NOTES 31

 PREMIUM SUMMARY 32

GLATFELTER PUBLIC ENTITIES ORDER FORM 33

PROPERTY – STATEMENT OF VALUES..... 34

THANK YOU FOR RENEWING

Thank you so much for choosing to renew your insurance with Glatfelter Public Entities.

Your decision means a great deal to us as we continue to serve Public Entities and select other segments of many sizes and complexities across the country with insurance and risk management services.

We trust you have felt the Glatfelter difference and that it has helped inspire your decision to remain a client. As our client, you are part of a large and growing community of public entities, including cities, towns, villages and other municipalities, water and wastewater entities, educational institutions as well as related segments of private schools, private water/wastewater and independent school bus contractors across the country.

We look forward to continuing to serve you and seek to continually exceed your expectations with our service and fair, responsive and courteous claims handling.

Please visit our website at glatfelterpublicentities.com to learn more about the services we offer or give us a call at 888.855.4782 to have a discussion.



Mark McCrary, ARM-P, AIC
President

THE PUBLIC ENTITY
INSURANCE SPECIALIST

GLATFELTER PUBLIC ENTITIES

Glatfelter Public Entities, a division of Glatfelter Insurance Group, is the nation's premier public entity program manager for the following classes: educational institutions, municipalities and water/sewer entities. Glatfelter Public Entities also writes private/charter schools and independent school bus contractors. We are recognized as the industry leader in our target markets. Glatfelter Public Entities' mission statement is simple: we strive to provide our customers with innovative and stable products, prompt and considerate claims handling, attentive and personal service, pricing equity, and carrier security. Our commitment to customer service is evidenced by our high retention ratio and portfolio growth. Glatfelter Public Entities' services include program underwriting, policy administration, product and program management, loss control, claims administration, licensing, compliance, and actuarial services. We distribute our products through a national network of independent brokers and believe our partnership is responsible for the distinct competitive advantage we enjoy in our target market.

Glatfelter Public Entities offers a broad portfolio of coverages including:

- Property (including Equipment Breakdown)
- Crime
- Inland Marine
- Auto
- General Liability
- Law Enforcement Activity Liability
- Public Officials & Management Liability (including Employment Practices Liability)
- Educators Legal Liability (including Employment Practices Liability)
- Cyber Liability & Privacy Crisis Management Expense
- Excess Liability

Workers' Compensation is also available in select programs.

Please contact your insurance representative if you are interested in modifying your proposal to include one or more of these available coverages.

Agency License OB17046

YOUR INSURANCE PROPOSAL

This proposal is prepared from information supplied to Glatfelter Public Entities on the application submitted by your insurance representative.

The lines of business shown in this proposal are offered as a complete portfolio. Purchase of individual lines of business requires underwriting approval. This proposal may or may not contain all terms requested on the application. Proposed coverages are provided by the Glatfelter Public Entities insurance policy forms and are subject to the terms, exclusions, conditions and limitations of those policy forms. Actual policies should be reviewed for specific details. Your insurance representative can provide specimen policies upon request.

Your exposure to loss changes over time. Keep your insurance representative informed of any changes, so your coverage can be updated. We strongly recommend frequent reviews of your operations and Glatfelter Public Entities coverage with your insurance representative.

The proposed admitted Property and Casualty coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, Pa. (A.M. Best #19445). National Union Fire Insurance Company of Pittsburgh, Pa. (NUFIC) is rated A (Excellent) in Financial Size Category XV by A.M. Best Company. For certain lines of insurance, the proposed Property and Casualty coverage may be offered by a surplus lines insurer, such as Lexington Insurance Company, if coverage by NUFIC is unavailable.

Glatfelter Claims Management provides the claims management services for Glatfelter Public Entities insureds exclusively.

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The Glatfelter Public Entities Program is administered by Glatfelter Underwriting Services, Inc. a/k/a Glatfelter Insurance Services in CA, MN, NV and UT and Glatfelter Brokerage Services in NY. CA Insurance Producer License #0B17046. Glatfelter Underwriting Services, Inc., an American International Group, Inc. (AIG) company, is a premier manager and specialist of specialty commercial insurance markets in the U.S. This proposal provides a brief description of proposed insurance coverages for your consideration. It is not a contract of insurance. Refer to the actual insurance policy for a description of coverage, exclusions and conditions. Specimen policies are available for your review. All products and services are written or provided by subsidiaries or affiliates of AIG. Products or services may not be available in all countries, and coverage is subject to actual policy language. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

PROPOSAL

GENERAL INFORMATION

This Proposal reflects the renewal of policies listed below:

Policy Number	Effective Date	Expiration Date
GPNU-PF-0022404-02	07/01/2022	07/01/2023

First Named Insured: BUCKMAN DIRECT DIVERSION BOARD

Mailing Address: 341 CAJA DEL RIO
SANTA FE, NM 87506

PROPERTY

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

This coverage contains the following four sections:

- **Coverage A. Real Property** protects you for direct physical loss or damage to your buildings and structures at a premises shown on the schedule in this document caused by or resulting from a covered cause of loss. Pays up to the limit shown on the schedule in this document in any one occurrence. Real Property includes foundations of buildings, structures, machinery or boilers.
- **Coverage B. Personal Property** protects you for direct physical loss or damage to your contents at a premises shown on the schedule in this document caused by or resulting from a covered cause of loss. Pays up to the limit shown on the schedule in this document in any one occurrence.
- **Coverage C. Loss of Income** protects your loss of income if your operations are interrupted because of a covered loss to your buildings or contents. Covers the loss of income you sustain during the period of restoration. Pays up to the limit shown on the schedule in this document in any one occurrence.
- **Coverage D. Extra Expense** protects you from extra expense you incur if your operations are interrupted because of a covered loss to your buildings or contents, provided the extra expense is necessary to minimize your down-time and continue operations. Covers the extra expense (over and above normal operating expenses) incurred during the period of restoration. Pays up to the limit shown on the schedule in this document in any one occurrence.

Glatfelter Public Entities insures property against *any* cause of direct physical loss or damage unless the cause of loss is specifically excluded. Notable exclusions to coverage include, but are not limited to, war, nuclear activity, earthquake or flood, and asbestos. Please refer to the actual Property Coverage Part for a complete description of coverage, exclusions, and conditions.

Earthquake Coverage or Flood Coverage is optional for eligible locations if not identified below.

A deductible applies to all property coverage unless otherwise noted in the proposal.

Valuation

Glatfelter Public Entities insures property on a **Replacement Cost (RC)** basis unless indicated otherwise. If indicated on the Schedule of Property Limits, property coverage on designated premises may be provided on an **Actual Cash Value (ACV)** or **Functional Replacement Cost (FRC)** basis. Descriptions are:

- **Replacement Cost** pays to replace your property, without deduction for depreciation, but is subject to the limit on the policy.
- **Actual Cash Value** pays the cost to replace your property, subject to depreciation and subject to the limit on the policy.
- **Functional Replacement Cost** pays to replace your property with similar property intended to perform the same function, when replacement with identical property is impossible or unnecessary; it's subject to the limit you select.

Property

Policy Deductible: \$50,000

Equipment Breakdown Deductible:

If no deductible is shown above or otherwise described in the Proposal notes, the Policy Deductible applies.

Property Premises Summary

<u>Premises</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
1	341 CAJA DEL RIO	SANTA FE	NM	87506
2	OLD BUCKMAN ROAD -35.836286642920435,	SANTA FE	NM	87506
3	OLD BUCKMAN ROAD -35.8291902937423,	SANTA FE	NM	87506
4	OLD BUCKMAN ROAD -35.77669772290078,	SANTA FE	NM	87506

Schedule of Property Coverage – Policy Blanket Limits

The following Blanket Limit Schedule for Coverage A – Real Property and Coverage B – Personal Property applies to all items of Real Property and Personal Property except for the property listed in the Schedule of Property Coverage – Individual Limits.

<u>Premises</u>	<u>Blanket Limit of Insurance</u>	<u>Valuation</u>	<u>Coinsurance</u>	<u>Inflation Guard</u>
All	\$171,790,281	RC	N/A	4%

Schedule of Property Coverage – Individual Limits

<u>Premises/ Item</u>	<u>Description/ Occupancy</u>	<u>Real Property</u>			<u>Personal Property</u>				
		<u>Limit</u>	<u>Valu- ation</u>	<u>Coin- surance</u>	<u>Inflation Guard</u>	<u>Limit</u>	<u>Valu- ation</u>	<u>Coin- surance</u>	<u>Inflation Guard</u>
1 / 3	CHEMICAL STORAGE BUILDING	Incl. in Blanket				Not Covered			
1 / 4	CENTRIFUGAL BUILDING	Incl. in Blanket				Not Covered			
1 / 5	ADVANCED TREATMENT FACILITY	Incl. in Blanket				Not Covered			
1 / 6	SWITCHGEAR BUILDING	Incl. in Blanket				Not Covered			
1 / 7	RAPID MIX/FLOC/SED/MEMBRANE P/S&ELECTRIC	Incl. in Blanket				Not Covered			
1 / 10	PRESED/RAW WATER EZ/ BASIN & VAULTS	Incl. in Blanket				Not Covered			
1 / 11	THICKENER TANK 1	Incl. in Blanket				Not Covered			
1 / 12	THICKENER TANK 2	Incl. in Blanket				Not Covered			
1 / 13	WASHWATER EQ. BASIN & PUMP STATION	Incl. in Blanket				Not Covered			
1 / 16	SOLAR ARRAY	Incl. in Blanket				Not Covered			
2 / 3	ELECTRICAL BLDG AT RAW WATER PUMP STATIO	Incl. in Blanket				Not Covered			
3 / 1	BOOSTER STATION 1A/SEDIMENT REMOVAL BLDG	Incl. in Blanket				Not Covered			
3 / 2	SEDIMENTATION BASIN AT SED REM FACILITY	Incl. in Blanket				Not Covered			

Premises/ Item	Description/ Occupancy	Limit	Real Property			Personal Property		
			Valu- ation	Coin- surance	Inflation Guard	Limit	Valu- ation	Coin- surance
4 / 3	SOLAR ARRAY AT BOOSTER STATION 2A	Incl. in Blanket						Not Covered

Coverages C and D: Schedule of Limits

Coverage C – Loss of Income	Loss sustained for up to:	\$1,100,00	0 per occurrence
Coverage D – Extra Expense	Loss sustained for up to:	\$1,100,00	0 per occurrence

Property Coverage Extensions Limits

<u>Extension</u>	<u>Limit of Insurance</u>	
Accounts Receivable:	\$50,000	
Fine Arts (without certified appraisal):	\$25,000	(subject to \$1,500 per item)
Fine Arts (with certified appraisal):	\$50,000	
In Transit or Off Premises:	\$100,000	
Outdoor Property:	\$150,000	
Software:	\$500,000	
Trees, Shrubs, Plants and Lawns:	\$25,000	
Valuable Papers and Records:	\$50,000	

Flood

Limit of Insurance – Each Occurrence:	\$5,000,000
Limit of Insurance – Annual Aggregate:	\$5,000,000
Deductible – Each Occurrence:	\$75,000

Flood Schedule of Included Premises

<u>Premises</u>	<u>Address</u>
1	341 CAJA DEL RIO
2	OLD BUCKMAN ROAD
3	OLD BUCKMAN ROAD
4	OLD BUCKMAN ROAD

Earthquake

Limit of Insurance – Each Occurrence:	\$1,000,000
Limit of Insurance – Annual Aggregate:	\$1,000,000
Deductible – Each Occurrence:	\$75,000

Earthquake Schedule of Included Premises

<u>Premises</u>	<u>Address</u>
1	341 CAJA DEL RIO
2	OLD BUCKMAN ROAD
3	OLD BUCKMAN ROAD
4	OLD BUCKMAN ROAD

PROPERTY – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Accounts Receivable	<p>Pays the costs you incur in restoring your accounts receivable records following a covered loss.</p> <p>Also pays amounts you are unable to collect if your accounts receivable records cannot be restored.</p> <p>Applies on-premises or away from premises.</p> <p>Pays up to the limit shown in the above schedule in any one occurrence; optional limits may be available.</p> <p>Coverage deductible applies subject to maximum \$500.</p>																		
Commandeered Property	<p>Pays at your request for direct physical loss or damage to commandeered property caused by or resulting from any covered cause of loss.</p> <p>Coverage applies only for the time you officially use the commandeered property to manage an emergency situation and the time to return the property.</p> <p>Pays the "replacement cost" of the commandeered property and loss of use.</p>																		
Debris Removal	<p>Covers up to 25% of the amount paid for direct physical loss to covered property if the expense is incurred as a result of a covered cause of loss.</p> <p>Pays up to an additional \$100,000 if the debris removal expense exceeds the 25% provided above.</p> <p>Pays up to \$5,000 of the limit available for debris removal of trees that are damaged by a covered cause of loss, provided that the trees have damaged your covered real or personal property or prevent access to your premises.</p>																		
Deductible Waiver	<p>If a Property claim occurs in conjunction with a claim under a Glatfelter Public Entities Auto Physical Damage or Inland Marine coverage, only one deductible, the largest, will apply to all losses.</p>																		
Equipment Breakdown	<p>Extends property coverage to include the mechanical breakdown of equipment or the explosion of pressure vessels at a covered premises. Covered equipment includes such items as covered real property or personal property that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or during normal usage, operates under vacuum or pressure, other than the weight of its contents. Coverage is extended to include electronic circuitry impairment, green enhancements and cloud computing. Please refer to the actual Property Coverage Part for equipment not covered.</p> <p>Covers loss of income or extra expense you may suffer if utilities are interrupted as a result of an accident to covered equipment owned by a landlord or utility company.</p> <p>Subject to applicable Property limits and sub-limits as noted here:</p> <table border="0"> <tr> <td>- Loss of Income:</td> <td>Refer to the property schedule in this proposal</td> </tr> <tr> <td>- Extra Expense:</td> <td>Refer to the property schedule in this proposal</td> </tr> <tr> <td>- Expediting Expenses:</td> <td>\$0</td> </tr> <tr> <td>- Hazardous Substances:</td> <td>\$0</td> </tr> <tr> <td>- Spoilage:</td> <td>\$0</td> </tr> <tr> <td>- Data Restoration:</td> <td>\$0</td> </tr> <tr> <td>- Green Coverage:</td> <td>\$100,000</td> </tr> <tr> <td>- Off-Premises Equipment Breakdown:</td> <td>\$25,000</td> </tr> <tr> <td>- Public Relations:</td> <td>\$5,000</td> </tr> </table>	- Loss of Income:	Refer to the property schedule in this proposal	- Extra Expense:	Refer to the property schedule in this proposal	- Expediting Expenses:	\$0	- Hazardous Substances:	\$0	- Spoilage:	\$0	- Data Restoration:	\$0	- Green Coverage:	\$100,000	- Off-Premises Equipment Breakdown:	\$25,000	- Public Relations:	\$5,000
- Loss of Income:	Refer to the property schedule in this proposal																		
- Extra Expense:	Refer to the property schedule in this proposal																		
- Expediting Expenses:	\$0																		
- Hazardous Substances:	\$0																		
- Spoilage:	\$0																		
- Data Restoration:	\$0																		
- Green Coverage:	\$100,000																		
- Off-Premises Equipment Breakdown:	\$25,000																		
- Public Relations:	\$5,000																		

PROPERTY – COVERAGE HIGHLIGHTS – continued

Fine Arts	<p>Pays the fair market value to restore fine arts to its pre-loss condition or replace the item with an identical object.</p> <p>Pays up to \$25,000 in any one occurrence (subject to \$1,500 per Item) without a certified appraisal.</p> <p>Pays up to the limit shown in the above schedule in any one occurrence with a certified appraisal.</p>
Fire Department Charge	<p>Pays the fire department charges assumed by contract prior to a covered loss; or when required by local ordinance.</p> <p>Charges are payable only when a fire department is called to save or protect real property or personal property at a premises described in the Declarations.</p> <p>No deductible.</p> <p>Pays up to \$25,000 in any one occurrence.</p>
Fire Extinguishing Recharge Costs	<p>Will pay the cost to recharge fire extinguishing equipment at your premises regardless of whether the discharge was accidental or was the result of a covered cause of loss.</p> <p>No deductible.</p>
Limited Fungus, Wet Rot, Dry Rot and Bacteria	<p>Protects against loss by fungus, wet rot, dry rot or bacteria arising out of occurrences of windstorm, hail, explosion, civil commotion, vehicles, aircraft, smoke, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, the weight of ice / snow / sleet, or water damage (and flood if optional flood coverage is purchased).</p> <p>Pays up to \$25,000 total for all occurrences. Will not pay more than \$25,000 even if it continues to be present or active, or recurs, in a later policy period.</p>
Newly Acquired Property	<p>Covers newly acquired buildings, buildings under construction, construction materials and supplies and contents at newly acquired locations.</p> <p>Up to 90 days or the end of the policy period.</p> <p>Limits are \$1,000,000 for buildings and \$500,000 for contents.</p>
Ordinance Coverage	<p>Applies to buildings on a replacement cost basis when damaged by a covered loss. Coverage applies to any undamaged portion of your building caused by any law or ordinance that:</p> <ul style="list-style-type: none"> - Requires demolition of parts of your building not damaged - Regulates the construction or repair of buildings or establishes zoning or land use requirements, and - Is in force at the time of loss <p>Includes the cost to demolish and clear the site of the undamaged part of the property and the increased cost to repair, rebuild or construct the affected building.</p> <p>The total paid for the undamaged portion is included within the building limit and does not increase that limit. The most we will pay for the cost to demolish the undamaged part of the property or the increased cost to repair or rebuild shall not exceed 100% of the amount paid for the initial physical loss or damage or \$1,000,000, whichever is greater.</p>

PROPERTY – COVERAGE HIGHLIGHTS – continued

Outdoor Property	<p>Covers fixed or permanent structures such as exterior signs, antennas, fences, benches, playground equipment, hydrants, dumpsters, electric utility power transmission and distribution lines, poles and related equipment owned by the insured not at scheduled premises, if you have building coverage with Glatfelter Public Entities.</p> <p>Pays up to the limit shown in the above schedule in any one occurrence; optional limits may be available.</p>
Personal Effects	<p>Will pay the replacement cost for direct physical loss to property on your premises that belongs to you, your officers, managers, elected or appointed officials, employees, or volunteer workers.</p> <p>Pays up to \$25,000 in any one occurrence.</p>
Pollution Remediation Expenses	<p>Applies on-premises only.</p> <p>You have up to 180 days after the date of loss to notify us.</p> <p>Pays up to \$25,000 in any policy period resulting from a covered cause of loss.</p> <p>Pays up to \$100,000 in any policy period resulting from a specified cause of loss.</p> <p>No coverage for fungus, wet rot, dry rot, virus, bacteria or asbestos.</p>
Preservation of Property	<p>Pays for <u>any</u> direct physical loss or damage to real or personal property if it is necessary to move the property from a premises for the purpose of preserving it from direct physical loss or damage by a covered cause of loss.</p> <p>Coverage applies while it is being moved or while temporarily stored at another location.</p> <p>Loss or damage must occur within 90 days after the property is first moved.</p>
Real or Personal Property in Transit or Off Premises	<p>Pays up to the limit shown in the above schedule in any one occurrence; optional limits may be available.</p> <p>Coverage applies to covered real or personal property while in transit or temporarily off premises. Computer hardware is covered while off premises.</p>
Software	<p>Coverage for the cost of restoring, researching, replacing, or reproducing electronic data or the media on which it is stored and any resulting loss of income and extra expense.</p> <p>Covered causes of loss include computer virus and intentional destruction by employee.</p> <p>Applies on-premises or away from premises.</p> <p>Pays up to the limit shown in the above schedule in any one occurrence; optional limits may be available.</p>
Trees, Shrubs, Plants & Lawns	<p>Covers against loss by fire, lightning, explosion, civil commotion, aircraft, vehicles and vandalism up to \$25,000 any one occurrence subject to a \$1,000 maximum for any single tree, plant or shrub.</p>
Valuable Papers & Records	<p>Coverage for the cost of restoring, researching, replacing, or reproducing your documents following a covered loss.</p> <p>Applies on-premises or away from premises.</p> <p>Pays up to the limit shown in the above schedule in any one occurrence; optional limits may be available.</p> <p>Coverage deductible applies subject to a maximum of \$500.</p>

