Buckman Direct Diversion

Agenda

Regular Meeting of the Buckman Direct Diversion Board
April 2, 2026 at 4:00 PM
Council Chambers
City Hall
200 Lincoln Avenue

Procedures for Buckman Direct Diversion Board Meeting

The Agenda and packet for the BDD meeting are posted at https://santafe.primegov.com/public/.portal

Join on Zoom: https://santafenm-gov.zoom.us/j/85068470377.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Consent Agenda
5. Approval of Minutes
    a. Approval of the March 5, 2026, Buckman Direct Diversion Board Minutes
6. Matters from the Public
7. Presentations and Informational Items
    a. Monthly Update on BDD Operations. (Matt Sandoval, BDD Operations Superintendent; mgsandoval@santafenm.gov, 505-955-4501).
    b. Report from the BDD Facilities Manager. (Bradley Prada, BDD Facilities Manager; bxprada@santafenm.gov, 505-955-4507).
    c. Presentation of the 2025 BDD Audit. (Eric Spurlin, Partner, Carr, Riggs, & Ingram LLC; and Matthew Bonifer, Accounting Officer, mtbonifer@santafenm.gov., 505-660-2241).
    d. Presentation of the Evaluation Performed of Options to Repair and/or Rebuild the Intake Structure at the BDD Facility. (John Sikora, P.E., D.WRE, CFM Principal Water Resources Engineer AECOM, john.sikora@aecom.com, 970-384-4735; Brad Prada, BDD Facilities Manager, bxprada@santafenm.gov,

505-955-4501).

8. Action Items: Consent Agenda

    a. Request for approval of a General Services Agreement with Andritz Separation, Inc. to Service and Repair the Water Treatment Plant Centrifuge in the Amount of $104,905.00 plus NMGRT with funding from the MR&R Fund. (Bradley Prada, BDD Facilities Manager, bxprada@santafenm.gov 505-955-4507).

9. Action Items: Discussion Agenda

10. Matters from the Board

11. Next Meeting:

    a. Thursday, May 7, 2026

12. Adjourn

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

MINUTES OF THE

CITY OF SANTA FE & SANTA FE COUNTY

BUCKMAN DIRECT DIVERSION BOARD MEETING

March 5, 2026

1. **Call to Order**: This meeting of the City of Santa Fe & Santa Fe County Buckman Direct Diversion Board meeting was called to order by Councilor Jamie Cassutt, BDD Board Chair at approximately 4:04 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:	**Member(s) Excused**:
Councilor Jamie Cassutt, Chair	None
Commissioner Justin Greene	
Councilor Patricia Feghali	
Commissioner Hank Hughes	
Rolf Schmidt-Petersen, Citizen Member	
T. Egelhoff, The Club at Las Campanas, [non-voting member - via Zoom]	

Others Present:
Bradley Prada Facilities Manager
Nancy Long, BDD Board Consulting Attorney
Kyle Harwood, BDD Board Consulting Attorney
Bernardine Padilla, BDD Public Relations Coordinator
Matt Sandoval, BDD Operations Superintendent
Danny Carter, Regulatory Compliance Officer
Brandi Martinez, BDD Staff
Jim Riesterer, GZA
Paul Drakos, GZA
Kurt Travers, CLA

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

3. **Approval of Agenda**

Commissioner Greene moved to approve the agenda as published. His motion was seconded by Councilor Feghali. The motion passed by unanimous [5-0] voice vote.

4. **Approval of Consent Agenda** – No items.

5. Approval of Minutes

a. Approval of the February 5, 2026 Buckman Direct Diversion Board Meeting Minutes

Upon motion by Mr. Schmidt-Petersen and second by Commissioner Greene, the February 5, 2026 meeting minutes were unanimously [5-0] approved.

6. Matters from the Public - None were offered.

7. Presentations and Informational Items

a. Monthly Update on BDD Operations

MATT SANDOVAL (BDD Operations Superintendent): Thank you, Madam Chair Cassutt, members of the Board, I'll be presenting the BDD operations report for the month of February, 2026.

BDD Diversions and deliveries have averaged a million gallons per day as follows: raw water diversions 4.9 MGD; raw water delivery to Las Campanas at Booster Station 2A, 0; drinking water deliveries from Booster Stations 4A and 5A, 4.67 million gallons per day. BDD contributed 70 percent of the drinking water to the City and County for the month of February of 2026. And I'll stand for questions.

CHAIR CASSUTT: Any questions from the Board? Yes, Mr. Schmidt-Petersen.

MEMBER SCHMIDT-PETERSEN: Just one quick question. Matt, I'm just – I don't know that I saw it here, I'm sure it's in here, but for the operations the last two months, are you diverting native Rio Grande water or San Juan-Chama water.

MR. SANDOVAL: Thank you, Member Schmidt-Petersen, we were calling for 1.5 million gallons per day of SJC stored water and then the rest is native.

MEMBER SCHMIDT-PETERSEN: Okay. Alright, thanks. This spring looks exactly like last spring. And on the Rio Grande, my expectation would be very low flows again this summer with the need for San Juan-Chama water, but perhaps not native Rio Grande water or Rio Grande water. So just a heads up.

MR. SANDOVAL: Thank you.

CHAIR CASSUTT: Any other questions? Thank you so much.

b. Report from BDD Facilities Manager

BRADLEY PRADA (Facilities Manager): Thank you, Madam Chair. Good afternoon. Board members, this report covers our progress on key facility projects, procurement and staffing as of March, 2026.

We are seeing movement on our major repair and replacement projects. The RFP for the PLC control system upgrades moving forward as expected. We have finished the proposal review and expect to select a vendor within the next month. I'm also happy to report that the cyclical replacement for the granular activated carbon has been successfully completed, which keeps our treatment performance at a highest level.

Moving on to the design-build project. The RFI was posted back in January and the posting period is 20 days, excuse me, 60 days. At the same time, our project team includes

AECOM, Wright Water and staff from the City and County, are deep into a feasibility study. We plan to share that completed study with the Board at the April meeting. At that time, we will present the findings for your review and input. It is important to me that the Board has a chance to review the study's direction before we move into an RFQ phase. Our projected timeline for the rest of this year is clear. We expect to post the RFQ for a 30-day period in or before the end of May. That will lead into a technical review and selection process from June through August. If the schedule holds, we are hopeful to bring a contract back to the Board for the 30 percent design phase this September. We've already drafted the RFQ to ensure there is no dead time once the Board review is complete.

Finally onto the staffing front, we are working closely with city staff to fill our open positions. We are now down to only three remaining vacancies and we have strong leads on those. Reaching this level of staffing has been a massive undertaking and I want to thank the team for the persistence in making sure that we are properly resourced to meet our goals.

Thank you, and I'll stand for questions.

CHAIR CASSUTT: Thank you so much. Any questions or comments from the Board? Commissioner Greene.

COMMISSIONER GREENE: Do you promise April?

MR. PRADA: Thank you. We're pretty close, we're pretty close.

COMMISSIONER GREENE: Okay.

MR. PRADA: I'm very hopeful that we can bring it forward.

COMMISSIONER GREENE: I appreciate a critical path, right. You know, we've heard about how this has lingered and we move two steps forward, three steps back, and so let's have a timeline. I like seeing, oh, we have September to look forward to, and all those things so that we can sort of keep some accountability here and, anyway, thank you.

CHAIR CASSUTT: Thank you. Any other questions, comments, suggestions? Thank you so much, Brad

c. Presentation of Rio Grande Water Quality Calendar Year 2026 Workplan Pursuant to BDDB Resolution No. 2022-2

JIM RIESTERER (GZA Consultant): Thank you Madam Chair, members of the Board. I really appreciate that; nobody ever gets my name right on the first try.

CHAIR CASSUTT: I'm usually referred to as cassette, so I understand the pain.

MR. RIESTERER: Well, I appreciate it. So hopefully you all have the water quality work plan as part of your packet. I'm not going to read through the whole thing, but I'd just like to touch on the items that we see as important going forward. The work plan is set up with three tiers. Tier 1 being the more immediate items. Tier 2 things that we expect to work on this year but maybe a lower priority. And then Tier 3 being things that are sort of at the bottom of the list, but we want to have them included in case they become more active.

Number one on our list for Tier 1 issues is the memorandum of understanding with LANL. That was signed in December. For 2026, what we're anticipating is just continuing to work with DOE, to monitor discharges of stormwater, and implement changes to the camera configuration at the E110.7 gage. We did meet with them in January to look at that camera configuration and have been working with them to get that camera selected. Kyle has been following up with their attorney on the progress on that.

And in May we anticipate participating in the annual review, which is to review the Early Notification System, and BDD operations and sampling program, as well as the sediment transport and mitigation project. And we'll work with the BDD staff on the intake sampling and La Pueblo sediment sampling as that comes up throughout the year.

Our next item is the LA Pueblo Canyon waning limb discharge lag time determination. The purpose of this is to try and quantify the time it takes for stormwater discharges from La Pueblo Canyon to reach and get past the BDD intake so that the BDD operation staff has a better idea of what that timeframe is where the diversion needs to be closed off after a storm event that discharges from LA Pueblo Canyon.

Item 3, is broken up into two parts but it's all related to the hexavalent chromium issue that I think everybody's familiar with. But part of that issue is the water rights issue. The Board protested the application that went in for water rights for the treatment system that was about 698 feet. That application is still pending, but some of the interim measures that have been proposed or implemented, suggested they might need to divert up to 1,690 acre-feet of water so that application has not been filed with the State Engineer. But if that's the path they have to go down to file that, we'll keep on top of that and support the Board with protest of that application, if that's what we need to do to get a seat at the table for that discussion.

The second part of the chromium is monitoring the chromium plume migration. There's been a lot going on with the chromium plume, and there was a well that was put in. It's called the SIMR3 well that was drilled in 2025. A screening sample of that well came back with a hit of chromium which suggests that plume was larger than what was expected. And then most recently, in early February, NMED issued administrative orders of compliance that made the lab shut down the mitigation operations as they were currently going on along with some pretty hefty fines. So right now, that's all in flux in terms of how they're going to mitigate the plume, how they're going to characterize the plume and what might need to happen with that? So we'll be here to provide support however needed for monitoring those activities as they go forward.

Item #4 under Tier 1 is PFAS. For PFAS there's just a lot going on in the regulatory world in terms of coming up with what regulatory standards are. So really, we're just going to stay focused on what those changes and rules that are coming into play are, and keep the Board apprised of that and keep operations apprised.

NPDES Primacy, again, the bill passed the Senate to get primacy for New Mexico on surface water regulations. NMED is in the process of developing the permitting rules, and has petitioned the Water Quality Control Commission for public hearing in the spring of 2026. So we'll be keeping track of that. And the most recent update on that is that the regulations are – the proposed regulations are going to go in front of the Water Quality Control Commission on June 8th and the comment period for that opens on March 13th. So, we'll be working to get comments on those proposed regulations as we go forward.

Moving into the Tier 2 issues: the LANL NPDES permits, so this goes back to the primacy issue in some ways, but EPA has determined that LA and Pueblo canyons are Waters of the US. So as. NPDES permits come up for renewal with LANL, we'll be keeping an eye on those and participate in public hearings as needed for those.

The Sitewide Environmental Impact Statement for LANL, which is fondly referred to SWEIS, that has been moving forward. BDD submitted comments on that draft SWEIS in 2025. So we'll just keep an eye on that to see what of those comments have been

implemented as that's going forward. And if there's opportunity to follow up with comment, we'll keep you apprised of that.

On the consent order, so this is the Tier 3 issue. The LANL Consent Order is just a proposed actions that LANL will take. There's a schedule laid out how they'll do these, so we're kind of tracking those. Of interest this year in the 2026 plan, they're developing what they're calling their phase three investigation work plan for Pueblo Canyon and for Upper Los Alamos, Pueblo Canyon. That's part of their work plan that's due in September of 2026. And that is of interest to the Board because as we know LA Canyon comes out just above the diversion. So we'll keep an eye on that, see what that work plan is looking like.

Item 9 on our list is the Clean Water Act, integrated report and list of impaired waters. So that list came out in February of 2025. NMED has been sampling the reach between San I and Cochiti for constituents of concern that were identified in that. Those results are due out in – the sampling is going to be finished in November of 2026 and the, results will be out in spring of 2027. So we'll just kind of keep an eye on what they're doing with that sampling.

We've got the LA County MS4 permit. So that has to do with stormwater discharges from the Los Alamos urban area outside of the laboratory because the lab has its own stormwater permits. LA County's permit has expired but has been administratively continued. So they're just operating under that permit, which means they can't add any new points of diversion and when that permit gets up for renewal, there'll be a public comment period. So we'll just keep an eye on that as that moves forward.

And then the last item on the list is the Triennial Review of state surface water quality standards that actually wrapped up in 2026 for the last three year period. So we really don't anticipate that we'll be doing any work on that this year, but we kept it in the word plan in case anything comes up.

With that, I'll stand for questions.

CHAIR CASSUTT: Wonderful. Thank you so much appreciate it. Questions comes from the Board members? Member Schmidt-Petersen.

MEMBER SCHMIDT-PETERSEN: Thank you, Chair. First of all, I just want to say I really like the format of the work plan that you have here where we have these distinct areas of focus that you're working on and it kind of gives us a feel for where the priorities and so on. I think that's really good.

I kind of wonder with this, there's so much building going on and so much additional work at LANL the last few years. We know that they're upping their manufacturing of plutonium pits and things like that, and I'm just wondering if any of that changes or potentially changes, the focus of where we should be looking for things. And I don't know if you guys have thought about that or not, or if there's anything to be concerned about.

KYLE HARWOOD (BDDB Counsel): Thank you, Member Schmidt-Petersen, I think that a lot of that construction is intended to be addressed by the SWEIS, the sitewide environmental impact statement, and there was a lot of pressure put on the lab to start that process and I think it's now slowed down for several reasons. But, obviously all the new facilities need to get permits consistent with federal law and state law where it applies. We have mostly been looking at the older projects and the cleanup work. That's been a frequent focus of this Board's interest in the past with different members. So we do continue to monitor that. But the short answer is that I think a lot of the new projects out at the lab are intended to be covered by the SWEIS. And I think it's probably a good time here in Q1 of 26

for us to inquire whether we can get a little more information on how quickly the next step in that process is going to be happening. So when we get an answer back on that, we'll bring it back to Brad and perhaps include it in a facility manager's update if that's appropriate or something bigger if the Board would like.

MEMBER SCHMIDT-PETERSEN: That works fine for me. Thank you.

MR. HARWOOD: And I also just say your compliments about the memo really go to former Councilor Carol Romero-Wirth, who had the leadership to pass the resolution that drives this memo and its structures. So, we're happy to take the thanks, but it's really due to her.

MEMBER SCHMIDT-PETERSEN: Thank you, Carol.

CHAIR CASSUTT: I'm always happy to give Carol credit all the time. Ues, Commissioner Greene.

COMMISSIONER GREENE: Thank you. So just to follow on your point, I know that this increased pit production is – I went to a LANL presentation today. It is not official, and so they're not making any plans about it. So everything that [inaudible] until they get the actual directive to do it, everything, whether it's a SWEIS or whatever is going be based on things that are concrete. So when we hear that it is for real then we ask questions.

MEMBER SCHMIDT-PETERSEN: Okay, thank you.

COMMISSIONER GREENE: I asked that same question.

CHAIR CASSUTT: Thank you. Commissioner Hughes.

COMMISSIONER HUGHES: Could you talk a little bit more about 3b, hexavalent chromium whether there's any plan to actually capture the plume and keep it from reaching the Rio Grande?

MR. RIESTERER: Thank you. What I would say on that is that, these administrative orders of compliance that were issued to the lab by NMED, one was from the the Groundwater Quality Bureau, one was from the HAZ Waste Bureau, and they lay out specific things that have to be done in terms of better characterizing the extent of the plume, and where they need to drill wells and recommendations for how they need to get rid of the waste. But I think it's essentially a directive to answer your question.

COMMISSIONER HUGHES: And is LANL cooperating?

MR. RIESTERER: That I can't answer. We have reached out to LANL to request additional information about that SIMR3 well. And I wouldn't say they weren't cooperative, but we have not been given any additional information on that well

COMMISSIONER HUGHES: Okay, thank you.

CHAIR CASSUTT: Thank you, Commissioner. Anything else? Thank you so much and thank you Carol, because this was very, very clear and straightforward. I really do appreciate it. Thank you.

MR. RIESTERER: Thank you.

8. <u>Consent Agenda Items</u> - None

9. <u>Action Items</u> - Discussion Agenda

a. Request for Approval and Recommendation to Santa Fe County Board of County Commissioners City of Santa Fe Governing Body to Approve the Fiscal Year 2027 Buckman Direct Diversion Operating Budget and Other

Fund Contributions

i. Presentation of the proposed FY2027 BDD Operating Budget and Other Fund Contributions

ii. Public Comment

KURT TRAVERSE (BDD Accounting Support/Contractor): Thank you Madam Chair and Board members. I have been your accounting continuity support for BDD since June of 2024 for those periods when BDD's internal accounting is in transition like we are right now. I also presented last year's budget. And I'll tell you when those transitions occur, budget season.

CHAIR CASSUTT: Thank you. And for any members of the public real fast, I just want to make a quick correction. Our agenda says that we're getting the presentation of the proposed FY 2026, but this is actually the FY2027. So, the primary caption is correct, but we just want people to know, talking about next year, not this year. Thank you.

MR. TRAVERSE: BDD staff are pleased to present the proposed Buckman Direct Diversion annual operating budget for Fiscal Year 2027, along with proof codes to contributions to the major repair and replacement fund. This proposed budget accounts for all projected necessary costs to meet the Board service level objectives and to continue to provide higher quality water to our partners.

