



AGENDA

BUCKMAN DIRECT DIVERSION BOARD
NOVEMBER 02, 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 MINUTES**
 - a. Approval of minutes from the October 5, 2023 Buckman Direct Diversion Board Meeting.
5. **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).

- c. New Mexico Environmental Department Presentations:
- Hexavalent Chromium Plume Interim Measure update (Caitlin Martinez, Hazardous Waste Bureau)
 - Surface Water Permitting Update (Shelly Lemon, Surface Water Protection Bureau)
 - Water Protection Division Rulemaking on Reuse (John Rhoderick, Division Director)

(Kyle Harwood, BDD Counsel, kyle@egolflaw.com, 505-629-8999, Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafenm.gov, 505-955-4507, John Rhoderick, NMED Division Director, Caitlyn Martinez, NMED Hazardous Waste Bureau, Shelly Lemon, NMED Surface Water Protection Bureau).

- d. Presentation on 2021 BDD audit, and an update on the proposed schedule for completion of the 2022 BDD audit. (Eric Spurlin, Partner, Carr, Riggs, & Ingram LLC, Emily Oster, City Finance Department Director, ekoster@santafenm.gov, 505-629-3411).
- e. Presentation and Update on the 2022 Annual Report of the Middle Rio Grande Endangered Species Collaborative Program. (Kyle Harwood, BDD Counsel, kyle@egolflaw.com, 505-629-8999).

6. ACTION ITEMS: DISCUSSION AND ACTION

- a. Request for approval of a Budget Adjustment Request (BAR) in the amount of \$182,864.38 including estimated freight and applicable tax from the Major Repair and Replacement Fund for the approved contract with Andritz Separation Inc. for centrifuge VFD replacement. (Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafenm.gov, 505-955-4507, Antoinette Armijo, BDD Accounting Supervisor, amarmijo@santafenm.gov, 505-955-4506).
- b. Discussion and Possible Action of a Letter of Support to the New Mexico Environment Department concerning the Statement of Basis for Selection of Remedy for Corrective Action at Los Alamos National Laboratory's (LANL's) Material Disposal Area C (MDA C). (Kyle Harwood, BDD Counsel, kyle@egolflaw.com, 505-629-8999, Rick Carpenter, BDD Facilities Manager, rrcarpenter@santafenm.gov, 505-955-4507).

7. MATTERS FROM THE PUBLIC

8. MATTERS FROM THE BOARD

9. **NEXT MEETING: Thursday, December 7, 2023 at 4:00 PM**

10. **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.

**Attachments not included.
Attachments cannot be added to a DOCX compile.**

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

October 5, 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, BDD Board Chair, at approximately 4:00 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
Commissioner Anna Hansen
Councilor Renee Villarreal
J.C. Helms, Citizen Member
Tom Egelhoff, Las Campanas [non-voting]

Member(s) Excused:

None

BDD Board Alternate(s) Present:

Peter Ives, Citizen Alternate

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
Randy Sugrue, BDD Operations Superintendent
Monique Maes, BDD Contracts Administrator
Bradley Prada, BDD Maintenance Supervisor
Jesse Roach, City Water Division Director
Jay Lazarus, Glorieta Geoscience, Inc.

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

3. APPROVAL OF AGENDA

Commissioner Hansen moved to approve the agenda as presented. Mr. Helms seconded and the motion passed by unanimous voice vote.

4. CONSENT AGENDA

Upon motion by Commissioner Hansen and second by Councilor Villarreal, the Consent Agenda was unanimously approved.

7. ACTION ITEMS: CONSENT

- a. Request for approval of the 2024 Buckman Direct Diversion Board Meeting Dates**
- b. Request for Approval of the 2024 Fiscal Services and Audit Committ4ee Meeting Calendar**
- c. Request for Approval of laboratory analysis services with Hall Environmental Analysis Laboratory, Inc. for GY 24 in the total amount of \$79,965.99**

5. APPROVAL OF MINUTES: September 7, 2023

Mr. Helms moved to approve the minutes of September 7, 2023. Commissioner Hansen seconded and the motion passed without opposition.

6. PRESENTATION/INFORMATIONAL ITEMS

- a. Monthly Update on BDD Operations**

RANDY SUGRUE (BDD Operations Superintendent): Thank you Madam Chair and members of the Board. This is my report for BDD operations for the month of September 2023. Our raw water diversions averaged about 7.33 million gallons per day. Our drinking water deliveries through Booster Stations 4A/5A, 5.3 million gallons per day. Las Campanas diversions at Booster 2A, .94 million gallons per day. Onsite water storage variation was 1.09 million gallons per day on average. BDD is providing around 67 percent of the water supply to the City-County region for the month. Our year-to-date diversions are depicted on the graph. Again, we were somewhere above our 12-year average.

The regional demand and drought summary on page 2 notes that for September the regional demand was around 11 million gallons per day. Rio Grande flows approximately 800 cubic feet per second and they maintain a little over 1,000 cubic feet per second as we speak. Storage at Canyon Road combined was about 57 percent. The watershed inflow continues at about a little over 1 mgd. City, County, Las Campanas, SJC storage is about 10,500 acre-feet. And our El Niño summary still states that El Niño is anticipated to continue through the northern hemisphere winter creating a 95 percent chance of continuation through to February.

So I stand for questions.

CHAIR HAMILTON: Do we have any questions? Mr. Ives.

MR. IVES: Thank you, Madam Chair. I'm just curious about the 800 cfs in the Rio Grande; does that involve a lot of releases from water in storage from the reservoirs?

MR. SUGRUE: Correct. Yes, they're transferring water from Abiquiu to Cochiti that was held in storage after the excessive spring runoff. So that will continue probably through the end of the irrigation season. And then at some point they'll begin to transfer that water from Cochiti down to Elephant Butte in November so that low river condition in Albuquerque will be alleviated somewhat at that point.

MR. IVES: Thank you. I was just wondering if that was a strategy for runoff flow.

MR. SUGRUE: It's a strategy – yeah.

MR. IVES: That was my only question.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: Last night or the other night I saw on some television station that Cochiti is flowing and this was the reason why. But what I'm wondering is why aren't they keeping water in Heron?

MR. SUGRUE: The transfer from Heron to Abiquiu I am not – I think they have to use Cochiti. Rick or Kyle, do you have additional information on why they're not retaining water in Heron?

COMMISSIONER HANSEN: It's flooding Cochiti. All the bathrooms are buried underwater. People can't use the ramps. It just seems that they can keep water in Heron and why are they not doing that.

KYLE HARWOOD (BDDDB Counsel): Madam Commissioner and Board, the balancing of water between Heron, El Vado, Abiquiu and Cochiti is driven by a lot of different drivers. There is water being held over in Heron. There are some San Juan Chama contractors that are going to hold – to hold this year's calendar water until next year. So there is water being held in Heron to that point. Abiquiu has been flooding picnic tables all summer as you might be aware. And there are some capacity issues downstream of Abiquiu so they are trying to move water as well as they can and also keep the Rio Grande through Albuquerque wet. It did go dry, just about went dry, once or twice this summer so the challenge there is to try and support them.

We'll have a short minnow update next month. It looks like some of the minnow propagations did well this past year. But specifically on Cochiti, I know that they're moving water into Cochiti and releasing water out of Cochiti for environmental flow purposes. And so probably what you're seeing is just the rebalancing of those four reservoirs. I hope that was responsive.

COMMISSIONER HANSEN: Thank you, Kyle.

MR. SUGRUE: I know there's a big project going on at El Vado also. So there's not really any storage at this time at El Vado and that may be affecting it. Any other questions?

CHAIR HAMILTON: No other questions. Thank you so much.

b. Report from the Facilities Manager

RICK CARPENTER (Facilities Manager): Thank you, Madam Chair, members of the Board. Not a whole lot to report on Major Repair and Replacement for this

month. We do have one project coming through that's actually an action item, 8.a., on this agenda with Andritz centrifuge for our Andritz drives for our centrifuge. That's the only big ticket items for this month.

As far as current vacancies, we're working on the following: journeyman electrician, maintenance planner scheduler, equipment repairman advanced and equipment repairman intermediate. Those are all in various stages of being re-advertised. And with that, I'll stand for questions.

CHAIR HAMILTON: Great. Does anybody have any questions?

Commissioner Hansen.

COMMISSIONER HANSEN: Yes, hi, Rick. I just wanted to ask you. It was like 3:30 or 3 o'clock and we all got an email. Maybe you haven't seen it. It's from Michael Smith at Positive Energy Solar. And –

COUNCILOR ROMERO-WIRTH: Point of order.

COMMISSIONER HANSEN: Isn't this the time –

COUNCILOR ROMERO-WIRTH: Well, it's not on the agenda and if we're going to go back and forth on this it needs to be on the agenda.

CHAIR HAMILTON: Is it reasonable to have questions of the Facilities Manager about what this is?

COUNCILOR ROMERO-WIRTH: I think that you could direct that we would like to know more. But I don't think that we can get into a back and forth because it's not on the agenda.

CHAIR HAMILTON: I agree with that.

COMMISSIONER HANSEN: I thought this was the place to bring it up because it's the report from the manager and it seems to be –

COUNCILOR ROMERO-WIRTH: There does seem to be a problem but it seems to me we need more information and it should be an agenda item.

COMMISSIONER HANSEN: Okay.

COUNCILOR ROMERO-WIRTH: Maybe it needs to be an agenda item or maybe we just need to find out what's going on and it could be corrected at a staff level. I don't think you can bring it up here.

NANCY LONG (BDDDB Counsel): Madam Chair, Mr. Carpenter can review the issue and get back to you. It may not need to be an agenda item.

COMMISSIONER HANSEN: It seems kind of serious. I don't even know who Mr. Prada is but since everybody received it –

COUNCILOR ROMERO-WIRTH: He's sitting in the front row with the black shirt.

COMMISSIONER HANSEN: Okay. So, welcome. So then the other issue is I would like some more information on what's going on with this.

MR. CARPENTER: I would be happy to review that and bring it back to the Board or through an email to answer your questions if that helps.

COMMISSIONER HANSEN: Okay, then the other question I have is –

CHAIR HAMILTON: For facilities?

COMMISSIONER HANSEN: Well, it's for the Facilities Manager. What kind of succession planning are we doing?

MR. CARPENTER: That's a good question and I am glad you brought it up. We're having a lot of discussion on that recently including a long discussion with Dr. Roach just yesterday.

COUNCILOR ROMERO-WIRTH: Again, point of order. I have no idea what they talked about. Is somebody leaving?

COMMISSIONER HANSEN: Nobody is leaving but –

COUNCILOR ROMERO-WIRTH: Again, I think – I don't know who we are succession planning for.

COMMISSIONER HANSEN: No, but we talked about this in general many times in this Board meeting and you know, it's a general topic and –

COUNCILOR ROMERO-WIRTH: Since I've been a member, I have never heard this topic.

COMMISSIONER HANSEN: Okay. Well, both Commissioner Hamilton and I have been on the Board.

COUNCILOR ROMERO-WIRTH: You have been on here longer for sure. Again, point of order: I'm not sure if this is an appropriate topic either because it's not noticed. There is no notice to the public that they could be talking about succession planning. The Facilities Manager provides a report and then we can ask questions based on that report but anything outside of that report – well, if you want to know about succession planning I think you need to ask the facilities manager to do a presentation on succession planning.

CHAIR HAMILTON: So a point for Nancy. In the past we've been able to ask how to fill certain positions. Are you – and what kind of planning are you doing for that sort of thing. It seems like – how do you make the break from that and planning for personnel slightly longer term which is what succession planning is. When does it become inappropriate to ask the Facilities Manager about facilities management?

MS. LONG: Madam Chair, I think it's sort of a broader topic is that if there is going to be discussion on a specific item it should properly be noticed so that the public knows that it is going to be addressed. The Facilities Manager's report typically have these are the number of vacancies, these have been filled and so Mr. Carpenter would write a report on that. Then there would be questions to him about that report and positions within that report because he had already mentioned it in his report. It really should be questions directed to the report. Something like this is related certainly if you're talking about succession planning so probably if there's going to be discussion on it to ask the Facilities Manager to consider that as an agenda item in the future or part of the this Facilities Manager report as a subtopic on that and then people would know that that's what we're going to be talking about.

CHAIR HAMILTON: Excellent.

COMMISSIONER HANSEN: Yes, I would like a report from the Facilities Manager on succession planning, not only just for employees but for yourself also, and what we're doing to be prepared for the future.

MR. CARPENTER: I would be happy to do that.

COMMISSIONER HANSEN: Thank you very much.

CHAIR HAMILTON: Excellent. Does anyone else have questions for Rick? Thank you so much, Rick.

8. ACTION ITEMS

a. Request for approval of a General Services Agreement with Andritz Separation Inc. for Centrifuge installation including parts and labor in the amount of \$172,416.00 plus freight and New Mexico Gross Receipts Tax

CHAIR HAMILTON: Rick and Bradley, I assume you'll do this together.

MR. CARPENTER: Madam Chair, I can maybe answer and if there's a question I can't answer we'll go to Bradley.

CHAIR HAMILTON: Excellent, thank you, and thank you for being here.

MR. CARPENTER: This was mentioned earlier under major repair and replacement and funded by that. It is for VFDs' centrifuges. The centrifuges are integral to the operation of the plant. These are repairs that are absolutely needed. We did put this on our one-year plan for the major repair and replacement plan so we're now bringing it forward for approval.

CHAIR HAMILTON: Did we approve something similar last month?

MR. CARPENTER: Madam Chair, we have never brought this to the Board. This is the first time that these VFDs are going to be replaced since they were originally installed.

MS. LONG: Madam Chair.

CHAIR HAMILTON: Yes.

MS. LONG: This was on the agenda and it was postponed until this meeting because we had some issues with the contract. So you're correct that you saw this particular item before.

MR. CARPENTER: I'm sorry. I misinterpreted your question.

CHAIR HAMILTON: No, no. I just know that I had seen it before and I didn't know if we had discussed under another needed repair topic. It just was familiar and I appreciate the refresher. So does anybody have any questions on this item? Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I would like to know, if this is the first time that we are replacing them since 2011 or before?

MR. CARPENTER: These particular pieces of equipment were originally installed when the plant came on line in 2011.

COMMISSIONER HANSEN: Okay, so is this their normal life?

MR. CARPENTER: They have reached their normal life span.

COMMISSIONER HANSEN: What the manufacturer says is the normal life extension of these?

MR. CARPENTER: We can't get any more use out of them. They have to be replaced.

COMMISSIONER HANSEN: Yes, of course. That's all I had, Madam Chair.

CHAIR HAMILTON: Councilor.

COUNCILOR ROMERO-WIRTH: Thank you, Madam Chair. I have a procedural or technical question. So we're doing a budget adjustment request. Is that typically how we handle this, is that we have money in the Major Repair and Replacement Fund and then when we want to use it we do a budget adjustment request

for the Major Repair and Replacement Fund to where? This is how we do this; is that right?

CHAIR HAMILTON: I think it's through the operations budget.

COUNCILOR ROMERO-WIRTH: Okay.

CHAIR HAMILTON: That's the way –

COUNCILOR ROMERO-WIRTH: I am just confirming because –

CHAIR HAMILTON: You should confirm.

COUNCILOR ROMERO-WIRTH: I know we have had lots of conversations about the major repair and replacement fund but I'm not sure I've ever seen us actually use it. Maybe we do all the time and I wasn't paying attention.

MS. LONG: Madam Chair and Councilor Romero-Wirth, I think this is how it is typically done. I questioned Antoinette about this as well and she had questioned Mackie about it that it is done as a budget adjustment request. That is how the City wants to see it even though it is going from Major Repair and Replacement.

COUNCILOR ROMERO-WIRTH: So the budget adjustment request is to move it from Major Repair and Replacement Fund to – what did you call that, Madam Chair?

CHAIR HAMILTON: Operations budget. There would be a code for that and Antoinette would know it.

COUNCILOR ROMERO-WIRTH: And we don't have Antoinette. I'll follow up with her, thanks.

COUNCILOR VILLARREAL: Madam Chair.

CHAIR HAMILTON: Yes.

COUNCILOR VILLARREAL: Just to clarify. In the memo we talk about a budget adjustment, a BAR, and then in the caption we don't say that.

CHAIR HAMILTON: That's what I was just about to say. So thank you so much.

COUNCILOR VILLARREAL: So is that a problem that it doesn't match?

MS. LONG: I think the only item that could be approved, Madam Chair, is what's on the agenda and we'll see if that presents any issues for Antoinette that requires any follow-up. But otherwise I would recommend that you approve just what has been noticed.

CHAIR HAMILTON: Yes. And thank you for recognizing and bringing that up.

COMMISSIONER HANSEN: Yes, I was asking her on the side – so we can't approve the BAR but maybe we need to bring that back next time. We can approve this and the BAR can be approved next month.

MS. LONG: Yes, that is correct, Commissioner. I would advise just approving the contract and we'll follow up with Antoinette and see if she needs approval for the BAR and we can add that to next month's agenda.

CHAIR HAMILTON: Okay, that sounds great. Thank you.

COUNCILOR ROMERO-WIRTH: Madam Chair.

CHAIR HAMILTON: Yes.

COUNCILOR ROMERO-WIRTH: I don't think we need to ask her. I think that does need to – a BAR needs to be approved by the Board.

MS. LONG: I agree.

COUNCILOR ROMERO-WIRTH: So that needs to come back.

MS. LONG: If it is required for this contract and we will report back anyway. But I agree it would have to be approved by the Board.

COUNCILOR ROMERO-WIRTH: Yeah, I don't think it's required by the contract. I think it is required by the budgeting process procedurally. We have to approve budget adjustment requests; staff can't just do that without our seal of approval. So I don't think this is an if. I agree with Commissioner Hansen, this does need to come back to us so we can approve the BAR on the contract.

MS. LONG: Okay, we will follow up on that.

CHAIR HAMILTON: I think the question is, not having the BAR approved the first week of November is a problem and if there is an alternate way to vote on the BAR separately, if there can be a special meeting without meeting in person for just that vote – if there's some mechanism, if it is needed. I have no idea. Okay.

MS. LONG: Yes, Madam Chair. I will follow up with Antoinette and see what she needs in order to get the contract going.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes.

COMMISSIONER HANSEN: I will make the motion to request approval of a general service agreement with Andritz Separation, Inc. for a centrifuge installation including parts and labor in the amount of \$172,416 plus freight and New Mexico Gross Receipts.

CHAIR HAMILTON: Thank you. I have a motion. Is there a second?

MR. HELMS: Second.

CHAIR HAMILTON: Thank you. Is there any further discussion? If not, I have a motion and a second.

The motion passed by unanimous voice vote.

9. MATTERS FROM THE PUBLIC

CHAIR HAMILTON: Is there anyone from the public that wishes to speak to the BDD Boards? Seeing none, I will close matter of the public.

10. MATTERS FROM THE BOARD

CHAIR HAMILTON: Are there any matters from the Board? Seeing none, I'll close matters from the Board. I think I may be taking a record here. [light banter]

COMMISSIONER HANSEN: Madam Chair, pardon me. I want to bring something up.

CHAIR HAMILTON: Okay, Commissioner Hansen.

COMMISSIONER HANSEN: So, I want to know if it's possible for us to write a letter in support of Secretary Kenney's MDA C request for cleaning material disposal Area C at LANL. This is a huge pit that is unlined, has waste from the '50s and '60s and I would like to have a letter from the Board in support of his action to have this cleaned up because it is directly above our water system and we have no idea what kind of

contaminants are in MDA C. I am writing a letter for the County and would be happy to share that information with Kyle and he could – because the comments are due on November 6th.

CHAIR HAMILTON: Okay. I think that is another thing that needs to come up for Board discussion next time. So if you want to share the letter and – is there a problem if Commissioner Hansen writes a letter and just provides it to Board members so they look at it and they think about when it comes up on the agenda next, if it comes up on the agenda, next time?

MS. LONG: Madam Chair, no, I don't think there's a problem with that public document that she could share. But in terms of the Board's action on it, it would need to be on the agenda and you don't know if your letter is going to match that exactly but it's just informational.

COMMISSIONER HANSEN: Yeah, I wasn't asking for any vote or anything right now. It's just making a comment on it.

CHAIR HAMILTON: Okay, a request.

COMMISSIONER HANSEN: I'm making a request, thank you.

CHAIR HAMILTON: Okay, thank you. Anybody else while we have Board matters opened again?

11. NEXT MEETING: Thursday, November 2, 2023 at 4:00 p.m.

12. ADJOURN

Having completed the agenda and with no further business to come before the Board, Chair Hamilton declared this meeting adjourned at approximately 4:26 p.m.

Approved by:

Anna Hamilton, Board Chair

Respectfully submitted:

Karen Farrell, Wordswork

ATTEST TO

KATHARINE E. CLARK
SANTA FE COUNTY CLERK



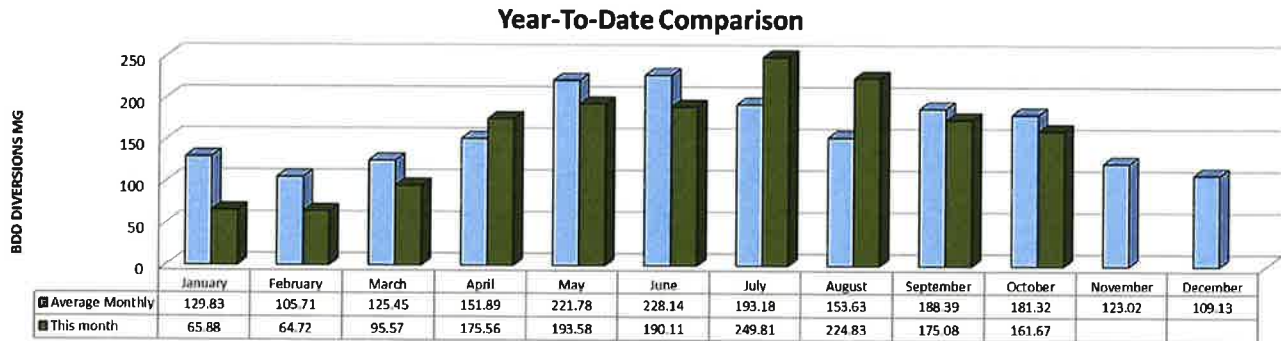
Date: November 2, 2023
To: Buckman Direct Diversion Board
From: Randy Sugrue, BDD Operations Superintendent
Subject: Update on BDD Operations for the Month of October 2023

ITEM:

1. This memorandum is to update the Buckman Direct Diversion Board (BDDDB) on BDD operations during the month of October 2023. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD), as follows:
 - a. Raw water diversions: 5.22 MGD.
 - b. Drinking water deliveries through Booster Station 4A/5A: 4.67 MGD.
 - c. Raw water delivery to Las Campanas at BS2A: 0.49 MG
 - d. WTP Onsite water storage variation: 0.06 MGD Average. (Average gain or loss per day to the 12MG WTP onsite storage.)