PROPERTY – COVERAGE HIGHLIGHTS – continued

Arson, Theft or Vandalism Information Reward	<p>We will reimburse you for the payment of rewards that you actually incur which provide information related to arson fire, theft or vandalism, subject to certain conditions.</p> <p>Pays up to \$25,000 per loss.</p> <p>No deductible applies.</p>
Lock Replacement	<p>Covers the necessary expense you incur to replace locks, lock cylinders and keys, electronic or otherwise, after a covered theft of your covered property.</p> <p>Pays up to \$25,000 per occurrence.</p> <p>No deductible.</p>
Spoilage due to Off Premises Electrical Service Interruption	<p>Covers damage and expense that are the result of an interruption of electrical power service to your premises. The interruption must result from direct physical loss or damage by a covered cause of loss to the off premises power supply equipment.</p> <p>Coverage applies to:</p> <ul style="list-style-type: none"> - Physical damage to perishable goods due to spoilage; - Physical damage to perishable goods due to contamination from the release of refrigerant, including but not limited to ammonia; - Any necessary expenses you incur to reduce the amount of loss and does not exceed the amount of loss. <p>Pays up to \$50,000 in any one occurrence.</p>
Water Contamination Notification Expense Coverage	<p>Pays all necessary printing, mailing and other expenses you incur when you are required by law or regulatory authority to notify your customers of actual or possible water contamination.</p> <p>Pays up to \$25,000 in any one policy period.</p> <p>No deductible.</p>
Claim Expense	<p>Covers the cost of your employees taking inventories and preparing statements of loss.</p> <p>Pays up to \$20,000 in any one occurrence.</p> <p>Coverage is not extended for any expenses billed by an independent or public adjuster to prepare claims.</p>
Building Glass – Tenant	<p>Covers loss or damage to building glass if you are a tenant and have a contractual responsibility to insure the glass.</p>
Damage to Building from Theft	<p>Covers damage caused by theft or attempted theft to a building that you occupy, but do not own, and for which you have a contractual obligation.</p> <p>Pays up to \$100,000 in any one occurrence.</p>
Non-Owned Detached Trailers	<p>Covers non-owned trailers used in your business in your care, custody or control at the premises, and for which you have a contractual obligation.</p> <p>Pays up to \$50,000 in any one occurrence.</p>
Crisis Incident Response Coverage (Municipalities & Special Districts)	<p>Covers crisis response management expenses and post-crisis counseling services.</p> <p>Pays up to \$25,000 in any one crisis incident.</p> <p>No deductible applies.</p> <p>Coverage only applies to your operations that are not related to educational institutions.</p>

CRIME

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

Coverage provides reimbursement for the loss of your money or other property on a loss sustained basis resulting from dishonest acts of your employees or volunteers. For governmental entities, Glatfelter Public Entities insures these employee theft exposures on the Government Crime form on a Per Employee or Per Loss basis. A Faithful Performance of Duty coverage extension is included if statutorily required. On the Commercial Crime form for non-governmental entities, Glatfelter Public Entities insures Employee Theft on a Per Loss basis. Other Crime coverages include Forgery or Alteration, Money & Securities, Computer and Funds Transfer Fraud, Money Orders and Counterfeit Paper Currency, and Fraudulent Impersonation.

Coverage does not apply to any public officials or employees whose positions require separate bonds such as a tax collector or treasurer. Those obligations are typically addressed by a surety bond and Glatfelter Public Entities coverage cannot be used to fulfill those requirements.

Government Crime

<u>Insuring Agreement</u>	<u>Limits of Insurance</u>	<u>Deductible Amount</u>
Employee Theft <i>Includes Faithful Performance</i>	\$10,000 per Loss	\$250 per Loss
Forgery or Alteration	\$10,000 per Occurrence	\$250 per Occurrence
Inside the Premises – Theft of Money & Securities	\$10,000 per Occurrence	\$250 per Occurrence
Inside the Premises – Robbery/Safe Burglary	\$5,000 per Occurrence	\$250 per Occurrence
Outside the Premises	\$10,000 per Occurrence	\$250 per Occurrence
Computer and Funds Transfer Fraud	\$20,000 per Occurrence	\$250 per Occurrence
Money Orders	\$10,000 per Occurrence	\$250 per Occurrence
Fraudulent Impersonation	\$10,000 per Occurrence	\$250 per Occurrence

INLAND MARINE

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

This coverage contains the following three sections:

- **Coverage A. Blanket Tools and Equipment** protects you for direct physical loss or damage caused by or resulting from any covered cause of loss to your tools and equipment.

Tools and equipment means any portable equipment or tool, together with attached devices, accessories and trailers that are used in your operations. This covers tools or equipment, such as hand tools, power tools, mechanics tools, saws, maintenance or diagnostic equipment, generators, air compressors, materials handling equipment, outdoor portable seating, food service trailers not licensed for road use. It also includes mobile equipment such as bulldozers, backhoes, excavators and graders.

Note: If an item is scheduled under Coverage B. Scheduled Equipment, there is no coverage for such item under Coverage A Blanket Tools and Equipment or Coverage C Blanket Emergency Services Equipment.

A deductible applies to Blanket Tools and Equipment coverage.

- **Coverage B. Scheduled Equipment** protects for direct physical loss or damage caused by or resulting from any covered cause of loss to equipment owned by you that is specifically listed.

A deductible applies to each Scheduled Equipment item. The amount of the deductible(s) is indicated in the Coverage B – Scheduled Equipment section below.

- **Coverage C. Blanket Emergency Services Equipment** protects for direct physical loss or damage caused by or resulting from any covered cause of loss to Blanket Emergency Services Equipment owned by you.

Emergency Services equipment means items such as portable law enforcement, firefighting, ambulance, rescue, and communications equipment, including trailers whose primary purpose is to transport covered Emergency Services equipment. It also includes firearms, radar speed timing units, training videos, manuals, and mannequins.

A deductible applies to Blanket Emergency Services Equipment coverage.

Inland Marine

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>
Coverage A – Blanket Tools and Equipment:	\$15,505 *	\$1,000
Coverage B – Scheduled Equipment:	see schedule below	see schedule below
Coverage C – Blanket Emergency Services Equipment:	Not Covered	

* subject to a per item limit of \$10,000

Coverage B – Scheduled Equipment

<u>Description</u>	<u>Serial Number</u>	<u>Limit</u>	<u>Deductible</u>	<u>Valuation</u>
2011 JOHN DEERE TS	M04X2SD052733	\$12,387	\$1,000	ACV
CATERPILLAR BACKHOE 420E	DJL01085	\$72,864	\$1,000	ACV
2011 TAILIFT FORKLIFT FD25P	TA05255	\$17,289	\$1,000	ACV
1987 CONTRACT EQUIP CAT GRADER	87V08141	\$85,000	\$1,000	ACV
SULLAIR AIR COMPRESSOR	20170315001	\$21,732	\$1,000	ACV

Rented or Borrowed Equipment Extension Limit

Any one occurrence: \$100,000

Watercraft Extension Limit

Any one occurrence: \$25,000

INLAND MARINE – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Debris Removal	<p>Pays the expense you incur in removing debris of covered tools and equipment, emergency services equipment, or scheduled equipment after direct physical loss or damage caused by or resulting from any covered cause of loss.</p> <p>Pays up to \$15,000 in any one occurrence.</p>
Tools and Equipment Owned by Your Employees	<p>Pays the replacement cost of tools and equipment used in the course of your operation belonging to your employees or volunteers.</p> <p>No deductible applies.</p> <p>Pays up to \$25,000 in any one occurrence (if no other coverage is available to the owner of the tools and equipment).</p>
Emergency Services and Law Enforcement Personal Effects	<p>Extends Blanket Emergency Services Equipment to pay the cost to replace personal effects belonging to emergency service or law enforcement employees or volunteers while away from your premises and en route to, performing, or returning from an emergency service or law enforcement duty.</p> <p>Pays up to the actual replacement cost, on a primary basis, for the lost or damaged personal effects in any one occurrence.</p> <p>No deductible applies under this extension.</p>
Rented or Borrowed Equipment	<p>Coverage A and C: Extended to pay for Tools and Equipment and Emergency Services Equipment not owned by you, but that is temporarily in your possession; pays up to the lesser of the replacement cost of the item or \$10,000 in any one occurrence.</p> <p>Coverage B Scheduled Equipment: Extended to pay not owned by you, but that is temporarily in your possession; the most paid in any one occurrence is the lesser of the actual cash value of the damaged equipment or \$100,000; higher limits are available.</p> <p>\$1,000 deductible applies.</p> <p>The coverage provided is primary.</p>
Rental Reimbursement for Scheduled Equipment	<p>Coverage B Scheduled Equipment: Extended to reimburse you for the expenses you incur to rent substitute equipment while your scheduled equipment is inoperable due to direct physical loss or damage caused by or resulting from a covered cause of loss.</p> <p>A 72-hour waiting period applies.</p>

INLAND MARINE – COVERAGE HIGHLIGHTS – continued

Unmanned Aircraft (Drones)	<p>Pays to repair or replace your lost or damaged unmanned aircraft.</p> <p>Coverage does not apply when the unmanned aircraft is:</p> <ul style="list-style-type: none">- rented, leased or loaned to others without an operator who is your employee or volunteer- used in any professional or organized racing, demolition or stunting activity. This includes practicing for such activity. <p>\$500 deductible applies.</p> <p>Pays up to \$25,000 in any one occurrence.</p>
Fire Department Charge	<p>Pays the fire department charges as a result of direct physical damage to your tools and equipment, scheduled equipment, or emergency service equipment due to a covered cause of loss.</p> <p>No deductible.</p> <p>Pays up to \$1,000 in any one occurrence.</p>
Fire Extinguishing Recharge Costs	<p>Will pay the cost to recharge fire extinguishing equipment at your premises regardless of whether the discharge was accidental or was the result of a covered cause of loss.</p> <p>No deductible.</p>
Newly Acquired Scheduled Equipment	<p>Covers newly acquired Scheduled Equipment or similar to that listed in the respective schedules, for a period of 30 days from date of acquisition.</p> <p>\$1,000 deductible applies.</p> <p>Pays replacement cost not to exceed purchase price.</p>
Deductible Waiver	<p>If an Inland Marine claim involving Coverage A and/or Coverage C occurs in conjunction with a claim under a Glatfelter Public Entities Auto Physical Damage or Property coverage, only one deductible, the largest, will apply to all losses.</p>

AUTO

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

<u>Coverage</u>	<u>Symbols</u>	<u>Limits</u>
Combined Single Limit for Bodily Injury & Property Damage (each Accident):	1	\$1,000,000
"No Fault" or Statutory Personal Injury Protection:		Not Included
Medical Payments:	7	\$5,000
Uninsured Motorists:	2	\$1,000,000
Underinsured Motorists:	2	\$1,000,000
Physical Damage Comprehensive:	2,8	see schedule below
Physical Damage Collision:	2,8	see schedule below

Schedule of Vehicles

<u>Vehicle</u>				<u>ACV</u>	<u>RC</u>	<u>Agreed Value</u>	<u>Comp. Ded.</u>	<u>Coll. Ded.</u>
<u>No.</u>	<u>Year</u>	<u>Make & Model</u>	<u>VIN</u>					
1	2008	FORD F250	1FTSX21508EE58596	X			\$1,000	\$1,000
2	2016	KENWORTH T370 EXTRA HEAVY TRUCK	2NKHHJ8X3GM132829	X			\$1,000	\$1,000
3	2005	STERLING LT9500	2FZHAZCV35AN71329	X			\$1,000	\$1,000
4	2019	FORD F250	1FD7W2B67KEE89198	X			\$1,000	\$1,000
5	2019	FORD F250	1FD7W2B65KEE89197	X			\$1,000	\$1,000
6	2011	FORD F350	1FDRF3HT1BEC21288	X			\$1,000	\$1,000
7	2011	CHEVY 1500	1GCNKPE06BF195846	X			\$1,000	\$1,000
8	2011	DODGE 2500	3D7UT22CL8BG518243	X			\$1,000	\$1,000
9	2011	DODGE 1500	3C6JR7ATXEG235639	X			\$1,000	\$1,000
10	2011	DODGE 2500	3D7UT22CL2BG584559	X			\$1,000	\$1,000
11	2011	NISSAN XTERRA	5N1AN0NW1BC514634	X			\$1,000	\$1,000
12	2011	NISSAN XTERRA	5N1AN0NW5BC514622	X			\$1,000	\$1,000
		HIRED CAR PHYSICAL DAMAGE		X			\$100	\$1,000

AUTO – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Liability on "Any Auto" basis	Covers your liability for owned, hired or non-owned autos.
Temporary Substitute Vehicle Liability	Coverage is provided when a replacement vehicle is loaned to you while a covered vehicle is temporarily out of service. Coverage is on a primary basis.
Uninsured Motorist/ Underinsured Motorist	Covers bodily injury (and property damage where required by law) sustained by an eligible party caused by a negligent uninsured/underinsured motorist per state laws.
Hired Car Physical Damage	Coverage for hired, borrowed or commandeered vehicles on an actual cash value basis. Coverage is primary.
Deductible Waiver	If an Auto Physical Damage claim occurs in conjunction with a claim under a Glatfelter Public Entities Inland Marine or Property coverage, only one deductible, the largest, will apply to all losses.
Airbag Coverage	Covers loss caused by accidental discharge of an airbag.
Elected or Appointed Officials – Commissions as Insureds	Covers your elected or appointed officials while using a covered auto you do not own, hire or borrow, while performing duties related to the conduct of your business. Covers commissions, authorities, boards or agencies, their commissioners, officers and members while using a covered auto you do not own, hire or borrow, but only while acting within the authority granted by you and only performing duties related to the conduct of your business.
Knowledge of Accident	Failure of any agent, volunteer worker or employee of the insured, other than an employee authorized by you to give or receive notice of an accident, claim, suit or loss, to notify us of any accident, shall not invalidate insurance afforded by the policy.

GENERAL LIABILITY

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

This coverage contains the following three sections:

- **Coverage A. Bodily Injury and Property Damage Liability** protects you when claims are made against you because of injury to others or damage to their property, unless caused by an auto.
- **Coverage B. Personal and Advertising Injury Liability** protects you when claims are made against you because of injury to others arising from offenses such as slander or violation of a person's privacy.
- **Coverage C. Medical Expense** pays medical expenses requested by you in writing for bodily injury caused by an accident on your premises or because of your operation. These expenses are payable even if the injury occurred through no fault of your own.

<u>Coverage</u>	<u>Limit</u>
Each Occurrence:	\$1,000,000
Damage to Premises Rented to You:	\$1,000,000
Medical Expense:	\$10,000
Personal and Advertising Injury:	\$1,000,000
General Aggregate:	\$3,000,000
Products – Completed Operations Aggregate:	\$3,000,000
Deductible:	\$5,000

- **Water or Wastewater Professional Activity Liability** Covers you for liability for acts, errors or omissions from your activities treating potable water or the collection and treatment of wastewater.

GENERAL LIABILITY – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Defense Costs	Payable in addition to the Limits of Insurance.
Bodily Injury	Bodily Injury includes mental anguish, and mental injury, shock, fright or death resulting from bodily injury, sickness or disease.
Contractual Liability	Covers you for the liability you agreed to assume of another party, either orally or in writing, but not for the sole negligence of the other party. The claim must be otherwise covered (not excluded).
Damage to Property of Persons Receiving Services	Covers you for liability for a personal property loss suffered by a member of the public receiving services from you, provided the loss is caused by theft, physical damage or disappearance. Subject to a \$100 deductible each occurrence. Coverage is limited to firefighting, emergency medical services or rescue squad units.
"Good Samaritan" Liability	Covers volunteer members and employees for liability arising from actions on their own to render services at the scene of an emergency requiring immediate action. Applies to professional health care or any other services. To qualify as a "Good Samaritan", the individual must act independently of your organization or any other organization.
Damage to Premises Rented to You (including Fire Damage Legal Liability)	Covers you for liability for damages, due to "property damage" caused by "specified perils", to any one premises while rented to you or temporarily occupied by you with permission of the owner.
Unmanned Aircraft (Drones)	Covers you for unmanned aircraft owned, operated, rented or loaned to you. Unmanned aircraft means an aircraft weighing 15 pounds or less that is not designed, manufactured or modified after manufacture to be controlled directly by a person from within or on the aircraft. Unmanned aircraft includes equipment used with the unmanned aircraft, provided such equipment is attached to or essential for its operation.
Pollution Liability	Covers you for bodily injury or property damage arising out of a pollution incident resulting from any of the following: <ul style="list-style-type: none"> - heat, smoke or fumes from a hostile fire - escape of fuels or lubricants from mobile equipment - escape or back-up of sewage or wastewater if property damage occurs away from land you own or lease - storage and/or application of pesticides or herbicides

GENERAL LIABILITY– COVERAGE HIGHLIGHTS – continued

- potable water which you supply to others
- chemicals you use in your water or wastewater treatment
- chemicals you use or store in your classrooms and laboratories
- chemicals you apply, use or store for your ownership, maintenance or operation of swimming pools
- application, use or storage of road salt or similar substances designed and used for snow and ice removal from road and similar surfaces
- natural gas or propane gas used in your treatment process

All pollution incidents must be accidental, unintended and stopped as soon as possible.

Watercraft Liability

Covers you for bodily injury or property damage arising from your use of the following:

- non-owned boats (unless carrying persons or property for a charge)
- owned boats that are not powered by motors
- owned boats that are powered by motors of not more than 100 horsepower, and jet skis and wave runners regardless of horsepower

Failure to Supply Water

Coverage is included for failure to supply water and is not subject to the ISO sudden and accidental restriction.

Public Use of Property

No coverage is provided for claims arising out of the principles of eminent domain, including condemnation, adverse possession, and dedication by adverse use, or inverse condemnation.

PUBLIC OFFICIALS AND MANAGEMENT LIABILITY

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

This coverage contains the following sections:

- **Coverage A. Liability for Monetary Damages** protects you when claims are made against you for monetary damages arising out of a wrongful act, employment practices offense or employee benefits administration offense resulting from your operations. Coverage does not apply to bodily injury, property damage or personal and advertising injury, except when resulting from a covered employment practices offense.
- **Coverage B. Defense Expense for Injunctive or Declaratory Relief** reimburses reasonable defense expenses you incur to defend an injunctive or declaratory relief action arising out of a wrongful act, employment practices offense or employee benefit administration offense resulting from your operations.

Policy Type: Claims Made

<u>Coverage</u>	<u>Limit</u>	
Coverage A: <i>Coverage A includes Employee Benefits Liability</i>	\$1,000,000	Each Wrongful Act or Offense
Coverage B:	\$5,000	Each Action
Aggregate Limit:	\$3,000,000	Coverage A and B Combined
Coverage A Deductible:	\$10,000	
Retroactive Date:	11/27/2008	Applies to Claims Made Coverage only

PUBLIC OFFICIALS AND MANAGEMENT LIABILITY – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Defense Expense	The cost to defend you against covered claims is the responsibility of the company and will not erode your liability limits.
Wrongful Acts	Coverage applies to any actual or alleged error, act, omission, neglect, misfeasance, nonfeasance, or breach of duty, including violation of any civil rights law, that results unexpectedly and unintentionally to others.
Employment Practices	<p>Coverage applies to an actual or alleged improper employment related practice, policy, act or omission involving an actual, prospective or former employee or volunteer worker.</p> <p>Includes violations of civil rights, wrongful termination, failure to hire and harassment, including sexual harassment. Harassment toward or from a third-party involving an employee or volunteer is included.</p>
Employee Benefits Liability	Coverage applies to acts, errors or omissions in counseling, interpreting, handling records, or effecting enrollments in your employee benefit plans.
Public Use of Property	No coverage is provided for claims arising out of the principles of eminent domain, including condemnation, adverse possession, dedication by adverse use, or inverse condemnation.