In your packets is the 13 page summary of the Fiscal Year 27 budget proposal. Again, prepared using the same methodology, support files, discussions with our program directors, and with our partners as we did in prior years. So the budget memo highlights, if we look at the budget, we are requesting a budget approval of $9,366,000 for Fiscal Year 2027 operations and as partner contributions and solar rebate revenues associated with that. Fiscal Year 2027 budget requested increased by $580,000. The major repair and replacement fund is a $1,695,000 requested contribution. That is a decrease from prior year requests. Two years ago was 1.9. Last year was about 1.8.

I'd like to call out a few areas in that budget summary. So on page 3, we have a pie chart, which sort of breaks down expenditures, again, it's visually. You can see the largest part of that is personnel. That's about 45 percent of total expected costs. As Brad mentioned, staffing levels are actually increasing and getting to where they should be. That's where those staffing metals will occur. Your other big areas are electricity costs, chemicals and all other operating costs, which would include things like our contracts and in areas like that.

The next area I'd like to call out is looking at the BDD programs on page 8. Again, that brings a pie chart, what do we spend our money on? We're spending it mostly on operations. Almost again, 50 percent of it. Operations includes that electricity, the chemicals, things like that. So this is not just personnel costs, this is what it takes to run it. The other major component, as you would expect, is maintenance. We have administrative costs and within administrative includes our fiscal agent fee that we pay to the City for operating.

If we move to page 11, that's the major repair and replacement fund proposals. There are two parts of that. We sort of look at what is our balance here. What we ended fiscal year 25 with a certain balance. If you'll remember, earlier this year, we did bring a large number of projects forward into this fiscal year we had to carry forward. I want to say it was about $2 million and that was some discussion. We've actually spent a good amount of that money this year. We've already spent 1.7 million. As Brad mentioned, we've got the GAC project that's

going to be completed. We've got another few projects that were in bid for the PLC Project, things that were getting encumbered this year. We're actually going to almost use all that $4 million that's coming from prior years. We're actually going to maybe not spend it, but it will be encumbered. So, we didn't spend a lot last year. That's definitely changed in Brad's team and all the staff who done a good job about getting these projects over the line.

For the Fiscal Year 2027 for post contributions, again, it's about 1.7 million. It's a little bit less than last year. And I would like to call out the third paragraph and I'll read that one as a little bit more of a new introduction this year. The BDD facility manager and staff, we prepare that 15 month MR&R plan with preliminary estimates working with our vendor partners. So this is something, I've been with Brad and staff in January, February we talk about what projects are coming up. It's a 15 month plan. It's a very long term. Anything that goes out in these plans are an estimate. And what we've run into is that working with the City, we have an estimate of $65,000, but, 12 months later comes in at 69, causes problems, because it wasn't called out that at that amount. What this is saying is, as the project schedules firm up and more exact quotes are provided, the BDD facility manager will rebalance the expected cost per project within their delegated authority. Any project quote that increases the above the previously authorized 15 month MR&R plan by a value exceeding the BDD facility manager's authority will be brought back to the Board for authorization of any quote. So it's in those instances where it's a few thousand dollars over, Brad won't have to bring that back to you because it's within his authority to look at projects like that. So that's, the new wordiness within this budget beyond previous budgets.

And with that, I will stop and stand and take questions from the Board.

CHAIR CASSUTT: Thank you, so much. Questions from the Board? Commissioner Greene, go ahead.

COMMISSIONER GREENE: So a question about electricity. Does our solar project, is that financing for solar or have we not achieved a –

MR. TRAVERS: So we actually have four meter locations. And so this is the PNM bills that are from operating that. Now we do get refunds. We do get reduced costs from the solar project. Some of that, if you look back five years electricity costs were a little bit higher. So these have been effective projects. But we do still have to for electricity. PNM issued a rolling rate increase in July of 2025 and that's why we do see there's an increase in projected electricity cost. The electricity budget had been flat for several years, and so we're trying proactively account for these rate increases that will be occurring.

COMMISSIONER GREENE: This may not be a question for you and may be for Brad and the facilities folks, but do we have a goal of trying to get net zero and we're just not there yet?

MR. PRADA: Thank you, Vice Chair Greene. Yes, we're working towards that. Obviously, there is agreements that we have with PNM that are specific to each station that we have. And so obviously we get the best benefit from solar arrays that we're preemptively put back in the day. As we progress through that, we've noticed that we get less and less benefit cost wise with the solar arrays that we put in later.

COMMISSIONER GREENE: Is that because they only compensate us a certain amount per megawatt because it is not tied to each. So let me ask a question because I know that we at Santa Fe County missed our opportunity to become interested in the PNM acquisition. I bet you we did too.

MR. PRADA: I believe so.

COMMISSIONER GREENE: So that goes to Nancy. Do we have any, is there any interest in asking as a large user, specifically as a user, is there any way that we can get ourselves into that negotiation to say, please treat us better? You know, we have certain goals.

NANCY LONG (BDDB Counsel): Madam Chair and Commissioner Greene, we operate on a unique tariff with PNM, which is called 11B. And. I think Rio Rancho is on it, and Albuquerque Bernalillo County Water Utility Authority is on it. Albuquerque Bernalillo County Water Utility Authority is in the settlement discussions. I happen to be getting a lot of those emails because I am in as local counsel for someone else. I've seen that they're in, I don't know what their proposals are. But I can certainly reach out to their lawyer and find out what they are doing and whether it makes sense to get involved.

COMMISSIONER GREENE: Okay, because maybe they can advocate on our behalf because if everybody under 11B, if we're all treated equally, then that's great. We can support them in that. This is also a question for the City of Santa Fe and for Santa Fe County, is that, I know that we missed our shot at that. We're having internal discussions as to if it's too late or what.

MS. LONG: Our interests have been aligned with Albuquerque Bernalillo County Water Utility Authority in the past. But I will look into that. And some of 11B of course has to do with time of day usage. And we haven't always had that same interest with them, but otherwise we have had our interest in alignment. So I will check on that.

COMMISSIONER GREENE: Okay, thank you. Thank you, Madam Chair.

CHAIR CASSUTT: Thank you so much. Member Schmidt-Petersen.

MEMBER SCHMIDT-PETERSEN: Thank you. Just one question. I think maybe more for Bradley or for Nancy. Can you remind me of the overall process here for final approval of this proposal? Because there's steps with the City, both with staff on the City and then I think with the Council and even with the County Commission and where are we in that process at this point in time?

MR. PRADA: Thank you. We will first get you guys to approve and then each entity, County and the City, will present it in the kind of roll up of their budget. I don't think that it breaks it down for BDD specifically. So the Water Department for the City of Santa Fe will present their overall budget to City Council and then that will get approved. But I don't think it's necessarily in detail what we submit.

MEMBER SCHMIDT-PETERSEN: Okay. Thank you. I guess that that gets to the part of the question I was thinking about the, the operating costs and the salary piece of that. What you're proposing here would be then consistent with what the water division is submitting with, you know, to Santa Fe County. And so that's been already embedded so that there's no, you know, possible conflict.

MR. PRADA: Yes, we already have had a conversation with the City, specifically because they're our fiscal administrator for let's say a COLA or things like that so that we don't have conflicting budgets that we both present.

MEMBER SCHMIDT-PETERSEN: Appreciate it. It'll be really interesting to see where we get with all the new staff that are there this component of the budget probably be more completely expended, so thanks.

MR. PRADA: Absolutely.

MR. TRAVERSE: And I have been in contact with Travis and so he has this proposed budget and we've already been talking about after the Board approves it, that he

would be ready to present it. I think we had our timing off a little bit the last couple, last couple of years. So we'll be proactive this year.

CHAIR CASSUTT: Commissioner Hughes.

COMMISSIONER HUGHES: How much of an increase are you asking the County for?

MR. TRAVERSE: So this is an interesting question. I think I didn't bring last year's report that breaks it down by partner request. I don't know what the percentage is for the County, and I can come back to you with that number.

COMMISSIONER HUGHES: What's the overall percentage?

MR. TRAVERSE: 6.6 percent on the operating side and then the major repair and replacement funding is percentage wise, it drops I think maybe 5 percent. But the operating fund is much higher so it's weight a little higher.

COMMISSIONER HUGHES: Okay. I would like you to come back with that information. The City will probably need to know as well.

MR. TRAVERSE: Okay.

MR. PRADA: Member Hughes, just for your context. The County is billed off of their projected allocation. So they tell us how much they're going to produce and so some of these increases are based off of the County increasing their use as well.

COMMISSIONER HUGHES: Yeah, that makes sense.

CHAIR CASSUTT: Thank you. Any other questions? I have one regarding the discussion around the MR&R plan and how high is your authority of what you can approve when there is a difference?

MR. PRADA: Zero. If we have a line item in the MR&R plan and we come in and budget for 65,000, and it comes back and it's 66,000; we have to bring it back for your authority to sign off on that. And so that's the problem with the way it was written to begin with. Obviously, we're vetting some of these things as we move through the program. This is pretty new. It's only three or four years old, and so this year we ran into quite a few of those instances where we would have a budgeted line item in MR&R and then we moved down and got the actual invoice for that or the current quote I should say. And that quote was in exceedance of that line item. And so I cannot sign without bringing them back and having your approval.

MS. LONG: Madam Chair, if I can just add to that. The facilities managers authorized authority is $60,000. It's been $60,000 for a long, long time, and it was kind of in lockstep with the city manager. Now the city managers at what, 200,000? So we're going to bring a proposal to you in combination with the city, hopefully, because 60 doesn't do much anymore. We need to get Brad up to 200,000.

So we will be bringing that to you. But I think what Brad was explaining is within the fund itself, he does not have authority. So we've gone to procurement and said, look, he's got monetary authority according to the PMFSA of $60,000. But then they said, well, the board hasn't authorized him to use that authority within the MR&R plan. So that's what we're trying to fix now. We don't know if this will fix it or not, but this is our best effort as part of the budget. But we will be bringing something that is really following kind of what the City is doing on authority that we've seen presented as coming back to you in March on the project manager's authority to also change scope and be able to operate within that monetary authority, hopefully increased by then.

CHAIR CASSUTT: Okay. That was my question because I know at the city

we've had conversation around how inefficient that is and we meet more frequently. So I imagine that this does slow down projects a lot. And I don't really see a need for it. When we've told you to go and do the thing that we would like you to do, you know, go do the thing that we would like you to do. Obviously if there's a budgeting issue, we have to run into that, but, glad to hear that that conversation will be coming.

MS. LONG: Madam Chair, right now when we say within the proposal today that the facility manager would have authority up to his monetary authority amount, that's 60,000. So then Brad could work within the MR&R Fund if there was a change of 5,000 up to 60 on a project. And if the funds are there, then he would have the authority to do that. Hopefully that will work.

CHAIR CASSUTT: Great. Good, glad to hear. Now kind of again, looking at how this reflects what happens at the City, I know that as long as it's not a budget adjustment request it, at a budget adjustment request, the city manager still has authority up to 60,000. There has been conversation as to whether or not we should be shifting that. Where does that lie within BDD right now? I know, I mean obviously if in line items and there's things that have been budgeted, but in terms of if there's a full budget adjustment request that is needed, how does that process occur or do not get to because of whatever reason.

MR. PRADA: Madam Chair, we've never really run into that were we have to make that kind of adjustment. So we'll see how it phases out.

CHAIR CASSUTT: So hopefully that won't happen. But maybe keeping that in the back pocket, just in case. Something to think about. All right, thank you.

MR. TRAVERSE: And that's an interesting question because we do use TBAs, the technical one, which is just moving money that you've already approved between budget categories. But the BAR process, as Brad mentioned, haven't had to use it. But now that we're going to be basically fully staffed, we'll see what happens. Those TBAs potential may not be there.

CHAIR CASSUTT: Yeah, I don't want us to be caught so off guard that again, it causes a major slowdown and that we're not being as efficient as possible. I would like to make sure that the appropriate authorities are there, that we feel comfortable with. So that'll be a discussion for us to have.

Any other questions, comments at this time before we actually go to public comment?

MEMBER SCHMIDT-PETERSEN: I just had one follow up to your questions there. I mean, I like that process so you don't get held up for these things that are over, a little bit over cost and so on. One way that maybe potentially to deal with that too is just, annually or somewhere in there just say, here's what I had to do. Just report it out.

MR. PRADA: Thank you, Member Schmidt-Petersen. It's very intuitive of this Board, the problem is that we don't get it approved through procurement if we didn't have that authority.

MEMBER SCHMIDT-PETERSEN: Oh no, excuse me. That wasn't what I was trying to say. I mean, you have that authority, you go forward and do it, and then just periodically come back and say, you know, here's what we had to adjust.

MR.PRADA: I agree. Thank you.

CHAIR CASSUTT: I believe we get quarterly reports of budget adjustments and it's a lovely long list of a bunch of numbers and line items that are slightly out of context.

Again, I realize I missed the public comment portion, although I, I don't believe there's anybody here from the public, but is there any public comment on this item? I don't

see any public comment on this item? [None were offered.]

Alright, any other questions, comments from the Board? And if not, do we have a motion?

COMMISSIONER GREENE: I would move to approve the proposed budget for Fiscal Year 2027 BDD operating budget and other fund contributions.

MEMBER SCHMIDT-PETERSEN: I'll second that.

CHAIR CASSUTT: We have a motion and a second. May I please have a roll call.

MS. LONG: And, Madam Chair, before you get to the roll call, can I just clarify that the motion does include the facilities manager's requested authority within the Major Repair & Replacement Fund.

COMMISSIONER GREENE: That's a friendly amendment. I will make that a part of my motion. Thank you.

CHAIR CASSUTT: Does a second agree as well?

MEMBER SCHMIDT-PETERSEN: I do.

CHAIR CASSUTT: Roll call, please.

The motion passed by unanimous [5-0] roll call vote as follows:

Rolf Schmidt-Petersen	Yes
Councilor Patricia Feghali	Yes
Commissioner Hank Hughes	Yes
Commissioner Justin Greene	Yes
Chair Jamie Cassutt	Yes

10. Matters from the Board - None were presented

11. Next Meeting: Thursday, April 2, 2026

12. Adjourn

Having completed the agenda and with no further business to come before the Board, Chair Cassutt declared this meeting adjourned at 4:50 p.m.

Approved by:

_____
Jamie Cassutt, Board Chair

ATTEST TO

_____
Geralyn Cardenas
Interim City Clerk

Buckman Direct Diversion

Date: **April 2, 2026**

To: **Buckman Direct Diversion Board**

From: **Matthew Sandoval, BDD Operations Superintendent** *MS*

Subject: **Update on BDD Operations for the Month of March 2026**

ITEM:

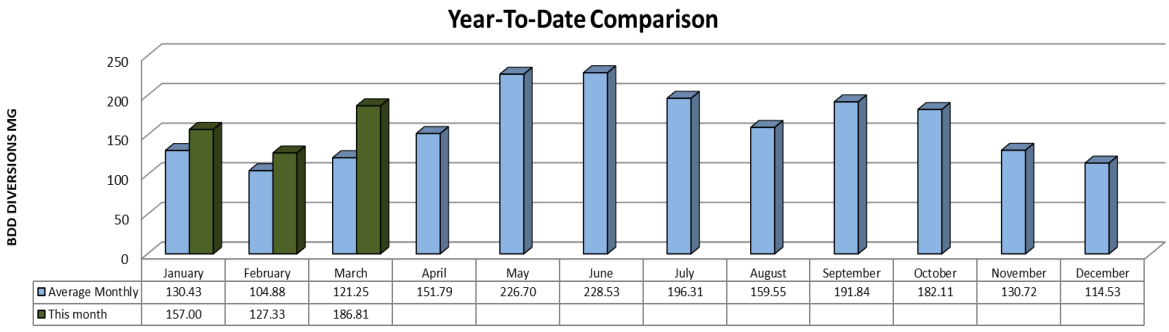
1. This memorandum is to update the Buckman Direct Diversion Board (BDDB) on BDD operations during the month of March 2026. The BDD diversions and deliveries have averaged, in Million Gallons Per Day (MGD), as follows:

March	2026	2025
Raw water diversions	7.19 MGD	5.99 MGD
Raw water delivery to Las Campanas at BS2A	0.40 MGD	0.59 MGD
Drinking water deliveries through Booster Station 4A/5A	6.56 MGD	5.20 MGD

2. Water supply to the City and County from all sources.

March	2026	2025
BDD	81.4%	69.2 %
Canyon Rd WTP	13.5 %	1.2 %
City Wells	2.8 %	4.7 %
Buckman Wells	2.30 %	24.9 %

3. The BDD year-to-date diversions are depicted below:

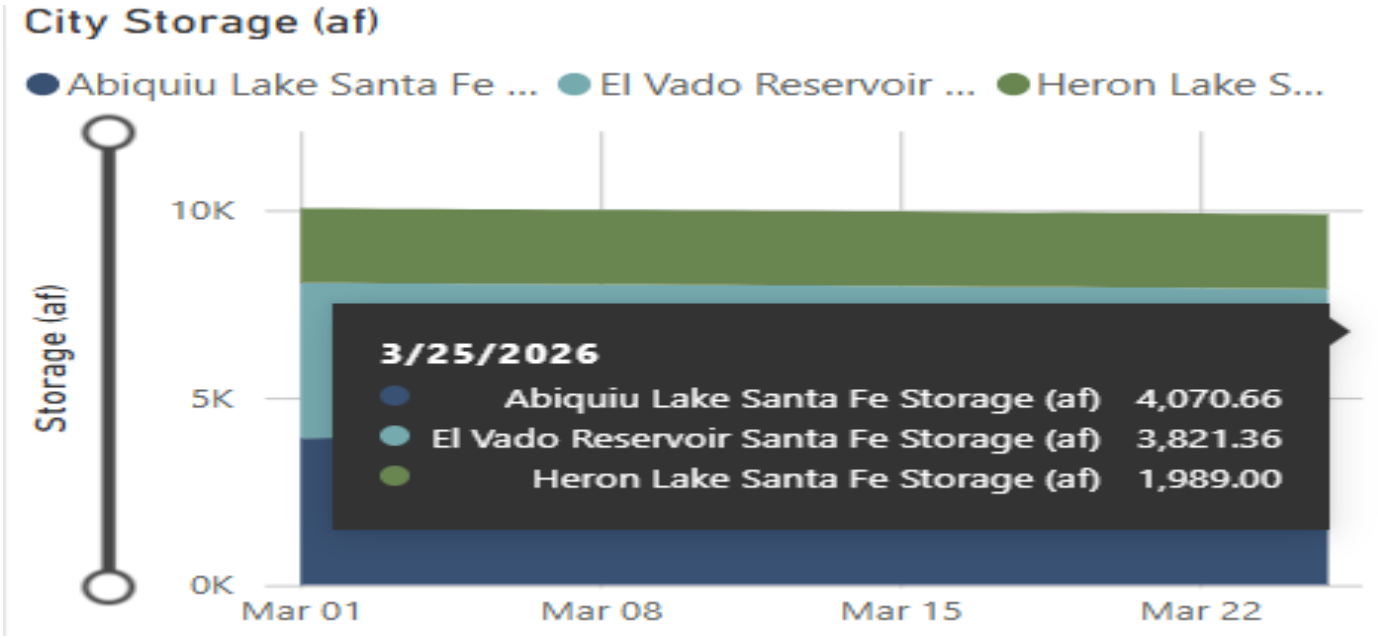


Regional Water Overview

Daily metered regional water demand for the month averaged approximately: 8.1 MGD

Rio Grande flows averaged approximately: 720 CFS (cubic feet per second)

City/County/Las Campanas Storage- as updated by partners. As of March 25, 2026 City of SF Abiquiu SJC storage is at about 4070.66 AF.