2. The BDD is providing approximately 47% 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

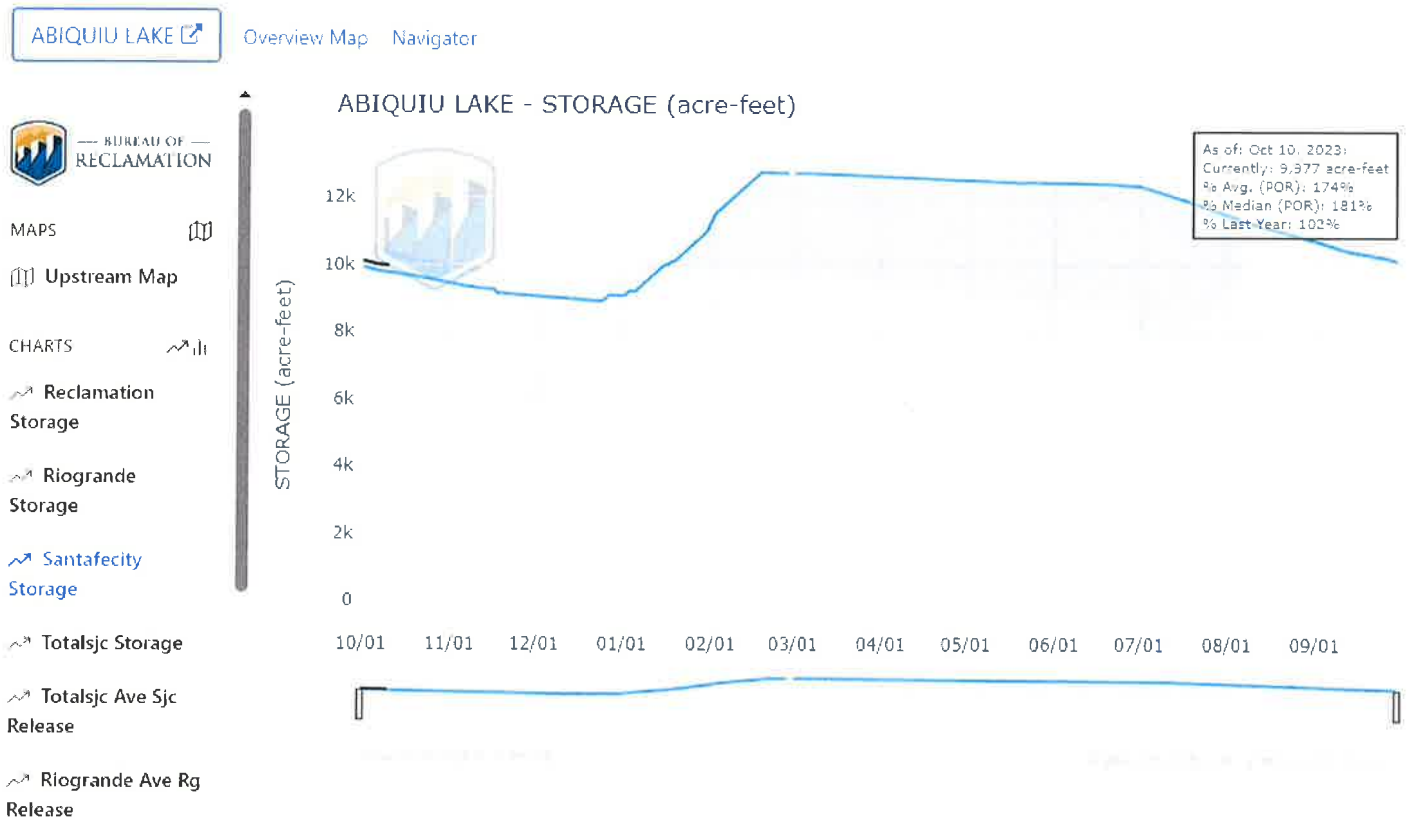
Daily metered regional water demand for the month of October 2023 is approximately 10.0 MGD.

Rio Grande flows for October 2023 averaged approximately 1500 CFS (cubic feet per second.)

CRWTP reservoir storage: Nichols: 73%/McClure: 38% (43.8% combined) Watershed Inflow: 1.6 MGD

City/County/LC Storage- as updated by partners. As of October 10, 2023 City of SF Abiquiu SJC storage is at about 9,977AF.

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



ENSO Summary

October 9, 2023

El Niño conditions are observed.*

Equatorial sea surface temperatures (SSTs) are above average across the central and eastern Pacific Ocean.

The tropical Pacific atmospheric anomalies are consistent with El Niño.

El Niño is anticipated to continue through the Northern Hemisphere winter (with greater than a 95% chance through January-March 2024).



Buckman Direct Diversion Monthly SJC and Native Diversions

Oct-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	594.828	462.276	132.552	0.000	0.000	0.000	0.000	0.000
JUN	584.178	458.973	125.205	0.000	0.000	0.000	0.000	0.000
JUL	775.090	29.584	0.000	745.506	600.980	144.526	0.000	3.448
AUG	691.219	0.000	0.000	691.305	661.055	30.250	0.086	3.300
SEP	543.466	0.000	0.000	548.792	488.899	59.893	5.325	2.629
OCT	496.101	0.000	0.000	496.101	450.101	46.209	0.000	1.638
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	4,924.534	2,060.836	326.686	2,542.632	2,246.814	295.818	5.411	11.528

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	150.579	43.176	0.000	0.000	0.000	0.000	193.755
JUN	149.503	40.783	0.000	0.000	0.000	0.000	190.286
JUL	9.636	0.000	240.180	193.965	46.562	0.000	249.817
AUG	0.000	0.000	222.731	213.366	9.764	0.028	222.731
SEP	0.000	0.000	176.814	157.483	19.331	1.735	176.814
OCT	0.000	0.000	161.865	146.613	15.252	0.000	161.865
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	671.282	106.412	821.173	726.198	95.729	1.763	1,598.868



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



Date: October 30, 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 November, 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. There is one MR&R project to report for the November BDD Board meeting: \$27,000 for unanticipated repairs to back hoe.
- Current Vacancies. The following positions are vacant/open and advertising in the Maintenance and Repair Section:
 - Journeyman Electrician
 - Warehouse Planner Scheduler
 - Equipment Repairman Advanced
 - Equipment Repairman Intermediate
- Update on "Succession Planning." With a number of pending retirements in several key BDD positions, staff and management have begun planning for what will eventually be vacancies.
- Solar Update. Staff has addressed the maintenance and repair issues and is processing financial approvals.





New Mexico Environment Department

**Hazardous Waste Bureau
Los Alamos National Laboratory Chromium Plume Cleanup**

Caitlin Martinez, Environmental Scientist

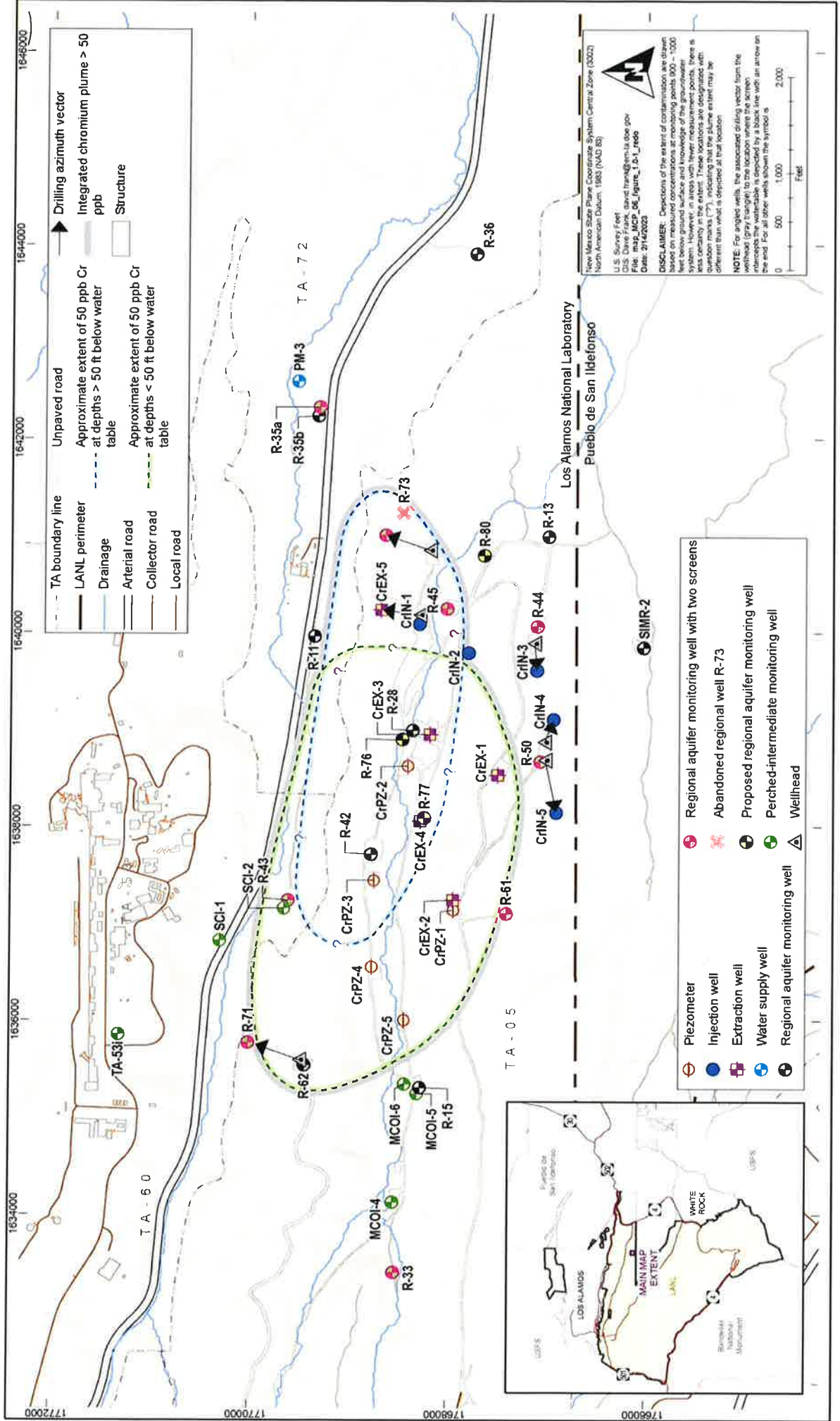
November 2, 2023

Buckman Direct Diversion Board





Chromium Plume Map





OVERVIEW OF IIM Performance

- Assumption not valid
 - ⊙ Contamination found deeper, 100 ft below the water table
- Plume depth unexplored
 - ⊙ Additional wells needed to bound contamination
- No clear hydraulic control
- Unfavorable responses
 - ⊙ Increasing concentrations and unpredicted movement of water
- NMED Issued Numerous Technical Comments
 - ⊙ The overarching assumption for the original workplans is not valid and a new workplan was required



Chromium IM Workplan

- Chromium Interim Measures and Characterization Work Plan (IMWP) was delivered to HWB in September 2022 as Milestone #2 in the FY 2022 Consent Order Appendix B
- NMED reviewed the IMWP and delivered comments in a Notice of Disapproval (NOD)
 - NMED required that the document revision include alternative location(s) for injection outside the plume contamination boundary
 - NMED agrees with extraction, but DOE must find an alternative location for injection of treated water to continue IM operations
 - Goal is to be able to move to the determination of a final



GWQB Notice to Cease Injection

- April 28, 2022: GWQB notified DOE that the DOE was not in compliance with the conditions of DP-1835.
- September 30, 2022: DOE responded to the Notice of Violation with an Action Plan outlining a proposed process for modeling the impacts of the remediation injections on R-45 and the installation of additional monitoring wells to determine if elevated Chromium levels extend beyond R-45.
- The Corrective Action Plan Response required DOE to cease injecting into all wells associated with DP-1835 by April 1, 2023.
- March 31, 2023: DOE ceases injection into the wells associated with DP-1835 and shuts down IM



Current Assessment

- Since analyzing the R-45 screen 2 concentration increases in early 2021, NMED has encouraged DOE to evaluate alternate injection locations
- NMED supports enhancing and expanding the injection/extraction well network under the Interim Measures while data gap activities are completed.
 - This phased interim measure was successfully implemented at the Kirtland Air Force Base groundwater plume
- Enhanced IM goals:
 - Select an alternative location for injection
 - Adjust extraction rates in the plume to optimize mass removal and plume control

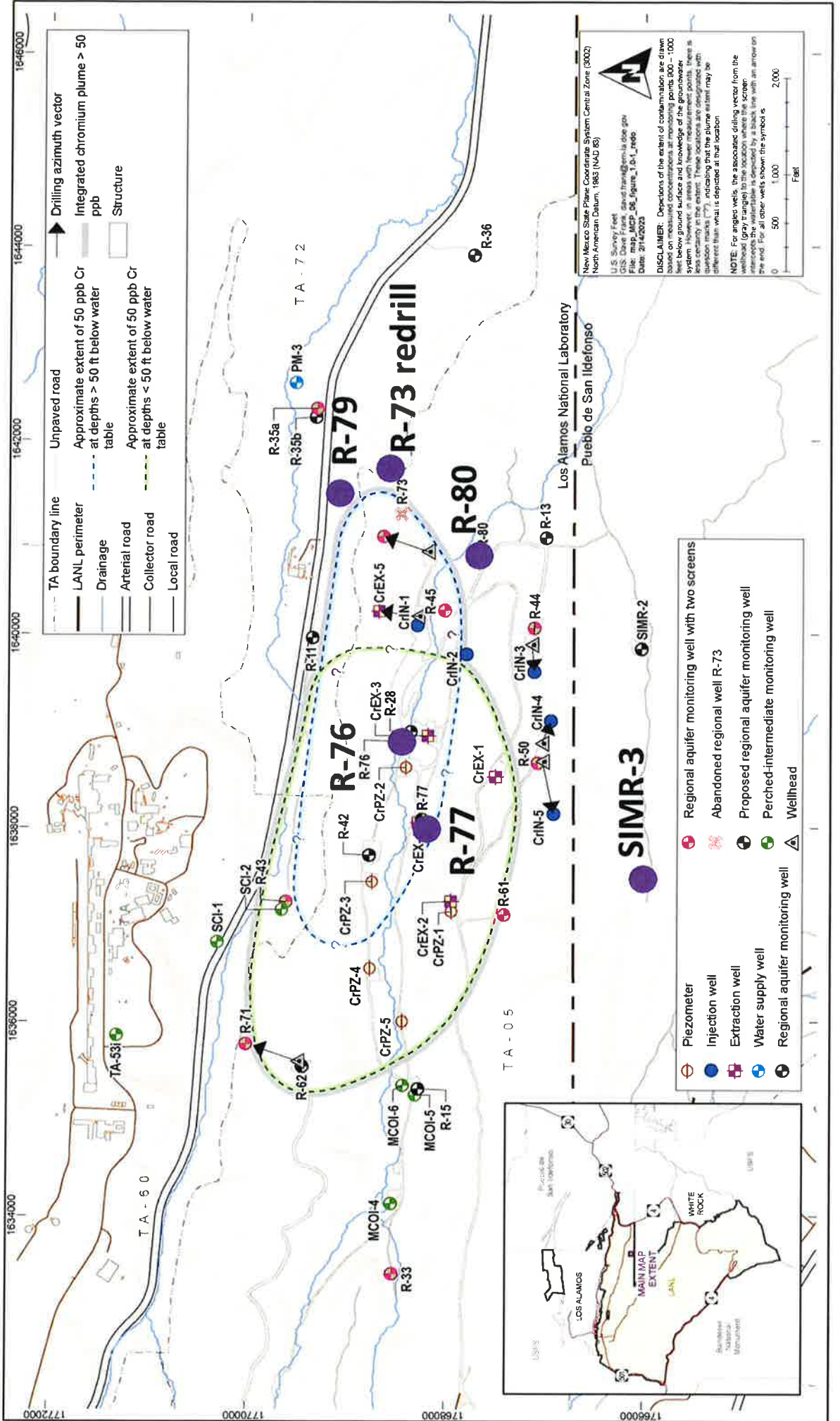


Current Assessment

- NMED requested DOE submit a Corrective Action Plan that would allow partial restart of injection, if GWQB conditions are met.
 - ⊙ Allowed for injection into CrIN-3 and CrIN-4 for one-year while SIMR-3 is installed
 - ⊙ If SIMR-3 sampling does not show chromium contamination, injection into CrIN-3 and CrIN-4 could continue and injection into CrIN-5 could start
 - ⊙ Results from sampling in future well R-80 and additional data collected from R-45 will determine future of injections into CrIN-1 and CrIN-2
- NMED required that LANL develop and install an alternative injection location outside the plume during the one-year temporary recommencement



Data Gap Wells

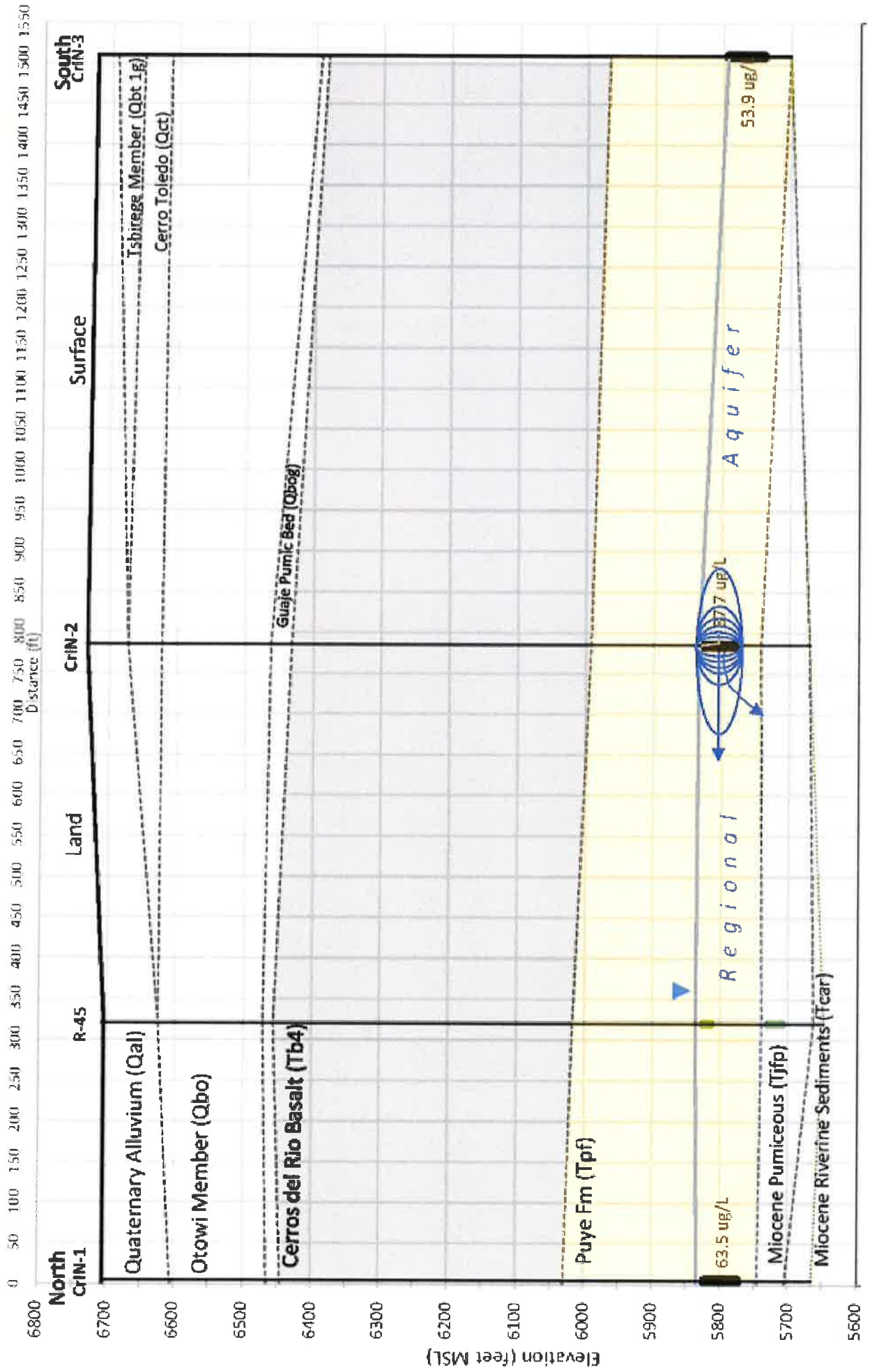




Questions?