Cyber Liability and Privacy Crisis Management Expense

- **Coverage D. Cyber Liability** protects you when claims are made against you for monetary damages arising out of an electronic information security event.
- **Coverage E. Privacy Crisis Management Expense** reimburses for expenses you incur as a result of a privacy crisis management event first discovered during the policy period. This first party coverage is intended to provide professional expertise in the identification and mitigation of a privacy breach while satisfying all Federal and State statutory requirements.
- **Coverage F. Cyber Extortion Expense** reimburses for expenses you incur as a result of a cyber extortion threat first made against you during the policy period.

Coverage D – Cyber Liability

Each Event Limit: \$1,000,000 Each Electronic Information Security Event
Retroactive Date: 11/27/2008

Coverage E – Privacy Crisis Management Expense

Each Event Limit: \$500,000 Each Privacy Event
Retroactive Date: 11/27/2008
Deductible: \$0 Each Privacy Event

Coverage F – Cyber Extortion Expense

Each Event Limit: \$20,000 Each Cyber Extortion Threat
Deductible: \$0 Each Cyber Extortion Threat

**Coverage E – Privacy Crisis Management Expense and
Coverage F – Cyber Extortion Expense**

Aggregate Limit: \$500,000

PUBLIC OFFICIALS AND MANAGEMENT LIABILITY – COVERAGE HIGHLIGHTS – *Cyber Liability and Privacy Crisis Management*

The following apply unless noted otherwise in this proposal:

Cyber Liability

Coverage applies to each electronic information security event which includes:

- Transmission of malware from your computer system to a third party;
- The inability of an authorized user to access your web site or your computer system because of a denial of service attack;
- A personal identity event or corporate privacy event caused by information that is obtained or released directly from your computer system.

As used in this definition, a denial of service attack means an intentional attack directly on your computer system that prevents or slows down access to your web site or your computer network. However, a denial of service attack which affects the internet at large and is not directed at your computer system is not an electronic information security event.

Personal Identity Event or Corporate Privacy Event

What is a personal identity event or corporate privacy event?

- Unauthorized disclosure of or failure to protect identifiable or confidential corporate information from misappropriation;
- The failure to disclose or warn of an actual or potential disclosure of misappropriation of personally identifiable or confidential corporate information;
- Violation of any federal or state privacy statute pertaining to the disclosure or misappropriation of personally identifiable or confidential corporate information.

Privacy Crisis Management Expense Coverage

Pays on behalf applicable reasonable and necessary fees because of a privacy event which includes:

- To conduct a computer forensic analysis to determine the cause and extent of the privacy event;
- Provide a crisis management review and advice by an approved independent crisis management or legal firm;
- Notification to affected parties for printing, advertising, mailing of materials or other costs;
- Travel expenses by directors and employees to mitigate damages;
- Call center services for credit monitoring as well as identity theft education and assistance for affected individuals.

Privacy crisis management expenses shall not include:

- Compensation, fees, benefits or overhead of any insured or "employee" of any insured;
- Costs or expenses that would have been incurred in the absence of the "privacy event";
- Costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system", procedures, services or property as a result of a "privacy event".

PUBLIC OFFICIALS AND MANAGEMENT LIABILITY – COVERAGE HIGHLIGHTS

– *Cyber Liability and Privacy Crisis Management* – continued

Privacy Event

What is a privacy event?

- Unauthorized disclosure by you of personally identifiable or confidential corporate information or your failure to protect personally identifiable or confidential corporate information from misappropriation;
- Failure to disclose or warn of an actual or potential disclosure or misappropriation of personally identifiable or confidential corporate information;
- Violation of any federal or state privacy statute pertaining to the disclosure or misappropriation of personally identifiable or confidential corporate information.

Cyber Extortion Expense

Reimburses you for expenses paid in response to a cyber extortion threat.

Cyber Extortion Threat

What is a cyber extortion threat?

A cyber extortion threat is a demand for monetary payment based on a credible threat directly involving your computer system (not the internet at large) to:

- Launch a denial of service attack;
- Steal, release or publish personally identifiable information or confidential corporate information;
- Alter, damage or destroy electronic data;
- Cause you to transfer, pay or deliver any funds or property without your authorization.

Coverage Territory

For cyber liability, privacy crisis management expense and cyber extortion expense coverage, the coverage territory means worldwide, but the event and suit must take place in the U.S., Puerto Rico or Canada.

EXCESS LIABILITY

Insurer: National Union Fire Insurance Company of Pittsburgh, Pa.

Excess Liability coverage protects you with the following:

- Excess limits above the limits of your applicable scheduled underlying Auto Liability, General Liability, Law Enforcement Activity Liability, Public Officials and Management Liability and Cyber Liability coverage parts subject to specific exclusions or limitations shown on the Excess Liability coverage.
- Excess coverage will apply when scheduled underlying policies have been exhausted.

Policy Type: Follow Form Excess

	<u>Limit of Insurance</u>
Each Occurrence:	\$5,000,000
General Aggregate:	\$5,000,000

EXCESS LIABILITY – COVERAGE HIGHLIGHTS

The following apply unless noted otherwise in this proposal:

Public Officials and Management Liability	Follows form with underlying occurrence or claims-made coverage.
Employer's Liability	Included in excess limits if scheduled as underlying coverage.
Defense Costs	Payable in addition to the Limits of Insurance.
Public Use of Property	No coverage is provided for claims arising out of the principles of eminent domain, including condemnation, adverse possession, dedication by adverse use, or inverse condemnation.
Failure to Supply Water	Coverage is included for failure to supply water and is not subject to the ISO sudden and accidental restriction.
Unmanned Aircraft (Drones)	Coverage is included for unmanned aircraft that is owned, operated, rented or loaned to you. \$1,000,000 each occurrence/aggregate sublimit applies.

PROPOSAL NOTES

Property

Note: Coverage is extended to provide up to an additional 25% of the applicable Limit of Insurance for covered real property and/or personal property. We will pay the reasonable and necessary amount to upgrade to green the covered damaged property as described in Non-LEED® Certified Coverage or as described in LEED® Certified Coverage, whichever is applicable. Coverage is limited up to \$2,000,000 per occurrence.

Crime

Note: Exclusion for the payment of costs, fees or other expenses you incur is amended to provide Investigative Costs Expense Coverage. This exclusion does not apply to the first \$10,000 of the reasonable and necessary costs paid to a forensic accountant to determine the existence of such a loss if the forensic accountant was retained subsequent to a law enforcement inquiry or investigation related to a suspected loss.

Auto

Note: The Medical Payments limit of \$5,000 applies to the following vehicle(s):

Vehicle Number(s)

All Covered Autos

Public Officials Management Liability

Note: Your quote does not include coverage for claims arising out of your employment practices.

Excess Liability

Note: Coverage is quoted excess of:

- Auto Liability
- General Liability
- Public Officials and Management Liability

General

Note: The premiums quoted may include package discounts. If you should decide to buy some coverages but not others, your premiums may change.

PREMIUM SUMMARY

BUCKMAN DIRECT DIVERSION BOARD (NM) C54013

	<u>Premium</u>
Property	\$58,712
Crime	\$560
Inland Marine	\$586
Auto	\$11,564
General Liability	\$24,257
Law Enforcement Activity Liability	Not Quoted
Public Officials and Management Liability	\$2,014
Educators Legal Liability	Not Quoted
Cyber Liability and Privacy Crisis Management Expense	Included
Excess Liability	\$11,180
Total Estimated Annual Premium	\$108,873

PROPERTY – STATEMENT OF VALUES

Prepared for: BUCKMAN DIRECT DIVERSION BOARD (C54013)
Date Generated: 05/30/2023
Renewal Of Policy Number: GPNU-PF-0022404-02
Policy Period: 07/01/2023 - 07/01/2024
Blanket Type: Policy Blanket

Premises/ Item	Address	Description/ Occupancy	Real Property		Personal Property	
			Value	Incl in Blanket	Value	Incl in Blanket
1/1	341 CAJA DEL RIO SANTA FE, NM 87506	OPERATIONS BUILDING	\$5,137,704	Yes	\$166,400	Yes
1/2		MAINTENANCE BUILDING	\$2,200,786	Yes	\$406,432	Yes
1/3		CHEMICAL STORAGE BUILDING	\$5,815,888	Yes	Not Covered	
1/4		CENTRIFUGAL BUILDING	\$5,226,416	Yes	Not Covered	
1/5		ADVANCED TREATMENT FACILITY	\$46,605,104	Yes	Not Covered	
1/6		SWITCHGEAR BUILDING	\$1,264,536	Yes	Not Covered	
1/7		RAPID MIX/FLOC/SED/MEMBRANE P/S&ELECTRIC	\$7,009,496	Yes	Not Covered	
1/8		BOOSTER STATION 4A/5A	\$6,274,164	Yes	Included	Yes
1/9		FINISHED WATER TANK	\$3,371,555	Yes	Included	Yes
1/10		PRESED/RAW WATER EZ/ BASIN & VAULTS	\$5,074,160	Yes	Not Covered	
1/11		THICKENER TANK 1	\$2,285,816	Yes	Not Covered	
1/12		THICKENER TANK 2	\$2,285,816	Yes	Not Covered	
1/13		WASHWATER EQ. BASIN & PUMP STATION	\$1,935,232	Yes	Not Covered	
1/14		PROCESS OVERFLOW POND 1	\$143,125	Yes	Included	Yes
1/15		PROCESS OVERFLOW POND 2	\$143,125	Yes	Included	Yes
1/16		SOLAR ARRAY	\$6,589,440	Yes	Not Covered	
1/17		EMERGENCY GENERATOR (250 KW)	\$186,930	Yes	Included	Yes
Total Values Subject to the Blanket:					\$102,122,125	
All Other Values:					\$0	
2/1	OLD BUCKMAN ROAD -35.836286642920435, SANTA FE, NM 87506	INTAKE STRUCTURE AT RAW WATER PUMP STATI	\$379,496	Yes	Included	Yes
2/2		PUMP STATION BLDG AT RAW WATER PUMP STAT	\$3,641,290	Yes	Included	Yes
2/3		ELECTRICAL BLDG AT RAW WATER PUMP STATIO	\$13,898,591	Yes	Not Covered	
Total Values Subject to the Blanket:					\$17,919,377	
All Other Values:					\$0	
3/1	OLD BUCKMAN ROAD -35.8291902937423, SANTA FE, NM 87506	BOOSTER STATION 1A/SEDIMENT REMOVAL BLDG	\$23,434,934	Yes	Not Covered	
3/2		SEDIMENTATION BASIN AT SED REM FACILITY	\$639,080	Yes	Not Covered	
3/3		WATER STORAGE TANK AT SED REM FACILITY	\$510,765	Yes	Included	Yes
3/4		VALVE PIT AT SED REM FACILITY	\$255,216	Yes	Included	Yes

			Total Values Subject to the Blanket:			\$24,839,995
			All Other Values:			\$0
4/1	OLD BUCKMAN ROAD -35.77669772290078, SANTA FE, NM 87506	BOOSTER STATION 2A BUILDING	\$18,370,550	Yes	Included	Yes
4/2		WATER STORAGE TANK AT BOOSTER STN 2A	\$630,906	Yes	Included	Yes
4/3		SOLAR ARRAY AT BOOSTER STATION 2A	\$7,907,328	Yes	Not Covered	
			Total Values Subject to the Blanket:			\$26,908,784
			All Other Values:			\$0

END OF STATEMENT OF VALUES

EQUIPMENT INSURANCE QUOTATION

HSB TECHADVANTAGE™ Equipment Breakdown and Technology Insurance Coverage

Coverage Highlights

Rapidly evolving technology drives the systems, equipment and operations of all businesses today. Small electronic components are at the core of virtually all modern equipment. Today's equipment is increasingly susceptible to breakdown and becoming more portable. Data is vital to any business, and businesses are using cloud computing more and more to help them be more productive. With these changes arise new and different equipment breakdown and reputation risks.

New HSB TechAdvantage™ is equipment breakdown and technology coverage that protects against losses caused by these increasingly common technology-related exposures, in addition to HSB's already market-leading equipment breakdown coverages

HSB TechAdvantage™ Equipment Breakdown Insurance Coverage now includes:

- Microelectronics Coverage – a groundbreaking new coverage adding a second cause of loss for microelectronics failures when physical damage is not detectable or when firmware or software failure causes non-physical damage
- Cloud Computing Service Interruption (for equipment breakdowns at Cloud Computing providers)
- Service Interruption Data Restoration
- Off Premises Business Income, Extra Expense and Data Restoration
- Public Relations Coverage
- And all of HSB's existing market-leading equipment breakdown coverages and services.

ADDITIONAL INSURANCE AVAILABLE

Data Compromise Coverage (DC)

Designed to help small and mid-sized businesses respond to the financial burden and service obligations in the event of a data breach of the personal data of employees, clients and others

- Response Expenses coverage responds to the cost burden and service obligations arising from a data breach
- Notifications and services to affected individuals
- Credit monitoring and identity restoration service
- Defense and Liability coverage responds to actions brought against the insured by an affected individual

Identity Recovery Coverage (IDR)

Combines identity theft insurance with services that help victims restore their credit history and identity records to pre-theft status

- Provides reimbursement for certain out of pocket expenses
- Restoration service does not erode the available limit
- Uses licensed investigators and a limited Power of Attorney to perform much of the work for the insured

Please [CLICK HERE](#) to link to our **Coverage Highlights** document for more detailed information.

The Hartford Steam Boiler Inspection and Insurance Company (HSB) is the leading provider of Equipment Breakdown insurance in North America. HSB offers claim mitigation, inspection services and engineering-based risk management that sets the standard for excellence worldwide. We anticipate risks and provide forward-thinking solutions that render tomorrow's world insurable. Visit us at www.hsb.com.

The Hartford Steam Boiler Inspection and Insurance is rated A++ (Superior) by A.M. Best Company.

EQUIPMENT INSURANCE QUOTATION

Issue Date: May 30, 2023
Lucia Pimentel
Glatfelter Insurance Services
Phone: 209-477-7707
Email:
Fax: (800) 233-1957

Quotation ID: FBP-0508985-00(27)

Named Insured/Applicant

Buckman Direct Diversion Board

Term

Coverage Effective Date July 1, 2023
Quotation Expiration Date July 1, 2023

Equipment Breakdown Coverage

Equipment Breakdown Limit \$100,000,000
Business Income Limit \$1,100,000
Additional Limits, Deductibles, Other Conditions See Attached

Data Compromise and Identity Recovery Coverage

Data Compromise Coverage Limit (DC) \$50,000
Identity Recovery Coverage Limit (IDR) \$15,000

Premium Summary

Total Premium including Taxes and Surcharges \$24,097.00

This insurance quotation is for the HSB TechAdvantage™ Equipment Breakdown Coverage Form and optional additional insurance coverage endorsements. This quotation is based upon information on file with the company as of the issue date. It is subject to adjustment or rescission should any information on file change. There is no insurance in effect as a result of the issuance of this document. An order of acceptance must be received by HSB prior to the Quotation Expiration Date of this quote for the insurance to be effective. Our offer to insure the captioned account will be considered null and void and is rescinded on the date indicated as the Quotation Expiration Date unless an order of acceptance is received by the company prior to such date. Thank you for the opportunity to provide you with a quote for this account. We appreciate your business.

Sincerely,
Jaclyn Pineda

Production Underwriter
(925) 602-4531
Jaclyn_Pineda@hsb.com

EQUIPMENT INSURANCE QUOTATION, continued

EQUIPMENT BREAKDOWN COVERAGE

Coverage Effective Date: July 1, 2023

Quotation Expiration Date: July 1, 2023

Quotation ID: FBP-0508985-00(27)

Named Insured/Applicant: Buckman Direct Diversion Board

Location(s): 00001 - 341 Caja Del Rio Santa Fe NM 87506

00005 - Old Buckman Rd Santa Fe NM 87506

Covered Cause of Loss

Accident	Included
Electronic Circuitry Impairment	Included

Coverage Applies To: All Locations

Coverages	Limits
Equipment Breakdown Limit	\$100,000,000
Property Damage	Included
Business Income	\$1,100,000
Extra Expense	Combined with Business Income
Civil Authority	Combined with Business Income
Contingent Business Income	Excluded
Data Restoration	\$100,000
Demolition	\$100,000
Expediting Expenses	\$100,000
Green	\$25,000
Hazardous Substances	\$100,000
Mold	\$25,000
Newly Acquired Locations	\$1,000,000
Off Premises Equipment Breakdown	\$25,000
Ordinance or Law	\$100,000
Perishable Goods	\$100,000
Public Relations	\$5,000
Service Interruption	\$250,000

Deductibles

Direct Coverages	\$75,000
Indirect Coverages	24 Hours
Except Transformers	3 Days
Except equip. for generating electricity	5 Days

EQUIPMENT INSURANCE QUOTATION, continued

Other Conditions

Newly Acquired Locations: 90 Days
 Business Income Coinsurance: Waived Until 07/01/2024
 "Covered property" does not include transmission and distribution lines.
 Extended Period of Restoration: 0 Days
 Interruption of Service Waiting Period: 24 Hours
 The cost to purchase power for resale or to meet contract obligations is excluded.
 Covered Services as defined under "interruption of service" includes "cloud computing service".

ADDITIONAL INSURANCE COVERAGE

Data Compromise Coverage

Coverages	Limits	
Response Expenses	\$50,000	Annual Aggregate
Legal and Forensic Information Technology Review	\$5,000	any one "Personal Data Compromise"
Defense and Liability	\$50,000	Annual Aggregate
Deductibles		
Response Expenses	\$1,000	each "Personal Data Compromise"
Defense and Liability	\$1,000	each "Data Compromise Suit"

Identity Recovery Coverage

Coverages	Limits	
Expense Reimbursement Coverage	\$15,000	Annual Aggregate per "Identity Recovery Insured"
Lost Wages and Child and Elder Care	\$5,000	
Miscellaneous Unnamed Costs	\$1,000	
Deductibles		
Expense Reimbursement Coverage	\$250	each "Identity Recovery Insured"

EQUIPMENT INSURANCE QUOTATION, continued

Terrorism Risk Insurance Act Disclosure

Applicable Premium

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Informational Notice

The following notice does not change your coverage under this quoted policy, but is provided for your information in compliance with the Terrorism Risk Insurance Act, as amended.

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

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The Hartford Steam Boiler Inspection and Insurance Company

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE CO.
EQUIPMENT BREAKDOWN COVERAGE QUOTATION

Premium Breakdown

Issue Date: May 30, 2023 Quote Expires On: July 1, 2023
 Quote Number: FBP-0508985-00(27) Declaration No: 1 of 1

Named Insured: Buckman Direct Diversion Board

===== COVERED LOCATIONS =====

<u>Location</u>	<u>Premium</u>
00001 - 341 Caja Del Rio Santa Fe NM 87506	\$ 15,837.
00005 - Old Buckman Rd Santa Fe NM 87506	\$ 8,167.
Data Compromise and Identity Recovery Premium	\$ 93.

EQUIPMENT INSURANCE COVERAGE HIGHLIGHTS

Equipment Breakdown covers the physical and financial damage that can result from an accidental equipment breakdown. Hartford Steam Boiler's Equipment Breakdown insurance is among the broadest in the industry, and our newest coverages included in HSB TechAdvantage™ are among the first of their kind. We offer a broad range of coverages and insure many types of equipment that other companies exclude. The highlights below summarize HSB's Equipment Breakdown and Technology coverages. Refer to the quoted policy for all coverage details, terms and exclusions.