Regional Water Supply

CRWTP reservoir storage: Nichols: 83.25% McClure: 43.10% Watershed Inflow: 2.58 MGD

- Santa Fe SNOTEL
  - Cumulative snow Water/Equiv. Inches 0.4
  - Cumulative Snow in Depth in Inches 0.0

Current Rio Grande Watershed Snowpack Storage Data:
The current (3/19/26) Upper Rio Grande Basin Index is 47% of the historic median value for Snow Water Equivalent (SWE) and 90% of the historic median value for precipitation, primarily due to late fall rain events. This suggests that, while total precipitation in this basin has been near average for the water year starting October 1, the below normal snowpack may result in reduced spring runoff and river flows if it is not supplemented by snow accumulation in the coming months.

Source: https://wcc.sc.egov.usda.gov/reports

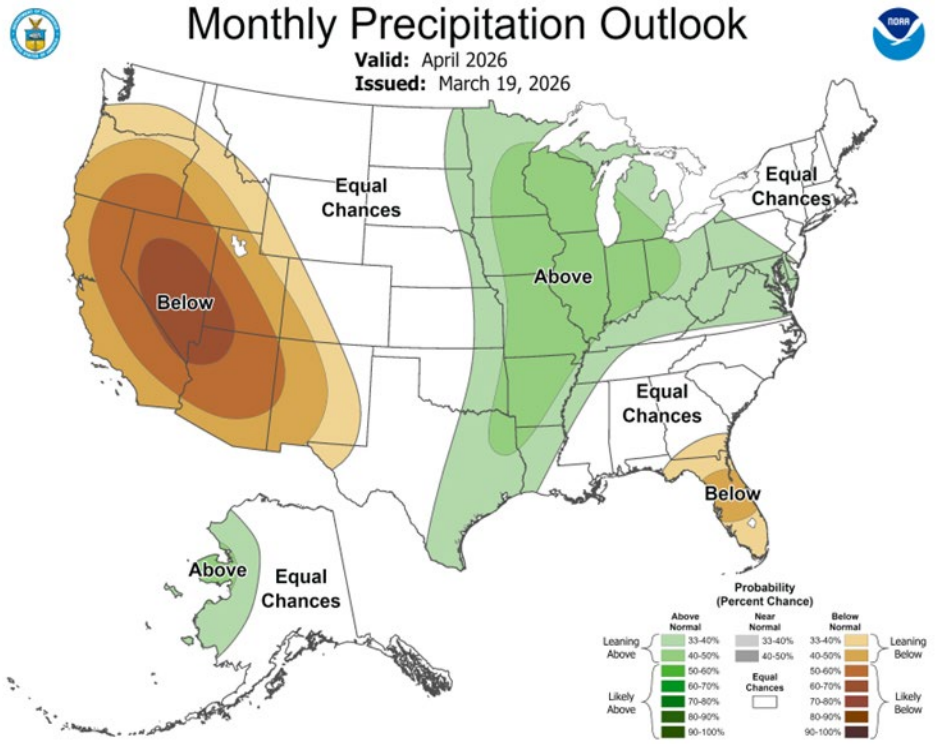
Current El Niño Southern Oscillation (ENSO) Status Summary
At the time this report is being prepared (3/19/26) NOAA is reporting that a weak La Niña is still underway. Sea surface temperatures remain below average across much of the east-central Pacific, with the most recent weekly Niño-3.4 index around −0.5 °C indicating persistence of a weak La Niña. This means parts of the Pacific Ocean near the equator are a bit cooler than normal, which affects global weather patterns, though the signal is weakening as subsurface heat increases. Atmospheric patterns continue to reflect La Niña, but NOAA is forecasting that La Niña conditions will end in the next month, with ENSO neutral conditions expected in May-July (55% probability) before an El Niño system develops between June and August (62% probability).

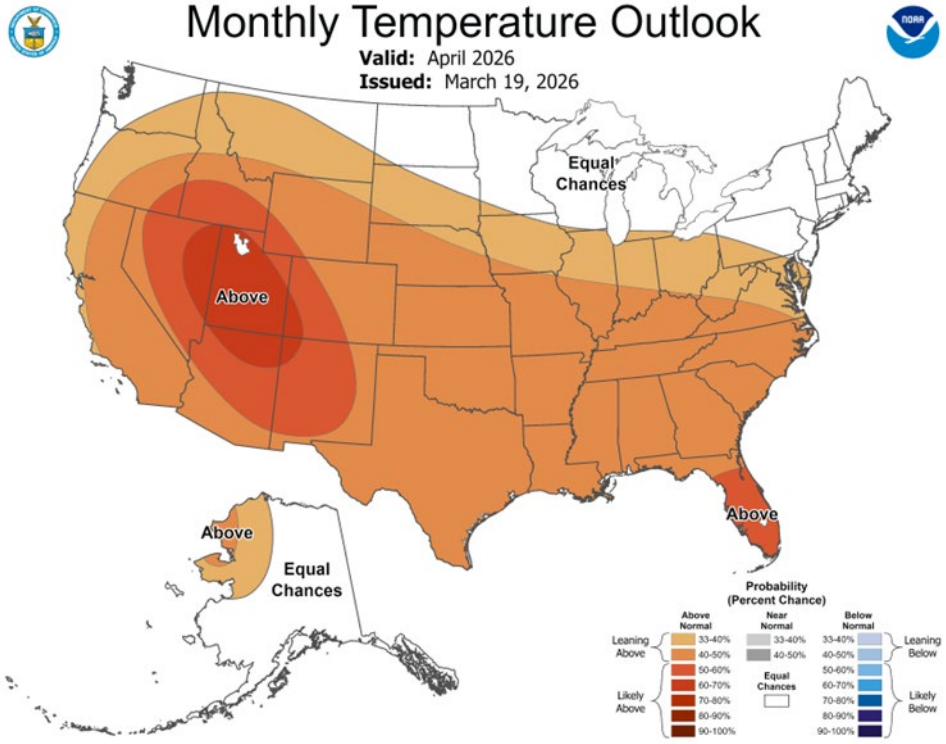
In New Mexico, La Niña conditions typically result in warmer and drier weather, while El Niño conditions can potentially delay the onset of summer monsoons and result in higher summer temperatures but can also result in cooler, wetter winter conditions. Actual impacts depend on the location and strength of La Niña/El Niño conditions.

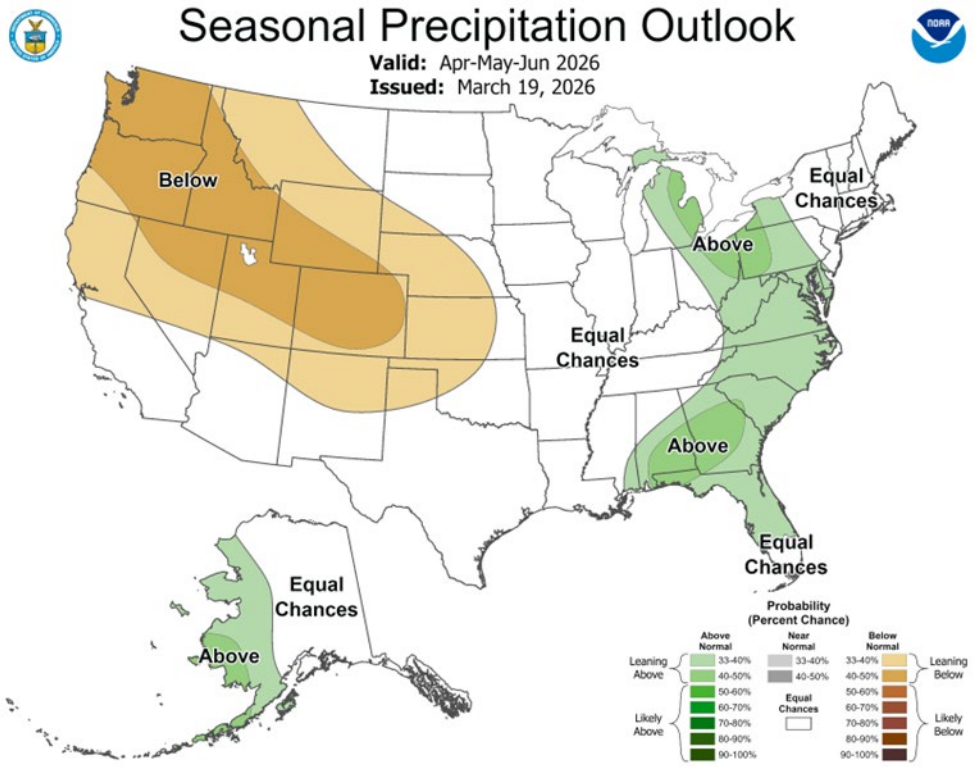
Source: cpc.ncep.noaa.gov

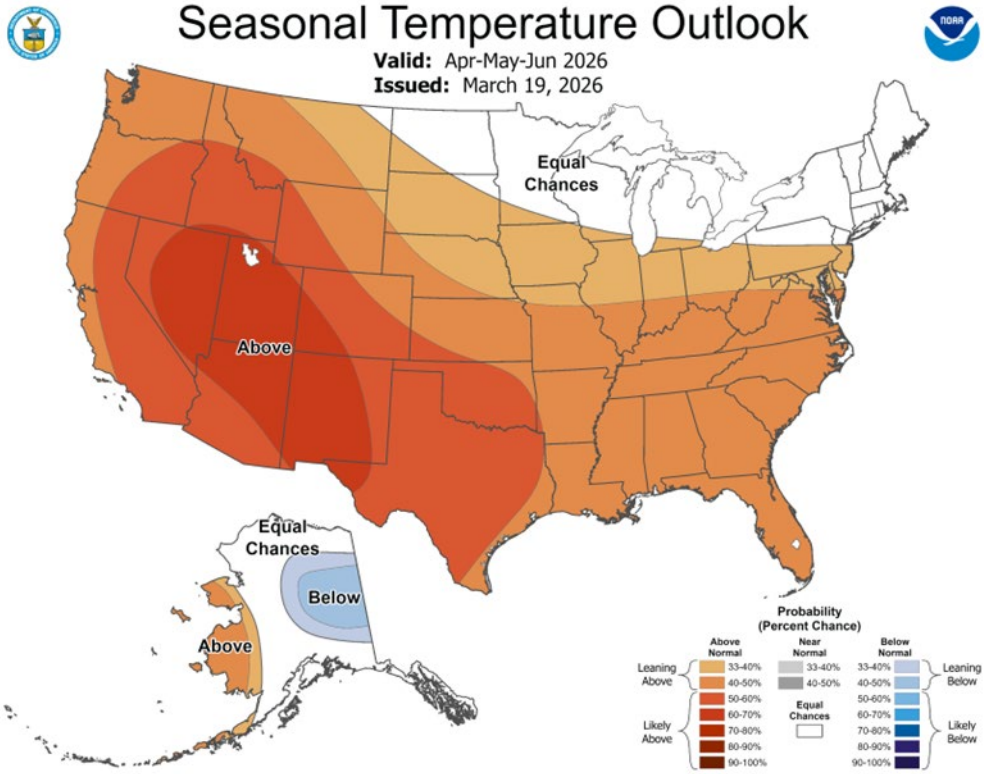
Seasonal Precipitation and Temperature Outlooks:
The current NOAA one-month forecast is leaning toward below normal precipitation with likely above average temperatures for the region. The current NOAA three-month precipitation outlook is leaning toward below normal while the three-month temperature forecast is likely above normal for the region Maps of one-month and three-month temperature and precipitation forecasts are provided below.
Source: https://www.cpc.ncep.noaa.gov/products/predictions/long_range/seasonal.php?lead=1

Summary/Interpretation
Below average snowpack in the Upper Rio Grande basin, in conjunction with projections of below normal precipitation and above average temperatures for the next three months indicates that there could be below normal spring runoff/native Rio Grande flows and, potentially, a San Juan Chama Project allocation that is less than 100%.


Monthly Precipitation Outlook
Valid: April 2026
Issued: March 19, 2026
Equal Chances
Below
Above
Equal Chances
Equal Chances
Below
Above
Equal Chances
Probability (Percent Chance)
Above Normal
Near Normal
Below Normal
Leaning Above
Likely Above
Equal Chances
Leaning Below
Likely Below
33-40%
40-50%
50-60%
60-70%
70-80%
80-90%
90-100%


Monthly Temperature Outlook
Valid: April 2026
Issued: March 19, 2026
Equal Chances
Above
Above
Above
Equal Chances
Probability (Percent Chance)
Above Normal
Near Normal
Below Normal
Leaning Above
Likely Above
Equal Chances
Leaning Below
Likely Below
33-40%
40-50%
50-60%
60-70%
70-80%
80-90%
90-100%


Seasonal Precipitation Outlook
Valid: Apr-May-Jun 2026
Issued: March 19, 2026
Below
Equal Chances
Above
Equal Chances
Above
Equal Chances
Equal Chances
Above
Probability (Percent Chance)
Above Normal
Near Normal
Below Normal
Leaning Above
Likely Above
Equal Chances
Leaning Below
Likely Below
33-40%
40-50%
50-60%
60-70%
70-80%
80-90%
90-100%


Seasonal Temperature Outlook
Valid: Apr-May-Jun 2026
Issued: March 19, 2026
Equal Chances
Above
Equal Chances
Below
Above
Probability (Percent Chance)
Above Normal
Near Normal
Below Normal
Leaning Above
Likely Above
Equal Chances
Leaning Below
Likely Below
33-40%
40-50%
50-60%
60-70%
70-80%
80-90%
90-100%

Buckman Direct Diversion

OSE Monthly Report

Buckman Direct Diversion Monthly Native and SJC Diversions (ac-ft)

		Total Diverted	Total Native Diverted	County Native Rio Grande Diversions					TCLC Native Rio Grande Diversion			San Juan-Chama Diversions			
		Total Diverted	Total Native Diverted	Total County Native Diverted	County Native SP-4842	County Native SP-4842-A	County Native RG-20516 et al.-C into SP-4842	County Native RG-20516 et al.-A & -B into SP-4842-A	Total TCLC Native Diverted	TCLC Native SP-4842-A	TCLC Native RG-20516 et al.-A & -B into SP-4842-A	Total SJC Diverted	City SJC SP-2847-E Diverted	County SJC SP-2847-E Diverted	TCLC SJC SP-02847-N into SP-4842-A1-T Diverted
2026	Jan	496.024	380.983	380.983	380.983	0.000	0.000	0.000	0.000	0.000	0.000	115.041	115.041	0.000	0.000
	Feb	412.395	283.548	283.548	283.548	0.000	0.000	0.000	0.000	0.000	0.000	128.846	128.846	0.000	0.000
	Mar	547.445	380.516	380.516	380.516	0.000	0.000	0.000	0.000	0.000	0.000	166.929	139.478	0.000	27.451
	Total	**1,455.863**	**1,045.047**	**1,045.047**	**1,045.047**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**410.817**	**383.365**	**0.000**	**27.451**
	Max Allowable		**2,440.368**	**2,224.234**	**1,358.530**	**0.000**	**372.384**	**493.320**	**216.134**	**69.804**	**146.330**	**7,454.125**	**6,406.750**	**459.375**	**588.000**
	Remaining		**1,395.322**	**1,179.188**	**313.484**		**372.384**	**493.320**	**216.134**	**69.804**	**146.330**	**7,043.309**	**6,023.385**	**459.375**	**560.549**

Projected Diversions (ac-ft)

		Total Diverted	Total Native Diverted	Total County Native Diverted	County Native SP-4842	County Native SP-4842-A	County Native RG-20516 et al.-C into SP-4842	County Native RG-20516 et al.-A & -B into SP-4842-A	Total TCLC Native Diverted	TCLC Native SP-4842-A	TCLC Native RG-20516 et al.-A & -B into SP-4842-A	Total SJC Diverted	City SJC SP-2847-E Diverted	County SJC SP-2847-E Diverted	TCLC SJC SP-02847-N into SP-4842-A1-T Diverted
2026	Apr	560	350	350	313	0	37	0	0	0	0	210	210	0	0
	May	640	350	350	0	0	336	14	0	0	0	290	290	0	0
	Jun	790	50	50	0	0	0	50	0	0	0	740	740	0	0
	Jul	550	0	0	0	0	0	0	0	0	0	550	550	0	0
	Aug	450	0	0	0	0	0	0	0	0	0	450	390	0	60
	Sep	500	0	0	0	0	0	0	0	0	0	500	460	0	40
	Oct	490	130	130	0	0	0	130	0	0	0	360	340	0	20
	Nov	330	150	150	0	0	0	150	0	0	0	180	160	0	20
	Dec	340	150	150	0	0	0	149	0	0	0	190	190	0	0
	Total Projected	**4,650**	**1,180**	**1,180**	**313**	**0**	**372**	**493**	**0**	**0**	**0**	**3,470**	**3,330**	**0**	**140**

Data is current as of 3/27/2026.