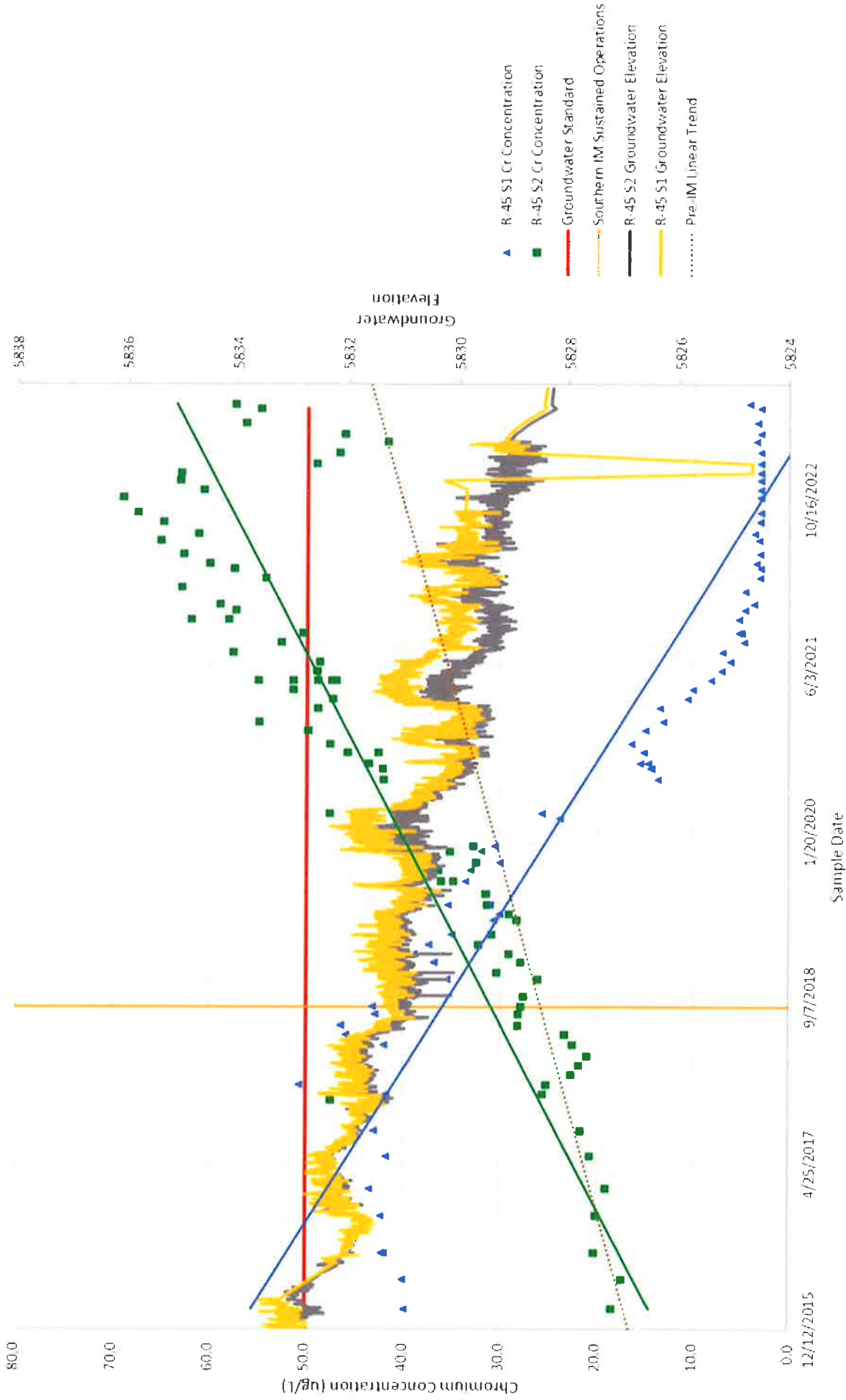
Protective Infiltration Wells





Chromium Time-Plot for R-45 Screen 1 & Screen 2

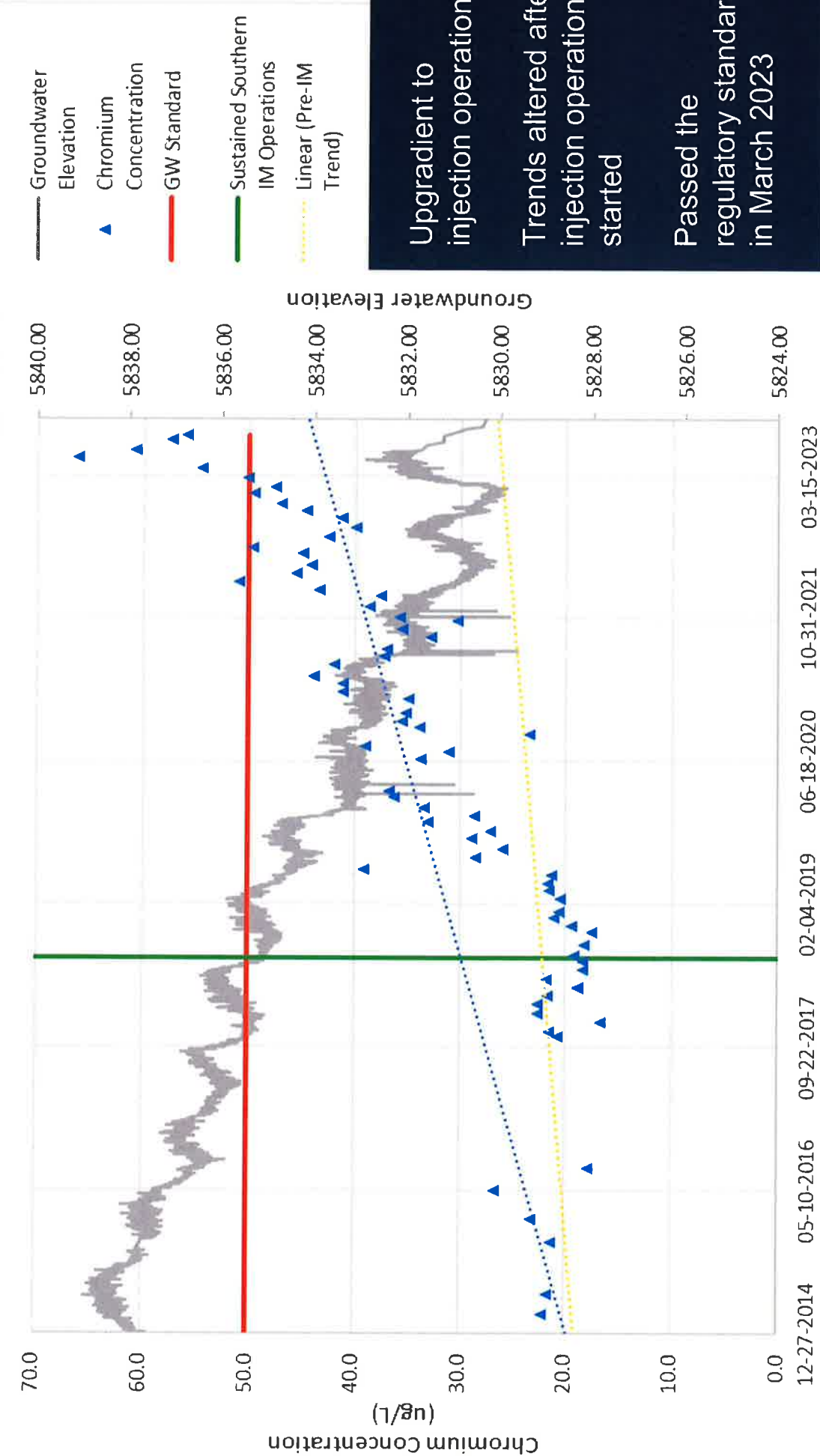
R-45
Concentration and Groundwater Elevation Graph vs. Time





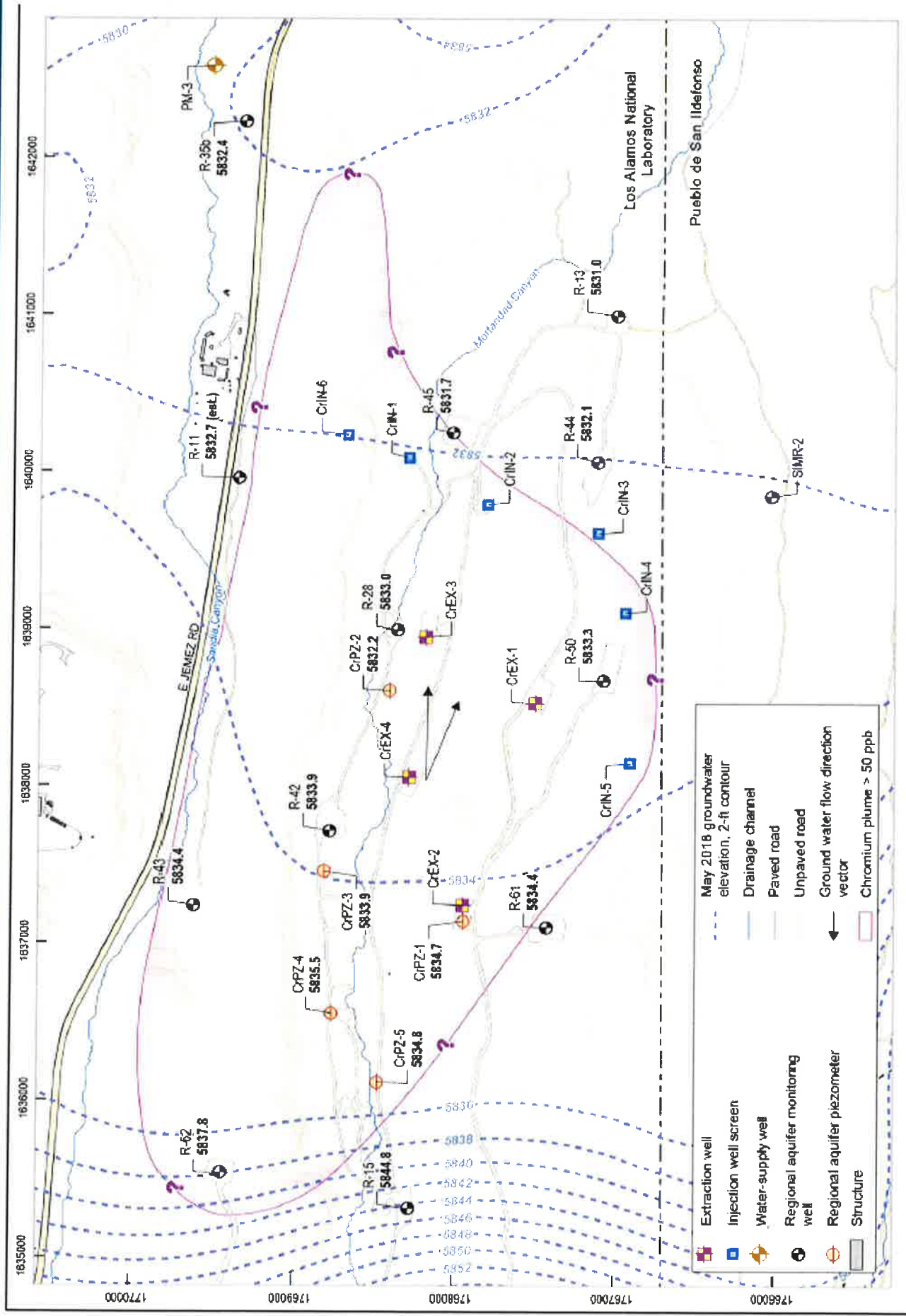
Chromium Time-Plot for R-61

Time vs. Chromium Concentration and Groundwater Elevation





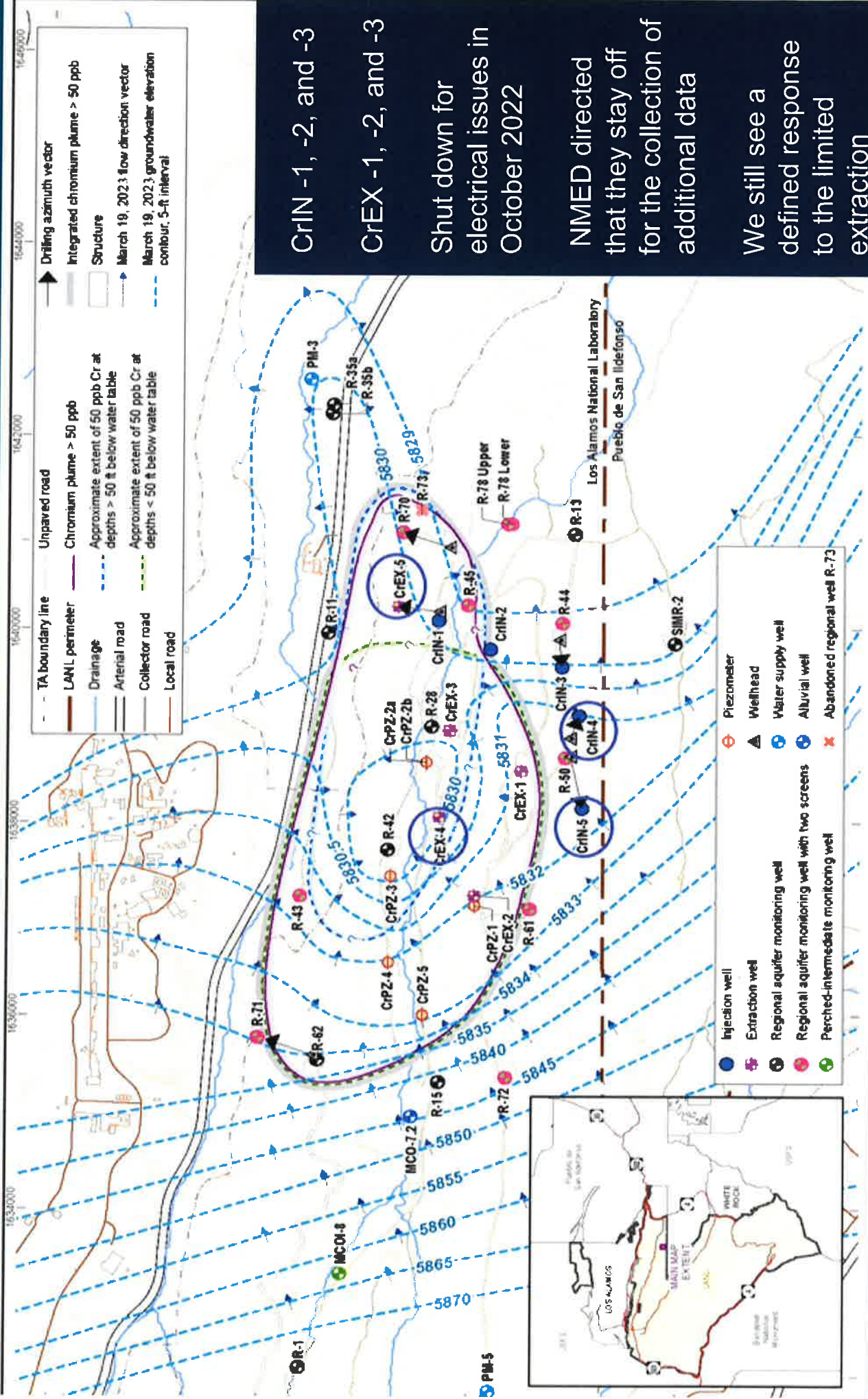
Water Table Map: Pre-IM





IM

Water Table Map-Reduced



CrIN -1, -2, and -3
 CrEX -1, -2, and -3
 Shut down for electrical issues in October 2022
 NMED directed that they stay off for the collection of additional data
 We still see a defined response to the limited extraction



New Mexico Environment Department

Overview - Surface Water Discharge Permitting Program

Shelly Lemon, Surface Water Quality Bureau Chief

November 2, 2023



Outline

1. Existing Surface Water Quality Protections
2. SCOTUS decision re: Sackett Case
3. State Permitting Program Survey
4. Overview of State Permitting Program Development



Surface Water Quality Protections



- Under the **Clean Water Act (CWA)**, 33 U.S.C. § 1251 et seq., it is illegal to discharge a pollutant through a point source into a “*water of the United States*,” or WOTUS, without a permit.
- New Mexico’s **Water Quality Act (WQA)**, NMSA 1978, §§ 74-6-1 to -17, authorizes the State to issue permits for the discharge of pollutants to waters.



Current Surface Water Quality Protections The Clean Water Act - Permits

- **New Mexico True**
- No authority (“primacy”) to issue federal CWA permits.
- The Section 402 NPDES permit program is administered by EPA.
- The Section 404 Dredge or Fill Permit Program is administered by the U.S. Army Corps of Engineers.
- New Mexico does issue Section 401 Certifications of NPDES Permits.
 - Section 74-6-4(F) of the NM WQA states that NMED “...shall provide technical services, including certification of permits pursuant to the federal [CWA]....”
 - Section 74-6-5(B) of the NM WQA states that the Water Quality Control Commission (WQCC) “...shall adopt regulations establishing procedures for certifying federal water quality permits.”
 - 20.6.2 NMAC articulates the procedures for certification of NPDES and Dredge or Fill permits, as well as other federal permits.



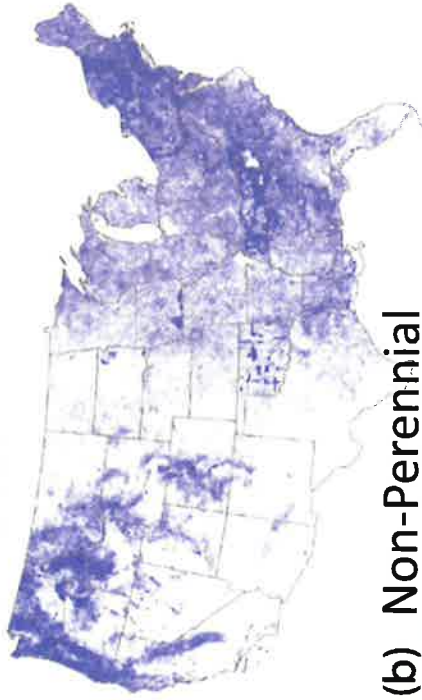
Waters of the U.S. – Sackett Decision

- **May 25, 2023** = Supreme Court decision in Sackett case
 - emphasizes Scalia’s “relatively permanent” test.
 - The Court held that the CWA applies only to wetlands that are “relatively permanent” with a continuous surface connection to a traditional navigable water... making it difficult to determine where the “water” ends and the “wetland” begins.
- **August 28, 2023** = EPA and the Corps issued a new definition of WOTUS, consistent with Sackett decision and removed the “significant nexus” test.
- **September 8, 2023** = Published in the Federal Register and effective that same day.

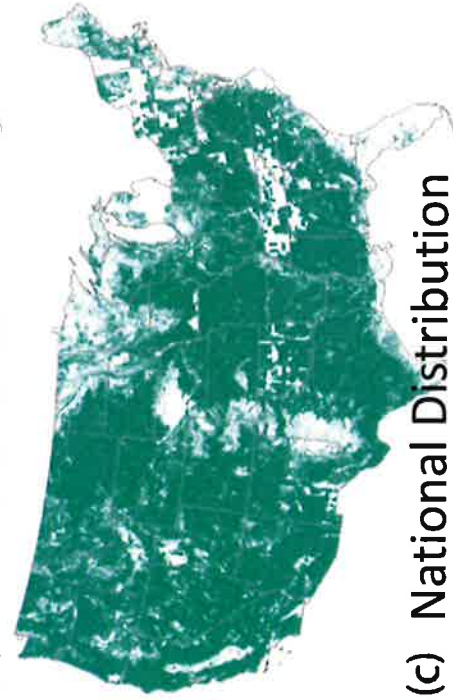


What does Sackett mean for New Mexico? TBD – But we do know...

(a) Perennial

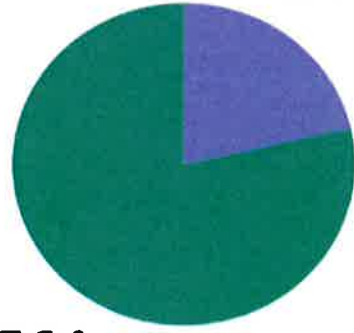


(b) Non-Perennial



(c) National Distribution

Non-Perennial
8,066,218 km
79%



Perennial
2,182,018 km
21%

- NM's definition of "Surface Waters of the State" is more inclusive than "Waters of the US" (WOTUS).
 - 6,698 perennial river/stream miles
 - 190,225 non-perennial river/stream miles
 - 85,369 acres of public lakes/reservoirs
 - 1,053,809 acres of freshwater wetlands
- In addition, many perennial streams and rivers are interrupted and therefore may not be subject to CWA protections under this new ruling. These include many source waters for drinking water and all ephemeral waterbodies.
- Without a surface water quality permitting program, New Mexico cannot fully protect its waters from contamination and degradation.



SWQB State Permitting Program: Survey

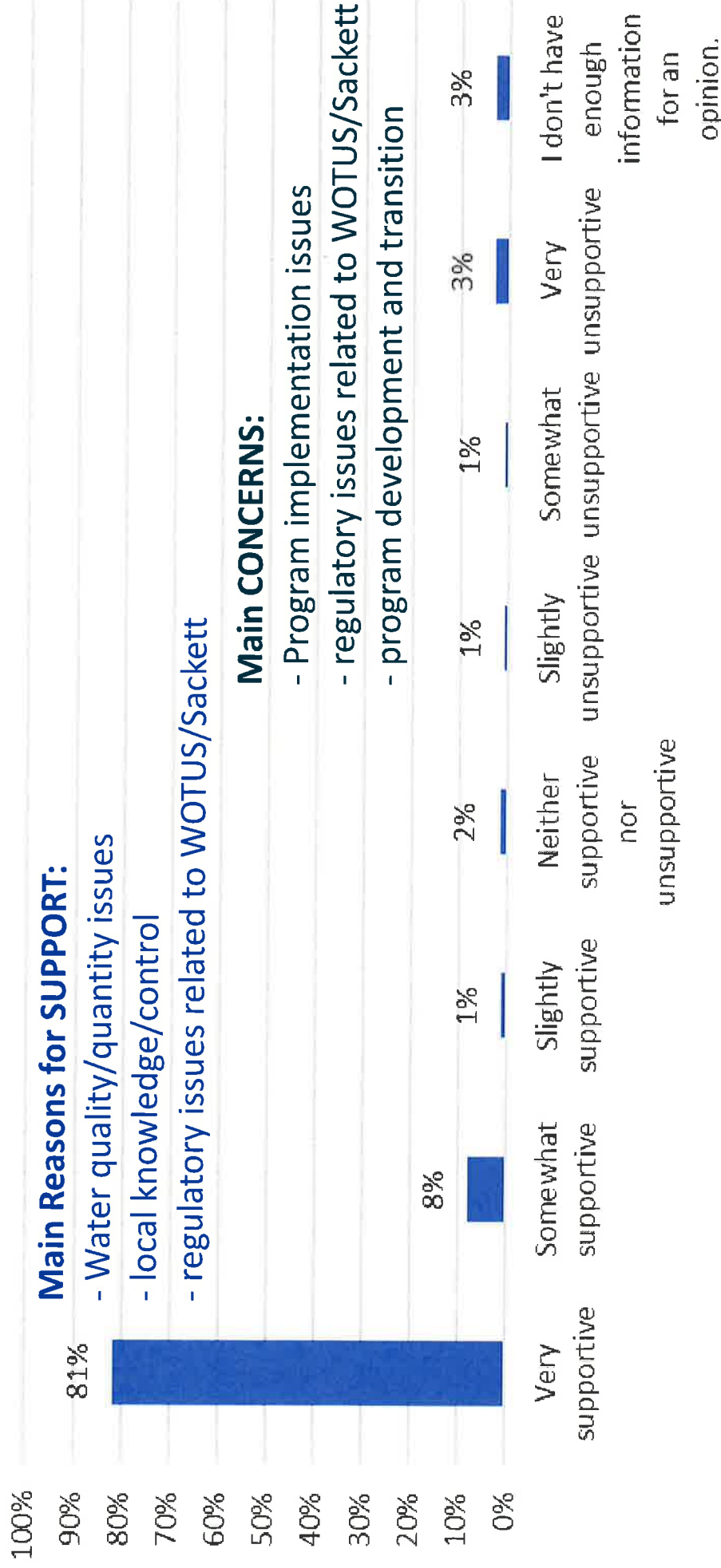
- SWQB sent a brief survey to the SWQB and GWQB listservs, and key stakeholders that we identified.
- The intent of survey was to gather thoughts about a state permitting program to help NMED understand concerns, perspectives, and questions.
- 424 Responses, 14 of which were repeat responses.
- Self-Identified stakeholder type:
 - 62% = interested state resident
 - 10% = environmental organization, outdoor recreation
 - 9% = “other” (verbatim description)
 - 8% = federal, state, tribal, or local government
 - 7% = acequia, irrigation district, agriculture, soil & water conservation district
 - 4% = industry (construction, energy utility and transmission, livestock and dairy, mining, oil and gas, industry)



SWQB State Permitting Program: Survey

Preliminary Results

How supportive are you of NMED taking the steps needed to develop a state-led water quality permit program for surface waters in New Mexico? (n=424)





SWQB State Permitting Program: Survey

Survey results will help:

- guide the further development of the NMED state permit program outreach strategy.
- help NMED shape options for the program and answer questions related to program development and implementation.
- There will be additional opportunities to share your thoughts, concerns, and questions about a state-led surface water quality permitting program. **If you would like to stay informed about this process or if you have questions, please email swq.pp@env.nm.gov.**

- SWQB website: <https://www.env.nm.gov/surface-water-quality/spp/>



Home / Surface Water Quality Bureau



Surface Water Quality Permit Program Initiative

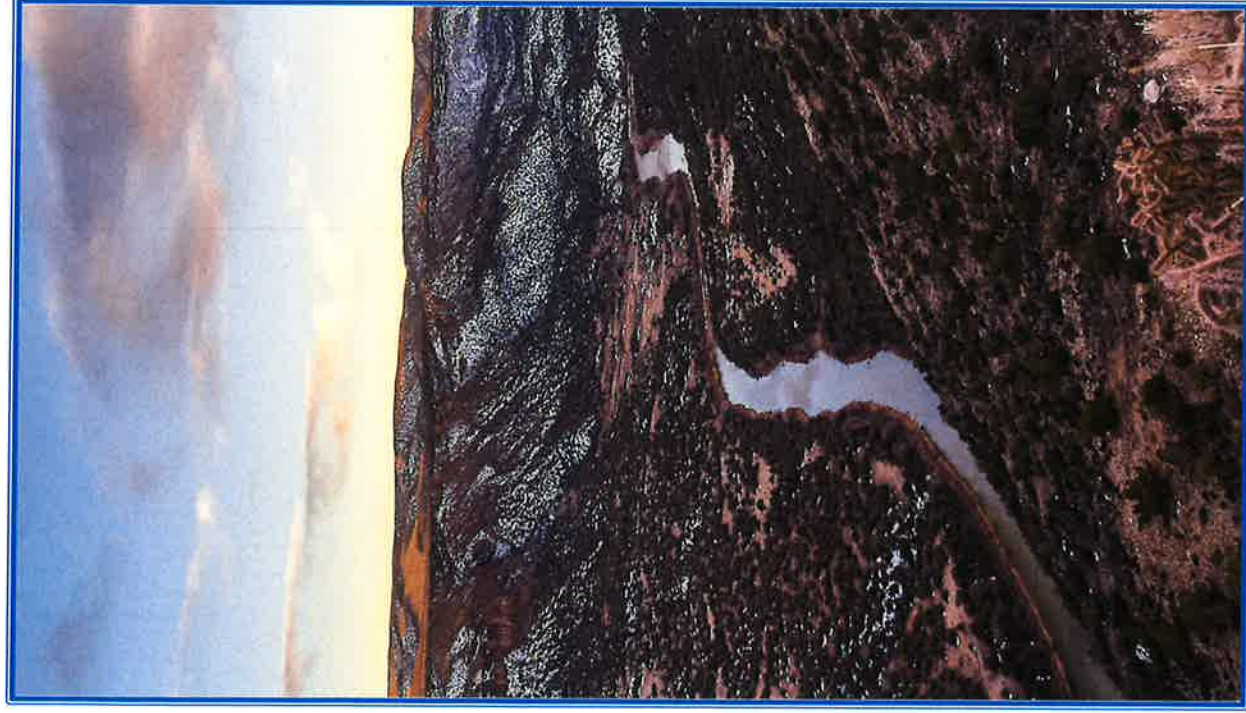


Contact us

Ph: 505-827-0187 Find a list of Surface Water Quality staff contacts [here](#).