HSB TECHADVANTAGE™ Equipment Breakdown and Technology Highlights

- **Property Damage** - cost to repair or replace damaged equipment
- **Off Premises Equipment Breakdown** - coverage for portable equipment taken off-site
- **Business Income** - business income lost due to an interruption caused by a breakdown
- **Extra Expense** - cost to maintain normal operations (e.g. equipment rental)
- **Expediting Expenses** - costs to make temporary repairs and expedite permanent repairs or replacement
- **Perishable Goods** - loss due to spoilage, including contamination by refrigerant, caused by a breakdown
- **Data Restoration** - cost to restore data that is lost or damaged due to a breakdown
- **Green Coverage** - pays for repair or replacement with environmentally friendly options

HSB TECHADVANTAGE™ Selected Coverage Highlights

- **Microelectronics Coverage** – A groundbreaking new coverage that responds to modern technology embedded in all types of equipment. A second cause of loss is added for microelectronics failures when physical damage is not detectable or when firmware or software failure causes non-physical damage. Triggered when covered equipment suddenly stops functioning as it had been and that equipment or a part containing electronic circuitry must be replaced. No special sublimits or deductibles – pays just as if there had been an equipment breakdown accident.
- **Cloud Computing Service Interruption** – Adds cloud computing services to service interruption coverage – pays for business interruption and extra expense when insured's service provider experiences an outage due to an accident.
- **Service Interruption Data Restoration** – Adds data restoration coverage for data lost when there is a covered service interruption, such as a loss of electrical power, due to an accident (triggering outage must exceed applicable waiting period). Data may be at the insured location or in the custody of the insured's cloud computing service provider.
- **Off-Premises Business Income, Extra Expense and Data Restoration Coverage** – Extends payment for off-premises equipment breakdown to include business income, extra expense and data restoration, in addition to physical damage.
- **Public Relations Coverage** – Pays for public relations assistance to help manage a reputation that may be damaged by an interruption of business – applies if there is a covered loss of business income.

Coverage Benefits

- Covers a wide range of types of equipment including new technologies
- HSB provides market leading jurisdictional inspection service for boilers and pressure vessels as an integral element of our Equipment Breakdown policies to help insureds prevent loss and comply with local inspection requirements, where applicable. With inspectors across the United States, we can service clients' inspection needs in a timely manner
- HSB Inspection Hot Line toll-free at 1-800-333-4677 (1-800-333-INSP)
- [HSB Client Connection](#) offers agents access to a secure, password-protected portion of HSB's web site for policy related information
- HSB's claim service can help insureds reduce down time, recover faster from loss and keep operations up and running

Claims Made Policy Information

A **"Claims Made and Reported"** policy provides coverage only for claims occurring after the policy retroactive date (if any) and only for claims that are made by claimant and reported to the insurance company during the policy period.

Retroactive date means the earliest date a wrongful act may be committed and be covered under the policy.

Requirements for coverage to apply under the claims made policy include:

- Coverage must be in place at the time the claim is made against the insured.
- Notification of the claim must be made to the carrier in written form within the policy period or during the extended reporting period, which could be 30, 60, or 90 days after the policy has expired.

Changing your insurance carrier/renewing your policy: When changing carriers or renewing claims made policies, you must advise and discuss any potential claims prior to the making of a change of carrier or **renewing your policy**.

Please notify us immediately of any claim or potential claim that is identified during the policy period, as this may impact your ability to tender such claim subject to the policy provisions.

See policy for complete list of terms, conditions, limitations, and exclusions.



Insurance Carrier Rating Information

A.M. Best's **Financial Strength Rating** is an independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance, and business profile.

Financial Strength Ratings

A Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. Rating Modifiers and Affiliation Codes may also be associated with these ratings. The following list outlines our rating scale and associated descriptions.

Secure	Vulnerable
A++, A+ (Superior)	B, B- (Fair)
A, A- (Excellent)	C++, C+ (Marginal)
B++, B+ (Very Good)	C, C- (Weak)
	D (Poor)
	E (Under Regulatory Supervision)
	F (In Liquidation)
	S (Rating Suspended)

Financial Size Categories (FSC)

To enhance the usefulness of our ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category (FSC). The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

Class	<i>(in Millions)</i> Adjusted Policyholders Surplus
I	Less than 1
II	1 to 2
III	2 to 5
IV	5 to 10
V	10 to 25
VI	25 to 50
VII	50 to 100
VIII	100 to 250

Class	<i>(in Millions)</i> Adjusted Policyholders Surplus
IX	250 to 500
X	500 to 750
XI	750 to 1,000
XII	1,000 to 1,250
XIII	1,250 to 1,500
XIV	1,500 to 2,000
XV	Greater than 2,000



Coinsurance Demonstration

Coinsurance	You must maintain this level of insurance relative to the insurable value of your property. Otherwise, you will receive a reduced settlement amount.	
No Coinsurance	Your actual amount of insurance is divided by the required amount, and the result is multiplied by the amount of loss. The deductible is then subtracted to determine how much you will be paid.	
How Coinsurance Works	Replacement value of your Equipment:	\$500,000
	Coinsurance Percentage:	80%
	Amount of insurance you should buy	\$400,000
	Amount of insurance purchased	\$300,000
	The deductible on your policy	\$1,000
	The amount of the loss	\$100,000

Example:

Step 1	Required amount (<i>value times coinsurance</i>)	$\$500,000 \times 80\% =$	\$400,000
Step 2	Actual coverage divided by required amount	$\$300,000 / \$400,000 =$	75%
Step 3	Actual loss times percentage result	$\$100,000 \times 75\% =$	\$75,000
Step 4	Claim paid (<i>subtract deductible from total</i>)	$\$75,000 - \$1,000 =$	\$74,000
Step 5	Amount YOU pay (<i>actual loss less claim paid</i>)	$\$100,000 - \$74,000 =$	\$26,000





CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: DANIELS INSUARANCE INC.

Procurement Title: INSURANCE SERVICES FOR BDD

Procurement Method: State Price Agreement Cooperative Sole Source Other RFP _____

Exempt Request For Proposal (RFP) Invitation To Bid (ITB) Contract under 60K Contract over 60K

Department Requesting Buckman Direct Diversion Staff Name Monique Maes

Procurement Requirements:

A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the purchasing officer, setting forth the reasoning for the contract award decision before submitting to the Committees. .

REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING*

YES	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Memo addressed to BDDDB Buckman Direct Diversion Board
<input type="checkbox"/>	<input checked="" type="checkbox"/>	State Price Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	RFP
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Evaluation Committee Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ITB
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bib Tab
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Quotes (3 valid current quotes)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input checked="" type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Executed Contracts, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	All documentation presented to BDDDB
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

Monique Maes Contracts Administrator 04/24/2023
 Department Rep Printed Name (attesting that all information included) Title Date

 Purchasing Officer (attesting that all information is reviewed) Title Date

Include all other substantive documents and records of communication that pertain to the procurement and any resulting contract.

*



Buckman Direct Diversion Board

Real Estate Summary of Contracts, Agreements, Amendments & Leases



Section to be completed by department

1. Munis Contract # 3202833

Contractor: Daniels Insurance Inc.

Description: To provide required insurance brokerage service to BDD

Contract Agreement Lease / Rent Amendment

Term Start Date: 07/01/2023 Term End Date: 06/30/2024

Approved by BDDDB or Approved by BDD Date: 06/01/2023
Facilities Manager

Contract / Lease:

Amendment # 2 to the Original Contract / Lease # 21-0421

Increase/(Decrease) Amount \$ Not to exceed \$141,470.00

Extend Termination Date to: June 30th, 2024

Approved by BDDDB or Approved by BDD Date: 06/01/2022
Facilities Manager

Amendment is for:

2. **HISTORY of Contract, Amendments & Lease / Rent - Please Elaborate** (option: attach spreadsheet if multiple amendments)
RFP Award issued 7/1/2021
\$126,578.00 of the original Contract #21-0421, term date: 6/30/2022 to provide insurance services
\$134,377.00 Amendment #1, Term Date 6/30/23 to provide insurance services
\$141,470.00 Amendment #2 Term Date 6/30/24 to provide insurance services

3. Procurement History: _____

Purchasing Officer Review: _____ Date: _____
 Comment & Exceptions: _____

4. Funding Source: _____ Org / Object: 8000801.555860 & 510300
510300

Budget Officer Approval: _____ Date: _____
 Comment & Exceptions: _____

Staff Contact who completed this form: Monique Maes Phone # 505-955-4508

Email: mmmaes@santafenm.gov

To be recorded by City Clerk:

Clerk # _____

Date of Execution: _____



City of Santa Fe
Treasury Department
200 Lincoln Ave.
Santa Fe, New Mexico 87504-0909
505-955-6551

BUSINESS REGISTRATION

Business Name: DANIELS INSURANCE AGENCY, INC.
DBA: DANIELS INSURANCE, INC.

Business Location: 805 ST. MICHAEL'S DR
SANTA FE, NM 87505

CRS Number: 01-507593-001

Owner: David Tinley

License Number: 227309

License Type: Business License - Renewable

Issued Date: January 24, 2023

Classification: Business Registration - Standard

Expiration Date: January 24, 2024

Fees Paid: \$35.00

DANIELS INSURANCE AGENCY, INC.
PO BOX 4550
SANTA FE, NM 87502

THIS IS NOT A CONSTRUCTION PERMIT OR SIGN PERMIT.
APPROPRIATE PERMITS MUST BE OBTAINED FROM THE CITY
OF SANTA FE BUILDING PERMIT DIVISION PRIOR TO
COMMENCEMENT OF ANY CONSTRUCTION OR THE
INSTALLATION OF ANY EXTERIOR SIGN.

THIS REGISTRATION/LICENSE IS NOT TRANSFERRABLE TO
OTHER BUSINESSES OR PREMISES.

TO BE POSTED IN A CONSPICUOUS PLACE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/01/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Daniels Insurance, Inc.-Santa Fe 805 St Michaels Drive Santa Fe NM 87505	CONTACT NAME: Michael Latting PHONE (A/C. No. Ext): (505) 982-4302 E-MAIL ADDRESS: mlatting@danielsinsuranceinc.com	FAX (A/C. No.): (505) 989-9186
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: National Union Fire Insurance	NAIC # 19445
INSURED Buckman Direct Diversion Board 341 Caja del Rio Santa Fe NM 87506	(505) 955-4506 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: Cert ID 34399


REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			GPNUPF 0022404-02	07/01/2022	07/01/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Empl Benefits Liab \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			GPNUPF 0022404-02	07/01/2022	07/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ none			GPNUPF 0022404-02	07/01/2022	07/01/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			GPNUPF 0022404-02	07/01/2022	07/01/2023	\$10,000 deductible \$ 1,000,000
A	Leased & Rented Equipment			GPNUPF 0022404-02	07/01/2022	07/01/2023	\$1,000 deductible \$ 100,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Buckman Direct Diversion Board 341 Caja del Rio Santa Fe NM 87506	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Date: June 1, 2023
To: The Buckman Direct Diversion Board
From: Monique Maes, Contract Administrator
Via: Rick Carpenter, BDD Facilities Manager
Subject: Professional Service Agreement -Snell & Wilmer, LLP

ITEM

Request for the approval of a Professional Services Agreement in the amount of \$200,000.00 plus applicable tax for legal service with Snell & Wilmer, LLP For FY2024.

1. Request for approval of Professional Service Agreement in the total amount of \$200,000.00 plus NMGRS for Snell & Wilmer LLC
2. Request for authorization to utilize Settlement Funds for this expense (BAR attached)

BACKGROUND

A Sole Source (#30-M0087-23-CP090) procurement was posted (4/28/2023) in accordance with 13-1-126 NMSA for Snell & Wilmer, LLP for legal services, advice, and consultation for the Buckman Direct Diversion Board. Currently, the BDD has several on-going projects that will require the unique services that Snell & Wilmer can provide. This vendor has been used extensively, especially during a multi-year litigation case resulting in a settlement in favor of BDD, and their work and financial obligations will continue past a four year period. It is most beneficial to continue utilization of this partnership to ensure a smooth transition with the large scale repair projects at the BDD. This Legal Services Agreement is in an amount not to exceed \$200,000.00 for fiscal year 2024. Funding will be utilized from the Settlement Funds, per the authorization of this request.

Procurement Method: Sole Source

Munis Contract Number: TBD

Funding Source: Settlement Fund Account

ORG/OBJ: Legal Service #8000825.510200

PL Code: BDD2222



ACTION REQUESTED

Staff recommends approval of the Legal Services Agreement with Snell & Wilmer, LLP.

Approved By BDDDB June 1, 2023

BDDDB CHAIR, ANNA HAMILTON

**BUCKMAN DIRECT DIVERSION BOARD
PROFESSIONAL SERVICES AGREEMENT
WITH SNELL & WILMER, L.L.P.**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into by and between the Buckman Direct Diversion Board ("BDDDB") and Snell & Wilmer, LLP ("Contractor"). The effective date of this Agreement shall be the date when it is executed by the BDDDB.

1. SCOPE OF SERVICES

Contractor shall perform the following Scope of Services under this Agreement if and as requested by the BDDDB:

- Evaluation of the re-procurement issues for the Buckman Direct Diversion Project ("BDD Project"): evaluation of potential project delivery methods for redesign and reconstruction of the BDD Project; working with consulting engineers regarding potential RFPs and scope of work for engineers and contractors; and advice regarding contract forms.
- Attend BDDDB meetings, as needed and requested, and relevant meetings of the Governing Body of the City, the Board of County Commissioners and BDD project staff meeting to provide legal advice and updates to BDDDB related to re-procurement of BDD Project, also as needed and requested.
- Brief BDD Project Partners' officials and staff members as directed by the BDDDB.

2. STANDARD OF PERFORMANCE; LICENSES

A. Contractor represents that Contractor possesses the personnel, experience and knowledge necessary to perform the Scope of Services described in this Agreement. Contractor shall perform its services in accordance with generally accepted standards and practices customarily utilized by competent consulting firms in effect at the time Contractor's services are rendered.

B. Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. Compensation under this Agreement shall be an amount up to Two-Hundred, Thousand Dollars (\$200,000.00) plus applicable gross receipts tax, as described in the attached Exhibit A.

B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the BDDDB of detailed statements containing a report of services completed. Compensation shall be paid only for services performed.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the BDDDB for the performance of this Agreement. If sufficient appropriations and authorization are not made, this Agreement shall terminate upon written notice being given by the BDDDB to Contractor. The BDDDB's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the BDDDB and terminate June 30, 2024.

6. TERMINATION

A. This Agreement may be terminated by the BDDDB upon thirty (30) days written notice to Contractor and by Contractor where necessary under the applicable rules of professional conduct. In the event of such termination:

(1) Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the BDDDB original copies of all work product, research or papers prepared under this Agreement.

(2) If payment has not already been made, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination. If full payment has been made, Contractor agrees to prorate for work accomplished and refund all amounts earned.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. Contractor and its agents and employees are independent contractors performing professional services for the BDDDB and are not employees of the BDDDB. Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of BDDDB vehicles, or any other benefits afforded to employees of the BDDDB as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or contractors retained by Contractor in the performance of the services under this Agreement.

C. Contractor shall comply with the City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by Contractor without the prior written approval of the BDDDB.

9. CONFLICT OF INTEREST

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the BDDB. Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the BDDB.

11. RELEASE

Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the BDDB and its officers, officials and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. If not completed at the time of final payment, Contractor shall remain obligated to complete the Scope of Services and other obligations of this Agreement. Contractor agrees not to purport to bind the BDDB to any obligation not assumed herein by the BDDB unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. Contractor shall not begin the Professional Services required under this Agreement until it has: (i) obtained, and upon the BDDB's request provided to the BDDB, insurance certificates reflecting evidence of all insurance required herein; however, the BDDB reserves the right to request, and Contractor shall submit, copies of any policy upon reasonable request by the

BDDDB; (ii) obtained BDDDB approval of each company or companies as required below; and (iii) confirmed that all policies contain the specific provisions required. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of Agreement by the BDDDB.

B. Further, Contractor shall not modify any policy or endorsement thereto which increases the BDDDB's exposure to loss for the duration of this Agreement.

C. **Types of Insurance.** At all times during the term of this Agreement, Contractor shall maintain insurance coverage as follows:

(1) **Commercial General Liability.** Commercial General Liability (CGL) Insurance must be written on an ISO Occurrence form or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all bodily injury, personal injury or property damage providing the following minimum limits of liability.

General Annual Aggregate (other than Products/Completed Operation)	\$1,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000

(2) **Automobile Liability.** For all of Contractor's automobiles including owned, hired and non-owned automobiles, Contractor shall keep in full force and effect, automobile liability insurance providing coverage at least as broad for bodily injury and

property damage with a combined single limit of not less than \$1 million per accident. An insurance certificate shall be submitted to the BDDB that reflects coverage for any automobile [any auto].

(3) **Professional Liability.** For Contractor and all of Contractor's employees who are to perform professional services under this Agreement, Contractor shall keep in full force and effect, Professional Liability insurance for any professional acts, errors or omissions. Such policy shall provide a limit of not less than \$1,000,000 per claim and \$1,000,000 annual aggregate. Contractor shall ensure both that: (i) the policy retroactive date is on or before the date of commencement of the first work performed under this Agreement; and (ii) the policy, or equivalent coverage, will be maintained in force for a period of three years after substantial completion of the project or termination of this Agreement whichever occurs last. If professional services rendered under this Agreement include work relating to environmental or pollution hazards, Contractor's policy shall not contain exclusions for those activities.

(4) **Workers' Compensation.** For all of Contractor's employees who are subject to this Agreement and to the extent required by any applicable state or federal law, Contractor shall keep in full force and effect, a Workers' Compensation policy & Employers Liability policy. That policy shall provide Employers Liability Limits as follows:

Bodily Injury by Accident	\$500,000	Each Accident
Bodily Injury by Disease	\$500,000	Each Employee
Bodily Injury by Disease	\$500,000	Policy Limit

D. **Cancellation.** Except as provided for under New Mexico law, all policies of insurance required hereunder must provide that the BDDDB is entitled to thirty (30) days prior written notice (10 days for cancellation due to non-payment of premium) of cancellation or non-renewal of the policy or policies as evidence by an endorsement to the policies which shall be attached to the certificates of insurance. Cancellation provisions in insurance certificates shall not contain the qualifying words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives”. In the event Contractor’s insurance carriers will not agree to this notice requirement, Contractor will provide written notice to the BDDDB within four working days of Contractor’s receipt of notice from its insurance carrier(s) of any cancellation, nonrenewal or material reduction of the required insurance.

E. **Insurer Requirements.** All insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have rated “A-” and “V” or better by the A.M. Best Key Rating Guide or equivalent standard that are authorized to do business in the State of New Mexico, and that have been approved by the BDDDB. The BDDDB will accept insurance provided by non-admitted, “surplus lines” carriers only if the carrier is authorized to do business in the State of New Mexico.

F. **Deductibles.** All deductibles or co-payments on any policy shall be the responsibility of Contractor.

G. **Specific Provisions Required.**

(1) Each policy shall expressly provide, and an endorsement shall be submitted to the BDDDB, that the policy or policies providing coverage for Commercial General Liability must be endorsed to include as an Additional Insured, the BDDDB, City of Santa

Fe, Santa Fe County, Las Campanas Water and Sewer Cooperative and The Club at Las Campanas; their respective elected officials, officers, employees, agents, volunteers and representatives.

(2) All policies required herein, with the exception of professional liability coverage, are primary and non-contributory to any insurance that may be carried by the BDDB and its respective elected officials, officers, employees, agents, volunteers and representatives, as reflected in an endorsement which shall be submitted to the BDDB.

(a) Contractor agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase the BDDB's exposure to loss.

(b) Before performing any Professional Services, Contractor shall provide the BDDB with all Certificates of Insurance accompanied with all endorsements.

(c) The BDDB reserves the right, from time to time, to review Contractor's insurance coverage, limits, and deductible and self-insured retentions to determine if they are acceptable to the BDDB. The BDDB will reimburse Contractor for the cost of the additional premium for any coverage requested by the BDDB in excess of that required by this Agreement without overhead, profit, or any other markup.

(d) Contractor may obtain additional insurance not required by this Agreement.

13. INDEMNIFICATION

General Indemnification. To the greatest extent permitted by law, Contractor shall indemnify and hold harmless the BDDB, City of Santa Fe and Santa Fe County, and their respective elected officials, officers, employees, agents, volunteers and representatives from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's fault or negligence under this Agreement as well as the performance or non-performance of Contractor's employees and those directly under Contractor's control.

Indemnification for Professional Acts, Errors or Omissions. The General Indemnification shall apply only to professional acts, errors or omissions covered by Contractor's Professional Liability insurance.

Limitations. The terms of this General Indemnification shall not apply to the actions of any of Contractor's independent contractors, nor shall it apply to any claims relating to the fault or negligence of the BDDB, City of Santa Fe or Santa Fe County.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the BDDB in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1, *et seq.*, as amended. The BDDB and their "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD-PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the BDDB and Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third-party beneficiary of this Agreement.