Buckman Direct Diversion

Buckman Direct Diversion

OSE Monthly Report

Buckman Direct Diversion Monthly Native and SJC Diversions (ac-ft)

		Total Diverted	Total Native Diverted	County Native Rio Grande Diversions					TCLC Native Rio Grande Diversion			San Juan-Chama Diversions			
		Total Diverted	Total Native Diverted	Total County Native Diverted	County Native SP-4842	County Native SP-4842-A	County Native RG-20516 et al.-C into SP-4842	County Native RG-20516 et al.-A & -B into SP-4842-A	Total TCLC Native Diverted	TCLC Native SP-4842-A	TCLC Native RG-20516 et al.-A & -B into SP-4842-A	Total SJC Diverted	City SJC SP-2847-E Diverted	County SJC SP-2847-E Diverted	TCLC SJC SP-02847-N into SP-4842-A1-T Diverted
2025	Jan	326.141	123.689	123.689	123.689	0.000	0.000	0.000	0.000	0.000	0.000	202.453	202.453	0.000	0.000
	Feb	313.427	28.205	28.205	28.205	0.000	0.000	0.000	0.000	0.000	0.000	285.223	285.223	0.000	0.000
	Mar	563.860	257.038	257.038	257.038	0.000	0.000	0.000	0.000	0.000	0.000	306.823	306.823	0.000	0.000
	Apr	677.035	471.649	471.649	471.649	0.000	0.000	0.000	0.000	0.000	0.000	205.388	205.388	0.000	0.000
	May	918.542	292.560	292.560	292.560	0.000	0.000	0.000	0.000	0.000	0.000	625.983	625.983	0.000	0.000
	Jun	754.206	62.214	62.214	62.214	0.000	0.000	0.000	0.000	0.000	0.000	691.993	691.993	0.000	0.000
	Jul	748.447	35.193	35.193	35.193	0.000	0.000	0.000	0.000	0.000	0.000	713.256	713.256	0.000	0.000
	Aug	446.168	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	446.169	446.169	0.000	0.000
	Sep	418.331	65.790	65.790	65.790	0.000	0.000	0.000	0.000	0.000	0.000	352.542	352.542	0.000	0.000
	Oct	304.622	148.107	148.107	22.192	0.000	125.915	0.000	0.000	0.000	0.000	156.516	156.516	0.000	0.000
	Nov	301.012	282.448	282.448	0.000	0.000	246.469	35.979	0.000	0.000	0.000	18.565	0.000	0.000	18.565
	Dec	425.163	425.164	425.164	0.000	0.000	0.000	425.164	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total	**6,196.954**	**2,192.057**	**2,192.057**	**1,358.530**	**0.000**	**372.384**	**461.143**	**0.000**	**0.000**	**0.000**	**4,004.911**	**3,986.345**	**0.000**	**18.565**
	Max Allowable		**2,440.368**	**2,224.234**	**1,358.530**	**0.000**	**372.384**	**493.320**	**216.134**	**69.804**	**146.330**	**7,362.500**	**6,407.000**	**367.500**	**588.000**
	Remaining		**248.311**	**32.177**				**32.177**	**216.134**	**69.804**	**146.330**	**3,357.589**	**2,420.655**	**367.500**	**569.435**

Projected Diversions (ac-ft)

SJC in Storage as of Thursday, January 1, 2026 (ac-ft)

City SJC in Storage	County SJC in Storage	TCLC SJC in Storage
10,558	1,003	1,109

Date: **April 2, 2026**

To: **BDD Board**

From: **Bradley Prada, BDD Facilities Manager**

Re: **BDD Facilities Manager Monthly Update to the BDD Board**

This report outlines current progress on key facility projects, procurement, and staffing as of April 2026. Updates include the advancement of Major Repair and Replacement (MR&R) projects and continued progress on the Design/Rebuild project.

- **Major Repair and Replacement (MR&R) Fund.**

  The Request for Proposal (RFP) for the PLC (Control System) upgrade is progressing as expected. We have completed the proposal review and are currently revising the contract to make an offer.

  Implementation of a Security Cameras Upgrade has commenced and is nearing completion. We are currently processing final change orders. Please note that one camera remains on backorder with a projected 12-week lead time. However, the existing camera remains in place and fully functional to ensure continuous security coverage until the new unit arrives.

- **Design/Build project**

  The Request for Information (RFI) phase concluded successfully with twelve interested parties. The team has reviewed these firms and is pleased with the high number of qualified respondents. We will notify all interested parties once the Request for Qualifications (RFQ) is officially released. Additionally, the feasibility study conducted by AECOM, WWE, and BDD staff is finalized and ready for Board presentation. Following the Board's review and feedback, we will proceed with the RFQ to secure an engineering team and advance the rebuild project to the 30% design phase.

- **Current Job Vacancy Updates**

  BDD personnel are collaborating closely with City staff to fill open positions.

Title	Status
Accounting Manager	Interviews completed; pending department decision
Journeyman Electrician	Awaiting position reposting
PUD Operator Ladder	Posting for Lead Operator in progress

State of New Mexico
Buckman Direct Diversion Project

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025



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State of New Mexico
Buckman Direct Diversion Project
Official Roster

ELECTED OFFICIALS

Justin Greene	Chairperson of the BDD Board, County Commissioner
Carol Romero-Wirth	Vice Chairperson of the BDD Board, City Councelor
Jaime Cassutt	City Councelor
Peter Ives	Citizen Member Alternate At-Large
Pilar Faulkner	City Councelor Alternate
Hank Hughes	County Commissioner
Adam Johnson	County Commissioner Alternate
Rolf Schmidt-Peterson	Citizen Member At-Large
Tom Egelhoff	Las Campanas Club (non-voting)
Jeffrey Guy	Las Campanas CoOp (non-voting)

ADMINISTRATIVE OFFICIALS

Bradley Prada	BDD Facilities Manager
Vacant	BDD Accounting Supervisor
Emily Oster	City of Santa Fe Finance Director

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FINANCIAL SECTION

CARR, RIGGS & INGRAM, L.L.C.

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Albuquerque, NM 87110

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INDEPENDENT AUDITOR'S REPORT

Joesph M. Maestas, P.E., CFE, New Mexico State Auditor
Board Members
Buckman Direct Diversion Project
Santa Fe, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Buckman Direct Diversion Project (BDD), a component unit of the City of Santa Fe, New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise BDD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of BDD as of June 30, 2025, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BDD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of BDD are intended to present the financial position, and the changes in financial position of only that portion of the business-type activities that are attributable to BDD. They do not purport to, and do not present fairly the financial position of the City of Santa Fe, New Mexico, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Correction of Error

As described in Note 3 to the financial statements, the prior year financial statement have been corrected for an error in the amount of $275,519. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BDD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 BDD's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BDD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise BDD's basic financial statements. The accompanying budgetary comparison schedule - schedule of revenues, expenses, and changes in net position budget (non-GAAP budgetary basis) and actual and the schedule of changes in restricted net position by partner ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

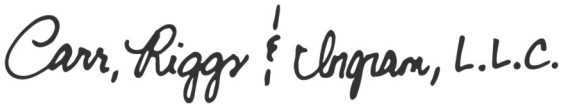
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of 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 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 BDD's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, L.L.C.
Albuquerque, New Mexico
December 15, 2025

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BASIC FINANCIAL SECTION

State of New Mexico
Buckman Direct Diversion Project
Statement of Net Position

June 30, 2025	Business-Type Activity
Assets	
Current assets	
Cash and cash equivalents	$ 6,282,499
Restricted cash and cash equivalents	
Emergencies	2,254,176
Major repair and replacement	81,353,985
Partners' accounts receivable	
City of Santa Fe	1,652,446
Santa Fe County	1,032,991
Las Campanas Club	122,709
Las Campanas CoOp	59,005
Interest receivable	274,106
Prepaid items	10,000
Other receivable	19,568
Grants receivable	85,083
Chemical inventory	148,812
Total current assets	93,295,380
Noncurrent assets	
Capital assets not being depreciated	361,368
Capital assets being depreciated	13,608,021
Accumulated depreciation	(5,044,550)
Total noncurrent assets	8,924,839
Total assets	$ 102,220,219

(Continued)

The accompanying notes are an integral part of these financial statements.

June 30, 2025	Business-Type Activity
Liabilities and Net Position	
Current liabilities	
Partners' credit balances	
City of Santa Fe	$ 197,767
Accounts payable	979,621
Intergovernmental payable	347,188
Accrued Payroll	81,184
Compensated absences - current	46,129
Total current liabilities	1,651,889
Noncurrent liabilities	
Compensated absences - noncurrent	176,551
Total noncurrent liabilities	176,551
Net position	
Net investment in capital assets	8,924,839
Restricted for:	
Emergency reserves	2,254,176
Major repair and replacement reserves	81,353,985
Unrestricted	7,858,779
Total net position	100,391,779
Total liabilities and net position	$ 102,220,219

The accompanying notes are an integral part of these financial statements.

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State of New Mexico
Buckman Direct Diversion Project
Statement of Revenues, Expenses and Change in Net Position

For the year ended June 30, 2025	Business-Type Activity
Operating Revenues	
Reimbursements	
City of Santa Fe	$ 6,412,734
Santa Fe County	2,127,264
Las Campanas Club	178,190
Las Campanas CoOp	104,279
Utility reimbursements	1,270,957
Federal grants	88,359
Total operating revenues	10,181,783
Operating Expenses	
Buckman Direct Diversion Project operations	8,120,045
Major repairs	557,768
Total operating expenses	8,677,813
Total operating Income (loss)	1,503,970
Nonoperating Revenue	
Gain /Loss on investments	582
Investment income	3,956,009
Total nonoperating revenue	3,956,591
Change in net position	5,460,561
Net position, beginning of year as previously reported	95,206,737
Error correction (note 3)	(275,519)
Net position, beginning of year as corrected	94,931,218
Net position, end of year	$ 100,391,779

The accompanying notes are an integral part of these financial statements.

State of New Mexico
Buckman Direct Diversion Project
Statement of Cash Flows

For the year ended June 30, 2025	Business-type Activity
Operating Activities	
Cash received from partners' and PNM	$ 9,836,137
Cash paid to suppliers for goods and services	(5,086,898)
Cash paid to employees for services	(2,666,660)
Net cash provided by operating activities	2,082,579
Capital and Related Financing Activities	
Acquisition and construction of capital assets	(458,807)
Net cash (used for) capital and related financing activities	(458,807)
Investing Activities	
Investment income	4,006,787
Net cash provided by investing activities	4,006,787
Net cash provided by investing activities	4,006,787
Net change in cash and cash equivalents	5,630,559
Total cash, cash equivalents, restricted cash and investments, beginning of year	84,260,101
Total cash, cash equivalents, restricted cash and investments, end of year	$ 89,890,660
Reported in the statement of net position as	
Cash and cash equivalents	$ 6,282,499
Restricted cash and cash equivalents	
Emergencies	2,254,176
Major repair and replacement	81,353,985
Total cash and cash equivalents	$ 89,890,660

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2025	Business-type Activity
Reconciliation of Operating Income to Net Cash (Used For) Operating Activities	
Operating income	$ 1,503,970
Adjustments to reconcile operating income to net cash (used for) operating activities	
Depreciation	937,117
Changes in assets and liabilities	
Partners' accounts receivable	(395,183)
Other receivable	3,534
Grants receivable	46,003
Chemical inventory	(7,496)
Accounts payable	(50,933)
Accrued payroll	2,266
Compensated absences	52,413
Intergovernmental payable	(9,112)
Total adjustments	578,609
Net cash provided by operating activities	$ 2,082,579

The accompanying notes are an integral part of these financial statements.

Note 1: ORGANIZATION

Under a joint powers agreement ("JPA") for the Buckman Direct Diversion Project (the "BDD") Project dated January 11, 2005, the City of Santa Fe ("the City") joined Santa Fe County ("the 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 BDD commenced May 15, 2011. The BDD 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. BDD 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 I-5(B) NMSA 1978. The City and County each own 50% of the diversion facilities of BDD and have established a board to oversee the planning, procurement, financing, permitting, design, and construction of the BDD as well as the operations and management of BDD. 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 BDD 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. BDD 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

The summary of significant accounting policies of BDD is presented to assist in the understanding of BDD's financial statements. The financial statements and notes are the representation of BDD's management who is responsible for their integrity and objectivity. The financial statements of BDD 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 BDD for financial reporting purposes, management has considered all potential component units.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Enterprise Fund Financial Statements

BDD 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. BDD'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 BDD 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 reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Assets, Liabilities, and Net Position

Cash and cash equivalents

Cash is pooled into one common account maintained by the City, BDD's fiscal agent, in order to maximize investment opportunities. BDD'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, short-term investments with original maturities of three months or less from the date of acquisition. Please refer to the City's financial statements for the year ended June 30, 2025 for a complete description of permissible investments and risk disclosures concerning cash investments.

Receivables and Payables

All trade and other receivables are shown net of allowances for uncollectable amounts, when applicable. Receivables are analyzed for their collectability based on the terms of and conditions of agreements, as well as current economic conditions and consideration of the creditors' ability to pay. In addition to those receivables specifically identified as uncollectable, a general allowance is established for receivables older than one year. As of June 30, 2025, no allowance for doubtful accounts was deemed necessary.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (continued)

Partners' Accounts Receivables/Partners' 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 BDD from prebilling activities are reported as Partners' 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 partners' credit balances in the statement of net position and used to offset future billings.

Chemical Inventory

Chemical inventory recorded in BDD's enterprise fund is stated at the lower of cost of market and totals $148,812 at June 30, 2025. 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:

Capital asset classes	Lives
Buildings and systems	50 years
Equipment and machinery	7 years
Vehicles	8 years
Data processing and software	3 years
Utility systems	25 years

Restricted Assets

Certain assets of BDD are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (continued)

Emergency reserve – in accordance with the emergency reserve fund policy, certain resources are restricted to assure BDD's timely response to emergencies, which could potentially threaten, reduce, or eliminate BDD's capacity to meet its customers' demands.

Major repair and replacement reserve – in accordance with the major repair and replacement reserve fund policy, certain resources are restricted to assure BDD's ability to cover the repair and replacement cost of capital assets already in existence within BDD.

Compensated Absences

BDD recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. BDD uses a Last-In, First-Out (LIFO) method to determine the usage and valuation of vacation and sick leave. Under this method, the most recently accrued leave is assumed to be used first.

Vacation

BDD's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

BDD's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of BDD and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Minimum Restricted Net Position Policies

The emergency reserve and repair and replacement reserve are reserve funds that were required by the Facility Operations and Procedures Agreement and approved by the board on February 3, 2011.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (continued)

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 was fully funded at June 30, 2014. For the repair and replacement reserve, BDD approved $1,935,019 in annual partner contributions for fiscal year 2025. During fiscal year 2025, $243,014 was utilized for combined emergency and repair purposes.

Equity Classifications

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

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.

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.

BDD's restricted net position balances are a result of the emergency fund policy and major repair and replacement fund policy, described below:

- Emergency reserve fund policy – In order to secure resources assuring BDD's timely response to emergencies, which could potentially threaten, reduce, or eliminate BDD's capacity to meet its customers' demands, BDD 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 as of June 30, 2025 was $2,254,176.
- Major repair and replacement fund policy - In accordance with the BDD's intergovernmental agreements and in order to secure resources assuring BDD's ability to cover the repair and replacement cost of capital assets already in existence within BDD, 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. BDD initially established an accumulation target of $411,812 in annual contributions to be fully funded by the end of each fiscal year. In subsequent years, the board approves a target contribution that the BDD Facility Manager proposes for specific major repair or replacement projects along with the Operating Budget for each fiscal year. In 2022, BDD agreed to settlement terms in open litigation in which BDD received $70 Million, which has been held along with interest earned for future comprehensive improvements. The total amount funded as of June 30, 2025 was $81,353,985.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (continued)

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

Policy on Use of Restricted and Unrestricted Resources

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

Revenues and Expenses

Business-type activities 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 the BDD Project'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.

Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. In fiscal year 2019, BDD received a grant award from the U.S. Department of Energy for water quality monitoring activities. Expenditures totaling $88,359 were incurred against the grant during fiscal year 2025.

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 that useful lives of depreciable assets and the estimated usage of leave balances by employees. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2025, and determined there were no events that occurred that required disclosure.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

BDD's annual operating budget for the enterprise fund is adopted on a basis other than generally accepted accounting principles (non-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 County Commission. The budget must also be approved by BDD'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, contract, 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.

Recently Issued and Implemented Accounting Procurements

During the fiscal year ended June 30, 2025, BDD adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of GASB Statement No. 101 and GASB Statement No. 102, did not have a significant impact on BDD's financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

BDD is evaluating the requirements of the above statements and the impact on reporting.

Note 3: RECLASSIFICATION AND ERROR CORRECTION

BDD's fiscal year 2025 financial statements incorporate an error correction to previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

Note 3: RECLASSIFICATION AND ERROR CORRECTION (Continued)

- During the current year BDD reclassified beginning balances of accrued payroll and compensated absences in the amounts of $78,918 and $170,267, respectively, which were previously reported as intergovernmental payable in the June 30, 2024 statement of net position.

- BDD discovered during the current year that partner accounts receivable balances were overstated due to incorrect billings in the amount of $275,519.