What does this mean for New Mexico? State Permitting Program



- New Mexico's federal NPDES permitting universe consists of **approximately 3,955 permittees.**
- **A state permitting program to protect "waters of the state" (beyond WOTUS) and including wetland protections may result in additional permittees.**
- **NMED must build capacity in (1) permit writing, (2) pretreatment program implementation, (3) compliance monitoring, (4) enforcement, (5) data management and handling, etc.**



What does this mean for New Mexico? State Permitting Program

- Phase I – Outreach; Regulations and Statutes; Program Outline; Funding Strategy
- Phase II – Guidance, Standard Operating Procedures, Templates; EPA Application
- Phase III – Staff Recruitment, Hiring, and Training; State/EPA Memorandum of Agreement; Application Package
- Phase IV – Phased Implementation of Permitting Program over 5 years
- Timeline to Full Program Implementation: 7-10 years for NMED to obtain full NPDES program implementation (municipal, industrial, stormwater, pretreatment, sludge, etc.). Likely shorter timeline for state-only (SWOTS) program.



What does this mean for New Mexico? State Permitting Program

Currently in Phase 1 = Outreach; Regulations and Statutes; Program Outline; Funding Strategy (hire 3 FTE + lawyer) Phase 1 = approx. 24-month timeline.

As we move forward with developing a permitting program,

1. We will be working with stakeholders to evaluate scope and application of a state discharge program (e.g., NPDES, state-only, wetlands).
2. A state discharge permitting program cannot be less stringent than the federal program under the CWA.
3. Program development will evaluate how a state discharge permitting program would be implemented and applied to “surface waters of the state” including wetland protections.

Projected Resources Needed at full NPDES+SWOTS implementation:

Approx. 40-50 FTE, \$6-9M per year (plus inflation) = technical staff (permit writers, pretreatment, compliance assistance, enforcement, etc.), database manager & data steward(s), admin & IT support, dedicated lawyers for program implementation.



What does this mean for New Mexico? State Permitting Program

QUESTIONS to Consider and/or Answer:

- What do we do about groundwater or how do we integrate GW?
- Will NMED, OCD, or EPA implement the NPDES program for oil and gas operations?
- What is the funding/fee structure going to look like?
- What is the scope of a state permitting program for discharges to surface waters of the state (i.e., non-WOTUS)?
- How will ephemeral waters be addressed by a state-only program?
- How will indirect discharges be addressed by a state-only program?
- Will a state-only program be more stringent than EPA's?
- Where or how does environmental justice factor into a state-only permitting program?
- Others?



Contact Information

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Surface Water Quality Bureau

Water Protection Division

New Mexico Environment Department

Shelly.Lemon@env.nm.gov

John Rhoderick, Director

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Christal Weatherly, Assistant General Counsel

Office of General Counsel

New Mexico Environment Department

Christal.Weatherly@env.nm.gov



New Mexico Environment Department

Water Reuse Regulatory Path John Rhoderick, Director Water Protection Division

Presentation to Buckman Direct Diversion Board
November 2, 2023

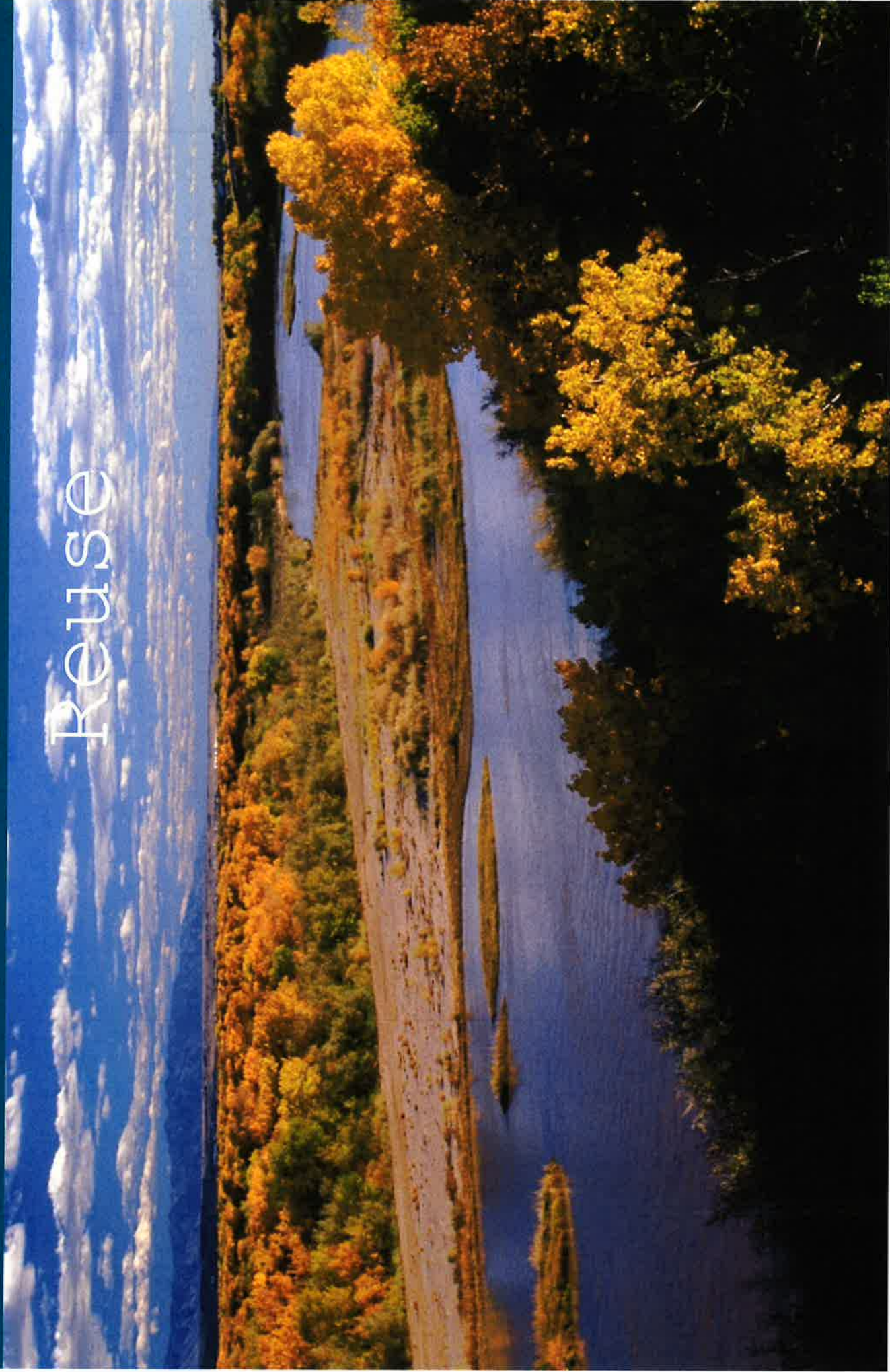




REGULATORY FACILITY TO

Increased Water

Reuse



#

Augmentation not Replacement

Reuse, in any form, is meant to augment existing fresh water sources and reduce the strain on those fresh water sources.



Current Reuse Activities in NM

- **Reuse activities permitted under existing regs.**
 - Reclaimed Wastewater - 40% of effluent in NM used for irrigation of golf courses, etc.
 - Successful indirect potable reuse operation in Rio Rancho, NM.
 - Desalination plant in Alamogordo, NM.
 - Direct potable reuse project - Cloudcroft, NM
 - Development of indirect potable reuse pilot in Las Vegas, NM.



Status of Water Reuse Regulation Development

- The draft regulation creates a new section in 20.6 NMAC titled Part 8 - Ground and Surface Water Protection - Supplemental Requirements for Water Reuse.
- This section will house reuse requirements for:
 - Direct and Indirect Potable Reuse.
 - Reclaimed Wastewater.
 - Industrial Graywater.
 - Produced Water (Outside OCD jurisdiction)
 - Desalination.



Status of Water Reuse Regulation Development

- Advisory committee met twice to review draft regulations and provide comments.
- 30 day public comment period 11/1/23 thru 11/30/23.
- Comments from Advisory Committee, the public, and NMED internal will be incorporated as appropriate into final draft.
- December 2023 - NMED will petition Water Quality Control Commission (WQCC) for a hearing date in March of 2024.



Produced Water Advisory Committee

- **Committee comprised of members from:**
 - **Tribal Governments**
 - **Academia**
 - **Economic Development**
 - **EMNRD**
 - **NMED**
 - **Industry**
 - **Environmental NGOs**



Phase 1 Rulemaking

- Create reuse section, including definitions.
- Provide regulatory guidelines for developing pilot projects for evaluation of treated produced water fit for purpose reuse opportunities.
- Prohibiting projects that discharge produced or treated produced water to the environment outside of oil and gas.



Phase 2 Rulemaking and Beyond

- **Develop regulations for indirect and direct potable reuse.**
- **Develop regulations and guidance for desalination and use of brackish water.**
- **Develop regulations and guidance for reclaimed wastewater reuse.**
- **Develop regulations and guidance for reuse of industrial gray water.**
- **Develop regulations and guidance for other industrial wastewater reuse.**



Ongoing Reuse Activities in NM

- **Other NMED efforts on water reuse.**
 - Contract in place with 3rd party engineering firm to develop indirect/ direct reuse regs and guidance.
 - Developing an MOU with NMSU to fund research into desalination of brackish water.
 - Existing MOA with NMSU to provide scientific research to aid rulemaking through the New Mexico Produce Water Research Consortium.



Questions?



**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
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**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
OFFICIAL ROSTER
YEAR ENDED JUNE 30, 2021**

ELECTED OFFICIALS

Anna Hansen	Chairperson of the BDD Board, Commissioner, Santa Fe County
Carol Romero Wirth	Councilor, City of Santa Fe
Anna Hamilton	Commissioner, Santa Fe County
JoAnne Vigil Coppler	Councilor, City of Santa Fe
J.C. Helms	Member At-Large
Peter Ives	Member Alternate At-Large
Peter Ives	Councilor, City of Santa Fe Alternate
Henry Roybal	Commissioner, Santa Fe County Alternate
Tom Egelhoff	Las Campanas, nonvoting member

ADMINISTRATIVE OFFICIALS

Rick Carpenter	Facility Manager, Buckman
Antoinette Armijo	Fiscal Manager and Business Administrator, Buckman
Mary McCoy	Finance Director, City of Santa Fe



Carr, Riggs & Ingram, LLC
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

505.883.2727
505.884.6719 (fax)
CRlcpa.com

INDEPENDENT AUDITORS' REPORT

Joseph M. Maestas, P.E.,
New Mexico State Auditor and
Board Members
Santa Fe County, City of Santa Fe, Las Campanas,
Buckman Direct Diversion Project
Water Treatment Facility Operations
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activity of the Buckman Direct Diversion Project Water Treatment Facility Operations ("BDD") as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise BDD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity of BDD, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BDD's basic financial statements. The official roster, schedule of revenues, expenses, and changes in net position – budget (non-U.S. GAAP budgetary basis) and actual, schedule of changes in restricted net position by partner, and exit conference are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues, expenses, and changes in net position – budget (non-U.S. GAAP budgetary basis) and actual and schedule of changes in restricted net position by partner are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses, and changes in net position – budget (non-U.S. GAAP budgetary basis) and actual and schedule of changes in restricted net position by partner are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The official roster and exit conference have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the BDD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BDD's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BDD's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
June 30, 2023

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Management's discussion and analysis (MDA) of the Buckman Direct Diversion Project – Water Treatment Facility Operations is designed to provide an overview of Buckman Direct Diversion's financial activity for the year ended June 30, 2021.

Under a joint powers agreement dated January 15, 2005 for the Buckman Direct Diversion (BDD), the City of Santa Fe (City) joined Santa Fe County (County) to design and construct the Buckman Direct Diversion Project in order to divert surface water from the Rio Grande River to the independent water systems of the City and the County. Other project participants include the Las Campanas Water and Sewer Cooperative and the Club at Las Campanas (Las Campanas Entities). Construction of the facility was completed by the end of December 31, 2010. Operations of the facility commenced on May 2, 2011. Operations are fully funded by the City, County, and Las Campanas Entities who are billed pursuant to the Facility Operations and Procedures Agreement (FOPA) dated October 16, 2006.

The BDD operates pursuant to the Facility Operations and Procedures Agreement for the Buckman Direct Diversion Project between the City of Santa Fe, Santa Fe County and Las Campanas Entities with the City of Santa Fe acting as fiscal agent, per the Project Management and Fiscal Services Agreement (PMFSA). A board of directors has been established and delegated all powers necessary to oversee both the management and operations of the BDD. The board is comprised of two members of the governing body of the City (along with an alternate), two members of the governing body of the County (along with one alternate), one non-voting member of the Las Campanas Entities (along with one alternate) and one citizen member at large (along with one alternate) appointed by a majority vote of the four other voting members.

Financial Highlights

- In 2021, the Buckman Direct Diversion provided 2,291,388,000 gallons of water to the project partners.
- The Buckman Direct Diversion Board authorized \$556,757 of funding from restricted cash of the Major Repair and Replacement Fund to fund the continuation of rebuilding pumps at the Raw Water Lift Station facility.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction of the BDD's basic financial statements. The BDD's financial statements are comprised of basic financial statements, notes to the financial statements and other information. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The BDD operates under the accrual basis of accounting, required for State and Local Governments' enterprise operations. The BDD's operating fund utilizes cost codes to track expenditures for proper allocation and billing to the City, County, and Las Campanas Entities.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Proprietary Fund

The BDD operates as proprietary fund for regional water supply with all operating costs covered by reimbursements to the City, County, and Las Campanas Entities. Proprietary funds are used for activities that are financed and operated in a manner similar to a private business enterprise. The intent of the BDD Board of Directors is to ensure the costs (expenses) of providing services, in this case, regional water supply on a continuing basis be financed or recovered through billings.

Proprietary financial statements are designed to provide readers with a broad overview of the BDD's finances, in a manner similar to a private-sector business.

Budgets

The BDD's annual operating budget is adopted on annual basis and includes annual contributions to the Emergency Reserve Fund and Major Repair and Replacement fund based on yearly targeted balances. The annual budget is recommended by the BDD Board to be approved by the governing bodies of our participating partners. Once the budget has been approved by the governing bodies the budget is formally adopted by the BDD Board. The annual operating budget is budgeted by major category; any adjustments between major categories must be approved by the BDD Board.

The budget is prepared on another comprehensive basis of accounting other than the accrual basis required by GAAP.

There were no major changes to the fiscal year 2021 annual operating budget in comparison to the final fiscal year 2020 annual operating budget.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Net Position

The statement of net position presents information on all of Buckman Direct Diversion's assets, liabilities, and net position

The following table provides condensed financial information related to BDD's net position as of June 30, 2021 as compared to June 30, 2020.

**Statement of Net Position
Fiscal Year Ended June 30, 2021 and June 30, 2020**

	2021	2020	Amount Change	% Change
ASSETS				
Current Assets	\$ 46,217,050	\$ 10,199,042	\$ 36,018,008	353%
Capital Assets, Net	8,867,479	8,780,775	86,704	1%
Total Assets	<u>\$ 55,084,529</u>	<u>\$ 18,979,817</u>	<u>\$ 36,104,712</u>	190%
LIABILITIES	\$ 5,386,766	\$ 5,641,752	\$ (254,986)	-5%
NET POSITION				
Net Investment in Capital Assets	8,867,479	8,780,775	86,704	1%
Restricted for:				
Emergency Reserves	2,086,267	2,086,267	-	0%
Major Repair and Replacement Reserves	1,652,897	1,398,857	254,040	18%
Unrestricted	<u>37,091,120</u>	<u>1,072,166</u>	<u>36,018,954</u>	3359%
Total Net Position	<u>49,697,763</u>	<u>13,338,065</u>	<u>36,359,698</u>	273%
TOTAL LIABILITIES AND NET POSITION	<u>\$ 55,084,529</u>	<u>\$ 18,979,817</u>	<u>\$ 36,104,712</u>	190%

The statement of net position reports comparison activity of the current and previous fiscal years of operations. The change of current assets and current liabilities is due to the legal settlement received during 2021. The capital assets held by BDD represent a portion of the original construction cost of the BDD Project, excluding assets reported on the City of Santa Fe and Santa Fe County's financial statements. All new assets purchased by BDD are reported as capital assets.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Revenues, Expenses, and Changes in Net Position

The following table provides condensed financial information related to BDD's changes in net position for the year ended June 30, 2021 as compared to the year ended June 30, 2020.

**Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2021 and June 30, 2020**

	2021	2020	Amount Change	% Change
OPERATING REVENUES				
Reimbursements:				
City of Santa Fe	\$ 6,660,755	\$ 6,126,826	\$ 533,929	9%
Santa Fe County	2,204,280	2,393,899	(189,619)	-8%
Las Campanas Entities	272,546	626,096	(353,550)	-56%
Legal Settlement	36,000,000	-	36,000,000	100%
PNM Solar Rebates	144,289	78,076	66,213	85%
Conservation Fee	12,481	12,481	-	0%
Grants-Federal	16,150	57,385	(41,235)	-72%
Total Operating Revenues	<u>45,310,501</u>	<u>9,294,763</u>	<u>36,015,738</u>	387%
OPERATING EXPENSES				
Buckman Direct Diversion Project Operations	8,592,151	8,476,588	115,563	1%
Major Repairs	358,770	434,411	(75,641)	-17%
Total Operating Expenses	<u>8,950,921</u>	<u>8,910,999</u>	<u>39,922</u>	0%
OPERATING INCOME	36,359,580	383,764	35,975,816	9374%
NONOPERATING REVENUES				
Gain (Loss) of Capital Assets	-	(2,323)	2,323	-100%
Investment Income	118	47,782	(47,664)	-100%
CHANGE IN NET POSITION	36,359,698	429,223	35,930,475	8371%
Net Position - Beginning of Year	<u>13,338,065</u>	<u>12,908,842</u>	<u>429,223</u>	3%
NET POSITION - END OF YEAR	<u>\$ 49,697,763</u>	<u>\$ 13,338,065</u>	<u>\$ 36,359,698</u>	273%

The BDD's revenues include reimbursements from the City, the County, and Las Campanas Entities for fixed, variable and project wide costs, which are billed pursuant to the percentage allocations detailed in the Facility Operations and Procedures Agreement and the water delivered to each partner. In 2021, BDD received \$36 Million as a legal settlement from a prior contractor.

Operating expenses consists of salaries, utilities, chemicals, other operating costs, materials and supplies and a fiscal agent fee. Expenses should approximate revenues as all operating costs are billed to the partners.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

BDD has received federal funding from the Department of Energy for the BDD Location Sampling program. BDD also receives PNM Solar Rebate revenue for over production of our solar photovoltaic system at our water treatment plant location. The revenue received is used to support a portion of BDD solar expenses.

The BDD has restricted cash held for specific purposes related to the BDD's emergency reserve fund policy and repair and replacement fund policy. All expenditures must be authorized by the BDD Board and must meet criteria as established per the policy.

Partner Reimbursements/Restricted Cash

Participating partners are billed monthly, quarterly, and pre-billed for reimbursement or prepayment of all operating costs per the BDD Working Capital & Billing Policy. In order to secure resources assuring BDD's ability to cover major repairs and replacement of system equipment, BDD has established an annual partner contribution to be fully funded by the end of each fiscal year.

The following table shows the balances outstanding from each partner or partner credit balance as of June 30, 2021. Application of any credits to outstanding accounts receivable must be approved by the partners.

	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas CoOp	Total
Partner Receivables	\$ 2,788,855	\$ 1,217,344	\$ 53,468	\$ 104,471	\$ 4,164,138
Partner Credits	(1,760,883)	(783,658)	(21,690)	(98,301)	(2,664,532)
Net Total	<u>\$ 1,027,972</u>	<u>\$ 433,686</u>	<u>\$ 31,778</u>	<u>\$ 6,170</u>	<u>\$ 1,499,606</u>

The BDD expects to fully collect all outstanding receivables and refund or apply any partner credits.

Items Expected to Have a Significant Effect for Fiscal Year 2021

The Buckman Direct Diversion is expected to operate successfully and will continue to adaptively manage water deliveries to meet changes in partner demands. The ability to meet partner demand can be affected by circumstances beyond the control of the BDD. The BDD will not operate when suspended solids concentrations in the Rio Grande exceed a threshold value or when the Los Alamos National Laboratory Early Notification System indicates the Rio Grande may be influenced by runoff from Los Alamos Canyon. During periods of inability to fulfill water delivery orders, the City will supply both its own and in accordance with the County/City Water Resource Agreement, the County's potable water demands from stored drinking water and its other sources of water supply.