16. RECORDS, DOCUMENT CONTROL AND AUDIT

A. Contractor shall conform with and participate in the Document Control policies of the BDDB or City of Santa Fe. Contractor shall maintain, throughout the term of this Agreement and for a period of three (3) years thereafter, all records that relate to the scope of services provided under this Agreement.

B. Detailed records that indicate the date, time and nature of services rendered shall also be retained for a period of three years after the term of this agreement expires. These records shall be subject to inspection by City of Santa Fe, the Department of Finance and Administration, the State Auditor. The BDDB and City of Santa Fe shall have the right to audit the billing both before and after payment to Contractor. Payment under this Agreement shall not foreclose the right of the BDDB or City of Santa Fe to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the BDDB. In any action, suit or legal dispute arising from this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein, and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices requests, demands, waivers and other communications given as provided in this Agreement will be in writing and will be deemed to have been given if delivered in person (including by Federal Express or other personal delivery service), or mailed by certified or registered mail, postage prepaid, and addressed to the following addresses:

BDDB: Rick Carpenter
Facilities Manager
Buckman Direct Diversion
341 Caja Del Rio Road
Santa Fe, NM 87506
Email: rrcarpenter@santafenm.gov

With a copy to: Nancy R. Long, Esq.
BDDB Independent Counsel
Long, Komer & Associates, P.A.
1800 Old Pecos Trail, Ste. A.
P. O. Box 5098
Santa Fe, NM 87502-5098
Email: nancy@longkomer.com

CONTRACTOR: Snell & Wilmer, LLP
Daniel R. Frost
1200 Seventeenth Street, Suite 1900
Denver, CO 80202-5854
Email: dfrost@swlaw.com

Any such notice sent by registered or certified mail, return receipt, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice sent by email shall be effective only upon actual receipt of the original unless written confirmation is sent by the recipient of the email stating that the notice has been received, in which case the notice shall be deemed effective as of the date specified

in the confirmation. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]***

BUCKMAN DIRECT DIVERSION BOARD

By: _____
BDDDB Chair, Anna Hamilton

Date: _____

APPROVED AS TO FORM

Nancy R. Long
BDDDB Counsel, Nancy R. Long, Esq.

ATTEST

County Clerk, Katharine E. Clark

APPROVED FOR FINANCES

City Finance Director

ATTEST

City Clerk

File Date: _____

**CONTRACTOR:
Snell & Wilmer, LLP**

Signature: _____

Printed Name: Daniel R. Frost

Title: _____

Date: _____

NM Taxation & Revenue
CRS # _____

City of Santa Fe Business
Registration # _____

EXHIBIT A

Daniel R. Frost
(303) 634-2038
dfrost@swlaw.com

May 16, 2023

VIA E-MAIL

Monique Maes Contracts
Administrator Buckman Direct
Diversion (BDD) 341 Caja Del Rio
Road Santa Fe, NM 87506

Re: Buckman Direct Diversion Board v. CDM Smith, et al. Sole Source Procurement for FY 2024

Dear Monique:

This letter is in reference to the May 12, 2022, memorandum captioned: "Sole Source Procurement for FY 2023" ("Memo") for the Buckman Direct Diversion Board. This is to acknowledge that because of its extensive past background in the Board's counsel in the litigation with the owner's consultant and the design-builder, and its understanding of the issues with the Buckman Direct Diversion Project, Snell & Wilmer LLP is the only source for the services referred to in the Memo.

Snell & Wilmer L.L.P worked for over four years and devoted thousands of hours to the investigation, documentation, litigation and settlement of the problems with and claims over the Project's Failures. As a result, Snell & Wilmer L.L.P has a unique knowledge and understanding of the Board's legal needs for the redesign and reconstruction of the project. Continuing with Snell & Wilmer L.L.P. as the Board's outside counsel in this endeavor will provide a continuity of legal expertise and a smooth transition from investigation and litigation to redesign and repair.

Our budget for those services is \$200,000 for FY 2024. It is anticipated that those services would be provided by Daniel Frost, and others as necessary, at the rate of \$560 per hour.

Please let me know if you have questions. We very much appreciate the continued opportunity to be of service. Very truly yours,

Very truly yours,

cc: Nancy Long
Rick Carpenter

Daniel R. Frost
Snell & Wilmer

4866-9429-4614



CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: Snell & Wilmer, llc

Procurement Title: Professional Service Agreement for BDDB

Procurement Method: State Price Agreement Cooperative Sole Source Other RFP _____

Exempt Request for Proposal (RFP) Invitation to Bid (ITB) Contract under 60K Contract over 60K

Department Requesting Buckman Direct Diversion Staff Name Monique Maes

Procurement Requirements:

A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the purchasing officer, setting forth the reasoning for the contract award decision before submitting to the Committees. .

REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING*

YES	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Memo addressed to BDDB Buckman Direct Diversion Board
<input type="checkbox"/>	<input checked="" type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	RFP
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Evaluation Committee Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ITB
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bib Tab
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Quotes (3 valid current quotes)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input checked="" type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Executed Contract, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	All documentation presented to BDDB
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

Monique Maes Contracts Administrator 04/11/2023
Department Rep Printed Name (attesting that all information included) Title Date

Purchasing Officer (attesting that all information is reviewed) Title Date

Include all other substantive documents and records of communication that pertain to the procurement and any resulting contract.

Log # {Finance use <u>only</u> }:	
Journal # {Finance use <u>only</u> }:	

City of Santa Fe, New Mexico

BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME PUD/Buckman Direct Diversion	DATE 6/1/2024
--	------------------

ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE
<u>EXPENDITURES</u>				<i>{enter as <u>positive</u> #}</i>	<i>{enter as <u>negative</u> #}</i>
BDD Operating/Legal Service	8000825	510200		200,000	
Interfund transfer out to 800	8010816	755800		200,000	
<u>REVENUES</u>				<i>{enter as <u>negative</u> #}</i>	<i>{enter as <u>positive</u> #}</i>
Interfund transfer in from 801	8000825	655801		(200,000)	

JUSTIFICATION: *(use additional page if needed)*
--Attach supporting documentation/memo

\$ 200,000	\$ -
------------	------

Moving funds from MRRF/Settlement Funds to the Operating Fund, per BDDDB approval at
 6/1/23 BDDDB for the Snell & Wilmer post litigation contract services for FY2024.
 Sole Source (#30-M0087-23-CP090)

<i>{Complete section below if BAR results in a net change to ANY Fund}</i>	
	Fund Balance
Fund(s) Affected	Increase/(Decrease)
801	(200,000)
TOTAL:	(200,000)

Antoinette Armijo-Rougemont	6/1/2024	<i>{Use this form for Finance Committee/ City Council agenda items ONLY}</i>	
Prepared By <i>{print name}</i>	Date	<u>CITY COUNCIL APPROVAL</u> City Council Approval Date: <input style="width: 100px; height: 20px;" type="text"/> Agenda Item #: <input style="width: 100px; height: 20px;" type="text"/>	Budget Officer _____ Date
Division Director Signature <i>{optional}</i>	Date		Finance Director {≤ \$5,000} _____ Date
Department Director Signature	Date		City Manager {≤ \$60,000} _____ Date



Buckman Direct Diversion Board

Real Estate Summary of Contracts, Agreements, Amendments & Leases



Section to be completed by department

1. Munis Contract # 3204037

Contractor: Snell & Wilmer LLP

Description: To provide Legal Services for the Buckman Direct Diversion Board

Contract Agreement Lease / Rent Amendment

Term Start Date: 07/01/2023 Term End Date: 06/30/2024

Approved by BDDDB or Approved by BDD Facilities Manager Date: 06/01/2023

Contract / Lease:

Amendment # _____ to the Original Contract / Lease # _____

Increase/(Decrease) Amount \$ _____

Extend Termination Date to: _____

Approved by BDDDB or Approved by BDD Facilities Manager Date: _____

Amendment is for:

2. **HISTORY of Contract, Amendments & Lease / Rent - Please Elaborate** (option: attach spreadsheet if multiple amendments)

3. **Procurement History:** _____

Purchasing Officer Review: _____ Date: _____
 Comment & Exceptions: _____

4. **Funding Source:** _____ **Org / Object:** 8000825.510200

Budget Officer Approval: _____ Date: _____
 Comment & Exceptions: _____

Staff Contact who completed this form: Monique Maes Phone # 505-955-4508



Email: mmmaes@santafenm.gov

To be recorded by City Clerk:

Clerk # _____

Date of Execution: _____



Date: April 6, 2023
To: Travis K. Dutton-Leyda, City of Santa Fe Purchasing Officer
From: Monique Maes, Contracts Administrator 
Via: Rick Carpenter, BDD Facilities Manager 
Subject: Procurement Determination

ITEM:

Request for contract approval with Snell and Wilmer for legal services

BACKGROUND:

In 2018 through the RFP process Snell and Wilmer was granted an award for Professional Services to provide legal representation in litigation matters. In 2022 an award for Sole Source was made with Snell & Wilmer. Currently, the BDD has several on-going projects that will require the unique services that Snell & Wilmer can provide. Because they have been the provider of representation through the litigation, Snell & Wilmer has unique knowledge and understanding of the BDD facility and of the defects requiring repair and refurbishment. It is most beneficial to continue utilization of this partnership to ensure a smooth transition with the repair projects at the BDD. There is only one firm that qualifies for this work. It is highly advantageous to continue this unique relationship with the continued Sole Source procurement of this vendor.

ACTION REQUESTED:

Procurement Determination for Sole Source.





City of Santa Fe, New Mexico



SOLE SOURCE REQUEST AND DETERMINATION FORM

This sole source request form **must** be submitted to the City of Santa, Purchasing Division for authorization, determination and processing by the Chief Procurement Officer (CPO).

Please ensure to complete this form in its entirety - () must be completed.*

*Date: 03/23/2023

*Prepared By Monique Maes

*Title Contracts Administrator

*Vendor Name Snell & Wilmer

*Address: Tabor Center 1200 Seventeenth Street Suite 1900

*City: Denver

*State: CO

*Zip Code: 80202-5854

*Description of Goods/Service to be procured:

*Estimated Cost: \$200,000.00

Term of Contract: One (1) to Four (4) year from award 2 years

*Sole Source Request Justification Questions 1-3.

1. Explain the purpose/need of purchase. Ensure to include a thorough scope of work for the services, construction or items of tangible personal property (if this is an amendment request to an existing contract, attach current contract).

The purpose of this purchase is to continue the Sole Source procurement with Snell & Wilmer. The project they were to have worked on this fiscal year was delayed for most of the year. Their services are required in order to provide a smooth transition with the continuation of services from its litigation representation of the BDDDB. This vendor has all the information, documentation, testimonies, and expertise needed to assist the BDD as it moves forward with the Project's rehabilitation utilizing the funds received from the litigation .



City of Santa Fe, New Mexico



2. Provide a detailed explanation of the criteria developed and specified by the department as necessary to perform and/or fulfill the contract.

The contractor has affirmed sole source for the services, construction or items of tangible personal property (*Attach memo from vendor*). Provide documentation of due diligence for other possible vendors/contractors to provide the requested services/goods proved unsuccessful; or

Other: explanation of the reasons, qualifications, proprietary rights or unique capabilities (*unique and how this uniqueness is substantially related to the intended purpose of the contract*) of the prospective contractor that makes the prospective contractor *the one source* capable of providing the required professional service, service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”) *Unique and how this uniqueness is substantially related to the intended purpose of the contract.*

Snell & Wilmer L.L.P. worked for over four years and devoted thousands of hours to the investigation, documentation, litigation and settlement of the problems with and claims over the Project's performance failures. As a result, Snell & Wilmer L.L.P. has a unique knowledge and understanding of the Board's legal needs for the redesign and reconstruction of the Project. Continuing with Snell & Wilmer L.L.P. as the Board's outside counsel in this endeavor will provide a continuity of legal expertise and a smooth transition from investigation and litigation to redesign and repair.

3. Explain why other similar professional services, services, construction or item(s) of tangible personal property *cannot* meet the intended purpose of the contract.

Snell & Wilmer's knowledge is unique. No other attorney has the experience, knowledge or understanding of the flaws in the BDD project and the best methods of remedying the problems.



City of Santa Fe, New Mexico



*Approvals:

Based on the above facts, the City of Santa Fe Purchasing Officer has made the determination that the justification for a Sole Source procurement is in accordance with the State Procurement Code, Section 13-1-126 Sole source procurement., NMSA 1978 and shall be posted for a 30-day period prior to award.

Travis Dutton-Leyda 3/28/23
Purchasing Officer for the Date
City of Santa Fe

Pursuant to the State Procurement Code, Section 13-1-126 Sole source procurement., NMSA 1978, the 30-day posting period of the Notice of Intent to Award this Sole Source request was met and no obligation to the award to the above referenced contractor were received. This Sole Source determination will be valid for a period of one (1) year from the date of the award.

Travis Dutton-Leyda 4/28/23
Purchasing Officer for the Date
City of Santa Fe

*Required Attachments:

- *Letter from Contractor acknowledging they are the only source (on their business letterhead and signed by the head of business or financial operations),*
- *Quote from sole source Contractor*
- *Agenda Item to be presented to City Council if over \$60,000 for Professional Services and \$60,000 for Goods and Non-Professional Services*

March 22, 2023

VIA E-MAIL

Monique Maes
Contracts Administrator
Buckman Direct Diversion
341 Caja Del Rio Road
Santa Fe, NM 87506

**Re: Buckman Direct Diversion Board / Snell & Wilmer L.L.P.
Sole Source Procurement for FY 2023**

Dear Monique:

This letter is in reference to the May 12, 2022, memorandum captioned: "Sole Source Procurement for FY 2023" ("Memo") for the Buckman Direct Diversion Board ("Board"). Because of its extensive past background as the Board's counsel in the litigation with the owner's consultant and the design-builder, and its understanding of the issues with the Buckman Direct Diversion Project, Snell & Wilmer LLP is the only source for the services referred to in the Memo.

Snell & Wilmer L.L.P. worked for over four years and devoted thousands of hours to the investigation, documentation, litigation and settlement of the problems with and claims over the Project's failures. As a result, Snell & Wilmer L.L.P. has a unique knowledge and understanding of the Board's legal needs for the redesign and reconstruction of the Project. Continuing with Snell & Wilmer L.L.P. as the Board's outside counsel in this endeavor will provide a continuity of legal expertise and a smooth transition from investigation and litigation to redesign and repair.

Our budget for those services is \$180,000 for FY 2024. . It is anticipated that those services

ALBUQUERQUE BOISE DENVER LAS VEGAS LOS ANGELES LOS CABOS ORANGE COUNTY PHOENIX PORTLAND
RENO SALT LAKE CITY SAN DIEGO SEATTLE TUCSON WASHINGTON, D.C.

Snell & Wilmer, Professional Services Agreement 2022/2023
4866-9429-4614

would be provided by Daniel Frost at the rate of \$560 per hour.

Please let me know if you have questions. We very much appreciate the continued opportunity to be of service.

Very truly yours,

Snell & Wilmer

Daniel R. Frost

cc: Nancy Long
Rick Carpenter

ALBUQUERQUE BOISE DENVER LAS VEGAS LOS ANGELES LOS CABOS ORANGE COUNTY PHOENIX PORTLAND
RENO SALT LAKE CITY SAN DIEGO SEATTLE TUCSON WASHINGTON, D.C.

Snell & Wilmer, Professional Services Agreement 2022/2023
4866-9429-4614



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/16/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER N/A Insurer: Attorneys' Liability Assurance Society Ltd., A Risk Retention Group (ALAS) 311 S. Wacker Drive, Suite 5700 Chicago, IL 60606	CONTACT NAME: Nancy J. Montroy
	PHONE (A/C, No., Ext): (312) 697-6900 FAX (A/C, No.): E-MAIL ADDRESS: njmontroy@alas.com
INSURED Snell & Wilmer L.L.P. One Arizona Center 400 East Van Buren Street Suite 1900 Phoenix, AZ 85004-2202	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A: Attorneys' Liability Assurance Society Ltd., 15445 : A Risk Retention Group (ALAS)
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMP/OP AGG	\$
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	Lawyers' Professional Liability	N	N	LPL-1229-2023	1/1/2023	1/1/2024	\$60M per claim/ \$120M annual aggregate	

(ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CANCELLATION

Buckman Direct Diversion Board 341 Caja Del Rio Road Santa Fe, NM 87506	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Nancy J. Montroy, Vice President - Director of Underwriting, ALAS Ltd., RRG

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Memorandum



Buckman Direct Diversion

Date: May 23, 2023

To: BDD Board

From: Rick Carpenter, BDD Facilities Manager

RC

Re: Alpha Southwest Change Order for New Raw Water KSB Replacement Pump

Item and Issue

This is a request for a change order for additional funds for a raw water lift station pump replacement project. This has been an ongoing project (started in 2021) that has been slow to progress, during which time most of the major components experienced significant inflation. Since the parts were originally priced out the costs have increased dramatically. Supply chain issues also caused significant delays because some of the parts are manufactured only in Ukraine. The estimated additional cost to finish the project is \$33,800.00. Funds for this will be derived from the Major Repair and Replacement Fund.

Recommendation

Approve the requested change order in the additional amount of \$33,800.00





205 Rossmoor Rd. SW
Albuquerque NM 87105
Ph. 505-877-0287
Fax. 505-877-0459
www.alphasw.com

22 May 23

Mr. Rick Carpenter
BDD Facilities Manager

Rf: BDD – Raw Water KSB Replacement Pump

Rick;

I am requesting a change order for additional funds for the subject project. Please keep in mind that this project was estimated using our old contract rates which had not been raised for around 5 years. The new rates went up an average of 34%. As you know this project was started in late 2021. The pump / motor manufacturing delivery was delayed over 6 months due to supply chain issues (a major component was manufactured in Ukraine). Over this period of time ASW contract rates went up, and we all experienced hyperinflation on pretty much everything that touched this project.

We still need to lift the pump one more time to install the completed suction fabricated fitting. Once that is set, then we can field fit the fabricated discharge fitting, have it coated and installed. Epoxy set the anchor bolts and grout the sole plate. Electrically connect the motor and install the Pump Safe relays in the controls for the pumps.

The following is a conservative estimate to finish the project:

Electrical labor:	96 Hrs. @ \$125.00	\$ 12,000.00
Electrical Material:	Lot:	\$ 1,500.00
Pump Div. labor	170 Hrs. @ \$90.00	\$ 15,300.00
Pump Div. Material	Lot:	<u>\$ 2,000.00</u>
		\$30,800.00
Estimated	Tax:	<u>\$ 3,000.00</u>
		\$33,800.00

Please let me know if you have any comments or questions.

David Yates
Acting Regional VP; General Manager
Alpha Southwest



Date: May 23, 2023
To: The Buckman Direct Diversion Board
From: Monique Maes, Contracts Administrator
Via: Rick Carpenter, Facilities Manager
Antoinette Armijo-Rougemont, Accounting Supervisor
Subject Amendment No. 2 –Alpha Southwest KBS Pump 4

ITEM

Request for approval of Amendment No. 2

1. Approval to increase the contract amount by \$33,800.00 and to extend the terms of the Services Agreement with Alpha Southwest Inc to June 30, 2024.
2. Approval of Budget Authorization Request in the amount of \$33,800.00 to access funds from the MRRF account.

BACKGROUND AND SUMMARY

On August 5th 2021, the Buckman Direct Diversion Board approved a request to authorize funds from the Major Repair and Replacement Fund to replace pump #4 with a KSB pump at the Raw Water Lift Station in the amount of \$253,833.30. Completion of this project is expecting to continue into fiscal year 2024 as the vendor still needs to lift the pump one more time to install the completed suction fabricated fitting, anchoring, and electrical control set. The reasoning for the on-going completion time is due to a six month delay due to global supply chain and manufacturing issues. The total of this contract including this amendment is \$287,633.30

ACTION REQUESTED

Staff recommends approval of Amendment No. 2 to the Service Agreement with Alpha Southwest, Inc. to extend terms to June 30, 2023 for the KBS pump #4 installation project.