The following table summarizes the restatement to BDD's beginning net position as a result of the error correction:

	Business-type Activity
June 30, 2024 net position, previously reported	$ 95,206,737
Error correction	(275,519)
June 30, 2024 net position, as corrected	$ 94,931,218

Note 4: CASH AND CASH EQUIVALENTS

At June 30, 2025, BDD had the following cash, cash equivalents, and cash investments totaling $89,890,660:

Investment Type	Fair Value	Percentage of Total	Weighted Average Maturities	S&P Rating
Money market funds/cash sweeps	$ 79,562,545	89%	N/A	N/A
Fixed income securities	-	0%	1.32 years	AA+
Deposits with the City of Santa Fe	10,328,115	11%	N/A	N/A
Total	$ 89,890,660			

Deposits with the City of Santa Fe represent BDD'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, 2025.

June 30, 2025	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas CoOp	Total
Partners' accounts receivable	$ 1,652,446	$ 1,032,991	$ 122,709	$ 59,005	$ 2,867,151
Less partners' credit balance	197,767	-	-	-	197,767
Total partner balance	$ 1,454,679	$ 1,032,991	$ 122,709	$ 59,005	$ 2,669,384

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

Note 6: CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the year ended June 30, 2025. Construction in progress is not subject to depreciation.

	Beginning Balance June 30, 2024	Additions	Deletions/ Adjustments	**Ending Balance June 30, 2025**
Capital assets not being depreciated				
Construction-in-progress	$ 769,710	$ 425,239	$ (833,581)	**$ 361,368**
Total non-depreciable capital assets	769,710	425,239	(833,581)	**361,368**
Capital assets being depreciated				
Buildings and systems	10,354,010	-	(1,616,628)	**8,737,382**
Equipment and machinery	664,438	853,581	1,616,628	**3,134,647**
Vehicles	594,029	-	-	**594,029**
Data processing and software	139,357	13,568	-	**152,925**
Utility Systems	989,038	-	-	**989,038**
Total capital assets being depreciated	12,740,872	867,149	-	**13,608,021**
Less accumulated depreciation				
Buildings and systems	(2,271,722)	(174,748)	-	**(2,446,470)**
Equipment and machinery	(1,132,811)	(408,269)	-	**(1,541,080)**
Vehicles	(488,485)	(18,624)	-	**(507,109)**
Data processing and software	(131,995)	(5,797)	-	**(137,792)**
Utility Systems	(82,420)	(329,679)	-	**(412,099)**
Total accumulated depreciation	(4,107,433)	(937,117)	-	**(5,044,550)**
Total capital assets being depreciated, net	8,633,439	(69,968)	-	**8,563,471**
Total capital assets	$ 9,403,149	$ 355,271	$ (833,581)	**$ 8,924,839**

Depreciation expense for capital assets for the fiscal year ended June 30, 2025 was $937,117. Depreciation expense is recorded in Buckman Direct Diversion Project operations on the statement of revenues, expenses, and changes in net position.

Note 6: CAPITAL ASSETS (Continued)

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.

June 30, 2025	Buildings & Systems	Equipment & Machinery	Total
City of Santa Fe	$ 115,440,642	$ 4,842,162	$ 120,282,804
Santa Fe County	101,372,508	-	101,372,508
Less accumulated depreciation	(60,659,602)	(4,842,162)	(65,501,764)
Total	$ 156,153,548	$ -	$ 156,153,548

Note 7: LONG-TERM LIABILITIES

Compensated Absences

A summary of compensated absences was as follows at June 30, 2025:

	Beginning Balance June 30, 2024*	Net Increase (Decrease)	**Ending Balance June 30, 2025**	Due Within One Year
Compensated absences	$ 170,267	$ 52,413	**$ 222,680**	$ 46,129
Total compensated absences	$ 170,267	$ 52,413	**$ 222,680**	$ 46,129

*See reclassification described at note 3.

Note 8: ECONOMIC DEPENDENCE AND RELATED PARTY TRANSACTIONS

1. BDD is economically dependent on three entities: the City of Santa Fe, Santa Fe County, and Las Campanas Entities (the user partners). These entities account for 87% of its funding for the year ending June 30, 2025.

2. See note 4 for outstanding balances owed from user partners and credit balances outstanding as of June 30, 2025.

The City of Santa Fe acts as fiscal agent for the BDD and receives a fee of 4.5% of the annual operating budget of the project. The City of Santa Fe received fees for services as fiscal agent of $294,899 and received reimbursement of personnel costs of $2,500,916 for the year ended June 30, 2025.

Note 9: RISK MANAGEMENT

Pursuant to the Joint Powers Agreement Section 23, BDD is required to carry insurance coverage separate and apart from the partners' respective insurance policies. BDD 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. BDD 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. BDD carries commercial property insurance on all of BDD's buildings, structures, equipment, improvements, and vehicles to protect itself from losses arising from fire, earthquake, and flood disasters. BDD also has commercial insurance for potential losses arising from excess liability and failures to supply materials needed to operate BDD facilities.

BDD staff, as employees of the City, participate in the Santa Fe Health Fund and the Workers' Compensation Fund, which are self-insured programs administered by the fiscal agent. BDD 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. BDD 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 2025.

Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT

In November 2007, the BDD board entered into an agreement with the City 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 their 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;

Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT (Continued)

Project Manager (continued)

- Administer all amounts loaned, granted, or contributed by the City, the County, or Las Campanas Entities 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 Entities 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, and major maintenance replacement costs, proposed allocation of costs among the City, the County, and Las Campanas Entities as provided in the Facility 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 Entities in accordance with the cost sharing provisions of the FOPA;

- Develop a document retention and protection policy for adoption by the BDD 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;

- 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;

Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT (Continued)

Project Manager (continued)

- 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 Entities 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 Entities, 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;

- 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 Entities 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 Entities, 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 11: FEDERAL AND STATE GRANTS

In the normal course, of operations, BDD 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.

SUPPLEMENTARY INFORMATION

State of New Mexico
Buckman Direct Diversion Project
Budgetary Comparison Schedule – Schedule of Revenues, Expenses, and Change in Net Position Budget (Non-GAAP Budgetary Basis) and Actual

For the year ended June 30, 2025	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Non-GAAP)	Variance with Final Budget Positive (Negative)
Operating Revenues				
City of Santa Fe	$ 7,114,369	$ 7,114,369	$ 6,412,734	$ (701,635)
Santa Fe County	2,706,738	2,706,738	2,127,264	(579,474)
Las Campanas Club	298,872	298,872	178,190	(120,682)
Las Campanas CoOp	111,387	111,387	104,279	(7,108)
PNM solar rebates	120,000	120,000	164,344	44,344
Federal energy credit	-	-	1,106,613	1,106,613
Federal grants	96,000	96,000	88,359	(7,641)
Total operating revenues	10,447,366	10,447,366	10,181,783	(265,583)
Operating Expenses				
Personnel services	2,015,204	2,015,204	1,889,080	126,124
Overtime and Shift Differential	230,000	230,000	-	230,000
Benefits	1,254,511	1,254,511	844,380	410,131
Electricity	1,461,631	1,461,631	1,407,359	54,272
Chemicals	423,500	423,500	736,852	(313,352)
Solids	83,219	83,219	15,228	67,991
Materials and supplies	3,669,208	3,669,208	1,785,154	1,884,054
Other operating costs	949,405	949,405	701,060	248,345
Conservation fees - county only	13,500	13,500	13,813	(313)
Fiscal agent fee	347,188	347,188	347,188	-
Total operating expenses	10,447,366	10,447,366	7,740,114	2,707,252
Nonoperating Revenue (Expenses)				
Investment income	-	-	3,956,009	3,956,009
Total nonoperating revenue (expenses)	-	-	3,956,009	3,956,009
Excess of revenues over expenses	$ -	$ -	6,397,678	$ 983,174
Adjustments for U.S. GAAP basis (nonbudgeted items)			937,117	
Change in net position			5,460,561	
Net position, beginning of year as previously reported			95,206,737	
Error correction (note 3)			(275,519)	
Net position, beginning of year, as corrected			94,931,218	
Net position, end of year			$ 100,391,779	

State of New Mexico
Buckman Direct Diversion Project
Schedule of Changes in Restricted Net Position by Partner

June 30, 2025	Balance June 30, 2024	Additions	Deletions	**Balance June 30, 2025**
Emergency Reserves				
Restricted net position				
City of Santa Fe	$ 1,415,773	$ 56,911	$ (142)	**$ 1,472,542**
Santa Fe County	505,154	20,307	(51)	**525,410**
Las Campanas Entities	246,992	9,257	(25)	**256,224**
Total restricted net position	$ 2,167,919	$ 86,475	$ (218)	**$ 2,254,176**
Major Repair and Replacement Reserves				
Restricted net position				
City of Santa Fe	$ 2,493,658	$ 48,793	$ (172,604)	**$ 2,369,847**
Santa Fe County	268,405	463,491	(60,626)	**671,270**
Las Campanas Entities	38,255	90,244	(9,566)	**118,933**
Settlements	74,683,519	3,691,112	(180,696)	**78,193,935**
Total restricted net position	$ 77,483,837	$ 4,293,640	$ (423,492)	**$ 81,353,985**
Combined				
Restricted net position - combined				
City of Santa Fe	$ 3,909,431	$ 105,704	$ (172,746)	**$ 3,842,389**
Santa Fe County	773,559	483,798	(60,677)	**1,196,680**
Las Campanas Entities	285,247	99,501	(9,591)	**375,157**
Settlements	74,683,519	3,691,112	(180,696)	**78,193,935**
Total restricted net position	$ 79,651,756	$ 4,380,115	$ (423,710)	**$ 83,608,161**

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REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

CARR, RIGGS & INGRAM, L.L.C.

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2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

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INDEPENDENT AUDITOR'S 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*

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
Board Members
Buckman Direct Diversion Project
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 Buckman Direct Diversion Project ("BDD") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the BDD's basic financial statements, and have issued or report thereon dated December 15, 2025.

Report on 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BDD's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

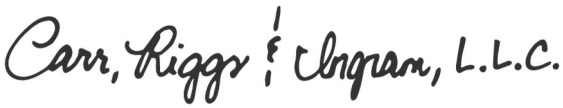
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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.*

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
Albuquerque, New Mexico
December 15, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1.	Type of auditor's 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

None noted.

SECTION IV: PRIOR YEAR AUDIT FINDINGS

2024-001 (2023-001) – Partner billings and accounts receivable – Resolved

EXIT CONFERENCE

An exit conference was held on December 12, 2025 virtually. The following individuals were in attendance.

Representing Buckman Direct Diversion Project:

Justin Greene	Chairperson, Santa Fe County Commissioner
Carol Romero-Wirth	Vice Chairperson, Councilor, City of Santa Fe
Nancy Long	General Counsel
Bradley Prada	Facilities Manager
Kurt Traverse	Contractor

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

Eric Spurlin, CPA, CITP	Partner
Elizabeth Aguilar	Senior

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs & Ingram, L.L.C. prepared the GAAP-basis financial statements and footnotes of BDD from the original books and records provided to them by the management of BDD. The responsibility for the financial statements remains with BDD.

Buckman Direct Diversion

ENGINEERING FEASIBILITY

Diversion Options

April 2, 2026

City of Santa Fe

AECOM Imagine it. Delivered.

CONCEPTUAL - FOR DISCUSSION ONLY

PRESENTATION OVERVIEW

- BDD Intake Existing Conditions Overview
- Intake Design, Components, & Feasibility Evaluation Criteria
- Selected Diversion Options
- Path Forward

CONCEPTUAL - FOR DISCUSSION ONLY

EXISTING CONDITIONS OVERVIEW

CONCEPTUAL - FOR DISCUSSION ONLY

Buckman Direct Diversion River Intake Existing Conditions Issues



- Intake elevation near river bed
- Entrains bedload sediment
- High and Highly Variable suspended load and bedload
- Defective Screens (fitment)
- Airburst Cleaning System not adequate and must be cleaned manually
- Maintenance and Access Limitations
- Bed elevation fluctuations (dynamic equilibrium)

CONCEPTUAL - FOR DISCUSSION ONLY

Buckman Direct Diversion River Intake Existing Conditions



2011

CONCEPTUAL - FOR DISCUSSION ONLY

Buckman Direct Diversion River Intake Existing Conditions



2015

Figure 25. Photograph from April 2015 Inspection Showing Excessive Sediment on Screens

CONCEPTUAL - FOR DISCUSSION ONLY

Buckman Direct Diversion River Intake Existing Conditions



2015

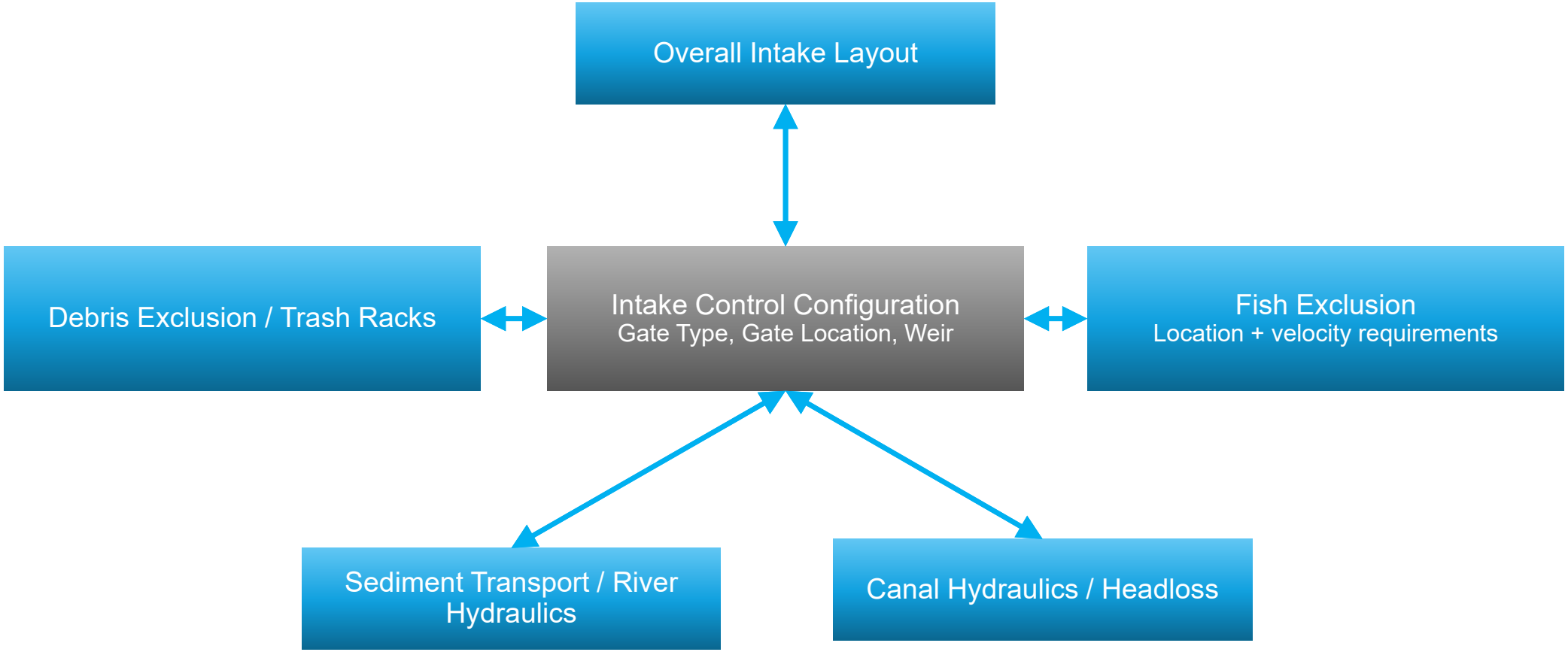
CONCEPTUAL - FOR DISCUSSION ONLY

INTAKE DESIGN, COMPONENTS & FEASIBILITY EVALUATION CRITERIA

CONCEPTUAL - FOR DISCUSSION ONLY

INTAKE DESIGN

Intake Components as an Integrated System



- All intake components are hydraulically and operationally linked

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS

Category	Alternative Options
Location / Configuration	**In-channel (e.g. Craig, Colorado)**
	Off-channel (side channel / bypass, e.g., Albuquerque)
	Off-channel with forebay
	Bank intake (e.g. Current BDD)
	Ranney Well (supplement of 3-5 MGD) - Investigation Ongoing
	Infiltration gallery/Riverbank filtration
	Submerged Suction Bell Intake (Shore-Mounted Pump)
Fish Screening / Exclusion	Farmers Screen
	Vertical / cylindrical screens
	Cone Screens
	Traveling Screens
	Coanda screens
	Flat Plate Screens
	Modular Inclined Screens
	Bioacoustic Fish Fence (BAFF)
In-Channel Hydraulic Features	Rock or boulder vanes, Spur dikes, etc.
	Iowa Vanes (Sediment Vanes)
	Engineered Riffle/Boulder Grade Control
	Grade Control with Control gates / weirs/Obermeyer inflatable gate across River

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS

Category	Alternative Options
Intake Gate Type	Obermeyer gate
	Hinged crest gate
	Slide gate (Downward opening)
Sediment Handling	**Settling basin**
	Lamella plate clarifiers
	Low Pressure Membrane Filtration
	Media or dual media filters
	Clarifiers with tube settlers
	Hydrocyclones (Lakos)
	Sediment flushing sluice
Debris and Trash Management	Trash Racks
	Automated rakes
	Floating Boom/log Boom
	Debris Deflector Bar
	Bollards
	Traveling screens