Capital Assets and Debt Administration

Total capital assets, net of depreciation, for BDD make up 16% of BDD's total assets. Refer to Note 6 for information about capital assets.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Requests for Information

The financial report is designed to provide a general overview of BDD's finances for those interested in government enterprise finances. Questions concerning any of the information provided or requests for additional financial information should be addressed to the Buckman Direct Diversion, 341 Caja Del Rio Rd. Santa Fe, NM 87506, BDD also maintains a website at www.bddproject.org.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	<u>Business-Type Activity</u>
CURRENT ASSETS	
Cash, Investments, and Cash Equivalents	\$ 38,190,288
Restricted Cash:	
Emergencies	2,086,267
Major Repair and Replacement	1,652,897
Partner's Accounts Receivable:	
City of Santa Fe	2,788,855
Santa Fe County	1,217,344
Las Campanas Club	53,468
Las Campanas CoOp	104,471
Interest Receivable	2,172
Prepaid Expenses	10,000
Other Receivable (includes Pass-through grant)	2,570
Chemical Inventory	108,718
Total Current Assets	<u>46,217,050</u>
NONCURRENT ASSETS	
Capital Assets	11,419,850
Accumulated Depreciation	<u>(2,552,371)</u>
Total Noncurrent Assets	<u>8,867,479</u>
Total Assets	<u><u>\$ 55,084,529</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Partner's Credit Balances:	
City of Santa Fe	\$ 1,760,883
Santa Fe County	783,658
Las Campanas Club	21,690
Las Campanas CoOp	98,301
Accounts Payable	917,554
Intergovernmental Payable	1,804,680
Total Current Liabilities	<u>5,386,766</u>
NET POSITION	
Net Investment in Capital Assets	8,867,479
Restricted for:	
Emergency Reserves	2,086,267
Major Repair and Replacement Reserves	1,652,897
Unrestricted	37,091,120
Total Net Position	<u>49,697,763</u>
Total Liabilities and Net Position	<u><u>\$ 55,084,529</u></u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activity</u>
OPERATING REVENUES	
Reimbursements:	
City of Santa Fe	\$ 6,660,755
Santa Fe County	2,204,280
Las Campanas Club	184,280
Las Campanas Coop	88,266
Utility Reimbursements	144,289
Legal Settlements	36,000,000
Conservation Fee	12,481
Grants-Federal	16,150
Total Operating Revenues	<u>45,310,501</u>
OPERATING EXPENSES	
Buckman Direct Diversion Project Operations	8,592,151
Major Repairs	358,770
Total Operating Expenses	<u>8,950,921</u>
OPERATING INCOME	36,359,580
NONOPERATING REVENUES	
Investment Income	118
Total Nonoperating Revenues	<u>118</u>
CHANGE IN NET POSITION	36,359,698
Net Position - Beginning of Year	<u>13,338,065</u>
NET POSITION - END OF YEAR	<u>\$ 49,697,763</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activity</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Partners and PNM	\$ 49,828,332
Cash Paid to Suppliers for Goods and Services	<u>(8,469,221)</u>
Net Cash Provided by Operating Activities	41,359,111
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(327,859)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>118</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,031,370
Cash and Cash Equivalents - Beginning of Year	<u>898,082</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 41,929,452</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 36,359,580
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	241,155
Changes in Assets and Liabilities:	
Decrease in Partner's Accounts Receivable	2,370,051
Increase in Partner's Credit Balances	2,090,395
Decrease in Other Receivables	57,385
Increase in Chemical Inventory	(1,116)
Decrease in Accounts Payable	(104,367)
Increase in Intergovernmental Payable	346,028
Net Cash Provided by Operating Activities	<u><u>\$ 41,359,111</u></u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 ORGANIZATION

Under a joint powers agreement for the Buckman Direct Diversion Project dated January 11, 2005 (JPA), the City of Santa Fe (City) joined Santa Fe County (County) to design and construct the Buckman Direct Diversion Project in order to divert surface water from the Rio Grande River to the independent water systems of the City and County to reduce reliance on over-taxed ground water resources. Operations of the Buckman Direct Diversion Water Treatment Facility (Buckman) commenced May 15, 2011. The Buckman site is located 15 miles northwest of Santa Fe, approximately three miles downstream from where Route 3 crosses the Rio Grande River at the Otowi Bridge. Buckman is considered under the provisions of the Joint Powers Act to be an entity separate from the individual parties named in the JPA as prescribed by State Statute Section II 1-5(B) NMSA 1978. The City and County each own 50% of the diversion facilities of Buckman and have established a board to oversee the planning, procurement, financing, permitting, design, and construction of the Buckman Direct Diversion Project as well as the operations and management of Buckman. The board is comprised of two members of the governing body of the City of Santa Fe, two members of the governing body of Santa Fe County Commissioners, and one citizen member at large appointed by a majority vote of the four other members. Other project participants include Las Campanas Limited Partnership (which includes the Las Campanas Club and Las Campanas CoOp), who retains no ownership interest in Buckman but pays for its proportional share of that system (diversion structure, sediment pond, and related infrastructure) it actually uses. The City of Santa Fe, Santa Fe County, and Las Campanas Limited Partnership are referred to in these financial statements as the user partners. Buckman Direct Diversion Project is jointly owned by the City of Santa Fe and the County of Santa Fe. Construction of the facility was completed in December 2010 and the project was completed under the terms of the construction contract on May 15, 2011, which is the approximate date upon which operations commenced.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Buckman is presented to assist in the understanding of the Buckman financial statements. The financial statements and notes are the representation of Buckman's management who is responsible for their integrity and objectivity. The financial statements of Buckman have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define Buckman for financial reporting purposes, management has considered all potential component units.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Buckman does not have any component units required to be reported under the GASB codification.

Enterprise Fund Financial Statements

Buckman is a single purpose government entity and has only business-type activities. In the statement of net position, activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Buckman's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of Buckman are organized on the basis of a proprietary or enterprise fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise funds are accounted for on the flow of economic resources, measurement focus, and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. In fiscal year 2019, Buckman received a grant award from the U.S. Department of Energy for water quality monitoring activities. Expenditures totaling \$16,150 were incurred against the grant during fiscal year 2021.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of Buckman's enterprise fund is reimbursements from user partners for the cost of operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position

Buckman reports the following enterprise fund:

The Buckman Direct Diversion Project Operations Enterprise Fund is used to account for the operations of the Buckman Regional Water Treatment Plant and other Buckman related facilities and reimbursements from user partners.

When both restricted and unrestricted resources are available for use, it is Buckman's policy to use restricted resources first, then unrestricted resources as they are needed.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Cash, Investments, and Cash Equivalents

Cash is pooled into one common account maintained by the City of Santa Fe, Buckman's fiscal agent, in order to maximize investment opportunities. Buckman's monies deposited in the pooled cash account have equity therein, and interest earned on any of the investment of these monies is allocated based upon relative equity at month-end. Cash and cash equivalents are considered to be a share of the City's pooled cash and short-term investments with original maturities of three months or less from the date of acquisition. Please refer to the City of Santa Fe's financial statements for the year ended June 30, 2021 for a complete description of permissible investments and risk disclosures concerning cash investments.

Partner's Accounts Receivables/Partner's Credit Balances

A prebilling precedes the month of billing on an estimated basis for cash flow purposes based on the monthly approved budget. Outstanding amounts owed to Buckman from prebilling activities are reported as Partner's Accounts Receivable in the statement of net position. Revenue from the user partners is recognized each month based on the monthly expenses that have been incurred. A final billing is made based on actual costs and expenses incurred for fixed, variable, and project-wide costs. Amounts paid by partners in excess of final invoiced amounts are recorded as partner's credit balances in the statement of net position and used to offset future billings.

Chemical Inventory

Chemical inventory recorded in Buckman's enterprise fund is stated at the lower of cost of market and totals \$108,718 at June 30, 2021. The cost of consumption is billed to each individual partner monthly, and is determined using the average cost method.

Capital Assets

Capital assets are recorded at cost. The fiscal agent's (City of Santa Fe) policy is to capitalize all assets with a cost of \$5,000 or greater. Major outlays for capital assets and improvements are capitalized as projects as they are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives as follows:

	<u>Years</u>
Buildings and Structures	50
Equipment and Machinery	7
Vehicles	8
Data Processing Equipment	3

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures including the useful lives of depreciable assets and the estimated usage of leave balances by employees. Accordingly, actual results could differ from those estimates.

Minimum Restricted Net Position Policies

The Emergency reserve and Repair and Replacement reserve are reserve funds that were required by the Facilities Operations and Procedures Agreement and approved by the board on February 3, 2011. Both the Emergency reserve and the Repair and Replacement reserve are to be funded through specific contributions from the user partners and utilized for specified purposes. The Emergency reserve target balance is \$2,000,000 and was funded over a two-year period and fully funded at June 30, 2014. For the Repair and Replacement reserve, Buckman approved \$626,707 in annual partner contributions for fiscal year 2021. During fiscal year 2021, \$358,770 was utilized for combined emergency and repair purposes.

The board approved the Emergency Fund Reserve policy and the Major Repair and Replacement Fund policy on February 3, 2011.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets - Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors/partners, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Buckman's restricted net position balances are a result of the Emergency Fund Policy and Major Repair and Replacement Fund Policy, described below:

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Equity Classifications (Continued)

b. Restricted Net Position (Continued) -

Emergency Reserve Fund Policy

In order to secure resources assuring Buckman's timely response to emergencies, which could potentially threaten, reduce, or eliminate Buckman's capacity to meet its customers' demands, Buckman established an accumulation target amount of \$2,000,000 to fund the emergency reserve fund. While insurance may provide reimbursement of costs associated with some emergency situations, the Emergency Reserve Fund will provide an immediate infusion of the fund that are necessary to address the situation without having to first solicit funding from the partners. The total amount funded at June 30, 2021 was \$2,086,267.

Major Repair and Replacement Fund Policy

In accordance with the Buckman's intergovernmental agreements and in order to secure resources assuring Buckman's ability to cover the repair and replacement cost of capital assets already in existence within Buckman, this policy ensures funding is available to repair or replace capital equipment when the capital equipment has reached the end of its effective useful life. Buckman established an accumulation target of \$411,812 in annual contributions, in 2017 the board approved an increase of \$214,894 for a total annual contribution of \$626,707 to be fully funded by the end of each fiscal year. The total amount funded as of June 30, 2021 was \$1,652,897.

- c. Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Buckman's annual operating budget for the enterprise fund is adopted on a basis other than generally accepted accounting principles (Non-U.S. GAAP basis). Depreciation is not budgeted for the enterprise fund. The budget includes both the proposed City and County portions and requires approval from both the City Council and the Santa Fe County Commission. The budget must also be approved by Buckman's board. The budget and any adjustments are subject to the regular budget requirements and calendar cycles of the City and the County. Budgetary control is at the fund level for the enterprise fund. Encumbrances (purchase orders, contracts, and other commitments for the expenditure of resources) outstanding at year-end are carried forward to the new fiscal year and do not constitute expenses or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CASH, INVESTMENTS, AND CASH EQUIVALENTS

At June 30, 2021, Buckman had the following cash, investments, and cash equivalents totaling \$41,929,452:

Investment Type	Fair Value	% of Total	WAM (Days)	WAM (Days)	S&P Rating
Wells Fargo Gov't Money Market Fund	\$ 36,000,118	86%	8	25	AAAm
Deposits with the City of Santa Fe	<u>5,929,334</u>	14%	NA	NA	
Subtotal	<u>\$ 41,929,452</u>				

Deposits with the City of Santa Fe represent Buckman's portion in cash and investment pooled accounts maintained by the City of Santa Fe. The City invests its pooled cash into U.S. Government securities, repurchase agreements, municipal bonds, certificates of deposit, the State Treasurer's investment pool, and U.S. Government security mutual funds. Please refer to the financial statement of the City of Santa Fe, New Mexico, for the disclosure information regarding the custodial credit risk and other risks that may apply. The report may be obtained from the City by contacting the assistant finance director at 200 Lincoln Avenue, P.O. Box 909 Santa Fe, New Mexico 87504-0909.

NOTE 5 PARTNERS' ACCOUNTS RECEIVABLE/PARTNERS' CREDIT BALANCES

The following table shows the balances outstanding from each partner or partner credit balance as of June 30, 2021.

	Partners' Accounts Receivable				
	City of Santa Fe	Santa Fe County	Las Campanas	Las Campanas CoOp	Total
Buckman Operations	<u>\$ 2,788,855</u>	<u>\$ 1,217,344</u>	<u>\$ 53,468</u>	<u>\$ 104,471</u>	<u>\$ 4,164,138</u>

	Partners' Credit Balances				
	City of Santa Fe	Santa Fe County	Las Campanas	Las Campanas CoOp	Total
Buckman Operations	<u>\$ 1,760,883</u>	<u>\$ 783,658</u>	<u>\$ 21,690</u>	<u>\$ 98,301</u>	<u>\$ 2,664,532</u>

No allowance for doubtful accounts has been recorded, as Buckman expects to fully collect all outstanding receivables.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance <u>June 30, 2020</u>	Additions	Deletions/ Adjustments	Ending Balance <u>June 30, 2021</u>
Non-Depreciable Capital Assets:				
Construction in Process	\$ 1,385,788	\$ 109,735	\$ -	\$ 1,495,523
Total Non-Depreciable Capital Assets	1,385,788	109,735	-	1,495,523
Capital Assets Being Depreciated:				
Buildings and Structures	8,737,383	-	-	8,737,383
Equipment and Machinery	330,034	218,124	-	548,158
Vehicles	514,557	-	-	514,557
Data Processing Equipment	124,229	-	-	124,229
Total Capital Assets Being Depreciated	9,706,203	218,124	-	9,924,327
Less: Accumulated Depreciation:				
Buildings and Structures	1,572,730	174,748	-	1,747,478
Equipment and Machinery	208,420	37,704	-	246,124
Vehicles	448,523	11,661	-	460,184
Data Processing Equipment	81,543	17,042	-	98,585
Total Accumulated Depreciation	2,311,216	241,155	-	2,552,371
Total Capital Assets Being Depreciated, Net	7,394,987	(23,031)	-	7,371,956
Total Capital Assets	<u>\$ 8,780,775</u>	<u>\$ 86,704</u>	<u>\$ -</u>	<u>\$ 8,867,479</u>

Because of the joint venture agreement between the City of Santa Fe and Santa Fe County, the following amounts are recorded in the City's and County's financial statements and are therefore removed from BDD's financial statements. However, they are assets utilized and purchased solely for BDD.

	Buildings and Structures	Equipment and Machinery	Total
City of Santa Fe	\$ 115,440,642	\$ 4,842,162	\$ 120,282,804
Santa Fe County	101,372,507	-	101,372,507
			221,655,311
Accumulated Depreciation	(43,310,652)	(4,832,685)	(48,143,337)
			<u>\$ 173,511,974</u>

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 ECONOMIC DEPENDENCE AND RELATED PARTY TRANSACTIONS

1. Buckman is economically dependent on three entities: City of Santa Fe, Santa Fe County, and Las Campanas (the user partners). These entities account for 100% of its funding for the period ending June 30, 2021.
2. See Note 5 for outstanding balances owed from user partners and credit balances outstanding as of June 30, 2021.

The City of Santa Fe as fiscal agent for the Buckman Direct Diversion Project receives a fee of 4.5% of the annual operating budget of the project. The City of Santa Fe received no fees for services as fiscal agent and a reimbursement of personnel costs of \$3,041,490 for the year ended June 30, 2021.

NOTE 8 RISK MANAGEMENT

Pursuant to the Joint Powers Agreement Section 23, Buckman is required to carry insurance coverage separate and apart from the partner's respective insurance policies. Buckman carries public liability insurance coverage (including directors and officers coverage) consistent with its responsibilities as a public entity under the New Mexico Tort Claims Act, NMSA 1978, Section 41-1-1 with combined single limits of \$1,000,000. Buckman carries a public liability commercial insurance policy with occurrence-based coverage against losses arising out of all operations conducted on the premises, contractual liability coverage, crime, automobile, directors' and officers' coverage, and other appropriate coverages. Buckman carries commercial property insurance on all of Buckman's buildings, structures, equipment, improvements, and vehicles to protect itself from losses arising from fire, earthquake, and flood disasters. Buckman also has commercial insurance for potential losses arising from excess liability and failures to supply materials needed to operate Buckman facilities.

Buckman staff, as employees of the City of Santa Fe, participate in the Santa Fe Health Fund and the Workers' Compensation Fund, which are self-insured programs administered by the fiscal agent. Buckman makes pro rata payments to the City based on actuarial estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophic losses. Health claims are handled by a professional third-party claims administrator. The fiscal agent maintains specific stop loss coverage for individual claims in excess of \$200,000 with a \$1,000,000 statutory limit. Workers' compensation claims are handled by a professional, third-party claims administrator. Buckman maintains specific stop loss coverage for individual claims in excess of \$500,000 with a \$1,000,000 statutory limit. There was no reduction in amount of coverage for 2021.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PROJECT MANAGER/FISCAL AGENT AGREEMENT

In November 2007, the Buckman Direct Diversion (BDD) board entered into an agreement with the City of Santa Fe to act in the capacity as project manager and fiscal agent for the board. Duties of the City include:

Project Manager

- Carry out the directives and policies of the BDD board, make recommendations to the BDD board related to the Project; provide support staff for BDD board meetings; contract with independent legal counsel selected by the BDD board; contract with specialized legal counsel as needed to support design, construction, operation, and maintenance of the Project; and, as directed by the BDD board, implement the Project during design and construction and, following completion of construction, manage, operate, and maintain the Project;
- Seek and apply for funding (except for funding to be provided by the City and the County pursuant to the Project agreements) in the form of grants, loans or loan guarantees, or other funding sources as may be deemed appropriate by the BDD board, for the Project as directed by the BDD board and manage any such grants, loans or loan guarantees;
- Administer all amounts loaned, granted, or contributed by the City, the County, or Las Campanas in connection with the Project, and respond to related audits as may be necessary;
- Prepare and submit to the BDD board, the City, the County, and Las Campanas no later than December 15 of each fiscal year, an annual operating budget, which shall include annual and five-year projected operations, maintenance, replacement and reserve (OMR&R) costs, including a five-year schedule with the Project manager's proposed facilities and equipment major maintenance and replacement costs, proposed allocation of costs among the City, the County, and Las Campanas as provided in the Facilities Operations and Procedures Agreement (FOPA), a facilities and equipment major repair and replacement fund, and an emergency reserve fund;
- Develop and implement prior to initial operation a cost accounting system to apportion the total fixed and variable cost of OMR&R to the City, the County, and Las Campanas in accordance with the cost sharing provisions of the FOPA;
- Develop a document retention and protection policy for adoption by the BOD board;
- Act as fiscal agent for the Project;
- Provide all necessary staff, materials, and supplies necessary to operate and maintain the Project consistent with BDD board funding;

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PROJECT MANAGER/FISCAL AGENT AGREEMENT (CONTINUED)

Project Manager (Continued)

- Recruit, hire and train staff for the Project according to the BDD board's approved staffing plan as it may be amended from time to time and arrange for state drinking water certification for such staff in advance of operation of the Project, so that certified staff is available to operate the Project when the Project becomes operational, and as set forth in each proposed budget the costs of the staff apportioned according to the respective benefit to the City and the Project.
- Once an annual operating budget is approved by the BDD board, implement the budget, adhere strictly to the budget, and make recommendations for necessary budget adjustments throughout the fiscal year, and contract for an annual independent audit, consistent with GMP and GASB and with the New Mexico Audit Act, NMSA 1978, Sections 12-6-1-, et seq., and 2.2.2. NMAC, et seq., as amended, and report the results of the audit to the BDD board;
- Prepare and submit to the BDD board for approval all documentation to be used for procurement in the Project including, but not limited to, documents related to design, engineering, construction, operation, and maintenance of the Project, including, without limitation, requests for proposals, requests for qualifications, and contracts in amounts greater than \$60,000;
- Develop all procurement documents in accordance with the City's purchasing manual and present same to the BDD board;
- Consult with staff of the City, the County, and Las Campanas regarding the planning and design and OMR&R of the Project;
- In consultation with the BDD board, apply for, manage, and maintain, including the preparation and submittal of all required compliance reports, all necessary permits for the operation of the Project, including, without limitation, those permits, easements, and rights-of-way held in the name of the BDD board, and those permits required to be obtained by the BDD board pursuant to Section 6 of the FOPA;
- Maintain communication with the BDD board, the City, the County, and Las Campanas, primarily via monthly BDD board meetings, and keep these entities informed of important matters as may be necessary in the interim between monthly BOD board meetings;
- As directed by the BDD board, act as liaison for the BDD board and represent the BDD board in Project matters involving tribal governments, state and federal government agencies, and nongovernmental organizations;
- Perform other duties as assigned by the BDD board consistent with funding and the Project agreements;

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 PROJECT MANAGER/FISCAL AGENT AGREEMENT (CONTINUED)

Project Manager (Continued)

- Maintain segregated books and records consistent with U.S. GAAP to account for all separate funding sources, including, without limitation, funds provided by the City, the County, or Las Campanas in support of construction or subsequent OMR&R of the Project and funds secured by the board pursuant to grants or loans from funding agencies;
- After the end of each fiscal year, provide copies of financial statements to the City, the County, and Las Campanas, showing the assets, liabilities, revenues, expenses, equity balances, and budget comparisons for the Project fund on an annual basis for the prior fiscal year in accordance with GMP and GASB, complete the MDA for the annual financial report, and provide upon request, a monthly general ledger report; and
- Procure, contract, and pay for as budgeted an annual independent audit, consistent with U.S. GAAP and GASB and with the New Mexico Audit Act, NMSA 1978, Sections 12-6-1-, et seq., and NMAC, et seq., as amended, and report the results of the audit to the BDD board.

NOTE 10 FEDERAL AND STATE GRANTS

In the normal course, of operations, Buckman receives grant funds from federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes any liability resulting from these audits would be immaterial.

NOTE 11 SUBSEQUENT EVENT

In March 2022, BDD agreed to settlement terms in open litigation in which BDD received \$34 Million.

STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET (NON-U.S. GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Non-U.S. GAAP Budgetary Basis	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
OPERATING REVENUES				
City of Santa Fe	\$ 6,076,501	\$ 6,117,344	\$ 6,660,755	\$ 543,411
Santa Fe County	2,027,030	2,040,406	2,204,280	163,874
Las Campanas Entities	374,184	374,184	272,546	(101,638)
PNM Solar Rebates	120,000	120,000	144,289	24,289
Legal Settlement	-	-	36,000,000	36,000,000
Conservation Fee	-	-	12,481	12,481
Federal Revenue	96,000	96,000	16,150	(79,850)
Total Operating Revenues	8,693,715	8,747,934	45,310,501	36,562,567
OPERATING EXPENSES				
Reimbursement of Personnel Services	3,418,059	3,178,059	3,041,490	136,569
Electricity	1,000,000	1,340,000	1,378,864	(38,864)
Chemicals	336,000	336,000	411,972	(75,972)
Solids	63,219	84,219	64,992	19,227
Materials and Supplies	563,150	440,400	394,220	46,180
Other Operating Costs	3,050,928	3,106,897	3,418,228	(311,331)
Fiscal Agent Fee	332,359	332,359	-	332,359
Total Operating Expenses	8,763,715	8,817,934	8,709,766	108,168
NONOPERATING REVENUES (EXPENSES)				
Investment Income	-	-	118	118
Budgeted Fund Balance	70,000	70,000	-	(70,000)
Total Nonoperating Revenues (Expenses)	70,000	70,000	118	(69,882)
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	36,600,853	<u>\$ 36,600,853</u>
ADJUSTMENTS FOR U.S. GAAP BASIS (NONBUDGETED ITEMS)				
Depreciation			241,155	
CHANGE IN NET POSITION			36,359,698	
Net Position - Beginning of Year			13,338,065	
NET POSITION - END OF YEAR			<u>\$ 49,697,763</u>	

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
SCHEDULE OF CHANGES IN RESTRICTED NET POSITION BY PARTNER
YEAR ENDED JUNE 30, 2021**

Emergency Reserves:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Restricted Net Position				
City of Santa Fe	\$ 1,362,855	\$ -	\$ -	\$ 1,362,855
Santa Fe County	486,273	-	-	486,273
Las Campanas Entities	237,139	-	-	237,139
Restricted Net Position	<u>\$ 2,086,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,086,267</u>

Major Repair and Replacement Reserves:

Restricted Net Position				
City of Santa Fe	\$ 998,783	\$ 445,545	\$ (255,061)	\$ 1,189,267
Santa Fe County	346,197	156,494	(89,588)	413,103
Las Campanas Entities	53,877	24,668	(28,018)	50,527
Restricted Net Position	<u>\$ 1,398,857</u>	<u>\$ 626,707</u>	<u>\$ (372,667)</u>	<u>\$ 1,652,897</u>

Combined

Restricted Net Position				
City of Santa Fe	\$ 2,361,638	\$ 445,545	\$ (255,061)	\$ 2,552,122
Santa Fe County	832,470	156,494	(89,588)	899,376
Las Campanas Entities	291,016	24,668	(28,018)	287,666
Restricted Net Position	<u>\$ 3,485,124</u>	<u>\$ 626,707</u>	<u>\$ (372,667)</u>	<u>\$ 3,739,164</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Joesph M. Maestas, P.E.,
New Mexico State Auditor and
Board Members
Santa Fe County, City of Santa Fe, Las Campanas,
Buckman Direct Diversion Project
Water Treatment Facility Operations
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity of the Buckman Direct Diversion Project Water Treatment Facility Operations ("BDD") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the BDD's basic financial statements, and have issued our report thereon dated June 30, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BDD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BDD's internal control. Accordingly, we do not express an opinion on the effectiveness of the BDD's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BDD's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that is required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and responses pursuant to Section 12-6-5 NMSA 1978 as item 2021-001.

BDD's Response to Finding

The BDD's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. BDD's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
June 30, 2023

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – SECTION 12-6-5 NMSA 1978 FINDINGS

2021-001 (2019-001) — Late Submission of Audit Report (Other noncompliance)

Condition: The audited financial statements of BDD were submitted to the New Mexico Office of the State Auditor after the statutory deadline of December 15, 2021.

Management Progress: Since the issuance of the fiscal year 2020 audit of BDD, BDD’s fiscal agent experienced significant disruption in its staffing and operations. This lead to the auditor originally engaged to perform the fiscal year 2021 for BDD and the fiscal agent’s audit to withdraw and caused significant delays in the completion of the audit.

BDD’s fiscal agent has recently been able to hire key positions to the finance and accounting departments. Additionally, a new consultant was hired in at the start of calendar year 2022 to provide additional human capital with the goal of helping BDD and its fiscal agent catch up.

Criteria: Per Section 2.2.2.9 A(1)(g) NMAC, the audited financial statements of BDD for the year ended June 30, 2021 were due to the New Mexico Office of the State Auditor by December 15, 2021.

Effect: BDD is not in compliance with the report due date prescribed in the New Mexico Administrative Code.

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

SECTION III – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2021-001 (2019-001) – Late Submission of Audit Report (Other noncompliance) (Continued)

Cause: The fiscal agent for BDD was still in the process of completing the fiscal yearend close, reconciling the trial balance, and completing the financial statements. Due to BDD and its fiscal agent sharing an accounting software and some operations, BDD’s audit could not be completed as a result.

Auditors’ Recommendation: BDD should continue to maintain its records and work with its fiscal agent and the consulting accounting firm to catch up on accounting and unissued audits.

Views of Responsible Officials and Planned Corrective: The BDD Board and the City have been in communication to have separate accounts to assure audit submittals are not dependent on the City. The City indicated that they would look into this after the audits are finalized and to have them implemented for the beginning of a fiscal year or beginning of a calendar year.

Responsible Official: Executive Director in cooperation with the City

Timeline and Estimated Completion Date: July 1, 2024

SECTION IV – PRIOR YEAR AUDIT FINDINGS

2020-001 –Late Submission of Audit Report – (Other Noncompliance) - Modified and Repeated

**STATE OF NEW MEXICO
BUCKMAN DIRECT DIVERSION PROJECT
WATER TREATMENT FACILITY OPERATIONS
EXIT CONFERENCE
JUNE 30, 2021**

EXIT CONFERENCE

The contents of this report were discussed on June 30, 2023. The following were in attendance:

Buckman Direct Diversion Project

Antoinette Armijo, Fiscal Manager and Business Administrator, Buckman
Anna Hamilton Commissioner, Santa Fe County

Carr, Riggs, & Ingram

Alan D. "A.J." Bowers, Jr., CPA, CITP, Partner
Eric O. Spurlin, CPA, CITP, Partner



Date: October 26, 2023
To: Buckman Direct Diversion Board
From: Rick Carpenter
Kyle S. Harwood
Subject: 2022 Annual Report of Middle Rio Grande Endangered Species Collaborative Program

ITEM:

Update concerning the activities of the Collaborative Program.

BACKGROUND:

The BDD Board sought membership on the Executive Committee of the Middle Rio Grande Endangered Species Collaborative Program (MRGSCP) in November 2019 after years of participating in the Collaborative Program as an interested observer and invitee of the NM Interstate Stream Commission. In early 2020 the Board was invited to join the MRGSCP Executive Committee and participate fully in the discussions and actions to manage threatened and endangered species in the Rio Grande region.

This Annual Report is provided to the BDD Board as a regular briefing concerning the activities of the Collaborative Program.

There are 3 species that are pending a listing decision in the coming months and an update will be provided to the BDD Board when those decisions are announced.

Action Requested:

None at this time.



ANNUAL REPORT 2022



Middle Rio Grande Endangered
Species Collaborative Program



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2022 ANNUAL REPORT PREPARED BY:



Western EcoSystems Technology, Inc. (WEST)
Environmental and Statistical Consultants
901 Lambertson Place, Northeast South Suite
Albuquerque, New Mexico 87107

ON BEHALF OF:

The Middle Rio Grande Endangered Species
Collaborative Program

PHOTO CREDITS:

Cover photo and pg 2 photo: Danielle Galloway, U.S. Army Corps of Engineers
Pg 3 photo, pg 6 banner, pg 8 banner, pg 14 banner, pg 18 banner, pg 21 banner: Mike Marcus
Pg 5 banner, pg 12 banner, pg 19 banner, and pg 23 photo: SWCA Environmental Consultants staff
Pg 9 and 10 banner: J. N. Stuart
Pg 11 banner: Debbie Lee, Program Support Team
Pg 20 banner: Eric Coombs
Pg 22 banner: S. David Moore, U.S. Bureau of Reclamation
Pg 22 species photos: [left to right] J. N. Stuart; Museum of the Big Bend; Andy Reago and Chrissy McClarren; U.S. Fish and Wildlife Service; and Shannon Caruso, University of New Mexico

NON-FEDERAL CO-CHAIR'S LETTER

from Mark Kelly, Non-Federal Co-Chair of the Executive Committee
Albuquerque Bernalillo County Water Utility Authority

As I reflect on all that we accomplished in 2022 as a Collaborative Program, I feel proud – proud and excited for all that we have teed up for 2023. With the convening of the first biennial Collaboratory in December 2022, we officially moved from planning to practice. In other words, we have finished establishing the Collaborative Program as a science and adaptive management program, and are—as noted at the Collaboratory—shifting to using the framework we've developed to make meaningful, timely, scientifically sound, and actionable management recommendations.



Last year, we started realizing the Collaborative Program's potential for addressing priority management issues in the face of the reality of the new Middle Rio Grande ecosystem under climate change. In 2022, we saw two fires in the bosque: one around Belen, New Mexico, which burned nearly 900 acres, and one in Albuquerque, New Mexico, which burned over 30 acres. We also saw drying in the Angostura Reach for the first time in nearly 40 years. These events underscore the trends we have seen in vegetative communities, hydrology, geomorphology, weather, and listed species.

In response to interest from multiple signatories on the topic, we held a workshop focused on management of vegetated islands and bars in fall 2022. The Collaborative Program also, in partnership with the Bosque Ecosystem Monitoring Program and the City of Albuquerque Open Space Division, hosted a field trip to the bosque burn site. Such events are important steps in developing a common understanding of the issues facing the Middle Rio Grande, taking into account any potentially competing priorities and goals, and collaboratively finding strategies to address the issues.

As we move into 2023, we will continue tackling difficult listed species-related issues marked by scientific uncertainty. The Collaborative Program, through its use of sound scientific processes and principles, adaptive learning, and collaborative dialogue, can recommend scientifically justified solutions to priority management questions facing managers in the Middle Rio Grande.



Mark Kelly
Non-Federal Co-Chair of the Executive Committee

ACRONYMS & ABBREVIATIONS

ABCWUA	Albuquerque Bernalillo County Water Utility Authority
AM	Adaptive management
Audubon	Audubon Southwest
BEMP	Bosque Ecosystem Monitoring Program
BDD	Buckman Direct Diversion
CoA	City of Albuquerque
Collaborative Program/Program	Middle Rio Grande Endangered Species Collaborative Program
EC	Executive Committee
FPC	Fiscal Planning Committee
HR	Habitat restoration
Long-Term Plan	Long-Term Plan for Science & Adaptive Management
MRG	Middle Rio Grande
MRGCD	Middle Rio Grande Conservancy District
NMDGF	New Mexico Department of Game and Fish
NMISC	New Mexico Interstate Stream Commission
NMMJM	New Mexico meadow jumping mouse
PESU	Pecos sunflower
Reclamation	U.S. Bureau of Reclamation
RGSM	Rio Grande silvery minnow
SAMC	Science and Adaptive Management Committee
SAMIS	Science and Adaptive Management Information System
SDM	Structured decision making
SWFL	Southwestern willow flycatcher
UNM	University of New Mexico
USACE	U.S. Army Corps of Engineers
USGS	U.S. Geological Survey
YBCU	Yellow-billed cuckoo

GUIDING PRINCIPLES

Our Mission

The Middle Rio Grande Endangered Species Collaborative Program (Collaborative Program or Program) provides a collaborative forum to support scientific analysis and implementation of adaptive management to the benefit and recovery of the listed species pursuant to the Endangered Species Act within the Program Area, and to protect existing and future water uses while complying with applicable state, federal, and tribal laws, rules, and regulations.

Our Species of Interest



The Collaborative Program supports the recovery of five federally listed species inhabiting the Middle Rio Grande (MRG): the endangered Rio Grande silvery minnow (RGSM; *Hybognathus amarus*), the endangered southwestern willow flycatcher (SWFL; *Empidonax traillii extimus*), the threatened yellow-billed cuckoo (YBCU; *Coccyzus americanus*), the endangered New Mexico meadow jumping mouse (NMMJM; *Zapus hudsonius luteus*), and the threatened Pecos sunflower (PESU; *Helianthus paradoxus*).

Our Goals

- Establish and maintain a self-sustaining population of endangered RGSM distributed throughout the MRG.
- Maintain and protect the MRG recovery unit goals for endangered SWFL.
- Maintain and protect suitable threatened YBCU habitat in the MRG.
- Establish and maintain a self-sustaining endangered NMMJM population in the MRG.
- Maintain and protect the threatened PESU in the MRG.
- Avoid the future listing or up-listing of species in the Collaborative Program area.
- Manage available water to meet the needs of endangered species and their habitat.

COMMITTEE MEMBERS

Executive Committee (EC)

CO-CHAIRS

Mark Kelly

Non-Federal Co-Chair, EC Representative for Albuquerque Bernalillo County Water Utility Authority (ABCWUA)

Katrina Grantz

Federal Co-Chair, U.S. Bureau of Reclamation (Reclamation)

REPRESENTATIVES

Paul Tashjian

Audubon Southwest (Audubon)

Kim Eichhorst

Bosque Ecosystem Monitoring Program (BEMP)

Rick Carpenter

Buckman Direct Diversion (BDD)

Colleen Langan-McRoberts

City of Albuquerque (CoA)

Anne Marken

Middle Rio Grande Conservancy District (MRGCD)

Bill Grantham

New Mexico Office of the Attorney General (NMOAG)

Matthew Wunder

New Mexico Department of Game and Fish (NMDGF)

Page Pegram [Jan–Jun]

New Mexico Interstate Stream Commission (NMISC)

Grace Haggerty [Jun–Dec]

NMISC

Blane Sanchez

Pueblo of Isleta

Michael Scialdone

Pueblo of Sandia

Alan Hatch

Pueblo of Santa Ana

Thomas Turner

University of New Mexico (UNM)

LTC Patrick Stevens [Jan–Aug]

U.S. Army Corps of Engineers (USACE)

LTC Jerre Hansbrough [Aug–Dec]

USACE

Jennifer Faler

Reclamation

Shawn Sartorius

U.S. Fish and Wildlife Service

EC Representatives:

[back row left to right] Jim Wilber (alternate for Reclamation), Dustin Chavez-Davis (alternate for CoA), Matthew Wunder, Mark Kelly, Kyle Harwood (alternate for BDD), Ryan Gronewold (alternate for USACE), Bill Grantham [front row left to right] Grace Haggerty, Anne Marken, Michael Scialdone, Kim Eichhorst



Fiscal Planning Committee (FPC)

CO-CHAIRS

Grace Haggerty	Non-Federal Co-Chair
Debra Hill	Federal Co-Chair

MEMBERS

Mark Kelly	ABCWUA
Quantina Martine	Audubon
Kim Eichhorst	BEMP
Dustin Chavez-Davis	CoA
Brittney Erdmann	MRGCD
Anne Marken	MRGCD
Bill Grantham	NMOAG
Virginia Seamster	NMDGF
Michael Scialdone	Pueblo of Sandia
Lynette Giesen	Reclamation
Thomas Turner	UNM
Ryan Gronewold	USACE

Science and Adaptive Management Committee (SAMC)

MEMBERS

Thomas Archdeacon	Aquatic Ecology Expert
Meaghan Conway	Ecosystem Function Expert
Megan Friggens	Climate Science Expert
Ryan Gronewold	Hydrology Expert
Mo Hobbs	Aquatic Ecology Expert
S. Dave Moore	Terrestrial Ecology Expert
Ari Posner	Geomorphology Expert
Ara Winter	Statistics/Modeling Expert
Alan Hatch	EC <i>Ex Officio</i> Member

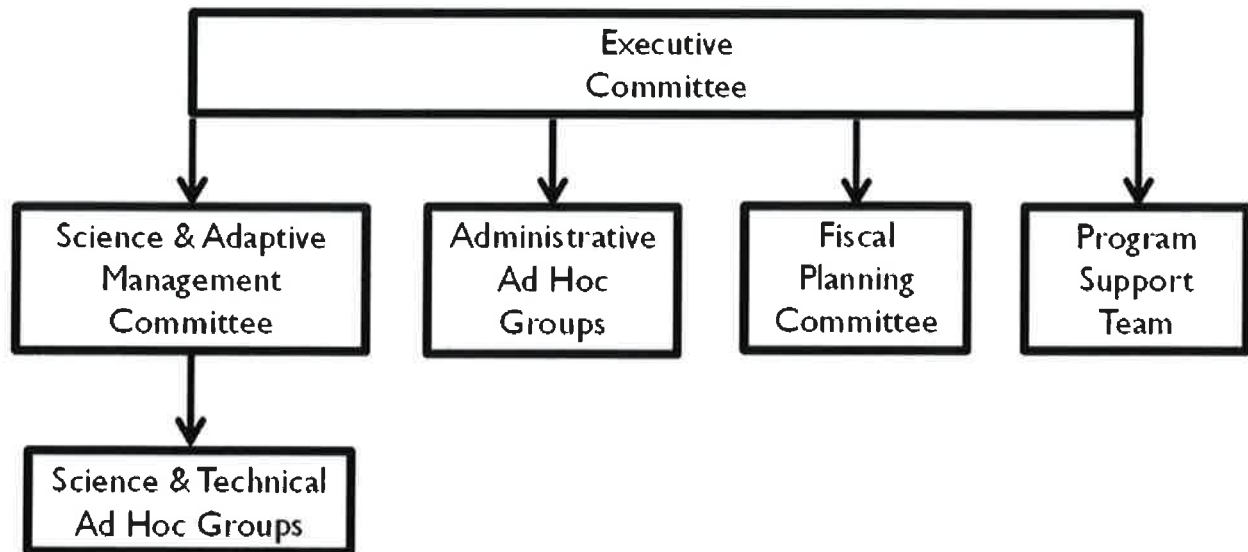
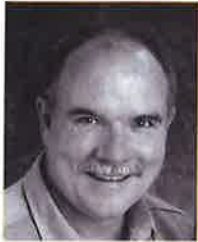


Figure 1. Structure of Collaborative Program committees and groups.

THE RICK BILLINGS MEMORIAL AWARD



RICK BILLINGS

Former member and supporter of the Collaborative Program, award namesake.

Rick Billings was the former EC Non-Federal Co-Chair, an EC member, and a long-time supporter of the Collaborative Program. In his memory, Reclamation's Albuquerque Area Office sponsors an annual award recognizing an individual's contributions to the success of the Collaborative Program.

The winner of the 2022 Rick Billings Memorial Award is Grace Haggerty from the NMISC. Grace was unanimously nominated for the award, with her nominators citing her many years in the Collaborative Program, high engagement, and work with non-federal and federal organizations alike among their reasons for selecting her.

“*The Collaborative Program is in a much better place because of Grace and she deserves some recognition for all her hard work.*”

“*[Grace] has been a resource to her agency's staffing and to the work of the other non-federal and federal [Collaborative] Program participants.*”

As one nominator accurately stated, “Grace has been a guiding force for the Collaborative Program for many years.” As a stalwart supporter, she regularly attends meetings, contributes her technical expertise to committees and groups, and contracts important work that benefits the Collaborative Program. For example, Grace has contracted with GeoSystems Analysis to develop the RioRestore geospatial database of habitat restoration (HR) sites, and with Dr. Charles Yackulic at the U.S. Geological Survey (USGS) to develop the RGSM Integrated Population Model. In addition, Grace is also a champion of the Los Lunas Silvery Minnow Refugium as a place for rearing RGSM and as a potential experimental facility. Grace has also served as the Non-Federal Co-Chair for the FPC for several years, in addition to her role as the EC representative for the NMISC.

The Collaborative Program would like to recognize Grace's continual support by awarding her the 2022 Rick Billings Award!



GRACE HAGGERTY

Winner of the 2022 Rick Billings Memorial Award, pictured rafting with her daughter [top] and hiking [bottom].

JOURNEY TO ADAPTIVE MANAGEMENT



Provided by Debbie Lee
 Program Manager
 Program Support Team

Collaborative Program signatories have been attempting to develop an adaptive management (AM) program for listed species in the MRG since the late 2000s. The Collaborative Program's first AM plan, *Adaptive Management Plan Version 1*, was finalized in 2011, but it was only within the last few years that a functional plan was fully realized. A traditional AM cycle has six primary steps: assess, design, implement, monitor, evaluate, and adjust. To apply this cycle to the Collaborative Program, we had to identify not only the operational limitations of our signatory organizations, but also our assumptions about what the Collaborative Program was and what it had the potential to be. Once those limitations and assumptions were defined, opportunities for the Collaborative Program and its signatories to implement AM became clearer.

Successful AM is transparent, well documented, and iterative. In order to meet these standards, the Collaborative Program devoted a significant portion of the last few years to developing the tools and processes needed for implementing AM. Using a modified version of the U.S. Agency for International Development's Collaborating, Learning, and Adapting Framework, we identified

conditions needed for either enabling AM or implementing AM within the Collaborative Program, the elements that define each condition, and the tools that support each condition (Figure 2).

One of the most important tools we developed to support AM is the Program Portal, a website housing the Collaborative Program's Calendar, Document Library, data sets, and Interactive Map. Having a public-facing collection of resources ensures all participants have access to the same up-to-date information and data, which is foundational to AM.

In 2022, the EC adopted the ecosystem approach, which was an important addition to its AM process. The ecosystem approach focuses on supporting the essential structure, processes, and functions that keep an ecosystem in balance, so it can continue to provide the benefits and services on which its inhabitants depend. Importantly, this places the Collaborative Program's listed species within a larger spatial and temporal context, which is necessary for managing the dynamic MRG ecosystem, and the physical conditions within the river and historic floodplain. By applying the ecosystem approach, the Collaborative Program can identify and protect vital ecosystem functions, plan in the face of uncertainty, and integrate the management goals of different organizations into one shared vision.

	ENABLING ADAPTIVE MANAGEMENT			IMPLEMENTING ADAPTIVE MANAGEMENT		
CONDITIONS	CULTURE	PROCESSES	ENGAGEMENT	COLLABORATION	LEARNING	MANAGEMENT RELEVANCE
ELEMENTS	<ul style="list-style-type: none"> ✓ Openness ✓ Relationships & Networks ✓ Continuous Learning & Improvement ✓ Reputation ✓ Value 	<ul style="list-style-type: none"> ✓ Knowledge Management ✓ Institutional Memory ✓ Decision-Making ✓ Peer Review ✓ Timeline 	<ul style="list-style-type: none"> ✓ Investment ✓ Resources ✓ Information Sharing ✓ Mutual Benefit ✓ Relevance 	<ul style="list-style-type: none"> ✓ Internal Collaboration ✓ External Collaboration 	<ul style="list-style-type: none"> ✓ Results & Findings ✓ Addressing Uncertainty ✓ Scientific Evidence Base ✓ Documenting Change ✓ Improvement of Tools 	<ul style="list-style-type: none"> ✓ Recommendations ✓ Innovation ✓ Responsiveness ✓ Ecosystem Approach ✓ Scenario Planning

Figure 2. Conditions for enabling and implementing AM within the Collaborative Program and elements that define each condition.