Approved by BDDDB June, 1 2023



**BUCKMAN DIRECT DIVERSION BOARD
AMENDMENT No. 2 TO THE
AGREEMENT
WITH ALPHA SOUTHWEST, INC.
21-0521, 22-0329**

THIS AMENDMENT No. 2 (the "Amendment") to the Agreement between Owner and Contractor dated September 9, 2021, and as subsequently amended (the "Agreement"), is made between the Buckman Direct Diversion Board ("BDDDB") and Alpha Southwest, Inc. ("Contractor"). The effective date of this Amendment shall be the date it is executed by the BDDDB.

RECITALS

A. WHEREAS, under the terms of the Agreement, Contractor agrees to provide and install a new KSB pump and the drawings, scheduling, and worksite preparation related to the installation of the pump.

B. Pursuant to Article 7 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the BDDDB and Contractor agree as follows:

1. COMPENSATION.

Article 3, paragraph A of the Agreement is amended to increase the compensation by \$33,800.00 due to rate increases not anticipated in the original estimate (as provided in Exhibit A, attached hereto and incorporated herein) so that Article 3, paragraph A reads in its entirety as follows: The total compensation under this Agreement shall not exceed Two Hundred Eighty-Seven Thousand Six Hundred Thirty-Three Dollars (\$287,633.30.) plus applicable gross receipts tax.

2. TERM AND EFFECTIVE DATE.

Article 4, of the Agreement is amended to extend the term to terminate on June 30, 2024. The BDDDB reserves the right to renew the contract on an annual basis by mutual agreement not to exceed

a total of four (4) years in accordance with NMSA 1978, 13-1-150 through 152.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains, and shall remain, in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the dates set forth below.

***[BALANCE OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]***

BUCKMAN DIRECT DIVERSION BOARD

**CONTRACTOR:
Alpha Southwest, Inc.**

By: _____
Anna Hamilton, BDDDB Chair

Signature: _____

Printed Name: _____

Date: _____

Title: _____

Date: _____

ATTEST

County Clerk

New Mexico Tax & Revenue

CRS# _____

APPROVED AS TO FORM

City of SF Business

Nancy R. Long

Nancy R. Long, BDDDB Counsel

Registration # _____

APPROVED

City Finance Director

ATTEST

City Clerk

File Date: _____

EXHIBIT A



205 Rossmoor Rd. SW
Albuquerque NM 87105
Ph. 505-877-0287
Fax. 505-877-0459
www.alphasw.com

22 May 23

Mr. Rick Carpenter
BDD Facilities Manager

Rf: BDD – Raw Water KSB Replacement Pump

Rick;

I am requesting a change order for additional funds for the subject project. Please keep in mind that this project was estimated using our old contract rates which had not been raised for around 5 years. The new rates went up an average of 34%. As you know this project was started in late 2021. The pump / motor manufacturing delivery was delayed over 6 months due to supply chain issues (a major component was manufactured in Ukraine). Over this period of time ASW contract rates went up, and we all experienced hyperinflation on pretty much everything that touched this project.

We still need to lift the pump one more time to install the completed suction fabricated fitting. Once that is set, then we can field fit the fabricated discharge fitting, have it coated and installed. Epoxy set the anchor bolts and grout the sole plate. Electrically connect the motor and install the Pump Safe relays in the controls for the pumps.

The following is a conservative estimate to finish the project:

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Electrical Material: Lot: \$ 1,500.00
Pump Div. labor 170 Hrs. @ \$90.00 \$ 15,300.00
Pump Div. Material Lot: \$ 2,000.00
\$30,800.00
Estimated Tax: \$ 3,000.00
\$33,800.00

Please let me know if you have any comments or questions.

David Yates
Acting Regional VP; General Manager
Alpha Southwest



CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: Alpha Southwest Inc.

Procurement Title: KSB PUMP Replacement

Procurement Method: State Price Agreement Cooperative Sole Source Other _____

Exempt Request For Proposal (RFP) Invitation To Bid (ITB) Contract under 60K Contract over 60K

Department Requesting Buckman Direct Diversion Staff Name Monique Maes

Procurement Requirements:

A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the purchasing officer, setting forth the reasoning for the contract award decision before submitting to the Committees. .

REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING*

YES	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Memo addressed to BDDB Buckman Direct Diversion Board
<input checked="" type="checkbox"/>	<input type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	RFP
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Evaluation Committee Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ITB
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bib Tab
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Quotes (3 valid current quotes)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Executed Contracts, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	All documentation presented to BDDB
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

Monique Maes Contracts Administrator 05/22/2023
Department Rep Printed Name (attesting that all information included) Title Date

Purchasing Officer (attesting that all information is reviewed) Title Date

Include all other substantive documents and records of communication that pertain to the procurement and any resulting contract.

*

Log # {Finance use <u>only</u> }:	
Journal # {Finance use <u>only</u> }:	

City of Santa Fe, New Mexico BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME PUD/Buckman Direct Diversion					DATE 6/1/2023	
ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE	
EXPENDITURES				<i>{enter as positive #}</i>	<i>{enter as negative #}</i>	
Rep and Maint Build/System Equipment	8000825	570550		33,800		
Interfund transfer out to 800	8010815	755800		33,800		
REVENUES				<i>{enter as negative #}</i>	<i>{enter as positive #}</i>	
Interfund transfer in from 801	8000825	655801		(33,800)		

JUSTIFICATION: *(use additional page if needed)*
 --Attach supporting documentation/memo

Moving funds from the MRRF to the Operating Fund, per BDDB approval at the June 1, 2023	<i>{Complete section below if BAR results in a net change to ANY Fund}</i>	
BDDB meeting - approval of Amendment #2 to the Agreement with Alpha Southwest	Fund(s) Affected	Fund Balance Increase/(Decrease)
Agreement 21-0521, 22-0329, KSB Pump Replacement at Raw Water Lift Station PS10.	801	(33,800)
TOTAL:		(33,800)

Antoinette Armijo-Rougemont	6/1/2023	<i>{Use this form for Finance Committee/ City Council agenda items ONLY}</i>	
Prepared By {print name}	Date	CITY COUNCIL APPROVAL	Budget Officer
Division Director Signature {optional}	Date		Finance Director {≤ \$5,000}
Department Director Signature	Date		City Manager {≤ \$60,000}
		City Council Approval Date	Date
		Agenda Item #:	Date



Buckman Direct Diversion Board

Real Estate Summary of Contracts, Agreements, Amendments & Leases



Section to be completed by department

1. Munis Contract # 3202915

Contractor: Alpha Southwest, Inc.

Description: Installation of new KSB pump

Contract Agreement Lease / Rent Amendment

Term Start Date: 07/01/2022 Term End Date: 06/30/2023

Approved by BDDDB or Approved by BDD Facilities Manager Date: 7/2/2023

Contract / Lease:

Amendment # No. 2 to the Original Contract / Lease # 21-0521

Increase/(Decrease) Amount \$ 33,800.00

Extend Termination Date to: June 30, 2024

Approved by BDDDB or Approved by BDD Facilities Manager Date: 06/30/2024

Amendment is for:

2. **HISTORY of Contract, Amendments & Lease / Rent - Please Elaborate** (option: attach spreadsheet if multiple amendments)
21-00521 in the amount of \$253,833.30 end term date 6/30/2022
22-0329 to extend the date of the term to 6/30/2023

3. Procurement History: _____

Purchasing Officer Review: _____ Date: _____
 Comment & Exceptions: _____

4. Funding Source: _____ Org / Object: 8000825.570550

Budget Officer Approval: _____ Date: _____
 Comment & Exceptions: _____

Staff Contact who completed this form: Monique Maes Phone # 505-955-4508

Email: mmmaes@santafenm.gov

To be recorded by City Clerk:

Clerk # _____

Date of Execution: _____



City of Santa Fe

Treasury Department
200 Lincoln Ave.
Santa Fe, New Mexico 87504-0909
505-955-6551

BUSINESS REGISTRATION

Business Name: ALPHA SOUTHWEST, INC
DBA: ALPHA SOUTHWEST, INC

Business Location: 205 ROSSMOOR RD SW
ALBUQUERQUE, NM 87105

Owner: ALPHA SOUTHWEST, INC

License Number: 225207

Issued Date: February 16, 2023

Expiration Date: February 16, 2024

CRS Number: 01-711081-005

License Type: Business License - Renewable

Classification: Out of Jurisdiction Contractor -
General

Fees Paid: \$10.00

ALPHA SOUTHWEST, INC
205 ROSSMOOR RD SW
ALBUQUERQUE, NM 87105

THIS IS NOT A CONSTRUCTION PERMIT OR SIGN PERMIT.
APPROPRIATE PERMITS MUST BE OBTAINED FROM THE CITY
OF SANTA FE BUILDING PERMIT DIVISION PRIOR TO
COMMENCEMENT OF ANY CONSTRUCTION OR THE
INSTALLATION OF ANY EXTERIOR SIGN.

THIS REGISTRATION/LICENSE IS NOT TRANSFERRABLE TO
OTHER BUSINESSES OR PREMISES.

TO BE POSTED IN A CONSPICUOUS PLACE



Date: May 19, 2023

To: Buckman Direct Diversion Board

From: Rick Carpenter
Kyle S. Harwood

Subject: Hexavalent Chromium EA (Environmental Assessment) Scoping Comment letter
Los Alamos National Laboratory

ITEM:

Request approval to send the attached comment letter in response to the EA scoping deadline of June 6, 2023.

BACKGROUND:

The comment period for the Hexavalent Chromium (Cr6) Interim Measure EA has a deadline of June 6, 2023. We expect the draft EA will be released in the coming months, which will be a detailed document with its own comment period, and we expect a final EA to be released before the end of 2023. Recognizing the Board's specific scope of interest in groundwater pollution in the vicinity of the Pajarito Plateau the draft scoping comment letter focuses on the scope of the EA, the process and the possible impacts to the Rio Grande in the vicinity of the BDD Project intake.

With respect to the BDD Board Resolution 2022-2, 'A Resolution of the Buckman Direct Diversion Board Concerning the Mission, Goals and Values of the Board Regarding Rio Grande Water Quality' this issue relates to the adopted goals and values described in 1, 2, 3, 6, 7 and 8 of that Resolution.

Action Requested:

Staff recommends submittal of the scoping comment letter by June 6, 2023.





341 Caja del Rio Santa Fe, NM 87506

June XX, 2023

Via email to: emla-nepa@em.doe.gov

ATTN: NEPA Document Manager
U.S. DOE Environmental Management
Los Alamos Field Office
1200 Trinity Drive, Suite 400
Los Alamos, NM 87544

**RE: HEXAVALENT CHROMIUM EA SCOPING COMMENT
LOS ALAMOS NATIONAL LABORATORY
BUCKMAN DIRECT DIVERSION BOARD**

To Whom It May Concern:

Herein are comments on the above-captioned matter from the Buckman Direct Diversion (“BDD”) Board, the governing body for the Buckman Direct Diversion. The BDD is a single diversion point on the Rio Grande that the City of Santa Fe, Santa Fe County, and their limited partner, Las Campanas, share to divert their San Juan-Chama and native Rio Grande water rights. Diverted water is treated and introduced into the regional water system. The government entities are represented on the Board.

The BDD is on the Rio Grande, approximately 3 miles downstream of Otowi Bridge, a short distance downstream of the location of the confluence of Los Alamos Canyon and the Rio Grande. Los Alamos Canyon and its tributaries have been contaminated by operations of Los Alamos National Laboratory (“LANL”), and downcanyon migration of those contaminants to the Rio Grande is well-documented. The Board is therefore understandably concerned about runoff in the Los Alamos Canyon watershed, and about the long-term actions LANL may take that could jeopardize or otherwise fail to protect the Rio Grande.

The Board offers the following comments concerning the scope of the proposed LANL Hexavalent Chromium Interim Measure EA (“EA”):

- The EA should analyze the groundwater/surface water connection, particularly with respect to how the pumping effects of the extraction wells called for in the Interim Measure will deplete Rio Grande surface flows, which are a present and future use of the resource for drinking water. This analysis should include potential cumulative impacts, and how those impacts could affect off-site resources (e.g., the Rio Grande).
- The EA should include an analysis of the method of offset or identifying consumptive use. Depletions upstream of the BDD intake that are not offset may directly affect the

BDD's ability to provide water to its customers, the City of Santa Fe and the County of Santa Fe.

- The EA should analyze whether the Interim Measure under the 2016 Consent Order is an adequate mechanism to assure that the Hexavalent Chromium Plume is sufficiently and timely characterized and, if necessary, remediated to a degree that present and future uses of potentially-affected resources – including the Rio Grande – are protected and sustainable.
- DOE should ensure in the EA that the four options and “Adaptive Site Management” are clearly defined, explained, and contain adequate supporting documentation. Pumping conditions under Option 1 (“Expanded Pump and Treat with Expanded Injection”) should be analyzed and explained. Locations, volumes, and times of Land Application under Option 2 should be clearly delineated.
- DOE subject matter experts struggled at the public scoping meeting on May 8, 2023 to define the assumed conditions that would exist under the “no action alternative,” which normally in an EA process assumes the subject project would not move forward. The Board understands that the “no action alternative” in this case is in fact pumping and extracting at up to 280 gallons per minute as was occurring under the Interim Measure in late 2022. The Board further understands that the Interim Measure would move forward regardless of the outcome of the EA. DOE should ensure the “no action alternative” and this apparent contradiction with its common meaning is clearly explained.
- Generally, the Administrative Record for the EA should be easily available to the public, transparent, and contain all documents (not just links to documents or other websites) upon which DOE is relying.
- The U.S. Environmental Protection Agency (“USEPA”) has devoted significant resources to bolstering the federal and state engagement with stakeholders, particularly tribes, pueblos, local governments, and utilities because such engagement improves the decision-making process attendant to the environmental effects of polluting industries and clean-up. The EA should therefore analyze the positive environmental impacts of improved engagement – including providing these entities with early “previews” of proposed federal, state, and local permitting actions. DOE should consider employing some other these enhanced public engagement practices in the EA process.
- Because of the highly technical issues the EA is expected to address, the keen interest in the subject members of the public have expressed since the contamination was revealed to the public in 2005, and the need and time it takes for government entities to deliberate and make transparent their comments, the Board suggests the draft EA be released for at least a 90-day comment period.

Respectfully,

Commissioner Anna Hamilton
Santa Fe County Commission District 4
BDD Board Chairperson

Councilor Carol Romero-Wirth
Santa Fe City Council District 2
BDD Board Vice Chairperson

Commissioner Anna Hansen
Santa Fe County Commission District 2
BDD Board Member

Councilor Renee Villarreal
City of Santa Fe District 1
BDD Board Member

JC Helms
BDD Board Citizen-at-large Member

DRAFT



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
**ENVIRONMENTAL
MANAGEMENT**



Welcome to the Public Scoping Meeting for the Chromium Interim Measures and Final Remedy Environmental Assessment

Public Scoping Meetings
May 8-9, 2023

EM-LA thanks you for your participation.
The presentation will begin momentarily.



ENVIRONMENTAL MANAGEMENT
SAFETY ♦ PERFORMANCE ♦ CLEANUP ♦ CLOSURE



NEPA Process

- National Environmental Policy Act (NEPA)
- Purpose of Public Scoping Meetings
- Public Scoping Comment Procedures
- Timeline for Comment Submission
- How to Submit a Substantive Comment

Project Background

- Purpose and Need for Agency Action
- Potential Alternatives
- Draft Environmental Assessment (EA)





NEPA is a Federal law that requires agencies to identify and consider the environmental consequences of implementing proposals

The analysis of environmental consequences presented in an EA accomplishes the following objectives:

Identifies and describes the affected environment

Provides sufficient evidence and analysis for determining whether to prepare an Environmental Impact Statement (EIS) or a Finding of No Significant Impact (FONSI)

Evaluates the potential environmental consequences of reasonable alternatives

The EA process concludes with a FONSI or decision to proceed with EIS





The Purpose of Public Scoping Meetings

Provide the public with information regarding the Chromium Interim Measures (IM) and Final Remedy, and how EM-LA will evaluate proposed alternatives in the EA

Describe the NEPA process and objectives of the EA

Provide an overview of public scoping comment procedures

Receive public input on other options or alternatives and other resources to be considered for the EA

Public scoping is not required for an EA. EM-LA is conducting scoping meetings as part of its stakeholder engagement priority and because there is significant interest in the hexavalent chromium plume.





Public Scoping is the first stage in the EA Process

The Public Scoping Phase provides EM-LA with the opportunity to identify issues of interest and concern to frame the environmental analysis, and to more effectively shape the alternatives to be considered

EM-LA is seeking feedback from stakeholders, including local, state, and federal agencies; local and state elected officials, pueblos, non-governmental organizations, and the public on the development of the EA

Public scoping comments will be part of the official NEPA record and a summary will be included in the Draft EA.





Timeline and Procedures for Comment Submission

**30-day Public Comment Period Starts
May 8, 2023**



**Public Scoping Meetings
May 8-9, 2023**



**30-day Public Comment Period Ends
June 6, 2023**



**Draft EA Available
Anticipated for July 2023**



**DOE Announces Findings
December 2023**

Provide comments TODAY by:

- Recording a verbal comment with the stenographer
- Submitting a written comment form to the EM-LA representatives

Submit comments LATER by:

- Submitting comments via email, with “Chromium EA Scoping Comment” in the subject line:

emla-nepa@em.doe.gov

- Or submitting comments by U.S. Mail:

**ATTN: NEPA Document Manager
U.S. DOE Environmental Management
Los Alamos Field Office
1200 Trinity Drive, Suite 400
Los Alamos, NM 87544**

Comments should be postmarked by June 6, 2023,
for consideration in the Draft EA





NEPA requires a rigorous process to be followed prior to making a final decision, including consideration of comments

- Substantive comments identify potential alternatives, information, and analyses relevant to the NEPA evaluation
- All substantive comments received, whether spoken, written, or electronic, will be given equal consideration

To receive a notice of availability of the Draft EA, please sign up for the notification list by entering your contact information on the meeting sign-in form or sending an email to emla-nepa@em.doe.gov





- In accordance with applicable Federal and state regulations, and the 2016 Compliance Order on Consent (Consent Order) between DOE and the New Mexico Environment Department (NMED), EM-LA needs to assess, identify, clean-up, and otherwise address environmental contamination at LANL

- The purpose of the proposed action is to remediate hexavalent chromium contaminated groundwater below Sandia and Mortandad canyons
- EM-LA needs to evaluate both the Interim Measures and a final remedy

- The primary objective of the IM is to control downgradient migration of the hexavalent chromium plume, with the benefit of removing some chromium mass from the regional aquifer
- EM-LA now needs to evaluate alternatives for groundwater remediation to achieve compliance with the New Mexico chromium groundwater standard





No Action Alternative

Continue Interim Measures and Plume Characterization

- This alternative is a continuation of the preferred alternative in the *Environmental Assessment for Chromium Plume Control Interim Measure and Plume-Center Characterization, Los Alamos National Laboratory, Los Alamos, New Mexico* (DOE/EA-2005, December 2015) and Finding of No Significant Impact (FONSI, December 2015)
- The 2015 Assessment prioritized the Chromium Plume Interim Measures and Plume Characterization

- Under the No Action Alternative, EM-LA would control plume migration and maintain hexavalent chromium contamination levels within the LANL boundary while long-term corrective action remedies continue to be evaluated and implemented
- EM-LA would continue to further characterize the plume to evaluate the effectiveness and feasibility of implementing a final remedy





Proposed Action Adaptive Site Management

- Under this alternative, EM-LA would use Adaptive Site Management (ASM) to select and implement remedies to remediate the hexavalent chromium plume
- The goal of ASM is to create a framework of structured and continuous planning, implementation, and monitoring that accommodates new information and changing site conditions to develop effective and efficient cleanup strategies

- In accordance with the 2016 Consent Order, the final remedy will be selected by NMED after EM-LA submits a Corrective Measures Evaluation (CME) Report to NMED
- The CME Report will identify and evaluate potential corrective measures for removal, containment, and/or treatment of the hexavalent chromium plume
- In the CME Report, DOE will also recommend a preferred alternative for remediation
- NMED will then issue a Statement of Basis, engage in a public comment period, and select a remedy





Public scoping, history of the plume, potential alternatives, and other information on the NEPA EA process is provided in the following posters





EM-LA, N3B, and Leidos Introductions

EM-LA Representatives	Contractor Representatives
Lee Bishop, Director, Office of Quality and Regulatory Compliance	Shawn Stone, N3B Environmental Programs and Services Director
Jesse Kahler, NEPA Compliance Officer	Sean Dolan, N3B Cultural Resources Specialist
Hai Shen, NEPA Document Manager	Clark Short, N3B Water Project Manager
Cheryl Rodriguez, Program Manager, Soil and Water Remediation, Office of Cleanup Execution	Mike Erikson, N3B Director, Water Oversight Program
Tom McCrory, Senior Geologist, Office of Cleanup Execution	Troy Thomson, N3B Program Manager, Environmental Remediation
	Jenifer Nordstrom, Leidos, NEPA Support Program Manager





Historical Context of the Hexavalent Chromium (Cr) Plume

Origin of the Hexavalent Cr Plume

- The source of the hexavalent Cr plume was a non-nuclear power plant at Los Alamos National Laboratory (LANL) that periodically flushed water containing potassium dichromate from the plant's cooling towers into Sandia Canyon from 1956-1972.
- Up to 160,000 lbs of hexavalent Cr was released during this period, but most of it did not migrate into the regional aquifer.
- Current measurements estimate the hexavalent Cr plume is ~1 mile long x ½ mile wide.