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-GATES



WEIR GATE

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-GATES



CREST GATE

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-GATES



OBERMEYER GATE

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-FISH SCREENS



CONE SCREEN

CONCEPTUAL - FOR DISCUSSION ONLY

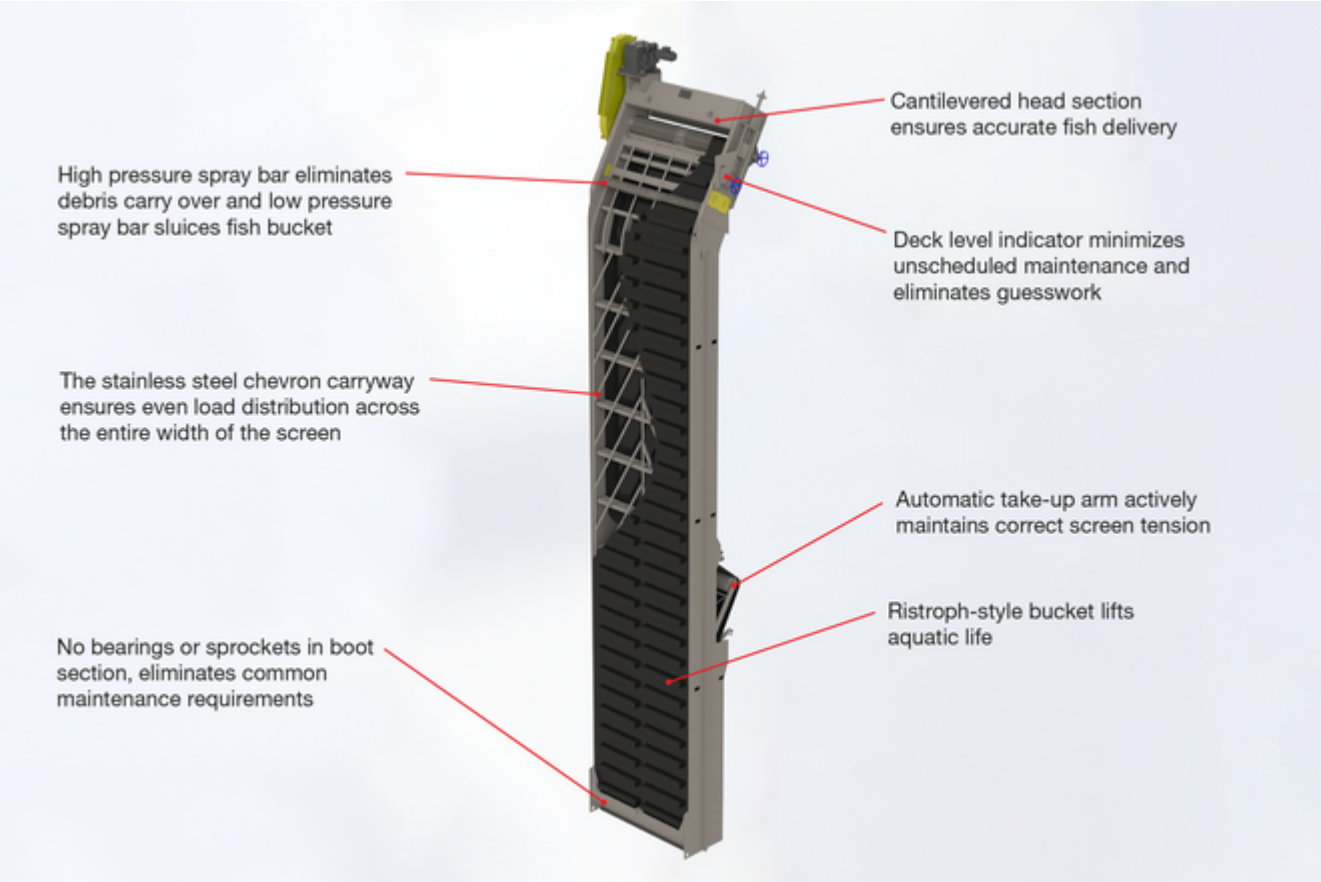
OPTIONAL COMPONENTS-FISH SCREENS



CYLINDER SCREEN

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-FISH SCREENS



TRAVELING SCREEN

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



RIO GRANDE-ALBUQUERQUE, NM

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



YAKIMA RIVER-YAKIMA, WA

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



COLORADO RIVER-WINDY GAP, CO

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



ANIMAS-LA PLATA PUMP STATION-DURANGO,CO

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



SOUTH PLATTE RIVER-FORT LUPTON, CO

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



LOWER YELLOWSTONE DIVERSION DAM, MT

CONCEPTUAL - FOR DISCUSSION ONLY

OPTIONAL COMPONENTS-LOCATION/CONFIGURATION



YAMPA RIVER-CRAIG, CO

CONCEPTUAL - FOR DISCUSSION ONLY

EVALUATION CRITERIA (PERFORMANCE)

- Sediment & Debris Management Capability
  - Sediment (including fines) management across all conditions
  - Debris handling and resilience to bed variability
  - Protection of pumps and downstream facilities
  - Reliable operation with turbidity compliance
- Hydraulic Performance & Diversion Capability
  - Consistent diversion performance (20.8 MGD)
  - Operates across full seasonal flow range
  - Stable under changing stage and channel conditions
  - Resilient during high-flow and event conditions

CONCEPTUAL - FOR DISCUSSION ONLY

EVALUATION CRITERIA (IMPLEMENTATION & COST)

- Implementation Feasibility & Risk
  - Permitting (CWA, NHPA, and ESA including RGSM egg exclusion)
  - Constructability and site constraints
  - Maintain operations during construction
  - Schedule and delivery risk
- Operations & Maintenance Burden
  - Maintenance frequency and operator burden
  - Access-dependent reliability
  - Downstream impacts from fine sediment
  - Lifecycle durability and risk
- Capital Cost (CAPEX)
  - Planning-level capital cost
  - Structural and system complexity
  - Temporary works and bypass needs
  - Access and construction risk

CONCEPTUAL - FOR DISCUSSION ONLY

INTAKE CONCEPTS

CONCEPTUAL - FOR DISCUSSION ONLY

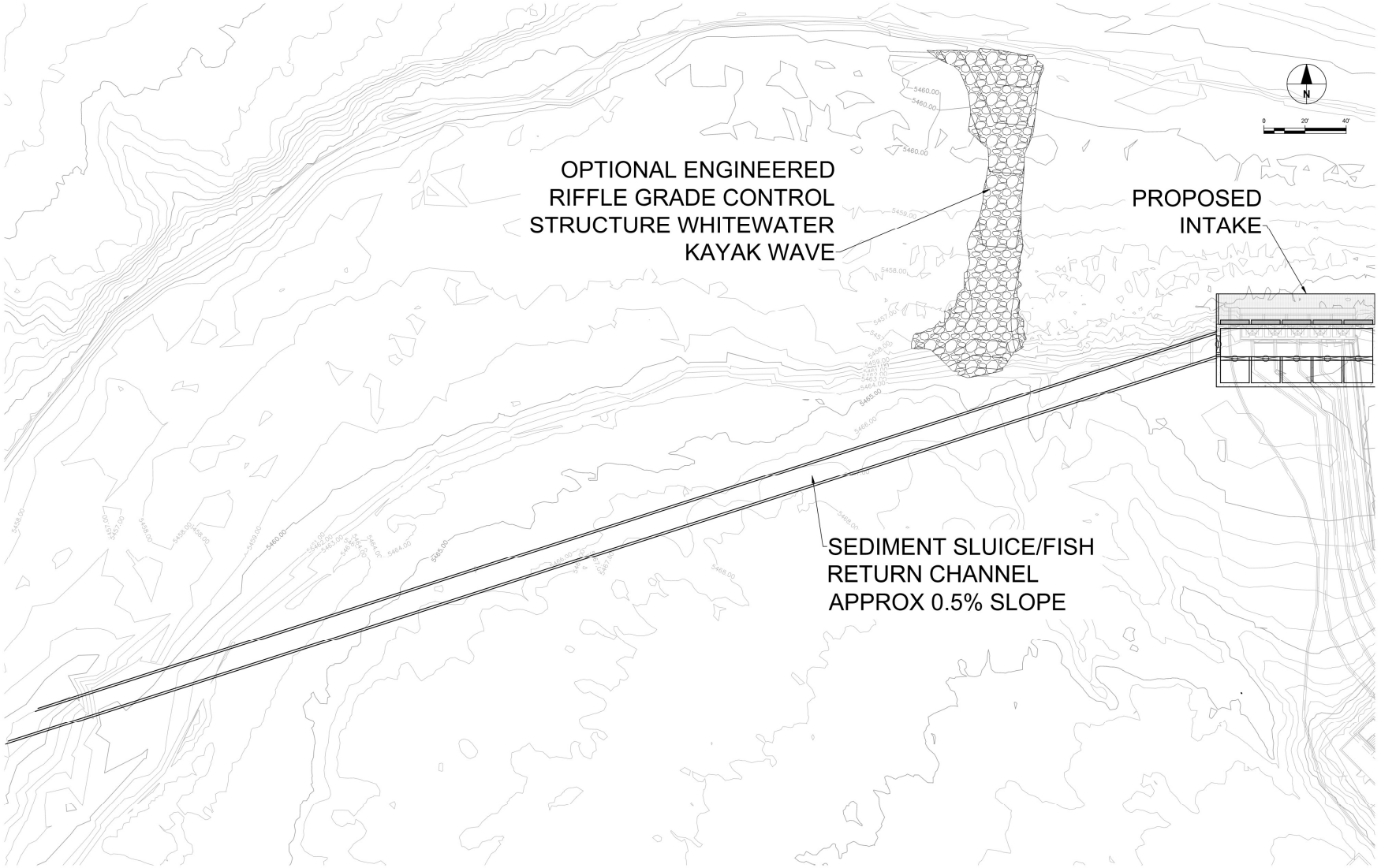
INTAKE CONCPETS

The goal of these concepts is to provide direction to the selected 30% Design Engineering Firm. The three concepts are as follows:

- Replacement / Retrofit
  - Existing footprint
  - Existing intake modified or demolished
  - Alternative engineered riffle/whitewater wave
- New Intake Adjacent to Existing Intake
  - Maintains existing intake
  - Provides redundancy & supply during construction
  - Alternative engineered riffle/whitewater wave
- New Upstream Off-Channel Intake
  - Maintains existing intake.
  - Provides redundancy & supply during construction
  - Alternative engineered riffle/whitewater wave

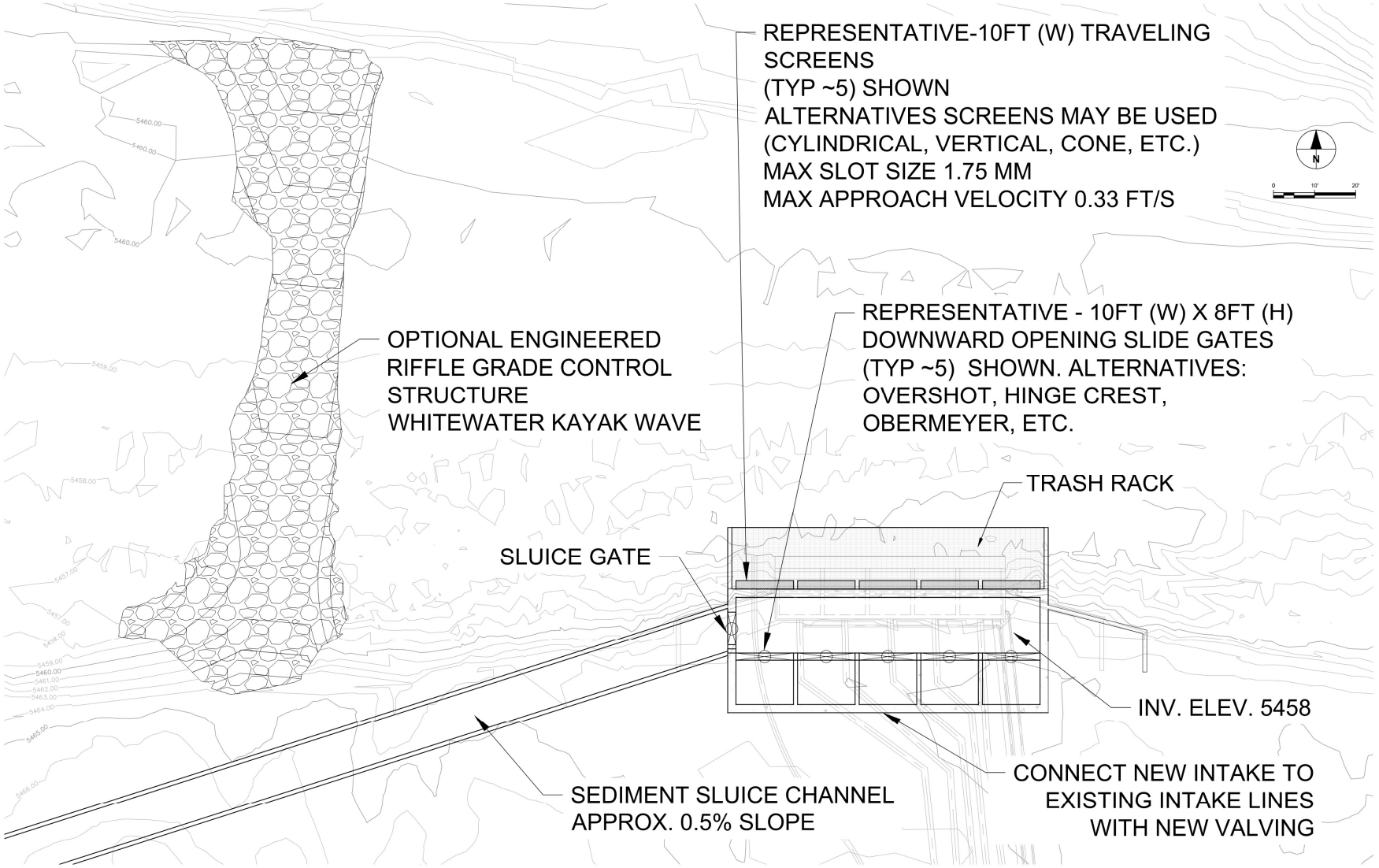
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REPLACE / RETROFIT



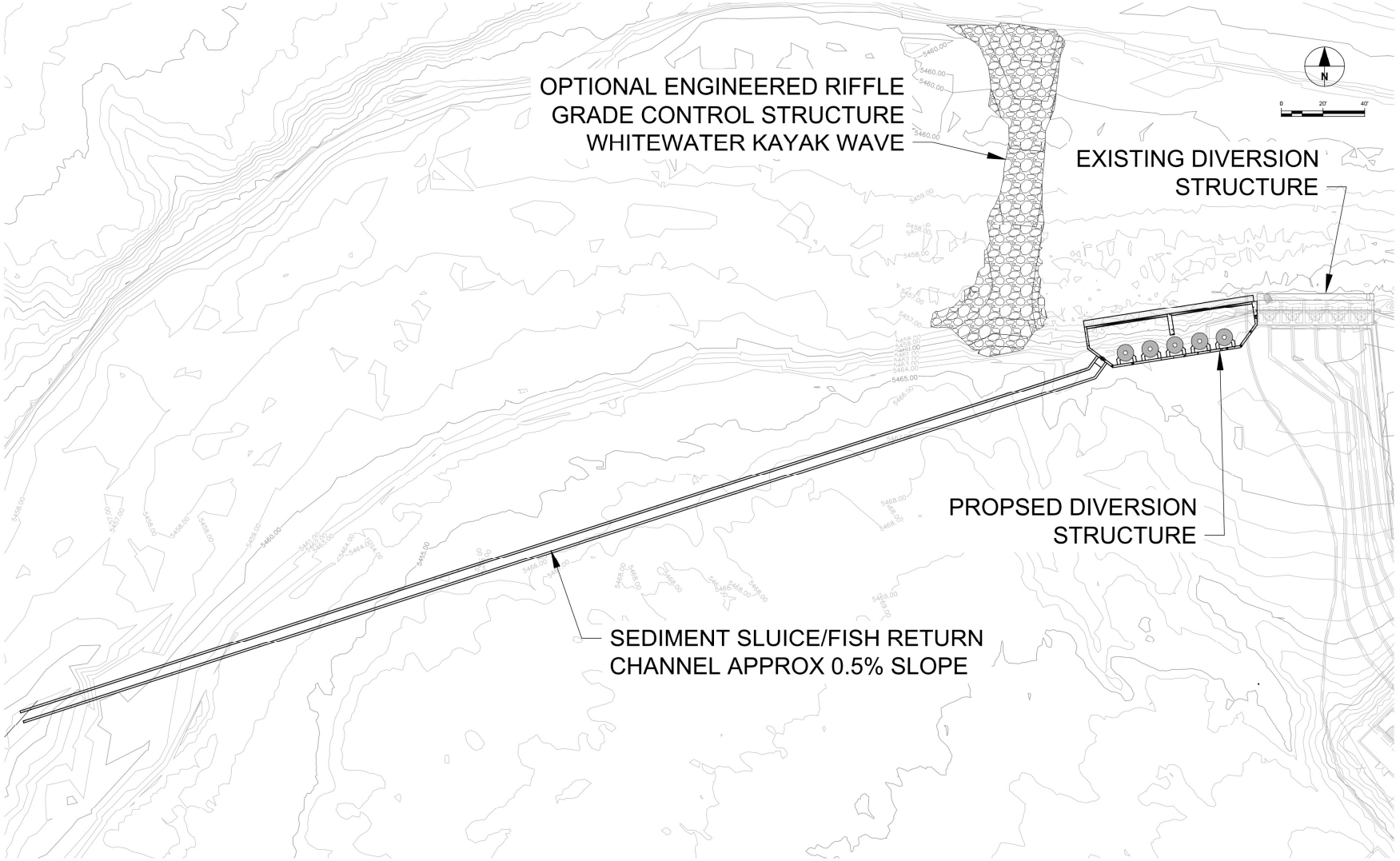
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REPLACE / RETROFIT