JOURNEY TO ADAPTIVE MANAGEMENT

The key milestones for the Collaborative Program's journey to developing a functional AM process through 2022 are shown in Table 1:

Table 1. Key Milestones in Development of the Program's Adaptive Management Process

2011 Completed <i>Adaptive Management Plan Version 1</i>
2017 Held EC Taos Retreat reaffirming commitment to the Program and direction to adopt AM as the decision framework
Apr 2018 Approved a new Program operational structure
May 2018 Developed key critical scientific uncertainties for RGSM, SWFL, YBCU, and NMMJM
Jun 2019 Approved a new mission statement
Sep 2019 Incorporated YBCU, NMMJM, and PESU into Program species of interest
Dec 2019 Held first Science Symposium
Dec 2019 Premiered new Program Portal
Feb 2020 Approved new Program goals
Sep 2020 Approved SAMC charter
Dec 2020 Launched Interactive Map, including RioRestore geospatial database, on Program Portal
Dec 2020 Approved Science & Adaptive Management Plan
Jul 2021 Adopted revised By-Laws
Jul 2021 Approved Science Objectives
Mar 2021 Developed Science Strategies for Objectives
Oct 2021 Developed administrative Biennial Schedule
Dec 2021 Approved Long-Term Plan for Science & Adaptive Management
Jun 2022 Approved Peer Review process
Jun 2022 Adopted the Ecosystem Approach
Dec 2022 Premiered Science and Adaptive Management Information System (SAMIS)
Dec 2022 Held first Collaboratory

A major theme at the December 2022 Collaboratory was the need to identify and challenge assumptions. The ecosystem approach serves to address our previous assumption that “what is good for a particular species is good for the system.” This assumption may no longer hold true given the observed changes in the system over the past century, as well as the projected future changes. As we move forward with implementing AM, the Collaborative Program is working to provide scientifically supported recommendations to management and funding agencies. These recommendations will help to prioritize research that addresses critical scientific uncertainties and help to focus management of listed species on strategies that offer the greatest potential conservation benefit.

To fulfill the Collaborative Program's role of supporting AM in the MRG, we must be open to learning, changing, and making mistakes. We must consistently test our assumptions in order to ensure our actions and activities are those most beneficial to listed species and their habitats into the future. We also must listen to our signatories and elicit the input of external organizations in order to regularly realign the Collaborative Program's priorities with the management needs of the present and future.

The Collaborative Program's AM process is detailed in the Long-Term Plan for Science & Adaptive Management (Long-Term Plan), found on the Program Portal. It is meant to be a living document, continually assessed and revised to reflect how the Collaborative Program can operate more effectively and be more responsive to the priorities of its signatories.

BURN SITE FIELD TRIP



Provided by Michelle Tuineau
Project Coordinator
Program Support Team

On May 25, 2022, a fire started in the Albuquerque bosque and burned approximately 34 acres before it was contained and put out. In response to this major fire event, BEMP and the CoA, Open Space Division hosted a visit of an area of the burn site behind Bosque School, referred to as the Deep Dark Woods, for Collaborative Program participants. On June 17, 2022, 38 participants from BEMP, Pueblo of Sandia, Pueblo of Santa Ana, NMISC, Audubon, USACE, Reclamation, UNM, Tetra Tech, Inc., CoA Open Space, CoA Parks & Recreation, New Mexico State Forestry, Bosque School, and the Program Support Team attended the impromptu field trip.



*Photos: Participants visiting the Deep Dark Woods bosque burn site.
Credit: Debbie Lee, Program Support Team.*

The group of stakeholders, managers, and researchers discussed post-fire mitigation strategies, monitoring needs, safety, and overall brainstorming for the Deep Dark Woods burn site and other burned areas of the bosque. Over the two-hour visit, the group toured the burn site and broke into small groups for discussion. They discussed landscape considerations, fuels reduction, water and hydrology, soil and topography, vegetation, public outreach and education, and potential study questions and data collection efforts.

To follow up on the visit, CoA Open Space formed a task force to develop a draft plan for the Deep Dark Woods burn site. The task force met on June 30, 2022, and went on to implement ideas such as data collection to better understand the unstable post-fire conditions and regeneration of both native and invasive species, as well as steps to address public perception and safety. Students at the Bosque School created videos linked to posted QR codes in and around the site to educate the public on the dangers associated with post-fire areas that have many dead and dying cottonwood snags. Still more ideas were generated at this meeting that addressed soil health, topography, regaining vegetative diversity, and controlling invasive species. Aspects of these ideas will be implemented at the site in the future.

More information about this fire was presented during Collaborative Seminar: Post May 2022 Montañño Fire Analysis, available on the Program YouTube channel.

WORKSHOP ON MANAGEMENT OF VEGETATED ISLANDS AND BARS



Provided by Catherine Murphy
 Science Coordinator
 Program Support Team

On October 4-5, 2022, forty-two participants representing seventeen different organizations attended an in-person Collaborative Program workshop that focused on management of vegetated islands and bank-attached bars hosted by the Pueblo of Santa Ana at the Tamaya Wellness Center. A small planning group of Collaborative Program volunteers organized the two-day event with the goal of identifying planning and research needs relating to the workshop topic. To support that goal, a panel of four invited speakers presented attendees with historical and technical context on vegetated islands/bars, which prompted discussions within the subsequent breakout groups. Each of the three successive breakout sessions was facilitated by one volunteer from the small planning group and one Program Support Team member, who guided participants through a structured decision making (SDM) process. SDM is an organized approach that enables multiple stakeholders to analyze a decision by breaking it into its component parts.

Invited speakers presented information on important physical and ecological features of vegetated islands/bars, as well as associated trends and forecasts. Mike Harvey, Tetra Tech, Inc., presented a summary of the hydrology and geomorphology of the MRG. Ari Posner, Reclamation, discussed river channel management and maintenance activities in the MRG. Todd Caplan, GeoSystems Analysis, Inc., presented on establishment of riparian vegetation in the channel and related impacts to the SWFL. Finally, Dagmar Llewellyn, Reclamation, examined current conditions and future projections for the MRG. The speakers summarized key takeaways from their presentations and participated in a panel discussion with workshop attendees immediately following the talks. Recordings of all presentations,

as well as the panel question/answer session, are available on the Program YouTube channel.

Next, the workshop participants took part in a real-time group polling exercise to assess the urgency and uncertainty of management issues related to vegetated islands/bars (Table 2). The exercise was designed to collectively assess and explore differences in priorities and perceptions among participants regarding each management issue. The group discussion that followed highlighted not only differences in how participants perceived issues relating to management of vegetated islands/bars, but also variations in how they defined both urgency and uncertainty. With this list of issues assessed collaboratively, workshop participants broke into smaller breakout groups to work through an SDM process.

Table 2. Issues Related to Vegetated Islands and Bank-Attached Bars

Floodplain inundation on/near islands/bars
Aquatic habitat value adjacent to islands/bars
Management of wetlands on/near islands/bars
Control of invasive species on islands/bars
Flows and sediment transport around islands/bars
Stability/persistence of islands/bars
Water conveyance around islands/bars
Surface-groundwater exchange on/near islands/bars
Evapotranspiration rate associated with islands/bars
Fire fuels reduction on islands/bars
Bosque habitat being "replaced" by islands/bars
Vegetation encroachment on islands/bars
Effect of islands/bars on channel width, depth, and incision
Impact of islands/bars on depletions and channel efficiency
Habitat value of islands/bars
Determining who is responsible for managing islands/bars

During Breakout Session I, each group focused on three or fewer principal issues related to vegetated islands/bars and developed problem statements addressing each of them. Similarly, in Breakout Sessions II and III, the groups developed one or more objectives and strategies, respectively, for each of their problem statements.

To close the workshop, participants gathered to review developed strategies, share additional insights, and identify important themes that emerged during discussions. The need for a more comprehensive and common understanding of vegetated islands/bars was recognized by all. To avoid confusion during future discussions among stakeholders, it was proposed to develop a glossary of technical terms relating to vegetated islands/bars. In addition, compilation of a list of currently available data sets relevant to the workshop topic was suggested to help identify data

needs for improved management. Participants also requested the development of a conceptual model representing ecosystem functions and physical river conditions, which would support collaboration around shared goals. Additional research, planning, and management efforts identified during the workshop will be summarized in a report.

Although participants differed in their approach to the topic of vegetated islands/bars, one important central theme was agreed upon by all: management of vegetated islands/bars requires the balancing of three primary management priorities in the MRG, which are water delivery, flood control, and ecosystem management. In the face of an increasingly dynamic river system, achieving this balance will be possible only through collaboration and partnerships, and the Collaborative Program provides an appropriate forum for this task.



Photos: Participants at the Workshop on Management of Vegetated Islands and Bank-Attached Bars. Credit: Catherine Murphy, Program Support Team.

2022 COLLABORATORY: FROM PLANNING TO PRACTICE



Provided by Michelle Tuineau
Project Coordinator
Program Support Team

The Collaborative Program hosted its first ever Collaboratory on December 6-7, 2022. The two-day event was attended by fifty-three participants each day and sixty-four attendees total. Attendees represented a wide range of affiliations, including academic institutions, federal agencies, irrigation districts, local agencies, non-governmental organizations, private companies, pueblos/tribes, and state agencies. The diversity of representation in the room led to many connections and conversations that would not otherwise have occurred, and attendees had high praise for the value of exchanging ideas, sharing priorities, and planning for the future of the Collaborative Program together.

In the previous three years, the Collaborative Program did the hard work to accomplish its goal of establishing itself as a science and AM program, which required the development of many processes, including the Long-Term Plan, Biennial Schedule, and peer review process. With the accomplishment of its first goal, the Collaborative Program is now poised to take on a new goal, one that tests and adaptively improves the many processes it developed. The new goal of the Collaborative Program is to use an AM framework to make meaningful, timely, scientifically sound, and actionable management recommendations to benefit the listed species of the MRG and their habitat.

The Collaboratory set the stage for this goal by adding management relevance to the Collaborative Program's science activities, as well as using signatory feedback to help determine the science priorities for the next two years. With the

Collaboratory, the Collaborative Program takes a huge step away from planning and into the practice of fully interacting with its science and AM tools and processes.

On Day One of the Collaboratory, Debbie Lee, Program Support Team, helped to frame the structure of the Collaboratory during her overview of AM presentation. Figure 3 depicts the sequential structure of Collaboratory sessions. The sessions were designed to increase in temporal scale and scale of influence, starting with a foundational focus (i.e., building the program) and moving to an immediate focus (i.e., existing activities), then a short-term focus (i.e., signatory priorities), then a long-term focus (i.e., priorities for MRG ecosystem), and finally an aspirational focus (i.e., broader opportunities).

After Debbie reviewed the progress and future path of the Collaborative Program, Captain Jon C. Duffy, U.S. Navy, retired, presented on strategic planning. Jon focused on the U.S. Navy's planning process, the basic principles of which can easily be applied to other areas, including the Collaborative Program. Following this presentation, participants were split

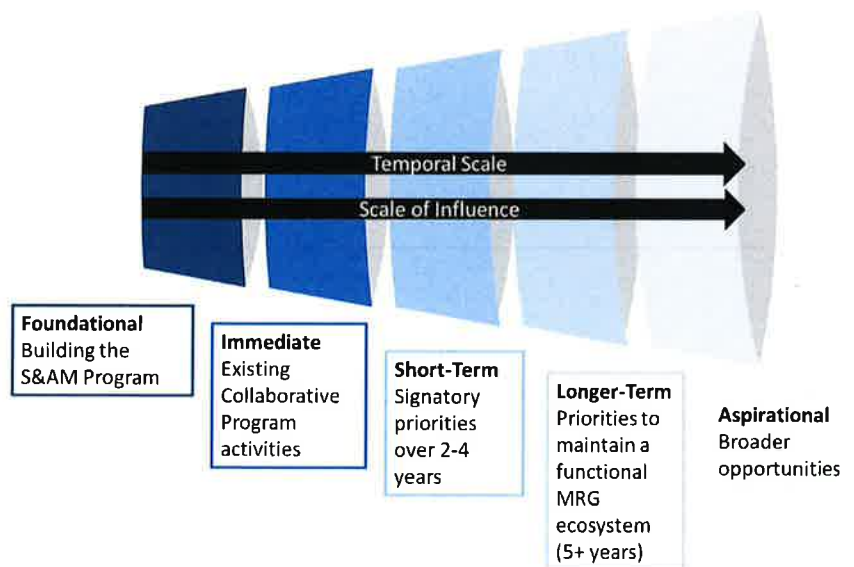


Figure 3. Sequential structure of Collaboratory sessions; sessions increased in temporal scale and scale of influence.

into breakout groups to discuss the following Collaborative Program science activities: RGSM management (two groups), integrated species management (one group), the Management of Vegetated Islands and Bank-Attached Bars Workshop (one group), and drying in Angostura Reach (one group). Groups identified the top one to three management objectives for each activity and suggested any changes to the Collaborative Program’s planning and research around them. The session was designed to align the Collaborative Program’s current science activities with AM needs in the MRG.

To begin Day Two of the Collaboratory, three back-to-back presentations were given to highlight the different interests and concerns in the MRG that should be considered when planning ahead. Josh Mann, water lawyer, presented on balancing water needs; Amador and Katy Lente, small farmers on the Pueblo of Isleta, spoke on their perspective as members of the agricultural community; and Dave Moeser, a hydrologist, environmental scientist, and data analyst with the U.S. Geological Survey New Mexico Water Science Center, presented on streamflow response to potential changes in climate in the Upper Rio Grand Basin. Dr. Moeser’s presentation was particularly important to future discussions as he discussed how long-term drought has led to significant changes in the hydrograph, which has huge implications for species and water management.

With these perspectives in mind, participants were again split into breakout groups to brainstorm strategies for ecosystem management given the changing hydrograph. Groups identified management issues that the Collaborative Program

can help address, then selected one to three of the most important issues, and finally came up with assumptions, opportunities, knowledge gaps, and potential strategies for those issues.

The outcomes and next steps from the Collaboratory were presented at the Collaborative Seminar on February 16, 2023. The Collaboratory outcomes combined with outcomes from the Workshop on Management of Vegetated Islands and Bank-Attached Bars (October 2022) and Workshop on Habitat Restoration (August 2021), will directly inform the Collaborative Program’s multi-year planning efforts. Based on analysis of the outcomes from the workshops and Collaboratory, the focus areas in Table 3 emerged as important to the Collaborative Program. Moving forward, the Collaborative Program will define an end goal for each focus area and develop immediate, short-term, and long-term plans for accomplishing them. This path ensures all of the work of Collaborative Program participants will be acknowledged and used to drive us forward!

All presentations from the Collaboratory are available on the Program YouTube page.

Table 3. Focus Areas for Multi-Year Planning

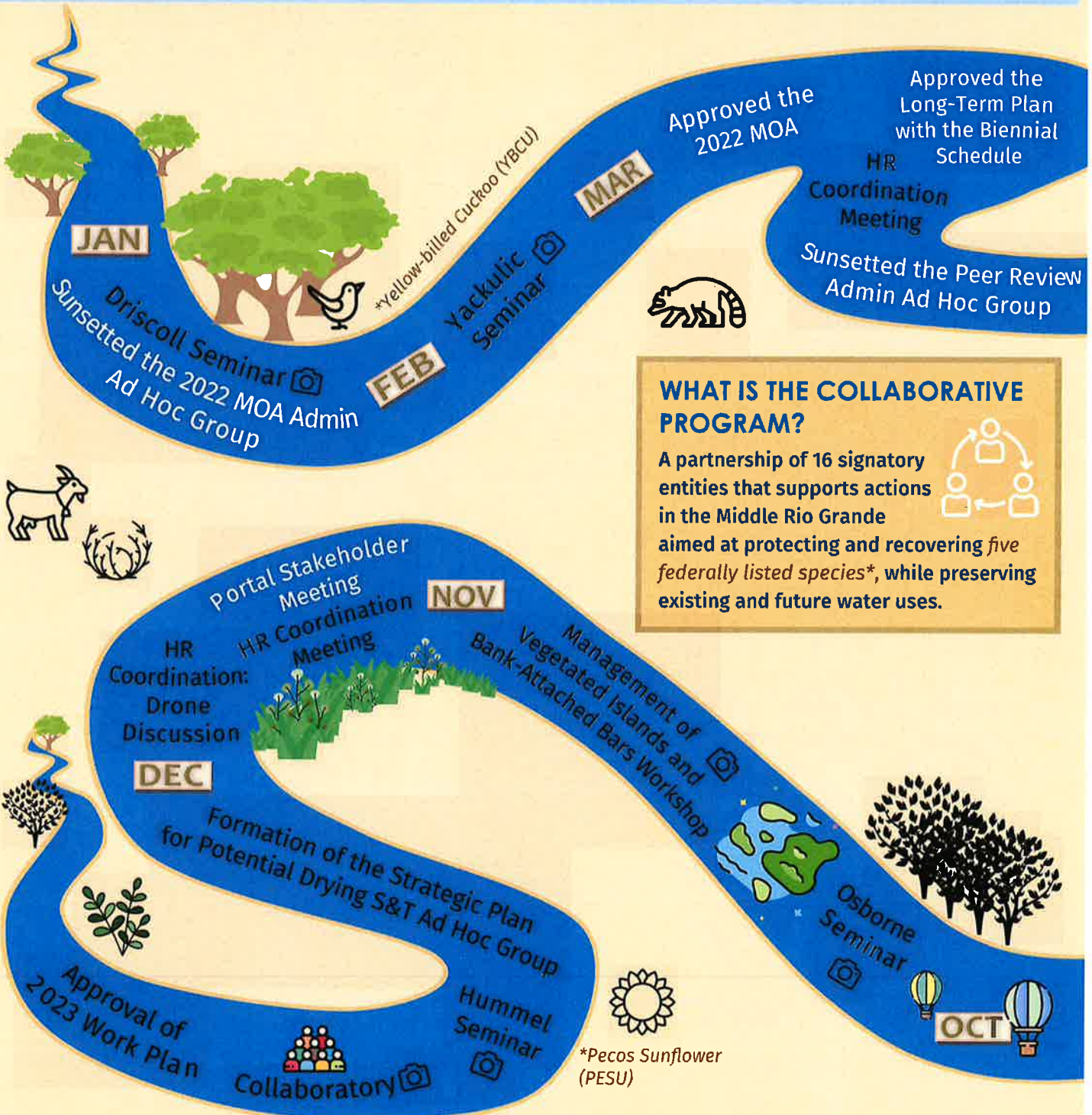
Climate Scenario Planning
HR Planning, Design, and Assessment
Management of Vegetated Islands and Bank-Attached Bars
RGSM Management and Science
Water Operations and Flexibility
Strategic Planning for River Drying in the MRG



Photos: Participants at the 2022 Collaboratory. Credit: Debbie Lee, Program Support Team.

Middle Rio Grande Endangered Species Collaborative Program

2022 YEAR IN REVIEW



WHAT IS THE COLLABORATIVE PROGRAM?

A partnership of 16 signatory entities that supports actions in the Middle Rio Grande aimed at protecting and recovering five federally listed species*, while preserving existing and future water uses.



FROM PLANNING TO PRACTICE

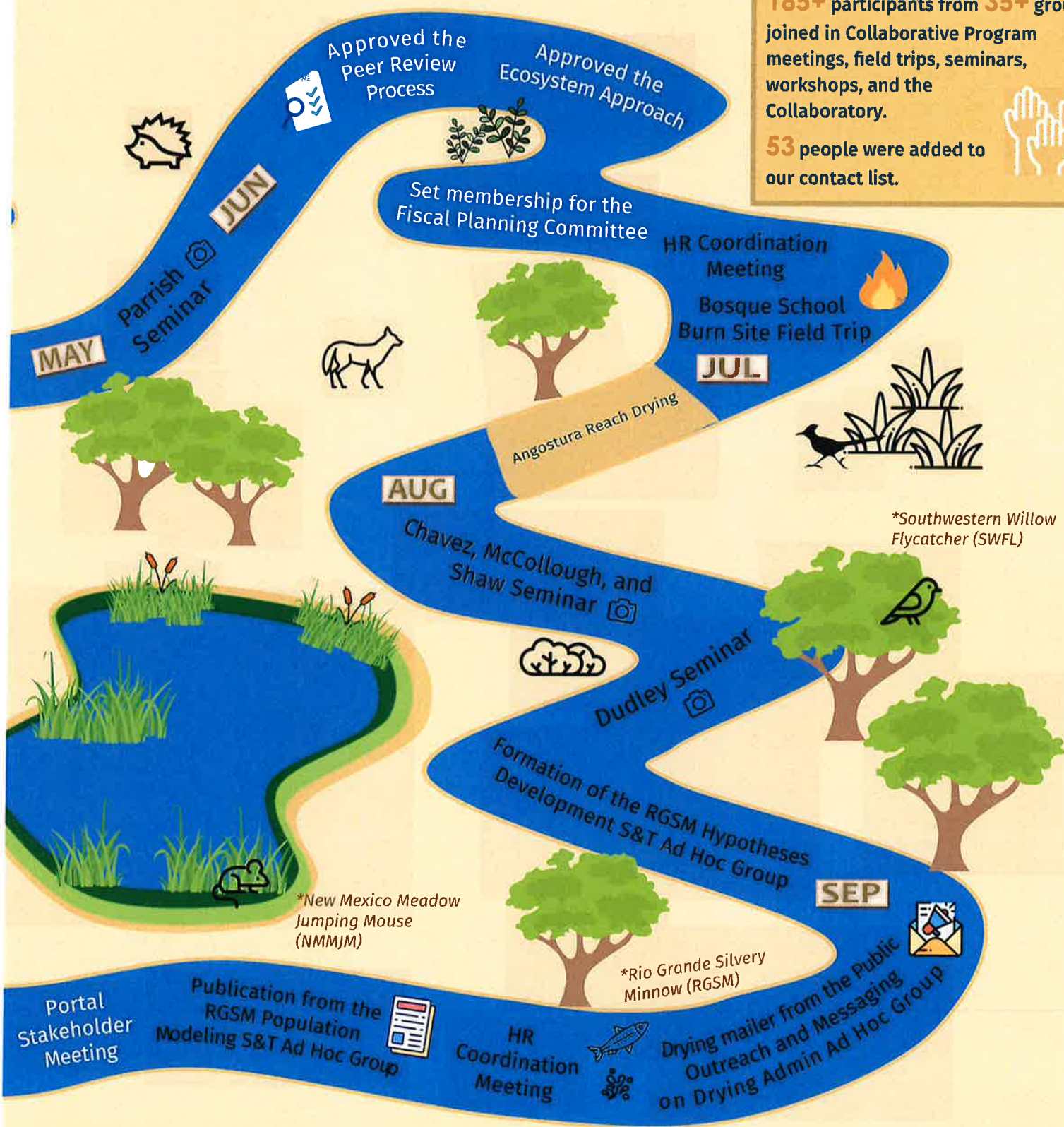


In 2022, the Collaborative Program executed its plan to establish itself as a science & adaptive management program and put its newly developed support tools to practice. Planning accomplishments (indicated in white), such as approving the peer review process, were made early in the year. The year was later dominated by accomplishments that put tools to practice (indicated in black), such as the workshop, Collaboratory, and an ad hoc group publication and mailer.

WHO PARTICIPATED?

185+ participants from **35+** groups joined in Collaborative Program meetings, field trips, seminars, workshops, and the Collaboratory.

53 people were added to our contact list.



SCIENCE COMMUNICATION BY-THE-NUMBERS



1 Workshop

1 Collaboratory

1 Field Trip

5 HR Coordination Meetings

6 Newsletters

7 Collaborative Seminars

23 Publications Shared

28 MRG Announcements Shared



The picture icon indicates there are event recordings available on the Program Portal.

2022 COLLABORATIVE SEMINARS

In 2022, the Collaborative Program hosted seven seminars from invited speakers presenting on work relevant to listed species in the MRG. All seminars were recorded and posted to the Collaborative Program YouTube channel at <https://www.youtube.com/@mrghescp>.