Movement of the Hexavalent Cr Plume

- Water containing hexavalent Cr traveled down Sandia Canyon.



- Unsaturated zones in tilted rock formations beneath the canyon allowed hexavalent Cr to infiltrate into the regional aquifer underlying Mortandad Canyon.

First Samples



- Monitoring Well R-28 was installed in Mortandad Canyon in 2004 to investigate the regional aquifer beneath LANL.
- The first groundwater samples from R-28 contained hexavalent Cr concentrations ~8x the New Mexico drinking water standard.
- EM-LA prepared the Environmental Assessment for Chromium Plume Control Interim Measure and Plume-Center Characterization (DOE/EA-2005) to analyze environmental impacts of actions to limit downgradient migration of the plume edge in the regional aquifer.





No Action Alternative – “Continue Interim Measures and Plume Characterization”

- Under the No Action Alternative, EM-LA would continue to control plume migration and maintain hexavalent chromium contamination levels within the LANL boundary while long-term corrective action remedies continue to be evaluated and implemented.
- EM-LA would continue to further characterize the plume to evaluate the effectiveness and feasibility of implementing a final remedy.



Alternative 1 – “Adaptive Site Management”

- EM-LA would use adaptive site management to select and implement remedies to remediate the hexavalent chromium plume.
- This approach would create a framework of structured and continuous planning, implementation, and monitoring that accommodates new information, changing site conditions, and public participation.
- EM-LA is considering the following options, or a combination of these options:
 - **Option 1:** Expanded Pump and Treat with Expanded Injection
 - **Option 2:** Expanded Pump and Treat with Land Application
 - **Option 3:** Expanded Pump and Treat with Injection and/or Land Application and In-situ Treatment
 - **Option 4:** Monitored Natural Attenuation





Adaptive Site Management Options



Continue Interim Measures and Plume Characterization:

Pump and treat contaminated water, inject treated (clean) water that meets the New Mexico chromium groundwater standard. Continue characterization with additional monitoring wells, studies, and modeling.



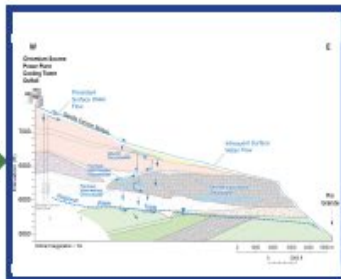
Option 1 - Expanded Pump & Treat with Expanded Injection:

Additional extraction and injection wells for increased mass removal and rates of pump and treat and injection into regional aquifer.



Option 2 - Land Application:

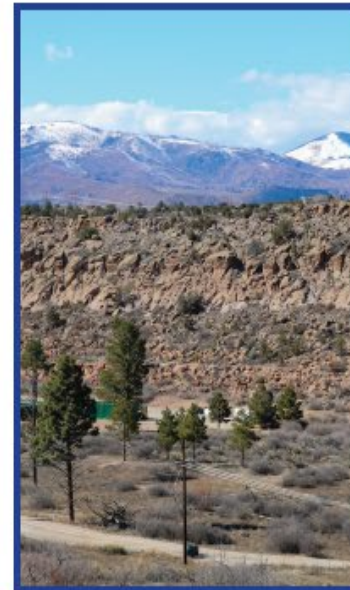
Additional extraction and injection wells as in Option 1, and additional treated groundwater disposition through land application.



Option 3 - In-Situ Treatment:

Similar to Option 2 in adding extraction and injection wells, but amendments are also deployed in groundwater to rely on chemical processes to reduce and immobilize hexavalent chromium without removing it from the ground.

In-situ is a remediation strategy for treatment in groundwater that involves manipulating aquifer conditions with the goal of converting hexavalent chromium to trivalent chromium within the aquifer.



Option 4 - Monitored Natural Attenuation:

Viable option following operation of other remedial actions once concentrations of hexavalent chromium meet the New Mexico chromium groundwater standard.

Relies on natural physical, chemical, or biological processes to further reduce concentrations of hexavalent Cr.





National Environmental Policy Act (NEPA)

Purpose of the NEPA Environmental Assessment (EA)

- EM-LA is initiating the National Environmental Policy Act (NEPA) process to evaluate potential environmental impacts of continued operations of the Interim Measures (IM) to control migration of the hexavalent chromium plume and to evaluate the environmental impacts of alternatives for the final remedy.
- Public scoping meetings provide interested stakeholders with opportunities to ask questions and submit comments on the considered alternatives for the proposed EA. After public comments are received, EM-LA will prepare a Draft EA.
- The proposed action may include well pad and access road installation and maintenance, piezometer placement, and pipeline placement in the 100-year floodplain in Mortandad and Sandia canyons on LANL.

NEPA Timeline

30-day Comment Period Starts

May 8, 2023



Public Scoping Meetings*

May 8-9, 2023



30-day Comment Period Ends

June 6, 2023



Draft EA Notice of Availability*

Summer 2023



Final EA Notice of Availability

Winter 2023

**Includes opportunities for public involvement*

How to Provide Scoping Comments

Provide comments **TODAY** by:

- Recording a verbal comment with the court reporter

Submit comments **LATER** by:

- **Email:** emla-nepa@em.doe.gov
Please include "Chromium EA Scoping Comment" in the subject line
- **U.S. Mail** - Mail to:

ATTN: NEPA Document Manager
 U.S. DDOE Environmental Management
 Los Alamos Field Office
 1200 Trinity Drive, Suite 400
 Los Alamos, NM 87544

Comments should be postmarked by June 6, 2023, for consideration in the Draft EA.





Resources to Be Evaluated



- Cultural Resources
- Ecological Resources
 - » Vegetation
 - » Wildlife
 - » Threatened and Endangered Species
 - » Migratory Birds and Sensitive Species
- Water Resources
 - » Groundwater
 - » Surface Water
- Visual Resources
- Air Quality
- Geology and Soils
- Environmental Justice
- Socioeconomics
- Land Use
- Noise
- Traffic and Transportation
- Utilities and Infrastructure
 - » Electricity
 - » Water
 - » Roads
- Hazardous Materials and Waste Generation
- Human Health and Worker Safety





Thank You for participating in the Public Scoping Meeting

EM-LA would like to thank all attendees for their
interest and participation

A review on how to submit comments outside of this
meeting is available on the following slide





Timeline and Procedures for Comment Submission



Provide comments TODAY by:

- Recording a verbal comment with the stenographer
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Submit comments LATER by:

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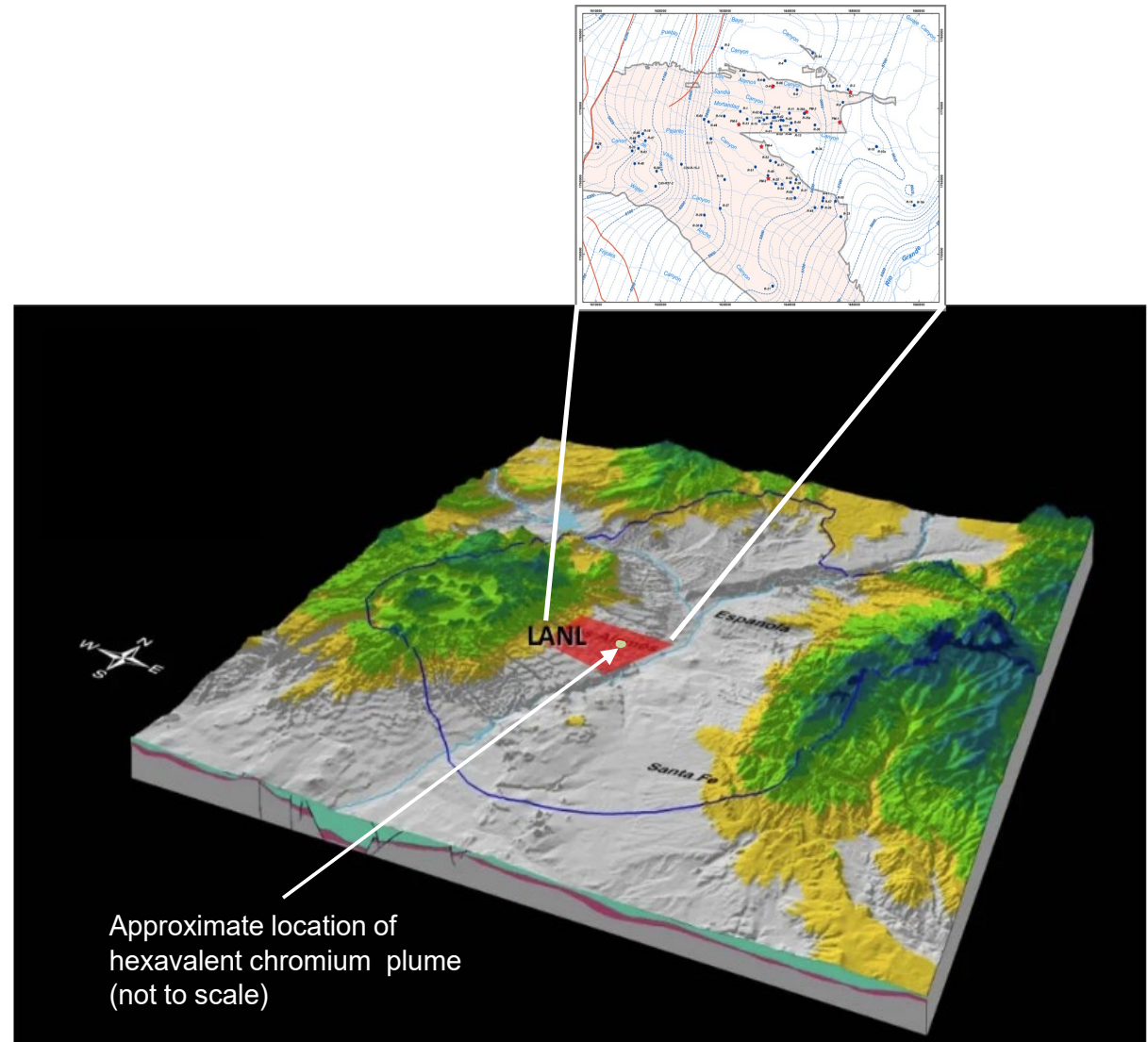
BACKUP SLIDES



ENVIRONMENTAL MANAGEMENT
SAFETY ♦ PERFORMANCE ♦ CLEANUP ♦ CLOSURE



- ❑ The regional aquifer beneath the Laboratory is part of the Espanola Basin
- ❑ The basin is ~ 50 miles long and ~18 to 40 miles wide
- ❑ Hexavalent chromium plume footprint is approximately 1 mile long and ½ mile wide



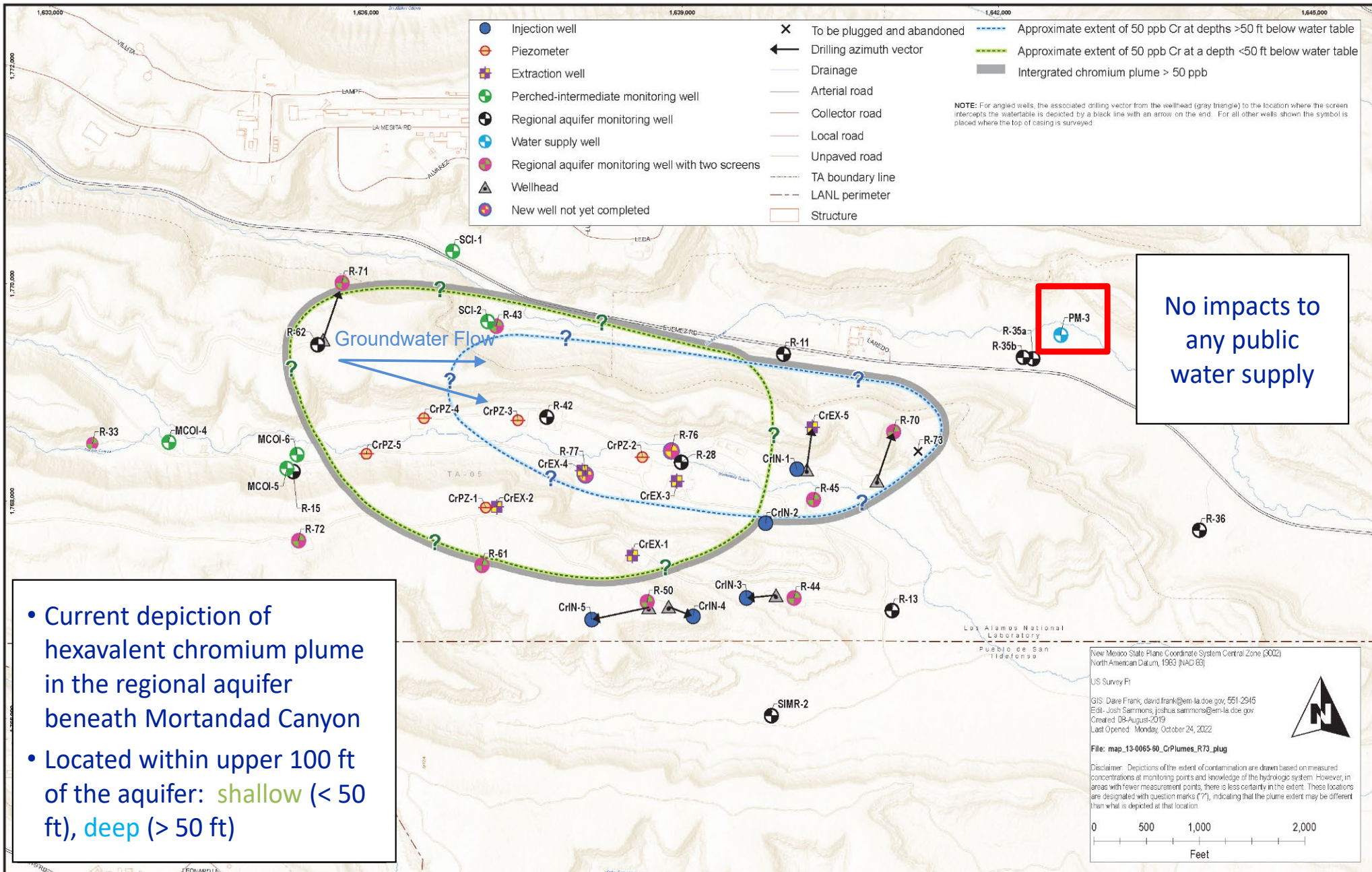
Approximate location of hexavalent chromium plume (not to scale)

Location of the Los Alamos National Laboratory within the Espanola basin (image from Vessilinov et. al 2010)