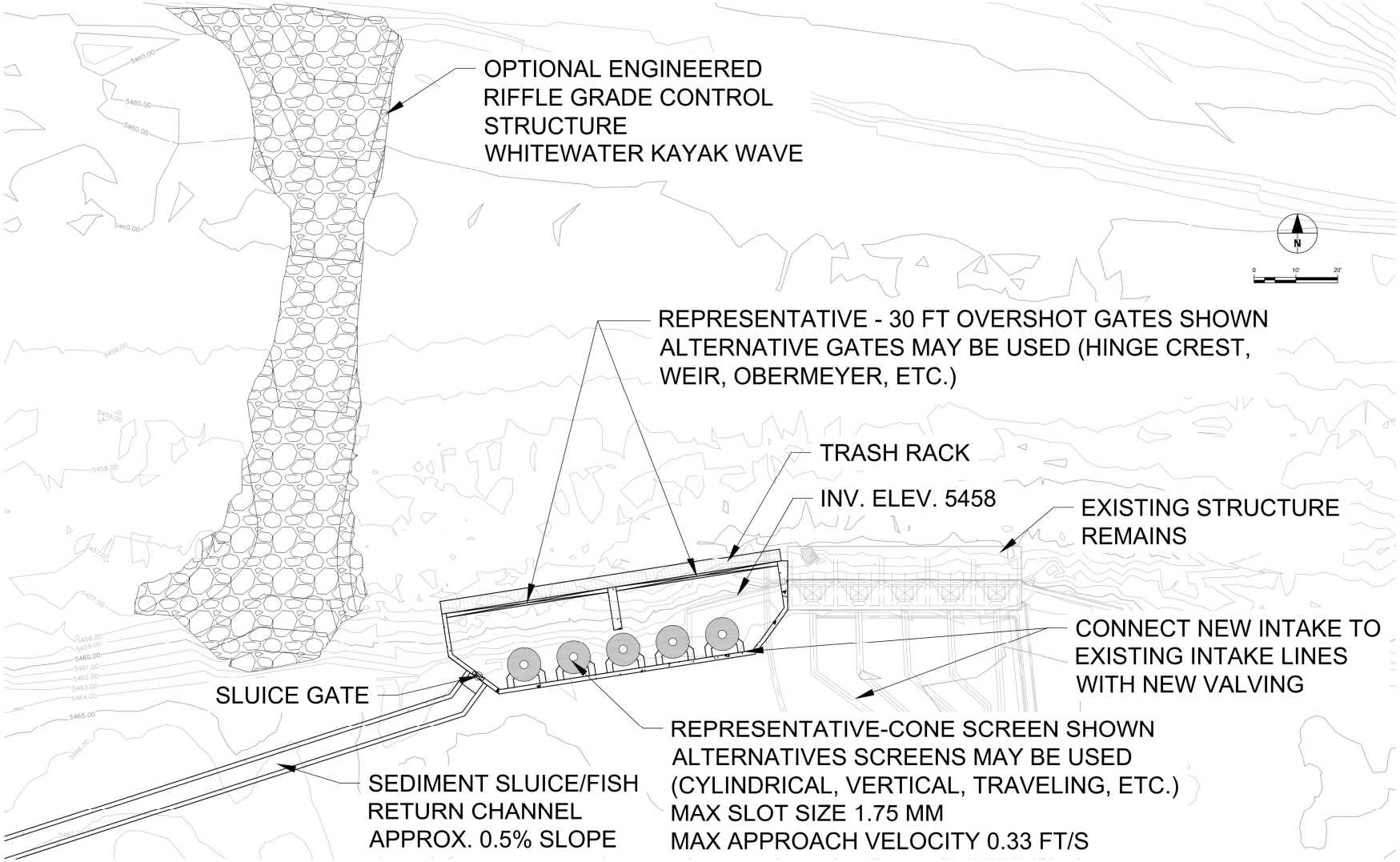
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NEW INTAKE ADJACENT TO EXISTING



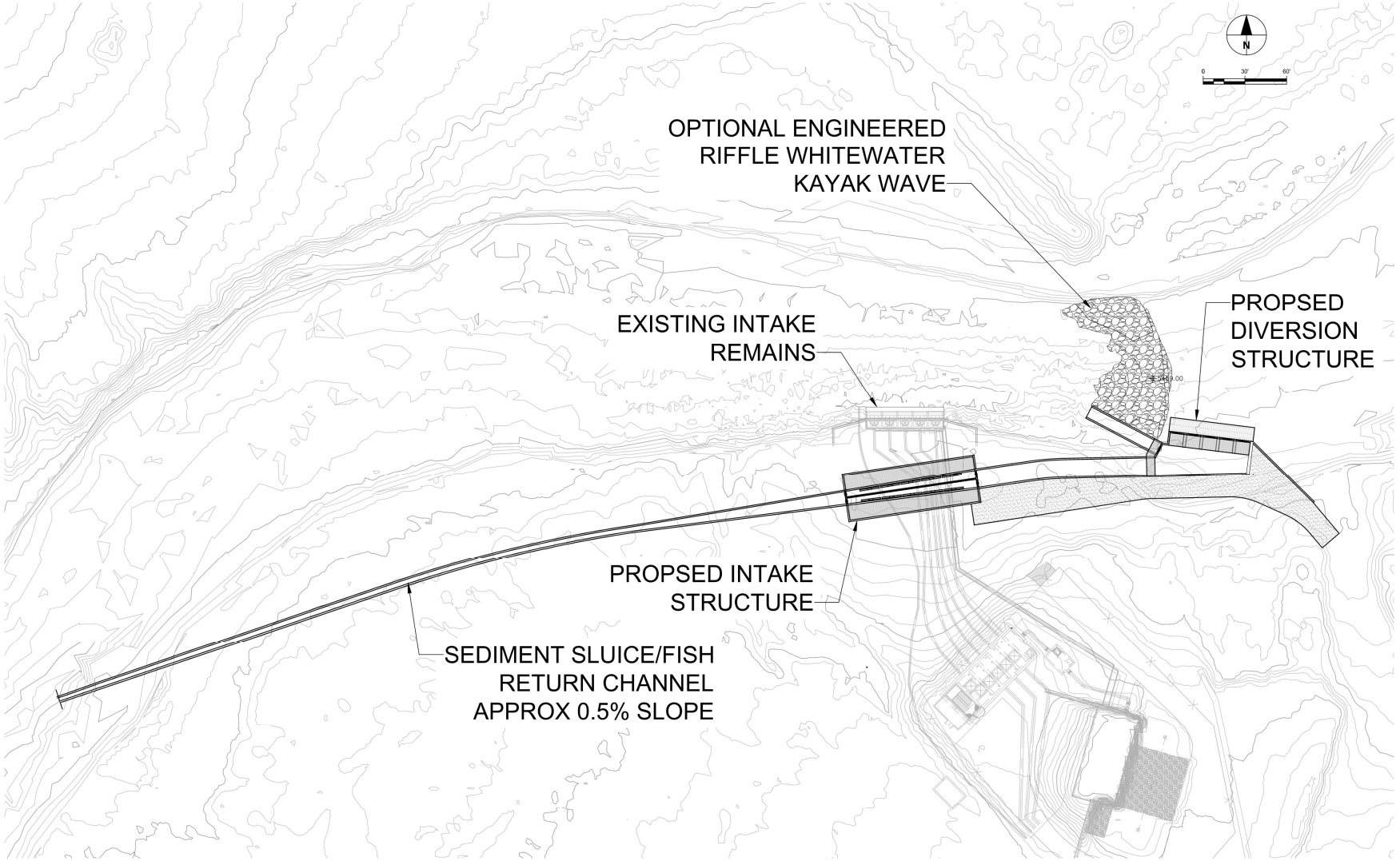
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NEW INTAKE ADJACENT TO EXISTING



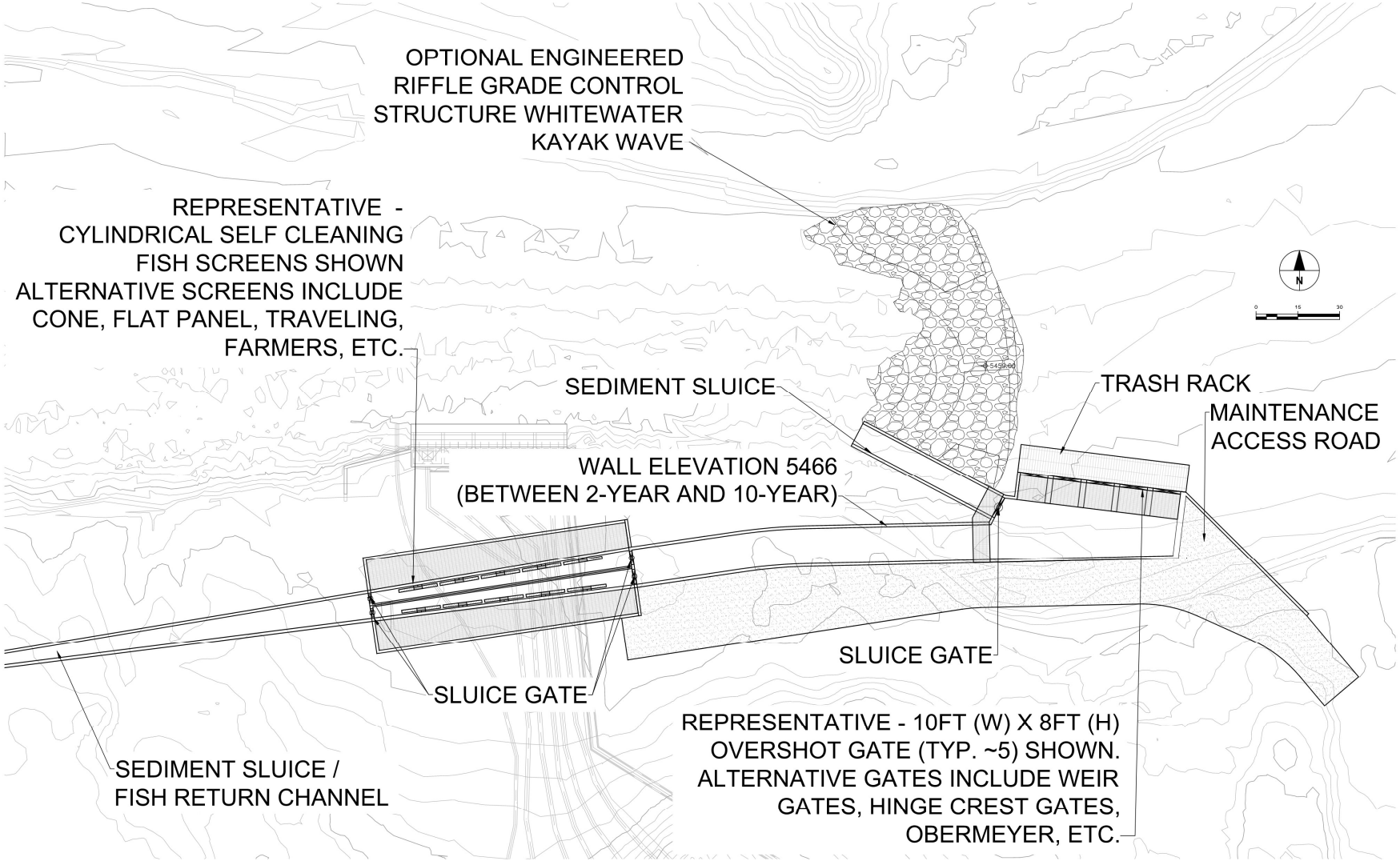
CONCEPTUAL - FOR DISCUSSION ONLY

NEW UPSTREAM OFF CHANNEL INTAKE



CONCEPTUAL - FOR DISCUSSION ONLY

NEW UPSTREAM OFF CHANNEL INTAKE



CONCEPTUAL - FOR DISCUSSION ONLY

NEXT STEPS

CONCEPTUAL - FOR DISCUSSION ONLY

NEXT STEPS

- Finalize three concept layouts
- Finalize feasibility study report and documentation
- Issue final RFQ for Alternatives Analysis and 30% Design

CONCEPTUAL - FOR DISCUSSION ONLY

¿QUESTIONS?

CONCEPTUAL - FOR DISCUSSION ONLY

THANK YOU

CONCEPTUAL - FOR DISCUSSION ONLY

Date: **March 27, 2026**

To: **Buckman Direct Diversion Board**

Via: **Bradley Prada, BDD Facility Manager**

From: **Kurt Traverse, BDD Accounting Support**

Re: **Request for Approval of a General Services Agreement with Andritz Separation, Inc. in the amount of $104,905.00 plus NMGRT**

ITEM AND ISSUE:

Request for approval of a General Services Agreement ("GSA") with Andritz Separation, Inc. to Service and Repair the Water Treatment Plant ("WTP") Centrifuge in the Amount of $104,905.00 plus NMGRT with funding from the Major Repair & Replacement ("MR&R") Fund under New Mexico State Sole Source Original Equipment Manufacturer ("OEM") determination # 60-M0087-25-CP565.

BACKGROUND:

The Buckman Direct Diversion Board ("BDDB") on February 5, 2026, previously approved the BDD Facility Manager to pursue an MR&R project towards repair of the Centrifuge at the WTP. The BDD facility requires specialized repair services by the OEM, under a State of New Mexico Sole Source determination, for continued WTP operation and compliance status.

The scope of work includes disassembly, transport to the OEM's factory for service, and reassembly at the WTP.

ACTION REQUESTED:

BDD Staff recommend approval of a GSA to complete the procurement from Andritz Separation, Inc in the Amount of $104,905.00 plus NMGRT for necessary repairs at the WTP.

APPROVAL:

Approved by BDDB April 2, 2026

_____

Councilor Jamie Cassutt, BDDB Chair

BUCKMAN DIRECT DIVERSION BOARD
GENERAL SERVICES AGREEMENT
WITH ANDRITZ SEPARATION INC.
Centrifuge Service

THIS GENERAL SERVICES AGREEMENT ("Agreement") is made and entered into by and between the Buckman Direct Diversion Board ("BDDB"), and Andritz Separation, Inc. ("Contractor").

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. SCOPE OF WORK

Contractor shall perform and provide the following work: Provide manufacturer authorized repair, service, inspection, and ongoing maintenance for Andritz centrifuge equipment installed and operated at the Buckman Direct Diversion ("BDD") Facility as more fully described in Exhibit A, attached hereto.

2. COMPENSATION

A. The BDDB shall pay to Contractor based upon fixed prices for each Deliverable items as listed here.

DELIVERABLE ITEM: CENTRIFUGE SERVICE INCLUDING PARTS, TAXES AND FREIGHT	
Parts	
Labor	$ 99,905.00
Freight (estimated)	$ 5,000.00
Taxes	
Total	$ 104,905.00

Unless otherwise stated herein, the total Compensation under this Agreement shall not exceed One Hundred Four Thousand Nine Hundred Five Dollars ($104,905.00) plus freight charges and New Mexico gross receipts tax.

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

3. PAYMENT PROVISIONS

All payments under this Agreement are subject to the following provisions:

A. Payment. BDDB shall compensate Contractor based on the itemized amounts and/or rates specified in Exhibit A. For the services and goods described in the scope of work, the BDDB agrees to pay Contractor up to $104,905.00. The services and goods in the Agreement

include GRT. The GRT on this Agreement at 8.1875% equals $8,179.72. The total compensation for the Agreement including GRT is up to $ 113,084.72.

B. The compensation represents a maximum amount. Contractor must notify BDDB when the Services provided under this Agreement approach 90% of compensation total. Services rendered beyond the maximum compensation amount will not be reimbursed unless the Agreement is amended in writing prior to the provision of such services.

C. Invoicing and Payment Terms Payment will be made upon BDDB 's acceptance of deliverables and receipt of a detailed, certified invoice from Contractor. Payments will be sent to Contractor's designated address. BDDB shall issue payment in accordance with the timelines required by law. Invoices must be submitted no later than fifteen (15) days after the Agreement's termination. Late invoices will not be processed or paid.

D. Extended Payment Terms for Grant-Funded Contracts. For grant-funded agreements, BDDB may issue payment within forty-five (45) days following submission of an undisputed payment request.

4. TERM

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED IN WRITING BY THE BDDB. This Agreement shall begin on date approved by the BDDB, and end on June 30, 2027. The BDDB reserves the right to renew the Agreement on an annual basis by mutual agreement not to exceed a total of four (4) years in accordance with NMSA 1978, §§ 13-1-150 through 152.

5. DEFAULT AND FORCE MAJEURE

BDDB reserves the right to cancel all, or any part of any orders placed under this Agreement without cost to BDDB, if Contractor fails to meet the provisions of this Agreement and, except as otherwise provided herein, to hold Contractor liable for any excess cost occasioned by BDDB due to Contractor's default. Contractor shall not be liable for any excess costs if failure to perform the order arises out of causes beyond the control and without the fault or negligence of Contractor; such causes include, but are not restricted to, acts of God or the public enemy, acts of the State or Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather and defaults of sub-contractors due to any of the above, unless BDDB shall determine that the supplies or services to be furnished by the sub-contractor were obtainable from other sources in sufficient time to permit Contractor to meet the required delivery scheduled. The rights and remedies of BDDB provided in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law or under this Agreement.

6. TERMINATION

A. Grounds. BDDB may terminate this Agreement for convenience or cause. For contracts within their authority, BDDB Manager or their designee is authorized to provide the notice of termination, otherwise such notice of termination shall be provided by the Mayor, or their designee as authorized by the Governing Body. Contractor may only terminate this Agreement based upon BDDB's uncured, material breach of this Agreement.

B. Notice: BDDB Opportunity to Cure.

1. BDDB shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give BDDB written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the BDDB's material breaches of this Agreement upon which the termination is based and (ii) state what BDDB must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if BDDB does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, BDDB does not, within the thirty (30) day notice period, notify Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to Contractor (i) if Contractor becomes unable to perform the services contracted for, as determined by BDDB; (ii) if, during the term of this Agreement, Contractor is suspended or debarred BDDB; or (iii) the Agreement is terminated pursuant to Paragraph "Appropriations", of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, BDDB's sole liability upon termination shall be to pay for acceptable work performed prior to Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE BDDB'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

7. AMENDMENT

A. This Agreement shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If BDDB proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Paragraph "Termination" herein, or to agree to the reduced funding.

8. STATUS OF CONTRACTOR

Contractor, and Contractor's agents and employees, are independent Contractors for BDDB and are not employees of BDDB. Contractor, and Contractor's agents and employees, shall not accrue leave, retirement, insurance, bonding, use of BDDB vehicles, or any other benefits afforded to employees of BDDB because of this Agreement. Contractor acknowledges that all sums received hereunder are personally reportable by Contractor for income tax purposes, including without limitation, self-employment tax and business income tax. Contractor agrees not to purport to bind BDDB unless Contractor has written authority to do so, and then only within the strict limits of that authority.