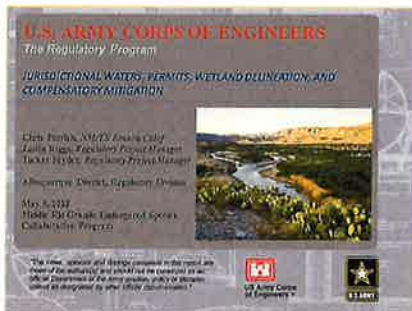
Statistical designs and potential indicators for evaluation of restoration success

Katey Driscoll
Middle Rio Grande Collaborative Seminar
1/12/2022

JAN 12 Katey Driscoll, U.S. Forest Service, presented on *Statistical Designs and Potential Indicators for Evaluation of Restoration Success*.



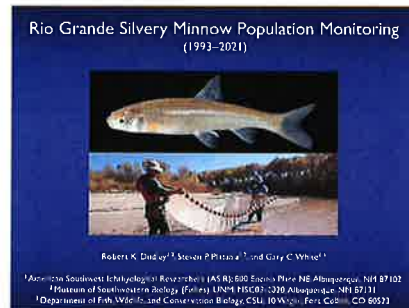
FEB 24 Dr. Charles Yackulic, USGS, presented on the *RGSM Integrated Population Model and Expert Elicitation*.



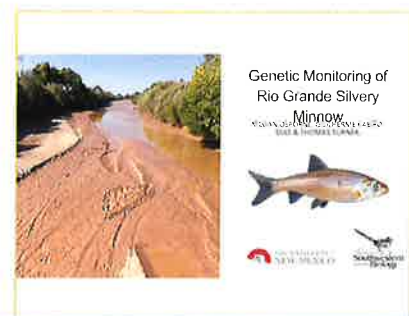
MAY 5 Chris Parrish, Justin Riggs, and Tucker Feyder, USACE, presented on *Jurisdictional Waters, Permits, Wetland Delineation, and Compensatory Mitigation*.



AUG 11 Katia Chavez, Rayne McCollough, and Dan Shaw, Bosque School, presented on *Post May 2022 Montano Fire Analysis (a.k.a. "Deep Dark Woods Fire")*.



AUG 23 Robert Dudley, UNM, presented on the *2021 RGSM Population Monitoring Program*.



OCT 19 Megan Osborne, UNM, presented on *Genetic Monitoring of the RGSM*.



DEC 14 Ondrea Hummel, Tetra Tech, Inc., presented on the *Bosque Assessment and Update Prioritization*.

2022 SIGNATORY ACTIVITY COLLAGE



PIT tagging RGSM for the fish movement study



YBCU from avian surveys



YBCU from avian surveys



SWFL fledgling from avian surveys



SWFL habitat burn



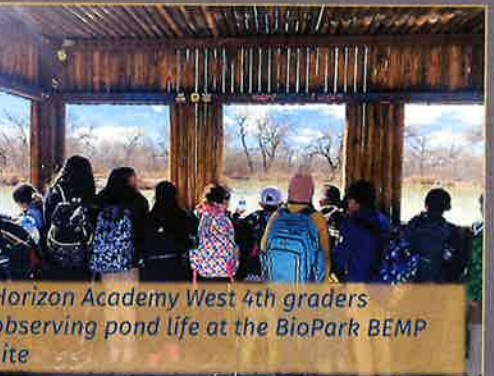
Horizon Academy West 4th graders at a BEMP site



SWFL nest from avian surveys



Basque School 6th graders walking to a BEMP site



Horizon Academy West 4th graders observing pond life at the BioPark BEMP site



Bernalillo Middle School students watching deer at the Santa Ana BEMP site



Oyster mushrooms in the bosque

WHAT OUR SIGNATORIES HAVE TO SAY ABOUT THE COLLABORATIVE PROGRAM



The Collaborative Program has evolved quite a bit since I went to my first meeting 12 years ago and most changes have been for the better. With Reclamation's commitment to funding the Program Support Team, the almost ad-hoc lead-from-behind feel the Program had has been replaced with an effort that is more organized and focused. Science is being put first, giving the move to Adaptive Management real heft. Best for me is the return of the Habitat Restoration Workgroup (now HR Coordination Group), which provides a forum for river/bosque managers to come together to discuss relevant natural resource issues and learn from each other. Recovering endangered species will never be a perfect process and, especially, the Rio Grande silvery minnow may not make it despite a tremendous effort, but the Program is better poised to aid in recovery than it was a decade ago.

– Michael Scialdone, Pueblo of Sandia, Bosque Project Manager



The Collaborative Program is one of the few that is a fully interdisciplinary, democratic governance of stakeholders who synergistically work together using hypothesis-driven adaptive management to rapidly address issues related to climate change and stakeholder needs and obligations.

– Kim Eichhorst, BEMP, Science and Research Director



In 2003, I was UNM's first representative to the Interim Steering Committee, which formed what is currently the Collaborative Program. Really important changes have happened since then. In the age of megadrought, the partners have come together like never before to attempt to manage instream flows to benefit the natural system that relies on spring flow pulses, overbank flooding, and sustained water during dry summers. An increased focus on science and data-driven policy making is an essential part of this, and expanded possibilities and opportunities for adaptive management. Now, 20 years on, we are better equipped to face new challenges of water scarcity and multiple uses. Large collaborative efforts are hard and often unwieldy, but they lead to lasting solutions and more inclusive willingness to tackle new challenges head on.

– Thomas Turner, UNM, Professor of Biology and Curator of Fishes in the Museum of Southwestern Biology



The Middle Rio Grande is an incredible greenbelt that runs through the heart of New Mexico and desert southwest. This vital ecosystem provides numerous benefits to the community and supports an abundance of wildlife. The Collaborative Program is a powerful group of stakeholders who share a common interest in supporting the health of the Middle Rio Grande for critical and endangered species. The management of the Middle Rio Grande has become more complex due to climate change, invasive species, development pressure, wildfires, and many other issues. The Collaborative Program is adapting to these complex times through research and monitoring, utilizing and collaborating on scientific methods, and applying a holistic approach to management that promotes an overall healthy ecosystem. This is especially helpful for the Albuquerque's Open Space Division, which manages over 4,000 acres in the bosque in the state's largest metropolitan area.

– Colleen Langan-McRoberts, CoA Open Space Division, Open Space Superintendent



The Collaborative Program has gone through many phases with various goals and objectives during its over 20 years of existence. The Program's current mission of providing a collaborative space in support of science and adaptive management is very relevant as signatories seek a new path forward with changing hydrological conditions and great uncertainty. I look forward to the Collaborative Program and the Middle Rio Grande becoming a model for these types of efforts across the nation.

– Jim Wilber, Reclamation, Deputy Area Manager of the Albuquerque Area Office

MESSAGES FOR 2023



Provided by Debbie Lee
Program Manager
Program Support Team



Provided by Catherine Murphy
Science Coordinator
Program Support Team

We are better together...

One of the purposes of the 2022 Collaboratory was to acknowledge the Collaborative Program's transition from planning to practice. When the Collaborative Program adopted an AM plan tailored to its unique capacity in 2021, it established the tools for developing, evaluating, refining, justifying, and communicating recommendations for endangered species management in the MRG. The primary challenge before us is to find novel solutions within a complex and seemingly rigid decision environment. Trying to collaborate in this decision space can seem tedious and risky, but engaging in a deliberate and transparent process together, however, can increase stakeholder buy-in and produce lasting results. Our signatories see the benefit of utilizing a collaborative forum to generate creative and robust solutions for their shared set of problems.

We see bigger factors at play...

Practical management recommendations must take into account the larger environmental influences that will affect outcomes. In the MRG Basin, these include increased variability in both the river hydrograph and the response of the bosque ecosystem to a changing climate. Navigating these uncertainties for endangered species management will require wide-ranging expertise and a shared long-term outlook. By tracking relevant science and defining likely and extreme climate futures, the Collaborative Program will help its signatories plan in the face of uncertainty. By placing endangered species conservation within the context of an ecosystem approach, the Collaborative Program will enable its signatories to recognize and adapt to shifting paradigms in ecological structure and function. Importantly, the ecosystem approach recognizes the influence of humans on the ecosystem, which is sound practice in a river system as highly managed as the MRG.

We share priorities...

Implementation of collaborative and planning frameworks in 2023 and beyond will further help the Collaborative Program use AM to address complex issues affecting our listed species. Major management issues that have been brought to the Collaborative Program by signatories thus far include restoration monitoring and assessment, island and bar vegetation, and river drying. Each of these multifaceted topics presents a unique set of management challenges requiring careful consideration. Collaboration and proper framing are critical for effective management of issues that affect multiple stakeholders, species, and decision makers. By prioritizing next steps for these issues in the 2023 Work Plan, the Collaborative Program can capitalize on the collective expertise of our participants with a coordinated approach. Adhering to the process we've developed and documenting scientific evidence in SAMIS will also ensure transparency and help to maintain forward momentum and facilitate faster implementation of effective AM.

SCHEDULE FOR 2023

JANUARY	FPC Meeting
FEBRUARY	SAMC Meeting
	HR Coordination Field Trip
MARCH	EC Meeting
APRIL	FPC Meeting
MAY	SAMC Meeting
	HR Coordination Meeting
JUNE	EC Meeting
JULY	FPC Meeting
AUGUST	SAMC Meeting
	HR Coordination Field Trip
SEPTEMBER	EC Meeting
OCTOBER	FPC Meeting
	Climate Futures Planning Workshop
NOVEMBER	SAMC Meeting
	HR Coordination Meeting
DECEMBER	EC Meeting
	Science Symposium



FEDERAL CO-CHAIR'S LETTER

from Katrina Grantz, Former Federal Co-Chair of the Executive Committee
U.S. Bureau of Reclamation

I have had the honor and privilege to serve as the Federal Co-Chair for the Collaborative Program since April 2021. In December 2022, I stepped down from that role, and am now reflecting on my time with the Collaborative Program and the opportunities I see for the future. I find myself optimistic and excited for the future of the Program and all the great things that it will accomplish.



My predecessor, Wayne Pullan, referred to his time with the Collaborative Program as “doing God’s work,” and while that may seem like an exaggeration, I find, in some ways, I have to agree. As the American Southwest faces increasing stressors from climate change, decreasing water supply, and increasing water demand, we know any path forward must utilize collaborative solutions. Endangered species are, in many ways, the proverbial canary in the coal mine. They are the early indicators of threats to the larger ecosystem. Given the increasing uncertainty regarding the Middle Rio Grande ecosystem and its species, the Collaborative Program’s move to adopt an ecosystem approach in 2022 was timely.

In 2023, the Collaborative Program will be tackling just what that future may look like and what the impacts will be on the bosque and its species. The Climate Futures Planning Workshop is vitally important to both the Collaborative Program and its signatories for providing clarity to an uncertain future and helping us plan better for it. I encourage everyone to participate in the workshop and help us collectively identify not just threats but solutions and opportunities.

As we move into implementation of adaptive management, we know engagement that is sincere, complete, and transparent, is vitally important for the success of the Collaborative Program, and, as I see it, of the Middle Rio Grande. We have built an amazing thing with the Collaborative Program, and I have hopes of it becoming the model for other riverine programs in the West.

We all know adaptive management and collaboration are hard; they can both be time-consuming and slow. But in the end, the results are much more meaningful. While I may not officially be a part of the Collaborative Program any more, I will still be watching from afar and look forward to seeing the amazing results of your work!

Katrina Grantz
Former Federal Co-Chair of the Executive Committee

"The Program's current mission of providing a collaborative space in support of science and adaptive management is very relevant as signatories seek a new path forward with changing hydrological conditions and great uncertainty."

— Jim Wilber, U.S. Bureau of Reclamation



— BUREAU OF —
RECLAMATION



Buckman Direct Diversion



Audubon
SOUTHWEST

US Army Corps
of Engineers®



Middle Rio Grande Endangered
Species Collaborative Program

ANNUAL REPORT 2022

Memorandum



Buckman Direct Diversion

Date: November 2, 2023
To: Buckman Direct Diversion Board
From: Monique Maes, Contracts Administrator
Via: Rick Carpenter, BDD Facilities Manager
Antoinette Armijo-Rougemont, Accounting Supervisor
Re: Budget Authorization Request for Andritz Separation INC.

ITEM:

Request for approval of a Budget Adjustment Request (BAR) in the amount of \$182,821.28 inclusive of NMGT and estimated freight from the Major Repair and Replacement Fund for the approved contract with Andritz Separation Inc.

BACKGROUND:

On October 5, 2023 the Buckman Direct Diversion Board approved a contract with Andritz Separation Inc. for repair and replacement of multiple centrifuge VFD controls for optimal production. The cost shall not exceed \$172,416.00 plus tax and freight charges. With this approval, the funds will be authorized from the Major Repair and Replacement Fund ("MRRF"). The funds are held in the MRRF line 8000825.655801 and then will be transferred to an expense line 800825.655801, where the funds will be expended from.

<u>Category</u>	<u>Munis Org/Account</u>	<u>Amount</u>
Repair & Maintenance	8000825.520150	\$182,821.
Transfer In from 801	8000825.655801	(\$182,821.)
Total Budget Net Effect \$0		

ACTION:

Staff Recommends approval of authorization from the Major Repair and Replacement fund in the amount of \$182,821.28 inclusive of NMGRT and estimated freight charge.

Approved by BDDDB November 2, 2023

Anna Hamilton, BDDDB Chair

Contract: 3204262
ORG/OB: 8000825.520150
PL Code: BDD1111



Log # {Finance use only}:	
Journal # {Finance use only}:	

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

DEPARTMENT / DIVISION NAME PUD/Buckman Direct Diversion					DATE 10/5/2023	
ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE	
<u>EXPENDITURES</u>				<i>{enter as positive #}</i>	<i>{enter as negative #}</i>	
Repair & maintenance System Equipment	8000825	520150		182,821		
Interfund transfer out to 800	8010815	755800		182,821		
<u>REVENUES</u>				<i>{enter as negative #}</i>	<i>{enter as positive #}</i>	
Interfund transfer in from 801	8000825	655801		(182,821)		

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

	\$ 182,821	\$ -
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To authorize funds from the BDD Major Repair & Replacement fund for a contract with
 Andritz Separation Inc. to upgrade the VFDs and centrifuge equipment.

<i>{Complete section below if BAR results in a net change to ANY Fund}</i>	
	Fund Balance
Fund(s) Affected	Increase/(Decrease)
801	(182,821)
TOTAL:	(182,821)

Antoinette Armijo-Rougemont	10/5/2023	<i>{Use this form for Finance Committee/ City Council agenda items ONLY}</i>	
Prepared By <i>{print name}</i>	Date	CITY COUNCIL APPROVAL	Budget Officer
Division Director Signature <i>{optional}</i>	Date	City Council Approval Date	Finance Director <i>{≤ \$5,000}</i>
Department Director Signature	Date	Agenda Item #:	City Manager <i>{≤ \$60,000}</i>



Date: October 26, 2023

To: Buckman Direct Diversion Board

From: Rick Carpenter
Kyle S. Harwood

Subject: Support for New Mexico Environment Department (NMED) Statement of Basis for Selection of Remedy for Corrective Action at Los Alamos National Laboratory's (LANL's) Material Disposal Area C (MDA C)

ITEM:

Request approval to send the attached letter of support to NMED regarding the above captioned Corrective Action for MDA C.

BACKGROUND:

The New Mexico Environment Department issued a Statement of Basis for the selection of a remedy for corrective action at Material Disposal Area C, SWMU 50-009, at Technical Area 50. The public comment period began on September 7, 2023 and will end at 5:00 pm MDT on November 6, 2023. Public comments received during the comment period will be considered by NMED in selecting the final remedy.

The NMED Notice of Public Comment is attached to this memo for your reference, and a draft letter of support follows.

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 support letter by November 6, 2023.





Public Notice No. 23-08
NEW MEXICO ENVIRONMENT DEPARTMENT
SANTA FE, NEW MEXICO 87505
SEPTEMBER 7, 2023

**NOTICE OF STATEMENT OF BASIS: SELECTION OF A REMEDY AND 60-DAY PUBLIC COMMENT PERIOD
FOR CORRECTIVE ACTION AT MATERIAL DISPOSAL AREA C, SOLID WASTE MANAGEMENT UNIT 50-009
TECHNICAL AREA 50, LOS ALAMOS NATIONAL LABORATORY**

The State of New Mexico's Environment Department (NMED) is issuing a Statement of Basis for selection of a remedy for corrective action at Material Disposal Area (MDA) C, Solid Waste Management Unit (SWMU) 50-009 at Technical Area 50. MDA C is an 11.8-acre landfill consisting of 115 subsurface waste disposal units, including 7 pits and 108 shafts. The depths of the 7 pits at MDA C range from 12 to 25 feet below the original ground surface and the depths of the shafts range from 4 to 25 feet below the original ground surface. Old Los Alamos Scientific Laboratory disposal logbooks were used to identify some of the waste disposed of at MDA C. Six (6) of the pits at MDA C were reported to dispose of solid wastes containing hazardous waste, uncontaminated classified materials, and low-level radioactive waste. One of the pits, the chemical pit, was used to dispose of a variety of chemicals, metals, plutonium and uranium-contaminated objects, and low-level radioactive waste. The 108 shafts were primarily used for disposing of beta- and gamma-contaminated waste in addition to metals, radionuclides, and inorganic chemicals. Results of pore-gas sampling indicated that a volatile organic compound (VOC) plume is located in the subsurface approximately 100-200 feet below ground surface at MDA C.

The Department of Energy (DOE) submitted the *Corrective Measures Evaluation Report for Material Disposal Area C, Solid Waste Management Unit 50-009, at Technical Area 50, Revision 1* (CME), on June 30, 2021. The CME fulfills a proposed 2021 fiscal year Appendix B milestone under the Los Alamos National Laboratory 2016 Consent Order (CO). The CME presented the results of the investigation activities and evaluated the remediation technology alternatives and also provided DOE's preferred technology recommendation. The CME evaluated five alternatives, including no activity, referred to in the CME as Alternatives 1, 2, 3A, 3B, and 4. DOE recommended Alternative 3B, which is a combination of an evapotranspiration (ET) cover, soil-vapor extraction, and institutional controls. This corrective measure would include the installation of an ET cover over MDA C to prevent precipitation from infiltrating into the MDA and transporting the solid and liquid wastes into the environment. The subsurface data indicates that VOCs and tritium have already been released into the environment and were proposed to be addressed with the installation of a soil vapor extraction system.

In accordance with the 2016 Compliance Order on Consent (CO) Section XVII, NMED is selecting a remedy based on the information presented in the CME Report, and RCRA Facility Investigation (RFI) reports. NMED may choose a different remedy from what was recommended in the CME Report and is issuing this Statement of Basis and the public notice to provide an opportunity for public comment.

For maximum protection of human health and the environment and to ensure that the drinking water resource can be conservatively protected, NMED has determined that the selected remedy for MDA C must consist of waste excavation, characterization, and appropriate disposal of the buried waste. The selected remedy will also include an active and passive soil-vapor extraction (SVE) system to remove the VOC contamination detected in the soil pore gas, and plume monitoring and institutional controls. Excavation will ensure that the source of contamination at MDA C is removed, and the SVE system will mitigate and control vadose zone vapor phase contamination. Detailed information on this selection can be found in the Statement of Basis.

The Statement of Basis, the CME, and related documents along with the 2016 Consent Order, may be reviewed at the following location:

NMED—Hazardous Waste Bureau, 2905 Rodeo Park Drive East, Building 1, Santa Fe, NM 87505-6303 or on the NMED website under Material Disposal Area C Statement of Basis at: <https://www.env.nm.gov/hazardous-waste/lan/>.

Should you need additional information regarding the Statement of Basis, please contact Neelam Dhawan at neelam.dhawan@env.nm.gov or at (505) 690-5469. To obtain a copy of any of these documents, please contact NMED by calling (505) 476-6000.

NMED will accept public comment on the Statement of Basis for 60-days. Any person who wishes to comment on the proposed Statement of Basis should submit written comments, along with their name and address, to the NMED Hazardous Waste Bureau, 2905 Rodeo Park Drive, Building 1, Santa Fe, New Mexico, 87505-6303 or by email to neelam.dhawan@env.nm.gov. Only written comments received by 5:00 p.m. MDT, **November 6, 2023**, will be considered by NMED in making a final decision.

ARRANGEMENTS FOR PERSONS WITH DISABILITIES

Any person with a disability requiring assistance or auxiliary aid should contact Kate Cardenas, Non-Discrimination Coordinator, by phone at (505) 469-0732, or via email at: nd.coordinator@env.nm.gov. Toll-free numbers are available for TDD or TDY users to access the New Mexico Relay Network at 1-800-659-1779 (voice); TTY users: 1-800-659-8331.

DISCRIMINATION

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Parts 5 and 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, or if you believe that you have been discriminated against with respect to a NMED program or activity, you may contact: Kate Cardenas, Non-Discrimination Coordinator, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@env.nm.gov. You may also visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination.

DRAFT / BDDDB letterhead

November __, 2023

Via Email

Ms. Neelam Dhawan
New Mexico Environment Department
Hazardous Waste Bureau
2905 Rodeo Park Drive, Building 1
Santa Fe, New Mexico, 87505-6303
Email: neelam.dhawan@env.nm.gov

Subject: Support for New Mexico Environment Department (NMED) Statement of Basis for Selection of Remedy for Corrective Action at Los Alamos National Laboratory's (LANL's) Material Disposal Area C (MDA C)

Dear Ms. Dhawan:

The Buckman Direct Diversion Board supports the New Mexico Environment Department (NMED) corrective action for Los Alamos National Laboratory (LANL) Material Disposal Area C (MDA C).

The Buckman Direct Diversion ("BDD") Board is the governing body for the Buckman Direct Diversion, 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. As you know the BDD Board takes an active interest in surface and groundwater potential sources of contamination to the Rio Grande as part of our proactive approach to managing and mitigating the water quality of the source water for the project.

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 LANL, and downcanyon migration of those contaminants to the Rio Grande is well-documented. Furthermore, potential groundwater contamination of the Pajarito Plateau/Espanola Basin aquifer below LANL may discharge to the Rio Grande above the BDD point of diversion. The Board is therefore understandably concerned about all potential contamination in the Los Alamos Canyon watershed and Pajarito Plateau/Espanola Basin groundwater aquifer, and about the long-term actions LANL may take that could jeopardize or otherwise fail to protect the Rio Grande.

The Material Disposal Area C (MDA C) is an 11.8-acre landfill consisting of 115 subsurface waste dispose units (6 disposal pits, 1 chemical disposal pit, and 108 shafts) located in LANL's Technical Area 50 (TA-50).

The BDD Board urges the NMED to seek mitigation and remediation of all sources of surface and groundwater potential pollution at LANL, including at the MDA C at the TA-50 site. Furthermore, the BDD Board requests that NMED encourage LANL to plan, budget and anticipate any and all clean-up activities that may be needed to minimize and mitigate any surface and groundwater pollution that could result from LANL's operations and activities.

If you have any questions please contact Rick Carpenter, BDD Facilities Manager, 505-955-4507 rrcarpenter@santafenm.gov.

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