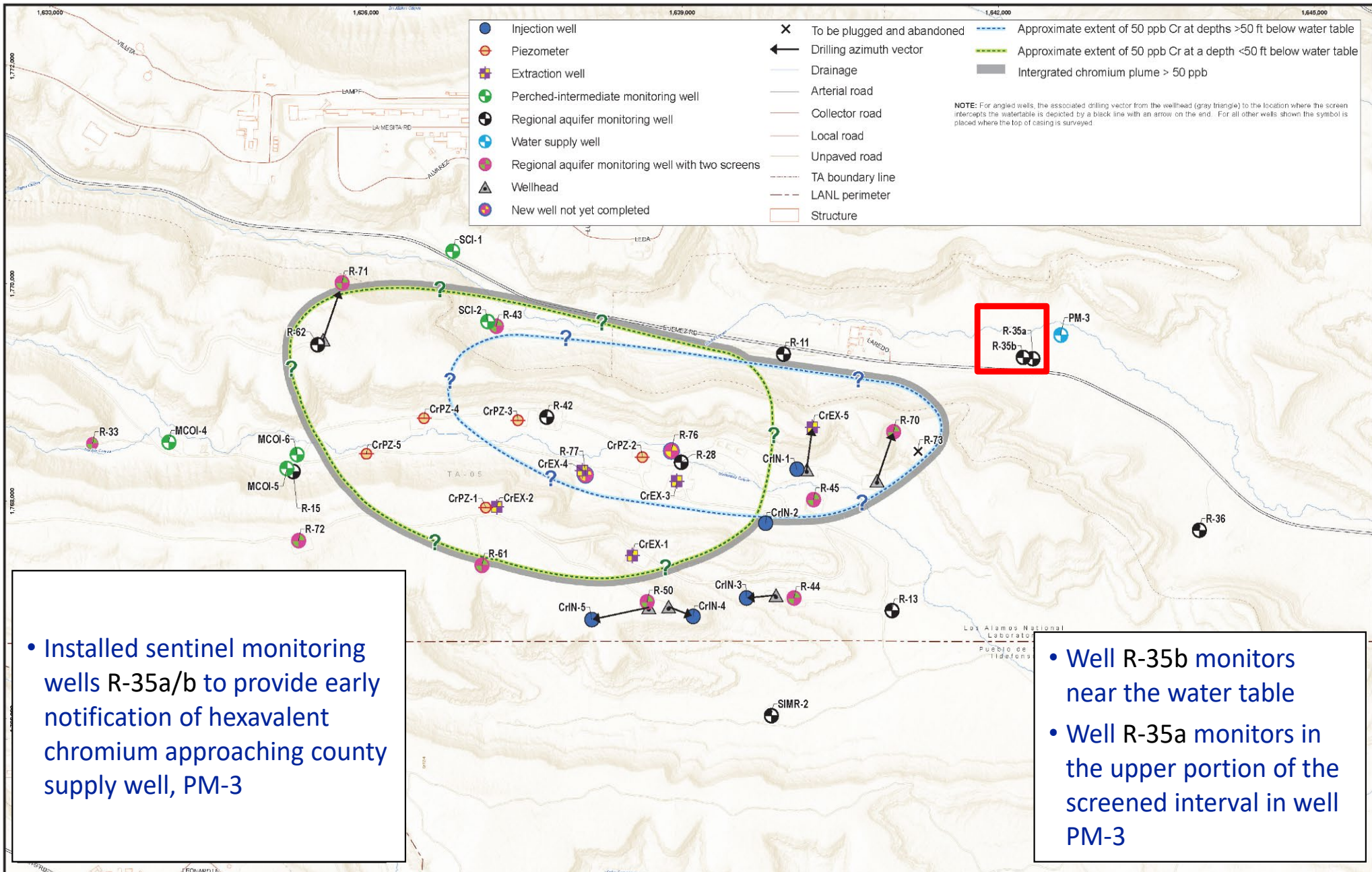


Hexavalent Chromium Plume





Sentinel Monitoring Wells

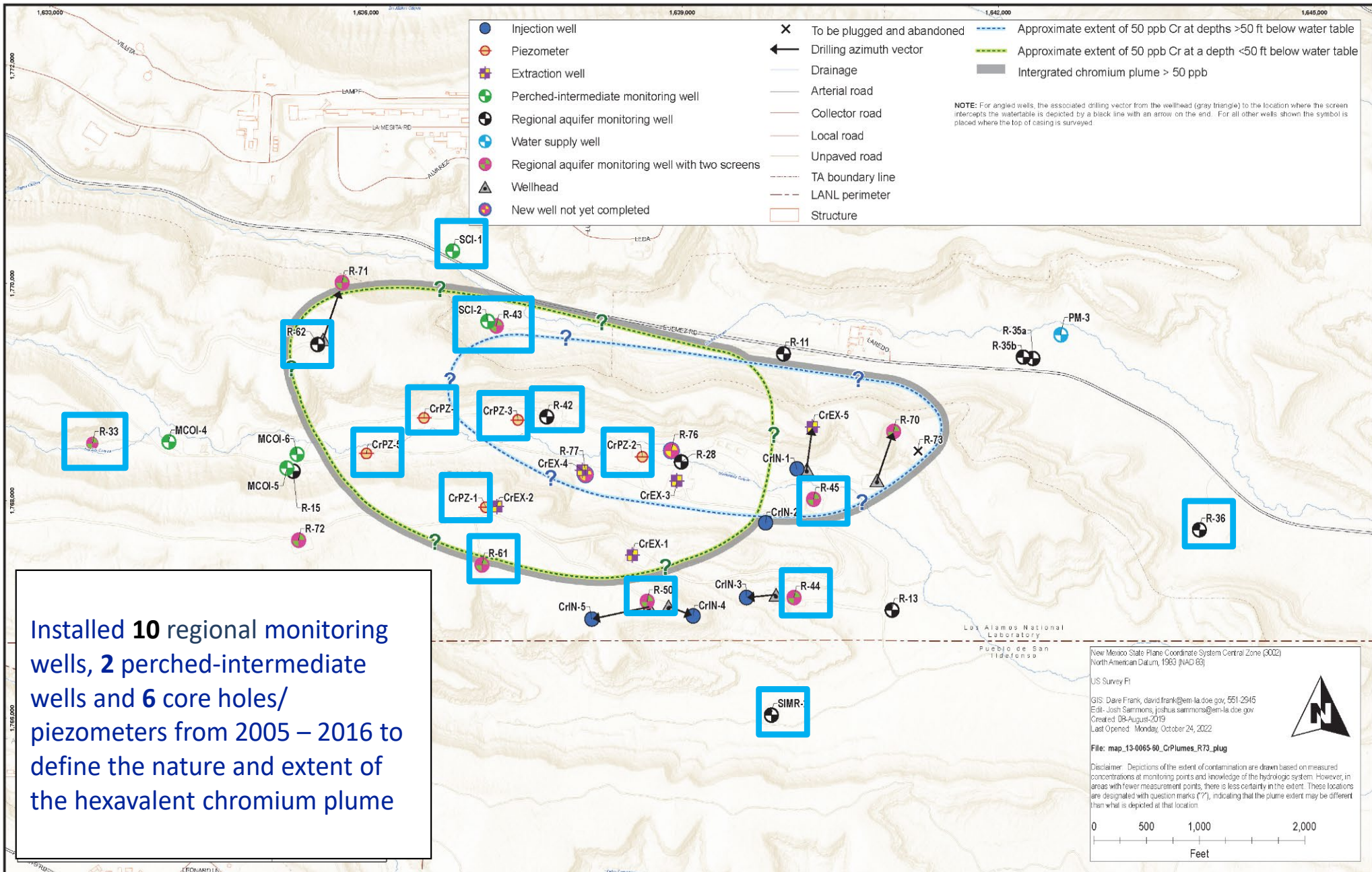


- Installed sentinel monitoring wells R-35a/b to provide early notification of hexavalent chromium approaching county supply well, PM-3

- Well R-35b monitors near the water table
- Well R-35a monitors in the upper portion of the screened interval in well PM-3



Monitoring Wells



Installed **10** regional monitoring wells, **2** perched-intermediate wells and **6** core holes/ piezometers from 2005 – 2016 to define the nature and extent of the hexavalent chromium plume

New Mexico State Plane Coordinate System Central Zone (3002)
North American Datum, 1983 (NAD 83)

US Survey Ft

GIS: Dave Frank, david.frank@em-la.doe.gov, 551-2915
 EMail: Josh Sammons, josh.sammons@em-la.doe.gov
 Created: 08-August-2019
 Last Opened: Monday, October 24, 2022

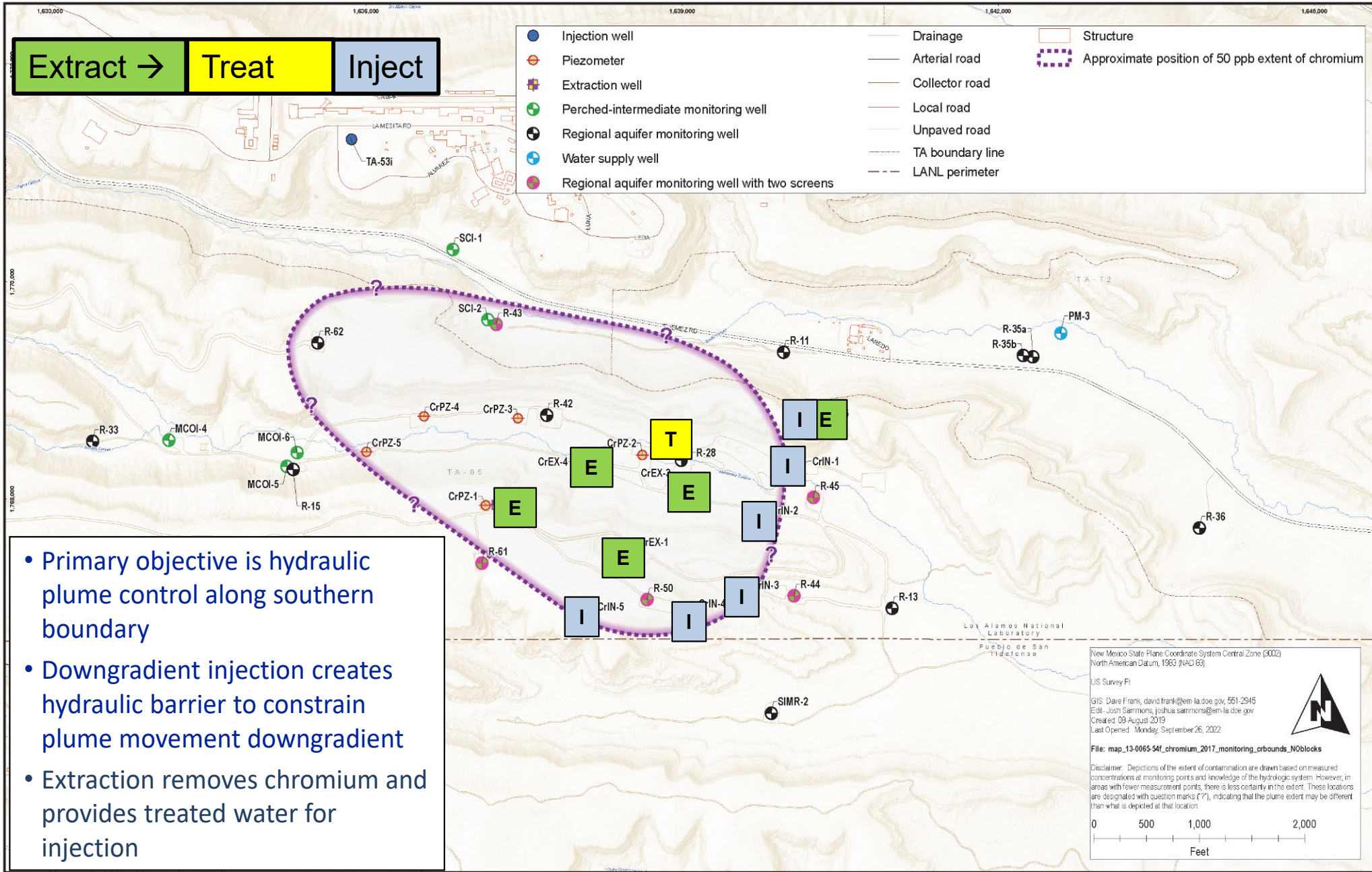
File: map_13-0065-60_CrPlumes_R73_plug

Disclaimer: Depictions of the extent of contamination are drawn based on measured concentrations at monitoring points and knowledge of the hydrologic system. However, in areas with fewer measurement points, there is less certainty in the extent. These locations are designated with question marks ("?"), indicating that the plume extent may be different than what is depicted at that location.

0 500 1,000 2,000
Feet

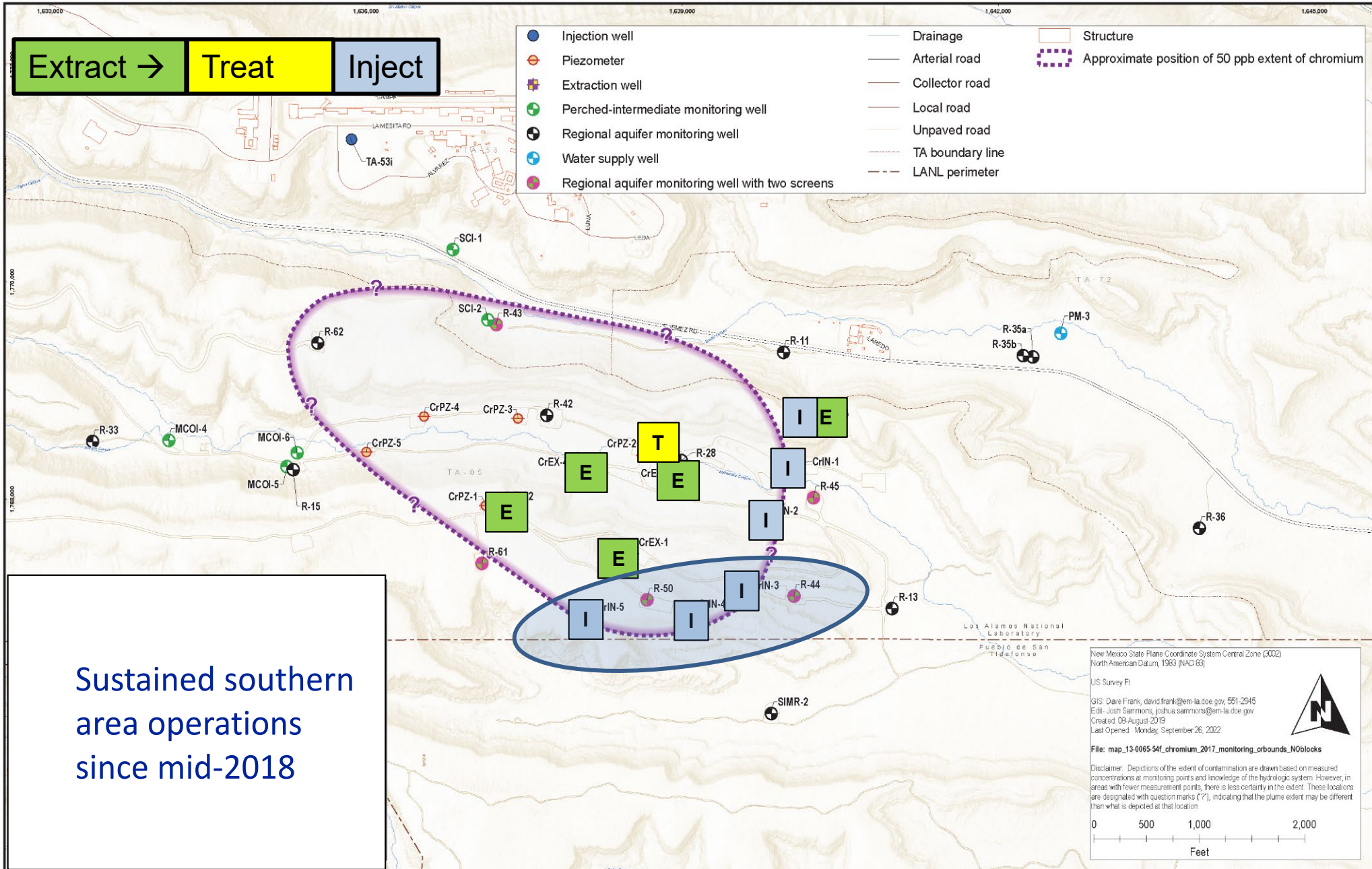


Plume Control Interim Measure Configuration



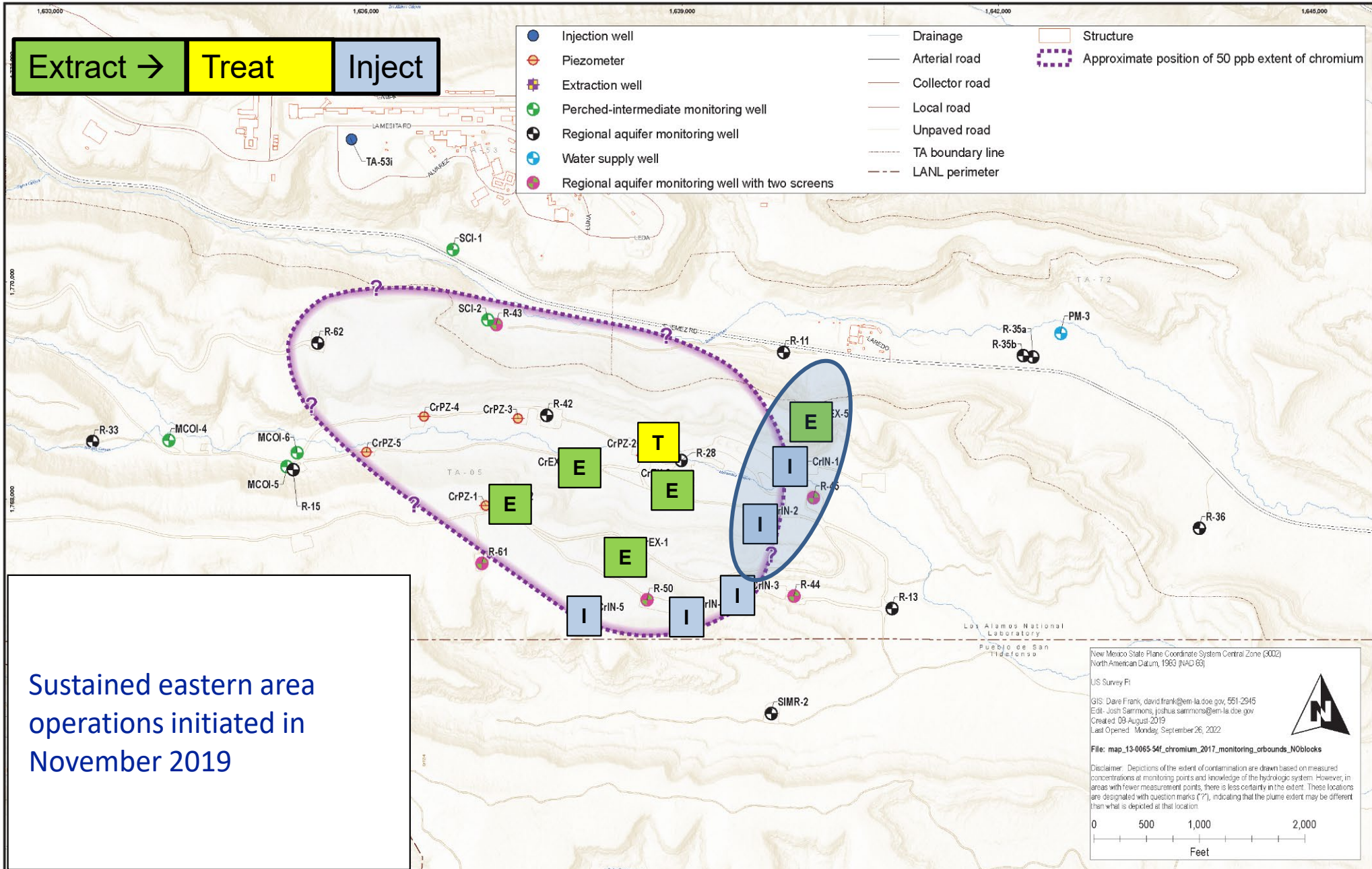


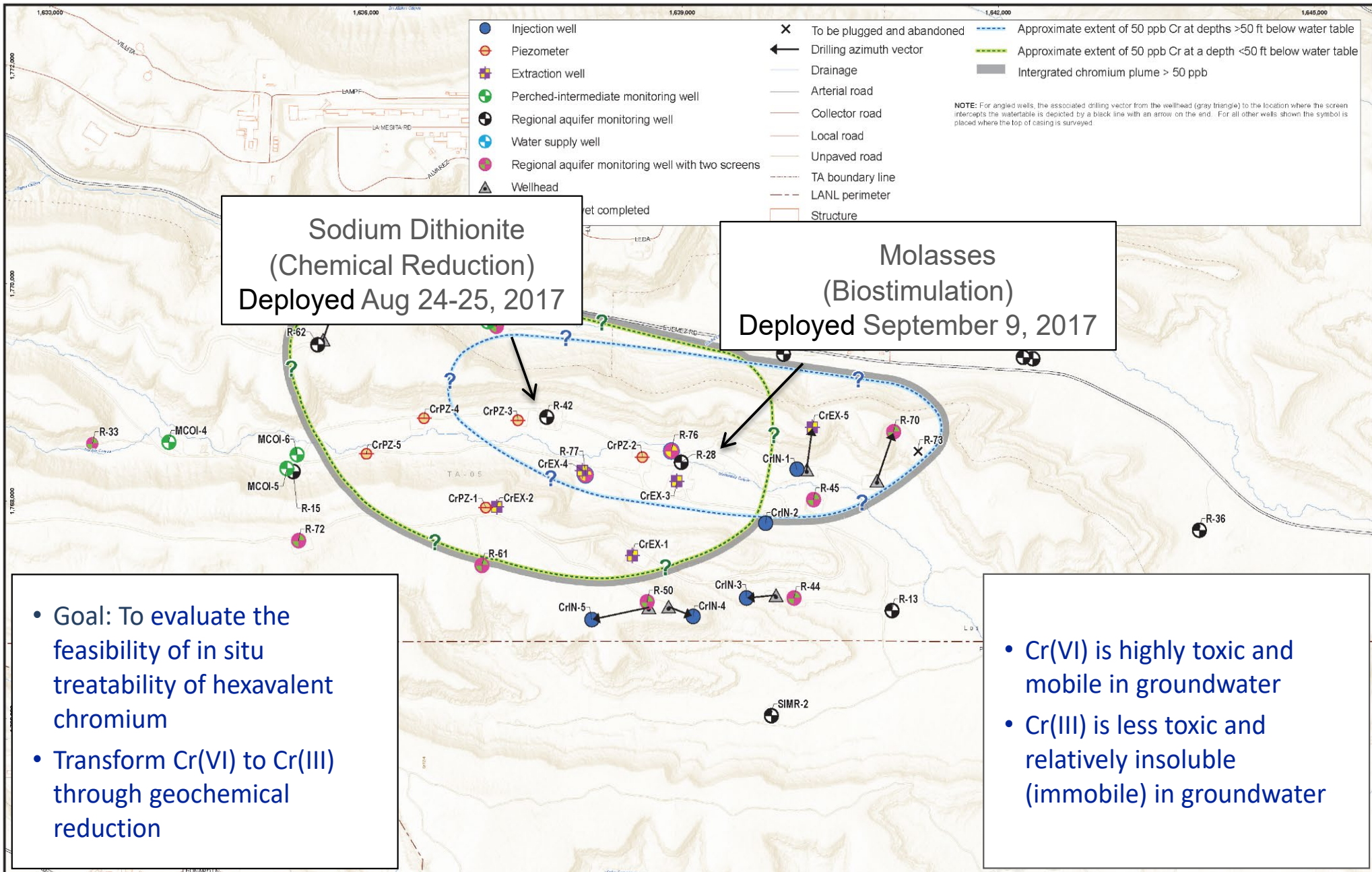
Plume Control Interim Measure Configuration





Plume Control Interim Measure Configuration





Sodium Dithionite
(Chemical Reduction)
Deployed Aug 24-25, 2017

Molasses
(Biostimulation)
Deployed September 9, 2017

- Goal: To evaluate the feasibility of in situ treatability of hexavalent chromium
- Transform Cr(VI) to Cr(III) through geochemical reduction

- Cr(VI) is highly toxic and mobile in groundwater
- Cr(III) is less toxic and relatively insoluble (immobile) in groundwater