9. ASSIGNMENT

Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of BDDB.

10. SUBCONTRACTING

Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of BDDB. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from BDDB.

11. NON-COLLUSION

In signing this Agreement, Contractor certifies Contractor has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this offer submitted to BDDB.

12. INSPECTION OF PLANT

BDDB may inspect, at any reasonable time during Contractor's regular business hours and upon prior written notice, Contractor's plant or place of business, or any subcontractor's plant or place of business, which is related to the performance of this Agreement.'

13. COMMERCIAL WARRANTY

Contractor agrees that the tangible personal property or services furnished under this Agreement shall be covered by the most favorable commercial warranties Contractor gives to any customer for such tangible personal property or services, and that the rights and remedies provided herein shall extend to the BDDB and are in addition to and do not limit any rights afforded to BDDB by any other clause of this order. Contractor agrees not to disclaim warranties of fitness for a particular purpose or merchantability. This warranty shall commence upon delivery of the goods and shall expire 12 months from initial operation of the goods. Notwithstanding the foregoing, Contractor will have no warranty obligations for the goods under this Paragraph 13: (i) if the goods

have not been stored, installed, operated and maintained in accordance with generally approved industry practice and with Contractor's specific written instructions; (ii) if the goods are used in connection with any mixture or substance, operating condition or operating environment other than that for which they were designed; (iii) if the goods are repaired or modified by someone other than Contractor or have been intentionally or accidentally damaged; (iv) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable. The remedies provided in Paragraphs 13 are BDDB's exclusive remedy for breach of warranty.

14. CONDITION OF PROPOSED ITEMS

Where tangible personal property is a part of this Agreement, all proposed items are to be NEW and of most current production, unless otherwise specified.

15. RECORDS AND AUDIT

During the term of this Agreement and for three years thereafter, Contractor shall maintain detailed records pertaining to the services rendered and products delivered. These records shall be subject to inspection by BDDB, the State Auditor and other appropriate state and federal authorities. BDDB shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of BDDB to recover excessive or illegal payments.

16. APPROPRIATIONS

The terms of this Agreement, and any orders placed under it, are contingent upon sufficient appropriations and authorization being made by the Governing Body for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Governing Body, this Agreement, and any orders placed under it, shall terminate upon written notice being given by BDDB to Contractor. BDDB's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final. If BDDB proposes an amendment to the Agreement to unilaterally reduce funding, Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

17. RELEASE

Contractor, upon final payment of the amount due under this Agreement, releases BDDB, its officers, and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. Contractor agrees not to purport to bind BDDB, unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

18. CONFIDENTIALITY

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

acknowledges that the information that Contractor submits to BDDB in connection with this Agreement and the performance hereof is Contractor's confidential and proprietary information. BDDB agrees not to disclose such information marked as 'confidential' by Contractor to third parties without Contractor's prior written consent. Notwithstanding the foregoing, Contractor understands that such records may be subject to production under the New Mexico Inspection of Public Records Act.

19. CONFLICT OF INTEREST

A. Contractor represents that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement. Contractor shall comply with any applicable provisions of the New Mexico Governmental Conduct Act and the New Mexico Financial Disclosures Act.

B. Contractor further represents that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, NMSA 1978, Chapter 10, Article 16.

C. Contractor's representations in Paragraphs A and B of this Paragraph are material representations of fact upon which BDDB relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to BDDB if, at any time during the term of this Agreement, Contractor learns that Contractor's representations in Paragraphs A and B of this Paragraph were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations in Paragraphs A and B of this Paragraph were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the City and notwithstanding anything in the Agreement to the contrary, BDDB may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this section.

20. APPROVAL OF CONTRACTOR REPRESENTATIVES

BDDB reserves the right to require a change in Contractor's assigned representatives if they are not adequately serving BDDB's needs.

21. SCOPE OF AGREEMENT; MERGER

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreements or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

22. NOTICE

The Procurement Code, NMSA 1978, Sections 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

23. EQUAL OPPORTUNITY COMPLIANCE

Contractor agrees to abide by all federal and state laws, and local Ordinances, pertaining to equal employment opportunity. In accordance with all such laws, rules, and regulations, Contractor agrees to assure that no person in the United States shall on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

24. INDEMNIFICATION

Contractor shall hold BDDB and its employees harmless and shall indemnify BDDB and its employees against any and all third-party claims, suits, actions, liabilities and costs of any kind, including attorney's fees for personal bodily injury or damage to tangible property but only to the extent such loss is caused by and/or arising from the Contractor's negligence, legal fault or omissions of Contractor, its agents, officers, employees or subcontractors. Contractor shall not be liable for any injury or damage as a result of any negligent act or omission committed by BDDB, its officers or employees. For all Contractor's indemnity obligations arising out of or resulting from this Agreement, the Contractor shall have the right to defend and settle all such indemnity claims, provided that (a) BDDB shall be entitled to be represented in the matter by counsel of its choosing at BDDB's sole expense, and (b) in no event shall such settlement include a financial or specific performance obligation on, or admission of liability by, BDDB.

25. NEW MEXICO TORT CLAIMS ACT

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

26. APPLICABLE LAW

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, Section 38-3-2. By execution of this Agreement,

Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

27. LIMITATION OF LIABILITY

Contractor's liability to BDDB, for any cause whatsoever shall be limited to the amounts paid to Contractor for the products and services that are the subject of BDDB's claim. The foregoing limitation does not apply to paragraph "Indemnification" of this Agreement or to damages resulting from personal injury caused by Contractor's negligence. Notwithstanding any other provision in this Agreement except for Contractor's indemnity obligation for third-party claims for bodily injury and tangible property damage caused by or arising out of Contractor's negligence, willful misconduct or legal fault the following limitations of liability shall apply to the maximum extent permitted by applicable law: (a) In no event shall Contractor, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable for loss of profits, in either case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature resulting from, arising out of or connected with the goods or this Agreement or from the performance or breach hereof; (b) The aggregate liability of Contractor, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the goods or this Agreement or from the performance or breach hereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the amounts paid to the Contractor; (c) The limitations and exclusions of liability set forth in this Paragraph 27 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise.

28. INCORPORATION BY REFERENCE AND PRECEDENCE

If this Agreement has been procured pursuant to a request for proposals, this Agreement is derived from (1) the request for proposal, (including any written clarifications to the request for proposals and any BDDB response to questions); (2) Contractor's best and final offer; and (3) Contractor's response to the request for proposals.

In the event of a dispute under this Agreement, applicable documents will be referred to for the purpose of clarification or for additional detail in the following order of precedence: (1) amendments to the Agreement in reverse chronological order; (2) the Agreement, including the scope of work and all terms and conditions thereof; (3) the request for proposals, including attachments thereto and written responses to questions and written clarifications; (4) Contractor's best and final offer if such has been made and accepted by BDDB; and (5) Contractor's response to the request for proposals.

29. WORKERS' COMPENSATION

Contractor agrees to comply with state laws and rules applicable to workers' compensation benefits for its employees. If Contractor fails to comply with the Workers' Compensation Act and applicable rules when required to do so, this Agreement may be terminated by BDDB.

30. INSPECTION

If this Agreement is for the purchase of tangible personal property (goods), final inspection and acceptance shall be made at Destination. Tangible personal property rejected at Destination for non-conformance to specifications shall be removed at Contractor's risk and expense promptly after notice of rejection and shall not be allowable as billable items for payment.

31. INSPECTION OF SERVICES

If this Agreement is for the purchase of services, the following terms shall apply.

A. Services, as used in this Paragraph, include services performed, workmanship, and material furnished or utilized in the performance of services.

B. Contractor shall provide and maintain an inspection system acceptable to the BDDB covering the services under this Agreement. Complete records of all inspection work performed by Contractor shall be maintained and made available to the BDDB and for as long thereafter as the Agreement requires. The BDDB has the right to inspect and test all services contemplated under this Agreement to the extent practicable at all times and places during the term of the Agreement. The BDDB shall perform inspections and tests in a manner that will not unduly delay or interfere with Contractor's performance.

C. If the BDDB performs inspections or tests on the premises of Contractor or a subcontractor, Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of such inspections or tests.

D. If any part of the services does not conform with the requirements of this Agreement, the BDDB may require Contractor to re-perform the services in conformity with the requirements of this Agreement at no increase in contract amount. When the defects in services cannot be corrected by re-performance, the BDDB may:

(1) require Contractor to take necessary action(s) to ensure that future performance conforms to the requirements of this Agreement; and

(2) reduce the contract price to reflect the reduced value of the services performed.

E. If Contractor fails to promptly re-perform the services or to take the necessary action(s) to ensure future performance in conformity with the requirements of this Agreement, the BDDB may:

(1) by contract or otherwise, perform the services and charge to Contractor any cost incurred by the BDDB that is directly related to the performance of such service; or

(2) terminate the Agreement for default.

32. INSURANCE

If the services contemplated under this Agreement will be performed on or in BDD Facilities or property, Contractor shall maintain in force during the entire term of this Agreement, the following insurance coverage(s), naming the BDDB as additional insured.

A. **Commercial General Liability. I**nsurance shall be written on an occurrence basis and be a broad as ISO Form CG 00 01 with limits $2,000,000 per occurrence and $2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Said policy shall include broad form Contractual Liability coverage and be endorsed to name the BDDB their officials, officers, employees, and agents as additional insureds.

B. **Broader Coverage and Limits**. The insurance requirements under this Agreement shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured. It is agreed that these insurance requirements shall not in any way act to reduce coverage that is broader or that includes higher limits than the minimums required herein. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Contractor hereunder.

C. Contractor shall maintain the above insurance for the term of this Agreement and name the BDDB as an additional insured and provide for thirty (30) days cancellation notice on any Certificate of Insurance form furnished by Contractor. Such certificate shall also specifically state the coverage provided under the policy is primary over any other valid and collectible insurance and provide a waiver of subrogation.

33. IMPRACTICALITY OF PERFORMANCE

A party shall be excused from performance under this Agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

34. INVALID TERM OR CONDITION

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

35. ENFORCEMENT OF AGREEMENT

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless

express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

36. PATENT, COPYRIGHT AND TRADE SECRET INDEMNIFICATION

A. Contractor shall defend, at its own expense, the BDDB against any third-party claim that any product or service provided under this Agreement infringes any patent, copyright to trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the BDDB based upon Contractor's trade secret infringement relating to any product or services provided under this Agreement, Contractor agrees to reimburse the BDDB for all costs, attorneys' fees and amount of the judgment. To qualify for such defense and or payment, the BDDB shall:

(1) give Contractor prompt written notice within 48 hours of any claim;

(2) allow Contractor to control the defense of settlement of the claim; and

(3) cooperate with Contractor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in Contractor's opinion is likely to become the subject of a claim of infringement, Contractor shall at its option and expense:

(1) provide the BDDB the right to continue using the product or service and fully indemnify the BDDB against all claims that may arise out of the BDDB's use of the product or service;

(2) replace or modify the product or service so that it becomes non-infringing; or,

(3) accept the return of the product or service and refund an amount equal to the value of the returned product or service, less the unpaid portion of the purchase price and any other amounts, which are due to Contractor. Contractor's obligation will be void as to any product or service modified by the BDDB to the extent such modification is the cause of the claim.

C. All intellectual property embodied in the goods provided to BDDB is the property of Contractor. Contractor grants to BDDB a non-exclusive, royalty-free, non-transferable license to use Contractor's confidential and proprietary information disclosed hereunder for the purpose of the installation, operation, maintenance and repair of the products and services that are the subject of this Agreement only.

37. SURVIVAL

The paragraphs titled "Patent, Copyright, Trademark, and Trade Secret Indemnification; Indemnification; and Limit of Liability" in this Agreement shall survive the expiration of this Agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this Agreement shall survive this Agreement.

38. DISCLOSURE REGARDING RESPONSIBILITY

A. Any prospective Contractor and any of its principals who enter into an agreement greater than sixty thousand dollars ($60,000.00) with the City of Santa Fe or the BDDB for professional services, tangible personal property, services or construction agrees to disclose whether Contractor, or any principal of Contractor's company is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body.

B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.

C. Contractor shall provide immediate written notice to the BDDB if, at any time during the term of this Agreement, Contractor learns that Contractor's disclosure was at any time erroneous or became erroneous by reason of changed circumstances.

D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of Contractor's responsibility and ability to perform under this Agreement. Failure of Contractor to furnish a disclosure or provide additional information as requested will be grounds for immediate termination of this Agreement pursuant to the conditions set forth in Paragraph 7 of this Agreement.

E. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.

F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the Agreement, Contractor is indicted for, or otherwise criminally or civilly charged, by any government entity (federal, state or local) with commission of any offenses named in this Agreement, Contractor must provide immediate written notice to the BDDB. If it is later determined that Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the BDDB may terminate this Agreement for cause. Further, the BDDB may suspend or debar Contractor from eligibility for future solicitations until such time as the matter is resolved to the

satisfaction of the BDDB.

39. SUSPENSION, DELAY OR INTERRUPTION OF WORK

BDDB may, without cause, order Contractor, in writing, to suspend, delay or interrupt the work in whole or in part for such period of time as the City may determine. The Agreement sum and Agreement time shall be adjusted for increases in cost and/or time associated with Contractor's compliance therewith. Upon receipt of such notice, Contractor shall leave the jobsite and any equipment in a safe condition prior to departing. Contractor must assert rights to additional compensation within thirty (30) days after suspension of work is lifted and return to work is authorized. Any compensation requested for which entitlement is granted and the Agreement sum adjusted, shall have profit included (for work completed) and for cost only (not profit) for Contractor costs incurred directly tied to the suspension itself and not otherwise covered by Agreement remedy. Any change in Total Compensation must be reflected in an Amendment executed pursuant to Section "Amendment" of this Agreement.

40. NOTIFICATION

Either party may give written notice to the other party in accordance with the terms of this Paragraph. Any written notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery if delivered by personal service or hand delivery or three (3) business days after being mailed.

To the BDDB:	Bradley Prada, BDD Facilities Manager 341 Caja Del Rio Road Santa Fe, NM 87506 Email: bxprada@santafenm.gov
With a Copy to:	Nancy R. Long BDDB Counsel P.O. Box 5098 Santa Fe, NM 87502-5098 Email: nancy@longkomer.com
To Contractor:	Andritz Separation Inc. Gina Mongardo 1010 Commercial Bld. South Arlington, Texas 76001 USA gina.mongardo@andritz.com

Either party may change its representative or address above by written notice to the other in accordance with the terms of this Paragraph. The carrier for mail delivery and notices shall be the agent of the sender.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of the signature by the required approval authorities below.

BUCKMAN DIRECT DIVERSION BOARD

_____
BDDB Chair
DATE:_____

APPROVED AS TO FORM:

_____
Nancy R. Long
BDDB ATTORNEY

APPROVED FOR FINANCES:

_____
FINANCE DIRECTOR

CONTRACTOR:
Andritz Separation, Inc

_____
NAME

_____
TITLE

DATE:_____

CRS#_____
Registration # _____

_____
Org. Name/Org.#

EXHIBIT A
SCOPE OF SERVICES

Contractor shall perform and provide the following work:

A. General: Provide manufacturer-authorized repair, service, inspection, and ongoing maintenance for Andritz centrifuge equipment installed and operated at the BDD ("BDD") Facility. The centrifuge units are critical to solids handling, treatment efficiency, and regulatory compliance of the facility. All work shall be performed in accordance with original equipment manufacturer (OEM) specifications and industry best practices.

B. **Initial Repair Services**: Contractor shall perform repair services for the Andritz centrifuge rotating assembly, including but not limited to:

1. Diagnosis and evaluation of the rotating assembly
2. Disassembly and inspection of the rotating assembly
3. Repair, refurbishment, or replacement of worn or damaged components
4. Balancing, reassembly, and functional testing
5. Factory-authorized service and quality assurance
6. Return of the repaired unit to operational readiness. All repairs requiring factory work shall be completed at Contractor's authorized service facility. Parts used shall be OEQ or OEM-approved components only.

C. Ongoing Repair and Maintenance Services: Throughout the Agreement period, Contractor shall provide ongoing repair and maintenance services as needed to ensure continued reliable operation of the centrifuge equipment, including:

1. Preventive maintenance inspections
2. Corrective maintenance and emergency repairs
3. Troubleshooting mechanical or operational failures
4. Replacement of wear parts and spare parts as required
5. Technical support and consultation related to equipment performance
6. On-site and off-site services as required by the condition of the equipment. Services may be provided on a scheduled, on-call, or as-needed basis in coordination with BDD operations staff.

D. **Technical Support and Expertise**: Contractor shall provide OEM-qualified technical personnel with demonstrated experience servicing Andritz centrifuge equipment. Contractor shall:

1. Ensure all work complies with OEM standards
2. Maintain equipment performance and operational safety
3. Provide recommendations to extend equipment life and minimize downtime.

4. Parts, Materials, and Freight: Contractor shall supply all necessary OEM or OEM-approved parts, materials, and components required to complete the repair and maintenance services. Freight, shipping, and handling associated with repair services shall be coordinated with the BDD facility and invoiced in accordance with Agreement terms.

E. **Regulatory and Operational Compliance**: All services performed under this Agreement shall support the continued operation of the BDD water treatment facility in compliance with applicable environmental, safety, and operational regulations. Work shall be scheduled to minimize operational disruptions whenever feasible.

F. **Deliverables**: Deliverables under this Agreement may include, but are not limited to:

1. Completed repairs and maintenance services
2. Service reports documenting work performed
3. Recommendations for future maintenance or repairs
4. Documentation of parts replaced and services rendered

G. **Agreement Term Applicability**: This Scope of Work applies to both the initial repair services and all ongoing maintenance and repair activities performed during the full Agreement term, including and renewal periods, if applicable.